

Dussafu Gabon Update

January, 2018



Panoro Energy

OSE Ticker PEN

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DUSSAFU MARIN (GABON)

LARGE DEVELOPMENT BLOCK WITH MULTIPLE DISCOVERIES AND EXPLORATION PROSPECTS

PROJECT OWNERSHIP POST BWE TRANSACTIONS

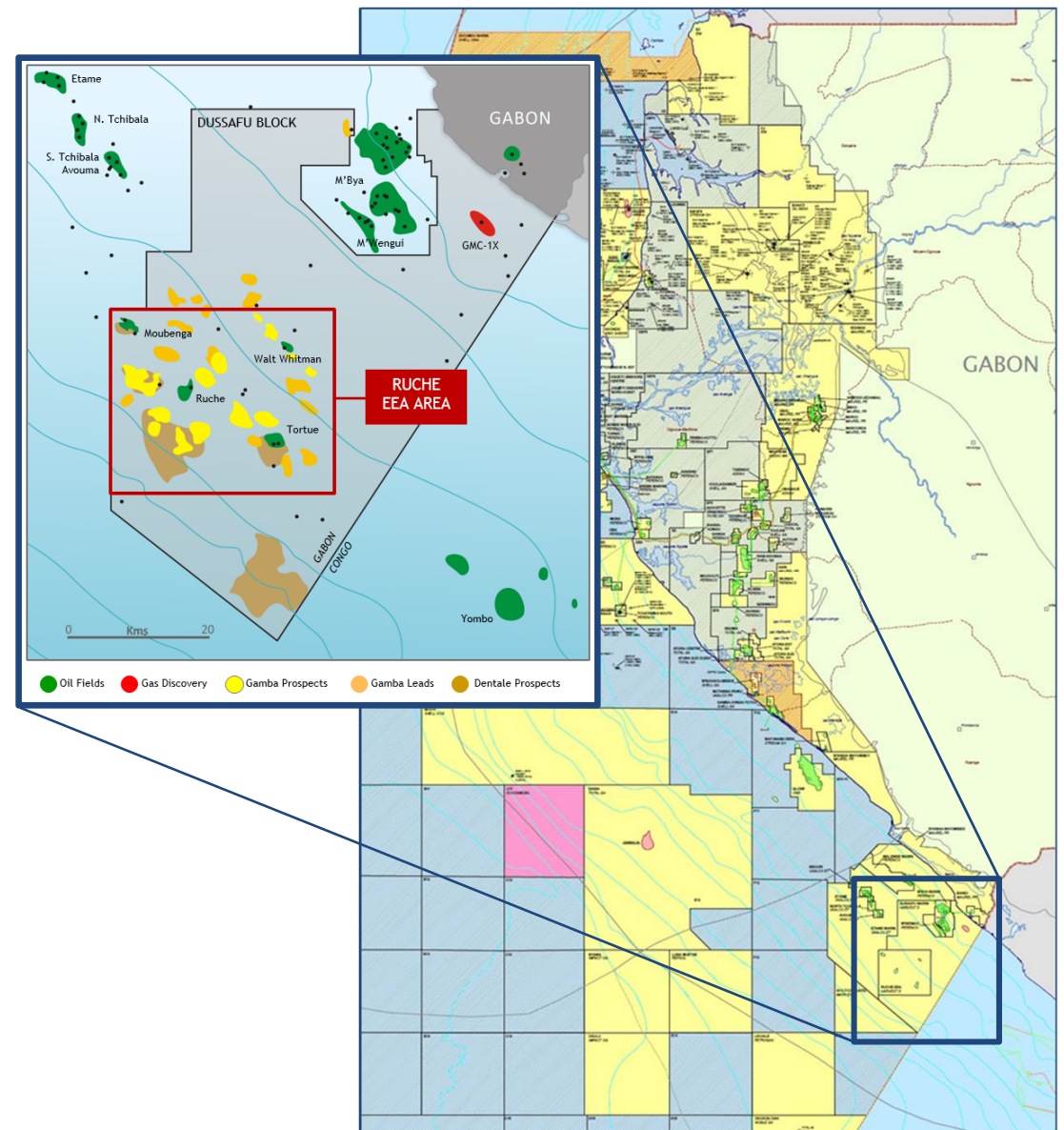
Operator	BW Energy Gabon 91.66% Subsidiary of BW Offshore
Panoro Working Interest	8.33%
Other Partners	Back-in right for 10% held by Affiliate of Tullow Oil; past costs payable if elected
Gabon Oil Company	10.00% (to be finalised)

LICENSE

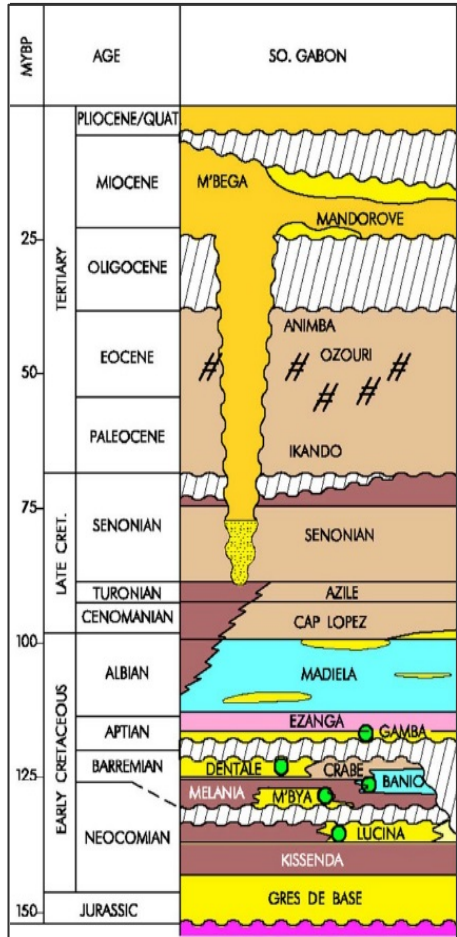
- Four pre-salt oil discoveries with upside/appraisal potential
- 850 km² exclusive exploitation area (EEA), valid for 20 years
- Panoro's oil discoveries in Ruche (2011) and Tortue (2013) were step change in the success rate of identifying oil-bearing structures
- Panoro 2014 3D seismic campaign over entire EEA
- Updated FDP agreed with Gabon

CURRENT ACTIVITY

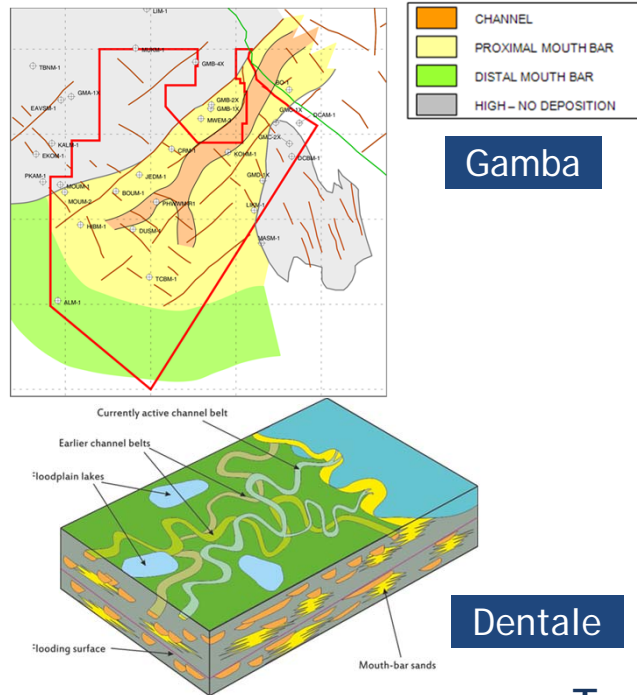
- Phase 1 Tortue development underway
- Drilling scheduled to commence Q1 2018, rig mobilised to Gabon
- First oil scheduled for 2H 2018
- Phase 1 consists of 2 development wells plus 1 appraisal sidetrack



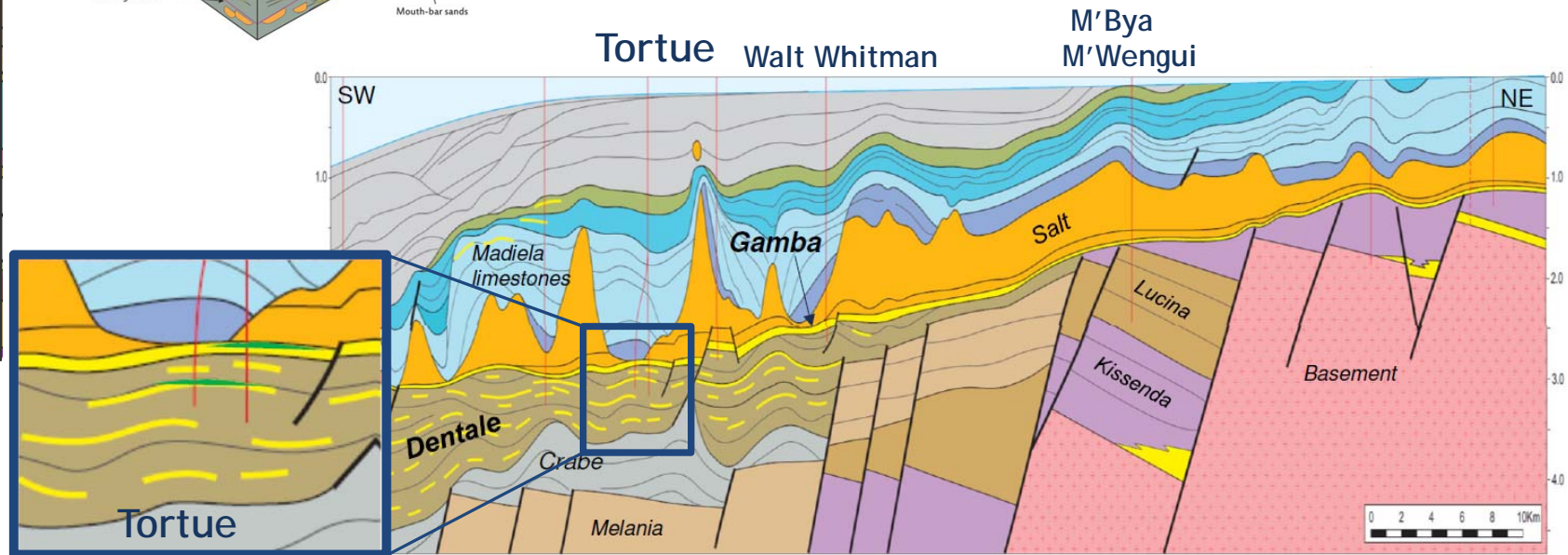
DUSSAFU GEOLOGICAL SETTING



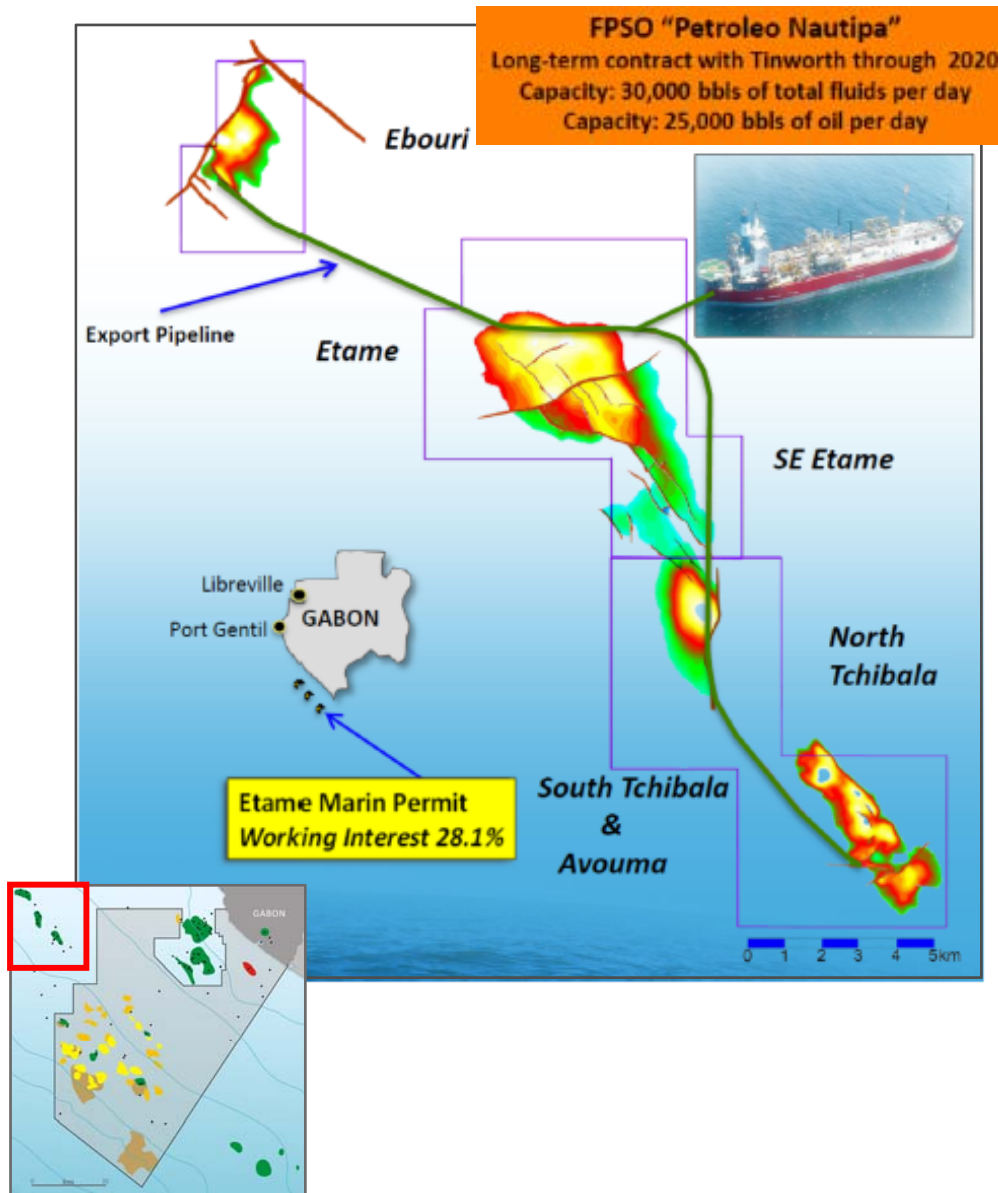
Geological Column, S. Gabon



- Dussafu reservoirs are pre-salt Early Cretaceous sandstone deposits
- Gamba is excellent quality reservoir rock deposited regionally in a single sheet across the license area. The Gamba seal is provided by the overlying salt
- Dentale is very good quality reservoir rock deposited as a series of stacked channels with intra-formational shales forming seals
- Structures are rifted anticlines caused by the opening of the Atlantic

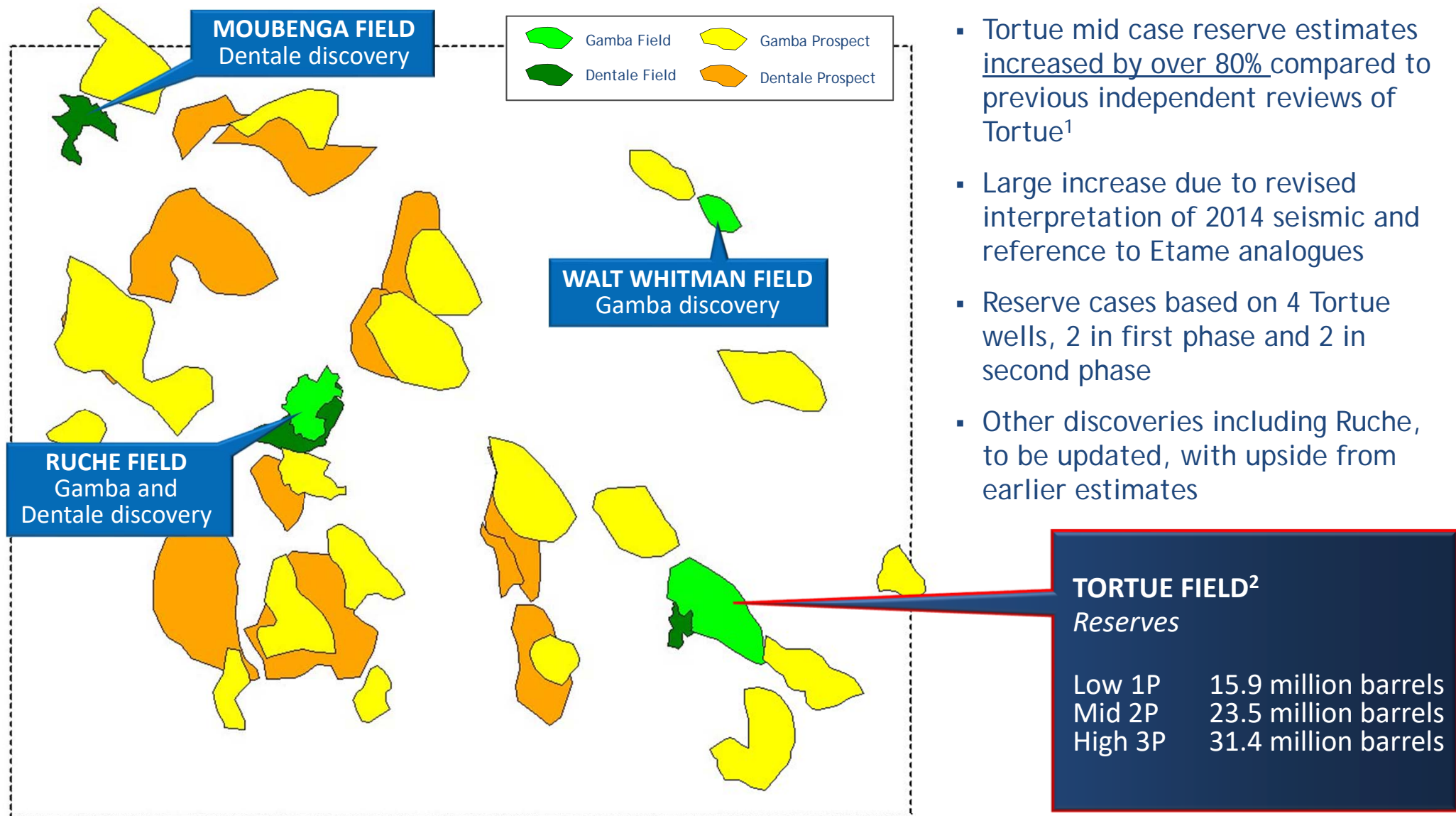


NEARBY ETAME MARIN ANALOG



- Etame field is located a few kilometres away from the Dussafu Marine Permit and carries much of the same characteristics
- Initial development with 3 subsea wells tied back to an FPSO at Etame - similar to the initial development plan for the Dussafu Marine Permit
- In production for 15 years; average rates of 15-20 kbopd
- BWO have operated the FPSO at Etame for the past 15 years and have over 100 employees in country
- Initial Etame reserves: 20-25 million barrels of oil
 - 100+ million barrels of oil produced through 2017
 - Expected ultimate recovery of block up to ~150 Mmbo
 - All Etame fields have ended up producing greater than their initial sanction case reserve estimates.

RESERVES AND RESOURCES UPDATE - EEA AREA

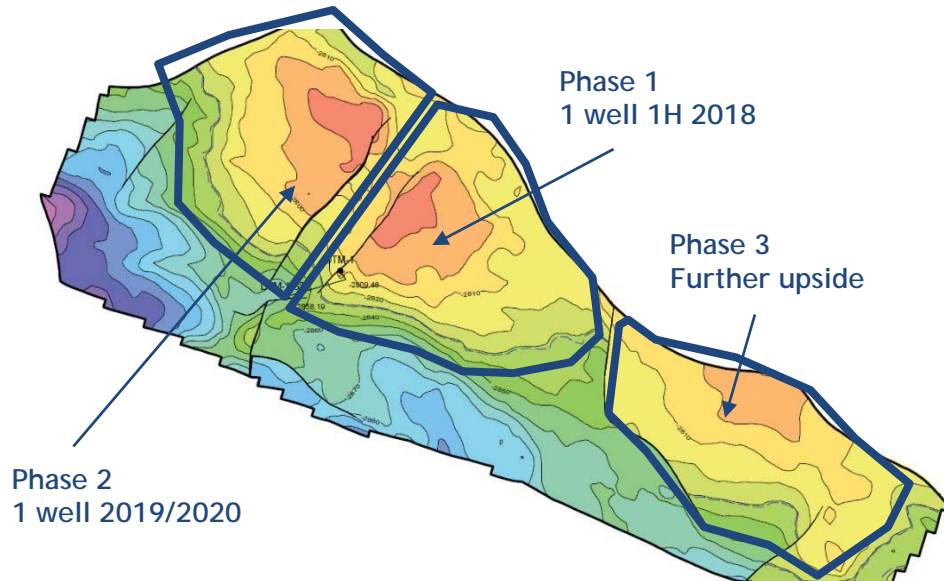


1. From Gaffney Cline & Associates 2014

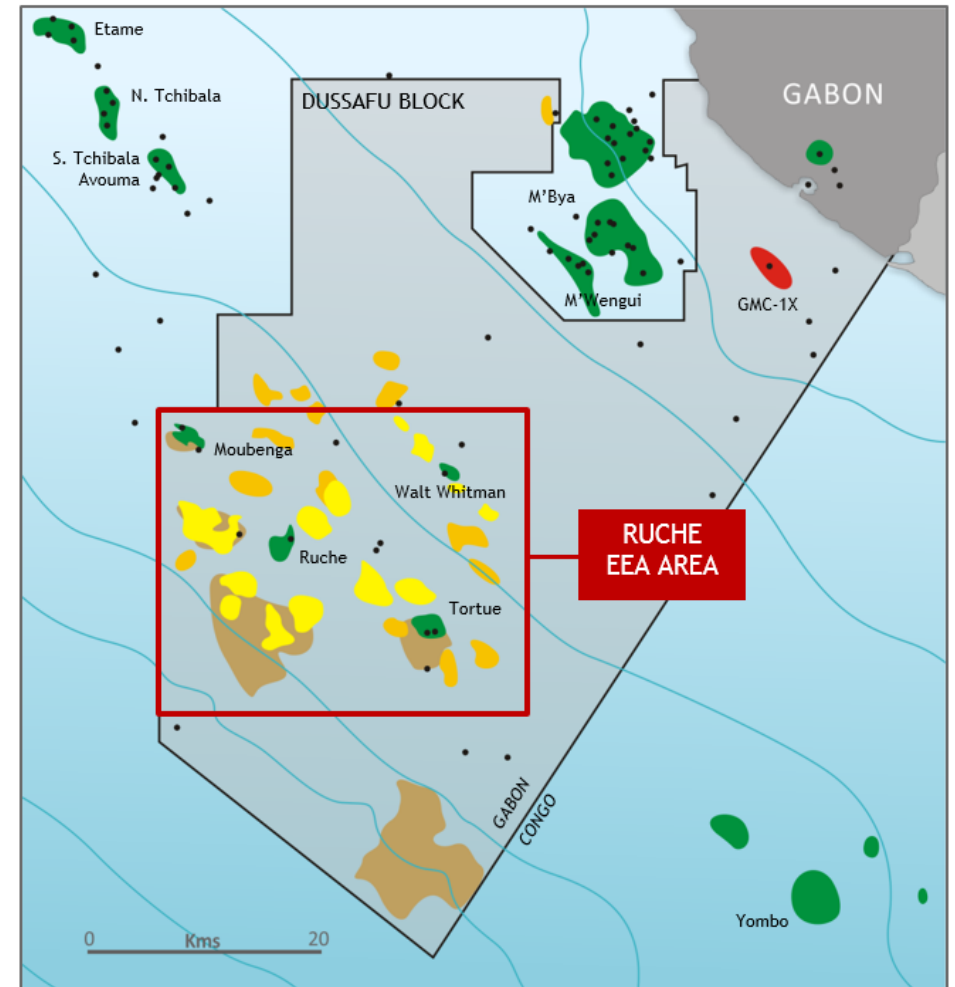
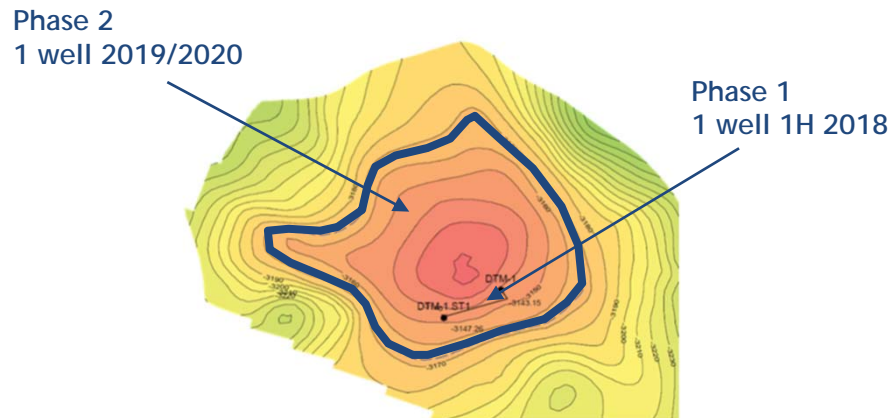
2. From preliminary NSAI report December 2017. Figures are Gross Reserves after economic cut-off, before royalty, production sharing with Gabon government and exercise of any back-in rights or participation of GOC

TORTUE MAPS

Gamba Map



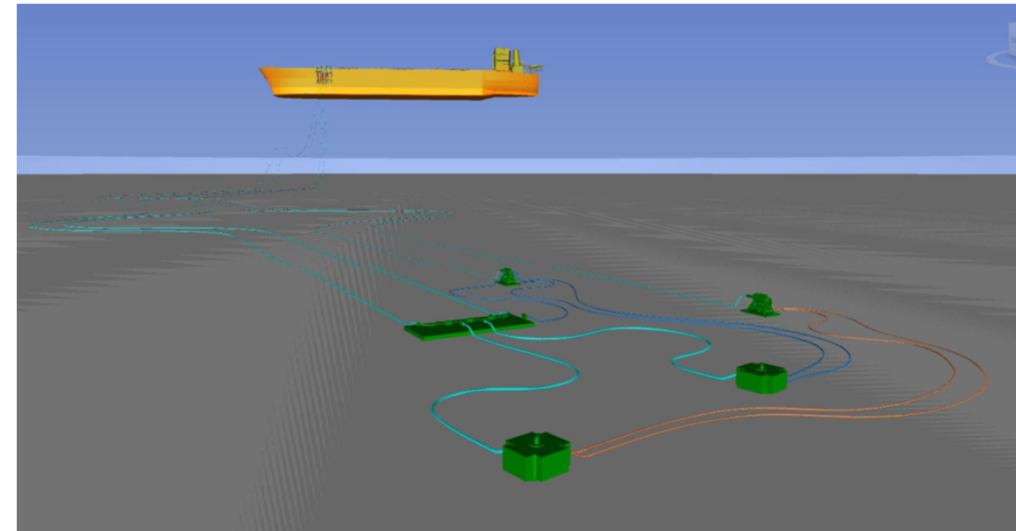
Dentale Map



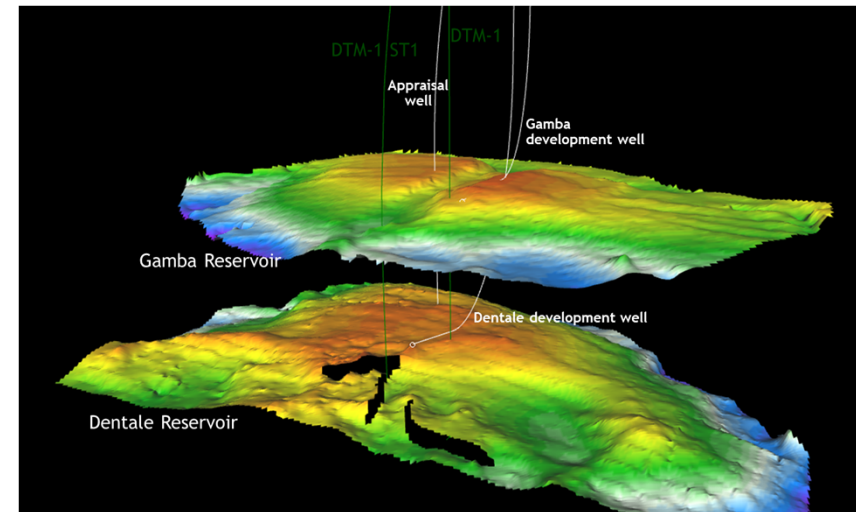
- Oil Fields
- Gas Discovery
- Gamba Prospects
- Gamba Leads
- Dentale Prospects

TORTUE FIELD DEVELOPMENT PROJECT

- Phase 1 initial development consists of
 - 2 production wells at Tortue field tied back to leased FPSO
 - Appraisal well in north of Tortue field in preparation for phase 2 drilling (2 further development wells)
- Project team has been assembled by BWE with many years of experience in Gabon
- Long lead items purchased and rig and other contracting underway
- Rig arrived in Gabon; drilling planned for Q1
- First Oil planned for 2H 2018
- Phase 2 drilling 2019-2020
 - 1 horizontal well Gamba
 - 1 horizontal well Dentale D6

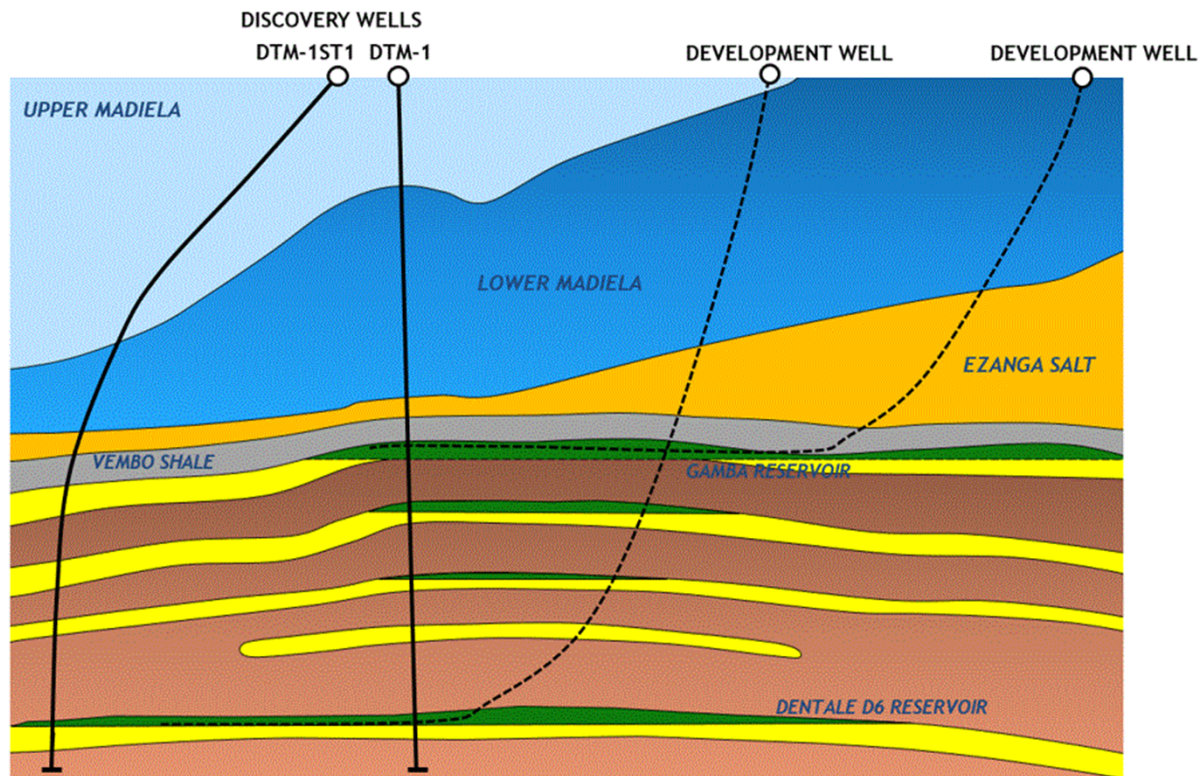


Tortue field phase 1 subsea layout and FPSO



Tortue field reservoirs and phase 1 wells

TORTUE PHASE 1 DRILLING - HORIZONTAL WELLS



- High specification jack-up rig to start in Q1 2018
- 2 Horizontal oil production wells
 - Provision for gas lift
 - Well design similar to successful Etame wells to the north
- 1 appraisal sidetrack to the north to prepare for Tortue Phase 2 development



Borr Norve Jack-up Rig

BW ADOLO FPSO

- Owned by BW Offshore
- Formerly the Azurite
- VLCC with large riser and storage capacity
- Excess processing and heating capacity
- Large accommodations and deck space for future field expansion
- Currently in Keppel shipyard in preparation for deployment
- In the process of finalising contract



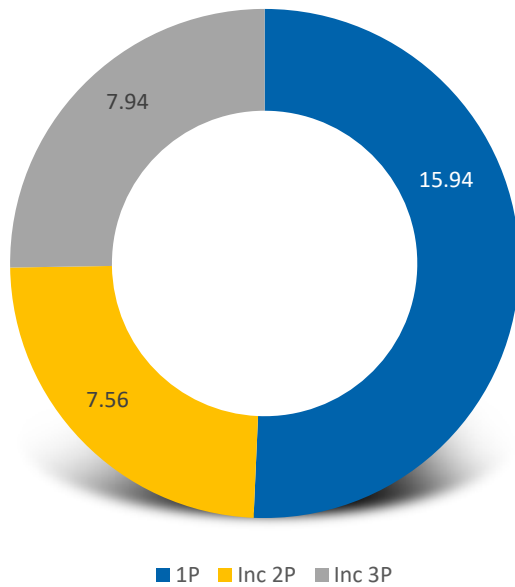
TIMELINE

RUCHE AREA EEA	2017		2018				2019				2020			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Engineering	■													
Subsea	■	■												
FPSO	■	■	■											
Drilling			■	■	■	■								
Installation				■	■	■								
Hookup and Commissioning						◆								
Phase 1 Production							■	■	■	■	■	■	■	■
Phase 2 Drilling											■	■		
Phase 2 Production													■	■

- Phased development
- Aiming to achieve first oil at Dussafu in 2H 2018
- Depending on results of phase 1 and appraisal well, phase 2 drilling at Tortue may consist of 2 further development wells to increase production
- Next successive phases would tie back existing discoveries or further yet to be discovered resources nearby

PRODUCTION FORECAST, TORTUE PHASE 1 AND 2

Tortue Reserves

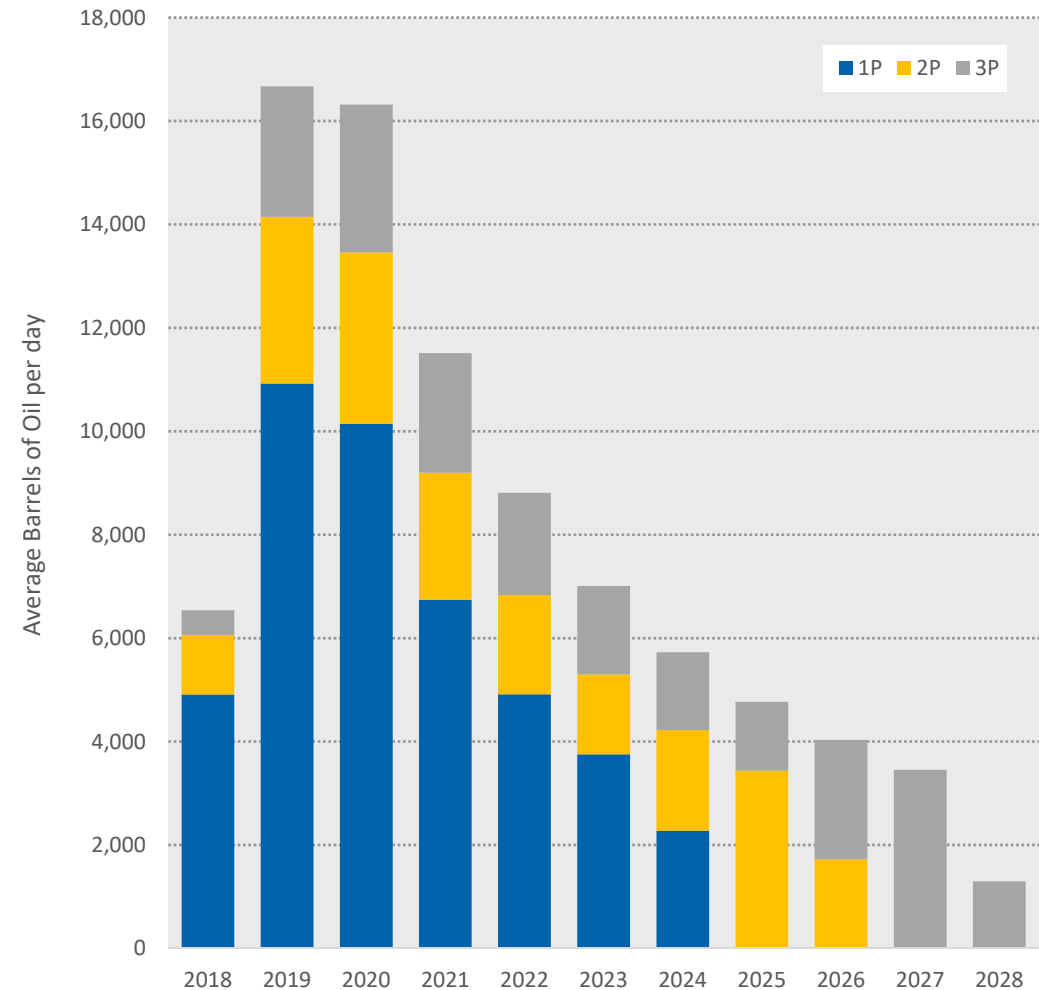


Total 1P = 15.9 MMbbl

Total 2P = 23.5 MMbbl

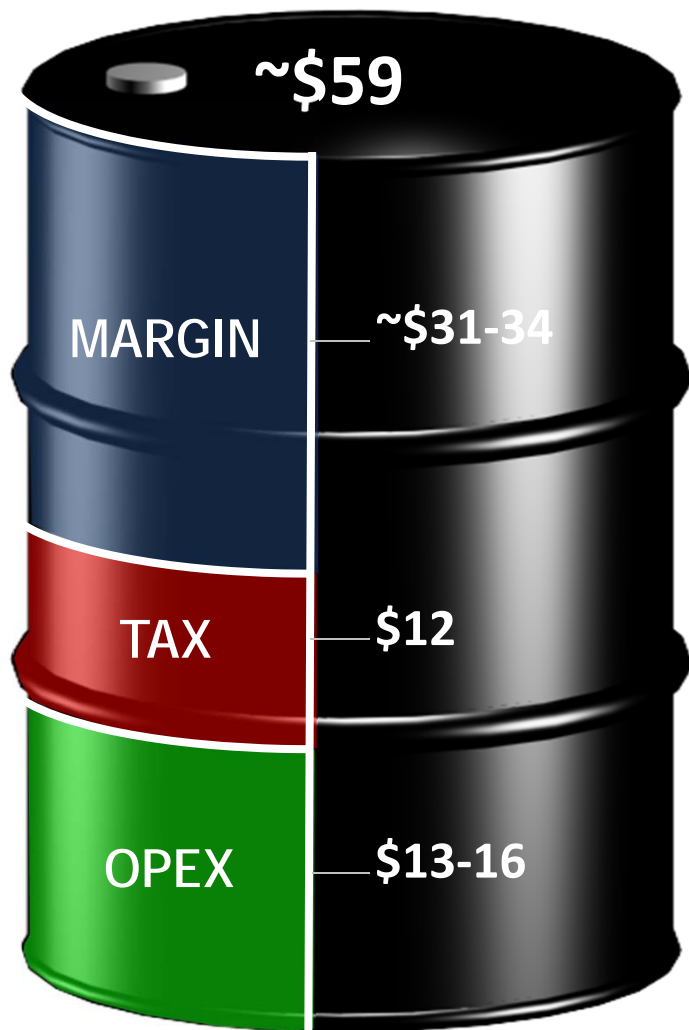
Total 3P = 31.4 MMbbl

Tortue Field Development



1. From preliminary NSAI report December 2017
 Figures are Gross Reserves after economic cut-off, before royalty, production sharing with Gabon government and exercise of any back-in rights or participation of GOC

FINANCIAL METRICS – TORTUE FIELD OIL DEVELOPMENT 2P CASE



- Illustrative economics based on \$59*/ barrel realised oil price, \$0.1 discount to Brent based on analogue
- Production Sharing Contract
- Favourable fiscal terms
 - During cost recovery phase over 50% of revenue is net cashflow to contractor
- Initial OPEX = \$13-16/bbl
- Field Life OPEX = \$20/bbl
- 23.5 mmbbls recovered
- Initial Production rate of 15,000 bopd
- Capex to first oil \$160-170 million, including:
 - 2 wells tied back to FPSO
 - 1 appraisal side-track
 - FPSO deployment and installation
 - Contingency
- Phase 2 capex in 2019/20 \$80 million
 - 2 additional wells tied back

* based on Brent strip forward curve over field life

PANORO'S NON RECOURSE LOAN FROM BW ENERGY

PANORO'S SHARE OF CAPITAL EXPENDITURE COVERED BY BW ENERGY GABON FOR UP TO US\$12.5MM

- Total Phase 1 development expenditure ca US\$160mm, including contingency
 - Panoro's share is ca. US\$13.5mm
- Non-recourse loan capped by BWEG of up to US\$12.5mm for Panoro's share of development
- Non-recourse loan repayable through part of Panoro's share of production, annual interest rate of 7.5%
- Repayment through Panoro's share of Cost Oil, as defined in the Dussafu PSC
- During the repayment phase, Panoro will be entitled to receive its share of Profit Oil, providing immediate and available free cash flow



US\$12.5mm

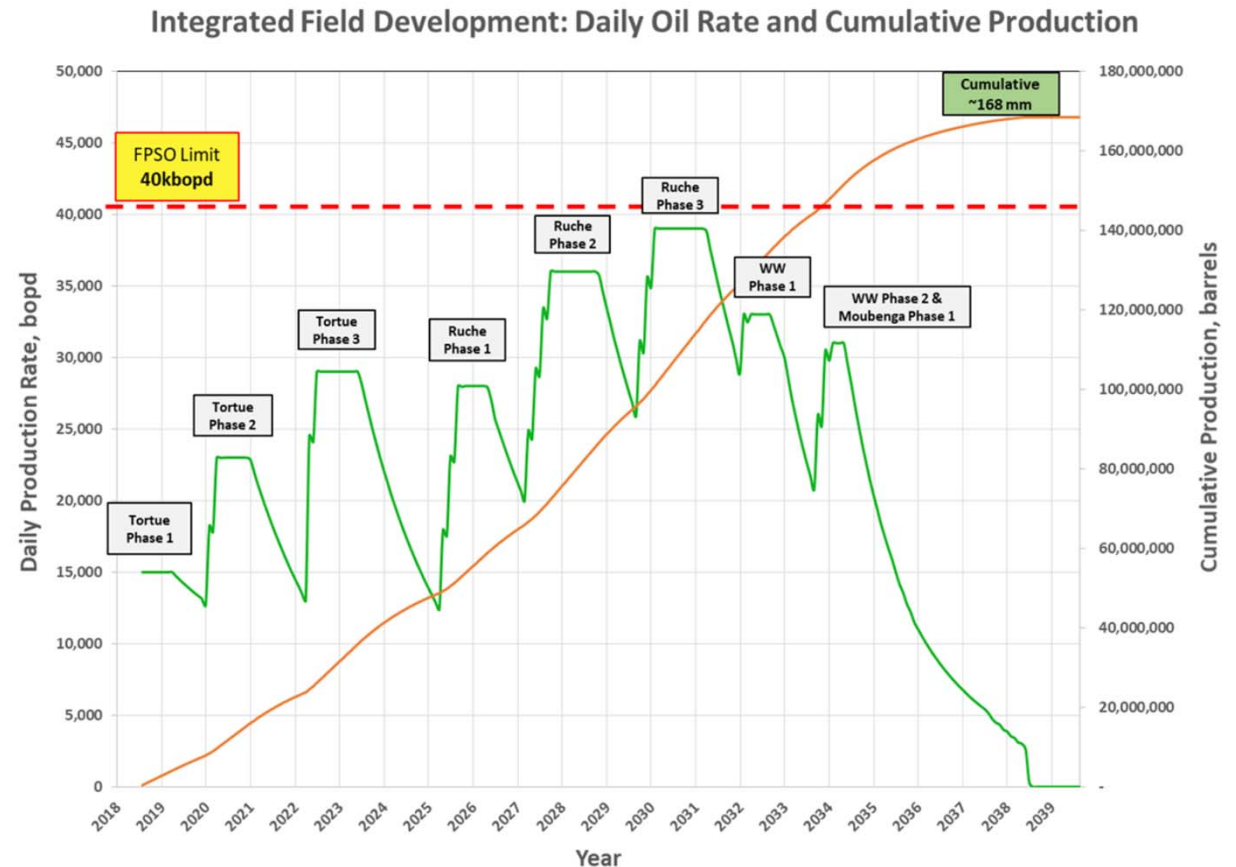
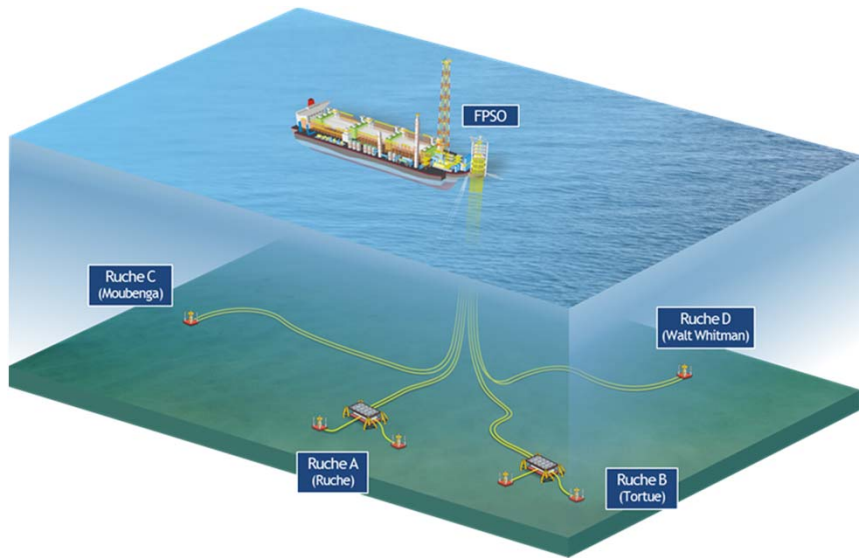
Debt Facility



US\$1.3mm

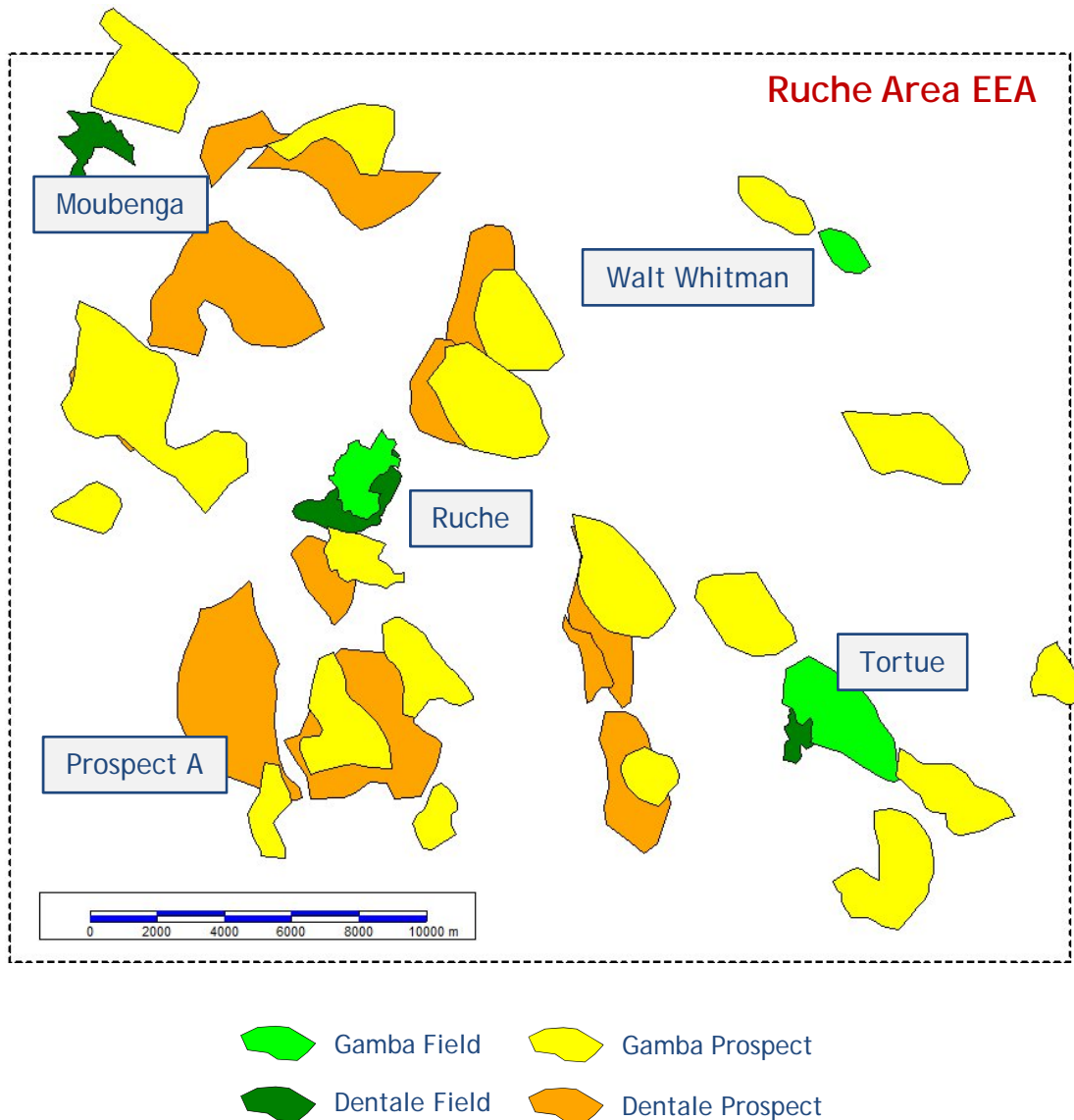
Drawn Debt
(as at Sept 30, 2017,
non recourse)

INTEGRATED FIELD DEVELOPMENT-ILLUSTRATIVE



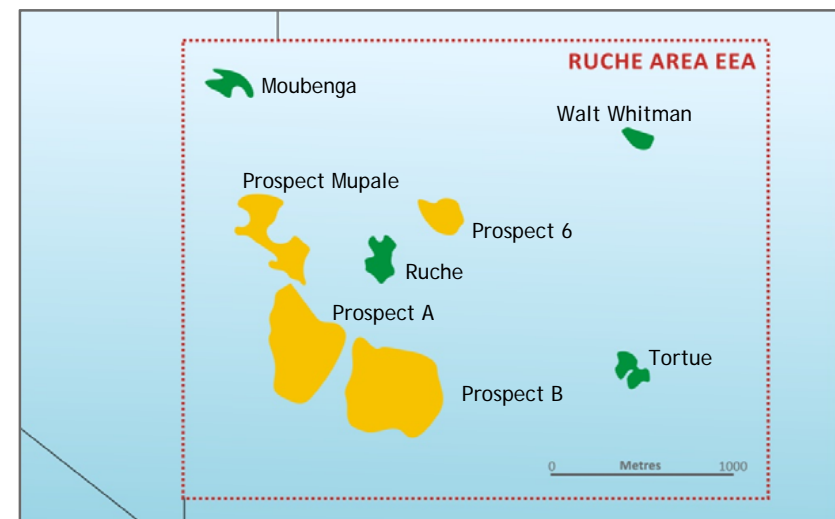
- Following Tortue, 3 other existing discoveries may be tied back to FPSO
- Potential for production to reach up to 40,000 bopd by 2030
- Total cumulative production potential could reach 168 MMbbls

4 EXISTING DISCOVERIES JUST THE BEGINNING...



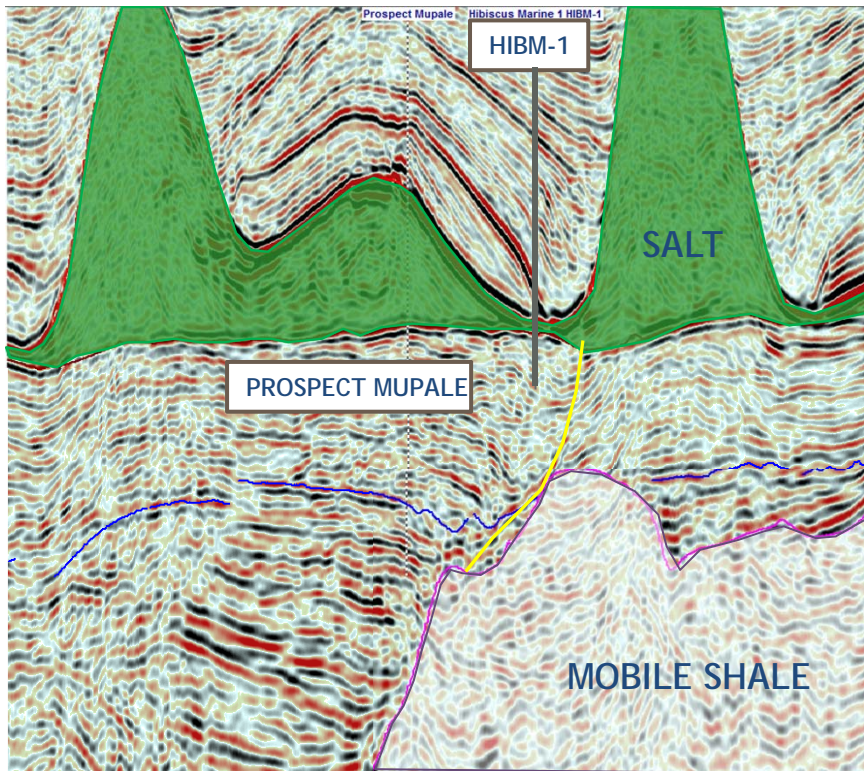
Ruche Area EEA Discoveries and Prospects

- Potential to be World Class asset
- In total 13 robust prospects and over 14 leads identified within the Ruche EEA area
- All have potential for inclusion in FDP once drilled
- Prospects A and B alone have combined P50 of 482 million barrels of gross unrisks prospective resources
- Four main prospects have been matured into potential drilling targets



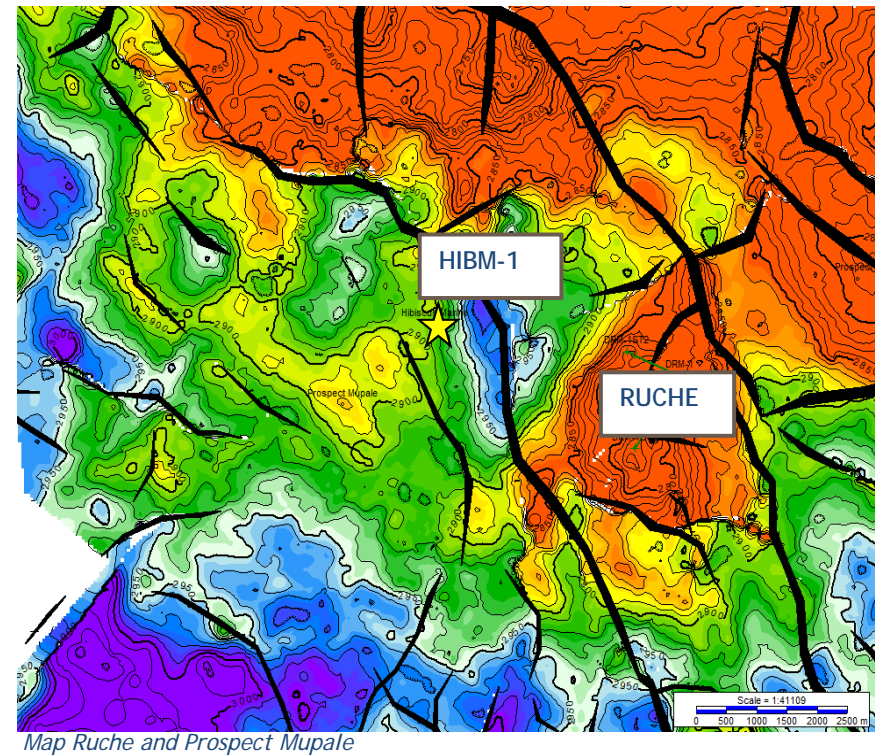
Four potential exploration targets already covered by site survey

DUSSAFU PROSPECT MUPALE - LOW RISK GAMBA

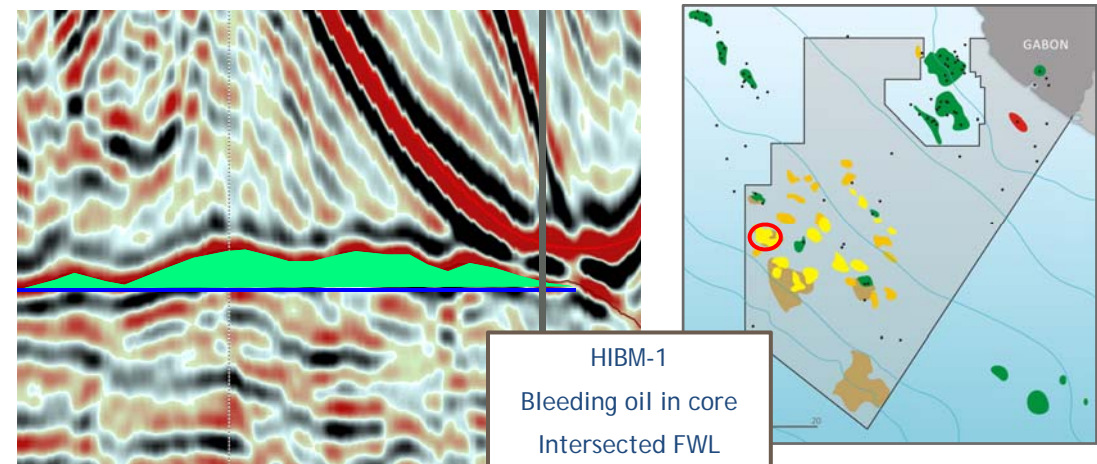


Seismic line through Mupale

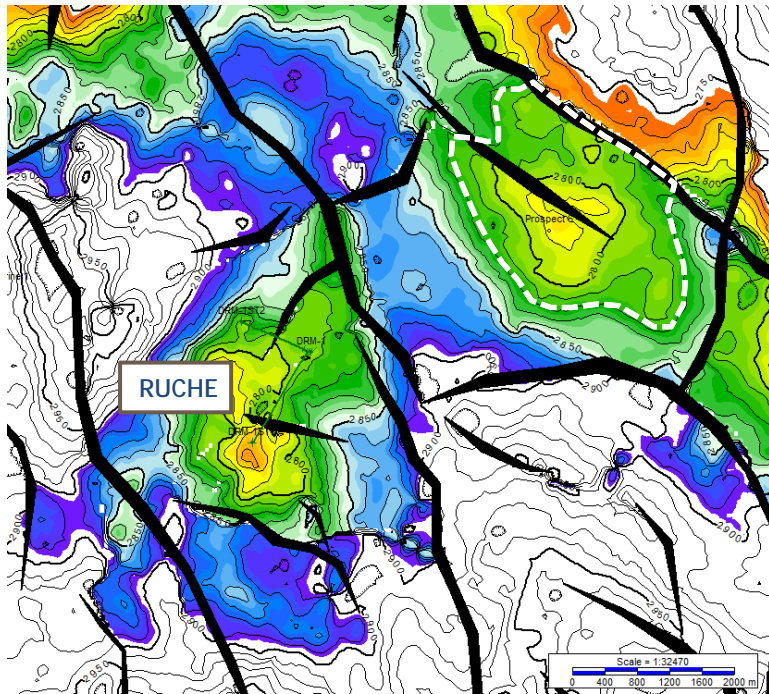
- Robust 4-way dip closed structure at Gamba level
- Critical risk trap presence and effectiveness
- Presence of oil in HIBM-1 well drilled by Arco in 1991
- 30m column updip of HIBM-1
- Gross unrisked prospective resources P50 31 MMbbls



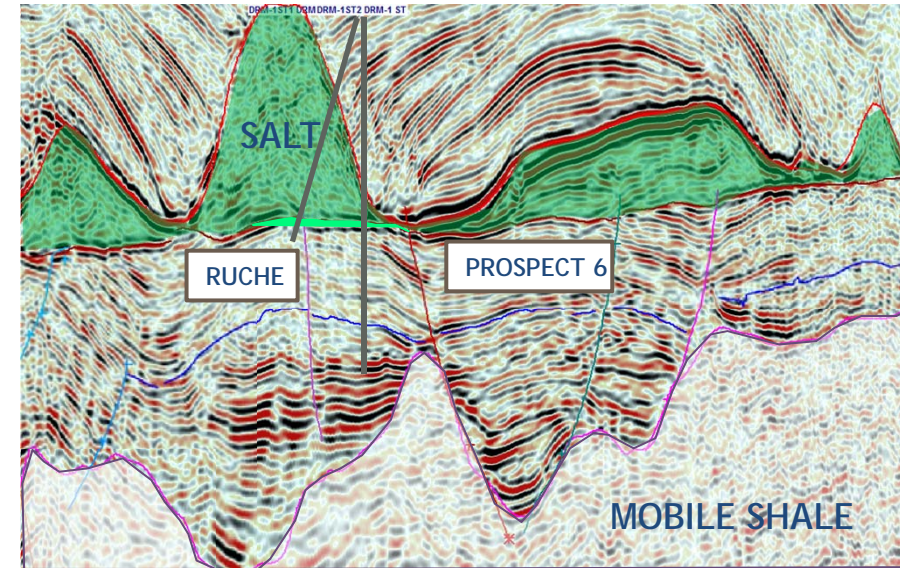
Map Ruche and Prospect Mupale



DUSSAFU PROSPECT 6 – SHORT TIEBACK TO RUCHE

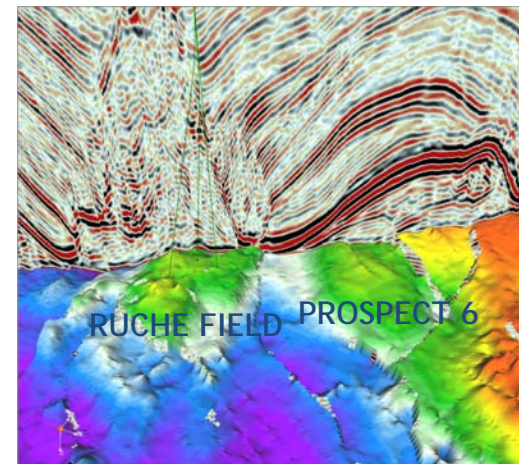


Map Ruche and Prospect 6

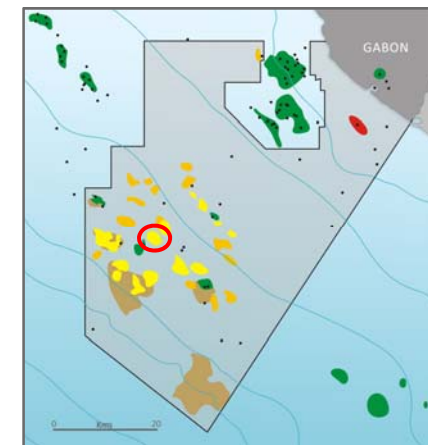


Seismic line through Ruche and 6

- Very robust prospect just 4 km northeast of Ruche field
- Gamba and Dentale 4-way closure
- Good salt coverage and low seal risk
- P50 combined gross unrisked prospective resources of 27 MMbbls with high chance of success

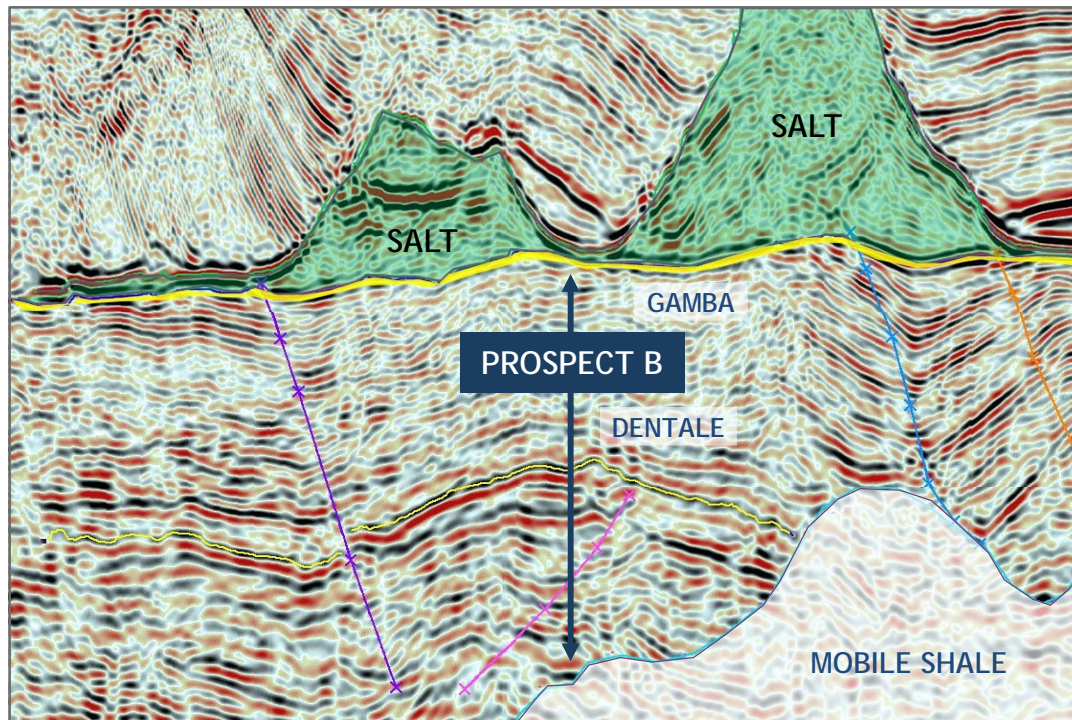


3D view looking west

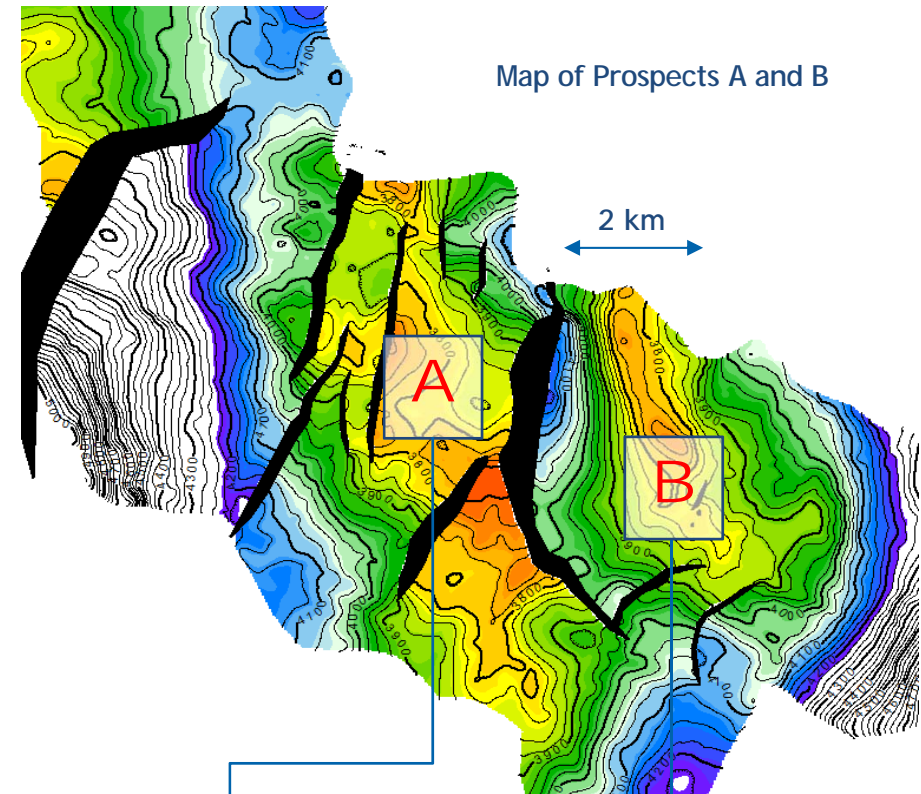


EXPLORATION PROSPECTS A&B

- Large well imaged four-way dip closed structures in Dentale
- Additional Gamba potential
- Proven producer in Gabon
- Possible to tie-back to Phase 1 development infrastructure



Seismic line through B



Prospect A
245 mmbbls
P50 gross unrisks
prospective resources

Prospect B
237 mmbbls
P50 gross unrisks
prospective resources

Panoro's prospective resources estimate

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