Panoro Energy

HALF YEAR REPORT 2022

24 August 2022

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ABOUT PANORO

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, OML 113 offshore western Nigeria (held-for-sale, subject to completion), 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.

HIGHLIGHTS, EVENTS AND UPDATES

First half 2022 Highlights and Events

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 bought 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)

FINANCIAL INFORMATION

Statement of Comprehensive Income review

Underlying Operating Profit/(Loss) before tax is considered by the Group to be a useful Non-GAAP financial measure to help understand underlying operational performance. The foregoing analysis has also been performed including, on an adjusted basis, the Underlying Operating Profit/(Loss) before tax from continuing operations of the Group. A reconciliation with adjustments to arrive at the Underlying Operating Profit/(Loss) before tax from continuing operations is included in the table below:

Q2 2021	Q1 2022	Q2 2022	*Amounts in USD 000*	YTD 2022	YTD 2021
58,380	(2,203)	(9,668)	Net income/(loss) before tax - continuing operations	(11,871)	59,034
246	369	385	Share based payments	754	477
696	99	681	Non-recurring costs	780	1,135
(48,461)	-	-	Gain on acquisition of business	-	(48,461)
2,571	3,134	(622)	Unrealised (gain)/loss on commodity hedges	2,512	4,209
13,432	**1,399**	**(9,224)**	**Underlying operating profit/(loss) before tax**	**(7,825)**	**16,394**

Underlying Operating Profit/(Loss) before tax is a supplemental non-GAAP financial measures used by management and external users of the Company's consolidated financial statements, such as industry analysts, investors, lenders and rating agencies. The Company defines Underlying Operating Profit/(loss) before tax as Net income (loss) from continuing operations before tax adjusted for (i) Share based payment charges, (ii) unrealised (gain) loss on commodity hedges, (iii) (gain) loss on sale of oil and gas properties, (iv) impairments write-offs and reversals, and (v) similar other material items which management believes affect the comparability of operating results. We believe that Underlying Operating Profit/(Loss) before tax and other similar measures are useful to investors because they are frequently used by securities analysts, investors, and other interested parties in the evaluation of companies in the oil and gas sector and will provide investors with a useful tool for assessing the comparability between periods, among securities analysts, as well as company by company. Because EBITDA and Underlying Operating Profit/(Loss) before tax excludes some, but not all, items that affect net income, these measures as presented by us may not be comparable to similarly titled measures of other companies.

Year-to-date 2022 versus year-to-date 2021

The commentary that follows pertains only to the Group's continuing operations in Equatorial Guinea, Gabon, Tunisia and South Africa.

Panoro Energy reported a positive EBITDA from continuing operations of USD 20.8 million in the first half of 2022, compared to USD 28.2 million in the first half of 2021. Lower EBITDA in the first half of 2022 is primarily driven by fewer international liftings with one in 2022 compared to five in 2021, offset by the impact of higher realised oil prices of USD 107 per barrel in 2022 compared to USD 67 per barrel in 2021. It should be noted that lifting scheduling across the Group's production assets will vary and as such due to revenue recognition accounting standards, uneven financial results are to be expected quarter on quarter despite normal operational performance.

Total revenue from continuing operations in the first half of 2022 was USD 21.7 million compared to USD 34.9 million in 1H 2021, generated through the sale of 158,901 barrels during the first six months of 2022 (1H 2021: 486,964 barrels) and comprising one export and four domestic liftings for TPS assets (1H 2021: 5 international; 4 domestic) and no Dussafu or Equatorial Guinea liftings (1H 2021: 3 Dussafu). Included in total revenue, is the gross-up of the State profit oil allocation under the terms of the Dussafu PSC, with a corresponding amount shown as Income tax, of USD 4.7 million in 2022 (2021: USD 2.2 million). This presentation is consistent with oil and gas reporting standards and is a notional adjustment which is neutral to net income/loss on an overall basis.

The total oil sales revenue from continuing activities of USD 17 million for the first half of 2022 was attributable to the TPS assets, there were no liftings at Dussafu or Block G during the period. This compares to USD 32.7 million for the first half of 2021, where USD 16.2 million was from Dussafu and USD 16.5 million from the Group's Tunisian assets.

Operating and other costs attributable to continuing operations of the Group were a negative USD 4.2 million in the first half of 2022 compared to USD 0.9 million in 1H 2021, a decrease of USD 5.1 million due to inventory movement during the period. With no liftings at Block G during the first six months of 2022, inventory levels increased which includes an element of depreciation which will be expensed on recognition of the sale of entitlement at the time of the next lifting.

General and Administrative (G&A) costs from continuing operations decreased to USD 5 million in 2022 from USD 5.8 million in the first six months of 2021, reflecting phasing and cyclicality of the timing of some annual overheads.

DD&A charge for the Group's assets attributable to continuing operations increased by USD 8.7 million to USD 18.3 million in the current period compared to USD 9.6 million in the first half of 2021. The increase is due to the additional depreciation following the completion of the Equatorial Guinea and Dussafu acquisitions which increased the cost base, resulted in higher production entitlements, all resulting in higher depreciation charges.

In 2021, a gain on acquisition of business amounting to USD 48.5 million is included in the statement of comprehensive income. This represents excess of fair value of the acquired net assets over consideration paid and related to the Dussafu acquisition which is recognised in line with the requirements of IFRS 3. The significant one-off fair value uplift in excess of purchase consideration was mainly a result of substantial increase in oil prices from the time the deal was agreed for the Dussafu acquisition in 2021 versus the prevailing oil prices at the time of completion of the transaction when the fair value was determined for acquisition purposes.

EBIT from continuing operations for the first six months of 2022 was thus USD 1.8 million compared to USD 66.6 million in 1H 2021.

Net financial items from continuing operations amounted to a loss of USD 13.7 million in the first half of 2022, compared to a loss of USD 7.6 million in the first half of 2021. This increase of USD 6.1 million is due to increases in interest expense on external debt of USD 2.5 million on the new USD 90 million loan facility and additional unwinding of decommissioning costs of USD 1 million following the acquisition of Block G and additional interest in Dussafu in 2021. The remaining USD 2.6 million loss is due the effect of oil price movements on commodity hedges.

Loss before tax for the first half from continuing operations was therefore USD 11.9 million compared to a profit of USD 59 million in the first half of 2021.

First half net loss after tax from continuing operations was USD 22.5 million, compared to net profit after tax of USD 54.5 million in 2021.

Income taxes increased to USD 10.6 million for the first six months of 2022 from USD 4.6 million in the same period of 2021. These tax charges consisted of USD 4.7 million (2021: USD 2.2 million) representing State profit oil under the terms of the Dussafu PSC and USD 5.9 million (2021: USD 2.2 million) for taxes on profits for the Group's Tunisian Operations. The higher taxes in the current period are mainly due to phasing of allowances which are time driven and not affected by accounting profitability.

Underlying operating loss before tax from continuing operations for first six months of 2022 was USD 7.8 million compared to a profit of USD 16.4 million for the same period 2021 (see page 5).

Statement of Financial Position review

Movements to 30 June 2022 from 31 December 2021

Movements in the Group statement of financial position during the first half of 2022 were a combination of the following:

Non-current assets

Non-current assets amount to USD 462.2 million at 30 June 2022, an increase of USD 6.5 million from USD 455.7 million at 31 December 2021.

This movement is driven by Investment in exploration, production and other assets of USD 24.8 million offset by depreciation USD 18.3 million during the period.

Current assets

Current assets amount to USD 91 million as of 30 June 2022, compared to USD 100 million at 31 December 2021.

Inventories, trade and other receivables at 30 June 2022 of USD 60.3 million (31 December 2021: USD 75.4 million) consists of crude oil and materials inventory of USD 34.1 million (31 December 2021: USD 19.8 million) and trade and other receivables of USD 26.3 million (31 December 2021: USD 55.6 million). The reduction of USD 15.1 million is a result of receipt of trade receivables outstanding at the end of 2021 offset by an increase in crude oil inventory due to the reduced number of liftings in 1H 2022.

Cash and cash equivalents at 30 June 2022 was USD 30.7 million compared to USD 24.5 million at 31 December 2021. The increase of USD 6.2 million is due to collection of trade receivables and a USD 35 million advance against the third quarter lifting at Block G (see below), offset by payments made for acquisitions and operations.

Aje related assets of USD 29.4 million (31 December 2021: 29 million) are classified as held-for-sale.

Equity

Equity as at 30 June 2022 amounts to USD 174.7 million compared to USD 195.4 million at the end of December 2021. This decrease is mainly due to results for the first six months of the year.

Non-current liabilities

Total non-current liabilities are USD 286.3 million as at 30 June 2022 compared to USD 305.9 million at 31 December 2021.

Non-current portion of external loan facilities decreased from USD 77.7 million at 31 December 2021 to USD 70.7 million at 30 June 2022, reflecting repayments of USD 7.3 million offset by borrowing cost movements of USD 0.4 million.

Decommissioning liabilities of USD 142.6 million were USD 1.8 million higher than at 31 December 2021, the increase a result of the usual unwinding of discount on such liabilities.

Deferred tax liabilities decreased from USD 74.1 million on 31 December 2021 to USD 60.7 million at 30 June 2022. This decrease was mainly a result of estimated timing and transfers of tax liabilities between current and non-current.

Current liabilities

Current liabilities amounted to USD 101.9 million at 30 June 2022 compared to USD 63 million at the end of December 2021, an increase of USD 38.9 million. This increase is mainly a result of a USD 35 million advance taken against oil revenues from the lifting on 18 July 2022 at Block G, combined with an increase in current and deferred tax of USD 12.6 million due to transfers from non-current liabilities. This is offset by reductions in loans and borrowings of USD 1.5 million and trade and other liabilities of USD 7.1 million. The latter is caused by a reduction of USD 0.9 million in creditors, the release USD 8.7 million overlift position due to lack of liftings in the period and offset by increase in fair value of commodity hedges of USD 2.5 million.

Risk and Uncertainties

Investment in Panoro Energy ASA

Investment in Panoro Energy involves risks and uncertainties as described in the Company's Annual Report for 2021.

As an oil and gas company operating in multiple jurisdictions in Africa, exploration results, reserve and resource estimates and estimates for capital and operating expenditures are associated with uncertainty. The field's production performance may be uncertain over time.

The company is exposed to various forms of financial risks, including, but not limited to, fluctuation in oil prices, exchange rates, interest rates and capital requirements; these are described in the Company's 2021 Annual Report and Accounts, and in Note 2 to the half year financial statements. The Company is also exposed to uncertainties relating to the international capital markets and access to capital and this may influence the speed with which development projects can be accomplished.

The company is monitoring the ongoing Russian war on Ukraine and regularly reviews any potential impacts on its business activities. Potential impacts include increased energy prices driving inflation, disruptions to supply chains and shortages of parts, raw materials and other products which increases the risk of cost inflation and higher than anticipated expenditures.

Operational risks and uncertainties

The development of oil and gas fields in which the Company is involved is associated with technical risk, reservoir performance, alignment in the consortiums with regards to development plans and on obtaining the necessary licenses and approvals from the authorities. Such operations might occasionally lead to cost overruns and production disruptions, as well as delays compared to the plans laid out by the operator of these fields. Furthermore, the Company has limited influence on operational risk related to exploration success and development of industry cost.

CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

Condensed Consolidated Statement of Comprehensive Income

Q2 2021	Q1 2022	Q2 2022		YTD 2022	YTD 2021
(Unaudited)	*(Unaudited)*	*(Unaudited)*	*Amounts in USD 000*	*(Unaudited)*	*(Unaudited)*
23,060	16,150	5,541	Total revenues	21,691	34,907
(16,126)	(9,458)	(12,098)	Operating expenses	(21,556)	(20,382)
19,178	12,271	13,442	Inventory movements *	25,713	19,447
(3,256)	(2,914)	(2,097)	General and administrative costs	(5,011)	(5,768)
22,856	**16,049**	**4,788**	**EBITDA**	**20,837**	**28,204**
(7,679)	(9,573)	(8,703)	Depreciation, depletion and amortisation	(18,276)	(9,564)
48,461	-	-	Gain on acquisition of business	-	48,461
(246)	(369)	(385)	Other non-operating items	(754)	(477)
63,392	**6,107**	**(4,300)**	**EBIT - Operating income/(loss)**	**1,807**	**66,624**
(5,012)	(8,310)	(5,368)	Financial costs net of income	(13,678)	(7,590)
58,380	**(2,203)**	**(9,668)**	**Profit/(loss) before tax**	**(11,871)**	**59,034**
(2,757)	(6,717)	(3,885)	Income tax expense	(10,602)	(4,554)
55,623	**(8,920)**	**(13,553)**	**Net profit/(loss) from continuing operations**	**(22,473)**	**54,480**
(365)	(165)	1,126	Net income/(loss) from discontinued operations	961	(502)
55,258	**(9,085)**	**(12,427)**	**Total comprehensive income/(loss) for the period (net of tax)**	**(21,512)**	**53,978**
			NET INCOME /(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:		
55,258	(9,085)	(12,427)	Equity holders of the parent	(21,512)	53,978
			TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD ATTRIBUTABLE TO:		
55,258	(9,085)	(12,427)	Equity holders of the parent	(21,512)	53,978
			EARNINGS PER SHARE		
0.49	(0.08)	(0.11)	Basic and diluted EPS on profit/(loss) for the period attributable to equity holders of the parent (USD) - Total	(0.19)	0.48
0.49	(0.08)	(0.12)	Basic and diluted EPS on profit/(loss) for the period attributable to equity holders of the parent (USD) - Continuing operations	(0.20)	0.48

* There were no liftings at Block G, Equatorial Guinea during the second quarter and first half 2022 resulting in increased crude oil inventory and underlift positions at 30 June 2022. Crude oil inventory and under lift movements form part of cost of sales and are valued using a cost per barrel that includes operating costs and depreciation, resulting in in negative cost of sales during periods of limited or no liftings. The depreciation element included in inventory was USD 10.1 million for 1H 2022 and USD 4.8 million in 2Q 2022.

The accompanying notes form an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Financial Position

Amounts in USD 000	Note	As at 30 June 2022 *(Unaudited)*	As at 31 March 2022 *(Unaudited)*	As at 31 December 2021 *(Audited)*
Tangible and intangible assets		462,092	456,844	455,552
Other non-current assets		122	132	135
Total Non-current assets		**462,214**	**456,976**	**455,687**
Inventories, trade and other receivables		60,327	53,925	75,433
Cash and cash equivalents		30,661	29,370	24,532
Total current assets		**90,988**	**83,295**	**99,965**
Assets classified as held for sale		29,456	29,066	29,015
Total Assets		**582,658**	**569,337**	**584,667**
Total Equity	4	**174,682**	**186,723**	**195,439**
Decommissioning liability		142,610	141,735	140,839
Loans and borrowings	5	70,721	71,463	77,689
Other non-current liabilities		12,318	12,851	13,259
Deferred tax liabilities	7	60,683	67,056	74,109
Total Non-current liabilities		**286,332**	**293,105**	**305,896**
Loans and borrowings - current portion	5	17,714	17,608	19,221
Oil revenue advances	6	35,000	-	-
Trade and other current liabilities		19,576	24,487	26,754
Current and deferred taxes	8	29,601	26,925	17,018
Total Current liabilities		**101,891**	**69,020**	**62,993**
Liabilities directly associated with assets classified as held for sale		19,753	20,489	20,339
Total Liabilities		**407,976**	**382,614**	**389,228**
Total Equity and Liabilities		**582,658**	**569,337**	**584,667**

The accompanying notes form an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Cashflows

Q2 2021	Q1 2022	Q2 2022		YTD 2022	YTD 2021
(Unaudited)	*(Unaudited)*	*(Unaudited)*	*Cash inflows / (outflows) (USD 000)*	*(Unaudited)*	*(Unaudited)*
58,015	**(2,368)**	**(8,542)**	**Net (loss)/income for the period before tax**	**(10,910)**	**58,532**
			ADJUSTED FOR:		
7,679	9,573	8,703	Depreciation	18,276	9,564
39,889	15,874	(13,134)	Increase/(decrease) in working capital	2,740	36,643
(1,854)	(3,863)	(7,582)	Taxes	(11,445)	(4,090)
5,456	8,126	5,434	Net finance costs and losses/(gains) on commodity hedges	13,560	8,044
(48,461)	-	-	Gain on acquisition of business*	-	(48,461)
-	-	(1,200)	Impairment reversal	(1,200)	-
294	442	419	Other non-cash items	861	559
61,018	**27,784**	**(15,902)**	**Net cash (out)/inflow from operations**	**11,882**	**60,791**
			CASH FLOW FROM INVESTING ACTIVITIES		
(46,028)	-	-	Cash outflow related to acquisition(s)*	-	(134,855)
(6,180)	(10,903)	(13,982)	Investment in exploration, production and other assets	(24,885)	(6,916)
(52,208)	**(10,903)**	**(13,982)**	**Net cash (out)/inflow from investing activities**	**(24,885)**	**(141,771)**
			CASH FLOW FROM FINANCING ACTIVITIES		
35,000	-	-	Proceeds from loans and borrowings (net of upfront and arrangement costs)	-	88,325
-	-	35,000	Oil revenue advances	35,000	-
(2,054)	(1,864)	-	Repayment of non-recourse loan	(1,864)	(2,323)
(870)	(6,270)	(1,020)	Repayment of Senior Secured loan	(7,290)	(1,590)
(480)	(1,937)	(2,594)	Realised gain/(loss) on commodity hedges	(4,531)	(762)
(1,739)	(1,903)	(154)	Borrowing costs, including bank charges	(2,057)	(1,963)
1	-	-	Gross proceeds from Equity Private Placement and Subsequent offering	-	80,116
(130)	-	-	Cost of Equity Private Placement and settlement of RSUs	-	(3,173)
(61)	(60)	(57)	Lease liability payments	(117)	(122)
29,667	**(12,034)**	**31,175**	**Net cash (out)/inflow from financing activities**	**19,141**	**158,508**
38,477	4,847	1,291	Change in cash and cash equivalents during the period	6,138	77,527
(10)	(9)	-	Change in cash and cash equivalents - assets held for sale	(9)	(14)
44,720	24,532	29,370	Cash and cash equivalents at the beginning of the period	24,532	5,674
83,187	**29,370**	**30,661**	**Cash and cash equivalents at the end of the period**	**30,661**	**83,187**

* Relates to acquisition of Block G, Equatorial Guinea and additional interest in Dussafu as disclosed in the 2021 half year report and 2021 annual report.

Condensed Consolidated Statement of Changes in Equity

For the six months ended ***30 June 2022*** *Amounts in USD 000*	Attributable to equity holders of the parent Issued capital	Share premium	Additional paid-in capital	Retained earnings	Other reserves	Currency translation reserve	Total
At 1 January 2022 (Audited)	**721**	**427,496**	**122,324**	**(311,694)**	**(37,647)**	**(5,761)**	**195,439**
Net income/(loss) for the period - continuing operations	-	-	-	(8,920)	-	-	(8,920)
Net income/(loss) for the period - discontinued operations	-	-	-	(165)	-	-	(165)
Total comprehensive income/(loss)	**-**	**-**	**-**	**(9,085)**	**-**	**-**	**(9,085)**
Employee share options charge	-	-	369	-	-	-	369
At 31 March 2022 (Unaudited)	**721**	**427,496**	**122,693**	**(320,779)**	**(37,647)**	**(5,761)**	**186,723**
Net income/(loss) for the period - continuing operations	-	-	-	(13,553)	-	-	(13,553)
Net income/(loss) for the period - discontinued operations	-	-	-	1,126	-	-	1,126
Total comprehensive income/(loss)	**-**	**-**	**-**	**(12,427)**	**-**	**-**	**(12,427)**
Employee share options charge	-	-	386	-	-	-	386
At 30 June 2022 (Unaudited)	**721**	**427,496**	**123,079**	**(333,206)**	**(37,647)**	**(5,761)**	**174,682**

For the six months ended 30 June 2021 Amounts in USD 000	Attributable to equity holders of the parent Issued capital	Share premium	Additional paid-in capital	Retained earnings	Other reserves	Currency translation reserve	Total
At 1 January 2021 (Audited)	**459**	**349,446**	**122,465**	**(361,017)**	**(37,647)**	**(5,761)**	**67,945**
Net income/(loss) for the period - continuing operations	-	-	-	(1,143)	-	-	(1,143)
Net income/(loss) for the period - discontinued operations	-	-	-	(137)	-	-	(137)
Total comprehensive income/(loss)	**-**	**-**	**-**	**(1,280)**	**-**	**-**	**(1,280)**
Share issue for cash	258	79,856	-	-	-	-	80,114
Share issue costs	-	(3,043)	-	-	-	-	(3,043)
Employee share options charge	-	-	233	-	-	-	233
At 31 March 2021 (Unaudited)	**717**	**426,259**	**122,698**	**(362,297)**	**(37,647)**	**(5,761)**	**143,969**
Net income/(loss) for the period - continuing operations	-	-	-	55,623	-	-	55,623
Net income/(loss) for the period - discontinued operations	-	-	-	(365)	-	-	(365)
Total comprehensive income/(loss)	**-**	**-**	**-**	**55,258**	**-**	**-**	**55,258**
Share issue for cash	2	561	-	-	-	-	563
Settlement of Restricted Share Units	-	-	(1,374)	-	-	-	(1,374)
Employee share options charge	-	-	247	-	-	-	247
Share issue under RSU plan	2	676	-	-	-	-	678
At 30 June 2021 (Unaudited)	**721**	**427,496**	**121,571**	**(307,039)**	**(37,647)**	**(5,761)**	**199,341**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate information

The holding Company, Panoro Energy ASA, was incorporated on 28 April 2009, as a public limited company under the Norwegian Public Limited Companies Act of June 19, 1997 No. 45. The registered organisation number of the Company is 994 051 067 and its registered address is c/o Advokatfirmaet Schjødt AS, Ruseløkkveien 14 0251 Oslo, Norway.

The Company and its subsidiaries are engaged in exploration and production of oil and gas resources in Africa. The unaudited condensed consolidated financial statements of the Group for the period ended 30 June 2022 were authorised for issue by the Board of Directors on 23 August 2022.

The Company's shares are traded on the Oslo Stock Exchange under the ticker symbol PEN.

2 Basis of preparation

The unaudited condensed consolidated financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting", as adopted by the EU. The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial information and the risk factors contained in the Company's 2021 Annual Report which is available on the Company's website www.panoroenergy.com.

The condensed consolidated financial statements are presented in US Dollars and all values are rounded to the nearest thousand dollars (USD 000), except when otherwise stated.

In October 2019, the Company entered into an agreement to divest all its operations in Nigeria to PetroNor, thereby resulting in changes to presentation of the results, operations and assets and liabilities of the disposal group comprising of the Divested Subsidiaries. The results and operations of the Divested Subsidiaries met the criteria of Discontinued Operations under IFRS 5 and have therefore been isolated and removed from "Continuing activities" and re-classified and presented as a separate line item "Discontinued Operations" in the statement of comprehensive income. Comparatives for the periods presented, pertaining to Discontinued Operations, have also been re-classified in accordance with the accounting standards. Furthermore, assets and liabilities pertaining to the Divested Subsidiaries have also been isolated and presented in separate line items in the statement of financial position since the end of year 2019. Completion of the sale occurred on 13 July 2022, the assets and liabilities of the Divested Group will therefore be derecognised in the next quarter.

2.1 Significant accounting policies and assumptions

The accounting policies adopted in preparation of these condensed consolidated financial statements are consistent with those followed in the preparation of the Group's 2021 Annual Report.

2.2 Principal risks and uncertainties

The Group's activities expose it to a number of risks and uncertainties, which are continuously monitored and reviewed. The main risks and uncertainties are the operational and financial risks described below.

Operational risk

At its current stage of development, Panoro is commercially producing oil and also exploring for and appraising undeveloped known oil and/or natural gas accumulations from its continuing activities in Equatorial Guinea, Gabon, Tunisia and South Africa.

The main operational risk in exploration and appraisal activities is that the activities and investments made by Panoro will not evolve into commercial reserves of oil and gas. The oil price is of significant importance in all parts of operations as income and profitability is and will be dependent on prevailing prices. Significantly lower oil prices will reduce current and expected cash flows and profitability in projects and can make projects sub economic Panoro operates a commodity hedging program to strategically hedge a portion of its 2P oil reserves to protect against a fall in oil prices and consequently, to protect the Group's ability to service its debt obligations and to fund operations including planned capital expenditure.

Another operational risk factor is access to equipment in Panoro's projects. In the drilling/development phase of a project the Group is dependent on advanced equipment such as rigs, casing, pipes etc. A shortage of these supplies can present difficulties for Panoro to complete projects. Through its operations, Panoro is also subject to political risk, environmental risk and the risk of not being able to retain key personnel.

Financial risk

The Group's activities expose it to a variety of financial risks, mainly categorised as exchange rate and liquidity risk. The Group's risks are continuously monitored and analysed by the management and the Board. The aim is to minimise potential adverse effects on the Group's financial performance.

External risks

The novel coronavirus (COVID-19) pandemic did not cause notable disruption to the company's business but continues to be closely monitored by management. The pandemic has the potential to cause a negative impact on the Group and its ability to conduct operations. The Group is managed by a small, specialised team through its Head Office in London, a Branch Office in Tunis and presence in Equatorial Guinea and, as such, Panoro has limited spare resource capacity in case key staff were to fall ill as a result of a viral infection.

The company is monitoring the ongoing Russian war on Ukraine and regularly reviews any potential impacts on its business activities. Potential impacts include increased energy prices driving inflation, disruptions to supply chains and shortages of parts, raw materials and other products which increases the risk of cost inflation and higher than anticipated expenditures.

The consequences, extent, duration and economic impact of the above mentioned COVID-19 pandemic and ongoing war cannot be reliably estimated but are being closely monitored by management with swift action is taken to limit adverse impact on the business where necessary.

A more detailed analysis of the Group's risks and uncertainties, and how the Group addresses these risks, are detailed in the 2021 Annual Report which is available on www.panoroenergy.com.

3 Segment information

The Group continuing operations are classified into three business segments, being the exploration and production of oil and gas in North Africa (Tunisia), West Africa (Gabon and Equatorial Guinea) and South Africa (South Africa).

As noted above, from the year 2019, the business in Nigeria is classified as a "Discontinued Operation" and as an asset held for sale. Segment information has therefore been re-arranged in line with reporting requirements for such item.

The Group's reportable segments, for both management and financial reporting purposes, are as follows:

- The North African segment holds the following assets:
  - TPS Assets: ETAP, 51% and Panoro TPS Production GmbH, 49% (29.4%* interest net to Panoro).
  - Sfax Offshore Exploration Permit: Panoro Tunisia Exploration AS (Operator, 52.5%* interest net to Panoro)
  - The Hammamet Offshore Exploration Permit: Medco (Operator), Panoro Tunisia Exploration AS (27.6%* interest net to Panoro), under relinquishment.

  *Figures only represent net participation interest in proportion to Panoro's equity holding in Sfax Petroleum Corporation AS.
- The West African – Gabon segment holds the following assets:
  - The Dussafu licence representing the Group's 17.4997% working interest in the Dussafu Marin exploration licence in Gabon
- The West African – Equatorial Guinea segment holds the following assets:
  - The Block G licence representing the Group's 14.25% working interest
- The South African – South Africa segment holds the following assets:
  - The Block 2B licence representing the Group's 12.5% working interest
  - 100% interest in the Karoo Technical Cooperation Permit 218, South Africa
- The 'Corporate' category consists of Head Office and service company operations that are not directly attributable to the other segments. Further, it also includes the residual corporate business in Brazil which is expected to be dormant in the foreseeable future.
- Discontinued Operations and assets held for sale:
  - The OML113-Aje represents the Group's 12.1913% revenue interest, 16.255% paying interest and 6.502% participating interest) in the OML113-Aje exploration licence in Nigeria.

Management monitors the operating results of business segments separately for the purpose of making decisions about resources to be allocated and for assessing performance. Segment performance is evaluated based on capital and general expenditure. Details of group segments are reported below.

Q2 2021	Q1 2022	Q2 2022		YTD 2022	YTD 2021
(Unaudited)	*(Unaudited)*	*(Unaudited)*	*All amounts in USD 000 unless otherwise stated*	*(Unaudited)*	*(Unaudited)*
			OPERATING SEGMENTS - GROUP NET SALES		
4,153	4,968	4,462	Net average daily production - Block G (bopd)	4,714	4,153
1,053	2,029	1,875	Net average daily production - Dussafu (bopd)	1,952	1,036
1,351	1,304	1,086	Net average daily production - TPS assets (bopd)	1,194	1,334
6,556	**8,301**	**7,423**	**Total Group Net average daily production (bopd)**	**7,859**	**6,523**
-	-	-	Oil sales (bbls) - Net to Panoro - Block G, Equatorial Guinea	-	-
174,777	-	-	Oil sales (bbls) - Net to Panoro - Dussafu, Gabon	-	230,880
132,620	128,561	30,340	Oil sales (bbls) - Net to Panoro - TPS assets, Tunisia	158,901	256,084
307,397	**128,561**	**30,340**	**Total Group Net Sales (bbls) - continuing operations**	**158,901**	**486,964**
			OPERATING SEGMENT - WEST AFRICA - EQUATORIAL GUINEA		
10,748	3,802	2,668	**EBITDA**	6,470	10,745
5,636	6,577	6,134	Depreciation and amortisation	12,711	5,636
322,294	263,582	271,621	Segment assets	271,621	322,294
			OPERATING SEGMENT - WEST AFRICA - GABON		
7,307	2,230	2,320	**EBITDA**	4,550	10,179
648	2,052	1,758	Depreciation and amortisation	3,810	1,241
183,389	186,636	204,314	Segment assets	204,314	183,389
			OPERATING SEGMENT - NORTH AFRICA - TUNISIA		
6,600	11,828	406	**EBITDA**	12,234	11,171
1,340	863	733	Depreciation and amortisation	1,596	2,578
78,215	72,668	63,231	Segment assets	63,231	78,215
			OPERATING SEGMENT - SOUTH AFRICA		
-	(65)	(129)	**EBITDA**	(194)	-
-	86	981	Segment assets	981	-
			CORPORATE		
(1,799)	(1,811)	(412)	**EBITDA**	(2,223)	(3,891)
55	81	78	Depreciation and amortisation	159	109
16,983	17,299	13,055	Segment assets	13,055	16,983
			TOTAL - CONTINUING OPERATIONS		
22,856	16,049	4,853	**EBITDA**	20,837	28,204
7,679	9,573	8,703	Depreciation and amortisation	18,276	9,564
600,881	540,271	553,202	Segment assets	553,202	600,881
			Nigeria - Discontinued operations		
(365)	(165)	1,126	**Net income/(loss) for the period-Discontinued operations**	961	(502)
21,418	29,456	29,456	Assets classified as held for sale	29,456	21,418
(20,328)	(19,753)	(19,753)	Liabilities directly associated with assets classified as held for sale	(19,753)	(20,328)

The segment assets represent position as of quarter ends and the Statement of Comprehensive Income items represent results for the respective quarters presented. There are no differences in the nature of measurement methods used on segment level compared with the interim condensed consolidated financial statements. There are no inter-segment adjustments and eliminations for the periods presented.

4 Share capital

As of 30 June 2022, the Company had a registered share capital of NOK 5,669,184 divided into 113,383,690 shares, each with a nominal value of NOK 0.05.

5 Loans and borrowings

5.1 Mercuria Senior Secured Loan

Current and non-current portion of the outstanding balance of the Mercuria Senior Secured facility as of the date of the statement of financial position attributable to Panoro's 60% ownership is as follows:

	30 June 2022	31 March 2022	31 December 2021
Amounts in USD 000	*(Unaudited)*	*(Unaudited)*	*(Audited)*
Senior Loan facility - Non-current	3,780	4,800	5,820
Senior Loan facility - Current	5,100	5,100	4,950
Senior Loan interest accrued - Current	156	154	169
Total Senior Loan facility	**9,036**	**10,054**	**10,939**
Senior Loan Unamortised borrowing costs - Non-current	(29)	(45)	(63)
Senior Loan Unamortised borrowing costs - Current	(80)	(92)	(103)
Total Unamortised borrowing costs	**(109)**	**(137)**	**(166)**
Total Senior Loan facility	**8,927**	**9,917**	**10,773**

The amended Senior Loan facility has a term of 5 years from 30 June 2019 with interest charged at USD 3-month LIBOR plus 6% on the balance outstanding, with repayments due each quarter.

Key financial covenants are required to be tested at the end of every 3-month period. These covenants, applicable at levels of the borrower group as defined in the loan documentation, include the following:

(i) Field life coverage ratio: 1.50x

(ii) Minimum cash balance of USD 2.1 million to be maintained at all times in the collection account of the ring-fenced asset holding company (USD 3.5 million gross)

(iii) Debt service coverage ratio: between 1.15x and 1.25x subject to specifications in the loan agreement.

(iv) Liquidity Test: Customary to the loan instrument.

Un-amortised borrowing costs include structuring fees and directly attributable third-party costs. During the current quarter, these costs are expensed using an effective interest rate of 7.75% per annum over the remaining term of the facility.

5.2 MCB/Trafigura Senior Secured Reserve Based Loan

On 29 March 2021, Panoro signed a fully underwritten acquisition finance loan facility of up to USD 90 million arranged by Trafigura, one of the world's leading independent commodity trading and logistics houses, with Mauritius Commercial as mandated lead arranger and facility agent, to partially finance the acquisitions in Equatorial Guinea and Gabon completed in 2021.

The loan has been made available in two tranches, Tranche A of up to USD 55 million in respect of the Equatorial Guinea acquisition and Tranche B of up to USD 35 million in respect of the Dussafu acquisition. Tranche A and Tranche B can be drawn separately and are not conditional on each other. The drawn-down amount under the loan will amortise over a period of 5 years and carries an annual interest rate of 3M LIBOR plus 7.5%. An accordion option for an additional USD 50 million is included alongside and in addition to the acquisition finance facilities.

On 30 March 2021, Panoro drew down against Tranche A of the facility, borrowing USD 55 million which was utilised to partially pay for the purchase consideration of the Equatorial Guinea acquisition in 2021, with the balance funded from the proceeds of the equity private placement of the Company shares that completed in the first quarter of 2021.

On 9 June 2021, Panoro drew down against Tranche B of the facility, borrowing USD 35 million which was utilised to partially pay for the purchase consideration of the Dussafu acquisition.

Current and non-current portion of the outstanding balance of the Trafigura Senior Secured Reserve Based Lending facility as of the date of the statement of financial position is as follows:

	30 June 2022	31 March 2022	31 December 2021
Amounts in USD 000	*(Unaudited)*	*(Unaudited)*	*(Audited)*
Borrowing Base Loan facility - Non-current	68,400	68,400	73,800
Borrowing Base Loan facility - Current	10,800	10,800	10,800
Total Senior Loan facility	**79,200**	**79,200**	**84,600**
Borrowing Base Unamortised borrowing costs - Non-current	(1,430)	(1,692)	(1,868)
Borrowing Base Unamortised borrowing costs - Current	(1,020)	(1,062)	(1,102)
Total Unamortised borrowing costs	**(2,450)**	**(2,754)**	**(2,970)**
Total Senior Loan facility	**76,750**	**76,446**	**81,630**

The loan facility has a term of 5 years from 31 March 2021 with interest charged and paid quarterly at USD 3-month LIBOR plus 7.5% on the balance outstanding, with principal repayments due each six months.

Key financial covenants are required to be tested 30 September and 31 March and, in some cases, every quarter. These covenants, applicable at the levels of the borrower group as defined in the loan documentation, include the following:

(i) Minimum cash balance of USD 7.0 million to be maintained in the account of the Borrower

(ii) Group Net Debt/EBITDA: ≤3.0 (Borrower and subsidiaries)

(iii) Group Liquidity Test: ≥1.2x (Borrower and subsidiaries)

Un-amortised borrowing costs include structuring fees and directly attributable third-party costs. During the current quarter, these costs are expensed using an effective interest rate of 9.50% per annum over the remaining term of the facility.

5.3 BW Energy non-recourse loan

The Group has in place a non-recourse loan from BW Energy in relation to the funding of the Dussafu development. The loan bears interest at 7.5% per annum on outstanding balance, compounded annually. The balance outstanding at each balance sheet date presented is as below:

	30 June 2022	31 March 2022	31 December 2021
Amounts in USD 000	*(Unaudited)*	*(Unaudited)*	*(Audited)*
BW Energy non-recourse loan - Non-current	-	-	-
BW Energy non-recourse loan - Current	2,758	2,708	4,507
Total carrying value	**2,758**	**2,708**	**4,507**

The non-recourse loan is repayable through 7.4997% working interest allocation of the cost oil in accordance with the Dussafu PSC, after paying for the proportionate field operating expenses. The repayment period has started after achieving production on Dussafu and will repaid from Panoro's portion of upcoming crude oil sales. During the repayment phase, Panoro will still be entitled to its share of profit oil from the Dussafu operations.

Since the repayment of the loan is linked to production and impacted by oil prices and operating expenses; judgement has been exercised in estimation of these values. The actual repayments may therefore vary from the estimates in current and non-current portions recognised as of the date of the statement of financial position.

6 Oil revenue advances

During the quarter, under the EG crude marketing advance facility with Trafigura, USD 35 million was drawn-down as an advance against the July 2022 crude lifting. The advance was fully repaid from crude oil proceeds received in August 2022. Interest of USD 0.3 million accrued on the advance up to 30 June 2022. The Company recognises revenue when lifting of its crude oil entitlement occur, the revenue for above mentioned lifting will therefore be reported in the third quarter.

7 Fair value of commodity hedges

The Group has a commodity hedging program in place to strategically hedge a portion of its 2P oil reserves to protect against a fall in oil prices and consequently, to protect the Group's ability to service its debt obligations and to fund operations including planned capital expenditure. The hedge instruments used include "zero cost collars" and "commodity swap" contracts to protect the downside in 'Dated Brent' oil price. These hedge contracts are initially recognised at Nil fair value and then revalued at each balance sheet date, with changes in fair value recognised as finance income or expense in the Statement of Comprehensive Income.

The hedging program continues to be closely monitored and adjusted according to the Group's risk management policies and cashflow requirements. The Group continues to monitor and optimise its hedging programme on an on-going basis.

The outstanding commodity hedge contracts as at the respective balance sheet dates presented were as follows:

Zero cost collar instruments	Remaining term	Remaining contract amount	Average contract price	Average contract price	Fair value Asset / (Liability)	Fair value Asset / (Liability)
		Bbls	*Buy Put (USD/Bbl)*	*Sell Call (USD/Bbl)*	*Current (USD '000)*	*Non-Current (USD '000)*
At 31 December 2021 *(audited)*	Jan 22 - Dec 22	290,574	55.00	63.60	(2,489)	-
At 30 June 2022 *(unaudited)*	**Jul 22 - Dec 22**	**208,000**	**84.37**	**97.02**	**(4,100)**	**-**

Commodity Swaps instruments	Maturity	Remaining contract amount	Average contract price	Fair value Asset / (Liability)
		Bbls	*Settlement price ceiling (USD/Bbl)*	*Current (USD '000)*
At 31 December 2021 *(audited)*	-	-	-	-
At 30 June 2022 (unaudited)	**Jul 22**	**200,000**	**104.53**	**(901)**

8 Income Tax

Corporation tax charge for the respective quarters presented is split as follows:

Q2 2021 (Unaudited)	Q1 2022 (Unaudited)	Q2 2022 (Unaudited)	*Amounts in USD 000*	YTD 2022 (Unaudited)	YTD 2021 (Unaudited)
1,258	2,286	2,376	Effect of taxes under PSA arrangements - Gabon	4,662	2,213
2,713	11,484	7,879	Current income tax charge/(credit)	19,363	3,917
-	-	3	Other Corporate	3	1
(1,214)	(7,053)	(6,373)	Deferred tax charge/(credit)	(13,426)	(1,577)
2,757	**6,717**	**3,885**	**Total tax charge**	**10,602**	**4,554**

Deferred tax liability has arisen on temporary differences between tax base and accounting base of the production assets in Tunisia and has been calculated using the effective tax rate applicable to the concessions.

9 Subsequent events

The sale of Panoro's interest in OML 113 and the Aje field to PetroNor E&P ("PetroNor Transaction") completed subsequent to quarter-end on 13 July 2022 for an upfront consideration of USD 10 million plus a contingent consideration of up to USD 16.67 million based on future gas production volumes. The USD 10 million upfront consideration was paid via the allotment of 96,577,537 new PetroNor shares ("Consideration Shares") on 27 July 2022. Assets and liabilities pertaining to the divested interest that have been isolated and presented in separate lines as "held for sale" items in the statement of financial position will therefore be derecognised in the next quarter.

Panoro declared its first dividend on 5 August 2022 following the completion of the PetroNor Transaction. The Board of Directors resolved on 1 August 2022 to use its authorisation to approve a dividend in the form of distributing the Consideration Shares. Each qualifying Panoro shareholder as at 8 August 2022 is entitled to 0.849 PetroNor shares for each share held in the Company.

305,682 shares in Panoro Energy ASA were issued on 7 July 2022 in consideration of the vesting of units awarded under the employee long-term incentive plan.

RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge that the condensed set of interim consolidated financial statements as of 30 June 2022 has been prepared in accordance with IAS 34 Interim Financial Reporting and gives a true and fair view of the Company's assets, liabilities, financial position and result for the period viewed in their entirety, and that the interim management report in accordance with the Norwegian Securities Trading Act section 5-6 fourth paragraph includes a fair review of any significant events that arose during the six-month period and their effect on the half-yearly financial report, and any significant related parties transactions, and a description of the principal risks and uncertainties for the remaining six months of the year.

JULIEN BALKANY	TORSTEIN SANNESS	GARRETT SODEN
Chairman of the Board	Deputy Chairman of the Board	Non-Executive Director

ALEXANDRA HERGER	HILDE ÅDLAND	GRACE SKAUGEN
Non-Executive Director	Non-Executive Director	Non-Executive Director

OTHER INFORMATION

Glossary and definitions

Bbl	One barrel of oil, equal to 42 US gallons or 159 liters
Bopd	Barrels of oil per day
Kbopd	Thousands of barrels of oil per day
Bcf	Billion cubic feet
Bm^3	Billion cubic meter
BOE	Barrel of oil equivalent
Btu	British Thermal Units, the energy content needed to heat one pint of water by one degree Fahrenheit
IP	Initial production
Mcf	Thousand cubic feet
MMcf	Million cubic feet
MMbbl	Million barrels of oil
MMboe	Million barrels of oil equivalents
MMBtu	Million British thermal units
MMm^3	Million cubic meters
Tcf	Trillion cubic feet
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortisation
EBIT	Earnings before Interest and Taxes
TVDSS	True Vertical Depth Subsea

Disclaimer

This report does not constitute an offer to buy or sell shares or other financial instruments of Panoro Energy ASA ("Company"). This report contains certain statements that are, or may be deemed to be, "forward-looking statements", which include all statements other than statements of historical fact. Forward-looking statements involve making certain assumptions based on the Company's experience and perception of historical trends, current conditions, expected future developments and other factors that we believe are appropriate under the circumstances. Although we believe that the expectations reflected in these forward-looking statements are reasonable, actual events or results may differ materially from those projected or implied in such forward-looking statements due to known or unknown risks, uncertainties and other factors. These risks and uncertainties include, among others, uncertainties in the exploration for and development and production of oil and gas, uncertainties inherent in estimating oil and gas reserves and projecting future rates of production, uncertainties as to the amount and timing of future capital expenditures, unpredictable changes in general economic conditions, volatility of oil and gas prices, competitive risks, counter-party risks including partner funding, regulatory changes including country risks where the Group's assets are located and other risks and uncertainties discussed in the Company's periodic reports. Forward-looking statements are often identified by the words "believe", "budget", "potential", "expect", "anticipate", "intend", "plan" and other similar terms and phrases. We caution you not to place undue reliance on these forward-looking statements, which speak only as of the date of this report, and we undertake no obligation to update or revise any of this information.

CONTACT INFORMATION

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