

13 January 2020

BW Kudu Limited, Namibia Branch,

37 Feld St Windhoek,

Namibia.

For the attention of Javed Akhtar, Director Subsurface.

Re: 2020 Contingent Resources report for the Kudu field development, offshore Namibia.

In accordance with your instructions, following recent changes to the envisaged schedule for the Kudu gas-to-power project, ERCE has updated its report on the hydrocarbon Contingent Resources associated with a potential future development of the Kudu gas field within Production Licence 003 offshore Namibia, as held by BW Kudu Limited, Namibia Branch (“BWK”).

The draft report for the work was issued on the 10th January 2020, which includes updated estimates of field development economics.

ERCE prepared its report according to the “South African Code for the reporting of oil and gas resources, 2015” (the SAMOG code) and used the SPE/WPC/AAPG/SPEE/SEG/SPWLA/EAGE Petroleum Reserves and Resources Classification System and Definitions, Version 1.01, as revised in June 2018 and updated in November 2018 (“PRMS”), as the standard for resources classification. The full text of the PRMS document can be viewed at: https://secure.spee.org/sites/spee.org/files/prmgmtsystem_final_2018.pdf

ERCE’s estimates of Contingent Resources presented in the draft report are summarised below, based on an effective date for our cash-flow modelling of 1st January 2020 and ERCE’s current assumption for first gas production, of July 2024.

Table 1: Gas Contingent Resources for the Kudu field development, as of 1/1/2020, gross and net to BWK

Resource Class	Resource Sub-Class	Gas Resources (Bscf)					
		Gross Field (100% project)			BWK Net Entitlement		
		1C	2C	3C	1C	2C	3C
Contingent Resources as at 1 January 2020	Development Pending (Protected Gas)	587	587	587	329	329	329
	(Additional Gas)	57	533	1324	32	298	741

Methodology, Confirmations and Professional Qualifications

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ERCE has the relevant and appropriate qualifications, experience and technical knowledge to appraise professionally and independently the assets. The work has been supervised by Dr Adam Law, Managing Director of ERCE, a post-graduate in Geology, a Fellow of the Geological Society and a member of the Society of Petroleum Evaluation Engineers (No 726).

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Yours faithfully



Adam Law,

Managing Director, ERCE