



Panoro Energy Provides Operations and Corporate Update

Oslo, 4 May 2020 - Panoro Energy ("Panoro" or the "Company" with OSE Ticker: PEN) is pleased to provide a corporate update in conjunction with the publication of its 2019 annual report released on 30 April 2020.

Operations

While many logistical challenges associated with COVID-19 continue, Panoro's production operations to date have been largely unaffected. The health and safety culture at our operations has shown to be resilient, with conduct of safe operations, together with the well-being of our team, being our top priority. Production in both Gabon and Tunisia continues to be in line with expectations given the necessary deferral in some near-term development activity.

Panoro anticipates that the well-publicized global oil demand reduction and storage shortage may continue to provide both downward oil pricing pressure and logistical challenges for the upcoming months. The Company is proactively working with partners, host governments, suppliers and customers to mitigate the risks associated with this unprecedented global situation.

Oil sales

Gabon

In Gabon, a lifting was completed in March for the account of the Panoro, BWE and Tullow, followed by a lifting in April on behalf of the State of Gabon.

The March lifting was for approximately 44,000 barrels net sold volumes to Panoro at a realized price of USD 33 per barrel.

In Q2, the Company expects to see a further lifting in June with approximately 53,000 barrels net sold volumes to Panoro.

Tunisia

In Q1, domestic sales in Tunisia of 27,000 barrels were achieved at an average realized price of USD 54 per barrel.

An international lifting was made in April for 90,000 barrels and achieved a realized price of approximately USD 19 per barrel, reflecting the severe dislocation in pricing affecting the industry (Dated Brent averaged approximately USD 18 per barrel in April). Revenue from this lifting will be recognized in Q2 along with some further domestic sales in Tunisia.

Outlook

Production in Gabon for 2020 is now expected to average 15,000-16,500 bopd (gross), with the 10% reduction in range due to the uncertain timing of hooking up the successfully completed DTM-6 well. The well was expected to be connected in June but, given the COVID-19 restrictions, the timing of this activity is estimated to occur later this year. Current production is approximately 17,500 bopd (gross), with operating costs decreased from 2019 levels to USD16-18 per barrel.

Production in Tunisia is steady at approximately 4,000 bopd (gross), and the Company is on track to bring on the anticipated additional production as soon as the COVID-19 operational restrictions lessen. Operating costs remain under \$15 per barrel.

Panoro's 2020 liftings are heavily weighted to H2 2020. Based on current assumptions, we expect the first Q3 liftings to be in August, one in Tunisia and one in Gabon. Overall, the 2020 annual lifting guidance is for 9-10 international liftings (supplemented by smaller domestic sales in Tunisia), with 60% of sales in the second half of the year. Given the unprecedented uncertainties being experienced, the lifting guidance will be updated during the course of the year and actual lifting volumes and months may vary from those indicated.

Panoro's oil offtake and marketing contracts are with first class counterparties. In Gabon, Panoro benefits from an offtake contract for 2020 with BP International, while in Tunisia, Mercuria, one of the world's largest independent trading companies, manages the marketing of Tunisian crude oil. Mercuria is also providing risk management solutions to Panoro, as the counterparty of the Company's crude oil hedges.

Hedging

Panoro has hedged 20,286 barrels per month (equivalent to approximately 667 barrels per day) for the entire calendar years of 2020 and 2021. These are predominantly costless collars with a floor of USD 55 per barrel and a cap of around USD 61 per barrel. The hedges are settled on a monthly basis on the average of Dated Brent during the calendar month.

As additional Brent price protection, Panoro has additional hedges in place of 24,000 barrels for each of March and July 2020 to coincide with planned liftings. These were done as costless collars and swaps with a floor at approximately USD 62 per barrel.

For the first quarter, hedge income of approximately USD 1.2 million was recognized, resulting in an average realized price per barrel sold (including hedging) of USD 57 per barrel (note: hedging income is recognized in the P&L after EBIT and not reported as part of revenue and EBITDA).

As at March 31, the mark-to market value of the Company's remaining hedge positions is USD 9 million net to Panoro.

Financials

As at 31 March, Panoro held USD 24 million in cash (including the USD 10 million held against the bank guarantee for Sfax Offshore). Debt as at end March was USD 23 million, with USD 2.1 million having been repaid in Q1.

Remaining capital expenditure to be spent this year in Gabon is approximately USD 5 million. As announced, in Tunisia any material capital expenditure is paused pending return to a normal environment for conducting drilling operations. Material cost cutting initiatives at the operating and corporate level have been achieved with further reduction underway.

Panoro's break even costs (operating costs plus all taxes) at the asset level are on average below USD 25 per barrel, and with modest corporate costs, Panoro is well positioned to withstand these adverse market conditions.

John Hamilton, CEO Panoro, said: *"The recent unprecedented COVID-19 pandemic and oil price collapse have significantly impacted the energy industry. However, proactive and decisive actions taken both prior to and during the ongoing crisis have put Panoro in a stable position to weather the current health, oil price, and logistical challenges we face. Our top focus is on protecting our highly valuable assets whilst remaining financially prudent until the dislocated macro environment improves. We remain confident we will emerge from this crisis with a resilient and competitive business for the benefit of all our stakeholders."*

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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.