

BW Offshore: Planned listing of BW Energy

Highlights:

- Establishing BW Energy as a separate E&P company with a diversified portfolio of production and development assets
- Substantial growth potential with unique low-risk development strategy supported by BW Offshore's (BWO) existing FPSOs, track-record and experience
- In advanced negotiations for USD 200m Reserve Based Lending facility based on Dussafu reserves, expected to close in 2019
- External investors will be invited into BW Energy, while current shareholders will maintain a majority shareholding
- Planned listing of BW Energy on Oslo Stock Exchange in 2019

Strategic rationale: Unlocking value that traditional oil & gas companies are not addressing

BW Offshore plans to establish BW Energy as a separate E&P company and will invite external investors into the company to finance development of the recently acquired Maromba field offshore Brazil and value-enhancing investments at the Dussafu Marin Permit offshore Gabon.

BW Energy will have a diversified portfolio of production and development assets, positioned for growth based on its unique low-risk development strategy supported by BWO's existing FPSOs, track-record and experience. BW Energy was established in late 2016 and has since developed a portfolio of attractive upstream oil and gas assets in West Africa and Brazil.

"With BW Energy, we have demonstrated our unique ability to move the threshold for commercial development of discovered resources through use of existing FPSOs, fast-track project execution and properly scaled development concepts," said Carl K. Arnet, the CEO of BW Offshore. "We will continue to target robust business opportunities based on proven reserves with sequential growth potential and unlock significant value that traditional oil & gas companies are not addressing."

"We have proven the attractiveness of our field development strategy with the Dussafu development. Our E&P activities now have a scale where it is natural to invite external investors to add to BW Energy's project execution capacity and growth potential," Carl K. Arnet added.

Attractive assets, rich inventory of exploration opportunities and experienced organisation

BW Energy will consist of:

- 73.5% working interest (WI) in the Dussafu Marin Permit offshore Gabon (owned by the current partnership)
- 56% WI in the Kudu license offshore Namibia (owned by a subsidiary of BWO)
- 100% WI in the Maromba field offshore Brazil (owned by a subsidiary of BWO, subject to regulatory approval)

BW Energy has as operator of the Dussafu license generated significant value by moving the project from acquisition, through field development sanctioning and to successful production in only 18 months at substantially reduced cost.

Current gross production from the Dussafu field is around 12,000 barrels of oil per day, expected to achieve approximately 20,000 barrels of oil per day in 2020 as the 4 new production wells of the phase 2 development are hooked up to the FPSO. The internal estimated recoverable reserves now stands at 80 MMboe gross including both Tortue and the Ruche discoveries, up more than 5 times from the sanctioning of the first phase. In addition, a rich inventory of exploration and appraisal opportunities represents further material upside potential.

BW Energy has assembled an experienced E&P organisation, with strong technical and operational capabilities. Following several operational achievements at Dussafu, BWO plans to expand BW Energy's portfolio by transferring its rights to interests in the Maromba field offshore Brazil. Following the transfer, BW Energy will start preparations for the phased development of the Maromba heavy oil discovery which is expected to yield between 100 and 150 MMboe. BWO will also transfer its interest in the Kudu license in Namibia to BW Energy. All of BWO's and BW Group's upstream oil & gas assets will be held through BW Energy following these transfers.

BW Energy will be led by a management team consisting of CEO Carl K. Arnet, COO Lin G. Espey and CFO Knut R. Sæthre with effect from 1 July 2019.

Planned equity raise and listing on Oslo Stock Exchange

BWO and BW Group will invite external investors to invest directly in the new entity. BW Energy targets a listing on Oslo Stock Exchange in 2019 and has retained DNB Markets and Pareto Securities as financial advisers in this respect.

To introduce BW Energy, the company's management will host investor presentations in due course. The company will provide further updates as appropriate.

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About BW Offshore:

BW Offshore is a leading provider of floating production services to the oil and gas industry. The company also participates in developing proven offshore hydrocarbon reservoirs. BW Offshore is represented in all major oil and gas regions worldwide with a fleet of 15 owned FPSOs. The company has more than 30 years of production track record, having executed 40 FPSO and FSO projects. BW Offshore is listed on the Oslo Stock Exchange.

This information is subject to the disclosure requirements pursuant to section 5 -12 of the Norwegian Securities Trading Act.