Panoro Energy Announces Impact of Coronavirus (COVID-19) on Operations and Corporate Update

Oslo, 18 March 2020 –Panoro Energy ASA (the "Company" or "Panoro") today provides a corporate and core operations update in response to the Coronavirus (COVID-19) pandemic and concurrent low oil price environment.

- Panoro Energy has been closely monitoring the developing Coronavirus (COVID-19) situation globally and is fully focused to safeguard the health of its staff, contractors, and other stakeholders, whilst maintaining operating capability. Coordinated actions have been taken to respond to government directives in Gabon, the UK and Tunisia to ensure preventative measures are taken whilst production is maintained, and ongoing well operations completed where possible.
- In Gabon, a scale back of activities is underway, resulting in a 40% reduction in capital expenditure for 2020 and a modest adjustment in guided production.
- In Tunisia, production and development plans remain intact although these may experience some timing delays due to the COVID-19 pandemic.
- Group net production guidance range for 2020 reduced by approximately 6%, now at 2,500–2,900 bopd (versus previous guidance of 2,600 – 3,100 bopd)
- The Company's cash position and financial liquidity are solid and are further strengthened by the deferred capital expenditure.

John Hamilton, CEO Panoro Energy, said: "*The safety of our people and operations is our absolute priority. With 25-30% of our high-quality oil production hedged in 2020, together with our significantly reduced capital expenditure budget, Panoro has taken steps to mitigate the impact of the recent dramatic collapse in oil prices. These actions have further strengthened our balance sheet. Our focus is on protecting our highly valuable reserves and resources and preserving cash until the extraordinary macro environment improves."*

Deferment of expenditure in Gabon

In an attempt to limit the spread of Coronavirus (COVID-19), international travel restrictions currently in place are limiting the ability to move essential personnel, subcontractors and equipment to and from Gabon. With these controls, and the increasing global restriction on movement, it is likely to affect the planned timing of the DTM-7H well and the subsequent firm exploration well. The major supplier contracts provide for certain termination rights under exceptional circumstances. As a precaution, the Dussafu JV has for the same reason also taken the decision not to exercise the options for additional exploration wells.

Further, in response to recent commodity volatility and price uncertainty, the Dussafu JV has decided to temporarily postpone the commencement of the Ruche Phase 1 Development process until conditions improve.

The revised capital spending program for 2020 amounts to approximately USD 13 million net to Panoro, of which about USD 3 million was spent as at end of February. The downward revised program represents a 40% reduction to the Company's previously announced net capital expenditure program of approximately USD 21 million for Dussafu in 2020.

Dussafu daily operations continue to perform in line with expectations with four wells (DTM-2H, DTM-3H, DTM-4H and DTM-5H) producing into the FPSO BW Adolo at a current gross production rate of approximately 20,000 barrels of oil per day. The DTM-6H well is nearing conclusion of its drilling and completion operations. This well is scheduled to be brought online by June.

Based on current assumptions, Dussafu gross production for 2020 is projected to be 16,000–18,500 barrels of oil per day assuming the DTM-7H well is postponed until a later date. This represents a reduction of approximately only 10% in the production range previously guided. Operating costs per barrel are expected to be approximately USD 15 -17 per barrel, compared to USD 21 per barrel on average for 2019.

Tunisian production activities remain intact
The TPS assets are currently producing in excess of 4,000 bopd gross, with the previously announced work over activities in the final stages of completion. Tunisia, like other jurisdictions, is also experiencing the effect of the global pandemic, in restricted movement of personnel and services. Based on Panoro's current assessment, the expected production growth to 5,000 bopd gross remains on track, albeit with some potential for delays due to these increasing restrictions. Panoro remains committed to its further Tunisian activities and will monitor the effects of the global pandemic on their planning.

Financial and hedging
Panoro held cash balances as at the end of February of USD 27 million (including restricted cash held for the bank guarantee towards Sfax Offshore Exploration Permit). As previously announced, Panoro has a hedging position for approximately 25-30% of its 2020 production, and its lifting schedule is weighted towards 2H20. Break even for production operations is less than USD 25 per barrel and cost control measures are in place. As a result, when combined with the capex reductions as detailed above, Panoro's balance sheet remains strong despite the low oil price environment.

Panoro will continue to closely monitor this fast-moving and exceptional situation and will provide operational and corporate updates, as appropriate.

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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 visit the Company's website at www.panoroenergy.com.

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