



THE BOARD OF DIRECTORS' DECLARATION ON REMUNERATION TO THE EXECUTIVE MANAGEMENT

This declaration concerns the chief executive officer ("CEO") and directors in the board of management in BW Gas ASA ("BW Gas"), together the "executive management".

I. Principles for compensation of the executive management

It is the board's objective to offer the executive management competitive remuneration based on current market standards, company and individual performance. The remuneration shall promote value creation and ensure that executive management and shareholders share common interests.

Following from the above, the remuneration shall consist of a basic salary element combined with a performance based bonus program. The bonus program shall consist of a short-term as well as a long-term scheme. The short-term scheme shall in part relate to individual performance and loyalty to the company, and in part relate to the company's annual financial performance. No bonus shall be paid on the latter unless clearly stated financial goals are achieved, and the total bonus compensation shall be limited to a percentage of the fixed salary. Part of the bonus payment shall be invested in company shares with a defined lock-up period. The long-term scheme shall be related to the longer-term development of the company's share price, and also be limited to a percentage of fixed salary.

The executive management shall further be part of the company's general collective pension agreements, insurances and medical coverage, and shall be entitled to standard market benefits for key executives when it comes to car allowance, telephone and newspaper coverage.

The company has, and can in the future, make individual agreements for early retirement for individuals in the executive management. Some of the members of the executive management are entitled to a severance payment equal to two years annual salary if the employment is terminated. For new members of the management, the policy will be to offer one year.

Details of the existing remuneration schemes have been included in the company annual report, Note 16.

II. Statement on how the executive remuneration policy was carried out in 2007

It is the board's view that the annual adjustment of executive management salaries has taken place in line with the above principles.

Adjustments to the existing bonus program for the executive management were introduced in 2007. It is the board's view that the changes made are aligned with the above principles. The main changes made were related to (1) increasing the individual performance based bonus, (2) introducing incentive mechanisms to ensure retention, and (3) changing the principle of vesting shares to purchasing shares in the market upfront with a lock-up.

The company decided in 2007 to close its defined benefit plan and to offer a defined contribution scheme to new employees. Voluntary transfer was offered to all employees. The members of the executive management team have all chosen to remain in the closed defined benefit plan which ensures a retirement pension of 66% of the salary from the age of 67 up to a salary of 12G. This benefit has to be earned over a 30 year employment period. The plan also covers benefits for surviving spouse/dependants and a disability pension.

The company further cancelled its insured pension scheme in 2006 which covers salary levels above 12G. The company will honour historic commitments made, and executive management appointed before the cancellation of the scheme will therefore receive this benefit upon retirement, directly funded by the company.

III. Statement on how changes made in 2007 will affect the company

It is the board's view that the amended bonus plan will improve the alignment of the executive management with shareholder interests as a result of a larger share of the achievable bonus being invested in shares, and that better mechanisms are in place to ensure retention of the executive management in a job market which can be characterised as tight.

Oslo, 25 March 2008

Helmut Sohmen
Chairman of the Board