

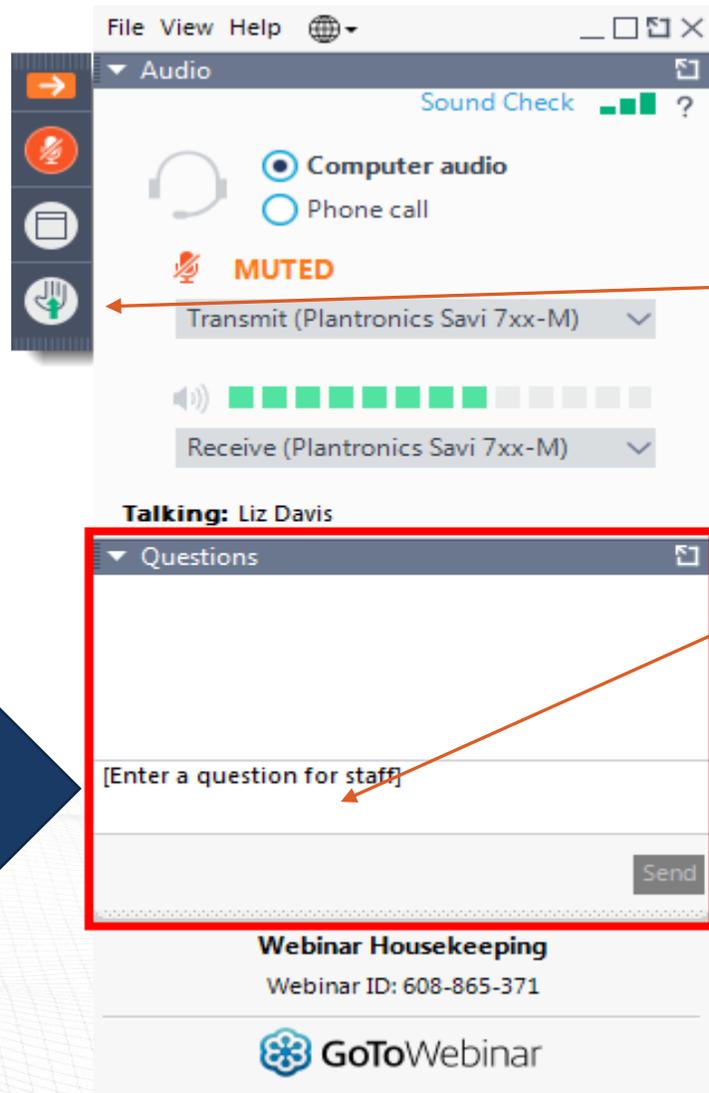
PANORO ENERGY ASA

# Q1 2022 TRADING AND FINANCIAL UPDATE

25 MAY 2022



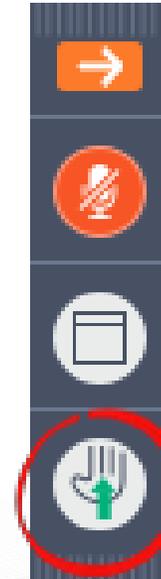
# WEBINAR HOUSEKEEPING – TIME FOR QUESTIONS



Ask questions here

## Your Participation

- > Please raise your hand to be unmuted for verbal questions.
- > Please continue to submit your text questions and comments using the Questions panel



Raising your hands for un-muting!

# 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, counterparty risks including partner funding, 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.

# FIRST QUARTER 2022 HIGHLIGHTS

PERFORMANCE IN LINE WITH GUIDANCE

## OPERATIONAL HIGHLIGHTS

Q1 2022 Working Interest Production

**8,300 bopd**

Q1 2021: 2,400 bopd

2P Working Interest Reserves per ASR at 31/12/21

**35.8 million barrels**

31/12/20: 12.3 million barrels

Q1 Liftings as per previously communicated guidance

**128,500 barrels**

Q1 2021: 179,568 barrels

## FINANCIAL HIGHLIGHTS

Q1 2022 Realised Oil Price

**USD 108/bbl**

Q1 2021: USD 66/bbl

Q1 2022 Revenue\*

**USD 16.1 million**

Q1 2021: USD 11.8 million

Q1 2022 Capital Expenditures

**USD 10.9 million**

Q1 2021: USD 0.7 million

## BALANCE SHEET

Cash at bank at 31/03/22

**USD 29.4 million**

31/03/21: USD 44.7 million

Net debt at 31/03/22

**USD 59.7 million**

31/03/21: USD 19.4 million

Q1 2022 Principal Debt Repayments

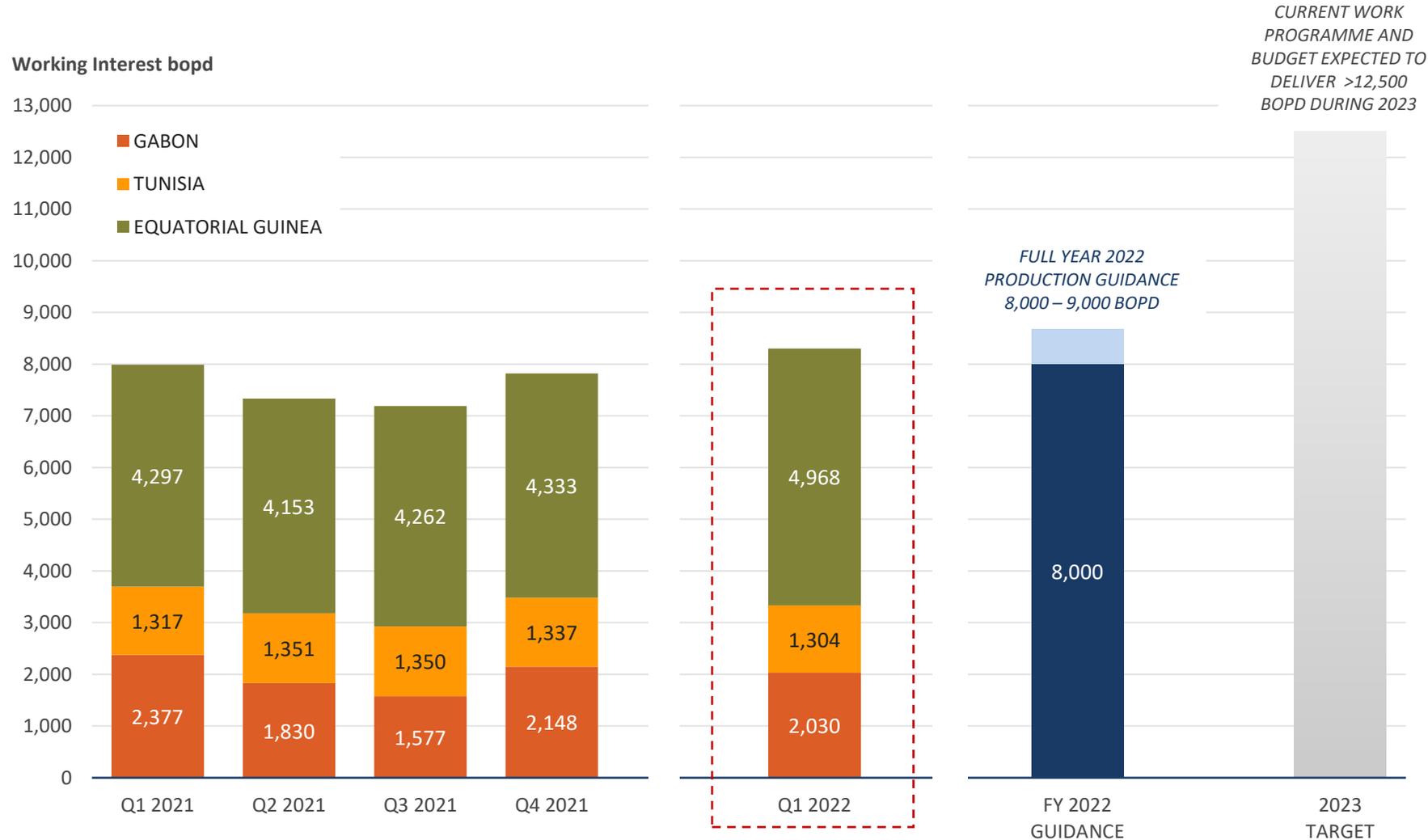
**USD 8.1 million**

Q1 2021: USD 1 million

\* Includes gross up of USD 2.3 million for deemed taxes at Dussafu Marin Permit

# PRODUCTION PERFORMANCE AND GUIDANCE

## PANORO BENEFITS FROM A DIVERSIFIED PRODUCTION BASE

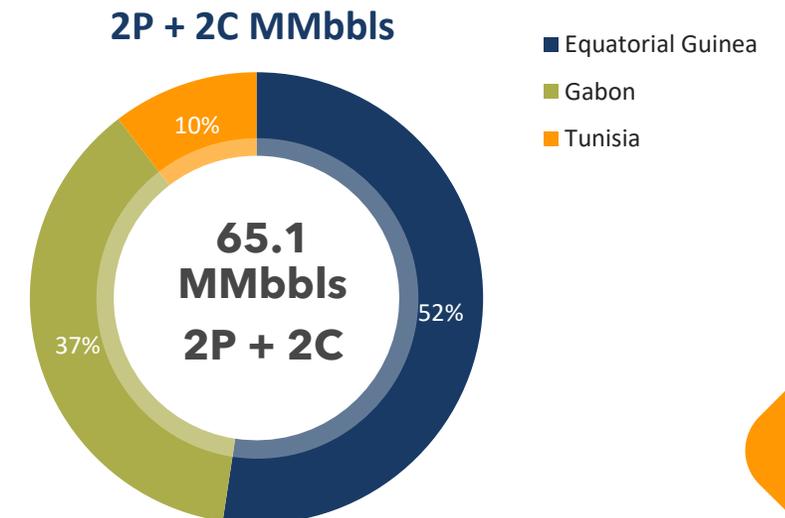
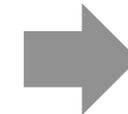
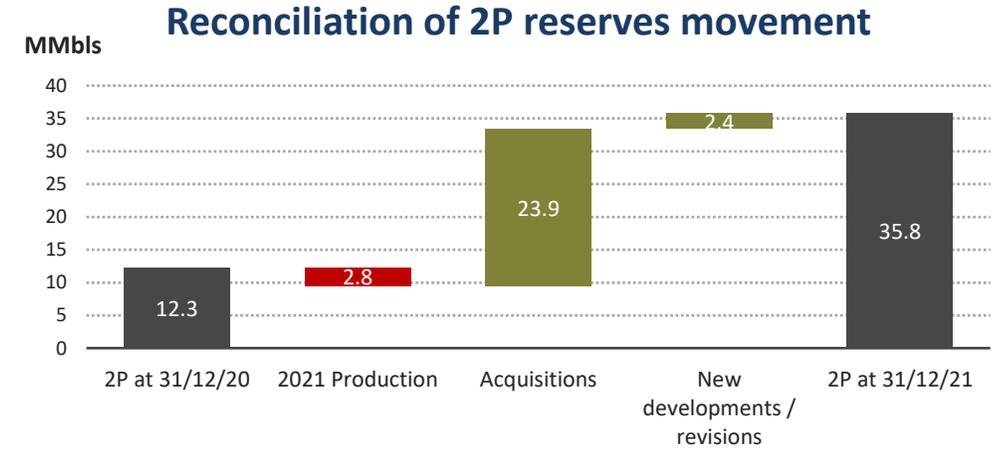
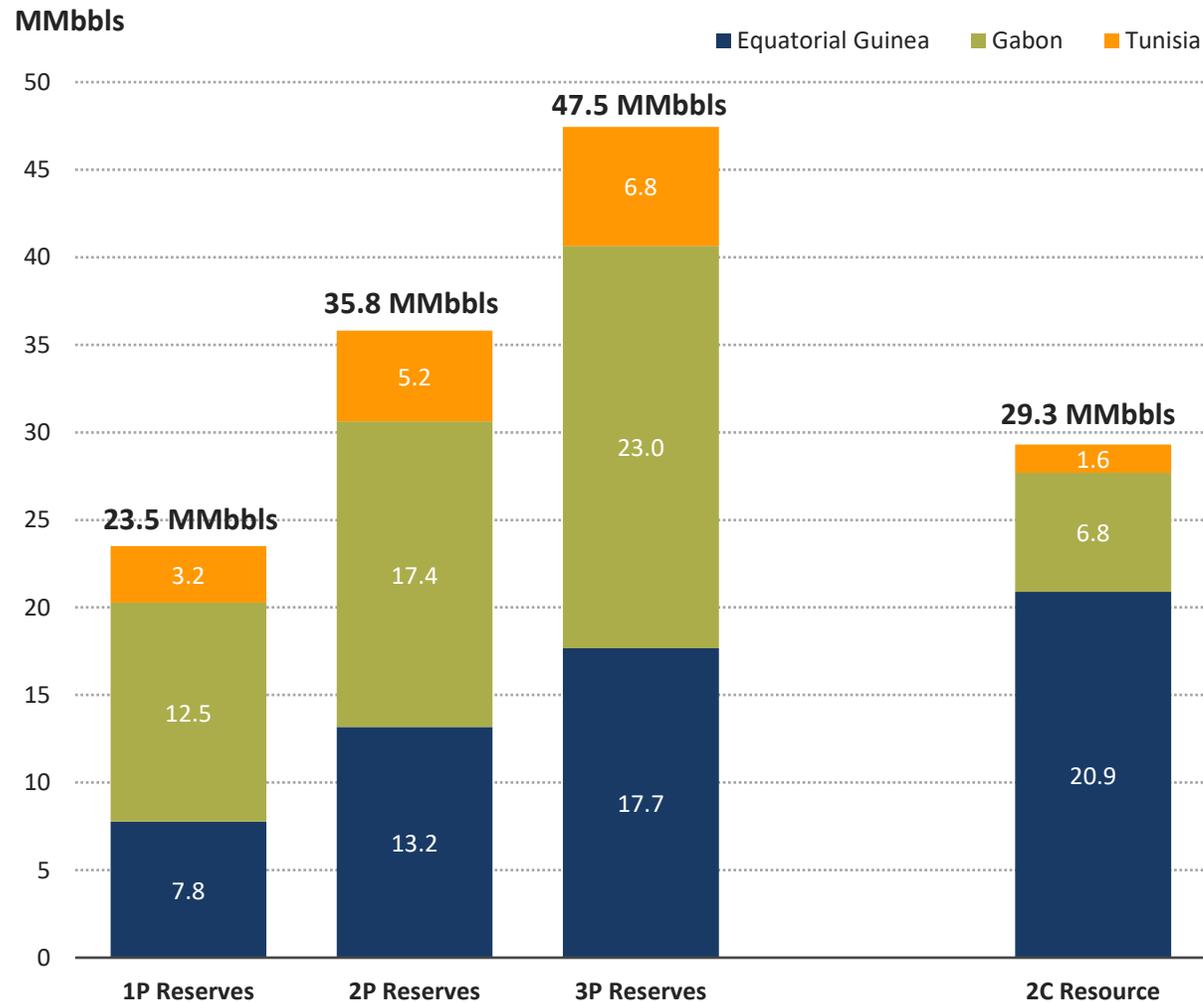


- › Working interest production averaged 8,300 bopd in Q1, a new quarterly record for Panoro
- › Full year 2022 working interest production guidance held at 8,000 to 9,000 bopd
- › Panoro remains on track to reach ~12,500 bopd net working interest production during 2023

Note: 2021 production expressed on a pro-forma basis of assets acquired from Tullow Oil held from 1 January 2021

# ANNUAL STATEMENT OF RESERVES

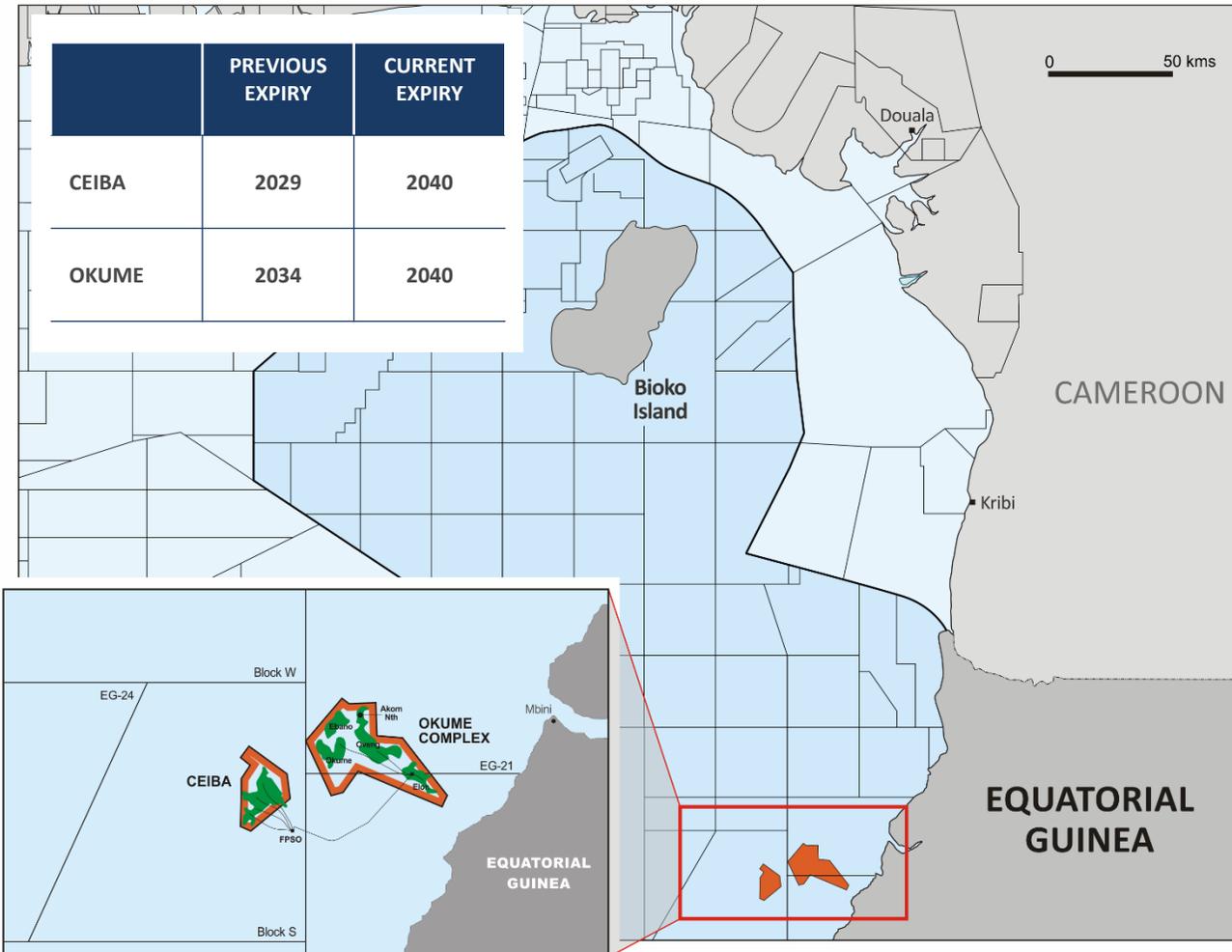
PANORO IS UNDERPINNED BY A HIGH QUALITY AND LONG LIFE RESERVES AND RESOURCE BASE



Note: Independently assessed reserves and contingent resources stated at 31/12/21 in the 2021 Annual Statement of Reserves

# BLOCK G LICENSE EXTENSION TO END 2040

AN ESTIMATED 2-3 MMBBLS 2P RESERVES ADDITION NET TO PANORO NOT REFLECTED IN THE ASR



- › Adds an estimated 2-3 MMbbls working interest 2P reserves net to Panoro
  - 15% to 23% uplift to Block G 2P reserves of 13.2 MMbbls per the ASR
- › Supports future phases of investment in Block G
- › Three-well development drilling programme expected to commence in H2 2023
- › Provides the timeframe to realise the full resource potential of Block G (further conversion opportunities of contingent resources to reserves)
- › Acquisition of Block G was based on previous license term and a no-further-activity profile
- › Cost of renewal included in pre-guided 2022 capex
- › Offers upside potential to Panoro’s medium term production targets

# APPOINTMENT OF COUNTRY MANAGERS

DEVELOPING THE ORGANISATION TO REFLECT PANORO'S ENLARGED PORTFOLIO OF PRODUCING ASSETS



EQUATORIAL  
GUINEA



Mr. Antonino Edjang Ondo



GABON



Mr. Ghislain Boukoubi



TUNISIA



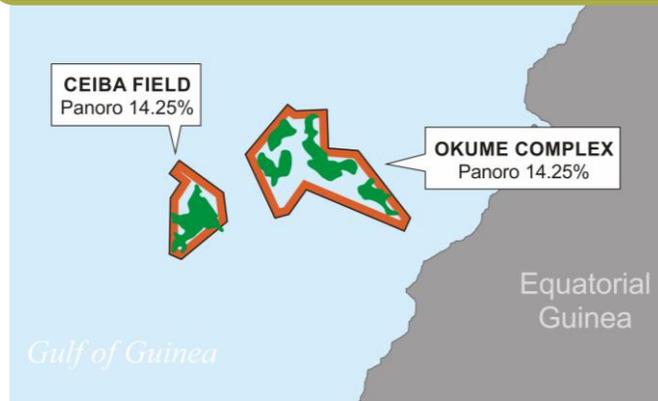
Mr. Sofiane Gaied

- › Panoro's Country Managers are nationals and permanent residents of the respective countries of operation
- › Responsible for Panoro's day-to-day oil and gas operational activities, working with JV partners, host governments and regulators to optimise production, capital and operational budgets and meet priorities of the company
- › Responsible for implementation of Panoro's corporate social responsibility undertakings

# OPERATIONS UPDATE

PANORO HAS A DIVERSIFIED PORTFOLIO WITH STRONG ORGANIC GROWTH POTENTIAL

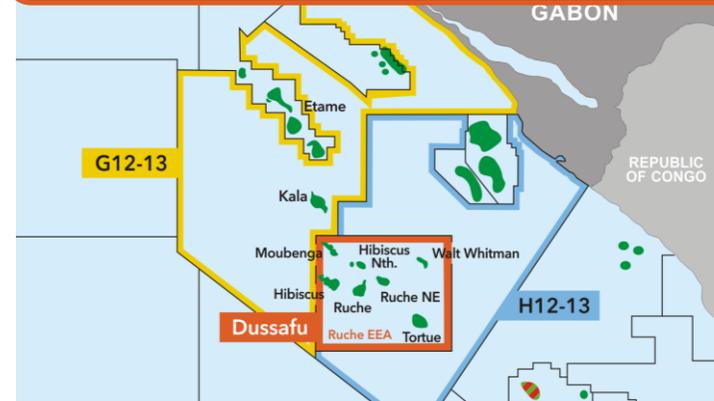
EQUATORIAL GUINEA (Panoro: 14.25%)  
**4,968 bopd WI production**



*Operator: Trident Energy*

- › Consistent production performance at ~35,000 bopd gross
- › 99% uptime at Ceiba FPSO in Q1 2022 as a result of facilities investments in 2020 and 2021
- › Workover programme underway
- › Various routine upgrade and maintenance projects progressed during the quarter

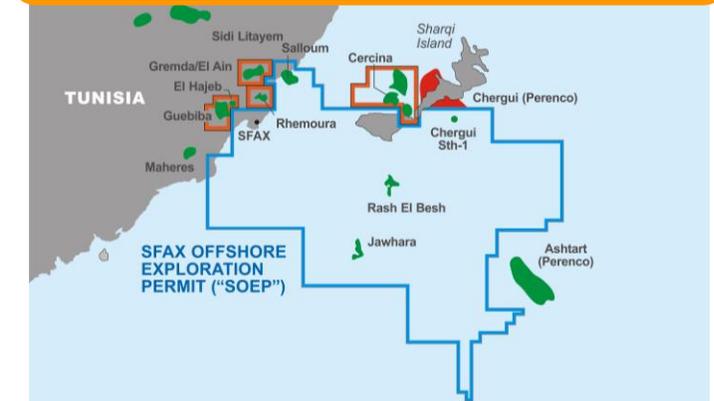
GABON (Panoro: 17.5%)  
**2,030 bopd WI production**



*Operator: BW Energy*

- › Gross production averaged 11,600 bopd gross
- › 12 day annual planned maintenance work undertaken and completed in the quarter
- › Production being optimised with previously communicated shortage of gas lift capacity affecting ability for all wells to simultaneously produce at their potential
- › Hibiscus/Ruche Phase 1 development progressing

TUNISIA (Panoro: 29.4%)  
**1,304 bopd WI production**



*Operator: TPS*

- › Gross production averaged 4,435 bopd
- › The TPS team are undertaking an extensive workover campaign to replace two ESP's in addition to further production enhancement opportunities
- › New production opportunities include completion of the Douleb reservoir in GUE-10AST and perforation and stimulation activities on three Cercina wells

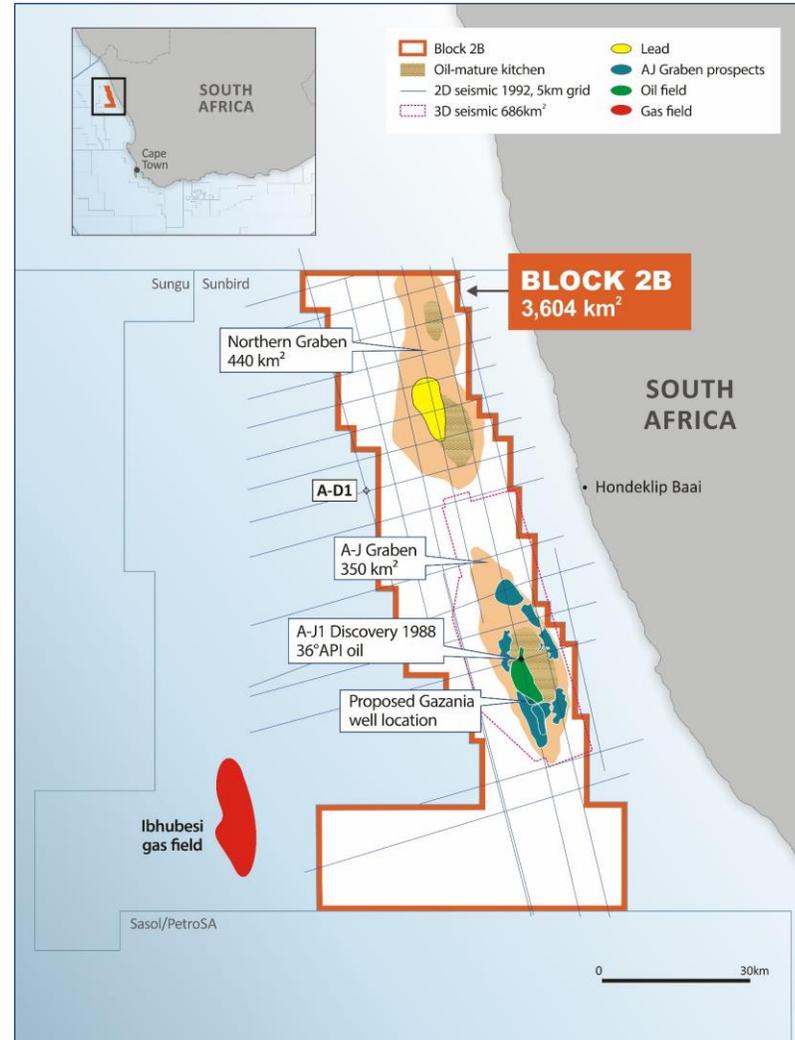
Note: Production volumes stated are Q1 2022 average working interest production

# OPERATIONS UPDATE

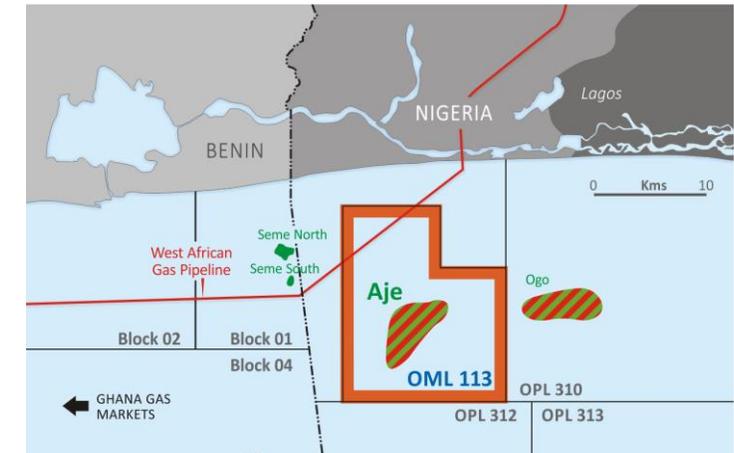
## EXPLORATION DRILLING CATALYST IN SOUTH AFRICA AND RETURN OF NIGERIA SALE PROCEEDS TO SHAREHOLDERS

### SOUTH AFRICA (Panoro: 12.5%) **BLOCK 2B**

- › The JV partners are continuing preparations for drilling of the Gazania-1 exploration well
- › The Island Innovator drilling rig is expected to mobilise from the North Sea in July for a 45 day passage to South Africa
- › Expected well spud in September
- › Gazania prospect located up-dip from the existing A-J1 oil discovery from 1988 that flowed light sweet crude oil to surface
- › Shallow water and attractive fiscal terms ensure robust economics in the event of a discovery
- › Analogous to Lokichar Basin (Kenya) and Albertine Graben (Uganda)



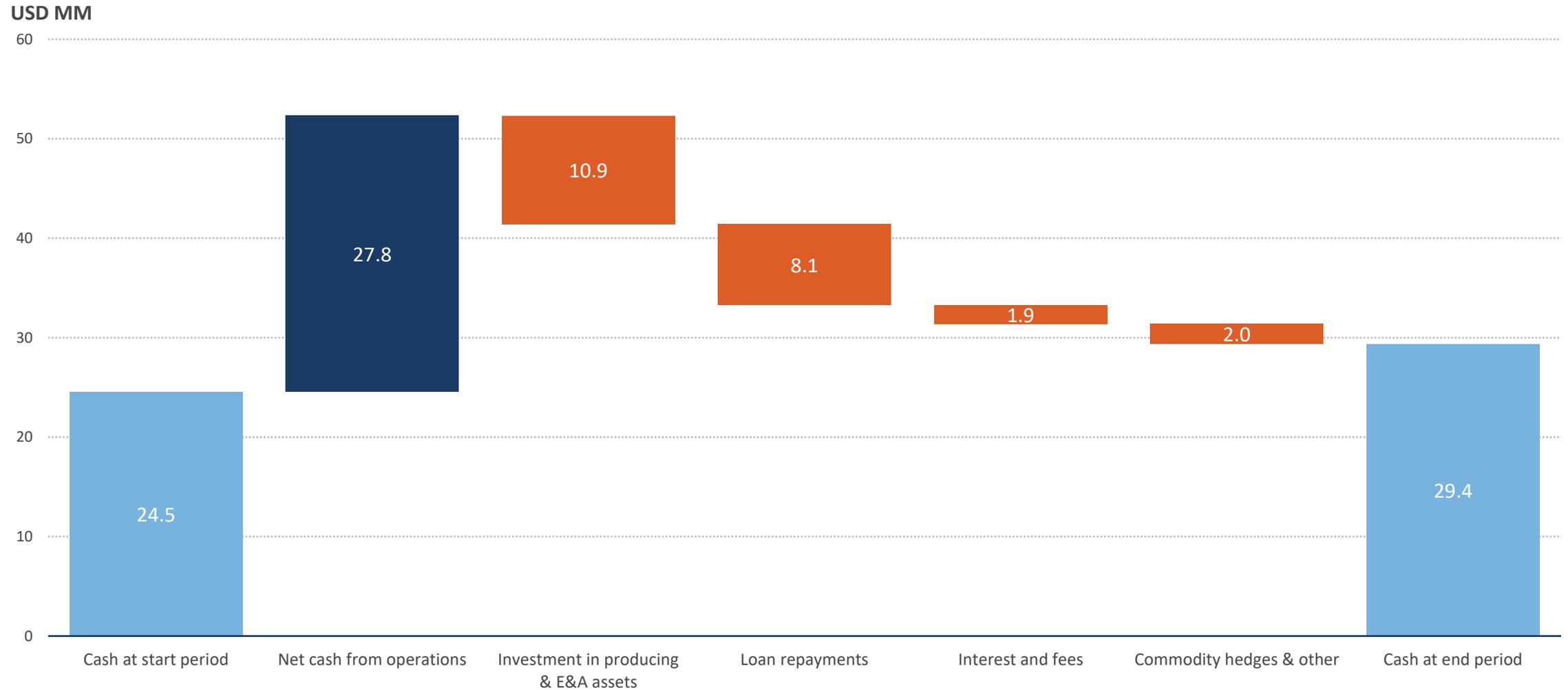
### NIGERIA (Panoro: 6.502% held for sale) **SALE OF OML 113 (AJE)**



- › All government approvals were received in January
- › This satisfies the last key condition precedent for completion of the sale
- › Panoro and PetroNor are now proceeding with final steps to achieve completion, including the issuance of new PetroNor shares for distribution to Panoro shareholders

# RECONCILIATION OF Q1 2022 CASH FLOW

## ROBUST FINANCIAL POSITION

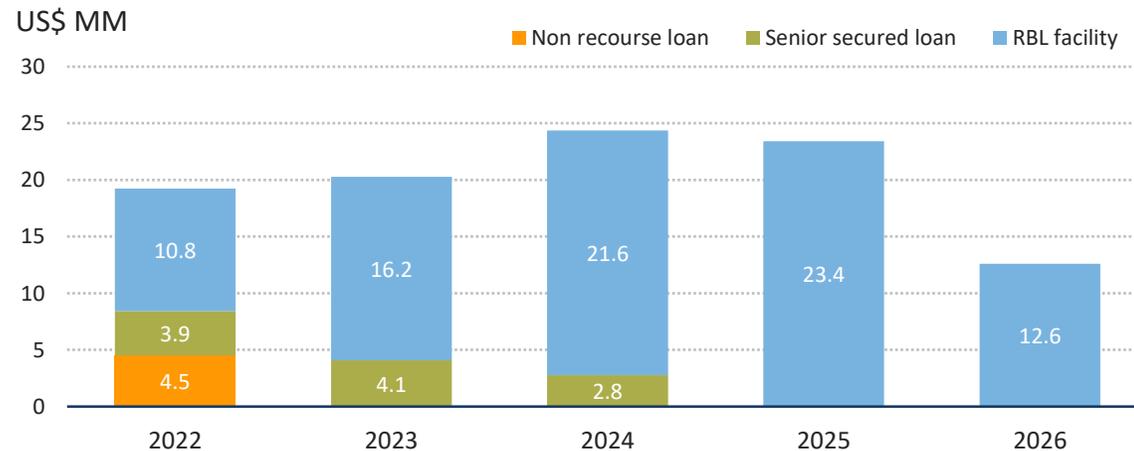


# DEBT MATURITY PROFILE & 2022 CAPEX BUDGET

## CONSERVATIVE LEVERAGE PROFILE AND FULLY FUNDED CAPEX PROGRAMME PRIORITISING PRODUCTION AND DEVELOPMENT PROJECTS

Facility	Maturity	Amount	Rate
Non recourse loan	n/a	USD 2.7 MM	7.5% p.a
Senior secured loan	2024	USD 9.9 MM	LIBOR + 6%
RBL facility	2026	USD 79.2 MM	LIBOR + 7.5%
Advance payment facility	n/a	USD 20 MM	LIBOR + 4.0%

### CURRENT DEBT MATURITY PROFILE



Note: Cumulative external debt in the Balance Sheet as of 31 March 2022 was USD 89.1 million which includes effects of accrued interest to quarter end, offset by un-amortised borrowing cost which is to be expensed over the life of the loan instruments.

### 2022 FULL YEAR CAPITAL EXPENDITURE GUIDANCE

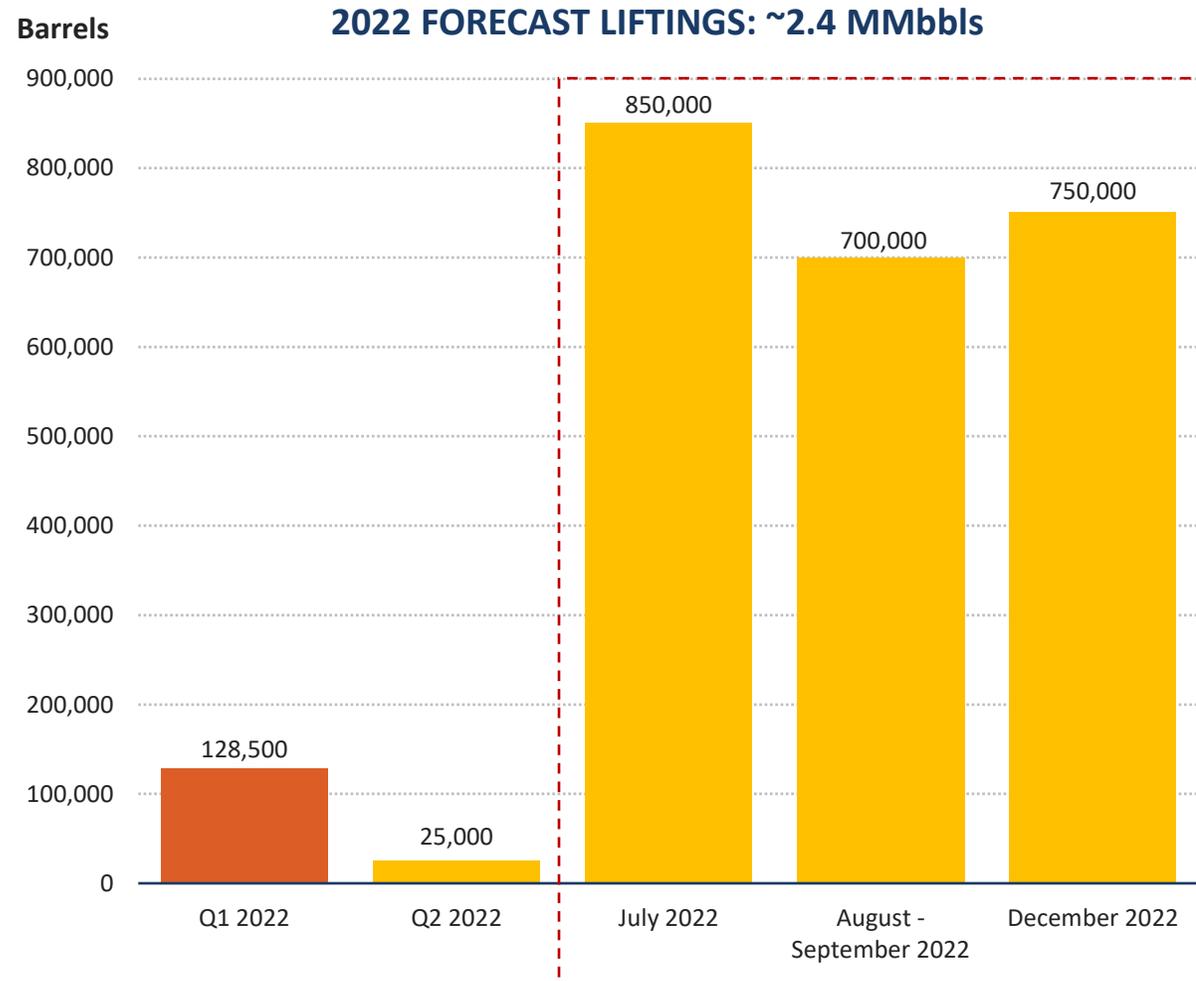


~USD 6 million capex carried forward from 2021 guidance in relation to ongoing development of Dussafu (Gabon) and ~USD 6 million carried forward in relation to exploration drilling at Block 2B (South Africa)

- > Capex of USD 10.9 million in the first quarter mostly attributable to the Hibiscus / Ruche development project in Gabon
- > Panoro is fully funded through its organic growth plans

# CRUDE LIFTING SCHEDULE

REVENUE IS RECOGNISED AS LIFTINGS OCCUR



Note: Current lifting schedule anticipated by management remains subject to possible changes due to commercial and operational factors.

## 2022 CRUDE LIFTINGS

- › Crude liftings are based on Panoro's entitlement volumes after respective PSC terms have been applied, and will differ from produced volumes expressed on a working interest basis
- › Q1 2022 volume lifted was in line with previously communicated expectations
- › The majority of Panoro's crude volume lifted in 2022 is expected to be in the second half of the year

## ROLLING HEDGING STRATEGY TO PROVIDE CASH FLOW ASSURANCE

- › 600 bopd hedged in 2022 with costless collars (USD 56/bbl floor and USD 65.5/bbl cap)
- › 200,000 barrels hedged around July liftings (swaps at USD 104.5/bbl)
- › Further hedges under consideration

# FOUNDATION FOR SHAREHOLDER RETURNS

## BUILDING A LEADING PRODUCTION BUSINESS IN AFRICA

- › Diversified production base
- › Oil focus and price exposure
- › High production uptime and direct sale of product to market

✓ **8,300 bopd in Q1 2022 (W.I)**

✓ **>12,500 bopd expected during 2023**

- › Highly experienced Board aligned with shareholders
- › Conservative balance sheet
- › Lean organisational structure

✓ **Norwegian Code of Practice for Corporate Governance**

✓ **Establishment of a Sustainability Committee and proposed appointment of Ms. Grace Reksten Skaugen to the Board**



- › Low cost barrels and long reserves life
- › Excellent operators and JV partners
- › Favourable PSC terms (all expenditures recoverable)

✓ **R/P ratio ~13 years (2P), 22 years (2P+2C)**

✓ **~US\$ 17 /bbl 2022E average unit opex**

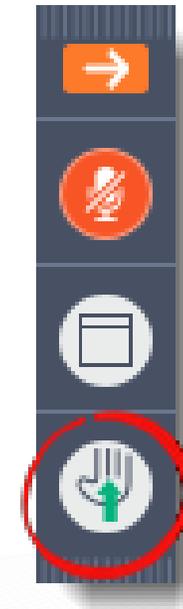
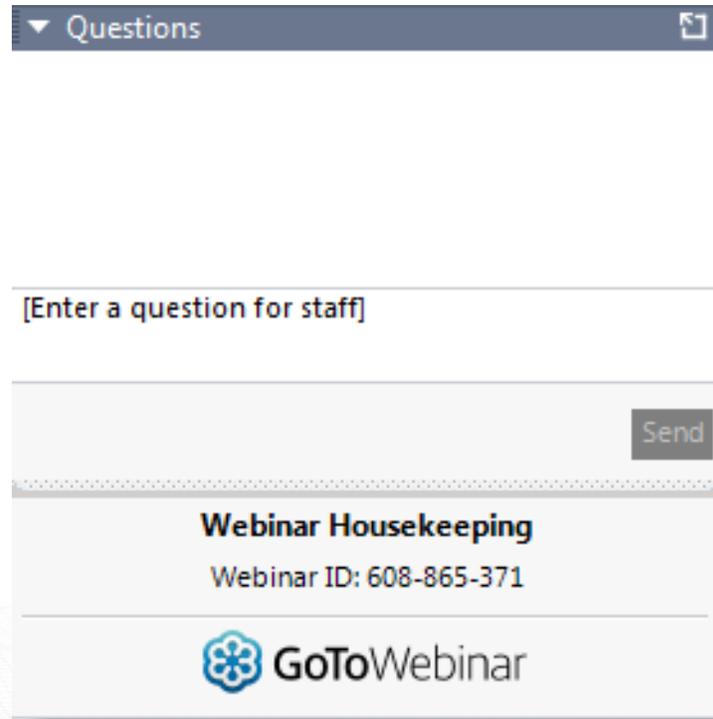
- › Active development and resource maturation
- › Provisional license award (Gabon 12th Round)
- › Infrastructure led exploration

✓ **29.3 MMbbls contingent resources**

✓ **Block G license extension**

# WEBINAR HOUSEKEEPING – TIME FOR QUESTIONS

RAISING YOUR HAND FOR UN-MUTING



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