Panoro Energy

Contemplated private placement

Panoro Energy ASA ("PEN", OSE ticker code), the independent oil and gas company with assets in West Africa and Brazil, is contemplating raising between NOK 400 and 600 million in new equity and has retained Pareto Securities AS and Carnegie ASA as joint lead managers (together the "Managers") to advise on and effect a private placement of new shares directed towards Norwegian investors and International institutional investors. The price will be determined through an accelerated book-building process.

The book-building period opens today (February 3, 2011) at 17:30 CET and closes on February 4, 2011 at 08:30 CET. The Board of PEN may, however, at any time resolve to close or extend the book building period at its own discretion. The minimum order and allocation in the private placement has been set to the number of shares that equals an aggregate purchase price of at least the NOK equivalent of EUR 50,000.

Use of proceeds will be to strengthen the Company's balance sheet in order to progress development projects in Brazil and Congo and further develop the underlying values in the portfolio.

Settlement of 16.4 mill shares will take place on or around February 4, 2011, by delivery of existing and unencumbered shares in the Company that are already listed on Oslo Stock Exchange, pursuant to a share lending agreement entered into between Pareto Securities, Panoro and certain existing shareholders. Allocation of the shares exceeding the existing authorization granted to the Board of 16.4 mill shares, will be conditional upon approval at the EGM in the Company, expected to take place on or around March 1, 2011 and will not be tradable until the share capital increase has been registered in the Norwegian Register of Business Enterprises, and a listing prospectus has been approved by Finanstilsynet (FSA) and published.

Subject to a successful completion of the Private Placement, the Board of Directors will, based on various factors including the final Offer price, consider proposing to the EGM a subsequent offering directed towards PEN shareholders as of February 3, 2011 (as recorded in VPS on February 8, 2011) who were not allocated shares in the private placement (a "Subsequent Offering"). There can, however, be no guarantee that the board of PEN will propose a Subsequent Offering or that such Subsequent Offering will be resolved or authorized by the EGM.

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