

Annual
report

2023





BW Energy is a dynamic oil and gas enterprise engaged in the procurement, enhancement, and extraction of established oil and natural gas reserves.

Contents

BW Energy	4	Sustainability	43	Financial statements	75
CEO's report	4	Commitment to sustainability	44	Consolidated financial statements	76
2023 in brief	6	Safety first – zero harm	45	Parent company financial statements	111
Strategic principles	7	HSEQ framework	46	Auditor's report	124
Energy transition	9	Key sustainability highlights	47		
BW Energy heritage	10	Environmentally conscious operations	48		
Global footprint	11	Operation control KPIs	50	Statements	128
BW Energy assets	12	Cultivating fairness and inclusion	52	Responsibility statement	128
		Ethics and Compliance	54	Alternative performance measures	129
Governance	22	Task Force on Climate Related Financial Disclosures	57	Addresses	130
Directors' report	22	GRI index	60		
Board of Directors	28				
Management	29				
Corporate Governance report	30				
Shareholder information	39				

CEO's report

Making good headway

BW Energy is making good headway executing our strategy for growth and long-term value creation. We have achieved major milestones in Gabon and Brazil and further crystallised the Kudu potential, all while continuing to grow and develop as a company with a diversified asset base and production on both sides of the Atlantic Ocean.

In October, we reached one of our long-term ambitions when touching 50,000 operated barrels per day, confirming the excellent reservoir quality and potential of our fields in Gabon and Brazil. However, we also faced our share of headwinds through delays in execution and equipment challenges, impacting production and testing our patience. These challenges will be sorted out in due course.

BW Energy expects the current high energy demand and prices to continue into 2024 and beyond. With our unique approach, combining active infrastructure-led asset maturation, phased developments of proven resources and repurposing of existing energy infrastructure, we are set to generate significant value for our stakeholders.

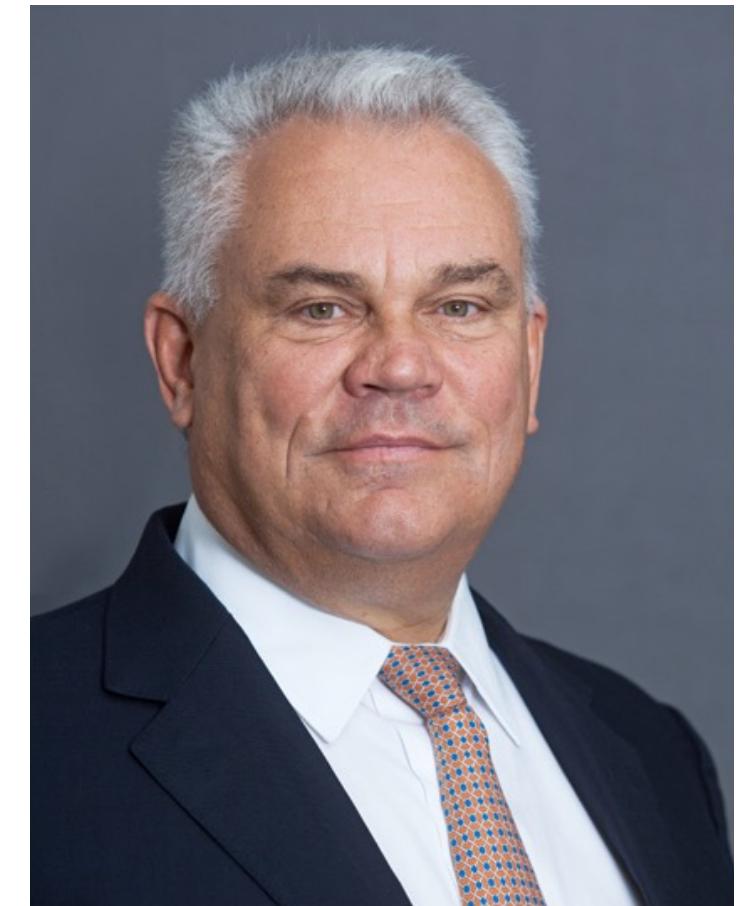
Delivering production growth

In Gabon, we spudded the first Hibiscus well in the Dussafu Marin licence in January 2023 and achieved first oil in April, before bringing three further wells onstream and starting up the second gas

lift compressor on *BW Adolo* FPSO. Shortly after the October production peak, well equipment challenges started to curtail production. We immediately implemented a programme for diagnosis, repair and replacement. Currently, four ESPs (electrical submersible pumps) have been retrieved and sent to the manufacturer for analysis, and we will resolve the situation and produce the deferred barrels.

Fortunately, the challenges are related to equipment and not the reservoir. The Hibiscus reservoir has exceeded our expectations. Full year production from Dussafu ended up at 6.3 million barrels (gross). This was lower than we expected at the start of the year, but still an increase of 63% compared to 2022.

Four Hibiscus wells have been drilled and completed from the *MaBoMo* platform. As part of the Hibiscus / Ruche Phase 1 development programme, we appraised the Hibiscus South satellite



structure and recorded a further substantial oil discovery. The appraisal well has been converted to a producer and is a low-cost and low-risk expansion of the Dussafu production and reserve base. The ongoing drilling programme aims to increase total Dussafu production capacity up to the FPSO nameplate of ~40,000 barrels per day.

Diversifying our production base

In Brazil, we declared ‘first oil’ in August after assuming ownership of FPSO *Cidade de Vitória* and operatorship of the Golfinho and Camarupim Clusters and the BM-ES-23 block. In November, we also took over operations of the FPSO *Cidade de Vitória*. The delayed field takeover affected the accumulated production of 1.34 million barrels of oil for the year. However, daily production at Golfinho has exceeded our expectations since assuming ownership.

We are focused on optimising the Golfinho output and are preparing for two planned infill wells to boost oil and gas production from 2027. We also pivoted the Maromba field development from a subsea project to a dry-tree, well-head platform supported by an FPSO to reduce investments. We expect to complete the

revised development plan in 2024; expected production remains at 30-40,000 barrels per day.

Key enabler for regional energy security

The Kudu field, in the Orange Basin, offers Namibia a path to electrification based on natural gas as a transition fuel with materially lower carbon emissions than the current imported coal power. The Kudu gas-to-power project is a key enabler for the regional energy security and transition. This is supported by our circular development concept of re-purposing a semi-submersible drilling rig to unlock significant resources and long-term value from gas sales.

We have initiated early preparations for a Kudu exploration well following last year’s completion of the 3D seismic survey over the entire licence. Early data interpretations have enhanced our reservoir model and identified multiple new targets. Recent drilling results from adjacent licences also underpin the significant potential of the Orange Basin offshore Namibia.

Executing our growth strategy

We are fully committed to our proven business model of phased development of untapped discoveries to reduce risk, investments

and time from project start to first oil. By re-using existing energy infrastructure, we support energy security, affordability and transition. I would like to extend my gratitude to the entire BW Energy team and the Board of Directors for their dedication and support throughout the year. The hard work is bearing fruit.

We are on track to deliver increased oil production and strong cash generation in 2024 with the completion of the Hibiscus / Ruche Phase 1 development programme, including start-up of production from the Hibiscus South and Ruche fields and ESP replacements, combined with a full-year contribution from Golfinho in Brazil. A strong balance sheet with USD 194 million in cash at the end of 2023, and proven access to global credit markets, support the execution of our long-term growth strategy and commitment to return value to shareholders after Maromba starts producing.



Carl K. Arnet
CEO of BW Energy

2023 in brief



2.34

million

Hours Worked –
BW Energy & contractors

2

Lost time injuries
(LTIs including contractors)

580

mmboe

Certified net
reserves and resources

5.94

mmboe

2023 net production

20.3

mmboe

Net production
inception to date

Key financial figures

	2023	2022
Operating revenue	USD million	507.3
EBITDA	USD million	241.0
EBIT (non-GAAP)	USD million	141.1
Net profit/(loss)	USD million	81.0
Total assets	USD million	1,740.4
Equity	USD million	697.6
Equity ratio	%	40%
Market capitalisation (31 December 2023)	NOK million	6,966
	6,485	6,485

Key events

- Net Income of USD 81 million, increase of 80% over 2022
- Over 70% of 2P reserve replacement for Dussafu
- First Oil from Hibiscus / Ruche development achieved beginning of second quarter
- Completed 3D seismic acquisition over the Kudu licence in second quarter
- Second gas lift compressor installed on FPSO *BW Adolo* with start-up in third quarter
- Acquisition of the Golfinho and Camarupim Clusters offshore Brazil in third quarter
- Acquisition and operations take-over of FPSO *Cidade de Vitória* completed fourth quarter
- Oil Discovery made at Hibiscus South in third quarter
- Reserve Based Lending Facility (RBL) accordion signed in third quarter for \$100M to further develop the Dussafu licence
- Achieved 50,000 barrels operated production per day in fourth quarter

Strategic principles



BW Energy is an independent energy company, utilising existing offshore oil and gas production facilities to reduce development costs, accelerate project delivery and minimise carbon emissions.

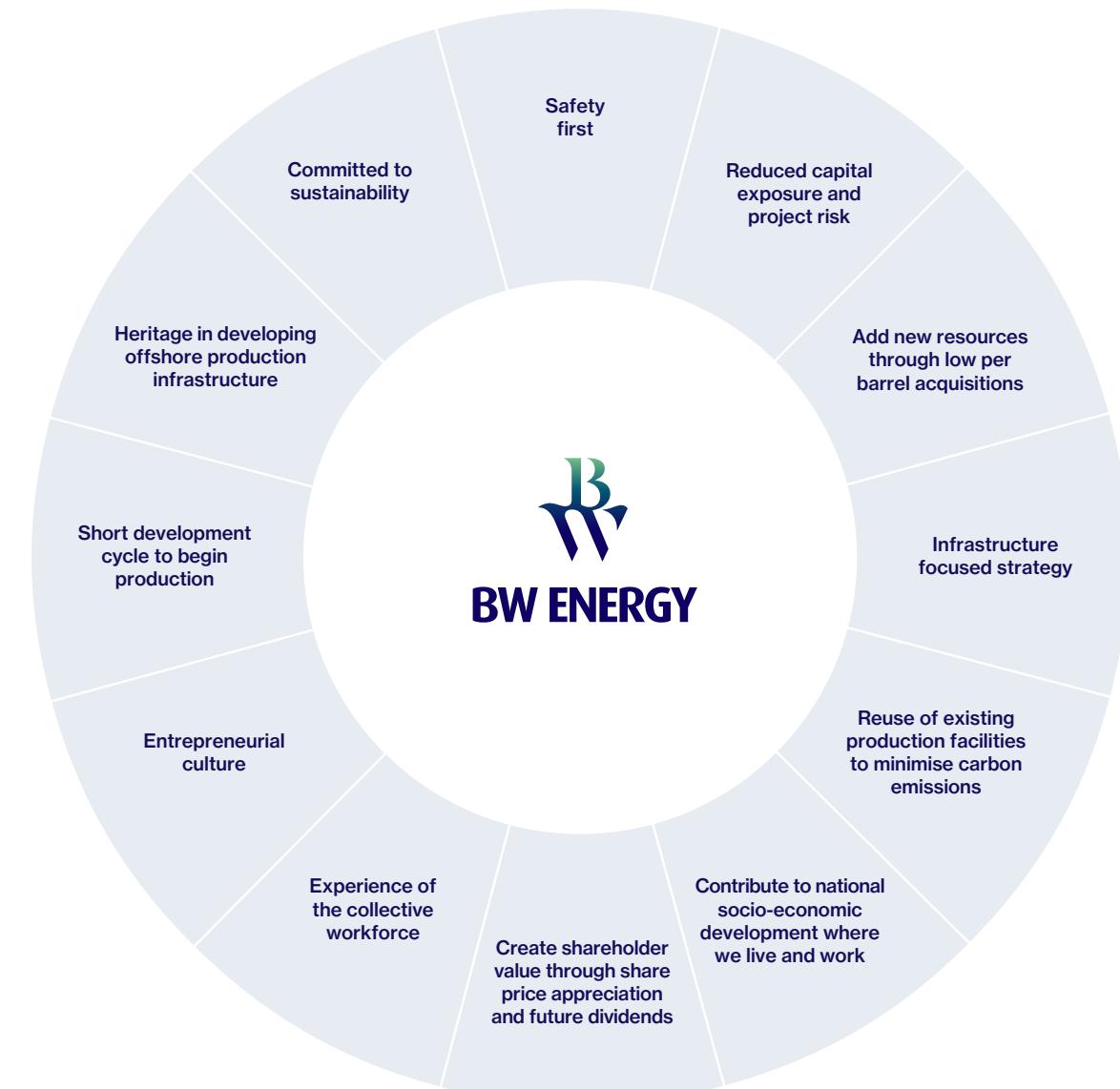
The BW Energy organisation is agile and moves quickly and opportunistically to pursue value. It has succeeded where other oil and gas exploration and production companies have failed to execute a profitable solution. Employing an infrastructure-led development strategy allows for tailored solutions to unlock existing brownfield production and undeveloped greenfield discoveries. This facilitates short lead time from investment decision to cash generation, reduced capital exposure and project risk, while yielding attractive returns at the current forward prices for oil and gas.

Executing its strategy, BW Energy intends to deliver growth, attractive long-term risk-adjusted returns, and strong cash flow generation to the benefit of shareholders through share price appreciation and dividends. BW Energy seeks to create long-term value for its partners, employees, and for the countries in which it operates.

BW Energy integrates sustainability into the company's mindset and business practices to responsibly develop and produce oil and gas fields. BW Energy is committed to efficient, reliable, and compliant operations with zero harm to people, the environment, and the communities in which it operates. Integrated into BW Energy's sustainability strategy is a long-term focus on gas. BW Energy plans to apply its strategy to efficiently develop greenfield and brownfield gas opportunities. For brownfield gas opportunities, BW Energy will acquire fields with existing oil production that can be further developed into long-term gas production. This enables upfront cash generation that will be reinvested to capture additional value from gas sales and potential downstream power generation.

Backed by a highly competent team with exploration and production experience across various disciplines and major basins worldwide, BW Energy benefits from a unique heritage in offshore production infrastructure development. The Company's entrepreneurial culture fosters innovation, driving forward exploration and development programmes. BW Energy strives to ensure that employees, contractors, and suppliers have the right training, tools, and knowledge to support safe execution of its strategy.

BW Energy's proven business model is designed to deliver superior returns and growth at modest investment levels, using proven and tested development concepts and existing infrastructure. The business model is efficient in gaining access to opportunities resulting in lower cost of entry.



Energy transition



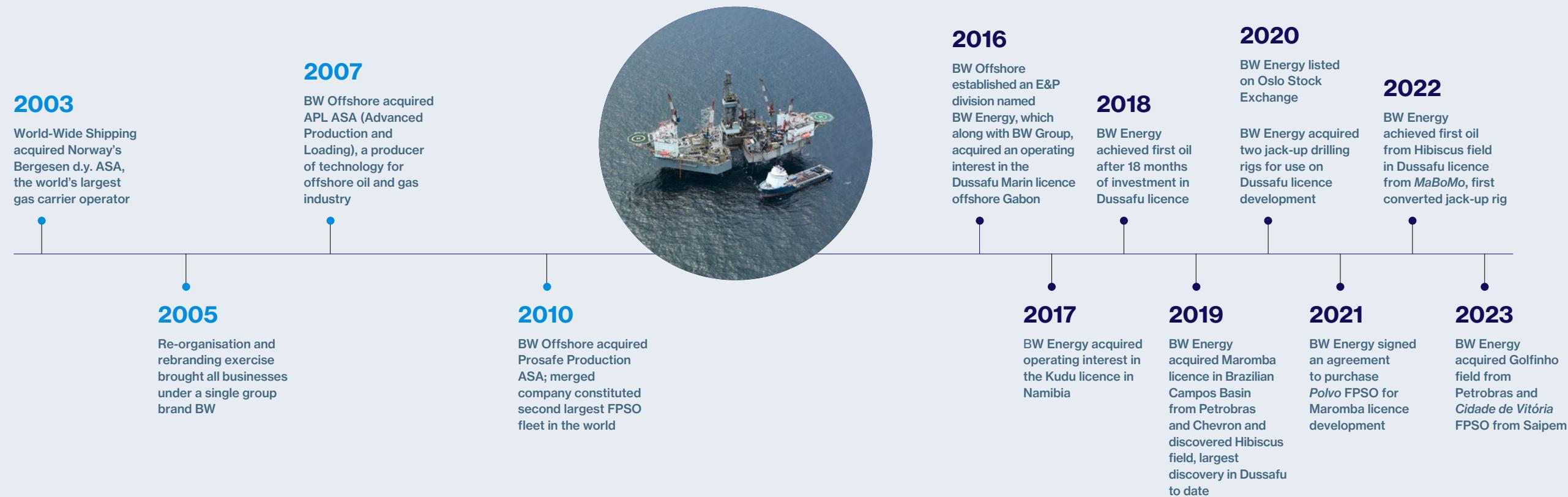
BW Energy foresees oil and gas remaining integral to the world's energy mix for years to come and acknowledges the need to address carbon emissions to combat climate change. BW Energy's strategy enables efficient field developments which support ongoing energy transition, as demonstrated by the solutions-driven approach, the repurposing of an existing field infrastructure providing significant reductions to investments, while reducing the Greenhouse Gas (GHG) emissions relative to a newbuild production asset.

BW Energy considers itself a company that identifies and unlocks value in opportunities that others might overlook. This encompasses exploring diverse technologies to pair with existing infrastructure creating cost-effective solutions for renewable energy generation.

The Company's ambition is to contribute to the global energy transition at a realistic pace that effectively adapts to significant shifts in the energy landscape. For BW Energy, this includes being strategically positioned to contribute to reducing the carbon footprint of oil and gas production while continuing to develop projects in emerging markets.

BW Energy heritage

BW Energy is part of the BW Group, a leading global maritime company involved in shipping, floating gas infrastructure and deepwater oil and gas production, founded in 1955 by Sir YK Pao as World-Wide Shipping. BW Group operates with a clear mission – Delivering energy for the world today and finding solutions for tomorrow.



Global footprint



26%

Women in
leadership positions

190

New joiners
in 2023

89%

Local national employees
in countries in which
BW Energy operates

37

Nationalities

241

Onshore
workers

193

Offshore
workers

BW Energy assets

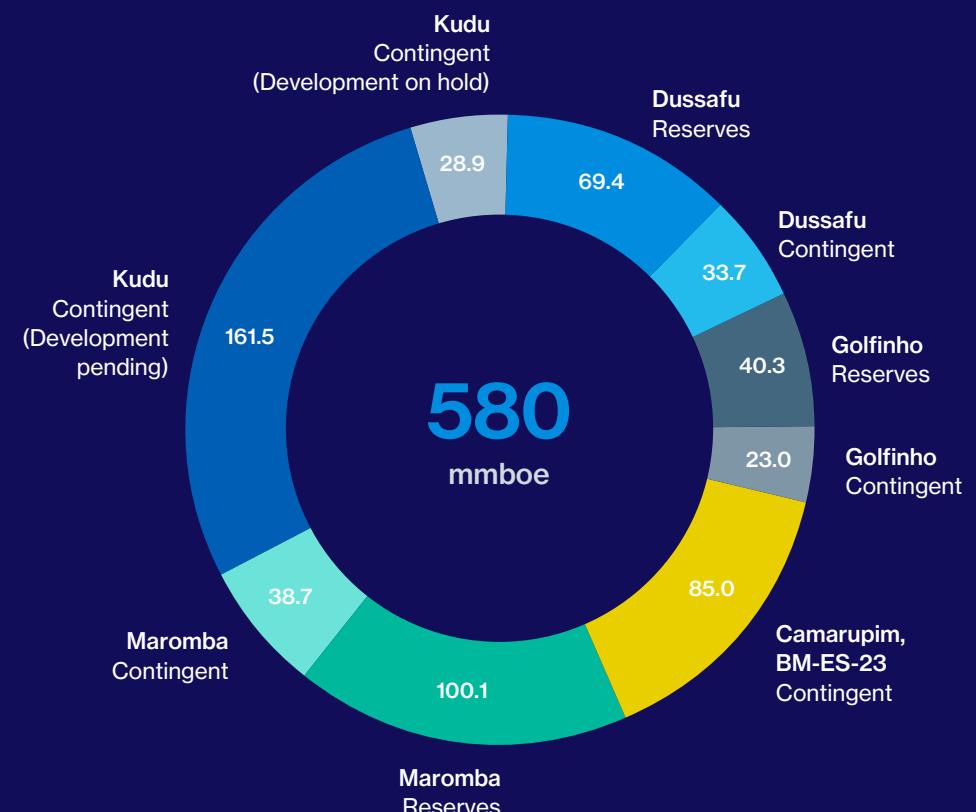
Gabon, Brazil, and Namibia

BW Energy holds eight shallow- and deep-water assets in West Africa and Brazil

Country	Licence	Basin	Status/Phase	Working Interest	
Gabon	Dussafu	Southern Gabon	Operating	73.5%	Operator
Brazil	Golfinho	Espírito Santo	Operating	100%	Operator
	Camarupim	Espírito Santo	Planning	100%	Operator
	Camarupim Norte	Espírito Santo	Planning	100%	Operator
	BM-ES-23	Espírito Santo	Planning	65%	Operator
	Canapu	Espírito Santo	Planning	100%	Operator
	Maromba	Campos	Planning	100% ¹	Operator
Namibia	Kudu	Orange	Planning	95%	Operator

¹ 95% after future farm-out

Net 2P + 2C Reserves & Resources¹



¹ Dussafu as of 31 Dec 2023
Golfinho Cluster as of 31 Dec 2023
Maromba as of 30 Apr 2022
Kudu as of 30 Jun 2022

2P = proved plus probable volumes that will be recovered with 50% probability
2C = quantities of petroleum potentially recoverable, with 50% probability, from known accumulations but not currently considered to be commercially recoverable owing to one or more contingencies

Dussafu Gabon

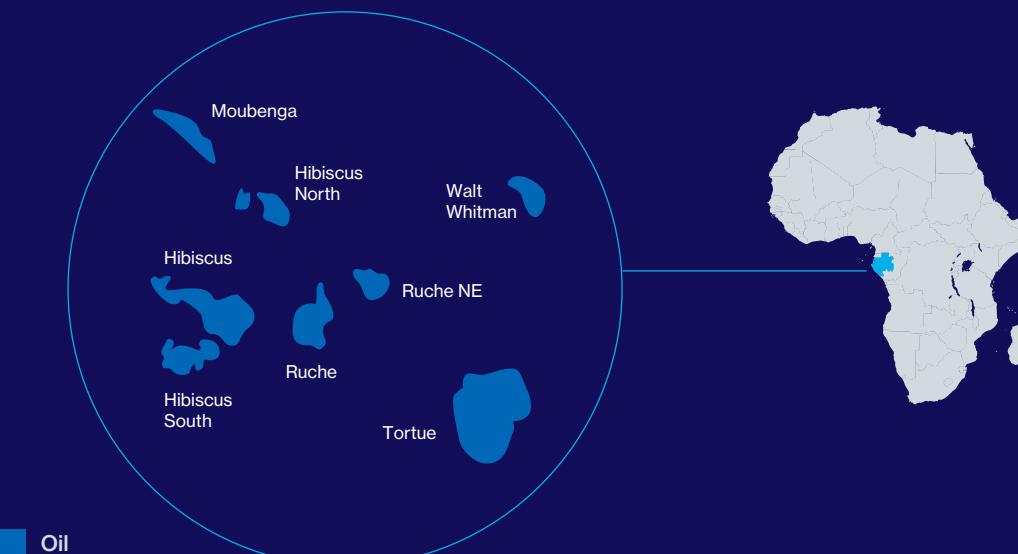


Net reserves & resources



Dussafu averaged a gross rate of approximately 17,100 barrels per day in 2023. Approximately 6.3 million barrels gross were produced in the year.

Production at Dussafu peaked at an all-time high of 40,000 barrels of oil per day, reaching the nameplate capacity of the *BW Adolo* FPSO.



12,600

2023 Average
net bopd

850km²

Licence
area

25mmbls

Gross production
since 2018

116m

Average
water depth

73.5%

Working
interest

Dussafu Gabon

In 2023, Hibiscus field was brought on production through four new wells to the *MaBoMo* facility. While reservoir performance exceeded expectations, the wells were impacted by challenges related to the Electrical Submersible Pumps (ESPs) toward the end of the year. Hibiscus field uptime was 97%, including scheduled downtime. Production from the *MaBoMo* facility is transported to the *BW Adolo* FPSO through a 20 km pipeline.

Another three development wells are planned for 2024 to complete the first phase of Hibiscus / Ruche development, bringing the planned development well count to 13 in the overall Dussafu licence. Gross reserves for this phase are approximately 52.6 million barrels based on third-party estimates.

An appraisal well was drilled at the Hibiscus South prospect and encountered commercial volumes of oil. A development well utilising the top of the appraisal wellbore has been added to the development plan.

At Tortue field, gas lift capacity was increased from four to 12 MMSCF/D in third quarter, increasing production by approximately 3,000 barrels per day initially. Tortue field uptime was 91%, including scheduled downtime.

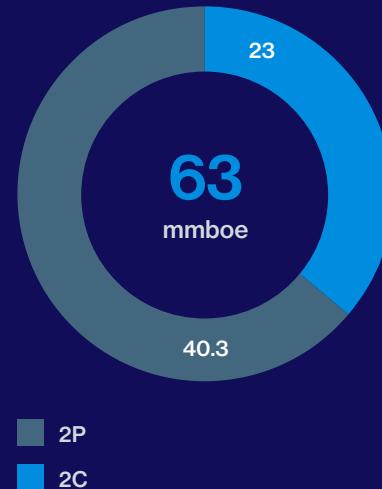
BW Energy Gabon SA hold 73.5% operated interest in the Dussafu licence while Panoro Energy and Gabon Oil Company hold 17.5% and 9% interest, respectively.



Golfinho Brazil



Net reserves & resources



BW Energy acquired the Golfinho licence in August 2023. It is located in the Espírito Santo Basin with water depths between 1,300 and 2,200 metres.

Golfinho hydrocarbons are produced to the FPSO *Cidade de Vitória*, which BW Energy acquired and has operated since November 2023.



10,700

2023 Average net bopd

806km²

Licence area

1.3mmbbls

Gross production since BWE acquisition

1,500m

Average water depth

100%

Working interest

Golfinho Brazil

The Golfinho field has six producing subsea wells in Campanian- and Maastrichtian-aged reservoirs tied to FPSO *Cidade de Vitória*, also owned and operated by BW Energy. The field has been producing since 2007. Crude oil is offloaded to shuttle tankers and gas can be transported to or from shore through a pipeline routed to the Cacimbas Gas Treatment Unit.

In 2023, Golfinho Field averaged a gross rate of approximately 10,700 barrels per day. Approximately 1.3 million barrels gross were produced during the year since BW Energy gained operatorship. The field uptime was 87%, including scheduled downtime.

Gross reserves are 40.3 million barrels of oil equivalent of proven recoverable reserves based on third party estimates. These reserves are predominately oil, of which 26.4 million barrels of oil equivalent are developed and producing and 13.9 million barrels of oil equivalent are undeveloped, defined infill opportunities.

BW Energy Maromba do Brasil Ltda currently holds 100% operated ownership interest in Golfinho.



Camarupim, BM-ES-23 & Canapu Brazil



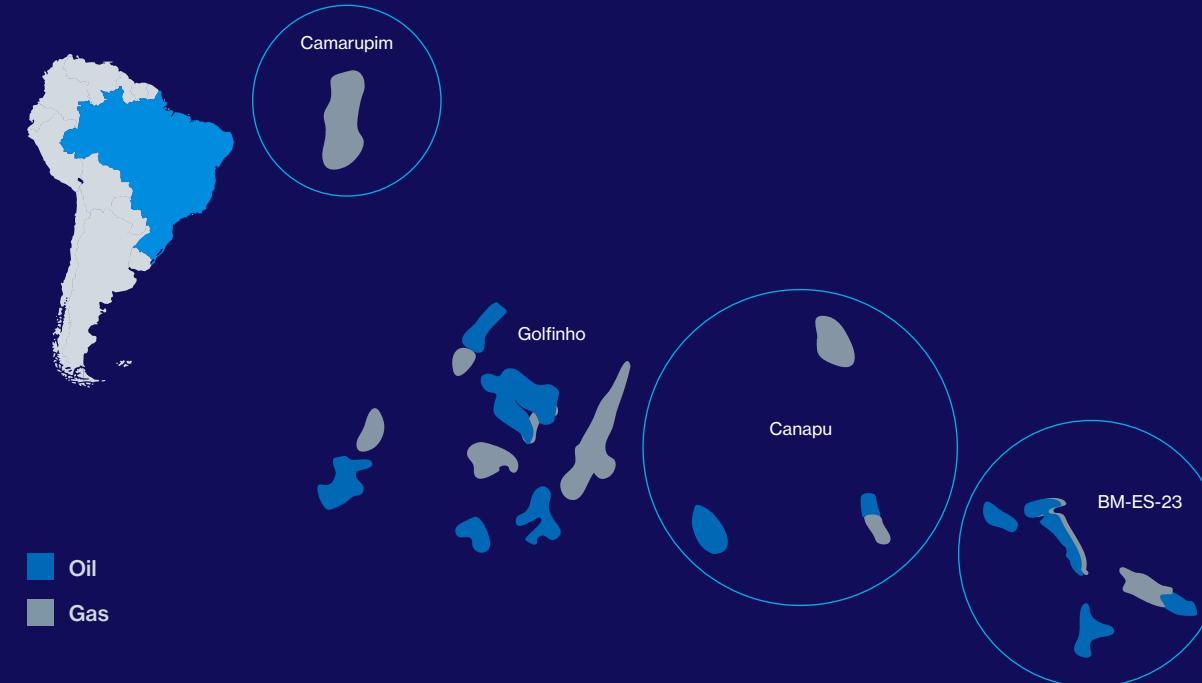
Net Reserves & resources
Camarupim & BM-ES-23



The Camarupim block, located the Espírito Santo Basin, comprises the non-producing gas field of Camarupim.

The BM-ES-23 exploration block holds the Brigadeiro gas and condensate discovery.

BW Energy Maromba do Brasil Ltda currently holds 100% operated ownership interest in Camarupim, Camarupim Norte, and Canapu and 65% operated ownership interest in BM-ES-23.



1,450m

Average
water depth

Camarupim Cluster

100% **79km²**
Working interest Licence area

BM-ES-23

65% **208km²**
Working interest Licence area

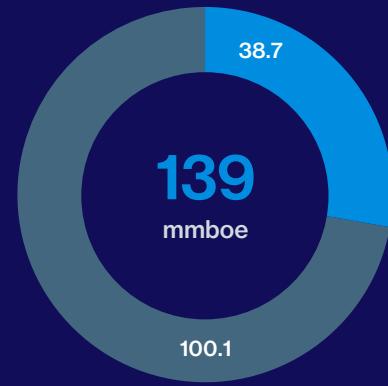
Canapu

100% **238km²**
Working interest Licence area

Maromba Brazil



Net reserves & resources



as of April 2022

The Maromba licence is located in the southern Campos Basin offshore Brazil, approximately 100 km southeast of the city of Cabo Frio. The development concept consists of a dry tree wellhead platform tied to FPSO *BW Maromba*.

FPSO *BW Maromba* was towed to China for refurbishment in late 2023. The development concept will be finalised in 2024 and the project is subject to conclusion of project financing activities.



375km²

Licence area

160m

Average water depth

100%

Working interest

Maromba Brazil

The Maromba development targets the heavy crude oil of 16° API with low relative viscosity and sulphur content in the Maastrichtian reservoir. The wells will be completed with electrical submersible pumps (ESPs) as the artificial lift mechanism. Total average annual oil production at peak is expected between 30-40,000 barrels per day.

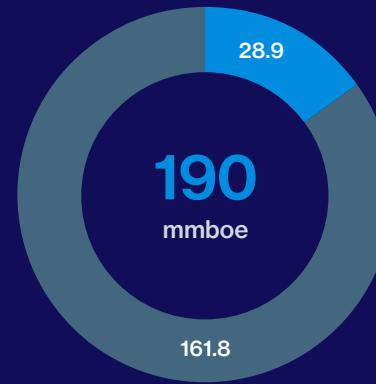
BW Energy Maromba do Brasil Ltda currently holds 100% operated ownership interest. Magma Oil holds a 5% back-in right in the Maromba licence which they are expected to execute upon first oil.



Kudu Namibia



Net reserves & resources



as of June 2022

The Kudu licence is in the northern Orange basin approximately 130 km off the southwest coast of Namibia.

BW Energy is advancing an updated development strategy for the gas-to-power project, incorporating a modified semi-submersible drilling rig to serve as a Floating Production Unit. This repurposed facility will streamline the project timeline and substantially decrease capital investments in comparison to previous development approaches.



4,567km²

Licence area

170m

Average water depth

95%

Working interest

Kudu Namibia

In May 2023, BW Energy completed acquisition of ~5,000 sq km of 3D seismic that will help further enhance the depositional model and identify potential upside targets in the Kudu PPL-003 licence.

The development plan provides concrete financial, schedule, and environmental advantages. Utilising existing facilities also contributes significantly to minimising greenhouse gas emissions related to field development, compared to the resources and efforts required for constructing a new facility.

BW Energy is targeting the provision of power to a burgeoning African market with substantial growth prospects. The development of the Kudu field presents an appealing opportunity for BW Energy to enter the electricity market and potentially establish itself, either fully or partially, as an Independent Power Producer (IPP) through strategic partnerships.

BW Energy currently holds a 95% operated ownership interest. National Petroleum Corporation of Namibia (NAMCOR) holds a remaining 5% working interest with an additional 5% back-in right upon first gas subject to certain conditions.



Directors' report



BW Energy is making good progress in realising the potential of discovered oil assets and delivering sequentially increased production from ongoing field development and acquisition activities. The strategy of phased development of existing discoveries and production assets combined with control of timing of capital expenditures as well as capital at risk, provides attractive risk-reward and has proven robust across oil and gas market cycles.

In 2023, BW Energy produced oil from the Tortue field offshore Gabon with six production wells connected to the *BW Adolo* FPSO, the Hibiscus field in Gabon with four wells drilled during the year from the *MaBoMo* production facility and with the oil piped to the *BW Adolo* for export, and from the Golfinho Field in Brazil with six producing wells connected to the FPSO *Cidade de Vitória*.

Total production amounted to 5.9 million barrels net to BW Energy. Production was impacted by limitations to gas lift capacity on the Tortue field before the new, larger gas lift compressor was installed in July; challenges with the electronic submersible pumps (ESPs) on the Hibiscus field which affected production in the latter part

of the year; and later-than-expected takeover of the Golfinho and Camarupim Clusters from Petrobras.

In early April, BW Energy achieved first oil from the initial well in the Hibiscus / Ruche development on the Dussafu Marin licence (73.5% working interest). An additional three production wells were subsequently drilled and completed from MaBoMo. Well data obtained throughout the Hibiscus / Ruche Phase 1 drilling campaign, including initial production, confirmed a larger accumulation at Hibiscus field, allowing for an increase in Hibiscus reserves. However, well productivity was impacted by ESP challenges, which have deferred production. The programme of diagnosis, repair and replacement of the ESPs is well underway. Full year production from Dussafu Marin licence was at 4.6 million barrels net, an increase of 63% from 2022.

To date, the Hibiscus / Ruche development project has been executed with strong HSE performance as BW Energy recorded two LTIs in 2023 and zero LTIs in 2022.

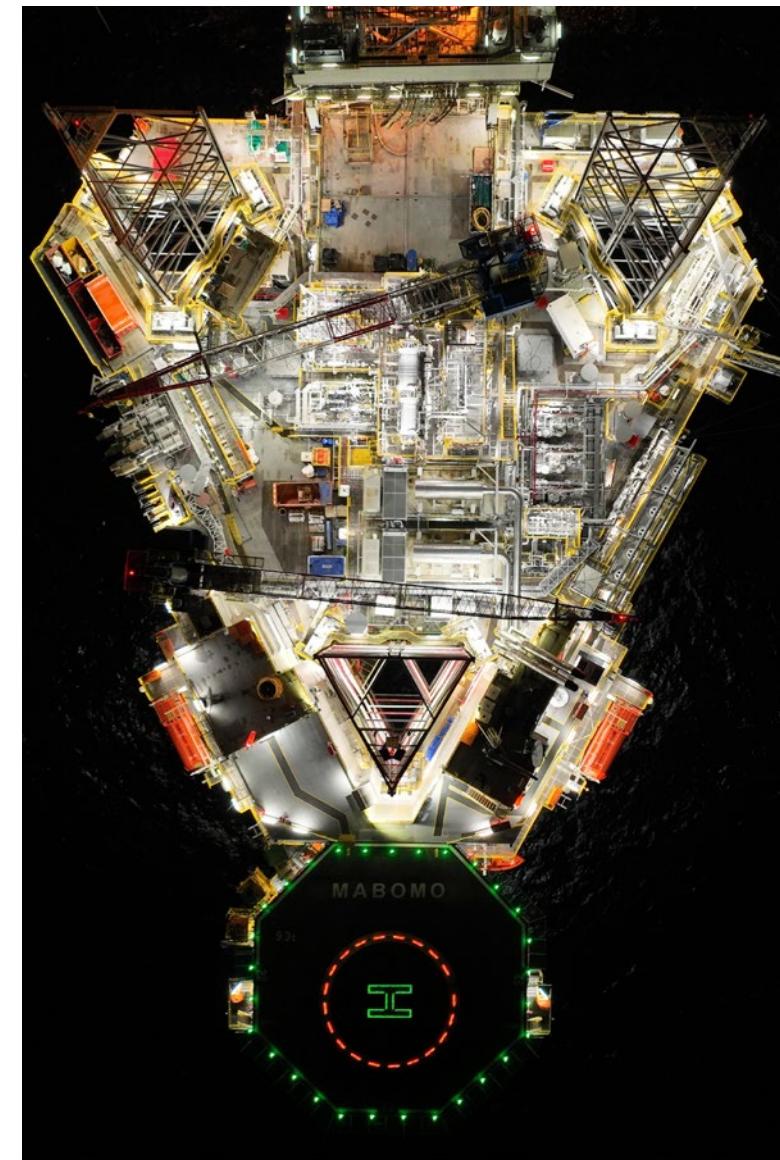
An appraisal well in the Hibiscus South satellite structure was drilled as part of the Hibiscus / Ruche Phase 1 development programme and recorded a further substantial oil accumulation. The well has been converted to a producer and is a low-cost and low-risk expansion of the Dussafu production and reserve base. The drilling programme will extend approximately through mid-2024, with a production well in the Ruche field, an additional Hibiscus production well and completion of the ESP workovers. The drilling programme aims to bring total Dussafu production capacity up to the FPSO nameplate of ~40,000 barrels per day.

In late August, BW Energy assumed 100% operated working interest (WI) in the Golfinho and Camarupim Clusters and 65% WI in the BM-ES-23 block from Petrobras, and in November, the acquisition of FPSO *Cidade de Vitória* from Saipem was completed according to agreed terms. Total production from the Golfinho field was 1.34 million barrels in 2023, with daily production exceeding expectations.

BW Energy continued to mature the Maromba project based on an adjusted development concept with reduced investments based on a well-head platform supported by the FPSO *Polvo*. The revised plan is set to be finalised in 2024. Expected peak annual oil production remains at 30-40,000 barrels per day. The final investment decision remains subject to conclusion of project financing. During 2023, BW Energy paid the first instalment on FPSO *Polvo*, renamed *BW Maromba*, with the final instalment due in April 2024.

In Namibia's Kudu licence, BW Energy holds a 95% working interest, alongside the National Petroleum Corporation of Namibia (NAMCOR) which holds the remaining 5% working interest with an additional 5% back in right upon First Gas subject to certain conditions. In May a new 3D seismic survey of the entire licence was completed. Initial interpretations of the acquired data confirmed the potential of the licence, enhanced the depositional model and de-risked potential targets. The full data set is expected during the first half of 2024. BW Energy has approved ordering long-lead items for an exploration programme.

In parallel, BW Energy progressed the Kudu gas-to-power project in close dialogue with Namibian authorities and the local power



company. It is considered a transformational project for Namibia's power situation with wide local stakeholder support, including political and regulatory bodies. The development concept aims to optimise timeline and capital investments. As with Dussafu, reusing existing energy infrastructure will reduce the project's environmental impact. The timing of the final project sanctioning is subject to realising a project financing solution for the Kudu gas-to-power project as well as negotiating power sales agreements.

Health, safety, security, environment, quality

BW Energy has a zero-harm objective for personnel and the environment in all its operations. BW Energy has established policies for safety, security, occupational health, and environmental management that ensure these objectives are achieved, including the effective management of major accidental hazards, risks, and the mitigation of environmental impact, while ensuring a sustainable business and taking proper care of BW Energy property.

BW Energy recorded zero fatalities in 2023, 2022, and 2021. The Company registered two Lost Time Injuries (LTIs) in 2023 including subcontractors. There were zero LTIs in 2022 and one recorded LTI in 2021. For more information, please see the Sustainability section of this Annual Report.

Operations

The Dussafu gross production averaged 17,100 barrels of oil per day (2022: 10,600). Production increased due the start-up of four Hibiscus wells during the year as part of the Hibiscus / Ruche Phase 1 development programme. The Tortue field uptime was 91% (2022: 89%) while the Hibiscus field uptime was 97%. Production

was, however, deferred due to ESP challenges, as well as by limitations to gas lift capacity on the Tortue field during the first half of the year. The long-term recovery from the Hibiscus and Tortue fields is unaffected.

The Golfinho field uptime was 87% from assumption of operational control on 28 August. Gross production averaged 10,600 barrels of oil per day.

Financial performance

Income statement revenue was USD 507.3 million in 2023 compared to USD 277.6 million in 2022. Total operating expenses were USD 266.3 million compared to USD 123.4 million in 2022.

Earnings before interest, taxes, depreciation, and amortisation (EBITDA) for 2023 were USD 241.0 million compared to USD 154.2 million in 2022.

Operating profit was USD 141.1 million, compared to USD 94.1 million in 2022.

The changes in revenue, EBITDA, and operating profit were mainly due to a higher sales volumes from Dussafu, plus two liftings from Golfinho in the fourth quarter.

Net financial expenses were USD 18.6 million compared to USD 10.3 million in 2022, reflecting the draw down on the RBL and Golfinho prepayment facility.

Tax expense amounted to USD 41.5 million compared to USD 38.8 million in 2022. The increase was primarily related to the higher oil production in 2023.

Net profit for 2023 was USD 81.0 million compared to a net profit of USD 45.0 million in 2022.

Financial position

At 31 December 2023, BW Energy had a total equity of USD 697.6 million compared to USD 615.3 million at 31 December 2022. The year-end equity ratio was 40%, compared to 51% at the end of 2022. The change in the equity ratio primarily stemmed from the growth in assets, which was a consequence of acquiring the Golfinho cluster and FPSO *Cidade de Vitória*.

BW Energy had a total drawn debt balance of USD 380 million at 31 December 2023. During the year, BW Energy completed a USD 100 million accordion to bring the Dussafu Reserve Based Lending (RBL) facility up to USD 300 million in total and signed a one-year USD 80 million prepayment facility with a leading commodity trading company which was used to finance the acquisition of the Golfinho field and the FPSO *Cidade de Vitória*.

Cash flow

Net cash inflow from operating activities was USD 181.0 million compared to USD 168.5 million in 2022. The increase was mainly due to the increased sales volumes in the year.

Net cash outflow from investment activities amounted to USD 326.7 million, compared to USD 238.2 million in 2022. The investments

were mainly related to increased activity on the Dussafu development project, Kudu seismic, as well as the acquisition of the Golfinho and Camarupim Clusters and payments for the *BW Maromba* and *Cidade de Vitória* FPSOs.

Net cash inflow from financing activities was USD 129.1 million, reflecting funds drawn under the RBL accordion and Golfinho pre-payment facilities, net of lease liabilities and interest paid during the year. Net cash inflow was USD 129.6 million in 2022, reflecting funds drawn under the initial RBL facility net of lease liabilities and interest paid.

Total cash balance at 31 December 2023 amounted to USD 194.2 million, including USD 43.4 million in the debt service reserve account, compared to USD 210.8 million and USD 25.0 million, respectively at year-end 2022.

Parent company accounts

BW Energy Limited is a holding company incorporated in 2018. BW Energy reported a net profit of USD 5.6 million for 2023 compared to a net loss of USD 4.3 million in 2022. Losses in the 2022 were primarily due to losses related to crude oil hedges.

Total assets were USD 549.5 million at 31 December 2023. Total shareholders' equity in BW Energy Limited at 31 December 2023 was USD 461.5 million, corresponding to an equity ratio of 84%.

Going concern

Based on BW Energy's overall position at the end of the year, as well as the current outlook, the Board believes BW Energy has

a good foundation for continued operations. The accounts have been prepared on a going concern basis.

Organisation

BW Energy is represented in three major oil and gas regions: Gabon, Brazil, and Namibia, supported by local offices with local staff.

Work environment and culture in BW Energy are considered positive and strong, and there is continuous focus on improvement. Surveys and appraisal interviews are performed regularly to assess the strength of the working culture. In 2023, onshore absence due to sickness was 0.46% (2022: 1.22%) of total hours worked by employees.

BW Energy strives to be an attractive place to work that offers challenging and motivating jobs and equal development opportunities for all. There is no discrimination based on age, gender, gender identity or expression, culture, religion, sexual orientation, disabilities, or any other factor in the organisation with respect to remuneration, promotion, or recruitment.

Corporate Governance

The Board of Directors of BW Energy has adopted a Corporate Governance policy to reflect BW Energy's commitment to good corporate governance. This policy is based on the latest update to the 'Norwegian Guidelines on Corporate Governance', prepared by the Norwegian Corporate Governance Board. BW Energy's Corporate Governance policy complies with the Norwegian Guidelines, with certain deviations, as outlined and explained in the section titled Corporate Governance in this Annual Report.

BW Energy prepares a separate report disclosing material payments made to governments in the countries in which BW Energy operates. The report can be found on the BW Energy website, www.bwenergy.no.

Risk

BW Energy's risk exposure is analysed and evaluated to ensure sound internal control and appropriate risk management based on internal values, policies, and code of ethics. BW Energy is exposed to market risk (including commodity price risk), political risk, climate risk, credit risk, and liquidity risk. Development of oil and gas fields is associated with risks including but not limited to, the price of crude oil, cost overruns, production disruptions, as well as delays compared to initial plans. Some of the most important risk factors are related to the estimation and recoverability of reserves. Changes to energy prices might influence the economic viability of planned developments and anticipated revenues from the production of such developments. BW Energy anticipates ongoing regulatory scrutiny, including potential modifications to taxes or other charges, in connection with climate change. BW Energy expects continued regulatory attention including changes to taxation as it relates to climate change. The overall risk management programme focuses on addressing these risks and seeks to minimise potential adverse effects on the BW Energy's financial performance. The most important operational risk factors are related to the operation of Dussafu and the execution of projects, which could lead to accidents and oil spills to the environment if not managed properly.

BW Energy has limited exposure to the ongoing conflicts in Ukraine and the Middle East and the Company has not been subject to any material impact from the recent political transition in Gabon following its 2023 Presidential election.

Recent global macroeconomic and geopolitical developments have supported higher energy prices amid concerns for regional energy shortages. At the same time, project execution risk has increased with supply chain and logistics challenges, inflationary pressures, and higher interest rates. BW Energy is focused on mitigating potential impact from supply chain challenges and commodity inflation across its development portfolio.

BW Energy's operational activities are subject to tax in various jurisdictions. As assets and production sharing contracts are long-term in nature, BW Energy's results could be exposed to risk of changes to tax legislation.

BW Energy has a broad insurance programme to protect its personnel and subcontractors, the environment – both in operations and development – and BW Energy's assets, investments and properties, onshore and offshore. The programme is placed with rated underwriters, is subject to permanent risk management review and is in compliance with local legislation. BW Energy has also purchased and maintains a Directors and Officers Liability Insurance issued by a reputable, specialised insurer with appropriate rating.

Commodity hedges

BW Energy is trading derivatives for the explicit purpose of managing the risk to its revenue from volatility in commodity prices.



The intent is to hedge against oil price drops that could negatively impact BW Energy's development and growth initiatives. As per BW Energy's hedging guidelines, which incorporates minimum hedge requirements from the RBL facility, BW Energy's approach is to utilise a combination of over-the-counter forwards and options (puts and calls) in such a way to hedge without paying premiums, ensure future cash flow stability for ongoing development projects, and retain exposure to upside.

During 2023, BW Energy entered into commodity price hedges for a total volume of approximately 1.28 million barrels. This was equivalent to approximately 24% of the 2023 net production entitlement. BW Energy has recognised crude oil hedge gains in the amount of

USD 7.0 million in 2023, of which USD 0.2 million were realised in the period. BW Energy does not apply hedge accounting.

At the end of 2023, BW Energy had entered into hedges for a total volume of 1.3 million barrels for 2024 and 2025, of which approximately 74% were for 2024.

Subsequent events

On 12 January 2024, BW Group Limited completed a mandatory offer to acquire all shares in BW Energy Limited at NOK 27 per share. The Offer was launched on 13 December 2023. The Offer was accepted for a total of 30,589,179 shares, bringing the BW Group's total shareholding to 133,791,649 shares, or approximately

51.9% of the issued share capital and voting rights in the Company. On 22 January, BW Group acquired all 58,111,461 BW Energy shares held by BW Offshore Ltd for NOK 32 per share, bringing the total holding to 191,903,110 shares, or approximately 74.4% of the shares outstanding.

Outlook

BW Energy continually prioritises safety first with zero harm as an overriding objective for people and the environment. BW Energy is substantially reducing its carbon footprint by developing discovered oil and gas resources through large-scale repurposing of existing production infrastructure.

BW Energy 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 softening of macroeconomic drivers during 2023 as geopolitical conflict, global supply chain challenges, inflation, and higher interest rates impacted

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 while preparing for drilling of two new production wells in 2027. This should further support significant positive cash flow at current oil price levels.

27 February 2024



Mr Andreas Sohmen-Pao
Chairman



Ms Hilde Drønen
Director



Mr William Russell Scheirman
Director



Mr Tormod Vold
Director



Mr Marco Beenen
Director



Ms Ana Zambelli
Director

Board of Directors



Andreas Sohmen-Pao
Chairman

- Chairman of BW Group, BW Offshore, BW LPG, BW Epic Kosan, Hafnia, Cadeler and the Global Centre for Maritime Decarbonisation
- Trustee of the Lloyd's Register Foundation
- BA (Hons) from Oxford University, UK and MBA from Harvard Business School, USA



Marco Beenen
Director

- CEO of BW Offshore
- Former President of GustoMSC and former Vice President Engineering with SBM Offshore
- M.Sc. from Delft University of Technology, Netherlands



Hilde Drønen
Director (Independent)

- More than 30 years of experience from the oil service Industry
- Currently CFO in DOF Group ASA
- Experience as director in several energy companies within O&G and Renewables
- Master's Degree from Norwegian Business School (BI) Oslo and MBA from Norwegian School of Economics (NHH), Bergen



Russell Scheirman
Director (Independent)

- More than 35 years in oil & gas industry
- Held senior positions at McKinsey, ExxonMobil and VAALCO (1991-2015)
- B.S. & M.S. in Mechanical Eng. from Duke University, MBA from California Lutheran University, USA



Tormod Vold
Director (Independent)

- More than 34 years of experience from Royal Dutch Shell's international operations
- Former Technical Director for Shell Gabon (2010-2014)
- M.Sc. from Norwegian University of Science and Technology (NTNU), Norway
- Shell Leadership Development Programs & Business Leadership INSEAD



Ana Zambelli
Director (Independent)

- More than 23 years of international oil and gas experience
- Former Managing Director of Brookfield Private Equity Inc.
- M.Sc. from Heriot-Watt University in Scotland, B.S. from Federal University of Rio de Janeiro, Brazil
- Holds post graduate certifications from Columbia University and MIT

Audit Committee	Gender	Technical & Commercial Committee	Gender	Remuneration Committee	Gender
Hilde Drønen	F	Russell Scheirman	M	Andreas Sohmen-Pao	M
Russell Scheirman	M	Tormod Vold	M	Ana Zambelli	F

Management



Carl K. Arnet
Chief Executive
Officer

- Director BW Offshore
- Former CEO BW Offshore, APL Plc
- Board member of Den Norske Krigsforsikring for Skib
- Held senior operating positions at Norsk Hydro (E&P division)
- M.Sc. from Norwegian University of Science and Technology (NTNU) and MBA from Norwegian School of Management (BI), Norway



Knut R. Sæthre
Chief Financial
Officer

- Former CFO of BW Offshore and Managing Director of BW Offshore Norway
- Finance Director of APL Plc and President of APL Norway
- More than 30 years of international experience from Aker and ABB
- Lic.rer.pol.degree from the University of Fribourg, Switzerland and an MBA from Norwegian School of Economics and Business Administration (NHH), Norway



Lin Espey
Chief Operating
Officer

- Former Head of E&P BW Offshore
- 30 years of E&P experience from British Gas, BP, VAALCO and Memorial Resource Development
- Member of The University of Texas System Chancellor's Council
- B.Sc. in Petroleum Engineering from The University of Texas at Austin



Thomas Kolanski
Chief Commercial
Officer

- Former SVP of Business Development and GM BW Offshore USA
- Joined BW Offshore in 2013, part of the strategic E&P development
- Doctor of Law from South Texas College of Law
- B.Sc. in Mechanical Engineering from The University of Texas



Thomas Young
Chief Strategy
Officer

- Former SVP of Commercial Strategy & Analysis BW Offshore
- Joined BW Offshore in 2012, developing E&P strategic initiative
- Bachelor of Commerce from Griffith University, Australia
- Double major in Finance and Economics



Tara Leiter
Executive Vice President
and General Counsel

- Former Senior Lawyer at ExxonMobil and Blank Rome
- Over 20 years of experience in oil and gas, maritime, governance, trading/hedging, and large project finance
- Bachelor and two Master of Laws (International Law and Maritime Law), Malta
- Licensed to practice law in the United States and England



Liana Almeida
Senior Vice President
of Human Capital

- Former VP of Human Resources for Wellbore Technologies Business Segment - NOV
- Broad Human Resources industry experience from major E&P Service Companies in US, Latin America, and Africa
- MBA in Human Resources from Pontifícia Catholic University of Rio de Janeiro, Brazil
- Rice Advancement Management Program

Corporate Governance report



BW Energy Limited is a Bermuda limited liability company listed on Oslo Børs, part of Euronext (Oslo Stock Exchange).

BW Energy Limited (hereinafter 'BW Energy') and its activities are primarily governed by the Bermuda Companies Act, its Memorandum of Association, and its Bye-laws. Certain aspects of BW Energy's activities are governed by Norwegian law pursuant to the Listing Agreement between the Oslo Stock Exchange and BW Energy. In particular, the Norwegian Securities Trading Act and the Norwegian Stock Exchange Regulations will generally apply.

1. Implementation and reporting on corporate governance

The BW Energy Board of Directors (the 'Board') is of the opinion that the interests of BW Energy, and its shareholders taken as a whole, are best served by the adoption of business policies and practices which are legal, compliant, ethical, and open in relation to all dealings with customers, potential customers and other third parties. These policies are fair and in accordance with market practice in relationships with employees and are also sensitive to reasonable expectations of public interest.

The Board, therefore, commits BW Energy to good corporate governance and has adopted the most current version of the Norwegian Code of Practice for Corporate Governance (the 'Code') dated 14 October 2021, prepared by the Norwegian Corporate Governance Board.

The Board provides an overall overview of BW Energy's corporate governance practices in BW Energy's Annual Report. The overview addresses each individual point of the Code and provides an explanation and description of the chosen alternative approach if BW Energy's practice varies from the Code. On 31 December 2023, BW Energy's practices did not comply with the following recommendations of the Code:

- Section 2 (Business): BW Energy's objectives are wider and more extensive
- Section 3 (Equity and Dividends): Board's powers to issue and purchase shares are neither limited to specific purposes nor to a specified period
- Section 5 (Shares and negotiability): The Board may decline to register the transfer of any share if the transfer results in BW Energy being deemed a 'Controlled Foreign Company' in Norway
- Section 8: The composition of the Board does not meet the recommended gender guidelines of the Code

2. The Business

In accordance with common practice for Bermuda incorporated companies, BW Energy's objectives as set out in BW Energy's Memorandum of Association are wider and more extensive than recommended by the Code.

The Board is responsible for and leads BW Energy's strategic planning, including the definition of clear objectives, strategies and risk profile for BW Energy's business activities, such that BW Energy creates value for the shareholders and affected stakeholders in a sustainable manner. BW Energy's objectives, main strategies, and risk profile are reviewed annually, are described in the annual report, and consider financial, social, and environmental factors.

BW Energy has implemented corporate values, ethical guidelines, and guidelines for corporate social responsibility. These values and guidelines are described in BW Energy's Code of Ethics and Business Conduct and internal policies, as well as in the Sustainability section included in the annual report.

3. Equity and Dividends

On 31 December 2023, BW Energy's consolidated equity was USD 697.6 million, which is equivalent to 40% of total assets. The Board continuously evaluates BW Energy's capital requirements to ensure that BW Energy's capital structure is suitable considering BW Energy's objectives, strategies, and risk profiles.

Pursuant to BW Energy's Bye-laws, the Board is authorised to declare dividends to the shareholders. The following dividend policy has been approved by BW Energy's Annual General Meeting ('AGM') and is published on BW Energy's website:

'BW Energy has an objective to generate long-term member returns which will be achieved through growth and dividend payments. BW Energy targets a dividend based on a pay-out ratio of up to 50% of annual net profit, adjusted for extraordinary items. The timing and

amounts for such dividend payments will be decided by the Board, considering overall financial condition, capital requirements, including capital expenditure commitments, and general business conditions.'

Pursuant to Bermuda law and common practice for Bermuda incorporated companies, the Board has wide powers to issue any authorised unissued shares in BW Energy on such terms and conditions as it may decide and may exercise all powers of BW Energy to purchase BW Energy's own shares.

The powers of the Board to issue and purchase shares are neither limited to specific purposes nor to a specified period as recommended in the Code.

4. Equal treatment of shareholders

BW Energy has one class of shares. Each share in BW Energy carries one vote, and all shares carry equal rights, including the right to participate in general meetings. All shareholders shall be treated on an equal basis unless there is just cause for treating them differently.

Pursuant to Bermuda law and common practice for Bermuda incorporated companies, the shareholders of BW Energy do not have pre-emption rights in share issues unless otherwise resolved by BW Energy. The Code requires that any decision to issue shares without pre-emption rights for existing shareholders shall be justified. In the event that BW Energy waives the pre-emption rights of existing shareholders, the Board of Directors will explain the justification in the stock exchange announcement issued in connection with the increase in share capital. There were no share issues in 2023.

Any transactions BW Energy carries out in its own shares shall be carried out either through the Oslo Stock Exchange or with reference to prevailing stock exchange prices if carried out in another way. If there is limited liquidity in BW Energy's shares, BW Energy shall consider other ways to ensure equal treatment of all shareholders. There were no transactions in its own shares in 2023.

5. Shares and negotiability

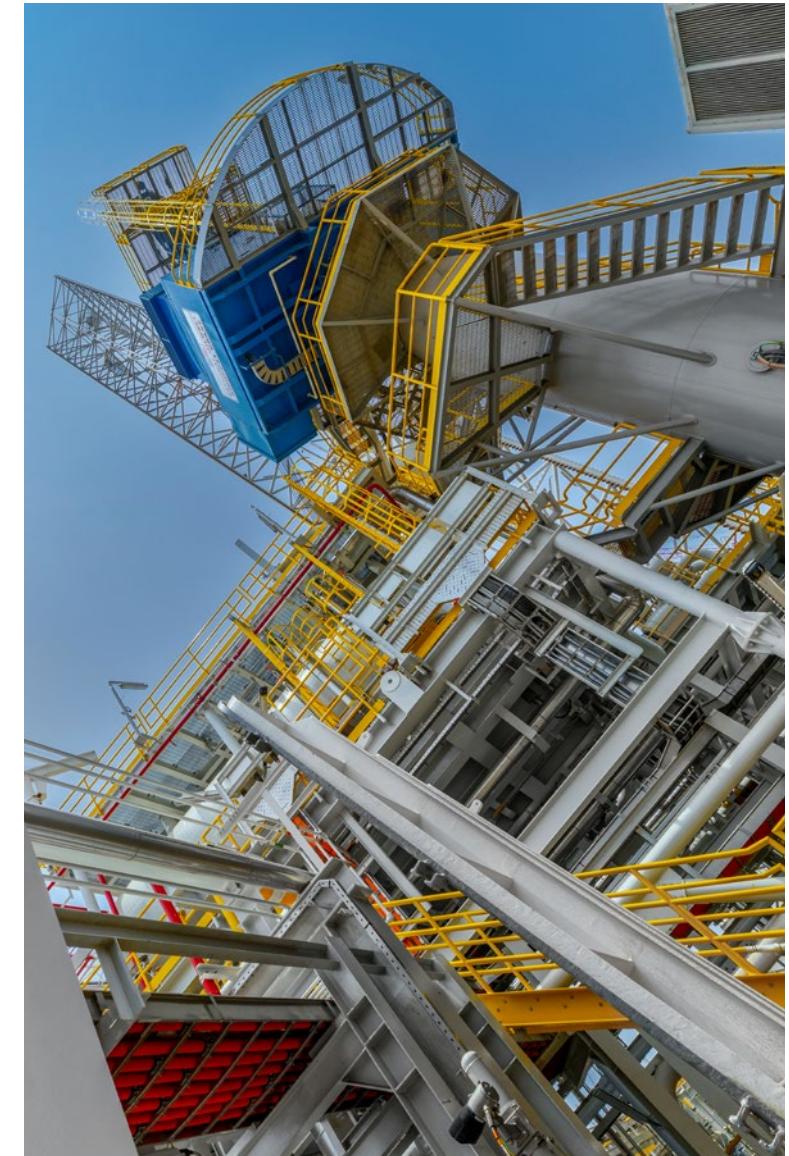
BW Energy's constituting documents do not impose any restrictions on the ability to own, trade, or vote for shares in BW Energy, and thus the shares in BW Energy are freely transferable. However, the bye-laws include a right for the Board to decline to register the transfer of any share and may direct the Registrar to decline (and the Registrar shall decline if so requested) to register the transfer of any interest in a share held through Verdipapirsentralen (VPS), where such transfer would, in the opinion of the Board, likely result in 50% or more of the aggregate issued and outstanding share capital of BW Energy, or shares of BW Energy to which are attached 50% or more of the votes attached to all issued and outstanding shares of BW Energy, being held or owned directly or indirectly by individuals or legal persons resident for tax purposes in Norway or, alternatively, such shares being effectively connected to a Norwegian business activity, or BW Energy otherwise being deemed a Controlled Foreign Company as such term is defined pursuant to Norwegian tax legislation. The purpose of this provision is to avoid BW Energy being deemed a Controlled Foreign Company pursuant to Norwegian tax rules. The Board did not decline to register the transfer of any shares in 2023.

6. General meetings

The AGM normally takes place on or before 31 May each year. The 2023 AGM was held on 22 May. The Board seeks to ensure that as many shareholders can participate in BW Energy's general meetings and that the general meetings are an effective forum for the views of shareholders and the Board. To facilitate this:

- the notice and the supporting documents and information on the resolutions to be considered at the general meeting shall be available on BW Energy's website no later than 21 calendar days prior to the date of the general meeting;
- the resolutions and supporting documentation, if any, shall be sufficiently detailed, comprehensive, and specific to allow shareholders to understand and form a view on matters that are to be considered at the meeting;
- the registration deadline, if any, for shareholders to participate at the general meeting shall be set as closely to the date of the general meeting as practically possible and permissible under the provision in the Bye-laws;
- the members of the Board of Directors and the chairperson of the Nomination Committee are present at the general meeting; and,
- the shareholders shall have the opportunity to vote separately on each individual matter, including on each individual candidate nominated for election to BW Energy's Board and committees (if applicable).

Registration is made in writing, sent by post or e-mail. Shareholders who cannot be present at the general meeting must be given the



opportunity to vote by proxy or to participate by using electronic means. BW Energy shall in this respect:

- provide information on the procedure for attending by proxy;
- nominate a person who will be available to vote on behalf of shareholders as their proxy; and,
- prepare a proxy form, which shall, as far as this is possible, be formulated in such a manner that the shareholder can vote on each item that is to be addressed and vote for each of the candidates that are nominated for election.

Pursuant to common practice for Bermuda incorporated companies, BW Energy's Bye-laws state that the general meeting shall be chaired by the chairperson of the Board unless otherwise agreed by a majority of those shares represented at the meeting. However, the chairperson of the Board may appoint another person to act as chairperson of the general meeting, and in the absence of the chairperson, or a person appointed to act as chairperson, a chairperson shall be appointed or elected by those present at the meeting and entitled to vote. The Chair of the Board chaired the 2023 AGM.

The minutes of general meetings are published on BW Energy's website no later than three business days after the date of the meeting.

7. Nomination Committee

The Nomination Committee composition is determined at BW Energy's general meeting from time to time, and the members are appointed by a general meeting resolution, including the chair of the committee. The general meeting determines the remuneration of the Nomination Committee and stipulates guidelines for the duties of the Nomination Committee. The guidelines were approved by the 2020 AGM and are available at www.bwenergy.no.

The composition of the Nomination Committee should reflect a broad range of shareholder interests. The majority of the committee shall be independent of the Board and the executive personnel of BW Energy. No member of the Nomination Committee shall be a member of the Board of Directors and the committee shall not include the executive personnel of BW Energy.

BW Energy Board of Directors' Nomination Committee

Name	Role	Considered Independent of the Board and Management	Served since	Shares in BW Energy (direct/Indirect)
Ms Sophie Smith	Chair	Yes	2022	-
Mr Bjarte Bøe	Member	Yes	2020	-
Ms Elaine Yew Wen Suen	Member	Yes	2020	-

The Nomination Committee proposes candidates for election to the Board. The Nomination Committee also is responsible for proposing the remuneration to be paid to the members of the Board. The Nomination Committee explains how the committee arrived at its proposal for each candidate. BW Energy established a deadline for the Nomination Committee to propose candidates of no later than four weeks prior to the AGM.

On 31 December 2023, the Nomination Committee consisted of Sophie Smith (Chair), Bjarte Bøe, and Elaine Yew Wen Suen. The current committee members were appointed at the 2022 AGM. The Nomination Committee held one meeting in 2023.

8. The composition and independence of the Board

The Board composition is governed by BW Energy's Bye-laws. The Board shall consist of between five to eight directors. The directors are elected for a period of one year unless otherwise determined by the general meeting. Members of the Board may be re-elected. Only a minority of the directors participating in any decision can be domiciled or living in Norway. The same shall be reflected in the composition of the Board. The Board appoints the chair amongst the elected Board members.

The composition of the Board ensures that it can act independently of any special interests. A majority of the shareholder-elected members of the Board are independent of BW Energy's executive personnel and material business connections of BW Energy. In addition, at least three of the members of the Board are independent of BW Energy's major shareholder(s). A major shareholder is defined as owning 10% or more of BW Energy's shares or votes, and independence entails that there are no circumstances or

relations that may be expected to be able to influence independent assessments of the person in question. The Board does not include BW Energy's Chief Executive Officer or any other executive personnel.

Given the diverse qualifications, experience, background, and profile of the Directors, the composition of the Board meets BW Energy's need for expertise, capacity, and diversity. It does not meet the recommended gender guidelines of the Code. A brief description of the directors and their respective areas of expertise are presented in the Annual Report and on BW Energy's website www.bwenergy.no.

The AGM on 22 May 2023 elected Ms Ana Zambelli as a new member to the Board until the AGM in 2024, and re-elected Mr Andreas Sohmen-Pao, Mr Marco Beenens, Ms Hilde Drønen, Mr Tormod Vold, and Mr Russell Scheirman as Directors to the Board for a period of one year.

Name	Role	Considered Indendent of the main sharholder and management	Served since	Term expires	Participation in board meetings in 2023	Shares in BW Energy (direct/Indirect)	Nationality
Mr Andreas Sohmen-Pao	Chairman	No	2019	2024	100%	103,202,470	Austrian
Mr Marco Beenens	Director	No	2019	2024	100%	32,467	Dutch
Ms Hilde Drønen	Director	Yes	2020	2024	100%	-	Norwegian
Mr Russell Scheirman	Director	Yes	2019	2024	100%	-	American
Mr Tormod Vold	Director	Yes	2019	2024	100%	-	Norwegian
Ms Ana Zambelli	Director	Yes	2023	2024	100% ¹	-	Brazilian

¹ Ms Zambelli participated in all Board meetings held since elected

Members of the Board may own shares in BW Energy.

9. The work of the Board

The Board is ultimately responsible for the management of BW Energy and for supervising its day-to-day management. The duties and tasks of the Board are detailed in BW Energy's Bye-laws.

The Board produces an annual plan for its work, with particular emphasis on objectives, strategy, and implementation. The Board issues instructions for its own work, as well as for the executive personnel, with particular emphasis on clear internal allocation of responsibilities and duties.

In case of material transactions between BW Energy and a shareholder, a shareholder's parent company, director, officer, or person(s) closely related to any of these, BW Energy has guidelines and procedures on how the Board and executive personnel of BW Energy shall handle agreements with related parties, including when the Board will obtain a valuation from an independent third party. Independent valuations shall also be obtained in respect of transactions between companies in the same group where any of the companies involved have minority shareholders.

Directors and officers of BW Energy and other leading personnel shall notify the Board if they directly or indirectly have a significant interest in matters to be considered by the Board.

The terms of reference for the Audit Committee and the Technical and Commercial Committee set out specific procedures for handling transactions between BW Energy or any of its subsidiaries on one side and companies within the BW Offshore group on the

other side. These procedures are in place to ensure that related party transactions are carried out on arm's-length terms.

Each year, the Board schedules in advance a number of regular meetings for the following calendar year and additional meetings may be called by the Chair of the Board as needed. The Board held five meetings in 2023. The Directors normally meet in person, but if allowed by the Chairman of the Board, directors may participate in any meeting of the Board by means of video conference. Minutes in respect of the meetings of the Board are kept by BW Energy in Bermuda.

The following Board committees were appointed at year-end 2023:

Audit Committee

The Audit Committee acts as a preparatory and advisory committee for the Board. The Audit Committee is responsible for approving the Board's annual review of BW Energy's most important areas of exposure to risk and its internal control arrangements, as well as an annual supervisory plan for internal audit work. The Audit Committee follows up on internal controls in connection with quarterly reviews of the Group's financial reporting, in addition to two meetings in which internal control issues are addressed specifically. The Chief Financial Officer, BW Energy's other relevant senior staff, and representatives of the external auditor, attend the meetings of the Audit Committee. At least once a year, the Board and the Audit Committee review BW Energy's internal control procedures relating to its financial reporting process. On 31 December 2023, the Audit Committee consisted of Ms Hilde



Drønen (Chair) and Mr Russell Scheirman, both of whom are independent members of the Board.

Technical and Commercial Committee

The Technical and Commercial Committee (TCC) assists the Board in fulfilling its responsibility with regard to the management of BW Energy's business, which include advising the Board on commercial and technical matters of BW Energy's operations, including potential investments or divestments by the Group, overall exploration, and field development plans (including any significant changes or updates thereto) and any material procurements and commitments. The TCC reviews, at least annually, the systems utilised by BW Energy for identifying areas of material business risk, for measuring their possible impact on the Group and the procedures in place to mitigate the impact of such risks and it shall report to the Board accordingly. On 31 December 2023, the Technical and Commercial Committee consisted of Mr Russell Scheirman (Chair) and Mr Tormod Vold, both of whom are independent members of the Board.

Remuneration Committee

The Remuneration Committee acts as a preparatory and advisory committee for the Board in order to ensure thorough and independent preparation of matters relating to compensation to the executive personnel. On 31 December 2023, the Remuneration Committee consisted of Mr Andreas Sohmen-Pao (Chair) and Ms Ana Zambelli, both of whom are also members of the Board. The Board carries out an annual evaluation of its performance and expertise.

10. Risk management and internal control

The Board ensures that BW Energy has sound internal control procedures and systems to manage its exposure to risks related to the conduct of BW Energy's business, to support the quality of its financial reporting, and to ensure compliance with laws and regulations. Such procedures and systems contribute to securing shareholders' investment and BW Energy's assets.

Management and internal control are based on BW Energy-wide policies and internal guidelines in areas such as Finance and Accounting, HSEQ Project Management, Operations, Technical, and Business Development, in addition to implementation and follow-up of a risk assessment process. The management system is central to BW Energy's internal control and ensures that BW Energy's vision, policies, objectives, and procedures are known and adhered to.

The Board annually reviews BW Energy's most important areas of exposure to risk and its internal control arrangements and an annual supervisory plan for internal audit work is approved by the Chief Executive Officer, based on HSEQ recommendations and risk assessments carried out.

The internal auditor function is independent from the line management and reports directly to the Audit Committee.

The systems for risk management and internal control also encompass BW Energy's guidelines regarding how BW Energy integrates considerations related to stakeholders into its creation

of value. Please see BW Energy's Sustainability section for further information.

BW Energy has established a Code of Conduct for BW Energy and its employees providing guidance to employees on how they can communicate with the Board to report matters relating to illegal or unethical conduct by BW Energy.

11. Remuneration of the Board of Directors

The general meeting decides the remuneration of the Board based on a proposal from the Nomination Committee. The remuneration of the Board and its individual directors shall reflect the Board's responsibility, competence, use of resources, and the complexity of the business activities. The remuneration of the directors shall not be linked to BW Energy's performance, and the directors do not receive profit related remuneration or share options or retirement benefits from BW Energy. Any remuneration in addition to normal fees to the directors is specifically stated in the Annual Report. Detailed information of Board remuneration can be found in [Note 7](#) of the consolidated financial statements.

Directors of companies related to BW Energy will not normally undertake special tasks for BW Energy in addition to the directorship. However, if they do so, the entire Board shall be informed, and the fee shall be approved by the Board.

12. Remuneration of the executive personnel

Bermuda law does not require a vote by the AGM regarding the guidelines for remuneration of the executive personnel. BW Energy will communicate the executive remuneration guidelines

at the AGM, but the guidelines will not be subject to a vote by the shareholders.

Remuneration of the executive personnel is reviewed annually by the Remuneration Committee, which generally considers the executive personnel's performance and gathers information from comparable companies before making its recommendation to the Board for approval. Such recommendation shall contribute to execution of strategy, long-term value creation, and financial viability and ensure convergence of the interests of the executive personnel and the shareholders.

Any performance-related remuneration to executive personnel is subject to an absolute limit. The limit is approved by the Board based on a recommendation from the Remuneration Committee.

Any share option programme in BW Energy available to the employees of BW Energy, and subsidiaries, requires the approval of the Board. Detailed information of remuneration, shareholding of the management, and any share option programmes can be found in [Note 7](#) of the consolidated financial statements.

13. Information and communications

BW Energy is committed to provide information in a manner that contributes to establishing and maintaining confidence with important interest groups and stakeholders. The information is based upon transparency, openness, and equal treatment of all shareholders. A precondition for the share value to reflect the underlying values in BW Energy is that all relevant information is disclosed to the market. Based on this, BW Energy will endeavour to keep the

shareholders informed about profit developments, prospects, and other relevant factors for their analysis of BW Energy's position and value. It is emphasised that the information is uniform and simultaneous.

An updated financial calendar with dates for important events, such as general meeting, publishing of interim annual reports, dates for payment of potential dividend, etc., is accessible for the shareholders on www.euronext.com/nb/markets/oslo and on BW Energy's website www.bwenergy.no.

Public investor presentations are arranged in connection with submission of annual and quarterly results for BW Energy. The presentations are also accessible on BW Energy's website. Furthermore, BW Energy maintains a continuous dialogue with and provides presentations to analysts and investors.

Please see the Investor Relations Policy available on BW Energy's website, www.bwenergy.no.

14. Take-overs

In the event of a take-over process, the Board shall ensure that BW Energy's shareholders are treated equally and that the BW Energy's activities are not unnecessarily interrupted. The Board shall also ensure that the shareholders have sufficient information and time to assess the offer.

In the event of a take-over process, the Board shall abide by the principles of the Code and ensure that the following take place:

- the Board shall ensure that the offer is made to all shareholders and on the same terms;
- the Board shall not undertake any actions intended to give shareholders or others an unreasonable advantage at the expense of other shareholders or BW Energy;
- the Board shall strive to be completely open about the take-over situation;
- the Board shall not institute measures which have the intention of protecting the personal interests of its members at the expense of the interests of the shareholders; and,
- the Board must be aware of the particular duty the Board carries for ensuring that the values and interests of the shareholders are safeguarded.

The Board shall not attempt to prevent or impede the take-over bid unless this has been decided by the shareholders in general meeting in accordance with applicable laws. The main underlying principles shall be that BW Energy's shares shall be kept freely transferable and that BW Energy shall not establish any mechanisms that can prevent or deter take-over offers unless this has been decided by the shareholders in a general meeting in accordance with applicable law.

If an offer is made for BW Energy's shares, the Board shall issue a statement evaluating the offer and making a recommendation as to whether shareholders should or should not accept the offer. If the Board finds itself unable to give a recommendation to the shareholders on whether or not to accept the offer, it should explain the reasons for this. The Board's statement on a bid shall make it clear whether the views expressed are unanimous, and if this is

not the case, it shall explain the reasons why specific members of the Board have excluded themselves from the statement.

The Board shall consider whether to obtain a valuation from an independent expert. If any member of the Board, or close associates of such member, or anyone who has recently held a position but has ceased to hold such a position as a member of the Board, is either the bidder or has a particular personal interest in the bid, the Board shall obtain an independent valuation. This shall also apply if the bidder is a major shareholder (as defined in Section 8 above). Any such valuation should either be enclosed with the Board's statement or reproduced or referred to in the statement.

On 13 December 2023, BW Group launched a mandatory offer for all remaining shares in BW Energy Limited not already owned by BW Group. The mandatory offer under Chapter 6 of the Norwegian Securities Trading Act was triggered on 29 November 2023 when BW Group acquired additional BW Energy shares passing the 40% ownership threshold. The Offer was handled in accordance with legal requirements and the principles of the Code. Please see [Note 23](#) of the consolidated financial statements concerning on related party transaction for more information.

15. Auditor

BW Energy's external auditor is KPMG AS. The auditor is appointed at the AGM and is independent of BW Energy Limited and shall annually confirm its independence in writing to the Audit Committee.

The auditor holds office for the term resolved at the AGM or until a successor is appointed and is responsible for the audit of

the consolidated financial statements of BW Energy. The Board ensures that the auditor annually presents an audit plan to the Audit Committee and/or the Board.

The Audit Committee invites the auditor to participate in the Audit Committee's review and discussion of the annual accounts and quarterly interim accounts. In these meetings, the Audit Committee is informed of the annual and quarterly accounts and issues of special interest to the auditor. Further, the auditor participates in the meeting(s) of the Board that deal with the annual accounts. At these meetings, the auditor reviews any material changes in BW Energy's accounting principles, comments on any material estimated accounting figures, and reports all material matters on which there has been disagreement between the auditor and the management of BW Energy and/or the Audit Committee.

At least once per year, the Audit Committee reviews BW Energy's internal control procedures with the auditor including weaknesses identified by the auditor and proposals for improvement.

The Board has established guidelines specifying the right of BW Energy's executive management to use the auditor for purposes other than auditing.

The AGM approved the auditor's remuneration at the May 2023 meeting. For more information about remuneration of the auditor, see [Note 7](#) in the consolidated financial statements.



Shareholder information



Investor relations policy

This investor relations policy (the 'IR Policy') for BW Energy Limited ('BW Energy') is based on the Oslo Stock Exchange's rules, regulations and recommendations for listed companies, in particular the Oslo Stock Exchange Code of Practice for IR, as of 1 March 2021 (the 'Code of Practice for IR').

1. Purpose

This IR Policy shall help BW Energy build trust and awareness in the investor community by ensuring that Investor Relations is conducted in compliance with relevant rules, regulations and recommended practices.

This policy shall help ensure that share-holders, potential investors and other stakeholders shall gain simultaneous access to accurate, clear, relevant, comprehensive and up-to-date information about BW Energy.

Good relations and an open, active dialogue with shareholders, potential investors, analysts and other participants of the capital markets, shall build trust and contribute to reduced costs of capital for BW Energy.

This IR Policy shall also contribute to BW Energy's management (the 'Management') and board of directors (the 'Board of Directors') obtaining information about the market's views and opinion on BW Energy.

The CFO is responsible for BW Energy's Investor Relations function.

2. Shareholder contact and communication with the financial market

All communication with shareholders shall be on an equal treatment basis and in compliance with the provisions of applicable laws and regulation. BW Energy shall continuously provide its shareholders, the Oslo Stock Exchange and the financial markets in general with timely and precise information about BW Energy and its operations.

The CFO is responsible for all day-to-day contact with BW Energy's shareholders on behalf of BW Energy.

Inside information shall be dealt with in compliance with BW Energy's Insider Trading Policy. The IR team may continuously communicate with shareholders for the purposes of developing an understanding of matters affecting BW Energy from time to time are of particular importance to its shreholders. The IR team will in such cases ensure that communication with shareholders is in compliance with the provisions of applicable laws and regulations and consistent with the principle of equal treatment of shareholders.

Relevant information about BW Energy shall be given in the form of annual reports, half-year reports, quarterly reports, press releases, notices to the stock exchange and investor presentations in accordance with what is deemed appropriate from time to time. All such information shall be published on BW Energy's website, www.bwenergy.no.

BW Energy shall offer subscription service for stock exchange announcements and press releases.

3. Policy

BW Energy complies with the Code of Practice for IR. Any future deviations from the Code of Practice for IR will be explained as required by the code.

Disclosure and reporting to the financial markets and contact with shareholders, investors and analysts shall be based on the following main principles:

- Compliance with laws and regulations: All disclosure, communication and reporting shall be in compliance with the applicable laws and regulations from time to time, in particular the Norwegian Securities Trading Act and the Oslo Stock Exchange's continuing obligations for listed companies. BW Energy shall also comply with the relevant recommendations and market practices for reporting financial and other IR information
 - Inside information: Unless exceptions apply and are invoked, BW Energy shall promptly disclose all inside information (as defined by the Norwegian Securities Trading Act).
 - Language: All financial and other IR information shall be published in English.
 - Information on value drivers: BW Energy shall publish accurate, clear, comprehensive and relevant information about its historical earnings, operations, long-term potential, strategies, risk factors, outlook and any other information that BW Energy has defined as significant and relevant value drivers for the shares. Such information shall be consistent over time, giving equal weight to positive and negative factors, thus enabling shareholders and the financial markets to draw conclusions about the value of BW Energy.
- Guiding: BW Energy shall not publish specific guidance on BW Energy's future financial results. BW Energy operates in accordance with a set of financial and non-financial strategic targets, established by the Board of Directors. These targets govern BW Energy's operations within a defined strategic period. The targets are communicated at least every year in connection with the annual report or as soon as they are approved by the Board of Directors and shall not be disclosed elsewhere.
 - Quiet period: Investor and analyst meetings shall not be held in the last four weeks prior to the presentation of results. In the same period, no comments shall be made to the media or other external parties regarding BW Energy's earnings and outlook.
 - Information BW Energy's website: BW Energy shall comply with the principles of the Code of Practice for IR in respect of disclosing information for investors and the market on BW Energy's website as further set forth therein. BW Energy shall follow the Norwegian Code of Practice for Corporate Governance, including the code's principles regarding transparency, equal treatment of shareholders and disclosure of relevant information. Information shall therefore be available on www.bwenergy.no and other places where it is relevant.

Please see the Investor Relations Policy available on www.bwenergy.no.

4. IR events and arenas

In addition to making information easily available on a timely basis to shareholders and the financial markets, the IR team prioritises raising awareness of, and interest in, BW Energy and its shares among various market participants - both nationally and internationally. To help promote this goal, the meetings and presentations described below shall be held.

5. Information available on BW Energy's website

BW Energy will make information available on its website www.bwenergy.no in accordance with the recommendations set out in the Oslo Stock Exchange's Code of Practice for IR.

Event	Description
Annual report	<p>Annual reports and presentations shall be available on www.bwenergy.no. The annual report for the current as well as the preceding three years shall be made available on BW Energy's website.</p>
	<p>Annual reports shall be published within three months after the end of the financial year. BW Energy shall ensure that the annual report remains available and public for the following five years, as a minimum. It is recommended by the IR Code that the annual reports are published no later than three months after the end of the accounting period, unless BW Energy has published an interim report for the fourth quarter within this deadline.</p>
Quarterly reporting	<p>Quarterly reports (i.e., interim reports for the first and third quarter and half year reports for the first and the last half of the year) shall be published as soon as possible, and within the second month after the end of the said financial period. BW Energy shall ensure that the quarterly report remains available and public for the following five years, as a minimum.</p>
	<p>Half-year and interim reports for the current as well as the preceding three years shall be made available on BW Energy's website.</p>
Presentations	<p>Open results presentations shall be held for investors, analysts and other stakeholders. The presentations shall be available on www.bwenergy.no.</p>
Financial calendar	<p>The reporting dates for annual, half-year and quarterly reports shall be stated in the financial calendar, which also shall include the date of the ordinary general shareholders' meeting. The financial calendar shall be published on www.bwenergy.no.</p>
Investor and analyst meetings	<p>BW Energy shall hold regular meetings with investors and analysts.</p> <p>BW Energy's ability to provide information about individual market participants, including investors and analysts, is limited by regulations applicable to listed companies, including the rules on good stock exchange practices, and the general requirement of equal treatment.</p> <p>All presentations used in the meetings will be available on www.bwenergy.no.</p>
Capital markets day	<p>BW Energy will consider holding a capital markets day when appropriate to keep the market up to date on development, strategy and outlook. Capital market days will be open to all who wish to attend, and the presentations will be made available on www.bwenergy.no.</p>
Conferences, seminars, symposia, etc.	<p>Representatives from BW Energy's management will participate in various conferences and seminars where relevant.</p> <p>All relevant presentations held by BW Energy's management will be published on www.bwenergy.no.</p>

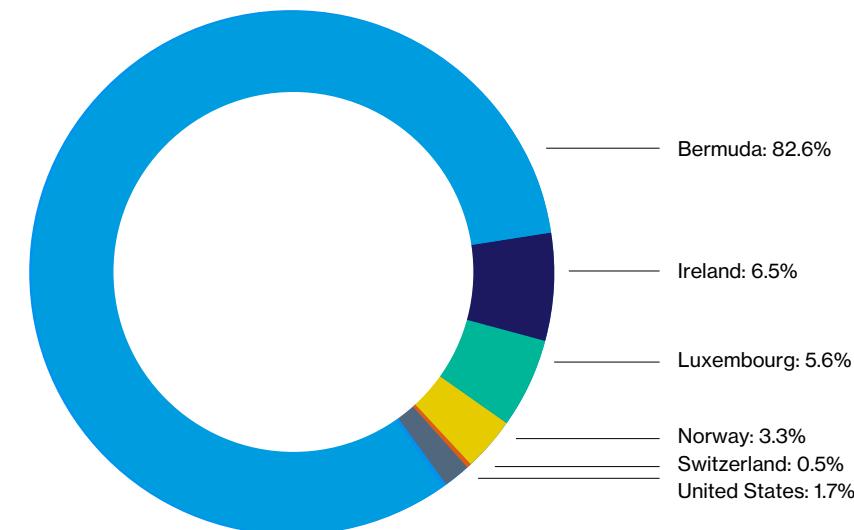
Top 20 shareholders

Rank	Holding	Stake %	Name
1	191,903,110	74.38	BW Group Limited
2	6,996,998	2.71	Citibank Europe plc
3	6,365,457	2.47	Citibank Europe plc
4	4,049,163	1.57	Brown Brothers Harriman (Lux.) SCA
5	3,881,456	1.50	VERDIPAPIRFONDET STOREBRAND NORGE
6	3,821,010	1.48	Carl Arnet, CEO
7	1,826,445	0.71	JPMorgan Chase Bank, N.A., London
8	1,780,204	0.69	BNP Paribas
9	1,310,291	0.51	Danske Invest Norge Vekst
10	1,204,477	0.47	Bank Pictet & Cie (Europe) AG
11	1,169,725	0.45	UBS Switzerland AG
12	1,158,325	0.45	Interactive Brokers LLC
13	1,071,192	0.42	CLEARSTREAM BANKING S.A.
14	1,018,901	0.39	Skandinaviska Enskilda Banken AB
15	938,607	0.36	AS CLIPPER
16	883,452	0.34	Citibank Europe plc
17	855,478	0.33	State Street Bank and Trust Comp
18	779,020	0.30	Citibank Europe plc
19	742,048	0.29	NORDNET LIVSFORSIKRING AS
20	717,836	0.28	MP PENSJON PK

As of February 15, 2024

Top 20 Shareholders hold 90.1% of total BW Energy Limited shares.

Geographical distribution of top 20 shareholders holdings



Sustainability

Guided by purpose, vision, and principles

BW Energy strives to achieve responsible development through the alignment of financial results, value creation, and sustainability.

BW Energy acknowledges the challenges posed by climate change to both society and the environment, and is dedicated to promoting cleaner, more accessible energy sources while remaining steadfast in its commitment to reducing greenhouse gas emissions. Central to BW Energy's approach is the strategic reuse of established energy infrastructure, fostering both economic growth and environmental stewardship throughout the development of confirmed oil and gas reservoirs.

With oversight from the BW Energy Board of Directors, sustainability and corporate social responsibility policies are rigorously upheld. These policies not only prioritise ethical standards and regulatory compliance but also shape the organisational culture, operations, and engagements.

BW Energy fulfills its sustainability objectives by tapping into proven offshore oil and gas reservoirs worldwide, leveraging existing energy infrastructure to streamline development processes, reduce costs, expedite project timelines, and mitigate carbon emissions.

BW Energy's commitment to sustainability

BW Energy's sustainability efforts, achievements, and performance in 2023, showcases the Company's commitment to incorporating sustainability into its processes and operations.

The Company uses guidelines from the International Oil and Gas Producers (IOGP), the American Petroleum Institute (API), the International Petroleum Industry Environmental Conservation Association (IPIECA), the Global Reporting Initiative (GRI), and the Norwegian Transparency Act standards to guide its dedication to safe, efficient, and economically supportive energy production in the Company's operating regions. BW Energy views these standards and strong financial performance as essential for stakeholder value.

Prior to the Initial Public Offering (IPO) in 2020, BW Energy conducted a thorough materiality analysis that pinpointed essential factors for long-term value creation, as viewed by its stakeholders. These key areas include robust governance, operational safety and security, environmental and social responsibility, and adherence to fair employment practices. BW Energy remains steadfast in its commitment to these critical long-term value principles across all



facets of operations, ensuring that its business strategies and daily activities consistently reflect these core values.

Throughout 2023, BW Energy significantly advanced its Operations Management System (OMS), effectively incorporating sustainability into the Company's exploration and production (E&P) operations, and aligning with the United Nations Sustainable Development Goals (SDGs) for optimal impact. BW Energy also improved

its Environmental and Social Management System (ESMS) to adhere to regulatory requirements and key international sustainability frameworks, such as the Equator Principles IV, the IFC Performance Standards, and the World Bank Group Environmental, Health, and Safety (EHS) Guidelines. These enhancements ensure BW Energy's commitment to upholding global best practices in its operations.

Safety first – zero harm objective for people and environment

BW Energy is committed to conducting its operations safely, efficiently, and responsibly, aiming for zero harm to people, the environment, and the communities in which it operates.

The Company endeavours to adhere to industry best practices, with the Health, Safety, Environmental and Quality (HSEQ) department playing a pivotal role in ensuring compliance with all relevant protocols and standards. This department is instrumental in maintaining high performance and adherence to regulations across all operations. Furthermore, BW Energy implements robust measures for risk management and the careful maintenance of equipment and property, underlining the Company's commitment to safety and sustainability.

BW Energy is committed to setting a benchmark in the industry by minimising incidents that could potentially harm individuals or the environment. The Company meticulously monitors its performance and promptly address any worrying trends. Empowering employees with the authority to halt any actions deemed unsafe and to voice concerns without fear of retaliation is a cornerstone of the Company's safety culture. BW Energy's objective is to minimise the possible number of accidents and incidents affecting safety, health, or environmental integrity within all company operations.

BW Energy has established comprehensive systems and tools designed to transparently showcase its adherence to, and achievement in, attaining goals and standards for safe, efficient, and responsible operations. This approach is rooted in the Company's core objectives and the vital role the HSEQ Department performs. Through its efforts in fostering continuous improvement, the HSEQ Department enables BW Energy to not only meet but exceed these benchmarks. BW Energy is committed to maintaining transparency regarding performance and compliance, providing clear and straightforward information.



HSEQ framework

The BW Energy Health, Safety, Environmental & Quality (HSEQ) framework embodies a structured strategy to ensure operations are efficient, reliable, and compliant, aiming for zero harm to people, the environment and its facilities.

This framework is founded on three pivotal elements: people, process, and plant. It is crafted to foster operational excellence that is repeatable and to drive continuous improvement in all aspects of the company. Defined within the BW Energy Operations Management System, the framework encompasses a thorough assurance programme that is dedicated to identifying and capitalising on opportunities for enhancement.

HSEQ performance

BW Energy continuously monitors leading indicators such as Process Safety, Occupational Safety, Environmental Stewardship, and Asset Integrity to proactively identify and address potential future performance issues. This forward-looking approach allows the Company to continually enhance its operations. Adhering to the International Oil and Gas Producers (IOGP) guidelines for incident reporting, BW Energy benchmarks its performance against industry standards, ensuring a commitment to excellence and continuous improvement in HSEQ performance.

Lost Time Injury (LTI) is an injury in the workplace that results in the injured person being unable to resume normal duties in their next or subsequent shifts, while Total Recordable Injuries (TRI) include lost time injuries, restricted work cases, and medical treatment cases.

HSEQ compliance

The *BW Adolo* FPSO, *FPSO Cidade de Vitória*, and the *MaBoMo* production platform operated by BW Energy on the Dussafu licence, adhere to the International Ship and Port Facility Security (ISPS) Code, ensuring top-tier security standards. BW Energy has implemented a stringent security policy aimed at preventing unauthorised access and the introduction of hazardous materials, thereby ensuring the safety of its personnel and safeguarding its assets. In 2023, BW Energy successfully avoided any significant security incidents, underscoring the effectiveness of its security measures and commitment to maintaining a safe operational environment.

Continuous improvement

BW Energy has instituted a robust process for identifying the root causes of deviations and failures. Enabling front line operations personnel and engineering staff to use these insights to transform these deviations and failures into tangible improvements across the operations. This method allows the Company to continuously build on experiences, thereby reinforcing overall performance. Key actions for continuous improvement at BW Energy include:

- Regularly monitoring health and safety indicators
- Periodically reviewing risk assessments and control measures

- Conducting incident investigations, identifying improvement changes
- Circulating safety alerts to the wider organisation
- Implementing health and safety initiatives
- Conducting audits, verifications, and inspections
- Facilitating senior management oversight
- Implementing effective solutions based on all the above

Future priorities

BW Energy is focusing on several strategic priorities to enhance its HSEQ culture and performance. Key priorities include:

- **Expanding HSEQ Awareness Campaigns:** BW Energy aims to further develop HSEQ awareness initiatives, re-enforcing the engagement of all employees and contractors.
- **Engaging Contractors:** Active engagement with contractors will continue, assisting BW Energy to maintain and improve leading HSEQ and Lost Time Injury (LTI) performance metrics. This involves fostering a shared commitment to safety and environmental stewardship across all operational activities.
- **Continuously Improving the Environmental Management System:** BW Energy is committed to the ongoing enhancement of its Environmental Management System. This effort is aligned with ensuring continuous compliance with the Equator Principles, a critical financial industry benchmark for managing environmental and social risks in project financing.

These priorities reflect BW Energy's commitment to not just sustaining but advancing its performance in safety, environmental stewardship, and social responsibility.

Key sustainability highlights during 2023

Environment



- Continuing to manage environmental and sustainability action plan for the Dussafu field
- Routinely perform critical habitat assessments in Gabon and Brazil
- Published biodiversity and invasive species action plans in Gabon
- Initiated flaring reduction plan for the Dussafu field

Social



- Provider of safe and secure jobs as local employer in underdeveloped areas
- Supplied needed medicines and child-birth delivery tables to medical facilities in Gabon
- Installed 30 solar powered street lights in Mayumba, Gabon
- Provided training in Brazil to young people facing challenges accessing job market opportunities
- Awarded two-year academic scholarships to Namibian students in need
- Sponsored food drives and donations to food bank
- Established multiple social impact projects in the areas of BW Energy operations

Sound governance



- Training of all BW Energy personnel in Foreign Corrupt Practices Act, Code of Conduct & Business Ethics, and Conflicts of Interest
- Developed and carried out a successful Business Continuity Plan during Gabon elections
- Issued emissions reporting methodologies aligned with IOGP Guidelines
- Expanded the scope and depth of the BW Energy Operations Management System
- Committed to minimising environmental impact

United Nations Sustainable Development Goals



- BW Energy Social Performance Policy including Equator Principles IV Human Rights
- BW Energy Third Party Grievance Management Procedure
- BW Energy Regulatory Action Plan and Legal Register



- BW Energy has a zero-harm objective for personnel and the environment in all its operations
- Provided food packages to low-income communities



- Supported internship programmes for university students
- Sponsored university business forums to encourage and promote entrepreneurship



- Supported General Directorate of fisheries in Gabon on assessment of seafood stocks
- Collaborated with local environmental and conservation organisations to monitor impacts of production operations on biodiversity and protected species





Environmentally conscious operations

In addition to maintaining focus on ensuring ongoing compliance of the production operations in Dussafu block with international environmental and social performance standards, considerable effort was expended simultaneously aligning operation of the newly commissioned *MaBMo* production facility and the recently acquired FPSO *Cidade de Vitória* (in Gabon and Brazil respectively) with BW Energy's environmental and social management system.

The Independent Environmental and Social Consultant appointed for the Dussafu Reserve Based Lending Facility Agreement (RBLFA) conducted third party monitoring events covering BW Energy's environmental and social management practices in 1Q 2023. The key finding was that progress is being made with the ESAP action items. Ongoing activities observed at the shore bases and offshore were considered to be in line with Good International Industry Practice (GIIP) for the oil and gas industry. There were no significant non-conformances observed.

There were no environmental regulatory non-compliances in 2023.

Climate risk and action

For details, please refer to the Task Force on Climate Related Financial Disclosures (TCFD) section of this report on [page 57](#).

Environmental performance

Please refer to Table 2 Environmental KPIs within the Operational Control KPIs on [pages 50–51](#), which sets out the key metrics of environmental performance disclosures. BW Energy monitors a range of operational parameters to ensure compliance with environmental regulatory requirements and determine effectiveness of the various techniques that are deployed to minimise the environmental impacts of the Company's hydrocarbon exploration and production activities. For this reporting period, the waste metrics have been expanded to accommodate regional variations in units of measurement. Waste metrics for Gabon are reported on a mass basis while those for the USA and Brazil are stated on a volumetric basis.

Air emissions and energy use

Greenhouse gas emissions estimates disclosed in this report include Scope 1 and 2 sources and exclude Scope 3 sources, however, the key indirect sources (e.g., from spot charter supply vessels, helicopter operations and contract drilling rigs) are tracked by the organisation. Due to the significant expansion of operations, including a tripling in the number of production facilities, air emissions increased from the previous year. The main contributions came from flaring in Gabon (78,078tCO₂e) and fuel gas combustion in Brazil (69,165tCO₂e). For the first time, the emissions estimates included direct emissions from some non-combustion sources, specifically refrigerants. The scope of indirect emissions (from purchased energy) was further expanded from the USA and

Gabon to include BW Energy premises in Brazil and Namibia, which contributed to an approximately 33% increase in indirect energy use. Due to the increased scope of operations, total energy use grew by about 50% from the previous reporting period.

Biodiversity

The offshore flex-lay campaign in Dussafu block was still underway at the start of 2023 and, in line with the organisation's Gabon Biodiversity Action and Management Plan, BW Energy deployed appropriately qualified Marine Mammal Observers (MMO) to undertake monitoring of cetaceans, turtles, and sea birds and to support the relevant Vessel Masters with implementation of BW Energy's Vessel Code of Conduct during activities that could potentially result in increased risks of underwater noise and/or collision risks with vulnerable marine fauna. To supplement the scientific knowledge base BW Energy mobilised MMOs to *MaBoMo* during September and October of 2023 during the whale migration period offshore, where they undertook visual surveys on the facility and during the return journey to Port-Gentil aboard a supply vessel.

The Golfinho environmental monitoring programme aims to observe and address changes in the marine environment around the production unit, with specific objectives including monitoring seawater characteristics, planktonic communities, and parameters of produced water, conducting annual oceanographic campaigns, and ensuring completion of planned sampling and analyses. Additionally, the pollution control project aims to minimise waste, emissions, and effluents from the production unit and support vessels, with the goal of generating minimal solid waste and emissions,

recycling landed waste, and continually improving management processes based on ongoing environmental data analysis.

Discharges to ocean

The increase in production in Dussafu block has resulted in an approximate doubling in the volume of produced water discharged overboard compared with the previous year. During the reporting period all produced water from the production wells produced to *MaBoMo* was exported to *BW Adolo* for treatment prior to overboard discharge. The produced water treatment process on *BW Adolo* achieved an average daily oil in water concentration of 13.2mg/l well below both the local regulatory limits and international guidelines. Combined produced water discharge volumes for Gabon and Brazil have increased due to the water cut from the reservoirs produced by FPSO *Cidade de Vitória* in the Golfinho block. This high water production is typical of reservoirs that have been in production for many years. The average daily oil in water concentration for the produced water discharge overboard from FPSO *Cidade de Vitória* for the last five months of 2023 when BW Energy operated was 16.7mg/l. During the reporting period there were no oil or chemical spills overboard exceeding one barrel.

Waste

The expansion of development activities in Dussafu block with the initiation of the Hibiscus / Ruche drilling campaign and the *MaBoMo* production facility coming online during 2023 resulted in a doubling of the total volume of waste generated in Gabon compared with the previous year. In Gabon, BW Energy was able to start diverting 50m³ of recyclable waste away from landfill for the first time since inception. In Brazil, approximately 80% of non-hazardous waste was recycled.

Operation control KPIs

Health & safety performance	2023	2022	2021
HEALTH & SAFETY STATISTICS			
Fatalities	0	0	0
Total Recordable Incidents (TRI)	3	1	2
Lost Time Incidents (LTI) including contractors	2	0	1
Hours worked – BWE, Contractors, MaBoMo BW Adolo FPSO, and FPSO Cidade de Vitória	2,341,250	3,098,356	1,072,159
Total Recordable Incident Rate (TRIR) (per million man hours)	1.28	0.32	2.80
Lost Time Incident Rate (LTIR) (per million man hours)	0.85	0.00	0.93
SECURITY & ENVIRONMENT STATISTICS			
Environmental spills > 1 bbl	0	0	0
Security incidents	0	0	0

Table 1: Health & safety performance KPIs
For additional information, please see the GRI content index 2023.

People – gender splits (female / male)	2023	2022	2021
Senior Management	29% / 71%	29% / 71%	0% / 100%
Board of Directors	33% / 67%	20% / 80%	20% / 80%
Total employees and long-term contractors	21% / 79%	23% / 77%	34% / 66%

Table 2: People KPIs
For additional information, please see the GRI content index 2023.

Environmental metrics	Unit	2023	2022	2021
ENERGY				
Direct energy use	GJ	1,430,515	966,809	854,300
Indirect energy use	GJ	7,146	5,401	DNR
Total energy use	GJ	1,437,660	972,210	DNR
GREENHOUSE GAS EMISSIONS				
CO ₂ equivalent	Te	244,995	127,824	122,107
N ₂ O	Te	13.2	6.2	5.7
CH ₄ (Methane)	Te	296	207	214
CO ₂	Te	227,370	120,385	114,604
CO ₂ equivalent per barrel produced (Gabon)	kg/bbl	26.3	33.1	29.6
CO ₂ equivalent per barrel produced (Brazil)	kg/bbl	59.7	N/A	N/A
NON-GREENHOUSE GAS EMISSIONS				
CO	Te	319	167	155
NO _x	Te	444	139	77
SO ₂	Te	73.5	42.2	32.9
nmVOC	Te	285	208	213
FLARING				
Flared gas	mmscf	820	533	485
MARINE DISCHARGES & CHEMICAL MANAGEMENT				
Produced water discharged to sea	bbl	9,796,343	1,382,199	884,347
Oil in water content (Gabon)	ppm	13.2	7.1	7.5
Oil in water content (Brazil)	ppm	16.7	N/A	N/A

Environmental metrics	Unit	2023	2022	2021
WASTE (Gabon)				
Total waste	m ³	3,107	1,526	1,955
General waste	m ³	2,625	1,481	1,608
Recyclable waste	m ³	50	DNR	DNR
Hazardous waste	m ³	432	45	347
WASTE (Brazil & USA)				
Total waste	Te	140	N/A	N/A
General waste	Te	34	N/A	N/A
Recyclable waste	Te	48	N/A	N/A
Hazardous waste	Te	58	N/A	N/A

Table 3: Environmental KPIs

DNR – data not recorded

N/A – not applicable

For additional information, please see the GRI content index 2023.

Additional information on calculations of environmental KPIs

BW Energy is a member of the International Association of Oil and Gas Producers (IOGP) and aligns its reporting with the environmental and social guidelines endorsed by IOGP and produced jointly with American Petroleum Institute (API) and the International Petroleum Industry Environmental Conservation Association (IPIECA). The reporting perimeter selected is based on operational control and not equity share.



Cultivating fairness and inclusion

At BW Energy, fostering a culture of fairness and inclusivity isn't just a goal; it's a fundamental aspect of the company identity.

The well-being of employees is prioritised as a critical part of the Company's organisational integrity, creating a positive impact on the broader community. Recognising the invaluable role the BW Energy workforce plays in achieving operational and financial objectives, their safety and professional development is the highest importance. Processes are designed to optimise performance and cultivate a culture of care throughout the company and its operations.

Human Rights and Ethical Employment Practices

At BW Energy, commitment to human rights, anti-discrimination, and ethical employment practices is unwavering. Reflected in the Code of Ethics and Business Conduct, this commitment underscores the organisation's dedication to respecting individuals, upholding human rights, and fostering fair employment practices. Human capital policies and associated procedures are aligned with ethical business standards, encompassing transparent recruitment processes and the provision of comprehensive employment agreements that delineate the rights and entitlements of BW Energy personnel.

BW Energy is resolute in treating all individuals with dignity and respect, prohibiting any form of unlawful discrimination or inappropriate workplace conduct, including harassment and discrimination based on ethnicity, nationality, age, gender identity, sexual orientation, marital status, religion, or disability. Aligning with international standards, such as the United Nations Universal Declaration of Human Rights, the Norwegian Transparency Act, and guidelines from the International Labour Organization, BW Energy unequivocally denounce practices such as slavery, forced labour, child labour, and other human rights violations.



Partnerships and Supply Chain Integrity

BW Energy holds third-party partners and suppliers to the same high standards, expecting them to adhere to human rights principles and relevant employment practices. Rigorous due diligence is conducted to ensure that supply chains operate ethically and responsibly, mitigating risks related to slavery, human trafficking, forced or child labour, and other violations of human rights and labour standards.

Workforce Diversity and Equal Opportunity

At BW Energy, diversity is celebrated as a catalyst for collaboration and innovation. The company embraces individuals from diverse backgrounds, experiences, and characteristics, actively striving to build a workforce that reflects a spectrum of identities and perspectives. Commitment to equal opportunity extends across all levels and functions, promoting inclusivity regardless of gender identity, sexual orientation, nationality, religion, or age.

The company recognises the importance of local content and expertise, endeavouring to cultivate a strong local presence in all its operations. By nurturing local talent and fostering collaboration within the communities, BWE not only enhances its operational capabilities but also contribute to sustainable development and cultural enrichment.

Investing in Employee Development

BW Energy views employees as the most valuable asset and invests in their continuous growth and development. Through comprehensive training programmes and opportunities for professional advancement, the workforce is empowered to thrive in their roles and contribute meaningfully to the collective success.

Performance Management and Fair Compensation

Transparent communication and accountability are central to the company's performance management approach. By engaging in open dialogue with employees, setting clear expectations, and providing constructive feedback, a culture of continuous improvement and accountability is cultivated. The compensation framework is meritocratic, designed to fairly reward employees based on their contributions, performance, and alignment with long-term business strategy.

Collective Bargaining Agreement

BW Energy is committed to supporting freedom of association and collective bargaining. This is clearly stated in the Code of Ethics and Business Conduct. Collective bargaining is a negotiation process between the employers and unionised employees to regulate the terms and conditions, which include wages, working conditions, benefits, and other aspects of workers' compensation and rights for workers. Currently, BW Energy has no employees covered under Collective Bargaining agreements.

Looking Ahead

As BW Energy charts its course for the future, the company remains steadfast in the commitment to fostering fairness, inclusion, and ethical practices across all facets of operations. Through strategic partnerships, community engagement initiatives, and ongoing workforce investments, BW Energy will continue to uphold its signature strengths and create lasting value for employees, stakeholders, and the communities it serves.

Ethics and Compliance

Ethics & Compliance are key factors in BW Energy's business approach and success

BW Energy is a fair and non-discriminating local employer. As such, BW Energy complies with all applicable laws and regulations in every country in which it operates. Wherever appropriate, BW Energy operations also follow international norms and standards.

BW Energy expects its employees and service providers to model ethical behaviour. Indeed, ensuring ethical business behaviour is of great importance to BW Energy and its stakeholders. Therefore, BW Energy actively engages with local authorities to make sure such expectations are met.

BW Energy's Ethics & Compliance programme

BW Energy's Compliance programme consists of five components: (1) Compliance Standards and Policies; (2) Employee Training and Communication; (3) Confidential Reporting and Investigation; (4) Third-party Management, and (5) Continuous Programme Monitoring & Improvement. This is implemented by Senior Vice President, Corporate Integrity, who reports directly to the CEO. The SVP Corporate Integrity also provides quarterly updates to BW Energy's Audit Committee.



Compliance standards and policies

BW Energy has developed internal policies and procedures which provide a basis for the attitudes and principles that govern the culture at BW Energy. BW Energy's internal procedures and guidelines are designed to assist BW Energy employees to avoid even the appearance of impropriety. Many of these policies and procedures are summarised in the Code of Ethics and Business Conduct, which applies to all employees of BW Energy, and to all BW Energy Board members, officers, temporary employees, intermediaries, and others who act on behalf of BW Energy.

BW Energy does not make political contributions, nor does it authorise any personnel or representatives to do so on its behalf.

When BW Energy provides sponsorship, charitable contributions, and/or donations aimed at improving the lives and welfare of the local communities in which it operates, it does so only after ensuring that the contributions are legal, vetted, and properly recorded in its books and records.

Employee training and communication

BW Energy requires all employees to complete training on anti-bribery and corruption matters. This training can be provided through computer modules, in-person training sessions, or a combination of both. Training covers topics such as Gifts & Hospitality, Politically Exposed Persons, and Conflicts of Interest. Specifically, BW Energy employees must follow a reporting and approval process that monitors the giving or receiving of gifts or hospitality. In addition, BW Energy requires its employees to report any potential

conflicts of interest on an annual basis. Such declarations include relationship to public officials or politically exposed personnel.

Confidential reporting and investigations

BW Energy has implemented an anonymous reporting channel (the Speak Up Channel) which is hosted by an independent third party. Access to the Speak Up Channel is available to any interested parties via BW Energy's external-facing internet site. This allows employees, business partners, and relevant stakeholders to report any concern they might have, including potential violations of BW Energy's Code Ethics and Business Conduct.

All reports submitted to the Speak Up Channel are treated confidentially and will be investigated promptly and fairly. BW Energy is committed to ensuring that no retaliation is taken against individuals that make a good-faith report to the Speak Up Channel. Information related to reports received through the Speak Up Channel is communicated to the BW Energy's Audit Committee on a quarterly basis.

Verified breaches of BW Energy's Code of Ethics and Business Conduct may result in disciplinary action up to, and including, termination.

Third-party management

A key focus of BW Energy's Compliance programme is the assessment of external vendors and service providers, also known as third-party providers (TPPs). All TPPs are assessed for compliance with relevant laws and regulations, and compliance with the principles of the BW Energy Code of Ethics and Business Conduct. It

is the expectation of BW Energy that all TPPs will observe equivalent anti-corruption principles when conducting businesses with BW Energy, and for this reason, BW Energy has adopted a Supplier Code of Ethics and Business Conduct.

BW Energy's Supplier Code of Ethics and Business Conduct emphasises that all of BW Energy's TPPs should support the UN's Universal Declaration of Human Rights and the standards advised by the International Labour Organisation. It also firmly establishes that BW Energy expects its TPPs to ensure that child labour, forced labour, and human trafficking is not undertaken in the performance of their activities.

Continuous programme monitoring & improvement

To assist BW Energy's management in its operational responsibilities, and to ensure compliance with all applicable money laundering, corruption, and anti-bribery legislation as well as BW Energy's ethics principles, BW Energy has established an internal Compliance Committee. This Compliance Committee assists BW Energy's SVP Corporate Integrity to consider emerging compliance risks and to measure BW Energy's progress addressing previously identified risks.

Report on payments to governments

To provide for enhanced transparency on payments made to governments, BW Energy prepares a separate report disclosing material payments made to governments in the countries in which BW Energy operates. The report is made on an annual basis at field and country level including additional contextual information, consisting of certain legal, monetary, numerical, and production

volume information. The report is available on BW Energy's website, www.bwenergy.no.

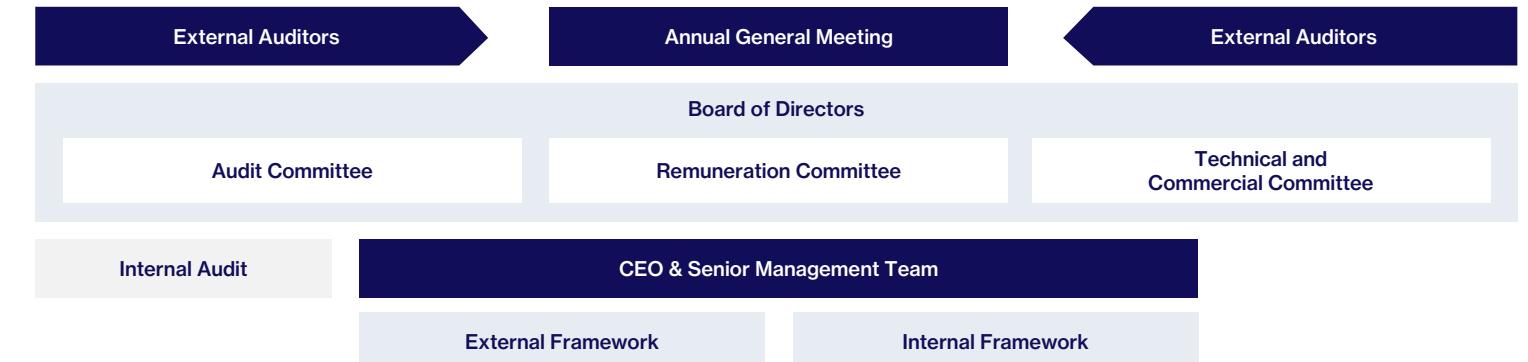
The report meets the requirements of the Norwegian Securities Trading Act §5-5 and of the Norwegian Accounting Act §3-3d for entities which are active in extractive industries with regards to disclosure of direct payments to governments, including payments made by subsidiaries, joint operations, and joint ventures, or on behalf of such entities involved in extractive activities.

Governance structure

BW Energy has developed a corporate governance structure and adheres to the Norwegian Corporate Governance Board (NUES) Code of Practice, in force as of 14 October 2021. Please refer to the Corporate Governance section of the Annual Report for more details.

Future priorities

BW Energy will continue to monitor and address any Compliance issues that arise.



Task Force on Climate Related Financial Disclosures

BW Energy – TCFD Disclosures 2023

Governance

Describe the board's oversight of climate-related risks and opportunities

The Board of Directors considers climate-related matters when reviewing and guiding strategy, risk management policies, and business plans, as well as setting performance objectives. The Board has allocated formal oversight of specific climate-related actions and plans to the Audit Committee, which also acts as a preparatory body for climate-related matters to be considered by the Board. Climate-related risks are part of the overall risk framework for BW Energy and are reviewed regularly by the Board and at least quarterly. In yearly meetings, the Board will consider progress towards climate-related goals and targets, relevant policy frameworks, and set new performance goals and targets, where relevant.

Describe the management's role in assessing and managing climate-related risks and opportunities

Project and operational risks are managed through the Operations Management System, as well as in relation to specific projects according to local regulations and requirements. There are monthly reports to the management on operational matters along with related KPIs. Specific climate-related risks are considered by the executive management at least quarterly. Climate-related opportunities are managed as part of BW Energy's ongoing business and strategy. The responsibilities are distributed across the management level in accordance with the Operations Management System's leadership and accountability structures. The executive management reports performance on climate-related matters, including associated KPIs, to the Board of Directors at least annually. A full overview of all sustainability matters, including climate-related risks and opportunities, are presented once a year for approval in preparation for the annual report.

Strategy

Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term

BW Energy defines short term as 0-2 years, medium term 3-10 years, and long term more than 10 years.

Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term

The transition to a low-carbon society involves increasing the amount of renewable energy in the world's energy supply. However, the provision of hydrocarbons as energy sources will remain vital to provide society with affordable energy. BW Energy capitalises on the market opportunity to re-purpose and re-deploy existing offshore hydrocarbon production facilities, which yield an associated reduction or saving of GHG emissions compared to alternatives that involve building new infrastructure.

Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term

BW Energy has not considered specific climate scenarios, however, during the next 20-30 years, BW Energy expects hydrocarbons to continue to play a significant role in the global energy supply and believes that, in this context, its strategy is resilient towards climate-related risks and opportunities.

Risk management		Metrics and targets
Describe the organisation's processes for identifying and assessing climate-related risks	Risks of a more strategic nature are identified and assessed through continuous stakeholder dialogue and initiatives across the value chain in the countries regions where BW Energy has operations. Operational climate-related risks are identified and assessed continuously as part of the Operations Management System.	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process
Describe the organisation's processes for identifying and assessing climate-related risks	The Operations Management System is integral to manage climate-related risks of an operational nature. Risks that are more strategic are incorporated in the general strategy process and result in specific targets and aims for new business opportunities. This also involves close dialogue with local authorities and adherence to local rules and regulations.	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Generic risks are managed at group level through the Operations Management System including physical climate risks like adverse weather events. Longer term risks, like transition risks, are part of the overall strategic framework of BW Energy and are integrated into long-term planning, along with the corresponding climate-related opportunities.	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

Climate Related Risks

Risk Type	Classification	Description	Likelihood	Mitigation	Time ¹
Physical	Acute	Increased severity of extreme weather like storms leading to disruption of operations	More likely than not	Emergency response preparedness Risk management systems	MT →
	Chronic	Increased frequency of extreme weather events leading to disruption of operations	About as likely as not	Preparation for extreme weather when retrofitting new production facilities	LT
Transition	Policy and legal	Higher carbon pricing levels impacting the cost of fuel and operations	Very likely	Energy efficiency improvements	MT →
		Restrictions on emission levels	Likely	Ensure production is energy efficient and low carbon	MT →
	Technology	Carbon capture, flaring capturing gas technologies, and the use of renewable energy offshore	Likely	Ensure that BW Energy keeps up with technological developments	LT
	Market	Reduced demand for hydrocarbon energy supply as renewable energy makes up a larger proportion of the energy mix	Very likely	Consider investing in renewable energy technologies that can reduce BW Energy's carbon footprint Consider a more conservative oil price outlook when developing new projects	LT →
	Reputation	Stigmatisation of industry sectors with high energy usage and emissions	More likely than not	Invest in renewable energy technology to reduce emissions from operations Consider using carbon offsets	LT

¹ Time Horizons: ST (short-term) 0-2 years, MT (medium term) 3-10 years, LT (long term) 11 years and onwards

GRI index

GRI standard	Disclosure	GRI sector standard ref. No.	2023 Statement
General Disclosures			
GRI 2: General Disclosures 2021	2-1 Organisational details		BW Energy's organisational details are described in 2023 Annual Report, page 30 , and Note 1 of the Consolidated Financial Statements.
	2-2 Entities included in the organisation's sustainability reporting		BW Energy's reporting includes all entities as noted in the 2023 Annual Report in Note 19 of the Consolidated Financial Statements.
	2-3 Reporting period, frequency and contact point		BW Energy publishes its Annual Report based on the calendar year 2023. Contact person for BW Energy's Annual Report and communication is Knut Sæthre, CFO, contact@bwenergy.no .
	2-4 Restatements of information		No restatement of information.
	2-5 External assurance		BW Energy does not have a policy in place for external assurance practices. BW Energy's 2023 Annual Report is assured internally by the Board of Directors. To date, BW Energy has not sought to have its Annual Report externally assured as understood in the context of the GRI. However, the environmental and social work streams for the Dussafu RBL Facility have been subject to ongoing due diligence/verification and periodic formal review by the Independent Environmental and Social Consultant (ERM). The estimates of projected GHG emissions for the life of the Dussafu field have been reviewed in detail by subject matter experts at ERM and RSK and found to be fit for purpose and free from error. BW Energy's Brazil Golfinho operations are in compliance with all governmental regulations and are routinely audited and reviewed.
	2-6 Activities, value chain and other business relationships		BW Energy is engaged in exploration and production activities in the Oil and Gas sector. BW Energy's revenues are derived from the sales of produced crude oil to refineries around the globe. BW Energy's value chain is described in the 2023 Annual Report in Note 4 of the Consolidated Financial Statements and in the Supplier Code of Ethics and Business Conduct found on the website, www.bwenergy.no/siteassets/documents/supplier-code-of-ethics.pdf
	2-7 Employees		BW Energy acquired the Golfinho cluster of fields in Brazil in 2023 and the FPSO <i>Cidade de Vitória</i> , leading to significant increases in all categories of BW Energy Brazil workers. Note to Onshore and Offshore employee tables: – The personnel statistics are based on year-end headcount at 31 December 2023 – 'Other' region for personnel overview includes employees working remotely

Onshore**Gender, Location, Employment Category**

Employment Category	Gender	Brazil	Gabon	Namibia	Norway	Singapore	USA	Other*	Grand Total
Senior Management	Female	-	-	-	-	-	2	-	2
	Male	-	-	-	1	1	3	-	5
Management	Female	5	4	-	-	-	3	-	12
	Male	8	4	1	-	1	16	1	31
Employee	Female	28	16	1	2	-	20	-	67
	Male	35	23	2	2	-	17	1	80
Legacy Contingent	Female	-	-	-	-	-	-	-	-
	Male	-	-	-	-	-	2	-	2
Contingent Worker	Female	-	1	-	-	-	3	1	5
	Male	-	11	-	2	1	6	17	37
Grand Total		76	59	4	7	3	72	20	241

Offshore**Gender, Location, Employment Category**

Employment Category	Gender	Brazil	Gabon	Grand Total
Senior Management	Female	-	-	-
	Male	-	-	-
Management	Female	-	-	-
	Male	-	-	-
Employee	Female	1	-	1
	Male	3	33	36
Legacy Contingent	Female	-	-	-
	Male	-	-	-
Contingent Worker	Female	1	1	2
	Male	99	55	154
Grand Total		104	89	193

GRI standard	Disclosure	GRI sector standard ref. No.	2023 Statement
General Disclosures			
GRI 2: General Disclosures 2021	2-8 Workers who are not employees		<p>BW Energy acquired the Golfinho cluster of fields in Brazil in 2023 and the FPSO <i>Cidade de Vitória</i>, leading to significant increases in all categories of BW Energy Brazil workers.</p> <p>Onshore and Offshore employee tables included in disclosure 2-07 are also applicable to disclosure 2-08.</p> <p>Note to tables: The most common type of non-permanent personnel are contingent workers hired for a time specific period. Contingent workers are hired through 3rd party agreements.</p> <p>Non-permanent personnel are typically hired for the following roles:</p> <ol style="list-style-type: none"> 1. Positions such as technical and subject matter expert roles to cover for peak capacity needs during projects.
	2-9 Governance structure and composition		<p>BW Energy's governance structure is described in the Corporate Governance report in the 2023 Annual Report, page 30.</p> <p>All members of the board are non-executive.</p>
	2-10 Nomination and selection of the highest governance body		<p>Nomination and selection of BW Energy's Board of Directors is described in the 2023 Annual Report, page 33, and under Investors on the website, www.bwenergy.no.</p>
	2-11 Chair of the highest governance body		<p>The Chair of BW Energy's Board of Directors is not a senior executive.</p>
	2-12 Role of the highest governance body in overseeing the management of impacts		<p>Information regarding the role of the highest governance body and its committees is covered in the 2023 Annual Report, page 34, and on the website, www.bwenergy.no.</p> <p>The Board of Directors performs annual reviews of BW Energy's strategic planning and impacts through the sustainability reporting process.</p>
	2-13 Delegation of responsibility for managing impacts		<p>The BW Energy Board of Directors has delegated senior management with the responsibility to manage impacts.</p>
	2-14 Role of the highest governance body in sustainability reporting		<p>BW Energy Board of Directors has ultimate responsibility for reviewing and approving sustainability reporting.</p>
	2-15 Conflicts of interest		<p>BW Energy requires all employees to complete a Conflict of Interest (COI) Declaration during onboarding. Employees must also provide COI updates whenever appropriate. In addition, BW Energy's Annual Compliance Survey requires all employees to confirm on an annual basis that all COIs have been properly disclosed. This information is available to Senior Management and members of the Board. See the Ethics and Compliance section of the Annual Report, page 54, and Shareholder Information on page 39.</p>

GRI standard	Disclosure	GRI sector standard ref. No.	2023 Statement
General Disclosures			
GRI 2: General Disclosures 2021	2-16 Communication of critical concerns		Any critical concerns are reported to the BW Energy Board of Directors on at least a quarterly basis.
	2-17 Collective knowledge of the highest governance body		The BW Energy Board of Directors possesses significant expertise in sustainable development, gained through extensive experience in the Oil and Gas sector. The Board actively participates in various forums and remain at the forefront of developments in the oil and gas industry and its evolving technologies.
	2-18 Evaluation of the performance of the highest governance body		Any critical concerns are reported to the BW Energy Board of Directors on at least a quarterly basis.
	2-19 Remuneration policies		BW Energy Board of Directors remuneration information can be found in part 11 of the Corporate Governance Report section in the Annual Report, page 30 . Information on the BW Energy Executive Compensation can be found in Note 7 of the Consolidated Financial Statements.
	2-20 Process to determine remuneration		BW Energy's process for designing its remuneration policies is described the Nomination Committee section of the BW Energy Corporate Governance Report on page 30 in the 2023 Annual Report.
	2-21 Annual total compensation ratio		Unable to report in 2023
	2-22 Statement on sustainable development strategy		For statement on BW Energy's sustainable development strategy, see 2023 Annual Report, page 7 , as well as throughout the 2023 Annual Report.
	2-23 Policy commitments		See BW Energy's Code of Ethics and Business Conduct, 'Respect for the individual, Human Rights and Employment Practices.' See also BW Energy's Supplier Code of Ethics and Business Conduct, 'Respect for the Individual, Human Rights and Employment Practices.' Both policies can be found on the BW Energy website under Sustainability, www.bwenergy.no .
	2-24 Embedding policy commitments		BW Energy's policy commitments are included in the Code of Ethics and Business Conduct, and the subsequent policies, guidelines, standards, etc. All such documents are provided during onboarding and are available to company staff via the BW Energy Intranet Site and its Management Systems. Training related to such obligations is conducted annually.
	2-25 Processes to remediate negative impacts		The BW Energy's Speak Up Channel is available to all employees, suppliers, and external parties. The Speak Up Channel is managed by an independent third-party provider to ensure reporter anonymity, and is available in a wide variety of languages. BW Energy has a no retaliation policy for any personnel raising concerns, questions, grievances or complaints in good faith. Results of investigations are reported to the Board of Directors at least on a quarterly basis.
	2-26 Mechanisms for seeking advice and raising concerns		Information about BW Energy's Compliance Programme is available to employees on the intranet and through targeted information campaigns. External parties may obtain information via the BW Energy's website, www.bwenergy.no .

GRI standard	Disclosure	GRI sector standard ref. No.	2023 Statement
GRI 2: General Disclosures 2021	2-27 Compliance with laws and regulations		BW Energy has not been involved in any instances of non-compliance that resulted in administrative or judicial penalties during 2023.
	2-28 Membership associations		BW Energy is a member of IOGP - The International Association of Oil and Gas Producers
	2-29 Approach to stakeholder engagement		BW Energy's approach to stakeholder engagement in Gabon is described in the ESIA Addendum and can be found on the BW Energy website found under ESG, www.bwenergy.no . BW Energy's stakeholder engagement for Golfinho in Brazil is detailed in the environmental assessment of the Golfinho field through the Social Communications Program – PCS.
	2-30 Collective bargaining agreements		Collective bargaining agreements and rights and obligations are described in the 2023 Annual Report, page 53 .
Material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics		BW Energy determines materials topics through an iterative review and the organisation has developed and implemented an Environmental and Social Management System whereby sustainability risks and opportunities are identified, assessed, managed, monitored and reported as part of day-to-day business. Refer to the Sustainability section of the 2023 Annual Report for more information.
	3-2 List of material topics		The key material sustainability topics for BW Energy include: <ul style="list-style-type: none">• Safety first• Robust governance principles• Environmentally conscious operations• Cultivating fairness and inclusion
	3-3 Management of material topics		Management of Material Topics is described throughout the BW Energy 2023 Annual Report and are referred to in the subtopics below.
Economic performance			
GRI 201: Economic Performance 2017	201-1 Direct economic value generated and distributed	1.2.2 11.14.2 11.21.2	Refer to the BW Energy Consolidated Financial Statements in the 2023 Annual Report.
Market presence			
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	11.11.2 11.14.3	The proportion of BW Energy senior management and asset managers hired from local communities is 50%.

GRI standard	Disclosure	GRI sector standard ref. No.	2023 Statement
Indirect economic impacts			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	11.14.4	Refer to the Sustainability section of the 2023 Annual Report for details.
	203-2 Significant indirect economic impacts	11.14.5	Refer to the Sustainability section of the 2023 Annual Report for details.
Anti-corruption			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	11.20.2	100% of BW Energy's operations are assessed regularly for risks related to corruption.
	205-2 Communication and training about anti-corruption policies and procedures	11.20.3	BW Energy's anti-corruption policies and procedures have been communicated to 100% of BW Energy's governance body members, employees, and business partners. Over 91% of BW Energy's employees received anti-corruption training during the past two years. 100% of BW Energy's governance body members receive training on anti-corruption every two-years.
	205-3 Confirmed incidents of corruption and actions taken	11.20.4	In 2023, BW Energy did not record any confirmed cases of corruption, nor were there any cases where employees were dismissed or disciplined as a result of corruption.
Anti-competitive behaviour			
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	11.19.2	BW Energy had 0 (zero) legal actions pending or completed during 2023 regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation.
Tax			
GRI 207: Tax 2019	207-1 Approach to tax	11.21.4	Refer to Note 2 of the Consolidated Financial Statements in the 2023 Annual Report.
	207-2 Tax governance, control, and risk management	11.21.5	Refer to Note 2 and Note 8 of the Consolidated Financial Statements in the 2023 Annual Report.
	207-3 Stakeholder engagement and management of concerns related to tax	11.21.6	Refer to Note 2 and Note 8 of the Consolidated Financial Statements in the 2023 Annual Report.
	207-4 Country-by-country reporting	11.21.7	Refer to BW Energy Report on Payments to Governments 2023 which can be found on the website: www.bwenergy.no .

GRI standard	Disclosure	GRI sector standard ref. No.	2023 Statement
Energy			
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	11.1.2	BW Energy calculates and reports the energy content in gigajoules of the fuel consumed by the organisation. The fuel is predominantly associated gas that is conditioned into fuel gas, as well as diesel and a small quantity of heavy fuel oil. These fuels are used offshore for power generation, transport/propulsion and to run engines on the hydrocarbon production facilities. BW Energy also tracks the kWh of electricity purchased by the organisation to power its onshore offices. Refer to KPI Table 3 on page 51 of the Annual Report for 2023 results. The conversion factors used in the energy consumption calculations are based on laboratory analysis of the composition of actual samples of the fuel gas and diesel used on the production facilities in Gabon and Brazil. The reporting basis is operational control. Methodology is as recommended in the IPIECA/IOGP/API Oil and Gas Industry Guidance on Voluntary Sustainability Reporting (3 rd Edition, 2015).
	302-2 Energy consumption outside of the organisation	11.1.3	BW Energy does not currently calculate energy consumed upstream or downstream of its reporting perimeter.
	302-3 Energy intensity	11.1.4	See 'Energy consumption' table.

Energy consumption

Indicator	Unit	2023	2022	GRI Standard
Gas fuel consumed (non-renewable)	GJ	596,069	466,654	GRI 302
Liquid fuel consumed (non-renewable)	GJ	834,445	544,566	GRI 302
Electricity consumed	GJ	7,146	5,401	GRI 302
Energy intensity ¹ - Gabon	GJ per 1,000t oil produced	1,309	1,810	GRI 302
Energy intensity ¹ - Brazil	GJ per 1,000t oil produced	1,623	N/A	GRI 302
Energy consumption from renewable sources	%	-	-	GRI 302
Energy consumption from non-renewable sources	%	100	100	GRI 302

¹ Direct

GRI standard	Disclosure	GRI sector standard ref. No.	2023 Statement
Water and effluents			
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	11.6.3	Refer to Sustainability, Environmentally conscious operations on page 48 , in the 2023 Annual Report.
	303-3 Water withdrawal	11.6.4	Not applicable.
	303-4 Water discharge	11.6.5	Refer to KPIs Table 3 in the Sustainability section of the 2023 Annual Report, page 51 .
	303-5 Water consumption	11.6.6	Not applicable.
Biodiversity			
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	11.4.2	In Gabon, the offshore hydrocarbon production operations are located in la Réserve Aquatique du Grand Sud du Gabon (a nationally designated marine protected area) and overlap with two ecologically and biological sensitive areas (EBSAs). The Dussafu block is also situated adjacent to the Mayumba National Park. In Brazil, the Golfinho field is located in the Espírito Santo Basin and is surrounded by multiple ecologically and biologically sensitive areas.
	304-2 Significant impacts of activities, products and services on biodiversity	11.4.3	Refer to the Sustainability section of the 2023 Annual Report.
	304-3 Habitats protected or restored	11.4.4	Refer to GRI Disclosure 304-1 regarding collaboration/partnerships with third parties to protect natural marine habitats that have high conservation value. In addition, see the Environmentally conscious operations section of the 2023 Annual Report on page 48 .
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	11.4.5	Refer to Chapter 6 (Critical Habitat Assessment) of the Dussafu ESIA Addendum for the total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organisation, by level of extinction risk. See: www.bwenergy.no/sustainability/dussafu-esia-addendum/ Near the Golfinho field in Brazil, there are a number of endangered creatures including but not limited to fish, marine mammal, turtles, and coral reefs.

GRI standard	Disclosure	GRI sector standard ref. No.	2023 Statement		
Emissions					
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	11.1.5	BW Energy's Environmental Metrics KPI Table 3 on page 51 of the 2023 Annual Report contains Scope 1 and Scope 2 absolute emissions of GHGs and below for more information. The GHGs included in Scope 1 emissions estimates are CO ₂ , CH ₄ and N ₂ O. Only combustion sources of GHG emissions are currently included in Scope 1 emissions calculations (i.e., no venting and fugitives emissions sources).		
Greenhouse gas emissions					
Indicator	Unit	2023	2022	GRI Standard	
Scope 1 GHG emissions	tonnes CO ₂ e	244,609	127,824	GRI 305	
Scope 2 GHG emissions (location based)	tonnes CO ₂ e	277	235	GRI 305	
Total GHG emissions (Scope 1 + Scope 2 location based)	tonnes CO ₂ e	244,886	128,059	GRI 305	
Carbon intensity (Scope 1 + 2) Gabon	kg CO ₂ e per boe	26	33	GRI 305	
Carbon intensity (Scope 1 + 2) Brazil	kg CO ₂ e per boe	60	N/A	GRI 305	
CO ₂ emissions (Scope 1)	tonnes	227,370	120,385	GRI 305	
CO ₂ emissions excl. flaring (Scope 1)	tonnes	166,531	62,819	GRI 305	
CO ₂ emissions from flaring	tonnes	78,078	57,566	GRI 305	

GRI standard	Disclosure	GRI sector standard ref. No.	2023 Statement
Emissions			
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	11.1.6	<p>BW Energy's Scope 2 emissions are in the table noted in Disclosure 305-1. Scope 2 emissions are limited to those arising from electricity purchased by BWE since the company does not use heating, cooling or steam provided by third parties. Only CO₂ emissions are calculated (none of the other 5 GHGs) and the CO₂ emissions factors used are specific to the geographic location of BWE offices and include: USA, Gabon, Brazil, and Namibia.</p> <p>The source of the CO₂ emission factors (in kgCO₂/kWh) varies depending on operating location. EF source for Gabon is Ecometrica (2011) Electricity-specific emission factors for grid electricity. EF source for Texas is US EPA eGrid database Feb 2020 (EFs for 2018). EF source for Rio de Janeiro office electricity consumption is the Government of Brazil (https://www.gov.br/mcti/pt-br/acompanhe-o-mcti/sirene/dados-e-ferramentas/fatores-de-emissao) which is provided on a per month basis. The EF source for Namibia is Carbon Footprint International Electricity factors publication 2023 07.</p>
	305-4 GHG emissions intensity	11.1.8	Refer to the Environmental Metrics KPI Table 3 on page 51 . The organisation-specific metric (denominator) chosen to calculate emissions intensity ratio is wellhead production.
	305-7 Nitrogen oxides (NO _x), sulphur oxides (SO _x), and other significant air emissions	11.3.2	BW Energy reports on emissions of NO _x , SO _x and VOC in the 2023 Annual Report, Environmental Metrics KPI Table 3 on page 51 . The Company uses the Oil and Gas UK Environmental Emissions Monitoring System, and bases its reporting on methodologies from the American Petroleum Institute 2021 Compendium of Greenhouse Gas Emissions methodologies for the Oil and Natural Gas Industry.
Waste			
GRI 306: Waste 2020	306-3 Waste generated	11.5.4 11.8.2	BW Energy distinguishes between hazardous, recyclable and residual (landfill) solid waste types. The available data is contained in the Environmental Metrics KPI Table 3 on page 51 of the Annual Report.
	306-4 Waste diverted from disposal	11.5.5	Refer to information in Disclosure 306-3.
	306-5 Waste directed to disposal	11.5.6	Refer to Environmental Metrics KPI Table 3 on page 51 .

GRI standard	Disclosure	GRI sector standard ref. No.	2023 Statement		
Employment					
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	11.10.2	See tables entitled 'Joiners 2023' and 'Turnover 2023' for information.		
Joiners 2023					
Gender / Age	Africa	Americas	Other*	Total Joiners	Total Percentage
Female				32	17%
≤30	-	4	1		3%
31-50	5	16	1		12%
≥51	1	4	-		3%
Male				158	83%
≤30	-	4	1		3%
31-50	9	101	2		59%
≥51	8	25	8		22%
Grand total				190	100%
Turnover 2023					
Gender / Age	Africa	Americas	Other*	Total Turnover	Total Percentage
Female				11	22%
≤30	-	2	-		4%
31-50	1	4	1		12%
≥51	-	3	-		6%
Male				38	78%
≤30	1	1	-		4%
31-50	10	10	3		47%
≥51	3	8	2		27%
Grand total				49	100%

GRI standard	Disclosure	GRI sector standard ref. No.	2023 Statement
Employment			
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	11.10.3	At a minimum, BW Energy complies with local legislative requirements for employee benefits.
	401-3 Parental leave	11.10.4 11.11.3	At a minimum, BW Energy complies with local legislative requirements for employee benefits. All staff at BW Energy are entitled to parental leave regardless of gender. In 2023, four females and two males took paternity leave. Total number of employees returning from parental leave in 2023 totaled three: one female and two males. Return to work and retention rates of employees that took parental leave is 100% regardless of gender. All employees have returned and are still employed, however, not all have completed 12-month of service after return.
Labour/management relations			
GRI 402: Labour/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	11.7.2 11.10.5	At a minimum, BW Energy complies with local legislative requirements for notification periods.
Occupational health and safety			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	11.9.2	Refer to the HSEQ framework section of the 2023 Annual Report, page 46 .
	403-2 Hazard identification, risk assessment, and incident investigation	11.9.3	Refer to the HSEQ framework section of the 2023 Annual Report, page 46 .
	403-3 Occupational health services	11.9.4	Refer to the HSEQ framework section of the 2023 Annual Report, page 46 .
	403-4 Worker participation, consultation, and communication on occupational health and safety	11.9.5	Refer to the HSEQ framework section of the 2023 Annual Report, page 46 .
	403-5 Worker training on occupational health and safety	11.9.6	Refer to the HSEQ framework section of the 2023 Annual Report, page 46 .
	403-6 Promotion of worker health	11.9.7	Refer to the HSEQ framework section of the 2023 Annual Report, page 46 .
Training and education			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	11.10.6 11.11.4	In 2023, BW Energy's employees received an average of 17 hours of training per employee. Training categories included leadership development, induction training, professional, and technical training. BW Energy does not track training per gender.
	404-2 Programmes for upgrading employee skills and transition assistance programmes	11.7.3 11.10.7	BW Energy continuously invests in employee training and competency. BW Energy supports personal development and training by internal or external courses, within the categories of leadership development, induction training, internships, professional, and technical training.

GRI standard	Disclosure	GRI sector standard ref. No.	2023 Statement
Diversity and equal opportunity			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	11.11.5	BW Energy's Board and Management composition is described in the 2023 Annual Report on People - gender splits Metrics KPI Table 2, page 50 . On 31 December 2023, 21% percent of the total workforce was female, and 79% percent male.

BW Energy Gender/Age

Gender / Age	Percentage
Female	21%
<30	3%
31-50	17%
>51	3%
Male	79%
<30	3%
31-50	52%
>51	25%

GRI standard	Disclosure	GRI sector standard ref. No.	2023 Statement
Non-discrimination			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	11.11.7	BW Energy had zero (0) incidents of discrimination during 2023.
Freedom of association and collective bargaining			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	11.13.2	BW Energy is not aware of any incidents in which workers' rights to exercise freedom of association or collective bargaining may have been violated.
Forced or compulsory labour			
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	11.12.2	BW Energy is not aware of any operations or suppliers considered to have significant risk for incidents of forced or compulsory labour.
Security practices			
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	11.18.2	Not applicable. BW Energy does not employ security personnel.
Rights of indigenous peoples			
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	11.17.2	BW Energy is not aware of any incidents or violations involving the rights of indigenous peoples.
Local communities			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	11.15.2	BW Energy's activities are undertaken in accordance with best international practices relating to planning and execution of stakeholder engagement, environmental and social impact assessment, public disclosure, community grievance management, social investment/community development. Refer to the Sustainability section of the 2023 Annual Report for more information.
	413-2 Operations with significant actual and potential negative impacts on local communities	11.15.3	Due to the remoteness of BW Energy's production facilities from land, there are no significant negative impacts on local communities. The key potential impact on local communities is in the unlikely event of a significant oil spill.

GRI standard	Disclosure	GRI sector standard ref. No.	2023 Statement
Supplier social assessment			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	11.10.8 11.12.3	Refer to BW Energy 'Supplier Code of Ethics and Business Conduct', found under ESG at www.bwenergy.no .
	414-2 Negative social impacts in the supply chain and actions taken	11.10.9	Refer to BW Energy 'Supplier Code of Ethics and Business Conduct', found under ESG at www.bwenergy.no .
Public policy			
GRI 415: Public Policy 2016	415-1 Political contributions	11.22.2	The Company does not make political contributions.

Financial statements

Consolidated financial statements	76
<hr/>	
Parent company financial statements	111
<hr/>	
Auditor's report	124
<hr/>	
Responsibility statement	128
<hr/>	
Alternative performance measures	129

Consolidated financial statements

Consolidated statement of income	77	Notes to the Consolidated financial statements	82	Note 14 Share capital	96
Consolidated statement of comprehensive income	78	Note 1 Reporting entity	82	Note 15 Loans and borrowings	96
Consolidated statement of financial position	79	Note 2 Material accounting policies	82	Note 16 Trade and other payables	98
Consolidated statement of changes in equity	80	Note 3 Significant accounting estimates and judgments	87	Note 17 Provisions and contingent assets and liabilities	98
Consolidated statement of cash flows	81	Note 4 Revenue	88	Note 18 Financial risk management	99
		Note 5 Operating expenses	88	Note 19 List of subsidiaries	104
		Note 6 Earnings per share	89	Note 20 Acquisitions and disposals	104
		Note 7 Employee benefit expenses, remuneration to directors and auditors	90	Note 21 Leases	105
		Note 8 Income taxes	92	Note 22 Commitments & guarantees	107
		Note 9 Inventories	93	Note 23 Related parties	107
		Note 10 Trade and other current assets	93	Note 24 Macroeconomic and geopolitical uncertainty	109
		Note 11 Cash and cash equivalents	93	Note 25 Climate risk	109
		Note 12 Property, plant and equipment	94	Note 26 Subsequent events	109
		Note 13 Intangible assets	95	Note 27 Reserves (unaudited)	110

Consolidated statement of income

USD MILLION (Year ended 31 December)	Note	2023	2022
Total revenues	<u>4</u>	507.3	277.6
Operating expenses	<u>5, 7</u>	(266.3)	(123.4)
Operating profit before depreciation, amortisation and impairment		241.0	154.2
Depreciation and amortisation (Impairment)/reversal charges	<u>12, 13, 21</u>	(99.5) (0.4)	(60.1) -
Operating profit		141.1	94.1
Interest income		8.2	1.7
Interest expense	<u>15</u>	(8.3)	(2.6)
Fair value gain/(loss) on financial instruments	<u>18</u>	(0.1)	7.3
Net currency gain/ (loss)		(0.7)	(2.2)
Lease interest expense and other financial items	<u>21</u>	(17.7)	(14.5)
Net financial items		(18.6)	(10.3)
Profit/(loss) before tax		122.5	83.8
Income tax expense	<u>8</u>	(41.5)	(38.8)
Net profit/(loss) for the year		81.0	45.0
Basic earnings per share	<u>6</u>	0.31	0.17
Diluted earnings per share	<u>6</u>	0.31	0.17

The notes on [pages 82–110](#) are an integral part of these financial statements.

Consolidated statement of comprehensive income

USD MILLION (Year ended 31 December)	2023	2022
Net profit/(loss) for the year	81.0	45.0
Other comprehensive income		
Items to be reclassified to profit or loss:		
Currency translation differences	-	-
Net items to be reclassified to income or loss	-	-
Total comprehensive income for the year	81.0	45.0

The notes on [pages 82–110](#) are an integral part of these financial statements.

Consolidated statement of financial position

USD MILLION (as at 31 December)	Note	2023	2022	USD MILLION (as at 31 December)	Note	2023	2022
ASSETS							
Property, plant and equipment ¹	<u>12</u>	1,054.3	543.1	Share capital	<u>14</u>	2.6	2.6
Intangible assets	<u>13</u>	255.3	212.5	Share premium		550.1	550.1
Right-of-use-assets	<u>21</u>	108.9	209.9	Retained earnings		144.9	62.6
Derivatives	<u>18</u>	0.1	9.2	Total equity		697.6	615.3
Deferred tax assets	<u>8</u>	7.6	-	Interest-bearing long-term debt	<u>15</u>	292.6	164.9
Other non-current assets	<u>20</u>	34.2	0.6	Deferred tax liabilities	<u>8</u>	11.7	9.3
Total non-current assets		1,460.4	975.3	Derivatives	<u>18</u>	0.4	1.4
Inventories	<u>9</u>	33.5	11.5	Asset retirement obligations ¹	<u>17</u>	224.0	23.8
Trade and other current assets	<u>10, 23</u>	51.7	18.1	Long-term lease liabilities	<u>21</u>	108.6	187.2
Derivatives	<u>18</u>	0.6	-	Other non-current liabilities	<u>23</u>	67.4	33.6
Cash and cash equivalents	<u>11</u>	194.2	210.8	Total non-current liabilities		704.7	420.2
Total current assets		280.0	240.4	Interest-bearing short-term debt	<u>15</u>	79.9	-
Total assets		1,740.4	1,215.7	Trade and other payables	<u>16, 23</u>	220.3	107.2
EQUITY AND LIABILITIES							
Derivatives							
Short-term lease liabilities							
Total equity and liabilities							
						1,740.4	1,215.7

The notes on [pages 82–110](#) are an integral part of these financial statements.

¹ Restated 2022 figure due to a policy change affecting ARO, see [Note 2 Changes in material accounting policies](#) and [Note 17 Provisions and contingent assets and liabilities](#)

27 February 2024

Mr Andreas Sohmen-Pao
Chairman

Ms Hilde Drønen
Director

Mr William Russell Scheirman
Director

Mr Tormod Vold
Director

Mr Marco Beenen
Director

Ms Ana Zambelli
Director

Consolidated statement of changes in equity

USD MILLION	Share capital	Share premium	Retained earnings	Share-holders' equity	Total equity
Equity at 1 January 2022	2.6	550.1	16.5	569.2	569.2
Profit for the period	-	-	45.0	45.0	45.0
Share-based payments	-	-	1.1	1.1	1.1
Total equity at 31 December 2022	2.6	550.1	62.6	615.3	615.3
Equity at 1 January 2023	2.6	550.1	62.6	615.3	615.3
Profit for the period	-	-	81.0	81.0	81.0
Share-based payments	-	-	1.3	1.3	1.3
Total equity at 31 December 2023	2.6	550.1	144.9	697.6	697.6

The notes on [pages 82–110](#) are an integral part of these financial statements.

Consolidated statement of cash flows

USD MILLION (Year ended 31 December)	Note	2023	2022
Operating activities			
Profit/(loss) before tax		122.5	83.8
<i>Adjustment for:</i>			
Currency exchange differences		-	2.1
Fair value change on financial instruments	<u>18</u>	3.3	(1.5)
Depreciation and amortisation	<u>12, 13, 21</u>	99.5	60.1
Impairment/(reversal) charges		0.4	-
Share-based payment expense		1.3	1.1
Changes in asset retirement obligations	<u>17</u>	5.2	1.5
Add back of net interest		(3.2)	(1.2)
Changes in net working capital		(1.1)	59.0
Taxes paid in kind	<u>8</u>	(46.9)	(36.4)
Net cash flows from operating activities		181.0	168.5
Investing activities			
Investment in property, plant and equipment	<u>12</u>	(273.4)	(182.0)
Investment in intangible assets	<u>13</u>	(61.6)	(57.9)
Interest received		8.3	1.7
Net cash flows used in investing activities		(326.7)	(238.2)
Financing activities			
Proceeds from interest-bearing debt	<u>15</u>	209.0	171.0
Transaction costs related to loans and borrowings	<u>15</u>	(2.7)	(6.3)
Interest paid	<u>15</u>	(29.0)	(3.5)
Payment of lease liabilities	<u>21</u>	(48.2)	(31.6)
Net cash flows from/(used in) financing activities		129.1	129.6
Net change in cash and cash equivalents		(16.6)	59.9
Cash and cash equivalents at 1 January		210.8	150.9
Cash and cash equivalents at 31 December	<u>11</u>	194.2	210.8

The notes on [pages 82–110](#) are an integral part of these financial statements.

Notes to the Consolidated financial statements

Note 1 Reporting entity

BW Energy Limited was incorporated on 22 May 2019 as an exempted company limited by shares under the laws of Bermuda and in accordance with the Bermuda Companies Act. BW Energy Limited registered office is at Washington Mall Phase 2, 4th Floor, Suite 400, 22 Church Street, Hamilton HM1189, Bermuda. BW Energy Limited (hereafter the "Company") is the parent entity of the Company and its consolidated subsidiaries (hereafter "BW Energy Group").

BW Energy Limited is listed on Oslo Børs, a stock exchange that is part of Euronext.

BW Energy Group is engaged in oil and gas exploration and production activities.

Note 2 Material accounting policies

Basis of accounting

The consolidated financial statements of BW Energy Group have been prepared pursuant to IFRS ® Accounting Standards as adopted by the EU (IFRS). The consolidated financial statements have been prepared in accordance with the historical cost convention with some exceptions, as detailed in the accounting policies set out below.

The consolidated financial statements were approved by the Board of Directors on 27 February 2024.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of complying with BW Energy Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in [Note 3](#).

Functional and presentation currency

These consolidated financial statements are presented in United States Dollars (USD). This is also the functional currency of the parent company and all its subsidiaries. The functional currency is determined in each entity in BW Energy Group based on the currency within the entity's primary economic environment. All figures are in USD million if not otherwise stated. Certain amounts in the comparable year have been restated or reclassified to conform to current year presentation. Because of rounding differences, numbers and or percentages may not add up to the total. Figures in brackets refer to corresponding figures for 2022.

Changes in material accounting policies

BW Energy Group has adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements) from 1 January 2023. The amendments have had an impact on BW Energy Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in BW Energy Group's financial statements. The amendments require the disclosure of material rather than significant accounting policies, assisting entities to provide useful, entity specific accounting policy information. Management reviewed the accounting policies and made updates to the information disclosed in [Note 2](#) Material accounting policies (2022: Significant accounting policies).

With effect from 1 January 2023, BW Energy Group changed its discount rate used in calculation of asset retirement obligations (ARO) and no longer includes the Group's own credit risk. This voluntary change in accounting policy was adopted to better represent the risks specific to the ARO liability. The change increased the amounts of ARO liabilities and the ARO elements of property, plant and equipment materially, therefore, the prior period balance sheet amounts were restated (USD 10.4 million as of 1 January 2022). The impact of the change in policy to the income statement and presentation within the statement of cash flows are immaterial, hence no restatements have been performed. For more information see [Note 17](#).

Other new standards effective from 1 January 2023 did not have a material impact on BW Energy Group's financial statements.

Standards issued but not yet effective

Several standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted; however, BW Energy Group has not early adopted the new and amended standards in preparing these consolidated financial statements. The following new and amended standards are not expected to have a significant impact on BW Energy Group's consolidated financial statements:

- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Classification of Liabilities as Current and Non-current Liabilities with Covenants (Amendments to IAS 1)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Lack of Exchangeability (Amendments to IAS 21)

Basis for consolidation

Subsidiaries

The subsidiaries are legal entities (including special purpose entities) controlled by BW Energy Group. Control is achieved when BW Energy Group is exposed or has rights to variable returns from its involvement with a company in which it has invested and has the ability to use its power to affect its returns from this company. Subsidiaries are fully consolidated from the date on which control commences until the date on which control ceases.

Interests in joint arrangements

IFRS defines a joint arrangement as an arrangement over which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require unanimous consent of the parties sharing control.

BW Energy Group has classified its E&P licences as joint operations and recognises its share of related revenues, expenses, assets, liabilities, and cash flows under the respective items in the consolidated financial statements. Refer to [Notes 12](#) and [13](#).

Transactions eliminated on consolidation

All intercompany balances and transactions, including unrealised profits and losses arising from transactions between group companies are eliminated.

Foreign currency transactions

Transactions in foreign currency are translated to functional currency using the exchange rate at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated using the closing rate, non-monetary items that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction and non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. Foreign currency differences are generally recognised in profit or loss and presented within Net Financial Items.

Revenue

BW Energy Group derives its revenue from sale of crude oil.

Revenue from contracts with customers

Revenue from the sale of crude oil is recognised when a customer obtains control, normally this is when title passes at point of delivery. Revenue from production of oil in which BW Energy Group shares an interest with other companies is recognised based on actual volumes lifted and sold to customers during the period (the sales method).

Where BW Energy Group has lifted and sold more than the ownership interest, an accrual is recognised for the cost of the overlift. Where BW Energy Group has lifted and sold less than the ownership interest, costs are deferred for the underlift. Overlift and underlift are valued at production cost. Lifting imbalances are part of the operating cycle and as such classified as other current liabilities or assets.

Other revenues

Profit oil tax

BW Energy Group is obligated to pay profit oil tax on the production of

crude oil from the Dussafu licence area in Gabon. Payment of profit oil tax can either be settled in cash or in kind (crude oil). Since commencement of production in 2018, BW Energy Group settles the profit oil obligation in kind.

In kind payment of profit oil tax is separately lifted by the government of Gabon for its entitled share of crude oil. Profit oil tax based on production entitlement is presented in the consolidated statement of income as income tax expense with a corresponding increase in other revenues.

Commodity derivative instruments

BW Energy Group has entered into commodity based derivatives linked to oil prices. Realised and unrealised gains or losses on oil derivatives are reflected as part of total revenues.

Royalty

In accordance with the provisions of the Dussafu Profit Sharing Contract ("PSC"), BW Energy Group has the obligation to make royalty payments to the government of Gabon with a variable percentage based on gross daily production levels. Royalties paid are recognised as operating expenses in the consolidated statement of income. Unpaid royalties are included in trade and other payables in the consolidated statement of financial position.

Employee benefits

Share-based payment

The grant date fair value of equity settled share-based payment arrangements granted to employees is recognised as an employee benefits expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

Taxes

BW Energy Group may be subject to income tax in the countries in which it operates. BW Energy Group provides for tax on profit based on the profit for financial reporting purposes, adjusted for non-taxable revenue and expenses.

Income tax expense represents the sum of tax currently payable, changes in deferred tax liabilities and deferred tax assets.

Deferred tax assets and liabilities are calculated on all differences between the book value and tax value of assets and liabilities.

Deferred tax assets are recognised when it is probable that the company will have a sufficient profit for tax purposes in subsequent periods to utilise the tax asset. Previously unrecognised deferred tax assets are recognised to the extent it has become probable that the deferred tax asset can be utilised. Similarly, the deferred tax asset is reduced to the extent that it is no longer regarded as probable that the deferred tax asset can be utilised.

Deferred tax liabilities and deferred tax assets are measured on the basis of the enacted or substantially enacted tax rates applicable to the respective entity in BW Energy Group where temporary differences have arisen. Deferred tax liabilities and deferred tax assets are recognised at their nominal value. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income becomes taxable.

Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

Production sharing contracts (PSCs)

The PSCs provide that the income tax to which the contractor is subject is deemed to have been paid to the government as part of the payment of profit oil as regulated by the PSC. BW Energy Group presents this as an income tax expense with a corresponding increase classified as other

revenues. This accounting presentation does not have a net impact on the statement of comprehensive income.

Intangible assets

Exploration and evaluation assets

IFRS 6 Exploration for and Evaluation of Mineral Resources requires exploration and evaluation assets to be classified as tangible or intangible assets according to the nature of the assets. BW Energy Group uses the 'successful efforts'-method of accounting for exploration and evaluation costs. Exploration and evaluation expenditures are capitalised when it is considered probable that future economic benefits will be generated. Expenditures that fail to meet this criterion are generally expensed in the period they are incurred.

Licence acquisition costs, expenditures to drill and equip exploratory wells, seismic acquisition and interpretation costs, and other costs directly attributable to the exploration and evaluation activities are classified as intangible assets. Exploration expenditures classified as intangible assets are assessed for impairment at regular intervals.

Exploration wells that discover potentially economic quantities of oil or natural gas remain capitalised as intangible assets during the evaluation phase of the discovery. Once commercial reserves have been discovered, and a development plan has been approved, the carrying value of the relevant assets is transferred to property, plant and equipment. Further expenditures for development of a field, such as drilling production wells, installation of platforms and other structures are capitalised as tangible assets.

No amortisation or depreciation is charged during the development and until production commences.

Other intangible assets

Other intangible assets include an Intellectual Property (IP) agreement acquired by BW Energy Group and capitalised software costs. The IP is measured at discounted cost less accumulated amortisation and any

accumulated impairment losses. The IP is expected to have a useful life equivalent to the Dussafu Production Sharing Contract.

Property, plant, and equipment (PP&E)

Measurement

Property, plant and equipment is measured at cost, less accumulated depreciation and impairment. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of an asset retirement obligation, exploration costs transferred from intangible assets and, for qualifying assets, borrowing costs. Contingent consideration included in the acquisition of an asset or group of similar assets is initially measured at its fair value, with later changes in fair value other than due to the passage of time reflected in the book value of the asset or group of assets, unless the asset is impaired.

Property, plant and equipment include costs relating to expenditures incurred under the terms of production sharing contract in Gabon, and which qualify for recognition as assets of BW Energy Group.

Subsequent costs are included in the asset's carrying amount, as appropriate, only when it is probable that future economic benefits associated with the item will flow to BW Energy Group and the cost of the item can be measured reliably.

Depreciation

Depreciation starts when an item of PP&E is ready for use as intended by management.

Capitalised oil and gas assets including exploration expenditures transferred from intangible assets, drilling of production wells, other development expenditures related to construction and installation of platforms and pipelines, and asset retirement obligations are depreciated using the units of production method (UoP) based on proved and probable reserves (2P) expected to be recovered from the area during the concession or contract period. In certain instances, when realisation

of probable reserves requires additional future investments, the approved future capital expenditures are added to depreciation base to better align the costs with the 2P reserves.

Other PP&E, such as IT equipment, office equipment and cars are typically depreciated over 3-5 years.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is higher than its estimated recoverable amount.

Impairment

Non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount that the asset's carrying amount exceeds its recoverable amount, being the higher of an asset's fair value less cost of disposal or its value in use. For the purpose of assessing an impairment, assets are grouped at the lowest levels for which there are separate identifiable cash flows (cash-generating units). Each exploration licence is considered a separate cash-generating unit as long as it is connected to its own production facility.

Borrowing costs

Borrowing costs directly attributable to development of oil and gas assets, which take a substantial period to get ready for their intended use, are added to the cost of the asset until the asset is ready for its intended use. Borrowing costs consist of loan interest expense and lease interest expense for qualifying assets.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

BW Energy Group's financial assets are derivatives, trade receivables and cash and cash equivalents.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and BW Energy Group's business model for managing them. Except for trade receivables that do not contain a significant financing component, BW Energy Group initially measures a financial asset at its fair value plus, (in the case of a financial asset not at fair value through profit or loss), transaction costs.

BW Energy Group classifies its financial assets in two categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss (FVTPL)

Financial assets at amortised cost

BW Energy Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

BW Energy Group's financial assets at amortised cost include trade and other receivables and other non-current assets. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15 Revenue from Contracts with Customers.

Financial assets at fair value through profit or loss

Derivatives at fair value are carried in the statement of financial position at fair value with net changes in fair value through profit or loss. The category includes interest rate swaps and oil price hedging contracts (reference to

[Note 2](#), Other Revenues). Fair value changes for interest rate swaps are recognised within Net financial items.

Impairment of financial assets

For trade and other receivables and other non-current assets, BW Energy Group applies a simplified approach in calculating Estimated Credit Losses (ECLs). Therefore, BW Energy Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date, based on its historical credit loss experience.

BW Energy Group considers a financial asset in default when internal or external information indicates that BW Energy Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by BW Energy Group. A financial asset is written off when BW Energy Group has no reasonable expectations of recovering the contractual cash flows. BW Energy Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. This assessment is based on historical experience of recoveries of similar assets. BW Energy Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with BW Energy Group's procedures for recovery of amounts due.

Financial liabilities

Financial liabilities are classified as measured at amortised cost except for financial liabilities at fair value through profit or loss (FVTPL). Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the consolidated statement of income, as well as any gain or loss on derecognition.

Derivatives are presented as financial liabilities when the fair value is negative and as financial assets when the fair value is positive.

Inventories

Inventories, other than inventories of crude oil, are valued at the lower of cost or net realisable value. Cost of materials and other consumables is determined by the weighted average cost method and cost of fuel oil is determined by 'first-in-first-out' (FIFO) method. The cost of inventories comprises the purchase price, import duties and other taxes, transport, handling, and other costs directly attributable to the acquisition of finished goods, materials, and services.

Crude oil inventory is valued at production cost including depreciation. Production cost is the weighted average production cost for the period.

Provisions and contingent assets and liabilities

Provisions are recognised when BW Energy Group has a legal or constructive obligation resulting from past events, when it is likely that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Where BW Energy Group expects a provision to be reimbursed, for example under a contract with another entity, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation, using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Contingent liabilities are not recognised in the consolidated financial statements. Contingent liabilities are disclosed, unless the likelihood of the contingent loss is assessed as remote.

Contingent assets are not recognised in the consolidated financial statements but are disclosed if there is a certain probability that the benefit will be added to BW Energy Group.

Asset retirement obligations (ARO)

Provisions for asset retirement obligations are recognised when BW Energy Group has an obligation to plug and abandon an exploration or production well, to dismantle and remove a production platform or an FPSO, and when a reliable estimate of the liability can be made.

ARO are recognised based on the present value of the estimated cash outflows to be incurred to conduct abandonment activities, considering relevant risks and uncertainties. The corresponding amount is recognised to the related PP&E in the consolidated statement of financial position and depreciated using the same depreciation method used for the asset.

The discount rate used in the calculation of the ARO is a market-based risk-free rate based on the applicable currency and time horizon of the underlying cash flows.

ARO is assessed annually to incorporate the annual revisions to the estimated retirement costs, discount rate and retirement date estimates. Changes in estimates are recognised as an adjustment to the provision and the corresponding PP&E.

When an asset has reached the end of its useful life, all subsequent changes to the ARO provision are recognised when they occur in operating expenses in the consolidated statement of income.

Leases

BW Energy Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract transfers the right to control the use of an identified asset for a period of time in exchange for consideration. BW Energy Group recognises lease liabilities to make lease payments and corresponding right-of-use assets representing the right to use the underlying assets. BW Energy Group acts as a lessee in all existing leases and does not have any lessor arrangements.

Lease liabilities

The lease liability is initially measured at the present value of the future lease payments (including the extension options considered reasonably certain to be exercised). The present value is calculated using BW Energy Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate or if BW Energy Group changes its assessment of whether it will exercise an extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the consolidated statement of income if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

The right-of-use assets are initially measured at present value of the lease liability and also include any lease payments made before or at the lease commencement date. All right-of-use assets are depreciated using the straight-line method from the commencement date to the end of the lease term, with the exception of the FPSO right-of-use asset, which is depreciated using the unit-of-production method. In addition, the right-of-use assets are adjusted for certain remeasurements of the lease liability and are periodically assessed for potential impairment.

BW Energy Group determines its incremental borrowing rate by considering the rates applicable to its existing external financing or by reviewing

other market rates that are comparable to the leased assets and other lease terms.

Certain lease contracts involve several additional services and non-lease components, including personnel cost, maintenance, and other items. BW Energy Group has elected to not separate non-lease components and account for the lease and non-lease components as a single lease component for all existing asset classes.

Short-term leases and leases of low value

BW Energy Group applies the short-term lease recognition exemption to its short-term leases. A short-term lease is a lease that has a term of 12 months or less from the commencement date. It also applies the low-value exemption to leases that are considered to be low value. Lease payments for these leases are recognised as an expense on a straight-line basis over the lease term.

Note 3 Significant accounting estimates and judgments

The preparation of the consolidated financial statements requires use of estimates and assumptions. The following is a summary of the assessments, estimates and assumptions made that could have a material effect on the consolidated financial statements. Actual results may differ from these estimates.

Reserves and resources estimate

Hydrocarbon reserves are estimates of the hydrocarbons that can be economically and legally extracted from BW Energy Group's oil and gas properties. BW Energy Group estimates its commercial reserves and resources with support from an independent third party. Commercial reserves are determined using estimates of oil and gas in place, recovery factors and commodity prices. Forecasted oil and gas prices are based on available market data. BW Energy Group has used oil and gas prices based on price deck from an external industry consultant. Future development costs are estimated using assumptions as to the infrastructure required to produce the commercial reserves, whether a platform is needed, number of wells, the cost of such wells and other capital costs. The proved and probable reserves (2P) are used for depreciation of E&P assets by applying the units of production method. Changes to the reserves estimate might have an impact on depreciation and can indicate a possible trigger for impairment.

Asset retirement obligations

Asset retirement costs will be incurred by BW Energy Group at the end of the operating life of its oil and gas facilities and properties. BW Energy Group assesses its retirement obligations at each reporting date. The ultimate asset retirement costs are uncertain and cost estimates can vary in response to many factors, including changes to relevant legal

requirements, the emergence of new restoration techniques or experience at other production sites. The expected timing, extent and amount of expenditure can also change, for example in response to changes in reserves or changes in laws and regulations or their interpretation. Therefore, significant estimates and assumptions, including estimated retirement costs and estimated retirement dates, are made in determining the provision for asset retirement obligations. As a result, there could be significant adjustments to the provisions which would affect future financial results. The provision at the reporting date represents management's best estimate of the present value of the future asset retirement costs required. The discount rate used in the calculation of the ARO is a market-based risk-free rate based on the applicable currency and time horizon of the underlying cash flows.

Impairment (reversal) of non-current assets

Management must determine whether there are circumstances indicating a possible impairment of BW Energy Group's non-current assets. The estimation of the recoverable amount for the E&P assets includes assumptions of expected future cash flows and future market conditions, including entitlement production, future oil and gas prices, asset specific risk factors, expected reserves and the date of expiration of the licences.

All impairment (reversal) assessment calculations demand a high degree of estimation. Management must make complex assessments of the expected cash flows arising from such assets and the selection of discount rates. Changes to these estimates could have significant impact on the impairment (reversals) recognised and future changes may lead to additional impairments or to reversals of previously recognised impairments.

Note 4 Revenue

Revenue streams

BW Energy Group generates revenue primarily from sale of crude oil to three customers (two customers in 2022). 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. Refer to [Note 18](#) for further details regarding commodity derivatives.

USD MILLION	2023	2022
Revenue from contracts with customers	443.2	252.1
Realised gain/(loss) on oil derivatives	0.2	(14.3)
Unrealised gain/(loss) on oil derivatives	6.8	(5.1)
Other revenue	57.1	44.9
Total revenue	507.3	277.6

Note 5 Operating expenses

USD MILLION	2023	2022
Employee benefit expenses	41.2	25.1
Operating expenses	216.7	91.2
Other expenses	8.4	7.1
Total operating expenses	266.3	123.4

Royalty expense incurred for 2023 amounts to USD 29.4 million (USD 11.7 million).

Note 6 Earnings per share

Basic

Basic earnings per share are calculated by dividing the net result attributable to the shareholders of the parent by the weighted average number of ordinary shares in issue during the year.

IN THOUSAND	2023	2022
Issued ordinary shares at 1 January	257,994	257,994
Effect of share issued	-	-
Weighted-average number of ordinary shares at 31 December	257,994	257,994
	2023	2022
Profit attributable to ordinary shareholders	81.0	45.0
Weighted-average number of ordinary shares (in '000)	257,994	257,994
Basic earnings per share net	0.31	0.17

Diluted

At 31 December 2023, 4,928,393 options (3,773,993) were excluded from the diluted weighted-average number of ordinary shares calculation, because their effect would have been anti-dilutive. These are the only potentially dilutive instruments.

Note 7 Employee benefit expenses, remuneration to directors and auditors

Employee benefit expenses

USD MILLION	2023	2022
Wages, administrative personnel	34.2	21.3
Social security contributions	5.1	2.2
Pension	0.6	0.5
Share-based payment	1.3	1.1
Total employee benefit expenses	41.2	25.1
	2023	2022
Average number of employees	188	106

Top Management remuneration

USD	Salary	Bonus	Pension	Other benefits	Number of share options	Number of RSUs	Number of shares
2023	2,702,632	1,560,424	93,879	209,118	895,500	-	3,981,139
2022	2,562,839	1,072,482	82,834	208,791	1,995,000	-	3,980,469

Top Management comprises of the following:

Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Operating Officer (COO), Chief Commercial Officer (CCO) and Chief Strategy Officer (CSO).

Board of Directors' remuneration

USD	Directors fee	Number of shares	Share options
2023	413,333	103,234,937	-
2022	358,792	99,255,745	-

The compensation for members of the Board of Directors for the period from May 2023 to May 2024 will be decided at the annual general meeting in May 2024.

Employee remuneration

Variable compensation scheme

The Variable Compensation Scheme (VCS) is awarded in March each year if the Company reaches set goals.

The aggregated bonus pool available for payment is determined with close reference to the Company's safety performance, profitability, and shareholder value creation. The overall company performance against performance targets is determined by the Board of Directors based on recommendation from the Remuneration Committee. The CEO's performance against performance targets is determined by the Board of Directors.

The maximum potential pay-out of the Variable Compensation Scheme for the Executive Management Team is set at 6 months' salary as outlined in the Executive Remuneration Guidelines set in May 2021.

Long-term share option programme

On 7 July 2021, a Long-Term Incentive Programme (LTIP) was initiated. The LTIP is discretionary, and participants are invited on an annual basis.

The total number of shares awarded under the LTIP is 5,233,393 where 4,670,400 shares are allocated to options that will give the holder the right to acquire one BW Energy share and 257,993 shares are allocated to Restricted Share Units ("RSUs") providing the holder shares at each vesting event.

The options have a vesting period of three years, followed by a three-year exercise period. The options expire 6 years after the award date. The RSUs are settled in shares immediately following vesting schedule. At time of vesting the shares are settled at the fair market value. The RSUs vest 1/3 annually over a three-year period.

The key terms and conditions related to the grants under these programmes are as follows; all options are to be settled by the physical delivery of shares.

Grant date	Number of instruments	Vesting conditions	Contractual life of options
On 7 July 2021	1,289,993	Vesting period of three years, followed by a three years exercise period	6 years
On 28 February 2022	1,000,000	Same as above	6 years
On 6 July 2022	1,529,000	Same as above	6 years
On 7 July 2023	1,414,400	Same as above	6 years
Total share options	5,233,393		

In 2023, a total of 19 (23) BW Energy employees were invited to participate in the programme.

The strike price of the options is calculated based on the volume weighted average share price five trading days prior to grant date, plus a premium of 15.76% (corresponding to a 5% increase annually over 3 years).

Measurement of fair values

The fair value of the employee share options is measured using the Black-Scholes formula. The inputs used in the measurement of the fair value at grant date were as follows:

	2023	2022
Fair value at grant date (NOK)	10.62	9.63
Share price at grant date (NOK)	27.1	23.5
Exercise price (NOK)	31.26	29.17
Expected volatility (weighted average)	51%	59%
Expected life	4 years	4 years
Expected dividends	n/a	n/a
Risk-free interest rate (based on government bonds)	3.891%	2.352%

Expected volatility is based on an evaluation of the historical volatility of the Company's share price particularly over the historical period equal to the expected term, adjusted for extreme movements. The expected term of the instruments is based on historical experience and general option holder behaviour.

Reconciliation of outstanding share options and RSU

The number and weighted-average exercise prices of share options under the share option programmes were as follows:

Options	2023		2022	
	Number of options	Weighted-average exercise price (NOK)	Number of options	Weighted-average exercise price (NOK)
Outstanding at 1 January	3,516,000	29.61	1,032,000	30.73
Terminated during the year	(260,000)	30.30	(45,000)	30.20
Granted during the year	1,414,400	31.26	2,529,000	29.17
Outstanding at 31 December	4,670,400	30.07	3,516,000	29.61
Exercisable at 31 December	-	n/a	-	n/a

RSUs	2023		2022	
	Number of options	Weighted-average exercise price (NOK)	Number of options	Weighted-average exercise price (NOK)
Outstanding at 1 January	257,993	-	257,993	-
Granted during the year	-	-	-	-
Outstanding at 31 December	257,993	-	257,993	-
Exercisable at 31 December	-	n/a	-	n/a

Expense recognised in profit or loss

For details of the related employee benefit expenses, see the employee benefit expenses table.

Auditors' remuneration

USD THOUSAND	2023	2022
Audit	465.3	346.4
Other services	7.0	-
Total fees	472.3	346.4

Note 8 Income taxes

The income tax expense for the period comprises corporate income tax, profit oil tax and deferred tax.

Depending on the jurisdiction, corporate income tax is due on the subsidiary's actual profits, and profit oil tax is levied on a production sharing basis (profit oil taxation in lieu of profits tax). Deferred tax is calculated on temporary differences in jurisdictions where actual profits are the basis for taxation.

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 is based on the entitled share of profit oil paid in kind to the Government of Gabon. Under this arrangement, profit oil taxation is based on a set percentage of average daily production volumes. The Golfinho field in Brazil is taxed under the ordinary tax regime.

As the Group's operations are subject to different methods of taxation, income tax expenses will not necessarily change proportionally with changes in the overall net profit before tax. As a consequence of the PSC taxation arrangement, there is no direct correlation between profit before tax and taxation and therefore the effective tax rate may differ significantly between comparable periods.

Tax expense for the year

USD MILLION	2023	2022
Changes in deferred tax	(5.1)	2.4
Profit oil tax	45.7	35.1
Tax expense including withholding tax	0.9	1.3
Total tax expense recognised in statement of income	41.5	38.8

In 2023, USD 45.7 million (USD 35.1 million) of income tax expense is related to Dussafu (State Profit Oil).

Deferred tax assets and liabilities are as follows:

USD MILLION	2023	2022
Deferred tax assets		
Losses and other temporary differences	7.6	-
Deferred tax assets	7.6	-
Deferred tax liabilities		
Timing difference financing costs	(11.7)	(9.3)
Deferred tax liabilities	(11.7)	(9.3)
Net deferred tax assets / (liabilities)	(4.1)	(9.3)

BW Energy Maromba Ltda. recognised a deferred tax asset of USD 7.6 million reflecting the future benefit from tax losses carried forward and other temporary differences. The purchase of the Golfinho field made it probable the losses and temporary differences will be utilised and consequently a deferred tax asset was recognised in 2023.

Note 9 Inventories

USD MILLION	2023	2022
Crude oil	19.1	4.2
Materials and consumables	9.5	4.5
Fuel oil	4.9	2.8
Inventory	33.5	11.5

At year-end 2023, the remaining crude oil inventory was approximately 323,000 barrels in Golfinho field in Brazil and no remaining crude oil inventory in Dussafu area in Gabon due to an overlift position. BW Energy Group was in an underlift position in Gabon as of year-end 2022 with crude oil inventory of 76,000 barrels.

Note 10 Trade and other current assets

USD MILLION	2023	2022
Trade receivables	10.4	6.4
Other receivables	31.5	9.1
Tax receivables	0.2	0.2
Prepayments	9.6	2.4
Trade and other current assets	51.7	18.1

The fair value of trade and other current assets is the same as the carrying amount.

As of 31 December 2023 and 2022, there were no material overdue balances. The carrying amount of BW Energy Group's trade and other receivables are mainly denominated in USD.

USD 21.4 million (USD 1.8 million) of other receivables at 31 December 2023 relates to a receivable from Dussafu joint venture partners.

Credit risk and foreign exchange risk regarding trade receivables are described in [Note 18](#).

Note 11 Cash and cash equivalents

Cash and cash equivalents are denominated primarily in USD, XAF, BRL and EUR. USD 43.4 million (USD 25 million) of the total cash position at 31 December 2023 is set aside in the debt service reserve account related to the Dussafu RBL funds (refer to [Note 15](#)).

Note 12 Property, plant and equipment

2023					2022				
USD MILLION	E&P assets under development	E&P production assets	Other equipment	Total	USD MILLION	E&P assets under development	E&P production assets	Other equipment	Total
Cost at 1 January 2023 ¹	308.5	384.9	1.6	695.0	Cost at 1 January 2022 ¹	121.5	361.9	0.9	484.3
Additions and transfers	(107.6)	524.7	2.9	420.0	Additions and transfers	187.0	24.6	0.7	212.3
Changes in asset retirement cost ²	-	163.4	-	163.4	Changes in asset retirement cost ²	-	(1.6)	-	(1.6)
Cost at 31 December 2023	200.9	1,073.0	4.5	1,278.4	Cost at 31 December 2022	308.5	384.9	1.6	695.0
Accumulated depreciation at 1 January 2023	-	(151.1)	(0.8)	(151.9)	Accumulated depreciation at 1 January 2022	-	(122.0)	(0.5)	(122.5)
Current year depreciation	-	(72.0)	(0.2)	(72.2)	Current year depreciation	-	(29.1)	(0.3)	(29.4)
Accumulated depreciation at 31 December 2023	-	(223.1)	(1.0)	(224.1)	Accumulated depreciation at 31 December 2022	-	(151.1)	(0.8)	(151.9)
Book value at 31 December 2023	200.9	849.9	3.5	1,054.3	Book value at 31 December 2022	308.5	233.8	0.8	543.1
Of which is capitalised interest	14.1	13.7	-	27.8	Of which is capitalised interest	3.0	-	-	3.0
Useful life		UoP ³	3–5 years		Useful life		UoP ³	3–5 years	

¹ Restated 2022 figure due to a policy change affecting ARO, see Note 2 Material accounting policies and Note 17 Provisions and contingent assets and liabilities

² Asset Retirement Cost reflects addition of new assets and changes in cost estimate

³ UoP = Units of Production. Revenue from oil production is recognised based on barrels sold while the E&P production assets are depreciated using units of production. Since the assets are used in the production operations, the variance is considered to be a part of the crude oil inventory. Depreciation of USD 3.6 million is recognised in inventory in the statement of financial position at 31 December 2023

Refer to Note 20 regarding the additions related to acquisitions completed during 2023.

BW Energy Group has performed an impairment trigger assessment at 31 December 2023 and no triggers were identified.

¹ Restated 2022 figure due to a policy change affecting ARO, see Note 2 Material accounting policies and Note 17 Provisions and contingent assets and liabilities. Presentation of certain lines was updated to conform to current year presentation

² Asset Retirement Cost reflects addition of new wells and changes due to discount rate

³ UoP = Unit of Production. Revenue from oil production is recognised based on barrels sold while the E&P production assets are depreciated using unit of production. Since the assets are used in the production operations, the variance is considered to be a part of the crude oil inventory. Depreciation of USD 0.8 million is recognised in inventory in the statement of financial position at 31 December 2022

The Dussafu licence expires in 10 years from commencement of production. At the end of this term, BW Energy Group has the right to file for additional two 5-year extensions. E&P assets located in the Dussafu licence area are depreciated based on 2P reserves over a 20-year licence period. BW Energy Group considers it probable that the licence extensions will be granted. BW Energy Group's ownership of the Dussafu licence is 73.5%

Note 13 Intangible assets

USD MILLION	Exploration and evaluation expenditures	Acquired licence costs	Other intangible assets	Total Intangible assets
Cost				
At 1 January 2023	149.4	-	69.3	218.7
Additions and transfers	19.6	28.4	0.3	48.3
Carrying amount, 31 December 2023	169.0	28.4	69.6	267.0
Amortisation and impairment				
At 1 January 2023	-	-	(6.2)	(6.2)
Amortisation	-	(1.4)	(4.1)	(5.5)
At 31 December 2023	-	(1.4)	(10.3)	(11.7)
Net book value				
At 31 December 2023	169.0	27.0	59.3	255.3
Useful life			20 years	
Amortisation method		UoP	SL	

Additions into exploration and evaluation expenditures in 2023 mainly relate to acquisition of seismic and other investments in the Kudu field in Namibia and investments in the Maromba field in Brazil. These assets are not amortised.

The acquired licence costs result from the acquisition of Golfinho cluster in Brazil (reference to [Note 20](#)), 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 licence using the straight-line method.

BW Energy Group has performed an impairment trigger assessment at 31 December 2023 and no triggers were identified.

USD MILLION	Exploration and evaluation expenditures	Other intangible assets	Total Intangible assets
Cost			
At 1 January 2022	105.5	71.7	177.2
Additions and transfers	43.9	(2.4)	41.5
Carrying amount, 31 December 2022	149.4	69.3	218.7
Amortisation and impairment			
At 1 January 2022	-	(2.0)	(2.0)
Amortisation	-	(4.2)	(4.2)
At 31 December 2022	-	(6.2)	(6.2)
Net book value			
At 31 December 2022	149.4	63.1	212.5
Useful life		20 years	
Amortisation method		SL	

Additions into exploration and evaluation expenditures in 2022 mainly relate to continuing development of the Dussafu licence area in Gabon, in addition to investments in the Maromba field in Brazil, Kudu field in Namibia and investments in FPSO *BW Maromba*.

Additions into other intangible assets relate to adjustment of the intellectual property asset described in [Note 22](#).

Note 14 Share capital

Authorised share capital:

At 1 January 2023:	300,000,000 ordinary shares at par value USD 0.01 each
At 31 December 2023:	300,000,000 ordinary shares at par value USD 0.01 each

Issued and fully paid

	USD THOUSAND
At 1 January 2023	2,580
At 31 December 2023	2,580

Reference to "Shareholder information" section for information of the 20 largest shareholders.

Reference to [Note 23](#) for information on the mandatory offer by BW Group Limited to acquire all remaining shares in BW Energy Limited.

Note 15 Loans and borrowings

USD MILLION	Effective interest rate	Maturity date	Carrying amount	
			2023	2022
Reserve Based Lending (RBL) facility	SOFR 3 months + 0.25% + margin ¹	07-Aug-28	292.6	164.9
Total long-term debt			292.6	164.9

¹ Margin varies based on development and maturity of the field

USD MILLION	Effective interest rate	Maturity date	Carrying amount	
			2023	2022
Golfinho prepayment facility	SOFR 3 months + 4.5%	31-Jul-24	79.9	-
Total short-term debt			79.9	-
Total interest-bearing debt			372.5	164.9

USD 300 million international 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. BW Energy Group had a total of USD 300 million (USD 171 million) withdrawn as of 31 December 2023.

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.

BW Energy Group was not in breach of any financial covenants as of 31 December 2023.

In addition, a portion of annual production is required to be hedged for up to 24 months.

USD 2.7 million (6.3 million) was capitalised as transaction costs in relation to loans and borrowings in 2023.

An interest expense of USD 29 million (USD 4.1 million) was incurred under this facility, of which USD 24.4 million (USD 1.5 million) was capitalised as borrowing cost directly attributable to the development of qualifying assets in 2023. The weighted average interest rate used to determine the amount of borrowing cost eligible for capitalisation in 2023 is 10.85% (13.24%). Refer to [Note 12](#).

USD 80 million 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.

This prepayment facility was drawn in full and used to finance the acquisition of the oil and gas assets in Brazil and working capital. 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.

Based on the terms of the agreement, the repayment of the outstanding principal and accrued interest will be made by applying 25–35% of the crude oil sale proceeds for designated transactions with this commodity trader. An interest expense of USD 2.6 million was accrued at year-end.

Reconciliation of movements of liabilities and equity to cash flows arising from financing activities

USD MILLION	Interest payable ¹	Lease liabilities	Interest-bearing short-term debt	Interest-bearing long-term debt	Equity	Total
Balance at 1 January 2023	0.3	256.0		164.9	615.3	
Proceeds from interest bearing debt	-	-	80.0	129.0	-	209.0
Interest paid	(29.0)	-	-	-	-	(29.0)
Transaction costs relating to borrowings	-	-	(0.1)	(2.6)	-	(2.7)
Payment of lease liabilities	-	(48.2)	-	-	-	(48.2)
Total changes from financing cash flows	(29.0)	(48.2)	79.9	126.4	-	129.1
Effects of changes in foreign exchange rate		0.9				
Other changes:						
New leases/adjustments		(53.9)		-		
Lease payment reclassified to investing activities		(25.0)				
Capitalised and expensed loan cost		-		1.3		
Interest expense	31.5	16.6	-	-		
Total liability-related other changes	31.5	(62.3)	-	1.3	-	
Total equity-related other changes	-	-	-	-	82.3	
Balance at 31 December 2023	2.9	146.5	79.9	292.6	697.6	
Balance at 1 January 2022		233.2		-	569.2	
Proceeds from interest bearing debt	-	-	171.0	-	-	171.0
Interest paid	(3.5)	-	-	-	-	(3.5)
Transaction costs relating to borrowings	-	-	(6.3)	-	-	(6.3)
Payment of lease liabilities	-	(31.6)	-	-	-	(31.6)
Total changes from financing cash flows	(3.5)	(31.6)		164.7	-	129.6
Other changes:						
New leases/adjustments	-	40.0		-		
Expensed loan cost	-	-		0.2		
Interest expense	3.8	14.4	-	-		
Total liability-related other changes	3.8	54.4		0.2	-	
Total equity-related other changes	-	-	-	-	46.1	
Balance at 31 December 2022	0.3	256.0		164.9	615.3	

¹ included in Trade and other payables

Note 16 Trade and other payables

USD MILLION	2023	2022
Trade payables	42.0	18.4
Accrued liabilities	174.2	87.0
Tax payable	0.6	0.9
Public duties payables	3.5	0.9
Total trade and other payables	220.3	107.2

Note 17 Provisions and contingent assets and liabilities

BW Energy 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 regulations and technology, considering relevant risks and uncertainties.

USD MILLION	Asset retirement obligations
Provision at 1 January 2022 before restatement	14.2
Impact of ARO policy change	10.4
Provision at 1 January 2022 after restatement	24.6
Changes in estimates and provisions relating to new assets	2.6
Impact of change in discount rate	(4.2)
Accretion expense	0.8
Provision at 31 December 2022	23.8
Change in estimate during 2023	193.2
Impact of change in discount rate	3.7
Accretion expense	3.3
Provision at 31 December 2023	224.0

Restatement of ARO due to change in the discount rate

With effect from 1 January 2023, BW Energy Group changed its basis of the ARO so that the discount rate used in calculation no longer includes the Group's own credit risk. The change in accounting policy was adopted to better represent the ARO liability. See [Note 2](#).

The impact of this ARO calculation policy change on affected financial statement lines for 2022 is summarised in the table below. The changes affect the relevant balance sheet totals (Total non-current assets, Total assets, Total non-current liabilities, Total equity and liabilities) correspondingly.

USD MILLION	31.12.2022
Asset retirement obligations before restatement	13.4
Impact of ARO policy change	10.4
Asset retirement obligations after restatement	23.8
PPE before restatement	532.7
Impact of ARO policy change	10.4
PPE after restatement	543.1

Other contingent obligations

The total acquisition price for the Maromba field is USD 115 million, which is to be paid over three milestones as the development progresses towards first oil. The first milestone payment (USD 30 million) was paid in September 2019. The second milestone (USD 25 million) is due at start of drilling activities and the third milestone (USD 60 million) is due at first oil or 3 years after the start of drilling activities, whichever comes first. These considerations will be recognised when final investment decision is made, and it becomes probable that the conditions will be satisfied.

Refer to [Note 20](#) regarding the additional contingent liability arising from the acquisition of Golfinho assets in 2023.

Note 18 Financial risk management

BW Energy Group's central finance division has the responsibility for financing, treasury management and financial risk management.

Financial risk factors

Activities expose BW Energy Group to a variety of financial risks: market risk (including currency risk, commodity risk and interest rate risk), credit risk, and liquidity risk.

BW Energy Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. A finance management team led by the Chief Financial Officer identifies and evaluates financial risks in close co-operation with operating units. The finance management team's activities are governed by policies approved by the Board of Directors for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, and investing excess liquidity. The finance management team reports to Top Management, the Audit Committee and the Board of Directors on the status of activities on a regular basis.

BW Energy Group does not use financial instruments, including financial derivatives, for trading purposes.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect BW Energy Group's income or the value of its holding of financial instruments.

Foreign currency risk

The functional currency of the Company and all of its subsidiaries is USD. In general, operating revenues and a significant portion of operating expenses are denominated in USD. BW Energy Group is exposed to expenses and investments incurred in currencies other than USD; the major currencies being Central Africa CFA Franc (XAF) and Brazilian Real (BRL). Operating expenses denominated in XAF and BRL constitute a part of total operating expenses. Consequently, fluctuations in the exchange rate on XAF and BRL may have impact on the financial statements. BW Energy Group has no financial instruments for currency hedging at 31 December 2023 that manage risk actively. To a certain extent, BW Energy Group has a natural hedge on local currencies where income is being used to settle expenses.

Interest rate risk

BW Energy Group is exposed to interest rate risk through its financing activities. Most of the Group's interest-bearing debt has floating interest rate conditions, exposing the Group to changes in the market rates.

BW Energy Group holds an interest rate swap with a nominal value of USD 50 million with a maturity in 2028. The interest swap rate is at 3.91% and is planned to hedge future debt. The market value of the interest rate swap was negative USD 0.4 million at 31 December 2023. BW Energy Group held an interest rate swap with a nominal value of USD 50 million with a maturity in 2030 at the end 2022, that was terminated in June 2023. This interest rate swap was at 0.99% and was positive by USD 9.2 million at 31 December 2022.

A reasonable possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown in below table.

USD MILLION	Profit or loss		(10%)	+10%	(10%)	+10%
	100 bp increase	100 bp decrease				
31 December 2023						
Interest rate swaps	2.0	(2.0)				
Cash flow sensitivity	2.0	(2.0)				
31 December 2022						
Interest rate swaps	3.3	(3.3)				
Cash flow sensitivity	3.3	(3.3)				

Commodity price risk

BW Energy Group revenues are mainly derived from the sale of crude oil produced in Gabon and Brazil. Revenue is, and will continue to be, exposed to fluctuations in oil prices.

BW Energy Group continuously evaluates and assesses opportunities for hedging as part of a prudent financial risk management process. Through the period, BW Energy Group entered into derivative financial instruments including zero cost collars and commodity swaps to manage volatility. These derivatives are mark to market with changes in market value recognised in the income statement. BW Energy Group does not apply hedge accounting.

At year-end 2023, BW Energy Group had hedges in place for 1.3 million barrels (1.3 million barrels) over the years 2024 and 2025, with approximately 74% being 2024, in compliance with RBL requirements.

Fair value of the crude oil contracts amounted to positive USD 0.7 million in fair value in 2023 (negative USD 5.6 million in 2022) and are presented gross in the statement of financial position. Net effect of crude oil hedge contracts recognised in the statement of income in 2023 is positive USD 7.0 million (negative USD 19.4 million in 2022).

Commodity price sensitivity

USD MILLION	2023	2022
Change in Brent price	(34.3)	34.3

Credit risk

Credit risk is the risk of financial losses if a customer or counterparty to financial receivables and financial instruments fails to meet contractual obligations.

Financial guarantees, derivatives and cash deposits are only conducted with approved counterparties and predominantly with investment grade financial institutions and are governed by standard agreements (ISDA and LMA documentation).

The risk of counterparties being financially incapable of fulfilling their obligations is regarded as minor as there have not historically been any losses on accounts receivable. BW Energy Group's customer and licence partners are credit worthy oil companies.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, free flow of cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions in order to meet obligations of finance liabilities when they become due.

BW Energy Group monitors the liquidity through cash flow forecasting of operational and investment activities in the short-, medium- and long-term. To maintain its strong financial position, BW Energy Group has reduced operational costs by negotiating cost reductions with suppliers, cost sharing with other operators and controlled general and administrative expenses.

BW Energy Group operates in multiple international jurisdictions and is exposed to various economic uncertainties, including, taxation policies, currency controls, and foreign exchange restrictions that can impose a risk to liquidity.

BW Energy Group's primary source of liquidity is cashflow from production of oil in the Dussafu licence which is subject to foreign currency regulations of the Central African Economic and Monetary Community (CEMAC).

The following table sets out the maturity profile of BW Energy Group's financial liabilities based on contractual undiscounted payments. When counterparties have a choice of when to settle an amount, the liability is included based on the earliest date on which the counterparty may require settlement.

Maturity profile – financial liabilities, year ended 2023

USD MILLION	Carrying Amount	Q1 24	Q2 24	Q3 24	Q4 24	2024	2025-2028	2029 and beyond	Total
Reserve Based Lending (RBL) facility	292.6	-	-	-	-	-	300.0	-	300.0
Golfinho prepayment facility	79.9			80.0		80.0	-	-	80.0
Interest rate swaps	(0.4)					-	(0.4)		(0.4)
Crude oil hedge	0.7	0.6			-	0.6	0.1	-	0.7
Interest payments	2.9	10.5	10.5	9.2	8.5	38.5	138.0	-	176.5
Asset retirement obligations	224.0					-	50.1	271.1	321.2
Other non-current liabilities	67.4	5.8		7.8	-	13.6	28.4	55.0	97.0
Lease liabilities	146.5	12.6	12.6	12.6	12.6	50.4	115.6	23.2	189.2
Trade and other payable	220.3	87.2	42.2	42.2	42.2	213.7	-	-	213.7
Total	1,033.9	116.7	65.2	151.7	63.2	396.8	631.8	349.3	1,377.9

Maturity profile – financial liabilities, year ended 2022

USD MILLION	Carrying Amount	Q1 23	Q2 23	Q3 23	Q4 23	2023	2024-2027	2028 and beyond	Total
Reserve Based Lending (RBL) facility	164.9	-	-	-	-	-	-	171.0	171.0
Crude oil hedge	5.6	1.0	1.3	1.0	0.9	4.2	1.4		5.6
Interest payments	0.3	4.5	4.5	4.5	4.5	17.9	71.6	10.4	99.9
Asset retirement obligations	13.4					-		48.6	48.6
Other non-current liabilities	33.6					-	36.7		36.7
Lease liabilities	256.0	20.5	20.5	20.5	20.5	81.8	93.3	172.6	347.7
Trade and other payable	107.2	40.6	22.2	22.2	22.2	107.2	-	-	107.2
Total	581.0	66.5	48.4	48.1	48.0	211.1	203.0	402.6	816.7

Fair values

IFRS 13 requires disclosures of fair value measurements by the following hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3)

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves (level 2). This is presented on separate lines in the statement of financial position.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2023 USD MILLION	Note	Carrying amount			Fair value			
		Fair value - hedging instrument	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value								
Crude oil hedge	18	0.7	-	-	0.7	-	0.7	-
		0.7	-	-	0.7	-	0.7	-
Financial assets not measured at fair value								
Trade and other receivables	10, 23	-	48.2	-	48.2	-	-	-
Cash and cash equivalents		-	194.2	-	194.2	-	-	-
Other non-current assets		-	34.2	-	34.2	-	-	-
		-	276.6	-	276.6	-	-	-
Financial liabilities measured at fair value								
Interest rate swaps used for hedging	18	(0.4)	-	-	(0.4)	-	(0.4)	-
		(0.4)	-	-	(0.4)	-	(0.4)	-
Financial liabilities not measured at fair value								
Interest-bearing long-term debt	15	-	-	(292.6)	(292.6)	-	-	(300.0)
Interest-bearing short-term debt	15	-	-	(79.9)	(79.9)	-	-	(80.0)
Other non-current liabilities	17, 23	-	-	(291.4)	(291.4)	-	-	-
Trade and other payables	16, 23	-	-	(208.2)	(208.2)	-	-	-
Lease liabilities	21	-	-	(146.5)	(146.5)	-	-	-
		-	-	(1,018.6)	(1,018.6)	-	-	(380.0)
								(380.0)

31 December 2022		Note	Carrying amount			Fair value				
USD MILLION			Fair value - hedging instrument	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Interest rate swaps used for hedging		18	9.2	-	-	-	-	9.2	-	9.2
				9.2	-	-	-	9.2	-	9.2
Financial assets not measured at fair value										
Trade and other receivables		10, 23	-	18.1	-	18.1	-	-	-	-
Cash and cash equivalents			-	210.8	-	210.8	-	-	-	-
Other non-current assets			-	0.6	-	0.6	-	-	-	-
			-	229.5	-	229.5	-	-	-	-
Financial liabilities measured at fair value										
Crude oil hedge		18	(5.6)	-	-	(5.6)	-	(5.6)	-	(5.6)
			(5.6)	-	-	(5.6)	-	(5.6)	-	(5.6)
Financial liabilities not measured at fair value										
Interest-bearing long-term debt		15	-	-	(164.9)	(164.9)	-	-	(171.0)	(171.0)
Other non-current liabilities		17, 23	-	-	(47.0)	(47.0)	-	-	-	-
Trade and other payables		16, 23	-	-	(107.2)	(107.2)	-	-	-	-
Lease liabilities		21	-	-	(256.0)	(256.0)	-	-	-	-
			-	-	(575.1)	(575.1)	-	-	(171.0)	(171.0)

Capital structure and equity

The primary objective of BW Energy Group's management of the capital structure is to maximise return to the owners by ensuring competitive conditions for both BW Energy Group's own capital and borrowed capital.

BW Energy Group aims to have a good reputation in all debt and equity markets. The Board continuously evaluates BW Energy Group's capital structure, ensuring a capital and debt structure that is appropriate to BW Energy Group's objective, strategy, and risk profile. This involves monitoring available funding sources and related cost of capital.

BW Energy Group has access to capital markets, including bank and bond financing and seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position. BW Energy Group seeks to optimise its capital structure by balancing the return on equity against liquidity requirements.

BW Energy Group monitors changes in financing needs, risk, assets and cash flows, and evaluates the capital structure continuously. To maintain the desired capital structure, BW Energy Group considers various types of capital transactions, including, purchase or issue new shares or debt instruments, sell assets or pay back capital to the owners.

Note 19 List of subsidiaries

Subsidiaries	Country of incorporation	Ownership 2023	Ownership 2022
BW Energy Brasil Participações Ltda.	Brazil	100%	-
BW Energy Dussafu B.V.	Netherlands	100%	100%
BW Energy Gabon SA	Gabon	100%	100%
BW Energy Holdings Pte Ltd	Singapore	100%	100%
BW Energy Maromba B.V.	Netherlands	100%	100%
BW Energy Maromba do Brasil Ltda	Brazil	100%	100%
BW Energy Maromba EPC Limited	Bermuda	100%	-
BW Energy Norway Management AS	Norway	100%	-
BW Energy OI Ltd	Bermuda	100%	100%
BW Energy Peixe Ltda.	Brazil	100%	-
BW Energy PI Holding Limited	United Arab Emirates	100%	-
BW Energy Production Pte Ltd ¹	Singapore	100%	100%
BW Energy Projects Management FZE	United Arab Emirates	100%	-
BW Energy Services Limited	Bermuda	100%	-
BW Energy Trading Ltd	Bermuda	100%	-
BW Energy Trading Golfinho Ltd	Bermuda	100%	-
BW Energy Trading Holding Ltd	Bermuda	100%	-
BW Energy USA Management Inc.	USA	100%	100%
BW Kudu Holding Pte Ltd	Singapore	100%	100%
BW Kudu Limited	United Kingdom	100%	100%
BW Maromba Holdings Pte Ltd	Singapore	100%	100%

¹ Former BW Energy Gabon Pte Ltd

Note 20 Acquisitions and disposals

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 20 million plus accrued interest is due on 30 April 2024.

This arrangement was accounted for as a lease transaction before taking title to the FPSO in 2023. After acquiring the title, the asset is reflected as part of PP&E with a current liability recognised for the remaining payment (refer to [Note 21](#)).

The FPSO *BW Maromba* will be used in the development of Maromba project offshore Brazil after completing the necessary upgrades and modifications. The final investment decision is subject to certain conditions precedent, including completion of the project financing.

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, and an additional USD 32.4 million payable in monthly instalments during 2024 and 2025.

This asset acquisition resulted in an increase of USD 67.2 million in property, plant and equipment and USD 5.9 million in inventory.

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 WI in the Golfinho and Camarupim clusters and the 65% WI 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.

The transaction was accounted for as an asset acquisition and resulted in an increase of USD 142.6 million in property, plant and equipment, and intangible assets of USD 28.4 million; and an increase in asset retirement obligation of USD 153.3 million. Under the terms of the purchase and sale agreement, Petrobras will reimburse USD 40 million of the abandonment cost after completion of decommissioning for designated wells. The Company recognised a receivable in the amount of USD 33.6 million for the fair value of this future reimbursement.

Note 21 Leases

The Group as a lessee

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 2023	1.5	208.4	-	209.9	256.0
Additions	26.6	14.3	6.4	47.4	45.3
Adjustments	0.6	(124.9)	-	(124.3)	(99.2)
Depreciation expense	(2.4)	(20.2)	(1.6)	(24.2)	n/a
Interest expense	n/a	n/a	n/a	n/a	16.6
Lease payments	n/a	n/a	n/a	n/a	(73.1)
Foreign currency translation gain/(loss)	-	-	0.1	0.1	0.9
Balance at 31 December 2023	26.3	77.7	4.9	108.9	146.5

Additions in 2023 mainly relate to a new corporate office lease, and helicopters and boats used in production operations in Brazil.

Adjustments in 2023 relate to a reduction of right of use asset in the amount of USD 46 million and a reduction in lease liabilities of USD 21 million for the FPSO *BW Maromba*, after completing its acquisition in November 2023 (reference to Note 20). Also, the right of use asset and lease liability was reduced for the FPSO *BW Adolo* in the amount of USD 82.2 million, due to reassessment of the lease extension option resulting in a lease modification.

Lease payments of USD 73.1 million (USD 31.6 million) consist of lease instalments of USD 56.5 million (USD 17.2 million) and interest expense of USD 16.6 million (USD 14.4 million).

USD MILLION	Land and buildings	Vessels	Right-of-use assets	Lease liabilities
Balance at 1 January 2022	0.7	196.5	197.2	233.2
Additions	0.9	46.3	47.2	47.3
Adjustments	3.4	(10.7)	(7.3)	(7.3)
Depreciation expense	(3.7)	(23.7)	(27.4)	n/a
Interest expense	n/a	n/a	n/a	14.4
Lease payments	n/a	n/a	n/a	(31.6)
Foreign currency translation gain/(loss)	0.2	-	0.2	-
Balance at 31 December 2022	1.5	208.4	209.9	256.0

Additions in 2022 mainly related to the agreement to purchase the FPSO BW Maromba (reference to [Note 20](#)).

USD MILLION	2023	2022
Maturity analysis - contractual undiscounted cash flows		
Not later than one year	50.4	81.8
Later than one year and not later than five years	115.7	93.3
Later than five years	21.8	172.6
Total undiscounted lease liabilities at 31 December	187.9	347.7
Lease liabilities included in the statement of financial position at 31 December		
Current	37.7	68.7
Non-current	108.8	187.3

Amounts recognised in profit or loss

USD MILLION	2023	2022
Interest on lease liabilities	16.6	14.4
Depreciation of right-of-use assets	24.5	27.4

For the right-of-use assets used in joint arrangements, the partners' share of the lease payments is classified as other revenue.

Extension options

Some leases, such as the lease of FPSO *BW Adolo* and certain office leases, contain extension and termination options that may impact the lease term and are exercisable only by BW Energy Group and not by the lessors. BW Energy Group assesses the lease term at lease commencement, and subsequently when facts and circumstances under the control of BW Energy Group require it. For the lease of the FPSO *BW Adolo*, BW Energy Group is reasonably certain that the lease term will exceed the non-cancellable contract period of 365 days and currently assesses the lease term to continue through September 2028.

Note 22 Commitments & guarantees

Commitments related to development of oil fields and operations, contracted for at the balance sheet date, but not recognised in the financial statements are as follows:

USD MILLION	2023	2022
Nominal amount	213.1	219.4

Commitments relate mainly to the developing assets of the Dussafu, Maromba and Golfinho licence areas.

For the bank debt relating to the USD 300 million international Reserve Based Lending (RBL) facility, as referred to in [Note 15](#), 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 23 Related parties

The largest individual shareholder as of the date of this report, BW Group Limited, owning 73.4%, is incorporated in Bermuda and is controlled by Sohmen-Pao family interests.

Following completion of the initial public offering and listing on the Oslo Stock Exchange of BW Energy in February 2020 (the “IPO”), BW Offshore Limited (“BW Offshore”) and BW Group held 38.77% and 35.13%, respectively, of the shares in BW Energy.

Since the IPO of BW Energy, BW Offshore has reduced its shareholding in the Company *inter alia* by in-kind dividend distributions. Due to BW Group holding 49.91% of the shares in BW Offshore, the distributions from BW Offshore have resulted in BW Group’s ownership in BW Energy increasing to 39.90% on 28 November 2023 (the date of the last receipt of dividend in-kind BW Energy shares from BW Offshore).

Based on BW Offshore’s dividend policy, which implied in-kind distributions of BW Energy shares, BW Group expected to continue receiving such shares on a quarterly basis. If the mandatory offer obligation was triggered by an in-kind dividend distribution, then the market price for the shares at the time the dividend is received would be relevant for determination of the minimum offer price for the mandatory offer. To procure that the price to be offered is predictable to BW Group rather than being subject to the market conditions for BW Energy shares at the time of the next in-kind dividend distribution by BW Offshore, BW Group on 29 November 2023 purchased 250,000 BW Energy shares to pass the 40% mandatory offer threshold and to make the Offer on that basis.

The Offer valued the entire issued share capital of BW Energy at approximately NOK 6.97 billion. The Offer Price was close to the 90-day volume weighted average price (VWAP) of the shares prior to the release of BW Energy’s third quarter 2023 results.

The Offer was accepted for a total of 30,589,179 shares, which, taken together with the 103,202,470 shares held by BW Group at commencement of the Offer Period, equaled 133,791,649 shares, representing approximately 51.86% of the issued share capital and voting rights in the Company.

On 22 January 2024, BW Offshore entered into an agreement with BW Group to sell all of BW Offshore’s shares in BW Energy. BW Offshore sold 58,111,461 (22.52%) shares in BW Energy at a price of NOK 32 per share, as BW Offshore did not consider the shareholding in BW Energy to be a long-term strategic investment.

IP agreement with Seaboard LLC

In 2018, BW Energy Group entered into 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 licence 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 earn out 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 agreement amount to a maximum of USD 75 million.

The discounted value of the expected pay-out was recorded as an intangible asset with a corresponding obligation recorded as current and non-current liabilities. BW Energy Group continuously evaluates the timing of pay-out and adjusts the current and non-current liabilities with a revised discount rate at the end of each period.

As of December 2023, a total of USD 37.4 million (USD 24.6 million) has been paid. Remaining payments are expected to be completed by 2026.

Refer to [Note 13](#) for additional information related to this IP agreement.

FPSO BW Maromba

In November 2023, BW Energy Group took ownership of the FPSO *Polvo*, now named *BW Maromba*, from BW Offshore, reference to [Note 20](#).

FPSO BW Adolo

In May 2018, BW Energy Group entered into a bareboat charter agreement with BW Adolo Pte. Ltd., and an agreement with Tinworth Gabon S.A. for the operations and maintenance of *BW Adolo* during the Charter. Both companies are subsidiaries of BW Offshore Limited. The FPSO *BW Adolo* commenced operation in the Dussafu licence area in September 2018.

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

Related party transactions

USD MILLION	Transaction values for the year ended 31 December		Balance outstanding as at 31 December ¹	
	2023	2022	2023	2022
Sales of goods and services	2.4	2.2	0.5	0.3
Purchase of services				
Operating services ²	96.2	83.1	16.9	3.0
Other services ³	39.7	12.0	1.1	1.8
Total purchase of services	135.9	95.1	18.0	4.8

¹ Included in Trade and other current assets and Trade and other payables

² Operating services relating to *BW Adolo*

³ Other services relating to purchase of FPSO *BW Maromba* (former *Polvo*)

The carrying amounts of related party receivables and payables are in USD.

Note 24 Macroeconomic and geopolitical uncertainty

Several macroeconomic factors influence BW Energy Group's business, such as the availability of industry products, fluctuations in energy prices, inflation, rising interest rates, the volatility of oil prices, and the geopolitical uncertainties stemming from global tensions.

BW Energy Group has a strong commitment to safety and environmental protection, aiming for zero harm in all areas of the Company's operations. The Company is focused on lowering its carbon footprint by repurposing existing production infrastructure to develop known oil and gas resources.

BW Energy Group anticipates that oil and gas will continue to play a crucial role in the global energy landscape for many years. The Company is dedicated to generating long-term value through a strategic approach to phased development and investment in high-yield assets. Its adaptable investment strategy is designed to withstand various market conditions, enabling BW Energy Group to capitalise on both immediate and future opportunities to enhance cash flow and profits.

Despite a weakening in macroeconomic factors, energy prices remain elevated due to geopolitical tensions, global supply chain issues, inflation, and increasing interest rates. In the short term, BW Energy Group is focused on increasing the production from the Dussafu licence area in Gabon to 40,000 barrels of oil per day. In Brazil, BW Energy Group has taken ownership and operatorship of the Golfinho assets. These initiatives are expected to significantly boost oil production and deliver substantial value to stakeholders.

Note 25 Climate risk

BW Energy Group is actively transitioning towards a lower carbon footprint, mindful of the impact from the climate change on its operations and the wider oil and gas industry. BW Energy Group anticipates ongoing regulatory focus on climate issues and greenhouse gas emissions, which could lead to revised taxation and other regulations, higher compliance costs, and changing investor and lender attitudes.

Such regulatory changes may affect our business and financial outlook. BW Energy Group is vigilant in monitoring these developments across our operational regions. Additionally, the shift towards alternative energy sources could decrease demand and prices for oil and gas, potentially leading to asset value impairments. To ensure resilience, BW Energy Group evaluates its assets under various oil price scenarios.

The future investments rely on operational cash flow, capital, and borrowing. The rising concern over climate change might increase capital costs as some investors and lenders have started to limit their engagement with the oil and gas sector. To counteract this, BW Energy Group engages with a diverse group of financial institutions and investors worldwide, continually revising the investment strategy to maintain a robust balance sheet.

Moreover, like most energy companies BW Energy Group faces risks from climate-induced weather changes and natural disasters, which could damage infrastructure, disrupt operations, and increase costs. Severe weather might also hinder drilling efforts and production. BW Energy Group has insurance in place to safeguard assets and revenues against such contingencies.

Note 26 Subsequent events

BW Offshore: Sale of shares in BW Energy to BW Group

On 22 January 2024 BW Offshore Limited ("BW Offshore") entered into an agreement with BW Group Limited ("BW Group") to sell all of BW Offshore's shares in BW Energy Limited. BW Offshore sold 58,111,461 (22.52%) shares in BW Energy at a price of NOK 32 per share, resulting in total proceeds to BW Offshore of NOK 1,860 million or approximately USD 176 million.

Note 27 Reserves (unaudited)

BW Energy Group engaged Netherland, Sewell & Associates, Inc. (NSAI) for certification of proved and probable reserves (2P).

Evaluations were based on standard petroleum engineering and evaluation principles. This includes use of standard engineering and geoscience methods, or a combination of methods, including volumetric analysis, analogy, and reservoir modelling, considered to be appropriate and necessary to classify, categorise and estimate volumes in accordance with the 2015 PRMS definitions and guidelines. The reserves have been estimated using deterministic methods.

As in all aspects of oil and gas evaluation, there are uncertainties inherent in the interpretation of engineering and geoscience data; therefore, conclusions necessarily represent only informed professional judgment.

Estimated remaining oil and gas reserves are as follows:

As of 31.12.2023 mmboe		WI	1P Gross	1P Net	2P Gross	2P Net
Developed assets:						
Dussafu Marin Permit	73.5%	66.6	48.9	94.5	69.4	
Golfinho BES-100	100.0%	29.4	29.4	40.3	40.3	
Total		96.0	78.3	134.8	109.7	

As of 31.12.2023 mmboe		WI	1P Gross	1P Net	2P Gross	2P Net
Non-developed assets:						
Maromba BC-20A	95.0%	75.0	71.3	105.4	100.1	

As of 31.12.2022 mmboe	WI	1P Gross	1P Net	2P Gross	2P Net
Developed assets:					
Dussafu Marin Permit	73.5%	65.1	47.8	96.2	70.7
Non-developed assets:					
Maromba BC-20A	95.0%	75.0	71.3	105.4	100.1

Proved reserves (1P) are those quantities of oil and gas which, by analysis of engineering and geoscience data, can be estimated with reasonable certainty to be commercially recoverable; probable reserves are those additional reserves which are less certain to be recovered than proved reserves.

Developed assets include the Dussafu and Golfinho licences. Non-developed assets include the Maromba licence, where the project final investment decision is subject to conclusion of project financing activities.

During 2023 and 2022, BW Energy Group had the following reserves development:

mmboe	Developed assets 2P Net	Non-developed assets 2P Net	Total 2P Net
Balance at 31 December 2021	73.8		73.8
Production 2022	(2.8)		(2.8)
Revision of previous estimate	(0.3)		(0.3)
Balance at 31 December 2022	70.7	100.1	170.8
Production 2023	(5.9)	-	(5.9)
Acquisitions	40.3	-	40.3
Discoveries	4.9	-	4.9
Revision of previous estimate	(0.2)	-	(0.2)
Balance at 31 December 2023	109.7	100.1	209.8

Parent company financial statements

Statement of income	112
Statement of comprehensive income	113
Statement of financial position	114
Statement of changes in shareholders' equity	115
Statement of cash flows	116

Notes to the Parent company financial statements	117
Note 1 Reporting entity	117
Note 2 Accounting policies	117
Note 3 Revenue	119
Note 4 Operating expenses	120
Note 5 Income tax	120
Note 6 Share capital	121
Note 7 Financial assets and liabilities	121
Note 8 Financial risk management	122
Note 9 Shares in subsidiaries	122
Note 10 Intercompany receivables and payables	123

Statement of income

USD MILLION (Year ended 31 December)	Note	2023	2022
Revenue	<u>3</u>	25.3	4.0
Operating expenses	<u>4</u>	(29.9)	(20.6)
Operating profit		(4.6)	(16.6)
Interest income		10.5	5.8
Fair value gain/(loss) on financial instruments	<u>8</u>	0.1	7.4
Other financial items		(0.2)	(0.2)
Net financial items		10.4	13.0
Profit/(loss) before tax		5.8	(3.6)
Income tax expense	<u>5</u>	(0.2)	(0.7)
Net profit/(loss) for the year		5.6	(4.3)

The notes on [pages 117–123](#) are an integral part of these financial statements.

Statement of comprehensive income

USD MILLION (Year ended 31 December)	2023	2022
Profit/(loss) for the year	5.6	(4.3)
Total comprehensive income for the year	5.6	(4.3)

The notes on [pages 117–123](#) are an integral part of these financial statements.

Statement of financial position

USD MILLION (Year ended 31 December)	Note	2023	2022
ASSETS			
Intangible assets		1.5	0.2
Shares in subsidiaries	9	412.9	355.6
Long-term intercompany receivables	10	104.6	100.5
Derivates		-	9.2
Total non-current assets		519.0	465.5
Trade and other current assets		0.7	1.0
Short-term intercompany receivables	10	8.6	10.0
Cash and cash equivalents	7	21.2	65.6
Total current assets		30.5	76.6
Total assets		549.5	542.1
EQUITY AND LIABILITIES			
Share capital	6	2.6	2.6
Share premium		550.1	550.1
Other equity		(91.2)	(98.1)
Total equity		461.5	454.6
Trade and other payables		2.8	3.5
Short-term intercompany payables	10	85.2	83.9
Tax liabilities		-	0.1
Total current liabilities		88.0	87.5
Total equity and liabilities		549.5	542.1

The notes on [pages 117–123](#) are an integral part of these financial statements.

Statement of changes in shareholders' equity

USD MILLION	Note	Share capital	Share premium	Retained earnings/ Net assets	Total equity
Equity at 1 January 2022		2.6	550.1	(94.8)	457.9
Loss for the period		-	-	(4.3)	(4.3)
Share-based payments		-	-	1.1	1.1
Total equity at 31 December 2022		2.6	550.1	(98.1)	454.6
Equity at 1 January 2023		2.6	550.1	(98.1)	454.6
Gain for the period		-	-	5.6	5.6
Share-based payments		-	-	1.3	1.3
Total equity at 31 December 2022		2.6	550.1	(91.2)	461.5

The notes on [pages 117–123](#) are an integral part of these financial statements.

Statement of cash flows

USD MILLION	Note	2023	2022
Operating activities			
Profit/(loss) before tax		5.8	(3.6)
Adjustment for:			
Currency exchanges differences			
Fair value change on financial instruments	8	9.2	(7.1)
Add back of net interest expense		(2.5)	(0.7)
Share-based payment expense		1.3	1.1
Changes in net working capital		(4.2)	(6.5)
Taxes paid	5	(0.3)	(0.7)
Net cash flows from/(used in) operating activities		9.3	(17.5)
Investing activities			
Investment in subsidiaries		(1.3)	(52.2)
Investment in intangible assets		(1.3)	(0.1)
Loans to subsidiaries	10	(40.1)	(9.2)
Interest received		2.5	0.7
Net cash flows used in investing activities		(40.2)	(60.8)
Financing activities			
Loans from subsidiaries	10	(13.5)	67.8
Net cash flows from financing activities		(13.5)	67.8
Net change in cash and cash equivalents		(44.4)	(10.5)
Cash and cash equivalents at 1 January		65.6	76.1
Cash and cash equivalents at 31 December		21.2	65.6

The notes on [pages 117–123](#) are an integral part of these financial statements.

Notes to the Parent company financial statements

Note 1 Reporting entity

BW Energy Limited was incorporated on 22 May 2019 as an exempted company limited by shares under the laws of Bermuda and in accordance with the Bermuda Companies Act. BW Energy Limited registered office is at Washington Mall Phase 2, 4th Floor, Suite 400, 22 Church Street, Hamilton HM1189, Bermuda. BW Energy is the holding company.

BW Energy Limited is listed on Oslo Børs, a stock exchange part of Euronext.

All figures are in USD million if not otherwise stated. As a result of rounding differences, numbers and or percentages may not add up to the total.

The financial statements were approved by the Board of Directors on 27 February 2024.

Note 2 Accounting policies

Basis of accounting

The financial statements of the Company have been prepared pursuant to IFRS® Accounting Standards as adopted by the EU (IFRS). The financial statements have been prepared in accordance with the historical cost convention with some exceptions, as detailed in the accounting policies set out below.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

Accounting for subsidiaries

The subsidiaries are entities (including special purpose entities) over which the Company has control. Control is achieved when the Company is exposed or has rights to variable returns from its involvement with a company in which it has invested and has the ability to use its power to affect its returns from this company. Investments in subsidiaries are stated at cost less any impairment.

Currency translation

Functional and presentation currency

The Company's presentation currency is United States Dollars (USD). This is also the functional currency of the Company and all of its subsidiaries.

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the date of transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation of financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised upon satisfaction of the performance obligations for the transfer of services in each such contract. A performance obligation is satisfied when or as the customer obtains the goods or services delivered. It is recognised at an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services. Revenue is presented net of indirect sales taxes.

Interest income

Interest income is recognised on a time proportion basis applying the effective interest method.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The Company's financial assets are trade and intercompany receivables and cash and cash equivalents.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. Except for trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus, (in the case of a financial asset not at fair value through profit or loss), transaction costs.

The Company classifies its financial assets in:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss (FVTPL)

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost include trade and intercompany receivables and other short-term deposits.

Financial assets at fair value through profit or loss

Derivatives at fair value are carried in the statement of financial position at fair value with net changes in fair value through profit or loss. The category includes interest rate swaps and oil price hedging contracts.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - a. The Company has transferred substantially all the risks and rewards of the asset, or
 - b. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Impairment of financial assets

For intercompany receivables, the Company applies a simplified approach in calculating Estimated Credit Losses (ECLs). Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date, based on its historical credit loss experience.

The Company considers a financial asset in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Financial liabilities are classified as subsequently measured at amortised cost except for financial liabilities at fair value through profit or loss (FVTPL). Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derivatives are financial liabilities when the fair value is negative, accounted for similarly as derivatives as assets and as financial assets when the fair value is positive.

Derecognition of financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount and the consideration paid is recognised in profit or loss.

Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Provisions for other liabilities and charges

Provisions are recognised when the Company has a legal or constructive obligation as a result of past events, when it is likely that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Use of estimates

The preparation of financial statements in conformity with IFRS requires management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Shares in subsidiaries and intercompany receivables are subject to impairment testing at the end of each reporting period. Valuation is subject to assessment of the recoverability in the underlying investment or receivable. Management's assessment can affect the level of impairment loss, or reversal of such, that is recognised in profit or loss.

Changes in accounting policies

There are no changes in the accounting policies.

Note 3 Revenue

USD MILLION	2023	2022
Realised gain/(loss) on oil derivatives	-	(13.8)
Other revenue	25.3	17.8
Total revenue	25.3	4.0

There were no commodity hedges in the Company per year end 2022 and no commodity hedges in the Company during 2023. Commodity hedges are described in more detail under [Note 18](#) of the consolidated financial statements.

Other revenue relates to overhead charges to subsidiaries in the BW Energy Group.

Note 4 Operating expenses

USD MILLION	2023	2022
Employee benefit expenses	1.2	2.6
Management and support services	15.6	8.7
Shared services	3.4	3.2
Legal fee	0.7	0.3
Consultant's fee	3.1	1.5
Director's fee	0.4	0.4
Audit fee	0.3	0.2
Travel	0.9	0.6
IT expenses	2.8	2.1
Other operating expenses	1.5	1.0
Total operating expenses	29.9	20.6

Note 5 Income tax

BW Energy Limited is a Bermuda registered company. Currently, the Company is not required to pay taxes in Bermuda on ordinary income or capital gains. The income tax for 2023 and 2022 concerns withholding tax which the Company is subject to in certain jurisdictions where the Company has financial income.

Note 6 Share capital

Authorised share capital:

At 1 January 2023: 300,000,000 ordinary shares at par value USD 0.01 each
 At 31 December 2023: 300,000,000 ordinary shares at par value USD 0.01 each

Issued and fully paid	USD THOUSAND
At 1 January 2023	2,580
At 31 December 2023	2,580

Note 7 Financial assets and liabilities

As of 31 December, the Company had financial assets and liabilities in the following categories:

USD MILLION (Year ended 31 December 2023)	Financial liabilities measured at amortised cost		
	Financial assets	-	Fair value
Cash and cash equivalents	21.2	-	21.2
Intercompany receivables	113.3	-	113.3
Other current assets	0.7	-	0.7
Intercompany payables	-	(85.2)	(85.2)
Other current liabilities	-	(2.8)	(2.8)
Total	135.2	(88.0)	

USD MILLION (Year ended 31 December 2022)	Financial liabilities measured at amortised cost		
	Financial assets	-	Fair value
Cash and cash equivalents	65.6	-	65.6
Intercompany receivables	110.5	-	110.5
Other current assets	1.0	-	1.0
Intercompany payables	-	(83.9)	(83.9)
Other current liabilities	-	(3.5)	(3.5)
Derivatives	9.2	-	9.2
Total	186.3	(87.4)	

Note 8 Financial risk management

The Company's activities expose it to a variety of financial risks. Overall risk management follows and is handled by the BW Energy Group. These processes and policies are described in more detail under [Note 18](#) of the consolidated financial statements. In 2022, the Company was exposed to commodity risk through commodity hedges that was settled during the year, for further reference see [Note 3](#).

Foreign currency risk

The Company's business is not exposed to significant foreign exchange risk as its operating expenses are mainly denominated in United States Dollars, which is the functional currency of the Company.

Interest rate risk

Except for the amount due to and from subsidiaries, the Company's operating cash flows are independent of changes in market interest rates.

The Company holds an interest rate swap of USD 50 million. See [Note 18](#) of the consolidated financial statements.

Credit risk

The Company's credit risk is primarily attributable to the amount due from the subsidiaries (non-trade). At 31 December 2023, this amount receivable from subsidiaries (non-trade) is not past due. The maximum exposure is represented by the carrying amount of this financial asset on the statement of financial position.

Liquidity risk and Capital risk

Funding requirements of the Company are met by the subsidiaries of BW Energy Group. The Company's objective when managing capital is to ensure that it is adequately capitalised and that funding requirements are met by BW Energy Group.

The Company is not subject to any externally imposed capital requirements.

Note 9 Shares in subsidiaries

Subsidiaries	Country of incorporation	Ownership at 31 December 2023	Ownership at 31 December 2022
BW Energy Holdings Pte Ltd	Singapore	100%	100%
BW Energy Norway Management AS	Norway	100%	-
BW Energy OI Ltd	Bermuda	100%	100%
BW Energy Services Ltd	Bermuda	100%	-
BW Energy Trading Holdings Ltd	Bermuda	100%	-
BW Energy USA Management Inc.	USA	100%	100%
BW Kudu Holding Pte Ltd	Singapore	100%	100%
BW Maromba Holdings Pte Ltd	Singapore	100%	100%

Note 10 Intercompany receivables and payables

USD MILLION	2023	2022
Intercompany receivables long-term	104.6	100.5
Intercompany receivables short-term	8.6	10.0
Intercompany payables short-term	85.2	83.9

Intercompany loan agreements with subsidiaries are set up based on regular market rates depending on the location of operation i.e., annual discount rate of the Banque des Etats de l'Afrique Central in relation to the operations in Gabon. Outstanding balances at year-end are unsecured.



To the General Meeting of BW Energy Limited

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BW Energy Limited, which comprise:

- the financial statements of the parent company BW Energy Limited (the Company), which comprise the statement of financial position as at 31 December 2023, the statement of income, statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and
- the consolidated financial statements of BW Energy Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

© KPMG AS, a Norwegian limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

KPMG AS
Sørkedalsveien 6
P.O. Box 7000 Majorstuen
N-0306 Oslo

Telephone +47 45 40 40 63
Internet www.kpmg.no
Enterprise 935 174 627 MVA

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services have been provided.

We have been the auditor of the Company for 4 years from the election by the general meeting of the shareholders on 17 February 2020 for the accounting year 2019.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Offices in:

Oslo	Elverum	Mo i Rana	Tromsø
Akershus	Flemnes	Mosjøen	Trondheim
Arendal	Hamar	Sandefjord	Tynset
Bergen	Haugesund	Stavanger	Uleåker
Bodø	Kvanvik	Stord	Alesund
Drammen	Kristiansand	Straume	

Elverum	Mo i Rana	Tromsø
Flemnes	Mosjøen	Trondheim
Hamar	Sandefjord	Tynset
Haugesund	Stavanger	Uleåker
Kvanvik	Stord	Alesund
Kristiansand	Straume	

**Acquisition of Golfinho and Camarupim Clusters offshore Brazil**

Reference is made to Note 20 Acquisitions and disposals in the Consolidated Financial Statements.

<i>The Key Audit Matter</i>	<i>How the matter was addressed in our audit</i>
In August 2023, the Group completed the transaction to acquire 100% working interest (WI) in the Golfinho and Camarupim Clusters and 65% WI in the BM-ES-23 block offshore Brazil from Petrobras.	We obtained the signed transaction agreement and considered the nature and business rationale and reviewed the minutes of meetings of the Board of Directors to determine that the agreement is approved in accordance with internal procedures, including involvement of the Board of Directors.
The consideration consisted of an initial cash consideration of USD 3 million at signing in June 2022 with USD 12.2 million due at closing and contingent payments up to USD 55 million tied to future oil price and production.	We evaluated the Group's accounting analysis and considerations in concluding that the transaction should be accounted for as an asset acquisition instead of a business combination and assessed the relevant recognition and measurement criteria under IFRS Accounting Standards.
The Group determined that the transaction be accounted for as an asset acquisition and as such the assets and liabilities have been recognised at acquisition cost, using their estimated fair values to allocate the proportionate value of the estimated acquisition cost to the underlying assets and liabilities.	We evaluated the objectivity and competence of the third party valuation and accounting specialists engaged by the Group to support with the accounting considerations, recognition and measurement of the acquired assets and associated liabilities.
The acquisition resulted in the recognition of USD 142.6 million of property, plant and equipment, USD 28.4 million of intangible assets and USD 153.3 million of asset retirement obligations. Under the terms of the purchase and sale agreement, Petrobras will reimburse BW Energy for the abandonment cost after completion of decommissioning for designated wells for which a receivable was recognised of USD 33.6 million.	We involved KPMG valuation specialists to assess the technical accuracy and methodology used in the purchase price allocation to the acquired assets and related liabilities. We also evaluated the reasonableness of key inputs, such as future oil price, production volumes and operating costs included in the valuation model.
We considered the transaction to be a significant unusual transaction.	We assessed the sufficiency of relevant disclosures in the Consolidated Financial Statements.



Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to Corporate Governance report and to the report on payments to governments.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.



- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of BW Energy Limited, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name "bwenergyltd-2023-12-31-en", have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 27 February 2024
KPMG AS

Dave Vlijfinkel
State Authorised Public Accountant

Responsibility statement

We confirm that, to the best of our knowledge, the financial statements for the period ended 31 December 2023 have been prepared in accordance with current applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the BW Energy Group taken as a whole. We also confirm that the Board of Directors' Report includes a true and fair review of the development and performance of the business and the position of the Company and the BW Energy Group, together with a description of the principal risks and uncertainties facing the Company and the BW Energy Group.

27 February 2024



Mr Andreas Sohmen-Pao
Chairman



Ms Hilde Drønen
Director



Mr William Russell Scheirman
Director



Mr Tormod Vold
Director



Mr Marco Beenen
Director



Ms Ana Zambelli
Director

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 (Year ended 31 December)	2023	2022
Total revenues	507.3	277.6
Operating expenses	(266.3)	(123.4)
Operating profit before depreciation, amortisation and impairment (EBITDA)	241.0	154.2
Depreciation and amortisation	(99.5)	(60.1)
(Impairment)/reversal charges	(0.4)	-
Operating profit (EBIT)	141.1	94.1

Capital expenditures

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

USD MILLION	2023	2022
Property and other equipment	583.8	210.7
Intangible assets	48.3	41.5
Total capital expenditures	632.1	252.2
Asset retirement cost	(163.4)	1.6
Change in working capital	(133.7)	(13.9)
Investment in property, plant and equipment and intangible assets	335.0	239.9

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.

Addresses

Bermuda

c/o Inchona Services Limited
Washington Mall Phase 2
4th Floor, Suite 400
22 Church Street, HM 1189
Hamilton, Pembroke, HM EX, Bermuda

Brazil

Rua Lauro Muller, 116
8th Floor, Rooms 801 and 802
Botafogo, CEP: 22290-160
Rio de Janeiro, Brazil

Gabon

Boulevard du Bord de Mer
Immeuble Bord de Mer, 3ième étage
BP 23771 Libreville, Gabon

Namibia

Cirrus Building
35 Schanzen Road
on Erf 775
Windhoek, Namibia

Norway

Karenslyst Allé 6
0278 Oslo, Norway

Kystveien 14
4841 Arendal, Norway

Singapore

30 Pasir Panjang Road
#14-31 / 32 Mapletree Business City
Singapore 117440

USA

9753 Katy Freeway, Suite 900
Houston, Texas 77024 USA

contact@bwenergy.no
www.bwenergy.no



bwenergy.no