## Panoro Energy – Third Quarter 2022 Trading and Financial Update and Shareholder Returns Policy

Oslo, 30 November 2022 – Panoro Energy ASA ("Panoro" or the "Company") today announced a record quarterly financial performance with Q3 revenue of USD 96.1 million and EBITDA of USD 68.4 million driving a net quarterly profit of USD 35.4 million. With an active work programme across all three production assets underway the Company reiterates that it is on track to increase net production from today's level of 7,700 bopd to 12,500 bopd during the course of 2023. In line with its commitment to delivering shareholder returns, the Board of Panoro has authorised the commencement of cash dividend payments in 2023 with its inaugural cash dividend to be declared at its Q4 2022 results in February 2023.

**John Hamilton, CEO of Panoro, commented:**
*"Our busy Q3 lifting schedule has translated into record financial performance which underscores the high quality and cash generative potential of our diversified asset base. We will carry this momentum into next year and with work programmes across the portfolio progressing well are on track to achieve our organic production growth outlook to 12,500 bopd during the course of 2023."*

**Julien Balkany, Chairman of Panoro, commented:**
*"At the time of the Tullow acquisitions we guided to cash dividends commencing in mid 2023 so I am very pleased that Panoro, consistent with its value driven strategic vision, is now in a position to reward its shareholders by inaugurating its first cash dividend some six months earlier than expected while still advancing its exciting growth pipeline. The adoption of a shareholder returns policy subject to oil prices represents a major and long-awaited milestone for Panoro and validates the strength and sustainability of our E&P portfolio. Panoro intends to pay out USD 20 to 30 million in 2023, which represent a yield in the order of 5.8% to 8.6% based on the current share price, to our shareholders that I would like to thank for steadily supporting the Company over the years."*

### Corporate and Financial Update

- Q3 was a record quarter for Panoro with reported revenue of USD 96.1 million and EBITDA of USD 68.4 million driving a net quarterly profit of USD 35.4 million
- Revenue for the first nine months therefore increased to USD 117.8 million with EBITDA for the nine months standing at USD 89.2 million and net profit 13.9 million
- The Company recognises revenue when liftings occur. Total crude oil volumes lifted and sold in Q3 were 880,896 barrels at an average realised price of USD 105.5 per barrel after customary price adjustments and associated fees
- Consequently, total crude oil volumes lifted and sold in the first nine months were 1,039,797 barrels at an average realised oil price of USD 105.7 per barrel after customary price adjustments and associated fees
- Cash flow from operations for Q3 was USD 65.2 million and for the nine months USD 78.8 million against capital expenditure year-to-date of USD 40.3 million
- Cash at bank at 30 September was USD 34.1 million
- In October, post period end, Panoro completed its scheduled lifting of 647,111 barrels in Gabon resulting in proceeds to the Company of approximately USD 59 million. This lifting brings the aggregate volume of crude oil lifted and sold by Panoro year-to-date to 1,686,908 barrels at an average realised price of USD 100.2 per barrel after customary price adjustments and associated fees
- Deleveraging continues with gross debt at 30 September of USD 82.4 million after principal repayments of USD 15.6 million were made in the first nine months. Further repayments totalling USD 4 million are anticipated to be made prior to year end

- Company largely unhedged, with legacy hedges of 600 bopd rolling off at the end of December 2022
- Working interest production for the first nine months averaged approximately 7,700 bopd
- Q3 working interest production of approximately 7,300 bopd was affected by pump replacements in both Equatorial Guinea and Tunisia (since restored)
- Production expected to return to the 8,000 bopd level around the year end and build to over 12,500 bopd during the course of 2023
- Maiden dividend paid in August with proceeds from the sale of Panoro's interest in OML 113 offshore Nigeria to PetroNor E&P ASA ("PetroNor"). USD 10 million upfront consideration received in the form of 96,577,537 shares in PetroNor distributed as a dividend in specie to Panoro shareholders

## Shareholder Returns and Capital Allocation

### Background

Panoro Energy is on a trajectory that is expected to lead to a greater than 50 per cent increase in production over the coming 12 months, with further production growth anticipated in subsequent periods from a deep inventory of organic opportunities already within the existing portfolio. While investing to add capital value for shareholders remains an integral part of Panoro's strategy the Company is also committed to initiating a sustainable shareholder returns policy at the earliest possible time, whilst preserving sufficient cash balances to fund its ongoing capital expenditure and, against the backdrop of rising interest rates, repayment of its debt.

Looking ahead to 2023 principal production growth will come with the delivery of the Hibiscus Ruche Phase I development offshore Gabon at the Dussafu Marin Permit. The project comprises six new production wells scheduled to come onstream sequentially starting around the end of the first quarter. The project is aiming to increase production at Dussafu Marin from the current gross rate of around 10,400 bopd towards 40,000 bopd when all six new wells are onstream in Q4.

In Equatorial Guinea the Block G partners have entered into a rig contract for the next drilling campaign which is expected to commence in the second half of 2023 and comprise up to three infill production wells which are expected to be brought online in 2024.

Capital expenditure net to Panoro for the above projects is expected to be USD 65-70 million during 2023

### Shareholder Returns Policy

Taking these capital projects into account and a range of other factors including the macro environment, current oil prices, cash flow profile of the asset base, balance sheet and liquidity requirements of the business, consistent with its strategy to create and deliver shareholder value, the Board of Panoro has approved the adoption of a shareholder returns policy. Accordingly, the Company will commence dividend payments in 2023 with its inaugural cash dividend to be declared at its Q4 2022 results in February 2023 and paid shortly thereafter in accordance with the following 2023 shareholder returns policy:

- USD 20 million core dividend paid on a quarterly basis in cash weighted towards H2 and subject to average oil price realisation remaining above USD 80 per barrel after the effects of any hedging
- Target distribution for 2023 of USD 30 million subject to higher oil price realisation of USD 90 per barrel being achieved for the year after the effects of any hedging. As operating and capital costs for 2023 are largely fixed, this USD 10 per barrel price increment offers scope for significant additional free cash flow, providing for an up to USD 10 million

additional capital return in the form of a cash payment, share buyback or combination thereof in addition to the core dividend

- In accordance with our clear value driven capital return strategy, should an average oil price realisation of USD 100 per barrel be achieved for the year after the effects of any hedging, Panoro will seek to return to shareholders a substantial portion of the excess free cash flow generated during the calendar year either as a discretionary special dividend, share buyback or combination thereof in addition to any core dividend and additional capital return
- The NOK equivalent dividend will be determined by prevailing currency exchange rates around the time of declaration
- At all times, the discretionary use of share buybacks will be evaluated in combination with dividends, using the previously approved authorities. The buy-back resolution will be proposed for renewal at the May 2023 AGM

**Liability Management**

Panoro expects to also repay a similar amount of approximately USD 20 million in debt principal repayments during 2023, keeping a balance between return of capital to shareholders and debt repayments where possible. Similarly, should oil price realisations exceed USD 80 per barrel acceleration of debt repayment through additional repayments is anticipated.

In line with its strategy Panoro will continue to selectively undertake exploration and appraisal activities that can offer meaningful upside with a modest financial exposure and will maintain an opportunistic stance in pursuit of value accretive acquisitions in the future.

**Operations update**

- **Equatorial Guinea (Panoro: 14.25% in Block G)**
  - Working interest production for the first nine months averaged approximately 4,560 bopd (gross production 31,980 bopd)
  - Planning for the next phase of development drilling is underway. In late August the joint venture partners entered into a rig contract for up to three infill wells at Block G commencing in H2 2023
  - Operator Trident Energy is undertaking a workover programme at the Okume Complex and in November completed the second electrical submersible pump ("ESP") installation scheduled in 2022 which is expected to support current production levels through year end into 2023
  - Various routine maintenance and upgrade projects progressed during quarter
  - On 20 October Panoro announced that it has agreed to farm-in to the Kosmos Energy operated Block S offshore Equatorial Guinea for a 12 per cent non-operated participating interest. The current joint venture partnership at Block S is Kosmos Energy (40 per cent and operator), Trident Energy (40 per cent) and GEPetrol (20 per cent). Panoro's agreed farm-in is on the basis that it will acquire a 6 per cent participating interest from each of Kosmos Energy and Trident Energy, respectively (12 per cent in aggregate). Panoro's farm-in is subject to customary approvals
  - The Akeng Deep exploration well is planned at Block S in 2024 to test a play in the Albian, targeting an estimated gross mean resource of approximately 180 million barrels of oil equivalent in close proximity to existing infrastructure
- **Gabon (Panoro: 17.5% in Dussafu Marin Permit)**
  - Working interest production for the first nine months averaged approximately 1,910 bopd (gross production 10,920 bopd)

- The Operator is on track to increase gas lift capacity for the existing wells at Tortue from Q1 2023. The new gas lift compressor has arrived in Gabon with installation on the BW Adolo FPSO in December
- Development of the Hibiscus / Ruche Phase I project is progressing to plan
- In late September the BW MaBoMo offshore production facility arrived in Gabon on schedule. The production facility has since been installed on site and preparations are underway for future drilling operations and for the tie-in of the export pipeline connecting the BW MaBoMo to the BW Adolo FPSO. Twenty kilometres of the subsea pipeline has now been installed, with final connections planned for year end
- The Borr Norve jack up drilling rig is on schedule to commence drilling at the Hibiscus field in January with first oil expected around the end of Q1 2023. The BW Adolo FPSO is being prepared to receive oil from BW MaBoMo from end-February

- **Tunisia (Panoro: 29.4% in TPS Assets)**
    - Working interest production for the first nine months averaged approximately 1,200 bopd (gross production 4,090 bopd)
    - The TPS team have completed workovers replacing two failed ESP's, there has in addition been a production optimisation campaign across the asset to boost well performance which has lifted Q4 gross production to date to an average of approximately 4,600 bopd
    - New production opportunities include the completion of the Douleb reservoir in GUE-10AST expected in the coming months and perforation and stimulation activities on three further Cercina wells now scheduled for Q2 / Q3 next year
- **South Africa (Panoro: 12.5% in Block 2B, 100% in TCP 218)**
    - In August Panoro announced it had been awarded a 100 per cent interest in Technical Co-operation Permit ("TCP") 218 onshore northern Free State province, South Africa. Panoro has commenced a 12 month study to evaluate the Helium and natural gas prospectivity of the TCP area, after which it has the option to apply for an Exploration Right
    - The Gazania-1 exploration well located at Block 2B offshore the Northern Cape in Orange Basin, South Africa, was safely drilled without incident to a depth of 2,360 metres. The well did not encounter commercial hydrocarbons and will now be plugged and abandoned. Further analysis and integration of the well data will allow the JV to determine the next steps on the Block

**Webinar Presentation**

The company will hold a live webinar presentation at 09:00 a.m. CET on Wednesday 30 November 2022, 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:

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| Date and Time: | 30 November 2022, 09:00 .a.m. CET |
| Registration: | https://attendee.gotowebinar.com/register/5055703325124476172<br><br>*After registering, participants will receive a confirmation email containing information about joining the webinar.*<br><br>*Participants can use their telephone or computer microphone and speakers (VoIP).* |

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

A replay of the webinar will be available shortly after the event is finished and will remain on our website (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, the TPS operated assets, Sfax Offshore Exploration Permit and Ras El Besh Concession, offshore Tunisia and interests in exploration Block 2B and TCP 218, South Africa.

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