

Second quarter report 2014

August 14, 2014

Panoro Energy

ΠΑΝΟΡΟ ΕΝΕΡΓΕΙΑ

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Highlights

Second quarter 2014 and subsequent events



- Net Loss from continuing operations was USD -2.0 million, down from USD -5.8 million in the previous quarter
- Declaration of Commerciality signed and award of Exclusive Exploitation Authorisation on Dussafu permit. Field Development Plan submitted to the Gabonese Authorities
- Major advancements towards Final Investment Decision to develop the Aje Field (OML 113)
- Repayment of bonds leaving the Company debt free
- Ongoing Sales Process

Operational Review

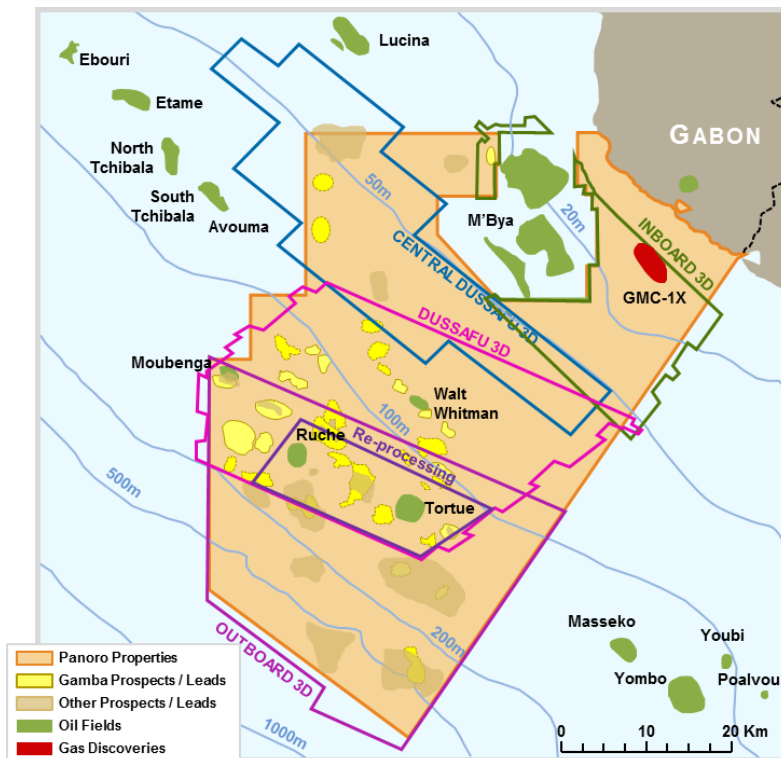
Dussafu

Large exploration license with multiple discoveries and prospects

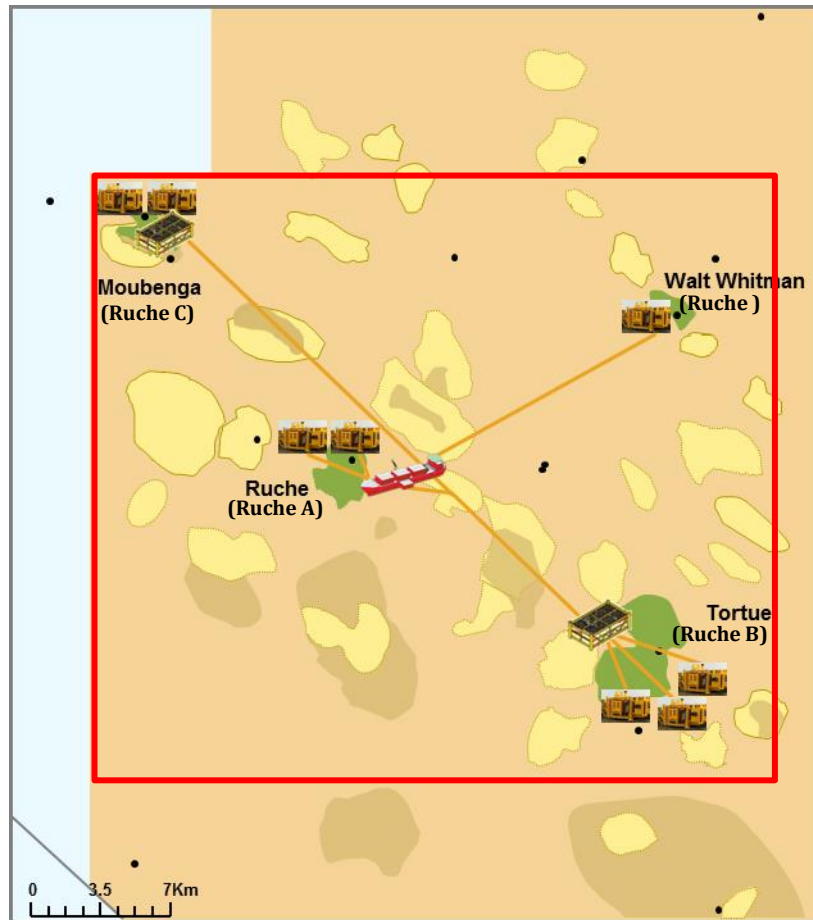
Dussafu (Gabon)		Exploration portfolio
Operator	Harvest Natural Resources (66.67%)	
Working Interest	33.33%	
Other Partners	Back-in right of 10% held by joint venture of Tullow	
Current stage	Exploration	

Project Status

- 2,775km² license in Southern Gabon pre-salt fairway
- Total of five pre-salt discoveries (4 oil, 1 gas) with upside/appraisal potential
- Panoro's oil discoveries in Ruche (2011) and Tortue (2013) have demonstrated the success in identifying oil-bearing structures
- Gaffney Cline reports received demonstrates commerciality of the discoveries with Economic Gross 2C Resources of 33.4MMbbl
- Important milestones achieved in Q2 2014 with Declaration of Commerciality and award of Exclusive Exploitation Authorisation
- Field Development Plan has been filed with the Government of Gabon
- Outboard 3D processing continuing with very positive initial results

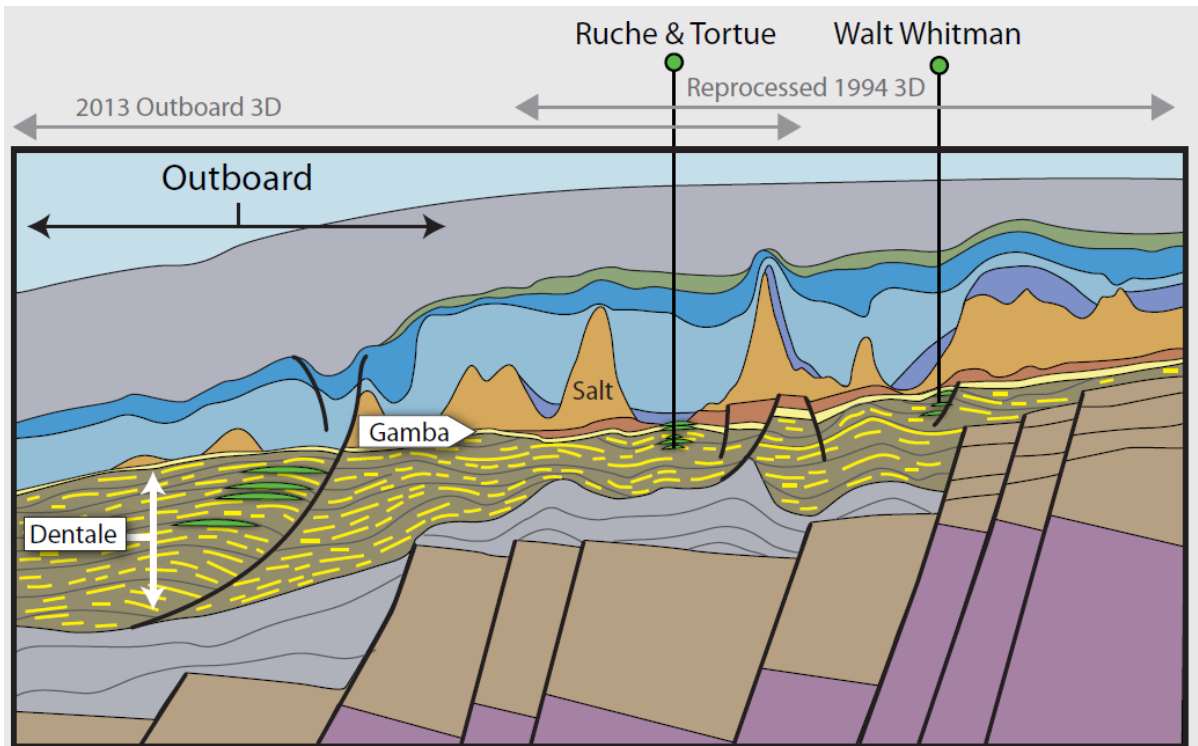


Dussafu – Exclusive Exploitation Authorisation



- EEA awarded 17th July 2014
 - Area of 850.5 km²
- Dussafu JV now has authorisation to exploit hydrocarbon resources in EEA area for up to 20 years
- Detailed development and production program submitted (FDP)
 - Single FPSO with tiebacks
 - Central Ruche location for FPSO
 - Multiple horizontal and vertical wells into four fields
 - Subsea tiebacks
- EEA area also captures prospective resources in satellite structures

Dussafu Outboard Potential



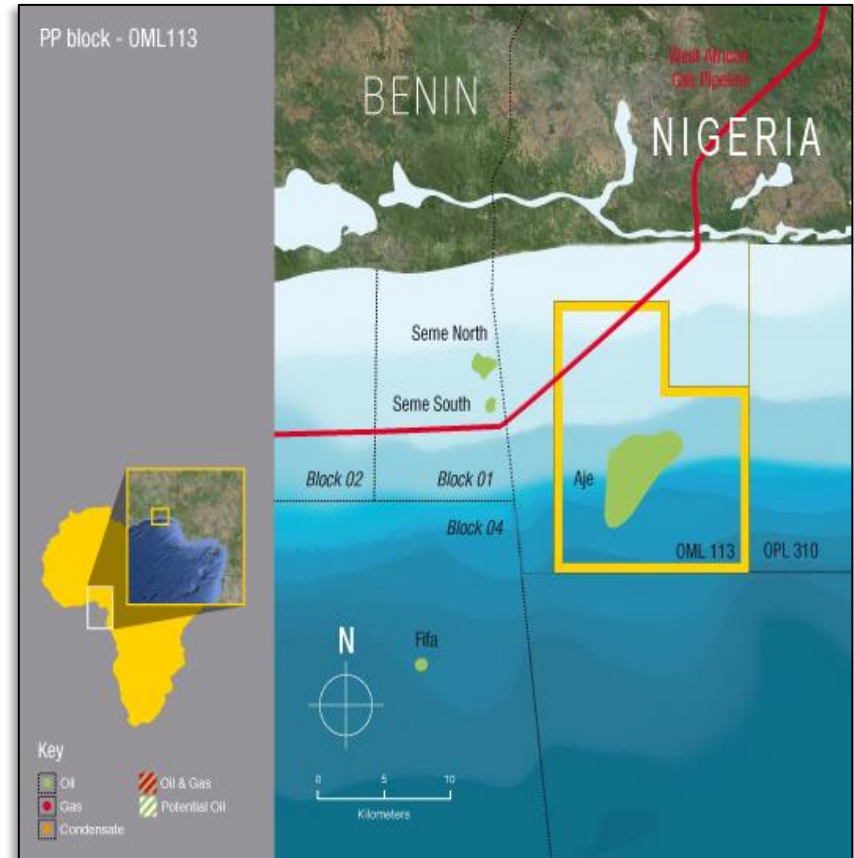
- New 3D seismic outboard of Ruche and Tortue
- Thickened Dentale section apparent
- Structure may be fold related rather than diapir induced
- Potential prospect sizes much larger than Ruche and Tortue
- Multiple stacked sandstones in Dentale
- Tortue well has de-risked Dentale reservoir quality
- EEA area includes 2 of these large prospects – JV now has exploitation rights to these for up to 20 years

Aje

Near term development with exploration upsides

Project Status

- Partners are focused on 2015 oil production
- Initial 2 well Cenomanian oil project, agreed by all JV partners
 - FDP approval received end March
 - Ongoing discussions with FPSO providers, and other key equipment providers
 - Rigs being considered for Q1 2015 drilling
 - Cenomanian first oil expected in Q4 2015
- Based on field performance a further 2 Cenomanian development wells may be drilled
- Turonian gas condensate project will follow in later phase
- OML 113 3D seismic being processed

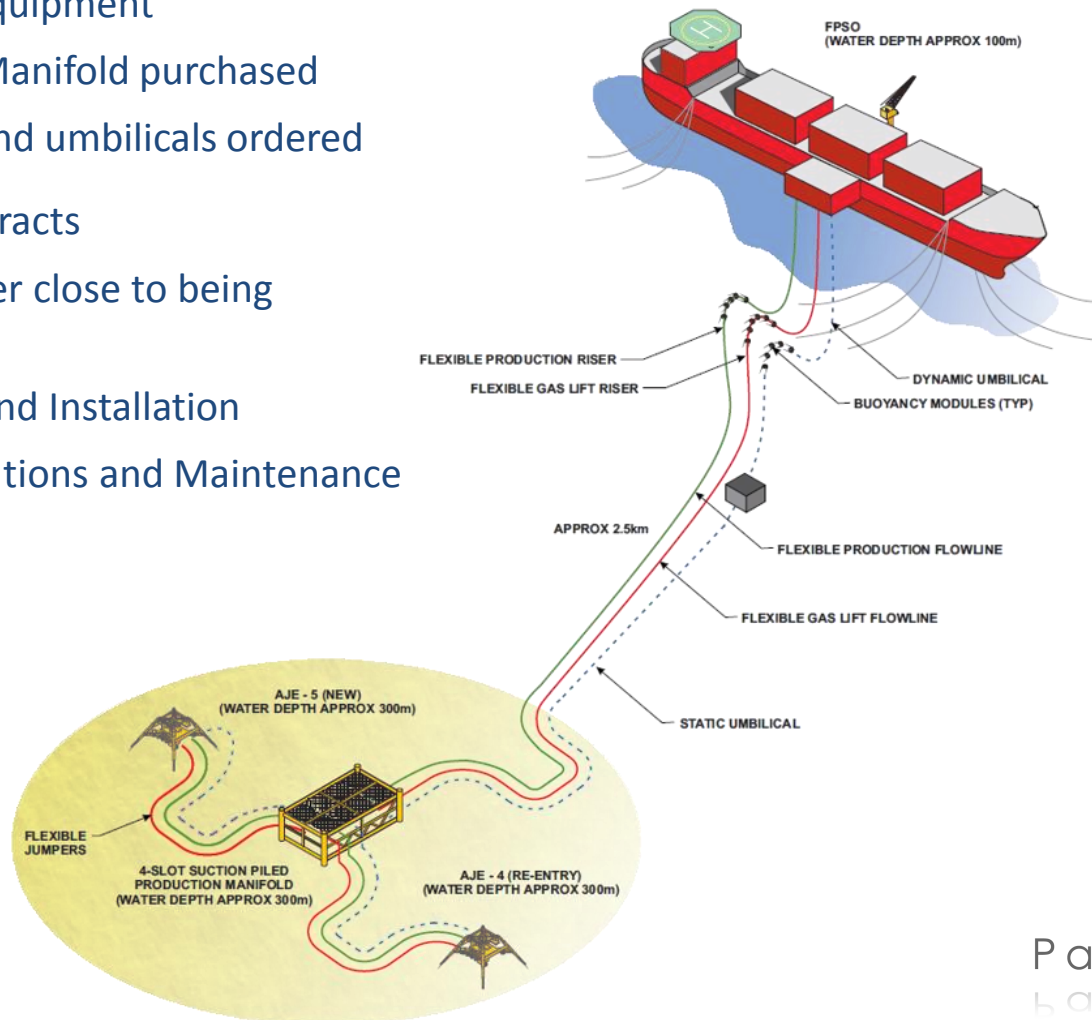


*Panoro : 16.255% paying interest, 6.502% working interest.
Panoro is entitled to 12.2% of the revenue stream from Aje field
Operator: Yinka Folawiyo Petroleum
Other partners: NewAge, FHN (Afren), EER, Jacka Resources*

Aje Cenomanian Oilfield Development Concept

Aje Field Appraisal and Development Scheme

- Key Subsea Equipment
 - Trees and Manifold purchased
 - Flowlines and umbilicals ordered
- Ongoing Contracts
 - FPSO charter close to being finalised
 - Transport and Installation
 - FPSO Operations and Maintenance



Aje and Dussafu Project timelines

	2014												2015				2016			
	J	F	M	A	M	J	J	A	S	O	N	D	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Nigeria																				
OML 113 Seismic				3D Seismic Acquisition and Processing																
Aje FDP Submission		FDP																		
Aje FID								FID												
Aje Development	FEED and Pre-development								Engineering and Procurement				Installation							
Aje 4 and 5 Drilling													Drilling							
Aje First Oil																1 st Oil	Producing			
Gabon																				
Dussafu Seismic	Outboard 3D Seismic Acquisition and Processing																			
Dussafu DoC / FDP				DoC / EEA / FDP																
Dussafu FID													FID							
Dussafu Development	Development Planning								FEED				Engineering, Procurement & Installation							
Dussafu Drilling																	Development Drilling			
Dussafu First Oil																				1 st Oil

Financial review

Financial and accounting highlights

Q2-2014 and subsequent events

- Repayment of bond loan leaving the Company debt free
 - Cash position of USD 60.1 million at end of Q2-14
- Net loss from continued operations of USD -2.0 million in Q2-14, down from USD -5.8 million in Q1-14
- Brazilian operations classified as discontinued and prior periods reclassified for comparison purposes

Income and loss statement (USD '000)

Condensed consolidated statement of comprehensive income	Q1-2014	Q2-2014
Exploration related costs	-437	-168
Strategic review costs	-23	-74
Severance and restructuring costs	-18	-350
General and administrative costs	-1,202	-1,549
Net income / (loss) from continuing operations	-5,773	-2,017
Net income / (loss) from discontinued operations	41,039	-1,381

Group balance sheet

Per Jun 30, 2014

Balance sheet (USD '000)	Mar 31, 2014	Jun 30, 2014
Licenses and production assets	95,874	98,383
Other non-current assets	175	119
Total non-current assets	96,049	98,502
Trade and other receivables	924	2,963
Cash and bank balances	189,729	60,081
Total current assets	190,653	63,044
Total assets	286,702	161,546
Equity	157,091	153,772
Non-current interest-bearing debt	0	0
Other non current liabilities/Deferred tax liabilities	4,376	4,376
Total non-current liabilities	4,376	4,376
Current interest-bearing debt	123,394	-
Accounts payable, accruals, other liabilities	1,841	3,398
Total current liabilities	125,235	3,398
Total liabilities	129,611	7,774
Total equity and liabilities	286,702	161,546

Outlook

- Aje (OML 113)
 - Final Investment Decision (FID) expected in Q3
 - Processed 3D seismic expected Q1 2015
- Dussafu
 - Processed 3D seismic for outboard section of Dussafu expected late Q3/early Q4
 - Government approval of field development plan
- Ongoing Sales process

Second quarter 2014 financials

Q&A

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