



## **Panoro Energy: Third Quarter 2021 Trading and Financial Update**

Oslo, 22 November 2021 - Panoro Energy ASA ("Panoro" or the "Company" with OSE Ticker: PEN) today announced that, on a pro-forma basis, working interest production for the first nine months stood at 7,500 bopd. With new production wells in Equatorial Guinea and Gabon starting to contribute in the fourth quarter and numerous portfolio-wide development initiatives underway and planned, Panoro's outlook remains strong and one of visible production growth.

### **John Hamilton, CEO of Panoro, commented:**

"With the development drilling programmes in Equatorial Guinea and Gabon starting to contribute, and production stable in Tunisia, our current and diversified daily net production is currently in excess of 8,000 bopd and is expected to continue to build to around 8,500 bopd by year end. We have aggregate net liftings of around one million barrels occurring in the fourth quarter that will coincide with current oil prices which remain strong. These facts validate our recent strategic acquisitions and demonstrate the strength and sustainability of our business. As a result, we are committed to begin returning capital to our shareholders whilst continuing to advance our exciting growth pipeline. Our commitment is to pay a sustainable cash dividend and there is potential for this to be brought forward, perhaps significantly, from the original guidance."

### **Financial Highlights**

- The Company recognises revenue when liftings of its crude oil entitlement occur. As previously guided, there were no Panoro liftings in the third quarter in Equatorial Guinea or Gabon, with only one domestic lifting occurring in Tunisia
- Consequently, revenue for the first nine months was USD 107.6 million on a pro-forma basis and EBITDA USD 67.4 million
- In the fourth quarter the Company has to date completed one lifting of approximately 130,000 barrels net in Gabon (with pricing in excess of USD 80 per barrel anticipated) and expects three further liftings net to Panoro of approximately 900,000 barrels in aggregate in Equatorial Guinea, Gabon and Tunisia before year end
- At 30 September cash at bank stood at USD 45 million (including USD 10 million cash held for bank guarantee) and gross debt USD 97 million, resulting in a net debt position of approximately USD 52 million
- Balances at 30 September reflect principal debt repayments of approximately USD 7 million in the third quarter and profits tax payments in Equatorial Guinea of approximately USD 12 million, where profits taxes due are paid annually in the third quarter
- Capital expenditures for 2021 (excluding acquisition costs) are expected to be USD 45 million, of which USD 25.4 million was spent in the first nine months
- On an IFRS Reporting Basis, gross revenues were USD 38.6 million, EBITDA USD 29.7 million and working interest production approximately 5,300 bopd in the first nine months

## **Shareholder Returns Policy**

- Consistent with its strategy to create and deliver shareholder value, the Panoro Board is committed to sustainable shareholder returns, balanced alongside future organic and inorganic growth. The adoption of formal communications regarding the implementation of future dividends clearly demonstrates the Board's strong commitment to shareholder returns through the oil cycle
- At the time of the Tullow acquisitions, Panoro stated its intention to pay cash dividends starting in mid-2023, coinciding with planned completion of the Hibiscus/Ruche Phase 1 development in Gabon
- Recognising that oil prices have strengthened since the time of the Tullow acquisitions, Panoro is assessing the feasibility of bringing forward, perhaps significantly, the initiation of a cash dividend. The key external drivers affecting timing include oil prices, capital expenditure requirements, debt service obligations, underlying operational performance, and critically the timing of crude oil liftings
- Panoro's ultimate intention is to pay out a sustainable quarterly dividend and return a significant portion of free cash flow generated during the applicable financial year
- Panoro may also consider the use of share buy-backs as a complementary mechanism to return capital to shareholders, in accordance with the AGM resolution approved by its shareholders. As part of its Shareholder Returns Policy Panoro intends on refreshing this resolution at the 2022 AGM and will continually assess the possibility of implementation as part of its overall returns policy
- As further information and data are gathered over the coming months, Panoro expects to make additional announcements related to the Shareholder Returns Policy including our refined estimates of timing of a first dividend payment, the clear objective being to initiate this at the earliest opportunity

## **Operational Highlights**

### **Equatorial Guinea – Block G (Panoro 14.25%)**

- Company working interest production in the first nine months averaged 4,240 bopd (29,700 bopd on a gross basis)
- The operator of the Ceiba field and Okume Complex, Trident Energy, completed drilling of the first new infill well since 2015 at the Okume Complex in August, encountering good quality oil saturated reservoir sands. Hook-up of the well has been completed and production initiated. Drilling and completion of a second well is underway with production start-up expected in the fourth quarter. A third well that was originally anticipated to form part of the current campaign is now expected to be deferred as a result of rig commitments elsewhere, with the production outperformance of the first well compensating for deferral of the third
- The partners are now focussed on defining further production growth activities in 2022 and beyond, comprising additional workover activity and potential development drilling
- Panoro expects to make one crude lifting of approximately 700,000 barrels in December 2021

### **Gabon – Dussafu Marin Permit (Panoro 17.5%)**

- Company working interest production in the first nine months averaged 1,920 bopd (11,000 bopd on a gross basis)
- As part of the Tortue Phase 2 field development, production from the final two development wells DTM-6H and DTM-7H commenced in October

- The DTM-6H and DTM-7H wells conclude the Tortue Phase 2 development, whereby the Tortue field now comprises six production wells tied back to the FPSO BW Adolo. The operator BW Energy is in the process of optimising production, with the previously communicated shortage of gas lift capacity currently affecting the ability for all wells to simultaneously produce at their potential
- In September drilling operations were concluded at the Hibiscus North exploration well (DHBNM-1) with plans for the discovery to be incorporated into future development planning
- The Hibiscus/Ruche Phase 1 development project is progressing on schedule and within budget with first oil anticipated in Q4 2022

#### **Tunisia – TPS Assets (Panoro 29.4%)**

- Company working interest production in the first nine months averaged 1,340 bopd (4,555 bopd on a gross basis)
- At the Guebiba, Rhemoura and Cercina fields a number of well operations facilities upgrades to enhance and optimise production are ongoing
- At the Guebiba field a recent workover at GUE-14 has again demonstrated the benefits of stimulation activities undertaken in conjunction with ESP replacements where the well productivity was boosted by some 50%
- A team comprising ETAP and Panoro staff are progressing a subsurface re-modelling exercise for the Guebiba field. This is expected to lead to further field optimisation and development drilling recommendations

#### **Exploration and Other Assets**

- In October Panoro was provisionally awarded a 25% non-operated interest in exploration blocks G12-13 and H12-13 offshore shallow water Gabon, part of the 12th Offshore Licensing Round. Partners in the blocks will include BW Energy (37.5% and operator) and VAALCO Energy (37.5%)
- In South Africa the Block 2B joint venture partners tendered for a semi-submersible rig and completed a seabed survey in preparation for drilling the Gazania-1 well. The operator, Azinam, finalised the well plan and is currently conducting negotiations with various rig contractors to optimize the well budget and drill the Gazania-1 well before the Exploration Right expires in November 2022. Panoro holds a 12.5% interest in Block 2B
- Panoro continues to make progress towards the sale of its interest in OML 113 and the Aje field to PetroNor E&P. Due to further delays the long stop date was extended to 30th November to allow additional time for the statutory approvals process to complete. Upon completion Panoro will dividend shares in PetroNor E&P received as consideration to shareholders
- Post period end, discussions on the Sfax Offshore Permit situation with the Tunisian authorities proceeded towards a potential resolution. Such envisioned resolution includes a proposal to renew the license period, the bank guarantee partially drawn (USD 6.3 million) and the remaining amount cancelled and cash returned to Panoro (USD 3.6 million). The amount drawn under the bank guarantee represents the amount the Tunisian authorities believe is payable from DNO's non-fulfilment of a work programme at Sfax Offshore. Panoro is evaluating the amount claimed and will consider its next steps in due course

## Outlook and Guidance

Panoro expects working interest production to climb to a level of approximately 8,500 bopd by year end. Operational guidance and expectations for next year will be provided in early 2022.

## Live Presentation Webcast Dial in Details

The Company will hold a live presentation at 09:00 a.m. CEST today, during which management will discuss the results and operations of the period. After conclusion of the discussion, participants will be invited to ask questions on the results update.

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

Date and Time:	22 November 2021, 09:00 .a.m. CET
Registration:	<p><a href="https://attendee.gotowebinar.com/register/301224823107537163">https://attendee.gotowebinar.com/register/301224823107537163</a></p> <p><i>After registering, participants will receive a confirmation email containing information about joining the results presentation.</i></p> <p><i>Participants can use their telephone or computer microphone and speakers (VoIP).</i></p>

Please join the event at least five minutes before the scheduled start time.

A replay of the webinar presentation will be available shortly after the event is finished and will remain on our website ([www.panoroenergy.com](http://www.panoroenergy.com)) for approximately 7 days.

## 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 a producing interest in Block-G, offshore Equatorial Guinea, the Dussafu License offshore southern Gabon, OML 113 offshore western Nigeria (held-for-sale, subject to completion), the TPS operated assets, Sfax Offshore Exploration Permit and Ras El Besh Concession, offshore Tunisia and participation interest in an exploration Block 2B, offshore South Africa.

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