

# Panoro Energy ASA - Private Placement Fully Subscribed and Mandatory Notification of Trades

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## Oslo Børs Announcement

Reference is made to the stock exchange notice published by Panoro Energy ASA ("Panoro", or the "Company") on 9 February 2016 at 16:30 CET regarding the contemplated private placement (the "Private Placement").

The Board of Directors (the "Board") of the Company is pleased to announce that Panoro has successfully completed the Private Placement with the support of new and existing investors, reaching the top end of the range raising NOK 70 million in gross proceeds through the subscription and allocation of 166,666,666 new shares (the "New Shares") at a subscription price of NOK 0.42 per share (the "Subscription Price").

Issuance and delivery of the New Shares is subject to approval by an Extraordinary General Meeting of the Company expected to be held on or about 2 March 2016 (the "EGM"). Subject to approval by the EGM of the issuance of the New Shares, the due date for payment for allocated New Shares is expected to be 3 March 2016. The New Shares will be registered with the Norwegian Register of Business Enterprises and in the VPS following receipt of payment for all the New Shares. Following issuance of the New Shares the issued and outstanding share capital of the Company will be 401,212,452 shares each having a par value of NOK 0.005.

The New Shares issued in the Private Placement will be registered on a separate ISIN pending approval of a listing prospectus by the Financial Supervisory Authority of Norway (the "NFSA"), and will not be listed or tradable on Oslo Stock Exchange until such listing prospectus has been approved by the NFSA and published by the Company, expected to take place by end of March 2016. The Company shall endeavour to list the New Shares on the Norwegian OTC market prior to approval of the listing prospectus.

In order to be able to complete the Private Placement, the Board will propose to the EGM that existing shareholders' pre-emptive rights to subscribe the New Shares are set aside. The Board believes that this is in the best interest of the Company and the shareholders as reducing transaction risk and the time period from the transaction until the Company receives funds is imperative *inter alia* (a) in order to secure working capital as the Aje field comes into first oil production, and (b) in order to raise funding for general purposes against the backdrop of difficult macro economic circumstances in the oil and gas industry. The Board is of the opinion that the Private Placement will allow the Company to raise capital more quickly and, at a lower discount compared to a rights issue. Also, the Board is of the view that, in the current market situation and based on feedback from possible investors, the Private Placement has a greater chance of success than is the case for a rights issue. Further, the Board will propose to carry out a subsequent offering to existing shareholders who were not allocated shares in the Private Placement, as set out below.

The Subscription Price has been set through a bookbuilding process. Directors and Officers of Panoro have participated in the Private Placement. Subject to successful completion of the Private Placement, the Board of Directors will carry out a subsequent offering of NOK 10 million in the Company directed towards shareholders in the Company as of 9 February 2016, as registered in the VPS on 11 February 2016, who were not allocated New Shares in the Private Placement and who are not resident in a jurisdiction where such offering would be unlawful or, for jurisdictions other than Norway, would require any prospectus, filing, registration or similar action. Such shareholders will be granted non-transferable preferential rights to subscribe for, and, upon subscription, be allocated new shares. The subscription price in such subsequent offering will be NOK 0.42 per share, being the same as the Subscription Price in the Private Placement.

The net proceeds from the Private Placement will be used for general corporate purposes, most importantly managing working capital fluctuations in the prevailing low oil price environment, and to position the Company for growth.

The allocation and issue of New Shares is subject to (i) all necessary corporate resolutions being made, including approval at the EGM (expected held on or about 2 March 2016), and (ii) payment being received for the New Shares.

The Board of Directors will separately distribute notice of an EGM for the approval of the Private Placement, including the issuance of the New Shares and the subsequent offering.

## **The following primary insiders of the Company have been allocated New Shares in the Private Placement, each such share allocated at the Subscription Price:**

Julien Balkany, Non-executive Chairman and member of the Board, through Nanes Balkany Partners LLC and Balkany Investments LLC, affiliates directly and indirectly controlled by him: 5,550,000 New Shares. After the transaction, Julien Balkany through his affiliates, directly and indirectly controls 11,001,051 shares and has no share options in the Company.

Alexandra Herger, member of the board of directors: 59,500 New Shares. After the transaction, Ms. Herger owns 59,500 shares and has no share options in the Company.

John Hamilton, Chief Executive Officer: 238,000 New Shares. After the transaction, John Hamilton owns 488,000 shares and has no share options in the Company.

Qazi Qadeer, CFO: 178,500 New Shares. After the transaction, Qazi Qadeer owns 203,500 shares and has 33,334 share options in the Company.

Richard Morton, Technical Director: 119,000 New Shares. After the transaction, Richard Morton owns 154,132 shares and has 58,334 share options in the Company.

Nishant Dighe, Advisor: 714,200 New Shares. After the transaction, Nishant Dighe owns 2,289,200 shares and has no share options in the Company.

The outstanding share options were issued under the employee share options plan in the year 2011 and the number of options and/or the strike price of NOK 7.56 may be subject to adjustments under the plan rules.

Arctic Securities AS acted as sole manager in the Private Placement.

#### **Panoro's Chief Executive Officer, John Hamilton, commented:**

"We are very pleased with the continued support of our existing shareholders and also welcome new solid institutional investors. Despite the current low oil price environment, we consider this successful private placement as a strong endorsement of our core projects in Nigeria and Gabon. This transaction strengthens our financial position during a period of challenging market conditions, and when combined with the near term production at Aje offshore Nigeria, helps us to secure the long term sustainability of the Company."

#### **For further information, please contact:**

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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 exploration and development assets in West Africa, namely the Dussafu License offshore southern Gabon, and OML 113 offshore western Nigeria. Both assets have discoveries with approved Field Development Plans. In addition to discovered hydrocarbon resources and reserves, both assets also hold significant exploration potential.

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

This information is subject to the disclosure requirements pursuant to section 5-12, section 4-2 and 4-4 of the Norwegian Securities Trading Act.

#### **Disclaimer**

This information contained herein does not constitute an offer to sell or a solicitation of an offer to buy any New Shares in any jurisdiction in which such offer or solicitation is unlawful or where this would require registration, publication of a prospectus or similar action.

There will be no public offer of the New Shares in the United States. The New Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or under the securities law of any state or other jurisdiction of the United States and may not be reoffered, resold, pledged or otherwise transferred, directly or indirectly, except pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. A person in the United States or who is a "U.S. Person" (within the meaning of Regulation S under the U.S. Securities Act), may not apply for New Shares or otherwise take steps in order to subscribe or purchase New Shares unless (A) the subscriber is a registered client with the Manager as (i) a "qualified institutional buyer" ("QIB") as defined in Rule 144A under the U.S. Securities Act, or (ii) a "major U.S. institutional investor" as defined in SEC Rule 15a-6 to the United States Exchange Act of 1934, or (B) the subscriber (i) confirms that it is a QIB acquiring the New Shares for its own account or for one or more accounts, each of which is a QIB, in a transaction exempt from the registration requirements under the U.S. Securities Act and (ii) executes and delivers a separate U.S. investor representation letter to the Manager. The New Shares are "restricted securities" within the meaning of Rule 144 under the U.S. Securities Act and may not be deposited into any unrestricted depositary receipt facility in the United States, unless at the time of deposit the New Shares are no longer "restricted securities". The New Shares may not be reoffered, resold, pledged or otherwise transferred, except (a) outside the United States in accordance with Rule 903 or Rule 904 of Regulation S, as applicable or (b) pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act and subject to the provisions of the U.S. investor representation letter.

The offer of the New Shares in Canada is being made only on a private-placement basis, thus exempting it from the requirement that the Company prepare and file a prospectus with the applicable securities regulatory authorities. The New Shares are being offered in those jurisdictions and to those persons where and to whom they may lawfully be offered for sale, and therein only by persons permitted to sell such securities. Each Canadian purchaser who purchases New Shares must be entitled under applicable securities laws to purchase such securities without the benefit of a prospectus qualified under such securities laws; must be an "accredited investor" within the meaning of National Instrument 45-106 – Prospectus and Registration Exemptions and purchasing the New Shares as principal or deemed principal for its own account; and must be a "permitted client" within the meaning of National Instrument 31-103 – Registration Requirements and Exemptions. There is currently no public market for the New Shares in Canada and any resale of the New Shares in Canada must be made in accordance with applicable securities laws.

New Shares will only be offered in the United Kingdom (a) to persons who have professional experience, knowledge and expertise in matters relating to investments and are "investment professionals" for the purposes of article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (all such persons being referred to as "relevant persons") and (b) only in circumstances where, in accordance with section 86(1)(c) and (d) of the Financial and Services Markets Act 2000 ("FSMA"), the requirement to provide an approved prospectus in accordance with the requirement under section 85 FSMA does not apply as the minimum denomination of and subscription for the New Shares exceeds EUR 100,000 or an equivalent amount. Any application or subscription for the New Shares is available only to relevant persons and will be engaged in only with relevant persons and each UK applicant warrants that it is a relevant person.

The New Shares will not be registered under the applicable securities laws of Australia or Japan and may not be offered, sold, resold or

delivered, directly or indirectly, in or into Australia or Japan except pursuant to an applicable exemption from applicable securities laws.

This press release contains forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as “believe,” “expect,” “anticipate,” “intends,” “estimate,” “will,” “may,” “continue,” “should” and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although Panoro believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements.

The information, opinions and forward-looking statements contained in this release speak only as at its date, and are subject to change without notice. Panoro Energy ASA disclaims any obligation to update and revise any forward-looking statements, whether as a result of new information, future events or otherwise.