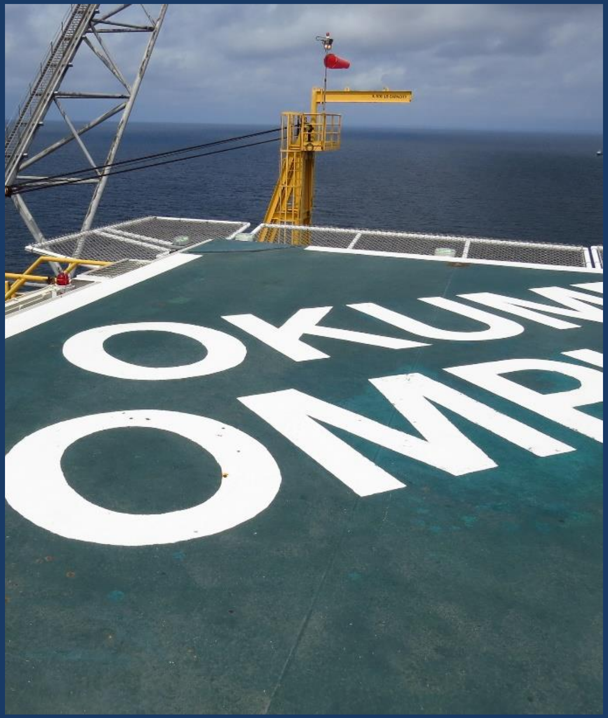
Panoro Energy

Creating One of the World's Leading Independent Listed African E&Ps

Investor Presentation

9 February 2021

www.panoroenergy.com

Disclaimer

This investor presentation (the "**Investor Presentation**") has been prepared solely for information purposes in connection with a presentation to potential investors held in respect of a contemplated private placement (the "**Private Placement**") of new shares in Panoro Energy ASA ("**Panoro**" or the "**Company**", and together with its subsidiaries, the "**Group**"), to be carried out in three separate tranches, as further discussed herein and described in a term sheet (the "**Term Sheet**") and an agreement governing applications to participate in the Private Placement (the "**Application Agreement**", and together with the Term Sheet and this Investor Presentation, the "**Investor Documentation**"). The Company has appointed Pareto Securities AS as Sole Lead Manager and Joint Bookrunner and Carnegie AS as Joint Bookrunner in the Private Placement (the "**Managers**").

This Investor Presentation is furnished by the Company for information purposes only, and it is expressly noted that no representation or warranty, expressed or implied, as to the accuracy or completeness of any information included herein is given by the Company or the Managers and that no information, including projections, estimates, targets and opinions, contained in this Investor Presentation is or can be relied upon as a promise or representation by the Company or the Managers.

The Managers have engaged an external legal advisor in order to conduct a limited legal due diligence review of the transaction- and financing documents as well as certain ancillary documents relating to the acquisition by the Client of the interests of Tullow Oil Plc. in (i) the DUSSAFU Permit and (ii) the CEIBA and OKUME COMPLEX Permits by way of acquisition of the entire share capital in Tullow Equatorial Guinea Limited (to be renamed post acquisition) ("**TEGL**") (the "**Transactions**"). In addition, the review has comprised certain due diligence reports obtained by the Client in connection with the Transactions. The documents which are regulated by UK law have been reviewed by Norwegian legal counsel, and the outcome of the review is therefore limited to summaries of relevant parts of disclosures as they appear from a Norwegian law perspective, and cannot be relied upon as advice as to any legal risk arising from such disclosures. Beyond this, the Managers have not engaged any other external legal, financial or other advisers, in order to conduct a due diligence investigation of the Group and its business. By relying on this Investor Presentation you accept the risk that the Investor Presentation might not cover matters that would have been disclosed, had further due diligence investigations been conducted and that the Investor Presentation is prepared on the basis as outlined above. The Managers and the Company make no undertaking, representation or warranty, expressed or implied, regarding the accuracy or completeness of the information described herein, and the Managers and the Company expressly disclaims to the fullest extent permitted by law any liability whatsoever towards the investors in connection with the matters described herein. This Investor Presentation contains information obtained from third parties. Such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information to be inaccurate or misleading.

This Investor Presentation contains certain forward-looking statements relating to the business, financial performance and results of the Group and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. The forward-looking statements contained in this Investor Presentation, including assumptions, opinions and views of the Company or cited from third party sources are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. Neither the Company nor any of the Managers, their subsidiary undertakings nor any of such person's officers or employees, nor any of the Company's advisors provides any assurance that the assumptions underlying such forward-looking statements are free from errors nor do any of them accept any responsibility for the future accuracy of the opinions expressed in this Investor Presentation or the actual occurrence of the forecasted developments. Neither the Company nor the Managers assume any obligation, except as required by law, to update any forward-looking statements or to conform these forward-looking statements to our actual results.

An investment in the Company and its shares should be considered as a high-risk investment. An investment in the Company is only suitable if you have sufficient knowledge, sophistication and experience in financial and business matters to be capable of evaluating the merits and risks of an investment decision relating to the Company's shares, and if you are able to bear the economic risk, and to withstand a complete loss of your investment. Several factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by information in this Investor Presentation. Certain risk factors relating to the Company and the Group are included under the caption "Risk Factors" below, on pages 44-53.

By receiving this Investor Presentation you acknowledge that you will be solely responsible for your own assessment of the Group and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Group's business. The contents of this Investor Presentation shall not be construed as financial, legal, business, investment, tax or other professional advice. You should consult your own professional advisers for any such matter and advice.

The distribution of this Investor Presentation and the offering, application, purchase or sale of shares issued by the Company in certain jurisdictions is restricted by law. This Investor Presentation does not constitute an offer of, or an invitation to purchase, any of the shares in any jurisdiction in which such offer or sale would be unlawful. No one has taken any action that would permit a public offering of shares to occur in any jurisdiction. Accordingly, neither this Investor Presentation nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations.

This Investor Presentation does not constitute a prospectus pursuant to the EU Prospectus Regulation (Regulation (EU) 2017/1129). Accordingly, this Investor Presentation has not been, and will not be, approved or reviewed by, or registered with, the Financial Supervisory Authority of Norway (Finanstilsynet) or any other supervisory authority. However, a prospectus relating to the admission to trading of the securities described herein will be prepared and published by the Company, and such prospectus may contain more detailed information about the Company and the Group. By accepting this Investor Presentation you expressly acknowledge and accept not having had access to such detailed information upon making an investment decision to subscribe for shares in the Company.

Neither this Investor Presentation nor any copy of it may be taken, transmitted or distributed, directly or indirectly, in or into the United States, Canada, Australia or Japan, except as permitted under applicable securities law. Any failure to comply with this restriction may constitute a violation of the United States, Canadian, Australian or Japanese securities laws. The Investor Presentation is also not for publication, release or distribution in any other jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction nor should it be taken or transmitted into such jurisdiction and persons into whose possession this Investor Presentation comes should inform themselves about and observe any such relevant laws.

This Investor Presentation speaks as of the date set out on its cover. Neither the delivery of this Investor Presentation nor any further discussions of the Company with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company or the Group since such date.

The Managers and/or their respective employees may hold shares, options or other securities of the Company and may, as principal or agent, buy or sell such securities. The Managers may have other financial interests in transactions involving these securities.

This Investor Presentation is subject to Norwegian law, and any dispute arising in respect of this Investor Presentation is subject to the exclusive jurisdiction of Norway with Oslo as legal venue.

Summary of Risk Factors

An investment in the Offer Shares involves a high level of risk. Several factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by statements and information in this Presentation.

The risk factors below are a summary of the risk factors included in the Supplementary Material section of this Presentation, please see page 44-53 for more details, and no investor should make any investment decision without having reviewed and understood the risk factors associated with investing in the Offer Shares. The order of appearance is not intended to indicate importance or likelihood of occurrence.

RISKS RELATING TO THE TRANSACTIONS

- Risks associated with delays or unsuccessful completion of the acquisitions
- The sale of Aje in Nigeria and the purchase of Block 2B in South Africa may not complete
- Risk relating to unsuccessful completion of debt facility
- Acquisitions may have a negative impact

RISKS RELATING TO THE COMPANY'S BUSINESS AND OPERATIONS

- Risks relating to the outbreak of pandemics, including the ongoing coronavirus (COVID-19) pandemic
- Risk relating to volatile oil and gas prices
- Reserves and contingent resources are by their nature uncertain in respect of the inferred volume range
- Developing a hydrocarbon production field requires significant investment
- Risks related to decommissioning activities and related costs
- There are risks and uncertainties relating to extension of existing licenses and permits, including whether any extensions will be subject to onerous conditions
- Risks relating to delays, cost inflation, potential penalties and regulatory requirements
- The Group's production is concentrated in a limited number of hydrocarbon fields
- The Group's hydrocarbon production may be restricted, delayed or terminated
- Risk relating to joint arrangement in Tunisia
- Dependency on compliance with obligations under licenses, joint operating agreements, unitization agreements and field development plans
- The Group is subject to third-party risk in terms of operators and partners and conflicts within a license group
- Capacity constraints and cost inflation in the service sector and lack of availability of required services and equipment
- Insurance or indemnities may not adequately cover all risks, liabilities or expenses that could result from operations

RISKS RELATED TO LAWS, REGULATIONS AND COMPLIANCE

- Political and regulatory risks, including risks and uncertainties relating to regional (area) electrification
- Maritime disasters, employee errors and other operational risks
- The Group faces the risk of litigation or other proceedings in relation to its business
- The Group may be subject to liability under environmental laws and regulations
- Risk relating to amended tax regulations
- The ability to sell or transfer license interests may be restricted by regulatory consent requirements, provisions in its joint operating agreements or applicable legislation
- Local authorities may impose additional financial or work commitments beyond those currently contemplated

RISKS RELATING TO JURISDICTIONS IN WHICH THE GROUP OPERATES

- Security risks associated with operating in certain jurisdictions, including risk relating to terrorist acts, piracy, securities issues, fraud, bribery and corruption and unionized labour and general labour interruptions
- Governments may intervene in the oil and gas industry in ways that are unfavourable to the Group's business and strategy

RISKS RELATING TO THE OIL AND GAS INDUSTRY IN WHICH THE GROUP OPERATES

- The Group operates in a highly competitive industry, characterised by rapid and significant technological advancements
- Climate change abatement legislation, protests against fossil fuel extraction and regulatory, technological and market improvements
- The Group is affected by the general global economic and financial market situation
- Risk relating to digital vulnerabilities, including cyber security vulnerabilities

FINANCIAL RISKS

- Risks associated with foreign exchange risk, including CEMAC foreign currency regulations
- Difficulties of service of debt and ability to generate sufficient cash
- The Group will have guarantee and indemnity obligations

RISKS RELATING TO THE SHARES

- Risk relating to the structure of the Private Placement
- The trading price of the Shares may be volatile

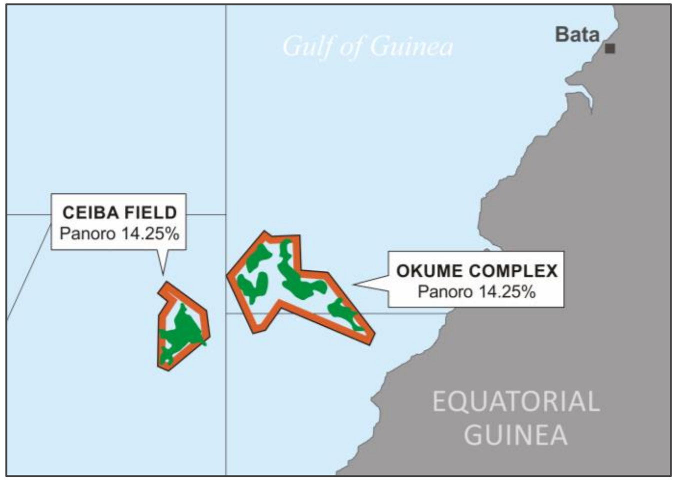
Transaction Overview

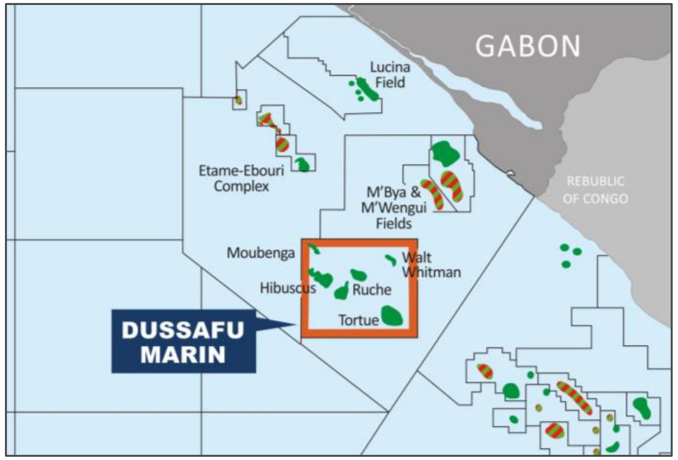
Transaction Overview
Panoro Energy Overview
Equatorial Guinea
Existing Portfolio
Outlook & Summary
Supplementary Material

Overview of the Acquisitions

Transformational Acquisitions of Producing Assets in West Africa

- US$ 140 million[1] acquisitions of 14.25%[2] WI in Ceiba/Okume (EG) and 10% in Dussafu Marin (Gabon)
  - → 1 July 2020 effective date
  - → Acquired from Tullow as part of their portfolio management program
- Assets characteristics
  - → High quality, non operated oil production assets in Panoro's core area
  - → 2P reserves of 25 MMbbl with H2 2020 production of 6,000 bopd, rising to ~6,900 bopd in 2021e
  - → Significant upside potential
  - → Low operating cost; Excellent operators
- Financed through contemplated equity issue of US$ 70 million and debt facility of up to US$ 90 million





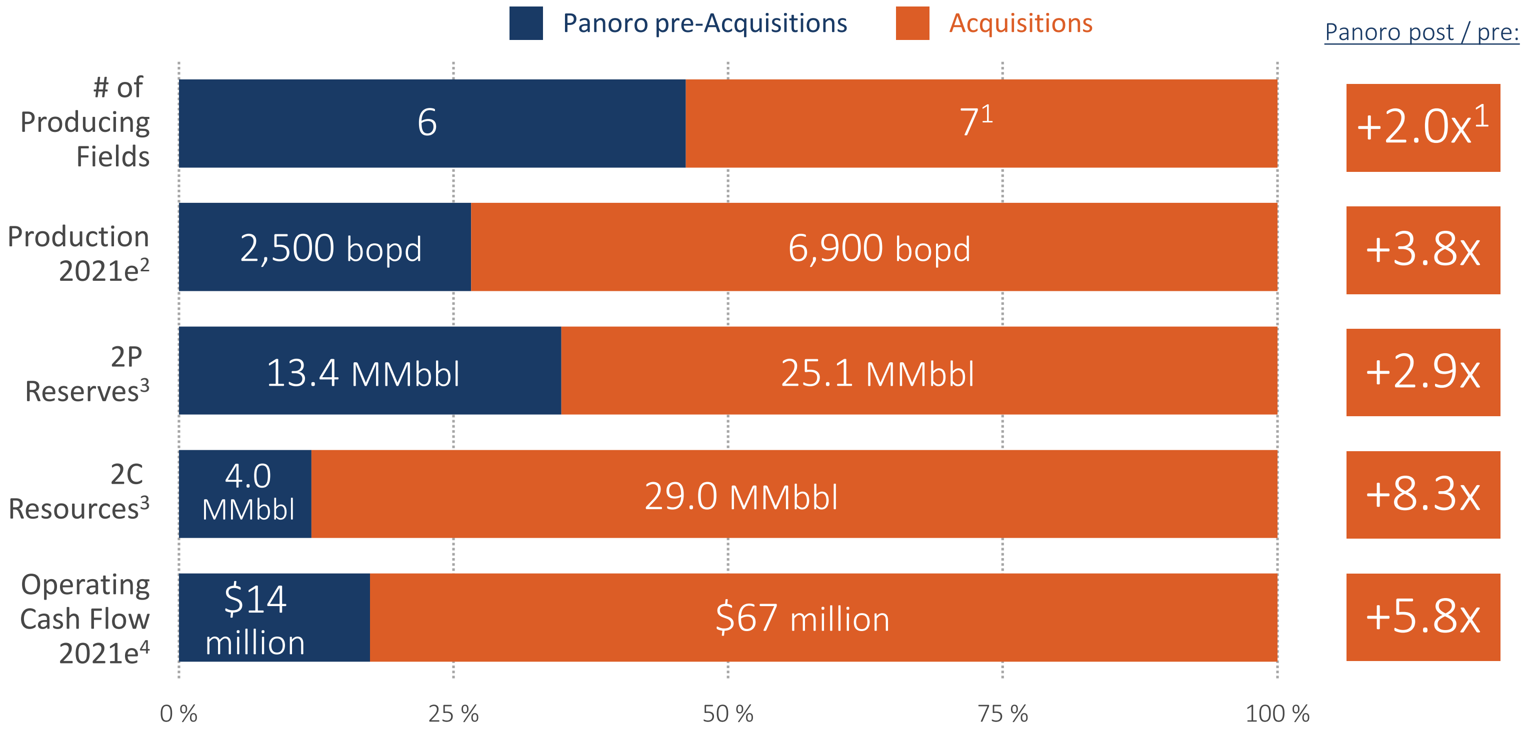
KEY FIGURES[3]

Producing oil fields	7
MMbbl 2P	25.1
MMbbl 2C[4]	29.0
Bopd production (H2 2020)	6,000
Opex / bbl EG (H2 2020e)	<$15
Opex / bbl Dussafu (H2 2020e)	$19
Acquisition price (million)	$140
Acquisition price (2P US$/bbl)	$5.6
Year payback	<3[5]
Reserve life (years)	13

1. Plus up to US$ 40 million in contingent consideration subject to oil price and asset performance
2. Working interest basis; 15% paying interest
3. Ceiba/Okume 2P reserves, 2C resources, and opex are estimates per the Competent Person's Report (CPR) from TRACS International Limited (TRACS). Dussafu reserves and resources as per the Annual Statement of Reserves (ASR) which is based on the CPR from Netherland, Sewell & Associates Inc (NSAI). All are on a working interest basis.
4. 2C resources are unrisked
5. Management estimates based on post tax operating cash flows after all capex. Excluding capex 2.2 year payback

Transformational Impact on Panoro

Significantly Increased Scale, Robustness, Diversification and Upside Potential



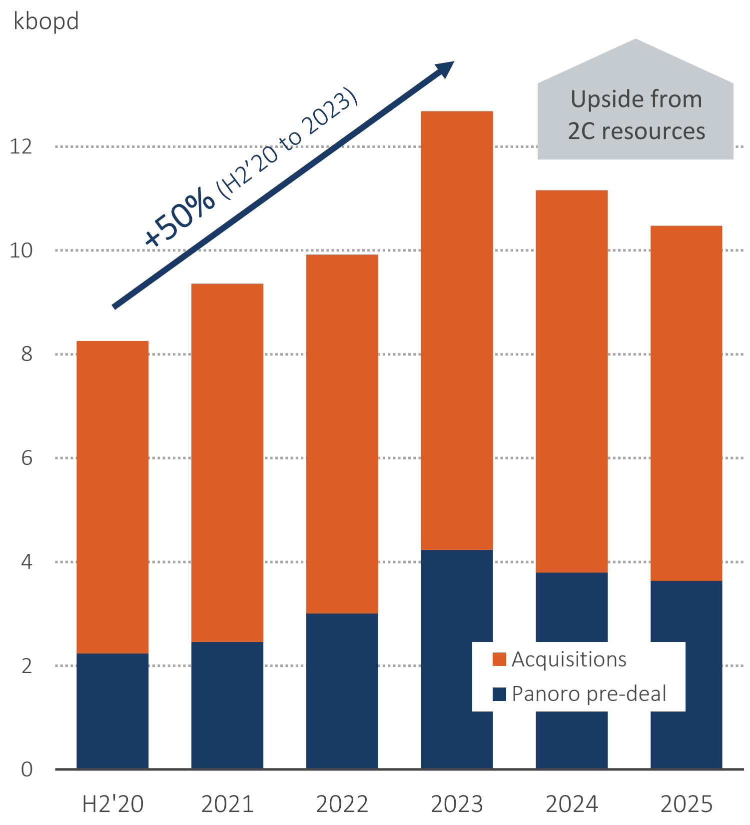
Post the Acquisitions and Financing, Panoro will be fully financed for all foreseeable capex and production ramp-up to ~12,000+ bopd net WI in 2023e

1. Acquisitions include Dussafu (Tortue field producing) where Panoro already has interest, i.e. 6 out of 7 producing fields acquired are added
2. Working interest production based on management estimates – in line with operator
3. Working interest from ASR as at 1/1/20 and working interest CPR from TRACS as at 1/7/20
4. Operating cash flow after tax, before interest. Based on production volumes not actual liftings/revenue recognition. Subject to completion adjustments from effective date of 1 July 2020. Management estimates at US$ 55/bbl Brent

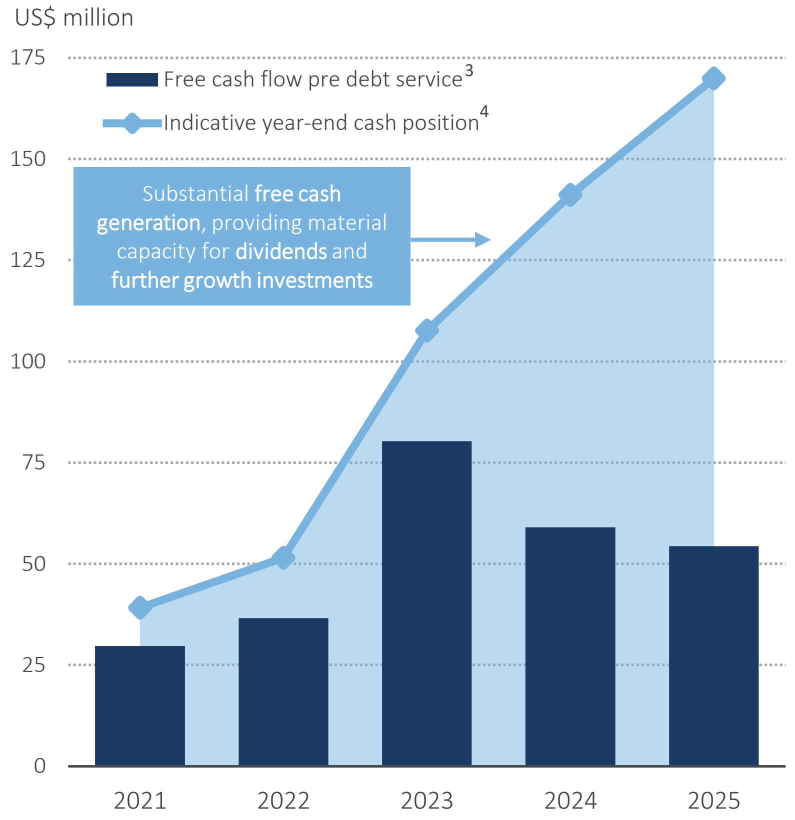
Significantly Increased Production and Cash Flow Outlook

Positioned to Pay Substantial Dividends from 2023 Onwards

NET WI PRODUCTION (2P CASE)[1]



CASH FLOW OUTLOOK (2P CASE)[2]



- More than tripling of current production base with strong growth outlook, both near and longer term
- As a result operating cash flow significantly enhanced, more steady and diversified
- Strong free cash flow generation from 2023 onwards, after Dussafu Hibiscus/Ruche Phase 1 on stream…
- … positioning Panoro for dividends and further growth, organic and inorganic

1. Management estimates mid case based on CPRs
2. Management estimates mid case, based on Brent at US$ 55/bbl in 2021 and US$ 50/bbl in 2022-2025
3. After tax. Based on production volumes not actual liftings/revenue recognition. 2021 cash flow is subject to completion adjustments from effective date of 1 July 2020
4. Indicative cash position after all scheduled debt service prior to any dividend or debt cash sweep (40% of forecasted excess cash used to accelerate debt repayment)

Financing of the Acquisitions

US$ 70 million Equity and up to US$ 90 million Debt Financing

- **Equity:** US$ 70 million contemplated equity private placement
  - → USD ~21.8 million pre-committed by existing shareholders Sundt and Kistefos
- **Debt:** Up to US$ 90 million committed debt facility with Trafigura group[1]
  - → Conventional RBL type structure on Panoro Gabon and Equatorial Guinea assets
  - → Key terms: 5-year tenor, 7.5% margin over 3-month LIBOR, US$ 50 million accordion option, up to US$ 20 million working capital facility, semi-annual linear amortizations, conventional RBL covenants, crude oil marketing
  - → Cash sweep mechanism provides that ca 40% of forecasted excess cash pays debt down faster than 5-year amortization and still allows for dividends
  - → No long-term oil hedging requirement; hedging of a portion of production up to 12 months forward likely to manage price risk on crude liftings
  - → Element of fees payable by issuance of US$ 562,500 equivalent in Panoro shares
- Post the financing and the Acquisitions, Panoro will be fully financed for all foreseeable capex and production ramp-up to ~12,000 bopd net WI

TRAFIGURA

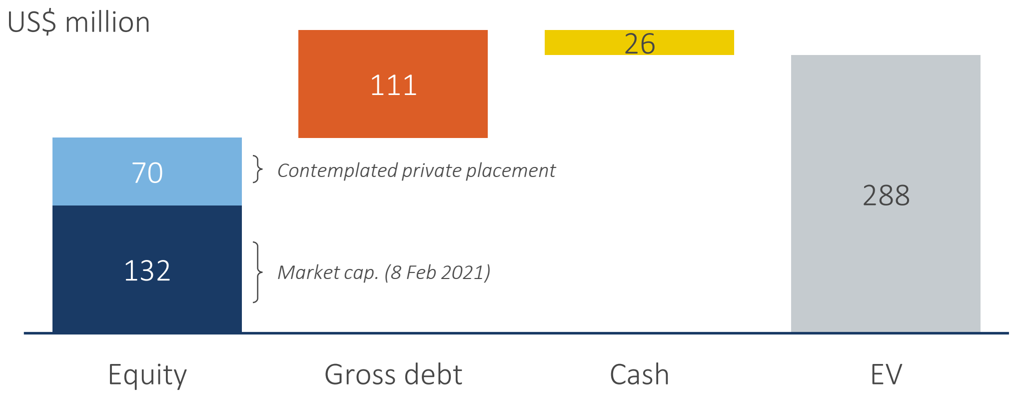
- One of the world's leading independent commodity trading and logistics houses
- Regular lender to oil & gas companies

SOURCES AND USES

Sources - US$ million	
Equity	70
Debt	90
Total	**160**

Uses - US$ million	
Acquisition Price	140
Transactions costs and Working capital[2,3]	20
Total	**160**

PRO FORMA CAPITAL STRUCTURE[4]



1. Trafigura group will also be offtaker of crude oil produced from the Equatorial Guinea fields at market terms. Debt facility consists of two tranches for a total amount of up to US$ 90 million
2. Includes transfer taxes of US$ 4.5 million, fees related to Debt and Equity Private Placement and legal costs
3. Working capital and completion adjustments are subject to change due to timing of completions of Acquisitions
4. Pro forma for contemplated debt and equity financing. The numbers for cash and debt are provisional and unaudited and may differ from the full year 2020 results which are yet to be announced

Indicative Timeline for the Acquisitions and Financing

	Week starting ->	Accomplished milestone	February 1/2	February 8/2	February 15/2	February 22/2	March 1/3	March 8/3	March 15/3	March 22/3
Acquisitions	SPAs commercially agreed	✓								
	SPAs signed			★						
	Tullow GM							★		
	Govt. approval / Closing								Expected H1'21 →	
Debt	Committed and final TS agreed	✓								
	Term sheet signed			★						
Equity	Launch and bookbuild			★ Overnight private placement						
	Allocation			★						
	Summon EGM			★						
	Settlement Tranche 1 (DVP)				★					
	EGM						★			
	Settlement Tranche 2 + 3 (DVP)							★		
	Prospectus (indicative timing)							★		

Acquisitions

- SPAs commercially agreed in January – to be signed at launch of private placement
- Tullow GM approval expected 3-4 weeks after private placement - exact date subject to UK FCA approval of circular. The acquisition of 14.25% WI in Ceiba/Okume is subject to GM approval while the acquisition of 10% WI in Dussafu Marin is not
- Closing subject to customary conditions, including (but not limited to) government consent and pledge releases

Debt financing

- Financing is fully committed, subject to customary closing conditions including (i) final long-form documentation, and regulatory approvals, where necessary; (ii) signed oil marketing agreement; (iii) committed minimum equity contribution; (iv) no material adverse change; and (v) completion of the Acquisitions

Equity financing

- Overnight private placement planned during week of 8 February
- Settlement (DVP) as indicated in timetable. For further details, please see the term sheet
- Panoro EGM approx. three weeks after private placement

Summary – Acquisitions Highlights

Creating One of the World's Leading Independent Listed African E&Ps

TRANSFORMATIONAL GROWTH

~3-4x immediate increase in Panoro's production and reserve base

Addition of six new producing fields - significantly enhanced diversification

2023 Production expected to be in excess of 12,000 bopd

EXCELLENT METRICS

Acquisitions materially accretive on all metrics

Payback in <3 years based in 2P alone

Very limited increase in Panoro cost base

HIGH QUALITY ASSET BASE

Low opex and breakevens

Long-life assets within Panoro's core area

Highly complementary assets - combined cash flow financing all capex across assets

MATERIAL UPSIDE

Multiple production growth & exploration opportunities

Quality operators determined to exploit untapped potential

~8x increase in Panoro's 2C resources

STRONG FREE CASH FLOW

Significantly increased cash flow

Panoro fully financed through all foreseeable capex and production growth[1]

Substantial dividend capacity from 2023[1]

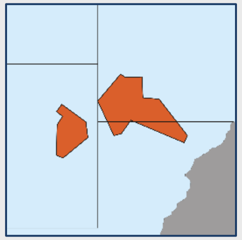
1. Management estimates based on prevailing oil prices

Panoro Energy Overview

Transaction Overview
Panoro Energy Overview
Equatorial Guinea
Existing Portfolio
Outlook & Summary
Supplementary Material

Panoro at a Glance

CEIBA/OKUME - EQ. GUINEA



Number of Assets
2

Okume Permit
14.25%[1]
ownership

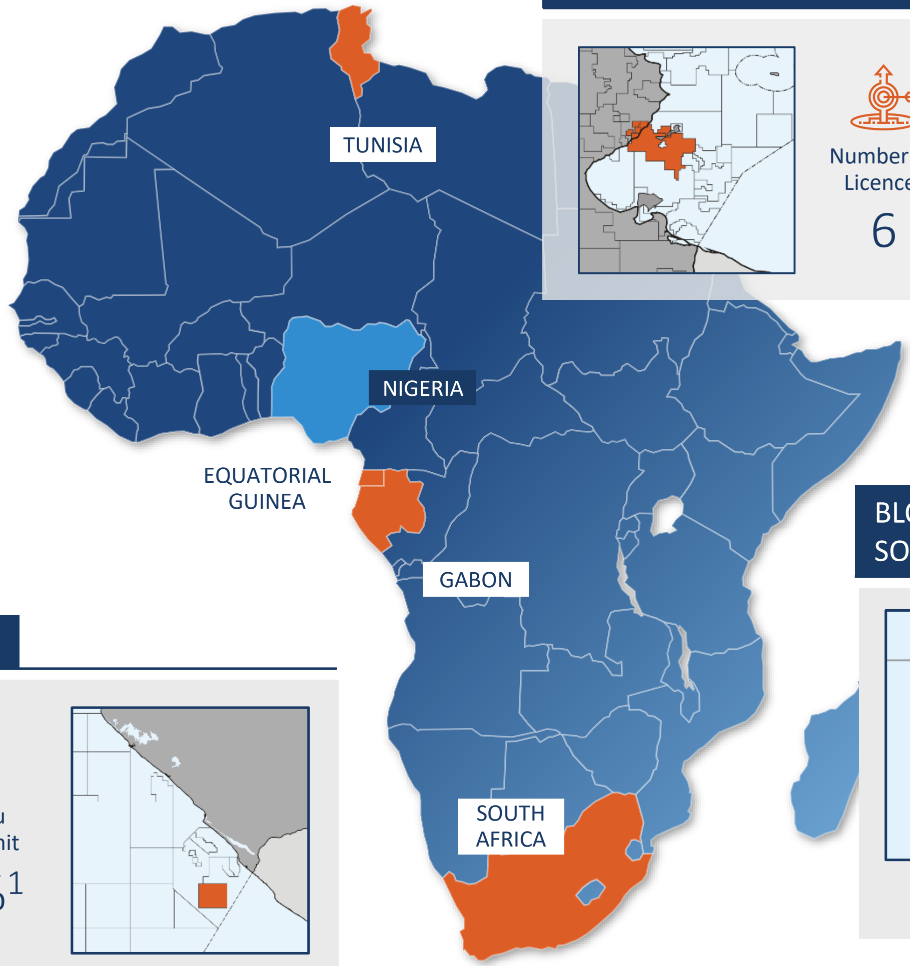
Ceiba Permit
14.25%[1]
ownership

SFAX & TPS PERMITS - TUNISIA

Number of Licences
6

SFAX Exploration Permit
52.5%
ownership

TPS Assets Permit
29.4%
ownership



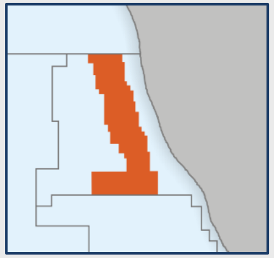
DUSSAFU MARINE PERMIT - GABON

Number of Discovered Fields
6

2P Gross Reserves
111
MMbbl

The Dussafu Marine Permit
17.5%[1]
ownership

BLOCK 2B SOUTH AFRICA



Block 2B Permit
12.5%[1]
ownership

APPROVALS PENDING

PRO FORMA PROFILE[2]

Market Cap
~US$ 202m
Pre acq. - US$ 132m

Net Debt
~US$ 86m
Pre.acq - US$ 6m

Net Reserves
~38.5 MMbbl
Pre.acq - 13.4 MMbbl

H2 Net Production
~8,400 bopd
Pre.acq - ~2,250 bopd

1. Subject to Governmental approvals and other condition precedents
2. Pro forma market cap is market cap per 8 February 2021 plus contemplated equity issue. Net debt is based on provisional and unaudited YE 2020 estimates and may differ from the full year 2020 results which are yet to be announced. 2P reserves are working interest share as reported in the ASR plus certified reserves from the acquisition. Production is on a working interest basis.

Management Team and Board of Directors

EXECUTIVE MANAGEMENT TEAM

John Hamilton
Chief Executive Officer

Joined 2015

- President Energy
- Levine Capital Management, LLC
- ABN·AMRO
- Imperial Energy
- IGas Energy

Qazi Qadeer
Chief Financial Officer

Joined 2010

- PARCO
- pwc
- EY Building a better working world

Richard Morton
Technical Director

Joined 2008

- WesternGeco
- Fugro
- centrica energy

Nigel McKim
Projects Director

Joined 2019

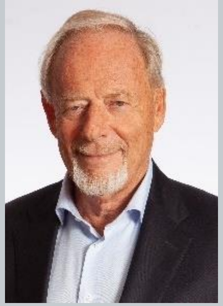
- HESS
- Vitol
- BHP
- Nobel Upstream
- MX Oil
- Shell

BOARD OF DIRECTORS

Mr. Julien Balkany
Chairman

Joined 2014

- GASFRAC
- NORECO
- NB Nanes Balkany Partners LLC
- Toreador
- AMROMCO



Mr. Torstein Sanness
Deputy Chairman

Joined 2014

- Det Norske
- saga
- Lundin Petroleum
- International Petroleum Corp.

Mr. Garrett Soden

Joined 2015

- The White House
- Africa Energy
- GKP Gulf Keystone Petroleum
- RusForest
- PetroFalcon
- Salomon Brothers
- LUNDINGROUP
- Lehman Brothers

Ms. Alexandra Herger

Joined 2015

- Marathon Oil Corporation
- ExxonMobil
- Shell
- HESS
- Tethys Oil
- Enterprise Oil

Mrs. Hilde Ådland

Joined 2016

- KVÆRNER
- ENGIE
- NEPTUNE ENERGY
- vår energi
- Statoil
- Norskolje&gass

Environmental, Social and Governance

Robust HSSE Procedures Delivered Recent Campaign in Tunisia without Incident

ENVIRONMENT

- Panoro is committed to reducing its greenhouse gas (GHG) emissions through the efficient operation of our existing equipment and infrastructure
- The Company is working towards enhancing its emissions management and data capture over its entire portfolio
- Solar project at TPS asset in Tunisia initiated

Installed by Panoro and ETAP in 2019/20 as first solar initiative

SOCIAL

- We are committed to working with our employees, partners and other stakeholders to achieve the highest industry safety standards and to reduce operating risks
- Panoro is an equal opportunity employer and has enshrined this within its human resources policies.

GOVERNANCE

- We are dedicated to ensuring that the company's presence has a positive impact on every stakeholder
- 2020 will be our baseline year for all HSSE data and with additional reporting we can effectively manage and improve our performance over each aspect of ESG

High Levels of Corporate Activity

RECENT M&A TRANSACTIONS

December 2016
Farm-out of 25% interest in Dussafu to BW Energy
- Historic costs reimbursed to Panoro of US$ 12 million
- Non-recourse loan of up to US$ 12.5 million paid by BWE towards Phase 1 development cost

July 2018
Acquisition of DNO Tunisia AS
- No cash consideration paid
- US$ 8.6 million cash retained in the acquired company plus DNO subscribing US$ 4.2 million in the equity private placement
- Exposure to exploration acreage in Tunisia and gained a base of operations with competent staff in-country

November 2018
Acquisition of OMV Tunisia Upstream GmbH
- US$ 65 million cash consideration
- 2,000 bopd production acquired together with a high profile local strategic partner in Beender
- Significant synergies with DNO Tunisia acquisition

October 2019
Agreement to Sell OML 113 Nigeria to PetroNor
- All share consideration of US$ 10 million in PetroNor shares
- Distribution of PetroNor shares as dividends upon completion
- Additional consideration receivable of up US$ 25 million linked to project milestones

February 2021
Tullow Acquisitions
- US$ 140 million cash consideration
- Transformative acquisitions, adding high quality, low cost oil producing assets ...
- ...and increasing Panoro's reserve and production base 3-4x

2016 — 2017 — 2018 — 2019 — 2020 — 2021

July 2018
- Issue size: US$ 8.3 million (raised in conjunction with DNO transaction)
- Substantially oversubscribed
- Discount to share price: 3.6%
- Subscription price: NOK 12.82/sh

November 2018
- Issue size: US$ 30 million (raised in conjunction with OMV transaction)
- Substantially oversubscribed by multiple times
- Discount to share price: 1.5%
- Subscription price: NOK 16.10/sh

October 2019
- Issue size: US$ 16 million (raised to gain financial flexibility for Dussafu development)
- Oversubscribed
- Discount to share price: 2%
- Subscription price: NOK 23.90/sh

February 2021
- Contemplated US$ 70 million equity private placement, in conjunction with the Tullow Acquisitions

RECENT EQUITY PRIVATE PLACEMENTS

Selected Financials 2020

- Net working interest production of 2,357 bopd in Q4 2020 and 2,219 bopd full year 2020
- Operating cost remained in line with guidance despite incremental COVID related costs
- Consistent decline in G&A in each quarter of the year
- Hedging position remains strong with ~US$ 4.5 million cash income for the full year

KEY FINANCIALS (US$ million)

	30 Sep 20 (YTD)[1]	31 Dec 20 (est.)[2]
Total revenue (YTD)	16.1	26.8
EBITDA	3.1	
Net profit/(loss) after tax from continuing operations[3]	1.2	
- Including discontinued operations	(1.1)	
Underlying net profit/(loss) before tax[3,4]	(0.2)	
Cash and bank balances[5]	15.6	15.7
Gross debt[6]	21.9	21.3
Capital expenditure – cash basis	10.1	

1. The historical numbers have been extracted from Panoro's Third Quarter report published on 23 November 2020
2. The year end estimates of 31 December 2020 are best estimates from the Company and may differ from the Q4 2020 results and 2020 annual report which is yet to be announced
3. Following agreement to sell Aje to PetroNor in Q4 2019, the results and operations have been classified as discontinued operations and the asset has also been classified as held for sale. Numbers including comparatives in income statement have been re-classified to remove and disclose Aje operations separately in a single line of the income statement
4. Non-GAAP Financial Measures. The Group has enhanced its disclosures and introduced the reporting of Underlying Operating Profit/(Loss) before tax, a Non-GAAP Financial Measure. Underlying Operating Profit/(Loss) before tax is considered by the Group to be a useful additional measure to help understand underlying operational performance. The definition and details of this Non-GAAP measure can be referred to on page 8 of the Third quarter, 2020 report.
5. Includes US$ 10 million held for SOEP Guarantee as at 30 September 2020 and 31 December 2020
6. Mercuria Senior Secured Loan and BW Energy Non-Recourse Loan

Stakeholder Overview

SHAREHOLDER OVERVIEW

Rank	Shareholder	Holding	(%)
1	SUNDT AS	8,450,000	12.24 %
2	KISTEFOS AS	7,833,288	11.35 %
3	JULIEN BALKANY AND ASSOCIATED INVESTMENT COMPANIES	3,166,244	4.59 %
4	VERDIPAPIRFONDET DNB SMB	2,790,427	4.04 %
5	ALDEN AS	2,346,884	3.40 %
6	HORTULAN AS	2,325,000	3.37 %
7	F1 FUNDS AS	1,119,000	1.62 %
8	SIMEN THORSEN	1,050,000	1.52 %
9	F2 FUNDS AS	1,018,000	1.47 %
10	TORSTEIN INGVALD TVENGE	1,003,374	1.45 %
	TOP 10 SHAREHOLDERS	**31,102,217**	**45.06 %**

Shareholder overview per 8 February 2021

Large, diverse, and **supportive** existing **shareholder base**
– demonstrated by material pre-commitments from Sundt and Kistefos

4,000 shareholders

Top ten >40% of shares

Top 10 includes several long standing shareholders

Good daily liquidity

LENDING PARTNERS

TRAFIGURA

Committed up to US$ 90 million debt facility on Gabon and Eq. Guinea assets

- One of the world's leading independent commodity trading and logistics houses
- Regular lender to oil & gas companies

MERCURIA

US$ 14.1 million debt facility (Panoro's net share) on Tunisian assets (31.12.20)

- One of the largest integrated energy and commodity trading companies in the world
- Experienced debt provider to oil & gas companies

Equatorial Guinea

- Ceiba & Okume

Ceiba and Okume Complex Overview

Reliable Producing Oil Fields with Strong Cash Flow and Growth Potential

Strong production and cash flow providing self funded near term growth

- 34,000 bopd gross production in 2020…
- … with potential increase to ~55,000 bopd from 2023
- 13 US$/bbl opex and growth projects with low capex intensity

Material remaining reserves base with large upside

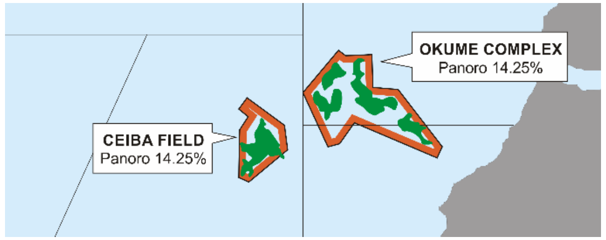
- 100 MMbbl gross 2P reserves, 158 MMbbl 3P reserves, and 179 MMbbl 2C resources
- Upside projects can be funded from production cash flow

Highly proactive operator specializing in midlife assets

- Focus on growth from untapped potential and efficiencies
- Proven asset performance improvements

KEY FIELD DATA

	Ceiba	Okume Complex[1]
Working interest	Trident Energy (40.375% op.[2]), Kosmos Energy (40.375%[2]), Panoro (14.25%[2]), GE Petrol (5%)	
Water depth	600 - 800 metres	50 – 850 metres
Discovery year	1999	2001/2
First production	2000	2006-11
Cuml. production 30.06.2020	204 MMbbl	237 MMbbl
2P / 2C 1.7.2020 (gross)[3]	27 / 72 MMbbl	73 / 107 MMbbl
Production 2020 (gross)	~12.3 kbopd	~21.3 kbopd
Opex LoF[3]	15 US$/bbl	12 US$/bbl
PSC expiry	Dec. 2029	Jul. 2034
Decom. costs (net)[3]	US$ 59 million	US$ 52 million



1. Consists of the Okume, Elon, Oveng, Ebano and Akom North fields
2. Trident Energy and Kosmos Energy have 42.5% paying interest and Panoro has 15% paying interest. GE Petrol is the National Oil Company of the Republic of Equatorial Guinea and has a carried interest
3. 2P, 2C, opex LoF and decom. costs are estimates per the CPR from TRACS on a working interest basis

Development History - Ceiba and Okume Complex

HISTORY AND DEVELOPMENT OVERVIEW

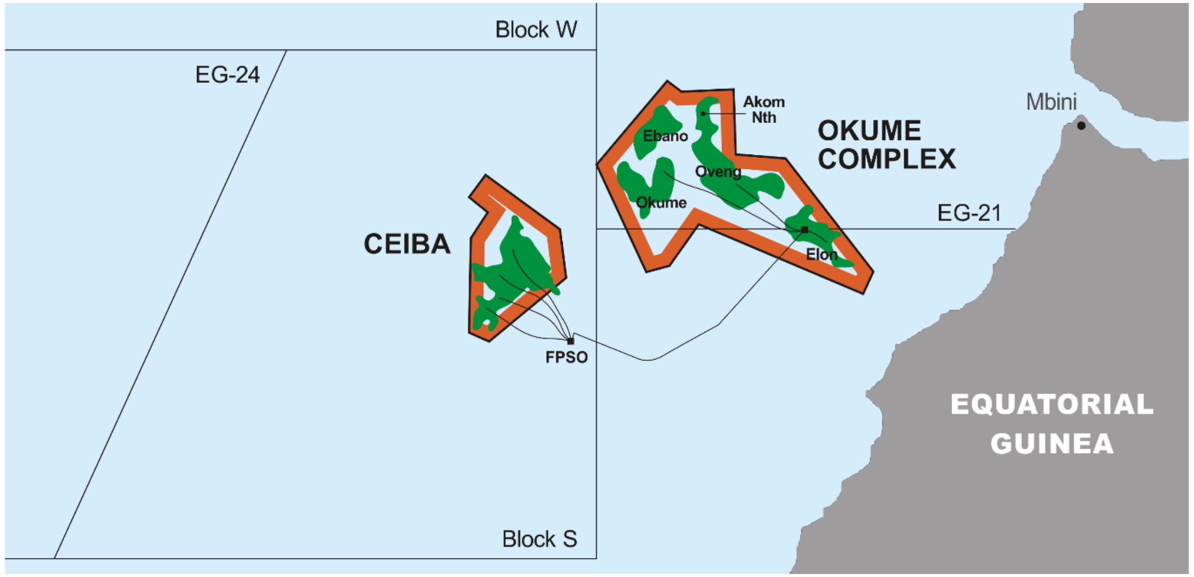
Ceiba

- Discovered in 1999 – first oil in 2000
- Developed with six subsea manifolds, each with water injection, tied-back to the Ceiba FPSO
- Active (total) well count: 16 (26) producers and 10 (15) injectors

Okume Complex

- Consists of five fields discovered in 2001/02 – first oil in 2006-11
- Developed utilising four fixed jackets located at the Elon field and two tension leg platforms (remaining fields)
- All fields tied back to a central processing facility at the Okume Charlie platform – export via 25km pipeline to Ceiba FPSO
- Active well count: 32 producers and 12 injectors, 81 wells in total

FIELD AND INFRASTRUCTURE LAYOUT

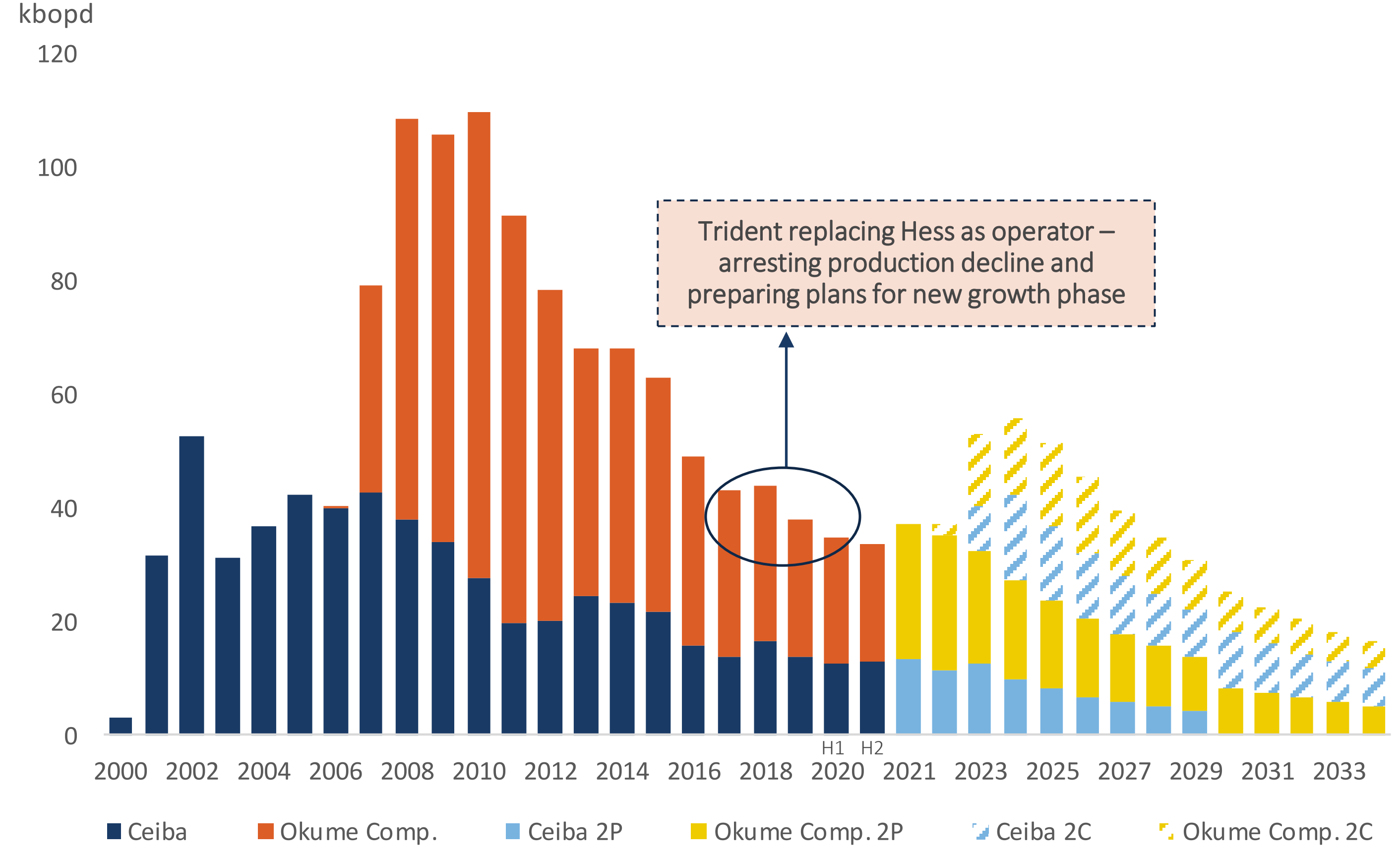


48 production wells	22 water injection wells
2 tension leg platforms	4 jacket platforms

Tied back to the Ceiba FPSO for processing and/or exports

Production History and Outlook - Ceiba and Okume Complex

HISTORIC AND FORECASTED PRODUCTION (GROSS)[1]



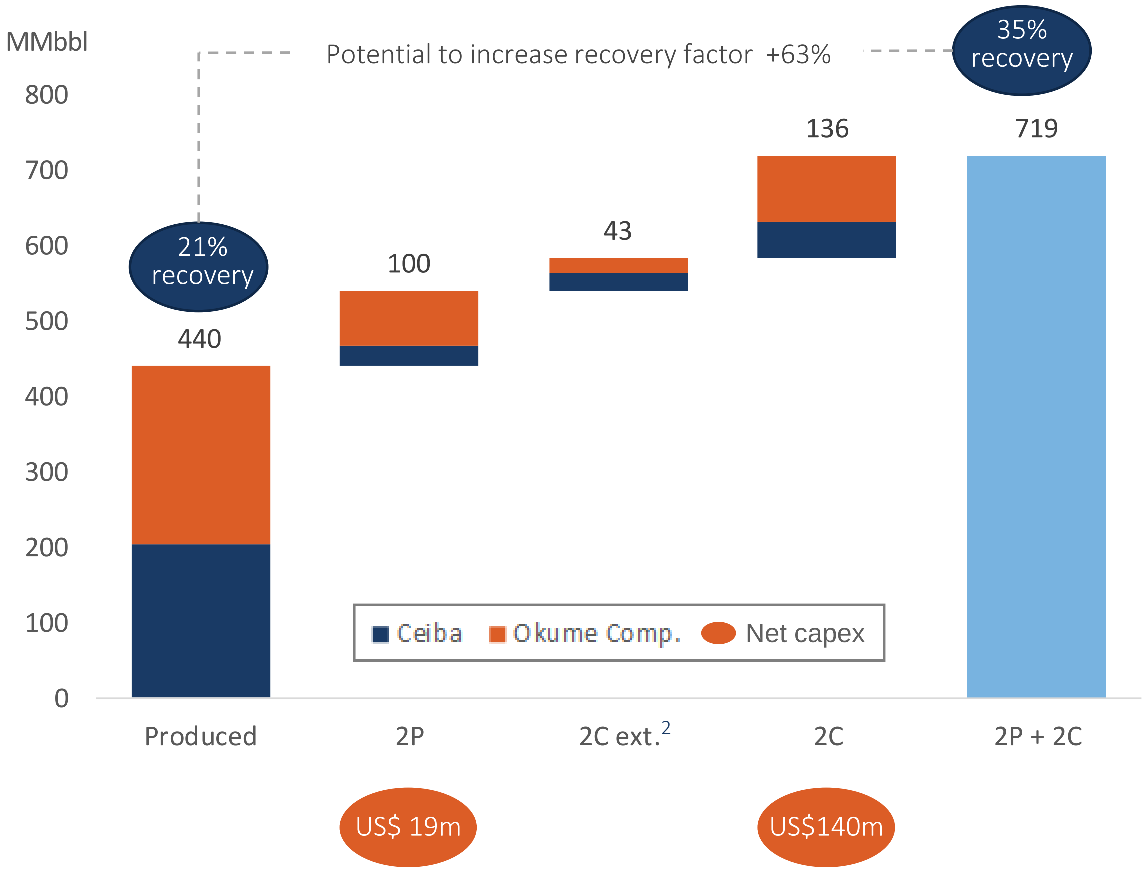
- Ceiba first oil late 2000 - production peaked at ~70 kbopd in Q2 2002
- Okume Complex commenced production late 2006 - peak production close to 90 kbopd in H2 2010
- Combined plateau production of +110 kbopd in 2008-10
- Substantial decline due to underinvestments prior to sale from Hess to Trident / Kosmos late 2017
- Production stabilized / increased with Trident as operator without drilling new wells – current production in excess of ~32 kbopd (~4.5 kbopd net)
- With resumption of drilling, production potential of ~55 kbopd (~8 kbopd net) in 2023-25

1. Ceiba licence expiry in 2029 and Okume Complex in 2034 – expected to be aligned to 2034 for operational purposes with further extensions possible. Production numbers are management estimates based on the CPR from TRACS and assumes Ceiba extension to 2034

Significant Resource Upside from Increased Recovery & PSC Extension

- 440 MMbbl produced by 30.06.2020
- Remaining 2P reserves of 100 MMbbl gross based on:
  - → ESP installations in a number of wells 2020-21
  - → Stimulation campaigns and further zone completions 2020-21
  - → Infill drilling at Elon and Oveng 2021-22
- Substantial additional potential:
  - → 2C resources of 43 MMbbl is attributed to extension of 2P profiles beyond licence end dates:
  - → Further 2C resources of 136 MMbbl from facility upgrades, well workovers, perforation of behind pipe zones, infill drilling and licence extension to 2050
- Very limited capex required to realise 2P case …
  - → US$ 125m (gross) driven mainly by drilling and facilities capex on Okume
- … while realizing 2C is estimated to require US$ ~1bn (gross), with vast majority of capex related to drilling on both Okume Complex and Ceiba

SIGNIFICANT UPSIDE POTENTIAL[1]



1. 2P reserves, 2C resources and capex are estimates from the CPR from TRACS
2. 2C attributed to extension of 2P profiles beyond license end dates

First Class Operating Partnership

TRIDENT ENERGY

Responsible for production operations and optimization

- **"Bringing new life to midlife assets"**
- Highly proactive operator specializing in midlife assets
- Supported by Warburg Pincus, the Trident team has background from Perenco operating 450 kbopd production, managing operations across 15 countries in four different continents
- Strong focus on growth from untapped potential and efficiencies
- Proven asset performance improvements

KOSMOS ENERGY

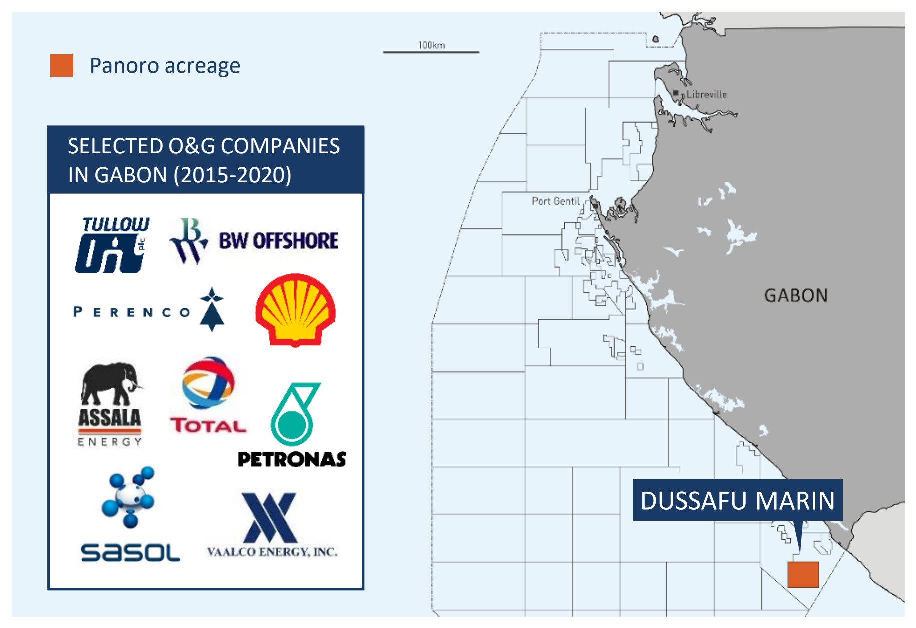
Responsible for exploration and subsurface evaluation

- **"Kosmos searches for every opportunity to increase production and grow cash flow"**
- Kosmos has a strong track record as proven oil finders
- The Kosmos team originally discovered and managed the Ceiba and Okume fields for Triton and have a deep, long term understanding of the subsurface performance and nearby exploration potential
- "Several subsalt and structural plays identified beneath and adjacent to Ceiba and Okume"

Existing Portfolio

Gabon

The Dussafu Marin Permit



- Panoro active in Gabon since 2007
- Located in prolific oil fairway
- PSC offers favourable climate for investment
- Partner with BW Energy and Gabon Oil
- Largest exploitation area in Gabon

FAST FACTS

Number of Discovered Fields

6

2P Gross Reserves[1]

111 MMbbl

The Dussafu Marine Permit

17.5%[2] ownership

1. 2P reserves as per 31/12/19 are based on the CPR by NSAI
2. 10% subject to governmental approvals and other condition precedents

Dussafu has an Outstanding Track Record

15 Consecutive Successful Well Penetrations (2011-20)

RUCHE DISCOVERY

2011

Sidetrack 1
Sidetrack 2

TORTUE DISCOVERY

2013

Sidetrack

3D SEISMIC

2014

DTM 2-H PRODUCTION WELL

2018

DTM 3-H

2018

DTM 3
Appraisal
Sidetrack

RUCHE NE DISCOVERY

2018

DRNEM-1
Sidetrack

HIBISCUS DISCOVERY

2019

Sidetrack

DTM 4-H, 5-H & 6H PRODUCTION WELLS

2019/20

7 MMbbl (2C, YE'10)

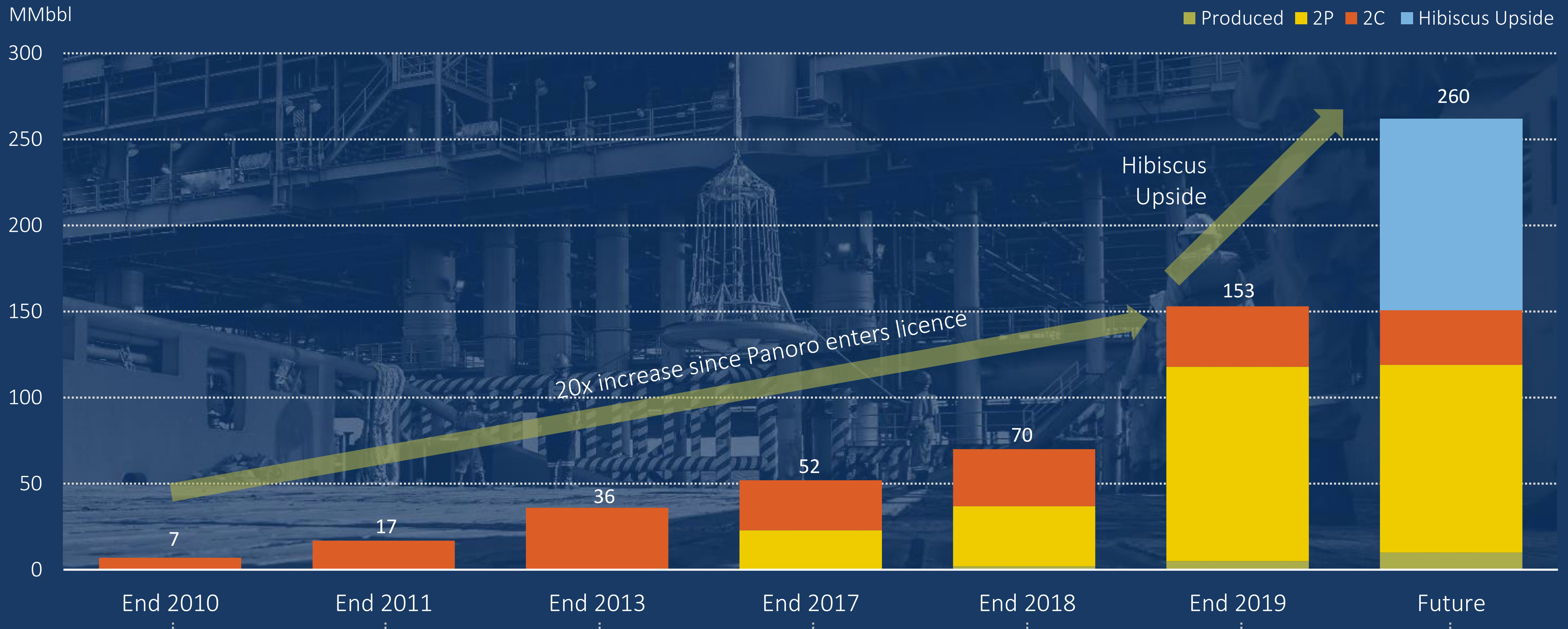
+20x increase in reserves and resources – significant further growth potential and running room

153 MMbbl (2P+2C[1], YE'19)

1. Includes 5.5 MMbbl production over the period. 2P+2C are from the ASR and based on the NSAI CPR

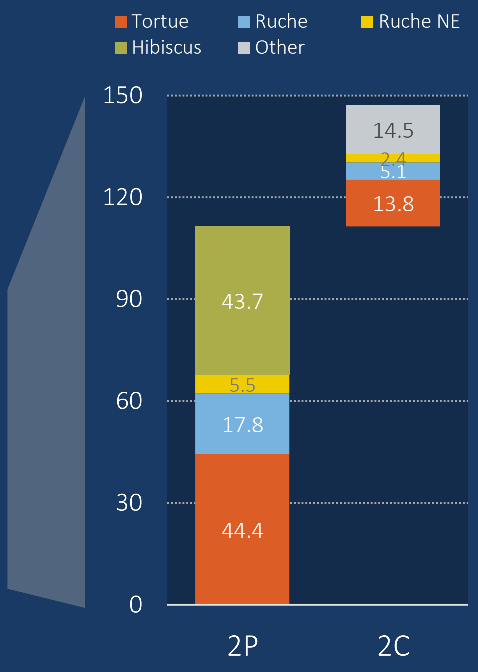
Dussafu Reserves and Resources[1]

Increased Growth Over Time



Moubenga and Walt Whitman → Ruche → Tortue → New seismic and Tortue FID → Ruche NE and Tortue Appraisal → Hibiscus → Seismic reprocessing

2P and 2C split per field



1. 2P+2C are from the ASR as at 1/1/20 and based on the CPR by NSAI, and Hibiscus Upside is an estimate from the Operator

Phased Development Approach…

… Targeting 111 MMbbl Reserves with Vast Upside Potential

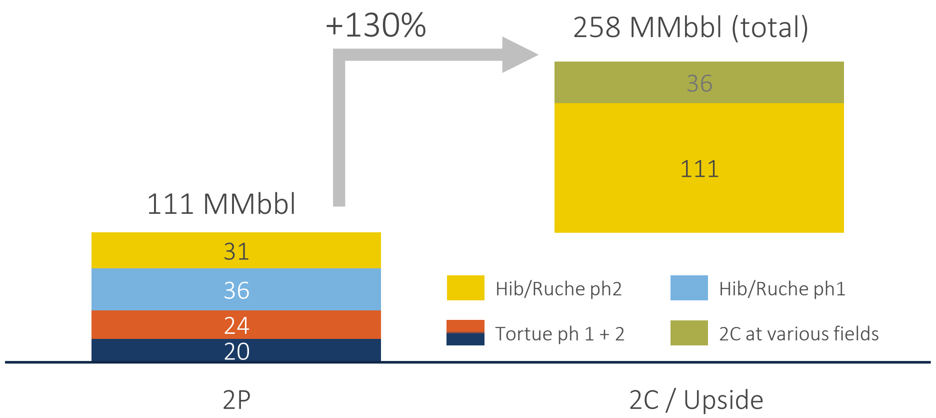
2018 – Tortue Phase 1
- Two wells on production (DTM-2H and 3H), tied back to the Adolo FPSO
- ~12,000 bopd gross total production

2019 – Tortue Phase 2
- Four production wells: DTM-4H and 5H on production, DTM-6H (already drilled) and DTM-7H to come online in Q3 2021
- 2020 gross production 14,140 bopd, 2021e 16,000 bopd

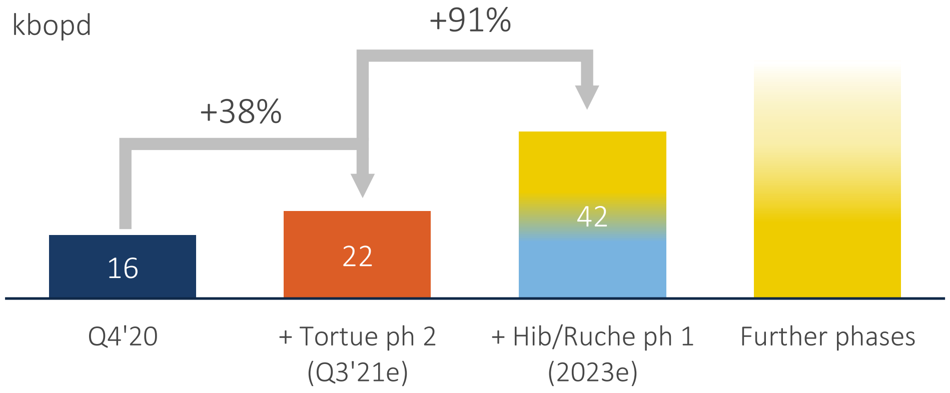
2022 – Hibiscus/ Ruche Phase 1
- Development of the Hibiscus and Ruche fields
- Cost savings being implemented, improving cash breakeven to US$ 25/bbl (IRR of 15% at US$ 30/bbl Brent)
- Development comprises converted jack-up rig[3] as platform, providing US$ 100 million phase 1+2 capex savings vs previous concept, tied back to the Adolo FPSO and 6 wells (2 in Ruche, 4 in Hibiscus)

2024 – Hibiscus/ Ruche Phase 2
- Total of 6 wells planned (2 in Ruche, 2 in Hibiscus, 2 in Ruche NE)
- Evaluating significant upside as reprocessed seismic suggests Hibiscus may hold 155 MMbbl recoverable
- FPSO name plate capacity can be expanded significantly

GROSS RESERVES AND RESOURCES[1]



GROSS PRODUCTION POTENTIAL[2]

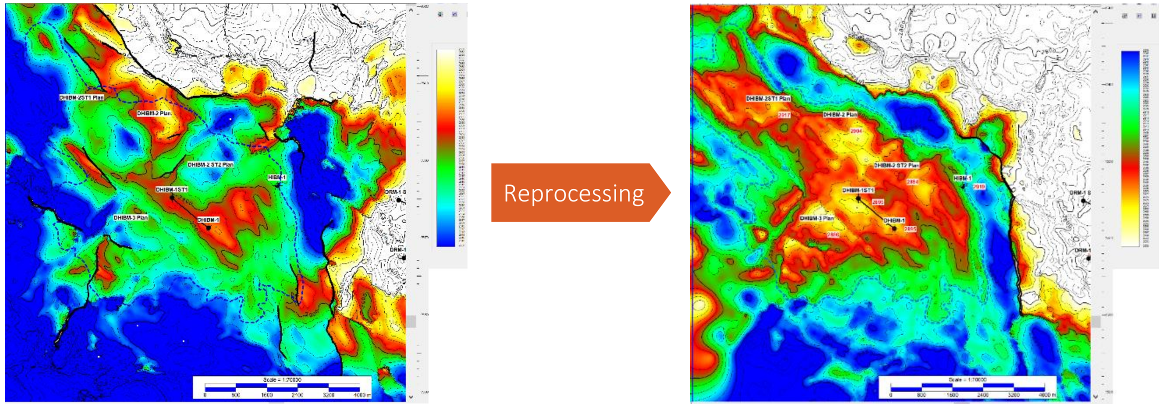


1. 2P+2C are from the ASR and based on the CPR by NSAI as at 1/1/20, and Hibiscus Upside is an estimate from the Operator
2. Production numbers are management estimates of 2P reserve production based on the CPR by NSAI. Numbers represent peak production rate during the year or quarter and not average
3. Operator BW Energy recently acquired two 2003-built jack-up rigs from Borr Drilling

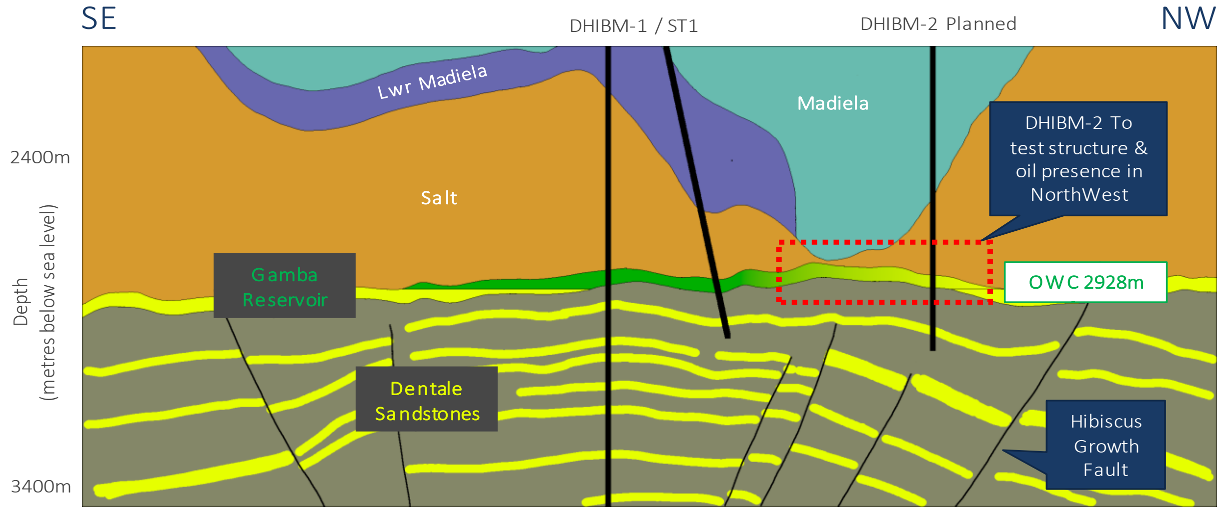
Hibiscus is Growing and May Double Total Dussafu 2P Reserves

- The Hibiscus discovery from August 2019 has significantly increased the reserve and resource base for the Dussafu area
- At present Hibiscus has 43.7 MMbbl certified 2P reserves by NSAI, 4x larger than pre-drill estimate
- Further, recent seismic reprocessing suggests an increase in the Greater Hibiscus oil-in-place volumes by potentially ~3x, which could give 155 MMbbl recoverable reserves…
- … in which case Dussafu 2P reserves would double to 222 MMbbl
- Planned appraisal well in Q2 2021 to confirm new interpretation
- Importantly Hibiscus has also de-risked and provided intelligence for several follow-up prospects with large potential as illustrated on the next page

HIBISCUS STRUCTURE MAPS OLD AND NEW

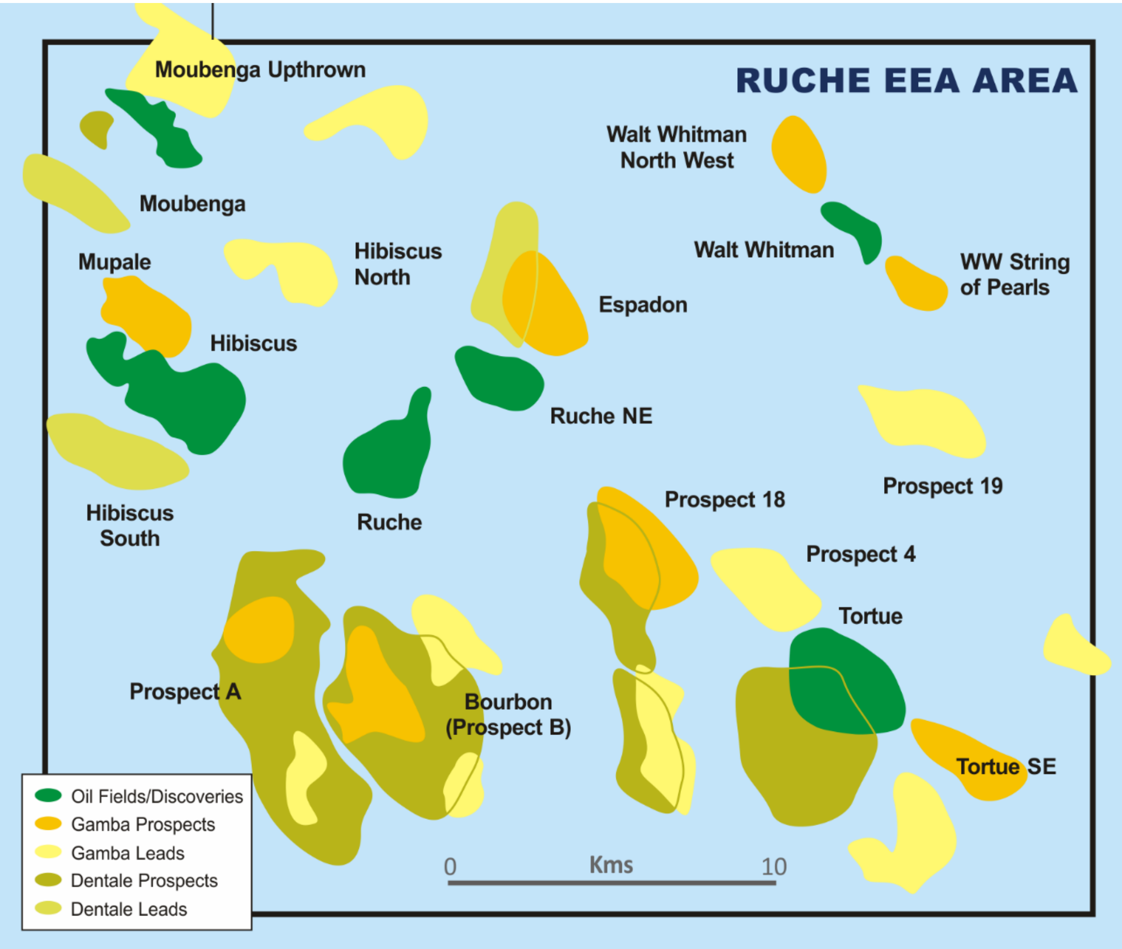


HIBISCUS PROPOSED WELL – 2021



Further Upside Potential through Large, De-risked Prospect Inventory

LARGE INVENTORY OF EXPLORATION PROSPECTS AND LEADS

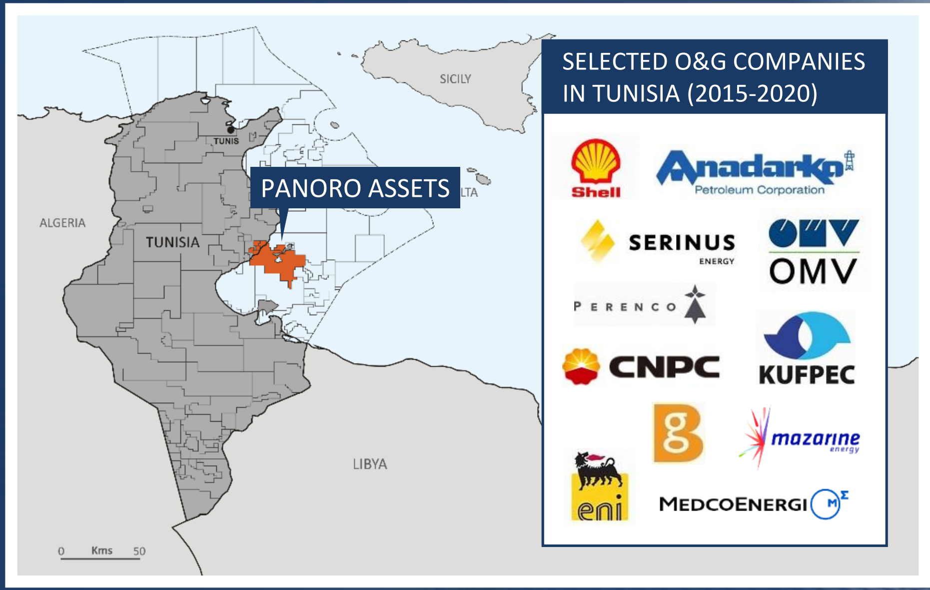


- Ambition to drill 2 explorations wells each year for 5 years
- +13 prospects and leads identified based on seismic and readthrough from existing six discoveries
- +280 MMboe combined unrisked gross prospective resources[1]
- 36-90% chance of success (geological) of prospects[2]
- 100% historic drilling success rate with four discoveries in Gamba/Dentale play over 2011-20
- Evaluation of reprocessed seismic underway – will be used to further validate existing portfolio and identify new prospects
- At least one exploration well will be drilled in 2021

1. Operator estimate
2. Based on the CPR by NSAI

Tunisia

Sfax Offshore Exploration Permit and Ras El Besh Concession. TPS Assets



- Panoro acquired two sets of assets in 2018
    1. TPS producing fields around Sfax
    2. The Sfax Offshore Exploration Permit (SOEP)
- TPS is one of the main onshore oil producers in Tunisia
- Further development and growth potential exist at TPS
- Synergistic exploration opportunities in SOEP

FAST FACTS

Number of Licences

6

TPS 2P Gross Reserves[1]

17

MMbbl

TPS Asset Concessions	SFAX Exploration Permit
29.4%	52.5%

ownership

1. 2P from the ASR as at 1/1/20 and based on the CPR by GCA

Tunisia Assets Overview

Steady Low-Cost Oil Production Portfolio with Upside Reserve & Production Potential

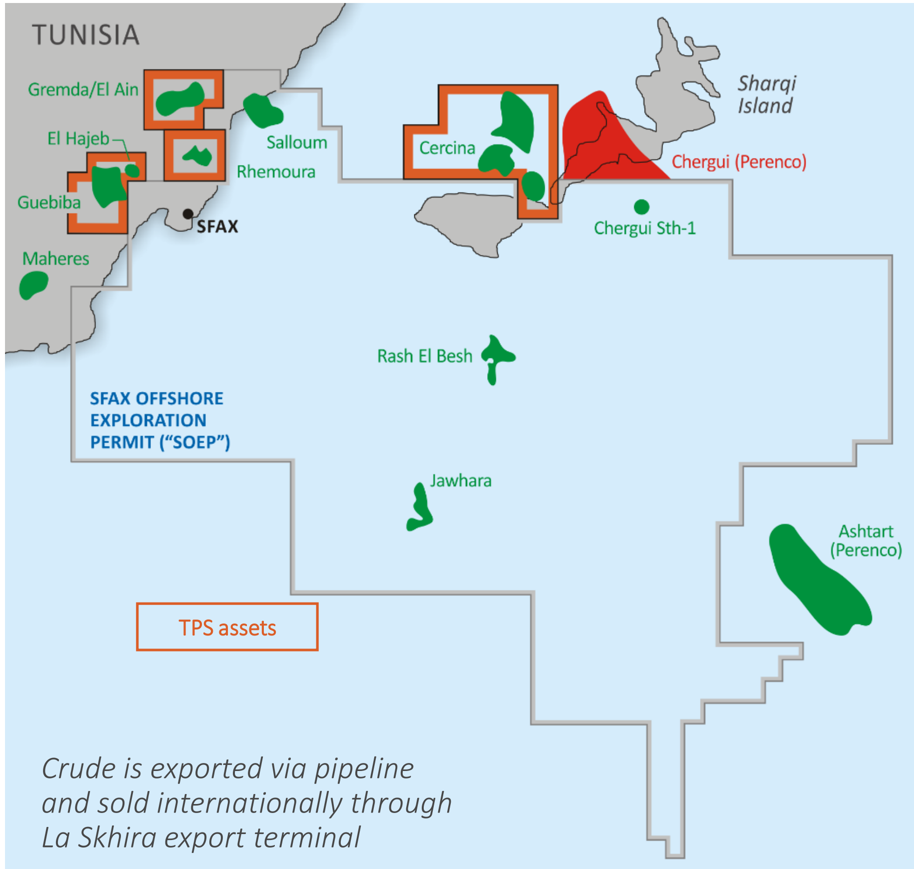
TPS assets (29% WI)[1]

- Five low-cost and cash-generative producing assets
- Located onshore and in shallow water offshore
- US$ 15/bbl opex in 2020
- Production growth and exploration potential

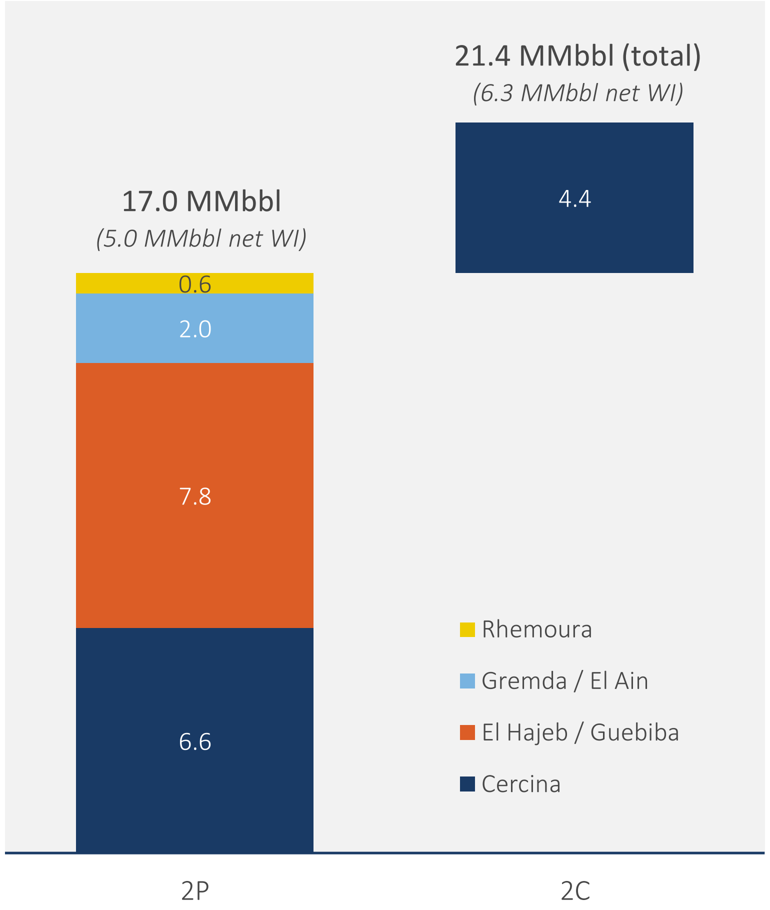
SOEP (52.5% WI)

- Three offshore blocks with existing discoveries and large exploration upside
- Adjacent to existing infrastructure at the TPS assets
- Salloum West 1 well planned for 2021 targeting 2-5 MMbbl with 40% chance of success

OVERVIEW MAP



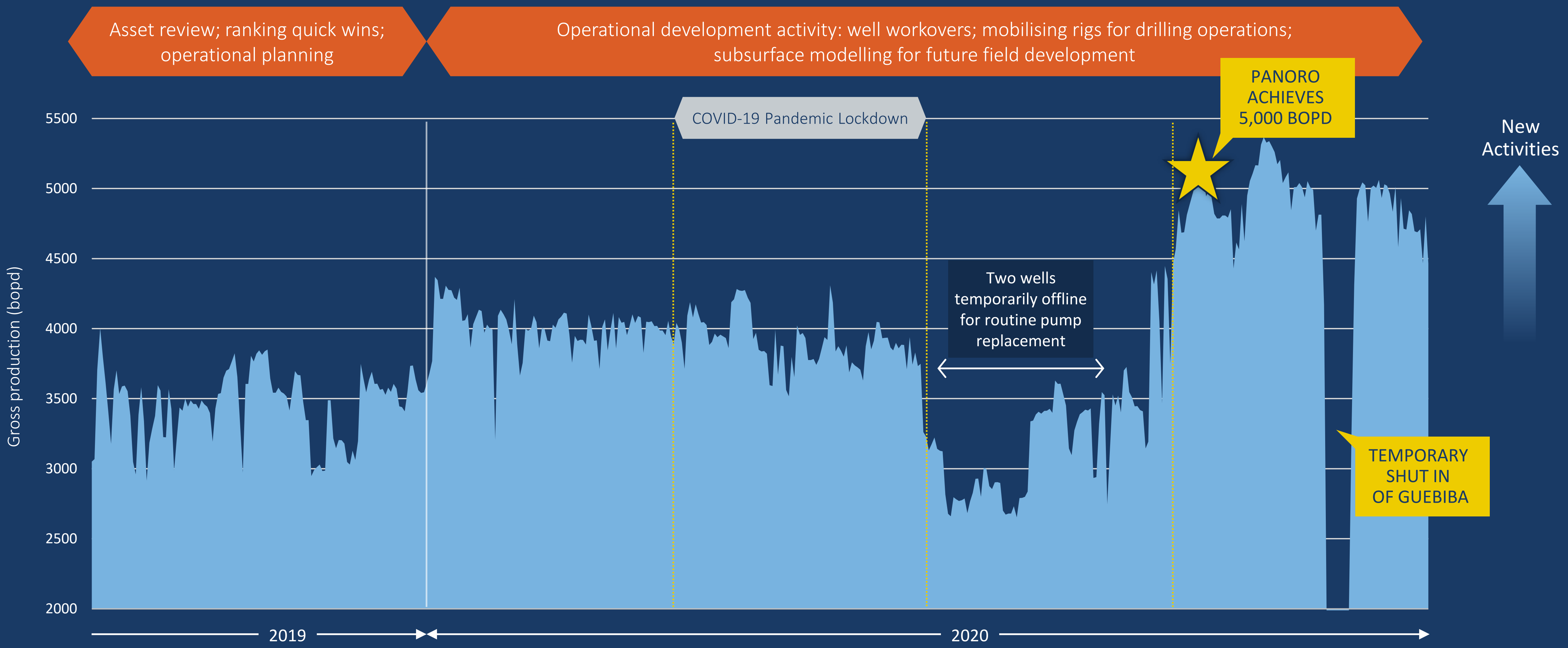
GROSS RESERVES AND RESOURCES[2]



1. Panoro holds indirect 29% WI through a JV with Beender Petroleum
2. CPR by GCA, WI share

TPS Production: 5,000 bopd Achieved

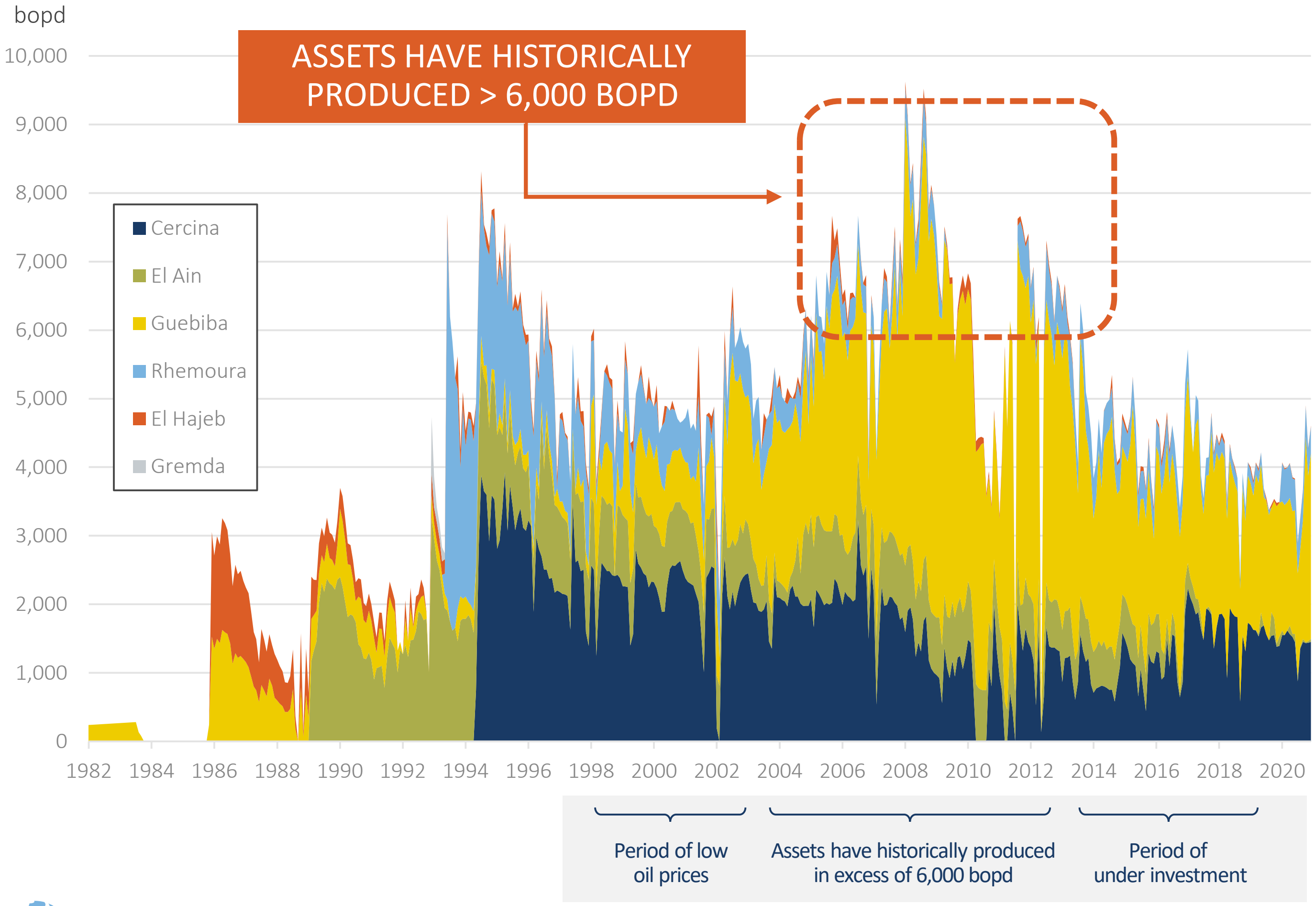
Key Events Driving TPS Production Over the Past Year



Targeting Material Production Growth at TPS

Opportunity to Bring Assets Back to Historical Production Levels (+6,000 BOPD)

GROSS OIL PRODUCTION TPS FIELDS



2021 ONWARD ACTIVITIES

Enhancing production levels

- Significant 2020 drilling and workover programme completed
  - → Has provided a much improved understanding of development potential of the Douleb reservoir
  - → As a result further development activity envisaged in 2021
- Remaining approved workovers through Q1 2021
- Further stimulation and optimisation initiatives identified

Growing the Reserve and Resource Base

- Remapping and modelling work in progress to define next phase of development
  - → Guebiba Douleb reservoir optimisation
  - → Cercina field further development and life extension
  - → Rhemoura field further development
- Salloum West exploration well planned for 2021, tied back to TPS in success case

Maintaining existing production:

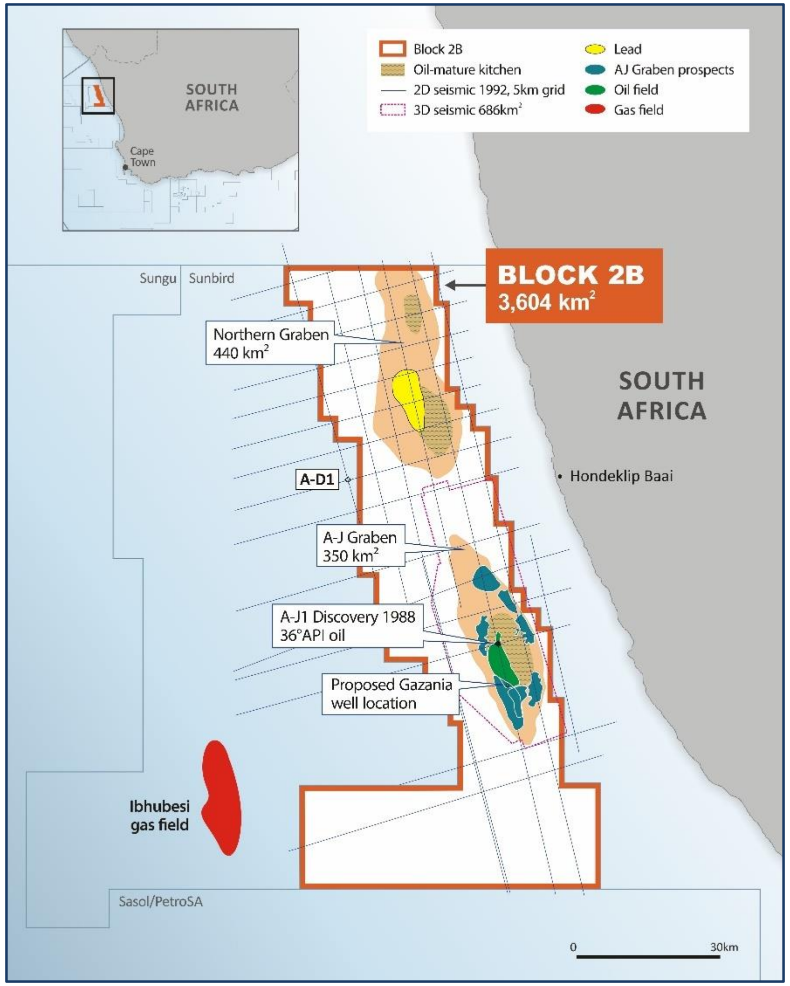
- Well workovers for ESP / integrity management
- Optimisation of ESP pump performance
- Continued cost focus
  - → Opex (incl. TPS G&A) of US$ 14/boe at 5,000 bopd

South Africa Block 2B

Proven Oil Basin

- Exciting rift basin oil play, with an existing 37 MMbbl oil discovery from 1988 which flowed high-quality oil to surface (36° API)
- Near-term, low-risk exploration well planned updip from discovery, targeting 349 MMbbl gross prospective oil resources
- Shallow water and attractive fiscal terms ensure excellent economics in case of discovery
- Analogous to Lokichar Basin (Kenya) and Albertine Graben (Uganda)
- Panoro to carry Africa Energy up to US$ 2.5 million of its drilling costs[1]
- Closing subject to Minister consent and Azinam farm in completion

ASSET SUMMARY	
Partnership (following approval)	Panoro (12.5%[1]), Africa Energy (27.5%), Azinam (50%, op.[2]), Crown (10%)
Basin	Orange Basin
First well / Planned spud date	Gazania-1 / Q2'21 (depending on regulatory approvals and rig availability)
Water depth	150 metres
First well prospect size	349 MMbbl[3]
Well cost estimate (gross)	~US$ 21 million
Play type	Rift basin
Work program to date	686 km² of 3D seismic (3D survey by Western Geco 2013)



1. Panoro has agreed to acquire 12.5% WI from Africa Energy. Transaction is subject to consent of the Minister of Minerals and Energy of South Africa and the Azinam farm-out becoming effective (see footnote 2 for more details)
2. Azinam has agreed to acquire 50% WI and operatorship from Africa Energy. Transaction is subject to consent of the Minister of Minerals and Energy of South Africa
3. Best Estimate Prospective Resources by Africa Energy - 200 MMbbl have been subject to resource assessment by qualified third-party resource auditor

Sale of Nigerian Business to PetroNor

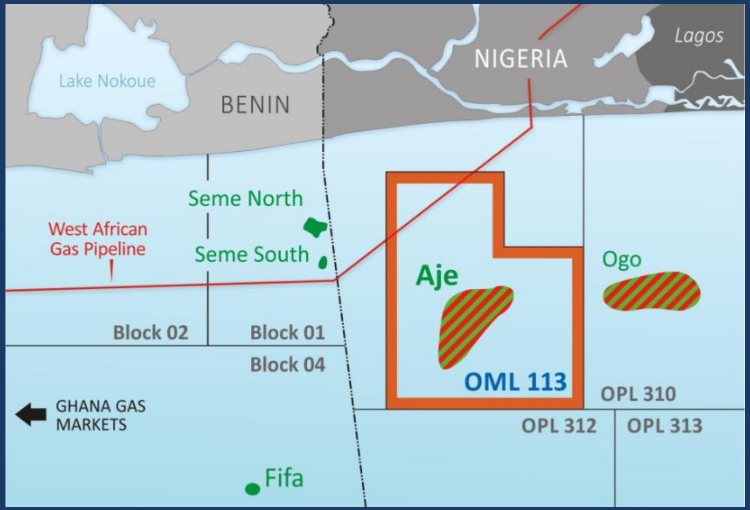
In Kind Consideration of PetroNor Shares to be Distributed to Shareholders

- PetroNor E&P Limited ("PetroNor"), an E&P company listed on the Oslo Axess, will purchase all outstanding shares in Panoro's fully owned subsidiaries holding OML 113
- Upfront consideration of new PetroNor shares with a value of US$ 10 million
- A contingent consideration of up to US$ 16.67 million cash based on future gas production volumes
- Panoro's intention is to propose a distribution to its shareholders of the US$ 10 million PetroNor share consideration
- This special dividend enables Panoro shareholders to retain a direct exposure in OML 113
- Completion of the transaction is conditional government approvals in Nigeria which are expected in H1 2021[1]

Aje/OML 113

Operator:	Yinka Folawiyo Petroleum
Revenue Interest:	Initially 12.19%
Paying Interest:	16.255%
Working Interest:	6.502%
Other Partners:	NewAge, EER, ADM

FIELD OVERVIEW



1. The transaction has an amended 30 June 2021 long stop date

Outlook and Summary

Significant Newsflow Ahead

	Activity	Comments	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4
Gabon	PRODUCTION WELLS	Final well Tortue Phase 2 6 new wells Hibiscus/Ruche Phase 1 2022								
	EXPLORATION WELLS	Planned well 2021 in Hibiscus; 2x contingent wells per year for 5 years								
Equatorial Guinea	PRODUCTION WELLS	Infill Production Wells								
Tunisia	PRODUCTION	Workover Activity to Increase Production								
	EXPLORATION WELL	Salloum West (pending approvals)								
Other	PETRONOR DIVIDEND	Subject to Closing Conditions								
	EXPLORATION WELL	South Africa, subject to Closing Conditions								

Additional activity to be defined

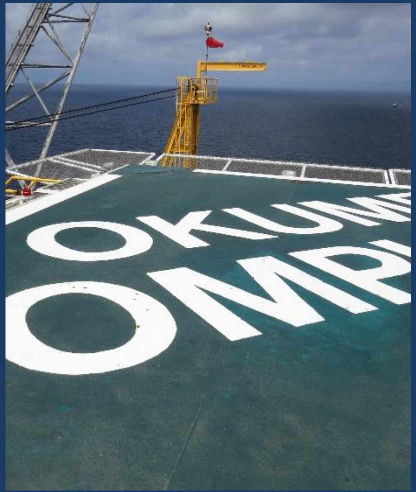
Dividend Planned Contingent/Possible

Summary of Acquisitions[2]

→ Effective date July 1, 2020

	Ceiba / Okume (14.25%)	Dussafu (10%)[4]
Consideration[1]	US$ 94 million	US$ 46 million
Contingent consideration	US$ 16 million[5]	US$ 24 million[6]
H2 2020 production	~4,600 bopd	~1,450 bopd
Opex (2020)	< US$ 15/bbl	US$ 16-18/bbl
2P reserves (WI)	14.2 MMbbl	10.9 MMbbl
2C resources (WI)	25.6 MMbbl	3.5 MMbbl
Prospective resources (WI)[3]	4.5 MMbbl	28 MMbbl
Purchase price US$/bbl (2P working int.)	US$ 6.6	US$ 4.2

1. Consideration for Ceiba / Okume acquisition includes US$ 5 million of deferred consideration payable upon closing of Dussafu Acquisition
2. 2P reserves, 2C resources, prospective resources, opex, are estimates per the CPR by NSAI and TRACS for Dussafu and Ceiba/Okume . Dussafu reserves are adjusted for H1 2020 production
3. Prospective resources (WI) for Ceiba/Okume according to Tullow
4. Panoro retains a small residual payment obligation in respect of historical costs (~US$ 5 million paid to JV partners (including Panoro) spread out over time)
5. Payable only in years where the average annual net production of the acquired interests is in excess of 5,500 bopd. Once this initial net production threshold has been reached, in that year and for the four consecutive subsequent annual periods, annual contingent consideration of US$ 5.5 million will be payable to Tullow provided that the production threshold is met in such annual period and the average daily Dated Brent oil prices in respect of the annual period is in excess of US$ 60/bbl, subject to the aforementioned cap of US$ 16 million
6. Payable once commercial production commences on Hibiscus/Ruche and achieves daily production equal to or greater than 33,000 bopd gross over any 60 day continuous period. Once this milestone has been met, annual contingent consideration will apply to that year and to each of the subsequent four years where the average daily Dated Brent oil price is in excess of US$ 55/bbl, subject to the US$ 24 million cap. Where the oil price threshold has been met, the Dussafu contingent consideration payable for that year will be based on 15% of net free cashflow after all taxes, operating and capital costs from the acquired 10% WI. The contingent payment for any year will be capped at US$ 5 million

Investment Highlights

High Quality Oil Production and Development Portfolio[1]

Material Asset Base with Strong Growth …

- 39 MMbbl 2P and ~9,500 bopd 2021e production
- Diversified across 12 fields in three core hubs
- Significant further upside potential – 33 MMbbl 2C resources and attractive exploration & appraisal opportunities

… Low Costs, and Excellent Operators

- US$ 15/bbl opex (2021-23e)
- Excellent fiscal terms
- Highly capable and dedicated operators with strong track record

Strong Financial Position and Cash Flow Outlook[2]

Fully Financed …

- For all foreseeable capex …
- … providing production growth to ~12,000 bopd by 2023e …
- … with additional flexibility through an up to US$ 20 million working capital facility to manage working capital
- and US$ 50 million accordion option

… and Positioned for Dividends from 2023

- Backed by strong and steady free cash flow generation from diversified asset base

Excellent Track Record

Both Organically …

- Dussafu: Since 2011, 20x increase in reserves and resources and 15 successful consecutive well penetrations, with multiple identified opportunities remaining
- TPS: Revitalized fields and brought production back towards 5,000 bopd gross

… and Inorganically

- High levels of corporate activity
- Fifth and sixth M&A transaction since 2016 now underway

1. 2P reserves and 2C resources are working interest share from Panoro's Annual Statement of Reserves and the CPR from TRACS. Production and opex are management estimates
2. Management estimates

Supplementary Material

Transaction Overview
Panoro Energy Overview
Equatorial Guinea
Existing Portfolio
Outlook & Summary
Supplementary Material

Reserves & Contingent Resources: Ceiba and Okume

TRACS Independent Audit as of 1/7/20

Reserves Classification (Oil)	Gross (MMbbl)			Tullow WI (MMbbl)		
	1P	2P	3P	1P	2P	3P
Development Pending (DP)	35.6	64.5	98.2	5.1	9.2	14.0
Approved for Development (AD)	6.8	14.5	23.4	1.0	2.1	3.3
Justified for Development (JD)	6.3	20.7	36.2	0.9	3.0	5.2
Total All Reserves Categories	**48.7**	**99.8**	**157.8**	**6.9**	**14.2**	**22.5**

CR Classification (Oil)	Gross (MMbbl)			Tullow WI (MMbbl)		
	1C	2C	3C	1C	2C	3C
Development Pending	4.7	15.4	28.4	0.6	2.2	4.1
Development Unclarified	16.0	40.3	67.7	2.3	5.8	9.6
Development not viable	37.8	123.4	286.9	5.4	17.6	40.9
Total All CR Categories	**58.6**	**179.1**	**382.9**	**8.4**	**25.6**	**54.6**

Glossary and Definitions

API	American Petroleum Institute gravity, a measure of how heavy or light a petroleum liquid is compared to water
ASR	Annual Statement of Reserves
bbl	One barrel of oil, equal to 42 US gallons or 159 liters
boe	Barrel of oil equivalent
boepd	Barrels of oil equivalents per day
bopd	Barrels of oil per day
Company, Panoro or Panoro Energy	Panoro Energy ASA and its consolidated subsidiaries
CPR	Competent Person's Report
E&P	Exploration and production
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortisation
EGM	Extraordinary general meeting
FID	Final investment decision
FPSO	Floating Production Storage and Offloading vessel, a marine vessel used to extract oil
GCA	Gaffney Cline & Associates
IRR	Internal rate of return
JV	Joint venture
kbopd	Thousands of barrels of oil per day
km	kilometre
MMbbl	Million barrels of oil
NOK	Norwegian Kroner, the lawful currency of the Kingdom of Norway
NSAI	Netherland Sewell & Associates Inc
op	Operator
sh	share
SPA	Sale and purchase agreement
TPS	Thyna Petroleum Services
US$	United States Dollar, the lawful currency of the United States of America
WI	Working interest

Risk Factors (1:10)

*An investment in Panoro Energy ASA ("**Panoro Energy**", "**Panoro**" or the "**Company**", and together with its consolidated subsidiaries, the "**Group**") and the Company's shares (the "**Shares**") involves inherent risk. Investors should carefully consider the risk factors and all information contained in this investor presentation (the "**Presentation**"). The risks and uncertainties described below are the material known risks and uncertainties faced by the Group as of the date hereof that the Company believes are the material risks relevant to an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment.*

The risk factors included herein are presented in a limited number of categories, where each risk factor is sought placed in the most appropriate category based on the nature of the risk it represents. Within each category the risk factors deemed most material for the Group, taking into account their potential negative affect for the Company and its subsidiaries and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties in that risk factor are not genuine and potential threats, and they should therefore be considered prior to making an investment decision. If any of the following risks were to materialize, either individually, cumulatively or together with other circumstances, it could have a material adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Shares, resulting in loss of all or part of an investment in the Offer Shares.

RISKS RELATING TO THE TRANSACTIONS

Risks associated with delays or unsuccessful completion of the Acquisitions

The acquisition of 100% of the shares in Tullow Equatorial Guinea Limited and the acquisition of 10% working interest in Dussafu Marin Permit, Offshore Gabon (collectively, the "**Acquisitions**") are subject to certain closing conditions, which inter alia include local regulatory notifications in Gabon and local regulatory approvals requiring transfer fees and potentially other conditions for the transfer in Equatorial Guinea. Further, closing conditions include approval of the Private Placement by the Company's shareholders and approval of sale of TEGL by the shareholders of Tullow Oil plc ("**Tullow**"). The Acquisitions will be funded through proceeds from Private Placement and debt financing. Hence, there are no assurances that the Acquisitions will complete. Further, as completion of each acquisition is not conditional on completion of the other, one of the Acquisitions may complete, whereas the other may not. If either of the Acquisitions do not close due to breach by either the purchaser or the Company of their obligations with respect to satisfaction of the conditions precedent or their completion obligations under the relevant agreement, a break fee of US$ 2 million under each agreement will apply and will be payable by either the purchaser or the Company to the respective seller under such agreement. Also, should Panoro post completion of the Acquisitions make claims e.g. for breach of warranties or in respect of indemnities given to the Purchaser, the Acquisition agreements only provide for a Tullow parent company guarantee and do not provide for any bank guarantees or other security to cover such claims. Consequently, if the selling entities or Tullow do not have sufficient funds to settle any valid claims, the Group may have to incur a loss which is not recoverable.

The sale and purchase agreements related to the Acquisitions were entered into immediately prior to the launch of the contemplated private placement (the "**Private Placement**") of new shares in the Company (the "**Offer Shares**"), but completion is subject to conditions noted above. Consequently, the Private Placement is not conditional upon completion of either of the Acquisitions, and subscribers for Offer Shares thus risk that the investment in the Company is made without the Group becoming the owner of the assets comprised by the Acquisitions. Should the Acquisitions, or one of them, not complete, the market reputation of the Company may be adversely impacted, which in turn could lead to a lower share price in the long term. Subscribers for Offer Shares will, absent fraud, not be able to bring claims against the Company on the basis that the Acquisitions do not, or one of the Acquisitions does not, complete. Further, subscribers for Offer Shares should note that after registration of the Offer Shares with the Norwegian Register of Business Enterprises, the Private Placement will not be reversed, and should the Acquisitions thereafter not be completed, the Company may deploy the net proceeds from the Private Placement towards other acquisition targets or for general corporate purposes.

Further, if completion is delayed or the Acquisitions do not complete, there can be no assurance that the Group would be able to acquire interests at a later stage, which could have negative effect on the Group's ability develop its business and achieve future growth. In addition, the Group's continued operations will be less diversified as the Group's production is currently concentrated in a limited number of hydrocarbon fields. As a result, the Group's production will continue to be concentrated on its operations in Tunisia and Gabon, which could have a negative effect on the Group's business, results of operations, financial conditions and/or prospects.

The sale of Aje in Nigeria and the purchase of Block 2B in South Africa may not complete

The Company has entered into a sale and purchase agreement with PetroNor E&P Limited ("**PetroNor**") to divest all outstanding shares in its fully owned subsidiaries Pan-Petroleum Services Holding BV and Pan-Petroleum Nigeria Holding BV (together referred to as "**Divested Subsidiaries**") for an upfront consideration consisting of the allotment and issue of new shares in PetroNor with a fixed value of US$ 10 million (the "**Share Consideration**") plus a contingent consideration of up to US$ 16.7 million based on future gas production volumes. PetroNor has an option to pay a portion of the Share Consideration in cash. The sale transaction is conditional upon execution and completion of the agreements between PetroNor and Yinka Folawiyo Petroleum Company LTD ("**YFP**"), the authorisation of the Nigerian Department of Petroleum Resources and the consent of the Nigerian Minister of Petroleum Resources. Panoro's intention is to declare a special dividend and distribute the Share Consideration, to the extent received in shares, to its shareholders. Completion of the transaction to sell the Divested Subsidiaries is still pending and, although the Company expects the sale to be completed, no assurances can be given that this will in fact happen.

In addition, the Company announced in February 2020 an agreement with Africa Energy Corp to farm in to a 12.5% interest in Block 2B in South Africa. Completion of this transaction is subject to consent of Minister of Minerals and Energy of South Africa and a separate farm-out agreement becoming effective. The Company still believes that this transaction will complete, but no assurances can be given that completion of this transaction will occur.

In general, the conditionality of the Acquisitions, the sale of Aje and the farm-in in South Africa and the fact that investors in the Private Placement will invest in the Company prior to such conditions being met, means that investors risk subscribing for shares in the Company and thereafter experiencing that the Acquisitions and the sale of Aje and farm-in in South Africa do not complete, leaving the Group with no assets in Equatorial Guinea, less exposure to Gabon, continued exposure to Nigeria and no assets in South Africa. Should some or not any of these transactions not close, the Company may suffer reputational risk, and will likely result in the Company being deemed a less attractive investment which in turn **may impact the value of the Company's shares in an adverse manner.**

Risk Factors (2:10)

Risk relating to unsuccessful completion of debt facility

The Company intends to fund the Acquisitions with proceeds from the Private Placement and with a debt facility from a company within the Trafigura Group ("**Trafigura**") following completion of the Private Placement (the "**Trafigura Loan**", and together with the Acquisitions, the "**Transactions**"). Key terms of the loan arrangements *inter alia* include making all necessary notifications and, if required, obtaining all necessary approvals from the Bank Of Central African States with respect to the terms of the financing of the Acquisitions. The Trafigura Loan may not be closed by the time of the Private Placement. As a result, even if the Private Placement is completed there can be no assurance that the Company receives the Trafigura Loan, in which case completion of the Acquisitions may not be possible. The Group's production is concentrated in a limited number of hydrocarbon fields and the Group is depending on development, exploration and/or new acquisitions in order to improve the Groups ability to secure future growth and to develop its business. Unsuccessful completion of the debt facility will have an adverse effect on the Group's ability to finance growth and development of its business, which could have a material adverse effect on the Group's business, results of operations, financial condition (including value of assets and reserves), cash flows, access to capital and/or prospects.

Acquisitions may have a negative impact

The Acquisitions will constitute a significant gross change and there is a risk that the Acquisitions may have a negative impact on the Group's financial position. The Group intends to take advantage of the opportunity to use the acquired directly or indirectly held assets following successful completion of the Acquisitions to secure future growth. However, the Group may not be able to successfully execute its strategy in a competitive business environment and may be unable to recoup investment costs or may incur opportunity losses. In addition, a major part of the Acquisitions are new assets held (Ceiba/Okume) in a new country in which the Group does currently not conduct any business, which may increase the risk relating to operating in different jurisdictions. There can be no assurance that the Acquisitions may result in long-term profitability for the Group. If the acquired assets do not perform as expected, there may be a material adverse effect on the Group's business, financial position, results of operations and/or future prospects.

RISKS RELATING TO THE COMPANY'S BUSINESS AND OPERATIONS

Risks relating to the outbreak of pandemics, including the ongoing coronavirus (COVID-19) pandemic

The Group's performance may be highly affected by the global economic conditions of the markets in which it operates, including the risk relating to the outbreaks of pandemics such as the ongoing coronavirus (COVID-19) pandemic. There is a risk that outbreaks of pandemics in the future and the extraordinary health measures imposed as a result, may cause volatile and low oil and gas prices and disruptions in Group's operations.

COVID-19 and the ongoing global pandemic creates uncertainty on all aspects of the operations and financial position of the Group, including the ability to maintain stable production, achievable prices for hydrocarbons produced and off-take in accordance with schedule, regular supply of necessary equipment, access to international capital markets and the ability to continuously run office and on-site operations. Despite oil prices partially recovering from lows in April 2020, they remained volatile throughout 2020 and made it challenging to predict the full extent and duration of resulting operational and economic impact for the Company and the Group, which makes key assumptions applied in the valuation of the Group's assets and measurement of its liabilities difficult. These key assumptions include commodity prices, changes to demand for and supply of oil and gas, and the discount rate to be applied. The Group is closely monitoring developments, regularly evaluating their impact on the Group's cash flow and liquidity position and responding with targeted measures to protect the Company's economic stability. Although the countries in which the Group operates and the Group's production were relatively unaffected by the COVID-19 pandemic throughout the year 2020, there can be no assurances that the Group's operations will continue without major interruptions arising from outbreaks of pandemics in the future. For example may any mandatory "stay home - stay safe" policy or travel restrictions result in reduced production and sales.

Should the COVID-19 pandemic continue or any new pandemic outbreak occur, global capital markets and the outlook for global trade and national and regional economies will be adversely affected and this will in turn have a negative effect on the Group's operations and financial position, and it is at the time of this Presentation not possible to predict with any certainty what the long term effects for the Group would be. If any pandemic impacts the global economic conditions or the Group's operations, it could have material adverse effect on the Group's business, results of operations, financial position, cash flows and/or prospects.

Risk relating to volatile oil and gas prices

The Group's revenues, cash flow, reserve estimates, profitability and rate of growth depend substantially on oil and gas prices. Volatile or sustained low oil and gas prices may lead to a material decrease in the Group's net production revenues and cause the Group to make substantial downward adjustments to its oil and gas reserves. If this occurs, or the Group's estimates of production or economic factors change, the Group may be required to write-down the carrying value of its proved oil and gas properties for impairments. In addition, the depreciation of oil and gas assets charged to its income statement is dependent on the estimate of its oil and gas reserves. Further, certain development projects which are or become of substantial importance to the Group could become unprofitable as a result of a decline in price and could result in the Group having to postpone or cancel a planned project, or if it is not possible to cancel the project, carry out the project with negative economic impact. Additionally, if oil and gas prices remain depressed over time, it could reduce the Group's ability to raise new debt or equity financing or to refinance any outstanding loans on terms satisfactory, or at all. Volatile or sustainable low oil and gas prices could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows, access to capital and/or prospects.

Risk Factors (3:10)

Reserves and contingent resources are by their nature uncertain in respect of the inferred volume range

The Group makes assumptions of its future production, exploration and development when estimating reserves and resources, which is therefore crucial for the Group's business and results of operations. These estimates are based on studies, assumptions and calculations involving varying degrees of uncertainty, which entail an inherent risk that the estimates in the future may be proven to be inaccurate or incorrect. This may, for example, be caused by new data or information gathered from exploration, drilling, ongoing interpretation, testing and production, which may result in substantial upward or downward revisions of the Group's reserves and resources. If uncertain factors that are incorporated into reserve measures and measures of resource materialise in unexpected ways, this may materially affect the Group's estimates of production, capital expenditures or revenues, which may require write-down on the value of its assets. Further, the depreciation of oil and gas assets charged to the Group's statement of comprehensive income is based on the estimate of the Group's oil and gas reserves. For example, in the financial statement for the year ended 2019, the Group reported an impairment reversal of US$ 8.1 million recognised during the year relating to the Group's interest in the Dussafu permit, offshore Gabon. The impairment reversal followed a positive revision in economic evaluations. These include an independent reserves upgrade, which attributed higher recoverable amounts on both 1P (as defined below) and 2P (as defined below) profiles and the sanction of Phase II of the development.

Sustained lower oil and gas prices may cause the Group to make substantial downward adjustments to its oil and gas reserves and resources, which may result in write-down of the carrying value of its oil and gas properties. In addition, the depreciation of oil and gas assets charged to its income statement is dependent on the estimate of its oil and gas reserves. The accuracy of reserve evaluation depends on the quality of available information, petroleum engineering and geological interpretation. Exploration drilling, interpretation, testing and production after the date of the estimates may require substantial upward or downward revisions in the Group’s reserves or resources data. Actual production, revenues and expenditures with respect to reserves and resources will vary from estimates, and the variances may be material. The probability that contingent resources will be economically developed or recoverable, may be considerably lower than for proven, probable and possible reserves.

If the assumptions upon which the estimates of the Group’s oil and gas reserves or resources are based prove to be incorrect, the Group may be unable to recover and/or produce the estimated levels or quality of oil or gas set out in this Presentation, which could have a material adverse effect on the Company’s business, prospects, financial condition and/or results of operations.

Developing a hydrocarbon production field requires significant investment

Development of the Group’s hydrocarbon fields in Gabon, Tunisia, South Africa (subject to approval for a block) and Equatorial Guinea (following successful completion of the Acquisitions) requires significant investments in order to build the requisite operating facilities, drilling of production wells along with implementation of advanced technologies for the extraction and exploitation of hydrocarbons. Making these investments and implementing these technologies under difficult conditions and in jurisdictions which partly are regarded as unstable and unsafe, can result in uncertainties about the amount of investment necessary, operating costs and additional expenses incurred as compared with the initial budget, thereby negatively affecting the cash flow, business, prospects, financial condition and/or results of operations of the Group.

Further, the amount of investment needed may be prohibitive, such that conversion of resources into reserves may not be commercially viable. If the Group’s revenues decrease or its available cash is not sufficient to fund its committed or planned investments, it could lead to a decline in its oil and natural gas production and reserves, or if it is not possible to cancel or stop a project, be legally obliged to carry out the project contrary to its desire or with negative economic impact. Further, the Group may fail to make required cash calls and thus breach license obligations, which again could lead to adverse consequences. All of the above may have a material adverse effect on the Group business, results of operations, financial position and/or prospects.

Risks related to decommissioning activities and related costs

Several of the Group’s license interests concern fields which have been in operation for years with equipment that may have to be decommissioned. The Group expects to develop and invest in existing and new fields, which increases the Group’s future decommissioning liabilities. There are significant uncertainties relating to the estimated liabilities, costs and time for decommissioning of the Group’s current and future licenses. Such liabilities are derived from legislative and regulatory requirements and require the Group to make provisions for such liabilities.

Decommissioning requires complex engineering, procurement and execution of work, including the plugging of production wells, giving rise to the risk of inadequate engineering, procurement or execution. This may result in delays, cost overruns, damage to facilities and properties, environmental damage, injury to person and loss of life.

It is, therefore, difficult to forecast accurately the costs that the Group will incur in satisfying decommissioning liabilities. No assurance can be given that the anticipated cost, timing of removal and timing of provisions are correct and any deviation from current estimates or significant increase in decommissioning costs relating to the Group’s previous, current or future licenses, may have a material adverse effect on the Group business, results of operations, financial condition, cash flow and/or prospects. Dependency on finding/acquiring, developing and producing oil and gas reserves that are economically recoverable

The Group depends on its ability to find, develop or acquire reserves that are economically recoverable and there can be no certainty that commercial quantities of oil and gas will be discovered or acquired by the Group. The Group’s projects may involve unprofitable efforts, either from dry wells or from wells with insufficient net profit. Moreover, geological formations and proximity with neighbouring fields may result in a regulatory requirement to unitize the license area with a neighbouring field, which may result in complex processes and thereby cause delays and uncertainties in respect of the Group's ultimate interest in the unitized field.

There can be no assurance that the Group's projects will sustain or become economically recoverable or profitable. The cost of operations and production may be materially adversely affected by unusual or unexpected geological formation pressures, oceanographic conditions, hazardous weather conditions, delays in obtaining governmental approvals or consents, shut-ins of connected wells, difficulties arising from environmental or other challenges or factors. Any inability to recover costs and generate profits from operations, could have a material adverse effect on the Group’s business, results of operations, cash flow, financial condition and/or prospects.

The Group’s operations in mature fields are exposed to risk of declining production rates. Thus, the Group’s future oil and natural gas reserves and production and, therefore, its cash flow and results of operations are highly dependent upon the Group’s success in efficiently developing and exploiting its current properties and economically finding or acquiring additional recoverable reserves. The Group may not be able to develop, find or acquire additional reserves to replace its current and future production at acceptable costs. If the Group is unable to replace its current and future production, its business, financial condition and results of operations may be adversely affected.

Risk Factors (4:10)

There are risks and uncertainties relating to extension of existing licenses and permits, including whether any extensions will be subject to onerous conditions

The Group's license interests for the exploration and exploitation of hydrocarbons will be subject to fixed terms, some of which will expire before the economic life of the asset is over. For example, the licences relating to the interest in five oil production concessions in Tunisia may expire prior to the end of their economic life, and uncertainty surrounding the renewal of SOEP which requires an exploration well to be drilled prior to entering into the next operation phase. The Group plans to extend any permit or license where such extension is in the best interest of the Group. However, the process for obtaining such extensions is not certain and no assurances can be given that an extension in fact will be possible. In licenses where the Group is one of several license partners, such partners may also, against the wishes of the Group, resolve not to apply for any extensions. Even if an extension is granted, such extension may only be given on conditions which are onerous or not acceptable to the Group and/or any license partners. If any of the licenses expire, the Group may lose its investments into the license, be charged penalties relating to unfulfilled work program obligations and forego the opportunity to take part in any successful development of, and future production from, the relevant license area, which could have a material adverse effect on the Group's financial position and future prospects.

Risks relating to delays, cost inflation, potential penalties and regulatory requirements

The Group's operations involve complex engineering, procurement, construction work and drilling operations to be carried out and governmental approvals. The exploration and development periods of a license are commonly associated with high risk, requiring high levels of capital expenditure without a commensurate degree of certainty of a return on that investment. The complexity of offshore development projects also makes them very sensitive to delays or costs increases. The Group's projects' target dates for production may be delayed and significant cost overruns may incur. The Group's estimated exploration and development costs are subject to a number of assumptions that may not materialise. Such factors may again impact to what extent fields to be developed are fully funded or remain commercially viable, and consequently could result in breach by the Group of its obligations and/or require the Group to raise additional debt and/or equity. Any delays, cost increases or other negative impact relating to the current or future development projects of the Group, may have a material adverse effect on its business, results of operations, cash flow, financial condition and prospects.

The Group's production is concentrated in a limited number of hydrocarbon fields

Assuming completion of the sale of the Aje license in Nigeria, all of the Group's production comes from a limited number of fields in Gabon (Dussafu) and Tunisia (TPS permits). Following completion of the Acquisitions, the Group will add producing assets in Equatorial Guinea (Ceiba and Okume Fields). However, the Group's operations and cash flow are, and following completion of the Acquisitions will still be, restricted to a limited number of fields. If mechanical or technical problems, storms, shutdowns or other events or problems affect the current or future production of the current producing assets of the Group, or new fields come into production, it may have direct and significant impact on a substantial portion of the Group's production and hence the Group's revenue, profits and financial position as a whole. Further, if the actual reserves associated with any one of the Group's fields are less than anticipated, this may result in material adverse effects for the Group's business, results of operations, financial condition, cash flows prospects and/or ability to make new investments and raise financing.

The Group's hydrocarbon production may be restricted, delayed or terminated

The Group's hydrocarbon production may be restricted, delayed or terminated due to a number of internal or external factors, among which are malfunctions of hydrocarbon discharge or production facilities, administrative delays (particularly in the approval of development projects by public authorities), shortages or delays in the availability of drilling and/or production rigs and delivery of equipment and materials, pressure or irregularities in geological formations, equipment failures or accidents or adverse weather conditions or malicious actions. The Group is especially sensitive to any shutdown or other technical issues on floating production storage and offloading vessels, a marine vessel used to extract oil ("**FPSOs**") (i.e. Adolo FPSO and the Ceiba FPSO following completion of the Acquisitions). Any shutdown, technical issues, delay or other negative events in relation to the Group's FPSOs or underlying fields may result in material adverse effects for the Group's business, prospects, financial condition, results of operations, cash flow and/or prospects.

Risk relating to joint arrangement in Tunisia

The Group owns assets in Tunisia through a joint arrangement with a third party investor. As part of this joint arrangement, the parties have entered into a shareholders' agreement, regulating corporate governance structure and gives the third party investor certain veto rights with respect to decision making in relation to these assets. Conflict of interests may occur between the Group and the third party investor which concerns investments into the assets in Tunisia and how such investments are to be funded, whether or not assets should be sold or acquired and with respect to several operational and strategic matters involving the Tunisian business. If such conflict should occur, the shareholders' agreement may not provide a solution to such conflict and, as a result, the joint venture and hence the Company could lose out on investments or divestments which the Group deems attractive, decisions could be delayed or prevented and the Tunisian operations could suffer accordingly. If any conflicts in the Group's joint venture cooperations occur and remain unsolved, it may have a material adverse effect on the Group's business, prospects, financial condition, results of operations, cash flow and/or prospects.

Dependency on compliance with obligations under licenses, joint operating agreements, unitization agreements and field development plans

All the Group's exploration and production licenses have incorporated detailed and mandatory work programs that are required to be fulfilled within a specific timespan. Failure to comply with the obligations under the licenses may lead to fines, penalties, restrictions, revocation of licenses and termination of related agreements. A failure to comply with payment obligations (cash calls) under joint operating agreements (and unitization agreements) for the Group's licenses, may lead to penal interest on the defaulted amount, loss of voting rights and information within the license and a right for the other licensees to acquire the Group's participant interest on terms that are unfavourable to the Group and disconnected from the value of the license interest. Further, if other joint venture partners default on their payment obligations (cash calls), the Group may have to increase its interest level in the relevant field, which in turn will result in a corresponding increase in the Group's exposure and investment obligations towards the relevant field. Such increased exposure and obligations may result in the Group not being fully funded to meet such increased exposure and obligations and consequently could result in breach by the Group of its obligations and/or require the Group to raise additional debt and/or equity, which could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

Risk Factors (5:10)

The Group is subject to third-party risk in terms of operators and partners and conflicts within a license group

Where the Group is not the operator of fields in which it has an interest, it has limited control over the management of the assets and mismanagement by the operator or disagreements with the operator as to the most appropriate course of action may occur, which again may result in significant delays, losses or increased costs to the Group. There is a risk that partners with interests in the Group's licenses may not be able to fund or may elect not to participate in, or consent to, certain activities relating to those licenses. In these circumstances, it may not be possible for such activities to be undertaken by the Group alone or in conjunction with other participants. Inversely, decisions by the other partners to engage in certain activities, may also be contrary to the Group's desire not to commence such activities and may require the Group to incur its share of costs in relation thereto, or that the other partners may enforce decisions which will delay or affect the profitability of a project. This is especially an inherent risk in fields under development where the Group only holds a minority interest. Other participants in the Group's licenses may default on their funding obligations. In such circumstances, the Group may be required under the terms of the relevant operating agreement or otherwise to contribute all or part of such funding shortfall. The Group may not have the resources to meet these obligations. The Group has historically experienced disputes within a license Group. For example, the Group was involved in a dispute with other OML 113 joint-venture partners in Aje (Nigeria), which was resolved and settled in relation to drilling of development wells. As the Group is not currently operator for all fields (i.e. in the Dussafu Marin license offshore Gabon where BW Energy Gabon is operator), there can be no assurance that such disputes may not occur in the future. If any of the Group's partners become insolvent or otherwise unable to pay debts as they come due, the license interest awarded to them may be revoked by the relevant government authority who will then reallocate the license interest. There can be no assurance that the Group will be able to continue operations pursuant to these reclaimed licenses or that any transition related to the reallocation of the license would not materially disrupt the Group's operations. If the Group is subject to third-party risk in terms of operators and partners and conflicts within a license group, then it could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

Capacity constraints and cost inflation in the service sector and lack of availability of required services and equipment

The Group is highly reliant upon services, goods and equipment provided by contractors and other companies to carry out its operations. The Group does not have available any reserve capacity or required services and equipment in order to cover any constraints or failures by contractors and other companies, and the Group is therefore subject to a continuing risk for capacity constraints. Any non-performance, delays or faulty deliveries by contractors, or any other failure to obtain necessary services, goods or equipment, at all or at a reasonable cost, may expose the Group to significant delays, cost increases or liability, which may again lead to material adverse effects for the Group. Further, the Group's contractors and other companies may potentially be adversely affected by market conditions. If the Group's contractors, their suppliers or other companies should be unable to respect their obligations, become insolvent or otherwise unable to pay debts as they come due, this could lead to material adverse effects for the Group's business, results of operations, financial position, cash flows and/or prospects.

In addition, the Group is exposed to cost inflation in the service sector, which may be higher than for its competitors operating in other countries and could lead to material adverse effects for the Group's business, results of operations, financial position, cash flows and/or prospects. For example, as per The World Bank data, the inflation rate in Tunisia were approximately 7.3% for 2018 and 6.7% for 2019, while the comparable inflation rate in Norway were approximately 2.8 for 2018 and 2.2% for 2019.

In addition, contractors and other service providers may cause third party liability or other losses for the Group by their performance. The Group may be subject to liability claims due to the inherently hazardous nature of its business or for act and omissions of sub-contractors and other service providers and may also be liable for the operations of its contractors towards governmental authorities, licence partners or other third parties. Any indemnities the Group may receive from such parties may be inadequate and/or difficult to enforce, which could have a material adverse effect on the Group's financial condition, business, prospects and/or results of operations.

Insurance or indemnities may not adequately cover all risks, liabilities or expenses that could result from operations

The Group's offshore oil and gas operations are subject to significant risks and hazards. The Group is not fully insured against all risks it may face. It has for example currently not taken out business interruption insurance. Furthermore, not all of the risks relating to the Group's operations are insurable, or only insurable at a disproportionately high cost. Any liabilities could materially exceed policy limits or not be insured at all, which may result in substantial financial liability or losses. Any uninsured losses or liabilities, or any losses and liabilities exceeding the insured limits, may have a material adverse effect on the Group's business, results of operations, financial position, cash flows and/or prospects.

RISKS RELATED TO LAWS, REGULATIONS AND COMPLIANCE

Political and regulatory risks

The Group's operations in Gabon (Dussafu), Tunisia (TPS permits), Nigeria (Aje) (pending completion of sale of the asset held for sale), South Africa (Block 2B) (following successful completion of farm-in t) and Equatorial Guinea (Ceiba and Okume Fields) (following successful completion of the Acquisitions) expose the Group to political and regulatory risk. The Group is subject to extensive government policies, standards, regulations and requirements. No assurance can be given that future political conditions, existing legislation, new interpretation of existing legislation or changes in administrative practice or policies, will not result in a reduction of income, curtailment of production, delays or a material increase in operating costs and capital expenditure or otherwise adversely affect the Group. For example, as the terms of application of the law to existing production sharing contracts ("**PSCs**") such as Dussafu (Gabon) may validly depart from those of the new law introduced in 2014, these arrangements cannot be renewed or extended without conforming to the terms of this new law.

A failure to comply with applicable legislation, regulations and conditions or orders issued by the regulatory authorities, may lead to fines, penalties, restrictions, withdrawal of licenses and termination of related agreements. Additionally, the Group is dependent on receipt of discretionary government approvals, decisions and permits to develop and produce its assets. Further, the Group may be unable to obtain, renew or extend required drilling rights, licenses (including production licenses), permits and other authorizations and these may also be suspended, terminated or revoked prior to their expiration. The relevant authorities may also stipulate conditions for any such extension or for not revoking any licenses or permits. Lack of governmental approvals or permits or delays in receiving such approval may delay the Group's operations, increase its costs and liabilities or affect the status of its contractual arrangements or its ability to meet its contractual obligations.

Risk Factors (6:10)

Maritime disasters, employee errors and other operational risks

The Group's offshore operations are subject to risks relating to encountering unexpected rock formations or pressures, seismic shifts, blowouts, pollution, explosions, fires and equipment damage or failure. The facilities on its offshore fields will also be subject to the hazards inherent in marine operations, such as inter alia capsizing, sinking, grounding and damage from severe weather conditions. Even though the Group's employees are well supervised, trained and experienced, personnel and employee errors and mistakes may take place. If any of these events were to occur, they could, among other adverse effects, result in environmental damage, injury to persons, loss of life, a failure to produce oil and/or gas in commercial quantities, delays, shut-down of operations or other damage. These events can also put at risk some or all of the Group's licenses and could inter alia result in the Group incurring significant civil liability claims, significant fines as well as criminal sanctions. In the Group's capacity as licensee, it is inter alia subject to liability provisions under the applicable statutory and regulatory regimes of the jurisdictions where the Group operates. Any of these circumstances could adversely affect the operation of the Group's licenses, and result in loss of revenues or increased costs and adversely affect the Group's profitability.

The Group faces the risk of litigation or other proceedings in relation to its business

The Group faces the risk of litigation and other proceedings in relation to its business. The Group operates in a limited number of fields and the value of assets and continued operations are of importance for the Group's results of operations and financial position, as it operates in a highly competitive commercial environment. For example, the Group is exposed to risk of litigation relating to involvement in joint ventures. In 2018, the Group entered into a settlement with the other OML 113 joint-venture partners relating to a dispute relating to Aje (Nigeria). Since this settlement, the Group performed a review of historical costs incurred and recognised the liabilities associated with such expenditures in the balance sheet. The proportionate joint venture liabilities resulting from the workover and side-tracks at Aje-5 had been higher than anticipated and in combination with the operation accruals and the inclusion of the cost of the OML 113 20-year licence renewal have resulted in proportional liabilities of US$ 5.2 million as of 31 December 2019 (31 December 2018: US$ 5.8 million).

Further, in relation to the Dussafu Marine Permit, the existing parties to the production permit have entered into certain agreements to settle a dispute concerning inter alia Tullow Oil Gabon S.A.'s payment of US$ 9.4 million and a corresponding cost recovery entitlement for the same amount. The proposed settlement extinguishes all disputed items and claims between the parties. The settlement, however, remains conditional upon Direction Generale des Hydrocarbures of Gabon ("DHG") not objecting to the proposed settlement. Should DHG object, the parties have preserved their right to recommence with arbitration. Following completion of the Dussafu Acquisition, assuming DHG consent is not received and the parties cannot reach an alternate settlement, there is a risk that arbitration could be commenced by Dussafu partners against the Group which, upon a loss in arbitration proceedings, could result in a maximum payment by the Group of approximately US$ 17.0 million plus the costs associated with the arbitration. Such a loss however, will result in a gain of approximately US$ 17.0 million of cost recovery entitlement that could be utilised by the Group in the future.

There can be no assurance that the Group may not be involved in litigation or other proceedings, which may expose the Group to unexpected costs and losses, reputational and other non-financial consequences and diverting management attention away from operational matters, all of which could have a material adverse effect on the Group's business, financial position, cash flows, and/or prospects.

The Group may be subject to liability under environmental laws and regulations

All phases of the Group's oil and gas activities present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and national laws and regulations. Environmental legislation provides for restrictions and prohibitions on spills, and releases or emissions of various substances. The legislation also requires that wells and facility sites are operated, maintained and abandoned to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties in addition to loss of reputation. Any pollution may give rise to material liabilities and may require the Group to incur material costs to remedy such discharge. The Group has less financial and other resources than many of its competitors, which means that it has lower ability to withstand losses due to liability under environmental laws and regulations (for example, in the event of an oil spill) compared its competitors. No assurance can be given that current or future environmental laws and regulations will not result in a curtailment or shut down of production or a material increase in the costs of production, development or exploration activities or otherwise have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

Risk relating to amended tax regulations

The marginal tax rate for the Group's operations in Gabon, Tunisia, South Africa (subject to approval for a block) and Equatorial Guinea (following completion of the Acquisitions) typically vary between 35-75%. There can be no assurance that the countries in which the Group operates will not increase the marginal tax rate for oil and gas companies and there is no assurance that future political conditions will not result in the relevant governments adopting different policies for petroleum taxation. In the event there are changes to such tax regimes, it could lead to new investments being less attractive, increase costs for the Group and prevent the Group from further growth. In addition, taxing authorities could review and question the Group's historical tax returns leading to additional taxes and tax penalties. An increased marginal tax rate for the Group could have material effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

The ability to sell or transfer license interests may be restricted by regulatory consent requirements, provisions in its joint operating agreements or applicable legislation

The Group's exit in relation to any particular oil and gas interest may be subject to the prior approval of its commercial partners pursuant to joint operating agreements, unitization agreements and approval from the relevant authorities, thus restricting the Group's ability to dispose of, sell or transfer a license interest and make funds available when needed. Moreover, once the Group has an interest in an established oil and/or gas exploration, development and/or production operation in a particular location, it may be expensive and logistically burdensome to discontinue such an operation should economic, physical or other conditions deteriorate. This is due to, among other reasons, the significant capital investments required in connection with oil and gas exploration, development and production, as well as significant decommissioning costs. Such costs and logistical burdens are typically greater for development and production assets due to the more established nature of the assets. Additionally, because the trading of oil and gas assets may be relatively illiquid, the Group's ability to discontinue or dispose of all or a partial interest in assets promptly may be restricted. In the event that the Group wishes to dispose of some or all of its license interests in the future, no assurance can be given that the Group would be able to sell or swap any such asset on terms acceptable to the Group, or at all. It is not possible to predict the length of time required to find such acquirers for assets or to conclude asset disposals particularly in times of political, economic or financial change or uncertainty. In the event the Group, for whatever reason, is not able or willing to execute a timely transaction, this can have an effect on the Group's ability to carry out investments and/or development with respect to the license in question. All of the above may have a material adverse effect on the Group's financial position.

Risk Factors (7:10)

Local authorities may impose additional financial or work commitments beyond those currently contemplated

The Group's license interests for the exploration and exploitation of hydrocarbons are subject to certain financial obligations or work commitments as imposed by local authorities. The existence and content of such obligations and commitments may affect the economic and commercial attractiveness for such license interest. For example, work commitments and exploration costs on PSCs entered into in Gabon (such as Dussafu) were completely negotiable up until the new hydrocarbons law came into force in 2014. All hydrocarbons agreements entered into prior the new law will remain in full force and effect with terms from previous rules, except for the obligations specified to be of immediate application. However, the Group's arrangements in Dussafu cannot be renewed or extended without conforming to the terms of the new law. All work programme obligations under the PSC for the Dussafu Marin Permit have been fulfilled and the Company has provided a guarantee to the State of Gabon to fulfil all other obligations under the PSC. In addition, the Tunisian Directorate General of Hydrocarbons advised in January 2019 that the Tunisian Consultative Hydrocarbons Committee had required Panoro Tunisia Exploration (60% owned by Panoro) to post a bank guarantee in relation to the drilling operations on SOEP, which will be released at successive operational stages commencing with the spudding of the well, currently expected during 2021. Accordingly, in consideration of this well commitment, the Group procured a bank guarantee of US$ 16.6 million (US$ 10 million net to Panoro) through its group company Should the Group not be able to fulfil the well commitment, there is a risk that the Group may incur a loss of funds placed to support the bank guarantee. No assurance can be given that local authorities do not unilaterally amend current and known obligations and commitments. If such amendments are made in the future, the value and commercial and economic viability of such interest could be materially reduced or even lost, in which case the Group's financial position and future prospects could also be materially weakened.

RISKS RELATING TO JURISDICTIONS IN WHICH THE GROUP OPERATES

Security risks associated with operating in certain jurisdictions, including risk relating to terrorist acts, piracy, securities issues, fraud, bribery and corruption and unionized labour and general labour interruptions

The Group has licence interests in assets located in jurisdictions or areas which are or could be associated with serious security risks. Such security risks could result in harm to the Group's operations and thus impact the economical income from such assets. Assets of the Group may experience pipeline vandalism, kidnappings and militant takeovers of oil facilities and security concerns have led some oil services firms to pull out of certain countries where the Group operates.

The Group is also exposed to risk relating to terrorist acts and other acts of hostility like piracy. Jurisdictions in which the Group operates may have less developed legal systems than more established economies which could result in risks such as (i) effective legal redress being more difficult to obtain in the courts of such jurisdictions, whether in respect of a breach of law or regulation, or in an owner ship dispute; (ii) a higher degree of discretion on the part of governmental authorities; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or (v) relative inexperience of the judiciary and courts in such matters. In certain jurisdictions the commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to the Group's licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, licences, licence applications or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness of and enforcement of such arrangements in these jurisdictions cannot be assured.

Moreover, the Group is exposed to security issues and fraud, bribery and corruption. The Group operates and conducts business in countries in emerging market economies, experiences a considerable level of criminal activity, fraud, bribery and corruption. Oil and gas companies operating in Africa may be particular targets of criminal or militant actions. Criminal, corrupt or militant action against the Group, its properties or facilities could have a material adverse effect on the Group's business, prospects, financial condition or results of operations. It may not be possible for the Group to detect or prevent every instance of fraud, bribery or corruption. Failure to detect or prevent any such instances may expose the Group to potential civil or criminal penalties under relevant applicable law and to reputational damage, which may have a material adverse effect on the Group's business, prospects, financial condition or results of operations.

In addition, the Group is exposed to risks relating to unionized labour and general labour interruptions. The Group operates in countries with a high risk of strikes, labour disruptions and other types of conflicts with employees, including those of the Group's independent contractors or their unions may occur in relation to the Group's operations. Any disruptions or delays in the Group's business activities may result in increased operational costs or decreased revenues from delayed or decreased (or zero) production and significant budget overruns, which may adversely affect the Group's results of operations, financial position, cash flows and/or prospects.

Governments may intervene in the oil and gas industry in ways that are unfavourable to the Group's business and strategy

Generally, exploration and development activities in which the Group operates or may operate can require lengthy negotiations with the governmental authorities and third parties and may be subject to expropriation, nationalisation, renegotiation, change or nullification of existing licences, changes to contracts, changes to royalty rates and taxes, difficulties in enforcing contractual rights, adverse changes to laws (whether of general application or otherwise) or the interpretation thereof, foreign exchange restrictions, changing political conditions, local currency devaluation, currency controls and the interpretation, implementation, enforcement of any laws or governmental regulations that favour or require the awarding of contracts to local contractors or require contractors to employ citizens of, or purchase supplies from, that country. Any of these factors detailed above or similar factors could have a material adverse effect on the Group's business, prospects, financial condition or results of operations.

Risk Factors (8:10)

RISKS RELATING TO THE OIL AND GAS INDUSTRY IN WHICH THE GROUP OPERATES

The Group operates in a highly competitive industry, characterised by rapid and significant technological advancements

The market for oil and gas services is highly competitive and rapidly changing. The Group competes with a substantial number of other companies with larger technical staffs and greater resources in acquiring oil and gas licenses and attempting to secure drilling rigs and other equipment or services necessary for operation or projects. Many of the Group's competitors may benefit from competitive advantages, such as greater name recognition, longer operating histories, larger marketing budgets, more established relationships (including third-party relationships), greater accessibility to markets, access to larger projects, and greater financial and other resources than the Group. Many competitors may also make acquisitions or enter into strategic relationships to offer a higher output than that of the Group. These combinations may make it more difficult for the Group to compete effectively. The Group expect these trends to continue as competitors attempt to strengthen or maintain their market positions. As a result of this competitive environment, the Group may be unable to acquire suitable licenses or licenses on terms that it considers acceptable, or equipment or services it requires may be in short supply. As a result, the Group's revenues may decline over time, which could have a material adverse effect on the Group's business, prospects, financial condition and/or results of operations.

As the industry in which the Group operates is characterised by rapid and significant technological advancements and competitors may use or develop new technologies and/or substitutional products, the Group may be placed at a competitive disadvantage over time or may be forced by competitive pressures to implement those new technologies and/or substitutional products at substantial costs. The Group may not be able to respond to these competitive pressures or implement new technologies on a timely basis or at an acceptable cost. Further, one or more of the technologies used by the Group now or in the future may become obsolete. In addition, new technology implemented by the Group may have unanticipated or unforeseen adverse consequences to its business.

Climate change abatement legislation, protests against fossil fuel extraction and regulatory, technological and market improvements

Continued political attention to issues concerning climate change, the role of human activity in it and potential mitigation through regulation could have a material impact on the Group's business. International agreements, national and regional legislation, and regulatory measures to limit greenhouse emissions are currently in various stages of discussion or implementation. For example, the EU established a detailed EU taxonomy (Regulation (EU) 2020/852 as well as delegated acts), a classification system for sustainable activities. Given the Group's operations are associated with emissions of "greenhouse gases", these and other greenhouse gas emissions related laws, policies and regulations may result in substantial capital, compliance, operating and maintenance costs. The level of expenditure required to comply with these laws and regulations is uncertain and is expected to vary depending on the laws enacted by particular countries. As such, climate change legislation and regulatory initiatives restricting emissions of greenhouse gases may adversely affect its operations, the Group's cost structure or the demand for oil and gas. Further political and regulatory initiatives, technological development and market changes may substantially improve the operating conditions within the renewable energy sector, which may in turn adversely affect the oil and gas industry. Such legislation or regulatory initiatives could have a material adverse effect by diminishing the demand for oil and gas, increasing the Group's cost structure or causing disruption to its operations by regulators. As the Group has made significant investments in order to build requisite operating facilities, drilling of production wells along with implementation of advanced technologies for the extraction and exploitation of hydrocarbons, there can be no assurance that the Group may be able to carry out an energy transition to a low-carbon and climate resilient future or be able to comply with changes in climate and energy policies, or be able to comply with the EU taxonomy. In addition, the Group may be subject to activism from groups campaigning against fossil fuel extraction, which could affect its reputation, disrupt its campaigns or programs or otherwise negatively impact the Group's business, prospects, financial condition and/or results of operations.

The Group is affected by the general global economic and financial market situation

The Group's operations and revenues are reliant on the sale of oil and gas products and the development of oil and gas prices. Decrease in oil and gas prices, or fluctuations in investments in offshore developments, due to the general global economic and financial market situation, may have material adverse effect on the Group's business, financial condition, results of operations and/or prospects. The Group may be materially and adversely affected by the general state of the economy and business conditions, the occurrence of recession, inflation, adverse credit markets, fluctuations in operating expenses, technical problems. Weak global or regional economic conditions may negatively impact the business of the Group in ways that it cannot predict. Global financial markets and economic conditions have been severely disrupted and volatile in recent years and remain subject to significant vulnerabilities, such as the rapid accumulation of public debt, continued deleveraging in the banking sector and a limited supply of credit. As the Group has made significant investments in order to acquire oil and gas assets and to build requisite operating facilities, drilling of production wells along with implementation of advanced technologies for the extraction and exploitation of hydrocarbons, a decrease in oil and gas prices may have material adverse effect on the Group's revenues from the sale of oil and gas, decrease the value of the Group's oil and gas reserves, may cause the Group to default on contractual obligations and/or force downscale of the Group's investments. In addition, the Group may experience difficulties obtaining financing commitments or be unable to fully draw on the capacity under committed loans it arranges in the future if its lenders are unwilling to extend financing to it or unable to meet their funding obligations due to their own liquidity, capital or solvency issues. The Group cannot be certain that financing will be available on acceptable terms, or at all. If financing is not available when needed, or is available only on unfavourable terms, the Group may be unable to meet its future obligations as they come due. The Group's failure to obtain such funds could have a material adverse effect on its business, results of operations and financial condition, as well as its ability to service its indebtedness.

Risk relating to digital vulnerabilities, including cyber security vulnerabilities

The increased industrial automation, control and safety systems used by the Group are to a large extent digitized and dependent on digital technology, exposes the Group to risk relating to digital vulnerabilities, including cyber security vulnerabilities. For example, the Group is exposed to risk relating to lack of cyber security awareness and training among employees; remote work during operations and maintenance, using standard information technology products with known vulnerabilities in the production environment; a limited cyber security culture among vendors, suppliers and contractors; insufficient separation of data networks; the use of mobile devices and storage units including smartphones; data networks between on- and offshore facilities; insufficient physical security of data rooms, cabinets, etc.; vulnerable software; and outdated and ageing control systems in facilities. Failure to prevent any of the factors above or similar factors may have a material adverse effect on the Group's business, prospects, financial condition and/or results of operations.

Risk Factors (9:10)

FINANCIAL RISKS

Risks associated with foreign exchange risk, including CEMAC foreign currency regulations

In 2000, the International Monetary Fund ("**IMF**") and the Central Africa Economic and Monetary Commission ("**CEMAC**") implemented foreign currency controls in the CEMAC area which, inter alia, included provisions regarding repatriation of foreign currency from sale of oil in local currency, Central African Francs (CFA), and controls on access to foreign currency. However, the provisions from 2000 were only to a limited degree enforced by the commercial banks in the CEMAC area, and the Group being a non-operator has not been materially impacted.

Then, in December 2018, IMF and CEMAC renewed the provisions, and commercial banks are now enforcing them to a wider extent. The foreign currency restrictions require special approvals on the opening of new and the operation of existing foreign currency accounts outside of the CEMAC area where such accounts are utilised to receive the proceeds of the sale of oil which may be granted for a period of up to a two years and subject to renewals, also for opening foreign currency accounts in the CEMAC area, prohibition of foreign currency withdrawals inside CEMAC area, requirements for all loans to be declared with the local central bank and there is a risk of forced conversion to CFA of funds held in US$ in so-called "abandonment fund reserve" accounts (RES accounts).

The Group's operations in Gabon and Equatorial Guinea (following the Acquisitions) are, in principle, covered by the restrictions, but in Gabon the Group has so far not suffered any significant impact from the restrictions. However, if the foreign currency restrictions were to be imposed on and enforced against the Group, this could restrict the Group's ability to repatriate earnings from the operations at effected countries, pay dividends from subsidiaries and repay or refinance any future loan facilities, which would entail extensive documentation and fee requirements and increased administrative burdens on the Group's operations, and the directors of Group companies that fail to comply may be subject to fines and other penalties. The imposition of the foreign currency restrictions may have a material adverse effect on the Group's business, operations, cash flows and financial condition in the CEMAC area.

With respect to potential restrictions on the payment of dividends from the Group's subsidiaries, it should be noted that the Company is a holding company and is dependent upon cash flow from subsidiaries to meet its obligations and in order to pay dividends to its shareholders. Any restrictions on cash flow from the Company's subsidiaries could materially affect the Company's cash flow, financial condition and ability to distribute dividends.

Since the Group's business is conducted in countries with other currencies than the Group's functional reporting currency, the Group may be exposed to further volatility associated with foreign currency exchange rates due to changes in regulations. Exchange rate fluctuations may affect the Group's financial results through translation of the profit and loss accounts and balance sheets of foreign subsidiaries into US$. Currency risks may also arise when Group companies enter into transactions that are denominated in currencies other than their functional currency. The Group is also invoiced in other currencies than its functional currency, thus resulting in currency exposure from both a customer and supplier position.

Changes in foreign currency regulations or currency exchange rate fluctuations could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

Difficulties of service of debt and ability to generate sufficient cash

The Group’s ability to make payments on, or repay or refinance, any debt and to fund working capital and capital investments, will depend on its future operating performance and ability to generate sufficient cash. This depends on the success of its business strategy and on general economic, financial, competitive, market, legislative, regulatory, technical and other factors, many of which are beyond the Group’s control. The Group cannot assure that its business will generate sufficient cash flow from operations or that future debt and equity financings will be available to it in an amount sufficient to enable it to pay its debt, or to fund its other liquidity needs. There can be no assurance that the Group will be able to refinance debt on commercially reasonable terms or at all. Any failure by the Group to make payments on debt on a timely basis may result in reduced credit rating, which could also harm its ability to incur additional indebtedness. There can be no assurance that any assets that the Group may elect to sell can be sold or that, if sold, the timing of such sale will be acceptable and the amount of proceeds realized will be sufficient to satisfy its debt service and other liquidity needs, which could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

If the Group is unsuccessful in any of these efforts, it may not have sufficient cash to meet its obligations, which could cause an event of default under any debt arrangements and could result in the debt being accelerated, lending reserves and certain bank accounts being frozen, triggering of cross-default provisions, enforcement of security and companies within the Group may be forced into bankruptcy or liquidation.

The Group will have guarantee and indemnity obligations

The Group will in its ordinary course of business provide guarantees and indemnities to governmental agencies, joint venture partners or third party contractors in respect of activities relating to its subsidiaries, inter alia for such subsidiaries working and abandonment obligations under licences or obligations under the relevant terms of agreements with third party contractors. For example, the Group has procured a bank guarantee of US$ 16.6 million (US$ 10 million net to Panoro) through its group company, Panoro Tunisia Exploration, which is classified under current assets as at 30 September 2020. Should any guarantees or indemnities given by the Group be called upon, this may have a material adverse effect on the Group’s financial position.

Risk Factors (10:10)

RISKS RELATING TO THE SHARES

Risk relating to the structure of the Private Placement

The first tranche of Offer Shares (“**Tranche 1**”) is expected to be issued upon a resolution by the board of directors, delivered on the Company's ordinary International Securities Identification Number (“**ISIN**”) and listed on the Oslo Stock Exchange shortly after completion of the Private Placement. The second tranche of Offer Shares (“**Tranche 2**”) is expected to be approved by the extraordinary general meeting of the Company (the "**EGM**") and thereafter be delivered on the Company's ordinary International Securities Identification Number (“ISIN”) and listed on the Oslo Stock Exchange shortly after completion of the EGM. The third tranche of Offer Shares ("**Tranche 3**") is expected to be approved by the EGM and thereafter be issued and delivered on a separate ISIN and transferred to the Company's ordinary ISIN and listed on the Oslo Stock Exchange upon publication of a Prospectus. The Offer Shares pertaining to Tranche 3 will hence not be tradable until the Prospectus has been published. There can be no assurance that the Private Placement, or that Offer Shares pertaining to Tranche 2 and Tranche 3 of the Private Placement will be completed following issuance of Tranche 1. Investors that have subscribed for and received Offer Shares in Tranche 1 in the Private Placement will not be able to cancel the Private Placement or return the Offer Shares in Tranche 1, which means that they are exposed to the risk of investing in the Company without any assurance that Tranche 2 and Tranche 3 of the Private Placement and/or the Transactions will be successfully completed. In addition, if Tranche 2 and Tranche 3 of the Private Placement is successfully completed, there is a risk of potential delay in receiving tradable Offer Shares pertaining to Tranche 3 on Oslo Stock Exchange. Moreover, if Tranche 2 and Tranche 3 of the Private Placement and the Transactions are not successfully completed, there can be no assurance that a contemplated subsequent offering directed towards shareholders who did not participate in the Private Placement will be completed, which will have an immediate dilutive effect for the Company's existing shareholders who did not participate in the Tranche 1 of the Private Placement and were not allocated Offer Shares in Tranche 1.

The trading price of the Shares may be volatile

The Company’s Share price have experienced, and may in future still experience, substantial volatility. For example, the Company's trading price declined by 77.7% from 30 November 2019 (closing price at NOK 22.9) to 18 March 2020 (closing price at NOK 5.1), and then increased by 222.8% to 15 December 2020 (closing price at NOK 16.46). The trading price of the Shares could fluctuate significantly in response to, inter alia, the financial situation of the Company, variations in operating results, response to quarterly and annual reports issued by the Company, changes in earnings estimates by analysts, adverse business developments, changing conditions in the oil and gas industry at large, changes in general market or economic outlook, interest rate changes, foreign exchange rate movements, changes in financial estimates by securities analysts, matters announced in respect of major customers or competitors or changes to the regulatory environment in which the Company operates or rumours and speculation in the market. The equity markets in general have experienced extreme volatility that has at times been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of the Company’s shares.

Panoro Energy

Contact Details:

PANORO ENERGY
78 Brook Street
London W1K 5EF
United Kingdom

Tel: +44 (0) 203 405 1060
Fax: +44 (0) 203 004 1130
info@panoroenergy.com