



ANNUAL STATEMENT OF RESERVES 2018

APRIL 2019

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DISCLAIMER

The information provided in this report reflects reservoir assessments, which in general must be recognized as subjective processes of estimating hydrocarbon volumes that cannot be measured in an exact way.

It should also be recognized that results of recent and future drilling, testing, production and new technology applications may justify revisions that could be material.

Certain assumptions on the future beyond Panoro's control have been made. These include assumptions made regarding market variations affecting both product prices and investment levels. As a result, actual developments may deviate materially from what is stated in this report.

The estimates in this report are based on third party assessments prepared by Netherland Sewell and Associates Inc. (NSAI) in January 2019 for Dussafu, by Gaffney Cline & Associates Limited (GCA) in November 2018 for the TPS assets and by AGR TRACS International Ltd. (AGR TRACS) in March 2019 for Aje.

INTRODUCTION

Panoro's classification of reserves and resources complies with the guidelines established by the Oslo Stock Exchange and are based on the definitions set by the Petroleum Resources Management System (PRMS), sponsored by the Society of Petroleum Engineers/ World Petroleum Council/ American Association of Petroleum Geologists/ Society of Petroleum Evaluation Engineers (SPE/WPC/AAPG/SPEE) as issued in June 2018.

Reserves are the volume of hydrocarbons that are expected to be produced from known accumulations:

- On Production
- Approved for Development
- Justified for Development

Reserves are also classified according to the associated risks and probability that the reserves will be actually produced.

1P – Proved reserves represent volumes that will be recovered with 90% probability

2P – Proved + Probable represent volumes that will be recovered with 50% probability

3P – Proved + Probable + Possible volumes that will be recovered with 10% probability.

Contingent Resources are the volumes of hydrocarbons expected to be produced from known accumulations:

- In planning phase
- Where development is likely
- Where development is unlikely with present basic assumptions
- Under evaluation

Contingent Resources are reported as 1C, 2C, and 3C, reflecting similar probabilities as reserves

PANORO ASSETS PORTFOLIO

As of year-end 2018, Panoro had three assets with reserves and contingent resources, OML 113, the TPS Assets and the Dussafu Permit. A summary description of these assets with status as of year-end 2018 is included below. In addition we refer to the company's web-site for background information on the assets. Unless otherwise specified, all reserves figures quoted in this report are net to Panoro's interest.

Dussafu:

Offshore Gabon, operator BW Energy, Panoro 8.333%

Dussafu is a development and exploitation license covering an area containing several oil fields, the most recent discoveries being the Ruche, Tortue and Ruche North East fields. In 2014 an Exclusive Exploitation Authorization (EEA) for an 850.5 km² area within the Dussafu PSC was awarded. A Field Development Plan for the EEA area was subsequently approved and a final decision to start developing the license was taken in 2017. The first field in the EEA area, Tortue, started oil production in 2018.

Production from the Tortue field during 2018 amounted to 1.2 MMbbls gross, which is approximately 0.08 MMbbls net to Panoro.

In January 2019 NSAI certified (3rd party) gross 1P Proved Reserves of 25.9 MMbbls in the Gamba and Dentale reservoirs of the Tortue field. Gross 2P Proved plus Probable Reserves at Tortue amounted to 35.1 MMbbls in the same reservoirs. Gross 3P Proved plus Probable plus Possible Reserves at Tortue amounted to 48.3 MMbbls.

In addition to these Reserves NSAI also certified gross 1C Contingent Resources of 1.3 MMbbls, gross 2C Contingent Resources of 13.6 MMbbls, and gross 3C Contingent Resources of 20.6 MMbbls in the Tortue field. The remaining Dussafu fields excluding Tortue have gross 2C Contingent Resources of approximately 37.4 MMbbls (taken from Panoro's 2017 ASR and Operator's estimates).

These evaluations yield 1P Proved Reserves net to Panoro of 1.74 MMbbls, 2P Proved plus Probable Reserves net to Panoro of 2.20 MMbbls and 3P Proved plus Probable plus Possible Reserves net to Panoro of 2.86 MMbbls. Additional Contingent Resources net to Panoro are approximately 0.1 MMbbls 1C, 0.9 MMbbls 2C and 1.3 MMbbls 3C. The remaining Dussafu fields excluding Tortue have net 2C Contingent Resources of approximately 2.4 MMbbls (taken from Panoro's 2017 ASR and Operator's estimates). These Reserves and Contingent Resources are Panoro's net volumes

after deductions for royalties and other taxes, reflecting the production and cost sharing agreements that govern the asset.

TPS Assets:

Onshore and offshore Tunisia, operator TPS, Panoro 29.4%

The TPS Assets comprise five oil field concessions in the region of the city of Sfax, onshore and shallow water offshore Tunisia. The concessions are Cercina, Cercina Sud, Rhemoura, El Ain/Gremda and El Hajeb/Guebiba.

The oil fields were discovered in the 1980's and early 1990's and have produced a total of around 54 million barrels of oil to date. The current production is stable at around 4,000 barrels of oil per day gross.

In November 2018 GCA certified (3rd party) reserves and resources from the fields which, after taking account of 2018 production, amount to 1P Proved Reserves of 8.4 MMbbls, 2P Proved plus Probable Reserves of 18.4 MMbbls and 3P Proved plus Probable plus Possible reserves of 25.0 MMbbls. Panoro's net entitlement 1P Proved reserves are 2.1 MMbbls, 2P Proved plus Probable are 4.7 MMbbls and 3P Proved plus Probable plus Possible are 6.4 MMbbls.

In addition to these reserves, GCA also certified gross 1C Contingent Resources of 1.4 MMbbls, 2C Contingent Resources of 5.0 MMbbls and 3C Contingent Resources of 10.3 MMbbls, all assigned to the Cercina oil field. Panoro's net entitlement 1C Contingent Resource is 0.4 MMbbls, net entitlement 2C Contingent Resource is 1.3 MMbbls and net entitlement 3C Contingent Resource is 2.6 MMbbls.

OML 113 Aje:

Offshore Nigeria, operator Yinka Fawaleye Petroleum (YFP), Panoro 12.1913%

The OML 113 license, close to the border with Benin, contains the Aje field which is predominantly a Turonian age gas discovery with significant condensate and an oil rim but also contains a separate Cenomanian age oil leg. The Cenomanian oil has been on production since 2016, and the Turonian oil rim since 2017.

Production during 2018 from the Aje field amounted to 1.0 MMbbls gross which equates to approximately 0.1 MMbbls net to Panoro.

A Field Development Plan (FDP) for Aje Gas was submitted to the Nigerian Government for consideration in 2017. The FDP comprises four or five production wells in the Turonian tied back to existing and new infrastructure.

In March 2019 AGR TRACS certified (3rd party) gross total 1P Proved Reserves of 82.4 MMBOE in the Aje field. Gross 2P Proved and Probable reserves for the field amounted to

138.2 MMBOE. Gross 3P Proved, Probable and Possible reserves for the field amounted to 220.8 MMBOE. Panoro's net entitlement 1P Proved Reserves was 12.8 MMBOE, net entitlement 2P Proved and Probable Reserves was 21.9 MMBOE and net entitlement 3P Proved, Probable and Possible Reserves was 31.2 MMBOE.

AGR TRACS further sub-categorized these reserves as Developed Producing (reserves from existing wells in the field) and Justified for Development.

In addition to these reserves AGR TRACS also certified gross 1C Contingent Resources of 4 MMBOE, 2C Contingent Resources of 9 MMBOE and 3C Contingent Resources of 17.5 MMBOE. Panoro's net entitlement 1C Contingent Resources is 0.5 MMBOE, net entitlement 2C Contingent Resources is 1.1 MMBOE and net entitlement 3C Contingent Resources is 2.1 MMBOE.

MANAGEMENT DISCUSSION AND ANALYSIS

Panoro uses the services of NSAI, GCA and AGR TRACS for 3rd party verifications of its reserves and resources.

All evaluations are based on standard industry practice and methodology for production decline analysis and reservoir modelling based on geological and geophysical analysis. The following discussions are a comparison of the volumes reported in previous reports, along with a discussion of the consequences for the year-end 2018 ASR:

Dussafu: In 2018, the Tortue field started production from 2 wells as phase 1 of the project. A decision was made in 2019 to drill an additional 4 wells in the field, which will constitute phase 2. The revised NSAI reserves report assumes production from the phase 1 and phase 2 wells, for a total of 6 development wells in the field. The remaining fields in Dussafu (Ruche, Ruche North East, Walt Whitman and Moubenga) are still classified as Contingent Resources. A decision to develop these fields will trigger a re-assignment of these resources as reserves and a possible re-determination of their volumes.

TPS: There are Contingent Resources associated with the Cercina field in the TPS assets. These resources may be re-assigned as reserves if a development decision is taken to drill certain un-drilled compartments within the Cercina field.

Aje: The first phase of the Aje Cenomanian oil development started in 2016 with production from two wells. In 2017 the Aje-5 well workover and side-track campaign resulted in a re-completion of the well in the Turonian oil rim. The previous estimates of reserves in Aje were revised by AGR TRACS in 2018 and 2019. The revisions incorporate the 2018 historical production data from the Aje-4 and Aje-5ST2 wells. The result is an increase in net 2P reserves of 2.0 MMbbls compared to the year-end 2017 Annual Statement of Reserves ASR.

ASSUMPTIONS:

The commerciality and economic tests for the Dussafu reserves volumes were based on an average oil price over the field life of US\$83/Bbl.

The commerciality and economic tests for the TPS assets reserves volumes were based on an average oil price over the life of the field of US\$78/Bbl.

The commerciality and economic tests for the Aje reserves volumes were based on an oil and condensate price of US\$60/Bbl, a LPG price of \$39/Bbl, and a gas price of \$4/MMBtu.

2018 – 2P DEVELOPMENT (MMBOE)

2P Reserves Development	(MMBOE)
Balance (previous ASR –December 31, 2017)	21.6
Production 2018	(0.2)
New developments since previous ASR	4.7
Revisions of previous estimates	2.7
Balance (revised ASR) as of December 31, 2018	28.8

Panoro's total 1P reserves at end of 2018 amount to 16.6 MMBOE. Panoro's 2P reserves amount to 28.8 MMBOE and Panoro's 3P reserves amount to 40.4 MMBOE. This reflects the March 2019 reserve report for the Aje field, conducted by AGR TRACS, the January 2019 reserve report for the Dussafu field, conducted by NSAI and the November 2018 reserve report for the TPS assets conducted by CGA.

Panoro's Contingent Resource base includes discoveries of varying degrees of maturity towards development decisions. By end of 2018, Panoro's assets contain a total 2C volume of approximately 5.9 MMBOE.

April 30, 2019

John Hamilton
CEO



ANNEX RESERVES STATEMENT

AS OF DECEMBER 31, 2018

December 31, 2018	Interest	1P (Low Estimate)				2P (Base Estimate)				3P (High Estimate)			
	%	Liquids	Gas	Total	Net	Liquids	Gas	Total	Net	Liquids	Gas	Total	Net
		MMbbl	Bcf	MMBOE	MMBOE	MMbbl	Bcf	MMBOE	MMBOE	MMbbl	Bcf	MMBOE	MMBOE

On Production

Aje Field Oil	12.1913	2.05	-	2.05	0.25	2.25	-	2.25	0.27	2.43	-	2.43	0.30
Tortue Field	8.333	25.86	-	25.86	1.74	35.12	-	35.12	2.20	48.32	-	48.32	2.86
Cercina Field	29.4	3.13	-	3.13	0.81	7.43	-	7.43	1.93	9.73	-	9.73	2.53
El Hajeb / Guebiba Field	29.4	5.05	-	5.05	1.25	8.25	-	8.25	2.04	11.75	-	11.75	2.91
Gremda / El Ain Field	29.4	0.00	-	0.00	0.00	2.10	-	2.10	0.55	2.70	-	2.70	0.70
Rhemoura Field	29.4	0.27	-	0.27	0.06	0.67	-	0.67	0.16	0.87	-	0.87	0.21
Total		36.36	-	36.36	4.12	55.82	-	55.82	7.16	75.80	-	75.80	9.51

Justified for Development

Aje Field Oil	12.1913	1.11	-	1.11	0.17	2.48	-	2.48	0.38	4.17	-	4.17	0.61
Aje Field Cond.	12.1913	10.32	-	10.32	1.58	17.41	-	17.41	2.73	27.87	-	27.87	4.05
Aje Field LPG	12.1913	20.11	-	20.11	3.14	33.86	-	33.86	5.38	54.39	-	54.39	7.66
Aje Field Gas	12.1913	-	292.70	48.78	7.62	-	492.80	82.13	13.12	-	791.90	131.98	18.58
Total		31.54	292.70	80.32	12.51	53.75	492.80	135.88	21.61	86.43	791.90	218.41	30.90

Totals

Total Reserves		67.90	292.70	116.68	16.63	109.57	492.80	191.70	28.77	162.23	791.90	294.21	40.41
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Reserves Development:

2P Reserves Development	(MMBOE)
Balance (previous ASR –December 31, 2017)	21.6
Production 2018 *	(0.2)
Acquisitions/disposals since previous ASR **	4.7
Extensions and discoveries since previous ASR	0.0
New developments since previous ASR	0.0
Revisions of previous estimates ***	2.7
Balance (revised ASR) as of December 31, 2018	28.8

* Represents Aje and Tortue field production in 2018

** Acquisition of TPS Assets, reserves as of year end 2018

*** Revisions to Aje and Tortue reserve estimates

Contingent Resources summary:

Asset	2C MMBOE (as of YE2017)	2C MMBOE (as of this report)
Aje	1.1	1.1
Dussafu	1.5	3.3
Cercina	-	1.5
Totals	2.6	5.9

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