

## **ANP approval of assignment of Panoro Energy's subsidiary in Brazil Rio das Contas to GeoPark**

Panoro Energy ASA (the Company) is pleased to announce that the Brazilian Petroleum Agency ("ANP") approved the replacement of the parental guarantee of Panoro Energy ASA with the parental guarantee of GeoPark Limited as an extraordinary item in their Board meeting on March 26. This approval allows the complete transfer of Panoro Energy's shares in Rio das Contas to GeoPark Brasil Exploração e Produção de Petróleo e Gás Ltda to take place.

In May 2013 Panoro Energy announced that the Company had reached an agreement to sell its Brazilian subsidiary Rio das Contas to GeoPark (the "Transaction") for a purchase consideration of up to USD 160 million with USD 140 million to be paid upon closing and up to USD 20 million in earn-out paid during the 5 year period January 1, 2013 to December 31, 2017. The earn-out will be paid as the amount equal to 45% of the annual net cash flow above USD 25 million. The closing of the Transaction was among other conditions subject to regulatory approval by ANP.

The Transaction comprises a divestment of all shares in Rio das Contas Produtora de Petróleo Ltda which is the direct beneficial owner of 10% of the BCAM-40 Block in the Camamu-Almada basin including the 10% interest in the Manati field, offshore Brazil.

With the approval granted by ANP all conditions precedent for closing the Transaction are fulfilled and a mandatory redemption of Panoro Energy's outstanding USD and NOK bond tranches (PEN 01 PRO and PEN 02 PRO) of USD 84 million and NOK 164 million as of March 31, 2014 (plus accrued interest and the 6% call premium). The closing of the Transaction will be executed within three business days and the two tranches of the bonds repaid three days after closing leaving the Company debt free.

### **For further information, please contact:**

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