



## **Panoro Energy: First Quarter 2022 Trading and Financial Update**

Oslo, 25 May 2022 - Panoro Energy ASA ("Panoro" or the "Company" with OSE Ticker: PEN) is pleased to report that working interest production for the first three months averaged 8,300 bopd, a new quarterly record for the Company. Operational and financial performance in the quarter were in line with guidance. The Company is underpinned by a robust balance sheet with cash at end March 2022 of USD 29.4 million and a conservative leverage profile. With a period of sizeable crude oil liftings set to commence in July and limited production hedged the Company is well positioned to capitalise on the elevated oil price environment.

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

*"Our first quarter production performance is our best ever quarter and is within our full year average guidance range of 8,000 to 9,000 barrels oil per day. Our revenue, which is recognised as liftings occur, is also in line with our expectations. July will see the commencement of a much more active lifting schedule and as previously guided we anticipate the majority of Panoro's crude liftings, and therefore revenue, will occur in the second half of the year. We remain committed to initiating a sustainable and meaningful dividend for shareholders at the earliest opportunity. With active and ambitious work programmes underway at each of our producing assets and an exciting exploration well planned in South Africa later in the year we are making good progress towards unlocking the strong organic growth potential of our high quality and well diversified asset base."*

### **Financial Highlights**

- The Company recognises revenue when liftings of its crude oil entitlement occur. In line with previously communicated guidance Panoro lifted and sold 128,500 barrels in the period at an average realised price of USD 108 per barrel
- Consequently, revenue from oil sales for the first three months was USD 13.9 million with total reported revenue for the period standing at USD 16.2 million. EBITDA for the first three months was USD 16.0 million
- Management expects the majority of its crude oil liftings to occur in the second half of the year, starting with July (approximately 850,000 barrels), followed by September (approximately 700,000 barrels) and December (approximately 750,000 barrels), all subject to possible changes due to operational and commercial factors
- At 31 March cash at bank stood at USD 29.4 million and gross debt USD 89.1 million after scheduled principal repayments of USD 8.1 million were made in the quarter, resulting in a net debt position of approximately USD 59.7 million
- Capital expenditures for 2022 (excluding acquisition costs) are expected to be approximately USD 65 million, of which USD 10.9 million was spent in the first three months and the majority of which is in relation to the Hibiscus / Ruche Phase I development
- Management is implementing a hedging programme to coincide with the Company's lifting schedule and maximise its exposure to the prevailing high oil price environment. In addition to the limited historical hedges in place over 600 bopd in 2022 (costless collars with a USD 56/bbl floor and USD 65.5/bbl ceiling) the Company

has entered into swaps covering 200,000 barrels at a price of USD 104.5/bbl around its July liftings

## **Operational Highlights**

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

- Company working interest production in the first three months averaged 4,968 bopd (34,866 bopd on a gross basis)
- Uptime of 99% was achieved at the Ceiba FPSO in Q1 2022 as a result of facilities investments made by the JV in prior periods
- The operator of Block G, 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
- Replacement of the Ceiba export hose has been completed and various routine maintenance and upgrade projects progressed during the quarter
- On 9 May, post period end, the Company announced that the Ministry of Mines and Hydrocarbons of Equatorial Guinea and the Joint Venture partners at Block G offshore Equatorial Guinea have agreed a material time extension of the Production Sharing Contract (“PSC”) until 31 December 2040 covering both 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 field 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
- The extension will support future phases of investment with a three-well development drilling programme now expected to commence in H2 2023

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

- Company working interest production in the first three months averaged 2,030 bopd (11,600 bopd on a gross basis)
- Production in the period reflects a 12-day planned annual maintenance shut-down which was pre-communicated by the operator BW Energy
- The Hibiscus/Ruche Phase 1 development project is progressing

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

- Company working interest production in the first three months averaged 1,304 bopd (4,435 bopd on a gross basis)
- The TPS team are undertaking an extensive workover campaign to replace two ESPs in addition to further production enhancement opportunities
- New production opportunities include completion of the Douleb reservoir in the GUE-10AST well and perforation and stimulation activities on three Cercina wells

## **Exploration and Other Assets**

- In South Africa the Block 2B joint venture has contracted a semi-submersible rig to drill the Gazania-1 exploration well, which is expected to spud in September 2022. The Island Innovator drilling rig is now expected to mobilise from the North Sea in July. The Gazania prospect is seven kilometres up-dip from the existing A-J1 oil discovery from 1988 that flowed light sweet crude oil to surface. Panoro holds a 12.5% interest in Block 2B

- Panoro continues to make progress towards the sale of its interest in OML 113 and the Aje field to PetroNor E&P. The long stop date has been extended to 30 June to accommodate procedural steps to completion. Upon completion Panoro will dividend shares in PetroNor E&P received as consideration to shareholders

### Outlook and Guidance

- Full year 2022 average working interest production guidance is unchanged at 8,000 bopd to 9,000 bopd in 2022, of which approximately 60% is attributed to Equatorial Guinea, 25% to Gabon and 15% to Tunisia
- Panoro remains on track to achieve approximately 10,000 bopd net working interest production around year end following both the start-up of the Hibiscus/Ruche Phase 1 development offshore Gabon and activities in Equatorial Guinea, increasing to an expected rate in excess of 12,500 bopd during 2023
- Consistent with its strategy to create and deliver shareholder value, the Panoro Board is committed to sustainable shareholder returns and initiating a meaningful cash dividend at the earliest opportunity, which will be influenced principally by the completion of major crude oil liftings for the Company

### Live Presentation Webcast Dial in Details

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

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

Date and Time:	25 May 2022, 09:00 a.m. CEST
Registration:	<p><a href="https://attendee.gotowebinar.com/register/3573161424449914640">https://attendee.gotowebinar.com/register/3573161424449914640</a></p> <p><i>After registering, participants will receive a confirmation email containing information about joining the results presentation.</i></p> <p><i>Participants can use their telephone or computer microphone and speakers (VoIP).</i></p>

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

A replay of the webinar presentation will be available shortly after the event is finished and will remain on our website ([www.panoroenergy.com](http://www.panoroenergy.com)) for approximately 7 days.

### Enquiries

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### About Panoro Energy

Panoro Energy ASA is an independent 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.

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