Panoro Energy Announces Definitive Sale and Purchase Agreement on Dussafu

Oslo, 22 February 2017 - Panoro Energy ASA ("Panoro" or the "Company") (OSE ticker: PEN) is pleased to announce that on 21 February 2017 its fully-owned subsidiary, Pan-Petroleum Gabon B.V. ("PPGBV"), has entered into a definitive Sale and Purchase Agreement (the "SPA") with BW Energy Gabon Pte. Ltd. ("BWEG"), a subsidiary of BW Offshore Limited (OSE ticker: BWO), the leading global provider of floating production services to the oil and gas industry.

Under the terms of the SPA, Panoro will sell a 25% working interest in the Dussafu Production Sharing Contract ("Dussafu PSC") in Gabon to BWEG for a total cash consideration of US$12 million. At closing of the transaction, Panoro will receive US$11 million in cash. The remaining US$1 million in cash will be paid no later than 30 December 2017.

Panoro will also receive a non-recourse loan from BWEG of up to US$12.5 million at 7.5% annual interest rate in order to fund all expenditures through to first oil production at Dussafu. Post-completion, Panoro will retain an 8.33% working interest in the Dussafu PSC. The total gross capital expenditure to reach first oil in 2018 is estimated to be a maximum of US$150 million.

The closing of the transaction is subject to customary conditions precedent, including but not limited to the approval of the Gabonese Government and the completion of the separate sale of Harvest Dussafu B.V. to BWEG. It is expected that the transaction will close in the first quarter of 2017.

Julien Balkany, Chairman of Panoro, said, *"Panoro is very enthusiastic about this landmark transaction and our new innovative partnership with BW Offshore to create shareholder value."*

John Hamilton, Chief Executive Officer of Panoro, said, *"Since entering the Dussafu concession in 2008, Panoro has drilled two discovery wells and acquired extensive seismic data. We are thrilled to see the development finally moving forward together with our new operating partner, BW Energy. This transaction strengthens our balance sheet with additional cash, and the non-recourse loan for the Dussafu development limits our financial exposure through to first oil."*

The Dussafu PSC has not been subject to separate financial reporting by Panoro and therefore no key figures from Panoro's balance sheet and profit and loss account applicable to the Dussafu PSC are provided. In accordance with Panoro's continued disclosure obligations, Panoro confirms that, in connection with this transaction, no agreements have been entered into for the benefit of the Panoro's senior employees or members of the board of directors.

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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.

About BW Offshore

BW Offshore is a leading global provider of floating production services to the oil and gas industry. BW Offshore has a fleet of 14 owned FPSOs and one FSO represented in all major oil & gas regions world-wide. BW Offshore has a long track record on project execution and operations. In more than 30 years of production, BW Offshore has executed 38 FPSO and FSO projects. The company is listed on the Oslo Stock Exchange.

This announcement is a detailed stock exchange announcement pursuant to section 3.4 of the Oslo Stock Exchange's Continuing Obligations. The information is further subject to the disclosure requirements of section 5-12 of the Norwegian Securities Trading Act.