

# Panoro Signs Agreement to Partner with BW Offshore on Dussafu in Gabon

Oslo, 22 December 2016 - Panoro Energy ASA ("Panoro" or the "Company") (OSE ticker: PEN) today provides an update on the Dussafu Marin production sharing contract ("Dussafu PSC") in Gabon.

Panoro is pleased to announce that its fully owned subsidiary Pan Petroleum Gabon B.V. has entered into a Memorandum of Understanding with BW Energy Gabon Pte. Ltd. ("BWEG"), a newly established subsidiary of BW Offshore (OSE ticker: BWO), the leading global provider of floating production services to the oil and gas industry.

Under the terms of the preliminary partnership agreement, Panoro will sell a 25% working interest in the Dussafu PSC to BWEG for a total cash consideration of US\$12 million. Panoro will also obtain a capped limited recourse development loan from BWEG to fund expenditures through first oil production.

The transaction is subject to several conditions, including the signature of a definitive purchase agreement with BWEG, the approval of the Gabonese Government and the completion of the separate sale of Harvest Dussafu B.V. to BWEG. It is expected that the transaction will close in the first quarter of 2017.

Post-completion, Panoro will retain an 8.33% working interest in the Dussafu PSC. The total gross capital expenditure to reach first oil in 2018 is expected to be a maximum of US\$150 million.

Panoro notes the separate announcement today that BWEG has entered into a sale and purchase agreement with a subsidiary of Harvest Natural Resources (NYSE ticker: HNR) to acquire the entire share capital of Harvest Dussafu B.V., which holds a 66.66% operating working interest in the Dussafu PSC, for total cash consideration of US\$32 million.

**John Hamilton, CEO of Panoro, said,** *"Panoro is thrilled about our new partnership with BW Offshore. This agreement is a significant step forward in the execution of Panoro's strategy, validating the high quality of Dussafu and unlocking substantial value for our shareholders. This transaction will reduce our financial exposure to first oil, while preserving our ability to benefit from Dussafu's future success. Furthermore, the transaction strengthens our balance sheet to pursue additional growth opportunities."*

**Carl Arnet, CEO of BW Offshore, said,** *"We are very pleased to be joining Panoro in Dussafu, and we look forward to working with them and the Government of Gabon to develop Dussafu's full potential. We believe that our level of planned investment to bring Dussafu into production as soon as possible demonstrates our new commitment to an integrated upstream business, which we see as new source of growth for BW Offshore"*.

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## About Panoro Energy

Panoro Energy ASA is an independent E&P company based in London and listed on the Oslo Stock Exchange with ticker PEN. The Company holds high quality production, exploration and development assets in West Africa, namely the Dussafu License offshore southern Gabon and OML 113 offshore western Nigeria. In addition to discovered hydrocarbon resources and reserves, both assets also hold significant exploration potential. For more information, please visit the Company's website at [www.panoroenergy.com](http://www.panoroenergy.com).

## About BW Offshore

BW Offshore is a leading global provider of floating production services to the oil and gas industry. BW Offshore has a fleet of 14 owned FPSOs and one FSO represented in all major oil & gas regions world-wide. BW Offshore has a long track record on project execution and operations. In more than 30 years of production, BW Offshore has executed 38 FPSO and FSO projects. The company is listed on the Oslo Stock Exchange.