



## Panoro Energy: Q3 2020 Financial results and operational updates

Oslo, 23 November 2020 - Panoro Energy (the “Company” or “Panoro” with OSE ticker: “PEN”) reported total revenues of USD 7.59 million in the third quarter 2020, with positive EBITDA of USD 2.45 million. Numerous operational initiatives are expected to increase Panoro’s net production in the upcoming quarters, and seismic reprocessing at Dussafu has confirmed potential for a threefold increase in hydrocarbon volumes at the Hibiscus field offshore Gabon.

John Hamilton, CEO of Panoro, commented: *“We are starting to see a return to the production growth story at Panoro. The recent increase in Tunisia, growing total gross production more than 25% to 5,000 bopd, is highly encouraging, and we remain confident that we can unlock further upside potential in the TPS concessions. In Gabon, we are expecting to resume production drilling during the first half of 2021. Combined with revised lower cost developments at Dussafu in Gabon, this latest progress underlines the joint-venture partners ability to favourably optimise our low operating cost assets.”*

### **Financial Highlights**

- Gross revenue excluding hedging income from continuing operations<sup>1</sup> of USD 16.1 million for the first nine months of 2020 derived from five international and five domestic oil liftings
- Eightfold increase in EBITDA in 3Q20 versus 2Q20, reflecting higher oil prices realised despite higher operating costs linked to workovers in Tunisia
- Operating cost of around USD 17 per barrel of oil produced for the nine months to 30 September 2020 impacted by high levels of workover activities in Tunisia
- Net income after tax for the nine months to 30 September 2020 of USD 1.2 million, principally from realised and unrealised gains on crude oil hedges of USD 8.6 million
- Capital expenditure of USD 10.2 million year to date (USD 1.2 million for the third quarter), largely completing planned spending for 2020
- Cash balances of USD 15.6 million at 30 September 2020 (30 June 2020: USD 19 million) including cash held for bank guarantee
- Receivables from crude oil sales were USD 4.7 million at 30 September 2020 (30 June 2020: USD 4.3 million)
- Debt of USD 21.9 million (30 June 2020: USD 22.8 million), with USD 3.6 million having been repaid in the nine months to 30 September 2020

### **Operational Highlights**

- Group net production of 2,117 bopd for Q3 2020, down slightly on Q2 due to announced pump replacements during the quarter in Tunisia
- Production and lifting operations maintained and largely unaffected through the crisis
- Health and Safety systems and protocols proved resilient

#### Gabon

- In Gabon, quarterly production of 15,449 bopd gross on average, slightly below last quarter’s record high, with peak production levels exceeding 20,000 bopd
- At Dussafu, seismic reprocessing completed, potential for material increase in hydrocarbon volumes at Hibiscus up to three times as large
- Material cost and time savings through an alternative development plan for the Hibiscus/Ruche area using jack-up rigs in place of a wellhead platform

- \$100 million gross in capital savings as compared to previous concept
- Break-even for next development phases of approximately \$25 per barrel
- One crude oil lifting in the third quarter, sold at \$46 per barrel with operating costs of \$19.6 per barrel

#### Tunisia

- 5,000 bopd gross target achieved during October and current production steady at these levels
- Tunisian quarterly production of 3,261 bopd gross on average, with production being impacted by replacement of two ESPs
- Guebiba 10 side-track successful, confirmed oil in two reservoirs, on production in lower Bireno interval with highly productive Douleb to be produced in the future
- Multiple workover activities performed during quarter and continuing into Q4, all completed safely and without incident
- Two liftings, one international and one domestic, totalling 104,705 bbls during the quarter

#### **Corporate Highlights**

- In advanced discussions for a senior secured loan facility for the funding of next phases at Dussafu
- Strengthening of team with the addition of Tim O'Hanlon as Senior Advisor to the Board. Tim was a founder member of the Tullow Oil team where he spent many of the last 30 years as Vice President of Africa
- Hedging strategy proving effective in period of extremely volatile and low oil prices, realising USD 3.9 million in finance income for the nine months to 30 September 2020

#### **Outlook and Guidance**

- Three liftings expected in 4Q 2020 (two in Gabon, one in Tunisia), generating 35-40% of annual expected revenue
- Hedging position remains strong at approximately 25% of production hedged until end 2021 at USD 55 per barrel
- 2020 net production guidance of 2,200-2,300 bopd
- In Gabon, production from DTM-6H (drilled but not tied in) and DTM-7H (to be drilled) to be brought into production likely during 1H 2021
- Production growth activity in Tunisia to continue
- Dividend of PetroNor shares to Panoro shareholders (upon completion of sale of Aje)
- Completion of farm in to Block 2B South Africa (subject to closing conditions)

#### ***(1) Discontinued Operations***

*Aje operations in Nigeria classified as discontinued operations following divestment agreement, pending completion, and excluded from continuing activities.*

The Company will hold a live presentation of the third quarter results at 09:00 a.m. CET today, during which management will discuss the results and operations of the period. After conclusion of the discussion, participants will be invited to ask questions on the results report.

The results presentation can be accessed through registering at the link below and the online access to the event will be equipped with features to ask live questions. The audio Q&A feature will only be available for attendees who join online. Joining instructions for participating online or through using local dial-in numbers will be available upon completion of registration. The presentation details are as follows:

Date and Time:	23 November 2020, 09:00 .a.m. CET
Registration:	<p><a href="https://attendee.gotowebinar.com/register/2438611645364671501">https://attendee.gotowebinar.com/register/2438611645364671501</a></p> <p><i>After registering, participants will receive a confirmation email containing information about joining the results presentation.</i></p> <p><i>Participants can use their telephone or computer microphone and speakers (VoIP).</i></p>

Please join the event at least five minutes before the scheduled start time.

A replay of the third quarter results presentation 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 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 Africa, namely the Dussafu License offshore southern Gabon, OML 113 offshore western Nigeria, and the TPS operated assets, Sfax Offshore Exploration Permit and Ras El Besh Concession, offshore Tunisia.

For more information visit the Company's website at [www.panoroenergy.com](http://www.panoroenergy.com).