

Panoro Signs Heads of Terms for the drilling of first well offshore Sfax

Oslo, 31 October 2018 - Panoro Energy (the "Company" or "Panoro" with OSE Ticker: PEN) is pleased to announce that its fully owned subsidiary Panoro Tunisia Exploration AS ("Panoro Tunisia") has just signed a Heads of Terms with Compagnie Tunisienne de Forage ("CTF"), the Tunisian state-owned drilling contractor, for the use of the CTF-4, a 2,000-horsepower onshore rig, or equivalent drilling rig, for the drilling of the Salloum West-1 well ("SAMW-1") located in the Sfax Offshore Exploration Permit ("SOEP"). The spud date of the SAMW-1 well is anticipated to be in the first half of 2019 and is subject to the entry into a second renewal period of the SOEP for a period of 3 years, and the subsequent approval of the final drilling program and budget by ETAP. Advanced discussions for the renewal are ongoing with the Tunisian Authorities.

The announcement to spud the SAMW-1 well, to be directionally drilled from the shore as a deviated well, comes only 3 months after the closing of the acquisition of DNO Tunisia AS.

The primary objective of the SAMW-1 well is the Bireno formation, at approximately 3,200 metres vertical depth, where the Company has identified, based on 2D and 3D seismic data, what it believes to be an extension of the Salloum structure to the west. The SAMW-1 well will target an independent fault compartment up-dip from the Salloum-1 well which was drilled by British Gas in 1992 and tested the Bireno formation at a rate of 1,846 bopd.

The objective of the SAMW-1 well is to prove up additional resources in the vicinity of the Salloum-1 well and subsequently fast-track the development of Salloum through a tie-in to existing adjacent oil infrastructure.

The decision to drill this new well is supported by rig availability, cost-savings due to drilling equipment for the well already being owned and stored in Panoro's Sfax warehouse, existing 2D and 3D seismic covering the SAMW-1 location, close proximity to the Salloum-1 discovery well, the existing adjacent oil infrastructure, and a high chance of success.

The expenditure on SAMW-1 well will be funded from Panoro's existing financial resources. The well costs will also be an added to the existing substantial cost pool of SOEP which will be fully recoverable against future revenues through the cost oil mechanism.

John Hamilton, Chief Executive Officer Panoro Energy said: "*We are excited to have signed this drilling Heads of Terms with CTF only 3 months after our entry in Tunisia and to expand our working relationship with our esteemed partner ETAP. SAMW-1 represents a low cost and attractive risk-reward drilling opportunity which could enable a fast-track development of the Salloum oil discovery located on the Sfax Offshore Exploration Permit*".

Enquiries

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About SOEP

SOEP is operated by Panoro Tunisia Exploration AS and Panoro's current interest in the license is 87.5%. SOEP covers an area of 3,228 km² within the historically prolific oil and gas producing region offshore the city of Sfax. There are three oil discoveries on the permit, Salloum, Ras El Besh, and Jawahra, with gross recoverable oil estimated by the former operator of 20 million barrels. In addition to these discoveries there is considerable exploration potential in the Permit, and the previous operator's P50 unrisked gross estimate was 250 million barrels. In the vicinity of SOEP area are numerous existing producing fields with infrastructure and spare capacity in pipelines and facilities.

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 Africa, namely the Dussafu License offshore southern Gabon, OML 113 offshore western Nigeria and Sfax Offshore Exploration Permit and the Ras El Besh Concession, offshore Tunisia.