

Acquisition of DNO Tunisia AS and Contemplated Private Placement

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Oslo, 28 June 2018 - Panoro Energy (the "Company" or "Panoro" with OSE ticker: "PEN") is pleased to announce the signing of a Sale and Purchase Agreement ("SPA") for the acquisition of DNO Tunisia AS from DNO ASA ("DNO") ("the Transaction").

Panoro is concurrently launching an equity private placement of up to 4.25 million new shares and a potential additional sale of up to 1 million existing treasury shares (the "Private Placement"), pursuant to the authorisation given by the Annual General Meeting held on 24 May 2018. DNO has also agreed to subscribe for a significant portion of the Private Placement. The price per share is set at NOK12.82 per share, a 3.6% discount to the closing price on 27 June 2018, and equivalent to the Volumetric Weighted Average Price of Panoro shares over the past 30 trading days.

John Hamilton, Chief Executive Officer Panoro Energy said: *"This acquisition represents a substantial milestone and the continuation of Panoro's strategy to build a balanced full-cycle E&P company focused on Africa. We are very excited to enter into this transformational deal with DNO in a stable jurisdiction like Tunisia. The Salloum discovery in particular is a low-cost development opportunity; the wider portfolio contains material exploration potential. This transaction also complements our existing E&P portfolio bringing a pipeline of new projects and significantly enhancing our operating capability through the skilled team based in Tunisia."*

"The equity private placement combined with the acquisition of DNO Tunisia AS will materially strengthen Panoro's financial position for Phase 2 of Dussafu in Gabon and its growth plans in Tunisia."

Transaction Summary

DNO Tunisia AS holds 3 offshore assets: Sfax Offshore Exploration Permit, Ras El Besh Concession, and Hammamet Offshore Permit. Each of those assets has existing oil discoveries and material exploration upside. Panoro plans to secure an extension or renewal of the Sfax Offshore Exploration Permit, where Panoro intends to fast-track the development of the very shallow water Salloum oil discovery (ca 5 million barrels recoverable and tested at 1848 bopd).

The main terms of the Transaction include:

- Panoro to acquire DNO Tunisia AS (a Norwegian company holding DNO's business in Tunisia) for no cash consideration
- Panoro to assume all existing permit interests, rights and unfulfilled work obligations
- Panoro to secure a full operational and experienced organisation with strong local knowledge and operating capabilities, as well as local offices, warehouses and drilling inventory
- Panoro to retain a cash balance of approx. USD 8.6 million in DNO Tunisia AS at completion, reflecting DNO's partial contribution towards the remaining work obligations
- DNO to maintain exposure to the Tunisian assets and support Panoro's ability to develop and unlock value through subscription for Panoro shares in the Private Placement in a NOK amount equivalent to USD 4.15 million at a pre-agreed subscription price of NOK 12.82 per share
- DNO to receive a deferred consideration up to a maximum of USD 13.2 million, paid through future production from the operated Sfax Offshore Exploration Permit

Panoro's website contains an updated corporate presentation with a further overview of the Transaction.

A conference call for investors will be held at 8:30 CET on Friday 29 June 2018. Details of the call will be announced separately.

The Transaction does not involve any agreements or expected agreements to the benefit of management or board members.

The Transaction is subject to the fulfilment of certain customary closing conditions. Panoro expects that the Transaction will close by no later than 20 business days from this announcement, but no assurances can be given that the conditions will be fulfilled and that the Transaction will be completed.

The Private Placement

Panoro has retained SpareBank 1 Markets AS (the "Manager") to assist the Company in the Private Placement. The subscription price in the Private Placement has been set at NOK 12.82 per share. The book-building period will commence today 28 June at 16:30 hours (CET) and close tomorrow 29 June at 08:00 hours (CET). The Company may, however, at any time resolve to close or extend the book-building period at its own discretion and for any reason without any further notice.

The minimum subscription and allocation in the Private Placement has been set to the number of new shares that equals an aggregate subscription price of at least the NOK equivalent of EUR 100,000. The Company may however, at its sole discretion, allocate an amount below the NOK equivalent of EUR 100,000 to the extent applicable exemptions from the prospectus requirement pursuant the Norwegian Securities Trading Act and ancillary regulations are available.

DNO is subscribing for USD 4.15 million (NOK equivalent) in Panoro shares in the Private Placement and include the following terms:

- Shares subscribed by DNO will be subject to a standard lock-up obligation for 6 months
- 1-year standstill agreement where DNO has agreed not to go above a 9.9% shareholding in Panoro
- No Board representation for a 12-month period

Panoro is seeking to raise up to the balance of the 10% threshold in the Private Placement (approximately USD 2.5 million) from existing shareholders and new investors. Subject to demand, Panoro will also consider the sale of up to 1 million additional treasury shares held by the Company pursuant to the share buy-back transactions completed in 2017.

- Dussafu Phase 2 capital spend (reserve-based loan facilities as well as pre-financing oil solutions provided by oil traders being considered in parallel)
- Working capital for Dussafu oil production
- Development of Tunisian portfolio
- Further business development opportunities

The Company will announce the final number of shares placed and sold in the Private Placement in a stock exchange announcement expected to be published at the latest before opening of trading on the Oslo Stock Exchange tomorrow, 29 June 2018.

SpareBank 1 Markets AS (the "Manager") is acting as sole manager in the Private Placement.

Panoro's Rationale for Entering Tunisia

Tunisia is an established oil and gas producer with decades of hydrocarbon production. Tunisia benefits of a stable regulatory and fiscal system, which has attracted large international oil companies with long in country presence (i.e. ENI, Shell, Perenco, Petrofac). ETAP, the National Oil Company, is professional counterparty and involved in all concessions. International and domestic service companies are active in country, with additional services able to be sourced from neighbouring countries (Algeria). Some larger international oil companies active in Tunisia are considering refocusing their respective portfolios, creating acquisition-opportunities for more entrepreneurial companies to increase low-cost production and efficiency.

Julien Balkany, Chairman of Panoro, commented: *“The acquisition of DNO Tunisia is a major step in the execution of Panoro’s growth strategy. It provides Panoro with an immediately functional and sizeable platform to take advantage of future low-cost producing growth opportunities in Tunisia. Panoro intends to continue evaluating and pursuing highly accretive and very selective deals in Gabon and Tunisia to increase its production and deliver strong shareholder return.”*

Enquiries:

About Panoro Energy

This announcement is made pursuant to section 5-12 of the Securities Trading Act and section 3.4 of Oslo Børs' Continuing Obligations.