INFORMATION MEMORANDUM
In connection with the disposal by

Panoro Energy ASA
(Registration number: 994 051 067)

of all issued and outstanding shares in Rio das Contas Produtora de Petróleo Ltda

to

GeoPark Holdings Limited

No shares or other securities are being offered or sold to the market in any jurisdiction pursuant to this Information Memorandum.

14 June, 2013

This information memorandum (the **“Information Memorandum”**) has been prepared in accordance with the Oslo Børs Continuing Obligations in connection with Panoro Energy ASA’s **(“Panoro Energy”** or the **“Company”**) proposed disposal of all the issued and outstanding shares of Rio das Contas Produtora de Petróleo Ltda (the **“Transaction”**). All references herein to **“Rio das Contas”** refer to Rio das Contas Produtora de Petróleo Ltda. Unless otherwise indicated or the context so requires, all references in this Information Memorandum to “Panoro Energy”, the “Company”, “we”, “our” and “us” or similar terms, refer to Panoro Energy ASA together with its consolidated subsidiaries. Following the completed disposal of Rio das Contas, Panoro Energy ASA and its remaining subsidiaries are referred to herein as the “Remaining Group”.

No shares or other securities are being offered or sold to the market in any jurisdiction pursuant to this Information Memorandum.

This Information Memorandum was submitted to Oslo Stock Exchange (the **“Oslo Børs”**) for inspection before publication in accordance with Section 3.5.5 of the Oslo Børs Continuing Obligations for stock exchange listed companies (the “**Continuing Obligations**”). This Information Memorandum is not a prospectus and has neither been inspected nor approved by the Norwegian Financial Supervisory Authority (NO: *Finanstilsynet*) in accordance with the rules that apply to a prospectus.

All inquiries relating to this Information Memorandum must be directed to Panoro Energy. No other person is authorized to give any information about, or to make any representations on behalf of Panoro Energy in connection with the Transaction. If any such information is given or made, it must not be relied upon as having been authorized by us. The information contained herein is as of the date hereof and is subject to change, completion and amendment without further notice. The delivery of this Information Memorandum shall not imply that there has been no change in Panoro Energy's affairs or that the information set forth herein is correct as of any date subsequent to the date hereof.

The contents of this Information Memorandum are not to be construed as legal, business or tax advice. Each reader of this Information Memorandum should consult with their own legal, business or tax advisor as to legal, business or tax matters. If you are in any doubt about the contents of this Information Memorandum you should consult your stockbroker, bank manager, lawyer, accountant or other professional advisor.

The distribution of this Information Memorandum in certain jurisdictions may be restricted by law. We require persons in possession of this Information Memorandum to inform themselves about, and to observe, any such restrictions. We have not registered any of our shares under the United States Securities Act of 1933, as amended (the **“U.S. Securities Act”**), and our Shares may not be offered or sold, directly or indirectly, in the United States of America absent registration or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws of any state or other jurisdictions of the United States. We do not intend to register any of our shares pursuant to the U.S. Securities Act.

Investing in our shares involves risks. See Section 1 – Risk factors“risk factors below.

Currency Presentation

Unless otherwise indicated, all references in this Information Memorandum to “Norwegian kroner” or “NOK” are to the lawful currency of Norway; all references to “US Dollars” or “US$” are to the lawful currency of the United States of America; all references to “BRL” are to the lawful currency of Brazil; and all references to “Euro” or “€” are to the common currency of the European Union (the “EU”) member states who adopted the Euro as their sole national currency (the euro area) and as launched as of January 1, 1999.

Presentation of Financial Information

The financial information contained in this Information Memorandum relating to Panoro Energy has been prepared in accordance with International Financial Reporting Standards as adopted by the EU (**"IFRS"**). This Information Memorandum presents financial information derived from Panoro Energy's audited financial statements as of and for the years ended December 31, 2012, 2011 and 2010, from its unaudited condensed consolidated financial statement as of and for the 3 months ended March 31, 2013 and 2012, each as incorporated by reference hereto. Please see section 10.3 – "Incorporation by reference".

The unaudited financial information contained in this Information Memorandum relating to Rio das Contas has been extracted from the consolidation records and management accounts of the Group. This information is consistent with the International Financial Reporting Standards as adopted by the EU (**"IFRS"**) and all the accounting policies are aligned to the Group financial statements. This Information Memorandum presents financial information as of and for the years ended December 31, 2012, 2011 and 2010 and unaudited condensed consolidated financial statements for Rio das Contas extracted from Panoro Energy's consolidation records as of and for the 3 months ended March 31, 2013 and 2012.

This Information Memorandum also includes unaudited pro forma condensed consolidated financial information giving effect to the Transaction, as if the Transaction had been consummated on January 1, 2012 and on January 1, 2013 for purposes of the statement of comprehensive income, and on March 31, 2013 for purposes of the statement of financial position. The unaudited pro forma condensed consolidated financial information has been prepared on a basis consistent with IFRS and has been based on financial information derived from the audited condensed consolidated financial statements of Panoro Energy for the financial year 2012 as well as the unaudited condensed consolidated financial statements of Panoro Energy as of and for the 3 months ended March 31, 2013. The unaudited pro forma condensed consolidated financial information is for illustration purposes only and does not necessarily represent the financial position or results of operations of Panoro Energy had the Transaction in fact occurred on such date or at the beginning of such period and is not necessarily indicative of the financial position or results of operations of Panoro Energy for any future date or period.

This Information Memorandum is subject to Norwegian law, unless otherwise indicated herein. Any dispute arising in respect of this Information Memorandum is subject to the exclusive jurisdiction of the Norwegian courts with Oslo district court as legal venue.

CAUTIONARY NOTE REGARDING FORWARD –LOOKING STATMENTS

This Information Memorandum includes “forward-looking” statements, including, without limitation, projections and expectations regarding the Company’s future financial position, business strategy, plans and objectives. When used in this document, the words “anticipate”, “believe”, “estimate”, “expect”, “seek to” and similar expressions, as they relate to the Company, its subsidiaries or its management, are intended to identify forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company and its subsidiaries, or, as the case may be, the industry, to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company and its subsidiaries will operate. Factors that could cause the Company’s actual results, performance or achievements to materially differ from those in the forward-looking statements include but are not limited to:

- the competitive nature of the markets in which the Company operates
- global and regional economic conditions
- government regulations
- changes in political events, and
- force majeure events

Some important factors that could cause actual results to differ materially from those in the forward-looking statements are, in certain instances, included with such forward-looking statements as well as in sections 1 – "Risk factors" and 4.7 – “Financial information” in this Information Memorandum.

Readers are cautioned not to place undue reliance on the forward-looking statements contained in this Information Memorandum, which represent the best judgment of our management as of the date of this Information Memorandum. Except as required by applicable law we do not undertake responsibility to update these forward-looking statements, whether as a result of new information, future events or otherwise. You are advised, however, to consult any further public disclosures made by us, such as filings made with Oslo Børs (published on www.newsweb.no) or our press releases (published on our website www.panoroenergy.com).

TABLE OF CONTENTS

Appendices:

1. Independent Report regarding the Unaudited Pro Forma Condensed Consolidated Financial Information.

1 RISK FACTORS

In addition to the other information set out in this Information Memorandum, the following risk factors should be carefully considered when analyzing the Transaction. Any of the risks described below could have a material adverse impact on the business, financial condition or results of operations of Panoro Energy and the Remaining Group following the Transaction. The risks described herein could have an adverse effect on the trading price of the shares in the Company. The information below does not purport to be exhaustive. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also have a material adverse effect on the business, financial conditions or results of operations of the Company and the Remaining Group. Accordingly, all references to the Company in this section shall be construed also as references to the Remaining Group, unless the context otherwise requires.

1.1 Market Risks

1.1.1 The Company experiences strong competition

The oil and natural gas industry is capital intensive and the Company operates in an environment in which many other companies have greater financial and technical resources than the Company. These other companies include major integrated oil and natural gas producers and numerous other independent oil and natural gas companies and individual producers and operators.

The Company's ability to successfully bid on and acquire additional property rights, to discover reserves, to participate in drilling opportunities and to identify and enter into commercial arrangements with customers will be dependent upon developing and maintaining close working relationships with its future industry partners and joint operators and its ability to select and evaluate suitable properties and to complete transactions in a highly competitive environment.

1.1.2 Risks associated with emerging and developing markets generally

Investors in emerging markets, such as Nigeria, Republic of Congo, Brazil and Gabon, should be aware that these markets are subject to greater risk than more developed markets, including in some cases significant legal, fiscal, economic and political risks. Accordingly, investors should exercise particular care in evaluating the risks involved in an investment in the Company and must decide for themselves whether, in the light of those risks, their investment is appropriate. Generally, investment in emerging and developing markets is suitable only for sophisticated investors who fully appreciate the significance of the risks involved. Investors are urged to consult their own legal and financial advisers before making an investment.

1.1.3 The countries in which the Company operates face political, economic, fiscal, legal, regulatory and social uncertainties, which could have a material adverse effect on the Company's business, financial condition and results of operations

The Company's operations are exposed to the political, economic, fiscal, legal, regulatory and social environment of the countries in which it operates including offshore Nigeria, Republic of Congo, offshore Gabon and offshore Brazil. The Company's business involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not overcome. These risks include, but are not limited to, corruption, civil strife or labour unrest, armed conflict, terrorism, limitations or price controls on oil exports and limitations or the imposition of tariffs or duties on imports of certain goods. The operations of the Company in certain developing countries expose it to potential civil unrest and political or currency risks.

1.1.4 Several of the countries in which the Company operates suffer from crime and governmental or business corruption which could have an adverse effect on the Company's business, financial condition and results of operations

Oil and gas companies operating in West Africa may be particular targets of criminal or terrorist actions. Criminal, corrupt or terrorist actions against the Company, or its properties or facilities, could have a material adverse effect on the Company's business, results of operations or financial condition. In addition, the fear of criminal or terrorist actions against the Company could have an adverse effect on the ability of the Company to adequately staff and/or manage its operations or could substantively increase the costs of doing so.

1.1.5 Underdeveloped infrastructure in the countries in which the Company operates could have an adverse effect on the Company's business, financial condition and results of operations

Underdeveloped infrastructure and inadequate management of such infrastructure has led to regular electricity outages and water cuts in many states, in particular in West Africa. Inadequate and unreliable electricity supply has hindered investment in such countries, resulting in underperformance in various important sectors. The unstable pricing, and possible scarcity, of fuel for power generation also increases the operational challenges businesses face, adding to the potential fluctuation of overheads. In addition the lack of infrastructure can cause projects to be delayed and costs increased as physical works are carried out and infrastructure is built.

1.1.6 Uncertainties in the interpretation and application of laws and regulations in the jurisdictions in which the Company operates may affect the Company's ability to comply with such laws and regulations, which may increase the risks with respect to the Company's operations

The courts in the jurisdictions in which the Company operates may offer less certainty as to the judicial outcome or a more protracted judicial process than is the case in more established economies. Businesses may become involved in lengthy court cases over simple issues when rulings are not clearly defined, and the poor drafting of laws and excessive delays in the legal process for resolving issues or disputes inherent with such problems.

1.2 Operational Risks

1.2.1 The Company's oil and natural gas production could vary significantly from the reports from independent reserve engineer firms

The Company's ongoing business is supported by independent reserves reports prepared by the independent reserve engineering firm Gaffney Cline & Associates. Such reports are obtained as necessary to establish the expected production profiles for the fields in production, and the expected economic lifetime of the fields. Any reduction in reserves might lead to a write down of field investments due to impairment tests and increases in future depreciations.

The most recent annual statement of reserves, in respect of 2012, can be found on our website (www.panoroenergy.com) under the heading "Investors".

1.2.2 The Company may not be able to discover new reserves

Failure to develop its fields as planned may lead to a decline in the Company's reserves.

The Company seeks to add new reserves to its reserve base. However, the Company cannot assure investors that its exploration programs will be successful. Except to the extent the Company completes successful exploration and development projects or acquires properties containing proven reserves, or both, the Company's reserves will decline as its natural gas and liquid hydrocarbons are produced and its reserves are depleted. The Company's future production is highly dependent upon the Company's ability to develop its remaining reserve base and, in the longer term, finding or acquiring additional reserves. If the Company is unsuccessful in developing its current reserve base and if the Company fails to add new reserves through exploration or acquisitions, its total proved reserves will decline, which would adversely affect the Company's business, financial condition, prospects or the market price of the Shares.

Exploratory drilling involves numerous risks, including the risks of unexpected drilling conditions, abnormal pressure or other irregularities in geological formations, equipment failures or accidents, mechanical difficulties, adverse weather conditions, difficulties complying with legal, governmental or licensing requirements, suspension or termination of licenses and shortages or delays in the availability of drilling rigs and equipment deliveries.

In addition to drilling in project areas with challenging environmental conditions, the Company may drill its wells to depths below 4.5 kilometers and/or under a layer of salt. Accordingly, the Company's drilling activity in respect of any particular well, project area, field or license area, or in its entirety, may fail to result in commercial discoveries of hydrocarbons.

1.2.3 Technical risk in development of oil fields and oil production

The development of oil fields in which the Company participates is associated with significant technical risk and uncertainty with regards to production start. The risks include – but are not limited to - cost overruns, production disruptions and delays compared to initial plans established. Some of the most important risk factors are related to the determination of reserves and their recoverability and the planning of a cost efficient and suitable production method. There are also technical risks present in the production, which may cause cost overruns, failed investment and destruction of wells and reservoirs.

1.2.4 Estimates for abandonment costs

When the production from an oil field ceases, the Company is generally obliged to shut in wells and remove installations. Provisions are based on the best available estimates, based on today's technology and today's prices for services, equipment and manpower.

1.2.5 Permits and licenses

Significant parts of the Company's operations require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration and development at its projects. If the present permits and licenses are terminated, withdrawn or not renewed, such events could have material negative effect on the Company's business, financial condition, prospects or the market price of the Shares.

1.2.6 Governmental regulations

The oil and gas industry in general is subject to extensive government policies and regulations, which result in additional cost and risk for industry participants. The Company's international operations are subject to various laws and regulations in countries in which it operates, including laws and regulations relating to the equipment and operation of drilling units, currency conversions and repatriation, oil and natural gas exploration and development, taxation of earnings and earnings of expatriate personnel, the use of local employees and suppliers by foreign contractors and duties on the importation and exportation of units and other equipment. Governments in some foreign countries have become increasingly active in regulating and controlling the ownership of concessions and companies holding concessions, the exploration for oil and natural gas and other aspects of the oil and natural gas industries in their countries. In some areas of the world, this governmental activity has adversely affected the amount of exploration and development work done by major oil and natural gas companies and may continue to do so.

Failure to comply strictly with applicable laws, regulations, local practices and permit requirements may result in loss, reduction or expropriation, the imposition of additional local or foreign parties as joint venture partners, enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in rig operations or in the exploration or development of properties may be required to compensate those suffering loss or damage by reason of the activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of rig and exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company.

Operations in less developed countries can be subject to legal systems which are not as mature or predictable as those in more developed countries, which can lead to greater uncertainty in legal matters and proceedings. This could result in risks such as:

- potential difficulties in obtaining effective legal redress in the courts of such jurisdictions whether in respect of a breach of law or regulation, or in an ownership dispute
- a higher degree of discretion on the part of governmental authorities
- the lack of judicial or administrative guidance on interpreting applicable rules and regulations
- inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions, and
- relative inexperience of the judiciary and courts in such matters

In certain jurisdictions the commitment of local business entities, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain. In particular, agreements may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, licenses, license applications or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness of and enforcement of such arrangement in these jurisdictions cannot be assured.

1.2.7 Title to properties

The Company conducts title reviews in connection with its principal properties as it believes are commensurate with the values of such properties. These reviews may not be sufficient to conclusively determine title. Any successful third party challenge of the Company’s title to principal properties could have material negative effect on the Company’s business, financial condition, prospects or the market price of the Shares.

1.2.8 Commodity price volatility

The oil and gas industry has been subject to considerable price volatility, over which companies have little control, and a material decline in prices could result in a decrease in the Company’s production revenue. The oil and gas industry has inherent business risks and there is no assurance that products can continue to be produced at economical viable rates or that produced reserves will be replaced. Fluctuations in prices and currency exchange rates, as well as changes in production volumes, are daily risks in the industry.

1.2.9 Environmental risks

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require the Company to incur costs to remedy such discharge. No assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Company's financial condition, results of operations or prospects.

The Company is uncertain as to the amount of future operating and capital expenses that will be required to comply with enhanced environmental regulations in the areas where it operates. Such expenses could have material negative effect on the Company's business, financial condition, prospects or the market price of the Shares.

1.2.10 Reliance on operations and key personnel

To the extent that the Company is not the operator, the Company will be dependent upon other guarantors' or third parties' operations for the timing of activities and will be largely unable to control the activities of such operators. In addition, the Company's success depends, to a significant extent, upon management and key employees. The loss of key employees could have a negative effect on the Company. Attracting and retaining additional key personnel will assist in the expansion of the Company's business. The Company faces and will continue to face significant competition for skilled personnel. There is no assurance that the Company will successfully attract and retain personnel required to continue to expand its business and to successfully execute its business strategy.

1.2.11 Concession and joint operating agreements

The subsidiaries of the Company have entered into concession and joint operating agreements based on international standard joint operating agreements which include different forms of liability regulations. It is common for concessions or agreements to contain joint liability provisions and similar liabilities can be created under commercial contracts entered into by joint venture field partners with third parties. This creates a risk that the Company could be required to bear a cost within a joint venture higher than its equity share. Should a material liability of this nature arise, this could materially adverse effect the Company's results of operations and financial condition.

1.3 Financial Risks

1.3.1 Funding and liquidity risk

The Company may be unable to raise sufficient funds through public or private financing, strategic relationships and/or other arrangements to meet its ongoing or future capital and operating expenditure needs. Similarly, the Company may be unable to obtain such funding in order for it to implement its growth strategy or take advantage of opportunities for acquisitions, joint ventures or other business opportunities. Negative market development or any unforeseen liabilities, may lead to a strained liquidity position and the potential need for additional funding through equity financing, debt financing or other means.

There can be no assurance that any funding will be available on sufficiently attractive terms. Furthermore, any debt financing, if available, may involve restrictive covenants. If the financing available to the Company is insufficient to meet its financing needs, it may be forced to reduce or delay capital expenditures, sell assets or businesses at unanticipated times and/or at unfavourable prices or other terms, seek additional equity capital or restructure or refinance its debt. There can be no assurance that such measures would be successful, would be adequate to meet the Company's financing needs or would not result in the Company being placed in a less competitive position.

Credit markets worldwide experienced severe reductions in liquidity and term funding in the aftermath of the global financial crisis in 2008 and 2009. Further, certain countries in Europe currently have significant sovereign debt levels and/or fiscal deficits which have led to uncertainties in the capital and credit markets in relation to those countries. These concerns have led to significant volatility in certain markets and also to significant exchange rate volatility, especially with respect to the Euro and U.S. dollar. These or similar disruptions and volatility in the credit or debt markets could adversely affect the Company's access to capital and may increase the Company's funding costs, which could negatively impact the Company's results of operations and financial condition.

1.3.2 Credit risk

The Company is exposed to credit risk that arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, joint venture partners, including outstanding receivables and committed transactions. Credit losses incurred by the Company may have a material adverse effect on the Company's business, financial condition, results of operations and cash flow.

1.3.3 Currency risk

The Company operates internationally and is exposed to risk arising from various currency exposures, primarily with respect to the Norwegian Kroner (NOK), the US Dollar (US$), the Brazilian Real (BRL) and the Pound Sterling (GBP).

Because the Company reports its consolidated results in US$, any change in exchange rates between its operating subsidiaries' functional currencies and the US$ affects its consolidated income statement and balance sheet when the results of those operating subsidiaries are translated into US$ for reporting purposes. Decreases in the value of its operating subsidiaries' functional currencies against the US$ tend to reduce those operating subsidiaries' contributions in US$ terms to the Company's business, financial condition, results of operations and cash flow.

In addition to currency exchange rate risk, the Company is exposed to fluctuations in the currencies in which certain revenue, costs and expenses are incurred. Decreases in the value of its operating subsidiaries' functional currencies against other currencies in which costs and expenses are incurred will increase operating subsidiaries' costs and expenses and negatively impact their operating margins. Management has set up a policy for managing foreign exchange risk, including ad hoc utilization of financial instruments such as cross currency swaps to hedge the forward foreign currency risk. However there can be no assurance that such measures are entered into at the appropriate time in order to be sufficient to mitigate the Company's foreign exchange risk, and negative changes in exchange rates may materially and adversely affect the Company's business, financial condition, results of operations and cash flow.

1.3.4 Interest rate risk

The Company currently has no interest rate risk exposure on long-term borrowings, as the Company has fixed rate borrowings only. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed-rates expose the Company to fair value interest rate risk. Which currencies that the Company is exposed to may change from time to time.

To manage interest rate risk, management retains a proportion of fixed to floating rate borrowings within the guidelines of the risk management policy approved by the Board of Directors. However there can be no assurance that such measures are sufficient to mitigate the Company's interest rate risk exposure, and interest rate risk exposure may as a consequence materially and adversely affect the Company's business, financial condition, results of operations and cash flow.

1.3.5 Commodity price risk

The nature of the Company's industry is subject to considerable price volatility, over which the Company holds little control, and a material decline in commodity prices could result in a decrease in our production revenue. To manage this risk, the Company plans to keep a balance between fixed and floating price contracts; however there can be no assurance that such measures are sufficient to mitigate this risk. A decline in commodity prices may as a consequence materially and adversely affect the Company's business, financial condition, results of operations and cash flow.

1.3.6 Change of Control Risk

The Company may in certain situations need to obtain consents and approvals from governmental authorities and other third parties in connection with change of ownership and corporate restructurings. A number of the Company's contracts have change of control or pre-emption clauses. There can be no assurance that such consents will be granted, or that they will be granted free of conditions, in each case.

1.4 Risks related to the Shares

1.4.1 Volatility of share price

The Company's Share price may experience substantial volatility. The trading price of the Shares could fluctuate significantly in response to, inter alia, the financial situation of the Company, variations in operating results, response to quarterly and annual reports issued by the Company, changes in earnings estimates by analysts, adverse business developments, changing conditions in the oil and gas industry at large, changes in general market or economic outlook, interest rate changes, foreign exchange rate movements, changes in financial estimates by securities analysts, matters announced in respect of major customers or competitors or changes to the regulatory environment in which the Company operates or rumours and speculation in the market.

The market price of the Shares could decline due to sales of a large number of shares in the Company in the market or the perception that such sales could occur. Such sales could also make it more difficult for the Company to offer equity securities in the future at a time and at a price deemed appropriate.

1.4.2 Dilution

The Company may in the future see the need of additional equity investment in relation to financing capital intensive projects, or related to unanticipated expenses or liabilities. This may lead to a future need of additional issuance of shares in the Company. The Company cannot guarantee that the current shareholders ownership may not be diluted, in the event that the Company cannot obtain financing on desirable terms. For reasons relating to U.S. securities laws, and the laws in certain other jurisdictions, or other factors, U.S. investors, and investors in such other jurisdictions, may not be able to participate in a new issuance of shares or other securities and may face dilution as a result.

1.4.3 Limitations on dividends

The Company currently anticipates that it will retain all future earnings, if any, to finance the growth and development of its business. The Company does not intend to pay cash dividends in the foreseeable future. Any payment of cash dividends will depend upon the Company’s financial condition, capital requirements, earnings and other factors deemed relevant by its Board and general meeting of shareholders.

1.5 Risks related to the Transaction

1.5.1 The contemplated transaction might not close which would have the effect that Rio das Contas remains part of the Group

Although the SPA has been signed prior to publication of this Information Memorandum, the closing of the transaction will, amongst other conditions, depend on approval by the Brazilian regulatory authority ANP and that no material adverse change has occurred until closing.

If any of the above fails to occur within nine months following the date of the SPA (unless the deadline is extended), then Rio das Contas will continue to remain a part of the Group.

1.5.2 Bond repayment and release of security

The shares of and assets owned by Rio das Contas are currently pledged in favor of the bond trustee on behalf of the holders of bonds in the Company's bond issues (PEN 01 PRO and PEN 02 PRO). Under the SPA it is a mutual covenant that both parties shall endeavor their best efforts to reach an agreement as to the settlement mechanics, including the release by the bond trustee of such pledges. If no such agreement is reached, this may lead to the transaction not being completed.

The proceeds of the divestment will be applied to repay the Company's outstanding bonds. As closing of the Transaction is expected to take place within 2-9 months following the signing of the SPA, such repayment can take time and may thus result in increased interest expenses for the Company.

1.5.3 The Transaction will render the Company as a less diversified company

Upon completion of the Transaction the Company will be a less diversified Company, which might reduce the number of business opportunities the Company is able to identify and render the Company more exposed to results in its remaining assets.

1.5.4 Risk of disputes arising following the completion of the Transaction

Under the SPA, the Company has undertaken customary representations and warranties. The Company's aggregate liability in respect of such warranties is limited to US$ 20,000,000, except for (i) the organization of Panoro Energy and Rio das Contas; (ii) the capitalization of and title to shares in Rio das Contas; (iii) the due authorization and enforceability of the SPA and the other transaction documents; (iv) the oil and gas properties of Rio das Contas; and (v) environmental matters where there is no limit of liability. There is a risk that the Buyer may claim compensation or damages following the Transaction that may or may not be subject to the limit of US$ 20,000,000.

2 STATEMENT OF RESPONSIBILITY

2.1 Statement from the Board of Directors of Panoro Energy ASA

This Information Memorandum has been prepared by the Company to provide information regarding the Transaction to our shareholders.

The Board of Directors of the Company confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Information Memorandum is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Oslo, June 14, 2013
The Board of Directors of Panoro Energy ASA

Phil A. Vingoe Chairman	Silje Christine Augustson Board Member
Isabel da Silva Ramos Board Member	Endre Ording Sund Board Member
George Edward Watkins Board Member	

3 DESCRIPTION OF THE TRANSACTION

3.1 Overview

On 15 May 2013, the Company announced that its wholly owned subsidiary Panoro Energy Do Brasil Ltda (“**Panoro Brasil**”) on 14 May 2013 had entered into a share purchase agreement with GeoPark Brasil Exploracao e Producao de Petroleo e Gas Ltda a wholly owned subsidiary of GeoPark Holdings Limited., agreeing, *inter alia*, to sell all issued and outstanding shares of Rio das Contas for a total consideration of US$140 million plus a contingent earn-out which is capped at US$ 20,000,000 (the **"SPA"**).

3.2 Background and the reason for the Transaction

Until recently, the strategy for Panoro Energy was to become more focused for growing its position in Brazil, while continuing an active search for new opportunities in West Africa. However, a review of strategy process undertaken by the Board of Directors of Panoro Energy during 2012 revealed that the increasing cash commitments arising from the development of the West African assets together with the uncertain timing of new license rounds and other development opportunities in Brazil were gradually damaging the strong financial position of the Company. Over time it would become more challenging to develop the asset values for the benefit of our shareholders. In order to avoid being in a financial distressed situation and therefore not being able to grow the business, the Board of Directors decided that it was imperative to guarantee that Panoro Energy retains its strong financial position and that the Company should be more flexible and creative in seeking for opportunities and not only to explore and evaluate potential strategic alternatives for its West African business unit as initially intended.

This Transaction not only fully addresses the Board of Directors strategic guidance, but will further strengthen the Company and build an even stronger platform to take advantage of longer term growth opportunities in West Africa. As a consequence, the Transaction has centered on two main priorities:

- Maximization of shareholder value for the assets monetized, and
- Ensure balanced growth while retaining a strong financial position

3.3 The significance of the transaction to the Company

The divestment of Rio das Contas, which represents a significant part of the Group, will establish a pure West African focused company whilst returning value to shareholders in the form of realization of assets and protecting core value by making the Company debt free. Following completion of this Transaction the Company will:

- Have improved cash situation and capital structure creating a platform for growth plans;
- Be able to take on new growth opportunities and unlock value in West Africa
- Reduce financial risk
- Have dedicated leadership and increased focus in West Africa

The transaction does not materially change the Company’s ability to generate funding on a short term and long term basis. A significant part of the net proceeds from the Manati gas production is covering the interest and principal obligations of the Bond Issue leaving limited amount of cash to cover other operating activities. The Company will be adequately funded after divestment of Rio das Contas for the foreseeable future. Additional funding for the Company is expected to result from sale of West African assets which is an ongoing process, including the potential sale of the Company’s interest in the OML 113 Aje Field in Nigeria. Please refer to section 5.5.2for further information.

Based on these observations and drivers and to enable the realization of the full potential of the Company´s business, the conclusion of the Board of Directors of Panoro Energy was to divest the Brazilian assets and focus on the West African Business.

3.4 GeoPark Holding Limited

GeoPark Holdings Limited is a Latin American oil and gas exploration and production company operating in Chile, Colombia and Argentina, with interests in 19 hydrocarbon blocks and 3.9 million gross acres and associated infrastructure, production facilities, operating licenses and an extensive technical data base. GeoPark is listed on AIM with ticker GPK. In 2006, GeoPark became the first private company to produce oil and gas and operate in Chile. At completion of this Transaction, GeoPark will be the first independent E&P company with production and reserves in Chile, Colombia, Brazil and Argentina.

3.5 The structure of the Transaction, Consideration and timetable

The Transaction comprises a divestment of all shares in Rio das Contas to GeoPark. The following has already, and is planned to, occur in connection with the Transaction:

- Signing of the Letter of Intention (LOI) on March 26, 2013
- Board of Directors SPA approval on May 14, 2013
- Signing of the SPA on May 14, 2013
- Approval from ANP expected within 2-9 months following the date of the SPA

The consideration for the shares in Rio das Contas comprises an initial payment of U.S. $ 140 million, adjusted by positive working capital estimated to be approximately U.S. $ 13 million (which is net of subsequent dividends distributed to Panoro Brasil of U.S. $ 10 million), with effective day of the Transaction April 30,2013, to be paid in cash upon closing. In addition, a contingent earn-out will be paid in cash over the 5-year period from January 1, 2013 to December 31, 2017. The annual earn-out payments will equal 45% of the annual net cash flow (after deducting G&A cost USD 2.5 mill/year) from the BCAM-40 Block exceeding U.S. $ 25 million. The total earn-out is capped as U.S. $ 20 million.

Cash proceeds from the transaction will be used to redeem Panoro Energy’s outstanding bonds (ISIN NO 001 059097.9 and NO 001 059096.1) which will leave the company debt free.

The closing of the transaction will, amongst other conditions, depend on approval by the Brazilian regulatory authority ANP and that no material adverse change has occurred until closing. The ANP approval can be anticipated to be received anytime between a 2-9 month timeframe.

No agreements have been entered into in connection with the Transaction for the benefit of the Company's senior employees or board members or for the senior employees or board members of Rio das Contas or the Company and no such agreements are expected to be entered into.

3.6 The SPA

The SPA was signed on 14 May 2013 and completion is scheduled to take place within 2-9 months from this date. The following items describe certain special conditions and terms contained in the SPA.

Panoro Energy has given customary seller representations and warranties in connection with the Transaction. Save for a breach by Panoro Energy of the representations and warranties in respect of certain matters related to the below, where no limitation applies, the maximum liability of Panoro Energy in respect of representations and warranties is limited to US$ 20,000,000:

i. The organization of Panoro and Rio das Contas;
ii. The capitalization of and title to shares in Rio das Contas;
iii. The due authorization and enforceability of the SPA and the other transaction documents;
iv. The oil and gas properties of Rio das Contas; and
v. Environmental matters;

Any claims from GeoPark against Panoro Energy stemming from breach of seller's representations and warranties have to be notified on or before 2 years for all representations and warranties except:

i. Until the applicable statute of limitation after closing in relation to;
    a. Organization and good standing of the seller
    b. Capitalization, title ot shares and structure
    c. Subsidiaries
    d. Due authorisation and enforceability
    e. No violation and
    f. Oil and gas properties

ii. environmental matters and taxes, where the deadline is 5 years.

The Company and GeoPark Holding have both given parent companies guaranties for their respective obligations under the SPA. If the transaction has not been closed within nine months from the signing of the SPA (May 14, 2013), each of the parties are entitled to terminate the agreement, unless GeoPark exercises its right to extend the closing deadline by an additional three months. Such extension must be exercised five business days prior to the deadline.

In the event of a termination of the SPA for any reason other than a breach by either of the parties, each party shall bear all expenses incurred by it in connection with the SPA and the transaction documents. In the event of termination of the SPA by a party due to the material breach by another party, the party committing the breach shall indemnify the other party as to pre-liquidated damages in the amount of US$ 10 million.

The closing of the transaction will, amongst other conditions, depend on approval by the Brazilian regulatory authority ANP and that no material adverse change has occurred until closing. The ANP approval can be anticipated to be received anytime between a 2-9 month timeframe. As GeoPark is pre-qualified by the ANP, the approval process may be completed within a shorter timeframe.

Depending on the timing of the ANP approval, it is expected that the sale of Rio das Contas will generate limited or no capital gains tax for Panoro Energy.

3.7 Total net proceeds and expenses in connection with the transaction

The base consideration from the Transaction will be US$ 140 million receivable to Panoro on completion. The proceeds will be used to fully redeem the PEN 01 PRO and PEN 02 PRO corporate bonds which based on March 31, 2013 balances, is expected to result in a cash outflow of US$ 136.2 million (excluding interest accrued). The expenses in connection with the transaction are expected to be in the region of US$ 300 thousand.

Furthermore, over the five years from December 1, 2013 to December 31, 2017, Panoro may receive upto a maximum of US$ 20 million in earn-out payments under the mechanism explained in section 3.5.

3.8 Significance of the Transaction

3.8.1 The Transaction's significance for the earnings, assets and liabilities of the Remaining Group

On a pro forma basis to reflect the Transaction, the Company's net income for the year ended December 31, 2012 would have increased by 44% from a net loss of US$ 47.8 million to a net loss of US$ 26.9 million. Total assets as of March 31, 2013 would have decreased by 27% from US$ 378.8 million to US$ 275.2 million on a pro forma basis. Total equity as of March 31, 2013 would have increased by 19.1% from US$ 195.3 million to US$ 232.6 million on a pro forma basis.

For a further description of the pro forma figures and the basis for such figures, see section 7 – "Unaudited pro forma financial information for the company" below.

The closing of the Transaction will, unless the Company exercises its call option under the Bond Agreement, trigger a mandatory redemption of the Company's outstanding US$ and NOK bond tranches (PEN 01 PRO and PEN 02 PRO), totaling US$ 126.2 million as of December 31, 2012. The redemption price for the bonds will either be equal to 108% of par value plus accrued interest, if closing occurs prior to November 15, 2013 or equal to 106% of par value plus accrued interest if closing occurs on or after November 15, 2013. The exercise of the call option will be made on the same financial terms, but the procedure for repayment to the bondholders will be different. Closing of the Transaction and mandatory redemption is conditional inter alia on the receipt of the ANP approval. ANP's process will include a technical and legal approval of GeoPark before submittal to ANP's board for final approval of the assignment.

For further information, please refer to section 8.3 "Borrowing requirements".

3.8.2 The Transaction's significance for the future strategy of the Remaining Group

The divestment of Rio das Contas, which represents a significant part of the Group, will establish a debt free West African focused company. Following completion of the Transaction, the Company will:

- Have improved cash situation and capital structure creating a platform for growth plans;
- Be able to take on new growth opportunities and unlock value in West Africa;
- Reduce financial risk;
- Have dedicated leadership and increased focus in West Africa

The Board of Directors has at the date of publication of this Information Memorandum not made a final decision as to the future strategy of the Remaining Group.

The Transaction is in line with the priority of the Board of the Company to strengthen the financial position through asset divestments. Subsequent to the Transaction, the Company's only remaining asset in Brazil will be the interest in the BS-3 assets which Panoro has previously announced that it will be seeking partners for or alternatively seek to divest. Panoro Energy has also disclosed that sales processes are ongoing for its assets in West Africa, with the notable exception of its interest in the Dussafu license in Gabon. This work continues unabated.

There is no plan to distribute dividends after this transaction. The funds will be used to repay debt and grow the remaining part of Panoro Energy. The funds will leave Panoro Energy with a much stronger balance sheet to pursue its other opportunities.

The Company intends to continue its listing on Oslo Børs following completion of the Transaction.

4 DESCRIPTION OF RIO DAS CONTAS

4.1 Overview

Rio das Contas is a *sociedade limitada* incorporated under the laws of the Federative Republic of Brazil. The legal and commercial name of Rio das Contas is Rio das Contas Produtora de Petróleo Ltda.

Rio das Contas has a registered address at Praia de Botafogo, number 228, suite 801-A, Botafogo, Rio de Janeiro – RJ, CEP 22.250-906, Brazil. The telephone number is +55 21 30787475.

Rio das Contas Produtora de Petróleo Ltda has a branch in the city of Salvador, state of Bahia.
The commercial address is: Avenida Antônio Carlos Magalhães number 771, suíte 909, Itaigara, Salvador- Bahia, CEP 41.825-000.

4.2 Board of Directors and management

Rio das Contas has no board of directors. However, in accordance with the Brazilian Corporate Act and the bylaws of the company, it has a management team which is liable for the operations of the companies. The management team is responsible for administering Rio das Contas' affairs and for ensuring that the operations are organized in a satisfactory manner.

The following management team is registered with Rio das Contas:

- Mark Scarbrough, President Development and Production
- Carl Peter Berg, VP Commercial and Investor Relations

4.3 Employees

At the date of this IM, Rio das Contas has 9 employees, whereof 4 male and 5 female. All employees are based in the Company's offices in Rio de Janeiro.

4.4 Business of Rio das Contas

4.4.1 Overview

Rio das Contas is the direct beneficial owner of 10% of the BCAM-40 Block in the Camamu-Almada basin offshore Brazil, which includes the Manati and Camarão Norte fields.

4.4.2 Trends

Average gas production from Manati field was 6.6 MMm3/day in the first quarter 2013 (4,140 BOE/day net to Panoro Energy), resulting in sales of 3,955 BOE/day. In comparison sales for 4Q 2012 were 3,668 BOE/day net to Panoro Energy).

The Manati field was shut down from April 5, 2013 to April 26, 2013 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, 2013. The shutdown has resulted in reduced revenues of the second quarter 2013, however, no significant change in financial or trading position of the Company is expected as a consequence.

Panoro Energy expects strong production for the remainder of the second quarter, with high demand from gas-fired power stations due to low levels in water reservoirs.

4.5 Governmental, legal or arbitration proceedings

Please see section 5.10 – “Legal and arbitration proceedings”.

4.6 Material contracts

Aside from the SPA, Rio das Contas, has not for the two years immediately preceding the date of this Information Memorandum, entered into any material contract, other than contracts entered into in the ordinary course of business.

Rio das Contas has further not entered into any other contract (not being a contract entered into in the ordinary course of business) which contains any provision under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of the Information Memorandum.

4.7 Financial information of Rio das Contas

4.7.1 Overview

The historical information of Rio das Contas (RdC) has been extracted without adjustments, from the management accounts and consolidation records of the Group. The accounting policies adopted and applied on preparation of this extracted unaudited historical financial information of Rio das Contas are consistent with the policies of the audited Group accounts which have been incorporated by reference.

The base source of historical financial information of Rio das Contas that has been included in the Group’s consolidation records is the local statutory accounts of Rio das Contas which are audited by Ernst and Young Terco in Brazil and the audit reports did not have any qualifications for the years ended December 31, 2010, 2011 and 2012. The Rio das Contas statutory accounts are prepared per local statutory requirements in Portuguese language and with Brazilian Reais (BRL) as functional and presentation currency. In order to prepare the information for Panoro Group consolidation purposes, the Rio das Contas audited income statements and statements of financial position have been translated into US Dollars and certain consolidation adjustments for eliminations and alignment of presentation have been made for the sake of consistency with the audited Group accounts. Since the local statutory numbers for Rio das Contas are not presented in their original audited form and currency, these have been included in this section as unaudited historical financial information.

4.7.2 Unaudited extracted historical financial information

Unaudited condensed statement of comprehensive income (Rio das Contas)

For three months ended			For the year ended		
Mar 31, 2012	**Mar 31, 2013**		**Dec 31, 2012**	**Dec 31, 2011**	**Dec 31, 2010**
Unaudited	***Unaudited***	*Amount in US$ 000*	***Unaudited***	***Unaudited***	***Unaudited***
10,949	12,725	Oil and Gas revenue	45,939	34,897	44,103
-	-	Other income	891	-	-
10,949	***12,725***	***Total revenues and other income***	***46,830***	***34,897***	***44,103***
(1,222)	(1,217)	Production costs	(5,557)	(7,824)	(5,160)
-	-	Exploration related costs	-	(16)	(205)
(1,070)	(560)	General and administrative costs	(4,066)	(2,480)	(2,672)
8,657	***10,948***	***EBITDA***	***37,207***	***24,577***	***36,066***
(1,721)	(2,036)	Depreciation	(7,436)	(5,530)	(8,366)
-	-	Impairment	-	-	(165)
6,936	***8,912***	***EBIT - Operating income / (loss)***	***29,771***	***19,047***	***27,535***
151	261	Net interest income / (costs)	1,584	(431)	(12,214)
(24)	(93)	Net other income / (costs)	(85)	-	-
955	32	Net foreign exchange gain / (loss)	(468)	(2,724)	987
8,018	***9,112***	***Income / loss before tax***	***30,802***	***15,892***	***16,308***
(3,264)	(2,623)	Income tax benefit / (expense)	(7,569)	(2,224)	(4,406)
4,754	***6,489***	***Net income / (loss) for the period***	***23,233***	***13,668***	***11,902***
2,682	1,219	Currency translation adjustments	(8,770)	(23,983)	4,089
2,682	***1,219***	***Other comprehensive income/(loss) for the period (net of tax)***	***(8,770)***	***(23,983)***	***4,089***
7,436	***7,708***	***Total comprehensive income/(loss) for the period***	***14,463***	***(10,315)***	***15,991***

Unaudited condensed statement of financial position (Rio das Contas)

Mar 31, 2012 *Unaudited*	Mar 31, 2013 *Unaudited*	*Amounts in US$ 000*	Dec 31, 2012 *Unaudited*	Dec 31, 2011 *Unaudited*	Dec 31, 2010 *Unaudited*
		Non-current assets			
4,092	3,703	Licenses and exploration assets	3,649	3,975	4,471
94,732	68,570	Production assets and equipment	69,417	93,396	109,663
427	353	Property, furniture, fixtures and office equipment	361	342	444
-	-	Deferred tax assets	-	369	2,263
1,621	3,048	Other non-current assets	2,632	1,348	589
100,872	***75,674***	***Total Non-current assets***	***76,059***	***99,430***	***117,430***
		Current assets			
11,081	12,625	Trade and other receivables	11,256	10,254	17,991
11,667	17,495	Cash and cash equivalents	9,614	16,891	8,159
22,748	***30,120***	***Total current assets***	***20,870***	***27,145***	***26,150***
123,620	***105,794***	***Total Assets***	***96,929***	***126,575***	***143,580***
		Equity			
103,573	93,841	Share capital and other equity	86,132	96,137	107,308
103,573	***93,841***	***Total equity attributable to equity holders***	***86,132***	***96,137***	***107,308***
		Non-current liabilities			
-	-	Non-current interest bearing debt	-	8,368	13,862
1,899	4,767	Deferred tax liabilities	3,802	-	-
12,665	2,904	Other non-current liabilities	2,823	12,665	14,239
14,564	***7,671***	***Total Non-current liabilities***	***6,625***	***21,033***	***28,101***
		Current liabilities			
5,483	4,282	Accounts payable, accruals and other liabilities	4,172	9,405	8,171
5,483	***4,282***	***Total current liabilities***	***4,172***	***9,405***	***8,171***
20,047	***11,953***	***Total Liabilities***	***10,797***	***30,438***	***36,272***
123,620	***105,794***	***Total Equity and Liabilities***	***96,929***	***126,575***	***143,580***

Unaudited condensed statement of changes in equity (Rio das Contas)

	Attributable to equity holders of the parent		
For the three months ended March 31, 2013 *Amounts in US$ 000 – Unaudited*	**Issued capital**	**Reserves**	**Total**
At January 1, 2013	**64,511**	**21,621**	**86,132**
Net profit	-	6,490	6,490
Other comprehensive income/(loss)	-	1,219	1,219
Total comprehensive income/(loss)	-	7,709	7,709
At March 31, 2013	**64,511**	**29,330**	**93,841**

	Attributable to equity holders of the parent		
For the three months ended March 31, 2012 *Amounts in US$ 000 - Unaudited*	**Issued capital**	**Reserves**	**Total**
At January 1, 2012	**64,511**	**31,626**	**96,137**
Net profit	-	4,754	4,754
Other comprehensive income/(loss)	-	2,682	2,682
Total comprehensive income/(loss)	-	7,436	7,436
At March 31, 2012	**64,511**	**39,062**	**103,573**

	Attributable to equity holders of the parent		
For the year ended December 31, 2012 *Amounts in US$ 000 - Unaudited*	**Issued capital**	**Reserves**	**Total**
At January 1, 2012	**64,511**	**31,626**	**96,137**
Net loss	-	23,233	23,233
Other comprehensive income/(loss)	-	(8,770)	(8,770)
Total comprehensive income/(loss)	-	14,463	14,463
Dividends		(24,468)	(24,468)
At December 31, 2012	**64,511**	**21,621**	**86,132**

For the year ended December 31, 2011 *Amounts in US$ 000 - Unaudited*	Attributable to equity holders of the parent Issued capital	Reserves	Total
At January 1, 2011	**65,367**	**41,941**	**107,308**
Net loss	-	13,668	13,668
Other comprehensive income/(loss)	-	(23,983)	(23,983)
Total comprehensive income/(loss)	-	(10,315)	(10,315)
Reduction of share capital	(856)	-	(856)
At December 31, 2011	**64,511**	**31,626**	**96,137**

For the year ended December 31, 2010 *Amounts in US$ 000 - Unaudited*	Attributable to equity holders of the parent Issued capital	Reserves	Total
At January 1, 2010	**31,887**	**11,943**	**43,830**
Net loss	-	11,902	11,902
Other comprehensive income/(loss)	-	4,089	4,089
Total comprehensive income/(loss)	-	15,991	15,991
Increase of share capital (net)	33,480	13,647	47,127
Change of functional currency	-	360	360
At December 31, 2010	**65,367**	**41,941**	**107,308**

Unaudited condensed cash flow statement (Rio das Contas)

Three months ended March 31,			Year ended December 31,		
2012	**2013**	*Amounts in US$ 000*	**2012**	**2011**	**2010**
3,526	8,218	Net cash flows from operating activities	1,811	16,069	23,449
(324)	(337)	Net cash flows from investing activities	(662)	(1,179)	(1,857)
(8,426)	-	Net cash flows from financing activities	(8,426)	(6,158)	(19,814)
(5,224)	7,881	Change in cash and cash equivalents during the period	(7,277)	8,732	1,778
16,891	9,614	Cash and cash equivalents at the beginning of the period	16,891	8,159	6,381
11,667	**17,495**	**Cash and cash equivalents at the end of the period**	**9,614**	**16,891**	**8,159**

4.7.3 Significant change

The Manati field was shut down from April 5, 2013 to April 26, 2013 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, 2013. The shutdown has resulted in reduced revenues of the second quarter 2013, however, no significant change in financial or trading position of the Company is expected as a consequence.

The Company expects strong production for the remainder of the second quarter, with high demand from gas-fired power stations due to low levels in water reservoirs.

5 PRESENTATION OF THE COMPANY FOLLOWING THE TRANSACTION

The following chapter contains information concerning the Remaining Group and thus, unless otherwise stated, presents the Company as it will be following the completion of the Transaction.

5.1 Introduction

Panoro Energy is an independent E&P company focusing on the South Atlantic region. The Company's business activities are exploration, development and production of petroleum resources. Following the Transaction the Company will have licenses in Brazil, Nigeria, Gabon and the Republic of Congo.

5.2 Corporate information

5.2.1 Incorporation, registered office and registration number

Panoro Energy's legal and commercial name is Panoro Energy ASA. The Company was incorporated on 28 April 2009 under the name Startup 387 09 AS but was later renamed to New Brazil Holding AS.

In connection with the Merger and the listing of the Shares on Oslo Børs (described further in section 5.4 – "History and development"), the Company was renamed Panoro Energy ASA on 1 June 2010. The Company is a Norwegian Public Limited Company organized under Norwegian law, including the Norwegian Public Limited Liability Companies' Act. Panoro Energy's registered organization number is 994 051 067.

Panoro Energy's registered office and headquarters is at Dronning Maudsgt. 1-3, 0250 Oslo, Norway (telephone number: +47 2301 1000).

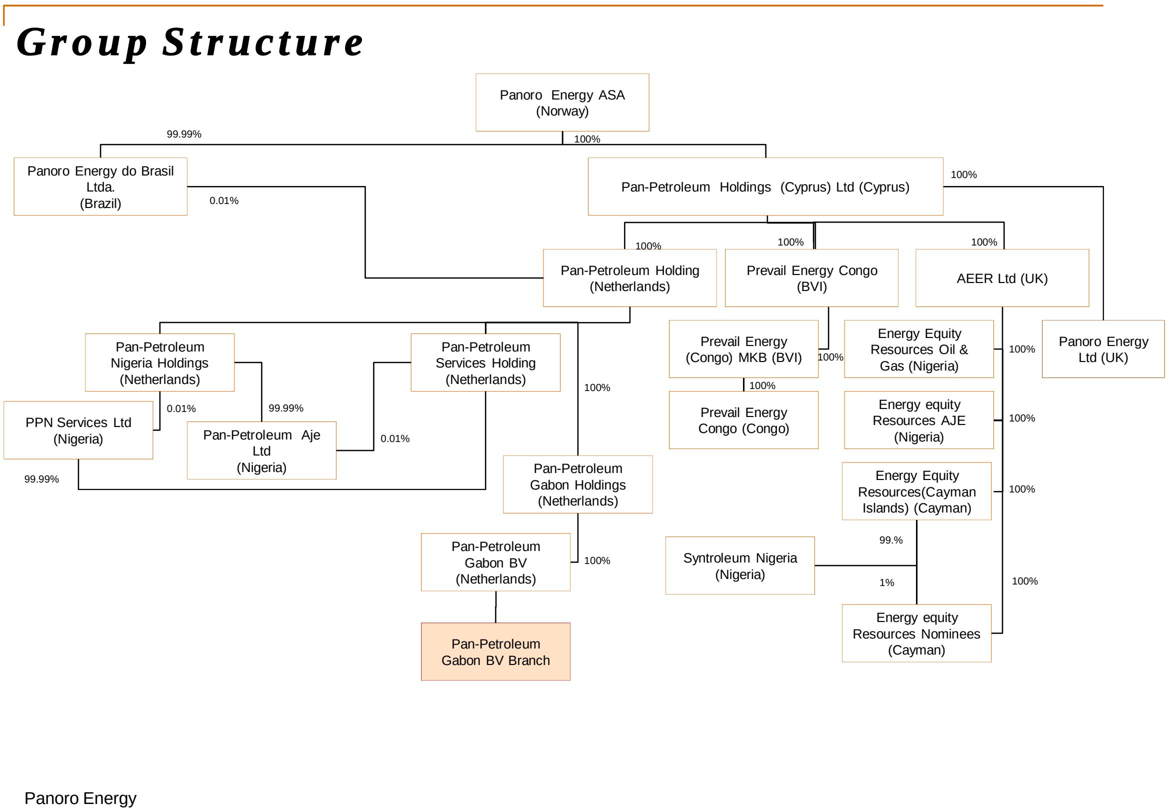
5.2.2 *History of share capital*

Below is a table showing the development in the number of Shares and the share capital of Panoro Energy since incorporation on 6 May 2009 until the date of the Information Memorandum (all figures in NOK).

Date	Type of change	Change in share capital	Subscription price	Total issued share capital	Nr. of Shares
6 May 2009	Incorporation	100 000,00	1 000,00	100 000,00	100
7 January 2010	Capital increase	900 000,00	1 000,00	1 000 000,00	1 000
8 June 2010	Capital reduction pre demerger	(1 000 000,00)			
8 June 2010	Capital increase	90 692 854,88	12,60	90 692 854,88	62 098 328
29 June 2010	Capital increase (completion of merger)	148 747 228,37	12,60	239 440 083,25	163 947 081
15 February 2011	Capital increase (private placement) – tranche 1	23 944 008,18	7,80	263 384 091,43	180 341 789
9 March 2011	Capital increase (private placement) – tranche 2	79 019 251,47	7,80	342 403 342,90	234 447 081
30 March 2011	Capital increase (subsequent repair offering)	144 155,87	7,80	342 547 498,77	234 545 786

5.3 Legal structure

The legal structure of Panoro Energy is illustrated below assuming the completion of divestment of Rio das Contas:



Panoro Energy generally acts as a holding company with operations to manage the group and provide funding to material subsidiaries.

The Company's material subsidiary following the Transaction is Pan-Petroleum Holdings (Cyprus) Ltd, which is the holding company of the Remaining Group's West African operations.

5.4 History and development

In 2005, the two companies Northern Oil ASA and NaturGass (USA) AS merged and changed its name to Norse Energy Corp. ASA (**"Norse Energy"**). On 13 July 2005 Norse Energy was listed on the Oslo Stock Exchange under the ticker symbol "NEC".

At a general meeting in Norse Energy on 28 January 2010 it was resolved that Norse Energy should be divided into two parts, where ownership of Norse Energy's mainland business (i.e., the business in the US and its associated assets) was to be retained by Norse Energy while the ownership of the business in Brazil through Norse Energy do Brasil S.A. and its associated assets were to be transferred to Panoro Energy (the **"Demerger"**).

The Demerger and the separation of the two business areas of Norse Energy and the separate listing of Panoro Energy was assumed to optimise the capital structure and provide considerable growth potential in the respective markets. The Demerger was completed on 7 June 2010 and Panoro Energy was assumed for listing on Oslo Børs on 8 June 2010. Through the Demerger Panoro Energy acquired, among other things, 70% of the shares in Norse Energy do Brasil S.A ("**NEdB**").

At an extraordinary general meeting of the Company on 26 April 2010, a merger between the Company and Pan-Petroleum Holding AS (**"Pan Holding"**) was approved (the **"Merger"**). The objective of the Merger was to create a significant E&P company with organizations and assets that are complementary and which jointly should enable superior performance. The Merger was completed on 29 June 2010 with Pan Holding as the assigning entity and Panoro Energy as the acquiring entity. Through the Merger, Panoro Energy acquired 100% of the shares in Pan Group and the 30% of the shares in NEdB not already owned by the Company.

In March 2011 Panoro Energy undertook a successful private placement and subsequent offering.

During 2011, the Company's asset base and capital structure were significantly strengthened through the issue of new equity of approximately US$ 93.1 million (net of cost) in connection with a private placement and repair issue (directed at Norwegian and international institutional investors).

5.5 Business overview

5.5.1 Principal markets, operations and activities 2010-2012

Panoro Energy's business, operations and principal activities for the three last financial years, are described in the following paragraphs.

Since the merger with Pan Petroleum in 2010 Panoro Energy has operated in two business segments being the exploration and production of oil and gas, which is split by geographic areas for management purposes with the two regions being West Africa and Brazil.

The West African segment holds the following assets:

- The Dussafu Marin license offshore Gabon where the Company has a 33.33% working interest

- The OML 113 – Aje license offshore Nigeria where the Company has a 6.502% participation interest (12.5% revenue interest)

- The Mengo-Kunji-Bundi permit onshore Congo where the Company has a 20% working interest

The Brazilian segment holds the following assets:

- The BCAM-40 license offshore Brazil where the Company has a 10% working interest. This license is held by Panoro Energy’s subsidiary Rio das Contas which is being divested.

- The BS-3 project which consists of Cavalo Marinho license where the Company has a 50% working interest, Estrela do Mar license where the Company has a 65% working interest and, Coral license where the Company has a 35% working interest.

- BM-S-63, BM-S-71 & BM-S-72 exploration licenses offshore Brazil which were awarded to the Company in the 9th bidding round in 2007. These licenses were abandoned and relinquished in 2013 following an unsuccessful drilling campaign.

In Brazil the Company's only production comes from the Manati field which will be divested in this Transaction. The Manati field came into production in January 2007 and produces natural gas and condensate. The gas and the condensate is sold to Petrobras on long term contracts.

Our asset in Congo, the Mengo-Kunji-Bundi field is under test production. As long as the field is under test production proceeds from the produced oil is offset against operating costs.

None of the other assets in the Company's portfolio has production.

The Company currently sells all the natural gas and condensate (Manati field Brazil) to one buyer, Petrobras. An overview of the net sales (including other income) is provided in the table below:

Year	**Period**	**Revenue (US$ 000)**
2012	Full year	46,830
2011	Full year	36,617
2010	Full year	44,354

The net sales for the Company for the years 2012, 2011 and 2010 have been extracted from the Panoro Energy ASA Annual Reports – Brazil E&P segment figures for these years (see section 7 "Unaudited pro forma financial information for the company".

Operating Segments of Panoro Energy

The Company operated predominantly in two business segments 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.

An overview of net sales by geographic area is provided in the table below (in US$ 000):

US$ 000		**Gas and condensate**	**Other income**	**Total**
Brazil				
	2012	45,939	891	46,830
	2011	34,897	-	34,897
	2010	44,103	251	44,354
West Africa				
	2012	-	-	-
	2011	-	1,720	1,720
	2010	-	-	-
Consolidated				
	2012	45,939	891	46,830
	2011	34,897	1,720	36,617
	2010	44,103	251	44,354

Other income has been derived from settlement of certain historical liabilities.

5.5.2 Principal markets and the business of the Remaining Group post completion of the Transaction

Following the completion of the Transaction the Company will be involved in the following four areas:

Mengo-Kunji-Bundi – Republic of Congo

The Company has a 20% interest in the onshore Mengo-Kunji-Bindi (**"MKB"**) permit includes three fields with potentially very large STOIIP, but low recovery from the pre-salt Mengo Sandstone reservoirs. The fields were discovered and produced in the 1980's by Elf and abandoned in 1992. The oil is 32° API and waxy.

The Congolese state oil company Société Nationale des Pétroles du Congo (**"SNPC"**) is the operator of the MKB Permit with Société Nationale d'Opérations Pétrolières de Côte d'Ivoire (**"PetroCI"**) holding another 20% interest. SNPC drilled two new wells in 2009 in the Kundji field. These were hydraulically fractured and put on a long term test in 2010 to demonstrate the viability of a redevelopment project.

A six well pilot program was commenced in September 2011. Of these wells the KUN-204, KUN-205 and KUN-206 wells were drilled and logged during 2012. The KUN-204 well, drilled 640 metres northeast of platform 200, encountered a 158 metre oil column with 49 metres of net pay. The KUN-205 well, drilled 950 metres north by north west of platform 200, encountered a 133 metre oil column with 46 metres of net pay, and the KUN-206 well, drilled 1400 metres southeast of platform 200, encountered a 101 metre oil column with 19 metres of net pay. These wells were completed and tested, before commingled production started.

KUN-201, KUN-202 and KUN-203 commenced commingled production during May 2012. Gross production from KUN-4bis, KUN- 5, KUN-201, KUN-202 and KUN-203 amounted to approximately 70,000 barrels in the first quarter 2013, compared with production of approximately 33,000 barrels in the third quarter 2012. The produced oil was exported by road tanker to the CORAF refinery near Pointe Noire.

The well results have improved the confidence in the reservoir distribution model for the Kundji field and increased the Company's oil-in-place assessment compared with pre-drill estimates.

As previously communicated in the 1Q 2013 report , Panoro has decided to exit the MKB field and the divestment process is ongoing.

OML 113 Aje Field – Nigeria

Panoro Energy has a 12.19% revenue interest (6.502% participating interest and 16.255% paying interest) in the OML 113 license, which is operated by Yinka Folawiyo Petroleum (**"YFP"**) and is located in the extreme western part of offshore Nigeria. The license contains the Aje field as well as a number of exploration prospects.

Aje field was discovered in 1997, in water depths ranging from 100 -1,500 meters. Unlike the majority of Nigerian fields which are Tertiary sandstones, Aje has multiple oil and gas condensate reservoirs in the Turonian, Cenomanian and Albian sandstones and is geologically in the same West Africa Transform Margin, a play in which recent discoveries have been made on both sides of the Atlantic.

Four wells have been drilled to date on the Aje field. Aje-1 and -2 tested oil and gas condensate at high rates. Aje-4, drilled in early 2008, logged significant pay and confirmed the presence of four productive reservoirs. The Aje field has full 3D seismic coverage.

The OML 113 partners are continuing to evaluate options for development of the Aje field. Ongoing technical work, including reviews of the seismic mapping, the four previously drilled wells and oil development concepts will be reviewed at a series of meetings over coming months and this work could lead to a well in 2013 or 2014 with the primary objective being the appraisal of the Cenomanian oil reservoir.

The Aje field development is being managed by Chevron, as Technical Advisor to Nigerian operator Yinka Folawaiyo Petroleum. One gas sales opportunity that may be available to the partnership is via access to the West Africa Gas Pipeline (**"WAGP"**). The WAGP was commissioned in May 2009 to provide Nigerian gas to end-users in Benin, Togo and Ghana, and is routed directly through OML 113, only 5 km from the Aje field. Alternatively, the location of the Aje field only 43 km south west of Lagos may also provide a ready market for gas and associated LPG.

Various development concepts have been evaluated but progress towards a development decision has been slow, mainly because of delays in securing a commercially viable gas sales contract through the West Africa Gas Pipeline.

On June 12, 2013 the Company announced that its wholly-owned subsidiary Pan Petroleum Aje Limited had agreed in principle the terms of sale with an undisclosed buyer for its 6.502 % participating interest in the OML 113 license, which includes the Aje field, for a total consideration of USD 30 million to be paid in cash upon closing. Execution of the agreement will take place subject to waiver of pre-emption rights held by the other partners to the joint operating agreement.

The transaction with effective date of Jan 1, 2013 comprises a divestment of the Company's total interest in the OML 113 license. Under the joint operating agreement the existing partners have a 30 days pre -emption period which started May 17, 2013 after which a sale and purchase agreement with the buyer is expected to be executed if the existing partners do not exercise their pre-emptive rights.

The closing of the transaction will depend on certain customary conditions.

Dussafu Marin – Gabon

Covering an area of 2,775 square kilometers, most of the Harvest Natural Resources operated block lies in less than 200 meters of water and has been explored since the 1970s. A total of 20 wells have been drilled on the block to date, of which five have been discoveries (4 oil and 1 gas) and oil shows are present in most other wells. To the north west of the block is the Etame-Ebouri trend, a collection of fields producing from the pre-salt Gamba sandstone, and to the north are the Lucina and M'Bya fields which produce from the syn-rift Dentale and Lucina sandstones beneath the Gamba.

The Company has a 33% interest in the Dussafu Marin Permit. The Dussafu Ruche Marine-1 ("**DRM-1**") well commenced drilling on April 28, 2011 with the Transocean Sedneth 701 semisubmersible drilling rig. The well was designed to test the potential of the pre-salt Gamba and Dentale formations, and approximately 19 meters of pay was discovered in a 28 meter oil column within the Gamba and 10 meters of pay in the Middle Dentale formation. The well reached a TD of 3,463 meters vertical depth. In a sidetrack drilled 1.2 kilometers to the southwest of DRM-1 a further 6 meters of net pay was found in a 15 meter oil column in the Gamba.

In a second sidetrack drilled 890 meters northwest of DRM-1, Panoro Energy discovered 12 meters of net pay in a 21 meter oil column. Following completion of drilling operations in the second sidetrack the well was suspended for potential reuse in the future. The well results show that the Gamba reservoir has average porosities around 18-20%, water saturation of 35% and good oil mobility with a probable oil water contact at 2,815 meters vertical depth. Initial indications are that the oil in place volume for the Gamba reservoir is around 30-40 MMbbls, with estimated recoverable volumes of around 11 million barrels (100%).

The Ruche drilling results provided valuable new information on reservoir quality, charge and trapping mechanisms in the Dussafu pre-salt plays. These results have also demonstrated a working petroleum system beneath the outer Atlantic hinge line in the Gabon Basin, which is further offshore than any previous presalt discoveries in the area. This has positive implications for the prospectivity of the remainder of the block.

The wildcat well Dussafu Tortue Marin-1 (DTM-1) was spudded on November 19, 2012 on the Dussafu Marin Permit, using the Saipem S.p.A's Scarabeo 3 semi-submersible drilling unit in 118 meters of water. The prospect lies 15 km southeast of the Ruche discovery made in 2011. The main targets were the pre-salt Gamba and Dentale reservoirs with the post-salt Madiela reservoir forming a secondary target. After the end of the fourth quarter 2012 Panoro Energy announced that the well had reached a terminal depth of 3,432 meters. Log evaluation and pressure data indicated that Panoro Energy has discovered approximately 13 meters of pay in a 22 meter oil column within the Gamba Formation, and 38 meters of pay within stacked reservoirs within the Dentale Formation.

The Tortue oil discovery was appraised by drilling a sidetrack (DTM-1ST1) to the southwest to test the lateral extent and structural elevation of both the Gamba and Dentale reservoirs. The sidetrack was drilled to a Total Depth (TD) in the Dentale of 3,470 meters, (3,289 meters True Vertical Depth Subsea (TVDSS) approximately 550 meters from the original wellbore and found 20 meters of oil pay in the primary Dentale reservoir with better reservoir character and an apparent similar fluid level to that encountered in the vertical well, DTM-1. In addition several other stacked sands with oil shows were encountered, however due to a stuck downhole tool, logging operations in the sidetrack were terminated early before pressure data could be collected to confirm connectivity.
The well was suspended pending future appraisal and development activities, and the rig demobilized and released due to expiry of the rig contract.

Reservoir and conceptual engineering studies are ongoing with the aim of evaluating the commerciality of the discovered oil in the Gamba and Dentale reservoirs at Tortue, as well as Panoro's previous Ruche oil discovery and the nearby Walt Whitman and Moubenga oil discoveries to determine the optimum development options for the block.

The addition of the Tortue oil discovery extends the proven fairway for stacked pre-salt reservoirs and has demonstrated the exploration potential for the outboard part of the Dussafu license.

BS-3 – Brazil

Panoro Energy defines the BS-3 Integrated Project as including the Cavalo Marinho (50% interest), Estrela do Mar (65% interest), Coral re-development (35% interest), Caravela and Tubarão (100% Petrobras) fields and a gas export system.

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 a temporary suspension of the time allowed to submit development plans. This allows for further evaluation and potentially alternative solutions to the major issues.

Meanwhile the Company is preparing for a divestment / farm-out campaign on the BS-3 assets which will be initiated after further negotiations with partners and ANP.

5.6 Trend information and description of significant change in the financial or trading position

Average gas production from Manati field was 6.6 MMm3/day in the first quarter (4,140 BOE/day net to Panoro Energy), resulting in sales of 3,955 BOE/day. In comparison sales for 4Q 2012 were 3,668 BOE/day net to Panoro Energy).

The Manati field was shut down from April 5, 2013 to April 26, 2013 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, 2013. The shutdown has resulted in reduced revenues of the second quarter 2013, however, no significant change in financial or trading position of the Group is expected as a consequence.

The Company expects strong production for the remainder of the second quarter, with high demand from gas-fired power stations due to low levels in water reservoirs. There has been no significant change in the financial or trading position of the group since the interim financial report of March 31, 2013.

5.7 Patents and licenses

5.7.1 Licenses

In order to operate in Brazil and West Africa, the Company is dependent on certain exploration and production licenses. The Remaining Group will hold interests in the following licenses:

License	Country	Interest
Cavalo Marinho	Brazil	50%
Estrela do Mar	Brazil	65%
Coral re-development	Brazil	35%
Caravela and Tubarão	Brazil	100% Petrobras
Dussafu Marin (Gabon)	Gabon	33.33%
OML 113 Aje Field (Nigeria)	Nigeria	12.1913% revenue interest 6.502% participating interest
Mengo-Kunji-Bundi (MKB license)	Republic of Congo	20%

See section 5.5.2 – "Principal markets and the business of the Remaining Group post completion of the Transaction" for more information in respect of the three licenses.

5.7.2 Patents

The Remaining Group holds no patents.

5.8 Board of directors and Management

5.8.1 Overview – Board of directors

The Board is responsible for administering the Company's affairs and for ensuring that the Company's operations are organized in a satisfactory manner.

The following table sets forth, as at the date of this Information Memorandum, the number of options and shares beneficially owned by each of the Company's directors[1]:

[1] Includes both direct and indirect ownership

Name	Position	Served since	Expiry of term	Options held	Shares held
Dr. Philip A Vingoe	Chairman	July 2010	AGM 2014	375,000	1,439,669
Silje Christine Augustson	Board member	May 2012	AGM 2014	0	0
Isabel da Silva Ramos	Board member	May 2012	AGM 2014	0	0
Dr. George Edward Watkins	Board member	November 2012	AGM 2014	0	0
Endre Ording Sund	Board member	November 2012	AGM 2014	0	0

5.8.2 Description of the Board members

The Company's Board of Directors consists of the following members:

Dr. Phillip A Vingoe – Chairman of the Board

Dr. Vingoe has nearly forty years of oil and gas experience, commencing in the technical arena and progressing to executive leadership. His responsibilities have included the management of assets and people in the UK, USA, Norway, Australia, South Africa, UAE, Egypt, Qatar, Pakistan, Oman, Thailand, Laos, Indonesia, Mozambique, Congo, Gabon, Nigeria and Equatorial Guinea, as well as wide ranging global responsibilities with various companies. During 18 years with BP, Dr. Vingoe held a number of positions, ranging from interpreting geophysicist, through General Management of various multi-disciplinary teams to Technology Director. In 1995, he moved to Australia to co-lead the IPO of an Australian independent, Novus Petroleum. Over the ensuing five years, the Company acquired a portfolio of assets across Asia, Africa and the Middle East. In 2000, he took up the role of Managing Director of Sasol Petroleum International (SPI) based initially in Johannesburg. In 2005, he joined Energy Equity Resources where he directed all the exploration and appraisal activity as well as communicating with investors and raising investment capital. During 2005 and 2006, he was also a Non-Executive Director of the Canadian-listed company Pan-Ocean Energy Corporation Ltd. Pan-Ocean was sold to Addax for CAD 1.5 billion in September 2006. He resigned from EER in November 2007 in order to lead the creation of Pan-Petroleum and was instrumental in the merger and creation of Panoro Energy. Dr. Vingoe is also a Non Executive Director of AIM listed Valiant Petroleum plc (recently the subject of a successful acquisition by Ithaca Energy) and Petro Matad Limited. Dr. Vingoe is a UK citizen and resides in London, UK.

Dr. Vingoe has a business address at c/o Panoro Energy Ltd., 43-45 Portman Square, London W1H 6LY, United Kingdom.

Endre Ording Sund, Non-Executive Director

Mr. Sund is working as an independent advisor in the finance and E&P sector and has a wide spanning career over more than 35 years in the oil, energy and finance sector. This includes positions in Chevron Texaco and as CEO/Chairman (11 years) in the A Wilhelmsen Group and the listed Awilco Offshore/Shipping. He later joined SEB Enskilda ASA as a Director of Corporate Finance, being responsible for energy and shipping related business and thereafter as partner in Sector Asset Management. In 2002, he was instrumental in the establishment of the venture capital firm Energy Ventures and served as a chairman there for 5 years. He has also served on various other boards, including Petroleum Geo Services (PGS), Kenor ASA, the Norwegian Shareholders Association, the Norwegian Shipowners Association and the Golar Nor group of companies. He has broad international Board experience as Chairman /Board member in various shipping, offshore, finance and E&P companies. His Board memberships today include Ferd AS, Canamens Limited, Vertech Offshore AS and Melberg Partners. Sund is educated from the Royal Naval Academy, the Norwegian School of

Economy and finance (BI) and Harvard Business School (PMD). Mr. Sund is a Norwegian citizen and resides in Norway.

Mr. Sund has a business address at c/o Panoro Energy ASA., Dr. Maudsgate 1-3, 0250 Oslo, Norway.

Silje Christine Augustson, Non-Executive Director

Ms. Augustson has significant experience from the capital markets and the financial services industry mainly working out of London. Her experience spans from roles within equity sales and research in investment banking, to business development, strategy and investor capital fundraising in the alternative asset management industry. Since 2004, she has held several board directorships in the area of fund management participating in fund restructuring situations as well taking lead roles in activist investor campaigns. Ms. Augustson has held positions with JP Morgan, The Brunswick Group, Theorema Asset Management, Belay Asset Management and is currently consulting through Peak Alliance Group Limited, a firm she founded in 2005. She is on the board of the Storm Nordic Fund, the Storm Bond Fund and SurfSide Holding AS. She holds a Deug in Economics from the University of Toulouse UT1 (1996), and a Master in European Management/Diplome de Grande Ecole from ESCP-EAP (1999). Ms. Augustson is a Norwegian citizen and resides in Valais, Switzerland.

Ms. Augustson has a business address at c/o Panoro Energy ASA., Dr. Maudsgate 1-3, 0250 Oslo, Norway.

Isabel da Silva Ramos

Ms Ramos has over sixteen years of experience in project valuation, stocks selection and portfolio managing. She began her career with Opportunity Asset Management in 1996 where she became Head of Research. Isabel then was part of the research teams with Securinvest Administradora de Recursos and JGP Gestão de Recursos (2008), where she was responsible for stock picking of different sectors such as utilities, steel, oil and gas, retail and telecommunications. As from 2010, Isabel is part of the team of Nova Investimentos, which is a private equity fund that invests in the electricity generation business. Isabel was a board member with the listed Brazilian companies Contax (telecom), Eletrobras and Cesp (utilities). Isabel is a post graduate in Finance and also has a Bachelor degree in Civil Engineering. She is a Brazilian citizen and resides in Rio de Janeiro, Brazil.

Ms. Ramos Kemmelmeier has a business address at c/o Panoro Energy do Brasil Ltda., Praia de Botafogo, 228, Sala 801 Botafogo – Rio de Janeiro, Brazil 22250-906.

Dr. George Edward Watkins CBE, non-executive Director

Mr. Watkins holds a BSc in Mining, a PhD in Geophysics and an MSc in Management as well as an honorary degree of Doctor of Engineering DEng from Heriot Watt University. He has nearly 45 years' experience in the oil and gas industry. Dr Watkins began his career with Shell as a geophysicist in the Netherlands and Australia before moving to Conoco. He worked for Conoco for the next 30 years, starting as a geophysicist in the UK and then as Vice President Exploration and Production, North America. From 1993 until 2002 he was Chairman and Managing Director of Conoco UK Ltd. For the last 10 years, he has held a number of non-executive directorships at companies including Paladin Resources plc, Abbot Group plc, Production Services Network (PSN) Ltd and the Defence Procurement Agency. He is currently chairman of Petro Matad Limited, an AIM listed company operating in Mongolia, and a governor of the Robert Gordon University in Aberdeen. He was made CBE in 2000 for services to the UK oil and gas industry. Dr. Watkins is a UK Citizen and resides in the UK.

Mr. Watkins has a business address at c/o Panoro Energy Ltd., 43-45 Portman Square, London W1H 6LY, United Kingdom.

On June 13, 2013 the nomination committee of the Company announced their proposal for the board election to be held in the Company's annual general meeting on June 20, 2013. The nomination committee has proposed that Mr. Sund replaces Dr. Vingoe as chairman, as Dr. Vingoe has notified the committee that he wishes to resign. In addition, the committee has received notification of resignation from the Board from Ms. Ramos, and has proposed that the general meeting appoints Tone Kristin Omstedt for a period of two years to replace her.

Tone K. Omsted has significant corporate finance experience after 14 years within Investment Banking in SEB Enskilda. She has been involved in a large number of IPOs, capital market and M&A transactions within several industries. She is currently working as an independent advisor in Entra Eiendom within Investment Management and Investor Relations. Tone holds a BA (Hons) degree in Finance from University of Strathclyde.

If the proposal by the nomination committee is adopted by the general meeting, the new composition of the Board will be as follows:

• Endre Ording Sund (Chairman)
• Dr. George Edward Watkins
• Silje Christine Augustson
• Tone Kristin Omstedt

5.8.3 Overview – Management

The senior management is responsible for the daily management and the operations of the Company.

The following table sets forth, as at the date of this Information Memorandum, the number of options and shares beneficially owned by each of the Company's senior managers[2]:

Name	Position	Served since	Options held	Shares held
Jan Kielland	CEO	August 2012	1,500,000	0
Anders Kapstad	CFO and Country Manager Brazil	August 2005	1,000,000	60,850
Nishant Dighe	President Africa	December 2007	1,000,000	1,309,669
Mark Scarbrough	President Development and Production	March 2010	650,000	25,095

5.8.4 Description of the management team

The Company's management consists of the following members:

Jan Kielland, Chief Executive Officer

Mr. Kielland joined Panoro Energy in August 2012. He has over thirty years of experience working with oil and gas companies. Mr. Kielland has a broad experience base ranging from starting as a Petrophysical Engineer with Shell International Petroleum Maatschappij to management and board positions within SAGA Petroleum ASA. Mr. Kielland has held senior positions with Saga Petroleum ASA, DNO ASA, Lundin Petroleum and Sector Asset Management. During this time with Sector, he was elected as Chairman of the Board of EER Oil & Gas Limited from 2008 to 2009 and Pan Petroleum (Holding) Cyprus Limited from 2008 to 2010. In 2011, Mr. Kielland joined Canamens Limited as their CEO, being instrumental in the sale of their North Sea assets. Mr. Kielland has his MSc in Petroleum Engineering. He is a Norwegian citizen and resides in Oslo, Norway.

[2] Includes both direct and indirect ownership

Mr. Kielland has a business address at c/o Panoro Energy ASA., Dr. Maudsgate 1-3, 0250 Oslo, Norway

Anders Kapstad, Chief Financial Officer and Country Manager Brazil

Mr. Kapstad joined Norse Energy Corp in August 2005. Mr. Kapstad holds a Bachelor of Science degree from the University of San Francisco and an MBA from SDA Bocconi in Milan, Italy. Mr. Kapstad has 15 years of investment banking experience, holding positions within equity sales, portfolio management, private banking and corporate finance. He continued as CFO of Panoro Energy ASA after divestment from Norse Energy and merger with Pan Petroleum in 2010. Mr. Kapstad is a Norwegian citizen and resides in Rio de Janeiro, Brazil.

Mr. Kapstad has a business address at c/o Panoro Energy do Brasil Ltda., Praia de Botafogo, 228, Sala 801 Botafogo – Rio de Janeiro, Brazil.

Nishant Dighe, President Africa

Mr. Dighe obtained a first class Master of Engineering degree in Chemical Engineering from Imperial College, University of London, a Master of Science degree in Petroleum Engineering also from Imperial College, and an MBA from Warwick University. Mr. Dighe held positions in Mobil and later ExxonMobil in the UK and US on assets located in Europe, US, Middle East and Africa. Following his MBA, Mr. Dighe joined Marakon Associates, a value-based management consultancy, gaining experience in a number of different sectors. In 2002, Mr. Dighe re-joined the E&P sector working as a consultant to Sasol Petroleum International. In 2005, Mr. Dighe joined Energy Equity Resources, as Vice President – Technical and Commercial, and in late 2007 Mr. Dighe co-founded Pan-Petroleum which ultimately merged with Norse Energy’s assets in Brazil to create Panoro Energy. Mr. Dighe is a British citizen and resides in London, UK.

Mr. Dighe has a business address at c/o Panoro Energy Ltd., 43-45 Portman Square, London W1H 6LY, United Kingdom.

Mark Scarbrough, President Development and Production

Mr. Scarbrough has over 30 years of varied upstream oil and gas experience, having held positions in major and independent operators, including Exxon, Shell and El Paso. His broad experience in both onshore and offshore environments includes positions in reservoir, production, drilling, completions and management. Mr. Scarbrough holds a BSc in Engineering from the University of Texas at El Paso. In addition to native English, he is fluent in Portuguese, Spanish and French. Mr. Scarbrough joined the Company in early 2010. Mr. Scarbrough is a United States citizen and resides in Rio de Janeiro, Brazil.

Mr. Scarbrough has a business address at c/o Panoro Energy do Brasil Ltda., Praia de Botafogo, 228, Sala 801 Botafogo – Rio de Janeiro, Brazil.

5.8.5 Information regarding service contracts

None of the members of the Board has service contracts with the Company or any of its subsidiaries providing for benefits upon termination of employment:

The employment contracts for three of the members of the executive management does, in line with normal industry practice, provide 12 months of salary upon termination or change of control.

5.9 Corporate Governance

The principle behind good corporate governance is to establish and maintain a strong, sustainable and competitive company in the best interest of the shareholders, employees, business associates, third parties and society at large.

The Board acknowledges the Norwegian Code of Practice for Corporate Governance of 23 October 2012 (the **"Code"**), and the principle of comply or explain. The Board has implemented the Code and will use its guidelines as the basis for the Board's governance duties.

As of the date of this Information Memorandum, the Company is in compliance with the Code with the following qualification:

The Code section 7 – Nomination Committee

In November 2012 one of the members of the committee was elected onto the Board of the Company. Half the members of the committee were thereby no longer independent from the Board. This situation does not represent a breach of statutory Norwegian law, but is not in line with the recommendations set out in Section 7 of the Code. To ensure the future independence of the nomination committee the Company will re-establish the independence of the Committee at the date of the next general meeting of the Company to be held on June 20, 2013 in which election of supplementary members to the nomination committee is on the agenda.

The Code section 11 – Remuneration of the Board of Directors

The chairman of the Board, Dr. Philip A. Vingoe, was in 2010 granted 375,000 share options in the Company. Dr. Vingoe is the previous CEO of Pan Petroleum, the company which Panoro Energy merged with in 2010. The share options were granted as recognition for the special contribution made by Dr. Vingoe for his time, work and dedication, and because of the likely high demands on him pre-merger.

Members of the Board generally do not take on specific assignments for the Company in addition to their appointment as a member of the Board..

5.10 Legal and arbitration proceedings

The Company has from time to time been involved in disputes in the ordinary course of its business activities. Below is a description of the claims which are currently ongoing or pending, or that have been completed within the last 12 months. A vast majority of the claims are covered by insurance. Thus, in the event the final outcome of an ongoing dispute should be that the Company must pay all claims, Panoro Energy's financial position or profitability would be scarcely affected.

Other than those listed below, the Company is not aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened), which may have, or have had during the last twelve months, significant effects on the Group's financial position or profitability.

Panoro Energy do Brasil, former Norse Energy do Brasil, is a party in a lawsuit filed by the Municipality of Cairu-Bahia, against ANP – Brazilian Petroleum Agency, Petrobras, Queiroz Galvão Óleo & Gas and Brasoil Manati Exploração Petrolífera, June, 2008. The Municipality of Cairu is demanding that the concession agreement is declared invalid and that the royalty is increased from the current rate of 7.5% to 10%. In addition the municipality claims that the difference of 2.5% is paid with retroactive effect from the start-up date. The legal advisors in the process evaluate the risk of financial liabilities associated with this lawsuit as remote. No accrual has been made related to this issue.

The Association of Petrobras Engineers ("**AEPET**") filed a lawsuit against The Brazilian Petroleum Agency (ANP) and all companies that bid on concessions in the ANP 3rd Round. The purpose of this lawsuit was to annul the 3rd Bid Round as well as all the concession contracts signed as a result of this bid round. Since Rio das Contas acquired the concessions in BM-CAL 5 & 6 that was granted to Petroserv in this bid round, Panoro Energy was summoned to reply to the lawsuit. Panoro Energy evaluates the risk related to this lawsuit to be remote as the arguments used to annul the 3rd Bid Round and signed concession contracts are inconsistent, and are against previous jurisprudences of the Court of the State of Rio de Janeiro. No accrual has been made related to this lawsuit.

Rio das Contas is a party in two lawsuits filed by the Fishermen Association in the Manati Project region demanding indemnification for environmental damages as a result of alleged non-implementation of the compensatory measures established on the Environmental studies and reports part of the Environmental Licensing Process. There was a subsidiary request for an injunction to suspend the activities of implementation of the platform, pipeline and all infrastructure related to the project, which was not granted by the Court. Panoro Energy evaluates the risk associated with this law suit as remote since the basic argument is that the implementation of the Manati project has caused environmental damages, but throughout the petition there was no indication of a concrete damage. The issuance of the IBAMA Operation License further strengthens Panoro Energy's case. No accrual has been made related to these lawsuits. These two lawsuits were filed in 2007 and 2008 and will follow Rio das Contas. The risk of loss is considered remote and unlikely to affect the Transaction in any way.

5.11 Interest in voting rights

The following shareholders are as per June 13, 2013 registered in the VPS as the largest owners of the issued share capital of Panoro Energy as at the date of this Information Memorandum. Panoro Energy is not aware of any other person with an interest in voting rights which is notifiable under Norwegian law.

Number of shares	Interest	Name	Account type	Nationality
22 770 225	9,71	Goldman Sachs Intern SECURITY CLIENT SEGR	NOM	GBR
10 377 551	4,42	VARMA MUTUAL PENSION COMPANY		FIN
10 187 252	4,34	EUROCLEAR BANK S.A./ 25% CLIENTS	NOM	BEL
7 835 087	3,34	KLP AKSJE NORGE VPF		NOR
7 354 228	3,14	The Bank of New York BNYM SA/NV - BNY GCM	NOM	DEU
6 809 861	2,90	Goldman Sachs & Co E GOLDMAN SACHS & CO -	NOM	USA
5 714 720	2,44	STOREBRAND VEKST JPMORGAN EUROPE LTD,		NOR
5 653 635	2,41	J.P. MORGAN BANK LUX S/A LUXEMBOURG MUTUA	NOM	LUX
5 470 000	2,33	Deutsche WertpapierS S/A CUSTOMERS ACCOUN	NOM	DEU
5 417 481	2,31	KOMMUNAL LANDSPENSJO		NOR
4 940 000	2,11	VERDIPAPIRFONDET DNB		NOR
3 984 169	1,70	GOLDMAN SACHS INT. - SECURITY CLEARANCE		GBR
3 815 000	1,63	JP Morgan Chase Bank HANDELSBANKEN NORDIC	NOM	SWE
3 696 091	1,58	JPMORGAN CHASE BANK NORDEA TREATY ACCOUN	NOM	GBR
3 613 960	1,54	MP PENSJON PK		NOR
3 377 336	1,44	STOREBRAND OPTIMA NO JPMORGAN EUROPE LTD,		NOR
3 244 003	1,38	ORAKEL ODDSCONSULT A		NOR
3 030 180	1,29	UBS AG S/A IPB SEGREGATED C	NOM	GBR
2 778 373	1,18	JPMORGAN CLEARING CO A/C CLEARING ACCOUNT	NOM	USA
2 750 000	1,17	TEIGEN OLE KETIL		NOR
122.819.152	**52,36**			

Panoro Energy's largest shareholder are sub-funds of Sector Umbrella Trust, a trust established under the laws of Ireland, acting through and managed by Sector Omega ASA pursuant to an investment management agreement between Sector Asset Management Ltd, as Managers of Sector Umbrella Trust, and Sector Omega ASA (hereinafter referred to as **"Sector"**). On a consolidated basis, Sector controls 9.43 % of the share capital of Panoro Energy.[3]

In accordance with the disclosure obligations under the Norwegian Securities Trading Act, shareholders acquiring ownership of, or control over, 5% or more of the share capital of a company listed on Oslo Børs must notify Oslo Børs immediately.

All Shares carry equal voting rights and the major shareholders in Panoro Energy do not have different voting rights.

The Company is not aware of any arrangements that may result in, prevent or restrict a change of control of the Company.

[3] According to disclosure made on www.newsweb.no on December 20, 2012

5.12 Material contracts

Aside from the SPA, the Company, or any of its subsidiaries, has not for the two years immediately preceding the date of this Information Memorandum, entered into any material contract, other than contracts entered into in the ordinary course of business.

Neither the Company, nor any other member of the Group, have further entered into any other contract (not being a contract entered into in the ordinary course of business) which contains any provision under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of the Information Memorandum.

5.13 Continued listing

The Company expects that its shares, following completion of the Transaction, will continue to be traded on Oslo Børs. On May 23 2013, the Company submitted a review report to Oslo Børs related to the continued listing of its shares.

6 HISTORICAL FINANCIAL INFORMATION FOR THE GROUP

6.1 Selected financial information

The financial information presented in this section has been extracted without adjustments from the audited historical consolidated financial statements of the Company as of and for the years ended December 31, 2010, 2011 and 2012. The unaudited interim consolidated financial information as and for the 3 months ended March 31, 2013 and 2012 has been extracted from the unaudited published quarterly reports of the Company.

The financial information is to be read in conjunction with the published annual reports and interim financial reports which contains financial statements including notes and statement of the Board as well as auditor's statements, see section 10.3 – "Incorporation by reference". The interim financial information is to be ready in conjunction with the published quarterly reports for the 3 months ended March 31, 2013 and 2012 which contains the condensed financial statements including selective notes and statement of the Board, see section 10.3"Incorporation by reference".

Condensed Consolidated statement of comprehensive income

Three months ended March 31,			Year ended December 31,		
2012	**2013**		**2012**	**2011**	**2010**
Unaudited	*Unaudited*	*Amounts in USD 000, unless otherwise stated*	*Audited*	*Audited*	*Audited (restated)*
10,949	12,725	Oil and Gas revenue	45,939	34,897	44,103
-	-	Other income	891	1,721	251
10,949	**12,725**	**Total revenues and other income**	**46,830**	**36,618**	**44,354**
(1,222)	(1,217)	Production costs	(5,557)	(7,824)	(5,160)
(351)	(216)	Exploration related costs	(903)	(1,379)	(3,225)
(4,102)	(3,105)	General and administrative costs	(16,312)	(16,172)	(12,793)
-	(230)	Strategic review costs	-	-	-
-	-	Merger and restructuring costs	-	-	(6,217)
5,274	**7,957**	**EBITDA**	**24,058**	**11,243**	**16,959**
(1,783)	(2,100)	Depreciation	(7,713)	(5,899)	(8,703)
-	(150)	Impairment and write-offs	(47,150)	(324)	(1,686)
-	-	Loss on disposal of tangible assets	(75)	-	-
(369)	70	Share based payments	(1,150)	(991)	(565)
3,122	**5,777**	**EBIT - Operating income/(loss)**	**(32,030)**	**4,029**	**6,005**
-	-	Gain on acquisition of subsidiary	-	-	2,329
(2,512)	(3,706)	Net interest income/(costs)	(11,937)	(14,594)	(20,776)
(386)	(210)	Net other financial income / (costs)	(3,499)	(4,975)	(4,069)
-	-	Movement in fair value of warrants		1,250	(1,154)
222	-	Movement in fair value of financial instrument	-	844	-
2,518	1,562	Net foreign exchange gain/(loss)	(4,926)	(13,487)	(1,160)
2,964	**3,423**	**Income/(loss) before tax**	**(52,392)**	**(26,933)**	**(18,825)**
(2,553)	(2,314)	Income tax benefit/(expense)	4,580	(3,312)	4,714
411	**1,109**	**Net income/(loss) for the period**	**(47,812)**	**(30,245)**	**(14,111)**
3,190	2,177	Exchange differences arising from translation of foreign operations	(18,400)	(34,803)	8,596
3,190	**2,177**	**Other comprehensive income/(loss) for the period (net of tax)**	**(18,400)**	**(34,803)**	**8,596**
3,601	**3,286**	**Total comprehensive income/(loss) for the period**	**(66,212)**	**(65,048)**	**(5,515)**
		Net income /(loss) for the period attributable to:			
411	1,109	Equity holders of the parent	(47,812)	(30,245)	(12,738)
-	-	Non-controlling interests	-	-	(1,373)
		Total comprehensive income/(loss) for the period attributable to:			
3,601	3,286	Equity holders of the parent	(66,212)	(65,048)	(3,128)
-	-	Non-controlling interests	-	-	(2,387)
		Earnings per share			
-	-	(USD) – Basic and diluted for income/(loss) for the period attributable to equity holders of the parent	(0.20)	(0.14)	(0.11)

Consolidated statement of financial position

Amounts in USD 000	March 31, 2013 *Unaudited*	December 31, 2012 *Audited*	2011 *Audited*	2010 *Audited (restated)*
Non-current assets				
Licenses and exploration assets	195,957	182,569	207,249	199,724
Production assets and equipment	68,570	69,417	93,396	109,663
Property, furniture, fixtures and office equipment	972	1,021	959	1,329
Deferred tax assets	20,951	20,140	10,265	28,653
Other non-current assets	3,048	2,632	2,427	1,803
Total Non-current assets	**289,498**	**275,779**	**314,296**	**341,172**
Current assets				
Trade and other receivables	20,863	19,019	19,539	22,738
Other financial asset	-	-	844	-
Cash and cash equivalents	58,291	70,623	107,939	60,269
Restricted cash	10,175	2,880	2,980	1,444
Total current assets	**89,329**	**92,522**	**131,302**	**84,451**
Total Assets	**378,827**	**368,301**	**445,598**	**425,623**
Equity				
Share capital	56,333	56,333	56,333	38,141
Other equity	138,986	135,770	200,832	190,014
Total equity attributable to equity holders of the parent	**195,319**	**192,103**	**257,165**	**228,155**
Total Equity	**195,319**	**192,103**	**257,165**	**228,155**
Non-current liabilities				
Non-current interest bearing debt	109,714	110,801	122,017	136,365
Deferred tax liabilities	11,784	10,817	7,813	8,535
Other non-current liabilities	9,034	8,953	18,795	20,943
Total Non-current liabilities	**130,532**	**130,571**	**148,625**	**165,843**
Current liabilities				
Current interest bearing debt	19,223	15,496	15,676	1,614
Other financial liabilities	-	-	-	1,199
Accounts payable, accruals and other liabilities	33,753	30,131	24,132	28,812
Total current liabilities	**52,976**	**45,627**	**39,808**	**31,625**
Total Liabilities	**183,508**	**176,198**	**188,433**	**197,468**
Total Equity and Liabilities	**378,827**	**368,301**	**445,598**	**425,623**

Consolidated cash flow statement

Three months ended March 31,			Year ended December 31,		
2012	**2013**		**2012**	**2011**	**2010**
Unaudited	*Unaudited*	*Amounts in USD 000*	*Audited*	*Audited*	*Audited (restated)*
		Cash flows from operating activities			
2,964	3,423	Net (loss)/ income for the period before tax	(52,392)	(26,933)	(18,825)
		Adjusted for:			
1,783	2,100	Depreciation	7,713	5,899	8,703
-	-	Fair value movements on warrants	-	(1,250)	1,154
(222)	-	Fair value movements in financial instruments	-	-	-
-	-	Other income	(891)	-	-
-	-	Asset write off and impairment	47,150	-	5,686
-	-	Loss/(gain) on sale of tangible assets	75	-	(67)
2,898	3,916	Net finance costs	15,436	19,569	24,845
369	(70)	Share based payments	1,150	991	565
-	-	Gain on acquisition of subsidiary	-	-	(2,329)
(2,518)	(1,562)	Foreign exchange gains/losses	4,926	8,641	27
(2,309)	(1,475)	Increase/(decrease) in trade and other payables	(5,404)	(2,148)	(9,328)
1,519	166	(Increase)/decrease in trade and other receivables	5,023	7,802	231
(1)	-	Movement in other liabilities	-	(8,172)	(3,500)
(822)	(1,402)	Taxes paid	(3,022)	(2,449)	(881)
3,661	**5,096**	**Net cash flows from operating activities**	**19,764**	**1,950**	**6,281**
		Cash flows from investing activities			
(10,153)	(10,742)	Investment in exploration, production and other assets	(21,777)	(38,761)	(11,177)
-	-	Proceeds from sale of property and farm-out of interest	16	14,489	1,798
-	-	Proceeds from disposal of assets held for sale	-	-	30,000
-	-	Net cash acquired from acquistion	-	-	4,304
(10,153)	**(10,742)**	**Net cash flows from investing activities**	**(21,761)**	**(24,272)**	**24,925**
		Cash flows from financing activities			
-	-	Net proceeds from issuance of shares	-	93,067	54,753
-	-	Increase / (reduction) of share capital	-	-	(173)
329	(540)	Net financial charges received / (paid)	(19,097)	(18,606)	(28,006)
-	-	Proceeds from debt issue	-	-	140,865
-	-	Repayments of borrowings	(14,070)	-	(148,752)
(7,842)	(7,295)	Movement in restricted cash balance	100	(1,536)	-
(7,513)	**(7,835)**	**Net cash flows from financing activities**	**(33,067)**	**72,925**	**18,687**
1,885	1,149	Effect of foreign currency translation	(2,252)	(2,933)	953
(12,120)	(12,332)	Change in cash and cash equivalents during the period	(37,316)	47,670	50,846
107,939	70,623	Cash and cash equivalents at the beginning of the period	107,939	60,269	9,423
95,819	**58,291**	**Cash and cash equivalents at the end of the period**	**70,623**	**107,939**	**60,269**

Consolidated statement of changes in equity (March 31, 2013 and 2012 and December 31, 2012)

	Attributable to equity holders of the parent						
For the three months ended March 31, 2013 *Amounts in USD 000*	**Issued capital**	**Share premium**	**Additional paid-in capital**	**Retained earnings**	**Other reserves**	**Currency translation reserve**	**Total**
At December 31, 2012 - *(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**

	Attributable to equity holders of the parent						
For the three months ended March 31, 2012 *Amounts in USD 000*	**Issued capital**	**Share premium**	**Additional paid-in capital**	**Retained earnings**	**Other reserves**	**Currency translation reserve**	**Total**
At December 31, 2011 - *(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**

	Attributable to equity holders of the parent						
For the year ended December 31, 2012 *Amounts in USD 000*	**Issued capital**	**Share premium**	**Additional paid-in capital**	**Retained earnings**	**Other reserves**	**Currency translation reserve**	**Total**
At December 31, 2011 - *(Audited)*	**56,333**	**288,858**	**64,636**	**(108,223)**	**(37,647)**	**(6,792)**	**257,165**
Net income/(loss) for the period	-	-	-	(47,812)	-	-	(47,812)
Other comprehensive income/(loss)	-	-	-	-	-	(18,400)	(18,400)
Total comprehensive income/(loss)	-	-	-	(47,812)	-	(18,400)	(66,212)
Employee share options	-	-	1,150	-	-	-	1,150
At December 31, 2012 - *(Audited)*	**56,333**	**288,858**	**65,786**	**(156,035)**	**(37,647)**	**(25,192)**	**192,103**

Statement of changes in equity (December 31, 2011 and 2010)

For the year ended December 31, 2011 *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, 2011 - restated *(Audited)*	**38,141**	**213,983**	**63,645**	**(77,978)**	**(37,647)**	**28,011**	**228,155**
Net income/(loss) for the period	-	-	-	(30,245)	-	-	(30,245)
Other comprehensive income/(loss)	-	-	-	-	-	(34,803)	(34,803)
Total comprehensive income/(loss)	-	-	-	(30,245)	-	(34,803)	(65,048)
Share issue for cash	18,192	78,966	-	-	-	-	97,158
Transaction costs on share issue	-	(4,091)	-	-	-	-	(4,091)
Employee share options	-	-	991	-	-	-	991
At December 31, 2011 - *(Audited)*	**56,333**	**288,858**	**64,636**	**(108,223)**	**(37,647)**	**(6,792)**	**257,165**

For the year ended December 31, 2010 *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	Non-controlling interest	Total Equity
At December 31, 2009 - reported *(Audited)*	**17**	**156**	**-**	**(68,281)**	**117,179**	**18,226**	**67,297**	**30,084**	**97,381**
Change of accounting policy - restatements	-	-	-	3,041	-	175	3,216	1,378	4,594
At January 1, 2010 - restated *(Audited)*	**17**	**156**	**-**	**(65,240)**	**117,179**	**18,401**	**70,513**	**31,462**	**101,975**
Net loss - restated	-	-	-	(12,738)	-	-	(12,738)	(1,373)	(14,111)
Other comprehensive income/(loss) - restated	-	-	-	-	-	9,610	9,610	(1,014)	8,596
Total comprehensive income/(loss) - restated	-	-	-	(12,738)	-	9,610	(3,128)	(2,387)	(5,515)
Reduction of share capital	(17)	(156)	-	-	-	-	(173)	-	(173)
Share issue on execution of de-merger and merge	38,141	217,389	63,080	-	(154,826)	-	163,784	(29,075)	134,709
Transaction costs on share issue (net of taxes)	-	(3,406)	-	-	-	-	(3,406)	-	(3,406)
Employee share options	-	-	565	-	-	-	565	-	565
At December 31, 2010 - restated *(Audited)*	**38,141**	**213,983**	**63,645**	**(77,978)**	**(37,647)**	**28,011**	**228,155**	**-**	**228,155**

6.1.1 Significant change

There is no significant change in the financial or trading position of the Company or the Group since March 31, 2013.

6.2 Statutory auditor of historical financial information

The Company’s auditor since 7 July 2010 is Ernst & Young AS, Dronning Eufemias gate 6, P.O. Box 20, NO-0051 Oslo, Norway. Ernst & Young AS is a member of the Norwegian Institute of Public Accountants (Den Norske Revisorforening). Their address is Dronning Eufemias gate 6, Oslo Atrium, P.O. Box 20, NO-0051 Oslo, Norway.

Ernst & Young AS has audited the annual financial statements for the Company for 2010, 2011and 2012 in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Ernst & Young has issued audit reports on the aforementioned financial statements without any qualification or emphasis of matter paragraphs. Ernst & Young AS has further issued an Independent Assurance report on the unaudited pro forma condensed financial information included as Appendix 1. Ernst & Young AS has not audited, reviewed or produced any report on any other information provided in this Information Memorandum.

7 UNAUDITED PRO FORMA FINANCIAL INFORMATION FOR THE COMPANY

7.1 Transaction background

On 15 May 2013, the Company announced the Transaction whereby its wholly owned subsidiary Panoro Energy Do Brasil Ltda ("Panoro Brasil") had entered into a share purchase agreement (SPA) with GeoPark Brasil Exploracao e Producao de Petroleo e Gas Ltda on 14 May 2013 to sell all shares in Panoro's fully owned subsidiary, Rio das Contas (RdC) to GeoPark, which is a wholly-owned subsidiary of the independent oil and gas company GeoPark Holdings Ltd.

The consideration for the shares in Rio das Contas comprises an initial payment of U.S. $ 140 million, adjusted by working capital, with effective date of the Transaction April 30, 2013 to be paid in cash upon closing. In addition, a contingent earn-out will be paid in cash over the 5-year period from January 1, 2013 to December 31, 2017. The annual earn-out payments will equal 45 % of the annual net cash flow (after deducting G&A cost USD 2.5 mill/year) from the BCAM-40 Block exceeding U.S. $ 25 million. The total earn-out is capped at U.S. $ 20 million.

The closing of the Transaction will, amongst other conditions, depend on approval by the Brazilian regulatory authority ANP which normally can be anticipated within a 2-9 month timeframe. As GeoPark is pre-qualified by the ANP, approval process may be completed within a shorter timeframe. Depending on the timing of the ANP approval, it is expected that the sale of Rio das Contas will generate limited or no capital gains tax for Panoro Energy. It is expected that the closing of the Transaction can take between two to nine months. Rio das Contas will be presented as discontinued operations in the Q2 report.

7.2 Purpose of the unaudited pro forma financial information

The unaudited pro forma financial information has been compiled in connection with the Transaction pursuant to section 3.5.2.6 of the Continuing Obligations.

The tables below show unaudited pro forma information for 2012 and Q1 2013. The unaudited pro forma income statement of comprehensive income for 2012 has been compiled for illustrative purposes only to show how the Transaction might have impacted the Company if it had occurred on January 1, 2012. The unaudited pro forma condensed income statement for Q1 2013 and the unaudited pro forma statement of financial position as of March 31, 2013 have been compiled for illustrative purposes only to show how the Transaction might have impacted the Company if it had occurred on January 1 and March 31, 2013 respectively.

7.3 Basis for preparation

The unaudited pro forma financial information has been compiled in accordance with the requirements of EU Regulation No 809/2004 as required by the Continuing Obligations section 3.5.1. The Company has extracted financial information from the Company's financial statements and unaudited consolidation schedules related to Rio das Contas for the period ended December 31, 2012 and the Company's unaudited condensed consolidated financial information and the unaudited consolidation schedules related to Rio das Contas for the three months ended March 31, 2013. The consolidated financial statements for the Company were prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS).

The unaudited pro forma financial information does not include all of the information required for financial statements under International Financial Reporting Standards, and should be read in conjunction with the historical consolidated financial information of the Company for the year ended December 31, 2012, and the unaudited interim financial information.

The historical figures are presented as one column in the table below in section 7.6.

7.4 Accounting policies applied

The consolidated financial statements of the Company have been prepared in compliance with IFRS as adopted by the EU. The unaudited pro forma financial information has been compiled using accounting policies consistent with those applied by the Company in 2012 and Q1 2013. The financial information for Rio das Contas is based on the IFRS as adopted by the EU and all policies are consistent with those applied and adopted in the Company's group financial statements for the year ended December 31, 2012 and condensed consolidated financial statements for the three months ended March 31, 2013.

The unaudited pro forma financial information includes unaudited pro forma condensed statement of comprehensive income for 2012 and Q1 2013 and unaudited pro forma condensed statement of financial position per March 31, 2013 and descriptions and notes to the unaudited pro forma financial information, but does not include statements of changes in equity and cash flows or disclosures in notes to the accounts that would be required to be a complete set of financial statements in accordance with IFRS.

As regards description of accounting policies and disclosures, reference is made to information disclosed in notes to the consolidated financial statements of the Company for the year ended December 31, 2012 and Q1 2013.

7.5 Limitations

Due to its nature, the unaudited pro forma financial information addresses a hypothetical situation, and, therefore, does not represent the Company's actual financial position or results.

Investors are cautioned not to place undue reliance on this unaudited pro forma financial information. The pro forma financial information is given for the purposes of complying with the Continuing Obligations and for no other purpose.

7.6 Unaudited pro forma condensed statement of comprehensive income statement for the year ended December 31, 2012

Unaudited pro forma condensed statement of comprehensive income	Panoro Group	Rio das Contas	Gain/(loss) on	Redemption	Pro forma
for the year ended December 31, 2012	*Audited*	*Unaudited*	disposal	of bond loan	*Unaudited*
Amount in USD 000	**2012**	**2012**			**2012**
		Note 1	**Note 2**	**Note 3**	
OPERATING REVENUE AND EXPENSES					
Oil and Gas revenue	45,939	(45,939)	-	-	-
Other income	891	(891)	-	-	-
Total revenues and other income	***46,830***	***(46,830)***	-	-	-
Production costs	(5,557)	5,557	-	-	-
Exploration related costs	(903)	-	-	-	(903)
General and administrative costs	(16,312)	4,066	-	-	(12,246)
EBITDA	***24,058***	***(37,207)***	-	-	***(13,149)***
Depreciation	(7,713)	7,436	-	-	(277)
Impairment	(47,150)	-	-	-	(47,150)
Loss on disposal of tangible assets	(75)	-	-	-	(75)
Share-based payments	(1,150)	-	-	-	(1,150)
EBIT - Operating income / (loss)	***(32,030)***	***(29,771)***	-	-	***(61,801)***
Net interest income / (costs)	(11,937)	(1,499)	-	3,490	(9,946)
Net other income / (costs)	(3,499)	-	-	-	(3,499)
Net foreign exchange gain / (loss)	(4,926)	468	-	2,365	(2,093)
Income / loss before tax	***(52,392)***	***(30,802)***	-	***5,855***	***(77,339)***
Income tax benefit / (expense)	4,580	7,569	-	-	12,149
Net income / (loss) for the period - continuing operations	***(47,812)***	***(23,233)***	-	***5,855***	***(65,190)***
Gain/ (Loss) on disposal - net of taxes	-	-	38,332	-	38,332
Net income / (loss) for the period	***(47,812)***	***(23,233)***	***38,332***	***5,855***	***(26,858)***
Exchange differences arising from translation of foreign operations	(18,400)	8,770	12,265	-	2,635
Other comprehensive income/(loss) for the period (net of tax)	***(18,400)***	***8,770***	***12,265***	-	***2,635***
Total comprehensive income/(loss) for the perio	***(66,212)***	***(14,463)***	***50,597***	***5,855***	***(24,223)***

Unaudited pro forma condensed statement of comprehensive income for the three months ended March 31, 2013

Unaudited pro forma condensed statement of comprehensive income	Panoro Group	Rio das Contas	Gain/(loss) on	Redemption	Pro forma
for the 3 months ended March 31, 2013	*Unaudited*	*Unaudited*	disposal	of bond loan	*Unaudited*
Amount in USD 000	March 31, 2013	March 31, 2013			March 31, 2013
		Note 1	Note 2	Note 3	
OPERATING REVENUE AND EXPENSES					
Oil and Gas revenue	12,725	(12,725)	-	-	-
Other income	-	-	-	-	-
Total revenues and other income	***12,725***	***(12,725)***	***-***	***-***	***-***
Production costs	(1,217)	1,217	-	-	-
Exploration related costs	(216)	-	-	-	(216)
General and administrative costs	(3,105)	560	-	-	(2,545)
Strategic review costs	(230)	-	-	-	(230)
EBITDA	***7,957***	***(10,948)***	***-***	***-***	***(2,991)***
Depreciation	(2,100)	2,036	-	-	(64)
Impairment	(150)	-	-	-	(150)
Share-based payments	70	-	-	-	70
EBIT - Operating income / (loss)	***5,777***	***(8,912)***	***-***	***-***	***(3,135)***
Net interest income / (costs)	(3,706)	(261)	-	(9,736)	(13,703)
Net other income / (costs)	(210)	93	-	-	(117)
Net foreign exchange gain / (loss)	1,562	(32)	-	(1,429)	101
Income / loss before tax - continuing operations	***3,423***	***(9,112)***	***-***	***(11,165)***	***(16,854)***
Income tax benefit / (expense)	(2,314)	2,623	-	-	309
Net income / (loss) for the period - continuing operations	***1,109***	***(6,489)***	***-***	***(11,165)***	***(16,545)***
Gain / (loss) on disposal - net of taxes	-	-	38,332	-	38,332
Net income / (loss) for the period	***1,109***	***(6,489)***	***38,332***	***(11,165)***	***21,787***
Exchange differences arising from translation of foreign operations	2,177	(1,219)	12,265	-	13,223
Other comprehensive income/(loss) for the period (net of tax)	***2,177***	***(1,219)***	***12,265***	***-***	***13,223***
Total comprehensive income/(loss) for the period	***3,286***	***(7,708)***	***50,597***	***(11,165)***	***35,010***

Unaudited pro forma condensed statement of financial position as of March 31, 2013

Pro forma condensed statement of financial position as at March 31, 2013 *Amounts in USD 000*	Panoro Group *Unaudited* March 31, 2013	Rio das Contas *Unaudited* March 31, 2013	Gain / (loss) on disposal	Redemption of bond loan	Pro forma *Unaudited* March 31, 2013
		Note 1	Note 2	Note 3	
Non-current assets					
Licenses and exploration assets	195,957	(3,703)	-	-	192,254
Production assets and equipment	68,570	(68,570)	-	-	-
Property, furniture, fixtures and office equipment	972	(353)	-	-	619
Deferred tax assets	20,951	-	(19,747)	-	1,204
Other non-current assets	3,048	(3,048)	-	-	-
Total Non-current assets	***289,498***	***(75,674)***	***(19,747)***	***-***	***194,077***
Current assets					
Trade and other receivables	20,863	(12,625)	-	-	8,238
Cash and cash equivalents	58,291	(17,495)	164,485	(132,400)	72,881
Restricted cash	10,175	-	-	(10,175)	-
Total current assets	***89,329***	***(30,120)***	***164,485***	***(142,575)***	***81,119***
Total Assets	***378,827***	***(105,794)***	***144,738***	***(142,575)***	***275,196***
Equity					
Share capital	56,333	-	-	-	56,333
Other equity	138,986	(93,841)	144,738	(13,638)	176,245
Total equity attributable to equity holders of the parent	***195,319***	***(93,841)***	***144,738***	***(13,638)***	***232,578***
Non-current liabilities					
Non-current interest bearing debt	109,714	-	-	(109,714)	-
Deferred tax liabilities	11,784	(4,767)	-	-	7,017
Other non-current liabilities	9,034	(2,904)	-	-	6,130
Total Non-current liabilities	***130,532***	***(7,671)***	***-***	***(109,714)***	***13,147***
Current liabilities					
Current interest bearing debt	19,223	-	-	(19,223)	-
Accounts payable, accruals and other liabilities	33,753	(4,282)	-	-	29,471
Total current liabilities	***52,976***	***(4,282)***	***-***	***(19,223)***	***29,471***
Total Liabilities	***183,508***	***(11,953)***	***-***	***(128,937)***	***42,618***
Total Equity and Liabilities	***378,827***	***(105,794)***	***144,738***	***(142,575)***	***275,196***

Unaudited notes to the pro forma condensed statements of comprehensive income, pro forma condensed statement of financial position and pro forma adjustments to the unaudited pro forma financial information.

All amounts in this section are presented in U.S. $'000 unless otherwise specified.

Note 1 Reversal of discontinued operations and balances

For the purposes of pro forma statements of comprehensive income, the operations and results of Rio das Contas have been reversed out being discontinued operations as an adjustment from the consolidated statement of comprehensive income. This is being done to simulate the results of Panoro Group without Rio das Contas (RdC) for each of the pro forma income statements presented above. The results of Rio das Contas have been extracted from the consolidation schedules of the Company and are presented in section 4.7 of this information memorandum.

Similarly, in the pro forma statement of financial position as of March 31, 2013, assets and liabilities of Rio das Contas have been excluded to effect the divestment. The statement of financial position for Rio das Contas can be referred to in section 4.7.

Note 2 Gain / (loss) and proceeds from disposal

a) *Consideration and proceeds from disposal*

The base consideration for the Transaction is US$ 140 million payable by the Buyer on completion together with working capital adjustment as of the effective date. In addition to the base consideration, the parties have agreed that the Buyer will pay an annual contingent earn-out to the seller in periods between January 1, 2013 to December 31, 2017. The annual earn-out payments will equal 45% of the annual net cash flow (after deducting G&A cost USD 2.5 million/year) from the BCAM-40 Block exceeding U.S. $ 25 million. The total earn-out is capped as US$ 20 million.

Due to the contingencies surrounding the exact amount and timing of the earn-out payments that will be received; no earn-out consideration has been included for the purpose of this pro-forma information.

This consideration also reflects an element of working capital adjustments which are provisional at this stage and have been included based on management's best estimate at the date of the SPA. The working capital adjustment is typically the agreed assets and liabilities (net) in the disposed subsidiary which Panoro Energy is entitled to / obliged to settle as of the effective date of April 30, 2013.

	US$ 000
Base consideration excluding earn-out	140,000
Add: Working capital adjustments	24,485
Estimated consideration proceeds from disposal	164,485

b) *Gain / (loss) on disposal of Rio das Contas*

The gain / (loss) on disposal has been computed based on the consideration agreed with GeoPark as per the SPA.

	US$ 000
Estimated consideration proceeds from disposal (note 2a)	164,485
less: Net assets of disposed subsidiary	(93,841)
less: Reversal of effects of currency translation reserve attributable to RdC	(12,265)
less: Estimated transaction costs	(300)
Estimated pre-tax gain on disposal of RdC	58,079

The currency translation adjustment represents currency translation reserve in the statement of financial position attributable to Rio das Contas which require reversal to form part of the gain and loss on disposal.

The Panoro Group has estimated the transaction costs at US$ 300 thousand which is expected to be incurred on legal and advisory services.

c) *Capital gains tax on disposal*

It is anticipated that capital gains tax that may arise on disposal can be managed through tax planning and utilization of tax losses / credits in the selling subsidiary Panoro Energy do Brasil Ltda. The tax on transaction has been recognized at 34% on the pre-tax gain which is the standard tax rate in Brazil.

It is expected that there will be no cash outflow resulting from the capital gains arising on this Transaction. The corporate tax liability of US$ 19.7 million is expected to be covered through the realization of deferred tax assets already recognized in the statement of financial position. As a result, for the purpose of this pro forma, the deferred corporate tax expense has therefore been recorded against the deferred tax assets recognized in the statement of financial position. Potential tax expense on the gain as per the pro forma information will be:

	US$ 000
Estimated pre-tax gain on disposal of RdC (note 2b)	58,079
less: Deferred corporate income tax at 34%	(19,747)
Estimated post-tax gain on disposal	38,332

Note 3 Redemption of bonds

Panoro ASA’s Senior Secured Callable Bond 2010/2018 is divided into US$ and NOK based tranches respectively with outstanding principal balance of US$ 94.5 million and NOK 184.5 million as of March 31, 2013. The bond is secured against Company’s investment in its indirect subsidiary Rio das Contas. In an event of a change of control of such subsidiary, a mandatory repayment event is triggered under the bond agreement which stipulates that Panoro shall redeem the bond at 108% of outstanding par value (plus accrued interest on redeemed amount) upon receipt of proceeds from Geopark any time prior to interest payment date of November 15, 2013. Whereas, in an event, such proceeds are received between November 15, 2013 and November 15, 2014, a redemption rate of 106% will apply. Under the bond agreement, the Company has an option to call the bonds. The exercise of the call option will be made on the same financial terms as a mandatory redemption, but the procedure for repayment to the bondholders will be different.

The bond liability as of March 31, 2013 is a combination of:

	US$ 000
Principal outstanding	126,131
Accrued interest	5,854
Unamortised issue costs	(3,048)
Total as per statement of financial position	128,937
Current portion due within one year	19,223
Non-current portion due after more than one year	109,714
Total as per statement of financial position	128,937

a) *Charge to income on mandatory redemption*

The impact of redemption on the pro forma statements of comprehensive income is computed below:

Charge to income on mandatory redemption	**2012**	**Q1 2013**
Unamortised issue costs written off	3,048	3,048
Mandatory redemption premium (i)	10,090	10,090
Amount charged to pro forma statements of comprehensive income on mandatory redemption of bond	13,138	13,138
less: reversal of bond interest expenses between 1.1.2012 to 31.12.2012 / 1.1.2013 to 31.3.2013 (ii)	(17,128)	(3,902)
Add: Remittance costs (iii)	500	500
Net amount charged / (credited) to income statement	(3,490)	9,736
Reversal of currency effects of NOK tranche (iv)	2,365	(1,429)

(i) *Mandatory redemption premium*

For the purposes of presenting the pro forma financial information an assumption has been taken that completion of this transaction will be prior to November 15, 2013 and as such the repayment of the bonds will be at 108% of outstanding par value which has also been reflected in this pro forma adjustment.

Outstanding loan balance at par value on completion date:	**Amount in 000**	**Fx rate – 31-03-13**	**March 31, 2013 US$ 000**
NOK Tranche	184,500	5.833	31,631
USD Tranche	94,500	1.000	94,500
Total outstanding balance subject to early redemption charge			126,131
Redemption premium @ 8% of par value			10,090

Should the transaction complete between November 15, 2013 and November 15, 2014, an early redemption premium of 106% of par value will apply and premium amount will be US$ 6,727 thousand.

(ii) *Reversal of bond interest expenses*

Bond interest expenses have been reversed in the pro forma statements of comprehensive income. For the year ended December 31, 2012 interest expense reversal was US$ 17,128 thousand whereas for the three months ended March 31, 2013, interest expense of USD 3,902 thousand has been reversed. Interest reversal computation is as follows:

	Amount in 000	Fx rate	2012	Interest days	Interest rate	Interest expense reversed
Principal balance from 1 January to 14 November 2012:			US$ 000			US$ 000
NOK Tranche	205,000	5.833	35,146	315/360	13.50%	4,152
USD Tranche	105,000	1.000	105,000	315/360	12.00%	11,025
Principal balance from 15 November to 31 December 2012:						
NOK Tranche	184,500	5.833	31,631	45/360	13.50%	534
USD Tranche	94,500	1.000	94,500	45/360	12.00%	1,418
Total interest expense reversed for year ended December 31, 2012						17,128

Principal balance from 1 January to 31 March 2013:	Amount in 000	Fx rate	Q1 2013	Interest days	Interest rate	Interest expense reversed
			US$ 000			US$000
NOK Tranche	184,500	5.833	31,631	90/360	13.50%	1,067
USD Tranche	94,500	1.000	94,500	90/360	12.00%	2,835
Total interest expense reversed for three months ended March 31, 2013						3,902

(iii) *Remittance costs*

Remittance costs of US$ 500 thousand represent an estimate of costs that are likely to be incurred on remittance of funds from Brazil to Norway in order to repay the bond. The remittance costs may arise from repayment of outstanding intercompany loans and reduction of capital in the selling subsidiary Panoro Energy do Brasil Ltda.

(iv) *Foreign exchange effects on NOK tranche*

The foreign exchange effects on the NOK tranche of the loan have been reversed out for the purpose of pro forma statements of comprehensive income. The effect was an expense adjustment of US$ 2,365 thousand for the year ended December 31, 2012 and an income adjustment of US$ 1,429 for three months ended March 31, 2013.

b) Cash outflows had the redemption occurred on March 31, 2013

The redemption of the Bond Issue would have triggered the following cash outflows which have been included in the pro forma condensed statement of financial position:

<u>Cash outflows had the redemption occurred on March 31, 2013</u>	**US$ 000**
Mandatory redemption premium (note 3a)	10,090
Principal amount at par value (note 3)	126,131
Accrued interest payable (note 3)	5,854
Remittance costs (note 3a)	500
Total cash outflow for redemption of bond loans	142,575

Effect of redemption on the pro forma statement of financial position:

	US$ 000
Reduction in cash and cash equivalents for redemption of bond loans and remittance costs	132,400
Reduction in restricted cash used towards redemption of bond loans	10,175
Total reduction in cash and bank balances	142,575
Reduction in current portion of interest bearing debt (net of issue costs)	19,223
Reduction in non-current portion of interest bearing debt (net of issue costs)	109,714
Total reduction in bond liability on repayment	128,937
Unamortised issue costs written off	3,048
Reduction due to early redemption premium expense	10,090
Reduction due to expensing of remittance costs	500
Total reduction in equity on repayment of bond	13,638

7.7 Unaudited pro forma condensed statement of comprehensive income statement for the year ended December 31, 2012

Ernst & Young AS has issued an Independent Assurance report on the unaudited pro forma condensed financial information included as Appendix 1. Ernst & Young AS has not audited, reviewed or produced any report on any other information provided in this Information Memorandum, save for what has been disclosed in section 6.2 above.

8 CAPITAL RESOURCES

8.1 Cash flows

Panoro Energy obtains its sources of funding from a mixture of equity, bonds, asset divestiture and/or acquisitions and the revenue stream from the Manati Gas Field.

As the main source of income for the Company is derived from the Manati Gas Field, the revenue of the Company will decrease in a material manner following completion of the Transaction. However, the Company will be debt free with reduced overheads. For further details on the effect of the Transaction on the Company, please refer to section 3.8.1 "The Transactions significance for the earnings, assets and liabilities for the Remaining Group".

In February, 2011, Panoro Energy raised gross NOK 550 million (~US$ 95 million) in new equity in a private placement, directed at Norwegian and international institutional investors.

In November 2010, the Company completed a US$ 140 million bond issue ("**Bond Issue**"). The Bond Issue replaced the previous Brazilian bank debt of approximately BRL 142 million and the NEC01 bond debt of NOK 244 million, totalling approximately US$ 125 million, and added gross US$ 15 million for general corporate purposes. This new 1st tier lien bond has, inter alia, security ring-fenced to the Company's 10% interest in Manati, Brazil's largest non-associated gas field in production.

With the completion of the Bond Issue, Panoro Energy successfully refinanced all outstanding interest bearing debt. The transaction gave about USD 80 million in improved financial flexibility over the subsequent two-three years through lower amortization and interest costs, an end to the cash sweep in Brazil and excess funds from the bond issuance.

The Bond Issue was split in two tranches, one USD tranche of USD 105 million and one NOK tranche of NOK 205 million, in total approximately USD 140 million. The Bond Issue has a tenor of eight years with annual instalments of USD 14 million from November 2012 until November 2017. The remaining USD 56 million ("bullet") matures in November 2018. As of March 31, 2013, outstanding principal balance of USD tranche was USD 94.5 million, whereas, NOK 184.5 was the outstanding principal for the NOK tranche.

The USD tranche carries a coupon rate of 12% and the NOK tranche a coupon rate of 13.5%. The Company has no other debt and the book equity ratio as of March 31, 2013 is 52%. Further evidence of the Company's financial stability can be measured by the debt to equity ratio and the interest rate coverage ratio. The debt to equity ratio of 66% as at March 31, 2013 shows the Company's ability to generate sufficient cash to cover its debt obligations. The interest rate coverage ratio of 2.0 during the quarter ended March 31, 2013 is a measure that the Company can cover its short to medium term debt burden. The Company's treasury policy is to place any excess liquidity in cash or cash equivalents investment funds.

There are no limitations on transferring cash between the Group subsidiaries and the Company in the ordinary course of business.

As a result of the Transaction, the Bond Issue will be subject to a mandatory redemption (unless the Company exercises its call option). For further details, please refer to section 8.3 "Borrowing Requirements".

Information on treasury and risk management is included in notes 21 and 22 in the 2012 annual report, as incorporated by reference in section 10.3 of this Information Memorandum.

Consolidated statement of Group cash flows

Three months ended March 31,			Year ended December 31,		
2012	**2013**		**2012**	**2011**	**2010**
Unaudited	*Unaudited*	*Amounts in USD 000*	*Audited*	*Audited*	*Audited (restated)*
		Cash flows from operating activities			
2,964	3,423	Net (loss)/ income for the period before tax	(52,392)	(26,933)	(18,825)
		Adjusted for:			
1,783	2,100	Depreciation	7,713	5,899	8,703
-	-	Fair value movements on warrants	-	(1,250)	1,154
(222)	-	Fair value movements in financial instruments	-	-	-
-	-	Other income	(891)	-	-
-	-	Asset write off and impairment	47,150	-	5,686
-	-	Loss/(gain) on sale of tangible assets	75	-	(67)
2,898	3,916	Net finance costs	15,436	19,569	24,845
369	(70)	Share based payments	1,150	991	565
-	-	Gain on acquisition of subsidiary	-	-	(2,329)
(2,518)	(1,562)	Foreign exchange gains/losses	4,926	8,641	27
(2,309)	(1,475)	Increase/(decrease) in trade and other payables	(5,404)	(2,148)	(9,328)
1,519	166	(Increase)/decrease in trade and other receivables	5,023	7,802	231
(1)	-	Movement in other liabilities	-	(8,172)	(3,500)
(822)	(1,402)	Taxes paid	(3,022)	(2,449)	(881)
3,661	**5,096**	**Net cash flows from operating activities**	**19,764**	**1,950**	**6,281**
		Cash flows from investing activities			
(10,153)	(10,742)	Investment in exploration, production and other assets	(21,777)	(38,761)	(11,177)
-	-	Proceeds from sale of property and farm-out of interest	16	14,489	1,798
-	-	Proceeds from disposal of assets held for sale	-	-	30,000
-	-	Net cash acquired from acquistion	-	-	4,304
(10,153)	**(10,742)**	**Net cash flows from investing activities**	**(21,761)**	**(24,272)**	**24,925**
		Cash flows from financing activities			
-	-	Net proceeds from issuance of shares	-	93,067	54,753
-	-	Increase / (reduction) of share capital	-	-	(173)
329	(540)	Net financial charges received / (paid)	(19,097)	(18,606)	(28,006)
-	-	Proceeds from debt issue	-	-	140,865
-	-	Repayments of borrowings	(14,070)	-	(148,752)
(7,842)	(7,295)	Movement in restricted cash balance	100	(1,536)	-
(7,513)	**(7,835)**	**Net cash flows from financing activities**	**(33,067)**	**72,925**	**18,687**
1,885	1,149	Effect of foreign currency translation	(2,252)	(2,933)	953
(12,120)	(12,332)	Change in cash and cash equivalents during the period	(37,316)	47,670	50,846
107,939	70,623	Cash and cash equivalents at the beginning of the period	107,939	60,269	9,423
95,819	**58,291**	**Cash and cash equivalents at the end of the period**	**70,623**	**107,939**	**60,269**

8.1.1 Discussion and analysis of cash flows YTD Q1 2013 vs YTD Q1 2012

Net cash flow from operating activities amounted to US$ 5.1 million in Q1 2013, compared to US$ 3.7 million in Q1 2012. The improvement is primarily explained by an improved operating result, adjusted for non-cash issues and offset by marginally higher net finance costs.

Net cash flow from investing activities was an outflow of US$ 10.7 million in Q1 2013, compared to an outflow of US$ 10.2 million in Q1 2012. The cash outflow in both reporting periods primarily relates to the West Africa portfolio with the completion of the drilling, testing and suspension of the Tortue well in Dussafu in Gabon, in addition to the MKB pilot well program in Congo-Brazzaville.

Net cash flow from financing activities represented a cash outflow of US$ 7.8 million in Q1 2013, mainly comprising of movement in restricted cash of US$ 7.3 million and paid net financial charges of US$ 0.5 million. This compares to a similarly negative net cash flow from financing activities in Q1 2012 of US$ 7.5 million, made up of US$ 7.8 million of movement in restricted cash, offset by positive movement in net financial charges of US$ 0.3 million.

Foreign exchange impact on cash balances was a positive US$ 1.1 million in Q1 2013 and a positive US$ 1.9 million in Q1 2012.

Cash and cash equivalents at quarter end thus declined to US$ 58.3 million (Q1 2012 US$: 95.8 million), not including restricted cash balances of US$ 10.2 million (Q1 2012: US$ 10.8 million).

8.1.2 Discussion and analysis of cash flows 2012 vs 2011

Net cash flow from operating activities amounted to US$ 19.8 million in 2012, compared to US$ 2.0 million in 2011. The improvement is primarily explained by an improved operating result adjusted for non-cash issues, and lower net finance costs.

Net cash flow from investing activities was an outflow of US$ 21.8 million in 2012, compared to an outflow of US$ 24.3 million in 2011. The cash outflow in 2012 mainly relate to the West Africa portfolio, with drilling activity in Dussafu in Gabon and the MKB pilot well programs in Congo-Brazzaville, whereas costs related to exploration in Brazil was carried by a third-party in accordance with a farm-out agreement entered into in 2011. Gross investments for 2012 were US$ 32.1 million compared to US$ 38.8 million in 2011 which were partially offset by US$ 14.5 million in proceeds from the farm-out of the Round 9 licenses in Brazil.

Net cash flow from financing activities represented a cash outflow of US$ 33.1 million in 2012, mainly comprising paid net financial charges of US$ 19.0 million and bond repayments of US$ 14.1 million. This compares to a positive net cash flow from financing activities of US$ 72.9 million in 2011, including US$ 93.1 million in proceed from issuance of shares (net of costs).

Foreign exchange impact on cash balances was a negative US$ 2.3 million in 2012 and a negative US$ 2.9 million in 2011.

Cash and cash equivalents thus declined to US$ 70.6 million (2011 US$: 107.9 million), not including restricted cash balances of US$ 2.9 million (2011: US$ 3.0 million).

8.1.3 Discussion and analysis of cash flows 2011 vs 2010

Net cash flows from operating activities were inflows of US$ 2.0 million for 2011 compared to inflows of US$ 6.3 million for 2010. This decline was primarily driven by higher loss due to a decline in revenues and higher general and administration costs. Working capital movements in 2011 generated US$ 13.2 million increase in cash inflows compared to 2010.

Net cash flows from investing activities were outflows of US$ 24.3 million for 2011 compared to inflows of US$ 24.9 million for 2010. The decrease in the current year is primarily due to US$ 38.8 million investments in exploration projects in Gabon and Congo, offset by US$ 14.5 million of proceeds from the farm-out of Round 9 licenses in 2011. In 2010, investments in exploration projects amounted to US$ 11.2 million, offset by US$ 30 million proceeds from disposal of interest in Ajapa marginal field, US$ 1.8 million received from sale of property in Brazil, and US$ 4.3 million of cash acquired as part of the acquisition of Pan-Petroleum.

Net cash flows from financing activities for 2011 were inflows of US$ 72.9 million compared to inflows of US$ 18.7 million for 2010. The increase in 2011 is due to issue of equity shares for cash for US$ 93.1 million (net of costs). Net finance costs were lower in 2011 compared to 2010, which reduced financial cost outflows by US$ 9.4 million.

Foreign exchange impact on cash balances was negative US$ 2.9 million in 2011, compared to a positive US$ 1 million in 2010.

Cash and cash equivalents thus declined to US$ 107.9 million (2010 US$: 60.3 million), not including restricted cash balances of US$ 3.0 million (2010: US$ 1.4 million).

8.2 Working capital

The Company is of the opinion that is has sufficient working capital to meet its present requirements for a period of at least 12 months from the date of this Information Memorandum.

8.3 Borrowing Requirements

US$140 million bond issue ("PEN 01 PRO and PEN 02 PRO")

	Mar 31, 2013	**Dec 31, 2012**	**Dec 31, 2011**	**Dec 31, 2010**
	US$ 000	**US$ 000**	**US$ 000**	**US$ 000**
Non-current portion (net of issue costs)	109,714	110,801	122,017	136,365
Current portion including accrued interest	19,223	15,496	15,676	1,614
Outstanding as of	**128,937**	**126,297**	**137,693**	**137,979**

In November 2010 the Company issued bonds of US$ 140 million "Panoro Energy Senior Secured Callable Bond Issue 2010/2018". The bond proceeds have primarily been used to refinance the NEC01 bond of NOK 244 million and Brazilian BNDES and treasury loans. The residual amount after refinancing was to be used for general corporate purposes.

The bond issue is denominated in NOK and US$ with tranches of NOK 205 million and US$ 105 million carrying fixed interest rates of 13.5% and 12% per annum respectively. Interest is payable semi-annually. The first principal repayment was made on November 15, 2012 of NOK 20.5 million and US$ 10.5 million thereby reducing the outstanding principal amount to NOK 184.5 million and US$ 94.5 million. The bonds amortize with NOK 20.5 million for NOK tranche and US$ 10.5 million for US$ tranche every year on November 15 to and including the year 2017. The remaining principal amounts of NOK 82 million and US$ 42 million are repayable at the maturity date being November 15, 2018.

The bondholders have, inter alia, a first priority pledge over Company's shares in the Brazilian subsidiaries (Rio das Contas and PEdB) which effectively hold 10% working interest in Manati gas field. In addition to this, the bond agreement also stipulates issue of unconditional and irrevocable on-demand guarantees in favour of the Bond Trustee by the Brazilian subsidiaries.

The main covenants of the bond issue are as follows:

- The issuer shall maintain at all times, an equity ratio of the Group of minimum 25% which needs to be measured at every quarter end date

- The issuer shall not declare or make any dividend payments or other distributions or loans to its shareholders and should not engage in any activity to the effect of reducing capital or equity in the parent company

- The Company shall not provide loans to any of its Brazilian subsidiaries, except to the extent such loans are subject to a first priority pledge to secure the obligations of the issuer under the bond issue

- The Company shall not provide guarantees or other credit support to, or make investments in, any person or entity outside the Group, other than in the conditions as prescribed in the bond agreement

The main covenants applicable to the Asset Subsidiary (Rio das Contas) are:

- The asset subsidiary cannot establish any subsidiaries

- Except as specified in the bond agreement, Rio das Contas shall not create or permit to subsist any encumbrance over any of its assets

- Rio das Contas shall not incur or permit to remain outstanding, any financial indebtedness (as defined in the Bond Agreement) except for

    - Any indebtedness arising in the ordinary course of business, including financing (including any lease agreements) of the Manati Compressor up to a maximum amount of the lesser of i) US$ 10 million and ii) 60% of book value of Manati Compressor;
    - Any intercompany indebtedness owed to the Issuer and/or any of the Brazilian Subsidiaries provided that such loans are pledged under the pledge over intercompany loans (as defined in the Bond Agreement); and
    - Any indebtedness arising under the relevant Subsidiary guarantees.

The Bond Issue is, unless the Company exercises its call option, subject to a mandatory redemption provision which implies that a mandatory redemption premium will be required if bond issue is repaid in full upon completion of this Transaction. Should the Transaction complete and the mandatory redemption provision be triggered before November 15, 2013, the bonds will be repaid at 108% of the outstanding principal amount plus accrued interest. However, if the mandatory redemption event occurs on or after November 15, 2013 the bonds will be repaid at 106% of the outstanding principal amount plus accrued interest. The exercise of the call option will be made on the same financial terms as a mandatory redemption, but the procedure for repayment to the bondholders will be different.The impact in the Group's financial statements of a mandatory redemption at 108% is simulated in section 7 "Unaudited pro forma financial information for the company".

Please refer to section 3.8.1 – "The Transaction's significance for the earnings, assets and liabilities of the Remaining Group" for further details on the effect of the Transaction on the Company, including the impact on the Bond Issue.

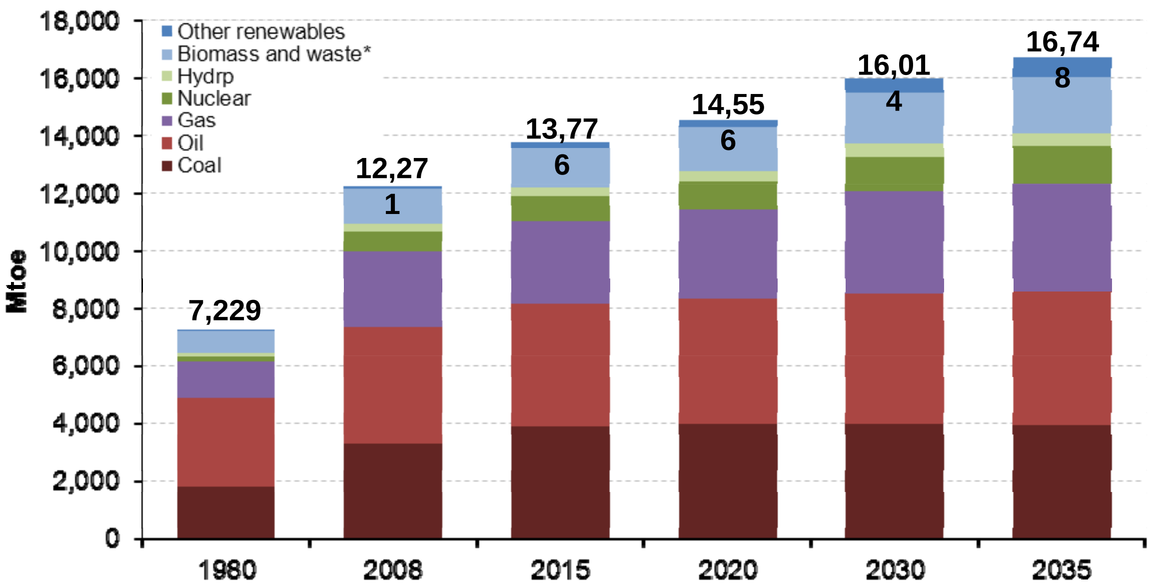
9 MARKET OVERVIEW

9.1 Overview of the global energy markets

9.1.1 Energy market overview

According to BP Statistical Review of World Energy (June 2012) global energy consumption grew by 2.5% in 2011 broadly in line with historical average. This growth came from the emerging markets with China as the main driver, while the demand fell with 0.8% within the OECD countries. In the International Energy Agency's ("**IEA**") "World Energy Outlook" base case scenario ("**New Policies Scenario**"), world primary energy demand is projected to grow by more than one-third over the period to 2035 with China, India and the Middle East accounting for 60% of the increase. Energy demand is not expected to grow much in the OECD countries.

World primary energy and demand by fuel in the New Policies Secenario (Mtoe)

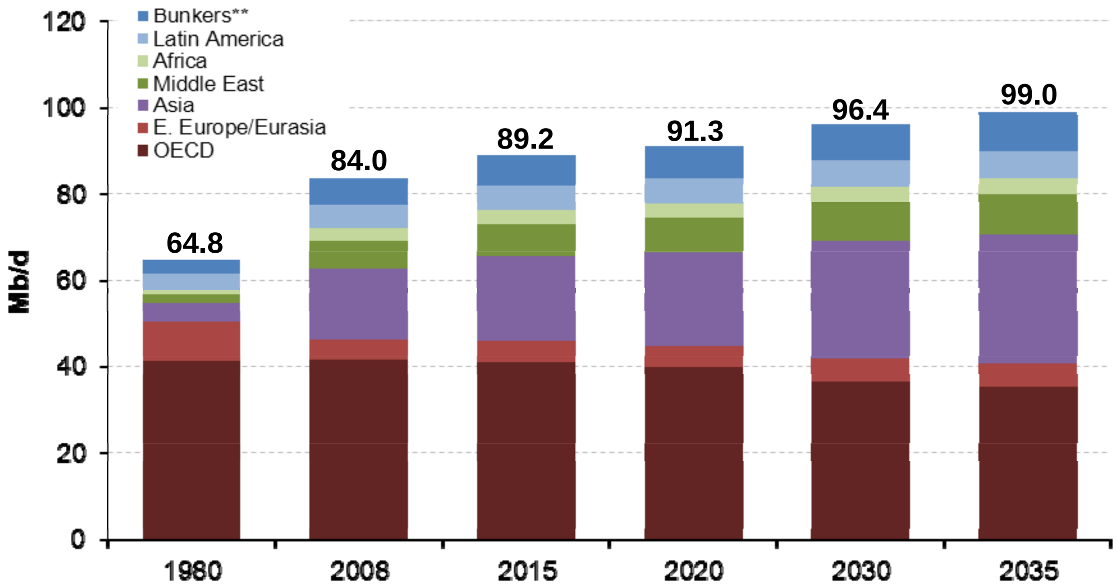


Source: IEA "World Energy Outlook", November 2010, New Policies Scenario
**Includes traditional and modern uses*

9.1.2 Oil market overview

Despite the growth in low carbon sources of energy, fossil fuels (oil, coal and natural gas) remain dominant in the global energy mix. Global consumption growth decelerated in 2011 for all fuels, as did total energy consumption for all regions. Oil remains the world's leading fuel, at 33.1% of global energy consumption, but oil continued to lose market share for the twelfth consecutive year and its current market share is the lowest since 1965. Oil is expected to remain the single largest fuel in the primary fuel mix, despite a drop in share from the current rate of 33% to 28% in 2035. Global oil consumption reached 88 million b/d in 2011 and demand for oil (excluding biofuels) is projected to grow by 0.6% per year on average over the projection period, from 88 million barrels per day in 2011 to 99 million barrels per day in 2035. This growth comes in its entirety from non- OECD countries, with demand from OECD countries expected to fall. The transport sector accounts for almost all of the increase in oil usage, as its share of total energy consumption is expected to increase to 60% in 2035. Total oil production in non-OPEC countries is expected to peak before 2015, resulting in that most of the increase in output would need to come from OPEC countries which hold the bulk of the remaining recoverable conventional oil resources.

Primary oil demand* by region (mb/d)

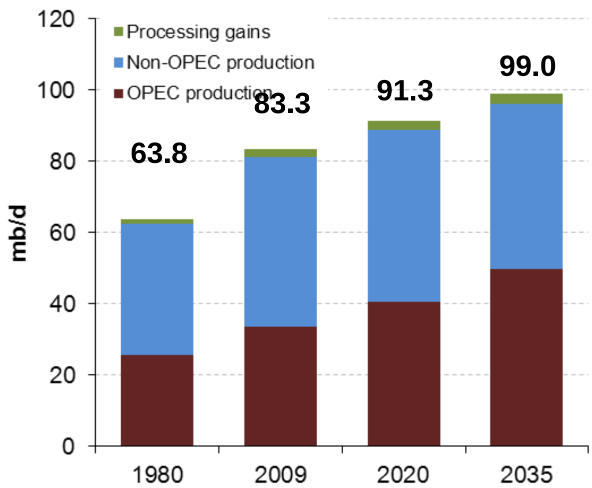


Source: IEA "World Energy Outlook", November 2010, New Policies Scenario

* Excludes biofuels demand, which is projected to rise from 1.1 mb/d in 2009 to 2.3 mb/d in 2020 and to 4.4 mb/d in 2035.
** Includes international marine and aviation fuel

The IEA expects oil production to rise from 88 mb/d in 2011 to 91.3 mb/d in 2020 and 99.0 mb/d in 2035. All of the projected increase in output comes from members of OPEC, which hold the bulk of remaining proven oil reserves and ultimately recoverable resources, in addition to processing gains. From 2009 production levels of 47.7 mb/d, non-OPEC countries are expected to decline to 46.1 mb/d in 2035.

- Oil production and supply by OPEC/non-OPEC



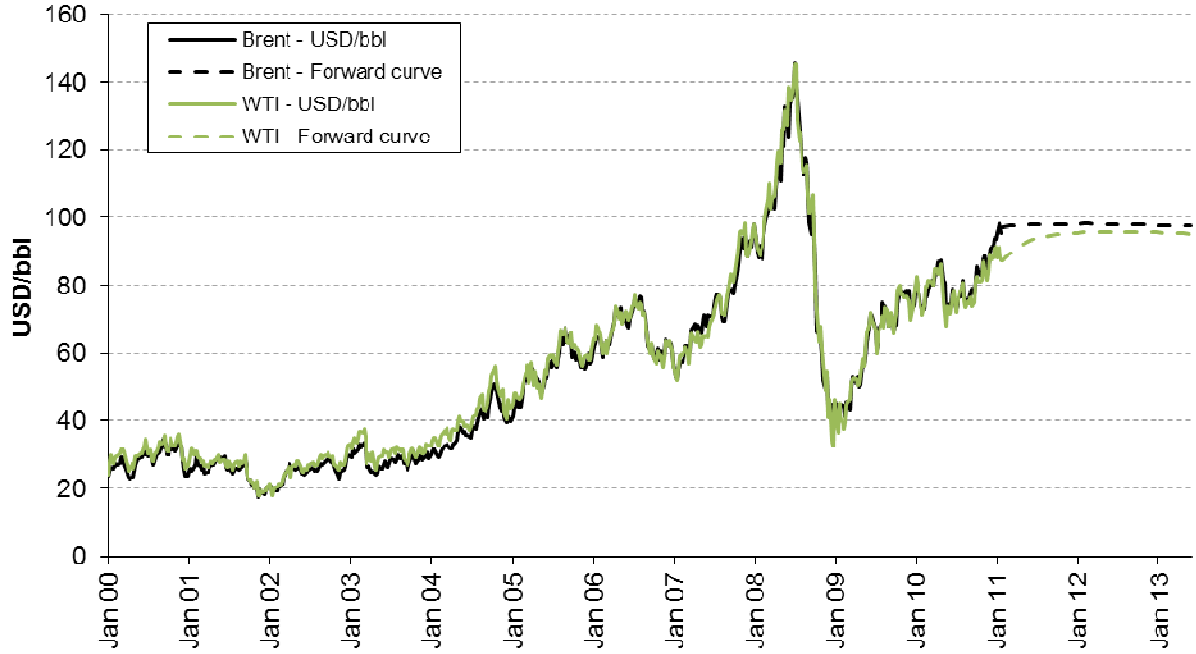
Source: IEA "World Energy Outlook", November 2010, New Policies Scenario

9.1.3 Oil price

Oil price development

The oil price started to increase in 2002 from ~20 US$/barrel and was driven by strong global demand in combination with limited supply due to lack of real spare capacity. In 2008, the oil price peaked at ~140 US$/barrel despite the fact that the market seemed well supplied with crude and stock levels were high. The emergence of oil as a financial asset class may have caused non-fundamental factors to trigger the extreme price level and volatility. The financial crisis in 2008 and 2009, which turned into a real economic crisis worldwide, has been regarded as one of the main reasons for the setback in the oil price during the second half of 2008. Since then the oil price has rebounded sharply on back of a rebound in economic activity and continued growth in China in addition to very effective cuts in OPEC production. Brent averaged ~111 US$/barrel in 2011, an increase of 40% from the 2010 level.

Oil price development since January 2000



Source: Bloomberg, as of January 2011

The oil price is affected by a number of factors, including changes in supply and demand, OPEC regulations, weather conditions, regulations from domestic and foreign authorities, political and economic conditions and the price of substitutes.

9.2 Oil and gas province life cycle

World oil production is concentrated in and around several oil and gas provinces (areas were substantial oil and gas reserves have been found). The major provinces include the Gulf of Mexico, Brazil, West Africa, the North Sea, the Norwegian Sea, the Caspian Sea, the Middle East, the Far East and Russia.

Throughout its life, an oil province will typically go through a cycle of several different stages as it matures.

The upstream E & P value chain

			Maturity		
Key Activities	**Exploration**	**Development**	**Production**	**Tail-end production**	**Abandonment**
	• Licence rounds • Seismic surveys • Exploration drilling	• Building production/drilling/ quarters facilities • Production drilling	• Production drilling • Reservoir management	• Infill drilling • IOR • Tie backs • Opex reductions	• Shut down and removal of platforms
Investment Risk	• High. Probability of discovery between 10% and 30%. 40% in Norway	• High to medium	• Medium to low	• Medium	• Medium
Capital Requirement	• Low to medium	• High	• Medium	• Medium	• Medium to high
Main Participants	• Small to large Companies	• Large companies	• Large and medium sized companies	• Small and medium sized companies	• Owners
Typical provinces	• **West Africa**, Gulf of Mexico, Caspian Sea, North Sea, Norwegian Sea, **Brazil**	• **West Africa**, Gulf of Mexico, Caspian Sea, North Sea, Norwegian Sea, Middle East, **Brazil**	• **West Africa**, Gulf of Mexico, Caspian Sea, North Sea, Norwegian Sea, Middle East, **Brazil**	• Gulf of Mexico, North Sea, Middle East	

The initial *exploration* phase is characterized by high exploration activity and high reserve growth. Most of the provinces' large fields are discovered in this phase. The main players in this phase are some specialised smaller E&P companies, the major international oil companies and national oil companies.

When a province enters its *development* stage, its largest fields are put on stream and production increases rapidly. At the same time reserve growth from exploration activity slows down. The number of players increases, with medium sized and smaller, independent companies becoming more active.

In a province's *mature* state production is declining and reserve growth from exploration has slowed significantly. As a consequence, lifting and finding costs usually increase. The focus is on keeping old, mature fields in production, and exploration activity focuses on areas close to existing infrastructure. Major companies usually reduce their activity and redeploy manpower and cash flow to less mature areas, opening up for increased activity from smaller, independent players. Production from mature fields tends to decrease with time, but measures can be taken to maintain production levels or slow down the rate of decline.

9.3 Areas of operation – regional descriptions

9.3.1 Nigeria

According to the BP Statistical Review of World Energy (June 2011), Nigeria produced 2.5 million bopd in 2011, and is the largest producer in Africa and the seventh largest in OPEC. Nigeria holds the second largest proved reserves of oil after Libya and the largest natural gas reserves in Africa. Nigeria holds the ninth largest natural gas reserves in the world. The country is heavily dependent on its oil industry and oil revenue accounts for 95% of foreign-exchange earnings and 80% of government revenue. Nigeria's capacity is forecast to reach 3.09 mb/day by 2017. According to the BP Statistical Review of World Energy 2011, the country is estimated to have 180 Tcf in gas reserves and the Federal Government has introduced a gas master plan that will end gas flaring and monetise its resources. Nigeria is pursuing a number of new policy directions with the aim of restructuring its upstream and deregulating its downstream sectors.

The most significant issue facing Nigeria is the continued violence and militant activity in the Niger Delta region, which has led to long term shut ins of up to 40% of the country's production capacity. According to the BP Statistical Review of World Energy (June 2010), in 2011, Nigeria produced an average of 2.46 million bopd, which is 2.9% of the world total.

9.3.2 Gabon

Gabon is one of West Africa's oldest oil producers, peaking at 370,000 bopd in 1997 (Source: US Department of State: Gabon). The country is the fifth largest oil producer in sub-Saharan Africa, producing an average of 2245,000 bopd in 2011, 0.3% of the world total and holds the eight largest oil reserves in Africa (Source: BP Statistical Review of World Energy 2011). As such the upstream oil industry plays a critical role in the economy, representing approximately 80% of the country's export. Exports of crude oil account for approximately 50% of the government's budget and more than 40% of its gross domestic product.

The Gabon basin is a classic passive margin pull-apart basin that developed as a result of continental rupture and the subsequent separation of South America from Africa. The striking feature of the basin is a widespread evaporate (salt) layer that separates two distinct sedimentary sequences (the pre-salt and the post-salt sequences). Basement faulting associated with extensional (rift) tectonics has structurally influenced the pre-salt sediments. The post-salt sediments have been widely disrupted by halokinetic movement of the underlying salt. Both the pre-salt and post-salt sediments are oil-bearing.

The prospective Aptian Gamba sandstone is a proven producer in many neighbouring fields in the basin, including CNR's Olowi oil and gas field (200 mmbbl and 600 bcf in place). Drilling targets are dip-closed structures beneath the Loeme salt. Seismic imaging of such structures presents a technical challenge which has been addressed through the reprocessing of seismic data and acquisition and study of potential field data.

9.3.3 Republic of Congo (Brazzaville)

The entire coastal area of Congo lies within the Congo Basin. The northern limit of the basin is the Mayumba Spur in southern Gabon, a basement high, which separates it from the Gabon Basin to the north. The Congo Basin extends as far south as the Ambriz spur offshore mainland Angola. All the productive oil fields of Congo-Brazzaville, Cabinda, the Democratic Republic of Congo and northern Angola lie within this basin. The Congo Basin shows the characteristic features of a pullapart basin.

The basement rocks that outcrop to the east are progressively down faulted to the west by a series of normal faults.

The faults generally run north-south, paralleling the basement outcrop. In Congo, the eastern edge of the basin, where the basement outcrops, is roughly 50 km inland. The edge of the offshore shelf area (regarded as being at the 200-metre isobath) lies about 60 km offshore. The Congo Basin, like the Gabon basin, contains a widespread evaporate (salt) layer that separates two distinct sedimentary sequences (the pre-salt and the post-salt sequences). The basement faulting associated with extensional (rift) tectonics has structurally influenced the pre-salt sediments. The post-salt sediments have been widely disrupted by halokinetic movement of the underlying salt. Both the pre-salt and post-salt sediments are oil-bearing.

Congo produced an average of 295,000 bopd in 2011, which is 0.4% of the world total (Source: BP Statistical Review of World Energy 2011). Congo contains the fourth largest proven natural gas reserves in sub-Saharan Africa (Source: BP Statistical Review of World Energy 2011).

10 ADDITIONAL INFORMATION

10.1 Documents on display

Copies of the following documents will during the life of this Information Memorandum be available for inspection at any time during normal business hours on any business day free of charge at the registered office of the Company:

- Articles of Association of Panoro Energy ASA
- all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in the Information Memorandum
- The annual historical information in the form of published and audited annual reports for the years 2011 and 2012

10.2 Third party information

Where information contained in this Information Memorandum has been sourced from a third party, such information has been accurately reproduced. As far as the Company is aware and able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

10.3 Incorporation by reference

The following table sets out the information incorporated by reference in this Information Memorandum. Except as provided in this section, no other information is incorporated by reference into this Information Memorandum:

Section in Information Memorandum	Disclosure requirements of the Information Memorandum	Reference document and link	Page ("P") in reference document
Section 6	Interim financial information	http://feed.ne.cision.com/wpyfs/00/00/00/00/00/1F/48/5A/wkr0010.pdf http://www.panoroenergy.com/wp-content/uploads/First-Quarter-2012-Report1.pdf	1-20 1-21
Section 6	Audited historical financial information (Annex I, section 20.1)	http://www.panoroenergy.com/wp-content/uploads/Annual-Report-2012.pdf http://www.panoroenergy.com/wp-content/uploads/2011-Annual-Report-PEN.pdf http://www.panoroenergy.com/wp-content/uploads/20110415-Annual-Report-2010-Final1.pdf	1-98 1-98 1-92
Section 6	Audit report (Annex I, section	http://www.panoroenergy.com/wp-content/uploads/Annual-Report-2012.pdf	84

Section in Information Memorandum	**Disclosure requirements of the Information Memorandum**	**Reference document and link**	**Page ("P") in reference document**
	20.4.1)	http://www.panoroenergy.com/wp-content/uploads/2011-Annual-Report-PEN.pdf http://www.panoroenergy.com/wp-content/uploads/20110415-Annual-Report-2010-Final1.pdf	86 82
Section 6	Accounting policies (Annex I, Section 20.1)	http://www.panoroenergy.com/wp-content/uploads/Annual-Report-2012.pdf http://www.panoroenergy.com/wp-content/uploads/2011-Annual-Report-PEN.pdf http://www.panoroenergy.com/wp-content/uploads/20110415-Annual-Report-2010-Final1.pdf	38 (Note 2) 36 (Note 2) 36 (Note 2)
Section 8	Treasury and risk management (Annex 1, Section 10.1)	http://www.panoroenergy.com/wp-content/uploads/Annual-Report-2012.pdf	62-65 (Note 21 and 22)

11 DEFINITIONS AND GLOSSARY

The following definitions have been used in the Information Memorandum:

AEPET:	The Association of Petrobras Engineers
AIM:	The London Stock Exchange
ANP:	The Brazilian National Agency of Petroleum, Natural Gas and Biofuels (Agência Nacional do Petróleo, Gás Natural e Biocombustíveis)
Asset Subsidiary:	Rio das Contas Produtora de Petróleo Ltda.
Board of Directors or **Board:**	The Board of Directors of Panoro Energy ASA
Bond Issue:	The US$ 140 million bond issue completed by the Company in November 2010
Bond Trustee:	Norsk Tillitsmann ASA with business register number 963 342 624
BRL:	Brazilian Real
Buyer:	The buyer under the SPA, being GeoPark
CAD:	Canadian Dollar
CEO:	Chief Executive Officer
CFO:	Chief Financial Officer
CET:	Central European Time
Code:	The Norwegian Code of Practice for Corporate Governance of 23 October 2012
Company or **Panoro Energy:**	Panoro Energy ASA, a public limited company established under the laws of Norway with business enterprise number 994051067 and which is listed on Oslo Børs with ticker "PEN"
Continuing Obligations:	The Oslo Børs Continuing Obligations for companies listed on the Oslo Stock Exchange
Corporate Governance Code:	The Norwegian Code of Practice for Corporate Governance dated 23 October 2012
DRM-1:	Dussafu Ruche Marine-1
Demerger:	the division of Norse Energy in two parts in 2010, where ownership of the business in Brazil through Norse Energy do

	Brasil S.A. and its associated attests were to be transferred to Panoro Energy
E&P:	Exploration and production
EUR	Euro, the currency introduced at the start of the third stage of the Economic and Monetary Union to the Treaty establishing the European Economic Community, as amended by the Treaty on the European Union
GeoPark:	GeoPark Brasil Exploracão e Producão De Petróleo e Gpas Ltda, a company incorporated in accordance with the laws of the Federative Republic of Brazil, registered under the CNPJ/MF under No. 17.572.061/0001-26
GeoPark Holdings:	GeoPark Holdings Ltd, a company incorporated in accordance with the laws of Bermuda
Group:	Panoro Energy ASA and its subsidiaries
IEA:	International Energy Agency
IFRS:	The International Financial Reporting Standards as adopted by the EU
Information Memorandum:	This Information Memorandum, dated June 14, 2013
LPG:	Liquified Petroleum Gas
Merger:	the merger between Panoro Energy and Pan Holding in 2010
MKB:	Mengo-Kunji-Bindi
NEdB:	Norse Energy do Brasil S.A
New Policies Scenario:	The IEA's World Energy Outlook base case scenario
NOK:	Norwegian Kroner, the lawful currency of the Kingdom of Norway
Norse Energy:	Norse Energy Corp. ASA
OECD:	Organisation for Economic Co-operation and Development
OPEC:	Organisation of the Petroleum Exporting Countries
Oslo Børs:	Oslo Børs ASA (the Oslo Stock Exchange)
Panoro Brasil:	Panoro Energy Do Brasil Ltda, a sociedade limitada incorporated in accordance with the laws of the Federative Republic of Brazil, registered under the CNPJ No. 07.467.619/0001-50

Pan Holding:	Pan Petroleum Holding AS
PetroCI:	Société Nationale d'Opérations Pétrolières de Côte d'Ivoire
Remaining Group:	Panoro Energy ASA and its remaining subsidiaries following the complete disposal of Rio das Contas
Rio das Contas:	Rio das Contas Produtora de Petroleo Ltda, a sociedade limitada incorporated in accordance with the laws of the Federative Republic of Brazil, registered under the CNPJ No. 07.316.968/0001-70
Share(s):	Means the common shares in the capital of the Company each having a nominal value of NOK 1.46 and "Share" means any one of them
SNPC:	Société Nationale des Pétroles du Congo
SPA:	Share purchase agreement dated 14 May 2013, between Panoro Brasil and GeoPark
Transaction:	The proposed disposal by the Company of all the issued and outstanding shares in Rio das Contas
US$:	United States Dollar, the lawful currency of the United States of America
U.S. Securities Act:	United States Securities Act of 1933
WAGP:	West Africa Gas Pipeline
YFP:	Yinka Folawiyo Petroleum

Appendix 1

Independent Report regarding the Unaudited Pro Forma Condensed Consolidated Financial Information.

ERNST & YOUNG

State Authorised Public Accountants
Ernst & Young AS

Dronning Eufemias gate 6, NO-0191 Oslo
Oslo Atrium, P.O.Box 20, NO-0051 Oslo

Business Register: NO 976 389 387 MVA
Tel.: +47 24 00 24 00
Fax: +47 24 00 24 01
www.ey.no

Member of the Norwegian Institute of Public Accountants

To the Board of Directors of Panoro Energy ASA

Independent Practitioner's Assurance Report on the Compilation of Pro Forma Financial Information Included in an Information Memorandum

In accordance with the requirements in section 3.5.2.6 of the "Continuing Obligations of Stock Exchange Listed Companies" issued by Oslo Børs (Oslo Stock Exchange) we have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Panoro Energy ASA (the "Company"). The pro forma financial information consists of the unaudited pro forma condensed statement of position as at 31 March 2013, the unaudited pro forma condensed statement of comprehensive income for the year ended 31 December 2012 and the three months ended 31 March 2013, and related description and notes as set out in section 7 of the Information Memorandum dated 14 June 2013 (the "Information Memorandum") issued by the Company. The applicable criteria on the basis of which the Company has compiled the pro forma financial information are specified in EU Regulation No 809/2004 and described in section 7 of the Information Memorandum (the "applicable criteria").

The pro forma financial information has been compiled for illustrative purposes only to provide information about how the sale of Rio das Contas as set out in section 7 of the Information Memorandum might have affected the Company's consolidated financial position as at 31 March 2013 and the Company's consolidated financial performance for the year ended 31 December 2012 and the three months ended 31 March 2013 as if the transaction had taken place at 31 March 2013 and 1 January 2012 and 2013 respectively. As part of this process, the Company has extracted financial information from the Company's financial statements and the unaudited consolidation schedules related to Rio das Contas for the period ended 31 December 2012 and the Company's unaudited condensed consolidated financial information and the unaudited consolidation schedules related to Rio das Contas for the three months ended 31 March 2013. The auditor's report on the Company's financial statements for the year ended 31 December 2012 is incorporated by reference in section 10.3 of the Information Memorandum. No audit or review reports have been issued on the unaudited condensed consolidated financial information for the Company for the three months ended 31 March 2013.

The Board of Directors' and Management's Responsibility for the Pro Forma Financial Information
The Board of Directors and Management are responsible for compiling the pro forma financial information on the basis of the requirements of EU Regulation No 809/2004 as required by the Continuing Obligations.

Practitioner's Responsibilities
Our responsibility is to express an opinion, as required by Annex II item 7 of EU Regulation No 809/2004 about whether the pro forma financial information has been compiled by the Company on the basis stated and that this basis is consistent with the accounting policies of the Company.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in Prospectus*, issued by the International Auditing and Assurance

Standards Board. This standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Company has compiled the pro forma financial information on the basis of the applicable criteria and whether this basis is consistent with the accounting policies of the Company. Our work primarily consisted of comparing the unadjusted financial information with the source documents as described in section 7 of the Information Memorandum, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with management of the Company.

The aforementioned opinion does not require an audit of historical unadjusted financial information or the assumptions summarized in section 7 of the Information Memorandum. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an Information Memorandum is solely to illustrate how the significant event or transaction might have impacted the unadjusted financial information of the entity if the event had occurred or the transaction had been undertaken at an earlier date. Because of its nature, the Pro Forma Financial Information addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position or performance. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 March 2013, 1 January 2012 and 2013 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled on the basis stated involves performing procedures to assess whether the applicable criteria used by the Company in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria;
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information; and
- The pro forma financial information has been compiled on a basis consistent with the accounting policies of the Company.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances. The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

a) The pro forma financial information has been properly compiled on the basis stated in section 7 of the Information Memorandum

b) That basis is consistent with the accounting policies of the Company.

This report is issued for the sole purpose of the Information Memorandum required by Oslo Børs' "Continuing Obligations of Stock Exchange Listed Companies section 3.5 as set out in the Information Memorandum reviewed by Oslo Børs (Oslo Stock Exchange). Our work has not been carried out in accordance with auditing, assurance or other standards and practices generally accepted in the United States and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices. Therefore, this report is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than as described in the Information Memorandum. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this report in connection with any type of transaction, including the sale of securities other than the transaction as set out in the Information Memorandum reviewed by Oslo Børs.

Oslo, 14 June 2013
ERNST & YOUNG AS

Erik Søreng
State Authorised Public Accountant (Norway)