

Panoro Energy ASA - Contemplated Private Placement

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Oslo Børs Announcement

Panoro Energy ASA ("Panoro" or the "Company") has engaged Arctic Securities AS (the "Manager") to assist the Company in a contemplated private placement (the "Private Placement") through issuance of new shares for a total consideration in the range of NOK 60-70 million (approximately US\$ 7-8 million) (the "New Shares"). The Private Placement comprises an offering towards (a) the 100 largest shareholders of the Company as registered with the VPS on 8 February 2016, (b) the Company's management and the members of the Board of Directors, and (c) selected external investors, who may lawfully participate in the Private Placement, where the minimum application and allocation amount is set to the NOK equivalent of EUR 100,000. The Company and the Manager reserve the right to allocate below the NOK equivalent of EUR 100,000 pursuant to and in compliance with applicable exemptions from the obligation to publish an offering prospectus pursuant to the Norwegian Securities Trading Act. For any minimum application and allocation amount below EUR 100,000 the total number of investors is limited to 149 and the minimum application and allocation amount is set to NOK 25,000.

The Private Placement will be subject to shareholder approval at an Extraordinary General Meeting (EGM) in Panoro, expected to be held on or about 2 March 2016.

The net proceeds from the Private Placement will be used for general corporate purposes, most importantly managing working capital fluctuations in the prevailing low oil price environment, and to position the Company for growth.

The subscription price in the Private Placement will be set through an accelerated book-building process conducted by the Manager. The application period is contemplated to commence today on 9 February 2016 at 16:30 (CET) and to close on 10 February 2016 at 08:00 (CET). The Company, together with the Manager, reserves the right to close or extend the application period at any time at their sole discretion, at short notice.

Allocation of the New Shares will be determined at the end of the book-building process. The final allocation will be made at the Board's sole discretion, provided, however, that the Private Placement and issuance of the New Shares will remain subject to approval at the EGM. The New Shares will be registered with the Norwegian Register of Business Enterprises (Foretaksregisteret) and VPS as soon as reasonably practicable following the EGM. Shareholders will by applying for shares in the Private Placement undertake to vote in favour of the Private Placement at the EGM for all shares held as registered with the VPS on 8 February 2016.

The New Shares issued in the Private Placement may be placed on a separate ISIN pending publication of a listing prospectus to be approved by the Financial Supervisory Authority of Norway (Finanstilsynet), and will not be listed or tradable on Oslo Stock Exchange until such listing prospectus has been published by the Company, expected by the end of March 2016. The Company shall endeavour to list the New Shares on the Norwegian OTC market prior to approval of the listing prospectus. The Company will announce the result of the Private Placement, the number of shares allocated and the final subscription price in the Private Placement through a stock exchange notice expected to be published before opening of the trading on Oslo Stock Exchange tomorrow, 10 February 2016.

The following primary insiders have subscribed in the Private Placement at market price:

Last name/Company	First Name	Position	Subscription
Balkany Investments LLC		Chairman of Panoro	4,780,000 shares
Nanes Balkany Partners LLC		Chairman of Panoro	770,000 shares
Dighe	Nishant	Advisor	NOK 300,000
Hamilton	John	CEO	NOK 100,000
Qadeer	Qazi	CFO	NOK 75,000
Morton	Richard	Technical Director	NOK 50,000
Herger	Alexandra	Board member	NOK 25,000

In addition, the Private Placement has obtained significant support from the existing shareholder base.

Subject to completion of the Private Placement and the prevailing market price of the Panoro shares, Panoro intends to carry out a subsequent offering of new shares directed towards shareholders in the Company as of 9 February 2016, as registered with the VPS on 11 February 2016, who were not allocated New Shares in the Private Placement and who are not resident in a jurisdiction where such offering would be unlawful or, for jurisdictions other than Norway, would require any prospectus, filing, registration or similar action. Such shareholders will be granted non-transferable preferential rights to subscribe for, and, upon subscription, be allocated new shares. The Company will issue a separate stock exchange notice regarding the ex date, record date and other information for the participation in a possible subsequent issue.

Michelet & Co Advokatfirma AS has been retained as Panoro's legal counsel in connection with the Private Placement.

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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 exploration and development assets in West Africa, namely the Dussafu License offshore southern Gabon, and OML 113 offshore western Nigeria. Both assets have discoveries with approved Field Development Plans. In addition to discovered hydrocarbon resources and reserves, both assets also hold significant exploration potential.

For more information visit the Company's website at www.panoroenergy.com.

This information is subject to disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act.

Disclaimer

This information contained herein does not constitute an offer to sell or a solicitation of an offer to buy any New Shares in any jurisdiction in which such offer or solicitation is unlawful or where this would require registration, publication of a prospectus or similar action.

There will be no public offer of the New Shares in the United States. The New Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or under the securities law of any state or other jurisdiction of the United States and may not be reoffered, resold, pledged or otherwise transferred, directly or indirectly, except pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. A person in the United States or who is a "U.S. Person" (within the meaning of Regulation S under the U.S. Securities Act), may not apply for New Shares or otherwise take steps in order to subscribe or purchase New Shares unless (A) the subscriber is a registered client with the Manager as (i) a "qualified institutional buyer" ("QIB") as defined in Rule 144A under the U.S. Securities Act, or (ii) a "major U.S. institutional investor" as defined in SEC Rule 15a-6 to the United States Exchange Act of 1934, or (B) the subscriber (i) confirms that it is a QIB acquiring the New Shares for its own account or for one or more accounts, each of which is a QIB, in a transaction exempt from the registration requirements under the U.S. Securities Act and (ii) executes and delivers a separate U.S. investor representation letter to the Manager. The New Shares are "restricted securities" within the meaning of Rule 144 under the U.S. Securities Act and may not be deposited into any unrestricted depository receipt facility in the United States, unless at the time of deposit the New Shares are no longer "restricted securities". The New Shares may not be reoffered, resold, pledged or otherwise transferred, except (a) outside the United States in accordance with Rule 903 or Rule 904 of Regulation S, as applicable or (b) pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act and subject to the provisions of the U.S. investor representation letter.

The offer of the New Shares in Canada is being made only on a private-placement basis, thus exempting it from the requirement that the Company prepare and file a prospectus with the applicable securities regulatory authorities. The New Shares are being offered in those jurisdictions and to those persons where and to whom they may lawfully be offered for sale, and therein only by persons permitted to sell such securities. Each Canadian purchaser who purchases New Shares must be entitled under applicable securities laws to purchase such securities without the benefit of a prospectus qualified under such securities laws; must be an "accredited investor" within the meaning of National Instrument 45-106 – Prospectus and Registration Exemptions and purchasing the New Shares as principal or deemed principal for its own account; and must be a "permitted client" within the meaning of National Instrument 31-103 – Registration Requirements and Exemptions. There is currently no public market for the New Shares in Canada and any resale of the New Shares in Canada must be made in accordance with applicable securities laws.

New Shares will only be offered in the United Kingdom (a) to persons who have professional experience, knowledge and expertise in matters relating to investments and are "investment professionals" for the purposes of article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (all such persons being referred to as "relevant persons") and (b) only in circumstances where, in accordance with section 86(1)(c) and (d) of the Financial and Services Markets Act 2000 ("FSMA"), the requirement to provide an approved prospectus in accordance with the requirement under section 85 FSMA does not apply as the minimum denomination of and subscription for the New Shares exceeds EUR 100,000 or an equivalent amount. Any application or subscription for the New Shares is available only to relevant persons and will be engaged in only with relevant persons and each UK applicant warrants that it is a relevant person.

The New Shares will not be registered under the applicable securities laws of Australia or Japan and may not be offered, sold, resold or delivered, directly or indirectly, in or into Australia or Japan except pursuant to an applicable exemption from applicable securities laws.

This press release contains forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe," "expect," "anticipate," "intends," "estimate," "will," "may," "continue," "should" and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although Panoro believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements.

The information, opinions and forward-looking statements contained in this release speak only as at its date, and are subject to change without notice. Panoro Energy ASA disclaims any obligation to update and revise any forward-looking statements, whether as a result of new information, future events or otherwise.