

# Investor Presentation

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Panoro Energy  
Panoro Energy

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12 January 2015

# Disclaimer

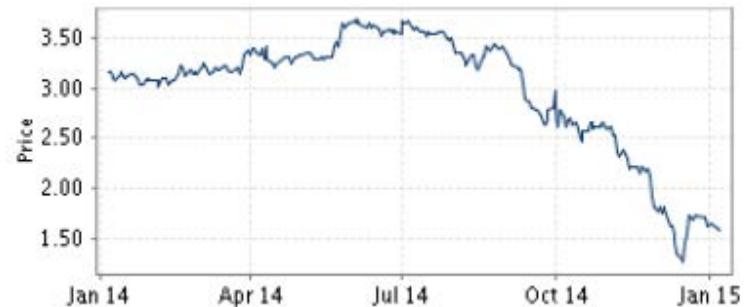
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# Panoro Energy ASA – Company snapshot

- Oil and Gas E&P Company Listed in Norway, currently focused on West Africa
- Renewed Board of Directors elected in October 2014
- Experienced Management Team
- Strong cash position
- Nigeria - Aje Development ongoing – first oil Q4 2015
- Gabon - Dussafu Field Development plan government approved
- Significant exploration upside in both Aje and Dussafu outboard area
- Objective: Generate strong cash flows from expected net production:
  - 1,100 bopd in 2016 from Aje
  - 7,500 bopd from Dussafu 21 months from the point of FID

Key Facts	
OSE ticker code:	PEN
Shares outstanding:	234.5 million
Market Cap (09/01/2015):	~USD 47.4 million
Cash position as of end 3Q-14	USD 52.5 million
Debt	0
Reserves/Resources (unrisked)	1P = 1.8 MMbbl 2P = 3.2 MMbbl 1P + 1C = 24.4 MMboe 2P + 2C = 39.5 MMboe



# Executive Management Team

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**Nishant Dighe, Chief Executive Officer.** Nish has over 20 years of experience in oil and gas. He has Masters degrees in Chemical Engineering and Petroleum Engineering from Imperial College, London, and an MBA from Warwick University. Originally trained as a reservoir engineer, Nish held technical positions in ExxonMobil in the UK and US on assets located in the North Sea, Europe, US, Middle East and Africa. He has also worked with Marakon Associates, a value-based management consultancy, with South African company Sasol and with Energy Equity Resources. In 2007 Nish co-founded Pan-Petroleum ultimately leading to the creation of Panoro Energy. During this period he has also held positions of CEO of African Energy Equity Resources and President Africa. He is a British citizen and resides in London, UK.



**Qazi Qadeer, Chief Financial Officer** is a Chartered Accountant with a Fellow membership of Institute of Chartered Accountants of Pakistan. Qazi joined Panoro at its inception in 2010 as Group Finance Controller. Previously he has worked for PriceWaterhouseCoopers in Karachi, Pakistan and briefly served as Internal audit manager in Pak-Arab Refinery before relocating to London, where he has spent more than five years with Ernst & Young's energy and extractive industry assurance practice; working on various projects for large and small oil & gas and mining companies. He has worked on several high profile projects including the divestment of BP plc's chemicals business in 2005 and IPO of Gem Diamonds Limited in 2006. He is a British citizen and resides in London, UK.



**Richard Morton, VP Subsurface** has 24 years of experience in exploration, production, development and management in the oil and gas industry. Originally a highly qualified geophysicist, he has expanded his portfolio of skills progressively into operational and asset management. He has worked in a number of challenging contracting and operating environments, including as Centrica Energy's Exploration Manager for Nigeria. He has been with Panoro Energy since 2008 with responsibilities for project and technical management of Panoro's African exploration and development assets. Richard obtained a B.Sc. in Physics from Essex University in 1989 and went on to complete a M.Sc. in Applied Geophysics from the University of Birmingham the following year. He is a British citizen and resides in London, UK.

# Panoro Board of Directors (Non-Executive)

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**Mr. Julien Balkany**, Chairman of the Board, French citizen resident in London, he has served as managing member and Founder of Nanes Balkany Partners LLC, a NY-based activist hedge fund which primarily pursues value investments in publicly traded oil and gas companies, since January 2008. Mr. Balkany has been since May 2014 a Non-Executive Director of Gasfrac Energy Services (ticker: GFS CN), a Calgary-based oil and gas fracking services company listed on the TSX since May this year. Mr. Balkany has also served as Vice-Chairman and Director of Toreador Resources Corp. (ticker: TRGL US), an oil and gas exploration and production company with operations in Continental Europe and listed on the NASDAQ, from January 2009 to March 2011. Mr. Balkany is also the Chairman of the Advisory Board of Stellar Energy, a London-based Investment Bank dedicated to the oil and gas industry. At the same time, Mr. Balkany has been a Managing Director at Nanes Delorme Capital Management LLC, a New York based financial advisory and broker-dealer firm, since 2005. Before joining Nanes Delorme Capital Management LLC and co- founding Nanes Balkany Partners, Mr. Balkany worked at Pierson Capital, a U.S. private investment firm focused primarily on emerging markets, from 2003 to 2005. Prior to that Mr. Balkany gained significant expertise in the Emerging Markets Debt Capital Markets Group of Bear Stearns & Co., Inc. Mr. Balkany studied Political Science at the Institute of Political Studies (France) and Finance at UC Berkeley. Mr. Balkany is fluent in French, English and Spanish.



**Ms. Alexandra Herger**, a US citizen based in Maine, has extensive leadership experience in worldwide exploration for oil and gas companies. Ms. Herger has 35 years of global experience in the upstream oil and gas industry. She most recently served as interim Vice President of Global Exploration for Marathon Oil Corporation from April 2014 until her retirement during the summer of 2014. Prior to this position, Ms. Herger was appointed Director of International Exploration and New Ventures for Marathon Oil Company from November 2008 to April 2014. She led five new country entries and was responsible for adding net discovered resources of over 500 million boe to Marathon's portfolio. Before joining Marathon, she was at Shell E&P Company from 2002-2006. Prior to the merger with Shell, Ms. Herger was Vice President of the Gulf of Mexico for Enterprise Oil from 1998-2002. Earlier, Ms. Herger held positions of increasing responsibility in oil and gas exploration and production, operations, and planning with Hess Corporation and ExxonMobil Corporation. Ms. Herger holds a Bachelor's degree in geology from Ohio Wesleyan University and post-graduate studies in geology from The University of Houston. Ms. Herger is a member of Leadership Texas, the Foundation for Women's Resources, and was on the advisory board of the Women's Global Leadership Conference in Houston, Texas from 2010 to 2013.



**Ms. Silje Augustson**, a Norwegian citizen based in Switzerland, has significant experience from the capital markets and the financial services industries mainly based out of London. Her experience spans from roles within equity sales and research in investment banking, to business development, strategy and investor capital fundraising in the alternative asset management industry. Since 2004, she has held several board directorships in the area of fund management participating in fund restructuring situations as well taking lead roles in activist investor campaigns. Ms. Augustson has held positions with JP Morgan, The Brunswick Group, Theorema Asset Management, Belay Asset Management. Currently she works with Xynteo, a strategic advisory firm based in Oslo and London, with clients in the Oil and Gas industry. In addition to being a Non-Executive Director of Panoro Energy ASA, she serves on the board of the Storm Nordic Fund, the Storm Bond Fund, SurfSide Holding AS and Mikrofinans Norge AS. She holds a Deug in Economics from the University of Toulouse UT1 (1996), and a Master in European Management/Diplome de Grande Ecole from ESCP-EAP (1999).



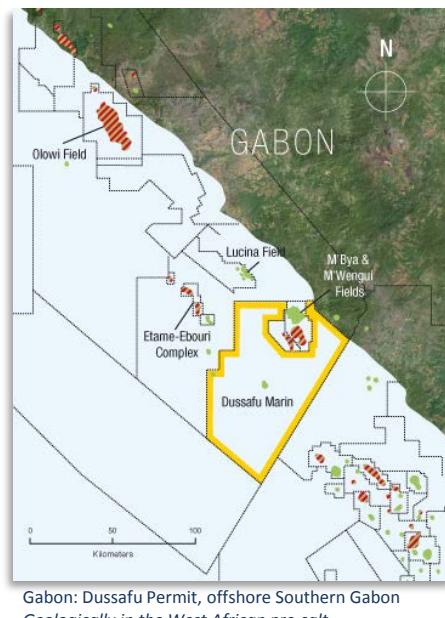
**Mr. Lars Brandeggen**, a Norwegian citizen based in Oslo is a private investor with Scandinavian markets expertise. He is the Founder and owner of investor community XtralInvestor.com. Chairman of Nordic Financials (ticker NOFIN.OL). He was elected Chairman of NOFIN as an activist investor in January 2014 and under his successful leadership, by September the same year NOFIN had returned to the shareholders an impressive increment of 120% of the share price at that time to its shareholders. Prior to this he served as the Chairman of 1880 Directory Assistance – the second largest telephone directory assistance company in Norway (sold to Findexa). Mr. Brandeggen was also previously Chairman of real estate service company Sigma and managed the process that ended with the company being sold to Sodexo. Mr. Brandeggen's experience spans previous roles in commercial and investment banking (analyst & corporate finance). He holds a MBA from University of Lund, Sweden.

# Panoro Assets in Africa

- Two core Assets in West Africa with discovered resources under development and significant exploration upside



Nigeria: OML 113, offshore Western Nigeria  
Geologically part of the West African Transform Margin

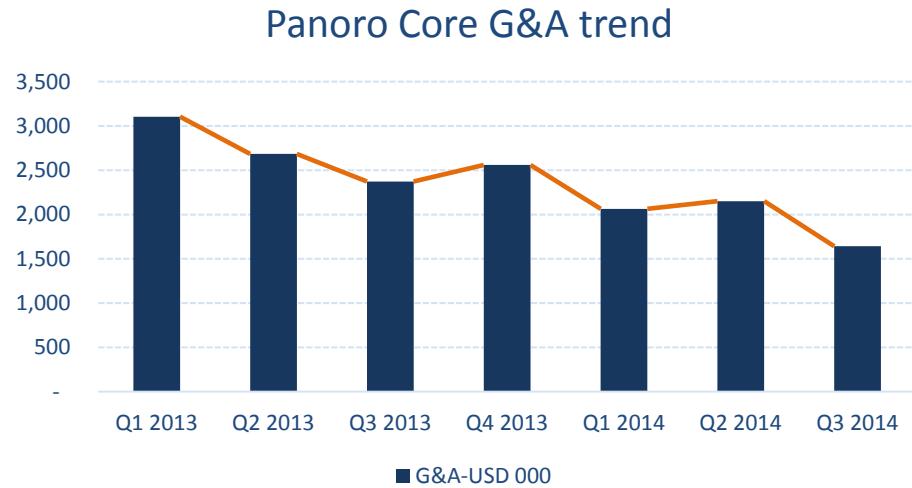


Gabon: Dussafu Permit, offshore Southern Gabon  
Geologically in the West African pre-salt



# Financial Snapshot

- Low G&A
  - Clear trend of reducing cost base with reduction initiatives continuing
  - Focused Management team. All staff based in London
- Q3 Financials (30 September 2014)
  - Strong cash position of USD 52.5 million
  - Total assets at book costs USD 157.2 million
  - Capitalised assets USD 100.0 million
  - Current liabilities USD 1.2 million
  - Net loss for the quarter USD 2.2 million



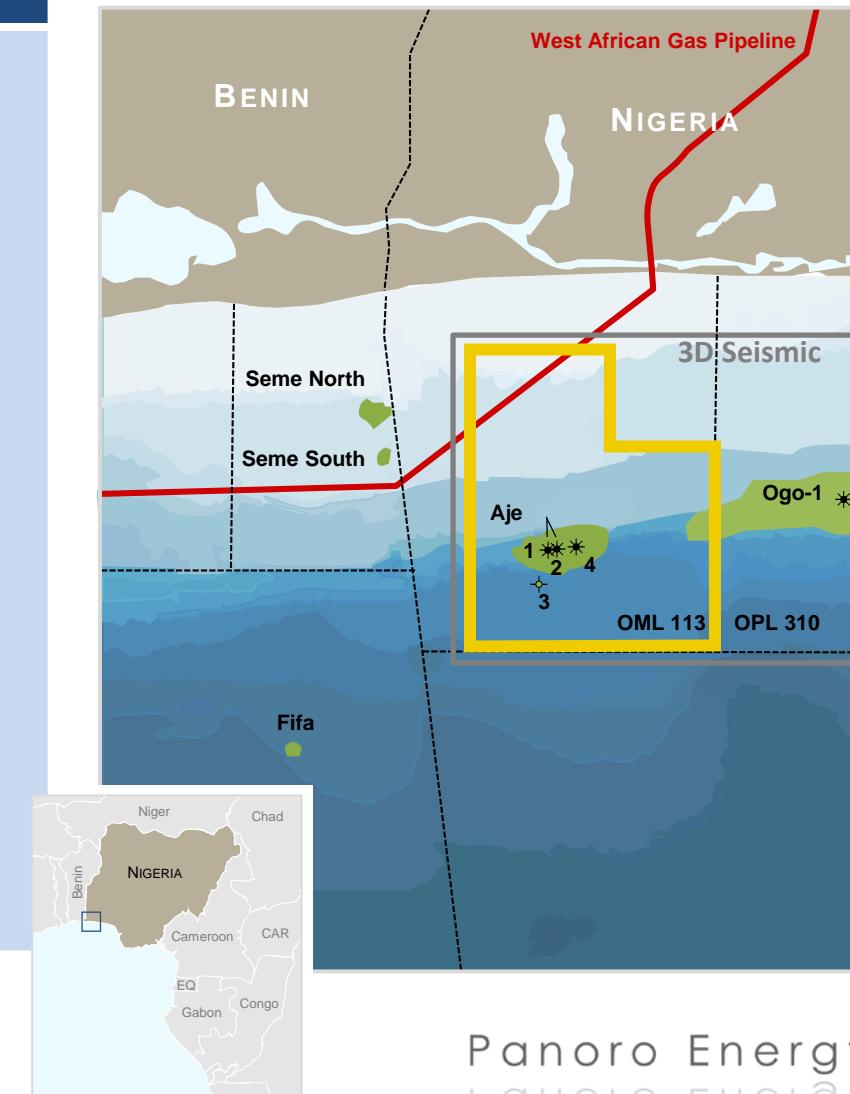
\* The G&A figures represents quarterly amounts published in Panoro's quarterly reports and include core G&A from continuing and discontinued activities only. The numbers do not include non-recurring costs for strategic review and restructuring and redundancies.

# OML 113

Near term Aje field oil development followed by gas/condensate development and strong exploration upside

## Project Status

- Partners are currently focused on delivering 2015 oil production from Aje field
- Initial 2 well Cenomanian oil project: Aje-4 re-entry and recompletion, and Aje-2 re-drill as Aje-5 well
  - Water depth for both rig Operations is 300m and FPSO to be stationed in 100m water depth
  - FDP approval received March 2014
  - FPSO contract signed October 2014
  - Rigs being considered for Q2 2015 drilling
  - Cenomanian first oil expected in YE 2015
- Based on field performance a further 2 Cenomanian development wells to be drilled
- Turonian gas condensate project will follow in later phase
- Major discovery in neighboring license (Ogo field). New 2014 3D seismic acquired and currently being processed to quantify upside on OML 113



Panoro : 16.255% paying interest, 6.502% working interest.

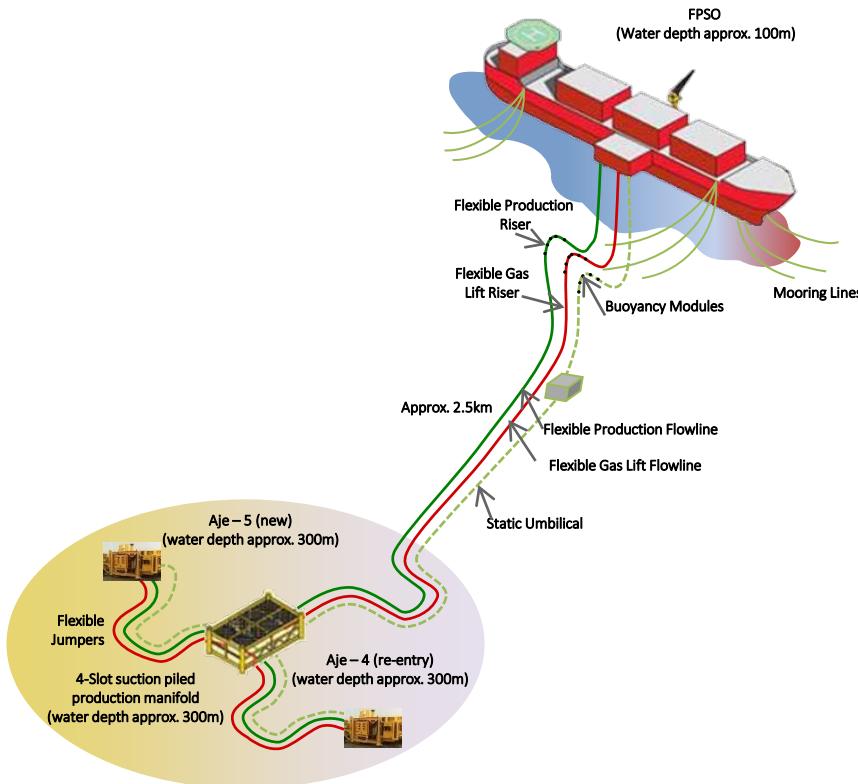
Panoro is entitled to 12.2% of the revenue stream from Aje field

Operator: Yinka Folawiyo Petroleum

Other partners: NewAge, FHN (Afren), EER, Jacka Resources

# Aje Progress Report Summary

## Field Development Plan – Diagrammatic Representation



## Aje Status

### Cenomanian Oil Development:

- Field development plan Government Approval
- Field development FID Decision
- First Oil Q4 2015

### Exploration

- New 3D Seismic acquisition
- New 3D Seismic PSDM processing Q1 2015
- Defining exploration campaign including Ogo Q3 2015

### Turonian Gas-Condensate Development:

- Development Concept Study 2015

# Aje Cenomanian Oilfield Development

## Aje Field Appraisal and Development Scheme

- Key Subsea Equipment and Contracts:
  - Trees and Subsea Manifold purchased
  - Flowlines and umbilicals ordered
  - Transport and Installation Contract awarded
  - FPSO vessel contracted and being refurbished in yard
- Ongoing Contract negotiations:
  - Drilling rig
  - FPSO Operations and Maintenance



Front puffin FSPO



Front puffin FSPO



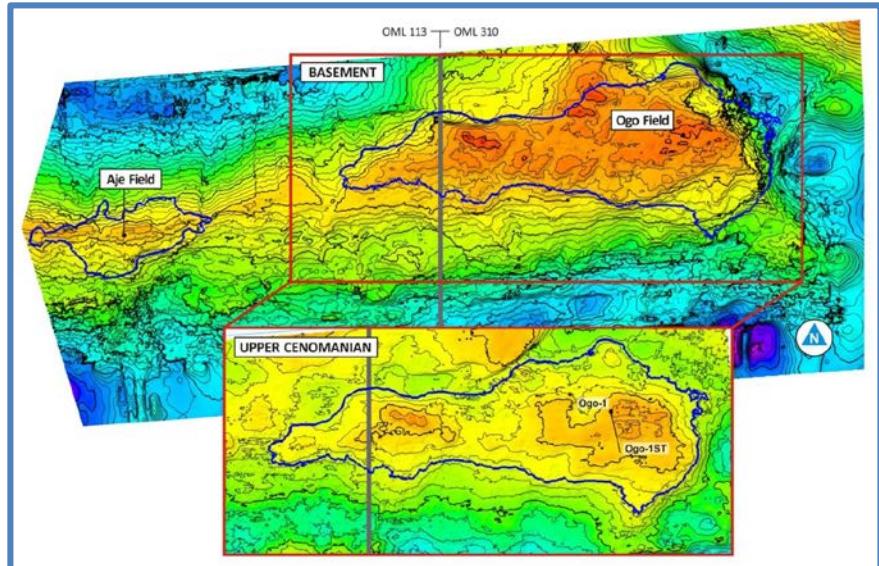
Subsea Trees



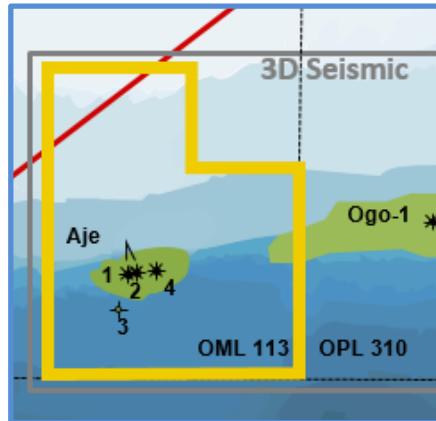
Installation Vessel

# Aje New 3D Seismic

- **OML 113 Prospective**
  - 7 leads in post-rift middle cretaceous section have been identified from existing seismic data
  - At least further 2 leads have been identified in syn-rift
- **Ogo 2013 Discovery in OPL 310**
  - Ogo-1 and Ogo-1ST were drilled by Afren on OPL 310 in 2013. Afren report discovery with P50 resources of 774 mmboe in Turonian – Cenomanian and syn-rift
  - Afren mapping shows spill point at Upper Cenomanian level in Ogo extends into OML 113
  - In order to unitise any OML 113 reserves in Ogo a delineation well would be required in OML 113
- **New 3D seismic data status**
  - Afren approached OML 113 partners in late 2013 through their OML 113 subsidiary FHN, to acquire one contiguous 2,716 km<sup>2</sup> survey covering OPL 310 and OML 113 (1000km<sup>2</sup> within OML 113)
  - Seismic was acquired in Q1 2014 and depth processing over both licenses is ongoing.
  - Afren-managed joint project, estimated to complete by Q1 2015. Panoro believe this will benefit the OML 113 partners as it will leverage the knowledge Afren have on their OPL 310 discovery. Panoro will only have access to OML 113 data.
  - Interpretation of new 3D seismic data will follow in 2015 with aim to quantify prospectivity in OML 113



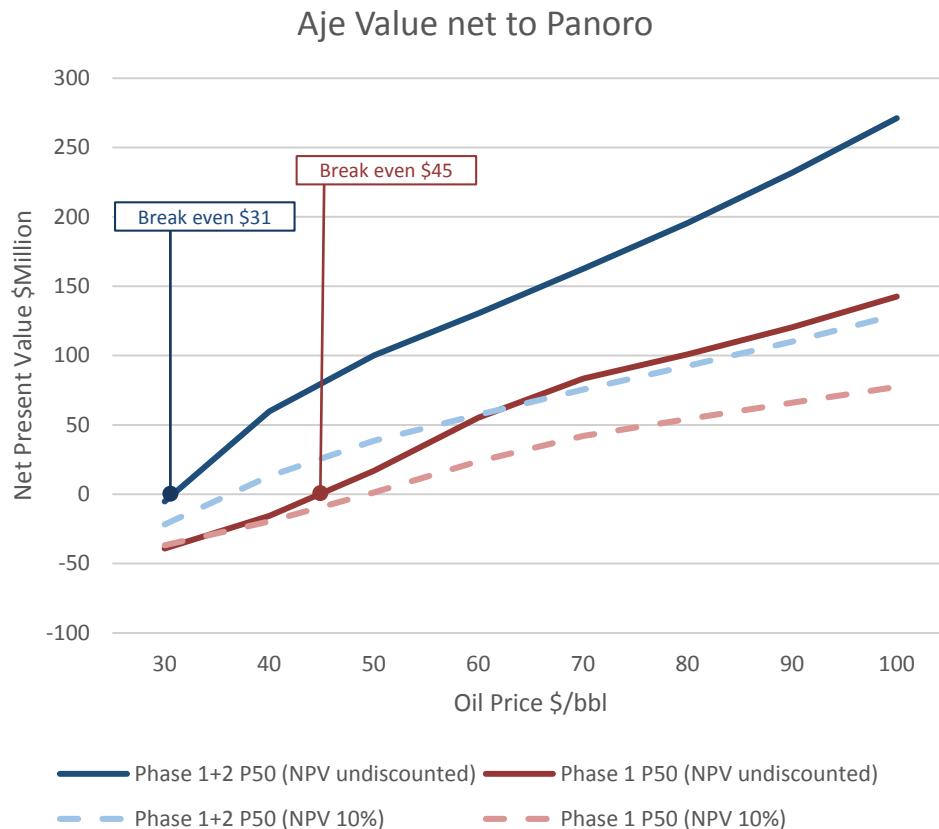
*"Ogo Discovery". Source: Afren*



*Area of coverage of New 3D*

# Joint Venture Metrics for Aje Oil Development

Cenomanian Oil Development only<sup>1</sup>



### Gross Field Development Metrics

#### Phase 1 and 2, Cenomanian P50 (50.88MMbbls<sup>2</sup>) – Aje 4, 5, 6 and 7

CAPEX from 1/10/2014 to first oil = \$211MM<sup>3</sup>

Total CAPEX from 1/10/2014 = \$353MM, CAPEX/bbl = \$7 / bbl

Field Life<sup>2</sup> = 19 years

Initial OPEX/bbl = \$17 / bbl

Field Life OPEX<sup>2</sup> = \$1,490, Field life OPEX/bbl<sup>2</sup> = \$29.3 / bbl

#### Phase 1, Cenomanian P50 (28.53MMbbls<sup>2</sup>) – Aje 4 and 5 only

CAPEX from 1/10/2014 to first oil = \$211MM<sup>3</sup>

Total CAPEX from 1/10/2014 = \$211MM, CAPEX/bbl = \$7.4 / bbl

Field Life<sup>2</sup> = 15 years

Initial OPEX / bbl = \$22 / bbl

Field Life OPEX<sup>2</sup> = \$1,120, Field Life OPEX/bbl<sup>2</sup> = \$39.3 / bbl

<sup>1</sup> JV economic model with 3% oil price and cost inflation per year

<sup>2</sup> At \$70/bbl oil price after Economic cutoff

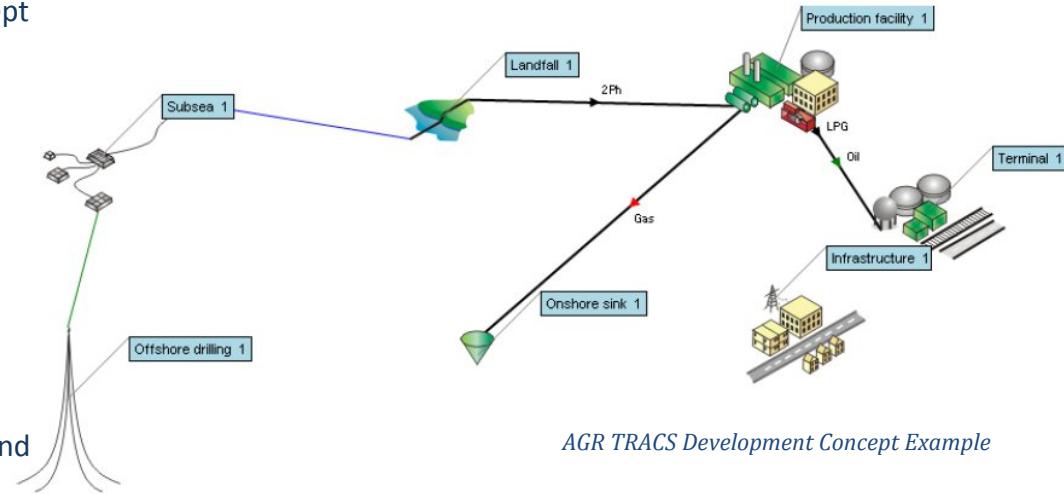
<sup>3</sup> Based on Capex estimate provided by the Operator. Capex to first oil does not include \$25MM of cash backed JV bank guarantee to be in place for FPSO 3 year minimum charter period

# Turonian Gas Condensate Field

## Concept Evaluation Stage

- AGR TRACS Stand-alone Gas Development Concept Example<sup>1</sup> (JV will be evaluating this development concept as well as other alternatives)

- Turonian Gas is rich in valuable liquids
- AGR TRACS concept includes:
  - Subsea wells tied back via a subsea production manifold, 30km multiphase pipeline to shore, onshore gas treatment plant.
  - Export dry gas to nearby tie-in to WAGP, and truck exportation of Condensate and LPG



- Initial commercial studies underway

- Opportunities to supply Nigerian domestic market, including new power projects in Lagos State
- Supply gas to under-utilised WAGP system and supply gas to underpin expansion of Ghana power plants
- Other export opportunities under review
- Significant interest from potential gas buyers

Case <sup>1</sup>	Number of Wells	Plateau Rate	Plateau length	Field Life	Total sales gas produced	Total condensate produced	Total LPG produced
P90	2	80 MMscf/d	12 years	19 years	397 bcf	15.2 MMbbls	27.2 MMbbls
P50	3	90 MMscf/d	17 years	24 years	583 bcf	22 MMbbls	40 MMbbls
P10	4	120 MMscf/d	19 years	27 years	1,080 bcf	30.6 MMbbls	55.7 MMbbls

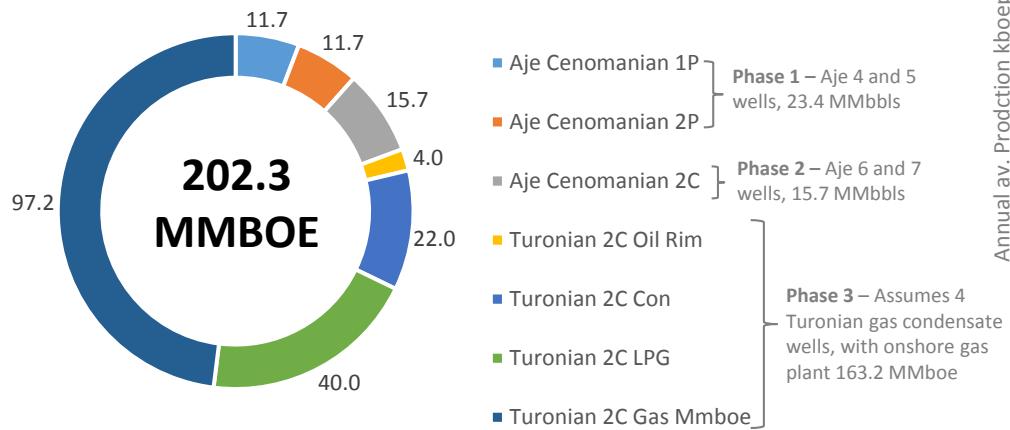
<sup>1</sup> From AGR TRACS competent persons' report, 25<sup>th</sup> July 2014

# Full Field Aje Metrics<sup>1</sup>

## TRACS Cenomanian Oil plus Turonian Gas Condensate Development

TRACS competent persons report in July 2014 which includes a development of Cenomanian Oil as well as separate conceptual development Turonian Gas and Condensate confirms significant value in the discovered resource base

### Gross Reserves and Resources Aje Field<sup>1</sup>



### Phases 1+2+3, Cenomanian 2P + 2C + Turonain 2C (202 Mmboe)

Total CAPEX = \$1,159MM

CAPEX = \$6 / boe

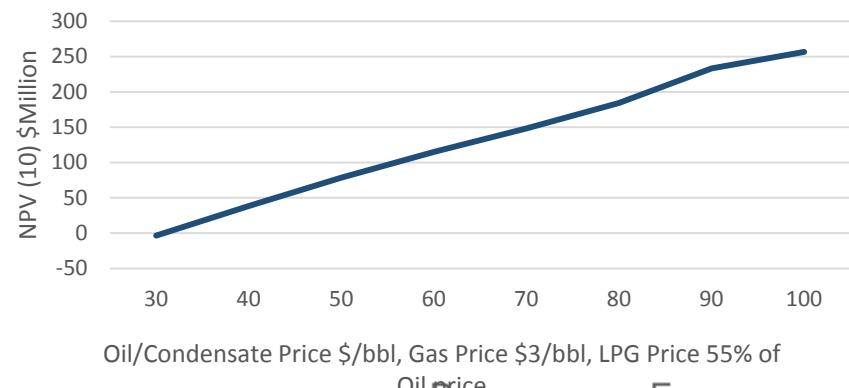
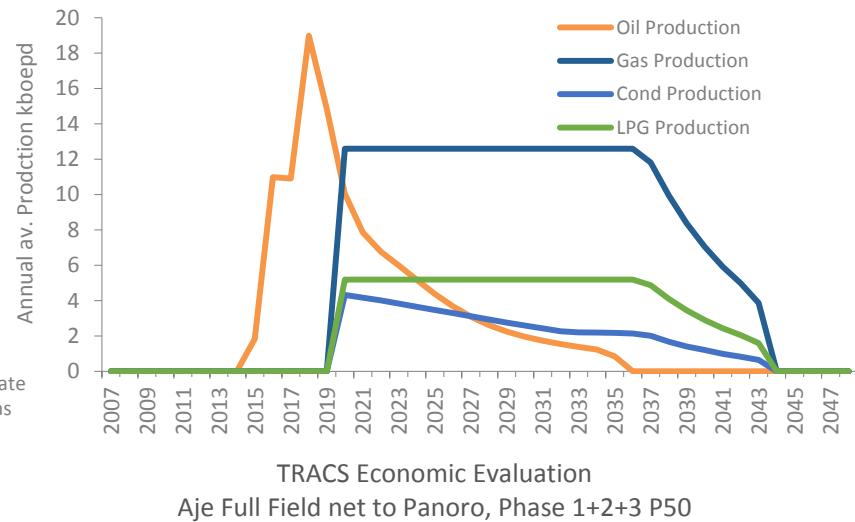
Initial OPEX / boe = \$17 / bbl (Phase 1 and 2)

Initial OPEX / boe = \$10 / boe (Phase 3 startup)

Total OPEX = \$3,154MM, Field life OPEX / boe = \$16 / boe

Field Life = 29 Years

### Gross Daily Production (Post Economic Cut-Off)



<sup>1</sup> From AGR TRACS competent persons' report, 25<sup>th</sup> July 2014

# Dussafu

Large exploration and development block with multiple discoveries and prospects

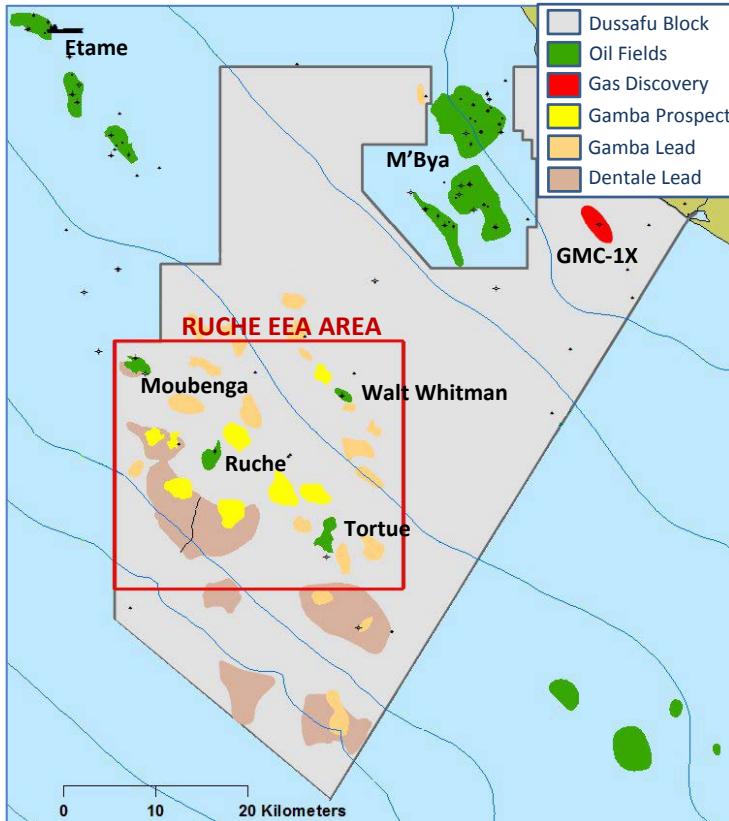
## Dussafu (Gabon)

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 and Development



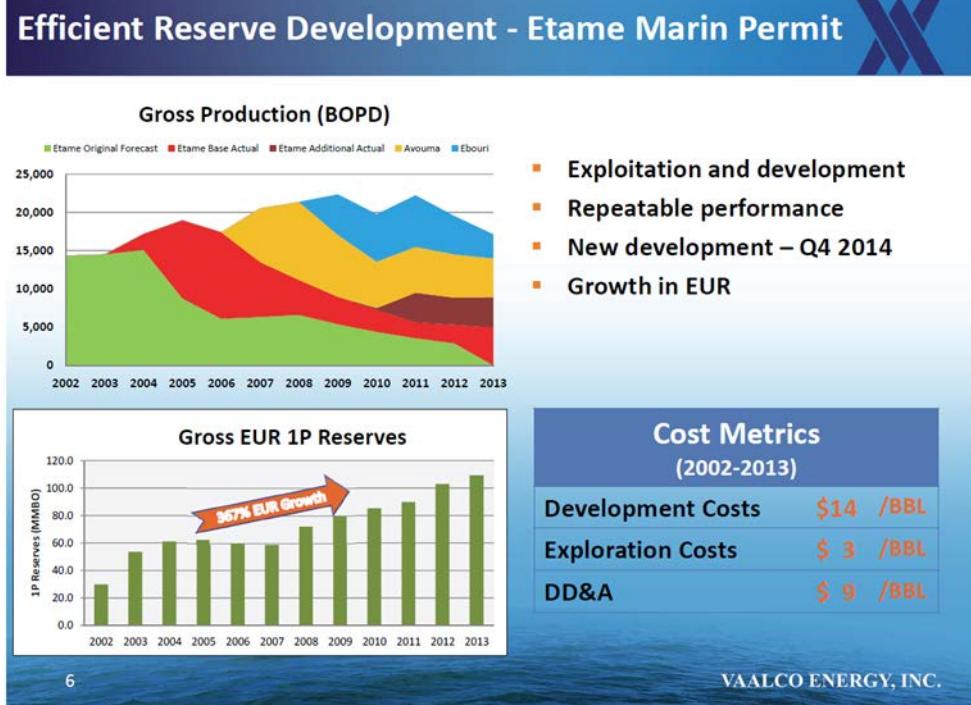
## Project Status

- 2,775km<sup>2</sup> 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 a step change in the success rate of 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 2014 with Declaration of Commerciality and award of Exclusive Exploitation Authorisation
- Field Development Plan has been approved by the Government of Gabon
- Following the 2013 outboard 3D seismic the block is now fully covered by 3D seismic data.
- Outboard 3D seismic processing completed and interpretation on-going

# Dussafu – The Etame Analogue

Etame is a Proven Producer 40km North of Ruche

The initial development in the Etame License just north of Dussafu was based on 25MMbbl field with high uncertainty. Replicating early success of Etame would create significant shareholder value for Panoro.

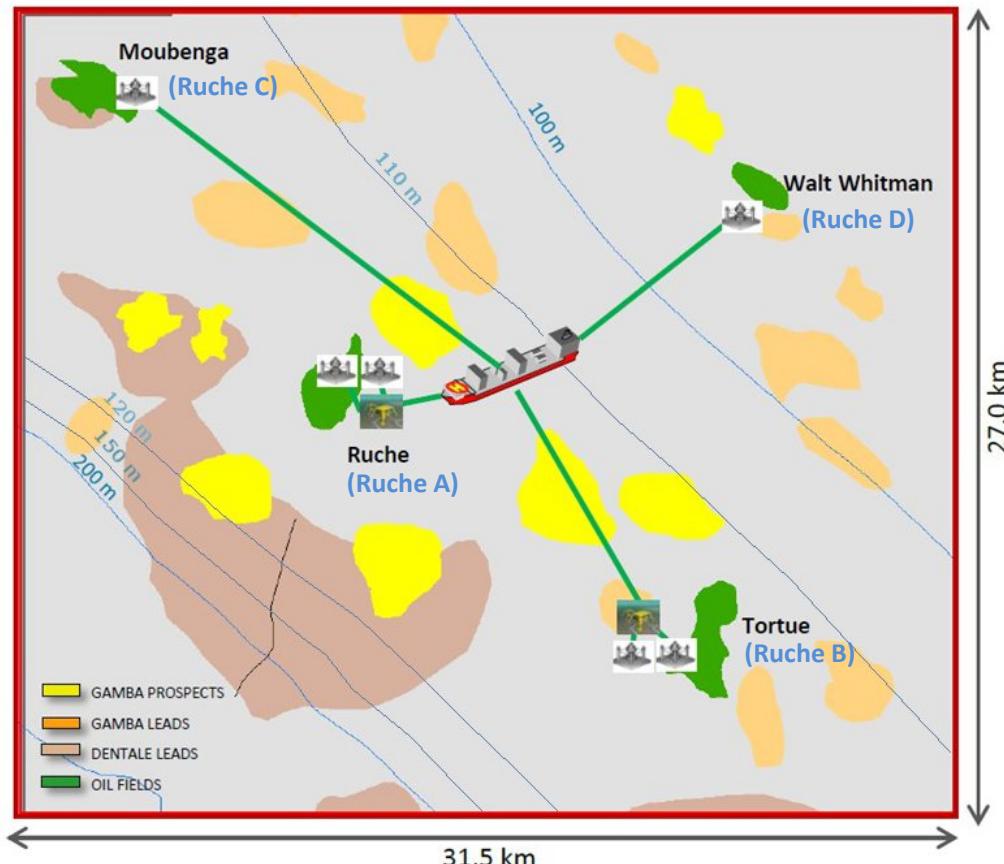


- Etame discovery in 1998. Initial Field development based on 25MMbbl field.
- Strong production - early cashflow repaid the cost recovery account and Etame outperformed the original forecast
- Subsequent exploration and development costs are “cost recoverable” - fiscal incentive to explore and develop.
- Exploration yielded additional small discoveries adding significant value. Benefitted from being produced through Etame infrastructure with immediate cost recovery of development costs against existing production stream.
- Dussafu Permit has many Geological and Fiscal similarities to Etame Permit

Source: VAALCO Energy

# Dussafu – Exclusive Exploitation Authorisation (EEA)

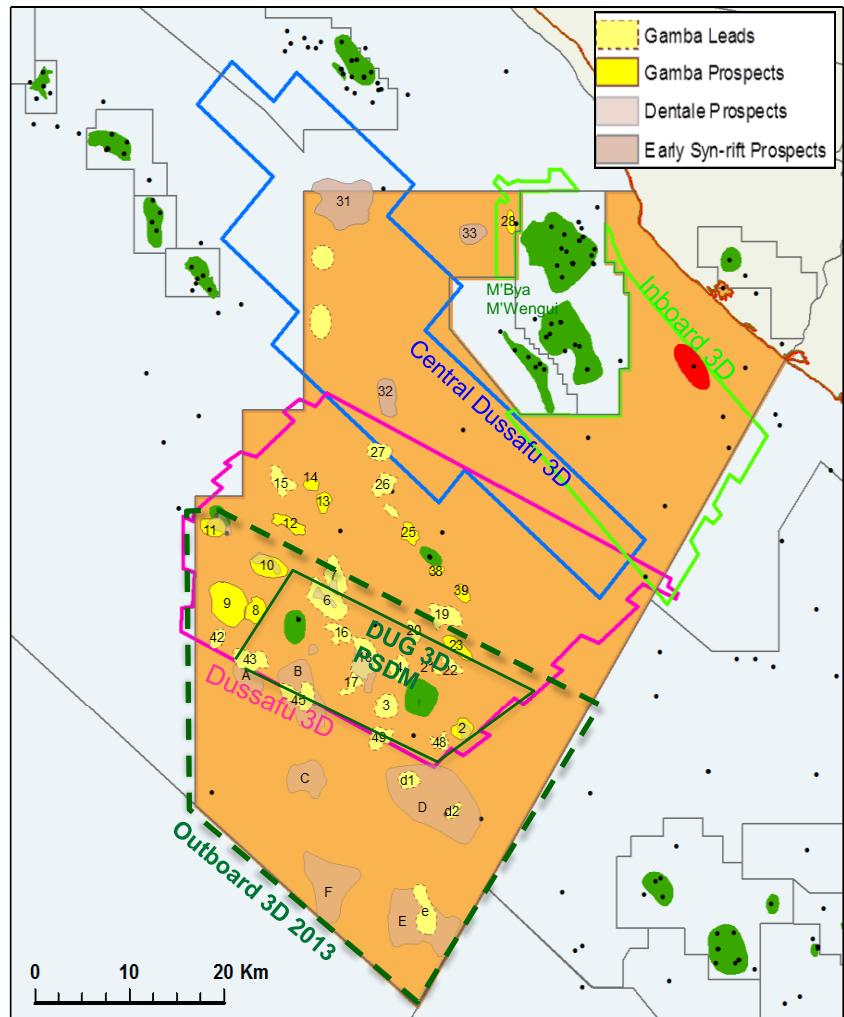
## Ruche EEA



- EEA awarded 17<sup>th</sup> July 2014
  - Area of 850.5 km<sup>2</sup>
- Dussafu JV can exploit hydrocarbon resources in EEA area for up to 20 years
- Detailed development and production program approved (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
- Water depth over area of Ruche A, B and C as well as main prospects is flat around 120m

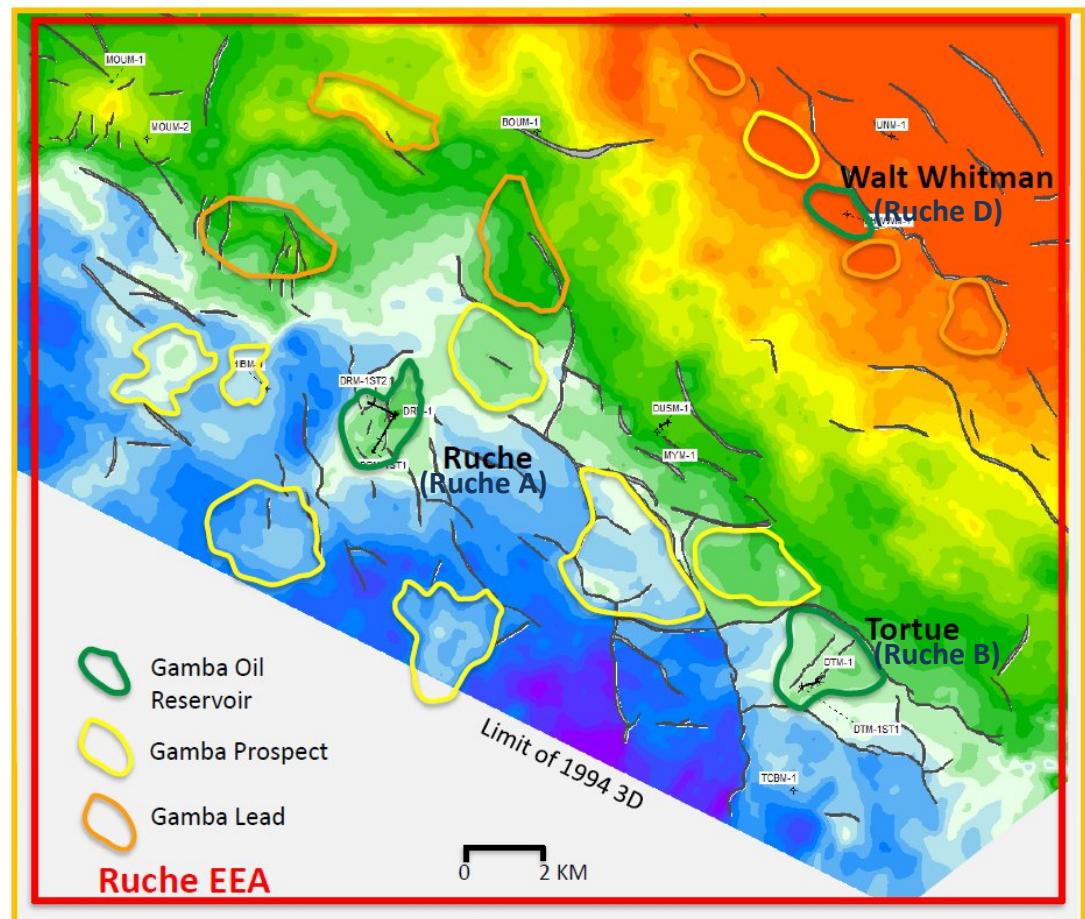
# Full 3D Seismic Coverage over License

- Inboard 3D
  - Acquired in 2005
  - Covers the GMC 1-X gas discovery
- Central area 3D
  - Acquired in 2011
  - 550km<sup>2</sup> mainly targeting synrift exploration opportunities identified on 3D
- Dussafu 3D
  - Acquired in 1995
  - 1200 km<sup>2</sup> 3D seismic reprocessed (Pre-PSDM) by current JV
  - Delivered 2 out of 2 exploration successes for JV partners (Ruche and Tortue)
- DUG 3D PSDM
  - 2013/2014 focused reprocessing of 335km<sup>2</sup> of Dussafu 3D to better image Ruche and Tortue discoveries
  - Also provides improved definition of near field prospects
- Outboard 3D
  - 1200km<sup>2</sup> acquired in late 2013. Final PSDM received December 2014
  - Improves imaging over current discoveries and confirms the large Dentale structures seen on 2D
  - Improved imaging of new targets below the Dentale



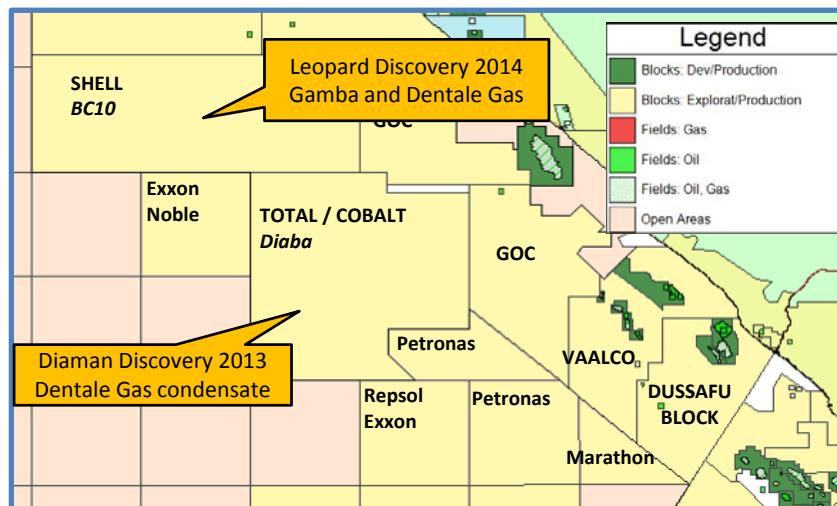
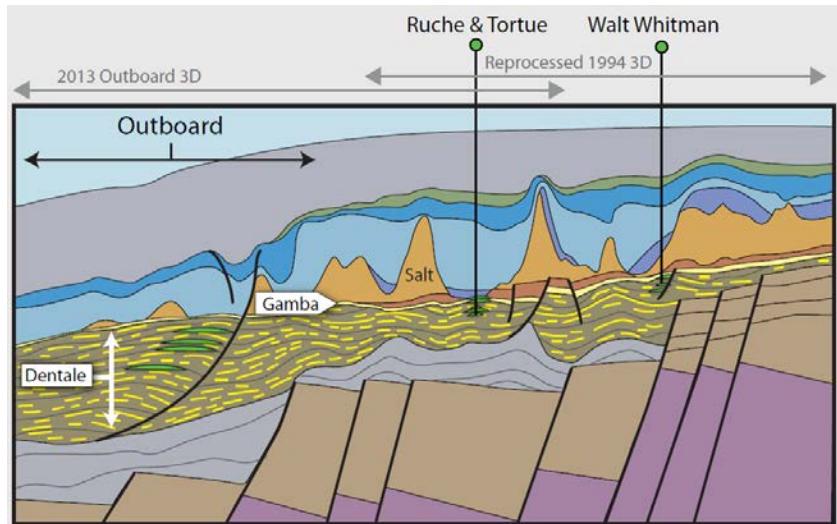
# Gamba Oil Fields and near-field Gamba prospects

- Panoro has 3 small Gamba reservoir oil fields within the EEA area<sup>1</sup>. Gamba production is well established.
  - Many Gamba reservoir oil fields currently producing in Gabon
  - Reservoir is very high quality
- Numerous Gamba Prospects within EEA:
  - 8 well defined and robust Gamba structures – similar in size to Ruche and Tortue
  - 6 less well defined structures
  - All form low risk exploration which will be easy tie-backs to Ruche facilities
  - Short cycle time to production and low cost to move prospective resources into reserves



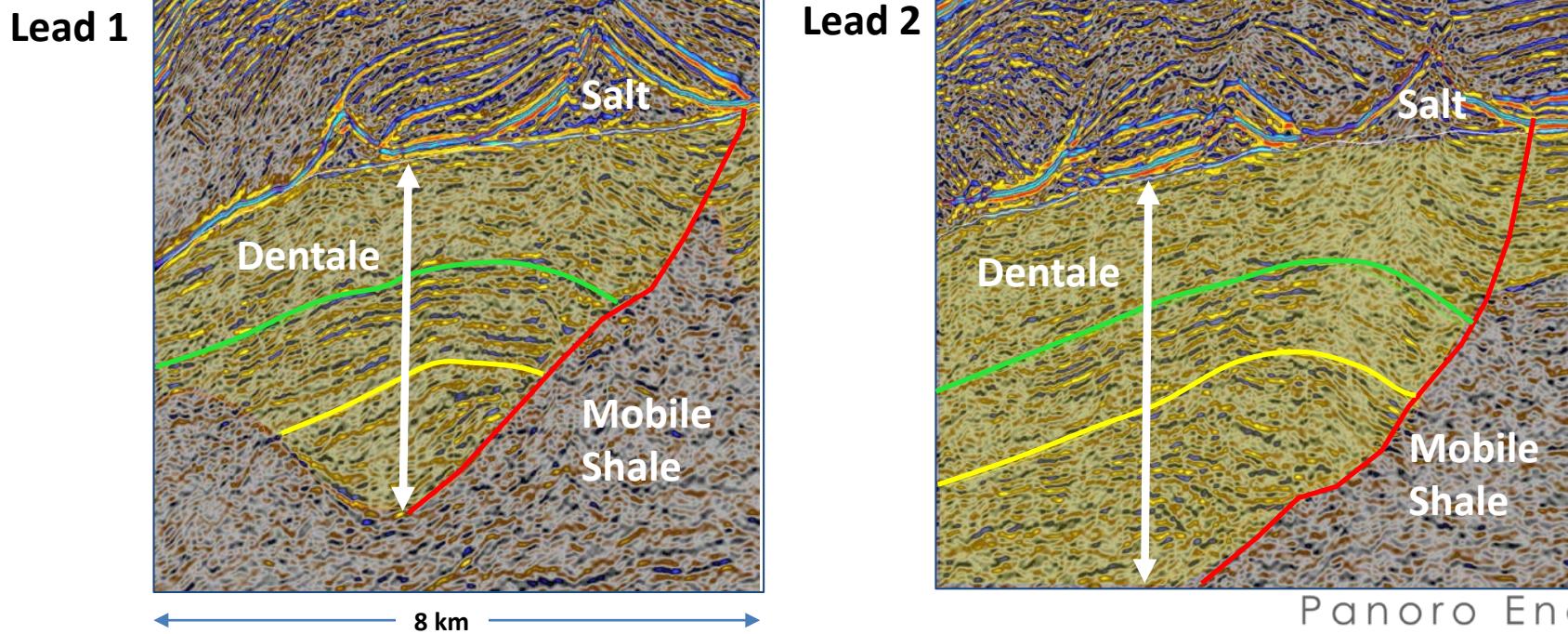
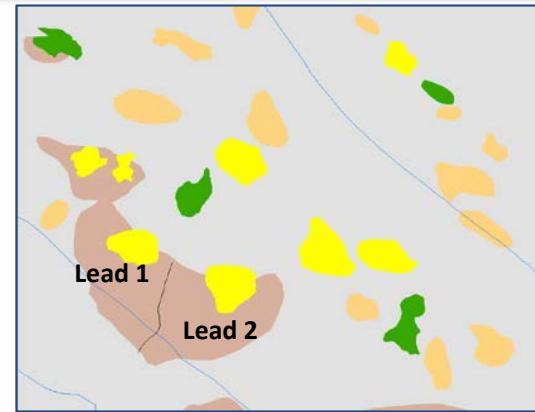
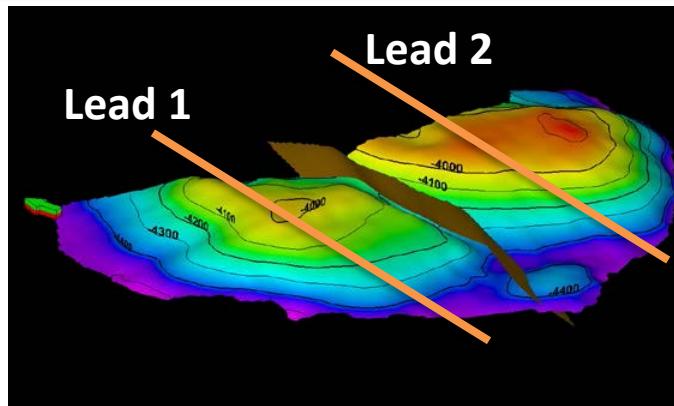
<sup>1</sup> Ruche Gamba, Tortue Gamba, Walt Whitman

# Dussafu Dentale Potential



- Dentale has become an additional major contributor to value in Dussafu
  - Moubenga Dentale discovery (Ruche C) is part of FDP, and tested at 3700bopd. Tortue Dentale Sand 6, reservoir has very good reservoir quality. Other Tortue sands were also oil bearing and Ruche also found oil in Dentale.
- New 3D seismic outboard of Ruche and Tortue gives significant encouragement for large Dentale structures
  - Thickened Dentale section apparent
  - Structure may be fold related rather than diaper induced
  - Potential prospect sizes appear to be much larger than Ruche and Tortue
  - Multiple stacked sandstones in Dentale
- EEA area includes 2 of these large prospects – JV now has exploitation rights to these for up to 20 years
- Additional Dentale prospects outside EEA in outboard part of license
- Drilling activity and 2014 license awards outboard of Dussafu demonstrate significant interest in Gabon pre-Salt

# Dentale Outboard Leads 1 & 2 (3D PSTM-Aug 2014)



# Dussafu Progress Report Summary

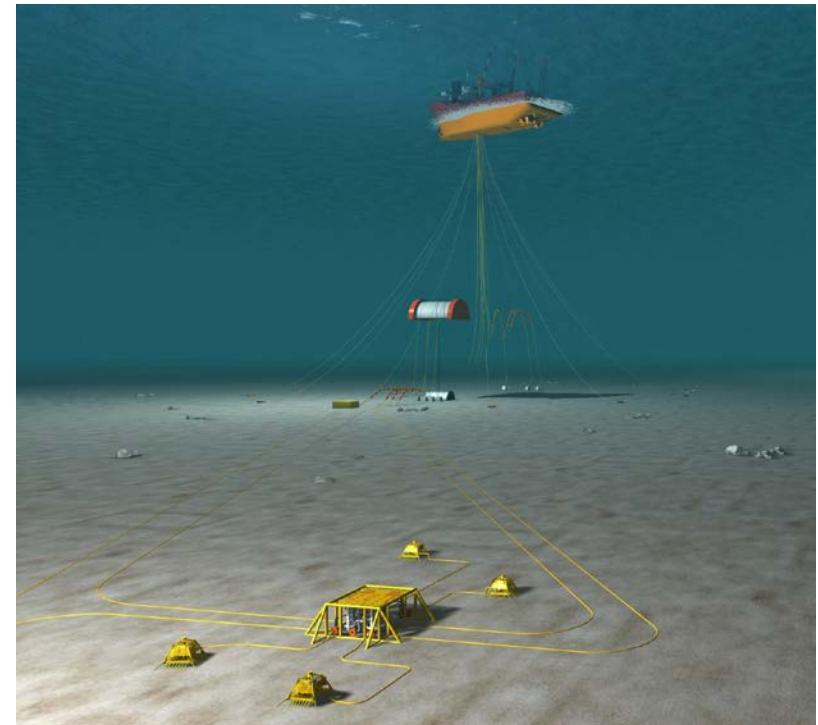
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## Cluster Development:

- Declaration of commerciality
- Award of Exclusive Exploitation Authorisation
- Field development plan Government Approval
- Field development Decision Point Q1 2015

## Exploration

- Seismic acquisition
- Seismic final PSDM processing Q4 2014
- Defining outboard exploration campaign Q1 2015



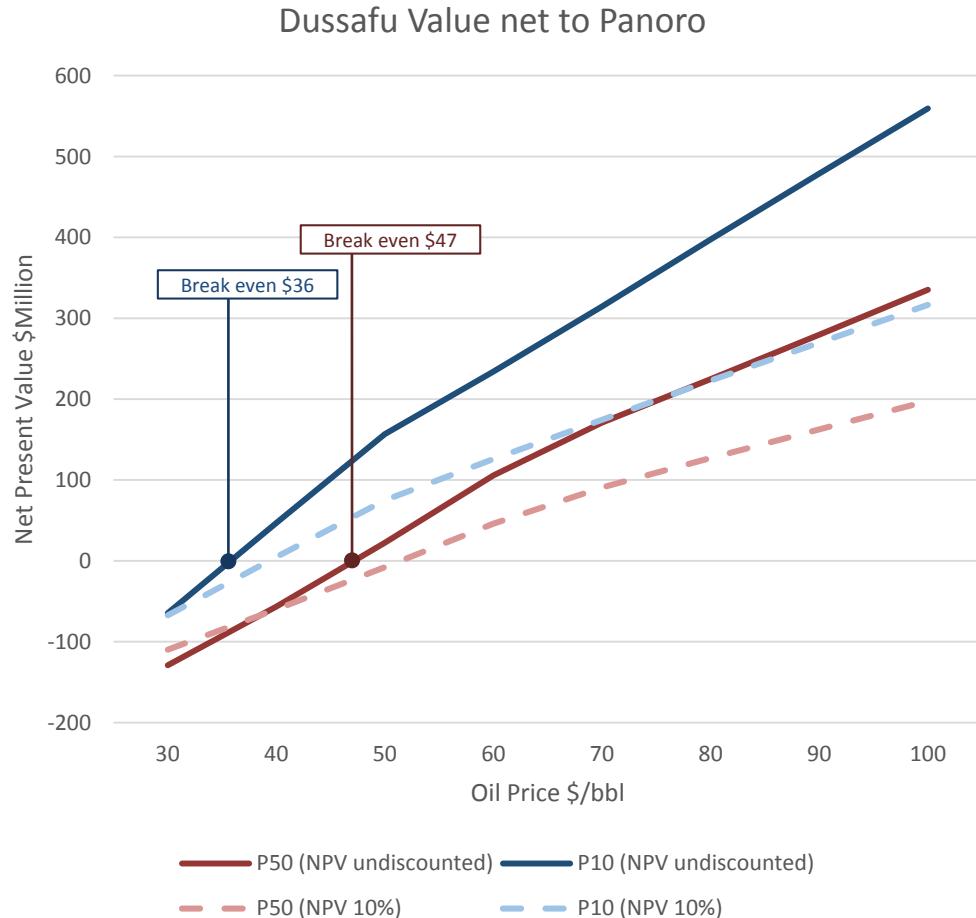
# Dussafu FID Considerations

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- Under the terms of the EEA JV has until mid 2018 to commence production. Operator estimates 21 months from FID to first oil.
- Seismic interpretation underway. Early indications that material near field prospects will emerge
  - Material near field discoveries may impact the basis of design of the production facilities. An under-sized facility may require future upgrades and costs
  - Continued resource addition will lower development costs per unit barrel and improve development project economics
  - Relatively low cost of addition of low risk resources to the reserve base will create significant value
  - FEED studies underway will determine whether lower oil prices have yet resulted in lower development costs
- Prevailing Oil Price will have a bearing on timing of FID decision
  - Oil price impacts the level of project profitability
  - Oil price impacts ability to debt finance. Plans to secure debt financing are an integral part of FID decision

# Joint Venture Metrics for Dussafu Development

Ruche Area EEA<sup>1</sup>



## Gross Field Development Metrics

### JV P50 Model (37.9 MMbbls<sup>2</sup>)

CAPEX from 1/10/2014 to first oil = \$287MM  
Total CAPEX = \$653MM  
CAPEX = \$17.2 / bbl  
Total OPEX = \$670MM  
OPEX = \$17.7 / bbl

### JV P10 Model (58.6 MMbbls<sup>2</sup>)

CAPEX from 1/10/2014 to first oil = \$287MM  
Total CAPEX = \$654MM  
CAPEX = \$11.2 / bbl  
Total OPEX = \$979MM  
OPEX = \$16.7 / bbl

<sup>1</sup> JV economic model with no cost oil / price inflation

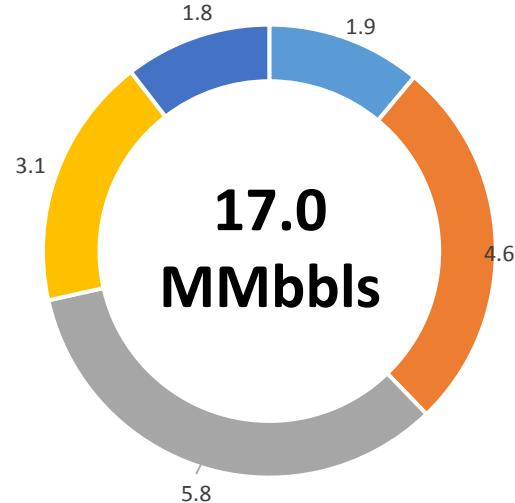
<sup>2</sup> At \$70/bbl oil price after Economic cut-off

<sup>3</sup> Capex estimate provided by the Operator during 2014 using 2014 prices. No adjustment has been made for any impact of recent oil price decline on costs.

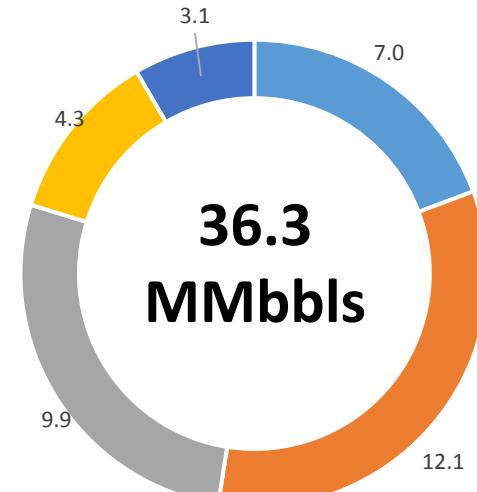
Alternative development phasings are also being considered that may result in Capex reductions to first oil.

# Dussafu Resources<sup>1</sup>

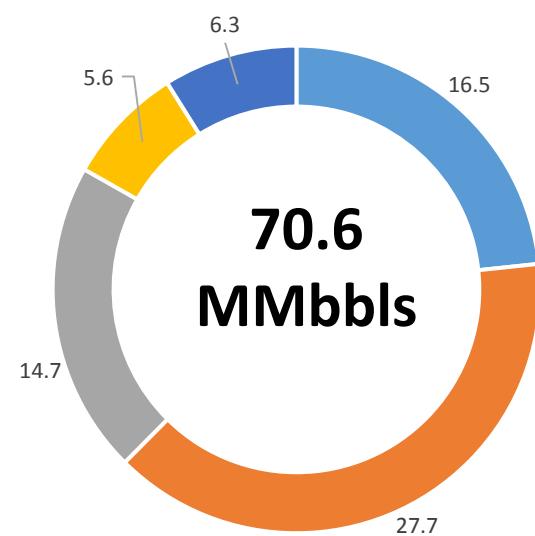
Dussafu Gross 1C Contingent Resources<sup>2</sup>



Dussafu Gross 2C Contingent Resources<sup>2</sup>



Dussafu Gross 3C Contingent Resources<sup>2</sup>



<sup>1</sup> From Gaffney Cline & Associates Contingent Resources report, 24<sup>th</sup> March 2014

<sup>2</sup> GCA resource assessment does not include the Tortue Dentale sand 2-5 reservoirs or the Ruche Dentale reservoir. JV plans to update GCA report in 2015 to revise numbers including these additional resources

# Recap of Panoro Development projects

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## ■ Aje

- May 2013, new partnership to focus on early cash flow from Cenomanian Oil
- October 2013, major discovery in OPL 310 license next to OML 113 – one of the largest in 2013 globally
- March/April 2014 seismic acquired over OML 113 license in conjunction with OPL 310 partners
- March 2014 government approval of Aje Cenomanian Oil Development Plan
- July 2014 TRACS certifies Cenomanian Oil reserves
- October 2014 Final Investment Decision taken
- **Target – First Oil Q4 2015**

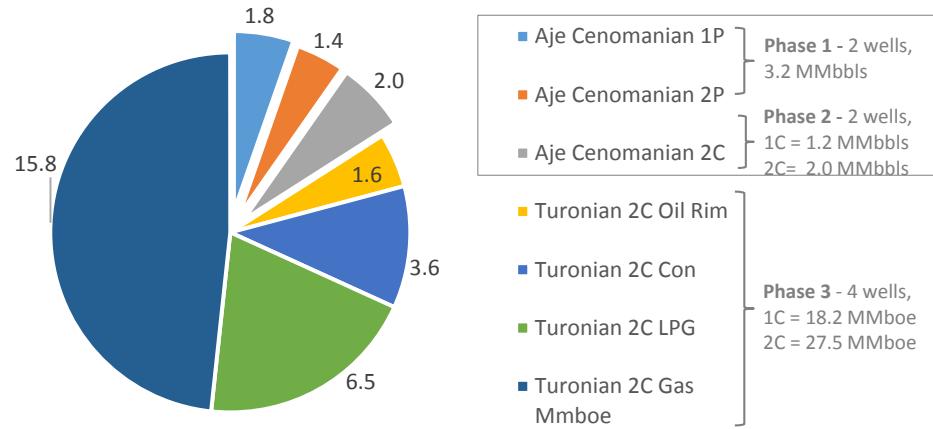
## ■ Dussafu

- October and November 2013, Outboard Seismic acquired, also covering existing discoveries
- March 2014 Gaffney Cline Classification of Dussafu resources
- April 2014, initial PSTM results of outboard seismic give encouragement of significant prospectivity
- June 2014 Declaration of Commerciality of Ruche area discoveries
- July 2014 award of Exclusive Exploitation Authorization by Gabonese government to Dussafu Partners
- August 2014 commencement of FEED for Ruche Cluster Development
- Potential Final Investment Decision Q1 2015

# Panoro Reserves and Resources Snapshot

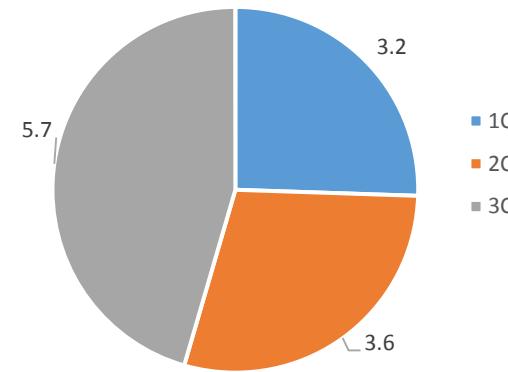
## Aje Field<sup>1</sup>

Net Reserves and Resources, 32.7MMBOE



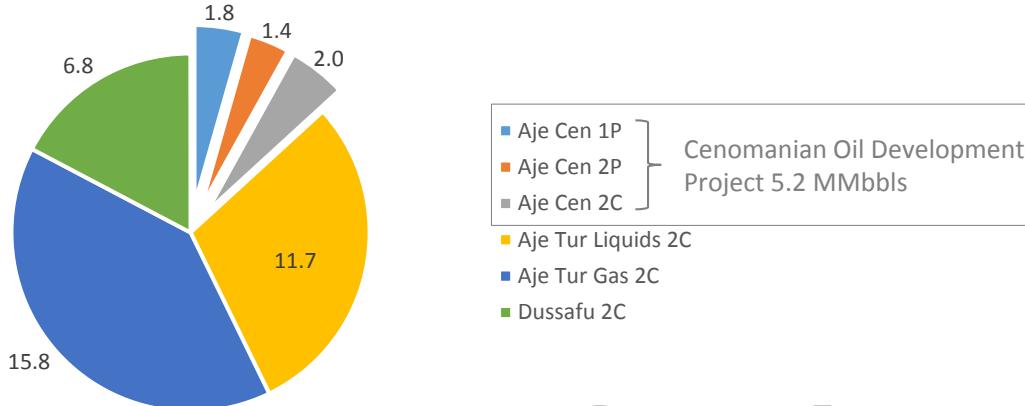
## Dussafu<sup>2</sup>

Net Contingent Resources, 3C 12.5 MMbbls, 2C 6.8 MMbbls



## Aje and Dussafu Mid Case<sup>1,2</sup>

Reserves and Resources Barrels Net to Panoro, 39.5 MMBOE



Panoro  
Reserves/Resources  
(unrisked)

1P = 1.8 MMbbl  
2P = 3.2 MMbbl  
1P + 1C = 24.4 MMboe  
2P + 2C = 39.5 MMboe

<sup>1</sup> From TRACS AGR Competent Persons' report 25<sup>th</sup> July 2014

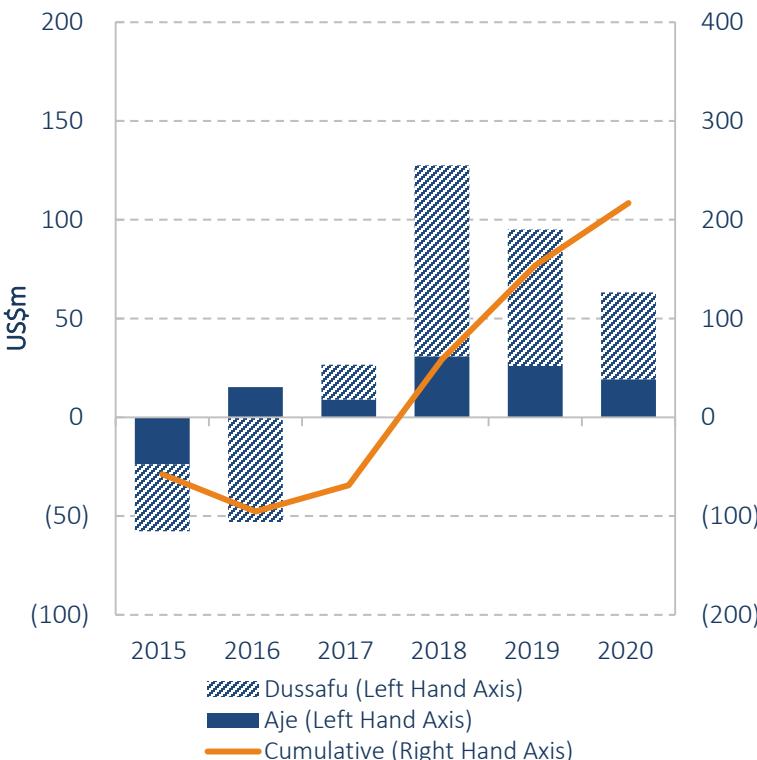
<sup>2</sup> GCA Contingent Resources Report 24<sup>th</sup> March 2014

# Dussafu & Aje Field Development: Cash Flows

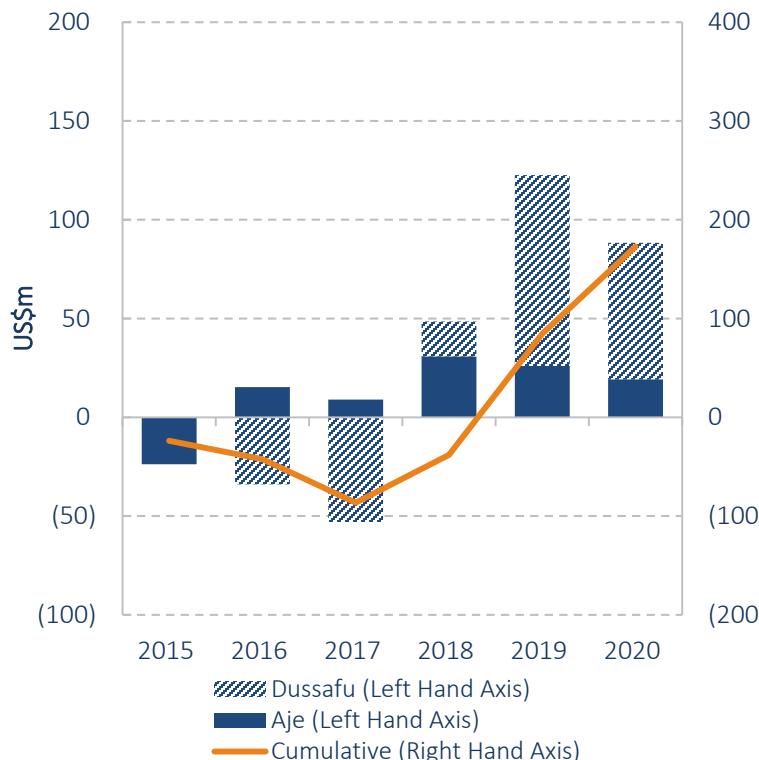
Project Net Cash Flows at \$70/Bbl from Oil Development Projects

Based on Development of the Aje Cenomanian Oil and simulating Dussafu Cluster Development.  
Comparison of Dussafu FID in Q1 2015 or Q1 2016.

JV Model Net Cash Flows  
P50 cases at \$70/Bbl Dussafu Q1 2015 FID



JV Model Net Cash Flows  
P50 cases at \$70/Bbl Dussafu Q1 2016 FID



Source: OML 113 and Dussafu Joint Venture Financial Models.

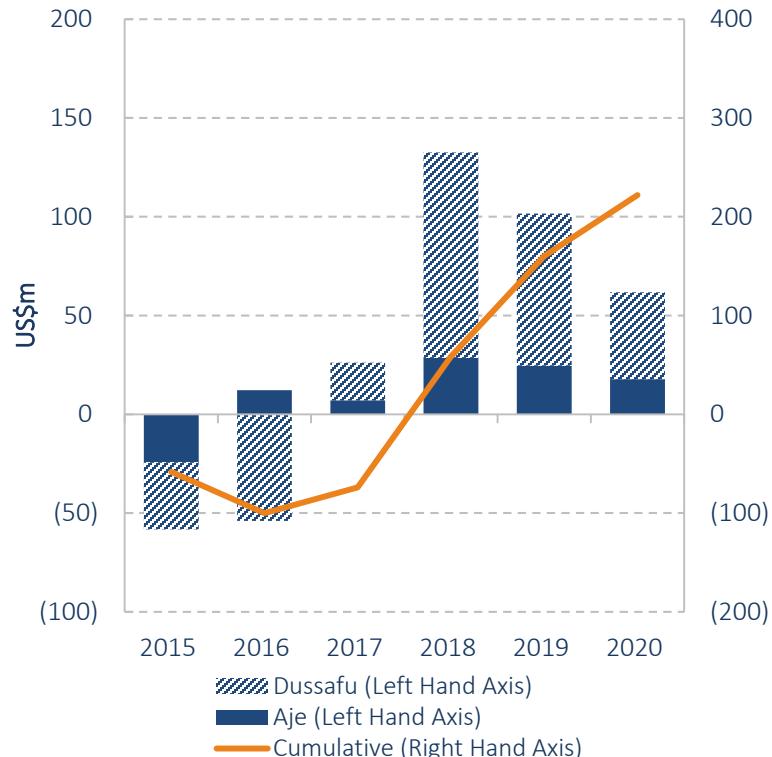
Panoro share of Rubicon FPSO cash backed guarantee to be paid in 2015 and released in 2018 (\$4MM net) not included in model

# Dussafu & Aje Field Development: Cash Flow Forecast

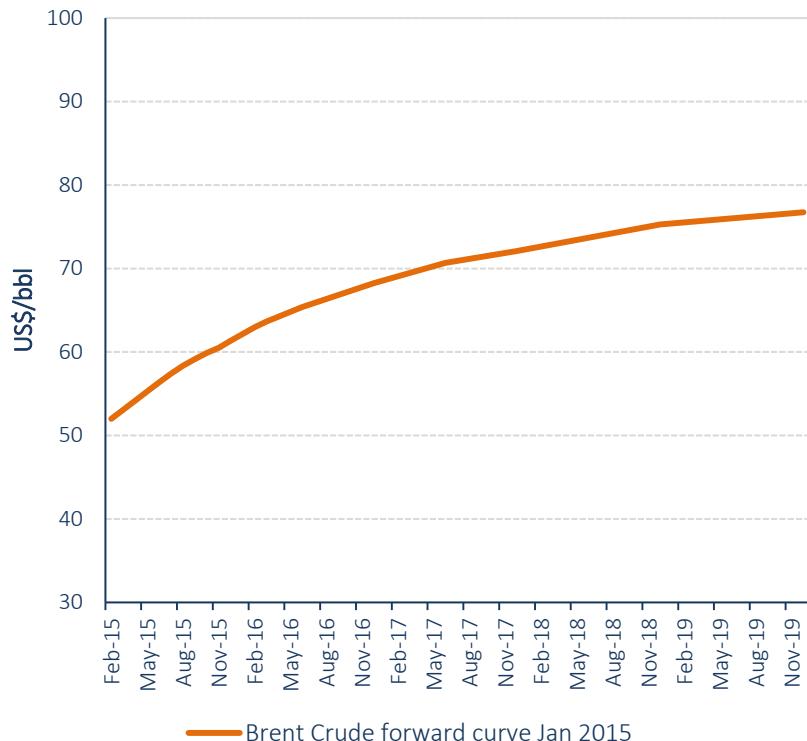
Project Net Cash Flows based on Forward curve oil prices as of 6 Jan 2015 from Oil Development Projects

Based on Development of the Aje Cenomanian Oil and simulating Dussafu Cluster Development with FID Q1 2015,  
current forward curve indicates cash flows very similar to \$70 oil price

JV Model Net Cash Flows  
P50 cases based of Brent Forward Curve



Brent Forward Curve 6 Jan 2015



Source: ICE website, OML 113 and Dussafu Joint Venture Financial Models, Dussafu cash flows simulate FID in Q1-2015  
Panoro share of Rubicon FPSO cash backed guarantee to be paid in 2015 and released in 2018 (\$4MM net) not included in model

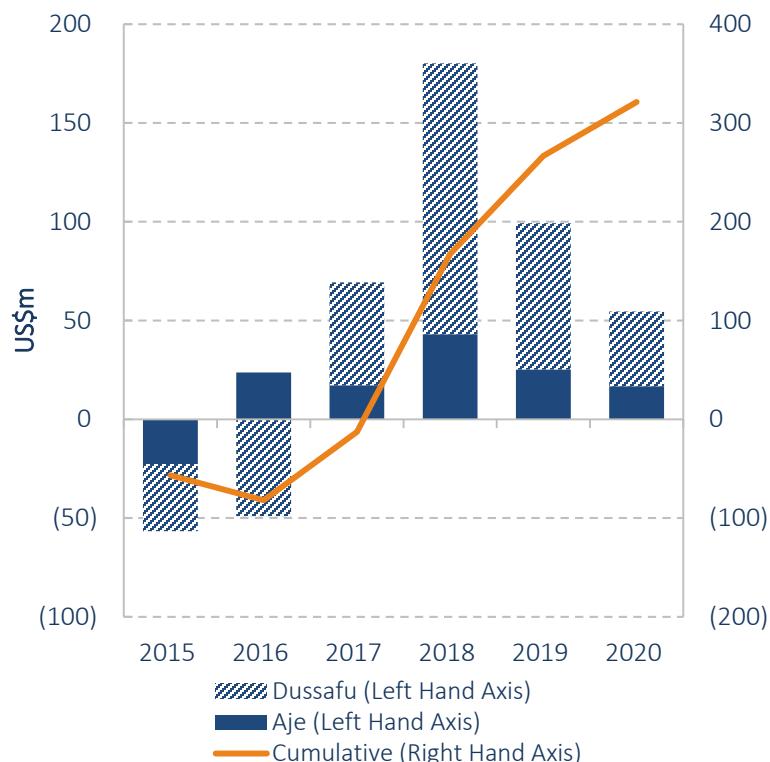
# Dussafu & Aje Field Development: Cash Flows

Project Net Cash Flows at \$90/Bbl from Oil Development Projects

Based on Development of the Aje Cenomanian Oil and simulating Dussafu Cluster Development  
Comparison of FID in Q1 2015 or Q1 2016.

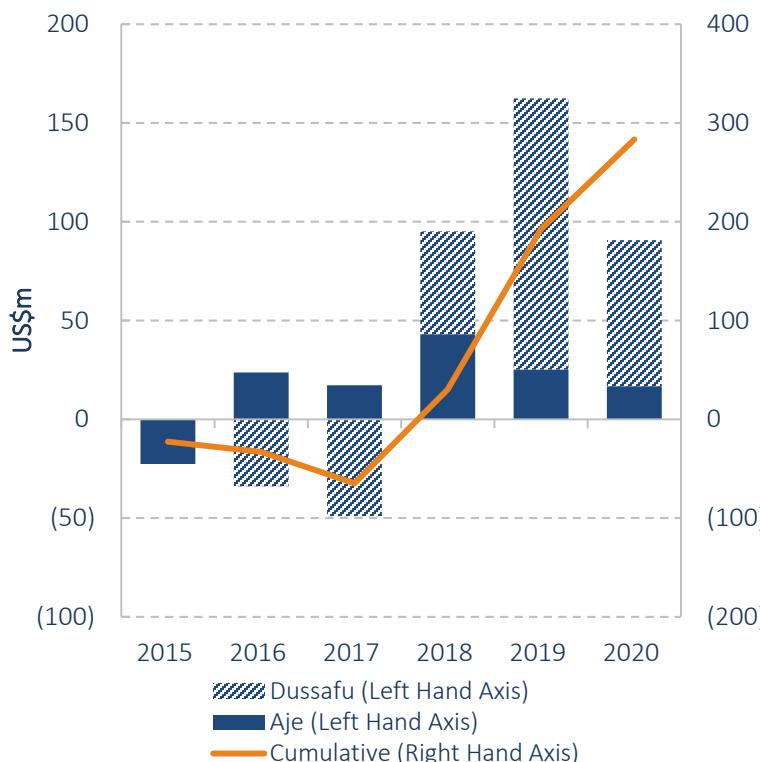
JV Model Net Cash Flows

P50 cases at \$90/Bbl Dussafu Q1 2015 FID



JV Model Net Cash Flows

P50 cases at \$90/Bbl Dussafu Q1 2016 FID

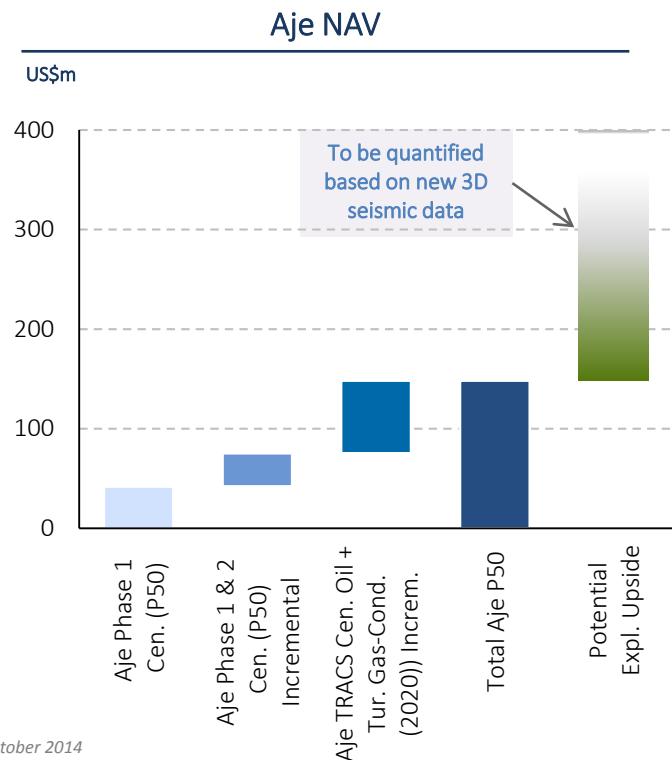
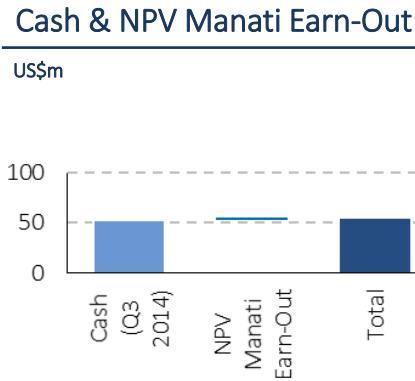


Source: OML 113 and Dussafu Joint Venture Financial Models

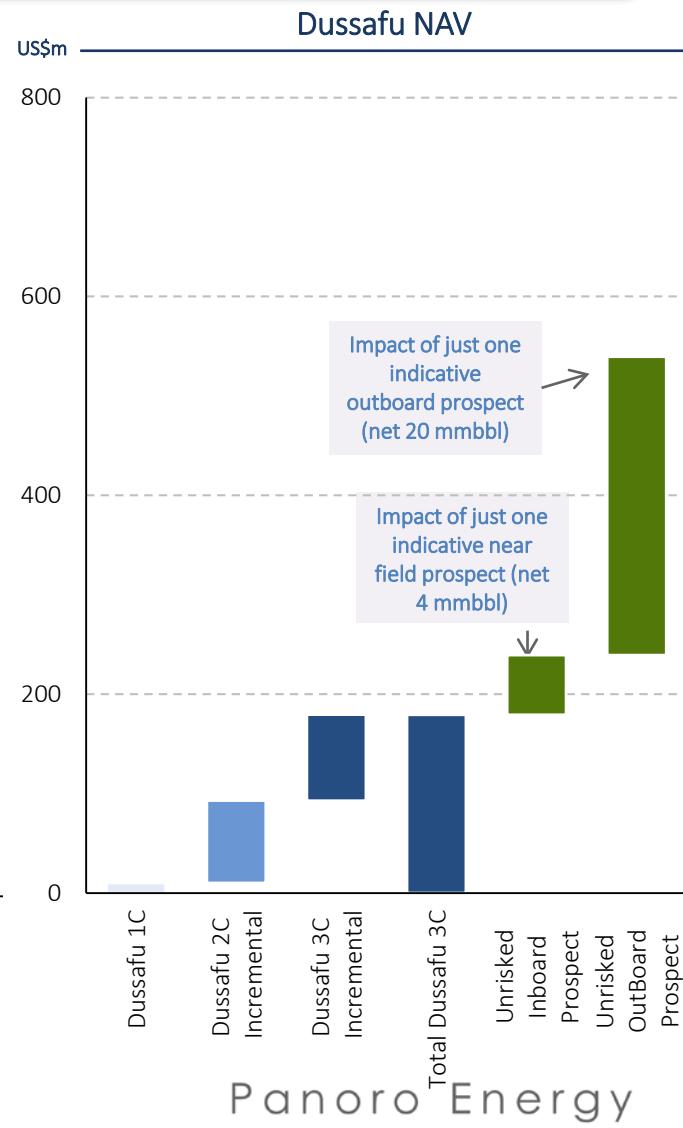
Panoro share of Rubicon FPSO cash backed guarantee to be paid in 2015 and released in 2018 (\$4MM net) not included in model

# Panoro NAV Build-Up at \$70/bbl, 10% discount rate

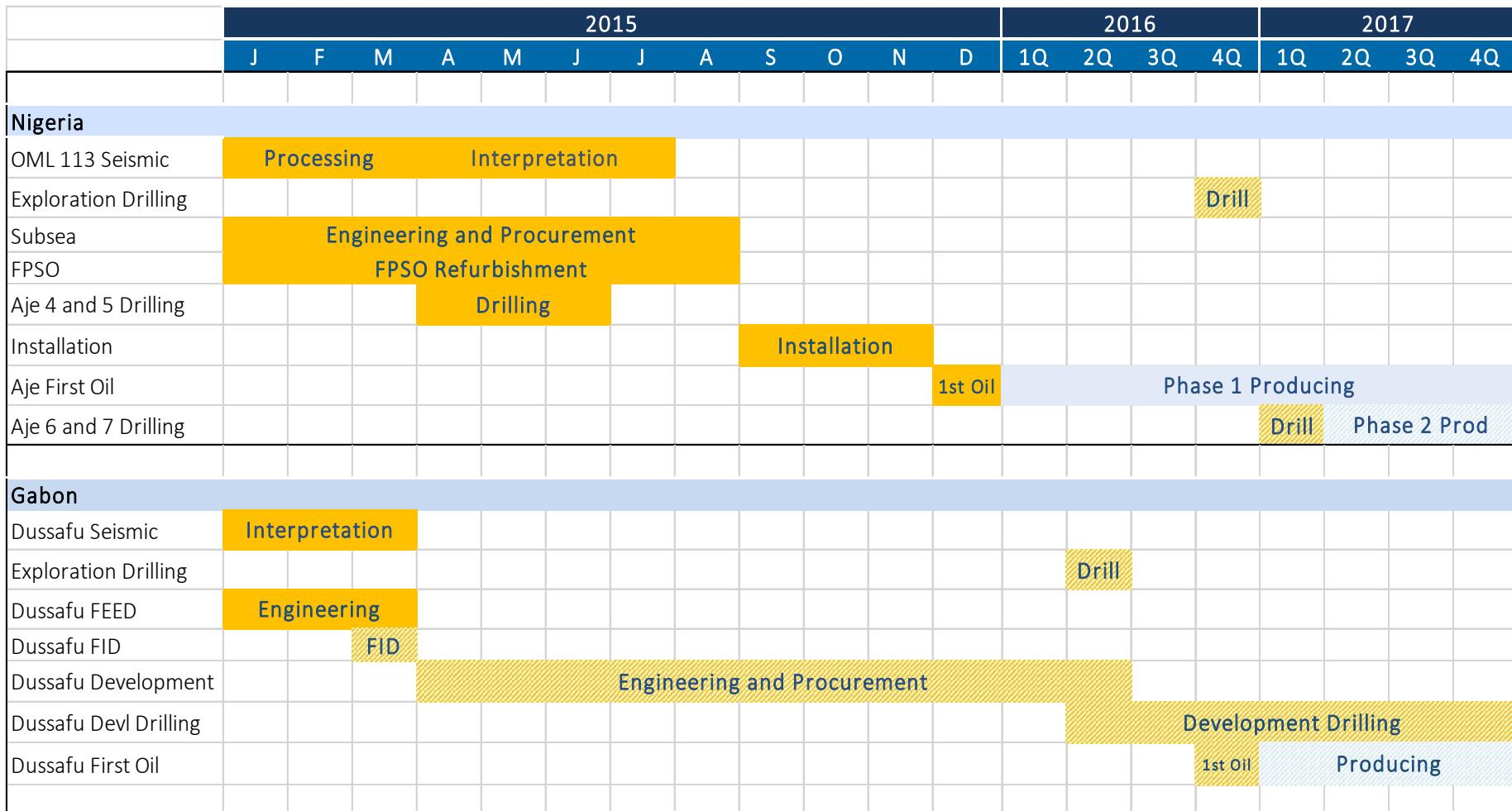
- Panoro has a strong cash position with potential incremental value from the Manati earn-out
- Substantial value exists in Panoro's discovered resource base in Aje and Dussafu
- Significant Exploration upside recognised in both OML 113 and Dussafu



Cash position as of 3Q 2014 and NAV is shown as of 1 October 2014  
Dussafu NAV based on Q1 2015 FID



# Aje and Dussafu Project Timelines



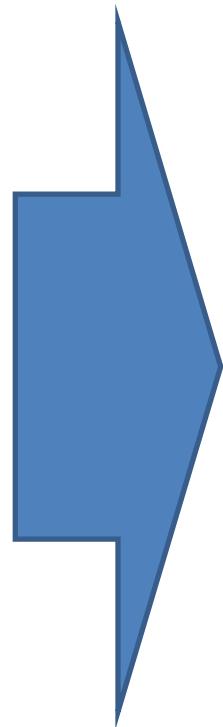
Firm

Possible

# Panoro – Strengths and Objectives

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- Two West African assets with line of sight to production with additional significant exploration upside
- Strong track record from very experienced Management and Board
- Management and Board are fully aligned with shareholders
- Well positioned with strong cash balance and no debt, to take advantage of the challenging oil price environment facing many companies



*Take advantage of all opportunities  
to create shareholder value*

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Panoro Energy  
Panoro Energy

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