



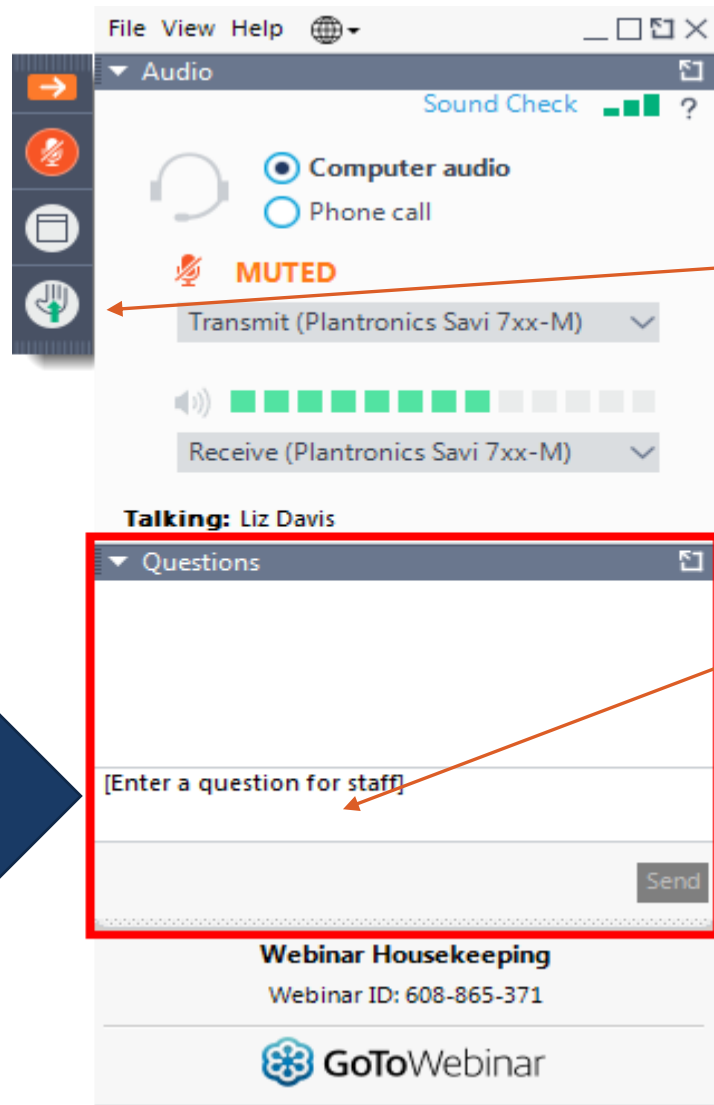
PANORO ENERGY ASA

# Q3 2021 TRADING AND FINANCIAL UPDATE

22 November 2021



# WEBINAR HOUSEKEEPING - TIME FOR QUESTIONS



### Your Participation

- Please raise your hand to be unmuted for verbal questions.
- Please continue to submit your text questions and comments using the Questions panel



Raising your hands for un-muting!

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# CLEAR AND CONSISTENT VALUE CREATION MODEL

## DISCIPLINED CAPITAL ALLOCATION



Diversified production portfolio in Equatorial Guinea, Gabon and Tunisia

~33 MMbbls 2C resource gives long term running room

Partnered with excellent operators and JV's have control over export routes

Panoro has demonstrated its credibility as a reliable counterparty

Completed most recent production acquisitions from OMV and Tullow Oil

Limited universe of buyers for anticipated wave of sellers of upstream assets

Leverage existing infrastructure hubs and look for satellite prospects

Bias towards proved basins Panoro knows well

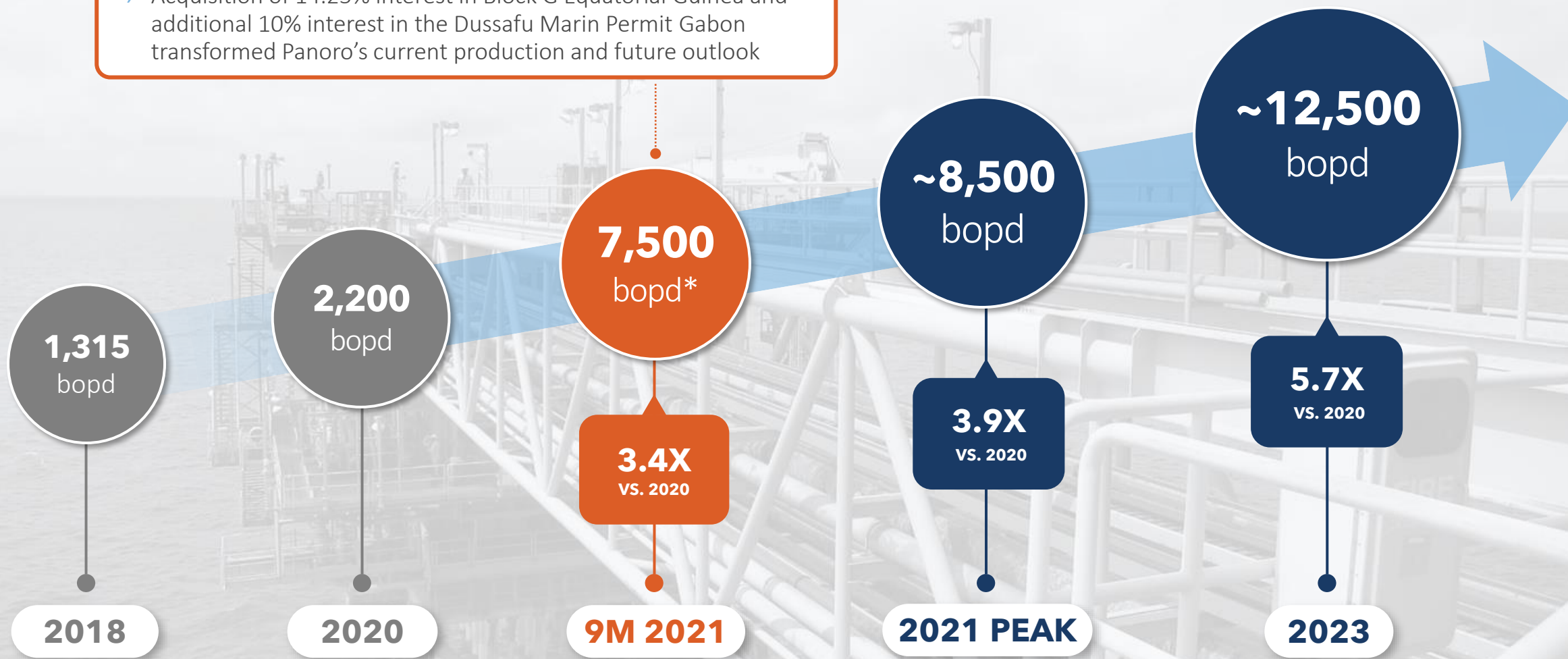
High grade opportunities with scope for short lead times and rapid monetisation

## SUSTAINABLE SHAREHOLDER RETURNS

- › Recognising oil prices are stronger than at the time of the Tullow acquisitions, Panoro is assessing the feasibility of bringing forward a first cash dividend (from originally intended mid-2023)
- › Key drivers other than oil price will include but not be limited to capex requirements, debt service obligations, underlying operational performance and critically the timing of crude liftings
- › Use of share buy backs will also be considered as a complementary mechanism
- › Capital growth remains an important component of Panoro's value proposition. Organic and inorganic growth will be balanced with a sustainable dividend policy

# VISIBILITY OVER PRODUCTION GROWTH

- › Acquisition of 14.25% interest in Block G Equatorial Guinea and additional 10% interest in the Dussafu Marin Permit Gabon transformed Panoro's current production and future outlook



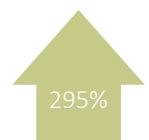
\* 9M 2021 working interest production expressed on a pro-forma basis. 9M unadjusted (non pro-forma) working interest production was 5,300 bopd



# 9M 2021 RESULTS HIGHLIGHTS



## KEY FINANCIAL HIGHLIGHTS

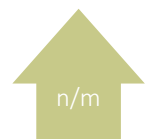


Pro-forma 9M 2021 revenue\*  
**US\$107.6 million**

9M 2020: US\$ 16.1 million

Cash at bank at 30/09/21\*\*  
**US\$ 45.1 million**

30/09/2020: US\$ 15.7 million

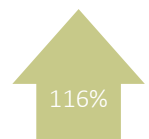


9M net cash from operations  
**US\$42.6 million**

9M 2020: US\$ (7.6) million

Gross debt at 30/09/21  
**US\$ 97.4 million**

30/09/2020: US\$ 21.7 million



9M 2021 realised oil price  
**US\$ 67.11 /bbl**

9M 2020: US\$ 39.47 /bbl

Net debt / (cash) at 30/09/21  
**US\$ 52.3 million**

30/09/2020: US\$ 6.2 million

## COMMENTARY

- › Revenue is recognised as liftings occur – pre-guided that there were no Panoro liftings in Q3 in Equatorial Guinea and Gabon, with one domestic lifting occurring in Tunisia
- › Panoro expects to lift around one million barrels in the fourth quarter
- › One lifting of ~130,000 barrels net has been completed with pricing anticipated in excess of USD 80/bbl
- › Further liftings net to Panoro of approximately 900,000 barrels in aggregate scheduled in Equatorial Guinea, Gabon and Tunisia in current strong price environment

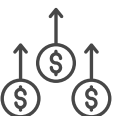






## NUMBER OF LIFTINGS

| # OF LIFTINGS         | 9M 2021   | Q4 2021E   |
|-----------------------|-----------|------------|
| Tunisia international | 2         | 1          |
| Tunisia domestic      | 6         | 1-2        |
| Gabon                 | 3         | 2          |
| Equatorial Guinea     | 1         | 1          |
| <b>Total</b>          | <b>10</b> | <b>5-6</b> |

\* Non IFRS measure. Assumes assets acquired from Tullow Oil held from 1 January 2021; 2P reserve and 2C resource estimates at 31 December 2020

\*\* Including cash balance of USD 10 million held for bank guarantee

# IFRS AND PROFORMA 9M FINANCIAL PERFORMANCE

|                      | GROSS REVENUE                                                                     | NUMBER OF LIFTINGS                                                                | EBITDA                                                                              | EBIT                                                                                | CASH BALANCE AT 30 JUNE 2021*                                                       | RECEIVABLES FROM CRUDE OIL SALES                                                    | GROSS DEBT                                                                          |
|----------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
|                      |  |  |  |  |  |  |  |
| IFRS Reporting basis | USD <b>38.6 million</b>                                                           | <b>5 int'l<br/>6 domestic</b>                                                     | USD <b>29.7 million</b>                                                             | USD <b>56.8 million</b>                                                             | USD <b>93.1 million</b>                                                             | USD <b>4.5 million</b>                                                              | USD <b>97.4 million</b>                                                             |
| Pro-forma basis      | USD <b>107.6 million</b>                                                          | <b>6 int'l<br/>6 domestic</b>                                                     | USD <b>67.4 million</b>                                                             | USD <b>90.2 million</b>                                                             | n/a                                                                                 | n/a                                                                                 | n/a                                                                                 |

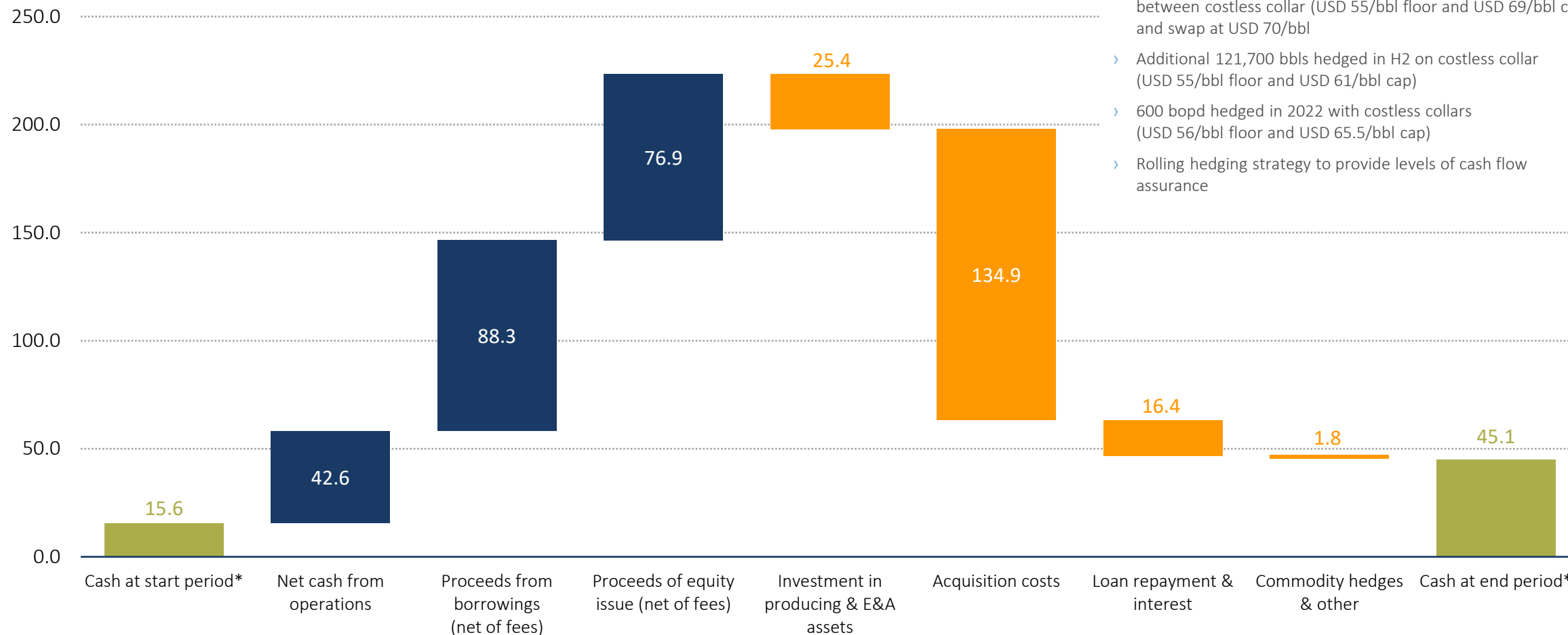
Includes over lift reversal to income of USD 25 million

USD 15.7 million realised in Q3

After DD&A on a historical basis. Following completion of acquisitions, DD&A will be higher due to depletion of sizeable fair value uplift adjustments made on the purchase price allocation of business combinations

# 9M 2021 RECONCILIATION OF CASH FLOW

USD MM



## HEDGING TO PROVIDE CASH FLOW ASSURANCE

- › 270,000 bbls of November 2021 liftings hedged. Split equally between costless collar (USD 55/bbl floor and USD 69/bbl cap) and swap at USD 70/bbl
- › Additional 121,700 bbls hedged in H2 on costless collar (USD 55/bbl floor and USD 61/bbl cap)
- › 600 bopd hedged in 2022 with costless collars (USD 56/bbl floor and USD 65.5/bbl cap)
- › Rolling hedging strategy to provide levels of cash flow assurance

\* Including cash balance of USD 10 million held for bank guarantee

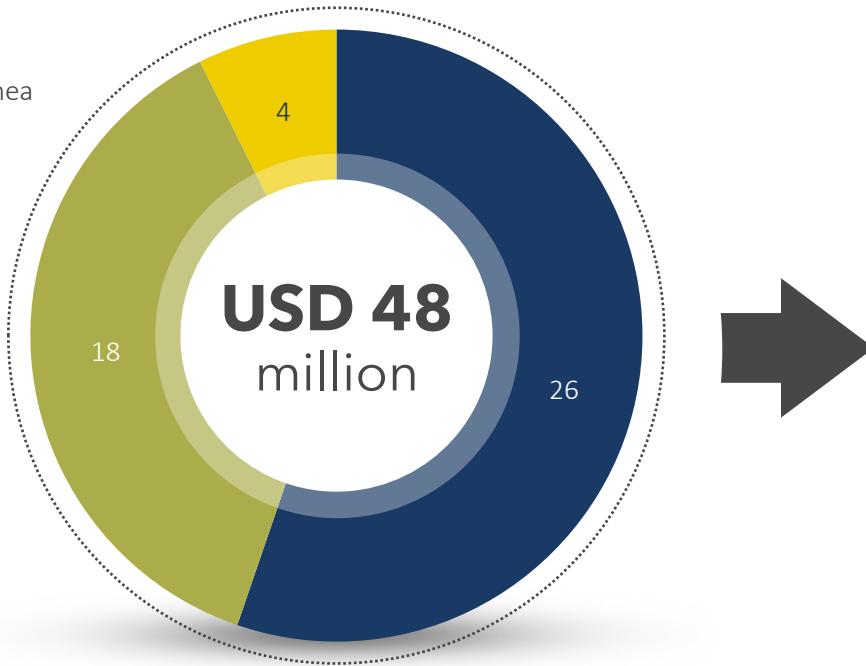


# 2021 CAPEX AND LIFTINGS



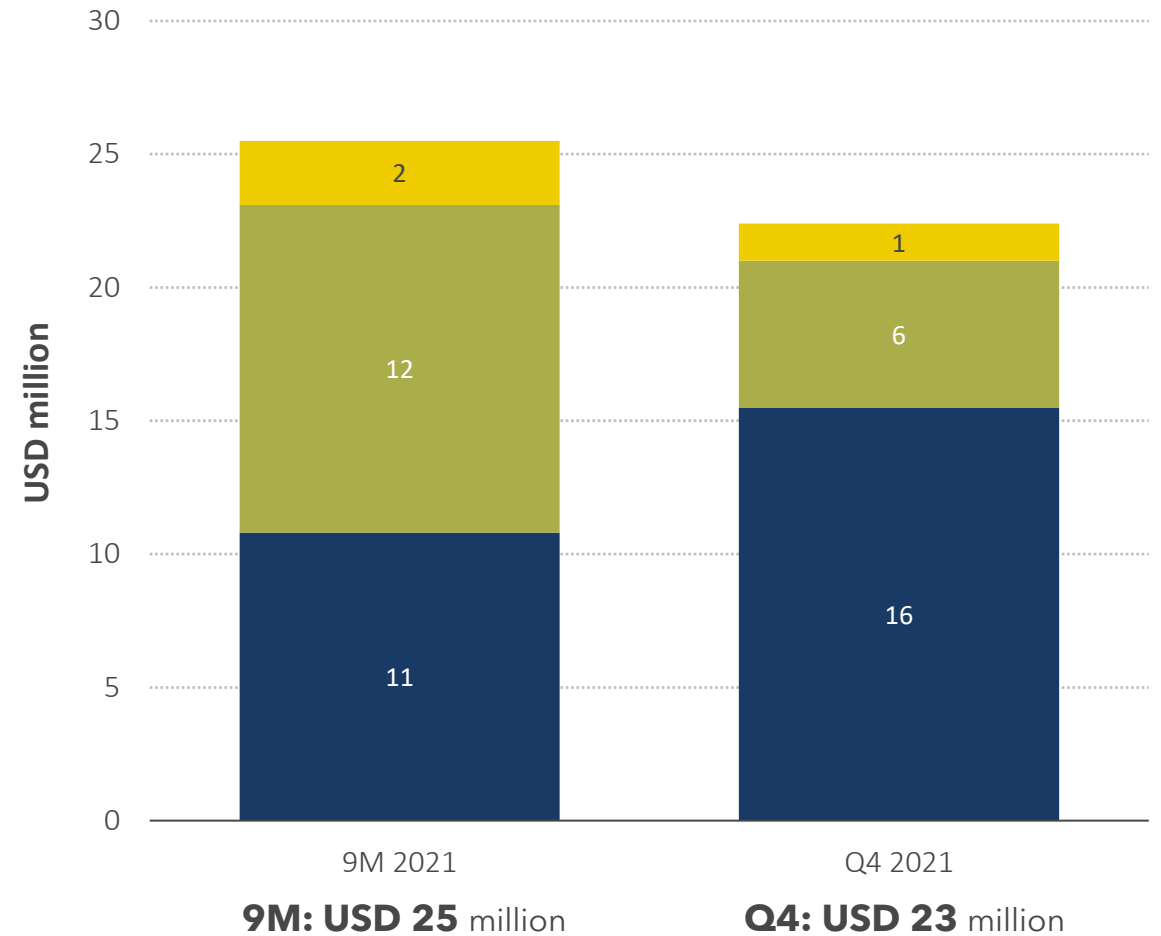
## 2021 CAPITAL EXPENDITURE GUIDANCE

- Gabon
- Equatorial Guinea
- Tunisia



- › Active 2021 development drilling campaigns in Equatorial Guinea and Gabon
- › Hibiscus/Ruche Phase 1 development progressing to schedule and within budget
- › Gazania-1 well in South Africa deferred to 2022

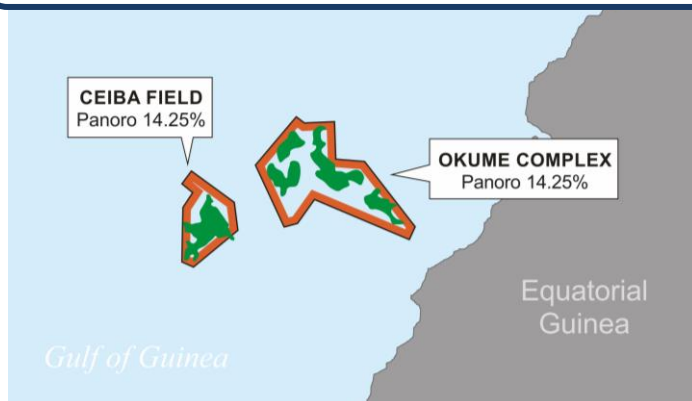
## PHASING



# OPERATIONS UPDATE

## EQUATORIAL GUINEA

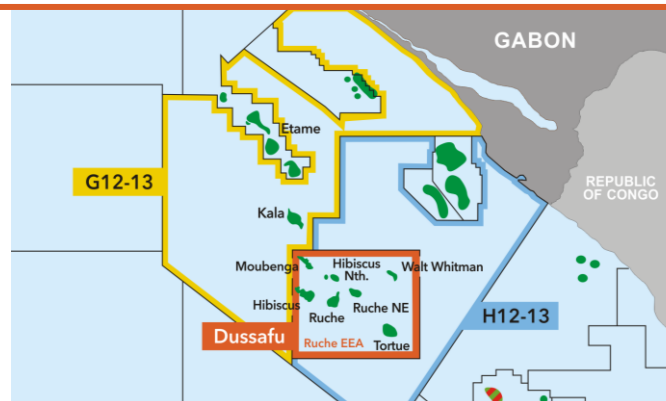
**4,240 bopd** (proforma basis)



- › First new infill well since 2015 at the Okume Complex encountered good quality oil saturated sands and is now onstream. Second infill well underway and expected onstream in Q4
- › New gas lift distribution unit installed at the Ceiba field
- › Partners focussed on defining further production growth activities in 2022 and beyond comprising additional workover activity and potential development drilling

## GABON

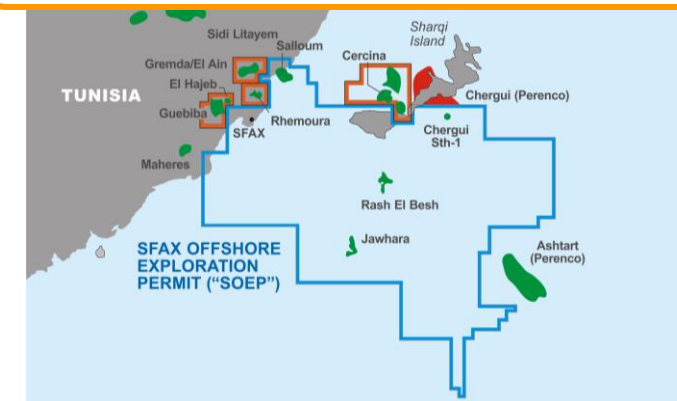
**1,920 bopd** (proforma basis)



- › Final two production wells drilled as part of Tortue Phase 2 development now onstream
- › Production being optimised with previously communicated shortage of gas lift capacity affecting ability for all wells to simultaneously produce at their potential
- › Hibiscus/Ruche Phase 1 development remains on schedule and within budget with first oil anticipated in Q4 2022
- › Hibiscus North discovery will be incorporated into future development planning

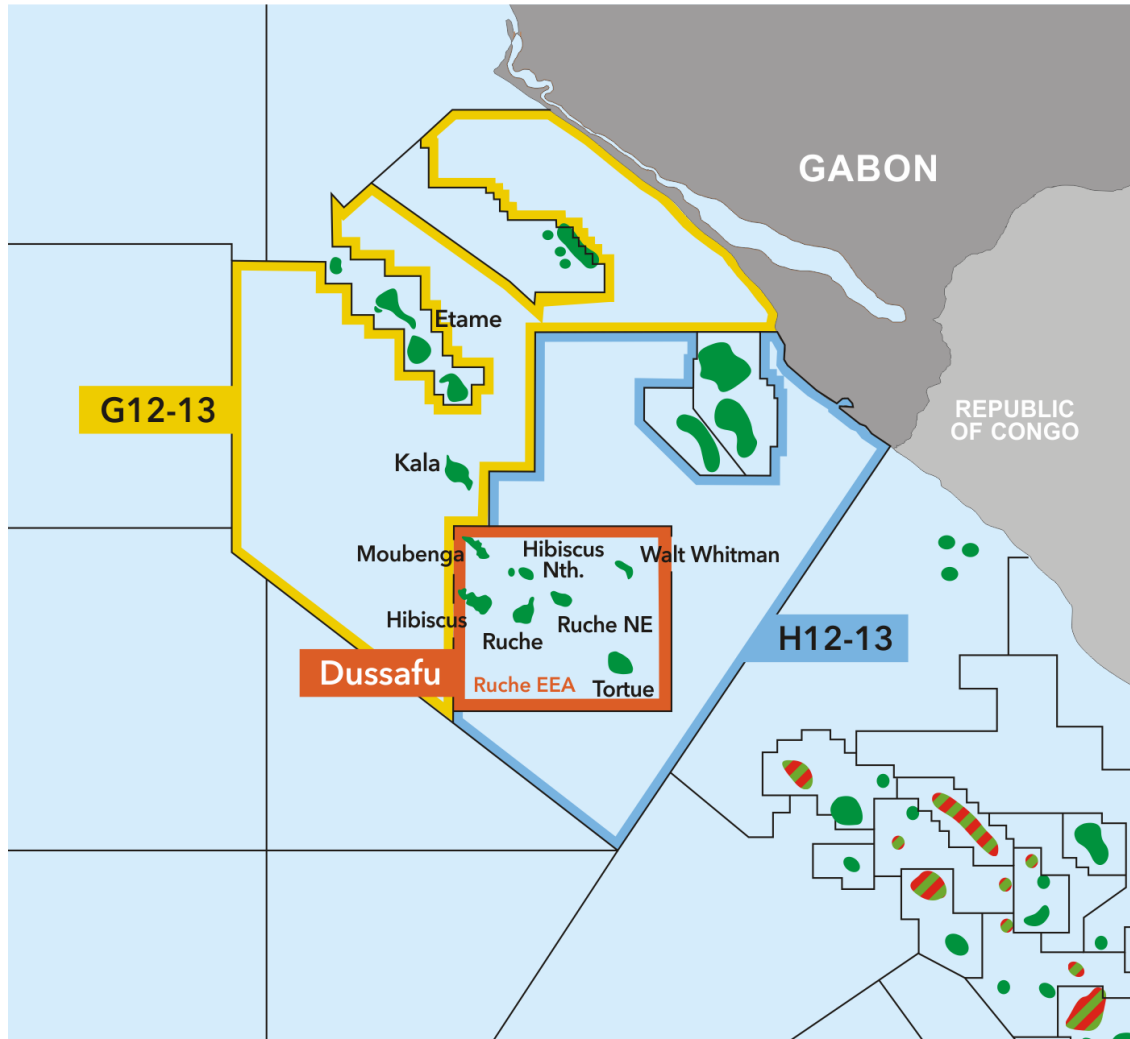
## TUNISIA

**1,340 bopd**



- › Number of well operations and facilities upgrades ongoing at Guebiba, Rhemoura and Cercina fields
- › Recent workover of the GUE-14 well demonstrated benefit of stimulation in conjunction with ESP replacements which boosted well productivity by 50%
- › Joint ETAP and Panoro team is progressing a subsurface re-modelling exercise expected to lead to further field optimisation and development drilling recommendations

# PROVISIONAL LICENSE AWARD IN GABON



- › Panoro announced on 11 October the provisional award of a 25% participating interest in exploration blocks G12-13 and H12-13
- › Provisional award is part of 12<sup>th</sup> Offshore Licensing Round and remains subject to final agreement of terms with government
- › The blocks cover a combined surface area of 4,918 km<sup>2</sup> and are adjacent to Dussafu Marin and Etame Marin
- › To date around 250 MMbbls of oil has been discovered on Dussafu Marin and Etame Marin with multiple discoveries developed
- › Expected that the blocks will have an eight-year initial period and option to extend by two years
- › Logical extension of Panoro's footprint
- › Low upfront exposure with attractive risk/reward profile
- › Deepens exploration inventory and will enhance high-grading of future exploration activities

# KEY MESSAGES

- › Busy Q4 lifting schedule coinciding with current strong oil prices (aggregate liftings of approximately one million barrels net to Panoro)
- › New wells onstream in Equatorial Guinea and Gabon with stable production in Tunisia moves Panoro towards 8,500 bopd level
- › Expanded footprint offshore Gabon with provisional 12<sup>th</sup> Licensing Round award – consistent with Panoro's selective exploration strategy
- › Strong financial position with USD 45 million cash at bank and net debt of USD 52 million at end Q3
- › Panoro's intention is to pay a sustainable quarterly dividend payout and return a significant portion of free cash flow to shareholders with buy backs a complementary mechanism to return capital
- › Panoro's Board is assessing the feasibility of bringing forward a maiden cash dividend
- › Panoro's growth prospects remain strong

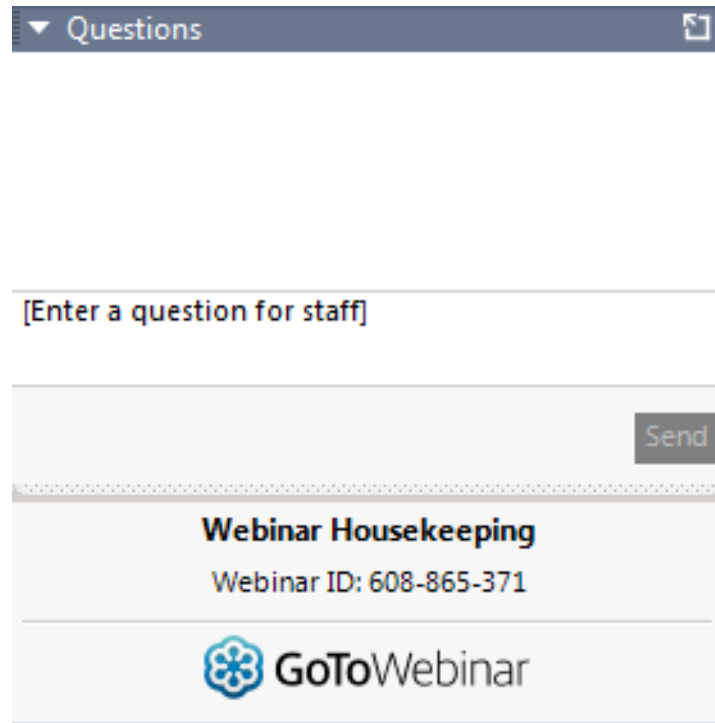




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Questions Panel




Questions

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