BW ENERGY

Condensed Combined Interim Financial Information

NINE MONTHS ENDED 30 SEPTEMBER 2019

CONDENSED COMBINED STATEMENT OF PROFIT/(LOSS)

(Unaudited figures in USD million)

	Notes	Nine months ended 30 September 2019	Nine months ended 30 September 2018	2018
Total revenues	2	189.7	1.6	39.2
Operating expenses		(55.3)	-	(17.9)
Depreciation and amortisation	3,4,5	(53.4)	(0.4)	(8.0)
Net gain/(loss) on sale of tangible fixed assets		0.3	-	-
Operating profit/(loss)		**81.3**	**1.2**	**13.3**
Interest income		1.6	0.4	0.7
Interest expense		(0.4)	(0.2)	-
Net currency gain/(loss)		2.1	(0.8)	(1.3)
Other financial items	5	(7.8)	3.1	2.9
Net financial items		**(4.5)**	**2.5**	**2.3**
Profit/(loss) before tax		**76.8**	**3.7**	**15.6**
Income tax expense		(30.5)	(2.4)	(11.5)
Net profit/(loss) for the period		**46.3**	**1.3**	**4.1**
Attributable to shareholders of the parent		31.8	0.8	2.6
Attributable to non-controlling interests		14.5	0.5	1.5
Net profit/(loss) for the period		**46.3**	**1.3**	**4.1**

CONDENSED COMBINED STATEMENT OF COMPREHENSIVE INCOME/(LOSS)

(Unaudited figures in USD million)

	Nine months ended 30 September 2019	Nine months ended 30 September 2018	2018
Net profit/(loss) for the period	46.3	1.3	4.1
Items to be reclassfied to profit or loss:			
Currency translation differences	0.3	(0.1)	(0.1)
Net items to be reclassified to profit or loss:	**0.3**	**(0.1)**	**(0.1)**
Total comprehensive income / (loss) for the period	**46.6**	**1.2**	**4.0**
Attributable to shareholders of the parent	32.1	0.7	2.5
Attributable to non-controlling interests	14.5	0.5	1.5
Total comprehensive income / (loss) for the period	**46.6**	**1.2**	**4.0**

CONDENSED COMBINED STATEMENT OF FINANCIAL POSITION

(Unaudited figures in USD million)

ASSETS	Notes	30.09.2019	30.09.2018	31.12.2018
Property, plant and equipment	3	196.3	185.1	182.4
Right-of-use assets	5	171.4	-	-
Intangible assets	4	88.7	26.5	35.6
Other non-current assets		2.6	7.3	8.4
Total non-current assets		**459.0**	**218.9**	**226.4**
Inventories		11.5	3.4	18.6
Trade and other current assets		17.7	6.7	39.5
Cash and cash equivalents		85.4	8.5	8.3
Assets held for sale	7	25.5	46.3	48.3
Total current assets		**140.1**	**64.9**	**114.7**
TOTAL ASSETS		**599.1**	**283.8**	**341.1**

EQUITY AND LIABILITIES	Notes	30.09.2019	30.09.2018	31.12.2018
Contributed capital		152.0	52.8	152.8
Other equity		30.7	(2.5)	(0.7)
Total equity attributable to shareholders of the parent		**182.7**	**50.3**	**152.1**
Non-controlling interests		94.2	26.4	77.4
Total equity		**276.9**	**76.7**	**229.5**
Deferred tax liabilities		2.7	-	0.9
Long-term related parties payables	6	30.4	7.7	8.5
Long-term lease liabilities	5	158.0	-	-
Asset retirement obligations		15.5	16.4	16.7
Total non-current liabilities		**206.6**	**24.1**	**26.1**
Trade and other payables	6	96.2	182.2	85.5
Short-term lease liabilities	5	19.0	-	-
Income tax liabilities		0.4	0.8	-
Total current liabilities		**115.6**	**183.0**	**85.5**
TOTAL EQUITY AND LIABILITIES		**599.1**	**283.8**	**341.1**

18 December 2019

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Andreas Sohmen-Pao, Chairman

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Carl Krogh Arnet, Director

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Marco Beenen, Director

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Tormod Vold, Director

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William Russell Scheirman, Director

CONDENSED COMBINED STATEMENT OF CHANGES IN EQUITY

(Unaudited figures in USD million)

At 30 September 2018	Contributed capital	Currency translation reserve	Retained earnings	Equity	Non-controlling interests	Total equity
Equity at 1 January 2018	32.8	(0.3)	(2.9)	29.6	15.9	45.5
Profit/(loss) for the period	-	-	0.8	0.8	0.5	1.3
Other comprehensive income/(loss)	-	(0.1)	-	(0.1)	-	(0.1)
Additional contributed capital	20.0	-	-	20.0	-	20.0
Transactions with non-controlling interests	-	-	-	-	10.0	10.0
Total equity at 30 September 2018	**52.8**	**(0.4)**	**(2.1)**	**50.3**	**26.4**	**76.7**

At 30 September 2019	Contributed capital	Currency translation reserve	Retained earnings	Equity	Non-controlling interests	Total equity
Equity at 1 January 2019	152.8	(0.4)	(0.3)	152.1	77.4	229.5
Profit/(loss) for the period	-	-	31.8	31.8	14.5	46.3
Other comprehensive income/(loss)	-	0.3	-	0.3	-	0.3
Effects from new group composition	(0.8)	-	(0.7)	(1.5)	-	(1.5)
Transactions with non-controlling interests	-	-	-	-	2.3	2.3
Total equity at 30 September 2019	**152.0**	**(0.1)**	**30.8**	**182.7**	**94.2**	**276.9**

CONDENSED COMBINED STATEMENT OF CASH FLOWS

(Unaudited figures in USD million)

	Nine months ended 30 September 2019	Nine months ended 30 September 2018	2018
Profit/(loss) before taxes	76.8	3.7	15.6
Unrealised currency exchange loss/(gain)	(2.1)	0.8	1.3
Depreciation and amortisation	53.4	0.4	8.0
Loss/ (gain) on sale of property, plant and equipment	(0.3)	-	-
Changes in ARO through income statement	0.8	0.1	0.3
Add back of net interest expense	(1.6)	(0.4)	(0.7)
Changes in net working capital	63.1	24.3	(43.4)
Taxes paid	(28.3)	(1.6)	(10.8)
Net cash flow from operating activities	**161.8**	**27.3**	**(29.7)**
Investment in property, plant & equipment and intangible assets	(105.3)	(171.2)	(191.8)
Proceeds from disposal of property, plant & equipment	28.6	-	-
Interest received	1.6	0.4	0.7
Net cash flow from investing activities	**(75.1)**	**(170.8)**	**(191.1)**
Proceeds from interest-bearing debt	38.3	136.1	213.2
Repayment of interest-bearing debt	(28.6)	(2.6)	(2.6)
Proceeds from transactions with non-controlling interests	1.3	-	-
Payment of lease liabilities	(20.6)	-	-
Net cash flow from financing activities	**(9.6)**	**133.5**	**210.6**
Net change in cash and cash equivalents	**77.1**	**(10.0)**	**(10.2)**
Cash and cash equivalents at beginning of period	8.3	18.5	18.5
Cash and cash equivalents at end of period	**85.4**	**8.5**	**8.3**

NOTES TO THE CONDENSED COMBINED INTERIM FINANCIAL STATEMENTS

(Figures in brackets refer to corresponding figures for 2018)

Note 1 – Basis for preparation

General

The condensed combined interim financial statements include certain legal entities which are under common control of BW Offshore Limited that are engaged in oil and gas exploration and production activities (hereafter the "BW Energy Group"). These condensed combined interim financial statements of BW Energy Group have been prepared for completing a listing on Oslo Børs, a stock exchange operated by Oslo Børs ASA (the "Oslo Stock Exchange).

Condensed combined interim financial statements

The combined interim financial statements have been prepared for the purpose of presenting the combined financial position and results from operations of the entities forming the BW Energy Group on a historical cost basis. These combined interim financial statements include account balances of the legal entities listed below, based upon the underlying entity specific historical financial information used to prepare the consolidated interim financial statements of BW Offshore Limited. All of these entities were under common control of BW Offshore Limited for the periods presented and therefore BW Offshore Limited is defined as the parent company. A legal reorganisation of these entities under a new holding company is ongoing which is expected to result in these entities being owned and consolidated under a common parent company.

The combined interim financial statements of BW Energy Group consist of the following entities:

- BW Energy Dussafu B.V.
- BW Energy Gabon Pte Ltd
- BW Energy Gabon SA
- BW Energy Holdings Pte Ltd
- BW Kudu Holding Pte Ltd
- BW Kudu Limited
- BW Energy Limited
- BW Energy Maromba B.V. (incorporated 23 August 2019)
- BW Energy Maromba do Brasil Ltda (former BW Offshore Production do Brasil Ltda)
- BW Maromba Holdings Pte Ltd

The combined presentation of these companies is collectively referred to as the "BW Energy Group" in the remainder of this document.

The new holding company, 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 Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda. BW Energy Limited will be the parent company of BW Energy Group after the completion of a legal reorganization.

Statement of compliance

BW Energy Group's condensed combined interim financial statements are prepared in accordance with International Accounting Standard 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU). As the condensed combined interim financial statements do not include all the information and disclosures required in the annual report, they should be read in conjunction with the 2018 Combined Financial Statements.

Changes in accounting policies

The accounting policies adopted in the preparation of these combined interim financial statements are consistent with those followed in the preparation of BW Energy's combined financial statements for the year ended 31 December 2018, except for IFRS 16 Leasing which was effective from 1 January 2019. See description in Note 5.

As a result of rounding differences, numbers and or percentages may not add up to the total. The condensed combined interim financial statements are unaudited.

Note 2 – Revenue

The BW Energy Group generates revenue primarily from sale of crude oil. BW Energy Group currently has one customer. All revenue originates in Africa. BW Energy Group does currently only have one segment.

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

	Nine months ended 30 September 2019	Nine months ended 30 September 2018	2018
Revenue from contracts with customer	157.7	-	28.6
Other revenue	32.0	1.6	10.6
Total revenue	**189.7**	**1.6**	**39.2**

Note 3 – Property plant and equipment

	E&P assets under development	E&P production assets	Other equipment	Total
At 1 January 2019	5.2	176.9	0.3	182.4
Additions	48.1	-	-	48.1
Reclassification from intangible assets	1.6	-	-	1.6
Current year depreciation	-	(30.1)	-	(30.1)
Reclassification to assets held for sale	-	(5.7)	-	(5.7)
At 30 September 2019	**54.9**	**141.1**	**0.3**	**196.3**

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 process, the variance is considered to be a part of the crude oil inventory and crude oil underlift value. Depreciation of USD 3.6 million and USD 1.1 million recognised in inventory and other assets, respectively, in the combined statement of financial position at 31 December 2018, has been recognised in the condensed combined statement of profit/(loss) for the period ending 30 September 2019. As of 30 September 2019, USD 1.3 million of depreciation is included in inventory in the condensed combined statement of financial position and USD 3.4 million as of 30 September 2018.

E&P additions in the first nine months of 2019 relate mainly to development of the Dussafu oil field in Gabon.

Note 4 – Intangible assets

	Other intangible assets	E&P exploration and evaluation expenditures	Total intangible assets
At 1 January 2019	7.3	28.3	35.6
Additions	-	57.2	57.2
Reclassification to tangible assets	-	(1.6)	(1.6)
Current year amortisation	(0.4)	-	(0.4)
Reclassification to assets held for sale	-	(2.1)	(2.1)
At 30 September 2019	**6.9**	**81.8**	**88.7**

E&P additions in the first nine months of 2019 mainly relate to exploration and evaluation activity within a new area related to the Dussafu oil field in Gabon (USD 19.4 million) and the first payment related to the acquisition of the Maromba oil field in Brazil (USD 30.0 million). Reference is made to note 7 for further information regarding the acquisition of Maromba.

Note 5 – IFRS 16 Leases

Implementation of IFRS 16 Leases

IFRS 16 was effective from 1 January 2019 and has changed the accounting of lease contracts. The new standard replaces former leasing guidance, including IAS 17 Leases, IFRIC 4, SIC 15 and SIC 27. BW Energy Group leases office premises, apartments, warehouse and vessels.

IFRS 16 requires that all contracts that contain a lease to be recognised in the statement of financial position as 'right-of-use' asset and lease liability.

The right-of-use assets are depreciated over the lease term and is subject to impairment testing. The lease payments previously included as operating expenses in the Combined statement of Profit / (Loss) are reported as depreciation and financial expenses under IFRS 16. The lease liability represents the net present value of the lease payments to be made over the remaining lease period. The cash outflows for leases under IFRS 16 is presented as repayment of interest-bearing liabilities within financing activities in the statement of cash flows. Interest paid is classified as cash outflows within the operating activities.

BW Energy Group has implemented IFRS 16 using the modified retrospective approach, consequently comparative figures are not restated.

Recognition and Measurement Approach on Transition

BW Energy Group has applied the exemptions proposed by the standard on lease contracts for which the lease term ends within 12 months as of the date of initial application, and lease contracts for which the underlying assets is of low value. The BW Energy Group has leases of certain office equipment (i.e., personal computers, printing- and photocopying machines, coffee machines) that are considered of low value.

Under the modified retrospective approach, the BW Energy Group has applied the practical expedient for using a single discount rate to a portfolio of leases with reasonably similar characteristics. The discount rate used is BW Energy Group's incremental borrowing rate which has been applied to all leases. The applied discount rate used to calculate the lease liability in the opening balance under IFRS 16 at 1 January 2019 was 4.95%.

The BW Energy Group also applied the practical expedient to not separate non-lease components from lease components, and instead account for each lease component and any associated non-lease component as a single lease component. Lastly, BW Energy Group also applied the recognition exemption for leases that expire in 2019.

Some leases, such as the lease relating to the FPSO and certain office leases, contain contractual rights and options, such as extension and cancellation options that may impact the lease term and are exercisable only by the BW Energy Group and not by the lessors. These options may impact the estimated lease term. BW Energy Group assesses the lease term at lease commencement, and subsequently when facts and circumstances which under the control of BW Energy Group require it. For the lease of the FPSO, BW Energy Group is reasonably certain that the lease term will exceed the non-cancelable contract period of 365 days.

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

Right-of-use assets and Lease liabilities

	Land and buildings	Vessels	Right-of-use assets	Lease liabilities
Balance at 1 January 2019	**0.7**	**189.5**	**190.2**	**190.2**
Additions	0.7	-	**0.7**	**0.7**
Depreciation expense	(0.6)	(18.9)	**(19.5)**	**n/a**
Interest expense	n/a	n/a	**n/a**	**6.7**
Lease payments	n/a	n/a	**n/a**	**(20.6)**
Balance at 30 September 2019	**0.8**	**170.6**	**171.4**	**177.0**

Lease payments of USD 20.6 million consists of lease instalments of USD 13.9 million and interest expense of USD 6.7 million.

As previously disclosed in the 2018 combined financial statements, the BW Energy Group was committed to make USD 34.3 million in payments in respect of non-cancellable operating leases compared to lease liabilities recognised of USD 190.2 million as of 1 January 2019. The difference is primarily caused by the inclusion of options in the lease term which management considers reasonably certain to exercise.

Note 6 – Related party transactions

On 11 March 2019, Carl Arnet the CEO of BW Offshore Limited became the holder of 1% shares in BW Energy Holdings Pte Ltd ("BWEH"), the company formed in 2016 by BW Offshore Group and BW Group Limited for the purpose of pursuing oil and gas interests. The new shares in BWEH were allotted to Arnet Energy, a wholly owned entity by Carl Arnet for a total consideration of USD 1.85 million, including a pro rata share of shareholder loans. Following this transaction, the shareholders of BWEH are: the BW Offshore Group (66%), BW Group (33%) and Arnet Energy (1%). Similar to the other shareholders in BWEH, Arnet Energy will be obliged to provide continued funding in respect of BWEH’s business and development costs for its projects, whether through equity or shareholder loans. During the nine first months of 2019, Arnet Energy provided a short-term loan amounting to USD 0.6 million to BWEH related to development activities on Dussafu. USD 0.3 was repaid in the same period.

During the nine first months of 2019, Maple Company Limited, a wholly owned subsidiary of BW Group Limited, has provided BW Energy Holdings Pte Ltd (BWEH) with a short-term loan amounting to USD 4.1 million related to development activities on Dussafu. In the same period, BWEH repaid USD 9.4 million. By 30 September 2019 the total short-term loan provided by Maple Company Limited to BWEH amounted to USD 10.3 million.

During the nine first months of 2019, BW Energy Group received a short-term loan of USD 8.3 million loan from BW Offshore Singapore Pte. Ltd. In the same period, USD 18.9 million was repaid. On 23 August 2019, BW Energy Maromba B.V. was incorporated, a wholly owned subsidiary of BW Maromba Holdings Pte. Ltd. During the third quarter, BW Energy Maromba B.V. acquired all shares in BW Offshore Production do Brasil for an amount of USD 19.7 million from BW Offshore Singapore Pte. Ltd. By 30 September 2019, the total outstanding loan to BW Offshore Singapore Pte. Ltd. amounts to USD 51.0 million.

During the nine first months of 2019, BW Offshore Singapore Pte. Ltd. received a short-term loan of USD 18.5 million from BW Energy Maromba do Brasil Ltda. The loan was repaid in the same period.

The BW Energy Group entered into a Memorandum of Understanding with Magma Oil & Gas Ltda ("Magma") granting an option to Magma for the acquisition of 5% of the BW Energy Group's participating interest in the Maromba field upon occurrence of first oil. In the third quarter of 2019, the BW Energy Group appointed a shareholder in Magma as country manager for BW Energy in Brazil.

Related party transactions:

	30.09.2019	30.09.2018	2018
Long-term related parties payables			
BW Offshore Singapore Pte Ltd	30.4	7.7	8.5
Total long-term related parties payables	**30.4**	**7.7**	**8.5**
Short-term related parties payables			
BW Offshore Norway AS	0.4	0.3	0.2
BW Offshore Limited	3.9	-	-
BW Offshore (UK) Ltd.	2.7	-	2.5
BW Offshore Management USA, Inc	1.7	1.9	1.2
BW Offshore Singapore Pte. Ltd.	20.6	87.8	31.1
Maple Company Limited	10.3	43.6	15.6
Arnet Energy Pte. Ltd.	0.3	-	-
BW Adolo Pte. Ltd.	3.0	3.7	9.0
BW Offshore do Brasil Ltda	0.1	-	-
Tinworth Gabon SA	8.3	-	3.8
Total short-term related parties payables	**51.3**	**137.3**	**63.4**
Short-term related parties receivables			
BW Offshore Singapore Pte. Ltd.	0.4	-	-
Tinworth Gabon SA	0.2	-	-
Total short-term related parties receivables	**0.6**	**-**	**-**

	Description	Nine months ended 30 September 2019	Nine months ended 30 September 2018	2018
BW Offshore (UK) Limited	Operating expenses	-	-	0.5
BW Adolo Pte. Ltd.	Operating expenses	24.4	1.0	43.0
Tinworth Gabon SA	Operating expenses	21.3	0.3	9.9
BW Offshore Norway AS	Management services	0.8	1.1	1.4
BW Offshore Singapore Pte Ltd	Management services	2.8	2.4	3.0
BW Offshore (UK) Limited	Management services	0.6	-	0.8
BW Offshore USA Management, Inc.	Management services	6.9	0.8	6.3
BW Offshore do Brasil Servicos Maritimos Ltda	Management services	0.2	-	-
BW Offshore do Brasil Ltda	Management services	0.3	-	-
BW Offshore Singapore Pte Ltd	Other expenses	0.3	0.4	0.5
BW Offshore Norway AS	Other expenses	0.1	0.1	0.2
BW Offshore Limited	Other expenses	3.7	-	-
BW Offshore (UK) Limited	Other expenses	0.1	-	-
BW Adolo Pte. Ltd.	Other expenses	4.9	30.0	-
BW Offshore USA Management, Inc.	Other expenses	0.6	3.6	0.4
Total expense from related companies		**67.0**	**39.7**	**66.0**

Note 7 – Acquisitions and disposals

On 19 March 2019, BW Energy Gabon SA ("BWE"), entered into an agreement with Gabon Oil Company (GOC) for the disposal of a 10% interest in the Dussafu production sharing contract. The transaction price was USD 28.6 million, representing a reimbursement equivalent to 10% of development and production costs from April 2017 and to-date. USD 0.3 million in gain relating to this transaction is included in Net gain/(loss) on sale of tangible fixed assets in the Combined Statement of Profit/(Loss). Compensation to GOC for its 10% share for the full production period from first oil will be made through liftings in the third quarter, reflected through under/overlift in the Combined Statement of Financial Position. BW Energy Group's interest was reduced to 81.67% and Panoro will continue to hold 8.33%. The related assets were presented as held for sale as of 31 December 2018.

Tullow has confirmed to exercise its 10% back-in right into the Dussafu license as stipulated in the production sharing contract (PSC). On 17 December 2019, the license partners reached an agreement reducing BW Energy's ownership of the Dussafu license to 73.5%. The carrying value of the assets to be sold to Tullow amount to USD 25.5 million as of 30 September 2019 and is classified as assets held for sale in the Combined Statement of Financial Position. Upon closing of the transaction, negotiations are ongoing regarding the compensation of certain historic acquisition costs which are disputed by Tullow. Should no agreement be reached, the dispute will be submitted to simplified arbitration.

In March 2019, the BW Energy Group entered into agreements to acquire 100% of the Maromba license in Brazil field offshore Brazil for a total acquisition cost of USD 115 million from Petrobras (70%) and Chevron (30%). Subsequent to the agreements, BW Energy Group signed a Memorandum of Understanding ("MOU") with Magma Oil & Gas Ltda ("Magma") granting an option to Magma for the acquisition of 5% of the BW Energy Group's participating interest in the Maromba Field upon occurrence of the first oil. In July 2019, BW Energy Group appointed a shareholder in Magma as country manager for BW Energy in Brazil.

On 17 August 2019, the Brazilian National Agency of Petroleum, Natural Gas and Biofuels (ANP) granted BW Energy status as operator in Brazil and approved the transfer of Chevron and Petrobras' participating interest in the Maromba field to BW Energy. This approval as operator satisfies the main condition precedent for the closing of the Maromba field acquisition, resulting in the payment of the first milestone of USD 30 million to Chevron and Petrobras. The acquisition is treated as an asset acquisition considering the asset is in a pre-development phase.

The total acquisition price for the Maromba field is USD 115 million, which will be paid over three milestones as the development progresses towards first oil. 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 it becomes probable that the conditions will be satisfied.

Note 8 - Subsequent events

BW Energy Limited's acquisition of Dussafu assets

On 11 October 2019, BW Offshore Singapore Pte. Ltd. (a wholly owned subsidiary of the BW Offshore Limited Group), Maple Company Limited (a wholly owned subsidiary of BW Group Limited), Arnet Energy Pte. Ltd. and BW Energy Limited entered into an agreement whereby BW Energy Limited purchased all shares and certain receivables in BW Energy Holdings Pte. Ltd. ("BWEH") in exchange for Shares in the Company at a valuation of USD 257.3 million as follows:

- Sale by BW Offshore Singapore Pte. Ltd. of 66% of the shares in BWEH in return for 114,180,000 shares in BW Energy Limited;
- Sale by Maple Co of 33% of the shares in BWEH in return for 57,090,000 shares in BW Energy Limited; and
- Sale by Arnet Energy Pte Ltd. of 1% of the shares in BWEH in return for 1,730,000 shares in BW Energy Limited.

BWEH is the holding company owning the BW Energy Group's participation interest in the Dussafu asset. The above transactions are assessed to be transactions under common control and will be accounted for using book value (carry-over basis) accounting. The residual between the carrying value and the consideration paid through the issuance of new shares, will be recognised directly into equity.

BW Energy's acquisition of the Kudu and Maromba assets

On 11 October 2019, BW Energy Limited entered into agreements to acquire all shares and certain receivables in BW Kudu Holding Pte. Ltd. and BW Maromba Holdings Pte. Ltd. from BW Offshore Singapore Pte. Ltd. (a wholly owned subsidiary of BW Offshore Limited). BW Kudu Holding Pte. Ltd. is the holding company owning BW Energy Group's participation interest in the Kudu asset and BW Maromba Holdings Pte. Ltd. is the holding company owning the Maromba asset.

The consideration for the shares in BW Kudu Holding Pte. Ltd. and BW Maromba Holdings Pte. Ltd. was USD 16 thousand and USD 21.4 million, respectively, and was settled by the issuance by BW Energy Limited of an aggregate of 14,400,000 shares to BW Offshore Limited.

The transactions are assessed to be transactions under common control and will be accounted for using book value (carry-over basis) accounting. The residual between the carrying value and the consideration transferred through the issuance of new shares will be recognised directly into equity.

Following completion of the above transactions, the BW Offshore Limited ownership interest in BW Energy Limited is 68.6%, while BW Group Limited and Arnet Energy Pte Ltd own 30.5% and 0.9% respectively.

Tullow transaction

Reference is made to Note 7 Acquisitions and disposals for further details.