

## Successfully completed private placement

Panoro Energy ASA ("PEN", OSE ticker code), the independent oil and gas company with assets in West Africa and Brazil, has successfully completed a NOK 550 million private placement directed towards Norwegian and International institutional investors. The share issue was oversubscribed at the top end of the range and the price in the book-building was set at NOK 7.80 per share. 70,500,000 shares will be issued following the private placement. The completion of the private placement is partially conditional upon the approval by an Extraordinary General Meeting in Panoro Energy.

Kjetil Solbraekke, CEO of Panoro Energy ASA commented: "Panoro Energy looks forward to an exciting year, with the concept selection for our BS-3 assets and drilling of wells in our MKB project in Congo. This share issue significantly improves our ability to progress these projects and also strengthens the financial foundation for value creation from other assets in our portfolio. At the same time, we welcome the broadening of the institutional shareholder base this transaction brought along".

Settlement of approximately 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 existing shareholders. Allocation of the remaining 54.1 million 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). The Board of Directors decided to waive the preferential right of existing shareholders to be able to swiftly complete the private placement in favorable market conditions. Through the proposed repair issue directed towards the shareholders of Panoro Energy as of close of the Oslo Stock Exchange on 3 February 2011, the interest of the current shareholders will be maintained.

The Board of Directors will propose to the EGM a subsequent offering of 6.5 million shares at a subscription price of NOK 7.80 per share (total proceeds up to NOK 50 million) 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.

The shares in the Company will trade excluding the right to participate in the potential subsequent repair offering from and including today, February 4, 2011.

Pareto Securities AS and Carnegie ASA acted as joint lead managers in the private placement.

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