



## Panoro Energy – 2022 Half Year Results

Oslo, 24 August 2022 – Panoro Energy ASA (“Panoro” or the “Company” with OSE Ticker: PEN) is pleased to report financial and operational performance for the first half of 2022 in line with internal expectations. Working interest production from Panoro’s diversified oil portfolio during the first six months averaged approximately 7,900 bopd, with production expected to increase through to year end. Financial results reflect the previously communicated timing of Panoro’s crude lifting schedules. Since 30 June Panoro has lifted 865,200 barrels at an average realised price of USD 107.22 per barrel bringing year to date crude oil sales to approximately USD 110 million with further large crude oil liftings scheduled in the second half.

Underpinned by a strong balance sheet and a conservative leverage profile the Company is on track to achieve its near term organic growth ambition of exceeding 12,500 bopd during 2023 and with the majority of its production unhedged is well positioned to capitalise on the elevated oil price environment.

### **John Hamilton, CEO of Panoro, commented:**

*“Our operational performance has remained in line with our expectations as planned maintenance projects and well workovers to install and replace ESPs were safely completed in Equatorial Guinea and Tunisia. Looking ahead we expect full year working interest production to be around 8,000 bopd. Our organic growth ambition of exceeding 12,500 bopd net to Panoro during 2023 remains fully on track. As we had previously communicated the majority of Panoro’s crude oil liftings, and therefore revenue, will occur in the second half of this year. I am pleased to say that in July we completed Panoro’s largest ever lifting to date with proceeds in excess of USD 80 million received from a lifting of approximately 745,000 barrels in Equatorial Guinea. This has been supplemented with an oil lifting in Tunisia during August. Consequently the third quarter of 2022 shall set a new record in terms of revenue for the Company.*”

*Having concluded the sale of Panoro’s interest in OML 113 to PetroNor E&P ASA we have delivered a maiden distribution to our shareholders of USD 10 million in specie. Following this key milestone and first ever dividend paid by Panoro, the Board and Management remain fully committed to rewarding shareholders by initiating a sustainable cash dividend policy at the earliest opportunity. We intend to provide further details on dividend pay out policy at the time of our third quarter results, following visibility from the customary annual joint venture 2023 budgeting process, scheduled semi-annual RBL redetermination and upcoming crude liftings.”*

### **Corporate and Financial Update**

- Working interest production for the first six months 2022 averaged approximately 7,900 bopd and reflects planned maintenance periods and ESP replacement work undertaken in the second quarter
- Working interest production is set to increase through the second half of 2022 as further maintenance and ESP replacement work is completed. Working interest production guidance for 2022 is expected to be around 8,000 bopd due to the previously disclosed production deferrals at Dussafu Marin

- Maiden dividend paid with proceeds from the sale of Panoro's interest in OML 113 offshore Nigeria to PetroNor E&P ASA ("PetroNor"). USD 10 million upfront consideration received in the form of 96,577,537 shares in PetroNor distributed as a dividend in specie to Panoro shareholders
- As previously communicated the majority of Panoro's crude oil liftings will occur in the second half of the year. Revenue for the first half was USD 21.7 million of which USD 17 million was generated from the sale of 158,900 barrels at an average realised price of USD 107.17 per barrel
- Post period end, Panoro completed its scheduled lifting of approximately 745,000 barrels of oil in Equatorial Guinea at a realised price of USD 108.50 net per barrel, after customary quality adjustments and selling costs and before the effect of hedging (which comprised 200,000 barrels covered by swaps at USD 104.50 per barrel). This lifting accounts for a significant portion of the Company's 2022 total expected sales volume
- A further 120,000 barrels net to Panoro has been lifted in Tunisia during August with a realised price of USD 98.35 per barrel after customary discounts and sales fees
- In line with IFRS standard accounting treatment the Company recognises revenue when liftings of its crude oil entitlement occur. The third quarter will therefore be a record quarter in terms of revenue for Panoro
- Cash at bank at 30 June 2022 was USD 30.7 million
- Gross debt at 30 June 2022 was USD 88.4 million (excluding temporary advances of USD 35 million taken against the July Equatorial Guinea cargo to smooth working capital) after scheduled principal repayments of USD 9.2 million were made in the six months to 30 June 2022
- Grace Reksten Skaugen was appointed to the Board at the AGM held in May 2022. Ms. Skaugen is a board member and co-founder of the Norwegian Institute of Directors. She holds several board positions in listed companies including the Swedish investment company Investor, Euronav Tankers and Orron Energy as well as PJT Partners, a US investment bank. She is a Trustee of the International Institute for Strategic Studies (IISS) in London. She was deputy chair of Statoil (now Equinor), from 2012 to 2015 and served on its board for thirteen years. Ms. Skaugen is a physicist by education and holds a PhD in laser physics from Imperial College in London

## **Operational Update**

### **Equatorial Guinea – Block G (Panoro 14.25%)**

- Working interest production for the first six months 2022 averaged approximately 4,714 bopd (gross production 33,079 bopd)
- In May the Ministry of Mines and Hydrocarbons of Equatorial Guinea and the Joint Venture partners at Block G agreed a material time extension of the Production Sharing Contract ("PSC") until 31 December 2040 covering both licenses containing the producing Ceiba and Okume Complex Fields. Prior to the extension the PSC expiry for the Ceiba Field was 2029 and for the Okume Complex fields 2034. Management expects that Panoro's net 2P reserves will increase by between 2 to 3 million barrels as a result of the PSC extension

- Operator Trident Energy is undertaking a workover programme at the Okume Complex and has completed the Okume upgrade project which will improve process reliability, power generation and fluid handling / injection capabilities
- Planning for H2 2023 drilling activity underway with a drilling rig selected

#### **Gabon – Dussafu Marin Permit (Panoro 17.5%)**

- First half 2022 working interest production averaged approximately 1,952 bopd (gross production 11,152 bopd)
- Four out of six wells on continuous production owing to previously communicated gas lift capacity constraints. Nitrogen has been tested to supplement gas lift intermittently with additional permanent gas lift capacity due to be available around year end
- Conversion work on the offshore production unit for the Hibiscus/Ruche Phase I development project at the Lamprell Yard in Dubai has been completed and the unit, now named BW MaBoMo, has left the yard and is currently onboard a heavy lift vessel in transit to Gabon. The BW MaBoMo is expected to arrive on the field at the end of September for installation and hook-up. It will be connected to the BW Adolo FPSO via a 20 km pipeline
- As previously communicated in July delivery of the jack-up drilling rig Borr Norve has been re-scheduled towards the end of the year due to a third-party operator in the region exercising its final remaining well options. The JV partners anticipate first oil from the Hibiscus Ruche Phase I development will occur towards the end of the first quarter in 2023

#### **Tunisia – TPS Assets (Panoro 29.4%)**

- First half 2022 working interest production averaged approximately 1,194 bopd (gross production 4,062 bopd)
- Workovers to replace two ESP's at the Cercina (CER-2 well) and Guebiba (GUE-3 well) fields have been successfully completed and wells brought online safely without incident
- The wells are being monitored with encouraging increases in production rate observed in both wells
- Covid-19 cases managed effectively by the TPS team with no impact on production
- New production opportunities expected to be delivered during 2022 include the completion of the Douleb reservoir in GUE-10AST and perforation and stimulation activities on three further Cercina wells

#### **South Africa – Block 2B (Panoro 12.5%)**

- Island Innovator drilling rig is now under contract and in transit to South Africa from Europe with expected well spud by end September
- The Gazania-1 well to test both the Namaqualand and Gazania prospects
- Gross un-risked prospective resource targeted of over 300 MMbbls with an estimated gross well cost of approximately USD 30 million (approximately USD 6 million dry hole cost net to Panoro)

#### **Webinar Presentation**

The company will hold a live webinar presentation at 09:00 a.m. CEST during which management will discuss the results and operations, followed by a Q&A session.

The webinar presentation can be accessed through registering at the link below and the online event will be equipped with features to ask live questions. Joining instructions for participating online or through using local dial-in numbers will be available upon completion of registration. The webinar details are as follows:

Date and Time:	24 August 2022, 09:00 am CEST
Registration:	<a href="https://register.gotowebinar.com/register/260589078537805839">https://register.gotowebinar.com/register/260589078537805839</a> <i>After registering, participants will receive a confirmation email containing information about joining the webinar.</i> <i>Participants can use their telephone or computer microphone and speakers (VoIP).</i>

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

A replay of the webinar 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 exploration and production company based in London and listed on the main board of the Oslo Stock Exchange with the ticker PEN. Panoro holds production, exploration and development assets in Africa, namely a producing interest in Block G, offshore Equatorial Guinea, the Dussafu License offshore southern Gabon, the TPS operated assets, Sfax Offshore Exploration Permit and Ras El Besh Concession, offshore Tunisia and participation interest in an exploration Block 2B, offshore South Africa.

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