

Panoro Energy Announces Corporate Update

Oslo, 2 December 2016: Panoro Energy ASA ("Panoro" or the "Company" with OSE ticker "PEN") announces that it is currently in disagreement with its Joint-Venture Partners in OML 113 in Nigeria and intends to initiate arbitration and legal proceedings to protect its interests.

The Company, through its fully owned subsidiary, Pan Petroleum Aje Limited ("PPAL"), holds 6.502% participation interest in OML 113.

PPAL has received default notice from the Technical Advisor on behalf of the Operator of OML 113 in relation to a disputed cash call that Panoro believes to be invalid due to an incorrect application of Joint Operating Agreement ("JOA") provisions.

PPAL has received legal advice that the disputed cash call is baseless, and therefore there are no grounds to issue the default notice to PPAL purporting to hold PPAL in breach of its obligations under the JOA.

PPAL has asked the Joint-Venture Partners to agree to rescind and cancel the claim for the disputed cash call and the purported default notice, but such undertakings and agreement have unfortunately not been forthcoming. Panoro is still proactively trying to resolve the issue in order to preserve shareholder value. At this stage, no agreement has been reached and no assurance can be given that any agreement will be reached.

As the cash call and default notice remain in dispute, PPAL intends to commence arbitration proceedings pursuant to the JOA. In addition, to protect its rights prior to commencement of the arbitration proceedings, PPAL has applied to the High Court in London, UK for interim relief in order to protect its rights under the JOA.

Panoro will seek to recover all losses, costs, expenses, compensation and damages in law and equity caused directly or indirectly by the Joint-Venture Partners' breach of their contractual and equitable obligations. Panoro will also continue to take all necessary action to retain its equity participation in OML 113 and to preserve shareholder value.

Further updates will be provided as necessary in accordance with Panoro's continued disclosure obligations.

Enquiries:

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About Panoro Energy

Panoro Energy ASA is an independent E&P company based in London and listed on the Oslo Stock Exchange with ticker PEN. The Company holds high quality production, exploration and development assets in West Africa, namely the Dussafu License offshore southern Gabon and OML 113 offshore western Nigeria. In addition to discovered hydrocarbon resources and reserves, both assets also hold significant exploration potential. For more information, please visit the Company's website at www.panoroenergy.com.