

Fourth quarter 2013 financials

February 20, 2014

Panoro Energy

ΠΑΝΟΡΟ ΕΝΕΡΓΕΙΑ

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Highlights

Fourth quarter 2013 and subsequent events

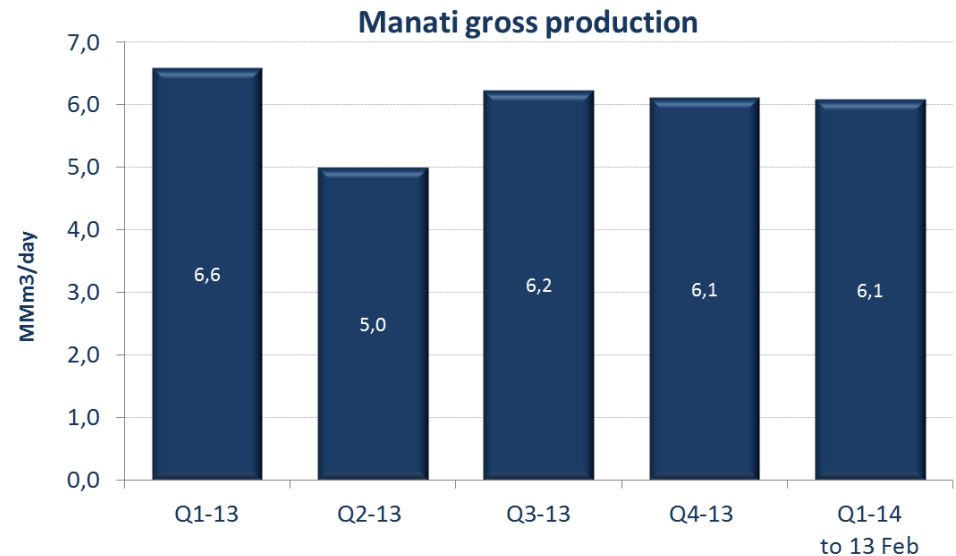
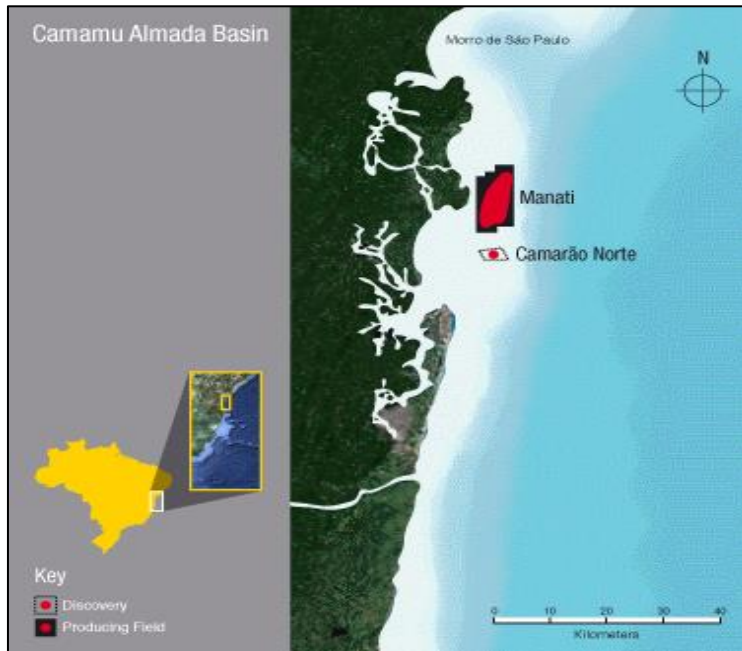


- EBITDA of USD 14.4 million, up from USD 3.8 million in the previous quarter mainly due to the USD 7 million from Lekoil for terminating the Aje SPA
- Divestment processes:
 - Manati: Awaiting regulatory approval
- Dussafu, Gabon: Completed 3D seismic acquisition
- Moving towards filing of a field development plan for Aje
- BS-3, Brazil: Full impairment of USD 46.2 million
- Corporate sales process initiated

Manati field

Asset held for sale

Manati (Brazil) BCAM-40	
Operator	Petrobras (35%)
Working Interest	10%
Other Partners	Queiroz Galvão (45%) Brasoil (10%)
1st Prod	2007
Current stage	Production



Project Status

- Gas price of 7.67 USD/MMBtu, up from 7.62 USD/MMBtu in Q3-13 due to strengthening of BRL vs USD
- Average production of 6.1 MMm3/day (3,847 BOE/day), down 2% from Q3-2013

Remaining Brazilian assets: BS-3 area

Santos Basin developments - Cavalo Marinho (50%), Estrela do Mar (65%)

BS-3 area (Brazil)

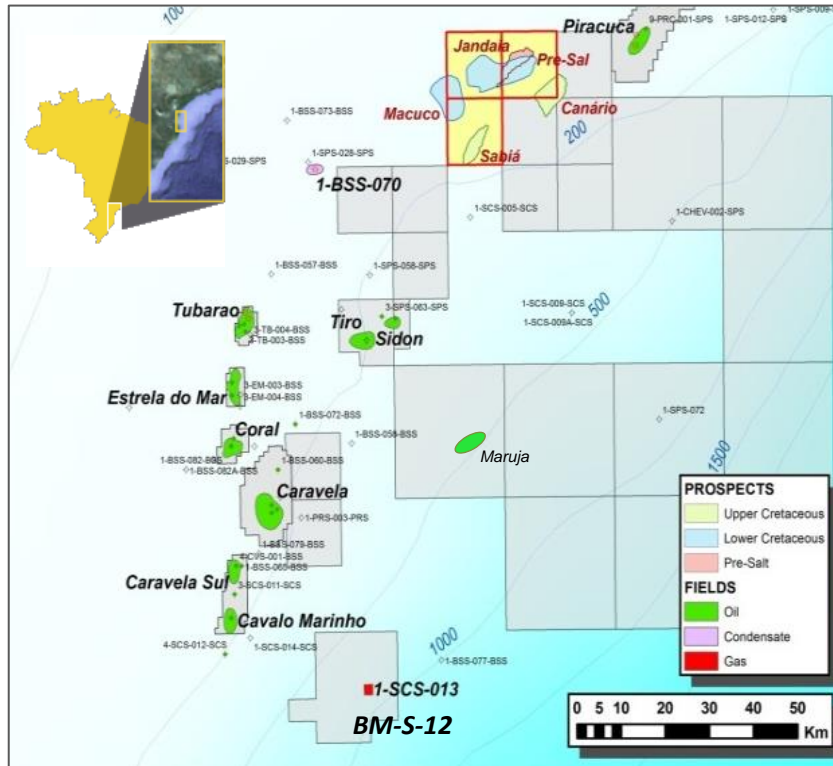
Operator W.I. range Petrobras (35-100%)

Working Interest range 50-65%

Other Partners Brasoil (0-15%)

1st Prod To be decided

Current stage Field Development Planning



Status

- ANP requested relinquishment
- Joint farm-out process (including transfer of operatorship) completed without success. Likely reasons:
 - High CAPEX requirements
 - Lack of offtake export solution for the associated gas
 - ADR wells (Advanced Data Recovery) imposed by ANP to test B-1 zone reservoir
- Full impairment of CvM and EdM taken in Q4 2013 – a total USD 46.2 million
- Steps initiated to relinquish blocks as requested by ANP

Dussafu

Large exploration license with multiple discoveries and prospects

Dussafu (Gabon)

Exploration portfolio

Operator Harvest Natural Resources (66.67%)

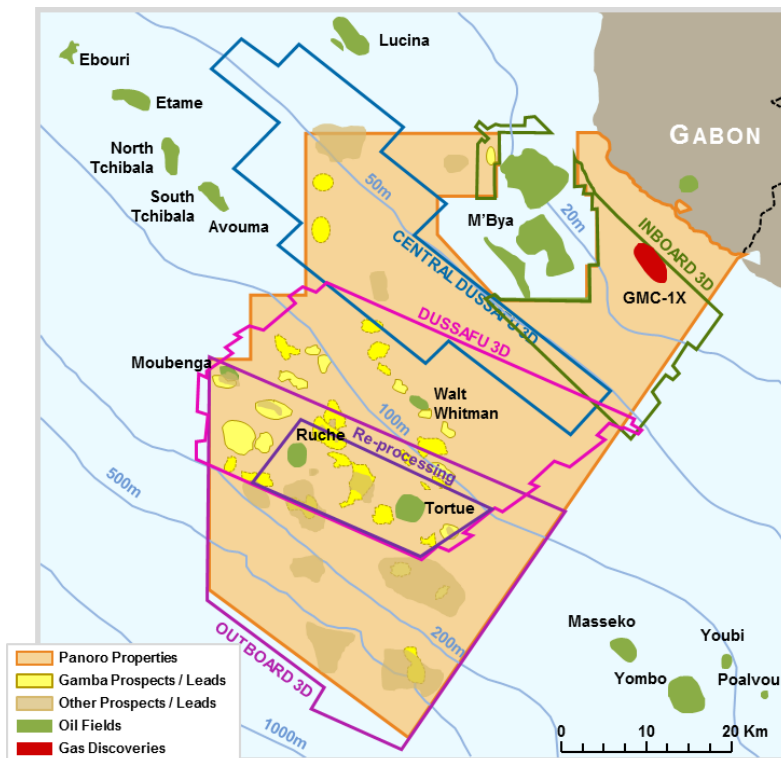
Working Interest 33.33%

Other Partners Back-in right of 10% held by joint venture of Tullow

Current stage Exploration

Project Status

- 2,775km² license in Southern Gabon pre-salt fairway
- Total of five pre-salt discoveries (4 oil, 1 gas) with upside/appraisal potential, 2C resources 49MMboe (gross)
- Panoro's oil discoveries in Ruche (2011) and Tortue (2013) have demonstrated the success in identifying oil-bearing structures
- Operator's gross mean estimate for contingent resources add up to 49 MMbbl for Tortue, Ruche, Walt Whitman and Moubenga
- Tortue total mean contingent estimate is 28 MMbbl with a range of 8-55 MMbbl
- Considered sufficient resources to support a development project



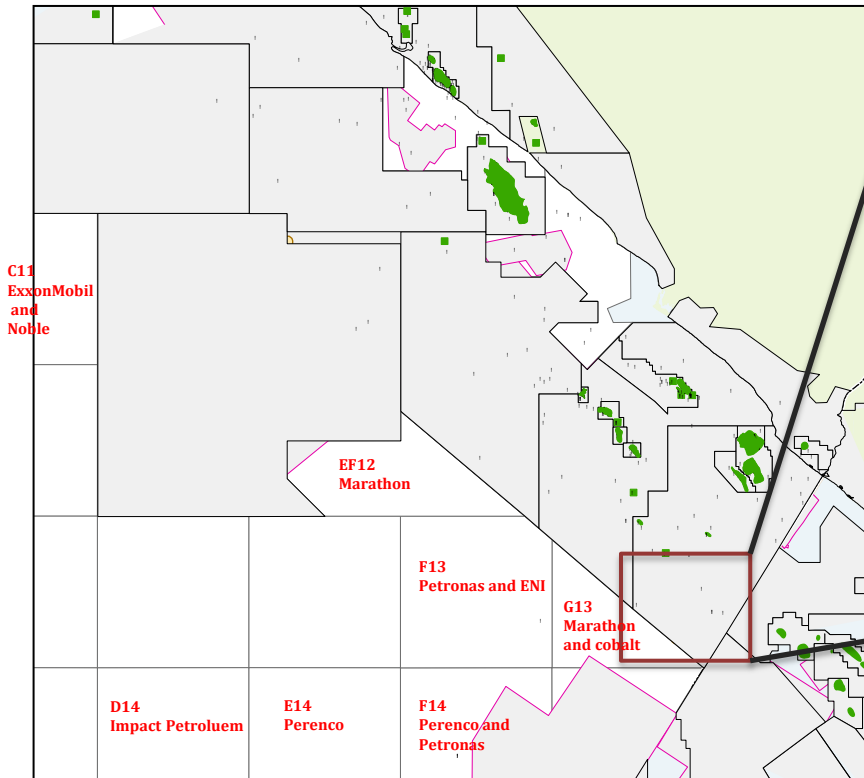
Dussafu – Progress of Field Development Activities



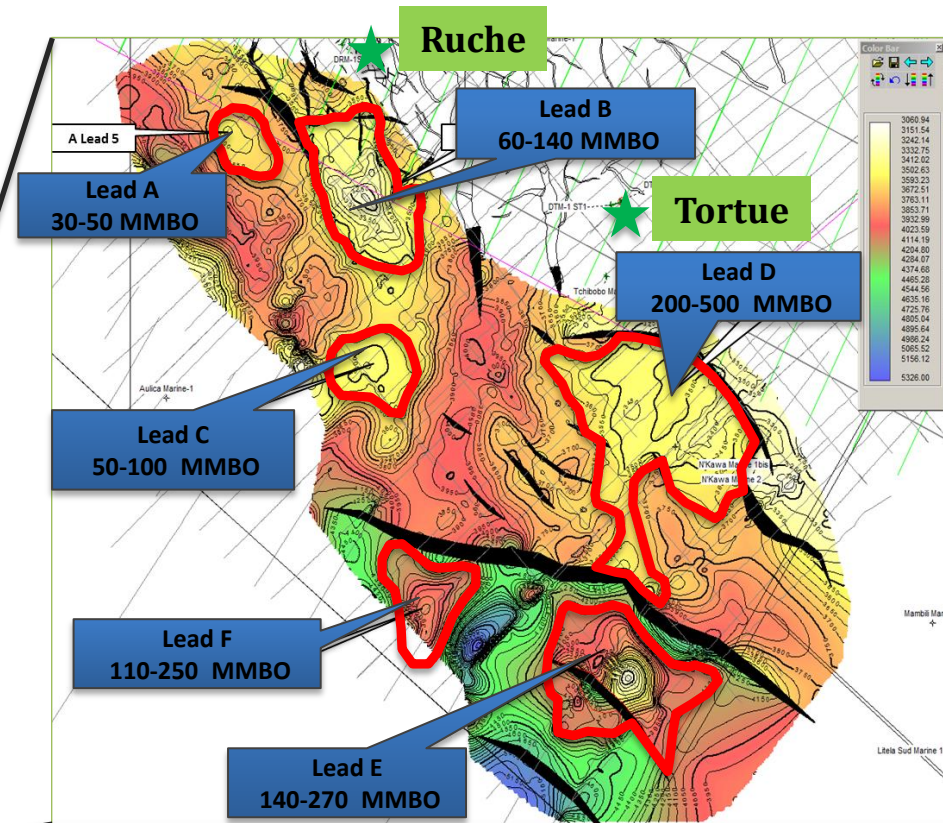
- Declaration of commerciality
 - Discussions on-going within partnership and with the Gabonese authorities
- Development studies being finalized to support the Declaration of Commerciality decision
 - Gaffney Cline Competent Person Report – expected in March 2014

Material Dussafu Exploration potential

- 1,130km² outboard 3-D acquired in Q4 2013
 - Key to de-risking substantial outboard leads
 - Preliminary seismic products expected in Q2, final products expected in H2
- Gabonese License round has attracted interest from the majors, demonstrating the attractiveness of this pre-salt play



**Dussafu Outboard Leads
Based on 2D seismic**

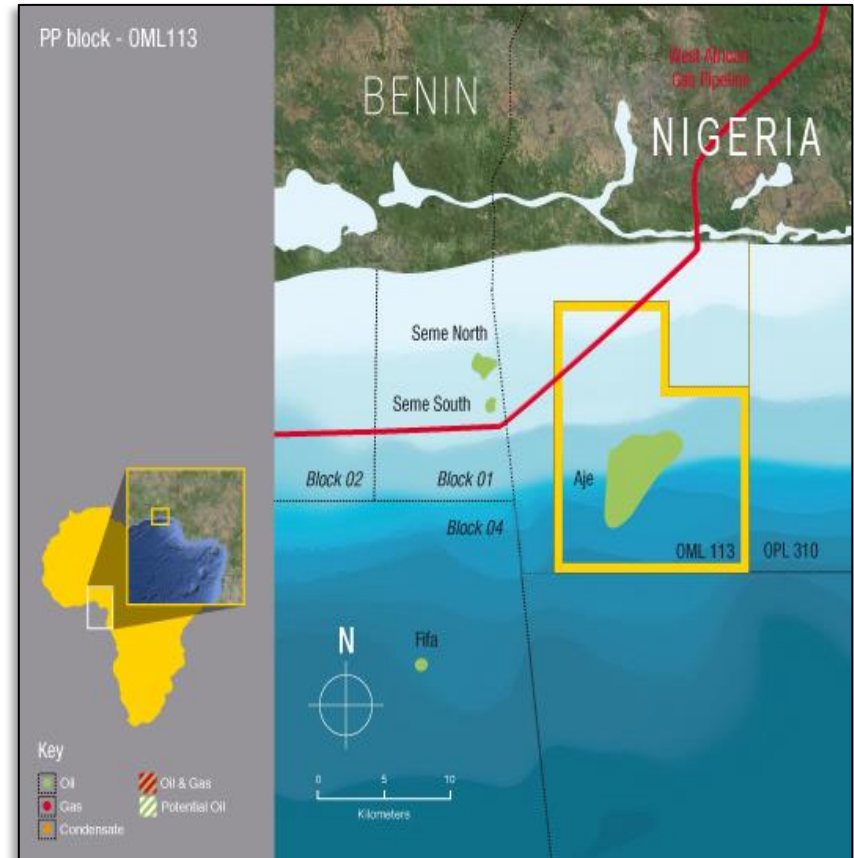


Aje

Near term development with exploration upsides

Project Status

- Change in partnership structure and new focus on near-term oil production
 - License is substantially more attractive than it was when asset sale was originally announced
- Focus on moving forward with early 2 well oil project, agreed by all license partners
 - FDP submittal to DPR this month DPR approval expected in Q2
 - Cenomanian first oil expected in Q4 2015
 - Gas condensate project will follow in the future
- Based on exploration success on OPL310, OML113 partners are considering possibility of extending Afren's seismic survey on OPL310 to cover OML113

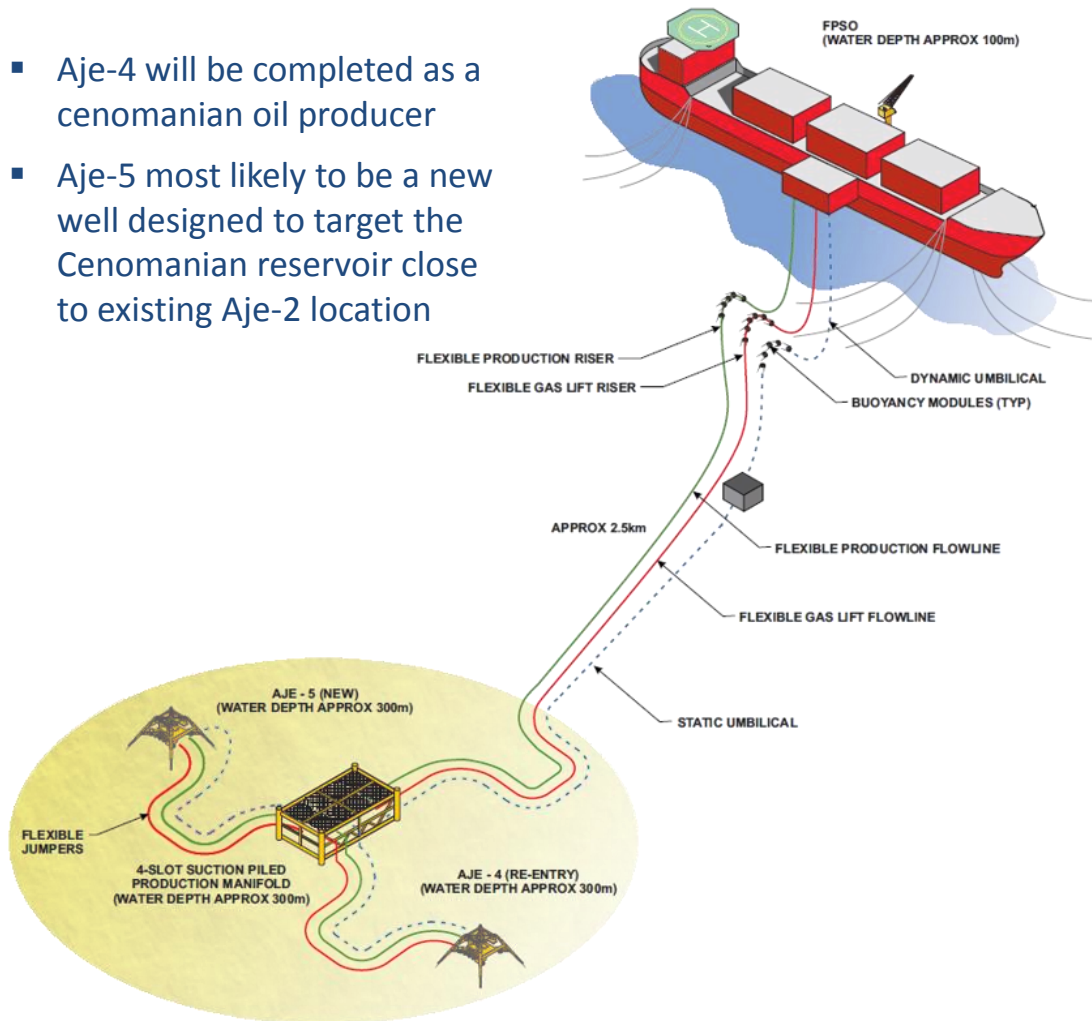


*Panoro : 16.255% paying interest, 6.502% working interest.
Panoro is entitled to 12.2% of the revenue stream from Aje field
Operator: Yinka Folawiyo Petroleum
Other partners: NewAge, FHN (Afren), EER, Jacka Resources*

Aje Cenomanian Oilfield Development Concept

Aje Field Appraisal and Development Scheme

- Aje-4 will be completed as a cenomanian oil producer
- Aje-5 most likely to be a new well designed to target the Cenomanian reservoir close to existing Aje-2 location



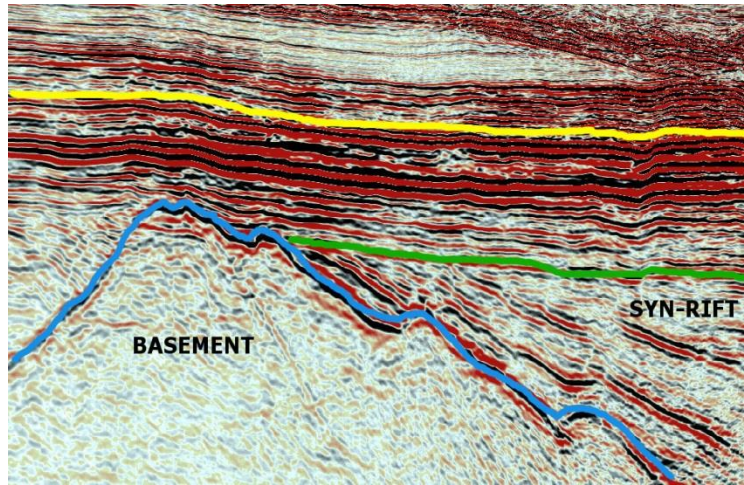
Development Project Status

- Strong project team has been put in place for project delivery
- Fast Track development will deliver first oil in Q4 2015
- Significant Turonian Gas and Condensate upside is not being addressed in this phase
- JV will start to consider the higher value Turonian gas and condensate monetisation strategy to follow Cenomanian development.
- OML113 Exploration potential will be revisited in 2014

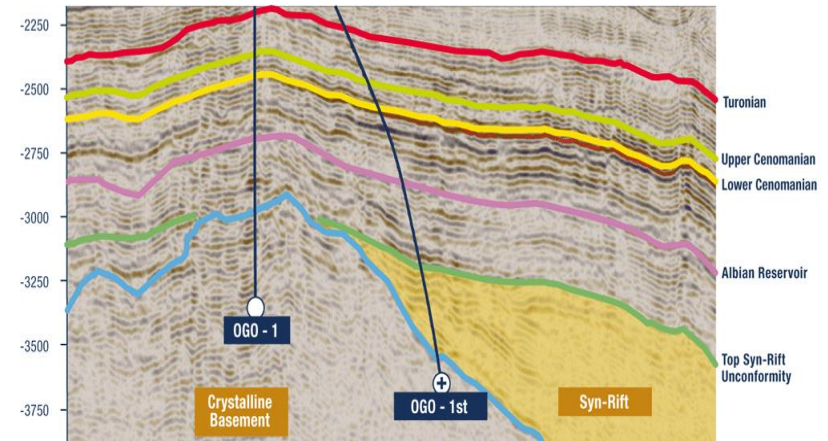
Ogo-1 Discovery and Syn Rift Potential

Exciting exploration potential from the new syn-rift play

Syn Rift Potential in Aje

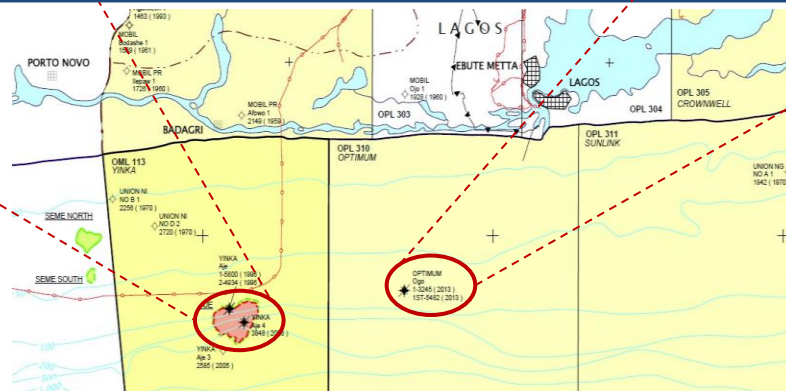


Insights into Ogo Discovery in OPL 310



Source: Lekoil

Surface View of Syn-Rift Potential



Source: IHS

Summary of Panoro West African Asset Base

- Dussafu and Aje base development projects provide an excellent pathway to production and cash flows
- In addition, both assets have significant upside potential, and lie in highly attractive petroleum regions
 - Dussafu
 - Central and Inboard 3D prospect inventory to be delivered by Operator
 - Outboard 3D currently being processed will better define prospectivity of large leads identified on 2D
 - OML113
 - Follow on potential from more Cenomanian development wells, Turonian gas condensate development
 - Exploration upside to be quantified following discovery in OPL310
- We believe that both Dussafu and OML113 assets are both potential 'company makers'

Corporate Sales Process

- Completed 2013 strategic review process – resulted in decision to run process to sell PEN
- Evercore Partners International LLP engaged as advisor for the sales process
- Sales process initiated in early 2014, with multiple companies contacted and data room activity ongoing
- The Company is marketed as a pure West African play
 - Process timetable will be communicated to potential buyers once Manati transaction complete
 - Extended corporate presentation to the stock market will take place at this time

Financial review

Anders Kapstad, CFO

Financial and accounting highlights

Q4-2013 and subsequent events

- Manati treated as assets held for sale in the balance sheet and as continued operations in P&L (EBITDA)
- EBITDA of USD 14.4 million in Q4-13, up from USD 3.8 million in Q3-13
 - Other income of USD 7 million from Aje transaction and USD 3.5 million from BS-3 reversal of contingent liabilities
 - OPEX, influenced by abandonment cost for BAS-128 in BCAM-40 block
 - G&A reduced according to plan
- Cash position of USD 56.7 million at end of Q4-13 (including restricted cash)
 - Tax issues on the Rio das Contas (Manati) transaction :
 - Timing of ANP approval of the Manati transaction (closing)
 - Tax credit utilization depending on timing of relinquishment of BS-3
 - Exchange rate BRL/USD

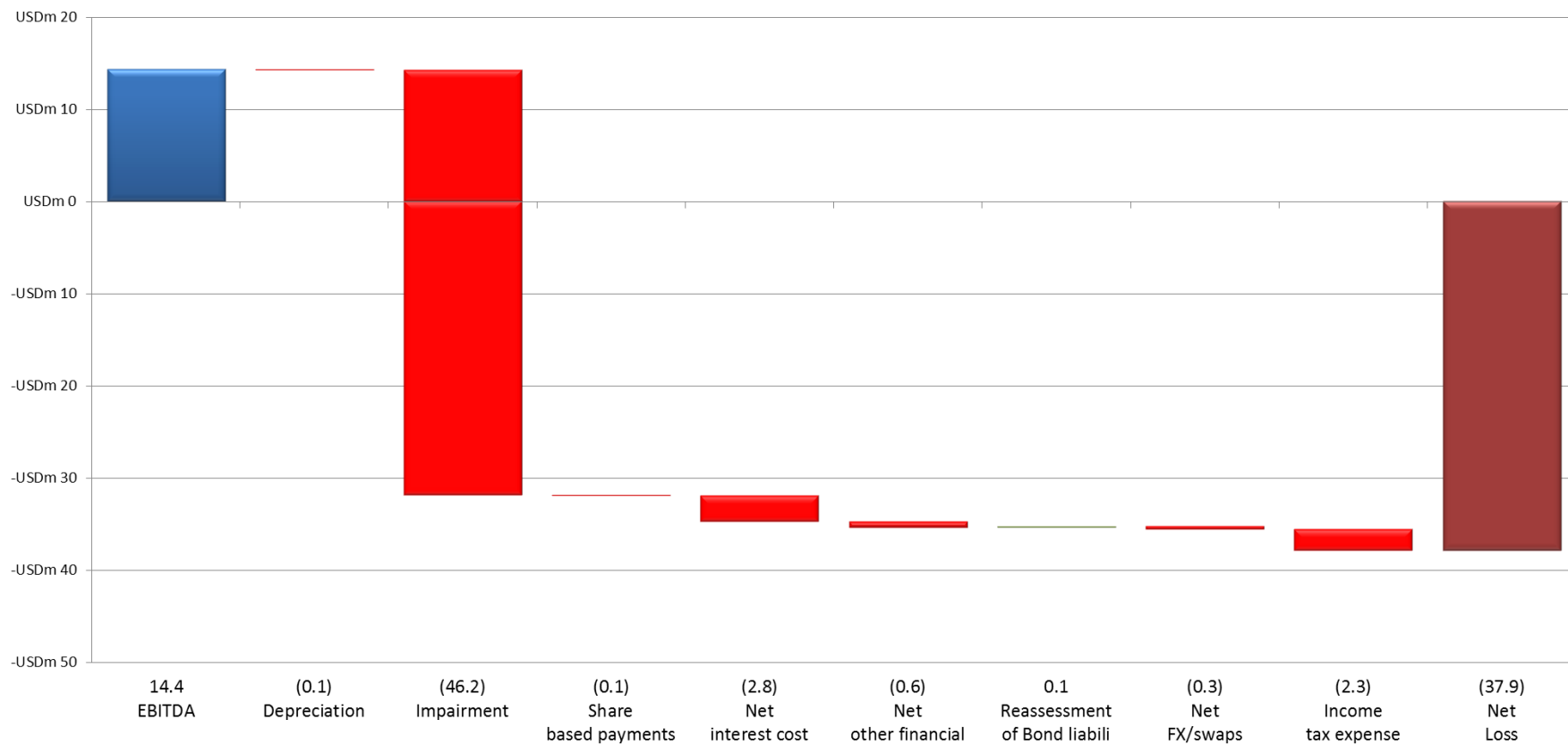
ANP approval process

- Divestment of Rio das Contas (Manati) for USD 140 million plus up to USD 20 million contingent earn-out
- Approval was expected on December 26, based on strong signals from ANP:
 - Time consuming process
 - Various departments in ANP need to get involved and approve
- Partners agreed to extension of long stop date to March 14 with unilateral option to further extend with 60 days minimum
- Latest update is that we expect closing shortly upon ANP approval of assignment
 - Two sub-approvals required within ANP:
 - Qualification of GeoPark
 - Approval of replacement of Panoro Energy's parental guarantee with GeoPark's parental guarantee, ongoing

Profit & Loss statement (USD '000)

Condensed consolidated statement of comprehensive income	Q3-2013	Q4-2013
Oil and gas revenue	10,795	10,642
Other income	0	10,500
Total revenues	10,795	21,142
Production costs	(3,981)	(2,876)
Exploration related costs	(107)	(482)
Strategic review costs	(573)	(867)
General and administrative costs	(2,373)	(2,560)
EBITDA	3,761	14,357

Profit & Loss items Q4-2013



Group balance sheet

Per Dec 31, 2013

Balance sheet (USD '000)	Sept 30, 2013	Dec 31, 2013
Licenses and production assets	101,661	94,755
Other non-current assets	14,201	12,088
Total non-current assets	115,862	106,843
Trade and other receivables	1,915	969
Cash and bank balances	73,718	56,756
Total current assets	75,633	57,725
Assets classified as held for sale	137,879	96,856
Total assets	329,374	261,424
Equity	161,912	118,448
Non-current interest-bearing debt	0	0
Other non current liabilities/Deferred tax liabilities	3,500	4,376
Total non-current liabilities	3,500	4,376
Current interest-bearing debt	137,210	118,912
Accounts payable, accruals, other liabilities	2,562	5,268
Total current liabilities	139,772	124,180
Liabilities classified as held for sale	24,190	14,420
Total liabilities	167,462	142,976
Total equity and liabilities	329,374	261,424

Outlook

- Awaiting approval from ANP for the assignment of Rio das Contas to GeoPark and subsequent exit from Brazil
 - Proceeds will be used to repay bond
- Further reduction of G&A costs
- Aje field development plan to be submitted shortly
- Dussafu 3D preliminary results in Q2
- Dussafu field development planning ongoing
- Sales process progressing
 - Strong cash position
 - Two exciting assets in West Africa with hydrocarbon discoveries and high impact exploration potential
- Extended corporate presentation to the stock market will follow completion of Manati transaction

Overview of Evercore

Overview

- Since Evercore was founded in 1996, Evercore has grown rapidly to become the premier global, independent corporate finance advisory firm with over 460 advisory professionals
- Business model is based on the most experienced practitioners providing the highest quality conflict-free independent advice across M&A, debt, equity and restructuring situations
- Evercore covers a full range of sectors including but not limited to aerospace and defence, energy, consumer, financial services, media, metals and mining, real estate and, transportation / infrastructure, utilities and technology
- Evercore's Energy advisory practice has offices in Houston, New York, Toronto, London and Aberdeen - over 50 employees in total
 - Number 1 US energy M&A advisor in 2013, advising on over \$42bn of transactions⁽²⁾
- Evercore advises across all Energy sub-sectors, bringing our breadth of skills, unique knowledge and the depth of experience to clients
- Evercore has specialist Oil & Gas expertise and knowledge globally
 - In Africa Evercore recently advised Ophir Energy on the sale of a 20% stake in their Tanzanian Blocks 1, 3 & 4 to Pavilion Energy, and on the farm-out of 10-30% stakes in all four of Ophir's deepwater exploration blocks in Gabon to OMV⁽³⁾

Recent Evercore Energy Transactions⁽¹⁾

<p>Not disclosed Pending completion</p>  <p>Advised Ophir on the farm out of 10-30% stakes in all four of its deepwater exploration blocks in Gabon to OMV</p>	<p>US\$1,288m Pending completion</p>  <p>Advised Ophir on the sale of a 20% stake in Tanzanian Blocks 1, 3 & 4 to Pavilion Energy</p>	<p>US\$3.75bn 2013</p>  <p>Advised Energy Transfer on its acquisition of 60% interest in ETP HoldCo from Energy Transfer Equity, L.P.</p>
<p>US\$768m 2013</p>  <p>Advised Comstock Resources on the sale of its West Texas properties to Rosetta Resources</p>	<p>US\$28bn 2012</p>  <p>Advised AAR on the sale of the 50% stake in TNK-BP to Rosneft</p>	<p>US\$90m 2012</p>  <p>Advised Canamens on the acquisition by EnQuest of 20% in the Kraken Discovery</p>
<p>US\$107.1m 2012</p>  <p>Advised I-TEC and its shareholders on the sale of the company to Trican Well Service</p>	<p>Terms not disclosed 2012</p>  <p>Advised TGPP and its shareholders on the sale of the company to ArcLight Capital</p>	<p>US\$1.8bn 2012</p>  <p>Advised Suburban Propane on its acquisition of the Retail Propane operations of Inergy</p>

¹⁾ Includes transactions advised by Evercore executives in their previous employment

²⁾ Bloomberg as of 31st December 2013

³⁾ Both transactions pending completion

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Q&A

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Please visit www.panoroenergy.com for more information