



Panoro Energy: Q1 2021 Trading and financial update

Oslo, 27 May 2021 - Panoro Energy ASA ("Panoro" or the "Company" with OSE Ticker: PEN) delivered on a pro-forma basis, record high revenues of USD 77.2 million in this year's first quarter, with an EBITDA-result of USD 25.3 million, showcasing the scale effects of the Company's announced acquisitions, which either have been or are in process of being completed.

On an IFRS Reporting Basis, Panoro had gross revenues of USD 11.8 million, EBITDA of USD 5.3 million and EBIT of USD 3.2 million in this year's first quarter.

Panoro today also notes a target 2021 exit rate production of approximately 9,500 bopd, compared to current level of 8,000 bopd, and estimates that average production in 2023 will reach in excess of 12,000 bopd.

John Hamilton, CEO Panoro, commented: *"The first quarter of 2021 is the most significant in our history. Through the acquisition announced in February, Panoro is transformed. We can now point to a diversified production business across three countries, a long-term reserves and contingent resource foundation, and an extensive exploration portfolio. The resultant cash flow and strong balance sheet ensure Panoro is fully financed through its organic growth plans, and positioned to pay cash dividends in 2023. In the near term, we can look forward to five new production wells coming on stream, and two exploration wells to be drilled. We look forward to updating shareholders on this exciting growth trajectory."*

Financial Highlights

Metric	IFRS Reporting Basis	Pro-forma Basis
Net Production (approximate)	2,400 bopd	8,000 bopd
Gross revenue	USD 11.8 million	USD 77.2 million
Number of liftings	2 International 2 Domestic	3 International 2 Domestic
EBITDA	USD 5.3 million	USD 25.3 million <i>(reduced by the effect of USD 31.1 million over lift position in EG recognised at fair value which will unwind in coming quarters with inventory accumulation)</i>
EBIT	USD 3.2 million	USD 18.8 million <i>(after DD&A on a historical basis. Following completion of acquisitions, DD&A expected to be higher due to depletion of fair value uplift on purchase price allocation).</i>
Cash balance <i>(including USD 10 million held for bank guarantee)</i>	USD 54.6 million	To be reduced by approximately USD 14 million related to completion of acquisitions

Metric	IFRS Reporting Basis	Pro-forma Basis
Receivables from crude oil sales	USD 71.4 million <i>(including USD 59.1 million related to Block G, Equatorial Guinea)</i>	Substantial portion of the receivables realised in April 2021
Gross Debt	USD 74 million	To be increased by USD 35 million following completion of Dussafu Transaction

In February 2021, Panoro announced two transformational acquisitions of assets in West Africa. On 31 March 2021, the acquisition of Tullow Equatorial Guinea Limited ("TEGL") (the "EG Transaction") was completed and has been recognised in the balance sheet of the Group in accordance with IFRS 3. The results of TEGL for the first quarter 2021 have not been consolidated and will be included from the date of completion. The second transaction of acquisition of an additional 10% working interest in Dussafu permit (the "Dussafu Transaction") has not completed as of the reporting date of 31 March 2021 and as such has not been included in the balance sheet or the income statement of the Group.

In order to provide insights into the performance of the Group's existing operations combined with the Company's aforementioned acquisitions in West Africa, certain unaudited key information has been prepared and included in the highlights on a pro-forma basis after including the results and operations of both transactions from 1 January 2021.

The pro-forma information above is prepared for indicative purposes only and should not be construed as past performance of the Group or be seen as a forward-looking guidance. The purpose of this information is solely to provide illustration and highlight the key metrics of the business on an indicative basis after considering potential acquisitions. For information on the assumptions used to prepare pro-forma information, please refer to note 7 of the published Q1 2021 Trading and financial update.

Operational Highlights

- Production and lifting operations maintained and largely unaffected through the quarter
- Health and Safety systems and protocols proved resilient

Equatorial Guinea

- Average first quarter production of approximately 30,200 bopd gross (4,300 bopd net)
- Prior to completion, one cargo under Panoro's entitlement was lifted from Equatorial Guinea during the quarter, generating sales of USD 59.1 million
- The Okume upgrade project is nearing completion, adding additional power, water injection and gas lift capacity necessary for further facilities de-bottlenecking and additional electrical submersible pumps (ESPs). In April, partners commenced the second phase of the planned ESP program and upgraded the G-19 flowline, which has significantly enhanced production from that well. A rig has also been contracted for the upcoming infill drilling campaign, which is expected to arrive in country during 2Q to drill the three wells planned on the Elon field this year
- Three new production wells are planned for the Elon field in 2021

Gabon

- Average first quarter production of 13,600 bopd gross on average (1,020 bopd net increasing to 2,380 bopd following completion of 10% additional working interest)
- 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
- One crude oil lifting in 1Q, sold at USD 67 per barrel with cost of sales of USD 23 per barrel

Tunisia

- Average first quarter production in Tunisia of 4,543 bopd gross on average during the quarter (1,336 bopd net)
- A lifting of 96,000 bbls net to Panoro was completed during the quarter achieving a price of approximately USD 60/bbl. Additional domestic liftings also supplemented the revenues for this period.

Corporate Highlights

- Completion of acquisition from Tullow Oil plc of a 14.25% working interest in Block G, offshore Equatorial Guinea ("EG Transaction") with remaining additional 10% working interest in Dussafu Marin Permit, offshore Gabon expected to complete in 2Q
- Equity private placement and subsequent offering during the quarter with net proceeds of USD 77.1 million
- First drawdown of USD 55 million under the USD 90 million debt facility with Trafigura/MCB to partially fund the EG Transaction
- Completion of farm-in of 12.5% working interest in Block 2B, offshore South Africa in April 2021

Outlook and Guidance

- Five new production wells to be completed during Q2 and Q3 (3 EG and 2 Gabon)
- Targeting 2021 exit rate production in excess of 9,500 bopd
- Production growth activity in Tunisia to continue with workovers planned at El Ain-3 and Cer-3
- Drilling of Hibiscus North exploration well in Q3
- Drilling of Gazania-1 exploration well in Block 2B by end of 2021
- Three international liftings expected in 2Q 2021
- Dividend of PetroNor shares to Panoro shareholders (upon completion of sale of Aje)

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:	27 May 2021, 09:00 .a.m. CEST
Registration:	https://attendee.gotowebinar.com/register/8707133050516680971 <i>After registering, participants will receive a confirmation email containing information about joining the results presentation.</i> <i>Participants can use their telephone or computer microphone and speakers (VoIP).</i>

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) for approximately 7 days.

Enquiries

Qazi Qadeer, Chief Financial Officer

Tel: +44 203 405 1060

Email: investors@panoroenergy.com

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.

Visit us at www.panoroenergy.com

Follow us on [Linkedin](#)