



Panoro Energy – Third Quarter 2023 Trading and Financial Update

Oslo, 29 November 2023 – Panoro Energy ASA (“Panoro” or the “Company”) is pleased to report strong Q3 production and financial performance.

Working interest production from Panoro’s well diversified portfolio averaged just above 10,000 bopd in Q3, a new record for the Company. Revenue of USD 107.3 million in the period was also a new quarterly record and reflects the increased volumes of crude oil sold and higher oil price realisations. Q3 EBITDA and net profit were strong at USD 64.8 million and USD 27.9 million respectively.

Consistent with its commitment to delivering sustainable shareholder returns, Panoro has today declared a Q3 cash distribution of NOK 40 million (NOK 0.342 per share) to be paid as a return of paid in capital.

Having cumulatively paid NOK 140 million including the Q3 cash distribution, Panoro is moving towards its NOK 200 million targeted 2023 capital return, with the final 2023 cash distribution to be declared at its Q4 2023 results in February.

John Hamilton, CEO of Panoro, commented:

“The strong production and financial performance in Q3 underscores the high quality and cash generative potential of our diversified asset base, which we are continuing to translate into sustainable and material shareholder returns with the Q3 cash distribution declared today alongside our framework for shareholder returns in 2024. We are making good progress towards our organic production growth targets, and while we are experiencing some volume constraints arising from electrical issues with ESPs installed in wells at the Hibiscus field in Gabon we are confident that they will be resolved and the full production potential of those wells fully unlocked next year. With three production wells to come in Gabon, the three-well infill drilling campaign due to start in Q4 at Block G offshore Equatorial Guinea and two high impact E&A wells planned on the Bourdon and Akeng Deep prospects, in Gabon and Equatorial Guinea respectively, we have a very exciting organic growth pipeline.”

Corporate and Financial Update

Production performance

- Group working interest production averaged 10,000 bopd in Q3 and comprised:
 - Equatorial Guinea: ~3,620 bopd
 - Gabon: ~4,070 bopd
 - Tunisia: ~2,320 bopd
- Group working interest production had been averaging over 11,000 bopd in Q4 and reached levels of up to 12,000 bopd prior to the current electrical submersible pump (“ESP”) diagnostic, repair and replacement work now in progress at the Hibiscus field
- Panoro remains on track to achieve group production of 13,000 bopd when six new production wells in the current Gabon drilling campaign are onstream
- Recognising the already communicated amended work programme in Gabon and aforementioned work on ESPs at the Hibiscus field, average full-year 2023 working interest group production guidance is around 9,000 bopd

Financial performance

- Reported revenue in Q3 was USD 107.3 million (Q2: USD 5.7 million)
- Q3 EBITDA was USD 64.8 million (Q2: USD 3.3 million) with profit before tax of USD 46.7 million (Q2: USD 10.0 million loss before tax) and net profit for the period of USD 27.9 million (Q2: 13.4 million net loss)
- Year-to-date reported revenue for the first nine months was USD 173.7 million (9M 2022: USD 117.8 million)

- EBITDA for the first nine months was USD 103.7 million (9M 2022: USD 89.2 million) with profit before tax of USD 61.2 million (9M 2022: USD 44.4 million) and net profit of USD 28.8 million (9M 2022: 13.9 million)
- During Q3 the Company lifted and sold 1,179,262 barrels of oil at an average realised price of USD 87.65 per barrel
- Consequently, the aggregate volume lifted and sold by the Company in the first nine months was 2,015,012 barrels of oil at an average realised price of USD 82.58 per barrel
- In Q4 to date the Company has lifted and sold an aggregate volume of 554,813 barrels in Gabon and Tunisia at an average realised price of approximately USD 86.20 per barrel
- Expected total crude liftings for full-year 2023 are approximately 3 million barrels, although the final scheduled 2023 lifting currently expected to occur around year end may, depending on logistical factors, occur in early January
- Receivable in relation to DMO sales in Tunisia was USD 18.1 million at 30 September. USD 1.3 million of this balance was received in October
- Reported cash at bank at 30 September was USD 47 million, which includes advances of USD 13.5 million taken against crude inventory position to smooth working capital. Excluding oil revenue advances cash at bank at 30 September was USD 33.5 million
- Scheduled principal repayment made in September of USD 13.2 million resulting in amounts owing under reserve-based loans at 30 September of USD 70.5 million
- Panoro's resultant net debt position at 30 September was USD 35.8 million (based on cash at bank of USD 33.5 million excluding oil revenue advances)
- 2024 operational guidance for the Company will be provided as usual in January

Q3 2023 cash distribution

- Panoro today declares a Q3 2023 cash distribution of NOK 40 million (NOK 0.342 per share)
- Panoro expects to declare a final 2023 cash distribution at its Q4 2023 results scheduled for 22 February 2024
- Cash distribution to be paid as a return of paid in capital

2024 shareholder returns policy

- Consistent with our 2023 framework, Panoro continually takes into account its capital and exploration projects alongside a range of other factors including the macro environment, current oil prices, exchange rates, cash flow profile of the asset base, lender considerations, 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 2024 shareholder returns policy
- Target distribution for 2024 of between NOK 400 and 500 million comprised of:
 - A core cash distribution paid on a quarterly basis, with first declaration at Q1 2024 results to be announced in May (for payment in June)
 - A combination of share buybacks and special cash distribution at the discretion of the Board
 - Amounts to be weighted towards the second half of the year as production milestones are achieved
 - Cash distributions to be paid as a return of paid in capital
- The range will be dependent on:
 - The timing and de-risking of the major production operations ongoing in both Gabon and Equatorial Guinea
 - A realised oil price of USD 85 per barrel (representing the average 2024 oil price assumption of equity analysts) and current exchange rates

- The Board will consider upward or downward revisions of the framework as production de-risking occurs and should oil prices be higher or lower than USD 85 per barrel

Liability management and capital allocation

- Panoro will continue to make its scheduled debt principal repayments during 2024. Should oil price realisations exceed USD 85 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

Production operations update

Equatorial Guinea – Block G (Panoro 14.25%)

- Rig contracted for the upcoming drilling campaign has arrived in country and is undertaking two planned workovers before commencing drilling of three new infill wells which are expected onstream in 2024 and will deliver additional new production volumes
- Numerous field life extension and asset integrity projects continued at the Ceiba and Okume Complex fields during the period

Gabon – Dussafu Marin Permit (Panoro 17.5%)

- Four production wells at the Hibiscus field have been safely drilled, completed and put onstream in the current campaign to date. Each new well was put onstream at gross rates of between 6,000 bopd and 6,500 bopd. The results of these wells have confirmed excellent reservoir quality in the Gamba sandstones with potential positive implications for recoverable oil volume
- In light of these encouraging subsurface results, the partners have elected to accelerate development of the Hibiscus field in the current campaign and plan to spud the DHIBM-7H production well in 2024
- Following the previously communicated electrical integrity issues with ESPs on the Hibiscus field, full production on ESP was re-started in mid-October with subsequent production ranges of up to almost 40,000 bopd achieved. In order to resolve the continuing electrical integrity issues over the longer term a programme of diagnosis, repair and replacement of the ESPs is underway
- The partners plan to fast-track the recent Hibiscus South oil discovery into production, meaning the current drilling campaign offshore Gabon will now result in a total of seven new production wells compared to previously communicated plans for six new production wells

Tunisia – TPS Assets (Panoro 29.4%)

- New production opportunities include a workover campaign comprising ESP replacement and stimulation of three wells at the Cercina field (CER-1, CER-6A and CER-7) scheduled to commence in Q1 2024
- Detailed planning for development drilling campaign on the Rhemoura and Guebiba fields with operations expected to start late 2024

Exploration and appraisal

- At the Dussafu Marin Permit offshore Gabon the Hibiscus South exploration well has made a new oil discovery. Preliminary estimates of recoverable volumes are six to seven million barrels of oil (in line with pre-drill expectations)
- The Dussafu partners have agreed to drill the Bourdon Prospect ("Prospect B"), which has an estimated mid-case potential of 29 million barrels recoverable oil in the Gamba and Dentale formations, in the current campaign
- At Block S offshore Equatorial Guinea the partners are planning to drill the Kosmos Energy operated Akeng Deep exploration well 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 at Block G

- At the Panoro operated Block EG-01, offshore Equatorial Guinea, subsurface studies based on existing seismic data are being undertaken to further define and evaluate the prospectivity of the block
- Application for an Exploration Right covering part of TCP 218 located onshore in Free State, South Africa, is currently in progress

Webinar presentation

The company will hold a live webinar presentation at 09:00 a.m. CEST today, Wednesday 29 November 2023, 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:

Date and Time:	29 November 2023, 09:00 .a.m. CEST
Registration:	<p>https://attendee.gotowebinar.com/register/1498705151863473246</p> <p><i>After registering, participants will receive a confirmation email containing information about joining the webinar.</i></p> <p><i>Participants can use their telephone or computer microphone and speakers (VoIP).</i></p>

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 interests in Block-G, Block S and Block EG-01 offshore Equatorial Guinea, the Dussafu Marin License offshore southern Gabon, the TPS operated assets, Sfax Offshore Exploration Permit and Ras El Besh Concession, offshore Tunisia, and interests in offshore exploration Block 2B and onshore Technical Co-operation Permit 218 in South Africa.

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