



Panoro Energy – Trading Statement and Operations Update

Oslo, 3 February 2022 – Panoro Energy ASA (“Panoro” or the “Company”) today provides an update in advance of its full year 2021 results which are scheduled for release on 23 February 2022. Information contained within this release is unaudited and may be subject to further review and amendment.

In 2021 Panoro’s working interest production more than tripled year-on-year to approximately 7,600 bopd (proforma basis) while revenue increased almost five-fold to approximately USD 118 million as higher oil prices combined with the production uplift. The Company has line of sight on organic production growth to in excess of 12,500 bopd during 2023 through the active production and development work programmes underway and planned across the portfolio. Panoro is committed to sustainable returns for shareholders through the oil cycle.

John Hamilton, CEO of Panoro, commented:

“2021 saw Panoro establish itself as a leading independent producer in Africa. The acquisition of Tullow’s interests in Block G offshore Equatorial Guinea and Dussafu Permit offshore Gabon has been a major milestone and transformed our operational and financial profile, positioning the Company to generate sustainable long-term value for our shareholders. Panoro today benefits from a strongly cash generative, diversified low-cost and long-life oil production base managed by a lean organisational structure. We have a busy year ahead working with our partners and key stakeholders to further unlock the considerable organic upside across our portfolio. Our growing cash flow will allow us to start returning cash to shareholders, and at the same time positions us to opportunistically capitalise on value accretive new business opportunities should they arise.”

2021 Performance Update

- Full-year working interest production on a proforma basis averaged approximately 7,600 bopd and reached levels well in excess of 8,500 bopd in December, in line with guidance
- 2021 full-year reported revenue is expected to be approximately USD 118 million, generated from crude sales of approximately 1.6 million barrels in the year and average realised oil price of USD 72 per barrel
- Cash at bank at 31 December 2021 was USD 24.5 million and gross debt USD 100 million. Year-end receivables from December liftings stood at USD 39.9 million which will be received in full within the month of February (USD 30.8 million received to date)

2022 Guidance and Outlook

- Working interest production is forecast to average 8,000 bopd to 9,000 bopd in 2022, of which approximately 60% is attributed to Equatorial Guinea, 25% to Gabon and 15% to Tunisia
- Towards the end of the year, Panoro expects to achieve approximately 10,000 bopd net following both the start-up of the Hibiscus/Ruche Phase 1 development offshore Gabon and increasing activity in Equatorial Guinea
- Panoro remains on track to achieve in excess of 12,500 bopd net during 2023
- Expenditure on capital and other non-recurring projects in 2022 is expected to be approximately USD 65 million, and includes approximately USD 6 million carried forward from 2021 guidance in relation to ongoing development of the Dussafu Marin Permit offshore Gabon (timing of spend) and USD 6 million in relation to exploration drilling at Block 2B offshore South Africa (pre-communicated deferral of well to H2 2022). The majority of planned 2022 expenditure is associated with the guided Hibiscus/Ruche field development and drilling offshore Gabon

- Planned 2022 expenditure across the portfolio comprises:
 - Equatorial Guinea:
 - New production optimization and growth initiatives approved by the JV
 - Well workovers including ESP conversions and acid stimulations
 - Multiple integrity and maintenance projects
 - A new gas compression project at Okume
 - Long Lead Items for future drilling and completion projects
 - Gabon:
 - Construction and installation of Hibiscus Alpha Platform
 - Installation of Hibiscus-Tortue pipeline
 - Adolo FPSO modifications including additional gas lift capacity
 - Drilling first production wells and start-up of Hibiscus field in Q4
 - Tunisia:
 - Multiple integrity and maintenance activity with a focus on the Cercina field
 - Subsurface remodelling work on the Guebiba field for a potential drilling campaign in 2023
 - Plans of Development in support of concession renewals at Rhemoura (2023) and Cercina (2024)
 - Cercina well scale treatment and stimulation campaign
 - South Africa:
 - Drilling of Gazania-1 exploration well
- Scheduled debt principal repayments in 2022 are approximately USD 26 million
- Panoro is finalising its 2022 lifting schedule with partners and will provide further update at its 2021 full year results on 23 February. It is currently anticipated that Panoro's 2022 crude oil entitlement liftings will be weighted towards the second half of the year
- On 27 January 2022 the Company announced receipt of government approvals for the sale of its 12.1913% economic interest in OML 113 offshore Nigeria, which includes the Aje field, to PetroNor E&P Limited ("PetroNor"). Receipt of government approvals satisfies the last key condition precedent for the completion of the transaction. Panoro and PetroNor will now proceed with the final steps to achieve completion of the Transaction, including the issuance of new PetroNor shares for distribution to Panoro shareholders
- 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 commitment to initiate sustainable cash dividends, perhaps significantly earlier than mid-2023 guidance issued at the time of the Tullow acquisitions, clearly demonstrates the Boards strong alignment with shareholders and prioritisation of shareholder returns through the oil cycle

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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