



## **Panoro Energy – 2024 Half Year Results**

Oslo, 22 August 2024 – Panoro Energy ASA (“Panoro” or the “Company” with OSE Ticker: PEN) is pleased to report financial and operational performance for the first half of 2024 in line with its expectations.

Revenue for the first half of 2024 was USD 142.7 million (up 115 percent year-on-year) while EBITDA for the period was USD 77.8 million (up 100 percent year-on-year). Working interest production from Panoro’s diversified portfolio was 9,168 bopd (up 27 percent year-on-year) and is set to exceed 13,000 bopd upon completion of the current drilling campaigns underway offshore Gabon and Equatorial Guinea when all new wells are onstream.

Following successful drilling results in Gabon which resulted in two new oil discoveries, Panoro commissioned an interim review of reserves by its independent auditor which has confirmed a material increase of 4 MMbbls net to Panoro’s working interest compared to estimates stated in its 2023 Annual Statement of Reserves and 3.3 MMbbls at 30 June 2024 after adjusting for production in the first half.

Panoro has today declared a Q2 cash distribution of NOK 50 million and continues to make purchases of its own shares under the up to NOK 100 million share buyback programme which has been extended to year end 2024.

### **John Hamilton, CEO of Panoro, commented:**

*“Our strong H1 results are in line with expectations and demonstrate the good progress we are making towards our organic growth targets. With the resumption of infill drilling at Block G offshore Equatorial Guinea, ongoing development drilling and conventional ESP installations to come at the Dussafu block offshore Gabon we have line of sight on growing Panoro’s net production to over 13,000 bopd around year end.*

*Having made two material new oil discoveries on the Dussafu block offshore Gabon we are very pleased to receive an independent validation of recoverable reserves, which at 23.1 million barrels on a gross 2P basis is ahead of our initial estimate of between 13 to 18 million barrels at the time of announcement in May. With two firm infrastructure lead E&A wells upcoming in Equatorial Guinea (Akeng Deep) and Gabon (Bourdon) as part of the current drilling campaigns we have exposure to very exciting and potentially transformational upside for a low financial exposure.*

*In line with our 2024 shareholder returns policy the Board has today declared a Q2 cash distribution of NOK 50 million and extended the up to NOK 100 million share buyback programme to year end, reinforcing Panoro’s commitment to converting the strong fundamentals of our high-quality and diversified asset base into sustainable shareholder returns, whilst maintaining our growth strategy and disciplined capital management.”*

## **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

## **Financial update**

- 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 per cent)**

- 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 per cent)**

- 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 49.0 per cent)**

- 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

#### **Webinar Presentation**

The company will hold a live webinar presentation at 09:00 a.m. CEST 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:	22 August 2024, 09:00 am CEST
Registration:	<a href="https://attendee.gotowebinar.com/register/8863764005615337048">https://attendee.gotowebinar.com/register/8863764005615337048</a>  <i>After registering, participants will receive a confirmation email containing information about joining the webinar.</i>  <i>Participants can use their telephone or computer microphone and speakers (VoIP).</i>

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](http://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 onshore Technical Co-operation Permit 218 in South Africa.

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