

Report on payments to governments

To provide for enhanced transparency on payments made to governments, BW Energy Limited (“BW Energy” or “the Company”) has prepared a report as required by the Norwegian Security Trading Act §5-5, following the requirements set out in the Norwegian Accounting Act §3-3d where entities which are active in extractive industries are required to disclose material payments made to governments in the countries in which they operate in a separate report. 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.

This report provides the above-mentioned information for BW Energy’s activities in the financial year 2020. The regulation requires the Company to prepare a consolidated report on direct payments to governments, including payments made by subsidiaries, joint operations and joint ventures, or on behalf of such entities involved in extractive activities.

BW Energy currently holds majority interests in three hydrocarbon licenses. These are in Gabon, Brazil and Namibia and are held through subsidiaries established for license ownership. The Company is the operator of all three licences. Payments may be made to governments in the country of operation as well as to governments in the country where the subsidiary resides.

This report includes payments made directly by BW Energy to governments, such as taxes and royalties. The report details the full payment made on behalf of the joint operations and joint ventures (100%) where applicable.

Payments made to host governments in the form of production entitlements are also included in the report. In Gabon, BW Energy is party to a Production Sharing Contract (PSC) under which tax is paid in kind by virtue of the contractual Profit Oil allocation for the State of Gabon’s participation in the license. The size of such entitlements may in some cases constitute the most significant payments to governments.

Payments to governments are reported in the year that the actual cash payment was made (cash principle). Amounts included as contextual information are reported in the year the transaction relates to (accrual principle), regardless of when the cash flows occurred, except for Income tax paid (cash principle). Amounts are subject to rounding. Rounding differences may occur in summary tables. Payments constitute a single payment, or a series of related payments that equal or exceed USD 100,000 during the year. Payments below the threshold in a given country will not be included in the overview of payments. Payments to governments in foreign currencies (other than USD) are converted to USD using the average annual 2020 exchange rate.

The consolidated overview below discloses BW Energy’s payments to governments in each country, according to the payment type. The overview is based on the location of the receiving government.

REPORT ON PAYMENTS TO GOVERNMENTS - USD million

Countries	Production Entitlements ⁽¹⁾	Royalties ⁽²⁾	Taxes	Bonuses	Fees	Other	Total
Brazil - Maromba							
Agência Nacional do Petróleo (ANP)	-	0.2	-	-	-	-	0.2
Gabon - Dussafu							
Direction Générale des Hydrocarbures (DGH)	35.8	10.6	-	-	3.7	-	50.1
Gabon Oil Company (GOC)	15.8	-	-	-	-	-	15.8
Namibia - Kudu							
Ministry of Mines and Energy	-	-	-	-	-	-	-
Petroleum Training and Education Fund (PETROFUND)	-	-	-	-	0.1	-	0.1
TOTAL	51.7	10.8	-	-	3.8	-	66.3

⁽¹⁾ Represent 875KBBLs and 386KBBLs for payment in kind based on production to the Republic of Gabon and GOC as a joint venture partner respective, valued at market price.

⁽²⁾ Royalties include annual surface royalties/rentals

Contextual information at country level

The contextual information on investments, revenues, cost and equity production volumes is disclosed for each country and relates only to BW Energy's entities engaged in extractive activities, covering the exploration, development and extraction of oil and natural gas.

CONTEXTUAL INFORMATION PER COUNTRY - USD million

Countries	Investments	Revenues	Cost	Equity production volume (mmboe)
Brazil	7.7	-	(0.6)	-
Gabon	64.2	160.3	(62.1)	3.2
Namibia ⁽¹⁾	3.2	-	(0.6)	-
Bermuda	10.1	4.3	(8.9)	-
Netherlands	-	4.2	(7.7)	-
Singapore	-	6.2	(6.8)	-
United Kingdom	-	-	(0.7)	-
United States	-	7.0	(6.6)	-
Total before eliminations	85.1	182.1	(93.9)	3.2
Consolidation eliminations		(21.8)	20.3	
Total Group	85.1	160.3	(73.6)	3.2

⁽¹⁾ Branch of BW Kudu Limited (UK)

Contextual information at BW Energy Group level

The table below is an overview of all legal entities in the BW Energy Group by country of incorporation as of 31 December 2020. It presents the following information per each company: number of employees, net intercompany interest to companies in other jurisdictions, short description of the entity's activity, revenues including intercompany revenues, income before tax, current income tax expense, income tax paid and retained earnings.

The total amounts are reconciled to the Group Consolidated financial statements prepared in compliance with International Financial Reporting Standards (IFRS).

CONTEXTUAL INFORMATION AT GROUP LEVEL - USD million

	Country of operation	Core business activity	Number of employees ⁽²⁾	Net intercompany interest	Revenues	Income before tax	Income tax expense	Retained earnings / Net assets
BW Energy Limited	Bermuda	Parent	0	1.8	4.3	(3.2)	(0.3)	(91.0)
BW Energy USA Management, Inc.	United States	Management services	18	-	7.0	0.4	(0.1)	0.3
BW Energy OI Ltd	Bermuda	Development and Production	0	-	-	-	-	(0.0)
BW Maromba Holdings Pte Ltd	Singapore	Holding	0	(0.2)	-	(0.3)	-	(0.5)
BW Energy Maromba B.V.	Netherlands	Holding	0	0.5	-	0.5	(0.2)	19.4
BW Energy Maromba do Brasil Ltda	Brazil	Development and Production	7	(0.9)	0.0	(1.9)	-	(2.6)
BW Kudu Holding Pte Ltd	Singapore	Holding	0	(0.0)	-	(16.7)	-	(16.8)
BW Kudu Limited	United Kingdom	Development and Production ⁽¹⁾	0	(0.7)	-	(15.3)	-	(15.7)
BW Energy Holdings Pte Ltd	Singapore	Holding	0	0.4	2.6	0.0	(0.1)	(0.0)
BW Energy Production Pte Ltd	Singapore	Holding	1	10.3	3.6	9.0	(1.8)	21.9
BW Energy Dussafu B.V.	Netherlands	Holding	0	(0.8)	4.2	(3.7)	-	(11.2)
BW Energy Gabon S.A.	Gabon	Development and Production	20	(10.3)	160.3	2.0	(26.4)	(70.8)
Total before eliminations			46	(0.0)	182.1	(29.2)	(28.9)	(167.2)
Consolidation eliminations				-	(21.8)	17.0	-	132.7
Total Group			46	(0.0)	160.3	(12.2)	(28.9)	(34.5)

⁽¹⁾ Branch in Namibia (BW Kudu Limited Namibian branch)

⁽²⁾ Year end 2020

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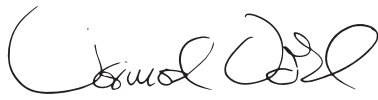
Mr. Andreas Sohlen-Pao
Chairman



Ms. Hilde Drønen
Director



Mr. William Russell Scheirman
Director



Mr. Tormod Vold
Director



Mr. Marco Beenen
Director