



Panoro Energy

HALF YEAR REPORT 2024

22 August 2024

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ABOUT PANORO

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.

HIGHLIGHTS, EVENTS AND UPDATES

First half 2024 Highlights and Events

Corporate and Financial Update

Interim Review of Reserves Following Gabon Discoveries

- › Adjustments to the drilling programme in Gabon during the first half of 2024 resulted in two significant oil discoveries being made, adding material new oil reserves and fast-track development opportunities:
- › Oil confirmed at north-east extension of the Hibiscus South field in May
- › Oil confirmed at northern flank of the Hibiscus field in May
- › A mid-year preliminary review of reserves at Dussafu, incorporating these recent drilling results, has been completed by independent reserve auditor Netherland, Sewell & Associates, Inc. ("NSAI"). This review has resulted in an increase to gross 2P reserves attributable to the Dussafu Marin Permit of 23.1 MMbbls compared to estimates at year end 2023 as stated in Panoro's 2023 Annual Statement of Reserves. Net to Panoro's 17.5 percent working interest, this represents a 4 MMbbls increase to the Company's 2P reserves on a proforma basis
- › Adjusting for gross production in the first half of 4.25 MMbbls (0.74 MMbbls net to Panoro's working interest) the 2P reserve addition at 30 June 2024 is therefore assessed to be 18.9 MMbbls on a gross basis and 3.3 MMbbls net to Panoro's working interest.
- › These mid-year reserves estimates are preliminary and pending final certification by NSAI

Production

- › Working interest production averaged 9,168 bopd in the first half (H1 2023: 7,220 bopd) and was 8,729 bopd in Q2
- › Production reflects 21 days of planned shut-down of the FPSO BW Adolo in Gabon for routine annual maintenance as previously communicated. Production in Equatorial Guinea has remained steady while slower regulatory approval processes in Tunisia have delayed well workover and new projects
- › Current Group production is around 10,000 to 10,500 bopd with six wells yet to be brought onstream (new production wells and those pending electrical submersible pump ("ESP") replacement)
- › Group working interest production is expected to increase to over 13,000 bopd around year end when all wells in the current campaigns are onstream
- › Average full-year working interest production is expected to be slightly below the low end guidance of 11,000 bopd primarily as a result of:
 - Deferred production owing to changes in the Gabon drilling programme resulting in two new discoveries and prioritisation of their fast-track development
 - The resulting deferral of ESP replacements in Gabon
 - The alternative rig and revised schedule in Equatorial Guinea comprising two infill wells
 - Delays in Tunisia regulatory approval processes
- › The combined effect of these changes is estimated to have resulted in a delay to production growth of two to three months compared to original estimates

- › Reported revenue in the first half was USD 142.7 million (H1 2023: USD 66.3 million) of which USD 135.2 million was generated from the sale of 1,681,894 barrels at an average realised price of USD 80.40 per barrel after customary fees and discounts
- › EBITDA for the first half was USD 77.8 million (H1 2023: USD 38.9 million)
- › Profit before tax for the first half was USD 42.3 million (H1 2023: USD 14.5 million) and net profit USD 24.2 million (H1 2023: USD 0.9 million)
- › Capital expenditures in the first half were USD 47.8 million (H2 2023: USD 32.9 million) and primarily relate to ongoing drilling campaign in Gabon and recommencement of drilling offshore Equatorial Guinea
- › Full-year 2024 capital expenditure guidance is USD 75 million although there is some upward pressure primarily due to higher expected drilling costs in the expanded and rescheduled Gabon and Equatorial Guinea campaigns, partially offset by lower than expected spend in Tunisia
- › Management expects total liftings in 2024 to be approximately 3.5 million barrels
- › Positive crude oil inventory was 179,550 barrels at 30 June 2024
- › Cash at bank at 30 June was USD 43.2 million
- › In April, the operator of the Dussafu Marin Permit offshore Gabon executed a Sale and Lease Back ("SLB") agreement with Minsheng Financial Leasing Co ("MSFL") for the BW MaBoMo production facility. Panoro received sales proceeds of USD 25.9 million, of which USD 10.2 million was used to reduce amounts owed under the Company's Reserve Based Loan ("RBL") facility
- › Amounts owing under the RBL facility at 30 June 2024 was USD 70.5 million

Cash Distribution and Share Buyback Programme

- › Q2 cash distribution declared of NOK 50 million to be paid on or around 13 September 2024
- › Up to and including 19 August 2024 the Company had purchased 811,500 of its own shares at a VWAP of NOK 34.0690 per share, corresponding to a total transaction value of NOK 27.6 million and 0.69 percent of the Company's share capital
- › The share buyback programme has been extended to year end 2024 (up to NOK 100 million limit unchanged)

Production Operations Update

Equatorial Guinea – Block G (Panoro 14.25%)

- › Drilling has recommenced at the Ceiba Field and Okume Complex which will add new production volume when two new infill wells will be onstream
- › The first infill well has successfully been drilled and completed with promising initial results, with both the primary and secondary reservoirs meeting expectations. Additional information will be provided once the well begins production, anticipated in early September
- › The second infill well is expected to be completed and onstream in October

Gabon – Dussafu Marin Permit (Panoro 17.5%)

- › Development drilling:
 - The DRM-3H production well on the Ruche field was completed in April. The well encountered good quality oil saturated reservoir in the Gamba formation and will be put onstream in the current campaign with a new conventional Electrical Submersible Pump ("ESP")
 - The DHBSM-2H production well, targeting the recently discovered north-east extension of the Hibiscus South field, was completed in July and encountered good quality oil saturated reservoir in the Gamba formation. The well was put onstream at rates in excess of 6,500 bopd in line with expectations and is the first to be completed with the new conventional ESP system
 - The Dussafu partners have extended the contract for the Borr Norve jack-up drilling rig until February 2025
 - Drilling of the DHIBM-7H production well, targeting the recently discovered Hibiscus Northern Flank, has commenced
 - The current campaign will therefore result in a total of eight new production wells across the Hibiscus / Hibiscus South / Ruche fields (in addition to the six pre-existing production wells at the Tortue field)

- Following completion of the DHIBM-7H well the rig will undertake well workovers / ESP replacements (delivery of all conventional ESP systems and spares has been secured)
- Upon conclusion of the current campaign all wells will have conventional ESP systems installed
- › The Bourdon prospect test well (DBM-1) will be the last operation in the current campaign in early 2025
- › Gross production at Dussafu is expected to reach 40,000 bopd once all wells in the current campaign are completed

Tunisia – TPS Assets (Panoro 29.4% until 25 April 2023; 49% afterwards)

- › Activity has been impacted by delays to regulatory processes but Panoro continues to see opportunities to ultimately restore production to historic levels
- › Ongoing operations include routine workovers to replace ESP pumps, and well stimulations
- › Detailed planning for development drilling campaign on the Rhemoura and Guebiba fields

Exploration and Appraisal Activities

Equatorial Guinea - Block S (Panoro 12.0 per cent) and Block EG-01 (Panoro 56.0 per cent, op.)

- › The Noble Venturer drill ship has also been contracted to drill the Kosmos Energy operated Akeng Deep infrastructure led exploration (“ILX”) well in Block S once the two Block G infill wells have been drilled and completed. The Akeng Deep ILX well is intended to test a play in the Albian, targeting an estimated gross mean 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
- › A successful outcome at Akeng Deep can have a positive read across to the adjacent Panoro operated Block EG-01 where Panoro is conducting subsurface studies based on existing 3D seismic data
- › The seismic data re-processing project for EG-01 has commenced incorporating leading edge pre-stack depth migration (PSDM) techniques

Equatorial Guinea - Heads of Terms Agreed for Block EG-23

- › On 4 April Panoro announced that it has reached an agreement with the Government of Equatorial Guinea on the key terms and conditions for the award of offshore Block EG-23
- › The Heads of Terms agreement signed by Panoro, GEPetrol (the national oil company), and the Ministry of Mines and Hydrocarbons paved the way for a period of exclusive negotiations to finalise a Production Sharing Contract (“PSC”) for Block EG-23 and development of a work programme and budget, which is in progress. Panoro envisages its participating interest in Block EG-23 upon award of a PSC will be up to 80 percent initially
- › Block EG-23 is located offshore Equatorial Guinea north of Bioko Island and adjacent to the producing Alba gas and condensate field. 19 wells have been drilled on Block EG-23 to date resulting in seven hydrocarbon discoveries (four oil, two gas and one gas/condensate), some of which have been tested

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 partner’s intention is to drill the well during the current Gabon drilling campaign

FINANCIAL INFORMATION

Statement of Comprehensive Income review

Underlying Operating Profit/(Loss) before tax is considered by the Group to be a useful Non-GAAP financial measure to help understand underlying operational performance. The foregoing analysis has also been performed including, on an adjusted basis, the Underlying Operating Profit/(Loss) before tax from continuing operations of the Group. A reconciliation with adjustments to arrive at the Underlying Operating Profit/(Loss) before tax from continuing operations is included in the table below:

Q2 2023	Q1 2024	Q2 2024		YTD 2024	YTD 2023
(Unaudited)	(Unaudited)	(Unaudited)	Amounts in USD 000	(Unaudited)	(Unaudited)
(10,013)	20,982	21,289	Net income/(loss) before tax - continuing operations	42,271	14,463
447	434	519	Share based payments	953	860
(337)	289	(1,026)	Non-recurring items	(737)	(3,324)
-	-	-	Loss/(gain) on investment	-	26
-	-	-	Unrealised (gain)/loss on commodity hedges	-	133
(9,903)	21,705	20,782	Underlying operating profit/(loss) before tax	42,487	12,158

Underlying Operating Profit/(Loss) before tax is a supplemental non-GAAP financial measures used by management and external users of the Company's consolidated financial statements, such as industry analysts, investors, lenders and rating agencies. The Company defines Underlying Operating Profit/(loss) before tax as Net income (loss) from continuing operations before tax adjusted for (i) Share based payment charges, (ii) unrealised (gain) loss on commodity hedges, (iii) (gain) loss on sale of oil and gas properties, (iv) impairments write-offs and reversals, and (v) similar other material items which management believes affect the comparability of operating results. We believe that Underlying Operating Profit/(Loss) before tax and other similar measures are useful to investors because they are frequently used by securities analysts, investors, and other interested parties in the evaluation of companies in the oil and gas sector and will provide investors with a useful tool for assessing the comparability between periods, among securities analysts, as well as company by company. Because EBITDA and Underlying Operating Profit/(Loss) before tax excludes some, but not all, items that affect net income, these measures as presented by us may not be comparable to similarly titled measures of other companies.

Year-to-date 2024 versus year-to-date 2023

The commentary that follows pertains only to the Group's continuing operations in Equatorial Guinea, Gabon, Tunisia and South Africa.

Panoro Energy reported a positive EBITDA from continuing operations of USD 77.8 million in the first half of 2024, compared to USD 38.9 million in the first half of 2023. Higher EBITDA in the first half of 2024 is primarily driven by additional international liftings, with six in 2024 compared to two in 2023, and by the impact of higher realised oil prices of USD 80 per barrel in 2024 compared to USD 75 per barrel in 2023. It should be noted that lifting scheduling across the Group's production assets will vary and as such due to revenue recognition accounting standards, uneven financial results are to be expected quarter on quarter despite normal operational performance.

Total revenue from continuing operations in the first half of 2024 was USD 142.7 million compared to USD 66.3 million in 1H 2023, generated through the sale of 1,681,894 barrels during the first six months of 2024 (1H 2023: 835,750 barrels) with four international liftings for Dussafu and one international lifting each for Block G and TPS (1H 2023: 1 at TPS and Block G). Included in total revenue, is the gross-up of the State profit oil allocation under the terms of the Dussafu PSC, with a corresponding amount shown as Income tax, of USD 7.4 million in 2024 (2023: USD 3.3 million). This presentation is consistent with oil and gas reporting standards and is a notional adjustment which is neutral to net income/loss on an overall basis.

The total oil sales revenue from continuing activities was USD 135 million for the first half of 2024, USD 63 million from Dussafu, USD 55 million from Block G and USD 18 million from the TPS assets. This compares to USD 51 million from Block G and USD 12 million from the TPS assets for the first half of 2023.

Operating and other costs attributable to continuing operations of the Group were USD 59 million in the first half of 2024 compared to USD 25.5 million in 1H 2023, an increase of USD 33.5 million due to increased operating costs and lower inventories as a result of additional liftings during 2024 compared to 2023.

General and Administrative (G&A) costs from continuing operations increased to USD 6.6 million (2023: USD 5.3 million) as a result of the higher levels of activity during the first half of 2024 and the effect of the increase in ownership from 60% to 100% in the TPS asset in April 2023.

DD&A charge for the Group's assets attributable to continuing operations increased by USD 10 million to USD 25.1 million in the current period compared to USD 15.1 million in the first half of 2023. The increase is driven by higher production levels at Dussafu as a result of the commencement of production of Hibiscus wells as part of the Ruche development, accounting for USD 6.7 million of the increase. The remaining USD 3.3 million is accounted for by higher production levels at Block G.

EBIT from continuing operations for the first six months of 2024 was thus USD 51.7 million compared to USD 22.9 million in 1H 2023.

Net financial items from continuing operations amounted to a loss of USD 9.5 million in the first half of 2024, compared to a loss of USD 8.4 million in the first half of 2023. This increase of USD 1.1 million is mainly due to increase in use of the Trafigura oil revenue advance facility during the period (see note 6).

Profit before tax for the first half from continuing operations was therefore USD 42.3 million compared to USD 14.5 million in the first half of 2023.

First half net profit after tax from continuing operations was USD 24.2 million, compared to USD 0.9 million in 2023.

Income taxes increased to USD 18.1 million for the first six months of 2024 compared to USD 13.5 million in the same period of 2023. These tax charges consisted of USD 7.4 million (2023: USD 3.3 million) representing State profit oil under the terms of the Dussafu PSC and USD 10.7 million (2023: USD 10.2 million) for taxes on profits for the Group's Equatorial Guinea and Tunisian Operations. The higher taxes in the current period are mainly due to the increase in liftings and associated profit during the period.

Underlying operating profit before tax from continuing operations for first six months of 2024 was USD 42.5 million compared to USD 12.2 million for the same period 2023 (see page 6).

Statement of Financial Position review

Movements to 30 June 2024 from 31 December 2023

Movements in the Group statement of financial position during the first half of 2024 were a combination of the following:

Non-current assets

Non-current assets amount to USD 531.5 million at 30 June 2024, an increase of USD 28.8 million from USD 502.7 million at 31 December 2023. This is a result of investment in exploration and production assets of USD 6.8 million and USD 22 million respectively.

Current assets

Current assets amount to USD 115.1 million at 30 June 2024 compared to USD 113.2 million at 31 December 2023.

The USD 1.9 million increase relates to a reduction in trade receivables of USD 9 million and a reduction in oil inventory of USD 7.4 million, offset by an increase in cash and cash equivalents of USD 15.4 million.

Inventories, trade and other receivables at 30 June 2024 of USD 71.9 million (31 December 2023: USD 85.4 million) consists of crude oil and materials inventory of USD 46 million (31 December 2023: USD 50.5 million) and trade and other receivables of USD 25.9 million (31 December 2023: USD 34.8 million).

Cash and cash equivalents at 30 June 2024 was USD 43.2 million compared to USD 27.8 million at 31 December 2023. The increase of USD 15.4 million is a result of cash inflows from operations of USD 78.5 million, cash proceeds on the MaBoMo sale-and-leaseback arrangement of USD 25.9 million and loan drawdowns of USD 10 million. This is offset by investment in exploration and production assets of USD 47.8 million, oil revenue advance and secured loan repayments of USD 33.9 million, borrowing costs of USD 4.9 million, distributions to shareholders of USD 9.3 million and share buybacks of USD 2.1 million.

Equity

Equity as at 30 June 2024 amounts to USD 248.5 million compared to USD 236 million at the end of December 2023, an increase of USD 12.5 million for the six months. This increase is a result net income of USD 24.2 million, offset by

distributions to shareholders of USD 9.3 million, payments of USD 2.1 million under the share buy-back program (see note 4) and decrease due to movement in employee share option reserve of USD 0.3 million.

Non-current liabilities

Total non-current liabilities are USD 297.5 million as at 30 June 2024 compared to USD 261.1 million at 31 December 2023, an increase of USD 36.4 million.

Non-current portion of external loan facilities increased by USD 8.7 million from USD 43.4 million at 31 December 2023 to USD 52.2 million at 30 June 2024 as a result of the redetermination of the Trafigura Senior Secured Reserve Based Loan facility which extended the facility duration by two years (see note 5).

Decommissioning liabilities of USD 138.2 million were USD 9 million higher than at 31 December 2023 as a result of updated estimates of asset retirement obligations of USD 5.8 million and the usual unwinding of discount on such liabilities of USD 3.2 million during this period.

Other non-current liabilities increased from USD 15.7 million on 31 December 2023, to USD 36 million by 30 June 2024. This increase is primarily due to the USD 20.3 million long-term financial liability associated with the MaBoMo sale-and-leaseback, as described in note 5.2.

Deferred tax liabilities decreased from USD 72.9 million on 31 December 2023 to USD 71.1 million at 30 June 2024, mainly a result of estimated timing and transfers of tax liabilities between current and non-current.

Current liabilities

Current liabilities amounted to USD 100.6 million at 30 June 2024 compared to USD 118.7 million at the end of December 2023, a decrease of USD 18.2 million, mainly a result of reduction in advances taken against oil revenues of USD 23.8 million and a decrease in the current portion of external loan facilities of USD 9.6 million. This was offset by an increase in other current liabilities of USD 8.1 million, which includes USD 5.3 million for the purchase of oil to comply with the domestic market obligation in Gabon and USD 4.7 million financial liability for the MaBoMo sale-and-leaseback as described in note 5.2, and increases in tax liabilities of USD 7.1 million due to operations during the period.

Risk and Uncertainties

Investment in Panoro Energy ASA

Investment in Panoro Energy involves risks and uncertainties as described in the Company's Annual Report for 2023.

As an oil and gas company operating in multiple jurisdictions in Africa, exploration results, reserve and resource estimates and estimates for capital and operating expenditures are associated with uncertainty. The field's production performance may be uncertain over time.

The company is exposed to various forms of financial risks, including, but not limited to, fluctuation in oil prices, exchange rates, interest rates and capital requirements; these are described in the Company's 2023 Annual Report and Accounts, and in Note 2 to the half year financial statements. The Company is also exposed to uncertainties relating to the international capital markets and access to capital and this may influence the speed with which development projects can be accomplished.

Operational risks and uncertainties

The development of oil and gas fields in which the Company is involved is associated with technical risk, reservoir performance, alignment in the consortiums with regards to development plans and on obtaining the necessary licenses and approvals from the authorities. Such operations might occasionally lead to cost overruns and production disruptions, as well as delays compared to the plans laid out by the operator of these fields. Furthermore, the Company has limited influence on operational risk related to exploration success and development of industry cost.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Condensed Consolidated Statement of Comprehensive Income

Q2 2023	Q1 2024	Q2 2024		YTD 2024	YTD 2023
(Unaudited)	(Unaudited)	(Unaudited)	Amounts in USD 000	(Unaudited)	(Unaudited)
5,669	68,935	73,720	Total revenues	142,655	66,342
(12,678)	(23,077)	(22,301)	Operating expenses	(45,378)	(24,740)
12,234	(3,623)	(9,977)	Inventory movements *	(13,600)	(774)
337	(289)	1,026	Non-recurring items	737	3,324
(2,228)	(3,291)	(3,356)	General and administrative costs	(6,647)	(5,253)
3,334	38,655	39,112	EBITDA	77,767	38,899
(8,813)	(13,230)	(11,849)	Depreciation, depletion and amortisation	(25,079)	(15,127)
(447)	(434)	(519)	Other non-operating items	(953)	(886)
(5,926)	24,991	26,744	EBIT - Operating income/(loss)	51,735	22,886
(4,087)	(4,009)	(5,455)	Financial costs net of income	(9,464)	(8,423)
(10,013)	20,982	21,289	Profit/(loss) before tax	42,271	14,463
(3,417)	(8,924)	(9,188)	Income tax expense	(18,112)	(13,523)
(13,430)	12,058	12,101	Net profit/(loss) for the period	24,159	940
-	-	-	Other comprehensive income	-	-
(13,430)	12,058	12,101	Total comprehensive income/(loss) for the period (net of tax)	24,159	940
NET INCOME /(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:					
(13,430)	12,058	12,101	Equity holders of the parent	24,159	940
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD ATTRIBUTABLE TO:					
(13,430)	12,058	12,101	Equity holders of the parent	24,159	940
EARNINGS PER SHARE					
(0.12)	0.10	0.10	Basic and diluted EPS on profit/(loss) for the period attributable to equity holders of the parent (USD) - Total	0.21	0.01
(0.12)	0.10	0.10	Basic and diluted EPS on profit/(loss) for the period attributable to equity holders of the parent (USD) - Continuing operations	0.21	0.01

* Crude oil inventory and over/underlift movements form part of cost of sales and are valued using a cost per barrel that includes operating costs and depreciation, resulting in negative cost of sales during periods of limited or no liftings.

The accompanying notes form an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Financial Position

	As at 30 June 2024	As at 31 March 2024	As at 31 December 2023
<i>Amounts in USD 000</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
Tangible and intangible assets	531,311	516,721	502,532
Other non-current assets	143	143	143
Total Non-current assets	531,454	516,864	502,675
Inventories, trade and other receivables	71,859	100,617	85,349
Cash and cash equivalents	43,206	22,437	27,821
Total current assets	115,065	123,054	113,170
Total Assets	646,519	639,918	615,845
Total Equity	248,505	243,840	236,037
Decommissioning liability	138,203	130,780	129,111
Loans and borrowings	52,142	60,584	43,418
Other non-current liabilities	36,035	15,784	15,679
Deferred tax liabilities	71,074	71,616	72,883
Total Non-current liabilities	297,454	278,764	261,091
Loans and borrowings - current portion	16,459	18,234	26,071
Oil revenue advances	-	17,900	23,780
Trade and other current liabilities	42,602	44,911	34,485
Current and deferred taxes	41,499	36,269	34,381
Total Current liabilities	100,560	117,314	118,717
Total Liabilities	398,014	396,078	379,808
Total Equity and Liabilities	646,519	639,918	615,845

The accompanying notes form an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Cashflows

Q2 2023	Q1 2024	Q2 2024		YTD 2024	YTD 2023
(Unaudited)	(Unaudited)	(Unaudited)	Cash inflows / (outflows) (USD 000)	(Unaudited)	(Unaudited)
(10,013)	20,982	21,289	Net (loss)/income for the period before tax	42,271	14,463
ADJUSTED FOR:					
8,813	13,230	11,849	Depreciation	25,079	15,127
(14,372)	(5,410)	21,761	Increase/(decrease) in working capital	16,351	(5,138)
(2,249)	(4,065)	(4,065)	State share of profit oil	(8,130)	(2,249)
(1,183)	(4,238)	(435)	Taxes paid	(4,673)	(4,407)
4,042	3,943	3,943	Net finance costs and losses/(gains) on commodity hedges	7,886	8,388
482	442	(675)	Other non-cash items	(233)	896
(14,480)	24,884	53,667	Net cash (out)/inflow from operations	78,551	27,080
CASH FLOW FROM INVESTING ACTIVITIES					
(4,848)	-	-	Cash outflow related to acquisition(s)	-	(4,848)
1,881	-	-	Net cash acquired at acquisition(s)	-	1,881
(18,900)	(27,261)	(20,510)	Investment in exploration, production and other assets	(47,771)	(32,956)
(21,867)	(27,261)	(20,510)	Net cash (out)/inflow from investing activities	(47,771)	(35,923)
CASH FLOW FROM FINANCING ACTIVITIES					
14,758	10,000	-	Proceeds from loans and borrowings (net of upfront and arrangement costs)	10,000	14,758
-	-	25,856	MaBoMo sale and leaseback arrangement proceeds	25,856	-
-	-	(856)	MaBoMo sale and leaseback arrangement payments	(856)	-
17,400	(5,880)	(17,900)	Oil revenue advances	(23,780)	17,400
-	-	-	Repayment of non-recourse loan	-	(653)
-	-	(10,175)	Repayment of Senior Secured loans	(10,175)	(12,240)
-	-	-	Realised gain/(loss) on commodity hedges	-	(208)
(2,552)	(2,379)	(2,501)	Borrowing costs, including bank charges	(4,880)	(5,130)
-	-	(2,110)	Cost of buy-back of own shares	(2,110)	-
(55)	(59)	(59)	Lease liability payments	(118)	(110)
(2,884)	(4,689)	(4,643)	Distributions to shareholders	(9,332)	(5,807)
26,667	(3,007)	(12,388)	Net cash (out)/inflow from financing activities	(15,395)	8,010
(9,680)	(5,384)	20,769	Change in cash and cash equivalents during the period	15,385	(833)
41,517	27,821	22,437	Cash and cash equivalents at the beginning of the period	27,821	32,670
31,837	22,437	43,206	Cash and cash equivalents at the end of the period	43,206	31,837

Condensed Consolidated Statement of Changes in Equity

Attributable to equity holders of the parent

**For the six months ended
30 June 2024**
Amounts in USD 000

	Issued capital	Share premium	Treasury shares	Additional paid-in capital	Retained earnings	Other reserves	Currency translation reserve	Total
At 1 January 2024 (Audited)	738	433,969	-	122,038	(277,300)	(37,647)	(5,761)	236,037
Net income/(loss) for the period - continuing operations	-	-	-	-	12,058	-	-	12,058
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-
Total comprehensive income/(loss)	-	-	-	-	12,058	-	-	12,058
Employee share options charge	-	-	-	434	-	-	-	434
Distributions to shareholders	-	(4,689)	-	-	-	-	-	(4,689)
At 31 March 2024 (Unaudited)	738	429,280	-	122,472	(265,242)	(37,647)	(5,761)	243,840
Net income/(loss) for the period - continuing operations	-	-	-	-	12,101	-	-	12,101
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-
Total comprehensive income/(loss)	-	-	-	-	12,101	-	-	12,101
Settlement of Restricted Share Units	-	-	-	(1,230)	-	-	-	(1,230)
Buyback of own shares	-	-	(2,110)	-	-	-	-	(2,110)
Employee share options charge	-	-	-	547	-	-	-	547
Distributions to shareholders	-	(4,643)	-	-	-	-	-	(4,643)
At 30 June 2024 (Unaudited)	738	424,637	(2,110)	121,789	(253,141)	(37,647)	(5,761)	248,505

Attributable to equity holders of the parent

**For the six months ended
30 June 2023**
Amounts in USD 000

	Issued capital	Share premium	Treasury shares	Additional paid-in capital	Retained earnings	Other reserves	Currency translation reserve	Total
At 1 January 2023 (Audited)	723	428,503	-	121,834	(301,149)	(37,647)	(5,761)	206,503
Net income/(loss) for the period - continuing operations	-	-	-	-	14,370	-	-	14,370
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-
Total comprehensive income/(loss)	-	-	-	-	14,370	-	-	14,370
Employee share options charge	-	-	-	414	-	-	-	414
Distributions to shareholders	-	-	-	-	(2,923)	-	-	(2,923)
At 31 March 2023 (Unaudited)	723	428,503	-	122,248	(289,702)	(37,647)	(5,761)	218,364
Net income/(loss) for the period - continuing operations	-	-	-	-	(13,430)	-	-	(13,430)
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-
Total comprehensive income/(loss)	-	-	-	-	(13,430)	-	-	(13,430)
Share issue - business combinations	14	8,319	-	-	-	-	-	8,333
Employee share options charge	-	-	-	446	-	-	-	446
Share issue under RSU plan	1	791	-	(792)	-	-	-	-
Distributions to shareholders	-	-	-	-	(2,884)	-	-	(2,884)
At 30 June 2023 (Unaudited)	738	437,613	-	121,902	(306,016)	(37,647)	(5,761)	210,829

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate information

The holding Company, Panoro Energy ASA, was incorporated on 28 April 2009, as a public limited company under the Norwegian Public Limited Companies Act of June 19, 1997 No. 45. The registered organisation number of the Company is 994 051 067 and its registered address is c/o Advokatfirmaet Schjødt AS, Tordenskiolds gate 12 0201 Oslo, Norway.

The Company and its subsidiaries are engaged in exploration and production of oil and gas resources in Africa. The unaudited condensed consolidated financial statements of the Group for the period ended 30 June 2024 were authorised for issue by the Board of Directors on 21 August 2024.

The Company's shares are traded on the Oslo Stock Exchange under the ticker symbol PEN.

2 Basis of preparation

The unaudited condensed consolidated financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting", as adopted by the EU. The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial information and the risk factors contained in the Company's 2023 Annual Report which is available on the Company's website www.panoroenergy.com.

The condensed consolidated financial statements are presented in US Dollars and all values are rounded to the nearest thousand dollars (USD 000), except when otherwise stated.

2.1 Significant accounting policies and assumptions

The accounting policies adopted in preparation of these condensed consolidated financial statements are consistent with those followed in the preparation of the Group's 2023 Annual Report.

2.2 Principal risks and uncertainties

The Group's activities expose it to a number of risks and uncertainties, which are continuously monitored and reviewed. The main risks and uncertainties are the operational and financial risks described below.

Operational risk

At its current stage of development, Panoro is commercially producing oil and also exploring for and appraising undeveloped known oil and/or natural gas accumulations from its continuing activities in Equatorial Guinea, Gabon, Tunisia and South Africa.

The main operational risk in exploration and appraisal activities is that the activities and investments made by Panoro will not evolve into commercial reserves of oil and gas. The oil price is of significant importance in all parts of operations as income and profitability is and will be dependent on prevailing prices. Significantly lower oil prices will reduce current and expected cash flows and profitability in projects and can make projects sub economic. Panoro operates a commodity hedging program to strategically hedge a portion of its 2P oil reserves to protect against a fall in oil prices and consequently, to protect the Group's ability to service its debt obligations and to fund operations including planned capital expenditure.

Another operational risk factor is access to equipment in Panoro's projects. In the drilling/development phase of a project the Group is dependent on advanced equipment such as rigs, casing, pipes etc. A shortage of these supplies can present difficulties for Panoro to complete projects. Through its operations, Panoro is also subject to political risk, environmental risk and the risk of not being able to retain key personnel.

Financial risk

The Group's activities expose it to a variety of financial risks, mainly categorised as exchange rate and liquidity risk. The Group's risks are continuously monitored and analysed by the management and the Board. The aim is to minimise potential adverse effects on the Group's financial performance.

A more detailed analysis of the Group's risks and uncertainties, and how the Group addresses these risks, are detailed in the 2023 Annual Report which is available on www.panoroenergy.com.

3 Segment information

The Group continuing operations are classified into three business segments, being the exploration and production of oil and gas in North Africa (Tunisia), West Africa (Gabon and Equatorial Guinea) and South Africa (South Africa).

The Group's reportable segments, for both management and financial reporting purposes, are as follows:

- › The North African segment holds the following assets:
 - TPS Assets: ETAP, 51% and Panoro TPS Production GmbH, 49% (29.4%* interest net to Panoro up to 25 April 2023; 49% thereafter).
 - Sfax Offshore Exploration Permit: Panoro Tunisia Exploration AS (Operator, 52.5%* interest net to Panoro up to 25 April 2023; 87.5% thereafter)
 - The Hammamet Offshore Exploration Permit: Medco (Operator), Panoro Tunisia Exploration AS (27.6%* interest net to Panoro up to 25 April 2023; 46% thereafter), under relinquishment.

*Figures only represent net participation interest in proportion to Panoro's equity holding during the period at the dates explained above.
- › The West African – Gabon segment holds the following assets:
 - The Dussafu licence representing the Group's 17.4997% working interest in the Dussafu Marin exploration licence in Gabon
- › The West African – Equatorial Guinea segment holds the following assets:
 - The Block G licence representing the Group's 14.25% working interest
- › The South African – South Africa segment holds the following assets:
 - 100% interest in the Karoo Technical Cooperation Permit 218, South Africa
- › The 'Corporate' category consists of Head Office and service company operations that are not directly attributable to the other segments.

Management monitors the operating results of business segments separately for the purpose of making decisions about resources to be allocated and for assessing performance. Segment performance is evaluated based on capital and general expenditure. Details of group segments are reported below.

Q2 2023	Q1 2024	Q2 2024		YTD 2024	YTD 2023
(Unaudited)	(Unaudited)	(Unaudited)	All amounts in USD 000 unless otherwise stated	(Unaudited)	(Unaudited)
OPERATING SEGMENTS - GROUP NET SALES					
3,420	3,481	3,460	Net average daily production - Block G (bopd)	3,472	3,650
2,660	4,347	3,707	Net average daily production - Dussafu (bopd)	4,027	1,980
2,010	1,777	1,562	Net average daily production - TPS assets (bopd)	1,670	1,590
8,090	9,605	8,729	Total Group Net average daily production (bopd)	9,169	7,220
-	-	682,415	Oil sales (bbls) - Net to Panoro - Block G, Equatorial Guinea	682,415	659,812
-	608,652	174,492	Oil sales (bbls) - Net to Panoro - Dussafu, Gabon	783,144	-
52,830	190,747	25,588	Oil sales (bbls) - Net to Panoro - TPS assets, Tunisia	216,335	175,938
52,830	799,399	882,495	Total Group Net Sales (bbls) - continuing operations	1,681,894	835,750
OPERATING SEGMENT - WEST AFRICA - EQUATORIAL GUINEA					
1,913	3,849	27,198	EBITDA	31,047	33,227
3,413	4,789	4,977	Depreciation and amortisation	9,766	7,190
238,032	260,282	266,487	Segment assets	266,487	238,032
OPERATING SEGMENT - WEST AFRICA - GABON					
1,967	29,150	11,852	EBITDA	41,002	2,886
3,305	6,257	5,313	Depreciation and amortisation	11,570	4,813
248,469	260,049	268,803	Segment assets	268,803	248,469
OPERATING SEGMENT - NORTH AFRICA - TUNISIA					
3,684	8,245	2,548	EBITDA	10,793	9,156
2,500	2,137	1,500	Depreciation and amortisation	3,637	3,450
100,873	111,264	102,928	Segment assets	102,928	100,873
OPERATING SEGMENT - SOUTH AFRICA					
(162)	(4)	(45)	EBITDA	(49)	(349)
135	151	151	Segment assets	151	135
CORPORATE					
(4,068)	(2,585)	(2,441)	EBITDA	(5,026)	(6,021)
(405)	47	59	Depreciation and amortisation	106	(326)
25,931	8,172	8,150	Segment assets	8,150	25,931
TOTAL - CONTINUING OPERATIONS					
3,334	38,655	39,112	EBITDA	77,767	38,899
8,813	13,230	11,849	Depreciation and amortisation	25,079	15,127
613,440	639,918	646,519	Segment assets	646,519	613,440

The segment assets represent position as of quarter ends and the Statement of Comprehensive Income items represent results for the respective quarters presented. There are no differences in the nature of measurement methods used on segment level compared with the interim condensed consolidated financial statements. There are no inter-segment adjustments and eliminations for the periods presented. The segment information only includes net results from DMO operations in Gabon.

4 Share buyback program

The Company initiated a share buyback program on 23 May 2024 to repurchase up to NOK 100 million in value of the Company's common shares in open market transactions on the Oslo Stock Exchange until 31 December 2024. A total of 670,000 shares were bought back up to 30 June 2024 at an average price of NOK 34.32 per share and the cost of the bought back shares are shown as Treasury Shares on the Condensed Consolidated Statement of Changes in Equity on page 12.

Up to and including 19 August 2024 the Company had purchased 811,500 of its own shares at an average price of NOK 34.0690 per share, corresponding to a total transaction value of NOK 27.6 million and 0.69 percent of the Company's share capital.

5 Loans and borrowings

5.1 MCB/Trafigura Senior Secured Reserve Based Loan

Current and non-current portion of the outstanding balance of the MCB/Trafigura Senior Secured Reserve Based Lending facility as of the date of the statement of financial position is as follows:

	30 June 2024	31 March 2024	31 December 2023
<i>Amounts in USD 000</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
Borrowing Base Loan facility - Non-current	53,477	62,198	44,033
Borrowing Base Loan facility - Current	16,976	18,430	26,420
Total Senior Loan facility	70,453	80,628	70,453
Borrowing Base Unamortised borrowing costs - Non-current	(1,335)	(1,614)	(615)
Borrowing Base Unamortised borrowing costs - Current	(517)	(196)	(349)
Total Unamortised borrowing costs	(1,852)	(1,810)	(964)
Total Senior Loan facility	68,601	78,818	69,489

The amended Senior Loan facility has a term of seven years from 31 March 2021 with interest charged and paid quarterly at USD 3-month SOFR plus 7.5% on the balance outstanding, with principal repayments due each six months in the months of March and September.

This Company successfully concluded a redetermination of the Reserve Based Loan ("RBL") facility during the first quarter, resulting in an increase to borrowing headroom and extension of facility duration. As a result, the Company made a USD 10 million drawdown and re-sculpted the RBL maturity profile. Commercial terms of the RBL facility are unchanged while the final maturity date has been extended by 24 months to end Q1 2028.

On 29 May 2024, the company made a non-scheduled principal repayment of USD 10.2 million which will reduce future principal repayments on the RBL facility on a pro-rata basis.

Unamortised borrowing costs include structuring fees and directly attributable third-party costs. During the current quarter, these costs are expensed using an effective interest rate of 12.8% per annum over the remaining term of the facility.

Key financial covenants are required to be tested 30 September and 31 March and, in some cases, every quarter. These covenants, applicable at the levels of the borrower group as defined in the loan documentation, include the following:

- (i) Minimum cash balance of USD 7.0 million to be maintained in the account of the Borrower
- (ii) Group Net Debt/EBITDA: ≤ 3.0 (Borrower and subsidiaries)
- (iii) Group Liquidity Test: $\geq 1.2x$ (Borrower and subsidiaries)

5.2 BW MaBoMo sale-and-leaseback

During the second quarter, the operator of the Dussafu Marin Permit, following regulatory approvals, executed a sale and lease back agreement with Minsheng Financial Leasing Co ("MSFL") for the BW MaBoMo production facility under a ten-year lease term with an option to repurchase the unit from the end of year seven. Gross sales proceeds of USD 150 million was realised to the joint venture and Panoro received net sales proceeds of USD 25.9 million. The transfer of an asset does not satisfy the requirements of IFRS 15 to be accounted for as a sale of the asset and continues to

recognise the transferred asset and a financial liability equal to the transfer proceeds of USD 25.9 million as a financial liability under IFRS 9. Under the PSC, the proceeds has been considered as an accelerated cost recovery.

6 Oil revenue advances

The Group has an advance facility of USD 25 million with Trafigura which is short term and settled from upcoming crude liftings proceeds. At 30 June 2024, there were no amounts owing under this facility (31 March 2024: USD 17.9 million; 31 December 2023: USD 23.8 million).

7 Income Tax

Corporation tax charge for the respective quarters presented is split as follows:

Q2 2023	Q1 2024	Q2 2024		YTD 2024	YTD 2023
(Unaudited)	(Unaudited)	(Unaudited)	Amounts in USD 000	(Unaudited)	(Unaudited)
2,249	4,065	3,370	Effect of taxes under PSA arrangements - Gabon	7,435	3,307
1,464	6,124	6,360	Current income tax charge/(credit)	12,484	7,783
-	2	-	Other Corporate	2	12
(296)	(1,267)	(542)	Deferred tax charge/(credit)	(1,809)	2,421
3,417	8,924	9,188	Total tax charge	18,112	13,523

Deferred tax liability has arisen on temporary differences between tax base and accounting base of the production assets in Tunisia and has been calculated using the effective tax rate applicable to the concessions.

RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge that the condensed set of interim consolidated financial statements as of 30 June 2024 has been prepared in accordance with IAS 34 Interim Financial Reporting and gives a true and fair view of the Company's assets, liabilities, financial position and result for the period viewed in their entirety, and that the interim management report in accordance with the Norwegian Securities Trading Act section 5-6 fourth paragraph includes a fair review of any significant events that arose during the six-month period and their effect on the half-yearly financial report, and any significant related parties transactions, and a description of the principal risks and uncertainties for the remaining six months of the year.

JULIEN BALKANY	TORSTEIN SANNESS	GARRETT SODEN
Chairman of the Board	Deputy Chairman of the Board	Non-Executive Director

ALEXANDRA HERGER	GUNVOR ELLINGSEN
Non-Executive Director	Non-Executive Director

OTHER INFORMATION

Glossary and definitions

Bbl	One barrel of oil, equal to 42 US gallons or 159 liters
Bopd	Barrels of oil per day
Kbopd	Thousands of barrels of oil per day
Bcf	Billion cubic feet
Bm ³	Billion cubic meter
BOE	Barrel of oil equivalent
Btu	British Thermal Units, the energy content needed to heat one pint of water by one degree Fahrenheit
IP	Initial production
Mcf	Thousand cubic feet
MMcf	Million cubic feet
MMbbl	Million barrels of oil
MMboe	Million barrels of oil equivalents
MMBtu	Million British thermal units
MMm ³	Million cubic meters
Tcf	Trillion cubic feet
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortisation
EBIT	Earnings before Interest and Taxes
TVDSS	True Vertical Depth Subsea

Disclaimer

This report does not constitute an offer to buy or sell shares or other financial instruments of Panoro Energy ASA ("Company"). This report contains certain statements that are, or may be deemed to be, "forward-looking statements", which include all statements other than statements of historical fact. Forward-looking statements involve making certain assumptions based on the Company's experience and perception of historical trends, current conditions, expected future developments and other factors that we believe are appropriate under the circumstances. Although we believe that the expectations reflected in these forward-looking statements are reasonable, actual events or results may differ materially from those projected or implied in such forward-looking statements due to known or unknown risks, uncertainties and other factors. These risks and uncertainties include, among others, uncertainties in the exploration for and development and production of oil and gas, uncertainties inherent in estimating oil and gas reserves and projecting future rates of production, uncertainties as to the amount and timing of future capital expenditures, unpredictable changes in general economic conditions, volatility of oil and gas prices, competitive risks, counter-party risks including partner funding, regulatory changes including country risks where the Group's assets are located and other risks and uncertainties discussed in the Company's periodic reports. Forward-looking statements are often identified by the words "believe", "budget", "potential", "expect", "anticipate", "intend", "plan" and other similar terms and phrases. We caution you not to place undue reliance on these forward-looking statements, which speak only as of the date of this report, and we undertake no obligation to update or revise any of this information.



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