Panoro Energy

First Quarter Report 2013

May 14, 2013

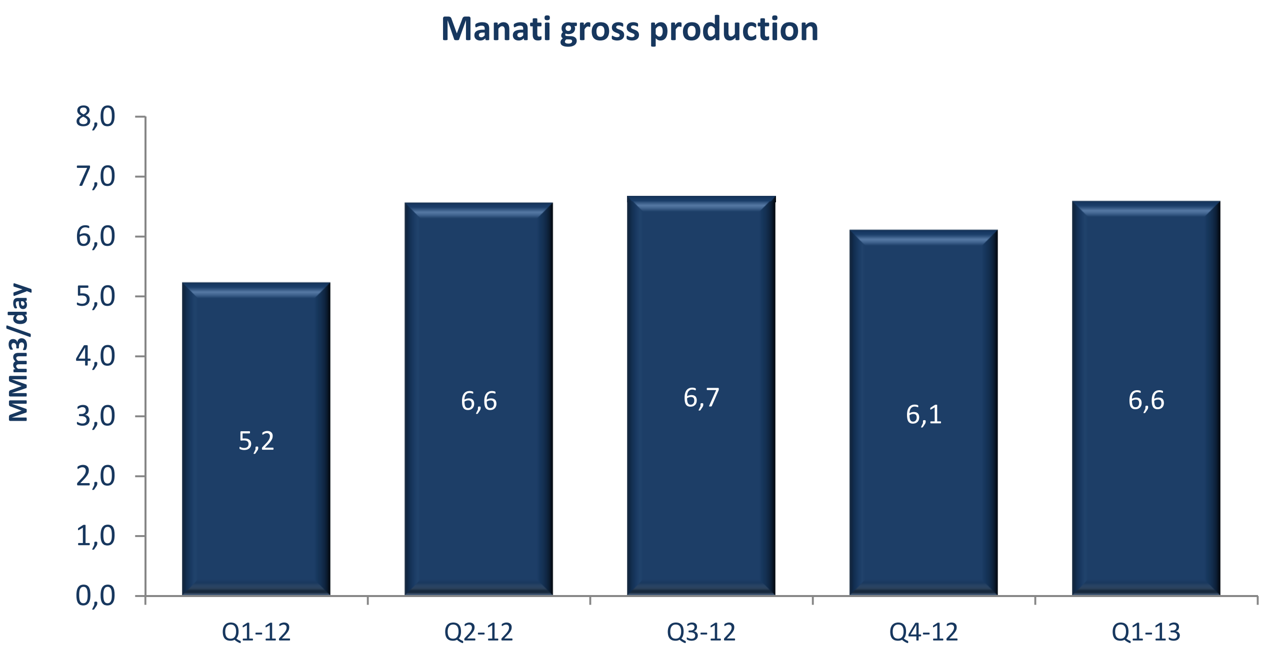
Contents

Highlights and events

Panoro Energy ASA and its subsidiaries ("Panoro Energy" or "Panoro" or "the Company") report EBITDA of USD 8.0 million for the first quarter 2013. Production from Manati remained high as gas demand from thermoelectric power plants continued to be strong during the quarter. The divestment process for parts of the West African portfolio is ongoing, although the precise timing of any potential transactions remains uncertain.

First quarter 2013 highlights and subsequent events

- Net gas & condensate sales averaged 3,955 BOE/day in the first quarter, versus 3,668 BOE/day in the previous quarter
- EBITDA was USD 8.0 million, up from USD 5.6 million in the previous quarter
- Divestment process continuing for the MKB assets in Congo-Brazzaville and Aje in Nigeria



Operational update

BRAZIL

Manati field: Petrobras (Operator, 35%), Panoro Energy (10%)

Average gas production from Manati was 6.6 MMm3/day in the first quarter (4,140 BOE/day net to Panoro), resulting in sales of 3,955 BOE/day. The production increased approximately 8% compared to the fourth quarter 2012 and approximately 26% compared to the first quarter 2012.

The Manati field was shut down from April 5 to April 26 for scheduled maintenance of the onshore gas processing plant and replacement of certain topside equipment on the platform. The shut-down was completed according to schedule, with the field resuming production from all six wells on April 26.

The Company expects high demand going forward from gas-fired power stations due to low levels in water reservoirs. Progress has been made in the compression project, with land acquisition ongoing, and tendering documents for leased compression in the final stages of refinement and approval. The tender packages are expected to be distributed to suppliers in early May.

BM-S-72: Santos Round 9 exploration assets: Vanco (Operator, 70%), Panoro Energy (15%)

The consortium in the first quarter 2013 decided to relinquish block BM-S-72, following the relinquishments of blocks BM-S-63 and BM-S-71 in the fourth quarter 2012. The Sabia prospect on BM-S-72 was spudded in July 2012 and abandoned in September 2012. A discovery of light oil, gas and condensate was made, but after evaluation Panoro considered it sub-commercial as a standalone development.

BS-3 project: Petrobras (Operator, 35%) Panoro Energy: Cavalo Marinho (50%), Estrela do Mar (65%) and Coral (35%)

The partners continue to evaluate the potential development concept for the BS-3 project, with the gas export solution remaining the main challenge. Discussions with ANP regarding pilot wells targeting the B1 zones are not yet concluded.

Several operating committee meetings have been held in an attempt to advance the development of fields in the BS-3 area. However, the consortia are still faced with two major issues; 1) the National Petroleum Agency's (ANP) requirements for pilot wells to test the potential of the B1 zones, and, 2) the lack of a defined solution for gas export.

Several options have been considered, and the consortia have requested an extension of the time allowed to submit development plans. This allows for further evaluation and potentially alternative solutions to the major issues.

The Company's BS-3 assets were partially impaired in the fourth quarter 2012, as a consequence of increased risk of delays and lack of a firm gas export solution. The assets were correspondingly reclassified from reserves to resources per year-end 2012.

CONGO-BRAZZAVILLE

Mengo-Kundji-Bindi (MKB): SNPC (Operator, 60%), Panoro Energy (20%)

Gross production from the Kundji field amounted to approximately 70,000 barrels in first quarter 2013, compared with production of approximately 79,000 barrels in fourth quarter 2012. The produced oil was exported by road tankers to the CORAF refinery near Pointe Noire.

As previously communicated, Panoro has decided to exit the MKB field and the divestment process is ongoing.

GABON

Dussafu Marine: Harvest (Operator, 66.67%), Panoro Energy (33.33%)

The Tortue exploration drilling campaign was completed on February 21, 2013, after suspending the well for possible future re-use. The vertical hole discovered 13 metres of pay in the pre-salt Gamba, and 38 metres of pay in stacked reservoirs in the Dentale. An appraisal sidetrack found 20 metres of pay in the main Dentale reservoir, with oil shows in several other stacked sands.

Reservoir and conceptual engineering studies are underway, and initial volumetric estimates from the operator indicate a resource range of 5-45 MMbbls for Tortue. To determine the optimal development options for the block, the JV partners are conducting a detailed evaluation of the commerciality of the discovered oil in the Gamba and Dentale reservoirs at Tortue together with Panoro's previous Ruche oil discovery and the nearby Walt Whitman and Moubenga oil discoveries.

NIGERIA

OML 113 Aje field: YFP (Operator, 60%), Chevron (technical advisor), Panoro Energy (6.5% participating interest)

The OML 113 partners are continuing to evaluate options for development of the Aje field. Work towards a possible appraisal well in 2013 or 2014 continued in the quarter, including seismic mapping, identification of potential well locations and suitable rigs and work on development concept studies. The new well would be an appraisal of the Cenomanian reservoir, which may lead to a subsequent oil development.

As previously communicated, Panoro has decided to exit the Aje field and the divestment process is ongoing.

Financial information

Income statement review

First quarter 2013 versus fourth quarter 2012

Panoro Energy reported an EBITDA of USD 8.0 million for the first quarter 2013, compared to USD 5.6 million in the fourth quarter 2012. The increase in EBITDA was primarily driven by higher gas revenue in the first quarter 2013.

Oil and gas revenue in the first quarter 2013 was USD 12.7 million, up from USD 10.8 million in the fourth quarter 2012. The volume sold increased by 287 BOE/day, or 7.8%, whereas the realised sale price increased by 11% from USD 7.85 to USD 8.73/MMBtu.

The higher gas price partly reflects a 7.9% indexation rise, with the remainder reflecting strengthening of BRL against USD during the quarter. Gas sale prices are fixed in BRL and therefore subject to currency movements on translation to USD for reporting purposes.

Production costs in the first quarter 2013 were USD 1.2 million, compared to USD 1.5 million in the previous quarter. Exploration costs increased to USD 0.2 million in the current quarter, from USD 0.1 million in the fourth quarter 2012.

Strategic review costs of USD 0.2 million in the first quarter represent identifiable overheads incurred on the ongoing divestment programme. These costs are of a one-off nature and will discontinue once these processes are concluded.

General and administration costs amounted to USD 3.1 million in the first quarter 2013, compared to USD 3.7 million in the fourth quarter 2012. The reduction is due to an ongoing cost reduction programme undertaken by management.

Depreciation increased to USD 2.1 million in the first quarter 2013, from USD 1.8 million in the fourth quarter 2012. Depreciation is in line with the production activity for the respective quarters.

The Company recognized impairment of USD 0.2 million in relation to costs incurred on Round 9 licenses in the first quarter 2013. This compares with total impairment charges of USD 47.2 million on Brazilian assets in the fourth quarter 2012, of which USD 42 million was attributable to reclassification of reserves to resources on the Cavalo Marinho and Estrela do Mar discoveries in the BS-3 area, and USD 5.2 million attributable to unsuccessful drilling results on the Round 9 blocks. The JV partners have resolved to surrender blocks BM-S-63, BM-S-71 and BM-S-72.

Share based payments reversals of USD 0.1 million were recognised in the first quarter 2013 due to employees leaving the Company. This compares to a charge of USD 0.3 million in the fourth quarter 2012.

EBIT was thus a positive USD 5.8 million in the first quarter 2013, compared to a negative USD 43.6 million in the fourth quarter 2012.

Net financial items amounted to a negative USD 2.4 million in the first quarter 2013, including net interest costs of USD 3.7 million, net other financial costs of USD 0.2 million, and a net foreign exchange gain of USD 1.6 million.

This compares to net financial items of a negative USD 5.5 million in the fourth quarter 2012, which included net interest costs of USD 3.1 million, net other financial costs of USD 1.0 million, and a net foreign exchange loss of USD 1.4 million.

The increase in net interest costs reflects lower return on the Group's cash placements, as the cash balance has declined due mainly to the drilling of the Tortue well during the fourth quarter 2012 and the first quarter 2013. Other financial costs decreased due to lower charges on historical intercompany loan settlements in Brazil. The positive movement in foreign exchange primarily reflects exchange differences on assets and liabilities that are not denominated in USD.

Income before tax was USD 3.4 million in the first quarter 2013, compared to a loss of USD 49.2 million in the previous quarter.

The Group recognized an income tax charge of USD 2.3 million in the first quarter 2013 compared to a tax benefit of USD 11.1 million in the fourth quarter 2012, with the latter mainly reflecting deferred tax recognition on losses available to the Group in Brazil.

The net income for the quarter was USD 1.1 million, compared to a net loss of USD 38.1 million in the previous quarter.

Other comprehensive income of a positive USD 2.2 million was a result of translating Brazilian subsidiaries for reporting purposes, reflecting the BRL strengthening against USD during the quarter. Other comprehensive income was a negative USD 1.4 million in the fourth quarter 2012.

Statement of financial position review

Movements to March 31, 2013 from December 31, 2012

Movements in the Group statement of financial position during the first quarter 2013 were a combination of the following:

Non-current assets

Non-current assets amounted to USD 289.5 million at March 31, 2013, an increase of USD 13.7 million from December 31, 2012.

Licences and exploration assets amounted to USD 196.0 million, an increase of USD 13.4 million in the quarter. The main reason for the increase was expenditure on drilling of the Tortue side-track well.

Production assets and equipment amounted to USD 68.6 million, a decrease of USD 0.8 million in the quarter including USD 2.1 million of depreciation and positive effects of currency movements.

Property, furniture, fixtures and equipment remained consistent at USD 1.0 million for both periods.

Deferred tax assets increased slightly to USD 21.0 million per March 31, 2013, compared to USD 20.1 million per December 31, 2012.

Other non-current assets amounted to USD 3.0 million, mainly consisting of a long term deposit related to the Manati abandonment fund. The increase of USD 0.4 million was a result of payments to the fund in the first quarter 2013.

Current assets

Current assets amounted to USD 89.3 million per March 31, 2013, compared to USD 92.5 million per December 31, 2012.

Trade and other receivables stood at USD 20.9 million, an increase from USD 19.0 million at the end of December 2012.

Cash and bank balances stood at USD 68.5 million per March 31, 2013, a decrease from USD 73.5 million per December 31, 2012. The decrease is mainly impacted by cash call payments relating to the Tortue drilling in Gabon.

Equity

Equity amounted to USD 195.3 million per March 31, 2013, compared to USD 192.1 million at the end of December 2012. The change reflects the profit for the period and a positive movement in currency translation reserves. The equity ratio was 52% at the end of March 2013, unchanged from the end of December 2012.

Non-current liabilities

Total non-current liabilities amounted to USD 130.5 million per March 31, 2013, declining slightly from USD 130.6 million at the end of December 2012.

Interest bearing debt (net of issue costs) totalled USD 128.9 million at the end of March 2013, of which the non-current portion was USD 109.7 million. The decrease in the non-current portion from USD 110.8 million per December 31, 2012 was a result of currency movements on NOK tranche and amortisation of debt issue costs.

Deferred tax liabilities increased to USD 11.8 million at the end of the quarter, compared to USD 10.8 million at the end of December 2012. The increase reflects deferred tax liability recognised during the period in Brazil.

Other non-current liabilities remained consistent at USD 9.0 million at the end of March 2013 and December 2012.

Current liabilities

Current liabilities amounted to USD 53.0 million at March 31, 2013, compared to USD 45.6 million at the end of December 2012.

Current interest bearing debt (net of issue costs) was USD 19.2 million, an increase from USD 15.5 million per the end of December 2012. This mainly represents increased accrued interest on the callable bond, and the principal instalment due within one year of the period end.

Accounts payable, accruals and other liabilities amounted to USD 33.8 million, an increase from USD 30.1 million at the end of December 2012. The increase is a result of higher liabilities towards joint ventures in West Africa at the end of first quarter 2013.

Bonds, debt and other financial information

The Company was in compliance with its loan covenants at the end of the first quarter 2013. The equity ratio was 52% at the end of March 2013, unchanged from year-end 2012. The stock price closed the quarter at NOK 2.67/share.

Funding

Cash and bank balances amounted to USD 68.5 million at March 31, 2013, including restricted cash of USD 10.2 million. Gross interest bearing debt was USD 128.9 million per March 31, 2013. The next interest payment is due in May 2013, amounting to USD 7.8 million.

Outlook

Panoro Energy aims to conclude the West African divestments.

On the Dussafu Marin Permit the operator is continuing its interpretation of the recent drilling program in order to firm up volumetric estimates of the Tortue discovery and to evaluate optimal development concepts for the Tortue and the three other pre-salt oil discoveries on the license. In parallel, the Company is also continuing to study the additional shallow water exploration potential of the permit covered by the existing 3D seismic, as well as considering the possibility of additional 3D seismic survey in the deeper water.

In the BS-3 fields in the Santos Basin in Brazil, Panoro Energy and its partners will continue discussions with ANP and Petrobras with regards to the Cavalo Marinho, Estrela do Mar and Coral licenses.

Panoro Energy will continue to reduce overall G&A costs.

The Board of Directors

Panoro Energy ASA

Oslo, May 14, 2013

Dr. Philip A. Vingoe
Chairman

Silje Christine Augustson
Board member

Isabel da Silva Ramos
Board member

Dr. George Edward Watkins
Board member

Endre Ording Sund
Board member

Condensed consolidated financial statements

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED MARCH 31, 2013

Amounts in USD 000	Note	Q1 2013	Q4 2012	Q1 2012
			(Unaudited)	
Oil and Gas revenue		12,725	10,845	10,949
Total revenue		**12,725**	**10,845**	**10,949**
Production costs		(1,217)	(1,461)	(1,222)
Exploration related costs	8	(216)	(94)	(351)
Strategic review costs		(230)	-	-
General and administrative costs		(3,105)	(3,688)	(4,102)
EBITDA		**7,957**	**5,602**	**5,274**
Depreciation		(2,100)	(1,810)	(1,783)
Impairment	6	(150)	(47,150)	-
Share based payments		70	(286)	(369)
EBIT - Operating income/(loss)		**5,777**	**(43,644)**	**3,122**
Interest costs net of income		(3,706)	(3,087)	(2,512)
Other financial costs net of income		(210)	(1,029)	(386)
Movement in fair value of financial instrument		-	-	222
Net foreign exchange gain/(loss)		1,562	(1,415)	2,518
Income/(loss) before tax		**3,423**	**(49,175)**	**2,964**
Income tax benefit/(expense)	4	(2,314)	11,069	(2,553)
Net income/(loss) for the period		**1,109**	**(38,106)**	**411**
Exchange differences arising from translation of foreign operations		2,177	(1,409)	3,190
Other comprehensive income/(loss) for the period (net of tax)		**2,177**	**(1,409)**	**3,190**
Total comprehensive income/(loss) for the period		**3,286**	**(39,515)**	**3,601**
Net income /(loss) for the period attributable to:				
Equity holders of the parent		1,109	(38,106)	411
Total comprehensive income/(loss) for the period attributable to:				
Equity holders of the parent		3,286	(39,515)	3,601
Earnings per share (Note 5)				
(USD) – Basic and diluted for income/(loss) for the period attributable to equity holders of the parent		-	(0.16)	-

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2013

Amounts in USD 000	Note	March 31, 2013 (Unaudited)	December 31, 2012 (Audited)
Non-current assets			
Licenses and exploration assets	6	195,957	182,569
Production assets and equipment	6	68,570	69,417
Property, furniture, fixtures and office equipment		972	1,021
Deferred tax assets		20,951	20,140
Other non-current assets		3,048	2,632
Total Non-current assets		**289,498**	**275,779**
Current assets			
Trade and other receivables		20,863	19,019
Cash and cash equivalents	7	58,291	70,623
Restricted cash	7	10,175	2,880
Total current assets		**89,329**	**92,522**
Total Assets		**378,827**	**368,301**
Equity			
Share capital	9	56,333	56,333
Other equity		138,986	135,770
Total Equity attributable to equity holders of the parent		**195,319**	**192,103**
Non-current liabilities			
Non-current interest bearing debt	10	109,714	110,801
Deferred tax liabilities		11,784	10,817
Other non-current liabilities		9,034	8,953
Total Non-current liabilities		**130,532**	**130,571**
Current liabilities			
Current interest bearing debt	10	19,223	15,496
Accounts payable, accruals and other liabilities		33,753	30,131
Total current liabilities		**52,976**	**45,627**
Total Liabilities		**183,508**	**176,198**
Total Equity and Liabilities		**378,827**	**368,301**

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

CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED MARCH 31, 2013

Amounts in USD 000	Q1 2013	Q4 2012	Q1 2012
		(Unaudited)	
Cash flows from operating activities			
Net (loss)/ income for the period before tax	3,423	(49,175)	2,964
Adjusted for:			
Depreciation	2,100	1,810	1,783
Fair value movement in financial instrument	-	-	(222)
Asset write-off and impairment (non-cash)	-	47,150	-
Net finance costs	3,916	4,116	2,898
Share-based payments	(70)	286	369
Foreign exchange gains/losses	(1,562)	1,415	(2,518)
Increase/(decrease)in trade and other payables	(1,475)	(4,096)	(2,309)
(Increase)/decrease in trade and other receivables	166	4,192	1,519
Movement in other liabilities	-	-	(1)
Taxes paid	(1,402)	(840)	(822)
Net cash flows from operating activities	**5,096**	**4,858**	**3,661**
Cash flows from investing activities			
Investment in exploration, production and other assets	(10,742)	(7,699)	(10,153)
Net cash flows from investing activities	**(10,742)**	**(7,699)**	**(10,153)**
Cash flows from financing activities			
Net financial charges paid	(540)	(10,590)	329
Repayment of Bond	-	(14,070)	-
Movement in restricted cash balance	(7,295)	14,807	(7,842)
Net cash flows from financing activities	**(7,835)**	**(9,853)**	**(7,513)**
Effect of foreign currency translation adjustment on cash balances	1,149	1,373	1,885
Change in cash and cash equivalents during the period	(12,332)	(11,321)	(12,120)
Cash and cash equivalents at the beginning of the period	70,623	81,944	107,939
Cash and cash equivalents at the end of the period	**58,291**	**70,623**	**95,819**

The cash and cash equivalents above do not include restricted cash balance of USD 10.2 million (March 31, 2012: USD 10.8 million and December 31, 2012: USD 2.9 million).

The accompanying notes form an integral part of these condensed consolidated financial statements. Movement in restricted cash has been classified from operating activities to financing activities in the prior periods for consistent presentation.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended March 31, 2013 *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 January 1, 2013 - (Audited)	**56,333**	**288,858**	**65,786**	**(156,035)**	**(37,647)**	**(25,192)**	**192,103**
Net income/(loss) for the period	-	-	-	1,109	-	-	1,109
Other comprehensive income/(loss)	-	-	-	-	-	2,177	2,177
Total comprehensive income/(loss)	-	-	-	1,109	-	2,177	3,286
Employee share options	-	-	(70)	-	-	-	(70)
At March 31, 2013 - (Unaudited)	**56,333**	**288,858**	**65,716**	**(154,926)**	**(37,647)**	**(23,015)**	**195,319**

For the three months ended December 31, 2012 *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 October 1, 2012 - (Unaudited)	**56,333**	**288,858**	**65,500**	**(117,929)**	**(37,647)**	**(23,783)**	**231,332**
Net income/(loss) for the period	-	-	-	(38,106)	-	-	(38,106)
Other comprehensive income/(loss)	-	-	-	-	-	(1,409)	(1,409)
Total comprehensive income/(loss)	-	-	-	(38,106)	-	(1,409)	(39,515)
Employee share options	-	-	286	-	-	-	286
At December 31, 2012 - (Audited)	**56,333**	**288,858**	**65,786**	**(156,035)**	**(37,647)**	**(25,192)**	**192,103**

For the three months March 31, 2012 *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 January 1, 2012 - (Audited)	**56,333**	**288,858**	**64,636**	**(108,223)**	**(37,647)**	**(6,792)**	**257,165**
Net income/(loss) for the period	-	-	-	411	-	-	411
Other comprehensive income/(loss)	-	-	-	-	-	3,190	3,190
Total comprehensive income/(loss)	-	-	-	411	-	3,190	3,601
Employee share options	-	-	369	-	-	-	369
At March 31, 2012 - (Unaudited)	**56,333**	**288,858**	**65,005**	**(107,812)**	**(37,647)**	**(3,602)**	**261,135**

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

Notes to the condensed consolidated financial statements

1. Corporate information

The holding Company, Panoro Energy ASA, was incorporated on April 28, 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 office is Dronning Maudsgt. 1-3, 0124 Oslo, Norway.

The Company and its subsidiaries are engaged in exploration and production of oil and gas resources in Brazil and West Africa. The condensed consolidated financial statements of the Group for the period ended March 31, 2013 were authorised for issue by the Board of Directors on May 14, 2013.

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 in the Company's 2012 Annual report. The 2012 Annual report is available on the Company's website at http://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.

2.1 Significant accounting policies

The accounting policies adopted in preparation of these condensed consolidated financial statements are consistent with those followed in the preparation of the Group's 2012 Annual report.

3. Segment information

The Group operated predominantly in one business segment being the exploration and production of oil and gas, which is split by geographic areas for management purposes and the two regions being West Africa and Brazil.

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

- The West African segment holds the following assets:
  - The Dussafu licence representing the Group's 33.3% working interest in the Dussafu Marin exploration licence in Gabon.
  - The OML113-Aje represents the Group's 6.5% participating interest (12.19% profit interest) in the OML113-Aje exploration licence in Nigeria.
  - The MKB Congo permit holds the Group's 20% working interest in MKB exploration licence in Republic of Congo.
- The Brazilian segment holds the following assets:
  - The BCAM-40 license holds the Group's 10% interest in Manati which is a producing field in Brazil. This also includes 10% interest in Camarao Norte field which is at a development stage.
  - The BS-3 Project holds the Group's interest in a portfolio of offshore licences in Santos basin, Brazil comprising 50% interest in Cavalo Marinho, 65% interest in Estrela do Mar and 35% in Coral field which is being considered for redevelopment.
  - Round 9 blocks represents the Group's 15% interest in blocks BM-S-63, BM-S-71 and BM-S-72. These blocks are in close proximity to the Coral field. The Company has decided to relinquish these licences.
- The 'Corporate' category consists of head office and service company operations that are not directly attributable to the other segments.

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

	Q1 2013	Q4 2012	Q1 2012
OPERATING SEGMENTS - GROUP NET SALES		*(Unaudited)*	
Group net sales BOE/day			
Manati - net of our interest	3,955	3,668	3,192
NET SALES			
Natural gas production (MMBtu)			
Manati - net of our interest	2,025,639	1,917,019	1,632,006
Price per unit			
Estimated gas price (USD/MMBtu before royalties and taxes)			
Manati	8.73	7.85	9.12

	Q1 2013	Q4 2012	Q1 2012
OPERATING SEGMENTS - BRAZIL		*(Unaudited)*	
in USD 000			
Manati & Brazil Licences			
Sales - Gas and condensate	12,725	10,845	10,949
EBITDA	9,976	7,822	7,630
Depreciation and amortisation	2,076	1,784	1,721
Impairment of E&E assets	150	47,150	-
Segment assets	187,557	179,000	251,311
OPERATING SEGMENTS - WEST AFRICA			
in USD 000			
West Africa Assets			
EBITDA	(98)	(31)	(205)
Segment assets	149,169	135,949	106,932
CORPORATE			
in USD 000			
EBITDA	(1,921)	(2,189)	(2,150)
Depreciation and amortisation	24	26	62
Segment assets	42,101	53,352	86,343
CONSOLIDATED			
in USD 000			
Sales - Gas and condensate - Total	12,725	10,845	10,949
EBITDA	7,957	5,602	5,274
Depreciation and amortisation	2,100	1,810	1,783
Impairment of E&E assets	150	47,150	-
Segment assets	378,827	368,301	444,586

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. Income tax

The major components of income tax in the interim consolidated statement of comprehensive income are:

	Q1 2013	Q4 2012	Q1 2012
		USD 000 – (Unaudited)	
Income Taxes			
Current income tax	1,706	903	919
Deferred income tax	608	(11,972)	1,634
Total tax (benefit) / charge for the period	2,314	(11,069)	2,553

5. Earnings per share

Amounts in USD unless otherwise stated	Q1 2013	Q4 2012 *(Unaudited)*	Q1 2012
Net profit / (loss) attributable to equity holders of the parent	1,109	(38,106)	411
Weighted avg. no. of shares outstanding - in thousands	234,546	234,546	234,546
Basic and diluted earnings per share (USD)	-	(0.16)	-

Diluted earnings per share

The Group had 8,413,331 outstanding share options as of March 31, 2013 (December 31, 2012: 9,800,000 options) that are potentially dilutive ordinary shares. As of March 31, 2012, 9,778,333 share options were outstanding.

6. License interests, exploration and evaluation assets and production assets

	Licence interest, exploration and evaluation assets	Production assets
	USD 000	*USD 000*
Net book value		
At January 1, 2013 *(Audited)*	182,569	69,417
Additions	12,690	337
Depreciation	-	(2,020)
Foreign currency translation adjustments	698	836
At March 31, 2013 *(Unaudited)*	195,957	68,570

7. Cash and bank balances

	March 31, 2013 (Unaudited) USD 000	December 31, 2012 (Audited) USD 000
Cash and cash equivalents	58,291	70,623
Restricted cash	10,175	2,880
Cash and bank balances at the end of the period	68,466	73,503

Cash and cash equivalents at period end include USD 26 million of placements in high yield bond funds.

8. Exploration related costs

	Q1 2013	Q4 2012	Q1 2012
	USD 000 - (Unaudited)		
Exploration related costs expensed			
Other exploration costs expensed / (reversed)	216	94	351
Total exploration costs charged to statement of comprehensive income	216	94	351

Other exploration costs primarily represent geological and geophysical costs, technical general and administration expenditure that do not meet the capitalisation criteria.

9. Share capital

The total number of ordinary shares in issue throughout the period ended March 31, 2013 was 234,545,786 with a nominal value of NOK 342,547,498.77.

10. Interest bearing debt

	March 31, 2013		December 31, 2012	
	(Unaudited)	*(Unaudited)*	*(Audited)*	*(Audited)*
	USD 000	*USD 000*	*USD 000*	*USD 000*
Corporate	**Current**	**Non-current**	**Current**	**Non-current**
NOK denominated loan	4,954	27,506	4,062	28,709
USD denominated loan	14,269	82,208	11,434	82,092
Total	19,223	109,714	15,496	110,801

The amount above includes accrued interest to March 31, 2013 of USD 5.9 million (December 31, 2012: USD 1.9 million) and is net of unamortized bond issue costs of USD 3.0 million (December 31, 2012: USD 3.2 million).
The next interest payment of USD 5.7 million and NOK 12.5 million is due in May 2013, whereas, the next principal amount of USD 10.5 million and NOK 20.5 million is due in November 2013.

The bonds are listed on Oslo ABM under quotes PEN 01 PRO and PEN 02 PRO.

Other information

Financial calendar

June 20, 2013	Annual General Meeting
August 8, 2013	Second quarter 2013 results
November 7, 2013	Third quarter 2013 results

Glossary and definitions

Bbl	One barrel of oil, equal to 42 US gallons or 159 liters
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
MMBOE	Million barrels of oil equivalents
MMBtu	Million British thermal units
MMm^3	Million cubic meters
Tcf	Trillion cubic feet

Disclaimer

This presentation does not constitute an offer to buy or sell shares or other financial instruments of Panoro Energy ASA ("Company"). This presentation 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, regulatory changes 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 presentation, and we undertake no obligation to update or revise any of this information

Contact information

For further information, please contact:

Anders Kapstad, CFO and Country Manager Brazil
Panoro Energy ASA/ Panoro Energy do Brasil Ltda
anders.kapstad@panoroenergy.com
Mobile: +47 918 17 442/ +55 21 84932356

Carl Peter Berg, VP Commercial & Investor Relations
Panoro Energy ASA/ Panoro Energy do Brasil Ltda
carl.peter.berg@panoroenergy.com
Mobile: +47 928 05 029/ +55 21 85411907

Panoro Energy ASA
P.O. Box 1885 Vika, 0124 Oslo
Visiting address: Dr. Maudsgt. 1-3
0250 Oslo, Norway
Phone: +47 23 01 10 00
www.panoroenergy.com

Panoro Energy Limited
43-45 Portman Square
London W1H 6LY
United Kingdom

Panoro Energy do Brasil Ltda
Praia de Botafogo, 228, Sala 801
Botafogo – Rio de Janeiro
Brazil 22250-040

2131058 • www.boltcommunication.no