

11 March 2021

PetroNor E&P Limited  
("PetroNor" or the "Company")

### **PetroNor E&P Limited Announces Contemplated Private Placement**

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With reference to the press release dated 18 February 2021, PetroNor E&P Limited ("PetroNor" or the "Company" with OSE ticker: "PNOR"), the independent oil and gas exploration and production company with a focus on sub-Saharan Africa, is pleased to announce a contemplated equity private placement of between NOK 275 million to NOK 340 (million (the "Offer Size") (the "Private Placement") by issuing new shares (the "Offer Shares") in the Company through an accelerated book-building process.

The Company has mandated Arctic Securities AS, Pareto Securities AS and SpareBank1 Markets AS as joint managers and joint bookrunners for the Private Placement (the "Managers").

Petromal Sole Proprietorship LLC and related group companies ("Petromal"), the Company's main shareholder owning 38.28% of all issued and outstanding shares in the Company, has committed to subscribe for Offer Shares at the Offer Price (as defined below) for an amount of minimum NOK 105.3 million and maximum NOK 130.2 million, which corresponds to their pro-rata share of the Private Placement. As disclosed in the press release dated 18 February 2021, subject to certain condition precedents, PetroNor will acquire Symero Limited's ("Symero") shares in Hemla Africa Holding AS ("HAH") representing 29.293% of the share capital of HAH, equivalent to a 4.93% indirect interest in PNGF Sud, for a consideration of USD 18 million (converted into NOK 152.6 million) to be paid in-kind through issuance of new shares in PetroNor at a price equivalent to the Offer Price (the "Symero Transaction"). Symero is a company owned by NOR Energy AS, which in turn is controlled by Knut Søvold (CEO) and Gerhard Ludvigsen. Following completion of the Symero Transaction, PetroNor will own 100% of HAH.

In addition to Petromal and Symero, Snake Oil AS, a company owned by primary insider Claus Frimann-Dahl (CTO), will subscribe for and be allocated Offer Shares at the Offer Price for an amount of NOK 500,000.

The net proceeds from the Private Placement will be used to finance drilling of infill wells and other increased oil recovery initiatives on PNGF Sud and general corporate purposes, as well as to issue the consideration shares for the Symero Transaction. Following completion of the Private Placement, and as a result of an increase in oil prices and budget revisions, PetroNor will be in a robust financial position and fully funded for all sanctioned activities with significant flexibility to adjust its capital expenditure in a low oil price environment.

The subscription price per Offer Share (the "**Offer Price**") and the final number of Offer Shares to be issued in the Private Placement will be determined by the Board of Directors or a subcommittee thereof (the "**Board**") in consultation with the Managers on the basis of an accelerated book-building process. The application period for the Private Placement commences today on 11 March 2021 at 16:30 hours (CET) and will close tomorrow on 12 March 2021 at 08:00 hours (CET) (the "**Application Period**"). The Company, together with the Managers, reserves the right to close or extend the Application Period at any time at their sole discretion, at short notice.

The allocation of the Offer Shares will be determined at the end of the book-building process. The final allocation will be made at the discretion of the Board in consultation with the Managers. Allocation will be based on criteria such as (but not limited to) existing ownership in the Company, price leadership, timeliness of order, relative order size, perceived investor quality, sector knowledge and investment horizon. Existing shareholders (except Petromal) will, to the extent possible, be allocated a number of Offer Shares which, assuming full subscription under the Subsequent Offering (as defined below), result in such shareholders retaining its respective pro rata ownership post completion of the Subsequent Offering. No allocation will be made for amounts less than a NOK amount equivalent to EUR 100,000, other than in accordance with applicable exemptions from relevant prospectus requirements.

The Private Placement will be divided into two tranches: Tranche 1 ("**Tranche 1**") consisting of Offer Shares for between NOK 27.8 million and NOK 92.8 million to be allocated to existing and new investors, including Petromal. The remaining Offer Shares will be subscribed by and allocated to Symero (for an amount equal to NOK 152.6 million (USD 18 million) ("**Tranche 2a**") and Petromal (for an amount equal to NOK 94.6 million) in order to retain its ~38.28% ownership ("**Tranche 2b**").

Delivery of the new shares allocated in the Private Placement, other than shares allocated to Petromal, will, in order to facilitate delivery-versus-payment and timely delivery of already listed shares to subscribers in the Private Placement, be made by delivery of existing and unencumbered shares in the Company, pursuant to a share lending agreement entered into between the Company, Arctic Securities AS (on behalf of the Managers) and NOR Energy AS and certain other shareholders of the Company (as lenders). The borrowed shares will be redelivered by the Managers to the lenders in the form of new shares in the Company to be issued in connection with the Private Placement, some of which may be issued on a separate ISIN pending approval of a prospectus for listing of the new shares on Oslo Euronext Expand.

The completion of the Private Placement is subject to all necessary corporate resolutions being validly made by the Company. Issuance of the Offer Shares pertaining to Tranche 1 and Tranche 2b will be subject to approval by the Board, provided however that issuance of Offer Shares in Tranche 2b is conditional upon completion of Tranche 2a. Offer Shares pertaining to Tranche 2a will be subject to approval by an extraordinary general meeting of the Company expected to be held on or about 26 April 2021 (the "**EGM**") and conditional upon completion of Tranche 1. Consequently, Tranche 2a and Tranche 2b will not complete unless Tranche 1 is completed and EGM approval is obtained. Completion of Tranche 1 is not conditional upon completion of Tranche 2a and Tranche 2b, and hence allocations in Tranche 1 will be final and binding even if Tranche 2a and Tranche 2b should not be completed.

Further, the Symero Transaction is subject to successful completion of the Private Placement, and as previously disclosed, the Symero Transaction is a related party transaction, and the transaction is therefore subject to approval by ordinary resolution at the EGM. In connection with the Symero

Transaction, the Company will publish an independent expert report ("Expert Report") as required pursuant to the Australian Corporations Act. The Expert Report will be attached to the calling notice for the EGM. The shareholders' approval required will include an approval in accordance with Chapter 2E of the Australian Corporations Act of 2001 as a related party transaction and potentially a separate approval under section 611 item 7 of the Australian Corporations Act of 2001 to permit an increase in the voting power in the Company that would exceed the thresholds. As an Australian domiciled company, PetroNor has been granted an exemption from the Norwegian take-over rules from the Oslo Stock Exchange. The Company has obtained voting undertakings for approval of the Symero Transaction from Petromal, members of the Company's Board of Directors and executive management, representing 19.90% of the existing shares (193,361,392 shares). While additional voting undertakings cannot be provided for regulatory reasons, Petromal has further confirmed its strong support of the Symero Transaction and the Private Placement. As the Symero Transaction is considered a transaction with related parties, 34.8% of the shareholders are not eligible to vote. Subject to shareholder approval and satisfaction of all conditions precedent, the Symero Transaction is expected to close by end of April 2021.

The Company has considered the Private Placement in light of the equal treatment obligations under the Norwegian Securities Trading Act and the rules on equal treatment under Oslo Rule Book II for companies listed on the Oslo Stock Exchange and the Oslo Stock Exchange's Guidelines on the rule of equal treatment, and the Board is of the opinion that the contemplated Private Placement is in compliance with these requirements and guidelines. Taking into consideration the time, costs and expected terms of alternative methods of securing the desired funding, the Board has concluded that offering new shares in a private placement on acceptable terms at this time is in the common interest of the shareholders of the Company. The Company may, subject to completion of the Private Placement, and certain other conditions, resolve to carry out a subsequent repair offering of new shares (the "**Subsequent Offering**") which, subject to applicable securities law, will be directed towards existing shareholders in the Company as of 11 March 2021 (as registered in the VPS two trading days thereafter), who (i) were not invited to subscribe for shares in the pre-sounding of the private placement, (ii) were not allocated Offer Shares in the Private Placement, (iii) are not resident in a jurisdiction where such offering would be unlawful, or would (in jurisdictions other than Norway) require any prospectus filing, registration or similar action (including but not limited to Australia). Additionally Symero, NOR Energy AS, and companies controlled (directly and indirectly) by Knut Søvold and Gerhard Ludvigsen, respectively, as well as related parties of Knut Søvold and Gerhard Ludvigsen, will not be eligible to participate in the Subsequent Offering. Petromal will be given a number of subscription rights which will ensure that, assuming full subscription of the Subsequent Offering, Petromal retains its pro rata ownership of 38.28% post completion of the Subsequent Offering. Exercise of such subscription rights to Petromal will be limited to the actual number of rights required in order to retain their pro-rata ownership. The Company may resolve to cancel the Subsequent Offering if the trading price of the Company's shares falls below the Offering Price prior to commencement of the Subsequent Offering. Further information on any Subsequent Offering will be given in a separate stock exchange release when available.

Advokatfirmaet Schjødt AS is acting as legal advisor for PetroNor and Arntzen de Besche Advokatfirma AS is acting as legal advisor for the Managers in connection with the Private Placement.

The investor presentation with additional information is available at [www.petronorep.com](http://www.petronorep.com) under the Investors section and is attached to this release.

This announcement is made pursuant to section 5-12 of the Securities Trading Act.

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**About PetroNor E&P**

PetroNor E&P Limited is a sub-Saharan focused independent oil and gas exploration and production company listed on Oslo Euronext Expand (previously Oslo Axess) with the ticker PNOR. PetroNor holds exploration and production assets offshore West Africa, specifically the PNGF Sud licenses in Congo Brazzaville, A4 license in The Gambia, the Rufisque Offshore Profond and Senegal Offshore Sud Profond in Senegal, OML 113 in Nigeria (subject to completion) and the Sinapa (Block 2A) and Esperança (Blocks 4A and 5A) licenses in Guinea Bissau (subject to regulatory approval).