

Panoro Energy – Trading Statement and Operations Update

Oslo, 25 January 2024 – Panoro Energy ASA (“Panoro” or the “Company”) provides an update in advance of its full year 2023 results which are scheduled for release on 22 February 2024. Information contained within this release is unaudited and may be subject to further review and amendment.

2023 was a record year for Panoro with revenues estimated at USD 217 million and group working interest production averaging approximately 8,500 bopd.

With the mid-point of 2024 full-year production guidance representing a ~40 per cent increase on 2023 levels, driven by the drilling campaigns currently underway in Gabon and Equatorial Guinea, Panoro expects 2024 to be another year of significant organic growth.

John Hamilton, CEO of Panoro, commented:

“I am pleased to report that Panoro’s working interest production and revenue for full-year 2023 were at record levels, reflecting the high quality of our well diversified and balanced asset base. While production in Gabon has continued to experience some constraints arising from the previously communicated electrical issues with ESPs installed at the Hibiscus field, we are making good progress towards resolving the issues and remain confident the full long-term production potential of the affected wells will be unlocked in the near future. With six new production wells still to come in 2024 (three offshore Gabon and three offshore Equatorial Guinea), and two high impact E&A wells planned to test the Akeng Deep and Bourdon prospects, in Equatorial Guinea and Gabon respectively, we have a very exciting organic growth pipeline throughout the year ahead.”

2023 Performance Update

- Full year 2023 working interest production averaged approximately 8,500 bopd (split Equatorial Guinea 43 per cent, Gabon 35 per cent, Tunisia 22 per cent)
- 2023 revenue is expected to be approximately USD 217 million
- Crude oil liftings in 2023 totalled 2.6 million barrels sold at an averaged realised price of approximately USD 83.2 per barrel after customary price adjustments and associated fees
- Cash at bank at 31 December 2023 was approximately USD 27.9 million, including advances taken against future oil liftings of USD 23.8 million
- Gross debt at 31 December 2023 was USD 70.5 million
- As previously communicated, a lifting of approximately 260,000 barrels net to Panoro assumed to occur in late December 2023 was completed in January 2024 resulting in revenues of approximately USD 20 million post year-end

2024 Guidance

- Full year 2024 working interest production is expected to average between 11,000 bopd to 14,000 bopd, the mid-point of the range representing a ~40 per cent uplift on 2023 average group production. The production range is based on operator forecasts, including assumptions on planned facility maintenance and facilities uptime. Panoro expects to narrow the range as operational execution of the six pending development wells in Gabon and Equatorial Guinea progresses and the electrical integrity issues affecting electrical submersible pumps (“ESPs”) at four wells on the Hibiscus field offshore Gabon are fully resolved
- Q1 2024 working interest production is expected to average 9,500 bopd to 10,000 bopd
- Expenditure on capital and other non-recurring projects in 2024 is expected to be approximately USD 75 million. The majority of planned expenditure in 2024 is in relation to the drilling campaigns in Equatorial Guinea and Gabon
- Q1 2024 liftings are expected to be approximately 750,000 barrels

- Panoro's anticipated lifting schedule for the remainder of 2024 is being finalised with partners and the Company will provide an update at its full year 2023 results on 22 February 2024
- In accordance with the previously communicated 2024 shareholder returns policy the Company is targeting a distribution to shareholders of between NOK 400 million to NOK 500 million through the 2024 cycle comprising:
 - A core cash distribution paid on a quarterly basis, with first declaration at Q1 2024 results 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 and the Board will consider upward or downward revisions of the framework as production de-risking occurs and should oil prices be higher/lower than USD 85 per barrel
- The Q4 2023 cash distribution will be declared at Panoro's full year 2023 results on 22 February 2024 for payment in March as a return of paid in capital, concluding the 2023 shareholder returns cycle

Operations Update and Planned Activities in 2024

Equatorial Guinea – Block G (Panoro: 14.25 per cent)

- The planned three-well infill drilling campaign has commenced utilising the Island Innovator semi-submersible drilling rig. The first new infill well is expected onstream around the end of Q1, with all three wells expected onstream by mid-year
- Once all three new wells are onstream Panoro expects gross production will materially increase from average 2023 levels of 25,000 bopd
- Numerous ongoing field life extension and asset integrity projects to continue throughout 2024

Gabon – Dussafu Marin (Panoro: 17.5 per cent)

- During the latter part of 2023 a comprehensive programme was commenced in order to establish the root cause of the electrical integrity issues faced on the four new Hibiscus wells which were drilled in 2023. The retrievable ESPs were removed, in addition to the upper completions on two wells. As a result of these activities, production in Q4 was impacted as work necessitated the wells being offline at various times
- Production has since been restored from three of the four wells. Two wells are producing on new ESPs and the third well is producing under natural flow without an ESP. The fourth well will be worked over following the completion of the Hibiscus South development well (see below). Current gross Dussafu production is approximately 25,000 bopd reflecting the partial restoration of production from three of the four Hibiscus wells
- The root cause analysis is ongoing with the recovered ESPs sent to manufacturer for diagnosis
- Contingency plans are in place with three conventional ESPs scheduled for imminent delivery
- The forward plan is to optimise drilling of the remaining three planned development wells in the current campaign, together with any ESP workovers remaining on the existing wells. The drilling program has been extended through July
- The drilling of the Hibiscus South development well has now commenced (following the discovery in 2023 and utilising the top-hole section of the discovery well) to drain this new accumulation and is expected onstream in March. The rig will then undertake the following work (the order of which will be dependent on optimising production and logistical considerations):
 - drilling of an additional Hibiscus development well,
 - drilling of the Ruche development well, and
 - performing ESP workovers
- The Bourdon prospect test well will be the last operation in the current campaign, providing the aforementioned activities are performed within time expectations
- Panoro expects that gross production will rise from March onwards towards the 40,000 bopd target rate once all wells in the current campaign have been completed

Tunisia – TPS Assets (Panoro: 49.0 per cent)

- 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 Q2 2024
- Detailed planning for development drilling campaign on the Rhemoura and Guebiba fields with operations expected to start late 2024

Exploration and Appraisal Wells

Akeng Deep – Equatorial Guinea, Block S (Panoro: 12 per cent)

- Following completion of the Block G infill drilling campaign, the Island Innovator rig will relocate to Block S where it will drill the Kosmos Energy operated Akeng Deep infrastructure-led exploration ("ILX") well. The Akeng Deep ILX well is intended to test a play in the Albian, targeting an estimated gross mean recoverable resource of ~180 million barrels of oil in close proximity to existing infrastructure at Block G. Other partners in Block S are GEPetrol and Trident Energy who are delivering the drilling program on behalf of the joint venture partners

Bourdon – Gabon, Dussafu Marin (Panoro: 17.5 per cent)

- The Bourdon Prospect is located in a water depth of 115 metres approximately 7 kilometres to the southeast of the BW Mabomo production facility and 14 kilometres west of the BW Adolo FPSO. The Prospect has an estimated mid-case potential of 83 million barrels in place and 29 million barrels recoverable in the Gamba and Dentale formations. The well is to be drilled in the current Gabon drilling campaign, utilising the 8th and final rig slot, the timing of which will be dependent on sequencing of the remaining production wells and ESP workovers

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 onshore Technical Co-operation Permit 218 in South Africa.

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