



Panoro Energy ASA - Contemplated Private Placement to Finance Transformational Acquisitions in West Africa

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Oslo, 9 February 2021

Panoro Energy ASA (the "**Company**" or "**Panoro**" with OSE ticker: "**PEN**") announces, in conjunction with the acquisitions of producing assets in West Africa from subsidiaries of Tullow Oil plc (the "**Acquisitions**"), a contemplated equity private placement of US\$ 70 million (the "**Offer Size**") corresponding to approx. NOK 593 million (the "**Private Placement**") by issuing new shares (the "**Offer Shares**") in the Company through an accelerated book-building process. For further details related to the Acquisitions, please see the separate press release issued today by Panoro.

Panoro has engaged Pareto Securities AS ("**Pareto**") as sole lead manager ("**Lead Manager**") and joint bookrunner, and Carnegie AS ("**Carnegie**") as joint bookrunner, for the Private Placement (Pareto and Carnegie jointly referred to as the "**Managers**"). Auctus Advisors LLP is acting as UK placing advisor.

The Company's two largest shareholders, Sundt AS and Kistefos AS, have committed to subscribe, and will be allocated Offer Shares, for an amount of NOK 100 million and NOK 85 million (US\$ 10 million) respectively, which corresponds to more than their pro-rata share of the Private Placement. In addition, a number of Directors and Executives of Panoro including its Chairman Julien Balkany and its CEO John Hamilton are participating in the Private Placement (see below for details).

Sundt AS and Kistefos AS have undertaken, and all investors being allocated Offer Shares will undertake, to vote in favour of the resolution of issuance of the Offer Shares in Tranche 2 and Tranche 3 (as defined below) in the Company's extraordinary general meeting which, subject to completion of the Private Placement, is expected to be held on or about 3 March 2021 (the "**EGM**").

The net proceeds from the Private Placement will be used to partially finance the acquisitions in Equatorial Guinea and Gabon announced on 9 February 2021, and related fees and

expenses as well as for general corporate purposes. In the event that one or both acquisitions do not close, the net proceeds will (in whole or in part) be used for general corporate purposes. The subscription price per Offer Share (the "**Subscription Price**") and the final number of Offer Shares to be issued will be determined by the Company's board of directors in consultation with the Lead Manager on the basis of a book-building process. The book-building period will commence today 9 February 2021 at 16:30 hours (CET) and close tomorrow 10 February 2021 at 08:00 hours (CET) (the "**Book-building Period**"). The Company may at its own discretion extend or shorten the Book-building Period at any time and for any reason. If the Book-building Period is shortened or extended, the other dates referred to herein may be amended accordingly.

The minimum subscription and allocation amount in the Private Placement will be the NOK equivalent of EUR 100,000, provided that the Company may, at its sole discretion, allocate an amount below EUR 100,000 to the extent permitted under applicable exemptions from the prospectus requirement pursuant to applicable regulations, including the Norwegian Securities Trading Act, Regulation 2017/1129 as amended together with any applicable implementing measures in any Member State (the "**Prospectus Regulation**") and ancillary regulations.

The Offer Shares will be issued in three tranches, consisting of one tranche with up to 6,880,000 Offer Shares ("**Tranche 1**"), a second tranche with up to 6,924,451 Offer Shares ("**Tranche 2**") and a third tranche with the number of Offer Shares that corresponds to a total transaction (i.e. all three tranches) equal to the Offer Size ("**Tranche 3**" and together with Tranche 1 and Tranche 2, each a "**Tranche**"). The allocation of the Offer Shares (the "**Allocated Shares**") will be made by the Company's Board of Directors ("**Board**") in consultation with the Lead Manager. The Board of Directors will focus on criteria such as (but not limited to) current ownership in the Company, timeliness of the application, price leadership, relative order size, sector knowledge, perceived investor quality and investment horizon. Applicants will receive a pro rata portion of Offer Shares in Tranche 1, Tranche 2 and Tranche 3 based on their overall allocation in the Private Placement.

The Tranche 1 Offer Shares will be issued by the Board based on an authorization for the Board to issue shares as granted by the Company's shareholders in the general meeting held on 18 June 2020. Completion of Tranche 1 and the payment for and issuance of the Tranche 1 Offer Shares is not conditional upon completion of Tranche 2 and Tranche 3. The Tranche 2 Offer Shares and Tranche 3 Offer Shares will be subject to approval by the Company's EGM. The Tranche 1 Offer Shares and Tranche 2 Offer Shares will be tradable on the Company's ordinary ISIN upon issuance, while the Tranche 3 Offer Shares may, depending on timing, be placed on separate ISIN pending publication of a combined prospectus for listing of the Tranche 3 Offer Shares and for the contemplated Subsequent Offering (as defined below). Delivery-Versus-Payment settlement in Tranche 1, Tranche 2 and Tranche 3 is facilitated by a pre-funding agreement between the Company and the Managers.

The allocation and issue of Offer Shares is subject to (i) all necessary corporate resolutions being validly made, by the Company, including without limitation (a) approval by the Board of a Subscription Price and allocation of Offer Shares; (b) approval by the Board for the issuance of the Tranche 1 Offer Shares based on the authorisation to increase the Company's share capital granted by the Company's general meeting on 18 June 2020, and (c) approval by the EGM of the share capital increase and issue of Offer Shares required for completion of Tranche 2 and Tranche 3; (ii) payment being received for Allocated Shares, and (iii) registration of the share capital increase in the Company pursuant to each Tranche respectively in the Norwegian Register of Business Enterprises, (together the "**Conditions**"). Completion of the Private Placement is not conditional upon completion of the Acquisitions. The Private Placement will be cancelled if the Conditions are not fulfilled, and may be cancelled by the Company in its sole discretion for any other reason. Tranche 2 and Tranche 3 may also be cancelled after completion of Tranche 1. Neither the Managers nor the Company will be liable for any losses if the Private Placement is cancelled, in full or in part, irrespective of the reason for such cancellation.

The EGM will be called for as soon as possible after closing of the Book-building Period and the Board having approved a Subscription Price and allocation of Offer Shares, and is expected to be held on or about 3 March 2021.

The Company will announce the final number of Allocated Shares in the Private Placement in a stock exchange announcement expected to be published at the latest before opening of trading on the Oslo Stock Exchange tomorrow, 10 February 2021.

The Board of Directors has considered the Private Placement in light of the equal treatment obligations under the Norwegian Public Limited Liability Companies Act, the Norwegian Securities Trading Act and Oslo Børs' Circular no. 2/2014, and is of the opinion that the proposed Private Placement is in compliance with these requirements. The Board has considered alternative structures for the raising of new equity. Following careful considerations, the Board is of the view that it will be in the common interest of the Company and its shareholders to raise equity through a private placement setting aside the pre-emptive rights of the shareholders. By structuring the transaction as a private placement, the Company expects to be in a position to complete the share issue in today's market conditions in an efficient manner to finance the Acquisitions faster and at a higher subscription price than would have been the case for a rights issue. In the assessment it has also been taken into consideration that the Private Placement is subject to a publicly announced book - building process, and further that the Board will propose that the EGM approves the Subsequent Offering (as defined below).

The Company may, subject to completion of the Private Placement, and certain other conditions, propose to carry out a subsequent offering of new shares which, subject to applicable securities law, will (subject to changes to the Book-building Period) be directed towards existing shareholders in the Company as of 9 February 2021 (as registered in the VPS on 11 February 2021), who (i) were not allocated Offer Shares in the Private Placement, (ii) were not invited to subscribe for shares in the pre-sounding of the Private Placement, and

(iii) are not resident in a jurisdiction where such offering would be unlawful or, would (in jurisdictions other than Norway) require any prospectus, filing, registration or similar action (the "**Subsequent Offering**"). Further information on any Subsequent Offering will be given in a separate stock exchange release when available.

The following primary insiders have pre-committed to apply for and will be allocated Offer Shares in the Private Placement at the Subscription Price:

- Julien Balkany, Non-executive Chairman and member of the Board: NOK 5,000,000.
- Torstein Sanness, Deputy Chairman and member of the Board: NOK 500,000.
- Hilde Ådland, member of the Board: NOK 50,000.
- John Hamilton, CEO: NOK 300,000.
- Qazi Qadeer, CFO: NOK 200,000.
- Richard Morton, Technical Director: NOK 300,000.
- Nigel McKim, Projects Director: NOK 175,000.

Advokatfirmaet Schjødt AS is acting as legal advisor for Panoro and Arntzen de Besche Advokatfirma AS is acting as legal advisor for the Managers in connection with the Private Placement.

This announcement is made pursuant to section 5-12 of the Securities Trading Act.

Enquiries

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About Panoro Energy

Panoro Energy ASA is an independent exploration and production company based in London and listed on the main board of the Oslo Stock Exchange with the ticker PEN. Panoro holds production, exploration and development assets in Africa, namely the Dussafu License offshore southern Gabon, OML 113 offshore western Nigeria (held-for-sale, subject to completion), and the TPS operated assets, Sfax Offshore Exploration Permit and Ras El Besh Concession, offshore Tunisia. Subject to completion of certain conditions, Panoro has also farmed-into an exploration Block 2B, offshore South Africa.

For more information visit the Company's website at www.panoroenergy.com.

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The Company does not intend to register any part of the offering or their securities in the United States or to conduct a public offering of securities in the United States. Any sale in the United States of the securities mentioned in this announcement will be made solely to "qualified institutional buyers" as defined in Rule 144A under the Securities Act.

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This communication is only being distributed to and is only directed at persons in the United Kingdom that are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") or (ii) high net worth entities, and other persons to whom this announcement may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). This communication must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only for relevant persons and will be engaged in only with relevant persons. Persons distributing this communication must satisfy themselves that it is lawful to do so.

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Actual events may differ significantly from any anticipated development due to a number of factors, including without limitation, changes in investment levels and need for the

Company's services, changes in the general economic, political and market conditions in the markets in which the Company operate, the Company's ability to attract, retain and motivate qualified personnel, changes in the Company's ability to engage in commercially acceptable acquisitions and strategic investments, and changes in laws and regulation and the potential impact of legal proceedings and actions. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not provide any guarantees that the assumptions underlying the forward-looking statements in this announcement are free from errors nor does it accept any responsibility for the future accuracy of the opinions expressed in this announcement or any obligation to update or revise the statements in this announcement to reflect subsequent events. You should not place undue reliance on the forward-looking statements in this document.

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