



PANORO ENERGY ASA

2020 YEAR END TRADING STATEMENT AND OPERATIONAL UPDATE

Oslo, 25 February 2021 – Panoro Energy ASA (“Panoro” or the “Company” with OSE Ticker: PEN) issues this update and guidance in advance of the Group’s 2020 Annual Report. The information contained herein has not been audited and may be subject to further review and amendment.

John Hamilton, Chief Executive Officer, Panoro Energy ASA, commented today:

“Panoro’s recently announced acquisitions and funding will completely transform the Company and its prospects. Panoro will become a growth company with a focus on cash flow generation and dividend capacity from 2023. The global events of 2020 materially impacted the oil and gas industry, as evidenced by industry financial statements. 2021 is already looking to be a much better year, as the Company plans for a busy operational period of production and exploration drilling against a much improved oil price environment.”

Financial Highlights

- Gross revenue excluding hedging income from continuing operations¹ of USD 26.9 million for 2020 (2019: USD 46.8 million) derived from eight international and six domestic oil liftings (2019: nine international, six domestic)
- 2020 EBITDA of USD 6 million compared to USD 24.6 million in 2019, due to significantly lower oil prices and one fewer lifting
- Operating cost of USD 19.60 per barrel of oil produced for the year 2020 impacted by high levels of workover activity in Tunisia, Covid related costs and increased Gabon operating costs in Q4
- Net loss after tax from continuing operations of USD 1.7 million for 2020
- Full year operating cash inflows of USD 0.3 million, offset by capital investment outflows of USD 13.9 million and net financing outflows of USD 1.2 million with a cash balance of USD 5.7 million (excluding cash held for Bank guarantee) at 31 December 2020 (31 December 2019: USD 20.5 million)
- Capital expenditure of USD 13.7 million for the year (2019: USD 9.5 million)
- Receivables from crude oil sales were USD 5.6 million at 31 December 2020 (31 December 2019: USD 8.9 million)
- Debt of USD 21.3 million including accrued interest (31 December 2019: USD 25 million). Principal repayment during the year was USD 4.3 million

Operational Highlights

- Annual group production net to Panoro of 0.81 MMbbls with average daily rate of approximately 2,200 bopd.
- Average production of approximately 2,350 bopd for Q4 2020 due to improved production in Tunisia
- Production and lifting operations maintained and largely unaffected through the crisis
- Health and Safety systems and protocols proved resilient

¹ Discontinued Operations

Aje operations in Nigeria classified as discontinued operations following divestment agreement, pending completion, and excluded from continuing activities.



Gabon

- Annual gross production of 5.2 MMbbls and average of 14,100 bopd (0.39 MMbbls and 1,060 bopd net to Panoro)
- Average daily production of approximately 13,500 bopd gross for the fourth quarter (~1,000 bopd net)
- At Dussafu, interpretation of seismic reprocessing completed, drilling of DHIBM-2 exploration well targeting Hibiscus Extension planned for Q2 2020
- Material cost and time savings through an alternative development plan for the Hibiscus/Ruche area using jack-up rigs in place of a wellhead platform
- USD 100 million gross in capital savings as compared to previous concept
- Break-even for next development phases of approximately USD 25 per barrel
- Two crude oil liftings in the fourth quarter, sold at an average USD 46 per barrel with core operating costs of around USD 20 per barrel

Tunisia

- Annual gross production of 1.4 MMbbls and average of 3,950 bopd (0.4 MMbbls and 1,160 bopd net to Panoro)
- Quarterly production of approximately 4,500 bopd gross on average for Q4 2020
- 5,000 bopd gross target achieved during October with current production ranging between 4,500 and 5,000 bopd
- Guebiba 10 side-track on production in lower Bireno interval with highly productive Douleb showing potential to be produced in the future
- Multiple workover activities performed during Q3 were finished during Q4, all completed safely and without incident

Corporate Highlights

- Announced acquisition from Tullow Oil plc of high-quality oil producing assets for USD 140 million cash and USD 40 million contingent consideration (the “Transactions”), consisting of a 14.25% working interest in Block G, offshore Equatorial Guinea, and an additional 10% working interest in Dussafu Marin Permit, offshore Gabon
- USD 70 million equity private placement materially oversubscribed and completed in February 2021, subject to Extraordinary General Meeting approval in March 2021
- Up to USD 90 million debt facility agreed with Trafigura group to partially fund the Transactions; additionally, upsize option of USD 50 million and USD 20 million working capital facility

Outlook and Guidance

- Operational and financial transformation on completion of Transactions
- Following completion of Transactions, Panoro is fully funded for all foreseeable capital expenditure and positioned to pay cash dividends from 2023
- Five liftings expected in Gabon, nine at TPS in Tunisia, and one to two in Equatorial Guinea (subject to completion)
- 2021 net production guidance in excess of 9,000 bopd (subject to completion of Transactions)
- In Gabon, DHIBM-2 Hibiscus exploration well and possible sidetracks in Q2 2021. Tortue development well DTM-7H to be drilled and production startup in conjunction with DTM-6H in Q3 2021
- Equatorial Guinea Infill drilling program planned to start Q2 2021 (subject to completion)
- In Tunisia, continued focus on workover program to maintain and boost production
- Dividend of PetroNor shares to Panoro shareholders (upon completion of sale of Aje)
- Completion of farm in to Block 2B, offshore South Africa (subject to closing conditions)



Webinar presentation on 25 February 2021 at 09:00 a.m. CET

The company will hold a live webinar presentation at 09:00 a.m. CET on Thursday 25 February 2021, during which management will discuss the results and operations, followed by a Q&A session.

The webinar presentation can be accessed through registering at the link below and the online event will be equipped with features to ask live questions. Joining instructions for participating online or through using local dial-in numbers will be available upon completion of registration. The webinar details are as follows:

Date and Time:

25 February 2021, 09:00 a.m. CET

Registration:

<https://attendee.gotowebinar.com/register/825519858559988143>

After registering, participants will receive a confirmation email containing information about joining the webinar. Participants can use their telephone or computer microphone and speakers (VoIP).

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 and acquired an interest in Block G, offshore Equatorial Guinea.

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



GLOSSARY AND DEFINITIONS

Bbl	One barrel of oil, equal to 42 US gallons or 159 liters
Bopd	Barrels of oil per day
MMbbl	Million barrels of oil
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortisation
EBIT	Earnings before Interest and Taxes