

# OML 113 Update – Agreement with Aje JV Partners

Oslo, 02 November 2017 – Panoro Energy ASA (the “Company” or “Panoro” with OSE ticker: “PEN”) announces that its subsidiary Pan Petroleum Aje Limited (“PPAL”) has entered into an important binding agreement (the “Agreement”) with the OML 113 joint-venture partners (the “Aje JV Partners”). The Agreement, as detailed below, in conjunction with other initiatives, addresses a number of operational and financial issues and demonstrates the commitment of the Aje JV Partners to support the current oil project and to move forward with the development of the Turonian gas reserves.

John Hamilton, Chief Executive Officer of Panoro, said: *“We are very pleased to have reached this meaningful agreement and believe this outcome is in the best interest of Panoro and our Aje JV Partners. In the meantime, we will continue constructive discussions with our JV Partners towards finalising a full settlement of the outstanding arbitration and litigation as soon as possible. We look forward to working all together towards our common objective of making the Aje oil project successful while realising the significant potential of the Turonian gas development.”*

The main terms of the Agreement are the following:

- During a transitional period of approximately one year, the Aje JV Partners have agreed governance and funding arrangements which allow:
  - All JV Partners to participate in decision-making as regards operations in the field;
  - Operations to be solely funded from revenues from crude oil sales;
  - Payment moratorium on any past unpaid and uncontested cash calls (some JV Partners including PPAL have outstanding amounts due, as previously disclosed);
  - No Aje JV Partners will require any other Aje JV Partners to withdraw from OML 113;
- All JV Partners have agreed to suspend certain ongoing litigation and arbitration proceedings among the partners;
- All JV Partners will use best efforts to negotiate and enter into an amicable settlement of all such disputes as soon as possible; and
- All JV Partners have agreed to measures that will facilitate the further development of oil and gas reserves at Aje.

In addition, Panoro is pleased to report that continuous efforts to reduce costs at Aje have already resulted in a material decrease in the overall operational expenditures. Other commercial arrangements and adjustments are being implemented and are expected to improve operating margins for the Aje JV Partners.

Finally, as previously announced, Panoro remains committed to explore all options to maximise value at Aje, including, but not limited to, a partial or full divestment of its participation in OML 113.

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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 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).