

## **Panoro Energy Farms into South Africa Exploration License**

Oslo, February 25, 2020, Panoro Energy ASA (the "Company" or "Panoro" with OSE ticker: "PEN") is pleased to announce that it has signed a Farm Out Agreement ("FOA") with a subsidiary of Africa Energy Corp. ("AEC"), part of the Lundin Group of Companies, which entails a wholly-owned subsidiary of Panoro acquiring a 12.5% interest in Block 2B located in the Orange Basin, offshore the west coast of South Africa. The exploration block has an exciting rift basin oil play, with an existing oil discovery and near-term plans to drill the Gazania-1 well targeting best estimated gross prospective resources of 349 million barrels\* ("MMbbls").

John Hamilton, CEO of Panoro, said: *"This farm-in to Block 2B is in line with Panoro's renewed strategy of acquiring minority high-impact exploration interests close to existing discoveries and with clear routes to commercialisation. We are particularly excited to work together with Africa Energy Corp, which has played an important role in opening up the offshore oil and gas potential in South Africa. Exploration activity across Southern Africa is gearing up for a very busy period, and we look forward to drilling the identified prospects on this acreage."*

Under the terms of the FOA, Panoro will acquire a 12.5% interest and carry the AEC subsidiary for up to \$2.5 million of the well cost. The well is expected to be spud as early as Q4 2020 depending on regulatory approvals and rig availability. Panoro's total share of drilling costs including the AEC carry is estimated at approximately \$5 million, which will be funded from existing financial resources. Separately, AEC has announced a farm-out whereby Azinam Limited will take a 50% share and operatorship in Block 2B.

Completion of the FOA is subject to consent of the Minister of Minerals and Energy of South Africa and the Azinam farm-out becoming effective; the approval process is anticipated to take approximately 6 months.

Block 2B contains the A-J graben, a typical rift basin, similar to others in which major oil accumulations have been discovered by Africa Energy's technical team in Uganda and Kenya. The oil was generated in lacustrine source rocks that are present in the deepest parts of the basin. The oil migrated and accumulated in fluvial and lacustrine sandstone reservoirs around the basin flanks. There is also significant potential in other rift grabens to the north and south of the A-J graben and potential for significant gas discoveries in the shallower sequences above the rift graben succession over the whole block.

Oil was discovered and tested by Soekor in the A-J1 borehole drilled in 1988. Thick reservoir sandstones were intersected between 2,985 metres and 3,350 metres. The well was tested and flowed 191 barrels of oil per day of 36 degree API oil from a 10 metre sandstone interval at about 3,250 metres. A total of 37 million barrels of best estimate gross contingent resources have been attributed to the discovery by AEC.

Using more recent 3D seismic data, significant upside potential has been identified in six prospect areas at depths of up to 800 metres shallower than the original well. The next proposed exploration well, Gazania-1, will be drilled into the Gazania and Namaqualand prospects identified on 3D seismic data with combined best estimate gross prospective resources of 349 MMbbls\*.

The Block 2B Exploration Right is in the second exploration period, and an application has been filed for entry into the third two-year period, which includes a proposed commitment to drill one well.

A presentation detailing Block 2B is available on Panoro's website [www.panoroenergy.com](http://www.panoroenergy.com) and as an attachment to this release.

*\* These volumes are estimates of Africa Energy and have not been subject to assessment by a qualified third party resource auditor.*

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

## **Enquiries**

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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 Africa, namely the Dussafu License offshore southern Gabon, OML 113 offshore western Nigeria, and the TPS operated assets, Sfax Offshore Exploration Permit and Ras El Besh Concession, offshore Tunisia. For more information, please visit the Company's website at [www.panoroenergy.com](http://www.panoroenergy.com).