PROSPECTUS

Panoro Energy ASA

(Incorporated in Norway as a public limited liability company)
(Registration number: 994 051 067)

Listing of 24,472,000 Third Tranche New Shares issued in a Private Placement on Oslo Børs
Listing of 307,578 Trafigura Shares to be issued on Oslo Børs
Subsequent Offering of up to 5,500,000 Offer Shares at a Subscription Price of NOK 15.50 per Offer Share
Subscription Period: From 8 March 2021 at noon (CET) to 15 March at 16:30 hours (CET)

The information in this prospectus (the "**Prospectus**") relates to (i) the listing on Oslo Børs, a stock exchange operated by Oslo Børs ASA (the "**Oslo Børs**" or "**Oslo Stock Exchange**") by Panoro Energy ASA ("**Panoro Energy**", "**Panoro**" or the "**Company**", and together with its consolidated subsidiaries, the "**Group**") of 24,472,000 new shares in the Company with a nominal value of NOK 0.05 (the "**Third Tranche New Shares**") issued at a subscription price of NOK 15.50 per New Share (the "**Subscription Price**") which together with the issuance of 6,800,000 new shares in the Company (the "**First Tranche New Shares**") and 6,924,451 new shares in the Company (the "**Second Tranche New Shares**, all issued at the Subscription Price, raised gross proceeds of NOK 593,284,990.50 million in a private placement directed towards certain Norwegian and international institutional investors (the "**Private Placement**"), (ii) listing of 307,578 new shares in the Company issued at the Subscription Price and subscribed by Trafigura Ventures V B.V. (the "**Trafigura Shares**", and together with the First Tranche New Shares, the Second Tranche New Shares and the Third Tranche New Shares; the "**New Shares**") and (iii) a subsequent offering (the "**Subsequent Offering**") of up to 5,500,000 new ordinary shares to be issued by the Company (the "**Offer Shares**") directed towards shareholders in the Company, as of 9 February 2021, as registered with the Norwegian Central Securities Depository ("**VPS**") on 11 February 2021 (the "**Record Date**"), who (i) were not invited to subscribe for shares in the pre-sounding of the Private Placement, (ii) were not allocated New Shares in the Private Placement, and (iii) who are not resident in a jurisdiction where such offering would be unlawful or (for jurisdictions other than Norway) would require any prospectus, filing, registration or similar action ("**Eligible Shareholders**"). The First Tranche New Shares have been issued and delivered and are trading on Oslo Børs. The Second Tranche New Shares will be listed following issuance and registration with the VPS and the Trafigura Shares and the Third Tranche New Shares will be listed following issuance and registration with the VPS and the publication of this Prospectus.

Eligible Shareholders will receive non-transferable subscription rights ("**Subscription Rights**") based on their shareholding as of the Record Date. The Subscription Rights will give Eligible Shareholders a preferential right to subscribe for and be allocated shares in the Subsequent Offering. Over-subscription is allowed. Subscription without Subscription Rights is permitted. Eligible Shareholders will be granted 0.171143 Subscription Rights for each Share held on the Record Date. Each Subscription Right will give the right to subscribe for one (1) Offer Share in the Subsequent Offering. The subscription period commences on 8 March 2021 at noon (Central European Time, "**CET**") and expires on 15 March 2021 at 16:30 hours CET (the "**Subscription Period**").

Subscription Rights that are not used to subscribe for Offer Shares before expiry of the Subscription Period will have no value and will lapse without compensation.

The due date for the payment of the Offer Shares in the Subsequent Offering is expected to be on or about 22 March 2021 ("**Payment Date**"). Delivery of the Offer Shares in the Subsequent Offering is expected to take place on or about 24 March 2021 through the facilities of the VPS. If the conditions for closing of the Subsequent Offering are not fulfilled, the Subsequent Offering may be withdrawn, resulting in all applications for Offer Shares being disregarded, any allocations made cancelled and any payments made being returned without any interest or other compensation.

The First Tranche New Shares are, and the Second Tranche New Shares, Third Tranche New Shares and the Offer Shares will be, registered with the VPS in book-entry form. All Shares rank in parity with one another and carry one vote. Except where the context otherwise requires, references in this Prospectus to the "**Shares**" will be deemed to include the New Shares and the Offer Shares.

The distribution of this Prospectus in certain jurisdictions may be restricted by law. The Company and the Manager require persons in possession of this Prospectus to inform themselves about, and to observe, any such restrictions. This Prospectus does not constitute an offer of, or an invitation to purchase, any of the Offer Shares in any jurisdiction in which such offer or subscription or purchase would be unlawful. The Company is not taking any action to permit a public offering of the Offer Shares in any jurisdiction outside Norway. The Offer Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 as amended ("U.S. Securities Act") or with any securities regulatory authority of any state or other jurisdiction in the United States, and are being offered and sold: (i) in the United States only to persons who are qualified institutional buyers ("QIBs") in reliance on Rule 144A or another available exemption from registration requirements of the U.S. Securities Act; and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act ("Regulation S"). Prospective investors are notified that any seller of the Offer Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. The distribution of this Prospectus and the offer and sale of the Offer Shares may be restricted by law in certain jurisdictions. Accordingly, neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with applicable laws and regulations. Persons in possession of this Prospectus are required by the Company and the Managers to inform themselves about and to observe any such restrictions. Failure to comply with these regulations may constitute a violation of the securities laws of any such jurisdictions. See Section 16 "Selling and Transfer Restrictions".

Investing in the Offer Shares involves a high degree of risk. Prospective investors should read the entire Prospectus and, in particular, consider Section 2 "Risk Factors" when considering an investment in the Company.

Managers

Sole lead manager and joint bookrunner

Joint bookrunner

The date of this prospectus is 5 March 2021

IMPORTANT INFORMATION

This Prospectus has been prepared in order to provide information about Panoro Energy and its business in connection with the listing (the "**Listing**") on Oslo Børs of the Trafigura Shares and the Third Tranche New Shares and the Offer Shares to be issued in the Subsequent Offering.

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75, as amended (the "**Norwegian Securities Trading Act**") and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**"). This Prospectus has been prepared solely in the English language. This Prospectus has been approved by the Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*) (the "**Norwegian FSA**"), as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities. The Prospectus has been drawn up as a simplified prospectus in accordance with Article 14 of the EU Prospectus Regulation.

For the definitions of terms used throughout this Prospectus, see Section 18 "*Definitions and glossary*".

Pareto Securities AS ("**Manager1**") and Carnegie AS ("**Manager2**") are acting as managers (the "**Managers**") in the Subsequent Offering.

The information contained herein is current as at the date hereof and is subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus, which may affect the assessment of the Offer Shares and which arises or is noted between the time when the Prospectus is approved by the Norwegian FSA and the listing of the Shares on Oslo Børs, will be mentioned in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus, nor the sale of any Offer Share, shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

No person is authorised to give information or to make any representation concerning the Group or in connection with the Subsequent Offering or the sale of the Offer Shares other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company or the Managers or by any of the affiliates, representatives, advisors or selling agents of any of the foregoing.

The distribution of this Prospectus and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, any of the Offer Shares in any jurisdiction in which such offer or sale would be unlawful. Neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with applicable laws and regulations. Persons in possession of this Prospectus are required to inform themselves about, and to observe, any such restrictions. In addition, the Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. See Section 16 "Selling and Transfer Restrictions".

This Prospectus and the terms and conditions of the Subsequent Offering as set out in this Prospectus and any sale and purchase of Offer Shares shall be governed by, and construed in accordance with, Norwegian law. The courts of Norway, with Oslo City Court as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Subsequent Offering or this Prospectus.

In making an investment decision, prospective investors must rely on their own examination, analysis of, and enquiry into, the Group and the terms of the Subsequent Offering, including the merits and risks involved. None of the Company or the Managers, or any of their respective representatives or advisers, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares.

Prospective investors should read the entire Prospectus and, in particular, consider Section 2 "Risk Factors" when considering an investment in the Company. All Sections of the Prospectus should be read in context with the information included in Section 4 "General information".

NOTICE TO INVESTORS IN THE UNITED STATES

The Offer Shares have not been recommended by any United States federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not passed upon the merits of the Subsequent Offering or confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offense under the laws of the United States.

The Offer Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered, sold, pledged or otherwise transferred within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws.

Accordingly, the Offer Shares are being offered and sold: (i) in the United States only to QIBs in reliance upon Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in offshore transactions in compliance with Regulation S. For certain restrictions on the sale and transfer of the Offer Shares, see Section 16 "Selling and Transfer Restrictions".

Prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Offer Shares, and are hereby notified that sellers of Offer Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act. See Section 16 "Selling and Transfer Restrictions".

In the United States, this Prospectus is being furnished on a confidential basis solely for the purposes of enabling a prospective investor to consider purchasing the particular securities described in this Prospectus. The information contained in this Prospectus has been provided by the Company and other sources identified herein. Distribution of this Prospectus to any person other than the offeree specified by the Managers or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorised, and any disclosure of its contents, without prior written consent of the Company, is prohibited. Any reproduction or distribution of this Prospectus in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited. This Prospectus is personal to each offeree and does not constitute an offer to any other person or to the public generally to purchase Offer Shares or subscribe for or otherwise acquire any Shares.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

This Prospectus is only being distributed to and is only directed at (i) persons who are outside the United Kingdom (the "**UK**") or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons

together being referred to as the "**Relevant Persons**"). The Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Shares will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

NOTICE TO INVESTORS IN THE EEA

In any member state of the European Economic Area (the "**EEA**"), other than Norway (each, a "**Relevant Member State**"), this communication is only addressed to and is only directed at persons who are "qualified investors" ("**Qualified Investors**") within the meaning of Article 2(e) of the EU Prospectus Regulation. The Prospectus has been prepared on the basis that all offers of Offer Shares outside Norway will be made pursuant to an exemption under the EU Prospectus Regulation from the requirement to produce a prospectus for offer of shares. Accordingly, any person making or intending to make any offer of Offer Shares which is the subject of the Subsequent Offering contemplated in this Prospectus within any Relevant Member State should only do so in circumstances in which no obligation arises for the Company or any of the Managers to publish a prospectus or a supplement to a prospectus under the EU Prospectus Regulation for such offer. Neither the Company nor the Managers have authorised, nor do they authorise, the making of any offer of Shares through any financial intermediary, other than offers made by Managers which constitute the final placement of Offer Shares contemplated in this Prospectus.

Each person in a Relevant Member State other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway, who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with the Managers and the Company that:

(a) it is a "qualified investor" within the meaning of Article 2(e) of the EU Prospectus Regulation; and

(b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in the EU Prospectus Regulation, (i) such Offer Shares acquired by it in the Subsequent Offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than Qualified Investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where such Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than Qualified Investors, the offer of those Offer Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

For the purposes of this provision, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Subsequent Offering and the Offer Shares to be offered, so as to enable an investor to decide to acquire any Offer Shares.

See Section 16 "Selling and Transfer Restrictions" for certain other notices to investors.

NOTICE TO INVESTORS IN CANADA

The Offer Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Offer Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Managers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II (the "**Positive Target Market**"); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Appropriate Channels for Distribution**"). Distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile (the "**Negative Target Market**" and, together with the Positive Target Market, the "**Target Market Assessment**").

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Subsequent Offering.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Shares and determining appropriate distribution channels.

ENFORCEMENT OF CIVIL LIABILITIES

[The Company is a public limited liability company incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions. The members of the Company's board of directors (the "**Board Members**" and the "**Board of Directors**" or "**Board**"), respectively) and the members of the senior management of the Company (the "**Management**") are not residents of the United States. Virtually all of the Company's assets and the assets of the Board Members and members of Management are located outside the United States. As a result, it may be impossible or difficult for investors in the United States to effect service of

process upon the Company, the Board Members and members of Management in the United States or to enforce against the Company or those persons judgments obtained in U.S. courts, whether predicated upon civil liability provisions of the federal securities laws or other laws of the United States.]

The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or members of Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or the Board Members or members of Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway.

AVAILABLE INFORMATION

The Company has agreed that, for so long as any of the Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, it will during any period in which it is neither subject to Sections 13 or 15(d) of the U.S. Securities Exchange Act of 1934 (the "**U.S. Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act, provide to any holder or beneficial owners of Shares, or to any prospective purchaser designated by any such registered holder, upon the request of such holder, beneficial owner or prospective owner, the information required to be delivered pursuant to Rule 144A(d)(4) of the U.S. Securities Act. The Company will also make available to each such holder or beneficial owner, all notices of general meetings and other reports and communications that are made generally available to the Company's shareholders.

DATA PROTECTION

As data controllers, each of the Managers processes personal data to deliver the products and services that are agreed between the parties and for other purposes, such as to comply with laws and other regulations, including the General Data Protection Regulation (EU) 2016/679 (the "**GDPR**") and the Norwegian Data Protection Act of 15 June 2018 No. 38. The personal data will be processed as long as necessary for the purposes, and will subsequently be deleted unless there is a statutory duty to keep it. For detailed information on each Manager's processing of personal data, please review such Manager's privacy policy, which is available on its website or by contacting the relevant Manager. The privacy policy contains information about the rights in connection with the processing of personal data, such as the access to information, rectification, data portability, etc. If the applicant is a corporate customer, such customer shall forward the relevant Manager's privacy policy to the individuals whose personal data it discloses to the Managers.

NOTICE (FOR ELECTRONIC DELIVERY)
THE PROSPECTUS IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER: (1) QIBS UNDER RULE 144A; OR (2) OUTSIDE THE UNITED STATES

IMPORTANT: You must read the following before continuing. The following applies to the Prospectus relating to the Company. You are advised to read this carefully before reading, accessing or making any other use of the Prospectus. Recipients of this electronic transmission who intend to subscribe for or purchase the Offer Shares are reminded that any subscription or purchase may only be made on the basis of the information contained in this Prospectus to be published. In accessing the Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access. You acknowledge that this electronic transmission and the delivery of the Prospectus is intended for you only and you agree you will not forward this electronic transmission or the Prospectus to any other person.

THE OFFER SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES, OR UNDER THE APPLICABLE SECURITIES LAWS OF AUSTRALIA, CANADA, HONG KONG OR JAPAN. SUBJECT TO CERTAIN EXCEPTIONS, THE OFFER SHARES MAY NOT BE OFFERED OR SOLD WITHIN AUSTRALIA, CANADA, JAPAN OR THE UNITED STATES.

THE MANAGERS MAY ARRANGE FOR THE SALE OF OFFER SHARES (I) IN THE UNITED STATES TO PERSONS WHO ARE QIBS AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT IN RELIANCE ON RULE 144A OR ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT, AND (II) OUTSIDE THE UNITED STATES PURSUANT TO, AND IN COMPLIANCE WITH, REGULATION S UNDER THE U.S. SECURITIES ACT AND APPLICABLE SECURITIES REGULATIONS IN EACH JURISDICTION IN WHICH THE OFFER SHARES ARE OFFERED.

THE PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE OFFER SHARES DESCRIBED THEREIN.

Save for transmission in Norway, this electronic transmission and the document are only addressed to, and directed at, persons in member states of the EEA who are Qualified Investors within the meaning of EU Prospectus Regulation. In addition, in the United Kingdom, this electronic transmission and the document are only addressed to, and directed at, Qualified Investors who (i) are persons who have professional experience in matters relating to investments falling within article 19(5) of the Order, (ii) are persons who are high net worth entities falling within article 49(2)(a) to (d) of the Order or (iii) are other persons to whom they may otherwise lawfully be communicated (all such persons together being referred to as Relevant Persons). This electronic transmission and the Prospectus must not be acted or relied on (i) in the United Kingdom, by persons who are not Relevant Persons or (ii) in any member state of the EEA, by persons who are not Qualified Investors. Any investment or investment activity to which this electronic transmission and the Prospectus relate is available only to Relevant Persons in the United Kingdom and Qualified Investors in any member state of the EEA and will be engaged in only with such persons.

Confirmation of your Representation: This electronic transmission and the Prospectus are delivered to you on the basis that you are deemed to have represented to the Company and the Managers that : (i) you have understood and agree to the terms set out herein; (ii) you consent to delivery of such Prospectus by electronic transmission; and (iii) you are any of the following (a) a person in Norway, (b) a QIB who would be acquiring Offer Shares for your own account or for the account of another QIB, (c) a person in a member state of the EEA, other than Norway who is a Qualified Investor and/or a Qualified Investor acting on behalf of Qualified Investors or Relevant Persons, (d) a person in the United Kingdom who is a Relevant Person and/or a Relevant Person acting on behalf of Relevant Persons or Qualified Investors, or (e) you are an institutional investor that is otherwise eligible to receive this electronic transmission and the Prospectus in accordance with the laws of the jurisdiction in which you are located.

You are reminded that the Prospectus has been delivered to you on the basis that you are a person into whose possession the Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver or disclose the contents of the Prospectus to any other person. Nothing in this electronic transmission constitutes an offer of securities for sale in any jurisdiction where it is unlawful to do so.

The Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and, consequently, none of the Company, the Managers nor any of their respective affiliates accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and the hard copy version available to you on request.

The materials relating to the Subsequent Offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the Subsequent Offering be made by a licensed broker or dealer and the Managers or any affiliate of the Managers is a licensed broker or dealer in that jurisdiction, the Subsequent Offering shall be deemed to be made by the Manager or such affiliate on behalf of the Company in such jurisdiction.

Restriction: Nothing in this electronic transmission constitutes, and this electronic transmission may not be used in connection with, an offer of securities for sale to persons other than the specified categories of institutional buyers described above and to whom it is directed and access has been limited so that it shall not constitute a general solicitation. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

None of the Managers, or any of their respective affiliates, or any of their respective directors, officers, employees or agents accepts any responsibility whatsoever for the contents of the Prospectus or for any statement made or purported to be made by the Company, or on its behalf, in connection with the Company or the offer. The Managers and any of their respective affiliates accordingly disclaim all and any liability whether arising in tort, contract or otherwise which they might otherwise have in respect of such document or any such statement. No representation or warranty, express or implied, is made by any of the Managers or any of their respective affiliates as to the accuracy or completeness of the information set out in this document.

The Managers are acting exclusively for the Company and no one else in connection with the Subsequent Offering. They will not regard any other person (whether or not a recipient of this document) as their respective clients in relation to the Subsequent Offering and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients nor for giving advice in relation to the Subsequent Offering or any transaction or arrangement referred to herein.

Recipients are responsible for protecting against viruses and other destructive items. The use of this email is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

TABLE OF CONTENTS

1. SUMMARY 1

2. RISK FACTORS 8

2.1 RISKS RELATING TO THE TRANSACTIONS 8

2.2 RISKS RELATING TO THE COMPANY'S BUSINESS AND OPERATIONS 10

2.3 RISKS RELATED TO LAWS, REGULATIONS AND COMPLIANCE 14

2.4 RISKS RELATING TO JURISDICTIONS IN WHICH THE GROUP OPERATES 17

2.5 RISKS RELATING TO THE OIL AND GAS INDUSTRY IN WHICH THE GROUP OPERATES 18

2.6 FINANCIAL RISKS 19

2.7 RISKS RELATING TO THE SHARES 20

3. RESPONSIBILITY FOR THE PROSPECTUS 22

4. GENERAL INFORMATION 23

4.1 OTHER IMPORTANT INVESTOR INFORMATION 23

4.2 PRESENTATION OF FINANCIAL AND OTHER INFORMATION 23

4.3 NOTICE REGARDING FORWARD LOOKING STATEMENTS 25

4.4 STATEMENT REGARDING EXPERT OPINIONS 26

5. PRIVATE PLACEMENT 28

5.1 BACKGROUND AND REASONS FOR THE PRIVATE PLACEMENT 28

5.2 PROCEEDS, EXPENSES AND USE OF PROCEEDS 28

5.3 RESOLUTIONS TO ISSUE THE NEW SHARES 28

5.4 MAIN FEATURES OF THE NEW SHARES 31

5.5 DELIVERY AND LISTING OF THE NEW SHARES 31

5.6 THE RIGHTS CONFERRED BY THE NEW SHARES 31

5.7 DILUTION 31

5.8 MANAGERS AND ADVISORS 31

5.9 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE PRIVATE PLACEMENT 31

5.10 PARTICIPATION BY MAJOR EXISTING SHAREHOLDERS AND MEMBERS OF THE COMPANY'S MANAGEMENT, SUPERVISORY, ADMINISTRATIVE BODIES AND PERSONS/ENTITIES SUBSCRIBING FOR MORE THAN 5% OF THE PRIVATE PLACEMENT 32

6. SUBSEQUENT OFFERING 33

6.1 BACKGROUND 33

6.2 TIMETABLE 33

6.3 RESOLUTION REGARDING THE SUBSEQUENT OFFERING 33

6.4 SUBSEQUENT PERIOD 34

6.5 SUBSCRIPTION PRICE 34

6.6 SUBSCRIPTION RIGHTS, ELIGIBLE SHAREHOLDERS AND RECORD DATE 34

6.7 TRADING IN SUBSCRIPTION RIGHTS 35

6.8 SUBSCRIPTION PROCEDURES AND SUBSCRIPTION OFFICE 35

6.9 FINANCIAL INTERMEDIARIES 36

6.10 ALLOCATION 37
6.11 PAYMENT FOR THE OFFER SHARES 37
6.12 VPS REGISTRATION OF THE OFFER SHARES 38
6.13 DELIVERY AND LISTING OF THE OFFER SHARES 39
6.14 THE RIGHTS CONFERRED BY THE OFFER SHARES 39
6.15 PRODUCT GOVERNANCE 39
6.16 NATIONAL CLIENT IDENTIFIER AND LEGAL ENTITY IDENTIFIER 40
6.17 MANDATORY ANTI-MONEY LAUNDERING PROCEDURES 40
6.18 TRANSFERABILITY OF THE OFFER SHARES 40
6.19 EXPENSES AND NET PROCEEDS 40
6.20 DILUTION 40
6.21 INTEREST OF NATURAL AND LEGAL PERSONS 41
6.22 MANAGERS AND ADVISORS 41
6.23 PUBLICATION OF INFORMATION RELATING TO THE SUBSEQUENT OFFERING 41
6.24 PARTICIPATION OF MAJOR EXISTING SHAREHOLDERS AND MEMBERS OF THE COMPANY'S MANAGEMENT, SUPERVISORY AND ADMINISTRATIVE BODIES IN THE SUBSEQUENT OFFERING 41
6.25 GOVERNING LAW AND JURISDICTION 41

7. PRESENTATION OF THE COMPANY 42

7.1 INTRODUCTION 42
7.2 INCORPORATION, REGISTERED OFFICE AND REGISTRATION NUMBER 42
7.3 LEGAL STRUCTURE 43
7.4 BRIEF HISTORY AND DEVELOPMENT 44
7.5 BUSINESS OVERVIEW 46
7.6 LEGAL AND ENVIRONMENTAL FRAMEWORK FOR PETROLEUM BUSINESS 69
7.7 FISCAL TERMS 72

8. CONSOLIDATED FINANCIAL INFORMATION 84

8.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES 84
8.2 FUNDING AND TREASURY POLICIES AND BASIS FOR PREPARATION 84
8.3 CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 84
8.4 CONSOLIDATED STATEMENTS OF FINANCIAL POSITION 87
8.5 CONSOLIDATED STATEMENTS OF CASHFLOWS 89
8.6 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 91
8.7 TREND INFORMATION AND SIGNIFICANT CHANGES 92
8.8 SEGMENT INFORMATION 94
8.9 SELECTED OTHER FINANCIAL INFORMATION 97
8.10 INVESTMENTS 98
8.11 SUMMARY OF THE EG ACQUISITION 99
8.12 SUMMARY OF THE DUSSAFU ACQUISTION 103
8.13 CONDITION PRECEDENTS FOR EG AND DUSSAFU ACQUSITIONS 104

9. LIQUIDITY AND CAPITAL RESOURCES 106

9.1 WORKING CAPITAL STATEMENT 106

9.2 CAPITALISATION AND INDEBTEDNESS 106

9.3 BORROWINGS 109

9.4 TREASURY AND FUNDING POLICY 113

9.5 PROPERTY, PLANT, AND EQUIPMENT 113

9.6 CURRENT OBLIGATIONS AND COMMITMENTS 114

9.7 GUARANTEES AND PLEDGES 114

10. UNAUDITED PRO FORMA FINANCIAL INFORMATION 116

10.1 PRO FORMA REQUIRMENT AND THE EG AQUISITION AND DUSSAFU ACQUISITION 116

10.2 PURPOSE OF THE UNAUDITED CONDENSED PRO FORMA FINANCIAL INFORMATION 117

10.3 UNAUDITED PRO FORMA CONDENSED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2019 119

10.4 NOTES TO PRO FORMA CONDENSED STATEMENT OF FINANCIAL POSITION 121

10.5 UNAUDITED PRO FORMA CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019 127

10.6 NOTES TO PRO FORMA CONDENSED STATEMENT OF COMPREHENSIVE INCOME 128

10.7 REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION ENDED 31 DECEMBER 2019 131

11. BOARD OF DIRECTORS, MANAGEMENT AND EMPLOYEES 132

11.1 BOARD OF DIRECTORS 132

11.2 MANAGEMENT 134

11.3 OTHER DIRECTORSHIPS AND MANAGEMENT POSITIONS 135

11.4 THE NOMINATION COMMITTEE 136

11.5 AUDIT COMMITTEE 136

11.6 REMUNERATION COMMITTEE 136

11.7 CONFLICT OF INTERESTS 137

11.8 CONVICTIONS FOR FRAUDULENT OFFENCES, BANKRUPTCY, ETC. 137

12. SHARE CAPITAL AND SHAREHOLDER MATTERS 138

12.1 SHARE CAPITAL AND SHARES 138

12.2 MAJOR SHAREHOLDERS 140

12.3 THE ARTICLES OF ASSOCIATION AND GENERAL SHAREHOLDER MATTERS 141

12.4 SECURITIES TRADING IN NORWAY 145

12.5 SHAREHOLDER AND DIVIDEND POLICY 148

12.6 SHAREHOLDER AGREEMENTS 148

12.7 CORPORATE GOVERNANCE 148

13. REGULATORY DISCLOSURES 149

14. NORWEGIAN TAXATION 151

14.1 TAXATION OF DIVIDENDS 151

14.2 TAXATION OF CAPITAL GAINS ON REALISATION OF SHARES 152

14.3 Net wealth tax 153
14.4 VAT and transfer taxes 153
14.5 Inheritance tax 154
15. LEGAL MATTERS 155
15.1 Legal and arbitration proceedings 155
15.2 Material contracts OUTSIDE THE ORDINARY COURSE OF BUSINESS 155
15.3 Related party transactions 155
16. SELLING AND TRANSFER RESTRICTIONS 156
16.1 General 156
16.2 Selling restrictions 156
16.3 Transfer restrictions 158
17. ADDITIONAL INFORMATION 160
17.1 IndependEnt auditor 160
17.2 Advisors 160
17.3 Documents on display 160
17.4 Documents incorporated by reference 160
18. DEFINITIONS AND GLOSSARY 162
19. APPENDICES .....

1. SUMMARY

Warning................................	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. An investment in the Shares involves inherent risk and the investor could lose all or part of its invested capital. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
Securities.............................	The Company has one class of shares in issue. The Shares are registered in book-entry form with the VPS and have ISIN International Securities Identification Number ("**ISIN**") NO0010564701.
Issuer...................................	The Company's registration number in the Norwegian Register of Business Enterprises is 994 051 067 and its Legal Entity Identifier ("**LEI**") is 5967007LIEEXZXGWM030. The Company's registered office is located at c/o Advokatfirmaet Schjødt AS, Ruseløkkveien 14, 0251 Oslo, Norway, its telephone number is +44 203 405 1060 and its e-mail is info@panoroenergy.com. The Company's website can be found at www.panoroenergy.com. The content of www.panoroenergy.com is not incorporated by reference into, or otherwise form part of, this Prospectus.
Competent authority...........	The Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*), with registration number 840 747 972 and registered address at Revierstredet 3, 0151 Oslo, Norway, and telephone number +47 22 93 98 00 has reviewed and, on 5 March 2021, approved this Prospectus.

KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?

Corporate information.........	The Company is a public limited liability company organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company was incorporated in Norway on 28 April 2009, its registration number in the Norwegian Register of Business Enterprises is 994 051 067 and its LEI is 5967007LIEEXZXGWM030.
Principal activities................	Panoro Energy ASA is an independent oil and gas exploration and production ("**E&P**") company based in London and listed on the Oslo Stock Exchange with ticker PEN. The Company holds exploration, development and production assets in southern Gabon (Dussafu License) and Tunisia (Sfax Offshore Exploration Permit and Ras El Besh Exploration Concession). The Company has also farmed-into an exploration block in South Africa (Block 2B), subject to completion of the transaction. Following completion of the EG Acquisition, the Company will also

hold assets in Equatorial Guinea (Ceiba and Okume Fields). The assets in western Nigeria (Aje) are held for sale.

Major shareholders.............. Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. The following table sets forth shareholders owning 5% or more of the shares in the Company as of 4 March 2021.

#	Shareholders	Number of Shares	Percent
1	Sundt AS	9,609,644	12.66
2	SpareBank 1 Markets AS	4,871,925	6.42
3	DNB Markets Aksjehandel	4,778,420	6.30

Key managing directors...... The Company's executive Management consists of four individuals. The names of the members of the Management and their respective positions are presented in the below table.

Name	Current position within the Group
John Hamilton	Chief Executive Officer ("**CEO**")
Qazi Qadeer	Chief Financial Officer ("**CFO**")
Richard Morton	Technical Director
Nigel McKim	Projects Director

Statutory auditor................. The Company's independent auditor is Ernst & Young AS (EY) with company registration number 976 389 387 with the Norwegian Register of Business Enterprises and business address Dronning Eufemias gate 6, P.O. Box 20, N-0051 Oslo, Norway.

What is the key financial information regarding the issuer?

The table below sets out key financial information gathered from the Company's audited consolidated income statement for the year ended 31 December 2019 with comparable figures for 2018 (prepared in accordance with IFRS (as defined below)), as well as from the unaudited interim consolidated income statement for the three month period ended 30 September 2020 and the six month period ended 30 June 2020, with comparable figures for 2019 (prepared in accordance with IAS 34 (as defined below)).

Key Financials – Income statement	**Three month period ended 30 September**		**Six month period ended 30 June**		**Year ended 31 December**	
	2020	**2019**	**2020**	**2019**	**2019**	**2018**
	IAS 34	IAS 34	IAS 34	IAS 34	IFRS	IFRS
(= Continuing operations)*	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Audited
Total revenue *(US$ 000) **	7,590	8,752	8,543	24,332	46,778	3,493
Operating profit or loss *(US$ 000) **	507	2,973	(3,268)	19,041	25,010	(4,423)
Net profit or loss *(US$ 000) **	(2,141)	2,146	3,384	6,658	5,368	(5,163)
Operating profit margin *(%) **	6.7%	34.0%	(38.3%)	78.3%	53.5%	(126.6%)
Basic earnings per share *(US$ / share) **	(0.03)	0.03	0.05	0.11	0.08	(0.11)
Diluted earnings per share *(US$ / share) **	(0.03)	0.03	0.05	0.11	0.08	(0.11)

The table below sets out key financial information gathered from the Company's audited consolidated statement of financial position as at 31 December 2019 with comparable figures for 2018 (prepared in

accordance with IFRS), as well as from the unaudited interim consolidated statement of financial position as at 30 September 2020 and as at 30 June 2020, with comparable figures for 2019 (prepared in accordance with IAS 34).

Key Financials – Financial position	**As at 30 September**		**As at 30 June**		**As at 31 December**	
	2020	**2019**	**2020**	**2019**	**2019**	**2018**
	IAS 34	IAS 34	IAS 34	IAS 34	IFRS	IFRS
	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Audited
Total assets *(US$ 000)*	148,160	130,620	150,641	134,027	152,516	125,057
Total equity *(US$ 000)*	71,970	53,476	74,338	53,202	72,691	46,312
Net financial debt *(interest-bearing debt less cash, US$ 000)*	6,195	5,825	3,380	1,336	(5,456)	5,430

The table below sets out key financial information gathered from the Company's audited consolidated cash flow statement for the year ended 31 December 2019 with comparable figures for 2018 (prepared in accordance with IFRS), as well as from the unaudited interim consolidated cash flow statement for the three month period ended 30 September 2020 and the six month period ended 30 June 2020, with comparable figures for 2019 (prepared in accordance with IAS 34).

Key Financials – Cash flow	**Three month period ended 30 September**		**Six month period ended 30 June**		**Year ended 31 December**	
	2020	**2019**	**2020**	**2019**	**2019**	**2018**
	IAS 34	IAS 34	IAS 34	IAS 34	IFRS	IFRS
(US$ 000)	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Audited
Net cash flows from operating activities	(2,344)	971	(1,420)	9,867	12,309	(5,337)
Net cash flows from investment activities	(1,196)	(4,243)	(9,059)	(3,763)	(13,390)	(31,315)
Net cash flows from financing activities	104	(2,176)	(961)	(13,945)	(1,746)	53,705

Pro forma financial information

On 9 February 2021, the Company and the EG Buyer (as defined below) signed an agreement with Tullow and the EG Seller (as defined below) to acquire 100% of the shares in TEGL (as defined below) (the EG Acquisition, as defined below). TEGL holds a 14.25% non-operated working interest the in Ceiba and Okume licenses, offshore Equatorial Guinea. Effective economic date of the transaction is 1 July 2020.

The unaudited condensed pro forma financial information set out below has been prepared by the Company for illustrative purposes to show how the Acquisitions (as defined below) might have affected the statement of financial position as of 31 December 2019 as if they occurred on that date. The unaudited pro forma condensed statement of comprehensive income has been prepared by the Company for illustrative purposes to show how the Acquisitions might have affected the statement of comprehensive income as if they had occurred on 1 January 2019.

The unaudited condensed pro forma financial information has been compiled to comply with the Norwegian Securities Trading Act and the applicable EU-regulations pursuant to section 7-1 of the Norwegian Securities Trading Act. This information is not in compliance with SEC Regulation S-X, and had the securities been registered under the U.S. Securities Act of 1933, this unaudited Pro Forma Financial Information, including the report by the auditor, would have been amended and /or removed from the Prospectus.

The unaudited condensed pro forma financial information does not include all of the information required for financial statements under IFRS and should be read in conjunction with the historical financial information of the Company.

The following table presents the key figures contained in the unaudited pro forma condensed statement of financial position for the year ended 31 December 2019:

Table 1 – Key figures - unaudited pro forma condensed statement of financial position for the year ended 31 December 2019

	Panoro Energy ASA (Consolidated)	**Tullow Equatorial Guinea Limited**	**TEGL IFRS adjustments**	**Pro forma adjustments**	**Pro forma**
	31 December 2019	31 December 2019	31 December 2019	31 December 2019	31 December 2019
	IFRS (audited)	IFRS (audited	Unaudited	Unaudited	Unaudited

Total assets	152,516	197,979	(25,481)	153,865	478,878
Total equity	72,691	20,401	(16,209)	32,388	109,271

The following table presents the key figures contained in the unaudited pro forma condensed statement of comprehensive income for the year ended 31 December 2019:

Table 2 – Key figures - unaudited pro forma condensed income statement for the year ended 31 December 2019

	Panoro Energy ASA (Consolidated)	**Tullow Equatorial Guinea Limited**	**TEGL IFRS adjustments**	**Pro forma adjustments**	**Pro forma**
	31 December 2019	31 December 2019	31 December 2019	31 December 2019	31 December 2019
	IFRS (audited)	IFRS (audited)	(Unaudited)	(Unaudited)	(Unaudited)
Total revenues *	46,778	59,070	-	-	105,848
EBITDA *	24,611	71,255	(26,491)	(930)	68,445
EBIT – operating income / (loss) *	25,010	95,231	(26,491)	(49,400)	44,350
Net income / (loss) *	5,368	75,371	(17,219)	(56,978)	6,542
Net profit / (loss)	10,190	75,371	(17,219)	(56,978)	11,364

** Continuing operations*

What are the key risks that are specific to the issuer?

Material risk factors…………

- Risks associated with delays or unsuccessful completion of the Transactions.
- Risk relating to unaudited condensed pro-forma financial information.
- The sale of Aje in Nigeria and the purchase of Block 2B in South Africa may not complete.
- Risks relating to the ongoing COVID-19 pandemic.
- Risk relating to volatile oil and gas prices.
- The Group is exposed to political and regulatory risks, including risks and uncertainties relating to regional (area) electrification.
- Maritime disasters, employee errors and other operational risks may adversely impact the Group's reputation, financial condition and results of operations.
- Security risks associated with operating in certain jurisdictions, including risk relating to terrorist acts, piracy, securities issues, fraud, bribery and corruption and unionized labour and general labour interruptions.
- Despite undertaking various security measures the installations of the Group may become subject to terrorist acts and other acts of hostility like piracy. Such actions could adversely impact on the Group's overall business, financial condition and operations.
- Risks associated with CEMAC foreign currency regulations.
- Changes in foreign exchange rates may affect the Group's results of operations and financial position.

KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?

Type, class and ISIN……….	All of the Shares are ordinary shares in the Company and have been created under the Norwegian Public Limited Companies Act. The Shares are registered in book-entry form with the VPS and have ISIN NO0010564701.
Currency, par value and number of securities…………	The Shares will be traded in NOK on Oslo Børs. As of the date of this Prospectus, the Company's share capital is NOK 5,364,935.50 divided into 107,298,710 Shares, each with a nominal value of NOK 0.05.
Rights attached to the securities…………………………	The Company has one class of shares in issue, and in accordance with the Norwegian Public Limited Companies Act, all shares in that class provide equal rights in the Company, including the rights to dividends. Each of the Shares carries one vote.
Transfer restrictions…………	The Shares are freely transferable. The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the Shares. Share transfers are not subject to approval by the Board of Directors.
Dividend and dividend policy…………………………………	The Company has not paid any dividend since its incorporation in 2009 and currently anticipates that it will retain all future earnings, if any, to finance the growth and development of its business. Subject to completion of the Transactions, the Company expects to be in a position to consider cash dividends from 2023 . 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.

Where will the securities be traded?

The Company's Shares are, and the New Shares and the Offer Shares will be, traded on Oslo Børs. Trading in the Trafigura Shares and the Third Tranche New is expected to commence as soon as possible after this Prospectus has been published and trading in the Offer Shares is expected on or about 24 March 2021. The Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.

What are the key risks that are specific to the securities?

Material risk factors…………	(i) The trading price of the Shares may be volatile

KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET

Under which conditions and timetable can I invest in this security?

Terms and conditions of the Subsequent Offering………………………

The Subsequent Offering consists of an offer by the Company to issue up to 5,500,000 Offer Shares at a subscription price of NOK 15.50 per Offer Share, thereby raising gross proceeds of up to 82,250,000.

Existing Shareholders will based on their registered holding of shares in VPS at the end of the Record Date be granted Subscription Rights providing a preferential right to subscribe for and be allocated Offer Shares in the Subsequent Offering. The Company will issue 0,171143 Subscription Rights per 1 (one) Share held in the Company on the Record Date.

The number of Subscription Rights issued to each shareholder will be rounded down to the nearest whole number of Subscription Rights. Each Subscription Right grants the owner the right to subscribe for and be allocated one (1) Offer Share in the Subsequent Offering. Over-subscription is permitted; however, there can be no assurance that Offer Shares will be allocated for such subscriptions. Subscription without Subscription Rights is permitted.

After the expiry of the Subscription Period, the Subscription Rights will be of no value and automatically lapse. Eligible Shareholders not subscribing for entitled Offer Shares will entail no rights to such Offer Shares after expiry of the Subscription Period.

Timetable in the Subsequent Offering…

The below timetable sets out certain indicative key dates for the Subsequent Offering (subject to shortening, extensions and/or cancellation):

Table 3 – Timetable for the Subsequent Offering

Last day of trading in the Shares including Subscription Rights	9 February 2021
First day of trading in the Shares excluding Subscription Rights	10 February 2021
Record Date	11 February 2021
Commencement of Subscription Period	8 march 2021
End of Subscription Period	15 March 2021
Publication of the results of the Subsequent Offering	16 March 2021
Allocation letters and payment instructions distributed to subscribers	16 March 2021
Payment Date for the Offer Shares	22 March 2021
Registration of share capital increase pertaining to the Subsequent Offering	Expected on or about 23 March 2021
Delivery of the Offer Shares	Expected on or about 24 March 2021
Listing and first day of trading of the Offer Shares on Oslo Børs	Expected on or about 25 March 2021

The above dates are indicative and subject to change. Note that the Company, in consultation with the Managers, reserves the right to shorten, extend and/or cancel the Subscription Period at any time at its sole discretion, but will in no event be extended beyond 16:30 hours on 22 March 2021. In the event of an extension of the Subscription, the allocation date, the payment due date and the date of the listing Offer Shares on Oslo Børs may be changed accordingly. No

	action will be taken to permit a public offering of the Offer Shares in any jurisdiction outside Norway.
Dilution……………………………	The dilutive effect of the Private Placement is approximately 35.9%.[1] The net asset value per existing Share as at 30 September 2020 was approximately USD 1.9547752 (approximately NOK 18.53 based in the USD/NOK exchange rate as at 30 September 2020).
Total expenses of the issue/offer………………………	The Company's total costs and expenses relating to the Private Placement and the Subsequent Offering are expexted to be approximately NOK 20 million, of which approximately NOK 18 million are fees to the Managers and approximately NOK 2 million million are other fees, costs and expenses.

Who is the offeror and/or the person asking for admission to trading?

The Company is the offeror of Offer Shares in the Subsequent Offering.

Why is this prospectus being produced?

Reasons for the offer/ admission to trading…………	The Private Placement was completed in order to 11 February 2021. The main purpose of the Subsequent Offering is to enable the Eligible Shareholders to subscribe for Shares in the Company at the same price as in the Private Placement, thus limiting dilution of their shareholding.
Use of proceeds…………………	The Company intends to use the net proceeds from the Private Placement and Subsequent Offering for payment of base and Deferred Considerations due upon closing of the Acquisitions as well as for general corporate purposes.
Conflicts of interest……………	The Managers and their affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers, its employees and any affiliate may currently own existing Shares in the Company. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Managers will receive a fee of of the gross proceeds raised in the Private Placement and Subsequent Offering and, as such, have an interest in the Private Placement and Subsequent Offering.

[1] Defined as total of new shares issued in the Private Placement (including the Trafigura Shares to be issued) divided by the total number of Shares following the Private Placement.

2. RISK FACTORS

*An investment in Panoro Energy ASA ("**Panoro Energy**", "**Panoro**" or the "**Company**", and together with its consolidated subsidiaries, the "**Group**") and the Company's shares (the "**Shares**") involves inherent risk. Investors should carefully consider the risk factors and all information contained in thisProspectus. The risks and uncertainties described below are the material known risks and uncertainties faced by the Group as of the date hereof that the Company believes are the material risks relevant to an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment.*

The risk factors included herein are presented in a limited number of categories, where each risk factor is sought placed in the most appropriate category based on the nature of the risk it represents. Within each category the risk factors deemed most material for the Group, taking into account their potential negative affect for the Company and its subsidiaries and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties in that risk factor are not genuine and potential threats, and they should therefore be considered prior to making an investment decision. If any of the following risks were to materialize, either individually, cumulatively or together with other circumstances, it could have a material adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Shares, resulting in loss of all or part of an investment in the Offer Shares.

2.1 RISKS RELATING TO THE TRANSACTIONS

2.1.1 Risks associated with delays or unsuccessful completion of the Acquisitions

The acquisition of 100% of the shares in Tullow Equatorial Guinea Limited and the acquisition of 10% working interest in Dussafu Marin Permit, Offshore Gabon (collectively, the "**Acquisitions**") are subject to certain closing conditions, which inter alia include local regulatory notifications in Gabon and local regulatory approvals requiring transfer fees and potentially other conditions for the transfer in Equatorial Guinea. Further, closing conditions include approval of the Private Placement by the Company's shareholders and approval of sale of TEGL by the shareholders of Tullow Oil plc ("**Tullow**"). The Acquisitions will be funded through proceeds from Private Placement and debt financing. Hence, there are no assurances that the Acquisitions will complete. Further, as completion of each acquisition is not conditional on completion of the other, one of the Acquisitions may complete, whereas the other may not. If either of the Acquisitions do not close due to breach by either the purchaser or the Company of their obligations with respect to satisfaction of the conditions precedent or their completion obligations under the relevant agreement, a break fee of US$ 2 million under each agreement will apply and will be payable by either the purchaser or the Company to the respective seller under such agreement. Also, should Panoro post completion of the Acquisitions make claims e.g. for breach of warranties or in respect of indemnities given to the purchaser, the Acquisition agreements only provide for a Tullow parent company guarantee and do not provide for any bank guarantees or other security to cover such claims. Consequently, if the selling entities or Tullow do not have sufficient funds to settle any valid claims, the Group may have to incur a loss which is not recoverable.

The sale and purchase agreements related to the Acquisitions were entered into immediately prior to the launch of the Private Placement, but completion is subject to conditions noted above. Consequently, the Subsequent Offering is not conditional upon completion of either of the Acquisitions, and subscribers for Offer Shares thus risk that the investment in the Company is made without the Group becoming the owner of the assets comprised by the Acquisitions. Should the Acquisitions, or one of them, not complete, the market reputation of the Company may be adversely impacted, which in turn could lead to a lower share price in the long term. Subscribers for Offer Shares will, absent fraud, not be able to bring claims against the Company on the basis that the Acquisitions do not, or one of the Acquisitions does not, complete. Further, subscribers for Offer Shares should note that after registration of the Offer Shares with the Norwegian Register of Business Enterprises, the Subsequent Offering will not be reversed, and should the Acquisitions thereafter not be completed, the Company may deploy the net proceeds from the Private Placement and Subsequent Offering towards other acquisition targets or for general corporate purposes.

Further, if completion is delayed or the Acquisitions do not complete, there can be no assurance that the Group would be able to acquire interests at a later stage, which could have negative effect on the Group's ability develop its business and achieve future growth. In addition, the Group's continued operations will be less diversified as the Group's production is currently concentrated in a limited number of hydrocarbon fields. As a result, the

Group's production will continue to be concentrated on its operations in Tunisia and Gabon, which could have a negative effect on the Group's business, results of operations, financial conditions and/or prospects.

2.1.2 The sale of Aje in Nigeria and the purchase of Block 2B in South Africa may not complete

The Company has entered into a sale and purchase agreement with PetroNor E&P Limited ("**PetroNor**") to divest all outstanding shares in its fully owned subsidiaries Pan-Petroleum Services Holding BV and Pan-Petroleum Nigeria Holding BV (together referred to as "**Divested Subsidiaries**") for an upfront consideration consisting of the allotment and issue of new shares in PetroNor with a fixed value of US$ 10 million (the "**Share Consideration**") plus a contingent consideration of up to US$ 16.7 million based on future gas production volumes. PetroNor has an option to pay a portion of the Share Consideration in cash. The sale transaction is conditional upon execution and completion of the agreements between PetroNor and Yinka Folawiyo Petroleum Company LTD ("**YFP**"), the authorisation of the Nigerian Department of Petroleum Resources and the consent of the Nigerian Minister of Petroleum Resources. Panoro's intention is to declare a special dividend and distribute the Share Consideration, to the extent received in shares, to its shareholders. Completion of the transaction to sell the Divested Subsidiaries is still pending and, although the Company expects the sale to be completed, no assurances can be given that this will in fact happen.

In addition, the Company announced in February 2020 an agreement with Africa Energy Corp to farm in to a 12.5% interest in Block 2B in South Africa. Completion of this transaction is subject to consent of Minister of Minerals and Energy of South Africa and a separate farm-out agreement becoming effective. The Company still believes that this transaction will complete, but no assurances can be given that completion of this transaction will occur.

In general, the conditionality of the Acquisitions, the sale of Aje and the farm-in in South Africa and the fact that investors in the Subsequent Offering will invest in the Company prior to such conditions being met, means that investors risk subscribing for shares in the Company and thereafter experiencing that the Acquisitions and the sale of Aje and farm-in in South Africa do not complete, leaving the Group with no assets in Equatorial Guinea, less exposure to Gabon, continued exposure to Nigeria and no assets in South Africa. Should some or not any of these transactions not close, the Company may suffer reputational risk, and will likely result in the Company being deemed a less attractive investment which in turn may impact the value of the Company's shares in an adverse manner.

2.1.3 Risk relating to unsuccessful completion of debt facility

The Company intends to fund the Acquisitions with proceeds from the Private Placement and with a debt facility from a company within the Trafigura Group ("**Trafigura**") following completion of the Private Placement (the "**Trafigura Loan**", and together with the Acquisitions, the "**Transactions**"). Key terms of the loan arrangements are set out in Section 9.3.3 "Trafigura Loan" including the conditions precedent to lending, which includes making all necessary notifications and, if required, obtaining all necessary approvals from the Bank of Central African States with respect to the terms of the financing of the Acquisitions. The Trafigura Loan may not be closed by the time of the Subsequent Offering. As a result, even if the Subsequent Offeringis completed there can be no assurance that the Company receives the Trafigura Loan, in which case completion of the Acquisitions may not be possible. The Group's production is concentrated in a limited number of hydrocarbon fields and the Group is depending on development, exploration and/or new acquisitions in order to improve the Groups ability to secure future growth and to develop its business. Unsuccessful completion of the debt facility will have an adverse effect on the Group's ability to finance growth and development of its business, which could have a material adverse effect on the Group's business, results of operations, financial condition (including value of assets and reserves), cash flows, access to capital and/or prospects.

2.1.4 Acquisitions may have a negative impact

The Acquisitions will constitute a significant gross change and there is a risk that the Acquisitions may have a negative impact on the Group's financial position. The Group intends to take advantage of the opportunity to use the acquired directly or indirectly held assets following successful completion of the Acquisitions to secure future growth. However, the Group may not be able to successfully execute its strategy in a competitive business environment and may be unable to recoup investment costs or may incur opportunity losses. In addition, a major part of the Acquisitions are new assets held (Ceiba/Okume) in a new country in which the Group does currently not conduct any business, which may increase the risk relating to operating in different jurisdictions. There can be no assurance that the Acquisitions may result in long-term profitability for the Group. If the acquired assets do not perform as expected, there may be a material adverse effect on the Group's business, financial position, results of operations and/or future prospects.

2.2 RISKS RELATING TO THE COMPANY'S BUSINESS AND OPERATIONS

2.2.1 Risks relating to the outbreak of pandemics, including the ongoing coronavirus (COVID-19) pandemic

The Group's performance may be highly affected by the global economic conditions of the markets in which it operates, including the risk relating to the outbreaks of pandemics such as the ongoing coronavirus (COVID-19) pandemic. There is a risk that outbreaks of pandemics in the future and the extraordinary health measures imposed as a result, may cause volatile and low oil and gas prices and disruptions in Group's operations.

COVID-19 and the ongoing global pandemic creates uncertainty on all aspects of the operations and financial position of the Group, including the ability to maintain stable production, achievable prices for hydrocarbons produced and off-take in accordance with schedule, regular supply of necessary equipment, access to international capital markets and the ability to continuously run office and on-site operations. Despite oil prices partially recovering from lows in April 2020, they remained volatile throughout 2020 and made it challenging to predict the full extent and duration of resulting operational and economic impact for the Company and the Group, which makes key assumptions applied in the valuation of the Group's assets and measurement of its liabilities difficult. These key assumptions include commodity prices, changes to demand for and supply of oil and gas, and the discount rate to be applied. The Group is closely monitoring developments, regularly evaluating their impact on the Group's cash flow and liquidity position and responding with targeted measures to protect the Company's economic stability. Although the countries in which the Group operates and the Group's production were relatively unaffected by the COVID-19 pandemic throughout the year 2020, there can be no assurances that the Group's operations will continue without major interruptions arising from outbreaks of pandemics in the future. For example may any mandatory "stay home - stay safe" policy or travel restrictions result in reduced production and sales.

Should the COVID-19 pandemic continue or any new pandemic outbreak occur, global capital markets and the outlook for global trade and national and regional economies will be adversely affected and this will in turn have a negative effect on the Group's operations and financial position, and it is at the time of this Prospectus not possible to predict with any certainty what the long term effects for the Group would be. If any pandemic impacts the global economic conditions or the Group's operations, it could have material adverse effect on the Group's business, results of operations, financial position, cash flows and/or prospects.

2.2.2 Risk relating to volatile oil and gas prices

The Group's revenues, cash flow, reserve estimates, profitability and rate of growth depend substantially on oil and gas prices. Volatile or sustained low oil and gas prices may lead to a material decrease in the Group's net production revenues and cause the Group to make substantial downward adjustments to its oil and gas reserves. If this occurs, or the Group's estimates of production or economic factors change, the Group may be required to write-down the carrying value of its proved oil and gas properties for impairments. In addition, the depreciation of oil and gas assets charged to its income statement is dependent on the estimate of its oil and gas reserves. Further, certain development projects which are or become of substantial importance to the Group could become unprofitable as a result of a decline in price and could result in the Group having to postpone or cancel a planned project, or if it is not possible to cancel the project, carry out the project with negative economic impact. Additionally, if oil and gas prices remain depressed over time, it could reduce the Group's ability to raise new debt or equity financing or to refinance any outstanding loans on terms satisfactory, or at all. Volatile or sustainable low oil and gas prices could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows, access to capital and/or prospects.

2.2.3 Reserves and contingent resources are by their nature uncertain in respect of the inferred volume range

The Group makes assumptions of its future production, exploration and development when estimating reserves and resources, which is therefore crucial for the Group's business and results of operations. These estimates are based on studies, assumptions and calculations involving varying degrees of uncertainty, which entail an inherent risk that the estimates in the future may be proven to be inaccurate or incorrect. This may, for example, be caused by new data or information gathered from exploration, drilling, ongoing interpretation, testing and production, which may result in substantial upward or downward revisions of the Group's reserves and resources. If uncertain factors that are incorporated into reserve measures and measures of resource materialise in unexpected ways, this may materially affect the Group's estimates of production, capital expenditures or revenues, which may require write-down on the value of its assets. Further, the depreciation of oil and gas assets charged to the Group's statement of comprehensive income is based on the estimate of the Group's oil and gas reserves. For example, in the financial statement for the year ended 2019, the Group reported an impairment

reversal of US$ 8.1 million recognised during the year relating to the Group's interest in the Dussafu permit, offshore Gabon. The impairment reversal followed a positive revision in economic evaluations. These include an independent reserves upgrade, which attributed higher recoverable amounts on both 1P (as defined below) and 2P (as defined below) profiles and the sanction of Phase II of the development.

Sustained lower oil and gas prices may cause the Group to make substantial downward adjustments to its oil and gas reserves and resources, which may result in write-down of the carrying value of its oil and gas properties. In addition, the depreciation of oil and gas assets charged to its income statement is dependent on the estimate of its oil and gas reserves. The accuracy of reserve evaluation depends on the quality of available information, petroleum engineering and geological interpretation. Exploration drilling, interpretation, testing and production after the date of the estimates may require substantial upward or downward revisions in the Group's reserves or resources data. Actual production, revenues and expenditures with respect to reserves and resources will vary from estimates, and the variances may be material. The probability that contingent resources will be economically developed or recoverable, may be considerably lower than for proven, probable and possible reserves.

If the assumptions upon which the estimates of the Group's oil and gas reserves or resources are based prove to be incorrect, the Group may be unable to recover and/or produce the estimated levels or quality of oil or gas set out in this Prospectus, which could have a material adverse effect on the Company's business, prospects, financial condition and/or results of operations.

2.2.4 Developing a hydrocarbon production field requires significant investment

Development of the Group's hydrocarbon fields in Gabon, Tunisia, South Africa (subject to approval for a block) and Equatorial Guinea (following successful completion of the Acquisitions) requires significant investments in order to build the requisite operating facilities, drilling of production wells along with implementation of advanced technologies for the extraction and exploitation of hydrocarbons. Making these investments and implementing these technologies under difficult conditions and in jurisdictions which partly are regarded as unstable and unsafe, can result in uncertainties about the amount of investment necessary, operating costs and additional expenses incurred as compared with the initial budget, thereby negatively affecting the cash flow, business, prospects, financial condition and/or results of operations of the Group.

Further, the amount of investment needed may be prohibitive, such that conversion of resources into reserves may not be commercially viable. If the Group's revenues decrease or its available cash is not sufficient to fund its committed or planned investments, it could lead to a decline in its oil and natural gas production and reserves, or if it is not possible to cancel or stop a project, be legally obliged to carry out the project contrary to its desire or with negative economic impact. Further, the Group may fail to make required cash calls and thus breach license obligations, which again could lead to adverse consequences. All of the above may have a material adverse effect on the Group business, results of operations, financial position and/or prospects.

2.2.5 Risks related to decommissioning activities and related costs

Several of the Group's license interests concern fields which have been in operation for years with equipment that may have to be decommissioned. The Group expects to develop and invest in existing and new fields, which increases the Group's future decommissioning liabilities. There are significant uncertainties relating to the estimated liabilities, costs and time for decommissioning of the Group's current and future licenses. Such liabilities are derived from legislative and regulatory requirements and require the Group to make provisions for such liabilities.

Decommissioning requires complex engineering, procurement and execution of work, including the plugging of production wells, giving rise to the risk of inadequate engineering, procurement or execution. This may result in delays, cost overruns, damage to facilities and properties, environmental damage, injury to person and loss of life.

It is, therefore, difficult to forecast accurately the costs that the Group will incur in satisfying decommissioning liabilities. No assurance can be given that the anticipated cost, timing of removal and timing of provisions are correct and any deviation from current estimates or significant increase in decommissioning costs relating to the Group's previous, current or future licenses, may have a material adverse effect on the Group business, results of operations, financial condition, cash flow and/or prospects. Dependency on finding/acquiring, developing and producing oil and gas reserves that are economically recoverable

The Group depends on its ability to find, develop or acquire reserves that are economically recoverable and there can be no certainty that commercial quantities of oil and gas will be discovered or acquired by the Group. The Group's projects may involve unprofitable efforts, either from dry wells or from wells with insufficient net profit. Moreover, geological formations and proximity with neighbouring fields may result in a regulatory requirement

to unitize the license area with a neighbouring field, which may result in complex processes and thereby cause delays and uncertainties in respect of the Group's ultimate interest in the unitized field.

There can be no assurance that the Group's projects will sustain or become economically recoverable or profitable. The cost of operations and production may be materially adversely affected by unusual or unexpected geological formation pressures, oceanographic conditions, hazardous weather conditions, delays in obtaining governmental approvals or consents, shut-ins of connected wells, difficulties arising from environmental or other challenges or factors. Any inability to recover costs and generate profits from operations, could have a material adverse effect on the Group's business, results of operations, cash flow, financial condition and/or prospects.

The Group's operations in mature fields are exposed to risk of declining production rates. Thus, the Group's future oil and natural gas reserves and production and, therefore, its cash flow and results of operations are highly dependent upon the Group's success in efficiently developing and exploiting its current properties and economically finding or acquiring additional recoverable reserves. The Group may not be able to develop, find or acquire additional reserves to replace its current and future production at acceptable costs. If the Group is unable to replace its current and future production, its business, financial condition and results of operations may be adversely affected.

2.2.6 There are risks and uncertainties relating to extension of existing licenses and permits, including whether any extensions will be subject to onerous conditions

The Group's license interests for the exploration and exploitation of hydrocarbons will be subject to fixed terms, some of which will expire before the economic life of the asset is over. For example, the licences relating to the interest in five oil production concessions in Tunisia may expire prior to the end of their economic life, and uncertainty surrounding the renewal of SOEP which requires an exploration well to be drilled prior to entering into the next operation phase. The Group plans to extend any permit or license where such extension is in the best interest of the Group. However, the process for obtaining such extensions is not certain and no assurances can be given that an extension in fact will be possible. In licenses where the Group is one of several license partners, such partners may also, against the wishes of the Group, resolve not to apply for any extensions. Even if an extension is granted, such extension may only be given on conditions which are onerous or not acceptable to the Group and/or any license partners. If any of the licenses expire, the Group may lose its investments into the license, be charged penalties relating to unfulfilled work program obligations and forego the opportunity to take part in any successful development of, and future production from, the relevant license area, which could have a material adverse effect on the Group's financial position and future prospects.

2.2.7 Risks relating to delays, cost inflation, potential penalties and regulatory requirements

The Group's operations involve complex engineering, procurement, construction work and drilling operations to be carried out and governmental approvals. The exploration and development periods of a license are commonly associated with high risk, requiring high levels of capital expenditure without a commensurate degree of certainty of a return on that investment. The complexity of offshore development projects also makes them very sensitive to delays or costs increases. The Group's projects' target dates for production may be delayed and significant cost overruns may incur. The Group's estimated exploration and development costs are subject to a number of assumptions that may not materialise. Such factors may again impact to what extent fields to be developed are fully funded or remain commercially viable, and consequently could result in breach by the Group of its obligations and/or require the Group to raise additional debt and/or equity. Any delays, cost increases or other negative impact relating to the current or future development projects of the Group, may have a material adverse effect on its business, results of operations, cash flow, financial condition and prospects.

2.2.8 The Group's production is concentrated in a limited number of hydrocarbon fields

Assuming completion of the sale of the Aje license in Nigeria, all of the Group's production comes from a limited number of fields in Gabon (Dussafu) and Tunisia (TPS permits). Following completion of the Acquisitions, the Group will add producing assets in Equatorial Guinea (Ceiba and Okume Fields). However, the Group's operations and cash flow are, and following completion of the Acquisitions will still be, restricted to a limited number of fields. If mechanical or technical problems, storms, shutdowns or other events or problems affect the current or future production of the current producing assets of the Group, or new fields come into production, it may have direct and significant impact on a substantial portion of the Group's production and hence the Group's revenue, profits and financial position as a whole. Further, if the actual reserves associated with any one of the Group's fields are less than anticipated, this may result in material adverse effects for the Group's business, results of operations, financial condition, cash flows prospects and/or ability to make new investments and raise financing.

2.2.9 The Group's hydrocarbon production may be restricted, delayed or terminated

The Group's hydrocarbon production may be restricted, delayed or terminated due to a number of internal or external factors, among which are malfunctions of hydrocarbon discharge or production facilities, administrative delays (particularly in the approval of development projects by public authorities), shortages or delays in the availability of drilling and/or production rigs and delivery of equipment and materials, pressure or irregularities in geological formations, equipment failures or accidents or adverse weather conditions or malicious actions. The Group is especially sensitive to any shutdown or other technical issues on floating production storage and offloading vessels, a marine vessel used to extract oil ("**FPSOs**") (i.e. Adolo FPSO and the Ceiba FPSO following completion of the Acquisitions). Any shutdown, technical issues, delay or other negative events in relation to the Group's FPSOs or underlying fields may result in material adverse effects for the Group's business, prospects, financial condition, results of operations, cash flow and/or prospects.

2.2.10 Risk relating to joint arrangement in Tunisia

The Group owns assets in Tunisia through a joint arrangement with a third party investor. As part of this joint arrangement, the parties have entered into a shareholders' agreement, regulating corporate governance structure and gives the third party investor certain veto rights with respect to decision making in relation to these assets. Conflict of interests may occur between the Group and the third party investor which concerns investments into the assets in Tunisia and how such investments are to be funded, whether or not assets should be sold or acquired and with respect to several operational and strategic matters involving the Tunisian business. If such conflict should occur, the shareholders' agreement may not provide a solution to such conflict and, as a result, the joint venture and hence the Company could lose out on investments or divestments which the Group deems attractive, decisions could be delayed or prevented and the Tunisian operations could suffer accordingly. If any conflicts in the Group's joint venture co-operations occur and remain unsolved, it may have a material adverse effect on the Group's business, prospects, financial condition, results of operations, cash flow and/or prospects.

2.2.11 Dependency on compliance with obligations under licenses, joint operating agreements, unitization agreements and field development plans

All the Group's exploration and production licenses have incorporated detailed and mandatory work programs that are required to be fulfilled within a specific timespan. Failure to comply with the obligations under the licenses may lead to fines, penalties, restrictions, revocation of licenses and termination of related agreements. A failure to comply with payment obligations (cash calls) under joint operating agreements (and unitization agreements) for the Group's licenses, may lead to penal interest on the defaulted amount, loss of voting rights and information within the license and a right for the other licensees to acquire the Group's participant interest on terms that are unfavourable to the Group and disconnected from the value of the license interest. Further, if other joint venture partners default on their payment obligations (cash calls), the Group may have to increase its interest level in the relevant field, which in turn will result in a corresponding increase in the Group's exposure and investment obligations towards the relevant field. Such increased exposure and obligations may result in the Group not being fully funded to meet such increased exposure and obligations and consequently could result in breach by the Group of its obligations and/or require the Group to raise additional debt and/or equity, which could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

2.2.12 The Group is subject to third-party risk in terms of operators and partners and conflicts within a license group

Where the Group is not the operator of fields in which it has an interest, it has limited control over the management of the assets and mismanagement by the operator or disagreements with the operator as to the most appropriate course of action may occur, which again may result in significant delays, losses or increased costs to the Group. There is a risk that partners with interests in the Group's licenses may not be able to fund or may elect not to participate in, or consent to, certain activities relating to those licenses. In these circumstances, it may not be possible for such activities to be undertaken by the Group alone or in conjunction with other participants. Inversely, decisions by the other partners to engage in certain activities, may also be contrary to the Group's desire not to commence such activities and may require the Group to incur its share of costs in relation thereto, or that the other partners may enforce decisions which will delay or affect the profitability of a project. This is especially an inherent risk in fields under development where the Group only holds a minority interest. Other participants in the Group's licenses may default on their funding obligations. In such circumstances, the Group may be required under the terms of the relevant operating agreement or otherwise to contribute all or part of such funding shortfall. The Group may not have the resources to meet these obligations. The Group has historically experienced disputes within a license Group. For example, the Group was involved in

a dispute with other OML 113 joint-venture partners in Aje (Nigeria), which was resolved and settled in relation to drilling of development wells. As the Group is not currently operator for all fields (i.e. in the Dussafu Marin license offshore Gabon where BW Energy Gabon is operator), there can be no assurance that such disputes may not occur in the future. If any of the Group's partners become insolvent or otherwise unable to pay debts as they come due, the license interest awarded to them may be revoked by the relevant government authority who will then reallocate the license interest. There can be no assurance that the Group will be able to continue operations pursuant to these reclaimed licenses or that any transition related to the reallocation of the license would not materially disrupt the Group's operations. If the Group is subject to third-party risk in terms of operators and partners and conflicts within a license group, then it could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

2.2.13 Capacity constraints and cost inflation in the service sector and lack of availability of required services and equipment

The Group is highly reliant upon services, goods and equipment provided by contractors and other companies to carry out its operations. The Group does not have available any reserve capacity or required services and equipment in order to cover any constraints or failures by contractors and other companies, and the Group is therefore subject to a continuing risk for capacity constraints. Any non-performance, delays or faulty deliveries by contractors, or any other failure to obtain necessary services, goods or equipment, at all or at a reasonable cost, may expose the Group to significant delays, cost increases or liability, which may again lead to material adverse effects for the Group. Further, the Group's contractors and other companies may potentially be adversely affected by market conditions. If the Group's contractors, their suppliers or other companies should be unable to respect their obligations, become insolvent or otherwise unable to pay debts as they come due, this could lead to material adverse effects for the Group's business, results of operations, financial position, cash flows and/or prospects.

In addition, the Group is exposed to cost inflation in the service sector, which may be higher than for its competitors operating in other countries and could lead to material adverse effects for the Group's business, results of operations, financial position, cash flows and/or prospects. For example, as per The World Bank data, the inflation rate in Tunisia were approximately 7.3% for 2018 and 6.7% for 2019, while the comparable inflation rate in Norway were approximately 2.8 for 2018 and 2.2% for 2019.

In addition, contractors and other service providers may cause third party liability or other losses for the Group by their performance. The Group may be subject to liability claims due to the inherently hazardous nature of its business or for act and omissions of sub-contractors and other service providers and may also be liable for the operations of its contractors towards governmental authorities, licence partners or other third parties. Any indemnities the Group may receive from such parties may be inadequate and/or difficult to enforce, which could have a material adverse effect on the Group's financial condition, business, prospects and/or results of operations.

2.2.14 Insurance or indemnities may not adequately cover all risks, liabilities or expenses that could result from operations

The Group's offshore oil and gas operations are subject to significant risks and hazards. The Group is not fully insured against all risks it may face. It has for example currently not taken out business interruption insurance. Furthermore, not all of the risks relating to the Group's operations are insurable, or only insurable at a disproportionately high cost. Any liabilities could materially exceed policy limits or not be insured at all, which may result in substantial financial liability or losses. Any uninsured losses or liabilities, or any losses and liabilities exceeding the insured limits, may have a material adverse effect on the Group's business, results of operations, financial position, cash flows and/or prospects.

2.3 RISKS RELATED TO LAWS, REGULATIONS AND COMPLIANCE

2.3.1 Political and regulatory risks, including risks and uncertainties relating to regional (area) electrification

The Group's operations in Gabon (Dussafu), Tunisia (TPS permits), Nigeria (Aje) (pending completion of sale of the asset held for sale), South Africa (Block 2B) (following successful completion of farm-in transaction) and Equatorial Guinea (Ceiba and Okume Fields) (following successful completion of the Acquisitions) expose the Group to political and regulatory risk. The Group is subject to extensive government policies, standards, regulations and requirements. No assurance can be given that future political conditions, existing legislation, new interpretation of existing legislation or changes in administrative practice or policies, will not result in a reduction of income, curtailment of production, delays or a material increase in operating costs and capital expenditure or otherwise adversely affect the Group. For example, as the terms of application of the law to existing production

sharing contracts ("**PSCs**") such as Dussafu (Gabon) may validly depart from those of the new law introduced in 2014, these arrangements cannot be renewed or extended without conforming to the terms of this new law.

A failure to comply with applicable legislation, regulations and conditions or orders issued by the regulatory authorities, may lead to fines, penalties, restrictions, withdrawal of licenses and termination of related agreements. Additionally, the Group is dependent on receipt of discretionary government approvals, decisions and permits to develop and produce its assets. Further, the Group may be unable to obtain, renew or extend required drilling rights, licenses (including production licenses), permits and other authorizations and these may also be suspended, terminated or revoked prior to their expiration. The relevant authorities may also stipulate conditions for any such extension or for not revoking any licenses or permits. Lack of governmental approvals or permits or delays in receiving such approval may delay the Group's operations, increase its costs and liabilities or affect the status of its contractual arrangements or its ability to meet its contractual obligations.

2.3.2 Maritime disasters, employee errors and other operational risks

The Group's offshore operations are subject to risks relating to encountering unexpected rock formations or pressures, seismic shifts, blowouts, pollution, explosions, fires and equipment damage or failure. The facilities on its offshore fields will also be subject to the hazards inherent in marine operations, such as inter alia capsizing, sinking, grounding and damage from severe weather conditions. Even though the Group's employees are well supervised, trained and experienced, personnel and employee errors and mistakes may take place. If any of these events were to occur, they could, among other adverse effects, result in environmental damage, injury to persons, loss of life, a failure to produce oil and/or gas in commercial quantities, delays, shut-down of operations or other damage. These events can also put at risk some or all of the Group's licenses and could inter alia result in the Group incurring significant civil liability claims, significant fines as well as criminal sanctions. In the Group's capacity as licensee, it is inter alia subject to liability provisions under the applicable statutory and regulatory regimes of the jurisdictions where the Group operates. Any of these circumstances could adversely affect the operation of the Group's licenses, and result in loss of revenues or increased costs and adversely affect the Group's profitability.

2.3.3 The Group faces the risk of litigation or other proceedings in relation to its business

The Group faces the risk of litigation and other proceedings in relation to its business. The Group operates in a limited number of fields and the value of assets and continued operations are of importance for the Group's results of operations and financial position, as it operates in a highly competitive commercial environment. For example, the Group is exposed to risk of litigation relating to involvement in joint ventures. In 2018, the Group entered into a settlement with the other OML 113 joint-venture partners relating to a dispute relating to Aje (Nigeria). Since this settlement, the Group performed a review of historical costs incurred and recognised the liabilities associated with such expenditures in the balance sheet. The proportionate joint venture liabilities resulting from the workover and side-tracks at Aje-5 had been higher than anticipated and in combination with the operation accruals and the inclusion of the cost of the OML 113 20-year licence renewal have resulted in proportional liabilities of US$ 5.2 million as of 31 December 2019 (31 December 2018: US$ 5.8 million).

Further, in relation to the Dussafu Marine Permit, the existing parties to the production permit have entered into certain agreements to settle a dispute concerning inter alia Tullow Oil Gabon S.A.'s payment of US$ 9.4 million and a corresponding cost recovery entitlement for the same amount. The proposed settlement extinguishes all disputed items and claims between the parties. The settlement, however, remains conditional upon Direction Generale des Hydrocarbures of Gabon ("**DHG**") not objecting to the proposed settlement. Should DHG object, the parties have preserved their right to recommence with arbitration. Following completion of the Dussafu Acquisition, assuming DHG consent is not received and the parties cannot reach an alternate settlement, there is a risk that arbitration could be commenced by Dussafu partners against the Group which, upon a loss in arbitration proceedings, could result in a maximum payment by the Group of approximately US$ 17.0 million plus the costs associated with the arbitration. Such a loss however, will result in a gain of approximately US$ 17.0 million of cost recovery entitlement that could be utilised by the Group in the future.

There can be no assurance that the Group may not be involved in litigation or other proceedings, which may expose the Group to unexpected costs and losses, reputational and other non-financial consequences and diverting management attention away from operational matters, all of which could have a material adverse effect on the Group's business, financial position, cash flows, and/or prospects.

2.3.4 The Group may be subject to liability under environmental laws and regulations

All phases of the Group's oil and gas activities present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and national laws and regulations.

Environmental legislation provides for restrictions and prohibitions on spills, and releases or emissions of various substances. The legislation also requires that wells and facility sites are operated, maintained and abandoned 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 in addition to loss of reputation. Any pollution may give rise to material liabilities and may require the Group to incur material costs to remedy such discharge. The Group has less financial and other resources than many of its competitors, which means that it has lower ability to withstand losses due to liability under environmental laws and regulations (for example, in the event of an oil spill) compared its competitors. No assurance can be given that current or future environmental laws and regulations will not result in a curtailment or shut down of production or a material increase in the costs of production, development or exploration activities or otherwise have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

2.3.5 Risk relating to amended tax regulations

The marginal tax rate for the Group's operations in Gabon, Tunisia, South Africa (subject to approval for a block) and Equatorial Guinea (following completion of the Acquisitions) typically vary between 35-75%. There can be no assurance that the countries in which the Group operates will not increase the marginal tax rate for oil and gas companies and there is no assurance that future political conditions will not result in the relevant governments adopting different policies for petroleum taxation. In the event there are changes to such tax regimes, it could lead to new investments being less attractive, increase costs for the Group and prevent the Group from further growth. In addition, taxing authorities could review and question the Group’s historical tax returns leading to additional taxes and tax penalties. An increased marginal tax rate for the Group could have material effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

2.3.6 The ability to sell or transfer license interests may be restricted by regulatory consent requirements, provisions in its joint operating agreements or applicable legislation

The Group’s exit in relation to any particular oil and gas interest may be subject to the prior approval of its commercial partners pursuant to joint operating agreements, unitization agreements and approval from the relevant authorities, thus restricting the Group’s ability to dispose of, sell or transfer a license interest and make funds available when needed. Moreover, once the Group has an interest in an established oil and/or gas exploration, development and/or production operation in a particular location, it may be expensive and logistically burdensome to discontinue such an operation should economic, physical or other conditions deteriorate. This is due to, among other reasons, the significant capital investments required in connection with oil and gas exploration, development and production, as well as significant decommissioning costs. Such costs and logistical burdens are typically greater for development and production assets due to the more established nature of the assets. Additionally, because the trading of oil and gas assets may be relatively illiquid, the Group's ability to discontinue or dispose of all or a partial interest in assets promptly may be restricted. In the event that the Group wishes to dispose of some or all of its license interests in the future, no assurance can be given that the Group would be able to sell or swap any such asset on terms acceptable to the Group, or at all. It is not possible to predict the length of time required to find such acquirers for assets or to conclude asset disposals particularly in times of political, economic or financial change or uncertainty. In the event the Group, for whatever reason, is not able or willing to execute a timely transaction, this can have an effect on the Group’s ability to carry out investments and/or development with respect to the license in question. All of the above may have a material adverse effect on the Group’s financial position.

2.3.7 Local authorities may impose additional financial or work commitments beyond those currently contemplated

The Group’s license interests for the exploration and exploitation of hydrocarbons are subject to certain financial obligations or work commitments as imposed by local authorities. The existence and content of such obligations and commitments may affect the economic and commercial attractiveness for such license interest. For example, work commitments and exploration costs on PSCs entered into in Gabon (such as Dussafu) were completely negotiable up until the new hydrocarbons law came into force in 2014. All hydrocarbons agreements entered into prior the new law will remain in full force and effect with terms from previous rules, except for the obligations specified to be of immediate application. However, the Group's arrangements in Dussafu cannot be renewed or extended without conforming to the terms of the new law. All work programme obligations under the PSC for the Dussafu Marin Permit have been fulfilled and the Company has provided a guarantee to the State of Gabon to fulfil all other obligations under the PSC. In addition, the Tunisian Directorate General of Hydrocarbons advised in January 2019 that the Tunisian Consultative Hydrocarbons Committee had required Panoro Tunisia Exploration (60% owned by Panoro) to post a bank guarantee in relation to the drilling operations on SOEP, which will be released at successive operational stages commencing with the spudding of the well, currently expected during

2021. Accordingly, in consideration of this well commitment, the Group procured a bank guarantee of US$ 16.6 million (US$ 10 million net to Panoro) through its group company Should the Group not be able to fulfil the well commitment, there is a risk that the Group may incur a loss of funds placed to support the bank guarantee. No assurance can be given that local authorities do not unilaterally amend current and known obligations and commitments. If such amendments are made in the future, the value and commercial and economic viability of such interest could be materially reduced or even lost, in which case the Group's financial position and future prospects could also be materially weakened.

2.4 RISKS RELATING TO JURISDICTIONS IN WHICH THE GROUP OPERATES

2.4.1 Security risks associated with operating in certain jurisdictions, including risk relating to terrorist acts, piracy, securities issues, fraud, bribery and corruption and unionized labour and general labour interruptions

The Group has licence interests in assets located in jurisdictions or areas which are or could be associated with serious security risks. Such security risks could result in harm to the Group's operations and thus impact the economical income from such assets. Assets of the Group may experience pipeline vandalism, kidnappings and militant takeovers of oil facilities and security concerns have led some oil services firms to pull out of certain countries where the Group operates.

The Group is also exposed to risk relating to terrorist acts and other acts of hostility like piracy. Jurisdictions in which the Group operates may have less developed legal systems than more established economies which could result in risks such as (i) effective legal redress being more difficult to obtain in the courts of such jurisdictions, whether in respect of a breach of law or regulation, or in an owner ship dispute; (ii) a higher degree of discretion on the part of governmental authorities; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or (v) relative inexperience of the judiciary and courts in such matters. In certain jurisdictions the commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to the Group's licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, licences, licence 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 arrangements in these jurisdictions cannot be assured.

Moreover, the Group is exposed to security issues and fraud, bribery and corruption. The Group operates and conducts business in countries in emerging market economies, experiences a considerable level of criminal activity, fraud, bribery and corruption. Oil and gas companies operating in Africa may be particular targets of criminal or militant actions. Criminal, corrupt or militant action against the Group, its properties or facilities could have a material adverse effect on the Group's business, prospects, financial condition or results of operations. It may not be possible for the Group to detect or prevent every instance of fraud, bribery or corruption. Failure to detect or prevent any such instances may expose the Group to potential civil or criminal penalties under relevant applicable law and to reputational damage, which may have a material adverse effect on the Group's business, prospects, financial condition or results of operations.

In addition, the Group is exposed to risks relating to unionized labour and general labour interruptions. The Group operates in countries with a high risk of strikes, labour disruptions and other types of conflicts with employees, including those of the Group's independent contractors or their unions may occur in relation to the Group's operations. Any disruptions or delays in the Group's business activities may result in increased operational costs or decreased revenues from delayed or decreased (or zero) production and significant budget overruns, which may adversely affect the Group's results of operations, financial position, cash flows and/or prospects.

2.4.2 Governments may intervene in the oil and gas industry in ways that are unfavourable to the Group's business and strategy

Generally, exploration and development activities in which the Group operates or may operate can require lengthy negotiations with the governmental authorities and third parties and may be subject to expropriation, nationalisation, renegotiation, change or nullification of existing licences, changes to contracts, changes to royalty rates and taxes, difficulties in enforcing contractual rights, adverse changes to laws (whether of general application or otherwise) or the interpretation thereof, foreign exchange restrictions, changing political conditions, local currency devaluation, currency controls and the interpretation, implementation, enforcement of any laws or governmental regulations that favour or require the awarding of contracts to local contractors or require contractors to employ citizens of, or purchase supplies from, that country. Any of these factors detailed above or

similar factors could have a material adverse effect on the Group's business, prospects, financial condition or results of operations.

2.5 RISKS RELATING TO THE OIL AND GAS INDUSTRY IN WHICH THE GROUP OPERATES

2.5.1 The Group operates in a highly competitive industry, characterised by rapid and significant technological advancements

The market for oil and gas services is highly competitive and rapidly changing. The Group competes with a substantial number of other companies with larger technical staffs and greater resources in acquiring oil and gas licenses and attempting to secure drilling rigs and other equipment or services necessary for operation or projects. Many of the Group's competitors may benefit from competitive advantages, such as greater name recognition, longer operating histories, larger marketing budgets, more established relationships (including third-party relationships), greater accessibility to markets, access to larger projects, and greater financial and other resources than the Group. Many competitors may also make acquisitions or enter into strategic relationships to offer a higher output than that of the Group. These combinations may make it more difficult for the Group to compete effectively. The Group expect these trends to continue as competitors attempt to strengthen or maintain their market positions. As a result of this competitive environment, the Group may be unable to acquire suitable licenses or licenses on terms that it considers acceptable, or equipment or services it requires may be in short supply. As a result, the Group's revenues may decline over time, which could have a material adverse effect on the Group's business, prospects, financial condition and/or results of operations.

As the industry in which the Group operates is characterised by rapid and significant technological advancements and competitors may use or develop new technologies and/or substitutional products, the Group may be placed at a competitive disadvantage over time or may be forced by competitive pressures to implement those new technologies and/or substitutional products at substantial costs. The Group may not be able to respond to these competitive pressures or implement new technologies on a timely basis or at an acceptable cost. Further, one or more of the technologies used by the Group now or in the future may become obsolete. In addition, new technology implemented by the Group may have unanticipated or unforeseen adverse consequences to its business.

2.5.2 Climate change abatement legislation, protests against fossil fuel extraction and regulatory, technological and market improvements

Continued political attention to issues concerning climate change, the role of human activity in it and potential mitigation through regulation could have a material impact on the Group's business. International agreements, national and regional legislation, and regulatory measures to limit greenhouse emissions are currently in various stages of discussion or implementation. For example, the EU established a detailed EU taxonomy (Regulation (EU) 2020/852 as well as delegated acts), a classification system for sustainable activities. Given the Group's operations are associated with emissions of "greenhouse gases", these and other greenhouse gas emissions related laws, policies and regulations may result in substantial capital, compliance, operating and maintenance costs. The level of expenditure required to comply with these laws and regulations is uncertain and is expected to vary depending on the laws enacted by particular countries. As such, climate change legislation and regulatory initiatives restricting emissions of greenhouse gases may adversely affect its operations, the Group's cost structure or the demand for oil and gas. Further political and regulatory initiatives, technological development and market changes may substantially improve the operating conditions within the renewable energy sector, which may in turn adversely affect the oil and gas industry. Such legislation or regulatory initiatives could have a material adverse effect by diminishing the demand for oil and gas, increasing the Group's cost structure or causing disruption to its operations by regulators. As the Group has made significant investments in order to build requisite operating facilities, drilling of production wells along with implementation of advanced technologies for the extraction and exploitation of hydrocarbons, there can be no assurance that the Group may be able to carry out an energy transition to a low-carbon and climate resilient future or be able to comply with changes in climate and energy policies, or be able to comply with the EU taxonomy. In addition, the Group may be subject to activism from groups campaigning against fossil fuel extraction, which could affect its reputation, disrupt its campaigns or programs or otherwise negatively impact the Group's business, prospects, financial condition and/or results of operations.

2.5.3 The Group is affected by the general global economic and financial market situation

The Group's operations and revenues are reliant on the sale of oil and gas products and the development of oil and gas prices. Decrease in oil and gas prices, or fluctuations in investments in offshore developments, due to the general global economic and financial market situation, may have material adverse effect on the Group's

business, financial condition, results of operations and/or prospects. The Group may be materially and adversely affected by the general state of the economy and business conditions, the occurrence of recession, inflation, adverse credit markets, fluctuations in operating expenses, technical problems. Weak global or regional economic conditions may negatively impact the business of the Group in ways that it cannot predict. Global financial markets and economic conditions have been severely disrupted and volatile in recent years and remain subject to significant vulnerabilities, such as the rapid accumulation of public debt, continued deleveraging in the banking sector and a limited supply of credit. As the Group has made significant investments in order to acquire oil and gas assets and to build requisite operating facilities, drilling of production wells along with implementation of advanced technologies for the extraction and exploitation of hydrocarbons, a decrease in oil and gas prices may have material adverse effect on the Group's revenues from the sale of oil and gas, decrease the value of the Group's oil and gas reserves, may cause the Group to default on contractual obligations and/or force downscale of the Group's investments. In addition, the Group may experience difficulties obtaining financing commitments or be unable to fully draw on the capacity under committed loans it arranges in the future if its lenders are unwilling to extend financing to it or unable to meet their funding obligations due to their own liquidity, capital or solvency issues. The Group cannot be certain that financing will be available on acceptable terms, or at all. If financing is not available when needed, or is available only on unfavourable terms, the Group may be unable to meet its future obligations as they come due. The Group's failure to obtain such funds could have a material adverse effect on its business, results of operations and financial condition, as well as its ability to service its indebtedness.

2.5.4 Risk relating to digital vulnerabilities, including cyber security vulnerabilities

The increased industrial automation, control and safety systems used by the Group are to a large extent digitized and dependent on digital technology, exposes the Group to risk relating to digital vulnerabilities, including cyber security vulnerabilities. For example, the Group is exposed to risk relating to lack of cyber security awareness and training among employees; remote work during operations and maintenance, using standard information technology products with known vulnerabilities in the production environment; a limited cyber security culture among vendors, suppliers and contractors; insufficient separation of data networks; the use of mobile devices and storage units including smartphones; data networks between on- and offshore facilities; insufficient physical security of data rooms, cabinets, etc.; vulnerable software; and outdated and ageing control systems in facilities. Failure to prevent any of the factors above or similar factors may have a material adverse effect on the Group's business, prospects, financial condition and/or results of operations.

2.6 FINANCIAL RISKS

2.6.1 Risks associated with foreign exchange risk, including CEMAC foreign currency regulations

In 2000, the International Monetary Fund ("**IMF**") and the Central Africa Economic and Monetary Commission ("**CEMAC**") implemented foreign currency controls in the CEMAC area which, inter alia, included provisions regarding repatriation of foreign currency from sale of in the local currency, Central African Francs (CFA), and controls on access to foreign currency. However, the provisions from 2000 were only to a limited degree enforced by the commercial banks in the CEMAC area, and the Group being a non-operator has not been materially impacted.

Then, in December 2018, IMF and CEMAC renewed the provisions, and commercial banks are now enforcing them to a wider extent. The foreign currency restrictions require special approvals on the opening of new and the operation of existing foreign currency accounts outside of the CEMAC area where such accounts are utilised to receive proceeds of the sale of oil which may be granted for a period of up to a two years and subject to renewals, also for opening foreign currency accounts in the CEMAC area, prohibition of foreign currency withdrawals inside CEMAC area, requirements for all loans to be declared with the local central bank and there is a risk of forced conversion to CFA of funds held in US$ in so-called "abandonment fund reserve" accounts (RES accounts).

The Group's operations in Gabon and Equatorial Guinea (following the Acquisitions) are, in principle, covered by the restrictions, but in Gabon the Group has so far not suffered any significant impact from the restrictions. However, if the foreign currency restrictions were to be imposed on and enforced against the Group, this could restrict the Group's ability to repatriate earnings from the operations at effected countries, pay dividends from subsidiaries and repay or refinance any future loan facilities, which would entail extensive documentation and fee requirements and increased administrative burdens on the Group's operations, and the directors of Group companies that fail to comply may be subject to fines and other penalties. The imposition of the foreign currency restrictions may have a material adverse effect on the Group's business, operations, cash flows and financial condition in the CEMAC area.

With respect to potential restrictions on the payment of dividends from the Group's subsidiaries, it should be noted that the Company is a holding company and is dependent upon cash flow from subsidiaries to meet its obligations and in order to pay dividends to its shareholders. Any restrictions on cash flow from the Company's subsidiaries could materially affect the Company's cash flow, financial condition and ability to distribute dividends.

Since the Group's business is conducted in countries with other currencies than the Group's functional reporting currency, the Group may be exposed to further volatility associated with foreign currency exchange rates due to changes in regulations. Exchange rate fluctuations may affect the Group's financial results through translation of the profit and loss accounts and balance sheets of foreign subsidiaries into US$. Currency risks may also arise when Group companies enter into transactions that are denominated in currencies other than their functional currency. The Group is also invoiced in other currencies than its functional currency, thus resulting in currency exposure from both a customer and supplier position.

Changes in foreign currency regulations or currency exchange rate fluctuations could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.6.2 Difficulties of service of debt and ability to generate sufficient cash

The Group's ability to make payments on, or repay or refinance, any debt and to fund working capital and capital investments, will depend on its future operating performance and ability to generate sufficient cash. This depends on the success of its business strategy and on general economic, financial, competitive, market, legislative, regulatory, technical and other factors, many of which are beyond the Group's control. The Group cannot assure that its business will generate sufficient cash flow from operations or that future debt and equity financings will be available to it in an amount sufficient to enable it to pay its debt, or to fund its other liquidity needs. There can be no assurance that the Group will be able to refinance debt on commercially reasonable terms or at all. Any failure by the Group to make payments on debt on a timely basis may result in reduced credit rating, which could also harm its ability to incur additional indebtedness. There can be no assurance that any assets that the Group may elect to sell can be sold or that, if sold, the timing of such sale will be acceptable and the amount of proceeds realized will be sufficient to satisfy its debt service and other liquidity needs, which could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

If the Group is unsuccessful in any of these efforts, it may not have sufficient cash to meet its obligations, which could cause an event of default under any debt arrangements and could result in the debt being accelerated, lending reserves and certain bank accounts being frozen, triggering of cross-default provisions, enforcement of security and companies within the Group may be forced into bankruptcy or liquidation.

2.6.3 The Group will have guarantee and indemnity obligations

The Group will in its ordinary course of business provide guarantees and indemnities to governmental agencies, joint venture partners or third party contractors in respect of activities relating to its subsidiaries, inter alia for such subsidiaries working and abandonment obligations under licences or obligations under the relevant terms of agreements with third party contractors. For example, the Group has procured a bank guarantee of US$ 16.6 million (US$ 10 million net to Panoro) through its group company, Panoro Tunisia Exploration, which is classified under current assets as at 30 September 2020. Should any guarantees or indemnities given by the Group be called upon, this may have a material adverse effect on the Group's financial position.

2.7 RISKS RELATING TO THE SHARES

2.7.1 The trading price of the Shares may be volatile

The Company's Share price have experienced, and may in future still experience, substantial volatility. For example, the Company's trading price declined by 77.7% from 30 November 2019 (closing price at NOK 22.9) to 18 March 2020 (closing price at NOK 5.1), and then increased by 203.1% to 31 December 2020 (closing price at NOK 15.46). 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 equity markets in general have experienced extreme volatility that has at times been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of the Company's shares.

3. RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared in connection with the Subsequent Offering and the Listing of the Trafigura Shares, the Third Tranche New Shares and the Offering Shares on Oslo Børs as described herein.

The Board of Directors of Panoro Energy ASA accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that, after having taken all reasonable care to ensure that such is the case, to the best of their knowledge, the information contained in the Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import.

5 March 2021

Julien Balkany
Chairman

Torstein Sanness
Deputy Chairman

Alexandra Herger
Board member

Garrett Soden
Board member

Hilde Ådland
Board member

4. GENERAL INFORMATION

4.1 OTHER IMPORTANT INVESTOR INFORMATION

This Prospectus has been approved by the Norwegian FSA, as competent authority under Regulation (EU) 2017/1129. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities. The Prospectus has been drawn up as a simplified prospectus in accordance with Article 14 of Regulation (EU) 2017/1129.

The Company has furnished the information in this Prospectus. The Managers make no representation or warranty, express or implied, as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this Prospectus is, or shall be relied upon, as a promise or representation in this respect, whether as to the past or the future. The Managers disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise, which they might otherwise be found to have in respect of this Prospectus or any such statement.

The Managers are acting exclusively for the Company and no one else in connection with the Subsequent Offering. They will not regard any other person (whether or not a recipient of this document) as their respective clients in relation to the Subsequent Offering and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients nor for giving advice in relation to the Subsequent Offering or any transaction or arrangement referred to herein.

The information contained herein is current as of the date hereof and subject to change, completion and amendment without notice. In accordance with Article 23 of the Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus, which may affect the assessment of the Offer Shares and which arises or is noted between the time when the Prospectus is approved by the Norwegian FSA and the listing of the Shares on Oslo Børs, will be mentioned in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus, nor the sale of any Offer Shares, shall under any circumstance imply that there has not been any change in the Group's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

No person is authorized to give information or to make any representation concerning the Group or in connection with the Subsequent Offering or the sale of the Offer Shares other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorized by the Company or the Managers or by any of the affiliates, representatives, advisers or selling agents of any of the foregoing.

Neither the Company or the Managers, or any of their respective affiliates, representatives, advisers or selling agents, is making any representation, express or implied, to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares.

Investing in the Shares involves a high degree of risk. See Section 2 "Risk factors".

In connection with the Subsequent Offering, each of the Managers and any of their respective affiliates, acting as an investor for its own account, may take up Offer Shares in the Subsequent Offering and in that capacity may retain, purchase or sell for its own account such Offer Shares or related investments and may offer or sell such Offer Shares or other investments otherwise than in connection with the Subsequent Offering. Accordingly, references in the Prospectus to Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to any of the Managers or any of their respective affiliates acting in such capacity. In addition, certain of the Managers or their affiliates may enter into financing arrangements (including swaps) with investors in connection with which such Managers (or their affiliates) may from time to time acquire, hold or dispose of Shares. None of the Managers intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

4.2 PRESENTATION OF FINANCIAL AND OTHER INFORMATION

4.2.1 Financial information

The Group's audited consolidated financial statements as of, and for the year ended 31 December 2019, with comparable figures for 2018 (the "**Annual Financial Statement**"), has been prepared in accordance with the International Financial Reporting Standards, as adopted by the EU ("**IFRS**"), as well as the Norwegian disclosure requirements pursuant to the Norwegian Accounting Act. The Annual Financial Statement is incorporated by

reference to this Prospectus, see Section 17.4 "Documents incorporated by reference". The Annual Financial Statement was audited by Ernst & Young AS ("**EY**"), as set forth in their auditor's reports included herein. The audit report was issued without qualifications.

The Group's unaudited interim consolidated financial statements as of, and for the three and nine month periods ended 30 September 2020, with comparable figures for 2019 (the "**Interim Financial Statement**"), has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the EU ("**IAS 34**"). The Interim Financial Statement is incorporated by reference to this Prospectus, see Section 17.4 "Documents incorporated by reference".

The Audited Financial Statements and Interim Financial Statements are together referred to as the "**Financial Statements**".

The Company presents the Financial Statements in US$ (presentation currency) rounded to the nearest thousand.

This Prospectus contains unaudited pro forma financial information to illustrate how the acquisition of EG Acquisition has affected the Group's consolidated income statement for the year ended 31 December 2019, if the EG Acquisition had occurred on 1 January 2019, and how the EG Acquisition would have affected the consolidated statement of financial position as of 31 December 2019, had the EG Acquisition occurred on 31 December 2019. The unaudited financial information is prepared under the assumption that the EG Acquisition will be completed as described in Section 8.11 "Summary of the EG Acquisition". The unaudited pro forma financial information, which has been prepared by EY as independent auditor, is stating that in their opinion; (i) the pro forma financial information has been properly compiled on the basis stated; and (ii) that the basis referred to in (i) is consistent with the accounting policies of the Company. For more information, see Section 10 "Unaudited pro forma financial information".

Other than set out above, EY has not audited, reviewed or produced any report or any other information provided in this Prospectus.

4.2.2 Non-IFRS financial measures

In this Prospectus, the Company presents certain non-IFRS financial measures and ratios:

- Net profit margin represents net profit / (loss) as a percentage of total revenue.
- EBIT represents operating income / (loss) ("**EBIT**").
- EBIT margin represents EBIT as a percentage of total operating revenue.
- EBITDA represents operating income before depreciation and write-downs ("**EBITDA**").
- EBITDA margin represents EBITDA as a percentage of total operating revenue.
- Capital expenditures represent the sum of purchases of fixed assets and intangible assets.
- Free cash flow represents EBITDA less total Capital Expenditures.
- Cash conversion rate represents EBITDA less total Capital Expenditures as a percentage of EBITDA.
- Net interest expenses represent the sum of net foreign exchange (loss)/gain, interest costs net of income / effect of re-measurement of bond liability, and other financial costs.
- Interest coverage ratio represents EBIT divided by the sum of other financial income, changes in fair value of financial current assets, interest expenses and other financial expense.

The non-IFRS financial measures presented herein are not recognised measurements of financial performance under IFRS but are used by management to monitor and analyse the underlying performance of the Company's business and operations. Investors should not consider any such measures to be an alternative to profit and loss for the period, operating profit for the period or any other measures of performance under generally accepted accounting principles.

The Company believes that the non-IFRS measures presented herein are commonly used by investors in comparing performance between companies. Accordingly, Panoro discloses the non-IFRS financial measures presented herein to permit a more complete and comprehensive analysis of its operating performance relative to other companies across periods. Because companies calculate the non-IFRS financial measures presented herein differently, the non-IFRS financial measures presented herein may not be comparable to similarly defined terms

or measures used by other companies.

4.2.3 Industry and market data

This Prospectus contains statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Group's business and the industries and markets in which it operates. Unless otherwise indicated, such information reflects the Group's estimates based on analysis of multiple sources, including data compiled by professional organisations, consultants and analysts and information otherwise obtained from other third party sources, such as annual and interim financial statements and other presentations published by listed companies operating within the same industry as the Group, as well as the Group's internal data and its own experience, or on a combination of the foregoing. Unless otherwise indicated in this Prospectus, the basis for any statements regarding the Group's competitive position is based on the Company's own assessment and knowledge of the market in which it operates.

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified. The Company does not intend, and does not assume any obligations to, update industry or market data set forth in this Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus and projections, assumptions and estimates based on such information may not be reliable indicators of the Group's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "Risk factors" and elsewhere in this Prospectus.

4.2.4 Rounding

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

4.2.5 Other information – references to currencies

In this Prospectus, all references to "**NOK**" are to Norwegian kroner, the lawful currency of Norway; all references to "**EUR**" are to euro, the single currency of member states of the EU participating in the European Monetary Union having adopted the euro as its lawful currency; and all references to "**US$**" are to United States dollars, the lawful currency of the United States.

4.3 NOTICE REGARDING FORWARD LOOKING STATEMENTS

This Prospectus includes "forward-looking" statements, including, without limitation, projections and expectations regarding the Group'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 Group 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 Group, 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 Group's present and future business strategies and the environment in which the Group will operate. Factors that could cause the Group's actual results, performance or achievements to materially differ from those in the forward-looking statements include risks relating to the transactions (see Section 2.1 "Risks relating to the transactions"), the Company's

business and operations (see Section 2.2 "Risks relating to the Company's business and operations"), laws, regulations and compliance (see Section 2.3 "Risks relating to laws, regulations and compliance"), jurisdictions in which the Group operates (see Section 2.4 "Risks relating to jurisdictions in which the Group operates"), to the oil and gas industry in which the Group operates (see Section "Risks relating to the oil and gas industry in which the Group operates"), financials (see Section 2.6 "Financial risks") and to the shares (see Section 2.7 "Risks relating to the Shares").

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 and in the section entitled “Risk Factors” (Section 2) in this Prospectus.

These forward-looking statements speak only as of the date of this Prospectus. Panoro undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law or regulation.

Given the aforementioned uncertainties, prospective investors are cautioned not to place undue reliance on any of these forward-looking statements.

4.4 STATEMENT REGARDING EXPERT OPINIONS

The Company confirms that when information in this Prospectus has been sourced from a third party it has been accurately reproduced and as far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The sources are mentioned whenever retrieved from an external party and whether it is a payable service.

The Company has adopted a policy of regional Reserve Reporting using external third party companies to audit its work and certify reserves and resources according to the guidelines established by the Oslo Stock Exchange (OSE). Reserve and Contingent Resource estimates comply with the definitions set by the Petroleum Resources Management System (PRMS-2007) sponsored by Society of Petroleum Engineers/World Petroleum Council/ American Association of Petroleum Geologists/ Society of Petroleum Evaluation Engineers (SPE/WPC/AAPG/SPEE) as issued in March 2007.

The Company’s reserves have, on request by the Company, been verified by its certification agents;

(i) **Gabon (Dussafu):** The estimates in the reserve report relating to Gabon (Dussafu) are based on third party assessments in November 2019 prepared by Netherland Sewell and Associates Inc. (NSAI), with address Fulbright Tower, 1301 McKinney St., Suite 3200, Houston, Texas 77010, United States. Netherland Sewell and Associates Inc. (NSAI) has no material interest in the Company. The report is signed by John R Cliver. John R. Cliver graduated from Rice university with a Bachelor of Science Degree in Chemical Engineering and from University of Texas at Austin with a Master of Business Administration Degree. He is a Licensed Professional Engineer in the State of Texas with in excess of 15 years of experience in petroleum engineering studies and evaluations.

(ii) **Tunisia (TPS permits):** The estimates in the reserve report relating to Tunisia (TPS assets) are based on third party assessments prepared by Gaffney Cline & Associates Limited (GCA) in February 2020. Gaffney, Cline & Associates (GCA) with address Bentley Hall, Blacknest, Alton, GU34 4PU, United Kingdom. Gaffney, Cline & Associates has no material interest in the Company. The report is signed by Dr. John Barker who has 33 years of industry experience. Dr. John Barker holds an M.A. in Mathematics from the University of Cambridge and a Ph.D. in Applied Mathematics from the California Institute of Technology. He is a member of the Society of Petroleum Engineers and of the Society of Petroleum Evaluation Engineers.

(iii) **Nigeria (Aje):** The estimates in the reserve report relating to Nigeria (Aje) are based on third party assessments prepared in March 2019 by TRACS International Ltd. (TRACS) with address East Wing First Floor, Admiral Court, Poynernook Road, Aberdeen AB11 5QX, United Kingdom. TRACS International Ltd. has no material interest in the Company. The report is signed by Nigel Blott (M. Eng), a petroleum

engineer and SPE member with 30+ years' experience from the Middle East, South-East Asia and NW Europe.

The annual statement of reserves report for 2019 has been prepared on the request of the Company, for publication purposes. The reserve report is incorporated by reference in Section 17.4 "Documents incorporated by reference".

5. PRIVATE PLACEMENT

5.1 BACKGROUND AND REASONS FOR THE PRIVATE PLACEMENT

On 9 February 2021, the Group entered into (i) an agreement with Tullow and the EG Seller (as defined below) to acquire 100% of the shares in TEGL (as defined below) and (ii) an asset purchase agreement with Tullow and the GA Seller (as defined below) to acquire 10% working interest in Dussafu Marin Permit, Offshore Gabon. For more information about the Acquisitions, see Section 8.11 "Summary of the EG Acquisition" and Section 8.12 "Summary of the Dussafu Acquisition".

The Acquisitions will be funded from the Private Placement and the Trafigura Loan (as defined above) (see also section **Feil! Fant ikke referansekilden.** "Trafigura Loan").

(a) On 11 February 2021, the Company announced the completion of a Private Placement of a total of 38,276,451Shares at the Subscription Price, which raised a total of NOK 593,284,990.50 million (approximately US$ 70.0 million) in gross proceeds. The Private Placement took place through a book-building process. The First Tranche New Shares were issued by a Board resolution on 10 February 2021, and delivered on the Company's ordinary ISIN and listed on the Oslo Stock Exchange on 11 February 2021.

(b) The issue of the Second Tranche New Shares, the Third Tranche New Shares and the Trafigura Shares was approved by the extraordinary general meeting of the Company held on 3 March 2021 (the "**EGM**") and will be issued and delivered the Company's ordinary ISIN and listed on the Oslo Stock Exchange as soon as practicable after publication of this Prospectus and payment has been received, expected on or about 9 March 2021.

5.2 PROCEEDS, EXPENSES AND USE OF PROCEEDS

The net proceeds of the Private Placement are NOK 593,284,990.50 (approximately US$ 70 million). The use of proceeds amongst is contribution to the payment of base consideration and, if the relevant condition is satisfied, the Deferred Consideration due upon closing of the Acquisitions, and general corporate purposes.

The transaction costs of the Company related to the Private Placement are estimated at approximately NOK 20 million, and accordingly the net proceeds of the Private Placement will be approximately NOK 573,284,990.50.

No expenses or taxes are charged to the subscribers in the Private Placement by the Company or the Managers.

5.3 RESOLUTIONS TO ISSUE THE NEW SHARES

5.3.1 First Tranche New Shares

On 10 February 2021, the First Tranche New Shares were issued pursuant to the following Board resolution in accordance with the authorization granted by the Company's annual general meeting held on 18 June 2020:

(i) The Company's share capital is increased by NOK 344,000 by issue of 6,880,000 shares, each with a par value of NOK 0.05.

(ii) The shares are subscribed at a price of NOK 15.50 per share. The subscription amount is paid to the Company no later than 15 February 2021.

(iii) Existing shareholders' pre-emptive rights are set aside. The shares are subscribed no later than 15 February 2021 in the minutes by Pareto Securities AS by proxy from subscribers as set out in Schedule 1 to the minutes.

(iv) The shares give right to dividend as from registration with the Norwegian Register of Business Enterprises.

(v) Total expenses are approximately NOK 4,000,000 which primarily relates to fees to managers, advisers and legal advice.

(vi) Section 4 first sentence of the articles are amended to read:

> 'The share capital of the Company is NOK 3,795,112.95 divided on 75,902,259 shares each with a nominal value of NOK 0.05, fully paid and payable to registered owner'.

The Board of Directors decided to set aside the Shareholders' preferential right to subscribe for Shares. The Board believed that this was in the best interest of the Company and the shareholders as reducing transaction risk and the time period from the transaction until the Company receives funds is imperative inter alia in order to secure funding to complete the Acquisitions. The Board is of the opinion that the Private Placement has allowed the

Company to raise capital more quickly and, at a lower discount compared to a rights issue. Also, the Board is of the view that, in the current market situation and based on feedback from possible investors, a private placement had a greater chance of success than a rights issue. Further, in order to give shareholders who did not participate in the Private Placement the possibility to subscribe Shares at the same price as applicable to the Private Placement, the Board proposed to carry out the Subsequent Offering.

The First Tranche New Shares were issued and delivered on the Company's ordinary ISIN NO0010564701 and listed on the Oslo Stock Exchange on 11 February 2021. Following issuance of the First Tranche New Shares, the Company has 75,902,259 Shares outstanding, each of par value NOK 0.05.

5.3.2 Second Tranche New Shares

The Second Tranche New Shares were approved issued by the following resolution by the EGM:

(i) The Company’s share capital is increased with NOK 346,222.55 from NOK 3,795,112.95 to NOK 4,141,335.50 by issuance of 6,924,451 new shares, each with a nominal value of NOK 0.05. Section 4 first sentence of the Company's articles of association is amended to read: 'The share capital of the Company is NOK 4,141,335.50 divided on 82,826,710 shares each with a nominal value of NOK 0.05, fully paid and payable to registered owner'.

(ii) The subscription price per share is NOK 15.50. The aggregate subscription amount is NOK 107,328,990.50.

(iii) The shares are subscribed by Pareto Securities AS on behalf of, and pursuant to proxies from, the investors having ordered and been allocated shares in accordance with the Company's decision to allocate the shares.

(iv) The shareholders' pre-emption rights are waived, cf. the Public Limited Liability Companies Act Sections 10-5 cf. 10-4.

(v) The subscription shall be made on a separate subscription within 10 March 2021.

(vi) The subscription amount shall be settled by cash contribution to the Company's client account with Pareto Securities AS wit DNB Bank ASA seven (7) days from the expiration of the subscription period.

(vii) The new shares give full rights, including rights to dividends, from and including the date of registration of the share capital increase in the Norwegian Register of Business Enterprises.

(viii) Estimated costs in relation to the share capital increase and other resolutions proposed by the board of directors are approximately NOK 4,500,000, primarily linked to fees to managers, advisors, lawyers and registration fees. The costs will be covered by the Company.

The Second Tranche New Shares will be issued and delivered the Company's ordinary ISIN and listed on the Oslo Stock Exchange as soon as practicable after publication of this Prospectus and payment has been received, expected on or about 9 March 2021.

The Board allocated the Second Tranche New Shares to investors based on consultations with the Managers. The allocation principles, in accordance with normal practice for institutional placements, included criteria such as, but not limited to, current ownership in the Company, timeliness of the application, price leadership, relative order size, sector knowledge, perceived investor quality and investment horizon. The Board of Directors proposed and shareholders decided to set aside the Shareholders’ preferential right to subscribe for Shares.

5.3.3 Third Tranche New Shares

The Third Tranche New Shares were approved issued by the following resolution by the EGM:

(i) The Company’s share capital is increased with NOK 1,223,600 from NOK 4,141,335.50 to NOK 5,364,935.50 by issuance of 24,472,000 new shares, each with a nominal value of NOK 0.05. Section 4 first sentence of the Company's articles of association are amended to read: 'The share capital of the Company is NOK 5,364,935.50 divided

on 107,298,710 shares each with a nominal value of NOK 0.05, fully paid and payable to registered owner'.

(ii) The subscription price per share is NOK 15.50. The aggregate subscription amount is NOK 379,316,000.

(iii) The shares are subscribed by Pareto Securities AS on behalf of, and pursuant to proxies from, the investors having ordered and been allocated shares in accordance with the Company's decision to allocate the shares.

(iv) The shareholders' pre-emption rights are waived, cf. the Public Limited Liability Companies Act Sections 10-5 cf. 10-4.

(v) The subscription shall be made on a separate subscription within 10 March 2021.

(vi) The subscription amount shall be settled by cash contribution to the Company's client account with Pareto Securities AS wit DNB Bank ASA seven (7) days from the expiration of the subscription period.

(vii) The new shares give full rights, including rights to dividends, from and including the date of registration of the share capital increase in the Norwegian Register of Business Enterprises.

(viii) Estimated costs in relation to the share capital increase and other resolutions proposed by the board of directors are approximately NOK 12,000,000, primarily linked to fees to managers, advisers, lawyers and registration fees. The costs will be covered by the Company.

The Third Tranche New Shares will be issued and delivered the Company's ordinary ISIN and listed on the Oslo Stock Exchange as soon as practicable after publication of this Prospectus and payment has been received, expected on or about 9 March 2021.

The Board allocated the Third Tranche New Shares to investors based on consultations with the Managers. The allocation principles, in accordance with normal practice for institutional placements, included criteria such as, but not limited to, current ownership in the Company, timeliness of the application, price leadership, relative order size, sector knowledge, perceived investor quality and investment horizon. The Board of Directors proposed and shareholders decided to set aside the Shareholders' preferential right to subscribe for Shares.

5.3.4 Trafigura Shares

As part of the debt financing for the Acquisitions set out above, Panoro has accepted to pay parts of the fees to the debt provider in the form of issue of 307,578 Shares at the Subscription Price. The Trafigura Shares were approved issued by the following resolution by the EGM:

The EGM passed the following resolution to increase the Company's share capital in relation to the Private Placement:

(i) The Company's share capital is increased with NOK 15,378.90 from NOK 5,364,935.50 to NOK 5,380,314.40 by issuance of 307,578 new shares, each with a nominal value of NOK 0.05. Section 4 first sentence of the Company's articles of association are amended to read: 'The share capital of the Company is NOK 5,380,314.40 divided on 107,606,288 shares each with a nominal value of NOK 0.05, fully paid and payable to registered owner'.

(ii) The subscription price per share is NOK 15.50. The aggregate subscription amount is NOK 4,767,459.

(iii) The shares are subscribed by Trafigura Ventures V B.V.

(iv) The subscription shall be made on a separate subscription within 10 March 2021.

(v) The share contribution is settled by set-off of claims towards the Company in the nominal value of NOK 4,767,468.75, as further specified in the statement from the board pursuant to the Public Companies Act Section 2-6, cf. Section 10-2, attached as

Appendix 2. Set-off occurs at the time of subscription and is confirmed by subscription of shares. The Company hereby accepts that the share contribution may be settled by set-off of the mentioned receivable.

(vi) The new shares give full rights, including rights to dividends, from and including the date of registration of the share capital increase in the Norwegian Register of Business Enterprises.

(vii) Estimated costs in relation to the share capital increase and other resolutions proposed by the board of directors are approximately NOK 100,000, primarily linked to fees to legal and financial advisers, as well as registration fees. The costs will be covered by the Company.

5.4 MAIN FEATURES OF THE NEW SHARES

The Company has one class of Shares in issue and all New Shares will be in that class and provide equal rights to all such other Shares in that class. The Shares have been created under the Norwegian Public Limited Companies Act and are registered in book-entry form with the VPS under ISIN NO 0010564701. All the New Shares are or will be issued in NOK and will be quoted and traded in NOK on the Oslo Stock Exchange.

5.5 DELIVERY AND LISTING OF THE NEW SHARES

In connection with the Private Placement, the First Tranche New Shares were issued and delivered on the Company's ordinary ISIN and listed on the Oslo Stock Exchange on 11 February 2021. The Second Tranche New Shares, Third Tranche New Shares and the Trafigura Shares will be issued and delivered to the Company's ordinary ISIN and listed on the Oslo Stock Exchange as soon as practicable after publication of this Prospectus and payment has been received, expected on or about 9 March 2021. The New Shares will not be sought admitted to trading on any other regulated market than Oslo Stock Exchange.

5.6 THE RIGHTS CONFERRED BY THE NEW SHARES

The New Shares are ordinary Shares in the Company each having a nominal value of NOK 0.05. The New Shares are or will be issued electronically in registered form in accordance with the Norwegian Public Limited Companies Act.

The New Shares will rank in all respects pari passu with the existing Shares and carry full shareholder rights in the Company, including right to dividends, from the time of registration of the share capital increase with the Norwegian Register of Business Enterprises. The New Shares are eligible for any dividends that the Company may declare after such registration. All Shares, including the New Shares, have voting rights and other rights and obligations which are standard under the Norwegian Public Limited Companies Act, and are governed by Norwegian law. See Section 12 "Share capital and shareholder matters" for a more detailed description of the Shares.

5.7 DILUTION

The Private Placement resulted in an immediate dilution of the existing Shares of approximately 35.9%[2]. The net asset value per existing Share as at 30 September 2020 was approximately USD 1.9547752 (approximately NOK 18.53 based on the USD/NOK exchange rate as at 30 September 2020.

5.8 MANAGERS AND ADVISORS

The Managers for the Private Placement were Pareto Securities AS (business address: Dronning Mauds gate 3, 0251 Oslo, Norway) and Carnegie AS (business address: Fjordalléen 16, Aker Brygge, P.O. Box 684 Sentrum, NO-0106 Oslo, Norway. Advokatfirmaet Schjødt AS acts as Norwegian legal counsel to the Company. Arntzen de Besche Advokatfirma AS acts as legal counsel to the Managers.

5.9 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE PRIVATE PLACEMENT

The Managers or their affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they

[2] Defined as total of new shares issued in the Private Placement (including the Trafigura Shares) divided by the total number of Shares following the Private Placement.

may have received and may continue to receive customary fees and commissions. The Managers, their employees and any affiliate may currently own Shares in the Company. Furthermore, the Managers will receive fees in connection with the Private Placement and, as such, have an interest in the Private Placement. See Section 5.2 "Proceeds, expenses and use of proceeds" for information on fees to the Managers in connection with the Private Placement.

5.10 PARTICIPATION BY MAJOR EXISTING SHAREHOLDERS AND MEMBERS OF THE COMPANY'S MANAGEMENT, SUPERVISORY, ADMINISTRATIVE BODIES AND PERSONS/ENTITIES SUBSCRIBING FOR MORE THAN 5% OF THE PRIVATE PLACEMENT

The table below provides an overview of members of management, supervisory and administrative bodies that participated in the Private Placement and other persons/entities that subscribed for more than 5% of the Private Placement:

Table 4

Name	Shares subscribed	Percentage of Private Placement
Kistefos AS	6 472 788	16,911%
Sundt AS	6 451 612	16,855%
Credit Suisse Private Banking	4 101 300	10,715%
Julien Balkany (Chairman of the Board of Directors)	322 580	0,843%
Torstein Sanness (Deputy Chairman of the Board)	32 258	0,084%
Hilde Adland (Non-Executive Board member)	3 225	0,008%
John Hamilton (Chief Executive Officer)	19 354	0,051%
Qazi Qadeer (Chief Financial Officer)	12 903	0,034%
Richard Morton (Technical Director)	19 354	0,051%
Nigel McKim (Projects Director)	11 290	0,029%

6. SUBSEQUENT OFFERING

6.1 BACKGROUND

The Subsequent Offering consists of an offer by the Company to issue up to 5,500,000 Offer Shares (i.e. ordinary new Shares in the Company) at a subscription price of NOK 15.50 per Offer Share, thereby raising gross proceeds of up to NOK 82,500,000. The Company intends to use the proceeds for general corporate purposes. Eligible Shareholders will be granted 0,171143 Subscription Rights for each Share held on the Record Date.

The main purpose of the Subsequent Offering is to enable the Eligible Shareholders to subscribe for Shares in the Company at the same price as in the Private Placement, thus limiting dilution of their shareholding.

The existing shareholders' pre-emptive rights to subscribe for and be allocated Offer Shares will be deviated from in order to be able to issue the Offer Shares to subscribers in the Subsequent Offering.

6.2 TIMETABLE

The below timetable sets out certain indicative key dates for the Subsequent Offering (subject to shortening, extensions and/or cancellation):

Table 5 – Timetable for the Subsequent Offering	
Last day of trading in the Shares including Subscription Rights	9 February 2021
First day of trading in the Shares excluding Subscription Rights	10 February 2021
Record Date	11 February 2021
Commencement of Subscription Period	8 March 2021
End of Subscription Period	15 March 2021
Publication of the results of the Subsequent Offering	16 March 2021
Allocation letters and payment instructions distributed to subscribers	16 March 2021
Payment Date for the Offer Shares	22 March 2021
Registration of share capital increase pertaining to the Subsequent Offering	Expected on or about 23 March 2021
Delivery of the Offer Shares	Expected on or about 24 March 2021
Listing and first day of trading of the Offer Shares on Oslo Børs	Expected on or about 25 March 2021

The above dates are indicative and subject to change. Note that the Company, in consultation with the Managers, reserves the right to shorten, extend and/or cancel the Subscription Period at any time at its sole discretion, but will in no event be extended beyond 16:30 hours on 22 March 2021. In the event of an extension of the Subscription, the allocation date, the payment due date and the date of the listing Offer Shares on Oslo Børs may be changed accordingly. No action will be taken to permit a public offering of the Offer Shares in any jurisdiction outside Norway.

6.3 RESOLUTION REGARDING THE SUBSEQUENT OFFERING

The EGM passed the following resolution to issue the Offer Shares:

(i) The Company's share capital is increased with minimum NOK 0.05 and maximum NOK 275,000 by issuance of minimum 1 and maximum 5,500,000 new shares, each with a nominal value of NOK 0.05. Section 4 first sentence of the Company's articles of association is amended in accordance with the subscription.

(ii) The shareholders' pre-emption rights is waived, cf. the Public Limited Liability Companies Act Sections 10-5 cf. 10-4.

(iii) The subscription price per share is NOK 15.50.

(iv) The shares are subscribed for by shareholders per 9 February 2021 and registered as such with VPS on 11 February 2021 who (i) were not invited to subscribe for shares in the pre-sounding of the private placement, (ii) were not allocated shares in the private placement, and (iii) are not resident in a jurisdiction where such offering would be

unlawful or, for jurisdictions other than Norway, would require any prospectus, filing, registration or similar action.

(v) Shareholders as set out in item (iv) will receive 0,171143 subscription rights for each share owned (rounded downward to the nearest whole number). Each subscription right gives the right to subscribe one share. The subscription rights are not tradable.

(vi) Subscription without subscription rights is possible. In case of over subscription, the holders of subscription rights will be allocated shares first. If the subscription rights are not fully used, the shareholders who have used their subscription rights and who wants to subscribe for further shares, will have the right to subscribe the part of the shares which have not been subscribed. Such shares shall, as far as possible, be allocated among such shareholders in proportion to the number of subscription rights used by each of them. If shares are still available, the shares may be subscribed by the public, and allocation of shares in case of over subscription of such available shares shall be made by the board in its discretion.

(vii) The subscription period is from 8 March 2021 to 15 March 2021. If the prospectus for the offering has not been approved and made public by 7 March 2021, the subscription period shall be adjusted to commence on the second trading day on Oslo Børs after such approval is received and the prospectus has been made public. The end of the subscription period shall in such event be adjusted accordingly.

(viii) The subscription shall be made on a separate subscription form before the end of the subscription period.

(ix) The subscription amount shall be settled by cash contribution to the Company's client account with Pareto Securities AS wit DNB Bank ASA seven (7) days from the expiration of the subscription period.

(x) The new shares give full rights, including rights to dividends, from and including the date of registration of the share capital increase in the Norwegian Register of Business Enterprises.

(xi) Estimated costs in relation to the share capital increase are approximately NOK 2,500,000, primarily linked to fees to managers and legal and financial advisers, as well as registration fees. The costs will be covered by the Company.

In order to allow for subscription by Eligible Shareholders, the EGM approved to set aside existing shareholders' pre-emptive right to subscribe the Offer Share.

6.4 SUBSEQUENT PERIOD

The Subscription Period in the Subsequent Offering will commence on 8 March at noon Norwegian time and expire on 15 March at 16:30 CET. The Subscription Period may be shortened or extended.

6.5 SUBSCRIPTION PRICE

The Subscription price for one (1) Offer Share is NOK 15.50. The Subscription Price is equal to the subscription price in the Private Placement. The subscribers will not incur any costs related to the subscription for, or allotment of, the Offer Shares.

6.6 SUBSCRIPTION RIGHTS, ELIGIBLE SHAREHOLDERS AND RECORD DATE

The Company will issue Subscription Rights to shareholders in the Company, as of 9 February 2021, as registered with the VPS on the Record Date (i.e. 11 February 2021), who (i) were not invited to subscribe for shares in the pre-sounding of the private placement, (ii) were not allocated shares in the private placement, and (iii) are not resident in a jurisdiction where such offering would be unlawful or, for jurisdictions other than Norway, would require any prospectus, filing, registration or similar action ("**Eligible Shareholders**").

The Subsequent Offering comprises up to 5,500,000 non-tradable Subscription Rights. Each Eligible Shareholder will be granted 0.171143 Subscription Right for every Share owned as of the Record Date ("**Eligible Shares**"), rounded down to the nearest whole subscription right. One Subscription Right will, subject to applicable securities

law, give the holder the right to subscribe for and be allocated one Offer Share in the Company in the Subsequent Offering.

The Subscription Rights will be distributed free of charge, and the recipient of Subscription Rights will not be debited any cost. The Subscription Rights will be registered in each Eligible Shareholders' VPS account on or about 6 March 2020. The Subscription Rights will be registered with the VPS under ISIN NO 001 0945868.

No fractional Offer Shares will be issued. Fractions will not be compensated, and all fractions will be rounded down to the nearest integer that provides issue of whole numbers of said securities to each participant.

The Subscription Rights must be used to subscribe for Offer Shares before the end of the Subscription Period. Subscription Rights which are not exercised before the end of the Subscription Period will have no value and will lapse without compensation to the holder. Holders of Subscription Rights should note that subscriptions for Offer Shares must be made in accordance with the procedures set out in this Prospectus.

Over-subscription will be permitted. Subscription without Subscription Rights will be permitted.

Subscription Rights of shareholders resident in jurisdictions where the Prospectus may not be distributed and/or with legislation that, according to the Company's assessment, prohibits or otherwise restricts subscription for Offer Shares ("**Ineligible Jurisdiction**") will initially be credited to such persons' ("**Ineligible Shareholders**") VPS accounts. Such credit specifically does not constitute an offer to Ineligible Shareholders. The Company will instruct the Managers, as far as possible, to withdraw the Subscription Rights from such Ineligible Shareholder's VPS accounts. If the relevant Ineligible Shareholder by 16:30 hours (CET) on 10 March 2021 documents, to the satisfaction of the Company at its sole discretion, to the Company a right to receiving the Subscription Rights withdrawn from its VPS account, the Managers will re-credit the withdrawn Subscription Rights to the VPS account of the relevant Ineligible Shareholder.

6.7 TRADING IN SUBSCRIPTION RIGHTS

The Subscription Rights are non-tradable and will not be listed during the Subscription Period. Subscription Rights which are not exercised before the end of the Subscription Period will have no value and will lapse without compensation to the holder. Holders of Subscription Rights should note that subscriptions for Offer Shares must be made in accordance with the procedures set out in this Prospectus.

6.8 SUBSCRIPTION PROCEDURES AND SUBSCRIPTION OFFICE

Subscriptions for Offer Shares must be made by submitting a correctly completed subscription form, attached hereto as Appendix 2 (the "**Subscription Form**") to the Managers during the Subscription Period, or may, for subscribers who are residents of Norway with a Norwegian personal identification number, be made online as further described below.

Eligible Shareholders will receive a letter which includes information on shareholdings as of 9 February 2021 and certain other matters relating to the relevant shareholders. The Prospectus is available at www.panoroenergy.com, paretosec.com and carnegie.no, and at the offices of the Company and the Managers. The content of the respective websites to the Company and the Managers are not incorporated by reference into, or otherwise form part of, this Prospectus. Subscriptions for Offer Shares must be made on a Subscription Form attached as Appendix 2 hereto.

Subscribers who are Norwegian citizens may also subscribe for Offer Shares by following the link on https://www.paretosec.com/updates/transactions which will redirect the subscriber to the VPS online subscription system. In order to use the online subscription system, the subscriber must have, or obtain, a VPS account number. All online subscribers must verify that they are Norwegian citizens by entering their national identity number (Norwegian: "*personnummer*").

Online subscriptions must be submitted, and accurately completed Subscription Forms must be received by the Managers by 16:30 hours (CET) on 15 March 2021.

Neither the Company nor the Managers may be held responsible for postal delays, internet lines or servers or other logistical or technical problems that may result in subscriptions not being received in time or at all by the Managers. Subscription Forms received after the end of the Subscription Period and/or incomplete or incorrect Subscription Forms and any subscription that may be unlawful may be disregarded at the sole discretion of the Company and/or the Managers without notice to the subscriber. The Managers have the right to disregard any application, without any liability towards the subscriber, if a Legal Entity Identifier (LEI) or National Client Identifier ("**NCI**") number or any other compulsory information requested in the Subscription Form is not populated. If a LEI number or other compulsory information is not populated by the subscriber, the Managers

also reserve the right to obtain such information through publicly available sources and use such number to complete the Subscription Form.

Properly completed and signed Subscription Forms may be, mailed or delivered to one of the Managers at the addresses set out below:

Pareto Securities AS

Dronning Mauds gate 3
P.O. Box 1411 Vika
N-0115 Oslo
Norway

Tel: +47 22 87 87 00
E-mail: subscription@paretosec.com
www.paretosec.com

Carnegie AS

Fjordalléen 16, Aker Brygge
P.O. Box 684 Sentrum
NO-0106 Oslo
Norway

Tel: +47 22 00 93 00
E-mail: subscriptions@carnegie.no
www.carnegie.no

Subscriptions are binding and irrevocable, and cannot be withdrawn, cancelled or modified by the subscriber after having been received by the Managers. The subscriber is responsible for the correctness of the information filled into the Subscription Form. By signing and submitting a Subscription Form, the subscribers confirm and warrant that they have read this Prospectus and are eligible to subscribe for Offer Shares under the terms set forth herein.

There is no minimum subscription amount for which subscriptions in the Subsequent Offering must be made. Over-subscription (i.e., subscription for more Offer Shares than the number of Subscription Rights held by the subscriber entitles the subscriber to be allocated) is allowed. However, there can be no assurance that Offer Shares will be allocated for such subscriptions. See Section 6.10 "Allocation" for further details on applicable allocation principles. Subscription without subscription rights is not permitted.

Multiple subscriptions (i.e., subscriptions on more than one Subscription Form) are allowed. Please note, however, that two separate Subscription Forms submitted by the same subscriber with the same number of Offer Shares subscribed for on both Subscription Forms will only be counted once unless otherwise explicitly stated in one of the Subscription Forms. In the case of multiple subscriptions through the VPS online subscription system or subscriptions made both on a Subscription Form and through the VPS online subscription system, all subscriptions will be counted.

The Company is not aware of whether any members of the Company's Management or Board of Directors intend to subscribe for Offer Shares in the Subsequent Offering, or whether any person intends to subscribe for more than 5% of the Offer Shares, however such persons may receive Subscription Rights if they are Eligible Shareholders.

6.9 FINANCIAL INTERMEDIARIES

All persons or entities holding Shares or Subscription Rights through financial intermediaries (i.e., brokers, custodians and nominees) should read this section. All questions concerning the timeliness, validity and form of instructions to a financial intermediary in relation to the exercise of Subscription Rights should be determined by the financial intermediary in accordance with its usual customer relations procedure or as it otherwise notifies each beneficial shareholder.

The Company is not liable for any action or failure to act by a financial intermediary through which Shares or Subscription Rights are held.

6.9.1 Subscription Rights

If an Eligible Shareholder holds Shares registered through a financial intermediary on the Record Date, the financial intermediary will customarily give the Eligible Shareholder details of the aggregate number of Subscription Rights to which it will be entitled. The relevant financial intermediary will customarily supply each Eligible Shareholder with this information in accordance with its usual customer relations procedures. Eligible Shareholders holding Shares through a financial intermediary should contact the financial intermediary if they have received no information with respect to the Subsequent Offering.

Ineligible Shareholders holding their Shares through a financial intermediary will not be entitled to exercise their Subscription Rights.

6.9.2 Subscription Period

The time by which notification of exercise instructions for subscription of Offer Shares must validly be given to a financial intermediary may be earlier than the expiry of the Subscription Period. Such deadline will depend on the financial intermediary. Eligible Shareholders who hold their Shares through a financial intermediary should contact their financial intermediary if they are in any doubt with respect to deadlines.

6.9.3 Subscription

Any shareholder who is not an Ineligible Shareholder and who holds its Subscription Rights through a financial intermediary and wishes to exercise its Subscription Rights, should instruct its financial intermediary in accordance with the instructions received from such financial intermediary. The financial intermediary will be responsible for collecting exercise instructions from the Eligible Shareholders and for informing the shareholders of their exercise instructions.

Please see Section 13 "Transfer Restrictions" for a description of certain restrictions and prohibitions applicable to the exercise of Subscription Rights in certain jurisdictions outside Norway.

6.9.4 Method of Payment

Any Eligible Shareholder who holds its Subscription Rights through a financial intermediary should pay the Subscription Price for the Offer Shares that are allocated to it in accordance with the instructions received from the financial intermediary. The financial intermediary must pay the Subscription Price in accordance with the instructions in this Prospectus. Payment by the financial intermediary for the Offer Shares must be made to the Managers in accordance with Section 6.10 "Payment for the Offer Shares" no later than the Payment Date. Accordingly, financial intermediaries may require payment to be provided to them prior to the Payment Date.

6.10 ALLOCATION

Allotment of the Offer Shares is expected to take place on or about 16 March 2021.

The following allocation criteria will be made on the basis of Subscription Rights:

(i) Allocation will be made to subscribers on the basis of granted Subscription Rights which have been validly exercised during the Subscription Period. Each Subscription Right will give the right to subscribe for and be allocated one (1) new Share.

(ii) If not all Subscription Rights are validly exercised in the Subscription Period, subscribers having exercised their Subscription Rights and who have over-subscribed will have the right to be allocated remaining shares on a pro rata basis based on the number of Subscription Rights exercised by the subscriber. In the event that pro rata allocation is not possible, the Company will determine the allocation by lot drawing.

(iii) If Offer Shares are still available, the Offer Shares may be subscribed by the public, and allocation of Offer Shares in case of over subscription of such available shares shall be made by the board in its discretion.

The Company reserves the right to round off, reject or reduce any subscriptions for Offer Shares not covered by Subscription Rights. Allocation of fewer Offer Shares than subscribed for by a subscriber will not impact on the subscriber's obligation to pay for the number of Offer Shares allocated.

General information regarding the result of the Subsequent Offering is expected to be published on or about 16 March 2021 in the form of a stock exchange release through Oslo Børs website for company announcements (www.newsweb.no). The content of www.newsweb.no is not incorporated by reference into, or otherwise form part of, this Prospectus.

All subscribers being allotted Offer Shares will receive a letter from the Managers confirming the number of Offer Shares allotted to the subscriber and the corresponding amount which will be debited the subscriber's account. This letter is expected to be mailed on or about 16 March 2021. Investors with access to VPS Investor Services will also be able to see their allocated Offer Shares through such service.

6.11 PAYMENT FOR THE OFFER SHARES

The payment for Offer Shares allocated to a subscriber falls due on Payment Date (i.e. on 22 March 2021). Payment must be made in accordance with the requirements set out below.

6.11.1 Subscribers who have a Norwegian Bank account

Subscribers who have a Norwegian bank account must, and will by signing the Subscription Form, provide the Managers with a one-time irrevocable authorization to debit a specified bank account with a Norwegian bank for the amount payable for the Offer Shares which are allocated to the subscriber.

The specified bank account is expected to be debited on or after the Payment Date. The Managers are only authorized to debit such account once, but reserves the right to make up to three debit attempts, and the authorization will be valid for up to seven working days after the Payment Date.

The subscriber furthermore authorizes the Managers to obtain confirmation from the subscriber's bank that the subscriber has the right to dispose over the specified account and that there are sufficient funds in the account to cover the payment.

If there are insufficient funds in a subscriber's bank account or if it for other reasons is impossible to debit such bank account when a debit attempt is made pursuant to the authorization from the subscriber, the subscriber's obligation to pay for the Offer Shares will be deemed overdue. If payment for the allotted Offer Shares is not received when due, the Offer Shares will not be delivered to the subscriber, and the Board reserves the right, at the risk and cost of the subscriber, to cancel the subscription in respect of the Offer Shares for which payment has not been made, or to sell or otherwise dispose of the Offer Shares, and hold the subscriber liable for any loss, cost or expense suffered or incurred in connection therewith. The original subscriber remains liable for payment of the entire amount due, including interest, costs, charges and expenses accrued, and the Managers may enforce payment of any such amount outstanding.

Payment by direct debiting is a service that banks in Norway provide in cooperation. In the relationship between the subscriber and the subscriber's bank, the standard terms and conditions for "Payment by Direct Debiting – Securities Trading", which are set out on in the Subscription Form, will apply, provided, however, that subscribers who subscribe for an amount exceeding NOK 5 million by signing the Subscription Form provide the Managers with a one-time irrevocable authorization to directly debit the specified bank account for the entire subscription amount.

6.11.2 Subscribers who do not have a Norwegian bank account

Subscribers who do not have a Norwegian bank account must ensure that payment with cleared funds for the Offer Shares allocated to them is made on or before the Payment Date.

Prior to any such payment being made, the subscriber must contact one of the Managers for further details and instructions.

6.11.3 Overdue payments

Overdue and late payments will be charged with interest at the applicable rate from time to time under the Norwegian Act on Interest on Overdue Payment of 17 December 1976 No. 100, currently 8.00% per annum. If a subscriber fails to comply with the terms of payment, the Offer Shares will, subject to the restrictions in the Public Limited Liability Companies Act and at the discretion of the Managers, not be delivered to the subscriber.

The Managers, on behalf of the Company, reserve the right, at the risk and cost of the subscriber to, at any time, cancel the subscription and to re-allocate or otherwise dispose of allocated Offer Shares for which payment is overdue, or, if payment has not been received by the third day after the Payment Date, without further notice sell, assume ownership to or otherwise dispose of the allocated Offer Shares on such terms and in such manner as the Managers may decide in accordance with Norwegian law. The subscriber will remain liable for payment of the subscription amount, together with any interest, costs, charges and expenses accrued and the Managers, on behalf of the Company, may enforce payment for any such amount outstanding in accordance with Norwegian law.

6.12 VPS REGISTRATION OF THE OFFER SHARES

The Offer Shares will be issued in accordance with the Norwegian Public Limited Liability Companies Act and registered electronically in book-entry form with VPS under ISIN NO0010564701.

The Offer Shares will not be delivered to the subscribers' VPS account before they are fully paid, the share capital increase relating to the issuance of the Offer Shares has been registered with the Norwegian Register for Business Enterprises and the Offer Shares have been registered in the VPS.

The Shares are registered in the VPS. The registrar for the Company's Shares in VPS is Nordea Bank ABP, filial i Norge, Registrars department, Essendrops gate 7, 0368 Oslo, Norway (the "**VPS Registrar**").

6.13 DELIVERY AND LISTING OF THE OFFER SHARES

All subscribers subscribing for Offer Shares must have a valid VPS account (established or maintained by an investment bank or Norwegian bank that is entitled to operate VPS accounts) to receive Offer Shares.

Assuming that payments from all subscribers are made when due, it is expected that the share capital increase will be registered in the Norwegian Register of Business Enterprises on or about 24 March 2021 and that the delivery of the Offer Shares will take place on or about 25 March 2021 (subject to payment being received from the subscribers). The final deadline for registration of the share capital increase pertaining to the Subsequent Offering in the Norwegian Register of Business Enterprises, and hence for the subsequent delivery of the Offer Shares, is, pursuant to the Norwegian Public Limited Liability Companies Act, three months from the expiry of the Subscription Period.

Subscribers should be aware that delivery of the Offer Shares will only be made if the subscriber pays for the Offer Shares.

The Offer Shares will be listed on Oslo Børs upon delivery.

No arrangements have been made for the trading of the Offer Shares on other regulated markets.

6.14 THE RIGHTS CONFERRED BY THE OFFER SHARES

The Offer Shares will in all respects carry full shareholders' rights in the Company on an equal basis as any other existing Shares in the Company, including the right to any dividends. The New Shares will in all respects carry full shareholders' rights in the Company on an equal basis as any other Shares in the Company, including the right to any dividends, from the date of registration of the share capital increase pertaining to the Subsequent Offering in the Norwegian Register of Business Enterprises (see Section 6.2 "Timetable").

For a description of rights attached to the Shares in the Company, see Section 12 "Share capital and shareholder matters".

6.15 PRODUCT GOVERNANCE

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (MiFID II); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (the MiFID II Product Governance Requirements), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II (the Positive Target Market); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the Appropriate Channels for Distribution).

Notwithstanding the Target Market Assessment, Distributors should note that: the price of Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Subsequent Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Managers will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.

Investors should, however, note that the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, it is the assessment of the manufacturers that an investment in the Shares is not

compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile (the Negative Target Market, and, together with the Positive Target Market, the Target Market Assessment).

6.16 NATIONAL CLIENT IDENTIFIER AND LEGAL ENTITY IDENTIFIER

In order to participate in the Subsequent Offering, subscribers will need a global identification code. Physical persons will need a so-called National Client Identifier (NCI) and legal entities will need a so-called Legal Entity Identifier (LEI). Investors who do not already have an NCI or LEI, as applicable, must obtain such codes in time for the application in order to participate in the Subsequent Offering.

6.16.1 NCI code for physical persons

Physical persons will need an NCI code to participate in a financial market transaction, i.e. a global identification code for physical persons. For physical persons with only a Norwegian citizenship, the NCI code is the 11 digit personal ID (Nw.: *Fødselsnummer*). If the person in question has multiple citizenships or another citizenship than Norwegian, another relevant NCI code can be used. Investors are encouraged to contact their bank for further information.

6.16.2 LEI code for legal entities

Legal entities will need a LEI code to participate in a financial market transaction. A LEI code must be obtained from an authorised LEI issuer, which can take some time. Investors should obtain a LEI code in time for the application. For more information visit www.gleif.org.

6.17 MANDATORY ANTI-MONEY LAUNDERING PROCEDURES

The Subsequent Offering is subject to the Norwegian Money Laundering Act of 1 June 2018 No. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 No. 1324, as amended (collectively, the **"Anti-Money Laundering Legislation"**).

Subscribers who are not registered as existing customers of one of the Managers must verify their identity to the Manager in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Subscribers who have designated an existing Norwegian bank account and an existing VPS account on the Subscription Form are exempted, unless verification of identity is requested by the Manager. Subscribers who have not completed the required verification of identity prior to the expiry of the Subscription Period will not be allocated Offer Shares.

Furthermore, participation in the Subsequent Offering is conditional upon the subscriber holding a VPS account. The VPS account number must be stated in the Subscription Form. VPS accounts can be established with authorized VPS registrars, who can be Norwegian banks, authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Norwegian FSA. Establishment of a VPS account requires verification of identification to the VPS registrar in accordance with the Anti-Money Laundering Legislation.

6.18 TRANSFERABILITY OF THE OFFER SHARES

The Offer Shares may not be transferred or traded before they are fully paid, the share capital increase has been registered with the Norwegian Register of Business Enterprises and the Offer Shares have been registered in the VPS. The Offer Shares are expected to be delivered to the subscribers' VPS accounts on or about 25 March 2021.

6.19 EXPENSES AND NET PROCEEDS

Transaction costs and all other directly attributable costs in connection with the Subsequent Offering that will be borne by the Company are estimated to approximately NOK 2,500,000 million, thus resulting in net proceeds of approximately NOK 82,750,000 million, assuming full subscripton of Offer Shares.

6.20 DILUTION

Assuming registration of the New Shares and full subscription in the Subsequent Offering, the Company's total number of issued Shares in the Company will be increased to 113,106,288 Shares.

The immediate dilutive effect for the Company's shareholders who do not participate in the Subsequent Offering is as set forth in the table below, based on number of Offer Shares issued compared to number of Shares prior to the Subsequent Offering:

Table 5 – Dilution

	Prior to issue of the Offer Shares	After issue of the Subsequent Offering
Number of Shares	107,606,288	113,106,288
% dilution	-	4.86%

The net asset value per existing Share as at 30 September 2020 was approximately USD 1.9547752 (approximately NOK 18.53 based on the USD/NOK exchange rate as at 30 September 2020). Interest of natural and legal persons

The Managers and their affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers, its employees and any affiliate may currently own existing Shares in the Company. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The Managers will receive a fee in the Subsequent Offering and, as such, have an interest in the Subsequent Offering.

Other than what is set out above, there are no other interests (including conflict of interests) of natural and legal persons involved in the Subsequent Offering.

6.21 MANAGERS AND ADVISORS

The Managers for the Subsequent Offering are Pareto Securities AS (business address: Dronning Mauds gate 3, 0251 Oslo, Norway) and Carnegie AS (business address: Fjordalléen 16, Aker Brygge, P.O. Box 684 Sentrum, NO-0106 Oslo, Norway). Advokatfirmaet Schjødt AS acts as Norwegian legal counsel to the Company. Arntzen de Besche Advokatfirma AS acts as Norwegian legal counsel to the Managers.

6.22 PUBLICATION OF INFORMATION RELATING TO THE SUBSEQUENT OFFERING

Publication of information related to any changes in the Subsequent Offering and the amount subscribed, will be published on www.newsweb.no under the Company's ticker "PEN", and will also be available on the Company's website www.panoroenergy.com. The content of www.panoroenergy.com is not incorporated by reference into, or otherwise form part of, this Prospectus. The announcement regarding the amount subscribed is expected to be made on or about 16 March 2021.

6.23 PARTICIPATION OF MAJOR EXISTING SHAREHOLDERS AND MEMBERS OF THE COMPANY'S MANAGEMENT, SUPERVISORY AND ADMINISTRATIVE BODIES IN THE SUBSEQUENT OFFERING

The Company is not aware of whether any major shareholders of the Company or members of the Company's management, supervisory or administrative bodies intend to subscribe for Offer Shares in the Subsequent Offering, or whether any person intends to subscribe for more than 5% of the Subsequent Offering.

6.24 GOVERNING LAW AND JURISDICTION

This Prospectus is subject to Norwegian law, unless otherwise indicated herein. Any dispute in respect to this Prospectus is subject to the exclusive jurisdiction of the Oslo City Court.

The subscription of the Offer Shares shall pursuant to the respective subscription documents be governed by Norwegian law.

7. PRESENTATION OF THE COMPANY

7.1 INTRODUCTION

Panoro Energy ASA is an independent oil and gas exploration and production company based in London and listed on the Oslo Stock Exchange with ticker PEN. The Company holds exploration, development and production assets in Africa, namely the Dussafu License offshore southern Gabon through its fully owned subsidiary Pan-Petroleum Gabon B.V. and Sfax Offshore Exploration Permit and Ras El Besh Exploration Concession in Tunisia through its fully owned subsidiary Panoro Tunisia Exploration AS and following completion of the EG Acquisition, in Equatorial Guinea (Ceiba and Okume Fields).

Panoro holds 7.5% interest in the Dussafu Marin license offshore Gabon. The remaining 92.5% is owned by the operator BW Energy Gabon (73.5%), a subsidiary of BW Offshore, Tullow (10%) and Gabon Oil Company (9%). There are six oil fields within the Dussafu Permit: Ruche, Tortue, Moubenga, Walt Whitman, Ruche North East and Hibiscus (2019). A plan for development of the discovered resources within the Dussafu permit was approved by the Gabonese Government and an Exclusive Exploitation Authorisation ("**the Ruche area EEA**"), covering an area of 850.5 km^2 and encompassing five fields, was awarded in 2014. The FPSO arrived in Gabonese waters and was moored in position and connected to the production system in August 2018. First oil at Tortue was achieved in September 2018. Phase 2 of the Tortue development consists of a further four development wells: three in the Gamba and one in the Dentale D6 reservoirs. The first two of these phase 2 wells came online in 2020, and the remaining 2 wells are planned to come on production by mid 2021.

Panoro, through Panoro Tunisia Exploration AS, holds interest in the Sfax Offshore Exploration Permit (operator/52.5% working interest) and the Ras El Besh Concession (52.5% interest), offshore Tunisia. The Sfax Offshore Exploration Permit (containing the Ras El Besh Concession) lies in the prolific oil and gas Cretaceous and Eocene carbonate platforms of the Pelagian Basin offshore Tunisia. In the vicinity of the Permit area are numerous existing producing fields with infrastructure and spare capacity in pipelines and facilities. There are three oil discoveries on the permit, Salloum, Ras El Besh, and Jawhara. In addition to these discoveries there is considerable exploration potential in the Permit, and the previous operator's P50 unrisked gross estimate of prospective resources was 250 million barrels of oil.

The Company announced in October 2019 that it had entered into a sale and purchase agreement with PetroNor to divest all outstanding shares in its fully owned subsidiaries Pan-Petroleum Services Holding BV and Pan-Petroleum Nigeria Holding BV (the Divested Subsidiaries) for an upfront consideration consisting of the allotment and issue of new PetroNor shares with a fixed value of US$ 10 million (the Share Consideration) plus a contingent consideration of up to US$ 16.7 million (as amended in December 2020) based on future gas production volumes. PetroNor has an option to pay a portion of the Share Consideration in cash. The sale transaction is conditional upon execution and completion of the agreements between PetroNor and YFP, the authorisation of the Nigerian Department of Petroleum Resources and the consent of the Nigerian Minister of Petroleum Resources. Panoro's intention is to declare a special dividend and distribute the Share Consideration, to the extent received in shares, to its shareholders. Completion of the transaction to sell the Divested Subsidiaries is still outstanding and, although the Company expects the sale to be completed, no assurances can be given that this will in fact happen.

In February 2020, the Company announced an agreement with Africa Energy Corp to farm in to a 12.5% interest in Block 2B in South Africa. Completion of this transaction is subject to consent of Minister of Minerals and Energy of South Africa and a separate farm-out agreement becoming effective.

The Company may, subject to a range of factors, many of which are beyond the control of the Company, seek to acquire other licenses. In the view of the Company, this is part of future strategies of the Company which is not prudent to discuss in the prospectus.

7.2 INCORPORATION, REGISTERED OFFICE AND REGISTRATION NUMBER

Panoro's legal and commercial name is Panoro Energy ASA. The Company was incorporated as a private limited liability company organised and registered under the laws of Norway pursuant to the Norwegian Private Limited Liability Companies Act on 28 April 2009 under the name Startup 387 09 AS and was later transformed into a public limited liability company organised and registered under the laws of Norway pursuant to the Norwegian Public Limited Liability Companies Act and renamed to New Brazil Holding ASA. In connection with the merger between the Company (as the surviving entity) and Pan-Petroleum Holding AS, and the listing of the Company's Shares on Oslo Børs, the Company was renamed to Panoro Energy ASA on 1 June 2010. The Company is a Norwegian Public Limited Company organised under Norwegian law, including the Norwegian Public Limited Liability Companies Act. Panoro's registered organization number is 994 051 067 and its Legal Entity Identifier

("**LEI**") code is 5967007LIEEXZXGWM030. The Company's shares are tradable on the Oslo Stock Exchange under the ticker code "PEN".

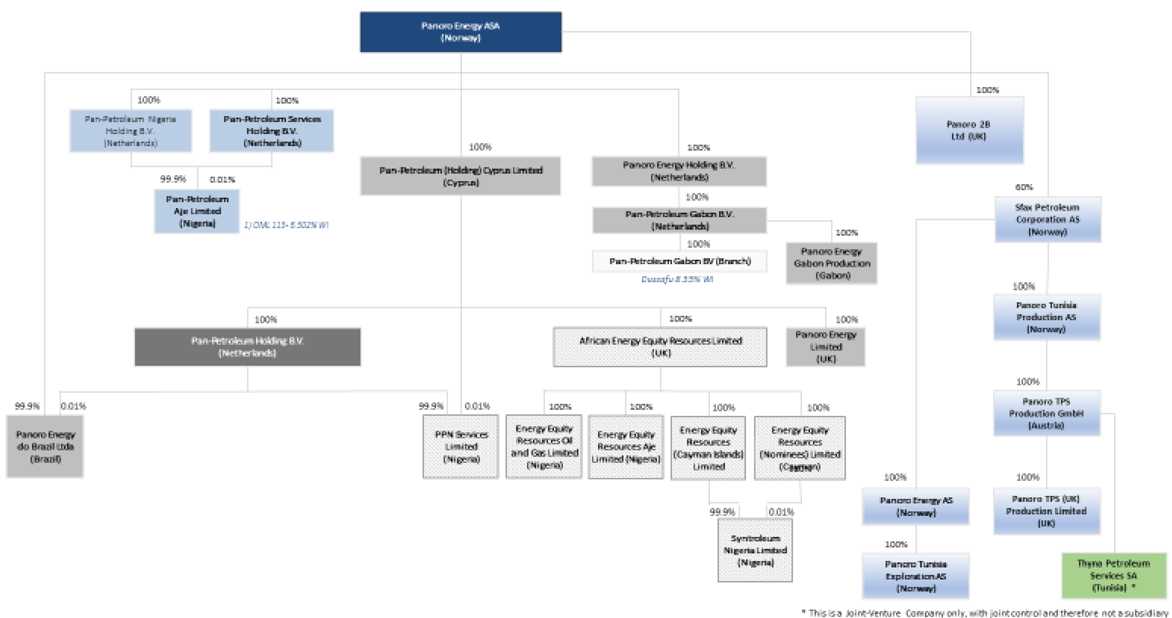
As of the date of this Prospectus, Panoro's registered share capital is NOK 5,364,935.50 divided into 107,298,710 Shares each with a nominal value of NOK 0.05. All the Shares are authorised and fully paid and are freely transferrable.

The Company has one class of shares, each Share carrying equal voting rights at general meetings. The Company's Articles of Association does not provide for limitations on the transferability or ownership of Shares.

Panoro's registered office is at c/o Advokatfirmaet Schjødt AS, Ruseløkkveien 14, 0251 Oslo, Norway. The Company's telephone number is +44 203 405 1060 and its e-mail is info@panoroenergy.com. The Company has a correspondence office in London with address 78 Brook Street, London, W1K 5EF, United Kingdom.

7.3 LEGAL STRUCTURE

The figure below illustrates the Group's legal structure (including subsidiaries and affiliated entities) as at the date of this Prospectus:



The issuer principally acts as a holding company with activities in place to manage the Group and provide funding to the material subsidiaries. Besides providing funding to subsidiaries the main activities of the Company include maintenance of corporate directorate, governance and shareholder interface, meeting listing requirements and compliance.

The Group consists of Panoro Energy ASA, which is the parent company and the following:

<u>Subsidiaries</u>

- Panoro Energy do Brasil Ltda
- Panoro Energy Limited
- African Energy Equity Resources Limited
- Pan-Petroleum (Holding) Cyprus Limited
- Pan-Petroleum Holding B.V.
- Panoro Energy Holding B.V.
- Pan-Petroleum Gabon B.V.
- Pan-Petroleum Nigeria Holding B.V.
- Pan-Petroleum Services Holding B.V.

- Pan-Petroleum Aje Limited
- Energy Equity Resources Aje Limited
- Energy Equity Resources Oil and Gas Limited
- Syntroleum Nigeria Limited
- PPN Services Limited
- Energy Equity Resources (Cayman Islands) Limited
- Energy Equity Resources (Nominees) Limited
- Panoro Energy Gabon Production SA
- Panoro 2B Limited

Jointly controlled companies

- Sfax Petroleum Corporation AS
- Panoro Energy AS
- Panoro Tunisia Exploration AS
- Panoro Tunisia Production AS
- Panoro Tunisia Production GmbH (in liqu)
- Panoro TPS Production (UK) Limted

Joint operating company

- Thyna Petroleum Services SA (Tunisia)

Material subsidiaries and jointly controlled companies

Company	Country of incorporation	Field of activity	Effective holding
Pan-Petroleum Gabon B.V.	Netherlands	Holding company of the Group's Gabon operations.	100%
Pan-Petroleum Nigeria Holding B.V.	Netherlands	Holding company of the Group's Nigerian operations.	99.99%
Sfax Petroleum Corporation AS	Norway	Holding company of the Group's Tunisian operations	60%
Panoro TPS Production (UK) Limited	UK	Holding company of the Group's Tunisian production operations	60%
Panoro Energy Limited	UK	Service company London staff	100%
Panoro Tunisia Exploration AS	UK	Operating company for Group's exploration activities in Tunisia	60%

7.4 BRIEF HISTORY AND DEVELOPMENT

The below table briefly outlines the most important events and developments throughout the history of Panoro Energy ASA:

Date	Important material events
January 2005	The two companies Northern Oil ASA and NaturGass (USA) AS merged and changed its name to Norse Energy Corp. ASA ("**Norse Energy**")
July 2005	Norse Energy was listed on the Oslo Stock Exchange under the ticker symbol "NEC"
April 2010	The Company and Pan-Petroleum Holding AS agreed a merger with the aim of creating a significant E&P company with assets and organisations complementary of each other
June 2010	Completion of de-merger from Norse Energy Corporation and Panoro Energy ASA inherits Brazilian business. The demerger and separation of the two business areas were assumed to optimise the capital structure and provide significant growth potential in the respective markets. Through the demerger, Panoro Energy acquired, among other things, 70% of the shares in Norse Energy do Brasil S.A ("**NEdB**")
June 2010	Panoro Energy ASA finalise merger with Pan-Petroleum Holding AS and through the acquisition seizes control of the remaining 30% of the shares in NedB
November 2010	Panoro completes successful US$ 140 million bond issue
November 2010	Completes sale of Ajapa field in Nigeria for US$ 30 million
January 2011	Farm-out of Brazilian Round-9 licenses completed with three exploration wells carried and US$ 15 million past costs reimbursed to Panoro.
February 2011	Completes NOK 550 million private placement
April to August 2011	Oil bearing discoveries in Gabon on Dussafu block on Ruche well and side-track
May 2013	Announcement of divestment of Brazilian subsidiary for US$ 140 million and contingent earn-out which included Panoro's 10% interest in Manati

Date	Important material events
July 2013	The Company completed the sale of its 20% interest in the MKB permit to Societe Nationale des Petroles du Congo ("**SNPC**") the operator of the MKB Permit in the Republic of Congo. The transaction was completed in July 2013
February 2014	Oil bearing discovery in Gabon on Dussafu block on Tortue well
March 2014	All the Joint Venture partners decided to relinquish the remaining BS-3 blocks, Estrela do Mar and Cavalo Marinho in Brazil. Divestment of Brazilian subsidiary completed following approval by the Brazilian regulatory authority ANP
March 2014	The government of Nigeria approved of a Field Development Plan ("FDP") for Aje
July 2014	Declaration of Commerciality and Award of Exclusive Exploitation Authorisation for Dussafu Block offshore Gabon
October 2014	Panoro and Joint Venture Partners make Final Investment Decision on OML 113 license (Aje field) in Nigeria
October 2014	Approval of development and production plan of Ruche discoveries, offshore Gabon
September 2015 – November 2015	Completion of production well operations on Aje field in Nigeria
February 2016	Completion of NOK 70 million Private Placement
April 2016	Completion of NOK 10 million subsequent offering
May 2016	First oil production from the Aje field, offshore Lagos
May 2016	Completion of reverse split of the Company's shares in the ration 10:1
April 2017	Completion of the sale of a 25% working interest in the Dussafu PSC for cash consideration of US$ 12 million and a capped limited recourse development loan to fund expenditures through first oil production
August 2017	Completion of share buy-back of 1,000,000 shares
January 2018	Approval of Field Development Plan ("FDP") for the Tortue oil field, part of the Dussafu asset, by the Gabonese regulator
January 2018	Drilling commenced on the DTM-2H production well on the Tortue oil field, located offshore Gabon and part of the Dussafu Marin Production Sharing Contract
February 2018	Announcement of updated oil reserves of the Tortue oil field, located offshore Gabon and part of the Dussafu Production Sharing Contract
April 2018	Successful drilling and completion of the first development well, DTM-2H, located in the Tortue field, within the Dussafu PSC, offshore Gabon
April 2018	Release of 2017 Annual Statement of Reserves incorporating the preliminary results of an updated Competent Persons Report (the "CPR") on its Aje field located in OML 113, offshore western Nigeria
May 2018	Successful drilling of the DTM-3 appraisal well located at the Tortue field, within the Dussafu License, offshore Gabon
June 2018	Successful drilling and completion of the second development well, DTM-3H, located in the Tortue field, within the Dussafu PSC, offshore Gabon
July 2018	Completion of the acquisition of DNO Tunisia AS
August 2018	Completion of NOK 67.3 million Private Placement of 4,250,219 and allotment and sale of 1,000,000 treasury shares
August 2018	Announcement of oil discovery in the Ruche North East Marin-1 well drilled in the Dussafu Marin PSC, offshore Gabon
September 2018	Achieved first oil production from the Tortue field and concluded the successful drilling and completion of the Ruche North East (DRNEM-1) appraisal well located within the Dussafu PSC, offshore Gabon
December 2018	Completion of acquisition of Panoro Tunisia Production GmbH
February 2019	50% increase in 2P Oil reserves at Tortue field, offshore Gabon
August 2019	Announcement of 89% increase in 2P Oil reserves at Dussafu PSC, Offshore Gabon
October 2019	Agreement to divest all of Company's working interest OML 113, offshore Nigeria to PetroNor E&P Limited
October 2019	Material increase of 68% in 2P oil reserves at Dussafu, offshore Gabon
December 2019	Tullow oil plc completes exercise of back-in-right to gain 10% working interest in Dussafu PSC after paying development costs
January 2020	Update of Dussafu reserves report as of 30 September 2019 and completion of development drilling of the 2nd Tortue production well
February 2020	The Company signed an agreement with Africa Energy Corp. to farm into exploration Block 2B, offshore South Africa
March 2020	Commencement of production from recently drilled Tortue Phase 2 development wells, offshore Gabon and the Company updates on COVID-19
October 2020	Successful completion of Guebiba 10 well side-track well and announcement of achievement of 5,000 barrels of oil per day ("**bopd**") gross production target in Tunisia

At present, the Company is focused on developing its Tunisian portfolio and Ruche phase 1 of the Ruche field in Gabon. Furthermore, the Company is planning for an exploration well in Block 2B, offshore South Africa, pending completion of farm-in transaction, and also preparing for an exploration well in Tunisia on Sfax Offshore Exploration permit. The Company is also awaiting completion of regulatory approval of the divestment of OML 113 in Nigeria.

7.5 BUSINESS OVERVIEW

The Company has a balanced portfolio of quality assets in Africa which provides a strong platform for further growth. This section describes the assets in detail with their reserves and resources. See table 8 in Section 7.7 "Fiscal terms" for a summary of the main terms governing the licenses in which Panoro has interest.

7.5.1 Reserves and resources

Panoro's classification of reserves and resources complies with the guidelines established by the Oslo Stock Exchange and are based on the definitions set by the Petroleum Resources Management System (PRMS-2007), sponsored by the Society of Petroleum Engineers/World Petroleum Council/ American Association of Petroleum Geologists/ Society of Petroleum Evaluation Engineers (SPE/WPC/ AAPG/SPEE) as issued in March 2007. The system is a recognized resource classification system in accordance to Oslo Børs' Circular 9/2009 "Listing and disclosure requirements for oil and natural gas companies". The maturity within each class is also described to help guide classification of a given asset. Further details of the SPE-PRMS can be found at: http://www.spe.org/industry/reserves/prms.php.

The Company's reserves have, on request by the Company, been verified by its certification agents; Gaffney, Cline & Associates, AGR TRACS International Ltd. and Netherland, Sewell & Associates, Inc. See 4.4, "Statement regarding expert opinions" for more information about the Company's certification agents. The annual statement of reserves for the financial year ended 31 December 2019 is incorporated by reference to this Prospectus (see Section 17.4 "Documents incorporated by reference"). The yearly updates of the annual statement of reserves is incorporated by reference to this Prospectus (see Section 17.4 "Documents incorporated by reference").

Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions.

"**1P**" reserves are proven reserves that will be recovered with 90% probability. Proved reserves are those quantities of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods and government regulations.

"**2P**" reserves are proved (1P as above) plus probable reserves, which will be recovered with 50% probability. Probable reserves are those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proven Reserves (1P).

"**3P**" reserves are proven, probable, and possible volumes that will be recovered with 10% probability.

Contingent resources are the volumes of hydrocarbons expected to be produced from known accumulations: in the planning phase, where development is likely, where development is unlikely with present basis assumptions, and under evaluation. Contingent resources are reported as 1C, 2C, and 3C, reflecting similar probabilities as reserves.

Reserves portfolio

As per 31 December 2019, Panoro had three assets with reserves and contingent resources, TPS, Dussafu Permit and OML 113 (Aje (Nigeria), the latter which is classified as discontinued operations and as assets held for sale).

As of 31 Dec 2019	**Interest**	**1P (Low Estimate)**				**2P (Base Estimate)**				**3P (High Estimate)**			
	%	Liquids	Gas	Total	Net	Liquids	Gas	Total	Net	Liquids	Gas	Total	Net
		MMbbl[1]	Bcf [2]	MMboe[3]	MMboe	MMbbl	Bcf	MMboe	MMboe	MMbbl	Bcf	MMboe	MMboe
On Production													
Aje Field Oil	12.1913	1.15	-	1.15	0.14	1.35	-	1.35	0.16	1.53	-	1.53	0.19
Tortue Field	7.5	31.54	-	31.54	1.63	44.39	-	44.39	2.11	51.89	-	51.89	2.33
Cercina Field	29.4	4.46	-	4.46	1.14	6.60	-	6.60	1.68	8.59	-	8.59	2.16
El Hajeb / Guebiba Field	29.4	4.53	-	4.53	1.14	7.79	-	7.79	1.92	10.71	-	10.71	2.64
Gremda / El Ain Field	29.4	1.30	-	1.30	0.36	2.03	-	2.03	0.54	2.69	-	2.69	0.66
Rhemoura Field	29.4	0.48	-	0.48	0.12	0.60	-	0.60	0.18	0.77	-	0.77	0.18
Total		**43.46**	**-**	**43.46**	**4.53**	**62.76**	**-**	**62.76**	**6.60**	**76.17**	**-**	**76.17**	**8.16**
Total Excluding Aje Field		**42.31**	**-**	**42.31**	**4.39**	**61.41**	**-**	**61.41**	**6.43**	**74.64**	**-**	**74.64**	**7.97**
Approved for Development													
Hibisucs Field	7.5	29.57	-	29.57	1.53	43.65	-	43.65	2.08	56.17	-	56.17	2.52
Ruche Field	7.5	11.16	-	11.16	0.58	17.82	-	17.82	0.85	25.33	-	25.33	1.14
Ruche North East Field	7.5	3.67	-	3.67	0.19	5.54	-	5.54	0.26	8.23	-	8.23	0.37
Total		**44.40**	**-**	**44.40**	**2.29**	**67.00**	**-**	**67.00**	**3.19**	**89.74**	**-**	**89.74**	**4.03**

Justified for Development													
Aje Field Oil	12.1913	1.11	-	1.11	0.17	2.48	-	2.48	0.38	4.17	-	4.17	0.61
Aje Field Cond.	12.1913	10.32	-	10.32	1.58	17.41	-	17.41	2.73	27.87	-	27.87	4.05
Aje Field LPG	12.1913	20.11	-	20.11	3.14	33.86	-	33.86	5.38	54.39	-	54.39	7.66
Aje Field Gas	12.1913	-	292.7	48.78	7.62	-	492.8	82.13	13.12	-	791.9	131.98	18.58
Total		**31.54**	**292.7**	**80.32**	**12.51**	**53.75**	**492.8**	**135.88**	**21.61**	**86.43**	**791.9**	**218.41**	**30.9**
Totals													
Total Reserves		**119.40**	**292.70**	**168.18**	**19.33**	**183.51**	**492.80**	**265.64**	**31.40**	**252.34**	**791.90**	**384.32**	**43.08**
Total Reserves Excluding Aje Field		**86.71**	**0.00**	**86.71**	**6.68**	**128.41**	**0.00**	**128.41**	**9.62**	**164.38**	**0.00**	**164.38**	**12.00**

(1) MMbbl = million barrels of oil
(2) Bcf = Billion cubic feet
(3) MMboe = Million barrels of oil equivalents

Table 1: Annual statement of reserves 31 December 2019

During the period from 1 January 2020 until 30 September 2020, the total amount of oil produced from the Tortue field amounted to 3.94 million barrels of oil ("**MMbbl**") gross.

During the period from 1 January 2020 until 30 September 2020, the total amount of oil produced from the Aje field amounted to 0.566 MMbbl gross.

During the period from 1 January 2020 until 30 September 2020, the total amount of oil produced from the TPS fields amounted to 1.019 MMbbl gross.

The reserves associated with the Equatorial Guinean assets as of 1st July 2020 are shown in Table 3 in Section 7.5.2.2 "Ceiba Field and Okume Complex – Equatorial Guinea" below.

Contingent resources

Panoro's net contingent resources are from two assets as set out in the table below:

Asset	**2C MMBOE as of 31 December 2019**
Dussafu	1.7
Cercina Field (TPS)	1.3
Total	**2.6**

Table 2: Oil Contingent Resources as at 31st December 2019

Contingent resources associated with the Equatorial Guinean assets as of 1st July 2020 are shown in Table in Section 7.5.2.2 "Ceiba Field and Okume Complex – Equatorial Guinea" below.

A more detailed description on the Company's key assets is provided in the following sections.

7.5.2 Equatorial Guinea – Ceiba Field and Okume Complex (14.25% Working Interest) – acquired through the EG Acquisition

7.5.2.1 *Overview of the Rio Muni Basin*

The Rio Muni Basin forms one of a series of west African Atlantic margin basins that developed progressively in response to the overall northward opening of the South Atlantic during the latest Jurassic to the middle Cretaceous. The basin is isolated from the North Gabon basin to the south, and the Douala Basin of Cameroon to the north, and by the Campo and Cape San Juan fault zones. Structurally, the gently west-dipping shelf region comprises coast-parallel sets of steep, mainly west-dipping normal faults bounding prominent fault blocks. Along its length, the basin consists of an elongate depression between the tectonically elevated flanks of the Campo and Cape San Juan fault zones.

The Ceiba Field and Okume Complex are located in Block G in the southern part of the offshore Rio Muni Basin (Figure 1). Westward-dipping sedimentary wedges have been deposited in the post-salt Cretaceous and Tertiary. They are bounded in the north and south by major NE–SW trending faults following the direction of the northern Bata and the southern Ascension fracture zones. The shelf is relatively narrow commonly not exceeding 20 km. The key reservoir units are of Campanian age and represent vertically stacked and laterally migrating sinuous deepwater turbidite channels. Channels entered the area from the southeast. Depositional fairways and trap formation have been influenced by transform margin tectonics and halokinesis by underlying Aptian salt creating

mini-basins and submarine ponds. Lateral and downstream channel migration progressively cannibalises older channel deposits resulting in mappable scour boundaries. Some stacked channels are vertically separated by shale units. Reservoir strata onlap, drape and moved around diapiric highs. Further inversion in the Late Senonian enhanced the traps and resulted in tilting, faulting and erosion affecting the reservoir succession. The Ceiba and Okume reservoirs are likely charged from syn-rift source rocks (mostly oil prone) migrating updip and along faults through salt windows. Seal rocks are commonly intraformational encasing shales.

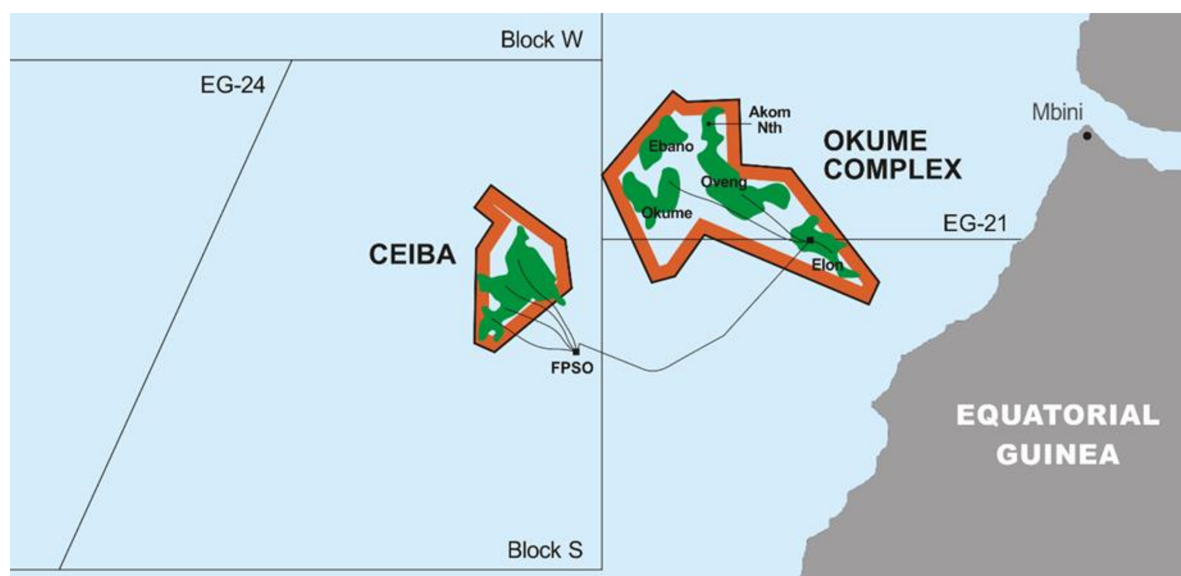


Figure 1: Location of Ceiba Field and Okume Complex in Equatorial Guinea
(source: Panoro Energy)

7.5.2.2 *Ceiba Field and Okume Complex – Equatorial Guinea*

Overview and background

The Ceiba Field and Okume Complex assets comprise six oil fields offshore Equatorial Guinea.

The Ceiba Field is located in 600-800 m of water depth on the slope of the southern Rio Muni Basin approximately 35 km offshore. Oil production commenced in November 2000 and the field was developed in phases with the production wells tied back to the Ceiba FPSO through a system of six subsea manifolds and flowlines. The produced liquids are processed on the FPSO for export. The field has 16 active production wells and 10 water injectors. Up to the end of June 2020 the field had produced a total of 203.8 MMbbl gross.

The Okume Complex consists of five separate oil fields, Okume, Ebano, Oveng, Akom North and Elon. The Okume Complex fields were discovered in 2001 and 2002 and are developed utilising four fixed jackets in the Elon field and two tension leg platforms to develop remaining fields. All fields are tied back to a central processing facility (CPF) at one of the Elon platforms. The processed oil from the CPF is transported via a 25km, 12 inch pipeline to the Ceiba FPSO for export. The Okume Complex fields have 32 active production wells and 12 water injectors. Up to the end of June 2020 the Okume Complex fields have produced a total of 236.5 MMbbl gross.

Geological description

Ceiba Field

At Ceiba the Campanian turbidite channel succession was encountered at 2000–3000 m along a north-south waxing crescent-shaped faulted anticline with a salt core. Turbidity channel fairways were initially deflected along an eastern and northern fairway displaying onlap against the structure. Following basin filling, turbidites draped onto the anticline forming a number of ponded lobes with avulsion, bifurcation and crevasse splays. Some deposits slumped basinward along listric faults initiating near the crest of the structure. Further uplift may have occurred post deposition. Reservoir deposits decrease in age northward suggesting a gradational shift of sedimentation towards the northern areas in response to available accommodation space. Eight reservoir zones have been distinguished across four major structural and stratigraphic segments with weak communication across the areas.

Okume Complex

The Okume Field gives the Okume Complex its name which comprises four other fields: Elon, Oveng, Ebano and Akom North. The fields are located in 50–850 m of water depth straddling the slope break of the southern Rio Muni Basin. Inherited halokinetically-induced topography with mini-basin influenced the turbiditic fairways of the Campanian turbidite channels which entered the area from the southeast. A salt-cored structural high void of Campanian deposits separates Oveng from Okume. More than 15 stacked reservoir units and 10 oil-water contracts (OWCs) have been defined to date. Further post-depositional inversion of the structure has taken place as indicated by thinning of the immediate overburden on the westward approach of the salt dome.

Ceiba and Okume Assets Production History

Ceiba Field

In 2000, production from the Ceiba field started with five initial wells in the first phase of development. A plateau of production was reached by 2005 at around 40,000 bopd. By July 2020 a total of 16 active producers were online at Ceiba and producing around 15,000 bopd.

Okume Complex

The Elon field production started in 2006, the field has 14 active producers and 5 water injectors. Cumulative production to the end of June 2020 is 109 MMbbl.

The Okume field production started in 2008, the field has 9 active producers and 2 water injectors. Cumulative production to the end of June 2020 is 52.6 MMbbl.

The Oveng field production started in 2006, the field has 7 active producers and 4 water injectors. Cumulative production to the end of June 2020 is 56.1 MMbbl.

The Akom North field has 1 producing well and cumulative production to June 2020 is 7.4 MMbbl.

The Ebano field has 1 producer and 1 water injector and cumulative production to June 2020 is 10.7 MMbbl.

Total Combined Production

Production from the combined Ceiba and Okume Complex fields reached a peak of over 110,000 bopd during 2008-2011. By July 2020 production from the Ceiba and Okume Complex fields combined was around 34,000 bopd.

Ceiba Field and Okume Complex Facilities

At Ceiba production is from 6 subsea manifolds (well clusters) each with water injection. The clusters are in water depths ranging from 800m to 660m. Liquids are processed and stored on the Ceiba FPSO which is spread moored in 92m water depth. Flow from the well clusters is assisted by multiphase booster pumps and gas lift. Injection water is treated and pumped from FPSO to well clusters. Drive mechanism is a combination of water injection support and depletion. There are a total of 16 subsea producers, 10 subsea water injectors currently operational (total development well count is 41, 26 Producers plus 15 injectors).

At the Okume Complex the wells are mostly drilled from fixed platforms. There are four jacket structures in water depths from 45 to 71m, and two Tension Leg Platforms in water depths of 271 m and 500m. The platforms are tied back to a Central Processing Facility (CPF) at Elon where produced liquids are treated and then crude is transported via a 25km 12” pipeline to the Ceiba FPSO for storage and subsequent export.

The Ceiba FPSO, which is owned and operated by the Joint Venture partners, has a storage capacity of 2 million barrels of oil. Oil is exported via a CALM buoy with standard cargo sizes of 1 million barrels.

Ceiba crude is intermediate quality paraffinic 31.4 API crude with low sulphur, low metals content and is slightly acidic. Ceiba is well established with regular customers in the Far East, Europe and the USA.

The Operator’s 2019 estimate of the Ceiba decommissioning cost is US$ 395 million gross. Whilst the license expiry date of Ceiba is end 2029, the Ceiba abandonment cost is assumed deferred until the calculated cut-off date of the combined fields given that Ceiba and Okume are likely to be decommissioned together, in particular since Okume requires the Ceiba FPSO to remain on station to provide oil storage and export even if the Ceiba topsides facilities are mothballed. The Operator’s 2019 estimate of the Okume decommissioning cost is US$ 333 million gross with the license expiry date of August 2034.

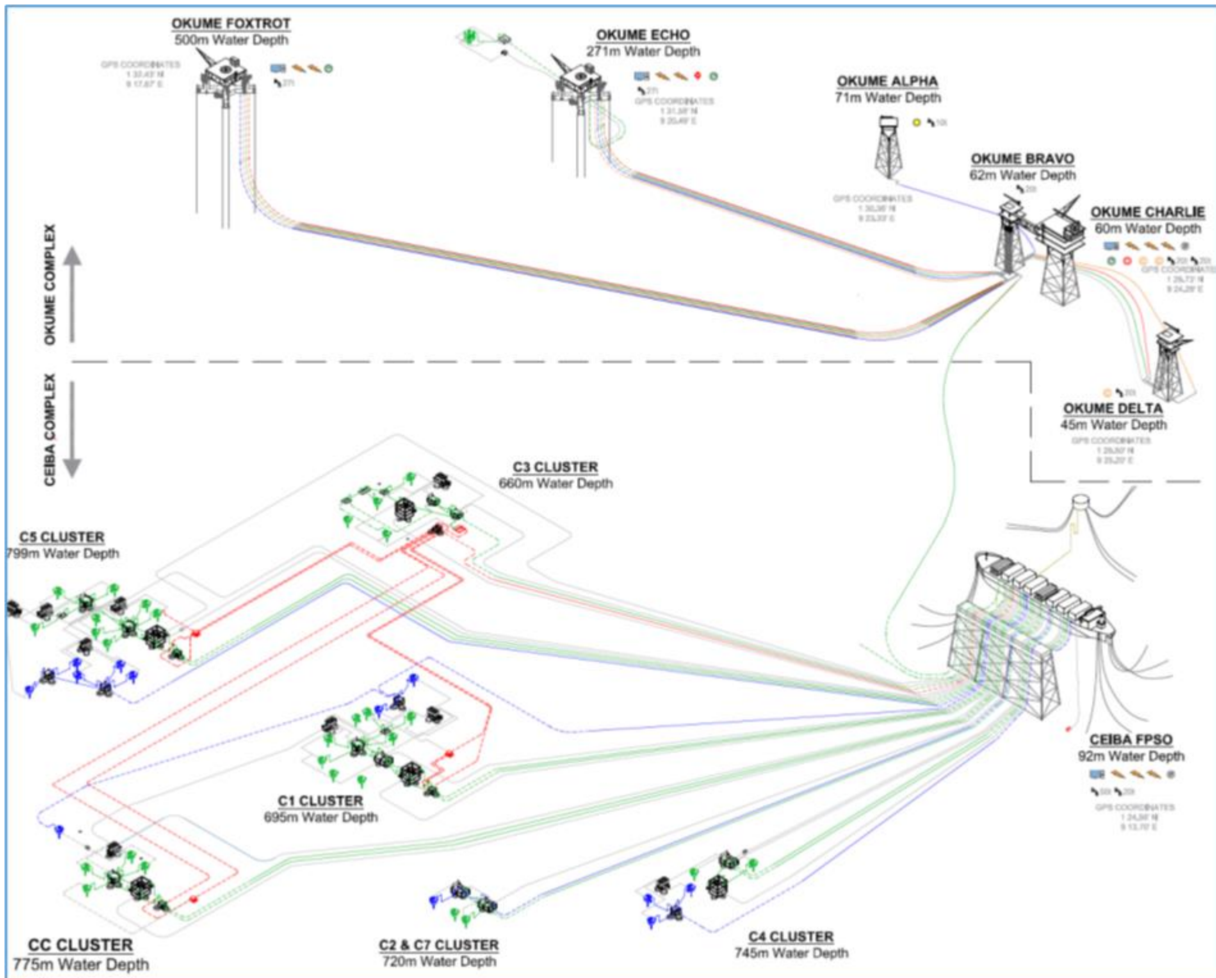


Figure 2: Ceiba and Okume Facilities layout
(source: Tullow Oil plc)

Ceiba and Okume Complex Reserves

TRACS International ("**TRACS**") has prepared a Competent Person's Report ("**CPR**") on the Reserves and Contingent Resources in the Ceiba and Okume Complex fields as at an effective date of 1st July 2020. The Reserves are shown in Table below. The Reserves are tabulated on a gross basis and for the working interest to be held by Panoro. The licence expiry date for Ceiba is currently end 2029 and for the Okume Complex is July 2034. Consequently, any reserves quoted are recovered within the licence periods.

Reserves Classification	Gross (MMbbl)				Working Interest	Working Interest (MMbbl)		
	1P	2P	3P			1P	2P	3P
Developed Producing (DP)	35.6	64.5	98.2		14.25%	5.1	9.2	14.0
Approved for Development (AD)	6.8	14.5	23.4		14.25%	1.0	2.1	3.3
Justified for Development (JD)	6.3	20.7	36.2		14.25%	0.9	3.0	5.2
Total	**48.7**	**99.7**	**157.8**			**6.9**	**14.2**	**22.5**

Table 3: Oil reserves as at 1st July 2020 (MMbbl)

In addition to these Reserves TRACS has estimated the following unrisked Contingent Resources for the Ceiba and Okume Complex Assets.

CR Classification (Oil)	Gross (MMbbl)			Working Interest	Working Interest (MMbbl)		
	1C	2C	3C		1C	2C	3C

Development Pending	4.7	15.4	28.4	14.25%	0.6	2.2	4.1
Development Unclarified	16.0	40.3	67.7	14.25%	2.3	5.8	9.6
Development not viable	37.8	123.4	286.9	14.25%	5.4	17.6	40.9
Total	**58.6**	**179.1**	**382.9**		**8.4**	**25.6**	**54.6**

Table 2: Oil Unrisked Contingent Resources as at 1st July 2020 (MMbbl)

7.5.3 Gabon - Dussafu Marin Permit (10% Working Interest) – acquired through the Dussafu Acquisition

7.5.3.1 *Overview of Southern Gabon Sub-Basin in Gabon*

For background description see section7.5.7.1.

7.5.3.2 *Dussafu Development – Gabon*

For background description see section 7.5.7.2.

The NSAI report, dated September 2019, provided the basis for the following estimate for oil reserves for the Dussafu block as of the end of 2019. The net reserves shown below are the net revenue interest for the 10% working interest share to be acquired through the Dussafu Acquisition.

As of 31 Dec 2019	Interest	1P (Low Estimate)				2P (Base Estimate)				3P (High Estimate)			
		Liquids	Gas	Total	Net	Liquids	Gas	Total	Net	Liquids	Gas	Total	Net
	%	MMbbl	Bcf	MMBOE	MMBOE	MMbbl	Bcf	MMBOE	MMBOE	MMbbl	Bcf	MMBOE	MMBOE
On Production													
Tortue Field	10	31.54	-	31.54	2.17	44.39	-	44.39	2.81	51.89	-	51.89	3.11
Hibiscus Field	10	29.57	-	29.57	2.04	43.65	-	43.65	2.77	56.17	-	56.17	3.36
Ruche Field	10	11.16	-	11.16	0.77	17.82	-	17.82	1.13	25.33	-	25.33	1.52
Ruche North East Field	10	3.67	-	3.67	0.25	5.54	-	5.54	0.35	8.23	-	8.23	0.49
Total Reserves		**75.94**	**-**	**75.94**	**5.24**	**111.39**	**-**	**111.39**	**7.07**	**141.62**	**-**	**141.62**	**8.48**

Table 3: Reserves in the Dussafu Marin Permit

In addition to these reserves, NSAI certified gross unrisked technical contingent resources at Dussafu of 1C 15.1, 2C 37.7 and 3C 63.6 MMbbl of oil. These resources would be accessed by additional future wells in the license area.

In addition to these Reserves and Contingent Resources, the Operator of the Dussafu Marin Permit has estimated a total of 281 MMbbl of gross unrisked P50 Prospective Resources in Dussafu in 13 prospects.

7.5.4 Tunisia – TPS Assets (29.4% Working Interest)

7.5.4.1 *Overview of the Pelagian Basin*

The TPS Assets lie within the northern portion of Gulf of Gabes which in turn forms part of the Pelagian Basin. The Pelagian Basin is primarily an offshore region of the Mediterranean, located off eastern Tunisia and north-western Libya and extending slightly into Italian and Maltese territorial waters. The region comprises large and shallow continental shelf sequences and was a stable platform during the Mesozoic and Paleogene times with dominance of shallow marine carbonates to the Southwest and grading to open marine shaly facies to the Northeast. This limit was controlled by active east-west and northwest-southeast fault systems. The Late Cretaceous is characterized by an extension forming local horst and graben structures. Subsidence and extension deposition continued during Paleocene and Eocene.

From Eocene to Oligocene ages, Alpine orogenic movements started to affect central Tunisia. At that time, differential subsidence formed the Kerkennah Arch bounded by depocenters to the northwest and southeast. During Neogene times, an inversion with active subsidence occurred in most of the area; caused by a NW-SE compressive phase well observed all over Tunisia and represented by the regional Late Miocene unconformity.

A major extensional phase characterized the late Miocene and the entire Kerkennah area was compartmentalised into relatively small faulted blocks. Cretaceous faults have been reactivated during this phase and several sets of younger Miocene faults were formed.

Stratigraphically, the Pelagian shelf is a stable carbonate platform developed on the northern margins of the Saharan platform during Cretaceous to early Tertiary times. The migration of the carbonate shelf margin in response to sea level variations through this period resulted in an intricate stratigraphic juxtaposition of lagoonal, carbonate shelf and deeper water sediments.

The Tunisian portion of the Pelagian Basin has been explored since the late sixties. The Exploration became very active after the discovery of El Bouri field (1 billion boe reserves) on the Libyan side and the Ashtart field (350 mmboe) within the Eocene El Garia nummulitic play. Continued exploration resulted in further discoveries within the El Garia and within a new wide range of reservoirs especially the Upper Cretaceous plays. The Gulf of Gabes contributes the vast majority of the Mesozoic and Cenozoic oil and gas reserves in Tunisia with most productive reservoirs lying in the Upper Cretaceous-Eocene levels.

These reserves are originating from two major intervals: Late Cenomanian - Early Turonian Bahloul black shales and Ypresian Bou Dabbous argillaceous limestones and marls source rocks. The Bahloul Formation has Type II kerogen and good generation capacity although often only thinly developed. The Bahloul is established to be the source rock for the immediately overlying and therefore ideally positioned Upper Cretaceous reservoirs. The Ypresian Bou Dabbous source rock comprises a series of marls and limestones which consist of Type II amorphous material with excellent oil-prone and associated wet gas potential. This system is prolific and accounts for the majority of fields in the Pelagian Basin in both Tunisia and Libya. Oil expelled from Bou Dabbous source rock migrated up-dip along intra-formational pathways and was hosted in the lateral equivalent nummulite banks of the Ypresian El Garia reservoir

Traps for known accumulations include fault blocks, low-amplitude anticlines, high-amplitude anticlines associated with reverse faults, wrench fault structures, and stratigraphic traps. Geological and geophysical evidence points to the existence of positive-relief paleo-structures since the Albian times. The Turonian NE-SW rift system developed in the Pelagian platform, causing horsts and tilted blocks to form. Old structures were dissected by the NW-SE faults producing faulted anticlines in the deep section and fault-bend "drape" fold features in the overlying sediments. Many traps also invoke a lateral stratigraphic element within the reservoir section. Within the northern part of Gulf of Gabes, facies belts from the proximal shelf margin out to the open marine environment persist within the prospective intervals, from the Upper Cretaceous to Lower Tertiary. Facies-belt transition zones can produce a lateral "porosity pinchout" which can form an effective lateral seal. This stratigraphic trapping component has been proven at the Reineche level in the Chergui gas field lying immediately east of the TPS Assets and at the El Garia level in the Ashtart and Hasdrubal Shell operated fields, both located further offshore to the southeast.

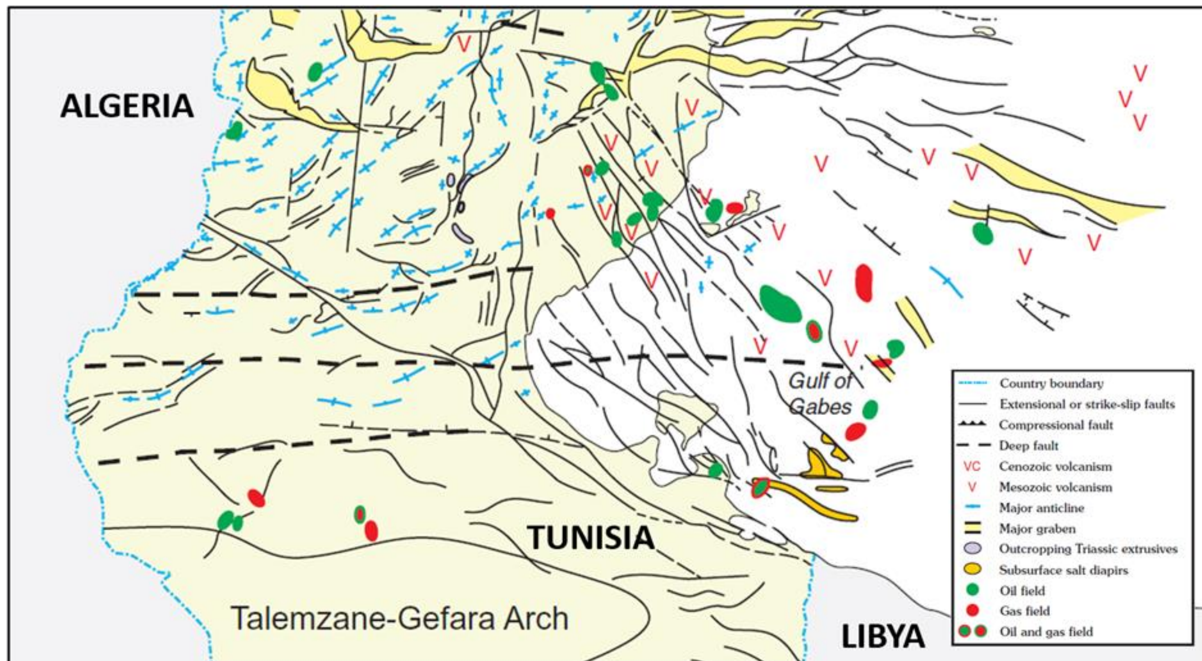


Figure 3: Oil and Gas Fields in the Gulf of Gabes/Pelagian Basin with major faults and anticlines
(source: modifed by Panoro Energy from Entreprise Tunisienne d'Activités Pétrolières, 2000, Tunisia open acreage: Tunis, Tunisia, Imprimeries Réunies Groupe Cérès Conseil DDB, 77 p.)

7.5.4.2 *TPS Assets - Tunisia*

Overview and background

The TPS Assets comprise five oil field concessions in the region of the city of Sfax, onshore and shallow water offshore Tunisia. The concessions are Cercina, Cercina Sud, Rhemoura, El Ain/Gremda and El Hajeb/Guebiba.

The fields were discovered by British Gas and Houston Oil and Minerals in the 1980's and early 1990's. Production started at the Guebiba field in 1981 and reached a peak of around 10,000 bopd in 2009 with a total of 19 producing wells. British Gas sold their interest to Preussag Energy in 1997 and OMV acquired the TPS assets from Preussag in 2003. The TPS fields currently produce around 4,000 bopd and are estimated to contribute approximately 9% of Tunisia's total oil production. Up to the end of December 2019 the TPS fields had produced a total of 56.1 million barrels of oil. The production at present is stable at around 4,000 bopd. The independent CPR prepared by CGA indicates that production decline rate is around 2.5% per year and the fields remain economic up until the year 2033.

Panoro, along with its partner Beender, owns a 49% interest in the fields and a 50% interest in the TPS operating company. The remaining interests are held by the Tunisian State Oil Company ETAP.

The TPS Assets lie along the major structural and stratigraphic trends responsible for oil production in this part of Tunisia and located inside the play fairways for five of the main Cretaceous and Tertiary targets (Bireno, Douleb, Abiod, El Garia and Reineche). These plays are part of two major petroleum systems: Eocene and Upper Cretaceous. Both petroleum systems contain reservoir, source rock and seal.

Around 50 wells have been drilled in the TPS fields to date, whilst some of these wells have been abandoned, 14 remain on production with 5 wells currently shut-in awaiting workovers or reactivation. Two wells are used for disposal of produced water.

Production facilities consist of the various wellhead installations, connected via intra-field pipelines to processing, storage and transportation systems. Crude is transported to a storage and export terminal about 70 km south of the Assets at La Skhira.

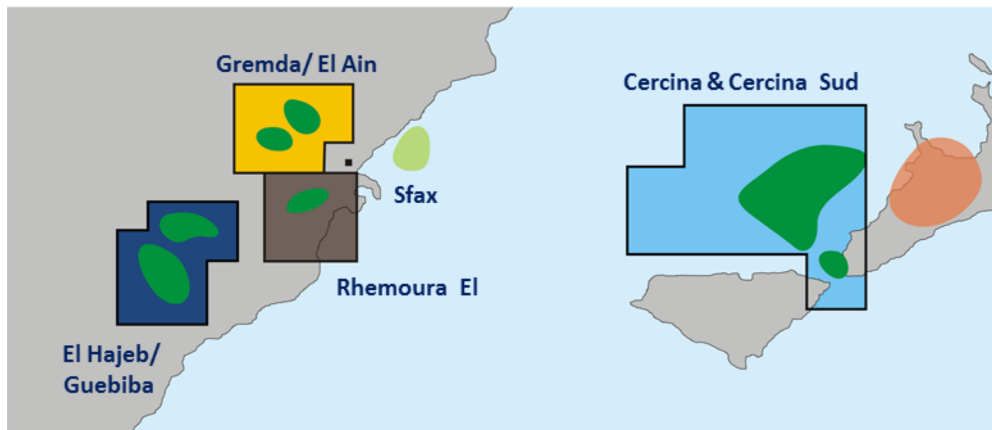


Figure 4: TPS Assets Map
(source: modified by Panoro Energy from OMV)

Geological description

Guebiba and El Hajeb Fields

Rifting and synsedimentary faulting in the Upper Cretaceous have the main impact on the Bireno and Douleb reservoir deposition and trap shaping. The faults are mainly extensional with some indication of dextral strike-slip component. The structure of the Guebiba and El Hajeb field was formed by a combination of older compressional and younger extensional movements creating a faulted and fault limited anticline structure. The structure is compartmentalised by a predominantly NNW-SSE trending fault system with the throw of boundary faults varying between 430 to 540m on the western part and between 270 to 460m on the eastern part. Fault throw within the field varies between 10 and 40m. Guebiba is producing from Douleb and Bireno members.

The Douleb member consists of oolithic grainstone to wackestone, pelloidal, fossil debris. Oolithic and oo-bioclastic facies offer the best reservoir potential (porosity up to 25%). Deposition of the ooidal limestone took place in an agitated shallow marine environment, ranging from subtidal to intertidal and restricted lagoonal. The bioclastic limestones were deposited in a deeper depositional environment. Porosity is dominated by intraparticle porosity - parts of the ooidal grainstones, show a lack of cementation and display excellent poro-perm properties. In the Guebiba structure, the best porosities are encountered at the higher parts of the structure. This implies a preexisting relief favourable for the development of a range of porosities. Exposure to currents or a more sheltered position may explain the differences.

The Bireno member consists of wackestone to packstones, intercalated bioclastic rudstones, presence of stylolites and in the lower part, some dolomites and tight anhydrite beds. The Bireno displays intercrystalline matrix microporosity, microvuggy porosity, some intergranular and intraparticle porosity and some open fractures (porosity up to 23%). The depositional environment is shallow marine, sub- to supratidal and is divided into the four units, the UPF (Upper Peritidal Facies), the USM (Upper Shelf Margin): transitional, shallow marine, which constitutes the main reservoir, LPF (Lower Peritidal Facies) and LSM (Lower Shelf Margin).

Cercina Field

Cercina is a structurally complex and compartmentalized field. Extensional and compressional tectonics along with dextral shearing are reflected in the fault configuration of the area. The three main recognised fault groups at Reineche reservoir level are: NE-SW striking normal faults, with indicators of inversion (pre-tertiary and perpendicular to the regional compression direction), WNW-ESE Striking Faults which are normal faults with some dextral strike-slip component (consistent with the regional compression direction) and curved NW-SE normal listric faults. Compartmentalisation impacts on connected volumes and recovery factor (RF), resulting in significant non-connected volumes. Undrilled compartments offer potential upside for future field opportunities (especially in the centre and SE areas of the structure).

The Lower Reineche is the main reservoir and is interpreted to have been deposited in a high energy carbonate bank shoal setting. The Upper Reineche was most probably deposited in a lagoon environment with low energy. Latest studies demonstrate the presence of a paleo high in the Cercina area that acted as a carbonate bank separating a paleo low depression to the southwest (back bank) from an open marine slope setting to the northeast. The unit has a thickness of 10 to 12m and consists of clean and chalky carbonates with large flat B-

form partially broken and nummulithoclastics characterised by interparticular and inter-crystalline porosity within a micritic or partly dolomitic matrix.

The Reineche Nummulitic limestone forms the reservoir component of the Reineche Member, having produced oil and gas in Cercina and Chergui fields. The Eocene Reineche Formation is subdivided from bottom to top into four units: the Lower Reineche Argillaceous Limestone unit (generally tight and considered to be non-reservoir), the Lower Reineche (forms the main reservoir), the Middle Reineche (tight, non-reservoir) and the Upper Reineche limestones. The Lower Reineche is the main reservoir with a thickness of 10 to 12m. Average porosity is between 17% and 21% and average permeability between 0.01 and 60mD. The reservoir appears to be fractured which enhances production considerably in the two best wells of the field (Cer-2 & Cer-3).

Rhemoura, El Ain and Gremda Fields

The structures are faulted and fault bounded NW-SE anticlines compartmentalised by normal faults. The throw is about by 10m. Gremda is compartmentalised from the El Ain structure by a NW-SE trending normal sealing fault and the Rhemoura field is characterised by a complex tectonic history. Whilst there is significant remaining potential in these fields, further structural work is required.

TPS Assets Production History

Guebiba

In 1981, production from the Douleb started with Gue-01, followed by Gue-02 (1998), Gue-05 (2004), and Gue-14 (2015). In 2005, water injection was initiated in the Douleb. In 2002, production from the Bireno started with Gue-3/4, followed by Gue-9 (2005), Gue-5A/10A (2007), and Gue-12 (2015). At the end of 2016, Gue-14 was re-completed successfully as a commingled producer (Bireno + Douleb). In 2020 the suspended well Gue-10A was side-tracked and completed as a Bireno producer with the possibility to commingle with the Douleb.

The TPS production strategy is focused on primary depletion, and secondary recovery by means of water-flooding. A recent success was achieved by commingling the Bireno and Douleb reservoirs in Guebiba after carrying out a long term production test. TPS has extensive experience in running and operating ESPs. The ESP downhole gauges are used for Artificial Lift performance and reservoir monitoring. Production System Optimisation workshops are held on a regular basis. Artificial Lift design, re-perforations, acid stimulation jobs etc. are captured in opportunity registers, planned and executed by TPS. The Guebiba field has stable production with good water handling capability.

Up to end September 2020, Guebiba and El Hajeb has produced a total of 22.9 MMbbl. Remaining best-estimate gross 2P reserves for Guebiba and El Hajeb are 7.8 MMbbl.

Cercina

11 wells have been drilled at Cercina in the period 1991-1993. An initial production rate ~3,500 bopd was achieved from these wells. A further 3 wells (Cer-13/STH1A/15) were drilled in 2002-03. The wells commingle both the Upper and Lower Reineche layers in the West whilst the eastern wells produce from Lower Reineche only due to a pinch out of upper layer. Current production is ~2,000 bopd following the successful stimulation of Cer-STH1A.

Up to end September 2020, Cercina has produced a total of 17.2 MMbbl. Remaining best-estimate gross 2P gross reserves for Cercina are 6.6 MMbbl.

Rhemoura

In 1993, production started from Rhe-01A (Douleb + Bireno commingled). PLTs were run on a regular basis (1993-95). Rhe-04 was drilled in 1993 and completed in the Bireno. In 2011, Rhe-01A was side-tracked to Rhe-01ASTG where RFTs confirmed strong aquifer support. The well was completed as a commingled producer on natural flow and regular PLTs were conducted in 2011-12. In 2012, artificial lift (ESP) was run and is a proven concept.

Up to end September 2020, Rhemoura has produced a total of 6.8 MMbbl. Remaining best-estimate gross 2P reserves for Rhemoura are 0.6 MMbbl.

Gremda / El Ain

In 1982, the El Ain field was discovered by Gremda West 1. Shortly after the start-up of El Ain-01 in 1989, peak production of ~2,500 bopd was reached from the Bireno. In December 1992, production started from Gremda, however the field was abandoned after experiencing steep decline and a cumulative production of 61,000 barrel of oil ("**bbl**", equal to 42 U.S. gallons or 159 litres). El Ain-01 and El Ain-03SD were both suspended in 2019. The

TPS partners brought El Ain-01 and El Ain-03SD back on-stream in 2020 and are running artificial lift in both wells (ESP) and in the process of extending the production licence.

Up to end September 2020, El Ain had produced a total of 10.1 MMbbl. Remaining best-estimate gross 2P reserves for El Ain are 2.0 MMbbl.

TPS facilities

Of the 5 TPS fields, Rhemoura and El Ain fields are located in the highly populated areas of the city Sfax, whilst Guebiba and El Hajeb are located amidst olive groves and Cercina is a shallow offshore field. Two oils of different qualities are produced from the TPS fields. Oil from El Ain is light (39 deg API) and sold as Zarzatine blend, while the other fields produce a slightly heavier (31-33 deg API) crude. These two types are delivered to CFTP (Compagnie Franco Tunisienne des Petroles) and transported to TRAPSA (Compagnie Des Transports Par pipelines au Sahara), but stored separately. Crudes from El Ain, Rhemoura and the Bireno reservoir at Guebiba are sour, with hydrogen sulphide concentrations of several thousands of ppm. The TPS facilities are designed to handle this.

The Cercina field is located offshore near the Kerkennah Islands (20 km from shore) in a water depth of 3-5m. Cercina has seven oil producers, all activated with ESPs. All Cercina wells have surface wellheads and each wellhead is located on a small single-wellhead platform. The Delta platform hosts the main processing equipment such as separator skids, flare scrubbers, interconnecting piping, flaring facilities and the control room. The platform has space constraints due to its shape and existing installed equipment. Wells are linked through 4" and 2" flowlines to the Delta platform. Produced fluids are pumped to the Rhemoura site via 6", 35km oil/water pipeline. Cercina and Rhemoura fluids are commingled at the Rhemoura facility and transported to the Tank Battery through an 8"x12" concentric pipeline (14 km). The Cercina platform is powered by 3 generators which provide power for running the ESPs, export pumps and other utilities.

The Guebiba station is located amidst olive groves, 15 km south west of Sfax. The station processes fluids from Guebiba and the nearby El Hajeb field. It has four first stage separators, two dedicated for wells producing sour oil from the Bireno reservoir, one for wells producing from the Douleb reservoir and one for the El Hajeb wells. TPS recently added a second stage separation unit.

Fluids from all the TPS fields are gathered at the Tank Battery, where final processing takes place for Cercina, Rhemoura and El Ain produced volumes. Water is disposed of at the Tank Battery using two dedicated water disposal wells. Gas is partially used for power generation, with any remainder flared. After processing, the sour crude is transported via pipelines to the CFTP facility and La Shkira export terminal. El Ain crude is trucked to the CFTP facility.

TPS Assets Reserves

Gaffney, Cline & Associates ("**GCA**") has prepared a Competent Person's Report ("**CPR**") on the Reserves and Contingent Resources in the TPS Assets as at an effective date of 31st December 2019. The Reserves are shown in Table 5. The Reserves are tabulated on a gross basis and for the net revenue interest held by Panoro. The anticipated economic life estimated by GCA in the 2P will last until 2034 for Cercina and until 2033 for El Hajeb/Guebiba, Gremda/El Ain and Rhemoura.

Concession	Gross Field			Net Interest	Net revenue interest		
	Proved	Proved + Probable	Proved + Probable + Possible		Proved	Proved + Probable	Proved + Probable + Possible
Cercina	4.46	6.60	8.59	29.4%	1.14	1.68	2.16
El Hajeb/Guebiba	4.53	7.79	10.71	29.4%	1.14	1.92	2.64
Gremda/El Ain	1.30	2.03	2.69	29.4%	0.36	0.54	0.66
Rhemoura	0.48	0.60	0.77	29.4%	0.12	0.18	0.18
Total	**10.77**	**17.02**	**22.76**		**2.76**	**4.32**	**5.64**

Table 6: Oil reserves as at 31st December 2019 (MMbbl)

The Contingent Resources are shown in Table 7.

Concession	Gross Field			Net Interest	Net revenue interest		
	1C	2C	3C		1C	2C	3C
Cercina	1.4	5.0	9.8	24.9%	0.42	1.32	2.58
Total	**1.4**	**5.0**	**9.8**		**0.42**	**1.32**	**2.58**

Table 7: Oil Contingent Resources as at 31st December 2019 (MMbbl)

7.5.5 Tunisia – Sfax Offshore Exploration Permit (Operator/52.5% Working Interest)

7.5.5.1 *Overview of the Pelagian Basin*

For a description of the Pelagian Basin were the Sfax Offshore Exploration Permit ("**SOEP**") is located see Section 7.5.4.1 "Overview of the Pelagian Basin".

7.5.5.2 *Sfax offshore exploration and development - Tunisia*

Overview and background

The original PSC relating to the SOEP was signed on 20 July 2005 between the Tunisian national oil company ETAP, as Permit Holder, and Atlas Petroleum Exploration Worldwide Ltd. and Eurogas International Inc., collectively as Contractors. The initial licensed area was 4,036 km^2.

The initial exploration period (the "**Initial Exploration Period**") of four years started on 9 December 2005 and subsequently received a two-year extension, plus a one-year additional extension. Thus, the Initial Exploration Period expired on 8 December 2012, at which point twenty percent (20%) of the initial area was relinquished. The current area of the SOEP is 3,228 km².

The First Renewal Period of three years duration started on 9 December 2012 and extended to 8 December 2015. On 23 December 2013, interest transfer agreements between APEX, Eurogas and DNO were approved by the Tunisian authorities. Prior to expiry of the First Renewal Period, DNO was granted a two-year extension from 9 December 2015 to 8 December 2017 and another additional extension until 8 December 2018. An application for a further three year renewal with a minimum one well exploration commitment was submitted and is currently under consideration by the authorities. Details of conditions for renewal will be known once the renewal is approved. Prior to the extension, the Group is committed to drill one exploration well which is currently expected during 2021. In support of this obligation, the Group has issued a bank guarantee in January 2019 against which a deposit of USD 10 million (net to Panoro) was placed. On 30 July 2018, Panoro Energy ASA acquired DNO Tunisia AS which has since changed its corporate name to Panoro Tunisia Exploration AS. The latter is the Operator with 87.5% working interest and 100% paying interest under the terms of an earn-out arrangement.

The SOEP is a large exploration license that covers 3,228 km^2 in the northern part of the Gulf of Gabes, southeast of the Tunisian city of Sfax. Approximately 50 km^2 of the SOEP, extends onshore, including small portions of the mainland and the southernmost portion of the Kerkennah Islands. Mostly in shallow waters, the water depth across the license ranges from 0 to 60 meters.

The SOEP lies in an established hydrocarbon province with seven active fields located immediately adjacent to the Permit, with proven reserves of over 700 MMBO and 250 BCFG and cumulative production of over 300 MMBO. Production in these neighbouring fields is from the Eocene Reineche and El Garia nummulitic limestones, and the Upper Cretaceous Douleb/Bireno shelf margin carbonates. The SOEP is favorably located adjacent to existing oil and gas production and transportation facilities with available spare capacity.

Twenty wells have been drilled within the current limits of the SOEP, with a further two wells in the area that was relinquished in 2012. Most of the wells were drilled between 1966 and 1997 with only two wells, Ras El Besh-3 (2008) and Jawhara-3 (2014) drilled more recently. Existing wells currently within the SOEP were mainly drilled on a number of pre-existing permits: Kerkennah West, Gabes Septentrional West and South Kerkennah permits. These three permits were relinquished in the early 2000's, before the formation of the SOEP.

Three oil accumulations have already been discovered within the license: Jawhara, Salloum and Ras El Besh discoveries. JAW-1, at Jawhara, tested 1,200 BOPD from Coniacian Douleb oolithic limestones and SAM-1, at Salloum, tested over 1,846 BOPD from the Turonian Bireno bioclastic limestones.

The Ras El Besh discovery is encompassed by the 68 km² Ras El Besh Concession (See Section 7.5.5.2 "Sfax Offshore exploration and development - Tunisia"), which has been carved out from the SOEP. Production rates of 2,500 barrels fluid per day (bfpd) were obtained from the carbonates of the nummulitic limestones of the Tertiary El Garia Formation in REB-2 well. Each of the on-block discoveries require further appraisal but, at present they collectively represent a discovered recoverable resource of over 20 MMbbls.

A significant number of exploration prospects/leads has been identified and characterized in the Sfax Offshore Permit supported by a large seismic data set. The combined prospective recoverable potential (P50, unrisked) is about 250 million barrels of oil (MMbbls). This prospectivity includes large independent structures with potential

P50 recoverable resources of 50-70 MMbbls, allowing the possibility of both single and cluster field development scenarios.

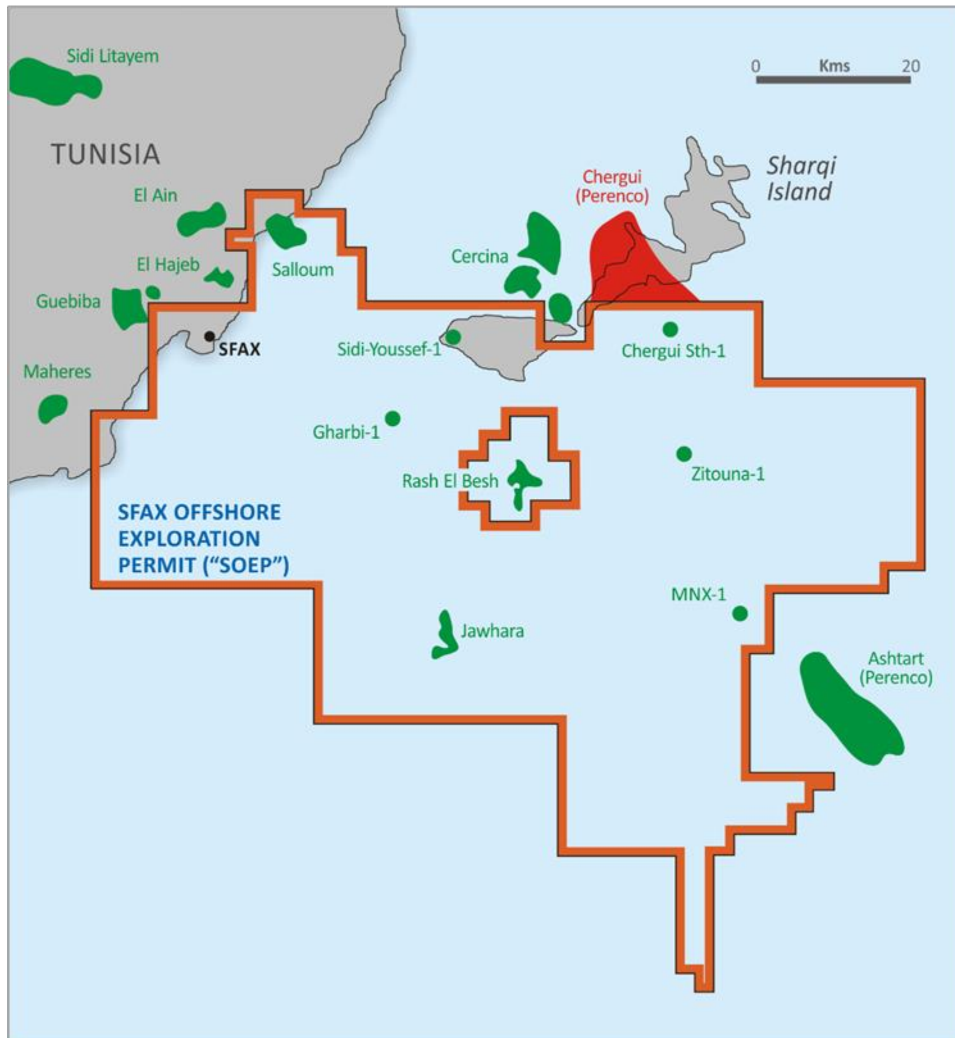


Figure 5: Sfax Offshore Exploration Permit and Ras El Besh Concession
(source: Panoro Energy)

Geological description

The area has undergone several tectonic events well known and documented in the Pelagian Basin.

The Aptian-Albian compression is older than the main targeted reservoirs but it may have played a role in later structural evolution within the area. The Turonian NE-SW extension is expressed by frequent parallel normal faults which are listric and accompanied by tilted blocks.

The Late Cretaceous-Eocene compression is related to the Pyrenean event. It generated the large NE-SW feature trending high known as Kerkennah Arch, which persists to the present day. As a result of this compression, some N-S faults moved like wrench right lateral faults with a reverse vertical component, thus giving "en echelon folds" located along the faults, as demonstrated in the Jawhara area. The Kerkennah Arch is flanked to the SE an NW by two basins. Another extension took place in the Early Miocene and mainly resulted in the reactivation of NW-SE features. This extension would have been responsible for fracture generation within the El Garia reservoir which coincided with the main expulsion and migration phase from Eocene Bou Dabbous Source rock.

SOEP is part of a stable carbonate platform developed and persisted from Cretaceous to early Tertiary times. This part of the Pelagian shelf is characterized by numerous transgressions and regressions that shifted carbonate shelf environments laterally in response to sea level variations. Thus lagoonal, shelf-edge and deeper water carbonate facies can often be found juxtaposed laterally and vertically. The oldest series penetrated within the

northern part of Gulf of Gabes are of Lower Cretaceous age; however, the prospective section extends from Upper Cretaceous to Eocene series.

Reservoir potential is developed at numerous levels within the stratigraphic section, exclusively within carbonate lithofacies. Almost all intervals appear to have developed under ramp margin conditions that were shallow to the south-southwest and deepened towards the north-northeast. Post depositional processes (diagenesis and fracturing) have played a major role in the enhancement of reservoir effectiveness. The Eocene El Garia/Reineche and Cretaceous Bireno/Douleb intervals are regarded as the primary targets. Both can be highly effective reservoirs and are situated in close proximity to prolific source rock intervals. The Cenomanian Zebbag, and to lesser extent the Campanian-Maastrichtian Abiod, provide upside reservoir potential. The Oligocene Ketatna build-up facies is a new and evolving play concept currently under evaluation.

Three proven plays exist in SOEP as follows:

- The Bireno shelf margin limestone and Douleb grainstones of Turonian-Coniacian age are a primary objective throughout much of the SOEP. Horst and tilted fault blocks set up the typical trap styles and the top seal is provided by the Upper Aleg shales and/or ultimately by the regional El Haria shales. In situ and short-distance migration from the Bahloul Formation, mature over large areas of the SOEP, provides the hydrocarbon charge. The Jawhara and Salloum discoveries within the permit, and regionally, the Rhemoura, Gremda and Guebiba fields are all examples of this play type. Depth to target ranges from 2,400 to 3,000 m.
- The Ypresian El Garia nummulitic bank is an important reservoir target in the SOEP. Both structural and stratigraphic traps are known to work with the associated Cherahil shales and tight limestones providing an excellent top seal. Hydrocarbon charge comes from the Bou Dabbous source rock. Onshore Tertiary oil often shows both Cretaceous and Tertiary signatures (e.g. the El Hajeb and El Ain fields). Thus, a possible contribution from the deeper Bahloul source rock should not be ruled out for this play. Ras El Besh, Ashtart and Hasdrubal fields are all analogues of this play type. Depth to target varies from 1,800 to 2,650 m.
- The Reineche nummulitic limestone and intra-shelf limestone equivalent are a reservoir objective over much of the SOEP. Historically, this play was not well evaluated as traditional exploration tended to focus on the Cetaceous and El Garia plays. The Reineche nummulitic limestone in particular extends onto the north-eastern part of the SOEP on trend with the Cercina and Chergui fields, which are currently producing from this reservoir. This reservoir is likely to be sourced from the Bou Dabbous which is mature in the depocentres on the flanks of the Kerkennah High. Both structural and stratigraphic traps have been observed. Depth to target range from 1,400 to 2,000 m.

The Sfax Offshore Exploration Permit is estimated to contain over 50% of the El Garia and Reineche depositional fairways offshore Tunisia and at least 20% of the Douleb/Bireno reservoir fairway. Play elements and Play types are illustrated for SOEP in Figure 6.

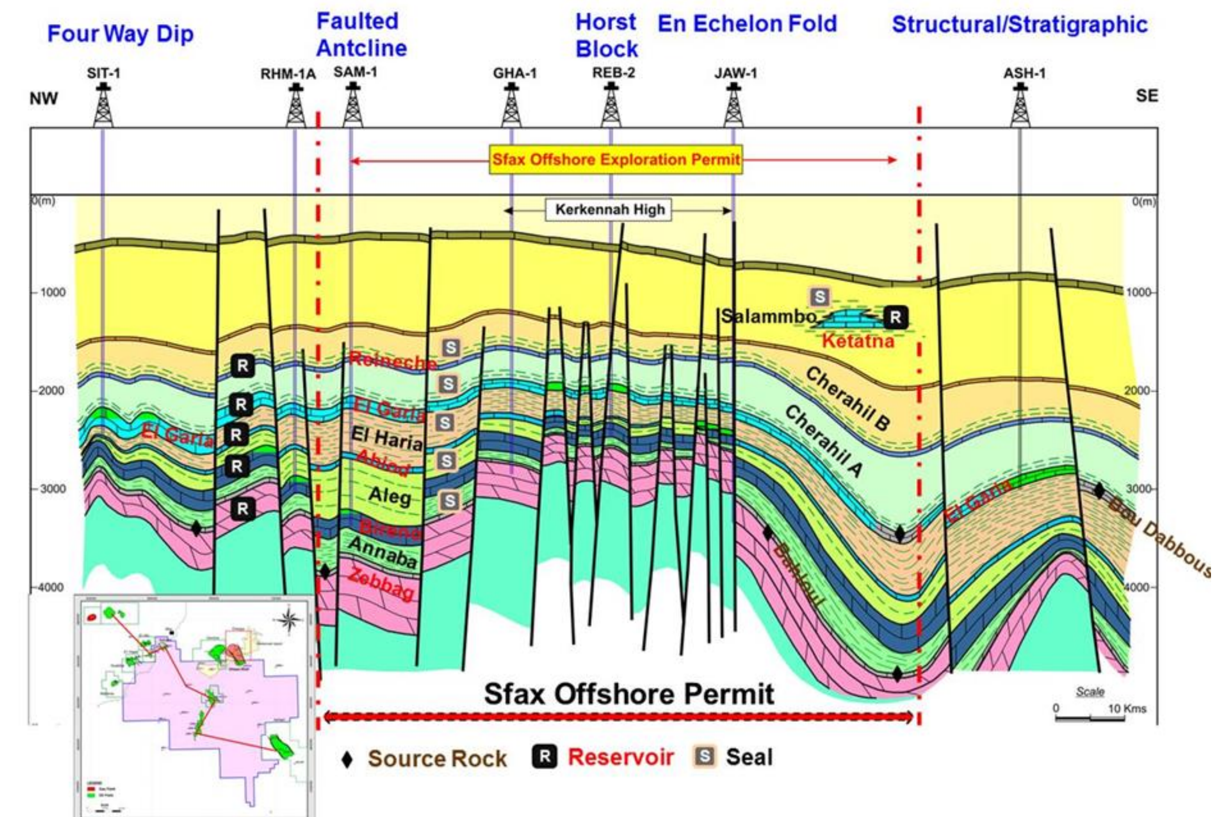


Figure 6: Play elements and types in Sfax Offshore Exploration Permit
(source: Panoro Energy)

Exploration Potential

The SOEP is supported with an existing data base of 20 wells in addition to a substantial seismic data set of approximatively 2,145 km² of full fold 3D seismic and 8,000 km of older vintage 2D lines.

In the 1970's through the late 1990's several seismic surveys were acquired. Over 255 of 2D seismic lines representing approximately 8,100 line-km are available and were reprocessed in 2002-2003 by Gaither Petroleum (now APEX). In the 1970's through the late 1990's several seismic surveys were acquired. Over 255 of 2D seismic lines representing approximately 8,100 line-km are available and were reprocessed in 2002-2003 by Gaither Petroleum (now APEX).

In 2004 APEX and its partner Eurogas, acquired a high resolution 350 km² 3D seismic survey in the central portion of the permit. This 3D survey (Sfax 3D) covers the Ras El Besh and Jawhara discoveries enabling further evaluation of their full hydrocarbon potential. In December 2005, the pre-existing Sfax Offshore Prospecting Permit was converted into the SOEP. In 2006-07, APEX and Eurogas acquired (jointly with Anadarko) a new 470 km² transition-zone 3D seismic dataset, the Kerkennah Banks survey (KB 3D). In July of 2007, APEX and Eurogas acquired a new shallow-water transition-zone 3D seismic survey over the Salloum discovery (SAM 3D) for the purposes of planning for the potential development of the Salloum discovery. The Salloum 3D survey was reprocessed in 2009. In 2010 the Sfax 3D and KB 3D surveys were reprocessed through PreSTM and merged into a contiguous survey by CGG. After taking over operatorship in 2014, DNO acquired 1,016 km² of 3D data (SFAX3D-14) in the eastern part of the permit.

The exploration portfolio consists now of more than 15 prospects, of which several are stacked multi-reservoir objectives (Tertiary and Cretaceous). They inhabit the same Cretaceous and Tertiary trends as the discovered fields. A probabilistic resource estimate has been calculated for all the identified structures. Input parameter and uncertainty ranges are based upon data and understanding from the on-block and neighboring discoveries and the numerous other control wells drilled both within and in the immediate vicinity of the SOEP. These leads and prospects were estimated to total more than 250 million barrels of gross unrisked prospective resources by the former operator DNO.

These prospects could be grouped in three geographical areas:

The Westernmost Area close to the shore and to the producing onshore fields. Apart from Salloum, it is poorly covered by 2D seismic data. The Hbara prospect lying immediately southeast of Rhemoura is attractive for further exploration activity. A shallow water transition zone seismic program is being considered to mature and de-risk this prospect and other potential nearby leads.

In the Kerkennah High Area, the prospects have been identified using the KB 3D seismic and the Sfax 3D. The prospects defined in this area of the block tend to have recoverable resources that range from 1 - 13 MMbbls. Due to the prospects' stacked nature and their close proximity to each other and to existing discoveries (Ras El Besh and Jawhara), this area is attractive for a cluster-style development concept.

Chergui South/Zitouna Area: This area lies within the Reineche nummulitic fairway which is under-explored and interpreted to hold a significant upside potential. It is on trend with the Cercina and Chergui producing Reineche fields. This area is partly covered by 3D seismic and partly covered by a coarse grid of 2D seismic data. In the 3D area, two prospects have been identified. The Sakr prospect is fully covered by 3D whilst the Zitouna prospect is partly covered by 3D. The Chergui South prospect is defined at the Reineche level and is identified using only 2D seismic lines. It has been mapped as a three-way dip closure dependent on a stratigraphic pinchout to the northeast where the nummulitic Reineche facies grades into more shale-prone basinal facies. The pinchout is defining the northeastern stratigraphic limit of the Chergui gas field. The Chergui south prospect is interpreted as an extension of Chergui field into the SOEP. While Chergui is mainly a gas field, the presence of an oil rim has been recently confirmed by the Chergui-6 well. Mean volumes of 62 bcf of gas and 12 million barrels of oil recoverable have been estimated for this prospect.

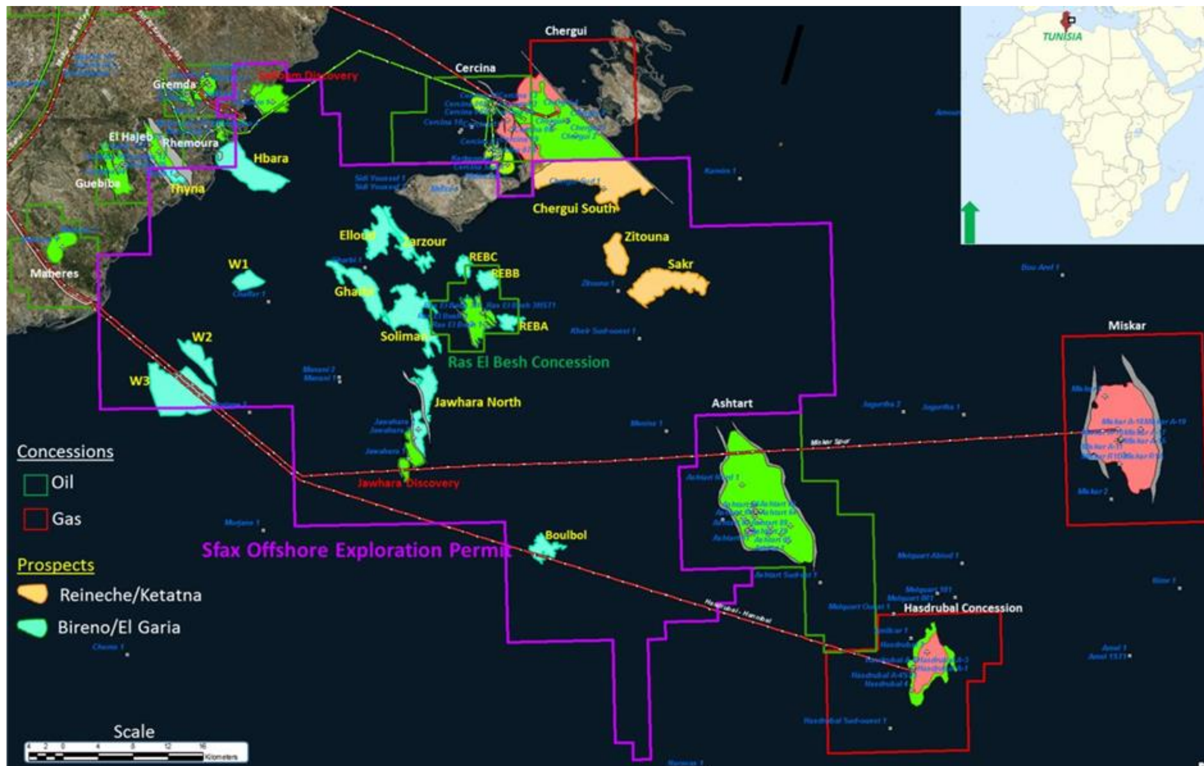


Figure 4: Sfax Offshore Exploration Permit Prospect Portfolio
(source: modified by Panoro Energy from OMV)

Jawhara Discovery

The Jawhara prospect was initially identified and defined on the basis of 2D seismic data as a faulted anticline dissected by NNW-SSE faults. The Jawhara-1 well, drilled by Total in 1976, reached a total depth of 3,243m in the Aptian Orbata Formation. Drill stem tests ("**DST**") were performed in both the El Garia nummulitic limestones and also the Cretaceous series. While the El Garia exhibited a nummulitic facies with good reservoir characteristics, this interval tested only water. In the Cretaceous section, the well flowed 1,200 bopd from the Douleb, 276 bopd from the Bireno and also 578 barrels of water per day (bwpd) from a deeper interval in the

Bireno reservoir. Jawahara-2 and Jawhara-3 were drilled to appraise the Jawhara-1 well but failed to encounter commercial quantities of hydrocarbons.

A resource estimate for the Douleb and Bireno reservoirs was conducted by the former operator via a stochastic approach for the Jaw-1 Block and adjacent compartments. This assessment indicates a P50 recoverable resources of 11 MMboe within the Jawhara structure.

Salloum Discovery

The discovery well Salloum-1 (SAM-1) was drilled by BG in 1991 to a total depth of 3,371 m MD at an offshore location NE of the city of Sfax and 2 km from the coast. Water depth is 2 meters. The Late Cretaceous Bireno Formation and the Eocene El Garia Formation were the primary objectives of Salloum-1. The El Garia was dry but oil and gas pay was found in the Bireno Formation. After acidizing the pay zone, DST-1 tested 1,848 bopd (1/2 choke) and 682 bopd (20/64 choke) of 42° API oil. DST-1 also produced 385 thousand cubic feet per day (Mcf/d) of gas with 900 ppm of H_2S. In 2007, the Salloum structure was covered by 60 km² of 3D seismic that was later reprocessed in 2009. The composite map drawn at top Bireno, interpreted from 3D and sparse 2D data, indicates a faulted anticlinal closure. The P50 unrisked recoverable resource was assessed by the former operator at 6 MMbbl of oil (although gas was tested, it is non-commercial).

Development and Resources

No Development plans have been designed yet for Jawhara and Salloum, however a conceptual plan for Salloum assumes drilling an appraisal well for a long term flow test from onshore. Plans for a work program include the well test and developing options for a possible tie-in to the infrastructure of the neighboring onshore fields of El Ain, Rhemoura and Guebiba. The appraisal well is being designed to establish a commercial hydrocarbon accumulation in order to proceed with a development, to refine the reserve base and to establish reservoir deliverability to assess commerciality.

Panoro will review and refine the resource estimates at Jawhara to formulate a plan for possible future development of the discovery. A direct tie-back to the onshore facilities is one of the options.

Other structures, if validated by new seismic acquisition and subsequent full evaluation, could be potential targets for exploration drilling. In case of discoveries, the Chergui South prospect, an extension of the Chergui field, is considered a low risk development option which can be easily tied into the Chergui field's existing facilities. Similarly, Hbara structure could be tied to Rhemoura field lying immediately to the northwest.

For the Kerkennah Area prospects, a concept for a cluster development of the fields would allow a tie-back to existing infrastructure in the area.

7.5.6 Tunisia – Ras El Besh Concession (52.5% Interest)

7.5.6.1 *Overview of the Pelagian Basin*

The Ras El Besh concession is part of Sfax Offshore Exploration Permit and hence part of the same geological Pelagian Basin province.

7.5.6.2 *Ras El Besh development – Tunisia*

Overview and background

In 2008, the Ras El Besh Concession (68 km²) was subtracted from the SOEP and granted to APEX and Eurogas for a period of 30 years starting from 5th September 2008. The concession is governed by the same PSC terms as the SOEP. Ras el Besh concession was part of the Tunisian assets operated by DNO Tunisia AS. Further to the transaction concluded between Panoro and DNO ASA, Ras El Besh concession is now operated by Panoro Tunisia Exploration AS with a working interest of 87.5% (net to the Company 52.5%).

The Ras El Besh Field is located approximately 37 km southeast of the city of Sfax and 12 km south of the southernmost tip of the Kerkennah Islands. The field is also located about 18 km south-southwest of the Cercina Field, which produces oil in the Lower Eocene Reineche and about 37 km northwest of the Ashtart Field which produces oil from the Lower Eocene El Garia. Water depths with the concession vary from 12 to about 15 m.

Drilled in 1995 by ARCO, Ras El Besh 1 (REB-1) encountered good hydrocarbon shows in the El Garia but was not tested. The discovery well, REB-2, tested the El Garia and initially flowed 167 bopd and 17 bwpd. After acidizing the well tested at a rate of 612 bopd and 1,836 bwpd.

In 2004 APEX and its partner Eurogas acquired a high density/high resolution 3D seismic survey over 350 km² in the central portion of the permit covering the Ras El Besh and Jawhara discoveries in order to further evaluate their hydrocarbon potential. In 2005, APEX submitted the Ras El Besh Plan of Development (PoD) on the basis of an estimated 83 MMbbl in place and predicted cumulative production ranging from 13 to 33 MMbbl.

The well Ras El Besh-3, the first of a three well appraisal/development program was spudded in June 2008, marking the implementation of the PoD. The REB-3 well was drilled with a primary objective to establish production in the Lower Eocene (Ypresian) El Garia nummulitic limestone. A pilot hole was to be drilled to obtain geological and reservoir fluid information, and subsequently a horizontal drain hole was to be drilled to enhance production capacity and reservoir drainage.

REB-3 found El Garia low to prognosis and although interpreted to have an oil column similar to REB-2, the El Garia in REB-3 was not tested. However, the Reineche reservoir was found 6m high to prognosis, had good sidewall core and mudlog shows, and recovered oil on an MDT. A horizontal borehole section (REB-3H ST1) was completed in the Reineche interval, which was thought to be more prospective. A long horizontal section was drilled and tested, yielding 1,022 bpd of fluid (95% water and 5% oil. The REB-3 well significantly downscaled the resources of the field, putting the entire development project on hold and triggering the need for an update of the PoD.

In 2014, DNO acquired an 87.5% interest in both SOEP and the Ras El Besh Concession, while also assuming operatorship. Given that the initial 2005 PoD, designed for larger reserves, was no longer appropriate, the Contractor group and ETAP agreed in 2013 to review the original PoD. The revised calculated reserves were estimated at around 5 MMbbl. The project remains on hold whilst Panoro reviews the development options for the discovery.

Geological description

The primary target of Ras El Besh Concession is the El Garia nummulitic reservoir while the overlying Reineche remains a proven target but with limited reserve potential in this Concession. Regionally, the net/gross ratios of El Garia reservoir vary from 45 to 90%. Porosity ranges from 12 to 25% with an average of 17%. Permeability varies from <1mD to 500 mD with an average of 42mD.

The REB-1 has the 2nd thickest El Garia section on the Sfax Permit. The well has 87m of gross porosity and 38m of good (18% to 24%) net porosity. The top 20m of the El Garia had good oil shows in cores including mottled oil stain, but was not tested due to high well log-derived water saturations. The REB2 well has a fairly complete El Garia section. The well has 74m of gross porosity and 50m of fair-to-good (12% to 23%) net porosity. The top 20m of the El Garia had good oil shows and solid oil stain in cores (up to 30%) and 27º API free oil was noted in fractures. In REB-3 well the El Garia interval is 80 m thick with similar reservoir properties as in REB-2.

While REB-1 and REB-2 were cored, no cores have been taken within El Garia section in Ras El Besh-3. A sedimentological study performed on the cores of REB-1 and REB-2 indicates that El Garia Formation has been deposited within a mid-ramp setting depositional setting, which appears to fit within the general depositional model developed for the Metlaoui group.

In Ras El Besh Wells, El Garia could be divided in four major zones based upon rock texture, A/B nummulite ratio and faunal/flore content.

Different types of porosity have developed in El Garia section. These porosities include intraparticle, interparticale, dissolution and fracture porosity. Oil water contacts were determined by log interpretation. In the El-Garia, REB-2 has an OWC at 1948m.

At the top El Garia horizon, the Ras El Besh structure appears as a faulted horst block bounded by the NNW-SSE main normal faults. Minor intra field faults are also identified which could have an impact on the reservoir connectivity and field compartmentalization.

29° API oil hosted in El Garia reservoir in Ras El Besh field has been typed to Bou Dabbous Source rock. The depositional relationship of the Bou Dabbous source rock with the El Garia reservoirs potentially allows highly efficient expulsion/charge conditions. Lateral migration occurred via simple up-dip intraformational pathways by fill and spill. Cross fault leakage would take migrating hydrocarbons stratigraphically higher (Reineche and Cherahil).

Regional evaluation of Sfax Offshore Permit has revealed the existence of few prospects within the Concession of Ras El Besh both in El Garia and Reineche levels. Average P50 resources are around 2 million barrels.

Development and Resource

The initial plan of development designed by APEX assumed the drilling of two horizontal development wells (with the possibility of re-entry and side track of REB-3) and early production using low cost leased production facilities.

In the revised PoD DNO the ex-Operator, has considered different development scenarios either by building new facilities or by tying into existing facilities (Cercina, Chergui, Ashtart, Guebiba, Miskar or Hasdrubal pipelines). For all the technically retained scenarios, development costs have been generated using the Que$tor software, and project economics have been run with the corresponding production profiles. Only one scenario shows a slightly positive NPV10 for the project, which is a very simple unmanned development with a wellhead platform connected to Central Processing Facilities located at a distance of 6 kms on a Soliman/Gharbi (curreltl Cretaceous/El Garia Prospect) development.

Given the very marginal results, the decision to develop REB with a connection to Soliman/Gharbi facilities would only be taken once the market conditions at the time confirm that the development can still be economically implemented.

The Panoro plan is to revisit the G&G data including the static and dynamic models before the design of a viable and simple development concept.

7.5.7 Gabon - Dussafu Marin Permit (7.5% Interest)

7.5.7.1 *Overview of Southern Gabon Sub-Basin in Gabon*

The Gabon Coastal basin lies predominantly within Gabon except for the small northern part that lies in onshore Equatorial Guinea. The basin is up to 300 km wide, its eastern limit being marked by outcropping Precambrian basement and metasediments, while the first occurrence of oceanic crust defines the western limit of the basin. The basin is divided into the northern sub-basin and southern sub-basin by thick sediments of the Ogooue Delta deposited through central Gabon. The onset of rifting began during the Late Jurassic times in response to the rotation of the South American plate away from the African plate. Subsequently during Early Cretaceous times, a series of rift grabens was formed which became depocentres for lacustrine, fluvial and continental sediments. The Dussafu block reservoirs were deposited at this time. The rift deposition culminated with an early Aptian unconformity and a widespread deposition of a series of evaporates consisting largely of Aptian aged salts. During the drift phase marine conditions prevailed with deposition of transgressive marine platform carbonates on the shelf. The minor westward basin tilting, combined with preliminary Albian sediment loading, initiated salt movement.

The main petroleum system in the southern Gabon sub-basin consists of hydrocarbons generated from Lower Cretaceous middle rift phase Melania formation Lacustrine shales that have migrated into pre-salt non-marine clastic reservoirs, such as the Gamba and Dentale. The southern sub-basin has been explored since the 1950’s but only recently has seismic technology progressed to allow improved understanding of the pre-salt geology and structuration. Panoro and our partner Harvest have been at the forefront of exploration success in this basin with discovery of two oil fields in Dussafu in the last four years.

7.5.7.2 *Dussafu Development – Gabon*

Overview and background

The Dussafu block lies at the southern end of the South Gabon sub-basin in water depths ranging from 100 – 500 metres. The Dussafu block is a Development and Exploitation license with multiple discoveries and undrilled structures lying within a proven oil and gas play fairway within the Southern Gabon Basin. Most of the block lies in less than 200 m of water and has been explored since the 1970s. To the north west of the block is the Etame-Ebouri trend, a collection of fields producing from the pre-salt Gamba and Dentale sandstones, and to the north are the Lucina and M’Bya fields which produce from the syn-rift Lucina sandstones beneath the Gamba.

A total of six oil fields have been discovered in the Dussafu block, and Panoro has participated in the last four exploration wells, all of which encountered hydrocarbons: Ruche (2011), Tortue (2013) Ruche North East (2018) and Hibiscus (2019).

In 2014, an Exclusive Exploitation Authorization (EEA) for an 850.5 km^2 area within the Dussafu PSC was awarded. A Field Development Plan (FDP) for the EEA area was subsequently approved and a final decision to start developing the license was taken in 2017. The EEA area includes the six oil fields discovered on the license to date and numerous undrilled structures that could be economically and expeditiously developed through the EEA area development infrastructure. The EEA allows the Dussafu joint venture partners to exploit hydrocarbon resources in the area of the EEA for up to 20 years from first oil production. In 2016 the remaining portion of the greater Dussafu license area outside of the EEA area was relinquished.

The first field in the EEA area, Tortue, started oil production in September 2018 from two initial horizontal development wells drilled in the first half of 2018. In 2019/2020 a further two development wells were drilled and brought onstream, and the final two wells are planned to come online in 2021, making a total of six wells on the field. The oil from the Tortue wells is produced via subsea trees and flowlines to a leased FPSO for processing, storage and export. Production from Tortue is currently around 16,000 bopd gross from four well (Net to Panoro working interest 1,200 bopd). Once all six wells are online in 2021 production is expected to reach around 23,000 bopd gross (Net to Panoro working interest 1,725 bopd).

The next phase of development at Dussafu is expected to be the Ruche and Hibiscus fields, which are planned to be developed together and tied back to the Adolo FPSO stationed at Tortue. A FID was taken for the project in 2019, and the development will consist of 6 wells in phase 1, followed by another 6 wells in phase 2. The project consists of a well head platform, from which the development wells will be drilled, tied back to the FPSO for oil storage and export via a 20 km subsea pipeline. With Ruche phase 1 online total production at Dussafu is expected to be over 30,000 bopd gross (2,250 bopd net to Panoro's working interest).

As of end December 2019, and based on the Netherland, Sewell and Associates, Inc. ("**NSAI**") certified (3rd party) reserves and resources report of September 2019, the Dussafu block contained gross 1P Proved Reserves of 75.9 MMbbls in the Gamba and Dentale reservoirs of the Tortue, Ruche, Ruche NE and Hibiscus fields. Gross 2P Proved plus Probable Reserves amounted to 111.4 MMbbls in the same fields. Gross 3P Proved plus Probable plus Possible Reserves at Dussafu amounted to 141.6 MMbbls. In addition to these Reserves NSAI also certified gross 1C Contingent Resources of 15.1 MMbbls and gross 2C Contingent Resources of 35.7 MMbbls in the Dussafu fields.

The operator in the license is BW Energy Gabon SA, a fully owned subsidiary of BW Energy with 73.5% interest. Other partners in the license are Tullow with 10% and Gabon Oil Company with 9% interests.

Geological description

The primary hydrocarbon-bearing zones of interest in Dussafu are the early Cretaceous Gamba and Dentale sandstones. Gamba is a fining upward clastic sequence deposited as a widespread blanket post a significant period of uplift and source region rejuvenation known as the Aptian peneplanation. Gamba sands were deposited in a fluvial-distributary system flowing basinward from fan delta systems, which were re-established along border faults. These sandstones have excellent reservoir properties with porosities usually in the mid to high 20% and permeability upwards of 1 Darcy. Immediately below the Gamba and Aptian unconformity lies the Barremian to Early Aptian Dentale formation. Dentale was deposited in a fluvial-lacustrine setting characterised by stacked belts of meandering to anastomosing fluvial and distributary channels with thick intervals of associated crevasse splay, mouthbar, lake shoreline and offshore lake facies.

The Barremian age Melania shales are the organic-rich source rock and were deposited in a low-energy lacustrine environment. The source rock consists of varved, pyritic shale and has an average TOC content of over 6 weight percent.

The fields discovered to date in Dussafu are broad anticlines with hydrocarbons trapped by the overlying Vembo shale and Ezanga salt at Gamba, and rift structures with multiple stacked Dentale sandstone reservoirs. In the Dentale section the seal is provided by intraformational shales.

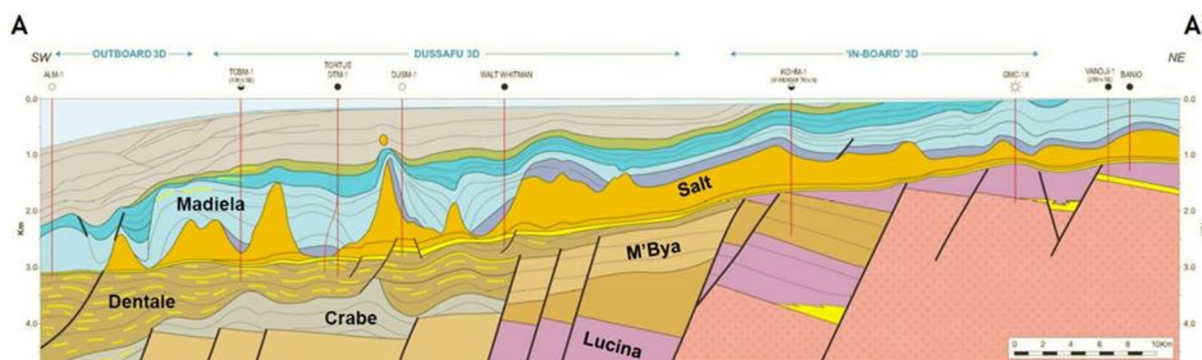


Figure 5: Geoseismic cross section Dussafu area
(source: Panoro Energy)

The Moubenga field in the western side of Dussafu was discovered by Elf in 1981. The discovery well encountered 12 metres of net pay in multiple stacked Dentale sandstones with porosities of 20%. A DST was conducted in the main pay sand and flowed at a rate of 2,730 barrels of oil equivalent per day ("**boepd**").

Walt Whitman was discovered in 1996 by Amoco and the well encountered a 17 metre oil column in Gamba which was not tested.

Ruche was drilled in 2011 and appraised by two sidetracks. The well found 17 metres of pay in a 29 metre oil column in Gamba confirmed by the two sidetracks. Porosities were logged at just over 19% and although a test was not made oil samples were recovered. The discovery well was deepened to the middle Dentale and found a 50 metre oil column with three separate hydrocarbon bearing sands. Reservoir properties in Dentale sands are around 18% porosity and 40mD permeability.

Tortue was discovered in 2013 and appraised with one sidetrack. DTM-1 found a 22 metre oil column in Gamba with 16 metres of net pay and 5 stacked hydrocarbon bearing sands in the Dentale. The most significant Dentale level is Dentale sand 6 which contained 20 metre net oil pay. The sidetrack confirmed the Dentale discovery. Reservoir properties were around 18% porosity in Gamba and 21% porosity in Dentale. Oil samples were recovered from both the Gamba and Dentale. Tortue was further appraised in 2018 with the DTM-3 appraisal well which found approximately 30 metres of hydrocarbon-bearing reservoir in the Gamba and immediately underlying Dentale sub-crop and additional hydrocarbon-bearing reservoirs in the Dentale.

The Ruche North East field was discovered in 2018. The well found 15 metres of good quality pay in Gamba and 25 metres of oil pay in stacked reservoirs in Dentale.

The Hibiscus field was discovered in 2019 and appraised by a sidetrack. The well and sidetrack found a 33m oil column in the Gamba sandstone with 26 metres of net pay.

The economic gross 2P reserves in the Tortue, Ruche NE and Hibiscus fields as of 31st December 2019 and based on the Netherland Sewell and Associates (NSAI) report of September 2019 were 2P Proved and Probable Reserves of 111.4 MMbbl of oil with contingent resources in the remainder of the license of 2C 35.7 MMbbl. The anticipated economic lifetime of the Tortue, Ruche NE and hibiscus fields is estimated by NSAI in the 2P case to be 14 years.

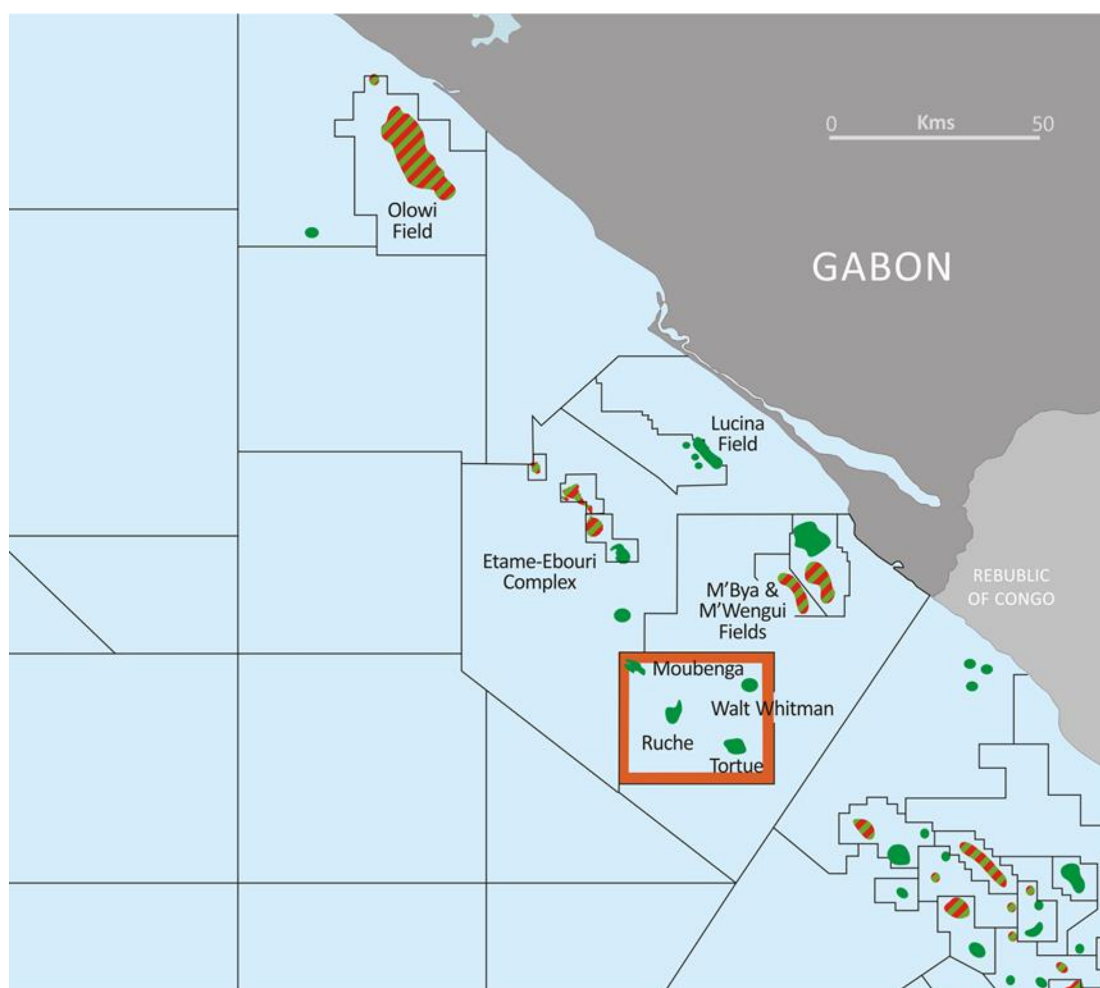


Figure 6: Dussafu license and surrounding fields
(source: Panoro Energy)

Development and resources

Development of the Ruche area EEA started with the Tortue field in 2017 following a Final investment Decision ("FID") by the partners. Phase 1 of the development consisted of 2 horizontal production wells hooked up to an FPSO for storage and export via subsea trees. The two horizontal production wells, DTM-2H and DTM-3H, were drilled and completed in the Dentale D6 and Gamba reservoirs in 2018. Subsea trees were installed following the completion of the wells and subsea flowlines and a riser system were subsequently installed at the field ready for production start-up. The FPSO arrived in Gabonese waters and was moored in position and connected to the production system in August 2018. First oil at Tortue was achieved in September 2018. Phase 2 of the Tortue development consists of a further four development wells: three in the Gamba and one in the Dentale D6 reservoirs. The first two of these phase 2 wells came online in 2020, and the remaining 2 wells are planned to come on production by mid 2021.

The next phase of development at Dussafu is expected to be the Ruche and Hibiscus fields, which are planned to be developed together and tied back to the Adolo FPSO stationed at Tortue. A FID was taken for the project in 2019, and the development will consist of 6 wells in phase 1, followed by another 6 wells in phase 2. The project consists of a well head platform, from which the development wells will be drilled, tied back to the FPSO for oil storage and export via a 20 km subsea pipeline. With Ruche phase 1 online total production at Dussafu is expected to be over 30,000 bopd gross (2,250 bopd net to Panoro's working interest).

The NSAI report, dated September 2019, provided the basis for the following estimate for oil reserves for the Dussafu block as of the end of 2019.

As of 31 Dec 2019	Interest	1P (Low Estimate)				2P (Base Estimate)				3P (High Estimate)			
	%	Liquids	Gas	Total	Net	Liquids	Gas	Total	Net	Liquids	Gas	Total	Net
		MMbbl	Bcf	MMBOE	MMBOE	MMbbl	Bcf	MMBOE	MMBOE	MMbbl	Bcf	MMBOE	MMBOE
On Production													
Tortue Field	7.5	31.54	-	31.54	1.63	44.39	-	44.39	2.11	51.89	-	51.89	2.33
Hibisucs Field	7.5	29.57	-	29.57	1.53	43.65	-	43.65	2.08	56.17	-	56.17	2.52
Ruche Field	7.5	11.16	-	11.16	0.58	17.82	-	17.82	0.85	25.33	-	25.33	1.14
Ruche North East Field	7.5	3.67	-	3.67	0.19	5.54	-	5.54	0.26	8.23	-	8.23	0.37
Total Reserves		**75.94**	**-**	**75.94**	**3.92**	**111.39**	**-**	**111.39**	**5.30**	**141.62**	**-**	**141.62**	**6.36**

Table 8: Reserves for the Dussafu Block

In addition to these reserves, NSAI certified gross unrisked technical contingent resources at Dussafu of 1C 15.1, 2C 37.7 and 3C 63.6 MMbbl. These resources would be accessed by additional future wells in the license area.

In addition to these Reserves and Contingent Resources, the Operator has estimated a total of 281 MMbbl of gross unrisked P50 Prospective Resources in Dussafu in 13 prospects.

7.6 LEGAL AND ENVIRONMENTAL FRAMEWORK FOR PETROLEUM BUSINESS

7.6.1 The regulatory framework for Offshore Gabon

The Ministère des Mines, de l'Énergie et du Pétrole regulates the upstream oil and gas industry in Gabon. Day-to-day responsibility for the upstream sector is run through the Direction Générale des Hydrocarbures ("**DHG**").

There are two separate types of contract in Gabon. Older fields operate under the terms of a concession agreement whereby only royalty and corporation tax is paid. The second type of contract is a production sharing agreement, introduced for the first time in 1977.

Up until 2014 the fiscal and regulatory framework of Gabon featured few hard and fast rules. Successive model contracts issued by the government only acted as guidelines and all fiscal aspects of each contract were negotiable. The terms of each PSC tended to be two periods of five years each, or five years, plus three years, plus two years. Work commitments and exploration costs on each PSC were completely negotiable.

In September 2014 a new hydrocarbons law came into force in Gabon. The new law largely codified the contractual practice. New provisions applicable to the downstream sector were introduced but they mainly set general principles. Certain matters remain subject to further clarification as the law was in some instances unclear and leaves a number of matters to implementing regulations. The law also provided for certain transitory provisions.

In terms of application of the law to existing PSCs such as Dussafu, the principle is that all hydrocarbons agreements entered into prior to the publication of the law will remain in full force and effect with terms which may validly depart from those of the new law, except for the obligations specified to be of immediate application. However, these arrangements cannot be renewed or extended without conforming to the terms of the new law. New discoveries within the perimeter of an existing arrangement will be fully governed by the provisions of the new law. Implementation of the following within the deadlines prescribed by the new law is required even for existing investments: (i) decommissioning funds, (ii) limitations on gas flaring, (iii) constitution of PID and PIH provisions and (iv) compliance with the licensing requirements for midstream and downstream activities.

7.6.2 The environmental framework for Gabon

Oil and gas exploration and production activities are regulated by Law N°14/82 of 24th January 1983. The main environmental legislation in Gabon is Law No 16/93 relating to the Protection and Improvement of the Environment, also known as "Code de l'Environnement". The Law aims to foster a sustainable use of resources

and development, limit pollution and nuisances, and improve the environment. The implementation of these principles under the law is the responsibility of the Minister of Environment.

Decree No 539 applies the principles of article 67 of Law 16/93 and abrogates Decree No 405. The Decree requires oil and gas operators to submit to the Environmental Administration a project notice, in order to elaborate directives specific to the project. In order to elaborate these directives, the operator might have to organise a site visit. In addition, operators are requested to undertake a consultation process, including presenting the project to the local populations. Minutes of the meetings must be signed by the authorities that attended.

The decree also specifies the requirement for an Environmental Impact Assessment, with 15 copies of the final document (in French) having to be submitted to the Environment Ministry. Under the regulations the Ministry has 30 days to review the document and give his recommendation.

In case of approval, the Ministry delivers an authorisation. If the recommendation is unfavourable, the Ministry has to provide his motives.

If no response has been made by the Ministry within a month of reception of the document, the applicant can assume consent has been given and may proceed with the proposed operations.

A period of public consultation must also be carried out. This involves a publication of an article in the Newspaper "Union" notifying that the EIA is available for comments during ten days. The Ministry can only approve the EIA once the consultation period is over.

Decree No 541 regulates the elimination of wastes and requires from all waste producers and owners to dispose of these wastes if they are potentially harmful to the environment. Decree No 542 regulates the dumping of some products in superficial, underground and marine waters. Decree No 543 determines classified installations subject to either a declaration or an authorisation. Oil and gas extractive installations, in particular, are subject to an authorisation. Decree No 545 regulates the recovery of used oil, its collection and recycling. Oil spill risks and relative emergency response arrangements are governed by Law n°21/04 of 2nd February 2004 and Decree No 653. The Decree No 653 relative to the preparation and response to pollution by hydrocarbons provides the framework of the Gabonese Response in case of an oil spill, which would consist in deploying the National Emergency Plan (Plan d'Urgence National - PUN). Offshore response measures are the responsibility of the "Marine Nationale", whereas onshore response measures are to be coordinated by the "Ministère de l'Intérieur" via the "Direction de la Protection Civile".

Law 003/2007 on National Parks prohibits activities likely to negatively impact National Parks environment within their boundaries and a buffer zone of five kilometres around. Only human activities not impacting the environment can be authorized. This authorization must be provided by the relevant minister after consultation with the organism in charge of the National Park. The beneficiary of the authorization must pay a fee according to applicable modalities and rates. Under civil law, he's responsible of any damage caused by to the National Park because of its activity.

7.6.3 The regulatory framework for Tunisia

The Ministry of Energy, Mines and Renewable Energies is the authority in Tunisia responsible for the supervision of the hydrocarbons sector and granting permits. The General Hydrocarbons Directorate *"Direction Générale des Hydrocarbures"* ("**DGH**"), which is located within the Ministry, is the body in charge of implementing the states policies in the field of hydrocarbons.

The DGH studies permits and concession applications and proposes their allocation to the Minister of Energy, Mines and Renewable Energies.

Permits are granted through a convention concluded with the state and approved by law. The purpose of the convention is to summarise the agreement between the Conceding Authority (the state of Tunisia represented by the Minister of Energy, Mines and Renewable Energies) and to regulate the operations undertaken directly or indirectly by the licensee.

All permits are granted in association with the Tunisian National Oil Company *"Entreprise Tunisienne d'Activités Pétrolière"* ("**ETAP**") through a Production Sharing Agreement ("**PSA**") or a Joint Venture Agreement ("**JVA**").

Under a PSA, the permit is granted by the Conceding Authority to ETAP as title holder, ETAP will afterwards enter into an agreement with a Petroleum company as contractor which will be entrusted with the research and exploitation of the hydrocarbons. The PSA will have to be approved by the Conceding Authority in order not to be considered void.

Under a JVA, the permit is granted by the Conceding Authority to ETAP and its partner. The percentage of participation for each of them is provided by the convention.

There are currently three legal regimes that apply to the Oil and Gas sector:

1) The regime that is regulated by the Decree dated December 13th, 1948, instituting special provisions in order to facilitate the research and exploitation of mineral substances of the second group, Law No 58-36 dated March 15th, 1958 amending the Decree dated December 13th, 1948 and Decree dated January 1st, 1953 on Mines and which applies to permits and concessions granted until 1985.

2) The regime that is regulated by Decree-Law No 85-9 dated September 14th, 1985, instituting special provisions regarding the research and production of gaseous and liquid hydrocarbons and Law No 87-9 amending Decree Law No 85-9 and which applies to permits and concessions granted from 1985 to 1999.

3) The regime that is regulated by the hydrocarbons code and that applies to permits and concessions granted after 1999, the date of enactment of the Code.

The applicable regime will depend on the date the permit or concession was granted. In our case, Cercina, Gremda and Rhemoura are under the provisions of Decree-Law 85-9, Hejeb-Guebiba is subject to the provisions of the special convention and Cercina Sud is subject to the provisions of the Hydrocarbons Code.

Currently, the Group's licenses and concessions in Tunisia are all current and no expiries of terms of permits are expected in near future except for:

1) SOEP is under renewal with one exploration well commitment under the expired period which is expected to be fulfilled by 1H 2021. The Group has already planned to drill this SAMW-1 well and once drilling operations are complete, the Group will make an application to the Consultative Committee of Hydrocarbons with DGH which is expected to approve the renewal to be valid until 8th December 2022 with possibility to extend this period for an additional 2 years. No other approval is required; and

2) The application for the extension of the Gremda concession is already approved by DGH and pending parliamentary approval in country. Once approved, the concession will be valid until 31 December 2034.

7.6.4 The environmental framework for Tunisia

Environmental guidelines in Tunisia related to Oil and Gas exploration and production activities are provided for by various legal texts.

The Hydrocarbons code (the "**Code**") provides for some of those guidelines as it is the code regulating the Oil and Gas sector. Pursuant to the Code, the holders of a permit or an exploitation concession need to undertake their activities while complying with the environmental legislation in force. The holders are therefore obligated to elaborate an environmental impact study that should be approved prior to each phase of the research and exploitation works. Decree No 2005-1991 fixes the categories of units subject to the environmental impact study and the ones subject to a book of specifications.

In addition, any pollution that occurred on the holders' site needs to be notified to the head of the department responsible for hydrocarbons as well as the competent authority.

At the expiration of a permit or an exploitation concession, the holder is required to restore the rendered surfaces and/or the abandoned exploitation sites to their original state so that no harm is done to the environment.

The Conceding Authority has the power to order the immediate cessation of work in the event of serious infringements affecting the environment.

Companies, including those in Oil and Gas, producing wastes, are required pursuant to the provisions of Law No 96-41 dated 10 June 2018, to dispose of their wastes if harmful to the environment. The list of dangerous wastes is provided by Decree No 2000-2339.

In addition, oil and gas companies will be required, under the provisions of Decree 2002-693, to collect and stock lubricating oil under conditions which would avoid their mix up with other products and to deliver the oils to specialists who can manage the disposal of their wastes.

Chapter 7 of the water code, along with various legal texts, prohibits certain behaviours that can harm waters such as dumping and immersion into sea waters. This is supported by Decree 2009-1064, however, the immersion of a certain category of wastes and other materials (listed in schedule A of this Decree) is allowed following the obtainment of an authorisation from the Minister of the Environment.

Discharge into the receiving environment (sea, lakes, lagoons, irrigation canals etc.) is also prohibited as regulated by Decree No 85-56. The limited value for this effluent discharge is provided for by the Order of the Minister of Local Affairs and the Environment and the Minister of Industry and Small and Medium-sized Enterprises dated 26 March 2018.

Decree No 94-1885 regulates the dumping and discharge of residual waters, other than domestic, in sanitation networks implemented in the intervention areas of the sanitation office.

Law No 2007-34 dated June 4th, 2007, regulating air quality aims to prevent, limit and reduce air pollution and its negative impacts on the population and the environment.

Onshore and Offshore facilities for the extraction and treatment of hydrocarbons are considered, pursuant to the provisions of The Order of the Ministry of Industry, Energy and Small and Medium-sized Enterprises dated November 15th, 2005, as category one dangerous establishments.

These establishments are required to obtain an authorisation for their opening and exploitation as requested by Decree No 2006-2687.

7.6.5 The regulatory framework for Equatorial Guinea

The Ministry of Mines, Industry and Energy regulates oil industry activities in the Republic of Equatorial Guinea.

The current Law concerning hydrocarbon exploration and production activities in Equatorial Guinea is Decree Law No. 8/2006 of November 2006, the Hydrocarbons Law. The Hydrocarbons Law provides the framework for the licensing and award of exploration and production rights and authorises the Minister of Mines, Industry and Energy to enter into contracts with oil companies.

The taxation of petroleum exploration and production activities is covered by the general tax provisions in Decree Law No. 1/1986, as augmented by Decree Law No. 4/2004. Additionally, Equatorial Guinea is a member of CEMAC (formerly UDEAC) and is signatory to certain regional agreements concerning tax and trade.

The regulation of petroleum related exploration activities is governed by Petroleum Regulations, issued by Ministerial Order and referenced by the Hydrocarbons Law.

In general, a consent from Ministry of Mines and Hydrocarbons in Equatorial Guinea is required for transferring oil and gas licenses and permits.

7.6.6 The environmental framework for Equatorial Guinea

Environmental guidelines in Equatorial Guinea related to oil and gas exploration and production activities are provided for principally by the Hydrocarbons Law and the Enviromental Law.

The Hydrocarbons Law provides for some of those guidelines as it is the code regulating the oil and gas sector. Chapter XIV of the Hydrocarbons Law covers environmental protection and sanitation, health and safety.

The Environmental Law regulates the environment in Equatorial Guinea and is governed by Law no. 7/2003 of November 27, 2003.

All contractors and associates are required to submit to the Ministry, within the time frames established by the Ministry, the plans required by the Environmental Law and the terms of their Contract, specifying the practical measures which should be taken in order to prevent harm to the environment, including environmental impact assessment studies and audits, plans for ecosystem and structural rehabilitation and permanent management and environmental auditing plans. Such documentation shall later be submitted to the relevant Department for its examination and approval.

7.7 FISCAL TERMS

The main terms governing the licenses in which Panoro has interest are summarised in Table 9 below.

License	Country	Expiry	Royalty	Tax	Production Sharing to Contractor
OML 113	Nigeria	June 2038	4%	50%	-
Dussafu	Gabon	September 2038	4%-12%	-	50%-30%

License	Country	Expiry	Royalty	Tax	Production Sharing to Contractor
Sfax Offshore Exploration Permit	Tunisia	December 2018	-	-	42.5%-25%
Ras El Besh	Tunisia	September 2038	-	-	40%-55%
Cercina	Tunisia	February 2024	2% - 15%	50% - 75%	-
Cercina South	Tunisia	November 2034	2% - 15%	50% - 75%	-
Gremda / El Ain	Tunisia	December 2018	2% - 15%	50% - 75%	-
Guebiba	Tunisia	June 2033	15%	60%	-
Rhemoura	Tunisia	January 2023	2% - 15%	50% - 75%	-
Block G	Equatorial Guinea	Ceiba: end 2029 Okume Complex: July 2034	11% - 16%	-	46.2%-92.3%

Table 9: Summary of Main Terms

7.7.1 Fiscal Regulations Gabon

Production Sharing Contracts

State Participation

The state has an option to participate in commercial discoveries. State participation became common after the second licensing round in 1986. The state equity interest increased with each successive licensing round to a maximum of 25% in the fourth round and sixth licensing rounds. In the seventh round the government indicated that state participation was now negotiable, which marked an important change in approach and the average is now 10%. In the Dussafu licence, this option is 10% and has been sold to the Tulipe Consortium which is 50% owned by Tullow Oil Plc.

Carry & Reimbursement

The state does not reimburse its share of past exploration costs. It does however pay for its share of any exploration wells drilled within the production permit after start-up. The state's share of development costs is usually carried although the government has an option to pay for some or all of its share of costs as they are incurred.

Costs are reimbursed out of 70% of the state net profit interest. (Early PSCs stipulated that the state reimbursed its share of costs using 100% of its net profit interest, but nowadays payback is slower). The state pays interest on carried costs at the Banque des Etats de l'Afrique Centrale (BEAC) rate.

Production Bonuses

Production bonuses are payable. A production bonus is payable when the field commences production (usually US$1-3 million) and also when specified production rates are reached. Typical bonus payments are US$2-3 million when production reaches 10,000 b/d and US$2-6 million when 20,000 b/d is achieved. In line with the other recent fiscal incentives new contracts have included smaller bonus payments. Production bonuses are not cost recoverable.

Area Rentals

An annual surface royalty based on total surface area is due yearly in advance. The gross annual surface rent is approximately US$ 700,000, one third of which is Panoro's share.

Training Fees

The operator has the obligation to contribute to the training of Gabonese nationals. Contribution amounts are negotiable and are cost recoverable.

Other Bonuses and Fees

Bonuses are also payable when contracts are renewed for a second or subsequent period. These bonuses are not cost recoverable.

Indirect Taxes

VAT / Sales Taxes

VAT is levied at 18% on both imported and domestic goods. During exploration no VAT is imposed.

Royalty and Other Production Taxes

Royalty

A royalty is payable on total allowable production ("**TAP**"). TAP is defined as gross production less volume for in-field use less the volume used for reservoir management. Royalty rates can either be fixed (typically 10%) or on a sliding scale based on production rates (5% at start-up, grading to 20% at peak). Terms for ultra-deepwater PSCs contain a minimum royalty payment of 5%. A royalty holiday period of three or five years also applies to recent contracts. Payment can either be in cash or kind.

Other Production Taxes

Production Levy

There is a US$0.05 per barrel levy on gross production paid into the National Hydrocarbon Fund. This levy has been non-negotiable in previous licensing rounds but in the seventh round it has become open for negotiation.

Domestic Market Obligation ("DMO")

All fields are required to supply a quantity of crude oil to the SOGARA refinery at Port Gentil. The quantity is in proportion to the contractors entitlement compared to the total production of Gabon. The crude is sold to the refinery at a 25% discount. This discount is cost recoverable. In practice only Mandji crude is used as a feedstock at the refinery. The other crudes (Oguendjo, Gamba, Lucina and Rabi) are bartered.

Contractor Revenue Entitlement

The contractor is entitled to revenue from sales of cost recovery production and its share of profit oil/gas and pays royalty and taxes on its net income.

Liquids Pricing

DMO oil is supplied at a 25% discount to the prevailing market price.

PSC Cost Recovery

Cost Recovery Ceiling

In each year of production, a percentage of net production after royalty is available to offset costs. The cost recovery ceiling is typically 65% but varies by licensing round, generally increasing over time. Cost recovery ceilings can be increased for marginal field developments or incremental developments on existing fields by negotiation with the government on a case-by-case basis.

Recoverable Costs

All costs are expensed and recoverable in the year in which they are incurred or the year in which commercial production commences, whichever is later. Interest on loans made from third party sources to fund development is also allowable for cost recovery.

Cost Carry Forward

Any unrecovered costs can be carried forward (without interest) for relief in subsequent years without limit.

PSC Profit Sharing

Production remaining after royalty and cost recovery is termed profit share and is divided between the contractor and the government. The basis on which this division is made is negotiable, based on tiered daily production

rates with a different percentage profit share applicable to each tier. During the application process bidders must specify the various production rate tiers and the profit oil splits applicable to each tier.

Typical production based profit splits are given in the table below:

Profit Oil Splits (Onshore and Shallow Water Contracts)

Production ('000 b/d)	Government Share (%)	Contractor Share (%)
< 10	50	50
< 20	52.50	47.50
< 40	55	45
< 80	65	35

Corporate (or Petroleum) Income Tax

Taxable Income

The state pays tax on behalf of the contractor.

Other Taxes

Capital Gains tax is payable on the sale of assets to non-affiliates.

7.7.2 Fiscal Regulations Tunisia

The applicable fiscal regulation in Tunisia will depend on the date a concession was granted.

There are currently three different tax regimes for the five concessions located in Tunisia. The Hajeb Guebiba concession is governed by the special convention regime (Convention Kerkennah Ouest), the Cercina, Gremda and Rhemoura concessions are governed by the regime of Decree-law 85-9. Finally, the Cercina Sud concession is governed by the Hydrocarbons code.

7.7.2.1 *Special Convention Regime (Hajeb Guebiba)*

Under the convention, concessions have a responsibility of payment in terms of rights, taxes and levies which are the following:

Proportional Royalty on Production

The proportional royalty on production is equal to 15% of the value or quantities of crude hydrocarbons lifted or sold by the concession holder.

Income Tax

The income tax rate for Hajeb Guebiba is equal to 60%.

Other Taxes

a) Payments in remuneration of the direct or indirect utilisation of roads and other systems or public utilities;
b) The tax on customs formalities (T.F.D) due on imports and exports;
c) Tax on transportation and circulation of vehicles;
d) Registration fees;
e) Stamp duties;
f) Unique tax on insurance;
g) Tax on rental value of professional and residential premises;
h) Tax vocation training;
i) Taxes paid by the suppliers of materials or products and which are usually included in the purchase price excluding, however, sales taxes; and
j) Fixed duty on concessions and exploration permits (similar to delay rentals).

7.7.2.2 *Decree Law 85-9 Regime (Gremda, Cercina, Rhemoura)*

Under Decree-Law 85-9, concessions have a responsibility of payment in terms of rights, taxes and levies which are the following:

Proportional Royalty on Production

The proportional royalty on production of hydrocarbons is determined based on the R-factor for the considered year by the concession holder.

For liquid hydrocarbons, proportional royalty varies according to the (R) factor and is determined as follows:

R factor value	Royalty Rate
R ratio inferior or equal to 0.5	2%
R ratio superior to 0.5 and inferior or equal to 0.8	5%
R ratio superior to 0.8 and inferior or equal to 1.1	7%
R ratio superior to 1.1 and inferior or equal to 1.5	10%
R ratio superior to 1.5 and inferior or equal to 2	12%
R ratio superior to 2 and inferior or equal to 2.5	14%
R ratio superior to 2.5	15%

For gaseous hydrocarbons, proportional royalty varies according to the (R) factor and is determined as follows:

R factor value	Royalty Rate
R ratio inferior or equal to 0.5	2%
R ratio superior to 0.5 and inferior or equal to 0.8	4%
R ratio superior to 0.8 and inferior or equal to 1.1	6%
R ratio superior to 1.1 and inferior or equal to 1.5	8%
R ratio superior to 1.5 and inferior or equal to 2	9%
R ratio superior to 2 and inferior or equal to 2.5	10%
R ratio superior to 2.5 and inferior to 3.0	11%
R ratio superior to 3.0 and inferior to 3.5	13%
R ratio is superior to 3.5	15%

Income Tax

Income tax rate for liquid hydrocarbons is calculated based on the value of the R factor as follows:

R factor value	Income Tax Rate
R ratio inferior or equal to 1.5	50%
R ratio superior to 1.5 and inferior or equal to 2.0	55%

R ratio superior to 2.0 and inferior or equal to 2.5	60%
R ratio superior to 2.5 and inferior or equal to 3.0	65%
R ratio superior to 3.0 and inferior or equal to 3.5	70%
R ratio superior to 3.5	75%

Income tax generated from a concession focusing mainly on the production of gas not associated with oil is calculated based on the (R) factor as follows:

R factor value	**Income Tax Rate**
R ratio inferior or equal to 2.5	50%
R ratio superior to 2.5 and inferior or equal to 3.0	55%
R ratio superior to 3.0 and inferior or equal to 3.5	60%
R ratio superior to 3.5	65%

Other Taxes

a) The fixed duty and the registration fees for permits and concessions;
b) Payments in remuneration of the direct or indirect utilisation by the Holder of roads and other systems or public utilities;
c) Duties, levies and taxes paid by the suppliers of services, materials or equipment and which are usually included in the purchase price excluding, however, sales taxes;
d) The tax on customs formalities (T.F.D) due on imports and exports; and
e) The registration of contracts of suppliers' works and services pertaining to the activities of exploration, appraisal, development, production, transportation, storage and marketing at the fixed duty.

7.7.2.3 *Hydrocarbons Code Regime (Cercina Sud)*

Under the Hydrocarbons Code, concessions have a responsibility of payment in terms of rights, taxes and levies which are the following:

Proportional Royalty on Production

The proportional royalty on production of hydrocarbons is determined based on the R-factor as in Decree-Law 85.9.

Please see Proportional Royalty section in 7.7.2.2 for the liquid and gaseous hydrocarbons R factor table.

Income Tax

The income tax is calculated based on the R-factor as in Decree-Law 85-9.

Please see Income tax section in in 7.7.2.2 for the liquid and gaseous hydrocarbons R-factor table.

Other Taxes

a) Fixed tax equal to the minimum inter-professional hourly wage of an ordinary worker for every full elementary perimeter (an area of 4 km). This tax must be paid whenever a new permit and/or concession is granted;
b) Fixed tax is to be paid per hectare of land included in the Exploitation Concession, equal to the guaranteed inter-professional hourly wage of an ordinary labourer, and this no later than June 30th, of each year. The said tax is equal to five times the guaranteed inter-professional wage per hour of the ordinary manoeuvre per hectare for inactive or underused concessions;
c) The registration at the fixed duty of the special convention and its appendices, amendments;
d) The registration at the fixed duty of all contracts for supplies, works and services relating to the holder's activities performed under the special convention;

e) Payments in remuneration of the direct or indirect utilisation by the holder of roads, systems and other elements of public or private property;
f) Tax on establishments of industrial, commercial or professional nature, for the benefit of local authorities;
g) Tax on constructed properties;
h) The customs services fees (RDP) and the data automatic processing fees due on imports and exports;
i) Taxes, duties and levies paid by the suppliers of services, goods, equipment, materials, products and raw materials or consumables which are normally included in the sale's price, exception made of the value added tax;
j) Taxes in transportation and circulation of vehicles; and
k) Unique tax on insurances.

7.7.3 Fiscal Regulations Equatorial Guinea

The fiscal regulations in Equatorial Guinea depend on the provisions of the Production Sharing Contract under which each concession was granted.

The Model Petroleum Production Sharing Contract includes the following provisions:

INITIAL EXPLORATION PERIOD: normally of four to five years divided into two sub-periods, extendible twice on a yearly basis.

RELINQUISHMENT: of 40% after the initial exploration period, with a further 25% of the remaining area at the end of each renewal period. Voluntary relinquishment at the end of each contract year is permitted.

EXPLORATION COMMITMENT: is negotiable, but usually involves purchase and interpretation of all existing data relating to the contract area and seismic acquisition and/or exploration drilling in the initial exploration period and a well in each of the annual extensions.

ROYALTY: Minimum rate of 13%, escalating in steps according to average daily production.

COST RECOVERY: from a negotiated share of production net of royalty with unrecovered costs carried forward.

PRODUCTION SHARING: from profit oil according to a stepped scale related to cumulative production.

BONUS PAYMENTS: on contract signature, on notification of a commercial discovery and on production targets.

STATE PARTICIPATION: a minimum of 20% carried working interest during exploration phase.

INCOME TAX: According to the Tax Law, currently at the rate of 35%.

7.7.4 Specific Terms and Conditions of the Licenses

7.7.4.1 *Production Sharing Contract Dussafu Marin Permit - Gabon*

All work programme obligations under the PSC have been fulfilled. The Company has provided a guarantee to the State of Gabon to fulfil all obligations under the PSC. The third period of the Exploration Authorisation expired on 27 May 2016 and the area outside of the Ruche Area Exclusive Exploitation Authorization ("**EEA**"), which was entered into on 17 July 2014, was relinquished.

The Ruche Area EEA covers 850.5 km^2 and contains six discovered fields and numerous undrilled structures that could be economically and expeditiously developed through the Ruche area development infrastructure. The Ruche Area EEA allows the Dussafu joint venture partners to exploit hydrocarbon resources in the area of The Ruche Area EEA for up to 20 years from first production which was achieved in September 2018.

The main specific terms relating to the Sfax Offshore Exploration and Production Sharing Contract are set out in the table below.

Item	Description
Recovery of petroleum costs	Contractor is entitled to recover petroleum costs capped at 65% of net production per year. This cost recovery can raise to 75% of net production

	if three years after production commencement contractor has not recovered its share of petroleum costs
Carry forward of petroleum costs	If in a year the net production does not permit the contractor to recover petroleum costs, the petroleum costs not recovered are carried forward to succeeding years until full recovery of the petroleum costs.
Production Sharing of petroleum after petroleum costs recovery	<10,000 bbls/d State 50%, Contractor 50% 10,000-20,000 bbls/d State 52.5%, Contractor 47.5% 20,000-40,000 bbls/d State 55%, Contractor 45% 40,000-80,000 bbls/d State 60%, Contractor 40% 80,000-100,000 bbls/d State 65%, Contractor 35% >100,000 bbls/d State 70%, Contractor 30%
Mining royalty (not considered petroleum costs)	<10,000 bbls/d 4% of total available production 10,000-20,000 bbls/d 6% of total available production 20,000-40,000 bbls/d 8% of total available production 40,000-80,000 bbls/d 10% of total available production >80,000 bbls/d 12% of total available production
Bonuses payable by Contractor to State (not considered petroleum costs)	US$ 1 million from commencement of hydrocarbon production US$ 2 million once average daily production reaches for the first time 20,000 bbls/d US$ 3 million once average daily production reaches for the first time 40,000 bbls/d US$ 3.5 million once average daily production reaches for the first time 80,000 bbls/d US$ 4 million once average daily production reaches for the first time 100,000 bbls/d

7.7.4.2 *Sfax Offshore Exploration Permit*

A three year renewal application for the SOEP, which expired on 8 December 2018, was submitted and is currently under consideration by the authorities. The remaining outstanding work program for the renewal period that expired on 8 December 2018 is the drilling of one exploration well or payment of an estimated maximum of US$ 12 million (net to Panoro US$ 7.2 million) penalty. The costs attributable to Panoro in this section are after taking into account participation of Beender at 40%.

The proposal in the renewal application is to defer the committed well to the second renewal period. An application for the second renewal period, which is three years in duration (with possible extensions of a maximum of three more years), was submitted to the granting authorities. Panoro Tunisia Exploration (60% owned by Panoro) were required to post a bank guarantee in relation to the drilling operations on SOEP currently expected to occur during 2021. Accordingly, the Group procured a bank guarantee of US$D 16.6 million (US$D 10 million net to Panoro) through its group company. Operational planning for this well is largely complete, operations are pending final approvals from the authorities.

Under the terms of the Production Sharing Contract, a third renewal period may be up to four years in duration, providing a discovery has been made during the previous period(s). The work obligation in this period is the drilling of an exploration or an appraisal well.

The original PSC relating to the SOEP was signed on 20 July 2005 between ETAP as permit holder and Atlas Petroleum Exploration Worldwide Ltd. and Eurogas International Inc., collectively as contractors. The initial licensed area was 4,036 km2.

The Initial Exploration Period of four years started on 9 December 2005 and subsequently received a two-year extension, plus a one-year additional extension. Thus, the Initial Exploration Period expired on 8 December 2012, at which point twenty percent (20%) of the initial area was relinquished. The current area of the SOEP is 3,228 km^2.

In 30 July 2018, Panoro acquired DNO Tunisia AS which has since changed its corporate name to Panoro Tunisia Exploration AS. The latter is the Operator with 87.5% working interest and 100% paying interest under the terms of an earn-out arrangement.

The SOEP is located inside proven Cretaceous and Tertiary oil fairways of the Pelagian Basin, proven by a myriad of surrounding discoveries and producing fields. The license already contains two undeveloped oil discoveries: the Jawhara discovery made by Total in 1976, and the Salloum discovery made by BG in 1997.

A significant number of exploration prospects/leads has been identified and characterized in the SOEP. This prospectivity includes small and large independent structures allowing the possibility of both single and cluster field development scenarios.

The SOEP is favorably located adjacent to existing oil and gas production and transportation facilities with available spare capacity.

The PSC fiscal terms are attractive including cost oil to recover past expenditures by the Contractor and profit oil to share with ETAP. The cost recovery rate is based on a sliding scale dependent on average daily oil production rate.

The main specific terms relating to the SOEP Sharing Contract are set out in the table below.

Item	**Description**
Petroleum costs recovery	The expenditures related to the prospecting work, exploration and appraisal operations shall be recoverable from any liquid or/and gaseous hydrocarbon deposit from the permit The expenditures related to the development, production, economic production and abandonment shall be recoverable in the same manner as described above but it will be attributed to the deposit to which they correspond and recovered from the production of said deposit.
Recovery of petroleum costs (Cost Oil / Cost Gas)	Contractor is entitled to recover petroleum costs for oil as set below: Monthly Average Barrels of Oil Per Day - Oil Cost Recovery 0 – 5,000 55% 5,001 – 10,000 50% >10,000 40% Cost Gas recovery is capped at 60% of the production.
Carry forward of petroleum costs	The recovery of the Oil and Gas costs continue until all the expenditures incurred during the prospection, exploration and development operations are fully recovered.
Production Sharing of petroleum after petroleum costs recovery (Profit Oil / Profit Gas)	The balance of the oil production, after cost oil recovery, is allocated between Contractor and NOC as follows: 0–5,000 bbls/d State 57.5%, Contractor 42.5% 5,001–10,000 bbls/d State 67.5%, Contractor 32.5% >10,000 bbls/d State 75%, Contractor 25%

	Profit Gas recovery is capped at 50% of the production after cost gas recovery.

7.7.4.3 *Ras El Besh Exploitation Concession - Tunisia*

In 2005, APEX and Eurogas submitted to the Energy Directorate (DGE) a plan of Development and an application for Ras El Besh Concession. On 5 September 2008, the 'arrêté' instituting Ras El Besh Concession was published in the official Tunisian gazette (JORT).

A Concession of an area of 68 km² was subtracted from the SOEP and granted to APEX and Eurogas for a period of 30 years. The commitment is to develop and bring on stream the Ras El Besh field.

The first development well, REB-3, drilled in June 2008 downscaled significantly the resources of the field, putting the entire development project on hold.

In 2014, DNO acquired an 87.5% interest in the Ras El Besh Concession, while also assuming operatorship. Given that the initial 2005 PoD, designed for larger reserves, was no longer appropriate, the Contractor group and ETAP agreed in 2013 to review the original PoD and a revised PoD has been submitted to ETAP and the Energy Directorate in March 2015. The main outcome of the PoD is that the Ras El Besh was not at that time an economically viable project.

Further to the transaction concluded between Panoro and DNO ASA to acquire DNO Tunisia AS (renamed to Panoro Tunisia Exploration AS), Ras El Besh concession is now operated by Panoro Tunisia Exploration AS with a working interest of 87.5%. Currently Panoro is in discussion with an Engineering Consultancy Office to update the PoD.

The Ras El Besh Concession is governed by the same PSC terms as the SOEP.

The main specific terms relating to the Ras El Besh Concession and Production Sharing Contract are set out in the table below.

Item	**Description**
Petroleum costs recovery	The expenditures related to the development, production, economic production and abandonment shall be recoverable in the same manner as described for the Sfax Offshore Exploration Permit but it will be attributed to the deposit to which they correspond and recovered from the production of said deposit.
Recovery of petroleum costs (Cost Oil / Cost Gas)	Contractor is entitled to recover petroleum costs for oil as set below: Monthly Average Barrels of Oil Per Day - Oil Cost Recovery 0 – 5,000 55% 5,001 – 10,000 50% >10,000 40% Cost Gas recovery is capped at 60% of the production.
Carry forward of petroleum costs	The recovery of the Oil and Gas costs continue until all the expenditures incurred during the prospection, exploration and development operations are fully recovered.
Production Sharing of petroleum after petroleum costs recovery (Profit Oil / Profit Gas)	The balance of the oil production, after cost oil recovery, is allocated between Contractor and NOC as follows: 0–5,000 bbls/d State 57.5%, Contractor 42.5% 5,001–10,000 bbls/d State 67.5%, Contractor 32.5%

>10,000 bbls/d State 75%, Contractor 25%

Profit Gas recovery is capped at 50% of the production after cost gas recovery.

7.7.4.4 *Block G Production Sharing Contract – Equatorial Guinea*

The Ceiba and Okume Complex fields are under the Block G Production Sharing Contract. The main terms of that contract are as follows.

(i) Royalty

The following royalty rates are payable in respect of the production:

Rates of Daly Production of Field (barrels)	**Royalty (percentage)**
0 – 30,000	11
30,000 - 60,000	12
60,000 – 80,000	14
80,000 – 100,000	15
Over 100,000	16

A royalty of 10% is due on all Natural Gas.

(ii) Bonuses and Surface Rentals

The following productions bonuses are payable:

(a) US$3 million after daily production from a Field averages 30,000 barrels per day for a period of 60 consecutive days:

(b) US$3 million after daily production from a Field averages 60,000 barrels per day for a period of 60 consecutive days;

(c) US$4 million after daily production from a Field averages 100,000 barrels per day for a period of 60 consecutive days.

All payments to be made within 30 days of the last day of the respective 60-day period. All payments are cost recoverable.

There were major changes to the fiscal regime (Royalty and bonuses) agreed on 7 December 1999, which were set out in a Memorandum of Understanding ("**MOU**") with the State, and which were reflected in PSC Amendment No. 1 which took effect on 1 January 2000 and are set out above.

Annual surface rental payments of $2.00 per hectare are due for all the remaining Contract Area in the relevant year. The surface rentals payments are not cost recoverable. The Contract Area was changed by PSC Amendment No. 2 and a new map and description of the revised Contract Area attached.

(iii) Recovery of Costs and Sharing of Production

The relevant provisions are set out in PSC Amendment No. 1.

After making Royalty payments to the State, the Contractor shall be entitled to recover the totality of the Petroleum Operations Expenditures relating to a Field out of 70% of the remaining sales proceeds or other distribution of Crude Oil produced.

Exploration Expenditures incurred during any year not attributable to a particular Field and included in a Work Program and Budget of Expenditures approved by the EG Ministry for that year shall be recoverable against the production from any Field in the Contract Area with priority given to the last discovered Field.

The Petroleum Operation Expenditures attributable to a determined Field not recoverable by the Contractor because of an insufficiency of available Crude Oil in the Field, shall not be transferrable nor recoverable from another Field, but such Expenditures are deductible from income for purposes of calculating Contractor's income tax.

After payment of the Royalty and payment of the portion allocated to the Contractor for the recovery of recoverable Petroleum Operation Expenditures, the remaining Crude Oil produced and sold from a Field is referred to as "Net Crude Oil". The percentage of Net Crude Oil to which the State and Contractor are entitled in a particular Field will be triggered when the cumulative Crude Oil production from such Field reaches the corresponding tranche as set out below. The percentages were changed in PSC Amendment No. 3 dated 22 October 2017, with effect from 1 January 2018:

Cumulative Production Levels of Field	**State Share of Net Crude Oil**	**Contractor Share of Net Crude Oil**
From 0 – 200 MMBO	7.7%	92.3%
Above 200 – 350 MMBO	19.2%	80.8%
Above 350 – 450 MMBO	30.8%	69.2%
Above 450 – 550 MMBO	42.3	57.7%
More than 550 MMBO	53.8%	46.2%

8. CONSOLIDATED FINANCIAL INFORMATION

8.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Group's audited consolidated financial statements as of, and for the year ended, 31 December 2019 and 2018 have been prepared in accordance with the International Financial Reporting Standards, as adopted by the EU. The Group's audited consolidated financial statements as of, and for the year ended, 31 December 2019 and 2018 are together referred to as the "**Audited Financial Statements**" and are incorporated by reference to this Prospectus. The Group's unaudited interim consolidated financial statements as of, and for the three and nine month periods ended, 30 September 2020 and 2019, and the six month periods ended, 30 June 2020 and 2019 (the "**Interim Financial Statements**"), have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("**IAS 34**") are incorporated by reference to this Prospectus. The Audited Financial Statements and Interim Financial Statements are together referred to as the "**Financial Statements**".

The Company presents the Financial Statements in US$ (presentation currency) rounded to the nearest thousands.

The selected financial data set forth below may not contain all of the information that is important to a potential investor of shares in the Company. As a result, the data should be read in conjunction with the relevant financial statements and the notes to those statements.

8.2 FUNDING AND TREASURY POLICIES AND BASIS FOR PREPARATION

The following tables present the data extracted from the audited historical financial statements of the Company's annual reports as of, and for the year ended, 31 December 2019 and 2018. The interim financial information for the financial quarters ended 30 September 2020 and 2019, and the half year ended 30 June 2020 and 2019 have been extracted from Panoro Energy's unaudited Interim Financial Statements published in the Company's 2020 and 2019 third quarter and half year reports.

For information regarding accounting policies and the use of estimates and judgements, please refer to note 2 of the Audited Financial Statements, incorporated by reference in this Prospectus.

For the period covered by the Financial Statements, the Company operates predominantly in two business segments, being the exploration of oil and gas in North Africa (Tunisia) and West Africa (Gabon).

8.3 CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended 30 September		9 months ended 30 September		6 months ended 30 June		12 months ended 31 December	
US$ 000	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2019**	**2018**
	Unaudited	*Unaudited*	*Unaudited*	*Unaudited*	*Unaudited*	*Unaudited*	*Audited*	*Audited*
CONTINUING OPERATIONS								
Revenue								
Oil and Gas revenue	6,794	8,863	14,170	29,274	7,376	20,411	42,968	2,616
Other income	796	(111)	1,963	3,810	1,167	3,921	3,810	877
Total revenue	7,590	8,752	16,133	33,084	8,543	24,332	46,778	3,493
Expenses								
Operating costs	(3,978)	(1,480)	(8,830)	(8,882)	(4,852)	(7,402)	(15,381)	(1,018)
(Overlift)/underlift	-	-	-	-	-	-	170	-
Exploration related costs and operator G&A	(62)	(127)	(272)	(353)	(210)	(226)	(134)	(661)

	3 months ended		9 months ended		6 months ended		12 months ended	
	30 September		30 September		30 June		31 December	
US$ 000	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2019**	**2018**
	Unaudited	*Unaudited*	*Unaudited*	*Unaudited*	*Unaudited*	*Unaudited*	*Audited*	*Audited*
General and administrative costs	(1,010)	(1,527)	(3,829)	(3,852)	(2,819)	(2,325)	(5,716)	(4,655)
(Impairment)/ reversal of impairment for oil and gas assets	-	-	-	8,145	-	8,145	8,145	-
Depreciation, depletion and amortisation	(1,717)	(1,601)	(5,167)	(4,678)	(3,450)	(3,077)	(6,979)	(286)
Non-recurring costs	(88)	(842)	(144)	(933)	(56)	(91)	(1,106)	(965)
Share based payments	(228)	(202)	(652)	(517)	(424)	(315)	(767)	(331)
Total operating expenses	**(7,083)**	**(5,779)**	**(18,894)**	**(11,070)**	**(11,811)**	**(5,291)**	**(21,768)**	**(7,916)**
Operating profit/(loss)	**507**	**2,973**	**(2,761)**	**22,014**	**(3,268)**	**19,041**	**25,010**	**(4.423)**
Net foreign exchange gain/(loss)	(236)	(429)	(131)	(297)	105	132	215	(547)
Unrealised gain/(loss) on commodity hedges	(1,810)	2,806	4,778	346	6,588	(2,460)	(1,837)	756
Realised gain/(loss) on commodity hedges	1,178	(101)	3,867	(782)	2,689	(681)	(980)	-
(Loss)/gain on disposal	-	-	-	-	-	-	(288)	-
Interest costs net of income	(395)	(608)	(1,260)	(1,981)	(865)	(1,373)	(2,496)	(26)
Other financial costs net of income	(263)	(266)	(685)	(762)	(422)	(496)	(779)	(46)
Profit/(loss) before income taxes	**(1,019)**	**4,375**	**3,808**	**18,538**	**4,827**	**14,163**	**18,845**	**(4,286)**
Income tax benefit/(expense)	(1,122)	(2,229)	(2,565)	(9,734)	(1,443)	(7,505)	(13,477)	(877)
Net profit/(loss) from continuing operations	**(2,141)**	**2,146**	**1,243**	**8,804**	**3,384**	**6,658**	**5,368**	**(5,163)**
DISCONTINUED OPERATIONS								
Net income / (loss) from discontinued operations	(149)	(1,695)	(2,309)	(1,777)	(2,160)	(82)	4,822	(1,944)
Net profit/(loss) for the period	**(2,290)**	**451**	**(1,066)**	**7,027**	**1,224**	**6,576**	**10,190**	**(7,107)**
Exchange differences arising from translation of foreign operations	-	-	-	-	-	-	-	(3)
Other comprehensive income/(loss) for the period (net of tax)	**-**	**-**	**-**	**-**	-	-	**-**	**(3)**
Total comprehensive income/(loss)	**(2,290)**	**451**	**(1,066)**	**7,027**	**1,224**	**6,576**	**10,190**	**(7,110)**
Net income/(loss) attributable to:								

	3 months ended 30 September		9 months ended 30 September		6 months ended 30 June		12 months ended 31 December	
US$ 000	**2020** *Unaudited*	**2019** *Unaudited*	**2020** *Unaudited*	**2019** *Unaudited*	**2020** *Unaudited*	**2019** *Unaudited*	**2019** *Audited*	**2018** *Audited*
Equity holders of the parent	(2,290)	451	(1,066)	7,027	1,224	6,576	10,190	(7,107)
Total comprehensive income/(loss) attributable to:								
Equity holders of the parent	(2,290)	451	(1,066)	7,027	1,224	6,576	10,190	(7,110)
Earnings per share								
(US$) – Basic and diluted - Income/(loss) for the period attributable to equity holders of the parent - Total	(0.03)	0.01	(0.02)	0.11	0.02	0.11	0.16	(0.16)
(US$) – Basic and diluted - Income/(loss) for the period attributable to equity holders of the parent – Continuing operations	(0.03)	0.03	0.02	0.14	0.05	0.11	0.08	(0.11)

8.4 CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 30 September		As at 30 June		As at 31 December	
US$ 000	**2020**	**2019**	**2020**	**2019**	**2019**	**2018**
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Audited)*	*(Audited)*
ASSETS						
Non-current assets						
Intangible assets						
Production rights	27,167	29,964	27,684	29,938	28,876	31,082
Licenses and exploration assets	20,814	23,783	20,641	23,636	19,760	15,197
Fair value of commodity hedges	722	696	1,623	-	-	392
Investments in associates and joint ventures	26	38	26	38	26	38
Total intangible assets	**48,729**	**54,481**	**49,974**	**53,612**	**48,662**	**46,709**
Tangible assets						
Production assets and equipment	29,604	39,044	30,387	38,885	30,979	41,612
Development assets	13,571	4,349	12,940	2,858	5,915	632
Property, furniture, fixtures and equipment	685	389	771	389	948	134
Other non-recurrent assets	128	122	122	126	131	245
Total tangible assets	**43,988**	**43,904**	**44,220**	**42,258**	**37,973**	**42,623**
Total non-current assets	**92,717**	**98,385**	**94,194**	**95,870**	**86,635**	**89,332**
Current assets						
Crude oil inventory	1,659	3,454	1,347	1,641	358	2,255
Materials inventory	4,480	4,594	4,476	4,417	4,773	4,086
Trade and other receivables	9,174	3,742	7,274	6,537	9,372	5,577
Fair value of commodity hedges – current portion	2,976	407	3,885	-	-	364
Cash and cash equivalents	5,619	10,078	9,053	15,526	20,493	23,367
Cash held for bank guarantee	9,960	9,960	9,960	9,960	9,960	-
Restricted cash	-	-	-	76	-	76
Total current assets	**33,868**	**32,235**	**35,995**	**38,157**	**44,956**	**35,725**
Assets classified as held for sale	21,575	-	20,452	-	20,925	-
TOTAL ASSETS	**148,160**	**130,620**	**150,641**	**134,027**	**152,516**	**125,057**
EQUITY AND LIABILITIES						
Equity						
Share capital	459	424	458	423	458	423
Share premium	349,446	333,423	349,193	333,090	349,193	333,090
Treasury shares	-	-	-	-	-	-

	As at 30 September		As at 30 June		As at 31 December	
US$ 000	**2020**	**2019**	**2020**	**2019**	**2019**	**2018**
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Audited)*	*(Audited)*
Additional paid-in capital	122,222	121,883	122,554	122,394	122,131	122,078
Total paid-in equity	**472,127**	**455,730**	**472,205**	**455,907**	**471,782**	**455,591**
Other reserves	(43,408)	(43,408)	(43,408)	(43,408)	(43,408)	(43,405)
Retained earnings	(356,749)	(358,846)	(354,459)	(359,297)	(355,683)	(365,874)
Total equity attributable to shareholder of the parent	**71,970**	**53,476**	**74,338**	**53,202**	**72,691**	**46,312**
Non-current liabilities						
Decommissioning liability	19,890	22,034	19,743	21,868	18,911	20,739
Senior secured loan	10,505	13,774	11,345	14,756	13,091	13,191
Non-recourse loan	5,206	5,196	6,442	3,666	3,380	9,392
Licence obligations	4,726	4,726	4,726	4,726	4,726	4,726
Fair value of commodity hedges	-	-	-	822	106	-
Other non-current liabilities	1,998	-	1,961	7,877	1,708	7,877
Deferred tax liability	1,358	7,872	1,794	510	2,024	-
Total non-current liabilities	**43,683**	**53,602**	**46,011**	**54,225**	**43,946**	**55,925**
Current liabilities						
Accounts payable and accrued liabilities	1,723	9,703	1,422	6,077	1,555	7,551
Senior secured loan – current portion	4,186	4,123	4,094	3,053	3,797	2,539
Non-recourse loan – current portion	1,877	2,770	512	5,423	4,729	3,751
Licence obligations – current portion	1,166	1,166	1,166	1,166	1,166	1,166
Fair value of commodity hedges – current portion	-	-	-	882	974	-
Other current liabilities	1,179	213	1,637	1,073	2,292	1,943
Other current financial liabilities	-	-	-	-	-	66
Corporation tax liability	3,106	5,567	3,434	8,926	4,991	5,804
Total current liabilities	**13,237**	**23,542**	**12,265**	**26,600**	**19,504**	**22,820**
Liabilities directly associated with assets classified as held for sale	19,270	-	18,027	-	16,375	-
TOTAL EQUITY AND LIABILITIES	**148,160**	**130,620**	**150,641**	**134,027**	**152,516**	**125,057**

8.5 CONSOLIDATED STATEMENTS OF CASHFLOWS

	3 months ended		9 months ended		6 months ended		12 months ended	
	30 September		30 September		30 June		31 December	
US$ 000	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2019**	**2018**
Cash flows from operating activities	*Unaudited*	*Unaudited*	*Unaudited*	*Unaudited*	*Unaudited*	*Unaudited*	*Audited*	*Audited*
Net (loss) / income for the year before tax – Continuing operations	(1,109)	4,375	3,808	18,538	4,827	14,163	18,845	(6,087)
Net (loss) / income for the year before tax – Discontinued operations	(149)	(1,695)	(2,309)	(1,777)	(2,160)	(82)	4,822	(102)
Net (loss) / income for the year before tax	**(1,168)**	**2,680**	**1,499**	**16,761**	**2,667**	**14,081**	**23,667**	**(6,189)**
Adjusted for:								
Depreciation	1,717	2,295	5,167	7,234	3,450	4,939	9,990	3,568
Exploration related costs and operator G&A	62	127	272	353	210	226	134	661
Impairment and asset write-off/(impairment reversal)	-	-	-	(8,145)	-	(8,145)	(16,145)	-
Loss/(gain) on commodity hedges	632	(2,705)	(8,645)	436	(9,277)	3,141	2,817	(756)
Net finance costs	767	1,010	2,296	3,156	1,529	2,146	3,820	488
Share-based payments	(77)	202	347	517	424	315	767	331
Foreign exchange loss/(gain)	-	230	-	98	-	(132)	(215)	547
Increase/(decrease) in trade and other payables	951	2,421	1,871	148	920	(2,273)	1,810	121
(Increase)/decrease in trade and other receivables	(1,902)	2,799	492	1,958	2,394	(841)	(1,986)	(2,854)
(Increase) /decrease in inventories	(1,440)	(1,990)	(1,947)	(1,707)	(507)	283	(84)	(318)
State share of profit oil	(796)	111	(1,963)	(3,810)	(1,167)	-	(3,810)	(877)
Taxes paid	(1,090)	(6,209)	(3,153)	(6,161)	(2,063)	(3,873)	(8,456)	(59)
Net cash flows from operating activities	**(2,344)**	**971**	**(3,764)**	**10,838**	**(1,420)**	**9,867**	**12,309**	**(5,337)**
Cash flows from investing activities								
Cash outflow related to acquisitions	-	-	-	(510)	-	(510)	(510)	(33,601)
Net cash acquired at acquisitions	-	-	-	-	-	-	-	9,067
Investment in exploration, production and other assets	(1,196)	(4,243)	(10,255)	(7,496)	(9,059)	(3,253)	(12,880)	(17,727)
Increase/(decrease in non-recourse loan	-	-	-	-	-	-	-	10,946
Net cash flows from investing activities	**(1,196)**	**(4,243)**	**(10,255)**	**(8,006)**	**(9,059)**	**(3,763)**	**(13,390)**	**(31,315)**

	3 months ended		9 months ended		6 months ended		12 months ended	
	30 September		30 September		30 June		31 December	
US$ 000	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2019**	**2018**
Cash flows from financing activities								
Gross proceeds from loans and borrowings	-	-	-	2,460	-	2,460	2,460	16,200
Repayment of non-recourse loan	-	(1,547)	(1,408)	(6,020)	(1,408)	(4,473)	(5,752)	-
Repayment of senior secured loan	(720)	-	(2,160)	(660)	(1,440)	(660)	(1,680)	-
Realised gain/(loss) on commodity hedges	1,178	(101)	3,867	(782)	2,689	(681)	(981)	-
Borrowing costs, including arrangement fees	(293)	(224)	(971)	(855)	(678)	(631)	(1,079)	(471)
Gross proceeds from equity private placement and treasury shares	-	(380)	-	(380)	-	-	16,239	38,410
Cost of equity private placement and treasury shares issued	-	-	-	-	-	-	(436)	(1,680)
Cost of equity issue on settlement of RSUs	-	-	-	-	-	-	(381)	-
Lease liability Payments	(61)	-	(185)	-	(124)	-	(252)	-
Share buyback	-	-	-	-	-	-	-	(240)
Financial income net of charges paid	-	-	-	-	-	-	-	(14)
Cash held for bank guarantee	-	-	-	(9,960)	-	(9,960)	(9,960)	-
Movement in restricted cash balance	-	76	-	76	-	-	76	1,500
Net cash flows from financing activities	**104**	**(2,176)**	**(857)**	**(16,121)**	**(961)**	**(13,945)**	**(1,746)**	**53,705**
Effect of foreign currency translation adjustment on cash balances	-	-	-	-	-	-	-	(3)
Change in cash and cash equivalents during the period	**(3,436)**	**(5,448)**	**(14,876)**	**(13,289)**	**(11,440)**	**(7,841)**	**(2,827)**	**17,050**
Change in cash and cash equivalents – assets held for sale	2	-	2	-	-	-	(47)	-
Cash and cash equivalents at the beginning of the period	9,053	15,526	20,493	23,367	20,493	23,367	23,367	6,317
Cash and cash equivalents at the end of the period	**5,619**	**10,078**	**5,619**	**10,078**	**9,053**	**15,526**	**20,493**	**23,367**

8.6 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

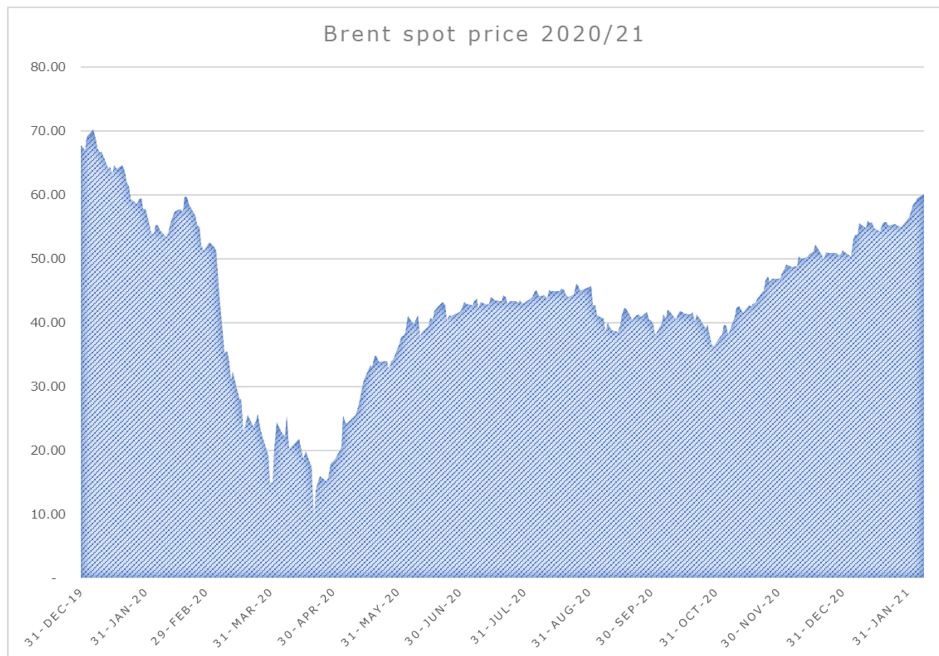
US$ 000	Issued capital	Share premium	Treasury Shares	Additional paid-in capital	Retained earnings	Other reserves	Currency translation reserve	Total
At 1 January 2018 - (Audited)	**299**	**297,490**	**(503)**	**122,206**	**(358,766)**	**(37,647)**	**(5,758)**	**17,321**
Net income (loss) - Continuing Operations	-	-	-	-	(5,020)	-	-	(5,020)
- Discontinued Operations	-	-	-	-	(2,087)	-	-	(2,087)
Other comprehensive income/(loss)	-	-	-	-	-	-	(3)	(3)
Total comprehensive income/(loss)	-	-	-	-	(7,107)	-	(3)	(7,110)
Sale of own shares	-	(503)	503	-	-	-	-	-
Share Issue for cash	124	37,783	-	-	-	-	-	37,907
Transaction costs on share issue	-	(1,680)	-	-	-	-	-	(1,680)
Share buyback	-	-	240	-	-	-	-	240
Share re-issue (Mercuria loan fee)	-	-	(240)	-	-	-	-	(240)
Employee share options charge/(benefit)	-	-	-	331	-	-	-	331
Settlement of RSUs	-	-	-	(458)	-	-	-	(458)
At 31 December 2018 - (Audited)	**423**	**333,090**	**-**	**122,079**	**(365,873)**	**(37,647)**	**(5,761)**	**46,311**
Net income (loss) - Continuing Operations	-	-	-	-	5,368	-	-	5,368
- Discontinued Operations	-	-	-	-	4,822	-	-	4,822
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-
Total comprehensive income/(loss)	-	-	-	-	10,190	-	-	10,190
Share issue for cash - private placement	34	16,205	-	-	-	-	-	16,239
Transaction cost on share Issue	-	(435)	-	-	-	-	-	(435)
Share issue under RSU plan	1	333	-	-	-	-	-	334
Employee share options charge/(benefit)	-	-	-	767	-	-	-	767
Settlement of RSUs	-	-	-	(715)	-	-	-	(715)
At 31 December 2019 - (Audited)	**458**	**349,193**	**-**	**122,131**	**(355,683)**	**(37,647)**	**(5,761)**	**72,691**

US$ 000	Issued capital	Share premium	Treasury Shares	Additional paid-in capital	Retained earnings	Other reserves	Currency translation reserve	Total
Net income (loss) - Continuing Operations	-	-	-	-	3,384	-	-	3,384
- Discontinued Operations	-	-	-	-	(2,160)	-	-	(2,160)
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	1,224	-	-	1,224
Employee share options charge/(benefit)	-	-	-	423	-	-	-	423
At 30 June 2020 - (Unaudited)	**458**	**349,193**	**-**	**122,554**	**(354,459)**	**(37,647)**	**(5,761)**	**74,338**
Net income (loss) - Continuing Operations	-	-	-	-	(2,141)	-	-	(2,141)
- Discontinued Operations	-	-	-	-	(149)	-	-	(149)
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-
Total comprehensive income/(loss)	**-**	**-**	**-**	**-**	**(2,290)**	**-**	**-**	**(2,290)**
Share issue under RSU plan	1	253	-	-	-	-	-	254
Employee share options charge/ (benefit)	-	-	-	198	-	-	-	198
Settlement of RSUs	**-**	**-**	**-**	**(530)**	**-**	**-**	**-**	**(530)**
At 30 September 2020 - (Unaudited)	**459**	**349,446**	**-**	**122,222**	**(356,749)**	**(37,647)**	**(5,761)**	**71,970**

8.7 TREND INFORMATION AND SIGNIFICANT CHANGES

While many logistical challenges associated with COVID-19 continue, Panoro's production to date has been largely unaffected. The health and safety culture at our operations has shown to be resilient, with conduct of safe operations, together with the well-being of our team, being our top priority. Production in both Gabon and Tunisia continues to be in line with expectations given the necessary deferral in some near-term development activity.

The continued development of the pandemic and mitigating actions implemented by health authorities have created uncertainty related to the demand for oil and gas in 2020 and consequently on commodity prices.

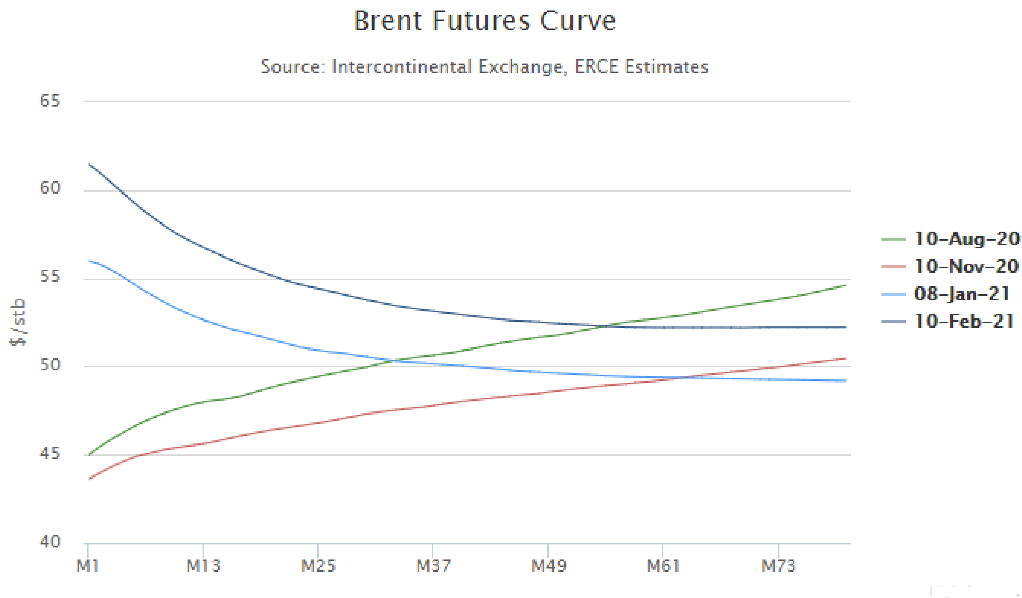


Data Source: https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=RBRTE&f=D (12 Feb 2021)

Oil prices have reduced from around US$ 66/bbl at 31 December 2019 and to around US$ 40/bbl at 30 September 2020. Consequently, realised oil sales prices for the nine months to 30 September 2020 were significantly lower at US$ 35.4/bbl compared to US$ 62.18/bbl achieved for the whole of 2019. Although sales volumes were down from 480,557 barrels for the comparative nine month period in 2019 to 400,251 barrels in 2020 due to one less lifting from Dussafu, the lower realised oil sales prices were the greatest factor in total revenues being US$ 17.0 million lower at US$ 16.1 million in 2020 (2019 – US$ 33.1 million).

This reduction in sales revenue directly translated to a US$ 16.0 million reduction in EBITDA to US$ 3.1 million compared to the same period in 2019. Although operating costs were reduced in the nine months to 30 September 2020 to US$ 17.05/bbl from US$ 20.15/bbl for the whole of 2019 and DD&A slightly reduced to US$ 8.43/bbl from US$ 8.79/bbl, the effect on profit has been deferred due to an increase in oil inventory since the beginning of the year, there being one less lifting as mentioned above, for the comparative nine month period in 2020.

Although the spot oil prices have shown recent signs of recovery as a result of news of a vaccine for COVID-19, recent forward curves suggest oil prices between US$ 50-60/bbl in the near term.



Data Source: https://www.erce.energy/graph/brent-futures-curve/ (12 Feb 2021)

Panoro implemented an effective hedging strategy during this period of volatile and low oil prices, yielding realised and unrealised gains on crude oil hedges of US$ 8.6 million to 30 September 2020 to mitigate the reduced sales price achieved for the same period. This has significantly contributed to limiting the reduction in profit before tax, down from US$ 18.5 million in 2019 to US$ 3.8 million for the comparative nine month period in 2020, a variance of just $ 6.6 million ignoring the effects of a reversal of impairment in oil and gas assets of US$ 8.1 million in 2019. Approximately 25% of production has been hedged until the end of 2021 at US$ 55 per barrel.

Except for the significant developments described above and in Section 5 "Private placement", Section 8.11 "Summary of the EG Acquisition", Section 8.12 "Summary of the Dussafu Acquisition" and Section 10 "Unaudited pro forma financial information", there has been no significant change in the financial position of the Group since 30 September 2020 and to the date of this Prospectus.

The Company has not experienced any significant change in the financial performance of the Group or trends outside the ordinary course of business since 30 September 2020 and to the date of this Prospectus. The Company does not know of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for the current financial year.

8.8 SEGMENT INFORMATION

8.8.1 Operating Segments of Panoro Energy

The Company operates predominantly in two business segments, being the exploration of oil and gas in North Africa (Tunisia) and West Africa (Gabon).

From the fourth quarter of 2019, the business in Nigeria was classified as a "Discontinued Operation" and as an asset held for sale. Segment information has therefore been re-arranged in line with reporting requirements.

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

The West African segment holds the following assets:

- The Dussafu licence representing the Group's 7.5% working interest in the Dussafu Marin exploration licence in Gabon.

The North African segment holds the following assets:

- TPS Assets: ETAP, 51% and Panoro TPS Production (UK) Limited, 49% (29.4%* interest net to Panoro).
- The Sfax Offshore Exploration Permit: Panoro Tunisia Exploration AS (Operator, 52.5%* interest net to Panoro)

- The Hammamet Offshore Exploration Permit: Medco (Operator), Panoro Tunisia Exploration AS (27.6%* interest net to Panoro), under relinquishment.

*Figures only represent net participation interest in proportion to Panoro's equity holding in Sfax Petroleum Corporation AS.

The 'Corporate and others' category consists of head office and service company operations that are not directly attributable to the other segment.

From the fourth quarter of 2019, the business in Nigeria was classified as a "Discontinued Operation" and as an asset held for sale. Segment information has therefore been re-arranged in line with reporting requirements.

Discontinued Operations and assets held for sale:

- The OML113-Aje represents the Group's 12.1913% revenue interest, 16.255% paying interest and 6.502% participating interest) in the OML113-Aje exploration licence in Nigeria.

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

Nine months ended 30 September 2020

US$ 000 (unaudited)	West Africa	North Africa	Corporate	Total - Continuing operations	Nigeria - Discontinued operations	Total
Revenue (net)	8,201	7,932	-	16,133	1,119	17,252
EBITDA	4,096	2,244	(3,282)	3,508	-	3,508
Depreciation	(2,212)	(2,797)	(158)	(5,167)	-	(5,167)
Impairment (charge)/reversal	-	-	-	-	-	-
Profit / (loss) before tax	1,435	6,433	(4,060)	3,808	-	3,808
Net profit / (loss)	**(528)**	**5,831**	**(4,060)**	**1,243**	**(2,309)**	**(1,066)**
Segment assets	50,687	72,540	3,358	126,585	21,575	148,160
- Additions to licenses, exploration, development and production assets	7,727	2,338	-	10,065	-	10,065

Year ended 31 December 2019

US$ 000 (unaudited)	West Africa	North Africa	Corporate	Total - Continuing operations	Nigeria - Discontinued operations	Total
Revenue (net)	26,688	20,090	-	46,778	8,046	54,824
EBITDA	14,722	11,427	(1,538)	24,611	377	24,988
Depreciation	(3,061)	(3,574)	(344)	(6,979)	(3,011)	(9,990)
Impairment (charge)/reversal	8,145	-	-	8,145	-	8,145
Profit / (loss) before tax	19,669	2,791	(3,615)	18,845	4,822	23,667
Net profit / (loss)	**16,579**	**(6,830)**	**(4,381)**	**5,368**	**4,822**	**10,190**
Segment assets	49,175	69,844	12,572	131,591	20,925	152,516
- Additions to licenses, exploration, development and production assets	9,691	2,042	-	11,733	-	11,733

Year ended 31 December 2018

US$ 000 (unaudited)	West Africa	North Africa	Corporate	Total - Continuing operations	Nigeria - Discontinued operations	Total
Revenue (net)	3,493	-	-	3,493	9,474	12,967
EBITDA	(961)	(1,402)	(1,443)	(3,806)	1,897	(1,909)
Depreciation	(176)	(65)	(45)	(286)	(3,282)	(3,568)
Impairment (charge)/reversal	-	-	-	-	-	-
Profit / (loss) before tax	(1,191)	(777)	(2,318)	(4,286)	(1,944)	(6,230)
Net profit / (loss)	**(2,068)**	**(777)**	**(2,318)**	**(5,163)**	**(1,944)**	**(7,107)**
Segment assets	47,418	65,481	12,158	125,057	-	125,057
- Additions to licenses, exploration, development and production assets	17,708	49,098	-	66,806	-	66,806

8.8.2 Decommissioning liability

As described in Section 2.2.5 "Risks related to decommissioning activities and related costs", several of the Group's license interests concern fields which have been in operation for years with equipment that may have to be decommissioned. The Group expects investment on existing and new fields which increases the Group's future decommissioning liabilities.

The estimated future costs related to asset retirement, recognised as decommissioning liabilities, are discounted to their net present value. Changes in the estimated timing or cost of asset retirement are dealt with prospectively by recording an adjustment to the decommissioning provision and a corresponding adjustment to production plant and equipment. The unwinding of the discount on the asset retirement provision is included as a finance cost.

The following table presents the decommissioning liabilities of the Group.

US$ 000 (unaudited)	Gabon (Dussafu)[1]	Tunisia	Total - Continuing operations	Nigeria - Discontinued operations	Total
As at 1 January 2020	2,212	16,699	18,911	3,237	22,148
Increase in provision for decommissioning	546	-	546	-	546
Finance charge – unwinding of discount	64	369	433	72	505
As at 30 September 2020	2,822	17,068	19,890	3,309	23,199

[1]Gabon (Dussafu) relates to the Group's current 7.4997% working interest

As described in Section 9.3.2 "Contingent and indirect indebtedness" the Company's formal exit from its historical Brazilian business is still ongoing with slow progress towards the approval of abandonment by the Brazilian regulators. Management is working actively with the operator Petrobras to bring matters to a close and to ensure that the ongoing costs are kept to a minimum. However, the timing and eventual costs of such conclusion is uncertain at this stage.

8.9 SELECTED OTHER FINANCIAL INFORMATION

The non-IFRS financial measures presented in this Prospectus are not recognised measurements of financial performance or liquidity under IFRS but are used by Management to monitor and analyse the underlying performance of the Company's business and operations. In particular, non-IFRS financial measures should not be viewed as substitutes for any income statement, cash flow or balance sheet items shown herein and in accordance with IFRS. See Section 4.2 ("Presentation of financial and other information").

In US$ 000, except for percentages and ratios	**3 months ended 30 September**		**9 months ended 30 September**		**6 months ended 30 June**		**12 months ended 31 December**	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2019**	**2018**
Net profit	(2,141)	2,146	1,243	8,804	3,384	6,658	5,368	(5,163)
Net profit margin (%)[(1)]	-28.21%	24.52%	7.70%	26.61%	39.61%	27.36%	11.48%	-147.81%
EBIT	507	2,973	(2,761)	22,014	(3,268)	19,041	25,010	(4,423)
EBIT margin (%)[(2)]	6.68%	33.97%	-17.11%	66.54%	-38.25%	78.25%	53.47%	-126.62%
EBITDA	2,452	4,776	3,058	19,064	606	14,288	24,611	(3,806)
EBITDA margin (%)[(3)]	32.31%	54.57%	18.95%	57.62%	7.09%	58.72%	52.61%	-108.96%
Free cash flow[(4)]	1,256	533	(7,197)	11,568	(8,453)	11,035	11,731	(21,533)
Cash conversion rate (%)[(5)]	51.22%	11.16%	-235.35%	60.68%	-1394.88%	77.23%	47.67%	565.76%
Net interest expenses[(6)]	(894)	(1,303)	(2,076)	(3,040)	(1,182)	(1,737)	(3,060)	(619)
Interest coverage ratio (x)[(7)]	n.m	n.m	n.m	n.m	n.m	n.m	n.m	n.m

1) Net profit margin represents Net profit divided by Total revenue

2) EBIT margin represents EBIT divided by Total revenue

3) EBITDA margin represents EBITDA divided by Total revenue

4) Free cash flow represents EBITDA less total capital expenditures

5) Cash conversion rate represents EBITDA less total capital expenditures as a percentage of EBITDA

6) Net interest expenses represent the sum of Net foreign exchange (loss)/gain, Interest costs net of income / effect of re-measurement of bond liability, and other financial costs

7) Interest coverage ratio represents EBIT divided by the sum of Other financial income, Changes in fair value of financial current assets, Interest expenses and Other financial expense

8.10 INVESTMENTS

8.10.1 Investments since 31 December 2019

The following investments were made in respect of licences, exploration, development and production licences between 1 January and 30 September 2020.

	Licenses and exploration assets	Development assets	Production assets	Total
Location	*US$ '000*	*US$ '000*	*US$ '000*	*US$ '000*
Gabon (Dussafu)	206	7,314	207	7,727
Tunisia	848	381	1,109	2,338
Total	1,054	7,695	1,316	10,065

Since 30 September 2020 the Company has invested further amounts of US$ 0.3 million, US$ 1.7 million and US$ 2.5 million in licenses and exploration, development and production respectively. All amounts invested since 31 December 2019 have been financed out of cash resources carried forward from 2019 and net cash inflows from operating activities in 2020.

8.10.2 Investments in progress and planned principal investments

In February 2020, the Company announced an agreement with Africa Energy Corp ("**AEC**") to farm in to a 12.5% interest in Block 2B in South Africa. Completion of this transaction is subject to consent of Minister of Minerals and Energy of South Africa and a separate farm-out agreement becoming effective. Under the terms of the agreement, Panoro will provide AEC subsidiary for up to US$ 2.5 million of the cost of a commitment well which is expected to be spud as early as 2Q 2021 depending on regulatory approvals and rig availability. Panoro's total share of drilling costs including the AEC carry is estimated at approximately US$ 5 million.

The Company's subsidiary Panoro Tunisia Exploration AS, is in the advanced phase of preparation to drill a committed well on the Sfax Offshore Exploration Permit. The well, SMW-1, is proposed to test the Salloum West prospect, which is located in a fault block to the west and up-dip of the Salloum structure, an oil discovery drilled and tested by British Gas in 1991. Commencement of the wellsite civils construction works were delayed pending the issue of the approval from the Ministry of Defence (recently received), with in addition the Covid-19 pandemic situation having resulted in a force majeure on the Sfax Offshore Exploration Permit. Contracts award and negotiations are ongoing with the rig contract now signed with CTF, the Tunisian state-owned drilling company for Rig 06. Contracts for piling operations and the civils construction works on the wellsite have been awarded. With this Ministerial delay to the operations, TPS used CTF Rig 06 to drill the side-track on GUE-10A. The current overall estimate of this campaign is US$ 10.0 million net to Panoro including cost spent to date which is funded from the Company's cash resources.

A three year renewal application for the SOEP, which expired on 8 December 2018, was submitted and is currently under consideration by the authorities. The remaining outstanding work program for the renewal period that expired on 8 December 2018 is the drilling of one exploration well or penalty payment of an estimated maximum range of US$ 8-12 million (net to Panoro US$ 4.8-7.2 million). The costs attributable to Panoro in this section are after taking into account participation of Beender at 40%.

The proposal in the renewal application is to defer the committed well to the second renewal period. An application for the second renewal period, which is three years in duration (with possible extensions of a maximum of three more years), was submitted to the granting authorities. Panoro Tunisia Exploration (60% owned by Panoro) were required to post a bank guarantee in relation to the drilling operations on SOEP currently expected to occur during

2021. Accordingly, at the request of the Tunisian authorities, the Group procured a bank guarantee of US$ 16.6 million (US$ 10 million net to Panoro) through its group company, which in excess of the estimated penalty range above.

Planned principle investments and the associated source of funds for these investments are described in Section 5 "Private placement", Section 8.11 "Summary of the EG Acquisition", Section 8.12 "Summary of the Dussafu Acquisition" and Section 10 "Unaudited pro forma financial information".

Other than these, there have been no material investments since 30 September 2020 and to the date of this Prospectus and which are in progress and/or for which firm commitments have already been made.

8.11 SUMMARY OF THE EG ACQUISITION

8.11.1 Overview

On 9 February 2021, Panoro Energy Holding BV (the "**EG Buyer**" or "**PEHBV**") entered into an agreement with Tullow and Tullow Overseas Holdings B.V. (the "**EG Seller**") to acquire 100% of the shares in Tullow Equatorial Guinea Limited ("**TEGL**"), a company incorporated in Isle of Man, which holds a 14.25% non-operated working interest in Block G license, offshore Equatorial Guinea. The Block G contains Ceiba Field and Okume Complex assets which in H2 2020 produced in excess of 4,500 bopd net to TEGL. This transaction is hereafter referred to as the "**EG Acquisition**".

Co-venturers in Block G are Trident Energy and Kosmos Energy, each with 40.375% working interest and GE Petrol, the State oil company in Equatorial Guinea, with 5% carried interest in the license.

The Ceiba Field and Okume Complex assets comprise six oil fields offshore Equatorial Guinea.

The Ceiba field is located in 600-800 m of water depth on the slope of the southern Rio Muni Basin approximately 35 km offshore. Oil production commenced in November 2000 and the field was developed in phases with the production wells tied back to the Ceiba FPSO through a system of six subsea manifolds and flowlines. The produced liquids are processed on the FPSO for export. The field has 16 active production wells and 10 water injectors. Up to the end of June 2020 the field had produced a total of 203.8 MMbbls gross.

The Okume Complex consists of five separate oil fields, Okume, Ebano, Oveng, Akom North and Elon. The Okume Complex fields were discovered in 2000 and 2002 and are developed utilising four fixed jackets in the Elon field and two tension leg platforms to develop remaining fields. All fields are tied back to a central processing facility (CPF) at one of the Elon platforms. The processed oil from the CPF is transported via a 25km, 12 inch pipeline to the Ceiba FPSO for export. The Okume Complex fields have 32 active production wells and 12 water injectors. Up to the end of June 2020 the Okume Complex fields have produced a total of 236.5 MMbbls gross.

8.11.2 Background and the reason for the EG Acquisition

The Board of Directors' strategy for Panoro over the past few years has been to become more focused for growing its position in Africa through continuing an active search for new opportunities to grow its business through value accretive acquisitions. Following the Tunisian acquisitions in 2018, the EG Acquisition adds sizeable production to Panoro's portfolio and complements the strategy and growth plans the Company aspires to achieve.

The EG Acquisition 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 Africa. As a consequence, the EG Acquisition has centred on two main priorities:

- Maximization of shareholder value through value accretive acquisitions, and
- Ensure balanced growth while retaining a strong financial position

8.11.3 The significance of the EG Acquisition to the Company

The EG Acquisition is in itself transformational for the Company which will increase Panoro's assets by approximately 217% compared to the 2019 audited statement of financial position. Furthermore, the EG Acquisition is expected to significantly increase Panoro's reserves and production figures leading to a significant increase in the revenue generated by the business on an annual basis.

As a result of the EG Acquisition the Company will:

- Be able to take on new growth and unlock value in Equatorial Guinea;
- Reduce financial risk through country diversification in its asset portfolio;

- Have an improved cash situation and capital structure creating a platform for further growth in the future.

8.11.4 Tullow Overseas Holdings B.V. (the "EG Seller")

The EG Seller is a fully owned subsidiary of Tullow Oil plc ("**Tullow**") and holds, amongst many other interests, investment in TEGL. Tullow, a company with its primary listing on the London Stock Exchange, is producing and marketing oil and gas with 2019 group sales of US$ 1.7 billion from a sales volume 74,000 boepd and a workforce of just under 1,000 employees.

8.11.5 The structure and consideration of the EG Acquisition

The EG Acquisition comprises the acquisition of all shares in TEGL. TEGL holds a 14.25% non-operated working interest in Block G, offshore Equatorial Guinea. The EG Acquisition is funded through a combination of proceeds from the Private Placement and a secured loan from a company within the Trafigura Group ("**Trafigura**") (details are given in Section 8.11.6 "Trafigura Loan" below).

The consideration for the shares in TEGL comprises a gross base consideration of US$ 89.0 million in cash payable at completion of the EG Acquisition (based on a locked box mechanism as at 1 July 2020 and subject to a locked box indemnity given for a period of 6 months after completion). In addition, as per the terms of the acquisition agreement, the EG Seller shall receive on the later of (a) completion of the EG Acquisition or, (b) within two business days of the Dussafu Acquisition (as described in Section 8.12), additional cash consideration of US$ 5.0 million (the "**Deferred Consideration**").

The EG Seller is also entitled to a potential additional contingent consideration "**EG Contingent Consideration**" of up to US$ 16.0 million in aggregate payable only in years where the average annual net production of the acquired interests is in excess of 5,500 bopd. Once this initial net production threshold has been reached, in that year and for the four consecutive subsequent annual periods, annual contingent consideration of US$5.5 million will be payable to EG Seller provided that the production threshold is met in such annual period and the average daily Brent oil prices in respect of the annual period is in excess of US$60/bbl, subject to the aforementioned cap of US$16 million.

The completion of the EG Acquisition is expected during H1 2021.

No agreements have been entered into, in connection with the EG Acquisition, for the benefit of the senior employees or board members of the company and no such agreements are expected to be entered into.

The EG Acquisition, along with the Dussafu Acquisition (see Section 8.12 below) will be funded from the following sources (numbers are approximate):

- Senior secured loan (Trafigura Loan) up to US$ 90 million
- Equity Private Placement US$ 70 million

8.11.6 Trafigura Loan

Trafigura, one of the world's largest independent commodity traders, is providing a fully underwritten Senior Secured Loan facility, subject to finalisation of loan documentation, of up to US$ 90 million ("**Trafigura Loan**") to Panoro Energy Holding BV, the EG Buyer.

The Trafigura Loan will be utilised in two tranches, one tranche up to US$ 55 million to be utilised against the EG Acquisition and one tranche up to US$ 35 million to be utilised against the Dussafu Acquisition (refer to Section 8.12). Each tranche can be utilised independently of each other. Key terms of the loan arrangements are set out in Section 9.3.3 "Trafigura Loan".

8.11.7 Description of Tullow Equatorial Guinea Limited ("TEGL")

8.11.7.1 *Overview*

Tullow Equatorial Guinea Limited, a company organised and existing under the laws of the Isle of Man, registration number 010505V and with its registered office at First Names House, Victoria Road, Douglas, Isle of Man, IM2 4DF.

8.11.7.2 *Board of Directors and management*

The Board of Directors of TEGL are Seller nominated personnel that will resign on completion of the EG Acquisition and will be replaced by Panoro nominated Directors from current management.

8.11.7.3 *Employees*

TEGL has no employees as of the date of this Prospectus.

8.11.7.4 *Business of TEGL*

TEGL holds a 14.25% non-operated working interest in Block G, offshore Equatorial Guinea as described in Section 8.11.1 above.

8.11.7.5 *Material contracts*

TEGL has not for the two years immediately preceding the date of this Prospectus, entered into any material contract, other than contracts entered into in the ordinary course of business.

8.11.7.6 *Financial Information of TEGL*

The historical information of the TEGL has been extracted without adjustments, from the accounting records of the EG Seller. The accounting policies adopted and applied on preparation of this extracted unaudited historical financial information of the TEGL are consistent with the policies of the audited Group accounts which have been incorporated by reference, apart from the measurement of inventory and under/overlift values. TEGL's policy is to value such items at fair value as of the date of the statement of financial position, whereas the Company's policy is to value such items at the lower of cost and net realisable value. The impact on the statement of financial position is summarised in Section 10.4 Note (a) and the impact on the statement of comprehensive income in Section 10.4 Note (i).

8.11.7.6.1 *Statement of financial position of TEGL*

US$ 000	**As at 30 September 2020**	**As at 31 December 2019**	**2018**
	(Unaudited)	*(Audited)*	*(Audited)*
ASSETS			
Production assets and equipment	71,447	76,172	72,497
Crude oil inventory	4,858	6,409	5,519
Trade and other receivables	47,527	42,960	4,714
Related party loans receivable	115,102	72,438	41,445
Cash and cash equivalents	-	-	-
TOTAL ASSETS	**238,934**	**197,979**	**124,175**
LIABILITIES			
Provision for decommissioning	117,841	116,099	100,796
Provision of current taxes	9,515	23,922	39,220
Trade and other payables	15,838	4,305	9,737
Related party loans payable	-	9,305	737
Deferred tax liability	18,514	23,722	28,655
TOTAL LIABILITITES	**161,708**	**177,578**	**179,145**
TOTAL EQUITY	**77,226**	**20,401**	**(54,970)**

8.11.7.6.2 *Statement of comprehensive income of TEGL*

US$ 000	**9 months ended 30 September 2020**	**12 months ended 31 December 2019**	**2018**
	(Unaudited)	*(Audited)*	*(Audited)*
Sales revenues	98,378	59,070	153,599
Operating costs	(84,377)	(429)	(65,812)
Exploration related costs and operator G&A	(68)	(268)	(103)
Non-recurring costs	(321)	-	-
Reversal of impairment of PP&E	-	-	152
Movement in allowance for related party loan receivable	-	36,858	(55,067)
Operating Profit	**13,612**	**95,231**	**32,769**
Finance Costs (unwinding of discount)	(1,577)	(3,024)	(4,016)
Foreign exchange (loss)/gain	-	(139)	(485)
Finance income	646	3,042	5,950
Profit from continuing activities before tax	**12,681**	**95,110**	**35,188**
Income tax expense	(421)	(19,739)	(29,497)
Net Profit from continuing activities	**12,260**	**75,371**	**5,691**

8.11.7.6.3 *Significant Change*

No significant change to the acquired assets and business operations is expected post-completion of the EG Acquisition.

8.12 SUMMARY OF THE DUSSAFU ACQUISTION

8.12.1 Overview

On 9 February 2021, Pan Petroleum Gabon BV (the "**GA Buyer**" or "**PPGBV**") signed an asset purchase agreement with Tullow and Tullow Oil Gabon SA (the "**GA Seller**" or "**TOGSA**") to acquire 10% working interest (the "**Acquired Interest**") in Dussafu Marin Permit ("**Dussafu"**), Offshore Gabon, hereafter referred to as the "**Dussafu Acquisition**"..

The Dussafu Acquisition will increase Panoro's working interest in the Dussafu Marin Permit from 7.4997% to 17.4997%. The operator in the license is BW Energy Gabon SA, a fully owned subsidiary of BW Energy with a 73.5003% working interest, the other partner being Gabon Oil Company with a 9% working interest.

The Dussafu block lies at the southern end of the South Gabon sub-basin in water depths ranging from 100 – 500 metres. A total of six oil fields have been discovered in the Dussafu block, and Panoro has participated in the last four exploration wells, all of which encountered hydrocarbons: Ruche (2011), Tortue (2013) Ruche North East (2018) and Hibiscus (2019).

As of end December 2019, and based on the NSAI certified reserves and resources report of September 2019, the Dussafu block contained gross 1P Proved Reserves of 75.9 MMbbls in the Gamba and Dentale reservoirs of the Tortue, Ruche, Ruche NE and Hibiscus fields. Gross 2P Proved plus Probable Reserves amounted to 111.4 MMbbls in the same fields. Gross 3P Proved plus Probable plus Possible Reserves at Dussafu amounted to 141.6 MMbbls. In addition to these Reserves NSAI also certified gross 1C Contingent Resources of 15.1 MMbbls and gross 2C Contingent Resources of 35.7 MMbbls in the Dussafu fields.

8.12.2 Background and the reason for the Dussafu Acquisition

The Board of Directors' strategy has already been described in Section 8.11.2.

Along with the EG Acquisition, the Dussafu Acquisition has centred on two main priorities:

- Maximization of shareholder value through value accretive acquisitions, and
- Ensure balanced growth while retaining a strong financial position

8.12.3 The significance of the Dussafu Acquisition to the Company

The Dussafu Acquisition will significantly increase Panoro's interest in the Dussafu Marin Permit from 7.4997% to 17.4997% thus increasing its reserves in the venture by over 130% compared to the 2019 audited statement of financial position, leading to an increased share of future production and revenues.

As a result of the Dussafu Acquisition, the Company will create additional new growth and opportunities within the portfolio and unlock additional value for the Company in Gabon.

8.12.4 Tullow Oil Gabon SA

The GA Seller is a wholly owned subsidiary of Tullow, as described in Section 8.11.4 above.

8.12.5 The structure and consideration of the Dussafu Acquisition

The Dussafu Acquisition comprises a gross base consideration of US$ 46.0 million, which will be subject to customary completion and working capital adjustments using an effective date of 1 July 2020, payable in cash on completion.

The GA Seller is also entitled to a contingent consideration "**GA Contingent Consideration**" of up to US$ 24.0 million in aggregate that may be payable once commercial production commences from the Hibiscus and Ruche discoveries (which is expected in 2023) and achieves average daily production equal to or greater than 33,000 bopd gross over any 60 day continuous period. Once this milestone has been met, annual contingent consideration will apply to that year and to each of the subsequent four years where the average daily Dated Brent oil price in respect of the relevant year is in excess of US$55 per barrel, subject to the US$ 24.0 million cap. Where the oil price threshold has been met, the GA Contingent Consideration payable for that year will be based on 15% of net

free cashflow after all taxes, operating and capital costs from the Acquired Interest. The contingent payment will be capped for any year at US$ 5 million.

The existing parties to the production permit have entered into certain agreements to settle a dispute concerning inter alia TOGSA's payment to the operator of US$ 9.4 million and a corresponding cost recovery entitlement assignment to TOGSA for the same amount. The proposed settlement extinguishes all disputed items and claims between the parties. Under the asset purchase agreement, TOGSA will retain US$ 4.0 million of the liability for the settlement amount, resulting in a maximum liability of US$ 5.4 million for the GA Buyer. Panoro will be a recipient of the dispute settlement proceeds at 8.333% and the net exposure of the acquired liability will thus be US$ 4.9 million. The settlement, however, remains conditional upon DHG not objecting to the proposed settlement. Should DHG object, the parties have preserved their right to recommence with arbitration. Under the asset purchase agreement, TOGSA will also retain an additional US$1 million of the liability if DHG non-objection condition is not satisfied by the completion of the Dussafu Acquisition, and such amount would be repaid to TOGSA by the GA Buyer if, within 180 days of completion of the Dussafu Acquisition the DHG's non-objection is received or, if within 180 days of completion of the Dussafu Acquisition the DHG objects but the parties enter into another agreement on substantially the same terms as the previous agreements to settle such dispute. Following completion of the Dussafu Acquisition, if the DHG consent is not received and the parties cannot reach an alternate settlement, there is a risk that arbitration could be commenced by the Dussafu partners against the Group which, upon a loss in arbitration proceedings, could result in a maximum payment by the Group of approximately US$ 18.7 million (net to Panoro US$ 17.0 million) plus the costs associated with the arbitration. However, if such payment is made, it will result in a corresponding gain of US$ 17.0 million of cost recovery entitlement that could be utilised by the Group in the future.

The completion of the Dussafu Acquisition is expected during H1 2021.

No agreements have been entered into, in connection with the Dussafu Acquisition, for the benefit of the senior employees or board members of the company and no such agreements are expected to be entered into.

The Dussafu Acquisition, along with the EG Acquisition (see Section 8.11 above) will be funded from the Private Placement and Trafigura Loan.

8.12.6 Description of Dussafu Acquisition

8.12.6.1 *Overview*

The Dussafu Acquisition is an asset acquisition through the assignment of interest from GA Seller to PPGBV. There will be no acquisition of a company or a separate business undertaking under this transaction. The effective date of the transaction is 1 July 2020.

8.12.6.2 *Financial Information of Dussafu Acquisition*

Due to the following reasons, no historical financial information is available for the 10% license interest to be acquired:

- The GA Seller had only acquired the 10% working interest in Dussafu field in December 2019 and as such there is no income and loss available for historical financial year ended 31 December 2019; and
- The operations form part of the GA Seller's legal entity which holds a number of licenses in Gabon and due to confidentiality restrictions, the Company does not have access to the necessary historical information to extract relevant historical income statement financial information for 2019.

8.12.6.3 *Significant Change*

No significant change to the acquired assets and business operations is expected post-completion of the Dussafu Acquisition.

8.13 CONDITION PRECEDENTS FOR EG AND DUSSAFU ACQUSITIONS

Each Acquisition is subject to certain closing conditions, which inter alia include local regulatory notifications in Gabon and third party consents to the Dussafu JOA. Further, closing conditions include in respect of both the EG Acquisition and the Dussafu Acquisition, the release of existing security over the interests and/or assets the subject of the Acquisitions and approval of the Private Placement by the Company's shareholders, completing the Trafigura Loan and, in respect of the EG Acquisition approval of sale of TEGL by the shareholders of Tullow Oil plc.

In Equatorial Guinea, the consent for transfer of interest and the payment of transfer fees has already been received from the Ministry of Mines and Hydrocarbons

Under each acquisition agreement, Panoro or the relevant Tullow seller, are required to pay to the other a break fee of US$ 2 million if the relevant acquisition does not close due to, failure to carry out its obligations with respect to the satisfaction of the conditions precedent or fails to undertake its completion obligations.

9. LIQUIDITY AND CAPITAL RESOURCES

Panoro Energy obtains its sources of funding from net cash inflows from operating activities cash in addition to equity and debt funding.

Panoro Tunisia Production AS, a 60% owned company, jointly controlled with Beender Petroleum Tunisia Limited ("**Beender**"), has in place a Senior Secured Loan facility provided by Mercuria Assets Holdings (Hong Kong) Ltd ("**Mercuria**"). As of 30 September 2020, its drawdown was US$ 24.7 million, Panoro's 60% share being US$ 14.7 million (31 December 2019: US$ 16.9 million). The details of the Mercuria Loan are included in section 9.3 "Borrowings" below.

The Company's subsidiary Pan Petroleum Gabon BV has in place a non-recourse loan from BW Energy ("**BWE Loan**") in relation to the funding of the Dussafu development. As of 30 September 2020, the balance payable on the non-recourse loan was US$ 7.1 million (31 December 2019: US$ 8.1 million).

There are no limitations on transferring cash between the Group subsidiaries and the Company with the exception of companies owned jointly with Beender, whereby under the Mercuria Loan agreement, the borrowing company and Panoro's operating company for TPS operations, collectively have to maintain a minimum of US$ 3.5 million (net to Panoro US$ 2.1 million) of cash and cash equivalents throughout the loan term. Further details on Mercuria loan covenants are included in section 9.3.1 "Loan from borrowings".

Cash resources representing the Group's funding resource at the date of this prospectus was approximately US$ 26.1 million.

9.1 WORKING CAPITAL STATEMENT

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Prospectus.

9.2 CAPITALISATION AND INDEBTEDNESS

The information presented below should be read in conjunction with the other parts of this Prospectus, in particular Section 8 "Consolidated Financial Information", and the Financial Statements and notes related thereto, incorporated by reference in this Prospectus (see section 17.4 "Documents incorporated by reference").

The following table shows the actual capitalisation and indebtedness as per 30 September 2020 of the Company in first column. The numbers for the Company as of 30 September 2020 are unaudited and have been derived from the unaudited interim financial statement for the nine months ended 30 September 2020. The adjustments necessary to present the capitalisation and indebtedness after considering the material events are described in section 9.2.1 "Material changes in capitalisation and indebtedness since 30 September 2020" below are included in the second column. The capitalisation and indebtedness on a pro forma basis, as of 30 September 2020, after taking into account adjustments is presented in the third column. The compilation of the capitalization and indebtedness table as such is unaudited.

Amounts in US$ '000 - (unaudited)	**As at 30 September 2020**	**Adjustments *(See Section 9.2.1)***	**As adjusted**
Capitalisation and indebtedness			
Current debt			
Guaranteed	-	-	-
Secured	6,063	(238)	5,825
Unguaranteed/Unsecured	7,174	(269)	6,905
Total current debt	13,237	(507)	12,730
Non-current debt (excluding current portion of long-term debt)			
Guaranteed	-	-	-
Secured	15,711	(1,440)	14,271
Unguaranteed/Unsecured	27,972	-	27,972
Total non-current debt	43,683	(1,440)	42,243

Amounts in US$ '000 - (unaudited)	**As at 30 September 2020**	**Adjustments *(See Section 9.2.1)***	**As adjusted**
Shareholders' equity			
Share capital	459	228	687
Legal reserve	471,668	67,884	539,552
Other reserves	(400,157)	(225)	(400,382)
Total shareholders' equity	71,970	67,887	139,857
Total capitalisation and indebtedness	128,890	65,940	194,830
Net indebtedness			
A. Cash	15,579	65,378	80,957
B. Cash equivalents	-	-	-
C. Trading securities	-	-	-
D. Liquidity (A+B+C)	15,579	65,378	80,957
E. Current financial receivable	12,150	-	12,150
F. Current bank debt	-	-	-
G. Current portion of non-current debt	6,063	(238)	5,825
H. Other current financial debt	7,174	(269)	6,905
I. Current financial debt (F+G+H)	13,237	(507)	12,730
J. Net current financial indebtedness (I-E-D)	(14,492)	(65,885)	(80,377)
K. Non-current bank loans	-	-	-
L. Bond issued	-	-	-
M. Other non-current loans	22,435	(1,440)	20,995
N. Non-current financial indebtedness (K+L+M)	22,435	(1,440)	20,995
O. Net financial indebtedness (J+N)	7,943	(67,325)	(59,382)

9.2.1 Material changes in capitalisation and indebtedness since 30 September 2020

Since 30 September 2020 and up to the date of this Prospectus, the following significant changes in capitalisation and indebtedness have occurred which have been reflected as adjustments in the above table.

The above capitalisation and indebtedness table includes the following adjustments:

Successful completion of US$ 70.0 million equity issue and Trafigura Shares

On 9 February 2021 the Company announced the Private Placement with gross proceeds of US$ 70.0 million. The Tranche 2 and Tranche 3 of the Private Placement were approved by the EGM.

The Private Placement of US$ 70.0 million is offset by issue costs of approximately US$ 2.5 million. In addition, the issue of the Trafigura Shares was approved by the EGM, representing an issue of 307,578 Shares, equal to gross subscription amount of approximately US$ 562,500. Exchange rate of NOK 8.4755 to US$ 1 has been applied to the adjustments. All figures are unaudited.

Liquidity

As of 30 September 2020, Panoro held approximately US$ 15.6 million of cash resources available as liquidity. As a consequence of the above events, the Company may have, as of the date of this prospectus, approximately US$ 26.1 million of liquidity in the form of cash and cash equivalents after taking into account oil revenue receipts offset by the payment of cash calls towards the Dussafu license, interest and debt repayments, general and administration expenses since 30 September 2020 and the proceeds, net of costs, of the First Tranche of the Private Placement.

Non-financial assets of US$ 6.1 million have not been included in either table above. Non-financial liabilities in the form of deferred tax liabilities of US$ 1.4 million and US$ 19.9 million in relation to a provision for asset retirement and decommissioning, whilst included in unguaranteed/unsecured non-current debt, are excluded from non-current financial indebtedness.

9.2.2 Committed changes to capitalisation and indebtedness

The following transactions are expected to complete shortly after the date of this prospectus and have not been included as adjustments in the above table. The effect on capitalisation and indebtedness for each transaction is as follows:

The Trafigura Loan

Trafigura, is providing a fully underwritten Senior Secured Loan facility, subject to finalisation of loan documentation, of up to US$ 90.0 million ("**Trafigura Loan**") to Panoro Energy Holding BV, the EG Buyer and the parent company of Pan Petroleum Gabon BV, the GA Buyer for the purpose of financing the Acquisitions. The Trafigura Loan will be utilised in two tranches:

(i). up to US$ 55 million ("Tranche A") to finance the EG Acquisition; and

(ii). up to US$ 27 million ("Tranche B") to finance the Dussafu Acquisition automatically increasing to US$ 35 million upon closing Tranche A.

Each tranche can be utilised independently of each other.

The Trafigura Loan financing agreement is expected to be signed after the date of this prospectus and prior to the completion of the Acquisitions. Details of the loan arrangement are included in Section 9.3.3 "Trafigura Loan" below.

The effect on capitalisation and indebtedness is as follows:

- Increased liabilities through the drawdown of the Trafigura Loan by up to US$ 90.0 million assuming both Acquisitions are completed.
- Reduced cash and cash equivalents as a result of the settlement upfront of facility fees, the underwriting fee and legal costs of US$ 2.6 million.
- Increase in unamortised borrowing costs by US$ 3.2 million (offset for presentation purposes with other non-current loans). The figure includes the gross subscription amount of Trafigura Shares issued (refer to Section 9.2.12 above).

The Acquisitions

Both the EG Acquisition and Dussafu Acquisition are expected to complete after the date of this prospectus. The effect on capitalisation and indebtedness for each transaction is as follows:

- Reduction in cash and cash equivalents as a result of costs expensed in respect of both transactions amounting to US$ 0.9 million.

For the EG Acquisition:

- Reduction in cash and cash equivalents as a result of the consideration payable to the EG Seller of US$ 89.0 million. This amount excludes the US$ 5 million of Deferred Consideration (which is set out below) and an estimate of completion and certain pricing adjustments using a locked-box mechanism as of 1 July 2020. The actual amount at the date of completion may differ.

For the Dussafu Acquisition:

- Reduction in cash and cash equivalents as a result of the payment of consideration payable to the GA Seller of US$ 46.0 million. This amount is based on an effective date of 1 July 2020 and excludes an

estimate for customary completion and other working capital adjustments. The actual amount at the date of completion may differ.

Upon completion of the Acquisitions above, the Company's capitalisation and indebtedness is expected to increase by up to US$ 85.8 million and its net financial indebtedness to increase by up to US$ 135.4million.

Contingent and indirect indebtedness

There are no indirect or contingent indebtedness as of 30 September 2020 and to the date of this prospectus except for below:

Contingent consideration payable to DNO ASA

As per the terms of the agreement with DNO ASA, Panoro is obliged to pay a maximum of US$13.2 million of deferred consideration based on future production from Sfax Offshore Exploration Permit in Tunisia. This payment is only subject to commencement of production from Sfax Offshore Exploration Permit which is still at an exploration stage and therefore a contingency.

Contingent consideration payable under EG Acquisition

EG Seller may become entitled to Deferred Consideration of US$5.0 million and contingent consideration of up to US$ 16.0 million in aggregate. Further details are given in Section 8.11.5 "The structure and consideration of the EG Acquisition".

Contingent consideration payable under Dussafu Acquisition

GA Seller may become entitled to a contingent consideration of up to US$ 24.0 million in aggregate. Further details are given in Section 8.12.5 "The structure and consideration of the Dussafu Acquisition".

Uncertainties surrounding abandonment liabilities

In Brazil, termination agreements for the surrender of Coral and Cavalho Marinho licences have been signed between the JV partners and Brazilian Regulator ANP. The next steps involve various regulatory clearances before dissolution of JV operations. The Company's formal exit from its historical Brazilian business is still ongoing with slow progress towards the approval of abandonment by the Brazilian regulators. Management is working actively with the operator Petrobras to bring matters to a close and to ensure that the ongoing costs are kept to a minimum. However, the timing and eventual costs of such conclusion is uncertain at this stage.

9.3 BORROWINGS

The Company's borrowings and planned maturity profile is set out in the following table:

Lender	Interest	Balance to be repaid *US$ '000*	Repayable within one year* *US$ '000*	Repayable after one year* *US$ '000*	Potential term of repayment
Mercuria Senior Secured Loan	US$ 3-month LIBOR + 6.0% p.a., paid quarterly on drawn amounts	14,691	4,186	10,505	Up to 4 years.
BW Energy	7.5% per annum on outstanding balance, compounded annually.	7,083	1,877	5,206	No fixed term, subject to complete recovery as described below.

*The above table shows the estimated repayment of principal under the loans and accrued interest up to 30 September 2020. Interest and loan repayments of these loans are described below and are dependent on several variables such as future oil production, future oil prices and future interest rates that will determine the interest payments. As such, it is not possible to estimate interest maturity and has not been included in the table above.

9.3.1 Loan from Mercuria

Panoro Tunisia Production AS, a 60% owned company, jointly controlled with Beender, has in place a Senior Secured Loan facility of US$ 30.0 million provided by Mecuria (the **"Mercuria Loan")**. The effective borrowing facility for Panoro's 60% share is US$ 18.0 million. As of 30 September 2020, the facility was drawn down at $24.7 million (Panoro's share, US$ 14.7 million) and an accumulated interest of US$ 0.4 million. A further US$ 2.4 million (net to Panoro US$ 1.4m) has been repaid along with the interest since that date.

Key terms of the facility are:

Facility terms

Loan Amount	US$ 30.0 million (net to Panoro US$ 18.0 million) at the time of initial draw-down
Tenor	5 years
Interest	US$ 3-month LIBOR + 6.0% p.a., paid quarterly on drawn amounts
Repayment	Quarterly amortization of a quantum to be finalized based on the Agreed Model at closing, expected to start at US$ 1.20 million per quarter for the first 6 quarters, followed by US$ 1.45 million per quarter over the following 4 quarters, US$ 1.70 million per quarter thereafter until loan is repaid.
Cash Sweep	Borrower shall apply towards early repayment of the Senior Loan by way of quarterly cash sweep of 100% of excess cash above US$3.5 million (the "Minimum Cash Balance"), provided the average monthly cashflow balance for the next 12 months is above the Minimum Cash Balance after adjusting for the cash sweep. The amount will be capped to US$ 1.5 million (gross) for each quarter date.
Ranking	Senior Secured, pari-passu with credit exposure related to the hedging instruments.
Financial covenants	See below
Security	See below
Voluntary Repayment	See below

Financial Covenants

Financial covenants to be tested at the end of every 3 month period post-closing on the basis as agreed in the loan agreement:

- Field life coverage ratio: 1.50x
- Minimum cash balance of US$ 3.5 million to be maintained
- Debt service coverage ratio: between 1.15x and 1.25x subject to specifications in the loan agreement.
- Liquidity Test: at all times, Available Funds shall exceed Total Uses.

Security Package and Parent Company Guarantee

Guarantee from Panoro, share pledge over shares in Panoro TPS Production UK Limited and from Panoro Tunisia Production AS, shareholder and intercompany loans (subordinated at all times), rights under hedging agreements, and the account management agreement (for the collection account), negative pledge over the assets.

If the guarantee given by Panoro is called upon, the shareholders' agreement with Beender for the ownership on Sfax Petroleum Corporation AS provides that Sfax Petroleum Corporation AS shall indemnify Panoro. If Sfax Petroleum Corporation AS is unable to indemnify Panoro, such indemnification, pro rata to its ownership, is to be made by Beender.

Voluntary repayment

Loan may be repaid in full any time. Prepayment fees shall be applied to the prepayment as follows:

- Within 12 months of disbursement: 3.0%
- Between 12 and 24 months of disbursement: 2.0%

9.3.2 Loan from BW Energy

The Company's subsidiary Pan Petroleum Gabon BV has in place a non-recourse loan from BW Energy in relation to the funding of the Dussafu development. As of 30 September 2020, the outstanding balance including interest was US$ 7.1 million. The non-recourse loan is repayable through Panoro's allocation of the cost oil in accordance with the Dussafu PSC, after paying for the proportionate field operating expenses. The repayment period has started after achieving production on Dussafu and will repaid from Panoro's portion of upcoming crude oil sales. During the repayment phase, Panoro will still be entitled to its share of profit oil from the Dussafu operations. The BWE loan is secured against Panoro's share of Cost Oil generated from extraction of hydrocarbons. Panoro retains the optionality to repay the loan without any extra charge.

For the purpose of classification in the Group's statement of financial position as of 30 September 2020, the loan balance has been categorised in current portion due within one year at US$ 1.9 million and the non-current portion due after more than one year has been estimated at US$ 5.2 million. Since the repayment of the loan is linked to production and impacted by oil prices and operating expenses, judgement has been exercised in estimation of these values. The actual repayments may therefore vary from the estimates in current and non-current portions recognised as of the date of the statement of financial position.

9.3.3 Trafigura Loan

In order to have the funding available in place at the time of the completion of either of the EG Acquisition and Dussafu Acquisition, the Company and Trafigura have entered into a fully underwritten commitment of up to US$ 90 million ("**Committed Underwritten Arrangement**") for provision of the Trafigura Loan per the terms detailed below. The Committed Underwritten Arrangement is subject to conditions which include those described below in addition to completion of long-form loan documents to be agreed with Trafigura. The Trafigura Loan is to be utilised in two tranches (see below), each utilised independently of the other and such underwriting commitment is valid until 31 March 2021 or a later date if mutually agreed. Under the Committed Underwritten Arrangement, Trafigura will lend up to US$ 90 million in the form of a Senior Secured Loan Facility (i.e. Trafigura Loan), subject to documentation, to Panoro Energy Holding B.V. Panoro is to act as guarantor to the Trafigura Loan together with the EG Buyer, the GA Buyer and Panoro Energy Gabon Production SA ("**Panoro Guarantors**"). The Committed Underwriting Arrangement is subject to an underwriting fee of US$ 1.25% which is payable at the time of completion of earlier of the Acquisitions on draw-down of the committed amount of up to US$ 90 million. The underwriting fee will be payable 50% in cash and 50% through issue of 307,578 shares by the Company to the value of US$ 562,500 converted at the prevailing exchange rate at the date of the announcement of Equity Private Placement and valued at the Subscription Price of NOK 15.50 per share. Under the Company's existing share buy-back authorisation, the Company may choose to purchase such shares from the market.

<u>Facility terms</u>

Subject to signing of financing documents, the back-stop date for the availability drawdown towards both tranches under Trafigura Loan facility is 30 June 2021, unless extended by the lender.

Key terms of the Trafigura Loan are:

Senior Loan Amount	up to US$ 90 million, divided as follows: (i). up to US$ 55 million ("**Tranche A**") to finance the EG Acquisition; and (ii). up to US$ 27 million ("**Tranche B**") to finance the Dussafu Acquisition automatically increasing to US$ 35 million if Tranche A closes first.
Tenor	5 years
Interest	US$ 3-month LIBOR + 7.00 - 8.00% p.a., paid quarterly on drawn amounts.
Upfront Fee	1.75 - 2.00% of the Senior Loan Amount
Commitment Fee	40% of the Margin over any committed, available but undrawn amounts.
Availability Period	Tranche A: (i) From the Signing Date to the date which is 5 Business Days following Financial Close of the EG Acquisition (ii) Tranche A shall be immediately cancelled if the EG Acquisition Agreement is terminated, the EG Acquisition is aborted or if the Completion Date for the EG Acquisition has not occurred before its Longstop Date. Tranche B: (i) From the Signing Date to the date which is 5 Business Days following Financial Close of the Dussafu Acquisition (ii) Tranche B shall be immediately cancelled if the Dussafu Acquisition Agreement is terminated, the Dussafu Acquisition is aborted or if the Completion Date for the Dussafu Acquisition has not occurred before its Longstop Date For each Tranche, the commitments applicable to that Tranche which at that time are unutilised shall be immediately cancelled at the end of its Availability Period.

	"**Signing Date**" means the date on which the Facility Agreement is signed.
Available Amount	The lower of: (i) the Borrowing Base Amount ("BBA"), the lower of (NPV of Field Life Net Cash Flow/1.5), and (NPV of Loan Life Net Cash Flow/1.3) (ii) the Facility Amount (after reduction of available commitments below) If either the EG Acquisition or the Dussafu Acquisition do not achieve completion under the terms of the relevant Acquisition Agreement before the relevant Longstop Date, on such date a mandatory Borrowing Base Amount re-determination will be triggered to reduce the Facility Amount accordingly.
Repayment	Commitments available under the facility will reduce by 10% semi-annually to zero by the final maturity date.
Accordion Option	Increase Facility up to US$ 140 million Borrower option until 31 December 2022, subject to: (i) Approval of all existing lenders (ii) Aggregate total commitments raised after Accordion Option do not exceed the BBA (iii) No event of default will occur as a result of exercising the option (iv) KYC approval of any new lenders
Final Maturity Date	The date which is the earlier of: (i) 5 years from the earlier of first utilisation of Tranche A and first utilisation of Tranche B; and (ii) The Reserve Tail Date
Cash Sweep	In addition to the Reduction Schedule and any repayment driven by the Maximum Available Amount, the Borrowers shall prepay the Facility with 40% of the cash flows available after its Senior Debt service (the "Free Cash Flows").
Ranking	Senior Secured, pari-passu with credit exposure related to the hedging instruments.
Financial covenants	See below
Security	See below
Repayment	See below

Financial Covenants

To be tested on each Forecast Date:

- Debt/EBITDA < 3.0x, computed at Borrowers and Borrower Group level.
  First test occurring at the end of the quarter after completion of the EG Acquisition and the Dussafu Acquisition, whichever comes last (unless the Longstop Date occurs for one of the Acquisitions)
- Group Liquidity Test: 12 month cash flow projection to demonstrate total income and other sources of funding exceed total uses by a factor of 1.2x

The Forecast Date being firstly on 30 September 2021 and on 31 March and 30 September in each year thereafter.

Security Package and Guarantees

Guarantees from the Panoro Guarantors, share pledge of Borrower, the EG Buyer, the GA Buyer and relevant operating subsidiaries, pledge of bank accounts, pledge of rights under material documents and the petroleum leases and JOAs relating to the acquired assets of the Acquisitions, negative pledge over the assets.

Voluntary repayment

Loan may be repaid and cancelled in whole or in part (minimum US$ 5 million) at any time without penalty, on not less than five business days prior notice.

Conditions Precedent

In addition to the usual Conditions Precedent required for similar facilities, for each tranche:

- Entering in and execution of finance documents for each tranche;
- Evidence the relevant Acquisition Agreement has been duly executed;
- Evidence that the minimum equity contribution has been received, this being:
  - (i) US$ 50.0 million for Tranche A relating to the EG Acquisition
  - (ii) US$ 22.0 million for Tranche B relating to the Dussafu Acquisition and such requirement to be reduced to US$ 8.0 million on completion of EG Acquisition
- The execution of relevant oil marketing agreements with Trafigura, the key terms being:
  - (i) Quantity 100% of Panoro's entitlement for Ceiba (Tranche A) and Dussafu (Tranche B) crude oil
  - (ii) Price Dated Brent plus or minus the Differential minus a Marketing Fee.
- All necessary notifications and, if required, obtaining all necessary approvals from the Bank of Central African States as prescribed under the finance documents.

Tranche A and Tranche B have separate Conditions Precedent such that the Conditions Precedent for each tranche can be satisfied independently of each other.

Advance payment facility

In addition to the Trafigura Loan, following completion of Acquisitions, Trafigura and the Borrower group has agreed to an advance payment facility of up to US$ 20.0 million in order to fund and manage working capital requirements in the future.

9.4 TREASURY AND FUNDING POLICY

The Company's operating currency is US$. For banks and financial institutions, only parties of credible standards are accepted. Any change of financial institutions (except minor issues) is approved by the Group CFO.

The Company continuously evaluates measures to strengthen its financial basis and to ensure that the Group are fully funded for its planned activities. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions.

The Company's cash-reserves, of which the majority are in US$, will mostly be kept in interest-bearing accounts at the Company's bank facility providers Pareto Bank ASA, Barclays Bank plc and Bank of Austria.

9.5 PROPERTY, PLANT, AND EQUIPMENT

As of 30 September 2020, property, plant and equipment held by the Group, all of which are owned apart from US$ 0.1 million in the UK which are leased, are as follows:

	Production facilities and equipment	Fixtures, furniture and fittings	Total	Current average daily production (net to Panoro)
Location	*US$ '000*	*US$ '000*	*US$ '000*	*bopd*
Gabon (Dussafu)	13,400	-	13,400	1,159

Tunisia	16,204	127	16,331	959
UK	-	558	558	-
Total	29,604	685	30,289	2,118

The tangible properties located on licenses and concessions in Tunisia and Gabon and are held through Joint Ventures with partners.

9.6 CURRENT OBLIGATIONS AND COMMITMENTS

Apart from capital expenditure obligations identified in Section 7.7.4 "Specific Terms and Conditions of the Licenses", the Company has no current capital expenditure obligations related to its licenses and concessions. Discretionary capital spend decisions related to the continued development of current assets, especially Dussafu in Gabon (see Section 7.5.7.2 "Dussafu development – Gabon") Sfax in Tunisia (see Section 7.5.5.2 "Sfax Offshore exploration and development – Tunisia") will determine financing needs for the foreseeable future.

9.7 GUARANTEES AND PLEDGES

The Company has provided a performance guarantee to the Brazilian directorate Agência Nacional do Petróleo, Gás Natural e Biocombustíveis (the "**ANP**"), in terms of which the Company is liable for the commitments of Coral, Estrela do Mar, Cavalo Marinho licenses in accordance with the given concessions of the licenses. The guarantee is unlimited. The Company's subsidiary Panoro Energy do Brasil Ltda alongside its partners has entered into a termination agreement with ANP on all the licenses to conclude the relinquishment formalities on each license and as such the guarantee no longer has a significant exposure to the Company.

Under section 479A of the UK Companies Act 2006; two of the Company's indirect subsidiaries Panoro Energy Limited (Registration number: 6386242) and African Energy Equity Resources Limited (Registration number: 5724928) have availed of an exemption for audit of their statutory financial statements pursuant to guarantees issued by the Company to indemnify the subsidiaries of any losses towards third parties that may arise in the financial year ended 31 December 2019 in such Companies. The Company can make an annual election to support such guarantee for each financial year.

The Company has issued a parent company guarantee in favour of Mercuria Assets Holdings (Hong Kong) Ltd. to guarantee the obligations of Panoro Tunisia Production AS as borrower, please see Section 9.3.1 "Loan from Mercuria" above.

The Company issued a parent company guarantee to the State of Gabon to fulfil all obligations under the Dussafu Production Sharing Contract.

The Company is committed to a drilling obligation of one well on SOEP in Tunisia. In support of this obligation, Panoro Tunisia Exploration AS has in place a bank guarantee of US$ 16.6 million (Panoro's 60% share is US$ 10 million).

The Company has issued a performance guarantee on behalf of its jointly owned company Panoro Energy AS to fulfil the payment obligation of deferred consideration of up to US$ 13.2 million to DNO ASA once the milestones as agreed by parties are met.

As part of the farm-in transaction in Block 2B offshore South Africa, (pending completion due to regulatory approval), on 24 February 2020 the Company entered into deed of guarantee (the "Farmee Guarantee") with Thombo Petroleum Limited whereby the Company has guaranteed all obligations of Panoro 2B Limited (a wholly owned subsidiary) to Thombo Petroleum Limited under the farmout agreement of the same date. In addition, on 24 February 2020 Panoro entered into deed of guarantee with Thombo Petroleum Limited, Panoro 2B Limited and African Energy Corporation whereby the Company guarantee all obligations of Panoro 2B Limited under the farm out agreement, and under the petroleum authorisation as set out in the Farmee Guarantee.

There is no potential claim against these performance guarantees and all obligations meeting recognition criteria under IFRS, are already accounted for in the statement of financial position as of 30 September 2020.

Under the terms of the acquisition agreement for the EG Acquisition, Panoro gives a parent company guarantee to Tullow and the EG Seller for the obligations of the EG Buyer.

Under the terms of the acquisition agreement for the Gabon Acquisition, Panoro gives a parent company guarantee to Tullow and the GA Seller for the obligations of the GA Buyer.

10. UNAUDITED PRO FORMA FINANCIAL INFORMATION

10.1 PRO FORMA REQUIRMENT AND THE EG AQUISITION AND DUSSAFU ACQUISITION

10.1.1 EG Acquisition

On 9 February 2021, Panoro Energy Holding BV, the EG Buyer, signed an agreement with Tullow and Tullow Overseas Holdings BV, the EG Seller to acquire 100% of the shares Tullow Equatorial Guinea Limited ("**TEGL**"), a company incorporated in Isle of Man, which holds a 14.25% non-operated working interest in Ceiba and Okume licenses, offshore Equatorial Guinea. This transaction is hereafter referred to as the "**EG Acquisition**". The details of the EG Acquisition can be further referred to in Section 5 "Private placement" and Section 8.11 "Summary of the EG Acquisition". Effective economic date of the transaction is 1 July 2020.

The consideration for the shares in TEGL comprises a gross base consideration of US$ 89.0 million in cash payable at completion of the EG Acquisition (based on a locked box mechanism as at 1 July 2020 and subject to a locked box indemnity given for a period of 6 months after completion). In addition, as per the terms of the agreement, conditional on completion of the Dussafu Acquisition as described in Section 10.1.2, the Seller shall receive on the later of (a) the completion of the EG Acquisition or (b) within two business days of completion of the Dussafu Acquisition, an additional cash consideration of US$ 5.0 million (the "**Deferred Consideration**"). The assumed cash consideration of US$ 89.0 million will be paid upon closing of the EG Acquisition.

The EG Seller is also entitled to a contingent consideration ("**EG Contingent Consideration**") of up to US$ 16.0 million which is linked to in aggregate payable only in years where the average net production of the acquired interests is in excess of 5,500 bopd. Once this initial net production threshold has been reached, in such year and for the four subsequent annual periods, annual contingent consideration of US$5.5 million will be payable to the EG Seller provided that the production threshold is met in such annual period and the average Daily Dated Brent Oil Price in respect of the annual period is in excess of US$60/bbl, subject to the aforementioned cap of US$ 16.0 million.

10.1.2 Dussafu Acquisition

On 9 February 2021, Pan Petroleum Gabon BV, the GA Buyer signed an asset purchase agreement with Tullow and Tullow Oil Gabon SA, the GA Seller to acquire 10% working interest in the Dussafu Marin Permit ("**Dussafu**"), Offshore Gabon, hereafter referred to as the "**Dussafu Acquisition**". The details of the Dussafu Acquisition can be further referred to in Section 5 "Private Placement" and Section 8.12 "Summary of the Dussafu Acquisition". Effective economic date of the transaction is 1 July 2020.

The Dussafu Acquisition comprises a gross base consideration of US$ 46.0 million which will be subject to customary completion and working capital adjustments using an effective date of 1 July 2020.

The GA Seller may also be entitled to a contingent consideration as detailed in Section 8.12.5 "The structure and consideration for the Dussafu Acquisition".

The EG Acquisition and Dussafu Acquisition are hereafter collectively referred to as the "**Acquisitions**" for the purpose of this section.

In order to fund the Acquisitions, the following funding arrangements have been made:

- Panoro has announced the Private Placement with gross proceeds of US$ 70.0 million. The use of proceeds amongst others, includes contribution to the payment of base consideration and Deferred Consideration due upon closing of the Acquisitions. The Private Placement in connection with the Acquisitions has been further described above in Section 5 "Private Placement".
- Trafigura is providing a fully underwritten Senior Secured loan facility, subject to finalisation of loan documentation, of up to US$ 90.0 million, as detailed in Sections 8.11.6 and **Feil! Fant ikke referansekilden.** "Trafigura Loan".

The Acquisitions are to be funded through the Private Placement and the Trafigura Loan which are hereafter referred to as the "**Financing**".

The EG Acquisition is expected to complete during H1 2021 and represents a significant gross change as defined in Article 1(e) of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing the EU Prospectus Regulation, which sets out the requirements to prepare pro forma financial information that needs to be included in a prospectus. The Dussafu Acquisition also represents a significant gross change as per the above citation and is expected to complete in first half of 2021.

Although the Dussafu Acquisition represents a significant gross change as explained in the paragraph above, the effects of the Dussafu Acquisition have not been reflected in the unaudited condensed pro forma financial information for the following reasons:

- The Company is increasing its interest in an asset that is already owned and reported in its historical financial reports. The operational data of the asset relevant to the Company's existing 7.4997% working interest in Dussafu Permit, offshore Gabon, is adequately and transparently communicated to the Company's shareholders and investors.
- There is no historical, separate financial information available as the additional 10% interest that is being acquired under the Dussafu Acquisition as such interest currently forms part of a larger E&P company, and no isolated historical data on revenue and internal costs is available for the year ended 31 December 2019. Furthermore, the 10% interest itself was acquired by the GA Seller on 17 December 2019 and as such there is no revenue and any meaningful associated costs (profit and loss items) that would have been recorded in the books of the GA Seller for the financial year ended 31 December 2019 for the 10% working interest.
- No company, systems, processes or employees will form part of the transaction and it is essentially an acquisition of a license interest and in fact just an increase in participation in an existing asset and as such, there will be no historical financial information of the acquired interest relevant for the Company going forward. It is the Company's view that an extract and carve-out (if possible) of historical profit and loss financial information for pro forma income statement purposes will be highly subjective and potentially misleading for investors due to the reasons listed above.

Accordingly, the EG Acquisition and the Financing are for the purpose of the unaudited condensed pro forma financial information referred to as the "**Transactions**".

Annex 3 of the EU Prospectus Regulation requires the preparation of a pro forma statement of financial position as of 31 December 2019 as if the Transactions occurred on that date and a pro forma statement of comprehensive income for 2019 as if the Transactions occurred on 1 January 2019.

10.2 PURPOSE OF THE UNAUDITED CONDENSED PRO FORMA FINANCIAL INFORMATION

The unaudited condensed pro forma financial information set out below has been prepared by the Company for illustrative purposes to show how the Transactions might have affected the statement of financial position as of 31 December 2019 as if they occurred on that date. The unaudited condensed pro forma statement of comprehensive income has been prepared by the Company for illustrative purposes to show how the Transactions might have affected the statement of comprehensive income as if the EG Acquisition and the Financing had occurred on 1 January 2019.

The unaudited condensed pro forma financial information has been compiled to comply with the Norwegian Securities Trading Act and the applicable EU-regulations pursuant to section 7-1 of the Norwegian Securities Trading Act. This information is not in compliance with SEC Regulation S-X, and had the securities been registered under the U.S. Securities Act of 1933, this unaudited Pro Forma Financial Information, including the report by the auditor, would have been amended and /or removed from the Prospectus.

The assumptions underlying the pro forma adjustments, for purpose of deriving the unaudited pro forma financial information, are described in the notes to the condensed unaudited pro forma financial information. Neither these adjustments nor the resulting unaudited pro forma financial information have been audited in accordance with Norwegian generally accepted auditing standards. Each reader should carefully consider the financial information of the Company and the notes thereto and the basis for preparation, accounting policies and the notes to the unaudited pro forma financial information.

The unaudited condensed pro forma financial information does not include all of the information required for financial statements under IFRS and should be read in conjunction with the historical financial information of the Company.

10.2.1 Basis of preparation

The sources of the historical unadjusted financial information included in the pro forma statement of financial position as of 31 December 2019 and pro forma statement of comprehensive income for the year ended 31 December 2019 are:

- For the Company, the audited consolidated financial statements for the year ended 31 December 2019 prepared in accordance with IFRS. The audited consolidated financial statements are incorporated by

reference to this Prospectus (see Section 17.4 "Documents incorporated by reference"). EY issued an unqualified audit opinion on the Company's 2019 financial statements with no matters of emphasis reported.

- For the EG Acquisition, historical financial information has been included for the year ended 31 December 2019 from the audited annual financial statements of TEGL, prepared under IFRS as adopted by the EU. The account balances were arranged to align to the Company's chart of accounts in order to align the balances to the statement of financial position and statement of comprehensive income line items of the Company. TEGL's statutory auditor has issued an unqualified audit opinion on the TEGL's 2019 financial statements with no matters of emphasis reported.

The unaudited pro forma financial information has been prepared under the assumption of going concern. All of the financial information in the pro forma is prepared and presented in US$ thousands, unless stated otherwise.

10.2.2 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 2019.

A review was undertaken to align the Company's accounting policies to that of TEGL and the following key difference was noted:

- The value of crude oil and inventory and over and underlift entitlement is recognised at fair value as of the date of the statement of financial position of TEGL, calculated by using the prevailing crude oil price per barrel as of the date of such statement. In comparison, the Company's accounting policy is to value crude oil and over and underlift inventory at lower of cost and net realisable value. The differences arising from the alignment of account policies have been included as an IFRS adjustment in the unaudited pro forma condensed statement of financial position and unaudited pro forma condensed statement of comprehensive income.

The Company will not adopt any new policies in 2020 as a result of the acquisition or otherwise, with the exception of IFRS3 Business Combination Amendments. Please refer to the financial statements for 2019 for description of the accounting policies.

The unaudited pro forma financial information includes unaudited pro forma statement of financial position as of 31 December 2019, the unaudited pro forma statement of comprehensive income for the year ended 31 December 2019, and descriptions and notes to the unaudited pro forma financial information.

Following the EG Acquisition, a review of key accounting policies has been made, in order to identify policies that could be applicable to the Company and need to be adopted for the purpose of preparing the pro forma financial information. Based on this review, there is no new key accounting policy that will need to be adopted for the purpose of the preparation of the Company's financial statements for the year ended 31 December 2020, and in the preparation of unaudited condensed pro forma financial information.

10.2.3 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.

10.3 UNAUDITED PRO FORMA CONDENSED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2019

(US $ '000)	Panoro Energy ASA (consolidated) IFRS 31-Dec-19 (Audited)	Tullow Equatorial Guinea Limited IFRS 31-Dec-19 (Audited)	TEGL IFRS adjustments Note (a) 31-Dec-19 (unaudited)	Pro forma adjustments 31-Dec-19 (unaudited)	Notes	Pro forma 31-Dec-19 (unaudited)
ASSETS						
Non-current assets						
Intangible assets						
Goodwill	-	-	-	39,481	(b)	39,481
Production Rights	28,876	-	-	116,802	(b)	145,678
Licenses and exploration assets	19,760	-	-	-		19,760
Investment in associates and joint ventures	26	-	-	-		26
Total intangible assets	**48,662**	**-**	**-**	**156,283**		**204,945**
Tangible assets						
Production assets and equipment	30,979	76,172	-	-	(f)	107,151
Development assets	5,915	-	-	-		5,915
Property, furniture, fixtures and equipment	948	-	-	-		948
Deferred tax assets	-	-	-	-		-
Other non-recurrent assets	131	-	-	-		131
Total tangible assets	**37,973**	**76,172**	**-**	**-**		**114,145**
Total non-current assets	**86,635**	**76,172**	**-**	**156,283**		**319,090**
Current assets						
Crude oil inventory	358	6,409	(3,850)	-		2,917
Inventories	4,773	-	-	-		4,773
Trade and other receivables	9,372	115,398	(21,632)	(72,438)	(b)	30,700
Cash and cash equivalents	20,493	-	-	78,981	(b),(c),(d),(e)	99,474
Cash held for Bank guarantee	9,960	-	-	-		9,960
Total current assets	**44,956**	**121,807**	**(25,481)**	**6,543**		**147,825**
Assets classified as held for sale	20,925	-	-	-		20,925
TOTAL ASSETS	**152,516**	**197,979**	**(25,481)**	**162,826**		**487,839**
EQUITY AND LIABILITIES						
Equity						
Share capital	458	-	-	228	(c),(d)	686
Share premium	349,193	-	-	67,884	(c),(d),(e)	417,077
Treasury shares	-	-	-	-		-
Additional paid-in capital	122,131	-	-	-		122,131
Total paid-in equity	**471,782**	**-**	**-**	**68,112**		**539,894**
Other reserves	(43,408)	-	-	-		(43,408)
Retained earnings	(355,683)	20,401	(16,209)	(26,037)	(b),(e)	(377,528)
Total equity attributable to shareholder of the parent	**72,691**	**20,401**	**(16,209)**	**42,075**		**118,958**
Non-current liabilities						
Decommissioning liability	18,911	116,099	-	-		135,010
Senior Secured Loan	13,091	-	-	86,800	(d)	99,891
Non-recourse loan	3,380	-	-	-		3,380
License obligations	4,726	-	-	-		4,726
Fair value of commodity hedges	106	-	-	-		106
Other non-current liabilities	1,708	-	-	-		1,708
Deferred tax liabilities	2,024	23,722	(9,272)	39,481	(b)	55,955
Total non-current liabilities	**43,946**	**139,821**	**(9,272)**	**126,281**		**300,776**
Current liabilities						
Accounts payable and accrued liabilities	1,555	13,835	-	(5,530)	(b),(f)	9,860
Senior Secured loan - current portion	3,797	-	-	-		3,797
Non-recourse loan - current portion	4,729	-	-	-		4,729
License obligations - current portion	1,166	-	-	-		1,166
Fair value of commodity hedges - current portion	974	-	-	-		974
Other current liabilities	2,292	-	-	-		2,292
Corporation tax liability	4,991	23,922	-	-		28,913
Total current liabilities	**19,504**	**37,757**	**-**	**(5,530)**		**51,731**
Liabilities directly associated with assets classifed as held for sale	16,375	-	-	-		16,375
TOTAL EQUITY AND LIABILITIES	**152,516**	**197,979**	**(25,481)**	**162,826**		**487,839**

10.4 NOTES TO PRO FORMA CONDENSED STATEMENT OF FINANCIAL POSITION

The key adjustments and assumptions that have been considered in the preparation of the pro forma financial information are included in Notes (a) to (f) below.

Note (a) Alignment of IFRS Accounting Policies

In order to facilitate a like-for-like comparison of results and financial position for the purpose of the unaudited pro forma financial information, adjustments have been made to align the differences in accounting policies between the Company and TEGL. Such adjustments have been recognised as IFRS adjustments column of the unaudited pro forma statement of comprehensive income and the pro forma statement of financial position.

The key accounting policy difference between TEGL and the Company is the measurement of crude oil inventory and the over and underlift entitlement. TEGL's policy is to value such items at fair value as of the date of the statement of financial position, whereas the Company's policy is to value such items at the lower of cost and net realisable value.

In order to align the accounting policies, the effect of adjustments have been calculated for the statement of financial position by valuing the closing inventory and underlift entitlement barrels as of 31 December 2019 at the attributable cost of production which has been extracted from TEGL's detailed accounting records and provided by the EG Seller. The adjustment for the purpose of pro forma statement of financial position is the difference between the value recognised in TEGL's historical 2019 audited financial statements in comparison to the recalculated value of the same number of barrels at cost.

The summary of adjustments and its impact on the unaudited pro forma information is as follows:

Effects of adjustments - IFRS accounting policy differences

Amounts in US$ 000	31 Dec 2019	31 Dec 2018
PRO FORMA STATEMENT OF FINANICAL POSITION ONLY		
Crude Oil inventory recalculated as per Company policy	2,559	2,735
Crude Oil inventory as per TEGL policy	6,409	5,519
Decrease in value of Crude Oil inventory (A)	**(3,850)**	**(2,784)**
Underlift / (Overlift) entitlement recalculated as per Company policy	14,380	(3,727)
Underlift / (Overlift) entitlement as per TEGL policy	36,011	(7,522)
Decrease in value of Trade and other receivables (B)	**(21,632)**	**3,794**
Recognition of deferred tax asset on IFRS adjustment **(C)**	9,272	
Decrease in retained earnings (A+B+C)	**(16,209)**	

Due to the aforementioned IFRS adjustments and including the effect on income as covered in Note (g), the change in value of crude oil inventory and under/overlift entitlement positions have no impact on the calculation of taxes except for temporary differences that have arisen between the accounting base (at cost) and the tax base of crude oil inventory and over/underlift entitlement balances. As a result, a pro forma adjustment of US$ 9.3 million has been recognised as a deferred tax asset using the effective tax rate of 35% in Equatorial Guinea. This adjustment has also been included in the pro forma statement of comprehensive income in note (g).

The differing accounting policy is expected to have a continuing impact on the Company's pro forma statement of comprehensive income as a new policy will need to be adopted for valuing inventory and overlift / underlift entitlements following completion of EG Acquisition.

Note (b) EG Acquisition (TEGL)

A preliminary Purchase Price Allocation has been prepared identifying the TEGL's assets, liabilities and contingent liabilities and necessary adjustments are being made to the Company's statement of financial position. It has also been assumed the Deferred Consideration will become payable upon completion and has therefore been included in the value consideration that has been allocated. The allocated values are preliminary due to the fact that the carrying values, as a basis for allocation, are on a date before the closing of the actual EG Acquisition and also the time required to finalise the closing adjustments with the EG Seller post completion. As a result of the closing adjustments with the EG Seller, the estimated fair value of the consideration might change until the acquisition completion date. An estimate of closing adjustments under the locked box mechanism, with reference to values as of 30 September 2020 (see below), reduce the value of consideration by approximately US$ 19.1 million resulting in net consideration payable of US$ 74.9 million. A revision of the Purchase Price Allocation on completion date will be made in the Company's 2021 annual report, subject to completion of the EG Acquisition.

A table of the preliminary Purchase Price Allocation as of 30 September 2020 values is as follows:

Purchase Price Allocation

Amounts in US$ 000

Assets	Carrying Value	Fair value adjustment	Purchase Price Allocation
Goodwill	-	39,481	39,481
Production rights	-	112,802	112,802
Production assets and equipment	71,447	-	71,447
Crude oil inventory	4,858	-	4,858
Trade and other receivables	47,527	-	47,527
Cash and cash equivalents	-	-	-
TOTAL ASSETS	**123,832**	**152,283**	**276,115**
Liabilities			
Provision for decommissioning	117,841		117,841
Provision of current taxes	9,515		9,515
Trade and other payables	15,838		15,838
Deferred tax liability	18,514	39,481	57,995
TOTAL LIABILITITES	**161,708**	**39,481**	**201,189**
NET ASSETS ACQUIRED	**(37,876)**	**112,802**	**74,926**

The breakdown of consideration payable is detailed below:

Consideration payable upon completion	*US$ '000*
Base consideration	89,000
Deferred Consideration	5,000
Estimated Locked Box closing adjustments with reference to 30 September 2020 values	(19,074)
Net consideration payable	**74,926**

In addition to the base and deferred consideration, the EG Buyer also has an obligation to pay a contingent consideration on achievement of certain milestones as described in Section 10.1.1 above. The Company has evaluated the fair value of the EG Contingent Consideration milestones using current data on expected oil prices and the technical view of existing production performance and concluded that, as of the date of this document, the fair value of the contingent consideration is immaterial and has therefore not been recognised for the purpose of the pro forma financial information presented in this section.

Deferred tax liability and Goodwill

Tax is recognised on the temporary difference between the assets' tax base and fair value recognised in the statement of financial position. For the purposes of the acquisition accounting, under IFRS, the deferred tax liability has been recognised on the fair value uplift that represents a temporary difference between the acquisition date carrying amount and the acquisition value of the assets. A tax rate of 35% has been used for computing the deferred tax liability, which is the tax rates applicable to TEGL's operations in the Equatorial Guinea. As a consequence of the recognition of deferred tax liability on acquisition, a technical goodwill of the same amount has also been recognised as per the requirements of IFRS 3 – Business Combinations.

Amounts in US$ 000 (unaudited)	**EG Acquisition**
Fair value uplift	112,802
Deferred tax calculated at applicable tax rate of 35%	39,481
Goodwill generated on recognition of deferred tax on acquisition	39,481
Difference between fair value uplift and the consideration payable has been recognised as in increase in the retained earnings	37,876

Consolidation adjustments of elimination of equity and intercompany balances

Effect of eliminations on pro forma condensed statement of financial position

For the purpose of the pro forma information, share capital of TEGL opening balances, has been reclassified to retained earnings. The effect of this adjustment is less than US$ 1,000 and therefore not material.

The intercompany balances as of 31 December 2019 have been extracted from the 2019 audited financial statements of TEGL and eliminated in the following manner:

Amounts in US$ 000 (unaudited)	**EG Acquisition**
Pro forma statement of financial position	
Decrease in intercompany receivables	(72,438)
Decrease in intercompany payables	(9,530)
Impact of intercompany eliminations on retained earnings	(62,908)

The overall effect of the adjustments in note (b) to pro forma condensed statement of financial position are as follows:

- *Intangible assets have increased by US$ 152.3 million*: The entire fair value uplift of US$ 112.8 million has been allocated to the acquisition of production rights as a result of this transaction and goodwill of US$ 39.5 million has been recognised on the acquisition date.
- *Cash and cash equivalents decreased by US$ 74.9 million*: The total purchase consideration of US$ 94.0 million, reduced by closing adjustments of US$ 19.1 million under the locked box mechanism (with reference to values as of 30 September 2020) has been included as a cash outflow to show the payment of consideration on the closing of the EG Acquisition.
- *Deferred tax liability increased by US$ 39.5 million:* Deferred tax liability has been recognised at US$ *39.5* million on the provisional purchase price allocation of the fair value uplift in accordance with IFRS 3.
- *Effect of intercompany balance eliminations:* The overall effect on eliminations of intercompany balances will result in a decrease of trade and other receivables by US$ 72.4 million whereas the elimination of intercompany payables will reduce the trade and payables balance by US$ 9.5 million. The overall net effect of intercompany eliminations is adjusted in the retained earnings with a net decrease of US$ 62.9 million.

- *Effect of Fair value adjustments and intercompany elimination on retained earnings decreased by US$ 25.0 million:* The difference between the net purchase consideration paid of US$ 74.9 million and US$ 112.8 million of net fair value adjustments, has resulted in an increase of US$ 37.9 million in retained earnings. The net effect of changes in retained earnings of negative US$ 25.0 million is after taking into account negative US$ 62.9 million resulting from the elimination of intercompany balances, as described above and represents the movement in net assets between 31 December 2019 and 30 September 2020 and thus eliminating the result for this period.

Taxation

An assessment of taxes has been made on the fair value adjustment at the time of acquisition, and the difference in uplift adjustment is considered a permanent difference, which is unlikely to be an allowable expense for tax purposes. For tax purposes, the tax depreciation bases will continue to be the historical tax base for each license interest acquired.

Note (c) Equity Private Placement

In conjunction with the Acquisitions, the Company had launched a Private Placement in February 2021 which raised a subscription of US$ 70.0 million in gross proceeds. This amount has been included in the pro forma adjustments. As part of Private Placement, 38,276,451 new shares were issued each at NOK 15.50 per share and exchange rate of NOK 8.4755 to US$ 1 has been used for the purpose of conversion.

The effect of this adjustment is as follows:

- Increase in cash and cash equivalents by US$ 70.0 million
- Increase in issued share capital by US$ 226 thousand
- Increase in share premium by US$ 69.8 million

Note (d) Proceeds from Trafigura Loan

Trafigura is providing a fully underwritten Senior Secured Loan facility, subject to finalisation of loan documentation, of up to US$ 90.0 million ("**Trafigura Loan**") to the EG Buyer to be utilised in two tranches, each utilised independently of the other. Subject to satisfactory documentation of the Trafigura Loan and certain other conditions precedent, the Committed Underwritten Arrangement for either tranche is valid until 31 March 2021 or a later date if mutually agreed by parties. The Trafigura Loan financing agreement is expected to be signed prior to the completion of the Acquisitions. Details of the loan arrangement are included in Section 9.3.3 "Trafigura Loan".

For the purpose of preparation of the pro forma financial information, it has been assumed that both Acquisitions have completed and the gross proceeds from the Trafigura loan were drawn-down as if the draw-down had happened as of 31 December 2019.

Costs and fees associated with the draw-down and arrangement of the Trafigura Loan, incurred on loan funds to be spent on the Acquisitions are:

- Upfront fee for the Senior Loan facility - 2% of loan amount at US$ 1.8 million payable in cash
- Underwriting fee for the Committed Underwritten Arrangement – 1.25% of loan amount at US$ 1.1 million of which US$ 562,500 payable in cash and the remaining US$ 562,500 to paid through issue of 307,578 shares at Subscription Price using the exchange rate as of the date of the announcement of the Equity Private Placement.
- Legal costs associated with loan documentation estimated at - US$ 275 thousand payable in cash.
- A commitment fee equivalent to 40% of margin (3.2% per annum) applicable on the undrawn portion of the committed facility amount. For the purpose of the pro forma financial information, it has been assumed that the loan will be drawn down in full and no commitment fee will be incurred.

The effect of the above adjustments is as follows:

- Increase in long-term liabilities by US$ 90.0 million (Draw-down of Trafigura Loan)
- Increase in cash and cash equivalents by US$ 90.0 million (Draw-down of Trafigura Loan)
- Increase in unamortised borrowing costs by US$ 3.2 million (offset for presentation purposes with long-term liabilities)
- Decrease in cash and cash equivalents by US$ 2.6 million (payment of borrowing costs)

- Increase in share capital and share premium by US$ 2 thousand and US$ 0.6 million respectively for shares issued in lieu of underwriting fee

A reconciliation of the Trafigura Loan balance after adjustments is as follows:

Amounts in US$ 000 – (Unaudited)	**Trafigura Loan Balance**
Long-term liabilities	90,000
Unamortised borrowing costs	(3,200)
Long-term liabilities (net of unamortised costs)	86,800

Note (e) Transaction costs

The effect of transaction costs in connection with the Acquisitions and the Private Placement has been estimated and included as an adjustment for the purposes of the preparation of pro forma information in this section. The overall estimated cost directly attributable to the equity issue is US$ 2.5 million which includes (but not limited to) fees for advisors and managers, legal costs, auditor confirmation, legal and compliance, cost of general meeting and listing and prospectus related fees. The costs in relation to the Acquisitions is estimated at US$ 1.0 million and has been expensed in retained earnings.

The effect of this adjustment on the unaudited pro forma condensed statement of financial position is as follows:

- Decrease in share premium account by US$ 2.5 million
- Decrease in retained earnings account by US$ 1.0 million
- Decrease in cash and cash equivalents by US$ 3.5 million

Note (f) Transfer costs relating to the assignment of the participating interest in Block G, Equatorial Guinea

In accordance with the Hydrocarbons Law, the Ministry of Mining and Hydrocarbons have imposed a levy in connection with the issuance of the authorisation to assign the participating interest in Block G to EG Buyer. The EG Buyer are scheduled to pay US$ 2.0 million no later than the end of June 2021 and a further US$ 2.0 million in August 2021.

The effect of this adjustment on the unaudited pro forma condensed statement of financial position is as follows:

- Increase in production rights by US$ 4.0 million (capitalisation of transfer costs)
- Increase in accounts payable and accrued liabilities by US$ 4.0 million

Note (g) Reconciliation of pro forma adjustments included in the pro forma statement of financial position

A table has been prepared to reconcile the pro forma adjustments made to the cash and cash equivalents and equity items on the unaudited pro forma statement of financial position as of 31 December 2019.

Reconciliation of pro forma adjustments to:

CASH AND CASH EQUIVALENTS		*(Unaudited)*
Adjustments:	Reference	*US$ 000*
Payment of EG Acquisition purchase consideration	Note (b)	(74,926)
Proceeds from Private Placement	Note (c)	70,000
Proceeds from draw-down of the Trafigura Loan	Note (d)	90,000
Payment of Borrowing costs	Note (d)	(2,638)
Payment of Transaction costs	Note (e)	(3,455)
Net pro forma adjustment to cash and cash equivalents		**78,981**

TRADE AND OTHER RECEIVABLES		*(Unaudited)*
Adjustments:	Reference	*US$ 000*
Intercompany eliminations from Trade and other receivables	Note (b)	(72,438)
Net pro forma adjustment to trade and other receivables		**(72,438)**

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES		*(Unaudited)*
Adjustments:	Reference	*US$ 000*
Intercompany eliminations from accounts payable	Note (b)	(9,530)
Transfer costs relating to the assignment of Block G, Equatorial Guinea	Note (f)	4,000
Net pro forma adjustment to accounts payable and accrued liabilities		**(5,530)**

SHARE CAPITAL AND PREMIUM		*(Unaudited)*
Adjustments:	Reference	*US$ 000*
Equity Private Placement – Share capital increase	Note (c)	226
Trafigura underwriting fee – Share capital increase	Note (d)	2
Equity Private Placement – Share premium increase	Note (c)	69,774
Share issue costs	Note (e)	(2,450)
Trafigura underwriting fee – Share premium increase	Note (d)	560
Net pro forma adjustments to share capital and premium		**68,112**

RETAINED EARNINGS		*(Unaudited)*
Adjustments:	Reference	*US$ 000*
Fair value adjustments purchase price allocation	Note (b)	37,876
Intercompany eliminations	Note (b)	(62,908)
Acquisition costs	Note (e)	(1,005)
Net pro forma adjustment to retained earnings		**(26,037)**

10.5 UNAUDITED PRO FORMA CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

For the year ended *Amounts in USD 000*	**Panoro Energy ASA Consolidated IFRS** 31-Dec-19 *(Audited)*	**TEGL IFRS** 31-Dec-19 *(Audited)*	**TEGL IFRS adjustments Note (h)** 31-Dec-19 *(Unaudited)*	**Proforma adjustments** 31-Dec-19 *(Unaudited)*	**Notes**	**Proforma** 31-Dec-19 *(Unaudited)*
CONTINUING OPERATIONS						
Oil revenue	42,968	59,070	-	-		102,038
Other revenue	3,810	-	-	-		3,810
Total revenues	**46,778**	**59,070**	**-**	**-**		**105,848**
Expenses						
Operating costs	(15,211)	12,453	(26,491)	-		(29,249)
Exploration related costs and operator G&A	(134)	-	-	-		(134)
Non-recurring costs	(1,106)	-	-	(1,005)	(l)	(2,111)
General and administrative costs	(5,716)	(268)	-	-		(5,984)
EBITDA	**24,611**	**71,255**	**(26,491)**	**(1,005)**		**68,370**
Depreciation, depletion and amortisation	(6,979)	(12,882)	-	(11,038)	(j)	(30,899)
(Impairment) / reversal of impairment for Oil and gas assets	8,145	-	-	-		8,145
Movement in allowance for related party loan receivable	-	36,858	-	(36,858)	(i)	-
Share based payments	(767)	-	-	-		(767)
EBIT - Operating income/(loss)	**25,010**	**95,231**	**(26,491)**	**(48,901)**		**44,849**
Interest costs net of income	(2,496)	3,042	-	(12,144)	(i),(k)	(11,598)
Unrealised gain/(loss) on commodity hedges	(1,837)	-	-	-		(1,837)
Realised gain/(loss) on commodity hedges	(980)	-	-	-		(980)
Gain on disposal	(288)	-	-	-		(288)
Other financial costs net of income	(779)	(3,024)	-	-		(3,803)
Net foreign exchange gain / (loss)	215	(139)	-	-		76
Net income/(loss) before tax	**18,845**	**95,110**	**(26,491)**	**(61,045)**		**26,419**
Income tax expense	(13,477)	(19,739)	9,272	3,731	(j)	(20,213)
Net profit/(loss) from continuing operations	**5,368**	**75,371**	**(17,219)**	**(57,314)**		**6,206**
DISCONTINUED OPERATIONS						
Net income/(loss) from discontinued operations	4,822	-	-	-		4,822
Net profit/(loss) for the period	**10,190**	**75,371**	**(17,219)**	**(57,314)**		**11,028**

10.6 NOTES TO PRO FORMA CONDENSED STATEMENT OF COMPREHENSIVE INCOME

The key adjustments and assumptions that have been considered in the preparation of the pro forma financial information of the unaudited pro forma statement of comprehensive income are included in Notes (h) to (m) below.

Note (h) Alignment of IFRS Accounting Policies

As discussed in note (a), the effect on the statement of comprehensive income for the year ended 31 December 2019 has been calculated by valuing the crude oil inventory and over/underlift entitlement at cost for the year ended 31 December 2019 and 31 December 2018 to calculate respectively the opening and closing position at cost. The adjustment for the purpose of pro forma statement of comprehensive income is the difference between opening and closing balances for crude oil inventory and over /underlift entitlement included in the cost of operations for the year ended 31 December 2019 in TEGL's books versus the opening and closing balances of the respective periods recalculated at cost.

The summary of adjustments and its impact on statement of comprehensive income is as follows:

Effects of adjustments - IFRS accounting policy differences

Amounts in US$ 000	Notes	31 Dec 2019
PRO FORMA STATEMENT OF INCOME STATEMENT ONLY		
Effect of IFRS adjustments to income due to change in opening balances		
- Crude Oil inventory (increase)	Note (a)	2,784
- Underlift / (Overlift) entitlement (decrease)	Note (a)	(3,794)
Effect of IFRS adjustments to income due to change in closing balances		
- Crude Oil inventory (decrease)	Note (a)	(3,850)
- Underlift / (Overlift) entitlement (decrease)	Note (a)	(21,632)
Increase / (Decrease) in net income for the year ended before tax		**(26,491)**
Recognition of deferred tax asset on IFRS adjustments	Note (a)	9,272
Increase / (Decrease) in net income for the year ended after tax		**(17,219)**

The change in value of crude oil inventory and underlift and overlift entitlement positions have no impact on the calculation of taxes except for recognition of deferred tax asset of US$ 9.3 million as calculated in note (a). The differing accounting policy is expected to have continued adjustment to the Company's accounts for alignment. Following completion of the transaction, the accounting policies will be aligned there will be no ongoing impact or adjustment for valuation of crude inventory and overlift/underlift entitlement.

Note (i) Effect of intercompany eliminations on pro forma statement of comprehensive income

The intercompany items recognised in the income statement during year ended 31 December 2019 have been extracted from the 2019 audited financial statements of TEGL. These mainly relate to interest income on intercompany balances and a movement in allowance for intercompany receivable recognised in the statement of comprehensive income for the year ended 31 December 2019. The transactions have been reversed completely to eliminate the effects resulting in:

Amounts in US$ 000	**EG Acquisition**
Pro forma statement of comprehensive income	
Increase in interest costs net of income	3,042
Reversal of movement in allowance for intercompany loan receivable (increase in expense)	36,858
Overall effect is a decrease in net income	39,900

The intercompany elimination adjustment is not expected to have a continuing impact on the Issuer as all such transactions will be eliminated on consolidation.

Note (j) Depreciation, Depletion and Amortisation (DD&A) of Fair Value uplift, Capitalised Transfer Costs and Deferred Tax liability

For the purpose of the pro forma statement of comprehensive income, it has been assumed that the EG Acquisition full year results are combined with the Company with effect from 1 January 2019. In order to simulate the full year results in line with such an assumption, a DD&A charge on fair value uplift and the capitalised transfer costs has been recognised in the pro forma statement of comprehensive income. Such charge has been determined through dividing the total of the fair value uplift of US$ 112.8 million (refer Note (b)) and the capitalised transfer costs of US$ 4.0 million (refer to note (f)) by the total net entitlement reserves acquired as of 1 January 2019 and multiplying it by the 2019 actual production entitlement to arrive at the DD&A charge of US$ 11.0 million for the year.

Furthermore, a reversal of US$ 3.7 million has been made from the deferred tax liability of US$ 39.5 (refer note (b)) that was recognised on EG Acquisition. This represents 35% of the US$ 10.7 million DD&A charge for the year related to the fair value uplift only.

Due to recognition of the fair value uplift, the capitalised transfer costs and deferred tax liability, the adjustment for recognition of DD&A and reversal of proportional deferred tax liability is expected to be continue for each reporting period following completion of the transaction.

Note (k) Expensing of borrowing costs on Trafigura

For the purpose of pro forma statement of comprehensive income, the cost of the Trafigura Loan has been calculated using effective interest rate of 10.36% assuming the loan was drawn down on 1 January 2019 and repayments were made as they fall due together with interest due at 3-month LIBOR plus 7.5% per annum. LIBOR rate has been assumed at 0.25% per annum. The effective interest rate is higher and includes the effect of unamortised borrowing costs that will be expensed over loan life.

The interest expense of US$ 9.1 million has been expensed for the full year for the purpose of the pro forma financial information.

The expensing of interest costs adjustment is of a recurring nature and will be recognised in the Company's statement of comprehensive income until such time the Trafigura Loan is fully repaid.

This adjustment will not have a continuing effect on the Company and represents one-off costs.

Note (l) Expensing of Transaction costs

Residual transaction costs that do not qualify expensing directly against share premium have be recognised in the pro forma statement of comprehensive income and amount to US$ 1.0 million. Details of such costs can be referred to in note (e).

Note (m) Reconciliation of pro forma adjustments included in the pro forma statement of comprehensive income

A table has been prepared to reconcile the pro forma adjustments impacting the unaudited pro forma statement of comprehensive income for the year ended 31 December 2019.

Reconciliation of pro forma adjustments to net profit / (loss) for the period:

Adjustments for (decrease) / increase in income:	Reference	*US$ 000*
Elimination of intercompany transactions:		
- Provision of intercompany receivables	Note (i)	(36,858)
- Intercompany interest income	Note (i)	(3,042)
DD&A on fair value uplift	Note (j)	(10,660)
DD&A on capitalised transfer costs	Note (j)	(378)
Reversal of deferred tax liability on fair value uplift	Note (k)	3,731
Expensing of borrowing costs	Note (l)	(9,102)
Expensing of transaction costs	Note (m)	(1,005)
Net decrease in income from pro forma adjustments		**(57,314)**

10.7 REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION ENDED 31 DECEMBER 2019

Ernst & Young AS has issued an Independent Assurance Report in accordance with ISAE 3420 "assurance engagements to report on the compilation of pro forma financial information included in a prospectus" on the unaudited pro forma financial information included as Appendix 1. Ernst & Young AS has not audited, reviewed or produced any report on any other information provided in this Prospectus.

11. BOARD OF DIRECTORS, MANAGEMENT AND EMPLOYEES

11.1 BOARD OF DIRECTORS

11.1.1 Overview

In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of its business, ensuring proper organisation of its business, preparing plans and budgets for its activities, ensuring that its activities, accounts and asset management are subject to adequate controls, and undertaking investigations necessary to perform its duties.

The following table sets forth, as the date of this Prospectus, the number of options and shares beneficially owned by each of the Company's directors as of the date of this Prospectus:

Table – Overview of Board of Directors

Name	Position	Served since	Term expires	Options held	Shares held
Julien Balkany (1)	Chairman	October 2014	AGM 2021	None	3,488,824
Torstein Sanness	Deputy Chairman	May 2015	AGM 2021	None	185,289
Alexandra Herger	Non-Executive Director	October 2014	AGM 2021	None	20,950
Garrett Soden (2)	Non-Executive Director	May 2015	AGM 2021	None	25,408
Hilde Ådland	Non-Executive Director	April 2016	AGM 2021	None	22,322

(1) Mr. Balkany has beneficial interest in Nanes Balkany Partners I LP which owns 600,106 Shares in the Company, and Balkany Investments LLC which owns 2,807,700 Shares in the Company. In addition, Mr. Balkany directly holds 81,018 Shares in the Company. (2) Mr. Soden holds directly or indirectly 25,408 Shares in the Company.

Pursuant to the Norwegian Public Limited Liability Companies Act, at least half of the members of the board of directors must be a citizen of and residing in a country within the EEA. As a consequence of the withdrawal of the United Kingdom from the EU and the European Atomic Energy Community, persons who reside in or is a citizen of the United Kingdom will as from 1 January 2021 no longer be residing in a country within the EEA. This means that the composition of the board of directors of the Company do not meet the requirements under the Norwegian Public Limited Liability Companies Act. The Company has, however, obtained an exemption from the Norwegian Ministry of Trade, Industry and Fisheries, meaning that the current board of directors will remain compliant with the residency requirement of the Norwegian Public Limited Liability Companies Act as from 1 January 2021. Similar exemption has also been obtained for all Norwegian subsidiaries of the Company.

11.1.2 Description of the board members

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

Julien Balkany – Chairman of the Board of Directors

Julien Balkany is a French citizen and a resident in London, who since 2014 has been Chairman of the Company. Alongside this, since 2008, Julian also serves as a Managing Partner of Nanes Balkany Partners, a group of investment funds that focuses on the oil & gas industry. Concomitantly, he is also Non-Executive Director of Amromco Energy, the largest privately held independent gas producer in Romania as well as of private mining company Pan-African Diamonds Limited. Julien was previously a Non-Executive Director of several publicly listed oil & gas companies including Norwegian Energy Company (Noreco), Gasfrac Energy Services, and Toreador Resources. Julien started his career as an oil and gas investment banker and studied at the Institute of Political Studies (Strasbourg) and at UC Berkeley. Mr. Balkany is fluent in French, English and Spanish. *Business address: 78 Brook Street, London W1K 5EF, United Kingdom.*

Torstein Sanness, Deputy Chairman of the Board of Directors

Mr. Torstein Sanness is a Norwegian Citizen residing in Norway, who serves at the Company's Deputy Chairman of the Board of Directors. Mr. Sannes has served as a board member since 2015. He has extensive experience and technical expertise in the oil and gas industry. Mr. Sanness became the Chairman of Lundin Petroleum Norway

in April 2015. Prior to this position Mr. Sanness was Managing Director of Lundin Petroleum Norway from 2004 to April 2015. Under his leadership Lundin Norway has turned into one of the most successful players on the NCS and added net discovered resources of close to a billion boe to its portfolio through the discoveries of among others E. Grieg and Johan Sverdrup. Before joining Lundin Norway Mr. Sanness was Managing Director of Det Norske Oljeselskap AS (wholly owned by DNO at the time) and was instrumental in the discoveries of Alvheim, Volund and others. From 1975 to 2000, Mr. Sanness was at Saga Petroleum until its sale to Norsk Hydro and Statoil, where he held several executive positions in Norway as well as in the US, including being responsible for Saga's international operations and entry into Libya, Angola, Namibia, and Indonesia. Currently, Mr. Sanness is serving as Board member of International Petroleum Corp. (a Lundin Group E&P company with a portfolio of assets in Canada, Europe and South East Asia), Magnora ASA (a company managing certain royalty rights and licence arrangements) and TGS (the world's largest geoscience data company). Mr. Sanness is a graduate of the Norwegian Institute of Technology in Trondheim where he obtained a Master of Engineering (geology, geophysics and mining engineering). Mr. Sanness is also the Chairman of the Board of Magnora ASA. *Business address: 78 Brook Street, London W1K 5EF, United Kingdom.*

Alexandra Herger, Non-Executive Director

Ms. Alexandra (Alex) Herger, a US citizen based in Maine, has extensive senior leadership and board experience in worldwide exploration and production for international oil and gas companies. Ms. Herger has 40 years of global experience in the energy industry, currently serving as an Independent director for Tortoise Capital Advisors, CEFs, based in Leawood, Kansas, Tethys Oil based in Stockholm, Sweden, as well as Panoro Energy. Her most recent leadership experience was as interim Vice President for Marathon Oil Company until her retirement in July 2014. Prior to this position, Ms. Herger was Director of International Exploration and New Ventures for Marathon Oil Company from 2008 – 2014, where she led five new country entries and was responsible for adding net discovered resources of over 500 million boe to the Marathon portfolio. Ms. Herger was at Shell International and Shell USA from 2002-2008, holding positions as Exploration Manager for the Gulf of Mexico, Manager of Technical Assurance for the Western Hemisphere, and Global E & P Technical Assurance Consultant. Prior to the Shell / Enterprise Oil acquisition in 2002, Ms. Herger was Vice President of Exploration for the Gulf of Mexico for Enterprise Oil, responsible for the addition of multiple giant deep water discoveries. Earlier, Ms. Herger held positions of increasing responsibility in oil and gas exploration and production, operations, and planning with Hess Corporation and ExxonMobil Corporation. Ms. Herger holds a Bachelor's Degree in Geology from Ohio Wesleyan University and post-graduate studies in Geology from the University of Houston. Ms. Herger is a member of Leadership Texas, the foundation for women's resources, and was on the advisory board of the Women's Global Leadership Conference in Houston, Texas from 2010 to 2013. Ms. Herger will be serving on the nomination committee for PGS (based in Norway) effective May 2019. Ms. Herger holds a Bachelor's Degree in Geology from Ohio Wesleyan University and post-graduate studies in geology from the University of Houston. *Business address: 78 Brook Street, London W1K 5EF, United Kingdom.*

Garrett Soden, Non-Executive Director

Mr. Garrett Soden has worked with the Lundin Group for more than a decade and has extensive experience as a senior executive and board member of various public companies in the natural resources sector. Mr. Soden is currently President and CEO of Africa Energy Corp., a Canadian oil and gas exploration company focused on South Africa. He is also a Non-Executive Director of Gulf Keystone Petroleum Ltd. and Noble Group Holdings Limited. Mr. Soden holds a BSc honours degree from the London School of Economics and an MBA from Columbia Business School. *Business address: 78 Brook Street, London W1K 5EF, United Kingdom.*

Hilde Ådland, Non-Executive Director

Mrs. Hilde Ådland, a Norwegian citizen, and has extensive technical experience in the oil and gas industry. She has leadership experience in field development, engineering, commissioning, and field operations. Mrs. Ådland is currently Maintenance & Logistics Manager in Vår Energi. Mrs. Ådland held several senior positions in Gas de France/GDF SUEZ/ENGIE/Neptune including Head of Operation and Asset manager for the operated Gjøa field during her 11 years in the company. She also spent 11 years with Statoil (now Equinor) in a number of senior engineering and operational roles, including Offshore Installation Manager at the Kristin field, and 6 years with Kvaerner. She has been active in the Norwegian Oil and Gas association and have in the period from autumn 2015 to spring 2019 also been the chairman of the Operation Committee. She has a Bachelor's degree in chemical engineering and a Master's degree in process engineering. She is also board member of Magnora ASA. *Business address: Vestre Svanholmen 1, 4313 Sandnes, Norway.*

11.1.3 Corporate Governance recommendation compliance

The composition of the Board of Directors is in accordance with the recommendation of the Norwegian Code of Practice for Corporate Governance dated 17 October 2018 (the "**Corporate Governance Code**").

11.2 MANAGEMENT

11.2.1 Overview

The management is responsible for day-to-day management of the Company's operations in accordance with the instructions set out by the Board of Directors. Among other things, the CEO of a Norwegian public limited liability company is obligated to ensure that the company's accounts are kept in accordance with existing Norwegian legislation and regulations, and that the assets of the company are managed responsibly. In addition, at least once a month the CEO of a Norwegian public limited liability company must brief the board of directors about the company's activities, position and operating results.

The following table sets forth, as the date of this Prospectus, the number of options and shares beneficially owned by each of the Company's management as of the date of this Prospectus:

Table – Overview of Management

Name	Position	RSUs held	Shares held
John Hamilton	CEO	521,313	393,183
Qazi Qadeer	CFO	167,426	174,763
Richard Morton	Technical Director	167,426	214,743
Nigel McKim	Projects Director	145,182	22,146

The outstanding share RSUs were issued under the Long-Term Incentive Plan ("LTIP") approved by the shareholders at the 2018 annual general meeting, and the exercise price is NOK 0.05 (which may be subject to adjustments under the plan rules).

Pursuant to the Norwegian Public Limited Liability Companies Act, the CEO must be residing in a country within the EEA. As a consequence of the withdrawal of the United Kingdom from the European Union and the European Atomic Energy Community, persons who reside in or is a citizen of the United Kingdom will as from 1 January 2021 no longer be residing within the EEA. This means that the CEO do not meet the requirements under the Norwegian Public Limited Liability Companies Act. The Company has, however, obtained an exemption from the Norwegian Ministry of Trade, Industry and Fisheries, meaning that the current CEO will remain compliant with the residency requirement of the Norwegian Public Limited Liability Companies Act as from 1 January 2021. Similar exemption has also been obtained for all Norwegian subsidiaries of the Company.

11.2.2 Description of the management team

John Hamilton, Chief Executive Officer (CEO)

John Hamilton, Chief Executive Officer (CEO), has considerable experience from various positions in the international oil and gas industry. Most recently, John was Chief Executive Officer of UK AIM listed President Energy PLC, a Latin American focused exploration company, which opened up a new onshore basin in Paraguay. Before joining President, John was Managing Director of Levine Capital Management, and oil and gas investment fund. He was also Chief Financial Officer of UK FTSE 250 listed Imperial Energy PLC, until its sale for over US$ 2 billion in 2008. John also spent 15 years with ABN AMRO Bank in Europe, Africa, and the Middle East. The majority of his time with ABN AMRO was spent in the energy group, with a principal focus on financing upstream oil and gas. John is also a member of the Board of Magnora ASA. John has a BA from Hamilton College in New York, and an MBA from the Rotterdam School of Management and New York University. He is a British citizen and resides in London, UK. *Business address: 78 Brook Street, London W1K 5EF, United Kingdom.*

Qazi Qadeer, Chief Financial Officer (CFO)

Qazi Qadeer, Chief Financial Officer (CFO), is a Chartered Accountant with a Fellow membership of Institute of Chartered Accountants of Pakistan. Qazi joined Panoro at its inception in 2010 as Group Finance Controller. Previously he has worked for PriceWaterhouseCoopers in Karachi, Pakistan and briefly served as Internal audit manager in Pak-Arab Refinery before relocating to London, where he has spent more than five years with Ernst & Young's energy and extractive industry assurance practice; working on various projects for large and small oil & gas and mining companies. He has worked on several high profile projects including the divestment of BP plc's chemicals business in 2005 and IPO of Gem Diamonds Limited in 2006. He is a British citizen and resides in London, UK. *Business address: 78 Brook Street, London W1K 5EF, United Kingdom.*

Richard Morton, Technical director

Richard Morton, Technical Director, has 30 years of experience in exploration, production, development and management in the oil and gas industry. Originally a highly qualified geophysicist, he has expanded his portfolio of skills progressively into operational and asset management. He has worked in a number of challenging contracting and operating environments, including as Centrica Energy's Exploration Manager for Nigeria. He has been with Panoro Energy since 2008 with responsibilities for project and technical management of Panoro's African exploration and development assets. Richard obtained a B.Sc. in Physics from Essex University in 1989 and went on to complete a M.Sc. in Applied Geophysics from the University of Birmingham the following year. He is a British citizen and resides in London, UK. *Business address: 78 Brook Street, London W1K 5EF, United Kingdom.*

Nigel McKim, Projects Director

Nigel McKim has over 30 years of experience in field development planning and production in the oil and gas industry. His most recent roles were as Chief Operations Officer for UK AIM listed MX Oil and, prior to that, the privately held Nobel Upstream. In both companies he was responsible for the technical capabilities and management of assets in Nigeria and Mexico in the former case and Texas, the UK and Azerbaijan in the latter. Prior to Nobel Upstream, he held the position of Director Pre-Developments for Hess, based in London and with global responsibilities for appraisal and early field development planning in Hess' conventional oil and gas business. Previously he was employed as West Africa Asset Manager at Vitol, Subsurface Manager for Business Development activities and the Liverpool Bay Project at BHP Billiton and started in the industry working as a Reservoir Engineer for Shell International in Oman and The Netherlands and as an Operations Engineer in Gabon. Nigel holds a BSc (Hons) in Civil Engineering from Bristol University and an MSc in Petroleum Engineering from Imperial College London, he is a Chartered Engineer. *Business address: 78 Brook Street, London W1K 5EF, United Kingdom.*

11.3 OTHER DIRECTORSHIPS AND MANAGEMENT POSITIONS

Over the five years preceding the date of this document, the member of the Board and the senior management hold or have held the following directorships (apart from their directorships of the Company and its subsidiaries) and/or partnerships:

Table – Overview of other directorships and management positions for the members of the Board of Directors

Board of Directors	Current directorships and senior management positions	Previous directorships and senior management positions last five years
Julien Balkany	Pan-African Diamonds Ltd (Board member) Nanes Balkany Partners I LP (Managing Partner) Balkany Investments LLC (Managing Member) Skyn Iceland LLC (Director) Amromco Holding SA (Board Member)	Norwegian Energy Company ASA (Board member) Gasfrac Energy Services Inc. (Board member and Vice Chair) Sarmin Bauxite Ltd (Board member)
Alexandra Herger	Tethys Oil (Board Members) Tortoise Capital Advisors – Closed End Funds (Board member)	EMGS (Board Member)
Garrett Soden	Africa Energy Corp. (President & CEO) Gulf Keystone Petroleum Ltd (Board member) Noble Group Holdings Limited (Board member)	Etrion Corporation (Board member) RusForest AB (Chair) PA Resources (Board member) Petropavlovsk plc (Board member) Phoenix Global Resources plc. (Board member)
Torstein Sanness	TGS Nopec Geophysical Company ASA (Board member) Magnora ASA (Chair) Lundin Petroleum AB (Board member) Lundin Energy AB (Board member) International Petroleum Corp. (Board member)	Lundin Norway AS (Managing Director) Lundin Norway AS (Chair) Ocean Industry Forum (Board member)
Hilde Ådland	Magnora ASA (Board member) Vår Energi AS (Maintenance & Logistics Manager)	GDF SUEZ/Engie E&P Norge AS/Neptune Energy Norge AS (Asset manager Gjøa)

No board member has private interests of relevance and there are no other understandings or agreements with major shareholders in respect of selection of board members.

Table – Overview of other directorships and management positions for the members of Management		
Management	**Current directorships/partnerships**	**Previous directorships/partnerships**
John Hamilton	Magnora ASA (Board member)	None
Qazi Qadeer	None	None
Richard Morton	None	None
Nigel McKim	None	ADM Energy plc and certain subsidiaries (Board member)

11.4 THE NOMINATION COMMITTEE

The Company's Articles of Association § 8 provide for a nomination committee elected by the general meeting. The nomination committee shall at the outset consists of two or three members, elected by the annual general meeting for a two year period.

The Company has a nomination committee consisting of three members. The nomination committee currently consists of Fredrik Daylemani Sneve (chairperson), which was elected by the 2020 annual general meeting for a period up to the 2021 annual general meeting, and Tom Olav Holberg (committee member) and Jakob Iqbal (committee member), which both were elected by the 2019 annual general meeting for a two-year term. All members of the committee are independent of the Board of Directors and the day-to-day management. The nomination committee's duties are to propose to the general meeting shareholder elected candidates for election to the Board of Directors, and to propose remuneration to the Board of Directors. The annual general meeting may adopt procedures for the nomination committee.

11.5 AUDIT COMMITTEE

Currently, the audit committee consists of the complete Board, with Garrett Soden as chairperson. The reason for this is the rather low number of directors in the Company, which has led the Board to conclude that it is currently more efficient for the Board function that all directors also are members of committees. This practice will be further assessed in the future. The members are independent of the executive management. The purpose of the committee is to assist the Board of Directors to serve as an independent, objective check and balance in the Company's financial reporting and internal control.

Its responsibilities include:

- The integrity of the financial statements of the Company, including the audited annual and the unaudited quarterly financial statements.
- The independence, qualifications, performance and compensation of the Company's independent auditors.
- The performance of the Company's internal audit function.
- The Company's compliance with legal and regulatory policies.

11.6 REMUNERATION COMMITTEE

Currently, the remuneration committee consists of the complete Board, with Torstein Sanness as chairperson. The reason for this is the rather low number of directors in the Company, which has led the Board to conclude that it is currently more efficient for the Board function that all directors also are members of committees. This practice will be further assessed in the future. The members are independent of the executive management.

The objective of the remuneration committee is to determine the remuneration strategy for the Company and to consider the compensation for the Company's CEO. The remuneration committee presents its recommendations to the Board, whereby the Board of Directors decide upon the remuneration of the CEO. Remuneration to the CEO shall be at market terms and decided by the Board and made official at the annual general meeting every year. The Board presents their declaration on determination of salaries and other remuneration to the executive management for approval by the annual general meeting.

11.7 CONFLICT OF INTERESTS

The are no conflict of interest or potential conflict of interest between any duties to the Company, of the members of the Board of Directors or the senior management, and their private interests or other duties. There are no family relations between any of the members of the Board of Directors or members of senior management.

11.8 CONVICTIONS FOR FRAUDULENT OFFENCES, BANKRUPTCY, ETC.

None of the members of the Board of Directors or the Management have during the last five years preceding the date of this Prospectus:

- Any convictions in relation to indictable offences or convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership, liquidation or companies put into administration in his capacity as a founder, director or senior manager of a company.

12. SHARE CAPITAL AND SHAREHOLDER MATTERS

The following description includes certain information concerning the Company's share capital, a brief description of certain provisions contained in the Company's Articles of Association and Norwegian law in effect as of the date of this Prospectus. Any change in the Articles of Association is subject to approval by a general meeting of shareholders. This summary does not intend to be complete and is qualified in its entirety by the Company's Articles of Association and Norwegian law.

12.1 SHARE CAPITAL AND SHARES

12.1.1 Share capital

As of the date of this Prospectus, Panoro Energy's registered share capital is NOK 5,364,935.50 divided into 107,298,710 Shares each with a nominal value of NOK 0.05. All the Shares are authorised and fully paid.

The Company has one class of shares, each Share carrying equal shareholder rights, including voting rights at general meetings. The Company's Articles of Association (incorporated by reference to this Prospectus, see Section 17.4 "Documents incorporated by reference") does not provide for limitations on the transferability or ownership of Shares.

The Shares have been created under the Norwegian Public Limited Liability Companies Act and registered in book-entry form with the VPS under the International Securities Identification Number (ISIN) NO 001 0564701. The registrar for the Shares is Nordea Bank Norge ASA, Registrars department, Essendrops gate 7, 0368 Oslo, Norway.

12.1.2 Treasury Shares

As of the date of this Prospectus, Panoro Energy does not own any treasury shares.

12.1.3 Warrants, convertible loans and authorisations to issue new Shares

At the date of this Prospectus, the Company has granted a total of 1,149,150 outstanding RSUs, each giving the holder the right, subject to certain conditions, to subscribe one share in the Company against payment of NOK 0.05 per share. None of the Company's its subsidiaries has issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any shares in the Company or its subsidiaries. Further, neither the Company nor any of its subsidiaries has issued subordinated debt or transferable securities other than the Shares and the shares in its subsidiaries which will be held, directly or indirectly, by the Company.

Outstanding authorisations

At the annual general meeting held on 18 June 2020, the Board of Directors was granted two authorisations to increase Panoro Energy's share capital through issuance of new shares and one authorisation to acquire treasury shares. Further, at the EGM, the Board of Directors was granted a renewal of one of the mentioned authorisations to issue new shares. The details are set out below.

Authorization to the Board to conduct capital increases by way of share issue under the Company's incentive program

"The Company's Board is authorized to increase the share capital, on the following conditions:

1. The share capital may, in one or more rounds, be increased by a total of up to NOK 172,000 by the issuance of up to 3,440,000 new shares in the Company.

2. The authorization may be used to issue shares to the Company's employees under the Company's incentive program.

3. The authorization shall be valid until the ordinary general meeting in 2021, but no later than until 30 June 2021.

4. The shareholders' pre-emption for subscription of shares may be set aside.

5. The authorization includes the increase of the share capital in return for contributions in kind or the right to incur on the assumptions of special obligations of the Company.

6. The Board is authorized to alter the Articles of Association implied by the share capital increase(s).

7. The authorization does not include decision on merger."

Authorization to the Board to conduct capital increases by way of share issues for other purposes

"The Company's Board is authorized to increase the share capital, on the following conditions:

1. The share capital may, in one or more rounds, be increased by a total of up to NOK 344,000 by the issuance of up to 6,880,000 new shares in the Company.

2. The authorization may be used to issue shares as consideration for acquisitions within the Company's ordinary business sectors or in connection with equity increases.

3. The authorization shall be valid until the ordinary general meeting in 2021, but no later than until 30 June 2021.

4. The shareholders' pre-emption for subscription of shares may be set aside.

5. The authorization includes the increase of the share capital in return for contributions in kind or the right to incur on the assumptions of special obligations of the Company.

6. The Board is authorized to alter the Articles of Association implied by the share capital increase(s).

7. The authorization does include decision on merger."

Authorization to acquire treasury shares

"1. The Board of Directors is authorized to acquire shares in the Company. The shares are to be acquired at market terms in or in connection with a regulated market where the shares are traded.

2. The shares may be disposed of either to meet obligations under employee incentive schemes, as part of consideration payable for acquisitions made by the Company, as part of consideration for any mergers, demergers or acquisitions involving the Company, to raise funds for specific investments, for the purpose of paying down loans (including convertible loans), or in order to strengthen the Company's capital base. The Board is free to choose the method of disposal considered expedient for such purposes.

3. The maximum face value of the shares which the Company may acquire pursuant to this authorization is in total NOK 344,000. The minimum amount which may be paid for each share acquired pursuant to this power of attorney is NOK 1, and the maximum amount is NOK 100.

4. The authorization comprises the right to establish pledge over the Company's own shares.

5. This authorization is valid from registration with the Norwegian Register of Business Enterprises and until and including 30 June 2021."

As of the date of this Prospectus, the Board of Directors does not have any authorisations to issue independent subscription rights or convertible loans. The shares issued pursuant to the Private Placement have been issued in accordance with resolutions made by the EGM.

12.1.4 Transferability and foreign ownership

There are no restrictions on trading in the Company's Shares and no restrictions on foreign ownership of the Company's Shares.

12.1.5 Legislation and rights attached to the Shares

Reference is made to the review of legislation and rights attached to the Company's Shares in Section 0 "The Articles of Association and general shareholder matters".

12.1.6 Mandatory offers

Please see Section 12.4.7 "Mandatory offer requirement" which outlines the legislation on mandatory offers applicable to Norwegian companies listed on Oslo Børs. The Company has not been subject to any public take-over bids during the last financial year and the current financial year.

12.2 MAJOR SHAREHOLDERS

As of 3 March 2021, the Company had 5,113 shareholders. The following table shows an overview of the Company's 20 largest shareholders as recorded in the shareholder's register of the Company with the VPS as of 3 March 2021, the last practical date prior to the date of this Prospectus:

Table – Overview of top 20 largest shareholders

#	Shareholder	Number of shares	Percent
1	Sundt AS	9,609,644	12.66
2	SpareBank 1 Markets AS	4,871,925	6.42
3	DNB Markets Aksjehandel	4,778,420	6.30
4	JP Morgan Securities LLC	3,085,226	4.06
5	Hortulan AS	2,717,739	3.58
6	Alden AS	2,572,940	3.39
7	Verdipapirfondet DNB SMB	2,201,834	2.90
8	F1 Funds AS	1,275,175	1.68
9	F2 Funds AS	1,174,175	1.55
10	JP Morgan Securities PLC	881,186	1.16
11	Verdipapirfondet Storebrand Vekst	867,510	1.14
12	Nordnet Bank AB	862,070	1.14
13	Thorsen Simen	820,000	1.08
14	Tvenge Torstein Ingvald	753,933	0.99
15	King Kong Invest AS	744,694	0.98
16	Nordnet Livsforsikring AS	703,865	0.93
17	Altea Property Development AS	702,344	0.93
18	Skinstad Per Ivar	600,000	0.79
19	Credit Suisse (Switzerland) Ltd.	597,506	0.79
20	Tigerstaden AS	596,185	0.79
	Top 20 shareholders	**40,416,371**	**53.25**

In accordance with the disclosure obligations under the Norwegian Securities Trading Act, shareholders acquiring ownership to or control over 5% or more of the share capital of a company listed on Oslo Børs must notify the stock exchange immediately. As at 4 March 2020, no shareholder other than Sundt AS (12.66%), SpareBank 1 Markets AS (6.42%) and DNB Markets Aksjehandel (6.30%) holds 5% or more of the Shares of the Company.

All Shares carry equal voting rights and the major shareholders in Panoro Energy do not have different voting rights. Each Share of Panoro Energy entitles one vote.

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

No particular measures are initiated to ensure that control is not abused by large shareholders. Minority shareholders are protected from abuse by relevant regulations in inter alia the Norwegian Public Limited Liability Companies Act and the Norwegian Securities Act. See Section 0 "The articles of association and general shareholder matters" and 12.4.8 "Compulsory acquisition" for further information.

The Shares have not been subject to any public takeover bids during the last financial year and the current financial year.

12.3 THE ARTICLES OF ASSOCIATION AND GENERAL SHAREHOLDER MATTERS

12.3.1 The Company's objects and purpose

The Articles of Association of the Company are included by reference to this Prospectus (see Section 17.4 "Documents incorporated by reference"). According to Section 2 of the Articles of Association, the Company's business shall consist of exploration, production, transportation and marketing of oil and natural gas and exploration and/or development of other energy forms, sale of energy as well as other related activities. The business might also involve participation in other similar activities through contribution of equity, loans and/or guarantees.

12.3.2 The General Meeting of shareholders

The following matters will be considered and decided by the annual general meeting:

1. Approval of the profit and loss statement and balance sheet, including application of the profit for the year or coverage of the loss for the year.
2. Election of board of directors and auditor, and determination of their remuneration.
3. Other issues which pursuant to law or the articles of association are to be decided by the annual general meeting.

If documents that shall be considered at the general meeting are made available to the shareholders on the Company's website, the Companies Act request to send these documents to shareholders does not apply. This shall also apply for documents that, pursuant to law or regulations, shall be included in or attached to the notice of the general meeting. A shareholder may nevertheless upon request to the Company have the documents that shall be considered at the general meeting sent free of charge by mail.

The annual general meeting and the extraordinary general meeting is called with a three week notice period. Registrations for the Company's general meetings must be received at least five calendar days before the meeting is held.

12.3.3 The Board of Directors

Pursuant to the Section 5 of the Articles of Association, the board of directors shall consist of 3 to 8 members.

12.3.4 The Company's signature

Pursuant to the Section 6 of the Articles of Association, the power to sign for the company is exercised by the chairman of the board alone or by two board members jointly.

12.3.5 The Nomination Committee

Pursuant to the Section 8 of the Articles of Association, the Company shall have a nomination committee consisting of two or three members to be elected by the annual general meeting for a term of two years. The majority of the nomination committee shall be independent of the board of directors and the day-to-day management. The nomination committee's duties are to propose to the general meeting shareholder elected candidates for election to the board of directors, and to propose remuneration to the board. The annual general meeting may adopt procedures for the nomination committee.

12.3.6 Voting rights and other shareholder rights

Panoro Energy has one class of shares, and each Share carry equal voting rights at the general meeting. The Articles of Association do not contain stricter restrictions for changing of the rights of the holders of the Shares than those which follow from the Public Limited Liability Companies Act.

As a general rule, resolutions that shareholders are entitled to make pursuant to Norwegian law or the Company's Articles of Association, requires approval by a simple majority of the votes cast. In the case of election of directors to the Board, the person who obtains the most votes is elected to fill the vacant position. However, as required under Norwegian law, certain decisions, including resolutions to waive pre-emptive rights in connection with any issue of shares, convertible bonds, warrants etc., to approve a merger or demerger, to amend the Company's Articles of Association, to authorise an increase or reduction in the share capital, to authorise an issuance of convertible loans or warrants or to authorise the Board to purchase the Company's own Shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting. Further, Norwegian law requires that

certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval of all the holders of such shares or class of shares as well as the majority required for amendments of the Company's Articles of Association. Decisions that (i) would reduce any existing shareholder's right in respect of dividend payments or other rights to the assets of the Company or (ii) restrict the transferability of the shares require a majority vote of at least 90% of the share capital represented at the general meeting in question as well as the majority required for amendments to the Company's Articles of Association. Certain types of changes in the rights of shareholders require the consent of all shareholders affected thereby as well as the majority required for amendments to the Company's Articles of Association. The Articles of Association of the Company do not contain conditions that are more significant than required by the Norwegian Public Limited Liability Companies Act, including with regard to (i) what action is necessary to change the rights of holders of the Shares, and (ii) changes in capital.

In general, in order to be entitled to vote, a shareholder must be registered as the beneficial owner of Shares in the share register kept by the VPS or provide proof of its beneficial ownership. Beneficial owners of Shares that are registered in the name of a nominee may not be entitled to vote under Norwegian law unless such Shares are re-registered in the name of the beneficial owner, nor are any persons who are designated in the register as holding such Shares as nominees entitled to vote such Shares.

Readers should note that there are varying opinions as to the interpretation of Norwegian law in respect of the right to vote nominee-registered shares. For example, Oslo Børs has in a statement on 21 November 2003 held that in its opinion "nominee-shareholders" may vote in general meetings if they prove their actual shareholding prior to the general meeting.

Under the Public Limited Liability Companies Act shareholders will have preferential rights to subscribe for new securities issued by the Company, unless such rights are waived with 2/3 majority.

A shareholder will have right to a share in the profits of the Company that are distributed as dividend, as well as any surplus following liquidation of the Company. There is no time limit after which entitlement to dividends lapses under the Norwegian Public Limited Liability Companies Act or the Company's articles of association. Furthermore, there are no dividend restrictions for non-resident shareholders. See section 14 "Norwegian taxation" for a description of the Norwegian tax rules that apply to dividend paid to Norwegian and foreign shareholders.

The shares are not subject to redemption rights with the exemption provided for below under Section 12.4.8 "Compulsory Acquisition". There are no conversion provisions applicable to the Shares.

Pre-emptive rights may not be available to U.S. holders

In accordance with Norwegian law, prior to issuance of any shares for consideration in cash, the Company must offer holders of then-outstanding shares pre-emptive rights to subscribe and pay for a sufficient number of shares to maintain their existing ownership percentages, unless these rights are waived at a general meeting of the shareholders. These pre-emptive rights are generally transferable during the subscription period for the related offering and may be quoted on the Oslo Stock Exchange.

U.S. holders of the Shares, and possibly holders of shares in other jurisdictions as well, may not be able to receive trade or exercise pre-emptive rights for shares in the Company unless a registration statement under the Securities Act (or similar provisions in other jurisdictions) is effective with respect to such rights or an exemption from the registration requirements of the Securities Act is available. The Company is not currently subject to the reporting requirements of the U.S. Exchange Act), or any other foreign jurisdiction reporting requirements, and currently has no intention to subject itself to such reporting. If U.S. holders of the shares, or possibly holder of shares in other jurisdictions, are not able to receive trade or exercise pre-emptive rights granted in respect of their shares in any issue of shares by the Company, then they may not receive the economic benefit of such rights. Any such rights may, at the sole discretion of the Company, be sold on behalf of such shareholders and such shareholders may receive any profits from such sale, but any profit will depend on the prevailing market prices for the pre-emptive rights. In addition, such shareholder's proportionate ownership interests in the Company will be diluted.

12.3.7 Additional issuances and preferential rights

If Panoro issues any new shares, including bonus share issues, its Articles of Association must be amended, which requires the same vote as other amendments to its Articles of Association. In addition, under Norwegian law, Panoro's shareholders have a preferential right to subscribe to issues of new shares. The preferential rights to subscribe to an issue may be waived by a resolution in a general meeting passed by the same vote required to

approve amendments to the Articles of Association. A waiver of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding shares, irrespective of class.

The general meeting may, with a vote as required for amendments to the Articles of Association, authorize the Board of Directors to issue new shares, and to waive the preferential rights of shareholders in connection with such issuances. Such authorization may be effective for a maximum of two years, and the par value of the shares to be issued may not exceed 50% of the registered nominal share capital when the authorization is registered.

Under Norwegian law, bonus shares may be issued, subject to shareholder approval, by transfer from Panoro's distributable equity or from its share premium reserve. Any bonus issues may be effectuated either by issuing shares or by increasing the par value of the shares outstanding.

To issue shares to holders who are citizens or residents of the United States upon the exercise of preferential rights, Panoro may be required to file a registration statement in the United States under United States securities laws. If Panoro decides not to file a registration statement, such holders may not be able to exercise their preferential rights and in such event would be required to sell such rights to eligible Norwegian persons or other eligible non-U.S. holders to realize the value of such rights.

12.3.8 Shareholder vote on certain reorganizations

A decision to merge with another company or to demerge requires a resolution of the shareholders passed by two-thirds of the aggregate votes cast at a general meeting. A merger plan or demerger plan signed by the board of directors along with certain other required documentation, would have to be sent to all shareholders at least one month prior to the general meeting.

12.3.9 Legal constraints on the distribution of dividends

Under Norwegian law, no interim dividends may be paid in respect of a financial period as to which audited financial statements have not been approved by the annual general meeting of shareholders. Any proposal to pay a dividend must be recommended or accepted by the Board of Directors and approved by the shareholders at a general meeting. The shareholders may vote to reduce (but not to increase) the dividends proposed by the board of directors.

Dividends can be payable in cash or in kind. A company may only distribute dividend to the extent that it after the distribution still has net assets covering the company's share capital and other restricted equity. The calculation shall be made on the basis of the balance sheet in the company's last approved financial statements, however so that it is the registered share capital on the time of decision that applies. It may also be based on an interim audited balance sheet approved by the general meeting.

In the amount that may be distributed according to the preceding paragraph, a deduction shall be made for credit and collateral etc. from before the balance day which after shall lie within the scope of the funds the company can distribute as dividend. It shall however not be made a deduction for credit and collateral etc. that is reimbursed or settled before the time of decision, or credit to a shareholder to the extent that the credit is settled by a netting in the dividend. In the amount that may be distributed according to the preceding paragraph, a deduction shall also be made for the value of treasury shares that the company has acquired as pledge created by agreement before the balance day, with an amount equivalent to the accounts receivable secured by the pledge. This, however, does not apply if a deduction has been made for the accounts receivable according to the first sentence in this paragraph. The Board of Directors will consider the amount of dividend (if any) to recommend for approval by the Company's shareholders, on an annual basis, based upon the earnings of the company for the years just ended and the financial situation of the company at the relevant point in time. Hence, the shareholders do not have an absolute entitlement to share in the Company's profits.

Under Norwegian foreign exchange controls currently in effect, transfers of capital to and from Norway are not subject to prior governmental approval. However, all payments to and from Norway shall be registered with the Norwegian Currency Registry. Such registration is made by the entity performing the transaction. Further, each physical transfer of payments in currency shall be notified to the Norwegian customs. Consequently, a non-Norwegian resident may receive dividend payments without Norwegian exchange control consent if such payment is made through a licensed bank.

The Norwegian Public Limited Liability Companies Act does not provide for any time limit after which entitlement to dividends lapses.

All shareholders that are shareholders at the time the General Meeting makes its resolution are entitled to dividend.

12.3.10 Procedure for dividend payments

Any potential future payments of dividends on the Shares will be denominated in NOK and will be paid to the shareholders through the VPS. Payment to investors registered in the VPS whose address is outside Norway will be conducted by the Company's registrar based on information received from the VPS. Investors with an address outside Norway who have registered a valid bank account with the VPS will receive the dividend payment to the registered bank account while investors who have not registered a bank account with the VPS will receive the dividend payment as a check mailed to the address that the investor has registered in the VPS.

12.3.11 Related party transactions

Under Norwegian law, an agreement between Panoro and, inter alia, a shareholder, the shareholder's parent, a director of Panoro or the CEO of Panoro, or any connected person to the shareholder or the shareholder's parent, which involves consideration from the company in excess 2.5% of the total balance sheet amount, based on the latest approved annual accounts is not binding on the Company unless the agreement has been approved by a general meeting. Certain exemptions may apply, e.g. business agreements in the normal course of the Company's business containing pricing and other terms and conditions which are normal for such agreements, as well as the purchase of securities at a price which is in accordance with the official quotation. Any performance of an agreement which is not binding on the Company must be reversed.

12.3.12 Minority rights

Norwegian law contains a number of protections for minority shareholders against oppression by the majority, including but not limited to those described in this and preceding paragraphs. Any shareholder may petition the courts to have a decision of its general meeting declared invalid inter alia on the grounds that it unreasonably favours certain shareholders or third parties to the detriment of other shareholders or the company itself. In certain circumstances shareholders may require the courts to dissolve the company as a result of such decisions. Minority shareholders holding 5% or more of Panoro's share capital have a right to demand in writing that it hold an extraordinary general meeting to discuss or resolve specific matters. In addition, any shareholder may in writing demand that Panoro place an item on the agenda for any general meeting if it is notified to the Board of Directors at least 7 days before the deadline to call for the general meeting together with a proposal for resolution or an explanation as to why the item is to be placed on the agenda. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if at least 21 days remain before the general meeting is to be held.

12.3.13 Liability of Directors

Members of the Board of Directors owe a fiduciary duty to the company and its shareholders. Such fiduciary duty requires that the board members act in the best interests of Panoro when exercising their functions and exercise a general duty of loyalty and care towards Panoro. Their principal task is to safeguard the interests of the Company.

Members of the Board of Directors may each be held liable for any damage they negligently or wilfully cause Panoro. Norwegian law permits the general meeting to exempt any such person from liability, but the exemption is not binding if substantially correct and complete information was not provided at the general meeting when the decision was taken. If a resolution to grant such exemption from liability or not to pursue claims against such a person has been passed by a general meeting with a smaller majority than that required to amend Panoro's Articles of Association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on Panoro's behalf and in its name. The cost of any such action is not Panoro's responsibility but can be recovered from any proceeds it receives as a result of the action. If the decision to grant an exemption from liability or not to pursue claims is made by such a majority as is necessary to amend the Articles of Association, the minority shareholders cannot pursue the claim in Panoro's name.

12.3.14 Indemnification of Directors and Officers

Neither Norwegian law nor the Articles of Association contain any provision concerning indemnification by Panoro of the Board of Directors. However, as of the date of this Prospectus, Panoro has a Directors and Officers liability insurance program for its Board of Directors.

12.3.15 Insolvency/Liquidation

According to the Norwegian Public Limited Liability Companies Act, the Company may be liquidated by a resolution in a general meeting of the Company passed by a two-thirds majority of the aggregate votes cast as well as two thirds of the aggregate share capital represented at such meeting. The Shares rank pari-passu in the event of a return on capital by the Company upon a liquidation or otherwise.

In the event a resolution to liquidate the Company has been made, the Company's assets shall be transformed to cash in order to cover the Company's contractual obligations and for distribution to the shareholders as long as the shareholders have not accepted to receive the dividends in kind.

12.4 SECURITIES TRADING IN NORWAY

As a company listed on Oslo Børs, Panoro is subject to certain duties to inform the market under the Stock Exchange Regulations, and the insider trading regulation of Chapter 3 of the Securities Trading Act. Furthermore, the Company is subject to Norwegian securities regulations and supervision by the relevant Norwegian authorities.

12.4.1 Trading and settlement

Trading of equities on Oslo Børs or Euronext Expand is carried out in the electronic trading on the he Euronext Optiq® systems. This trading system is in use by all markets operated by Euronext. Official trading on Oslo Børs/Euronext Expand takes place between 09:00 CET and 16:20 CET each trading day, with a pre-trade period between 08:15 CET and 09:00 CET, a closing auction between 16:20 CET and 16:25 CET and a post-trade period from 16:25 CET to 17:30 CET. Reporting of after exchange trades can be done until 17:30 hours (CET).The settlement period for trading on Oslo Børs/Euronext Expand is two trading days (T+2). This means that securities will be settled on the investor's account in the VPS two days after the transaction, and that the seller will receive payment after two days.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from a member state of the EEA, or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this under the Norwegian Securities Trading Act, or, in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. Such market-making activities do not as such require notification to the Norwegian Financial Supervisory Authority or Oslo Børs, except for the general obligation of investment firms that are members of Oslo Børs to report all trades in stock exchange listed securities.

12.4.2 Information, control and surveillance

Under Norwegian law, Oslo Børs is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of Oslo Børs monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway.

Under Norwegian law, implementing the EU Market Abuse Directive, a company that is listed on a Norwegian regulated market, or that is subject to the application for listing on such market, must promptly release any inside information (i.e., precise information about financial instruments, the issuer thereof, or other matters that are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and that are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. Oslo Børs may levy fines on companies violating these requirements.

12.4.3 The VPS and transfer of shares

The Company's Shareholder register is operated through the VPS. The VPS is the Norwegian paperless centralized securities register. It is a computerized bookkeeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded. The VPS and Oslo Børs are both wholly owned by Oslo Børs VPS Holding ASA.

All transactions relating to securities registered with the VPS are made through computerized book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (that is, Norway's central bank), authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

The entry of a transaction in the VPS is prima facie evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, by the relevant company's general meeting, or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS's control, of which the VPS could not reasonably be expected to avoid or overcome the consequences. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an on-going basis, as well as any information that the Norwegian Financial Supervisory Authority requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

12.4.4 Share register

Under Norwegian law shares are registered in the name of the owner of the shares. As a general rule, there are no arrangements for nominee registration. However, shares may be registered with VPS in the name of a depositary (bank or other nominee) approved by the Norwegian Financial Supervisory Authority, to act as nominee for Non-Norwegian shareholders. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In the case of registration by nominees, registration with VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions but cannot vote at general meetings on behalf of the beneficial owners. Beneficial owners must register with VPS or provide other sufficient proof of their ownership to the shares in order to vote at general meetings.

12.4.5 Foreign investment in Norwegian shares

Non-Norwegian investors may trade shares listed on Oslo Børs through any broker that is a member of Oslo Børs, whether Norwegian or Non-Norwegian.

12.4.6 Insider trading

According to Norwegian law subscription for, purchase, sale or exchange of shares which are listed or in respect of which a listing application has been submitted or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in section 3-2 of the Norwegian Securities Trading Act.

The same applies to entry into, purchase, sale or exchange of option or futures/forward contracts or equivalent rights connected with such shares or incitement to such disposition.

12.4.7 Mandatory offer requirement

Pursuant to the Securities Trading Act, any person, entity, or group acting in concert that acquires shares representing more than 1/3 (with a repeated obligation at 40% and at 50%) of the voting rights of a Norwegian company whose shares are listed on Oslo Børs or Euronext Expand is obliged to make an unconditional general offer for the purchase of the remaining shares in the company within four weeks or, within the same period, dispose of a number of voting shares which brings the percentage of voting rights down to or below 1/3.

The shareholder must, immediately upon reaching any of the said thresholds, notify the Company and Oslo Børs accordingly and of whether it will make a mandatory offer or perform a sell-down. A notice informing about a disposal can be altered to a notice of making an offer within the four week period, while a notice stating that the shareholder will make an offer cannot be amended and is thus binding. The mandatory offer obligation ceases to apply if the person, entity, or consolidated group notifies the Company and Oslo Børs of its decision to sell down and then sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

An offer is subject to approval by Oslo Børs before submission of the offer to the shareholders or made public. The offer price per share must be at least as high as the highest price paid or agreed to be paid by the offeror in the six-month period prior to the date the 1/3 threshold was exceeded, but at least equal to the market price, if it is clear that the market price was higher when the mandatory offer obligation was triggered. Note, however, that the EFTA court in a statement dated 10 December 2010 has concluded that the "market price" alternative is not in compliance with EU regulations. Consequently, there is currently doubt as to the legal validity of this alternative. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be unconditional and in cash (NOK), but it may contain a consideration alternative at least equivalent to the cash consideration offered. Until an offer has been made or a disposal completed, the shareholder will have no voting rights or other rights relating to the shares exceeding the offer threshold, apart from the right to receive dividends and pre-emption rights in the event of a share capital increase. In case of the failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, the Oslo Børs may force the acquirer to sell the shares exceeding the threshold by public auction.

Any person, entity, or consolidated group that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and that has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

The Company has not received any takeover bids or bids to acquire controlling interest during 2020 or the current financial year.

12.4.8 Compulsory Acquisition

Pursuant to the Norwegian Public Limited Liability Companies Act and the Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian public limited liability company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition, the majority shareholder becomes the owner of the remaining shares with immediate effect.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder. Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition.

Absent a request for a Norwegian court to set the price, or any other objection to the price being offered in a compulsory acquisition, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline for raising objections to the price offered in the compulsory acquisition.

In event a shareholder, directly or through subsidiaries, exceeds the 90% threshold by way of a mandatory offer in accordance with the Securities Trading Act, and a compulsory acquisition is resolved within three months, then the share price in the compulsory acquisition shall be equal to the price in the mandatory offer if no special circumstances call for a different price. Further, if the 90% threshold is exceeded by way of a voluntary offer, the compulsory acquisition may, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution according to the rules for mandatory offers.

12.4.9 Disclosure Obligations

A person, entity or group acting in concert that acquires shares, options for shares or other rights to shares (i.e. convertible loans or subscription rights) resulting in its beneficial ownership, directly or indirectly, in the aggregate meeting or exceeding the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights in the Company has an obligation under Norwegian law to notify Oslo Børs immediately. The same applies to disposal of shares, option for shares etc., resulting in a beneficial ownership, directly or indirectly, in the aggregate meeting or falling below said thresholds.

The reporting obligations will also apply if the thresholds are reached or passed as a result of events changing the relative ownership or voting stake by "passive" means e.g. if a company is increasing its share capital and thereby causes an existing shareholder not participating in the capital increase to be diluted.

12.5 SHAREHOLDER AND DIVIDEND POLICY

12.5.1 Shareholder policy

Any acquisition of own shares will be at market price, and the Company will not deviate from the principle of unreasonable unequal treatment of all shareholders.

12.5.2 Dividend policy

The Company's objectives are to create lasting values and provide competitive returns to its shareholders through profitability and growth.

Long-term returns to shareholders should reflect the value created in the Company in the form of increased share price as well as dividends.

Dividends should arise in line with the growth in the Company's results while at the same time recognizing the need for financial preparedness for cyclical market movements, as well as opportunities for adding value through new profitable investments.

Over time, value added will be reflected to a greater extent by an increased share price, rather than through dividend distributions.

The Company has not paid any dividend since its incorporation in 2009 and 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.

12.6 SHAREHOLDER AGREEMENTS

The Company is not aware of any shareholder agreements among its investors.

12.7 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 recommendation of the Corporate Governance Code, and the principle of comply or explain. The Board has implemented the Corporate Governance Code and will use its guidelines as the basis for the Board's governance duties. As of the date of this Prospectus, the Company is in compliance with the Corporate Governance Code with the following qualifications:

Currently, the Audit Committee and the Remuneration Committee consists of the complete Board. The reason for this is the rather low number of directors in the Company, which has led the Board to conclude that it is currently more efficient for the Board function that all directors also are members of committees. This practice will be further assessed in the future.

13. REGULATORY DISCLOSURES

Companies listed on Oslo Børs are subject to disclosure requirements under the Norwegian Securities Trading Act. Below is a summary of certain disclosures made by the Company under its ticker code "PEN" on www.newsweb.no in the preceding 12 months prior to the date of this Prospectus. For a complete overview of all the notices published by the Company in the 12 preceding months prior to the Prospectus, reference is made to www.newsweb.no. The content of www.newsweb.no is not incorporated by reference into, or otherwise form part of, this Prospectus.

Financial information

Date	Title	Description
15.12.2020	Financial calendar	Announcement of financial calendar for 2020 and 2021
23.11.2020	Panoro Energy: Q3 2020 Financial results and operational updates	Publication of third-quarter 2020 financial results
27.08.2020	Panoro Energy Announces Half Year 2020 (1H) Results and Provides Operations and Corporate Updates	Publication of half-year 2020 financial results
28.05.2020	Panoro Energy Announces First Quarter 2020 Results and Provides Operations and Corporate Updates	Publication of first quarter 2020 financial results
30.04.2020	Panoro Energy - Annual Report 2019	Publication of the Annual Financial Statement for 2019
26.02.2020	Panoro Energy Announces Full Year 2019 Results	Publication of full-year financial results 2019

Share capital information

Date	Title	Description
11.02.2021	Share capital registered	Share capital relating First Tranche New Shares issued in the Private Placement registered
10.02.2021	Private Placement successfully completed	Private Placement successfully completed
09.02.2021	Contemplated Private Placement	Description of Transaction and contemplated Private Placement
24.06.2020	Awards and exercise under RSU program and mandatory notification of trades	Announcement relating to awards and exercise under RSU program and mandatory notification of trades, as well as new the Company's new share capital following registration of share issue.

Additional disclosed information

Date	Title	Description
31.12.2020	Panoro Energy Announces Extension of Long Stop Date for Sale of Aje	Announcement that PetroNor and the Company agreed to extend the completion long stop date for the sale of its fully owned subsidiaries that hold 100% of the shares in Pan Petroleum Aje Limited (Pan Aje) from 31 December 2020 to 30 June 2021.
26.10.2020	Panoro Energy - Guebiba 10 Well Successful Side-Track and Production Target Achieved in Tunisia	Announcement that the Guebiba 10 sidetrack well (Gue-10AST) located in the Guebiba oilfield in Tunisia and part of the Thyna Production Services (TPS) concession has been successfully drilled and completed. In addition, announcement of production levels at TPS.
07.09.2020	Panoro Energy Announces Additions to Tunisian Team	Announcement of the appointment of two senior managers for secondment to TPS in Tunisia
04.05.2020	Panoro Energy Provides Operations and Corporate Update	Announcement of operations and corporate update
18.03.2020	Panoro Energy Announces Impact of Coronavirus (COVID-19) on Operations and Corporate Update	Announcement of impact of coronavirus (COVID-19) on operations and corporate update
10.03.2020	Panoro Energy Provides Corporate Update	Announcement of corporate update
09.03.2020	Panoro Energy Starts Oil Production from the second Tortue Phase 2 well, offshore Gabon	Announcement of start of oil production from the second Tortue phase 2 well, offshore Gabon
05.03.2020	Panoro Energy Starts Oil Production from Tortue Phase 2, offshore Gabon	Announcement of start of oil production from the Tortue phase 2 well, offshore Gabon
25.02.2020	Panoro Energy Farms into South Africa Exploration License	Announcement of signing of farm out agreement with a subsidiary of Africa Energy Corp. (AEC), part of the Lundin Group of Companies, which entails a wholly owned subsidiary of Panoro acquiring a 12.5% interest in Block 2B located in the Orange Basin, offshore the west coast of South Africa.
18.02.2020	Panoro Announces Additional Well in Tunisia and High Levels of Production Activity	Announcement of additional Well in Tunisia and high levels of production activity

22.01.2020	Panoro Energy announces completion of the second Tortue phase 2 development well, offshore Gabon	Announcement of completion of the second Tortue phase 2 development well, offshore Gabon
21.01.2020	Panoro Energy provides an update on 30 September 2019 Dussafu reserves report	Announcement of update on 30 September 2019 Dussafu reserves report
18.12.2019	Panoro Energy: Dussafu - Tullow back-in right	Announcement that Tullow Oil Gabon S.A. had formalised its 10% back-in right to the Dussafu production sharing contract (PSC).
10.12.2019	Panoro Energy - Completion of Dussafu DTM-4H production well	Announcement of completion of Dussafu DTM-4H production well

Major shareholder notifications

Date	Title	Description
14.12.2020	Flaggemelding Panoro Energy ASA	Announcement that Kistefos AS extended forwards of 3,102,109 shares (representing 4.51% of the share capital), which expires on 26.03.2021. Ownership of 11.39% unchanged.
30.09.2020	Flaggemelding i Panoro Energy ASA	Announcement that DNB Bank ASA, DNB Markets, has purchased and sold 4,731,179 shares (representing 6.88% of the share capital). Expected delivery under forward-contract is on 26.03.2021. Shareholding following the transaction is 11,321 shares.
30.09.2020	Flaggemelding Panoro Energy ASA	Announcement that Kistefos AS extended forwards of 4,731,179 shares (representing 6.88% of the share capital), which expires on 26.03.2021. Ownership of 11.39% unchanged.
12.06.2020	Flaggemelding Panoro Energy ASA	Announcement that Kistefos AS extended forwards of 3,102,109 shares (representing 4.51% of the share capital), which expires on 14.12.2020. Ownership of 11.39% unchanged.
04.06.2020	Flaggemelding Panoro Energy ASA	Announcement that DNB Bank ASA, DNB Markets, has purchased and sold 4,731,179 shares (representing 6.88% of the share capital). Expected delivery under forward-contract is on 30.09.2020. Shareholding following the transaction is 11,321 shares.
04.06.2020	Panoro Energy (PEN) - flaggemelding	Announcement that Kistefos AS extended forwards of 4,731,179 shares (representing 6.88% of the share capital), which expires on 30.09.2020. Ownership of 11.4% unchanged.
02.06.2020	Panoro Energy - Mandatory Notification of Voting Rights - 2020 AGM	Announcement that chairman Julien Balkany received proxies for the 2020 AGM, so that the 15% disclosure threshold was crossed.
02.03.2020	PEN - Shareholder disclosure	Announcement that F2 Funds AS had sold 1.635.000 shares. New shareholding 2.272.622 shares (3.3%).
28.02.2020	Flaggemelding Panoro Energy ASA	Sundt AS announced purchase of 1,000,000 shares. New shareholding 7,850,000 shares (11.4%).
21.02.2020	Flaggemelding Panoro Energy	Kistefos AS announced purchase of 977,707 shares. New shareholding 7,833,288 shares (11.4%).
13.12.2019	Flaggemelding Panoro Energy	Kistefos AS announced extension of forward agreements for 6,855,581 shares (9.96%) until 12 June 2020.

14. NORWEGIAN TAXATION

Set out below is a summary of certain Norwegian tax matters related to an investment in the Company. The summary regarding Norwegian taxation is based on the laws in force in Norway as at the date of this Prospectus, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis.

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the shares in the Company. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisers. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (due to domestic tax law or tax treaty) should specifically consult with and rely upon their own tax advisers with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes. The statements in the summary only apply to shareholders who are beneficial owners of the Shares.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

The tax legislation in the Company's jurisdiction of incorporation and the tax legislation in the jurisdiction in which the shareholders are resident for tax purposes may have an impact on the income received from the Shares.

14.1 TAXATION OF DIVIDENDS

14.1.1 Norwegian Personal Shareholders

Dividends distributed to shareholders who are individuals residing in Norway for tax purposes ("**Norwegian Personal Shareholders**") are taxable in Norway for such shareholders currently at an effective tax rate of 31.68% (for 2020) to the extent the dividend exceeds a tax-free allowance; i.e. dividends received, less the tax free allowance, shall be multiplied by 1.44 which are then included as ordinary income taxable at a flat rate of 22%, increasing the effective tax rate on dividends received by Norwegian Personal Shareholders to 31.68%.

The allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a determined risk free interest rate based on the effective rate of interest on treasury bills (Nw.: *statskasseveksler*) with three months maturity plus 0.5 percentage points, after tax. The allowance is calculated for each calendar year, and is allocated solely to Norwegian Personal Shareholders holding shares at the expiration of the relevant calendar year.

Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated allowance one year exceeding the dividend distributed on the share ("excess allowance") may be carried forward and set off against future dividends received on, or gains upon realization, of the same share (but may not be set off against taxable dividends or capital gains on other shares). Furthermore, excess allowance can be added to the cost price of the share and included in basis for calculating the allowance on the same share the following year.

14.1.2 Norwegian Corporate Shareholders

Dividends distributed to shareholders who are limited liability companies (and certain similar entities) domiciled in Norway for tax purposes ("**Norwegian Corporate Shareholders**"), are effectively taxed at a rate of currently 0.66% (3% of dividend income from such shares is included in the calculation of ordinary income for Norwegian Corporate Shareholders and ordinary income is subject to tax at a flat rate of currently 22% for 2020).

14.1.3 Non-Norwegian Personal Shareholders

Dividends distributed to shareholders who are individuals not residing in Norway for tax purposes ("**Non-Norwegian Personal Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

Non-Norwegian Personal Shareholders residing within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share (please see "Taxation of dividends – Norwegian Personal Shareholders" above). However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an

applicable tax treaty, leads to a lower taxation of the dividends than the withholding tax rate of 25% less the tax-free allowance.

If a Non-Norwegian Personal Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Personal Shareholder, as described above.

Non-Norwegian Personal Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

Non-Norwegian Personal Shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming a refund of withholding tax.

14.1.4 Non-Norwegian Corporate Shareholders

Dividends distributed to shareholders who are limited liability companies (and certain other entities) domiciled outside of Norway for tax purposes ("**Non-Norwegian Corporate Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to Non-Norwegian Corporate Shareholders domiciled within the EEA for tax purposes are exempt from Norwegian withholding tax provided that the shareholder is the beneficial owner of the shares and that the shareholder is genuinely established and performs genuine economic business activities within the relevant EEA jurisdiction.

If a Non-Norwegian Corporate Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Corporate Shareholder, as described above.

Non-Norwegian Corporate Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted. The same will apply to Non-Norwegian Corporate Shareholders who have suffered withholding tax although qualifying for the Norwegian participation exemption.

Nominee registered shares will be subject to withholding tax at a rate of 25% unless the nominee has obtained approval from the Norwegian Tax Directorate for the dividend to be subject to a lower withholding tax rate. To obtain such approval the nominee is required to file an applicationto the tax authorities including all beneficial owners that are subject to withholding tax at a reduced rate.

All Non-Norwegian Corporate Shareholders must document their entitlement to a reduced withholding tax rate by either (i) presenting an approved withholding tax refund application or (ii) present an approval from the Norwegian tax authorities confirming that the recipient is entitled to a reduced withholding tax rate. Such documentation must be provided to either the nominee or the account operator (VPS).

The withholding obligation in respect of dividends distributed to Non-Norwegian Corporate Shareholders and on nominee registered shares lies with the company distributing the dividends and the Company assumes this obligation.

Non-Norwegian Corporate Shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming a refund of withholding tax.

14.2 TAXATION OF CAPITAL GAINS ON REALISATION OF SHARES

14.2.1 Norwegian Personal Shareholders

Sale, redemption or other disposal of shares is considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares is taxable or tax deductible in Norway. The effective tax rate on gain or loss related to shares realized by Norwegian Personal Shareholders is currently 31.68 % (for 2020); i.e. capital gains (less the tax free allowance) and losses shall be multiplied by 1.44 which are then included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is taxable at a flat rate of 22% (2020), increasing the effective tax rate on gains/losses realized by Norwegian Personal Shareholders to 31.68%.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realization of the share. From this capital gain, Norwegian Personal Shareholders are entitled to deduct a calculated allowance provided that such allowance has not already been used to reduce taxable dividend income. Please refer to Section 14.1 "Taxation of dividends" above for a description of the calculation of the allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realization of a share will be annulled. Unused allowance may not be set of against gains form realisation of other shares.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Special rules apply for Norwegian Personal Shareholders that cease to be tax-resident in Norway.

Norwegian Personal Shareholders may hold shares through a Norwegian share saving account (Nw.: aksjesparekonto). Gains derived upon the realization of shares held through a share saving account will be exempt from Norwegian taxation and losses will not be tax deductible. Withdrawal of funds from the share saving account exceeding the Norwegian Personal Shareholder's paid in deposit, will be regarded as taxable income, subject to tax at an effective tax rate of 31.68% (for 2020). Norwegian Personal Shareholders will be entitled to a calculated tax-free allowance provided that such allowance has not already been used to reduce taxable dividend income (please see "Taxation of dividends – Norwegian Personal Shareholders" above). The tax-free allowance is calculated based on the lowest paid in deposit in the account during the income year, plus any unused tax-free allowance from previous years. The tax-free allowance can only be deducted in order to reduce taxable income, and cannot increase or produce a deductible loss. Any excess allowance may be carried forward and set off against future withdrawals from the account or future dividends received on shares held through the account.

14.2.2 Norwegian Corporate Shareholders

Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realization of shares qualifying for participation exemption, including shares in the Company. Losses upon the realization and costs incurred in connection with the purchase and realization of such shares are not deductible for tax purpose.

Special rules apply for Norwegian Corporate Shareholders that cease to be tax-resident in Norway.

14.2.3 Non-Norwegian Personal Shareholders

Gains from the sale or other disposal of shares by a Non-Norwegian Personal Shareholder will not be subject to taxation in Norway unless the Non-Norwegian Personal Shareholder holds the shares in connection with business activities carried out or managed from Norway.

14.2.4 Non-Norwegian Corporate Shareholders

Capital gains derived by the sale or other realization of shares by Non-Norwegian Corporate Shareholders are not subject to taxation in Norway.

14.3 NET WEALTH TAX

Norwegian Corporate Shareholders are not subject to net wealth tax.

Norwegian Personal Shareholders are generally subject to net wealth taxation at a current rate of 0.85% on net wealth exceeding NOK 1,500,000. The general rule is that the Shares will be included in the net wealth with 65% of their proportionate share of the Company's calculated wealth tax value as of 1 January in the income year. Debt allocated to the shares for Norwegian wealth tax purposes is reduced correspondingly.

Non-Norwegian Norwegian Personal Shareholders and Non-Norwegian Corporate Shareholders are generally not subject to Norwegian net wealth tax, unless the Shares are held in connection with business activities carried out or managed from Norway.

14.4 VAT AND TRANSFER TAXES

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

14.5 INHERITANCE TAX

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

15. LEGAL MATTERS

15.1 LEGAL AND ARBITRATION PROCEEDINGS

The Group will from time to time be involved in disputes in the ordinary course of its business activities. The Group is currently not involved in any legal disputes.

As of the date of this Prospectus, 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.

15.2 MATERIAL CONTRACTS OUTSIDE THE ORDINARY COURSE OF BUSINESS

The Group has not entered into any material contracts outside the ordinary course of business.

15.3 RELATED PARTY TRANSACTIONS

In the period comprised by the historical Financial Statements and up until the date of this Prospectus, the Group has not entered into any related party transactions.

16. SELLING AND TRANSFER RESTRICTIONS

16.1 GENERAL

As a consequence of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Shares offered hereby.

Other than in Norway, the Company is not taking any action to permit a public offering of the Shares in any jurisdiction. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus is for information only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus in any jurisdiction other than Norway, the investor may not treat this Prospectus as constituting an invitation or offer to it, nor should the investor in any event deal in the Shares, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Prospectus, the investor should not distribute or send the same, or transfer Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

16.2 SELLING RESTRICTIONS

16.2.1 United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold except: (i) within the United States to QIBs in reliance on Rule 144A or pursuant to another available exemption from the registration requirements of the U.S. Securities Act; or (ii) to certain persons in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Accordingly, each Manager has represented and agreed that it has not offered or sold, and will not offer or sell, any of the Offer Shares as part of its allocation at any time other than to QIBs in the United States in accordance with Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act or outside of the United States in compliance with Rule 903 of Regulation S. Transfer of the Offer Shares will be restricted and each purchaser of the Offer Shares in the United States will be required to make certain acknowledgements, representations and agreements, as described under Section 16.3.1 "United States".

Any offer or sale in the United States will be made solely by affiliates of the Managers who are broker-dealers registered under the U.S. Exchange Act. In addition, until 40 days after the commencement of the Subsequent Offering, an offer or sale of Offer Shares within the United States by a dealer, whether or not participating in the Subsequent Offering, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from the registration requirements of the U.S. Securities Act and in connection with any applicable state securities laws.

16.2.2 United Kingdom

Each Manager has represented, warranted and agreed that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Order received by it in connection with the issue or sale of any Offer Shares in circumstances in which Section 21(1) of the Order does not apply to the Company; and
- it has complied and will comply with all applicable provisions of the Order with respect to everything done by it in relation to the Offer Shares in, from or otherwise involving the United Kingdom.

16.2.3 European Economic Area

In relation to each Relevant Member State, no Offer Shares have been offered or will be offered to the public in that Relevant Member State, pursuant to the Subsequent Offering, except that Offer Shares may be offered to the public in that Relevant Member State at any time in reliance on the following exemptions under the EU Prospectus Regulation:

- to persons who are "qualified investors" within the meaning of Article 2(e)in the EU Prospectus Regulation;

- to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) per Relevant Member State, with the prior written consent of the Managers for any such offer; or
- in any other circumstances falling under the scope of Article 3(2) of the EU Prospectus Regulation.

provided that no such offer of Offer Shares shall result in a requirement for the Company or any Manager to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplementary prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purpose of this provision, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Subsequent Offering and the Offer Shares to be offered, so as to enable an investor to decide to acquire any Offer Shares.

This EEA selling restriction is in addition to any other selling restrictions set out in this Prospectus.

16.2.4 Additional jurisdictions

Canada

The Offer Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Offer Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Managers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Hong Kong

The Offer Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, and no advertisement, invitation or document relating to the Offer Shares may be issued or may be in the possession of any person for the purposes of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Offer Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Offer Shares may not be circulated or distributed, nor may they be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Other jurisdictions

The Offer Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Japan, Australia or any other jurisdiction in which it would not be permissible to offer the Offer Shares.

In jurisdictions outside the United States and the EEA where the Subsequent Offering would be permissible, the Offer Shares will only be offered pursuant to applicable exceptions from prospectus requirements in such jurisdictions.

16.3 TRANSFER RESTRICTIONS

16.3.1 United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States only to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this section.

Each purchaser of the Offer Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States and are subject to significant restrictions on transfer.
- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares was located outside the United States at the time the buy order for the Offer Shares was originated and continues to be located outside the United States and has not purchased the Offer Shares for the benefit of any person in the United States or entered into any arrangement for the transfer of the Offer Shares to any person in the United States.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser is aware of the restrictions on the offer and sale of the Offer Shares pursuant to Regulation S described in this Prospectus.
- The Offer Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- The Company shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above restrictions.
- The purchaser acknowledges that these representations are required in connection with the securities laws of the United States and that the Company, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Offer Shares within the United States pursuant to Rule 144A or another available exemption under the Securities Act will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.

- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and are subject to significant restrictions to transfer.
- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it may be made in reliance on Rule 144A and (iii) is acquiring such Offer Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Offer Shares, as the case may be.
- The purchaser is aware that the Offer Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.
- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, as the case may be, such Shares may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in a transaction meeting the requirements of Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The Offer Shares are "restricted securities" within the meaning of Rule 144(a) (3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Offer Shares, as the case may be.
- The Company shall not recognise any offer, sale pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions.
- The purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and that the Company, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

16.3.2 European Economic Area

Each person in a Relevant Member State (other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway) who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with each Manager and the Company that:

a) it is a qualified investor within the meaning of Articles 2(e) of the EU Prospectus Regulation; and

b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 1 of the EU Prospectus Regulation, (i) the Offer Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

For the purpose of this representation, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Subsequent Offering and the Offer Shares to be offered, so as to enable an investor to decide to acquire any Offer Shares.

17. ADDITIONAL INFORMATION

17.1 INDEPENDENT AUDITOR

The Company's independent auditor is Ernst & Young AS (EY) with company registration number 976 389 387 with the Norwegian Register of Business Enterprises and business address Dronning Eufemias gate 6, P.O. Box 20, N-0051 Oslo, Norway. EY is a member of the Norwegian Institute of Public Accountants (Nw: *Den Norske Revisorforening*). EY has been the Company's auditor throughout the period covered by financial information included in this Prospectus.

The Annual Financial Statement is audited. The Interim Financial Statements are unaudited.

The independent auditor's report for 2019 did not contain any audit qualifications or emphasis of matter.

EY report on the pro forma financial statement is attached to this Prospectus as Appendix 1. For more information, please see section 10 "Unaudited pro forma financial information".

Other than set out above, EY has not audited, reviewed or produced any report on any information provided in this Prospectus.

17.2 ADVISORS

Pareto Securities AS (business address: Dronning Mauds gate 3, 0251 Oslo, Norway) and Carnegie AS (address: Fjordalléen 16, Aker Brygge, P.O. Box 684 Sentrum, NO-0106 Oslo, Norway) are acting as Managers in the Subsequent Offering.

Advokatfirmaet Schjødt AS (address: Ruseløkkveien 14-16, N-0251 Oslo, Norway) is acting as Norwegian legal counsel to the Company.

17.3 DOCUMENTS ON DISPLAY

For the life of this Prospectus the following documents (or copies thereof), where applicable, may be inspected at the offices of the Company (c/o Advokatfirmaet Schjødt AS, Ruseløkkveien 14, 0251 Oslo, Norway):

- The Memorandum and Articles of Association of the Company
- 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 this Prospectus; and
- This Prospectus

The documents are also available at the Company's website www.panoroenergy.com. The content of www.panoroenergy.com is not incorporated by reference into, or otherwise form part of, this Prospectus.

17.4 DOCUMENTS INCORPORATED BY REFERENCE

The information incorporated by reference to this Prospectus should be read in connection with the cross reference list as set out in the table below. Except from this Section 17.4 "Documents incorporation by reference", no other information is incorporated by reference in this Prospectus. The following documents have been incorporated hereto by reference:

Table – Information incorporated by reference in this Prospectus			
Section in Prospectus	**Disclosure requirements of the Prospectus**	**Reference document and link**	**Page (P) in reference document**
Summary, sections 8 and 9	Interim financial information (Annex 3, Section 11, item 11.3)	**Q3 2020 Interim Financial Statement** https://mb.cision.com/Public/399/3241542/84228e04999dfd75.pdf Consolidated statement of comprehensive income Consolidated statement of financial position Consolidated statement of changes in equity Consolidated cash flow statement Notes to the consolidated financial statement	 Pages 1 – 31 Page 16 Page 17 Page 18 Page 19 Pages 20-29

Summary, sections 8 and 9	Interim financial information (Annex 3, Section 11, item 11.3)	**First half-year 2020 Interim Financial Statement** https://mb.cision.com/Public/399/3182018/b7bb730f37f22e82.pdf Consolidated statement of comprehensive income Consolidated statement of financial position Consolidated statement of changes in equity Consolidated cash flow statement Notes to the consolidated financial statement	Pages 1 – 31 Page 15 Page 16 Page 17 Page 18 Page 19 - 28
Summary, sections 8, 9 and 10	Audited historical financial information (Annex 3, Section 11, item 11.3)	**Annual Financial Statement 2019** https://mb.cision.com/Main/399/3100886/1239984.pdf Annual statement of reserves Annex reserves statement Consolidated statement of comprehensive income Consolidated statement of financial position Consolidated statement of changes in equity Consolidated cash flow statement Notes to the consolidated financial statement Auditor's report	Pages 1 - 97 Pages 20 – 22 Pages 23 – 24 Page 28 Pages 29 – 30 Page 31 Page 32 Pages 33 – 69 Pages 84 – 88
Sections 8, 9, and 10	Accounting policies	**Annual Financial Statement 2019** **Note 2.4 Summary of significant accounting policies** https://mb.cision.com/Main/399/3100886/1239984.pdf	Pages 35 – 43
Sections 4.4 and 7.5	Annual statement of reserves (Annex 3, item 1.3, Annex 12, item 1.3, mineral companies item 133ii)	**Annual statement of reserves 2019** https://mb.cision.com/Main/399/3100879/1239948.pdf	Pages 1 – 7
Sections 4.4 and 7.5	Yearly updates of annual statement of reserves (Annex 3, item 1.3, Annex 12, item 1.3, mineral companies item 133ii)	**Yearly updates of the annual statement of reserves can be found at** http://www.panoroenergy.com/investors/annual-statement-of-reserves/	N/A (web page)
Summary, Sections 12.1 and 12.3	Articles of association (Annex 3, Section 15, Item 15.1)	**Articles of Association** https://www.panoroenergy.com/investors/corporate-governance/articles-of-association/	N/A (web page)
Sections 11.1.3 and 12.7	Corporate governance policy	**Corporate governance policy** https://www.panoroenergy.com/investors/corporate-governance/corporate-governance-policy/	N/A (web page)

18. DEFINITIONS AND GLOSSARY

Table 7 – Definitions and glossary

Defined terms	Meanings
1P	Reserves are proven reserves that will be recovered with 90% probability. Proved reserves are those quantities of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods and government regulations.
2P	Reserves are proved (1P as above) plus probable reserves, which will be recovered with 50% probability. Probable reserves are those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proven Reserves (1P).
2P	Reserves are proven, probable, and possible volumes that will be recovered with 10% probability.
Acquisitions	EG Acquisition and Dussafu Acquisition, collectively
AEC	Africa Energy Corp
AGM	Annual General Meeting
AIPN	Association of International Petroleum Negotiators
ANP	The Brazilian directorate Agência Nacional do Petróleo, Gás Natural e Biocombustíveis
Anti-Money Laundering Legislation	Collectively, the Norwegian Money Laundering Act of 1 June 2018 No. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 No. 1324, as amended
Appropriate Channels for Distribution	Shares eligible for distribution through all distribution channels as are permitted by MiFID II.
Australian Corporations Act	Corporations ACT 2001 (Cth) of Australia
bbl	Barrel of oil, equal to 42 U.S. gallons or 159 litres
Bcf	Billion cubic feet
Board of Directors or Board	The Board of Directors of Panoro Energy ASA
boepd	Barrels of oil equivalent per day
bopd	Barrels of oil per day
bwpd	Barrels of water per day
BRL	Brazilian Real
CEMAC	Central African Economic and Monetary Community
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CET	Central European Time
CITA	Companies Income Tax Act, Cap 21 2004 of the Federal Republic of Nigeria, as amended from time to time
CO	Companies Ordinance of Hong Kong (cap. 32)
Committed Underwritten Arrangement	The Company together with its relevant subsidiaries and Trafigura have entered into a underwritten commitment of up to US$ 90 million, to be utilised in two tranches, each utilised independently of the other and each valid until [28 February 2021] or a later date if mutually agreed. The commitment is subject to long-form loan documentation and certain conditions.
Company, Panoro or Panoro Energy	Panoro Energy ASA and its consolidated subsidiaries
DHG	Direction Générale des Hydrocarbures, the government entity responsible for the upstream sector in Gabon
DIBPSA	The Deep Offshore & Inland Basin Production Sharing Contract Act 2004 of the Federal Republic of Nigeria, as amended from time to time
Deferred Consideration	Subject to completion of the Dussafu Acquisition, on the later of (a) completion of the EG Acquisition, or (b) within two business days of completion of the Dussafu Acquisition, the EG Seller will receive an additional consideration of US$ 5.0 million.
DGH	Direction Générale des Hydrocarbures, the government entity responsible for the upstream sector in Tunisia
Divested Subsidiaries	Pan-Petroleum Services Holding BV and Pan-Petroleum Nigeria Holding BV, together
DMO	Domestic Market Obligation
DPR	The Department of Petroleum Resources of the Nigerian Federal Ministry of Petroleum Resources
DST	Drill stem test

Dussafu	Dussafu Marin Permit
EBIT	Represents operating income / (loss)
EBITDA	Represents operating income before depreciation and write-downs
EEA	European Economic Area
EG Buyer or PEHBV	Panoro Energy Holding BV
EG Acquisition	Acquisition of 100% of the shares in TEGL
EG Seller	Tullow Overseas Holdings BV
EGM	Extraordinary General Meeting in the Company held on 3 March 2021
EIA	Energy Information Agency
Eligible Shareholders	Shareholders in the Company as registered with the VPS on the Record Date, who were not contacted with respect to the Private Placement, and who are not resident in a jurisdiction where such offering would be unlawful or (for jurisdictions other than Norway) would require any prospectus, filing, registration or similar action
ETAP	National Company for Petroleum Activities *"Entreprise Tunisienne d'Activités Pétrolière"*
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.
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act
EY	Ernst & Young AS, the Company's independent auditor
E&P	Exploration and production
FEED	Front-End Engineering Design
FDP	Field development plan
FID	Final Investment Decision
Financing	The Private Placement and the loan from Trafigura, collectively
FPSO	Floating Production Storage and Offloading vessel, a marine vessel used to extract oil
GA Buyer or PPGBV	Pan Petroleum Gabon BV
GA Seller or "TOGSA"	Tullow Oil Gabon SA
GCA	Gaffney, Cline & Associates, the Company's certification agent
GDPR	General Data Protection Regulation (EU) 2016/679
GOR	Gas/Oil Ratio
Group	The Company together with its consolidated subsidiaries
G&A	General and administration costs
G&G	Geological and Geophysical
IEA	International Energy Agency
IFRS	International Financial Reporting Standards, as adopted by the EU
Ineligible Jurisdiction	Jurisdictions where the Prospectus may not be distributed and/or with legislation that, according to the Company's assessment, prohibits or otherwise restricts subscription for Offer Shares
Ineligible Shareholders	Shareholders resident in Ineligible Jurisdictions
Initial Exploration Period	The four year initial exploration period under the SOEP
Interim Financial Statement	The Group's unaudited interim consolidated financial statements as of, and for the three month periods ended, 30 September 2020 and 2019, and the six month periods ended, 30 June 2020 and 2019
ISIN	International Securities Identification Number.
JOA	Joint Operating Agreement
JV	Joint venture
JVA	Joint Venture Agreement
boepd	Barrels of oil equivalents per day
LEI	Legal entity identifier.
Management	Members of the senior management of the Company.
Managers	Pareto Securities ASA and Carnegie AS

MEND	The Movement for the Emancipation of the Niger Delta
MiFID II	EU Directive 2014/65/EU on markets in financial instruments, as amended
MiFID II Product Governance Requirements	Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II and together with local implementing measures.
MKB	Mengo-Kunji-Bindi (license in Republic of Congo)
MMbbl	Million barrels of oil
MMboe	Million barrels of oil equivalents
NCI	National Client Identifier.
Negative Target Market	Investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile.
NOK	Norwegian Kroner, the lawful currency of the Kingdom of Norway
Non-Norwegian Corporate Shareholders	Shareholders that are limited liability companies resident not resident in Norway for tax purposes
Non-Norwegian Personal Shareholders	Shareholders who are individuals not resident in Norway for tax purposes
Norse Energy	Norse Energy Corp. ASA, the legal name of the merged entity of Northern Oil ASA and Naturgass (USA) AS
Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes
Norwegian Personal Shareholders	Shareholders who are individuals resident in Norway for tax purposes
Norwegian Public Limited Liability Companies Act	The Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45 ("Allmennaksjeloven").
Norwegian Securities Trading Act	The Securities Trading Act of 29 June 2007 no. 75 ("Verdipapirhandelloven")
N/A	Not applicable
Offer Shares	5,500,000 new ordinary shares to be offered by the Company in the Subsequent Offering
OML	Oil Mining Lease
OPEC	Organization of Petroleum Exporting Countries
OPL	Oil Prospecting License
Order	The UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005
OSE	Abbreviation for Oslo Børs or Oslo Stock Exchange
Oslo Børs or Oslo Stock Exchange	Oslo Børs ASA (translated "the Oslo Stock Exchange")
PDPR	Petroleum (Drilling & Production) Regulations
PetroNor	PetroNor E&P Limited
PIB	The Nigerian Petroleum Industry Bill
Positive Target Market	End target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II.
PPAL	Pan-Petroleum Aje Limited
PPT	Petroleum Profit Tax
PPTA	Petroleum Profits Tax Act 2004 of the Federal Republic of Nigeria, as amended from time to time
Private Placement	The private placement of ordinary shares, each with nominal value of NOK 0.05, at a subscription price of NOK 15.50
PSA	Production Sharing Agreement
PSC	Production Sharing Contract
QIBs	Qualified institutional buyers in reliance on Rule 144A
Qualified Investors	Qualified investors within the meaning of Article 2(e) of the EU Prospectus Regulation
Record Date	Shareholders in the Company, as of 9 February 2021, as registered with the VPS on 11 February 2021
Regulation S	Regulation S under the U.S. Securities Act
Relevant Member State	Each member state of the EEA other than Norway
Relevant Persons	Persons in the UK that are (i) investment professionals falling within Article 19(5) of the Order or (ii) high net worth entities, and other persons to whom the Prospectus may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order.
Rule 144A	Rule 144A under the U.S. Securities Act.

RSU	Restricted Share Units award scheme of Panoro
The Ruche Area EEA	Exclusive Exploitation Authorisation granted by the Gabonese government for exploiting the resources inherent in the Dussafu Marin Permit
Second Tranche New Shares	[=] new shares issued by the Company at the Subscription Price, each with a nominal value of NOK 0.05, as the second tranche in the Private Placement
SFO	Securities and Futures Ordinance of Hong Kong (Cap. 571)
Share(s)	"Shares" means the common shares in the capital of the Company each having a nominal value of NOK 0.05 "Share" means any one of them.
Share Consideration	Upfront consideration for the Divested Subsidiaries consisting of the allotment and issue of new PetroNor shares with a fixed value of US**$** 10 million
SNPC	Societe Nationale des Petroles du Congo
SOEP	Sfax Offshore Exploration Permit
Subscription Form	Subscription form to be used to subscribe for Offer Shares in the Subsequent Offering, attached to this Prospectus as Appendix 1.
Subscription Period	Subscription period in the Subsequent Offering which commences on 8 March 2021 at noon (CET) 2020 and expires on 15 March 2021 at [16:30] hours (CET).
Subscription Price	Subscription price of NOK 15.50 per Offer Share
Subscription Rights	Non-transferable subscription rights based on Eligible Shareholders shareholding as of the Record Date, which will give Eligible Shareholders a preferential right to subscribe for and be allocated shares in the Subsequent Offering.
Subsequent Offering	An offering up to 5,500,000 Offer Shares in the Company with a nominal value of NOK 0.05, each at a subscription price of NOK 15.50
TAP	Total allowable production
Target Market Assessment	The Negative Target Market and the Positive Target Market, together.
Tcf	Trillion cubic feet
TEGL	Tullow Equatorial Guinea Limited, a company incorporated in Isle of Man, United Kingdom
TRACS	The competent person's report of July 2014 certifying reserves of the Aje development
Transactions	The Acquisitions and the Financing
Trafigura	A company within the Trafigura Group
UK	United Kingdom
US$	United States Dollar, the lawful currency of the United States of America.
U.S. Exchange Act	U.S. Securities Exchange Act of 1934
U.S. Securities Act	The U.S. Securities Act of 1933, as amended
VPS	Verdipapirsentralen (Norwegian Central Securities Depository), which organizes a paperless securities registration system.
VPS account	An account with VPS for the registration of holdings of securities.
VPS Registrar	Nordea Bank ABP, filial i Norge, Registrars department, Essendrops gate 7, 0368 Oslo, Norway
WAGP	West Africa Gas Pipeline
YFP	Yinka Folawiyo Petroleum Company LTD

19. APPENDICES

APPENDIX 1 – AUDITOR'S REPORT ON UNAUDITED PRO FORMA FINANCIAL STATEMENTS

Statsautoriserte revisorer
Ernst & Young AS

Vassbotnen 11a Forus, NO-4313 Sandnes
Postboks 8015, NO-4068 Stavanger

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske revisorforening

To the Board of Directors of Panoro Energy ASA

Independent Practitioners' Assurance Report on the compilation of pro forma financial information included in a prospectus

We have completed our assurance engagement to report on the compilation of pro forma financial information of Panoro Energy ASA (the "Company") by the Board of Directors and Management of the Company. The pro forma condensed financial information consists of the unaudited condensed pro forma statement of financial position as at 31 December 2019, the unaudited condensed pro forma statement of comprehensive income for the year ended 31 December 2019, and related notes as set out in section 10 of the prospectus dated 5 March 2021 issued by the Company (the "Prospectus"). The applicable criteria on the basis of which the Board of Directors and Management of the Company has compiled the pro forma financial information are specified in Annex 20 to Commission delegated Regulation (EU) no. 2019/980 as incorporated in the Securities Trading Act section 7-1 and described in section 10 of the Prospectus (the "applicable criteria").

The pro forma financial information has been compiled by the Board of Directors and Management of the Company to illustrate the impact of the Transactions set out in section 10 of the Prospectus on the Company's consolidated financial position as at 31 December 2019 and its consolidated financial performance for the year ended 31 December 2019 as if the Transactions had taken place at 31 December 2019 and 1 January 2019, respectively. As part of this process, information about the Company's and the acquired entity's financial position and financial performance has been extracted by the Board of Directors and Management from the Company's and the acquired entity's financial statements for the year ended 31 December 2019. The auditor's report on the Company's financial statements for the year ended 31 December 2019 has been incorporated by reference in section 17.4 of the Prospectus. The financial statements of Tullow Equatorial Guinea Limited for the year ended 31 December 2019 have been audited by another auditor.

The Board of Directors and Management's Responsibility for the Pro Forma Financial Information
The Board of Directors and Management is responsible for compiling the pro forma financial information on the basis of the applicable criteria.

Our Independence and Quality Control
We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control including

documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's Responsibilities
Our responsibility is to express an opinion, as required by Regulation (EU) no. 2019/980 about whether the pro forma financial information has been compiled by the Board of Directors and Management on the basis of the applicable criteria.

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 a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner plan and perform procedures to obtain reasonable assurance about whether the Board of Directors and Management 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 10 of the Prospectus, 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, the adjustments to conform the accounting policies of the acquired entity to the accounting policies of the Company, or the assumptions summarized in section 10 of the Prospectus. 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 a prospectus is solely to illustrate the impact of the Transactions on unadjusted financial information of the Company as if the Transactions occurred or had been undertaken at an earlier date selected for purposes of the illustration. 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 Transactions at 31 December 2019 or for the year ended 31 December 2019 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 Board of Directors and Management in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the Transactions, 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 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.

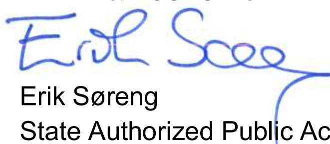
We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion
In our opinion:

a) the pro forma financial information has been properly compiled on the basis stated in section 10 of the Prospectus; and
b) that basis is consistent with the accounting policies of the Company

This report is issued for the sole purpose of offering of shares in Norway and the admission of shares on Oslo Stock Exchange, and other regulated markets in the European Union or European Economic Area as set out in the Prospectus approved by the Financial Supervisory Authority of Norway. 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 the listing and issuance of shares described above. 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 listing of the shares on Oslo Stock Exchange and other regulated markets in the European Union or European Economic Area, as set out in the Prospectus approved by the Financial Supervisory Authority of Norway.

Oslo, 5 March 2021
ERNST & YOUNG AS



Erik Søreng
State Authorized Public Accountant (Norway)

APPENDIX 2: SUBSCRIPTION FORM FOR THE SUBSEQUENT OFFERING

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PANORO ENERGY ASA

SUBSEQUENT OFFERING MARCH 2021

In order for investors to be certain to participate in the Subsequent Offering, Subscription Forms must be received no later than on **15 March 2021 at 16:30 CET**. The subscriber bears the risk of any delay in the postal communication, busy facsimiles and data problems preventing orders from being received by the Managers.

</td>
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SUBSCRIPTION FORM

Properly completed Subscription Forms must be submitted to the Managers as set out below:

Pareto Securities AS P.O. Box 1411 Vika N-0115 Oslo, Norway Tel: +47 22 87 87 00 E-mail: subscription@paretosec.com	**Carnegie AS** PO Box 684 Sentrum N-0106 Oslo Tel: + 47 22 00 93 00 E-mail: subscriptions@carnegie.no

NORWEGIAN SUBSCRIBERS DOMICILED IN NORWAY CAN IN ADDITION SUBSCRIBE FOR SHARES AT WWW.PARETOSEC.COM AND WWW.CARNEGIE.NO

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General information: The terms and conditions for the Subsequent Offering in Panoro Energy ASA (the "Company") of up to 5,500,000 new ordinary shares in the Company (the "Offer Shares") are set out in the prospectus dated 5 March 2021 (the "Prospectus"). Terms defined in the Prospectus shall have the same meaning in this Subscription Form. In case of any discrepancies between the Subscription Form and the Prospectus, the Prospectus shall prevail. All announcements referred to in this Subscription Form will be made through the Oslo Stock Exchange's information system under the Company's ticker "PEN".
Subscription Period: The subscription period is from and including 8 March 2021 at noon (CET) to 16:30 hours (CET) on 15 March 2021 (the "Subscription Period"). Neither the Company nor the Managers may be held responsible for postal delays, internet lines or servers or other logistical or technical problems that may result in subscriptions not being received in time or at all by the Managers. It is not sufficient for the Subscription Form to be postmarked within the deadline. The Managers have discretion to refuse any improperly completed, delivered or executed Subscription Forms or any subscription which may be unlawful. Subscription Forms that are received too late or are incomplete or erroneous are therefore likely to be rejected without any notice to the subscriber. The Managers have the right to disregard the application, without any liability towards the subscriber, if a LEI or NID number or any other compulsory information requested in the Subscription Form is not populated. If a LEI number or other compulsory information is not populated by the subscriber, the Managers also reserves the right to obtain such information through publicly available sources and use such number to complete the Subscription Form. The subscription for Offer Shares is irrevocable and binding upon execution of a Subscription Form or the registration of a subscription through the VPS online subscription system, and may not be withdrawn, cancelled or modified once it has been received by the Managers. Multiple subscriptions are allowed.
Subscription Price: The subscription price for one (1) Offer Share is NOK 15.50.
Right to subscribe: The Subscription Rights will be issued to the Company's shareholders as of close of trading on 9 February 2021 (as registered in the VPS on 11 February, pursuant to the VPS' standard two days' settlement procedure) (the "Record Date") who (i) were not invited to subscribe for shares in the pre-sounding of the private placement, (ii) were not allocated shares in the private placement, and (iii) are not resident in a jurisdiction where such offering would be unlawful or, for jurisdictions other than Norway, would require any prospectus, filing, registration or similar action ("Eligible Shareholders"). Each Eligible Shareholder will be granted 0.171143 non-transferable Subscription Rights for each share owned as of the Record Date. Subscription Rights not used to subscribe for the Offer Shares (in full or partly) will lapse without any compensation upon expiry of the Subscription Period and will consequently be of no value. The number of Subscription Rights allocated to each Eligible Shareholder will be rounded down to the nearest whole Subscription Right. Each Subscription Right will, subject to applicable law, give the right to subscribe for and be allotted Offer Shares at the Subscription Price in the Subsequent Offering.
Allocation: The allocation criteria are set out in the Prospectus. Over-subscription is allowed. Subscription without Subscription Rights is permitted. Allocation of fewer Offer Shares than subscribed for by a subscriber will not impact the subscriber's obligation to pay for the number of Offer Shares allocated. All Subscribers being allotted Offer Shares will receive a letter from the Managers confirming the number of Offer Shares allotted to the Subscriber and the corresponding subscription amount. This letter is expected to be mailed on or about 16 March 2021. Subscribers having access to investor services through their VPS account manager will be able to check the number of Offer Shares allocated to them on 8 March 2021 at noon (CET). Subscribers who do not have access to investor services through their VPS account manager may contact the Managers on 8 March 2021 at noon (CET) to obtain information about the number of Offer Shares allocated to them.
Payment: The payment for the Offer Shares falls due on 22 March 2021 (the "Payment Date"). By signing the Subscription Form or registering a subscription through the VPS online subscription system, each subscriber having a Norwegian bank account, provides the Managers with a one-time irrevocable authorisation to debit the bank account specified by the subscriber below for payment of the allotted Offer Shares for transfer to the Managers. The specified bank account is expected to be debited on or after the Payment Date. The Managers are only authorised to debit such account once, but reserve the right to make up to three attempts to debit the Subscribers' accounts if there are insufficient funds on the account on previous debit dates. The authorisation will be valid for up to seven working days after the Payment Date. Subscribers who do not have a Norwegian bank account must ensure that payment with cleared funds for the Offer Shares allocated to them is made on or before the Payment Date and should contact the Managers in this respect for further details and instructions. Should any subscriber have insufficient funds in his or her account, should payment be delayed for any reason, if it is not possible to debit the account or if payments for any reasons are not made when due, overdue interest will accrue and other terms will apply as set out under the heading "Overdue and missing payments" below.

DETAILS OF THE SUBSCRIPTION

Subscriber's VPS account	**Number of Subscription Rights**	**Number of Offer Shares subscribed (incl. over-subscription):**	**(For broker: Consecutive no.)**

1 SUBSCRIPTION RIGHT GIVES THE RIGHT TO BE ALLOCATED 1 OFFER SHARE	**Σx**	**Subscription price per Offer Share** *NOK 15.50*	**Total Subscription amount to be paid** **NOK**

SUBSCRIPTION RIGHT'S SECURITIES NUMBER: NO 001 0945868

IRREVOCABLE AUTHORISATION TO DEBIT ACCOUNT (MUST BE COMPLETED)

My Norwegian bank account to be debited for the consideration for shares allotted (number of shares allotted x subscription price).	(Norwegian bank account no. 11 digits)

In accordance with the terms and conditions set out in the Prospectus and this Subscription Form, I/we hereby irrevocably (i) subscribe for the number of Offer Shares specified above and (ii) grant each of the Managers (or someone appointed by them) acting jointly or severally to take all actions required to purchase and/or subscribe for Offer Shares allocated to me/us on my/our behalf, to take all other actions deemed required by them to give effect to the transactions contemplated by this Subscription Form, and to ensure delivery of such Offer Shares to me/us in the VPS, (iii) grant each of the Managers an authorisation to debit (by direct or manual debiting as described above) the specified bank account for the payment of the Offer Shares allocated to me/us, and (iv) confirm and warrant to have read the Prospectus and that I/we are aware of the risks associated with an investment in the Offer Shares and that I/we are eligible to subscribe for and purchase Offer Shares under the terms set forth therein.

Place and date Must be dated in the Subscription Period	**Binding signature** The subscriber must have legal capacity. When signed on behalf of a company or pursuant to an authorisation, documentation in the form of a company certificate or power of attorney should be attached

INFORMATION ON THE SUBSCRIBER (all fields must be completed)

VPS account number		In the case of changes in registered information, the account operator must be
Forename		

Surname/company		contacted. Your account operator is:
Street address (for private: home address):		
Post code/district/country		
Personal ID number/Organisation number		
Legal Entity Identifier ("LEI") /National Client Identifier ("NID")		
Norwegian Bank Account for dividends		
Nationality		
Daytime telephone number		
E-mail address		

Please note: If the Subscription Form is sent to the Managers by e-mail, the e-mail will be unsecured unless the applicant itself takes measures to secure it. The Subscription Form may contain sensitive information, including national identification numbers, and the Managers recommend the applicant to send the Subscription Form to the Managers in a secured e-mail. Please refer to the description below for further information on the Managers' processing of personal data.

ADDITIONAL INFORMATION FOR THE SUBSCRIBER

Regulatory Issues: Legislation passed throughout the European Economic Area (the "EEA") pursuant to the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments ("MiFID II") implemented in the Norwegian Securities Trading Act, imposes requirements in relation to business investment. In this respect, the Managers must categorise all new clients in one of three categories: Eligible counterparties, professional clients and non-professional clients. All subscribers in the Subsequent Offering who are not existing clients of the Managers will be categorized as non-professional clients. Subscribers can, by written request to the Managers, ask to be categorized as a professional client if the subscriber fulfils the applicable requirements of the Norwegian Securities Trading Act. For further information about the categorization, the subscriber may contact the one of the Managers. **The subscriber represents that he/she/it is capable of evaluating the merits and risks of an investment decision to invest in the Company by subscribing for Offer Shares, and is able to bear the economic risk, and to withstand a complete loss, of an investment in the Offer Shares.**

Selling and Transfer Restrictions: The attention of persons who wish to subscribe for Offer Shares is drawn to section 16 "Selling and Transfer Restrictions" of the Prospectus. The making or acceptance of the Subsequent Offering to or by persons who have registered addresses outside Norway or who are resident in, or citizens of, countries outside Norway, may be affected by the laws of the relevant jurisdiction. The Company is not taking any action to permit a public offering of the Subscription Rights and the Offer Shares in any jurisdiction other than Norway. Receipt of the Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, the Prospectus is for information only and should not be copied or redistributed. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to subscribe for Offer Shares. It is the responsibility of any person outside Norway wishing to subscribe for Offer Shares under the Subsequent Offering to satisy himself/herself as to the full observance of the laws of any relevant jurisdiction in connection therewith, including obtaining any governmental or other consent which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territorries. The Subscription Rights and Offer Shares have not been registered and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or under the securities law of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, delivered or transferred, directly or indirectly, within the United States. There will be no public offer of the Subscription Rights and Offer Shares in the United States. The Subscription Rights and Offer Shares have not been and will not be registered under the applicable securities laws of Australia, Canada, Hong Kong, Japan or Switzerland and may not be offered, sold, resold or delivered, directly or indirectly, in or into Canada, Hong Kong or Singapore except pursuant to an applicable exemption from applicable securities laws. This Subscription Form does not constitute an offer to sell or a solicitation of an offer to buy Offer Shares in any jurisdiction in which such offer or solicitation is unlawful. Subject to certain exceptions, the Prospectus will not be distributed in the United States, United Kingdom Canada, Hong Kong or Singapore. Except as otherwise provided in the Prospectus, the Subscription Rights and the Offer Shares may not be transferred, sold or delivered in the United States. Exercise of Subscription Rights and subscription of Offer Shares in contravention of the above restrictions and those set out in the Prospectus may be deemed to be invalid. By subscribing for Offer Shares, persons effecting subscriptions will be deemed to have represented to the Company that they, and the persons on whose behalf they are subscribing for Offer Shares, have complied with the above selling restrictions. Persons effecting subscriptions on behalf of any person located in the United States will be responsible for confirming that such person, or anyone acting on its behalf, has executed an investor letter in the form to be provded by the Managers upon request.

Execution Only: The Managers will treat the Subscription Form as an execution-only instruction. The Managers are not required to determine whether an investment in the Offer Shares is appropriate or not for the subscriber. Hence, the subscriber will not benefit from the protection of the relevant conduct of business rules in accordance with the Norwegian Securities Trading Act.

Information Exchange: The subscriber acknowledges that, under the Norwegian Securities Trading Act and the Norwegian Financial Undertakings Act and foreign legislation applicable to the Managers there is a duty of secrecy between the different units of each of the the Managers as well as between the Managers and the other entities in the Managers's group. This may entail that other employees of the Managers or the Managers' groups may have information that may be relevant to the subscriber and to the assessment of the Offer Shares, but which the Managers will not have access to in their capacity as Managers for the Subsequent Offering.

Information Barriers: The Managers are securities firms that offer a broad range of investment services. In order to ensure that assignments undertaken in the Managers' respective corporate finance departments are kept confidential, the Managers' other activities, including analysis and stock broking, are separated from the Managers' corporate finance department by information walls. The subscriber acknowledges that the Managers' analysis and stock broking activity may act in conflict with the subscriber's interests with regard to transactions of the Shares, including the Offer Shares, as a consequence of such information walls.

Mandatory Anti-Money Laundering Procedures: The Subsequent Offering is subject to the Norwegian Money Laundering Act No. 23 of 1 June 2018 and the Norwegian Money Laundering Regulations No. 1324 of 14 September 2018 (collectively the "Anti-Money Laundering Legislation"). Subscribers who are not registered as existing customers with the Managers must verify their identity in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Subscribers who have designated an existing Norwegian bank account and an existing VPS account on the Subscription Form are exempted, unless verification of identity is requested by the Managers. The verification of identity must be completed prior to the end of the Subscription Period. Subscribers that have not completed the required verification of identity may not be allocated Offer Shares. Further, in participating in the Subsequent Offering, each subscriber must have a VPS account. The VPS account number must be stated on the Subscription Form. VPS accounts can be established with authorised VPS registrars, which can be Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. Establishment of a VPS account requires verification of identity before the VPS registrar in accordance with the Anti-Money Laundering Legislation. Non-Norwegian investors may, however, use nominee VPS accounts registered in the name of a nominee. The nominee must be authorized by the Financial Supervisory Authority of Norway.

Data protection: As data controllers, each of the Managers process personal data to deliver the products and services that are agreed between the parties and for other purposes, such as to comply with laws and other regulations. The personal data will be processed as long as necessary for the purposes, and will subsequently be deleted unless there is a statutory duty to keep it. For detailed information on ech of the Manager's processing of personal data, please review such Manager's privacy policy, which is available on its website or by contacting the relevant Manager. The privacy policy contains information about the rights in connection with the processing of personal data, such as the access to information, rectification, data portability, etc. If the applicant is a corporate customer, such customer shall forward the relevant Manager's privacy policy to the individuals whose personal data is disclosed to the Managers.

Terms and Conditions for Payment by Direct Debiting - Securities Trading: Payment by direct debiting is a service the banks in Norway provide in cooperation. In the relationship between the payer and the payer's bank the following standard terms and conditions will apply:

a) The service "Payment by direct debiting – securities trading" is supplemented by the account agreement between the payer and the payer's bank, in particular Section C of the account agreement, General terms and conditions for deposit and payment instructions.
b) Costs related to the use of "Payment by direct debiting – securities trading" appear from the bank's prevailing price list, account information and/or information given by other appropriate manner. The bank will charge the indicated account for costs incurred.
c) The authorization for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank who in turn will charge the payer's bank account.
d) In case of withdrawal of the authorization for direct debiting, the payer shall address this issue with the beneficiary. Pursuant to the Norwegian Financial Contracts Act, the payer's bank shall assist if the payer withdraws a payment instruction that has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.
e) The payer cannot authorize payment of a higher amount than the funds available on the payer's account at the time of payment. The payer's bank will normally perform a verification of available funds prior to the account being charged. If the account has been charged with an amount higher than the funds available, the difference shall immediately be covered by the payer.
f) The payer's account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorization for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorization has expired as indicated above. Payment will normally be credited the beneficiary's account between one and three working days after the indicated date of payment/delivery.
g) If the payer's account is wrongfully charged after direct debiting, the payer's right to repayment of the charged amount will be governed by the account agreement and the Norwegian Financial Contracts Act.

Overdue and missing payments: Overdue and late payments will be charged with interest at the applicable rate from time to time under the Norwegian Act on Interest on Overdue Payment of 17 December 1976 no. 100, currently 8.00% per annum. If a subscriber fails to comply with the terms of payment, the Offer Shares will, subject to the restrictions in the Norwegian Public Limited Companies Act and at the discretion of the Managers, not be delivered to the subscriber. The Managers, on behalf of the Company, reserve the right, at the risk and cost of the subscriber to, at any time, cancel the subscription and to re-allocate or otherwise dispose of allocated Offer Shares for which payment is overdue, or, if payment has not been received by the third day after the Payment Date, without further notice sell, assume ownership to or otherwise dispose of the allocated Offer Shares on such terms and in such manner as the Managers may decide in accordance with Norwegian law. The subscriber will remain liable for payment of the subscription amount, together with any interest, costs, charges and expenses accrued and the Managers, on behalf of the Company, may enforce payment for any such amount outstanding in accordance with Norwegian law.

Panoro Energy ASA

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