



Panoro Energy

PANORO ENERGY ASA

# Pareto Energy Conference

15-16 September 2021



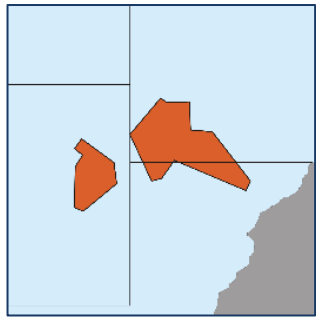
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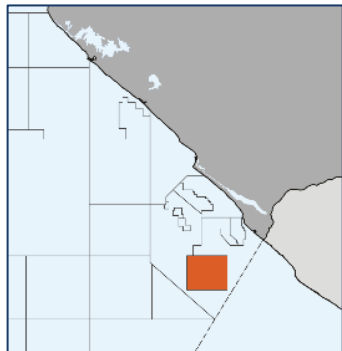
# BALANCED PORTFOLIO OF HIGH QUALITY ASSETS

## CEIBA/OKUME - EQ. GUINEA

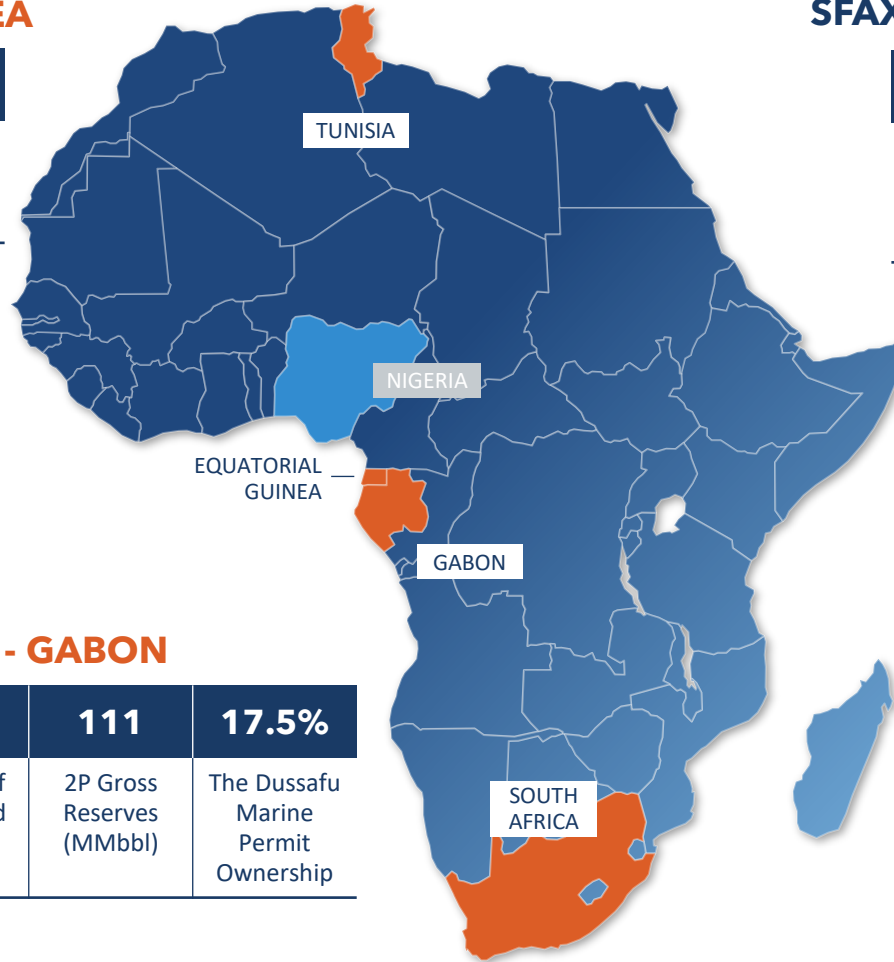
<b>2</b>	<b>14.25%</b>	<b>14.25%</b>
Number of Assets	Okume Permit Ownership	Ceiba Permit Ownership



## DUSSAFU MARINE PERMIT - GABON

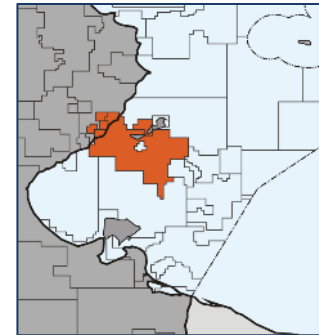


<b>6</b>	<b>111</b>	<b>17.5%</b>
Number of Discovered Fields	2P Gross Reserves (MMbbl)	The Dussafu Marine Permit Ownership



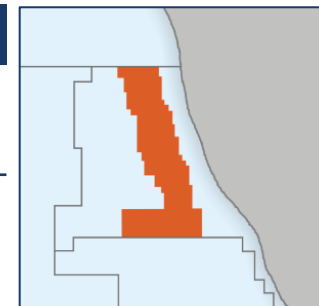
## SFAX & TPS PERMITS - TUNISIA

<b>6</b>	<b>52.5%</b>	<b>29.4%</b>
Number of Licences	SFAX Exploration Permit Ownership	TPS Assets Permit Ownership



## BLOCK 2B - SOUTH AFRICA

<b>12.5%</b>
Block 2B Permit Ownership



Market Cap

**~US\$ 265m**



Net Reserves

**~38.5 MMbbl**



Net Cont. Resources

**~33 MMbbl**



H1 2021 Net Production

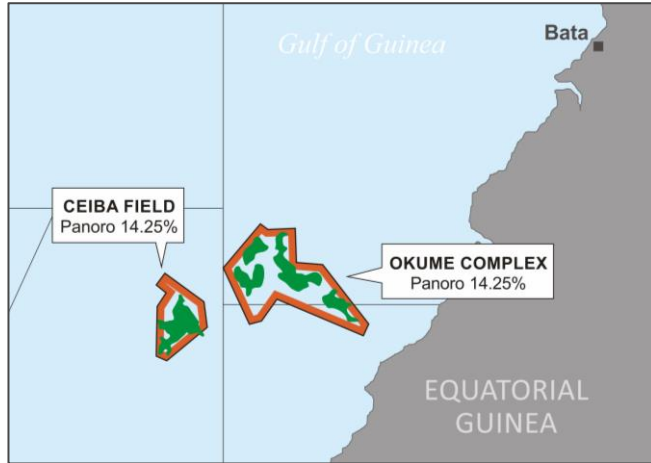
**7,700 bopd**

1. Market cap per 9<sup>th</sup> September 2021. 2P reserves are working interest share as reported in the 2020 Annual Statement of Reserves plus certified reserves from the acquisition. Production is on a pro-forma working interest basis.

# 2021 ACQUISITIONS HAVE TRANSFORMED PANORO

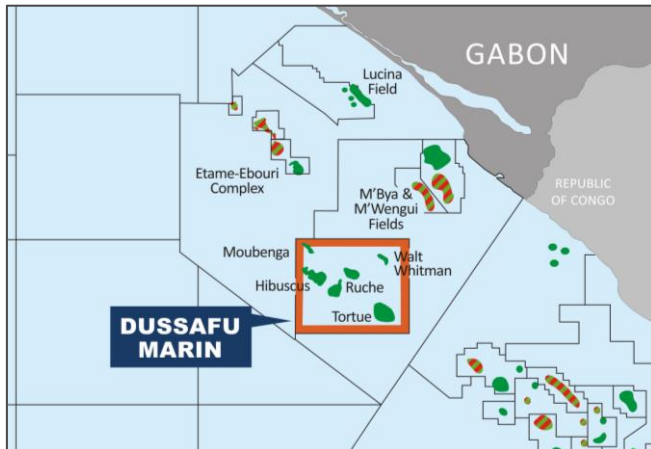


## EQUATORIAL GUINEA



**14.25%**  
Working Interest

## GABON



**10%**  
Working Interest




ACQUIRED FROM TULLOW OIL PLC

- › Feb 2021 announcement; closed in March (EG) and June (Gabon)
- › July 1st 2020 effective date
- › \$140 million consideration
  - Financed through equity offering of \$70 million and Debt facility \$90 million
- › Acquisition price \$5.6/bbl
  - Deals priced in 2020 environment
- › Low Opex, excellent operators
- › 25 million barrels 2P
- › 29 million barrels 2C
- › Reserve life 13 years

# H1 2021 PERFORMANCE



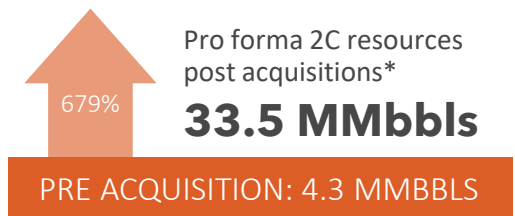
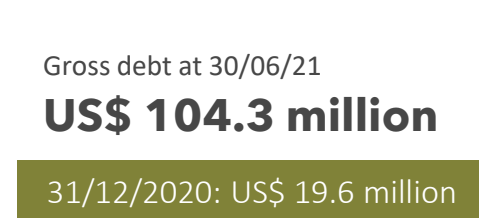
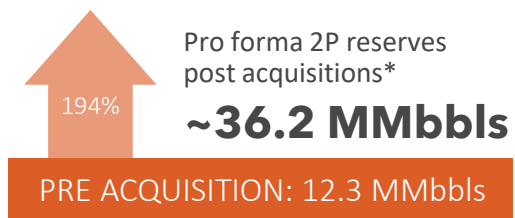
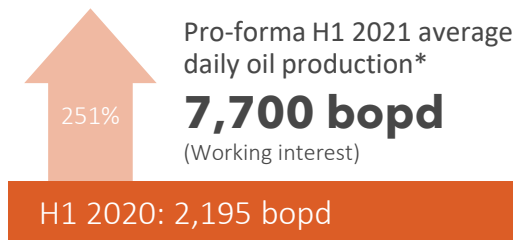
## OPERATIONAL



## FINANCIAL



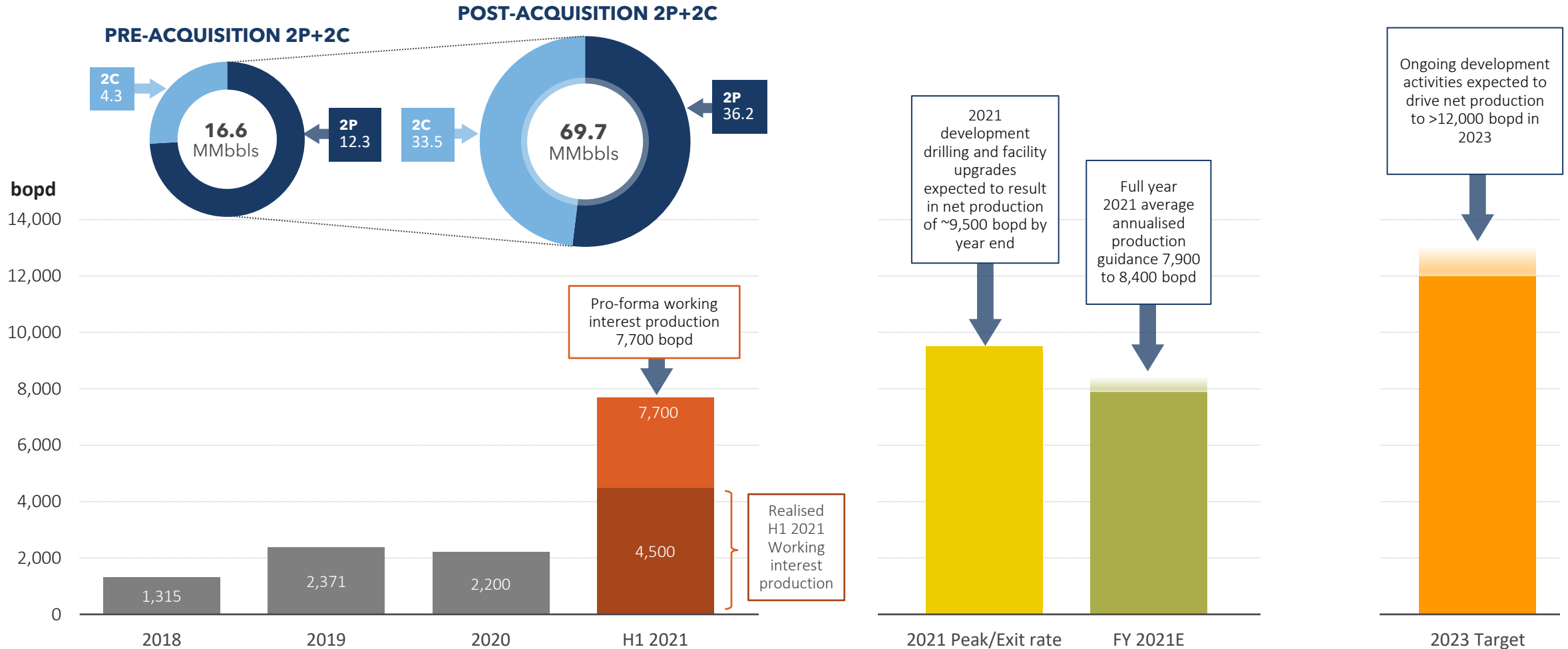
## STRATEGIC



- Diversified Portfolio of Production Assets
- Oversubscribed Placement
- Completed Block 2B Farm-in
- Active Drilling Campaigns to Grow Production
- Underpinned by a robust capital structure

\* Non IFRS measure. Assumes assets acquired from Tullow Oil held from 1 January 2021; 2P reserve and 2C resource estimates at 31 December 2020

# VISIBILITY OVER PRODUCTION GROWTH



- › The recent acquisitions from Tullow Oil have added scale and depth to the portfolio
- › The current three-well development drilling campaign and facility upgrades in Equatorial Guinea and , together with the tie-in of two new production wells in Gabon during the second half, are expected to see working interest production reach ~9,500 bopd by year end
- › The increase in 2C resources provides substantial running room to grow both reserves and production further in the future

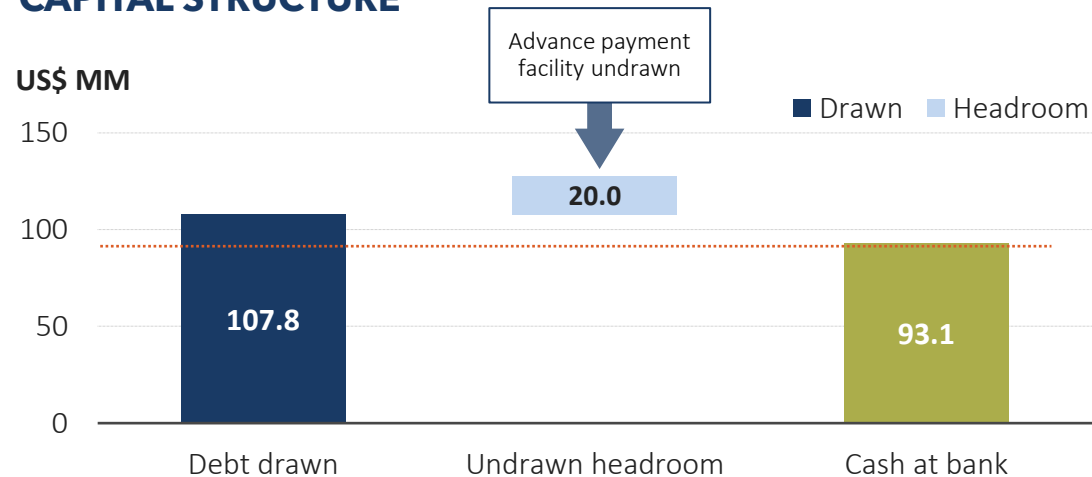
# PRUDENT CAPITAL MANAGEMENT

Facility	Maturity	Amount	Rate
Non recourse loan	n/a	USD 5.3 MM	7.5% p.a
Senior secured loan	2024	USD 12.5 MM	LIBOR + 6%
RBL facility	2026	USD 90 MM	LIBOR + 7.5%
Advance payment facility	n/a	USD 20 MM	LIBOR + 4.0%

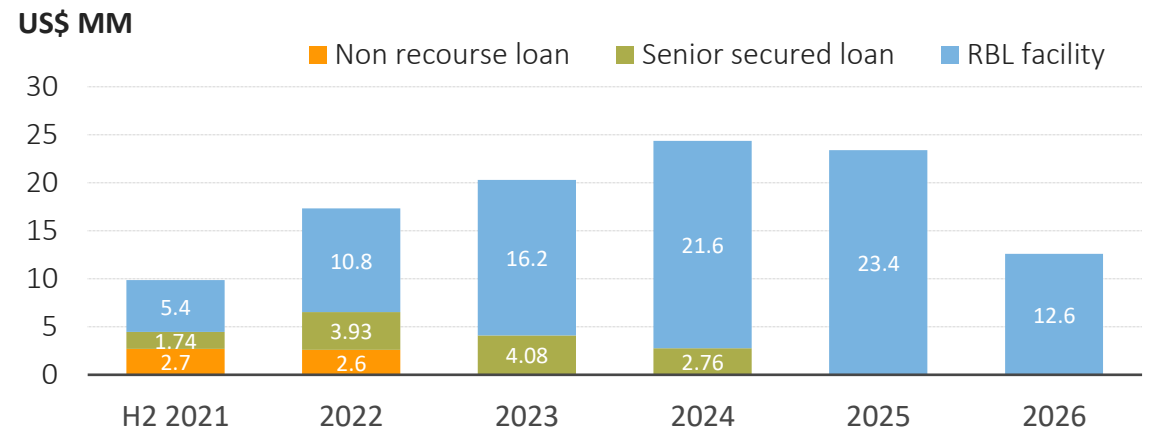
## HEDGING

- › 270,000 bbls hedged for November 2021 liftings. Split equally between costless collar (USD 55/bbl floor and USD 69/bbl cap) and swap at USD 70/bbl
- › Additional 121,700 bbls hedged in H2 on costless collar (USD 55/bbl floor and USD 61/bbl cap)
- › 600 bopd hedged in 2022 with costless collars (USD 56/bbl floor and USD 65.5/bbl cap)
- › Rolling hedging strategy to provide levels of cash flow assurance

## CAPITAL STRUCTURE



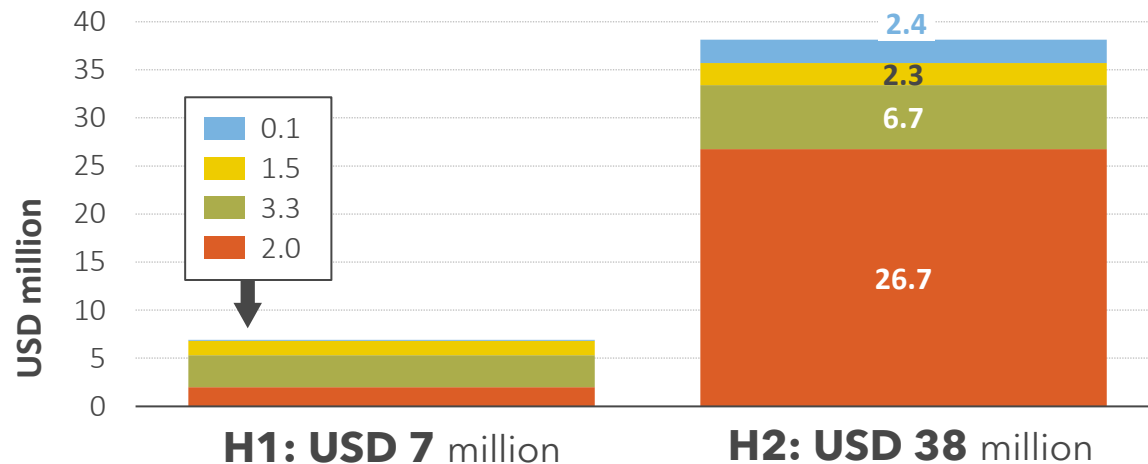
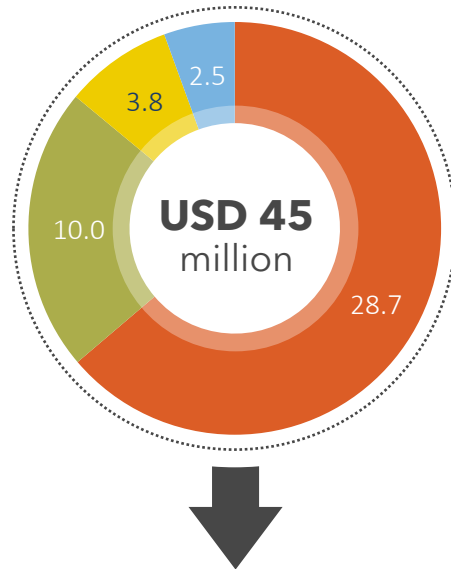
## CURRENT DEBT MATURITY PROFILE



Note: Cumulative external debt in the Balance Sheet as of 30 June 2021 was USD 104.3 million which includes effects of accrued interest to quarter end, offset by unamortised borrowing cost which is to be expensed over the life of the loan instruments. (Refer to note 8 of the 2021 HY report for details)

# 2021 CAPEX AND LIFTINGS

## 2021 CAPITAL EXPENDITURE GUIDANCE



## NUMBER OF LIFTINGS EXPECTED FY 2021

# OF LIFTINGS	H1 2021	H2 2021E
Tunisia international	2	1
Tunisia domestic	4	4
Gabon	3	2
Equatorial Guinea	1	1
<b>Total</b>	<b>10</b>	<b>8</b>

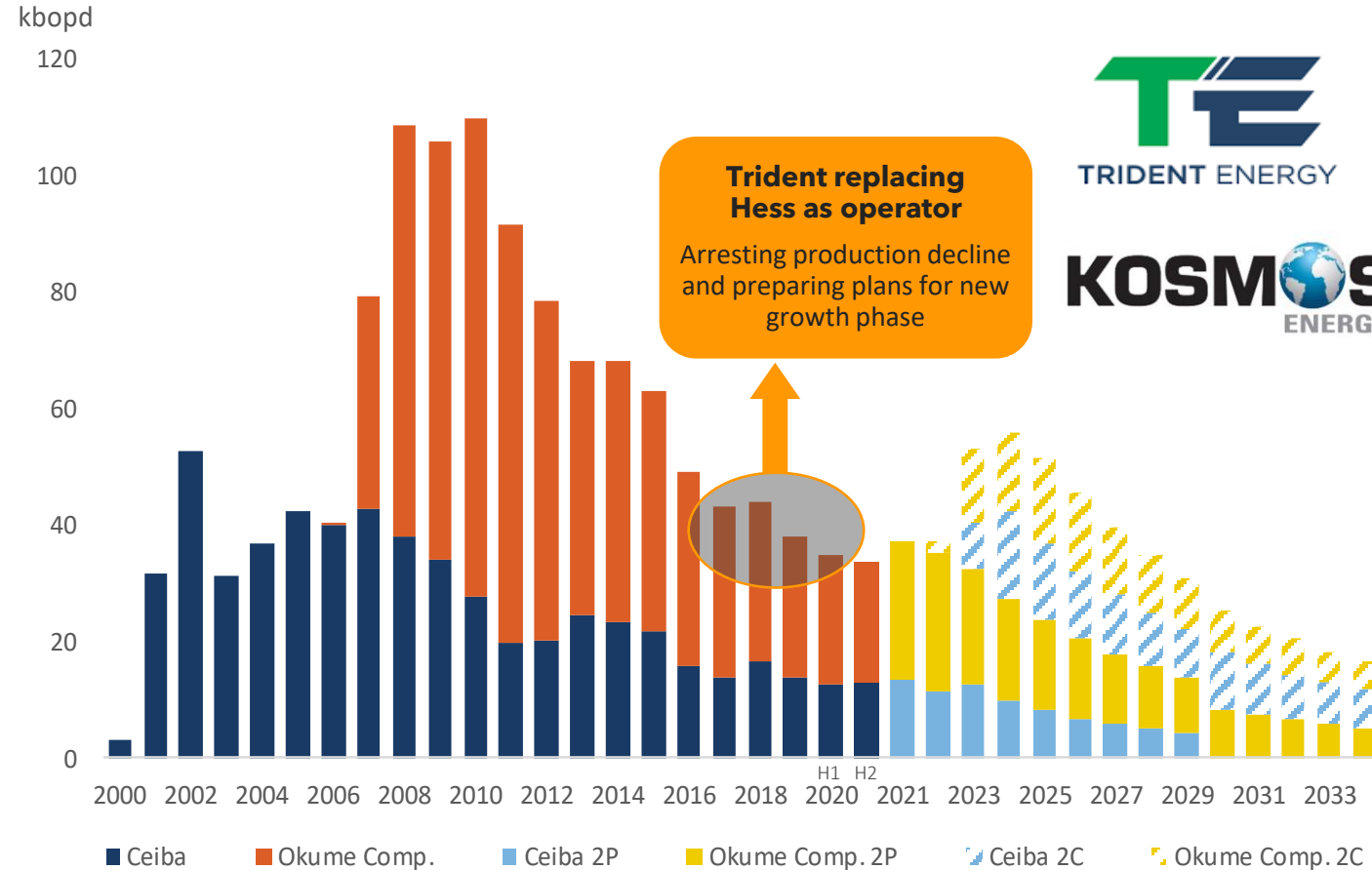
- › **Equatorial Guinea** – Q1 2021 lifting occurred and another of 650,000 barrels net to Panoro is tentatively planned in Q4 2021
- › **Gabon** - Liftings jointly with BWE with gross parcel size 650 mbbls (net to Panoro 19.23%)
- › **Tunisia** – domestic liftings are spread evenly throughout the year. 2 International lifting in H1 completed and a further lifting expected in Q4. Net parcel size of international lifting 90,000 bbls



# PROLIFIC ASSETS OFFSHORE EQUATORIAL GUINEA



## HISTORIC AND FORECASTED PRODUCTION (GROSS)<sup>1</sup>



Strong production and cash flow providing self funded near term growth

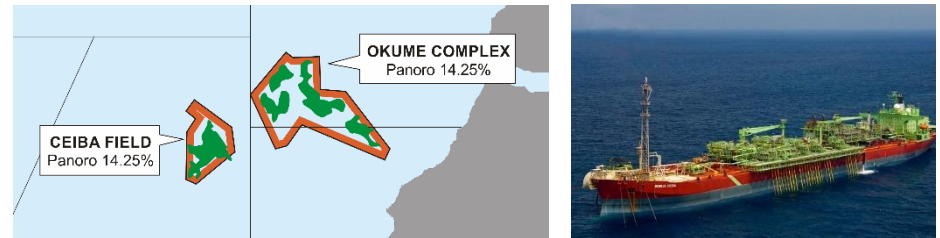
- > 30,000 bopd gross production YTD 2021...
- > ... with potential increase to ~55,000 bopd from 2023
- > 13 US\$/bbl opex and growth projects with low capex intensity

Material remaining reserves base with large upside

- > 100 MMbbl gross 2P reserves, 158 MMbbl 3P reserves, and 179 MMbbl 2C resources
- > Upside projects can be funded from production cash flow

Highly proactive operator specializing in midlife assets

- > Focus on growth from untapped potential and efficiencies
- > Proven asset performance improvements



# EQUATORIAL GUINEA



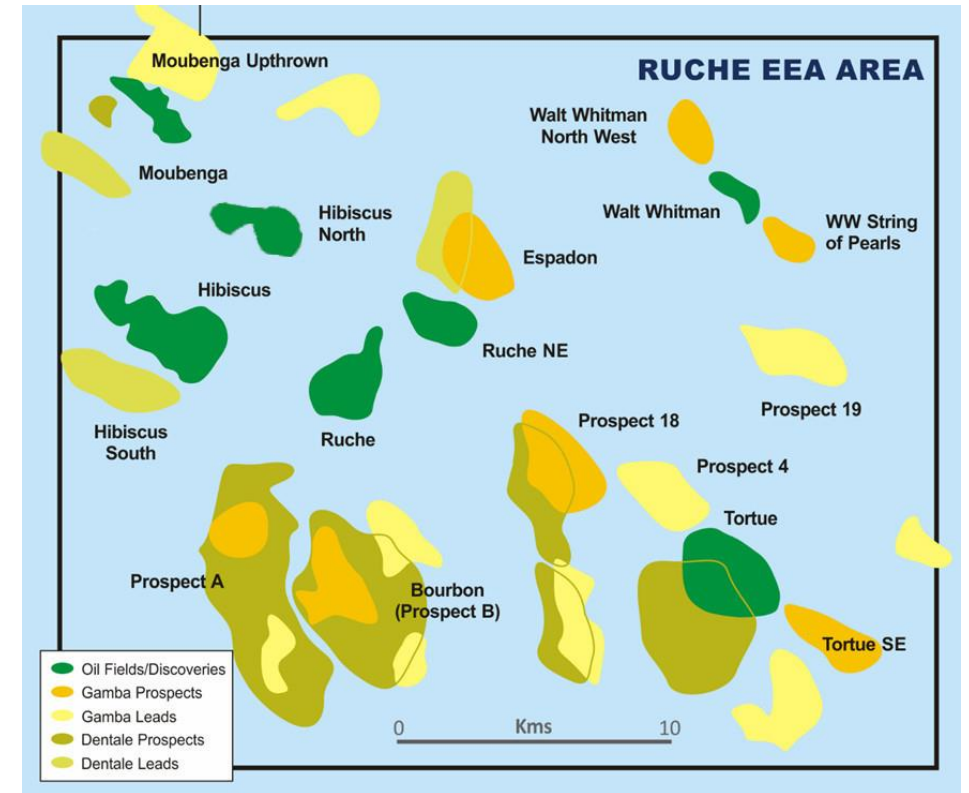
H1 NET PRODUCTION  
**4,200 bopd** (proforma basis)

- › Production in Equatorial Guinea averaged approximately 29,700 bopd gross and 4,200 bopd net in H1 2021
- › Three-well infill drilling campaign underway
- › First infill well completed having encountered good quality oil saturated reservoir sands. All three wells are expected onstream in the fourth quarter
- › The Okume upgrade project is expected to be completed in the fourth quarter and will allow for further de-bottlenecking of the facilities and additional electrical submersible pumps (ESPs)
- › At Ceiba, a major infrastructure integrity project has been completed, which is expected to improve reliability and allow greater flexibility for gas lift to additional wells
- › JV focussed on further production growth in 2022 and beyond through additional wells and workovers

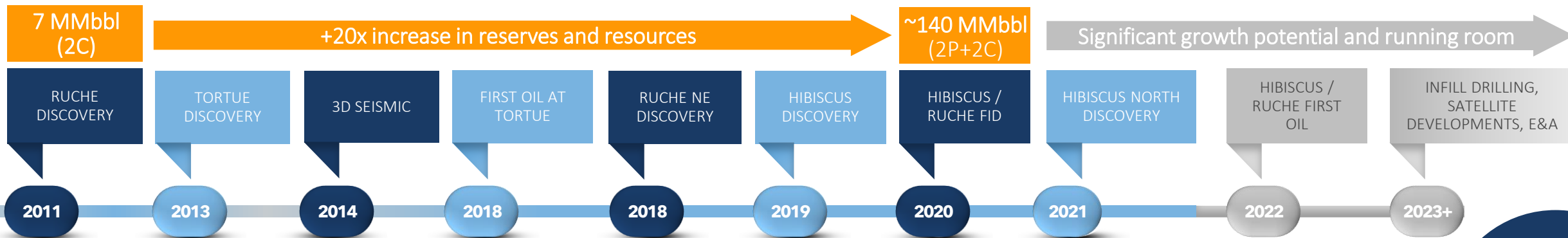


# EXCELLENT TRACK RECORD AT DUSSAFU IN GABON

- › Largest Exploitation Area in Gabon
- › Under license until 2038
- › Development to date has focused on the Tortue field
- › Hibiscus / Ruche development planning is on track to deliver first oil in Q4 2022 and increase gross production on the block to ~40,000 bopd
- › Other discoveries on the block can be tied-in to backfill production and maintain plateau
- › Multiple leads and prospects identified and will be subject to future E&A campaigns (aim for two wells per year)
- › Strategy to leverage infrastructure being developed at the core Tortue and Hibiscus/Ruche production hubs means that even modest discoveries can be profitably developed in the future



## TIMELINE OF KEY EVENTS



# GABON



H1 NET PRODUCTION  
**2,100 bopd** (proforma basis)

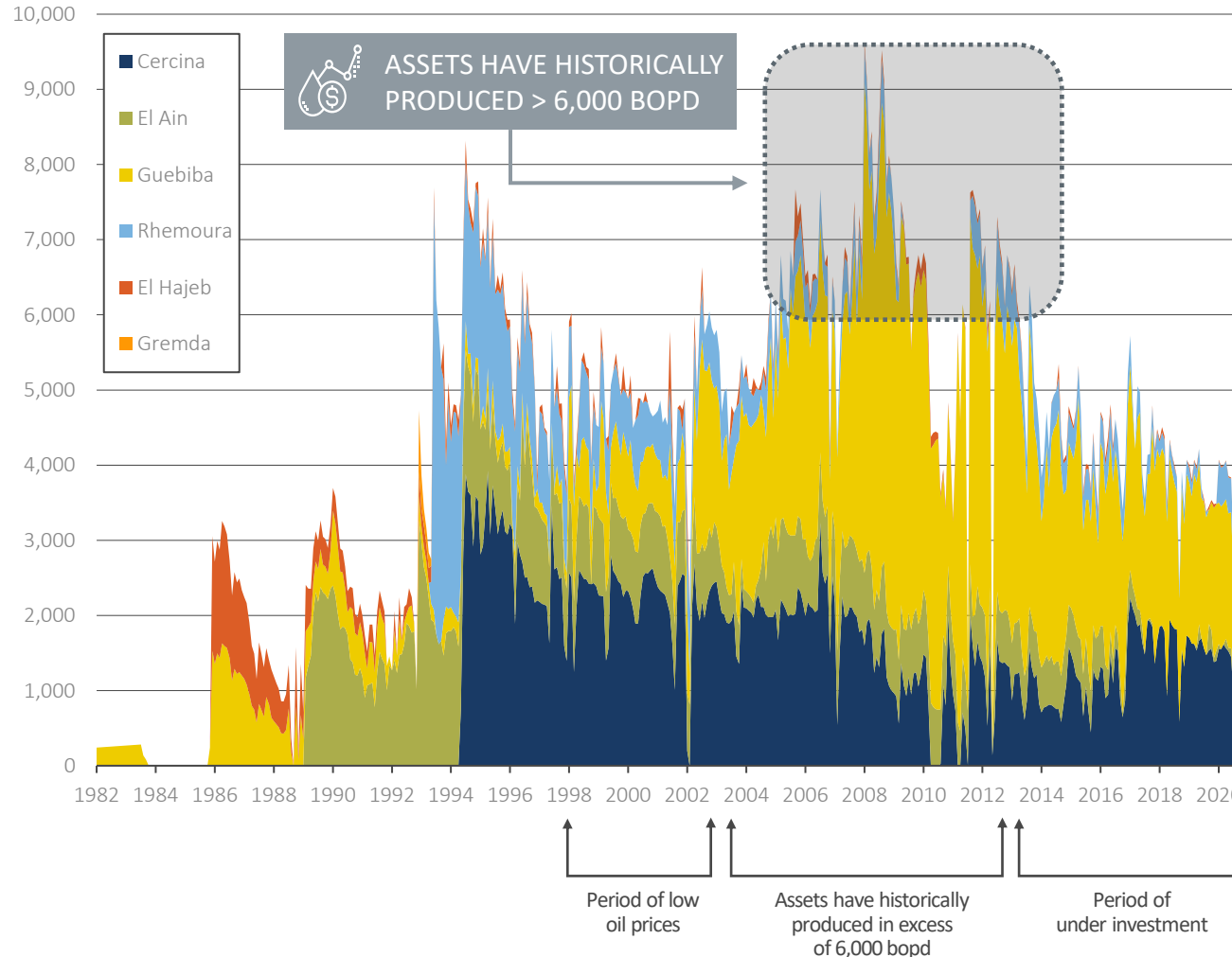
- › Gross production from the Tortue field averaged approximately 12,000 barrels of oil per day in H1 2021
- › Completion and tie-in of two new production wells (DTM-6H and DTM-7H) at Tortue is underway and on track, with first oil expected in early Q4 2021
- › The DHBNM-1 Hibiscus North exploration well made an oil discovery in the Upper Gamba Sandstone
- › Hibiscus North is a distinctly separate structure and accumulation to the Hibiscus/Ruche development project where development planning is on track and unchanged



# TARGETING MATERIAL PRODUCTION GROWTH IN TUNISIA



## GROSS OIL PRODUCTION TPS FIELDS (bopd)



## 2021 ONWARD ACTIVITIES

### Enhancing production levels

- › Significant 2020 drilling and workover programme completed
  - Has provided a much improved understanding of development potential of the Douleb reservoir
  - As a result further development activity envisaged in 2021
- › Remaining approved workovers through Q2 2021
- › Further stimulation and optimisation initiatives identified

### Growing the Reserve and Resource Base

- › Remapping and modelling work in progress to define next phase of development
  - Guebiba Douleb reservoir optimisation
  - Cercina field further development and life extension
  - Rhemoura field further development
- › Salloum West exploration well planned for 2021, tied back to TPS in success case

### Maintaining existing production

- › Well workovers for ESP / integrity management
- › Optimisation of ESP pump performance
- › Continued cost focus
  - Opex (incl. TPS G&A) of US\$ 14/boe at 5,000 bopd

# TUNISIA



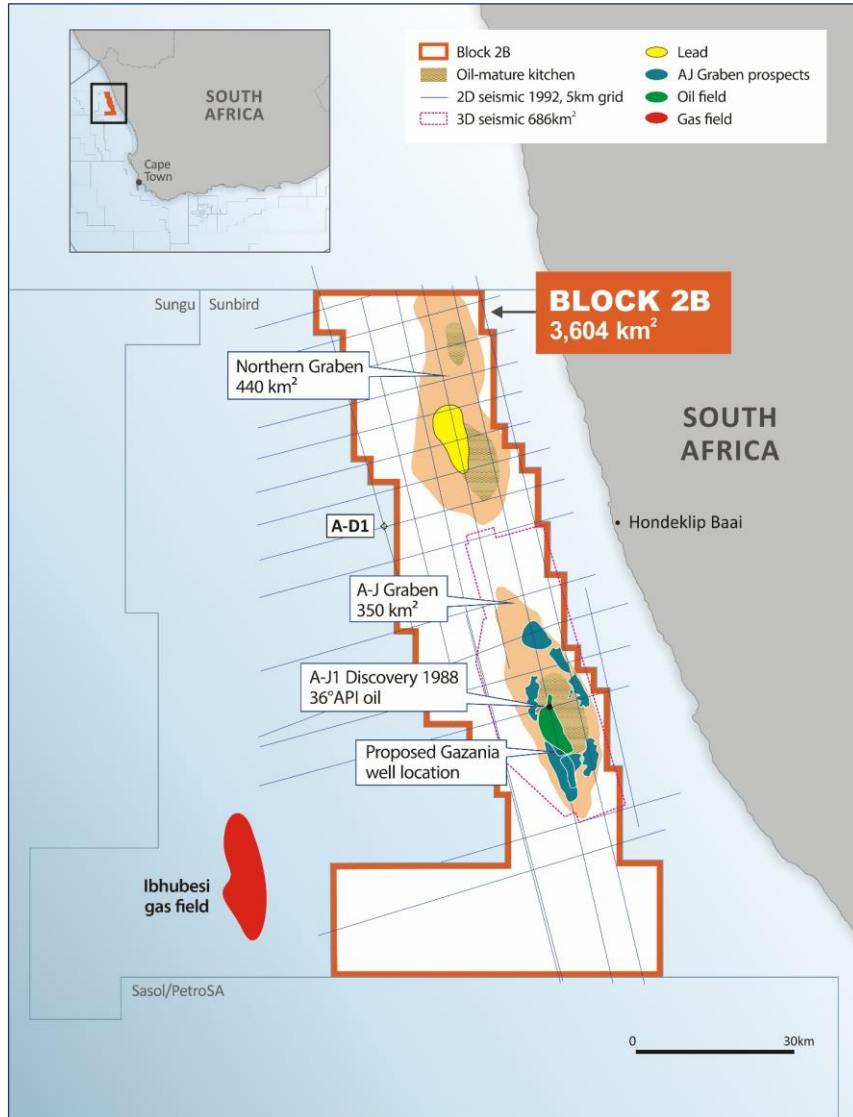
H1 NET PRODUCTION

**1,350 bopd**

- › Production in Tunisia averaged approximately 4,600 bopd gross and 1,350 bopd net in the first half of 2021
- › Current production in excess of 5000 bopd, following a 10-day shut down of the Cercina field in August
- › Production growth activity in Tunisia to continue with well operations planned at El Ain and Cercina
- › Joint study in progress with partner ETAP to update subsurface models and plan further development of the Guebiba Field



# EXPLORATION POTENTIAL IN SOUTH AFRICA



- › Exciting rift basin oil play, with an existing 37 MMbbl oil discovery from 1988 which flowed high-quality oil to surface (36° API)
- › Near-term, low-risk exploration well planned updip from discovery, targeting 349 MMbbl gross prospective oil resources
- › Shallow water and attractive fiscal terms ensure excellent economics in case of discovery
- › Analogous to Lokichar Basin (Kenya) and Albertine Graben (Uganda)
- › Panoro to carry Africa Energy up to US\$ 2.5 million of its drilling costs<sup>1</sup>

## ASSET SUMMARY

Partnership (following approval)	Panoro (12.5% <sup>1</sup> ), Africa Energy (27.5%), Azinam (50%, op. <sup>2</sup> ), Crown (10%)
Basin	Orange Basin
First well / Planned spud date	Gazania-1 / Q2'21 (depending on regulatory approvals and rig availability)
Water depth	150 metres
First well prospect size	349 MMbbl <sup>3</sup>
Well cost estimate (gross)	~US\$ 28 million
Play type	Rift basin
Work program to date	686 km <sup>2</sup> of 3D seismic (3D survey by Western Geco 2013)

1. Panoro has agreed to acquire 12.5% WI from Africa Energy. Transaction is subject to consent of the Minister of Minerals and Energy of South Africa and the Azinam farm-out becoming effective (see footnote 2 for more details)

2. Azinam has agreed to acquire 50% WI and operatorship from Africa Energy. Transaction is subject to consent of the Minister of Minerals and Energy of South Africa

3. Best Estimate Prospective Resources by Africa Energy - 200 MMbbl have been subject to resource assessment by qualified third-party resource auditor

# SOUTH AFRICA

























## Exploration well



- › Planned spud before end of 2021
- › Block 2B has significant contingent and prospective resources in shallow water close to shore and includes the A-J1 discovery from 1988 that flowed light sweet crude oil to surface
- › Gazania-1 will target two prospects in a relatively low-risk rift basin oil play up-dip from the discovery





# SIGNIFICANT NEWSFLOW AHEAD

	Activity	Comments	2021				2022			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Gabon</b> 	PRODUCTION WELLS	Final well Tortue Phase 2 6 new wells Hibiscus/Ruche Phase 1 2022								
	EXPLORATION WELLS	Planned well 2021 in Hibiscus North; 2x contingent wells -per year for 5 years								
<b>Equatorial Guinea</b> 	PRODUCTION WELLS	Infill Production Wells		  						
<b>Tunisia</b> 	PRODUCTION	Workover Activity to Increase Production								
	EXPLORATION WELL	Salloum West (pending approvals)								
Other	PETRONOR DIVIDEND	Subject to Closing Conditions						<div style="border: 1px solid black; border-radius: 50%; padding: 20px; text-align: center;">                     Additional activity to be defined                 </div>		
	EXPLORATION WELL	South Africa								

 Dividend
  Planned
  Contingent/Possible

# KEY MESSAGES



## PRODUCTION GROWTH

- **5 new** production wells in process of being drilled/completed 2021
- **~9,500 bopd** by year end 2021
- **>12,000 bopd** targeted during 2023



## NEAR TERM TRIGGERS

- **Exploration well**  
South Africa
- **PetroNor** dividend



## CASHFLOW

- Strong free **Cashflow**
- Fully financed for **Growth**
- Positioned to pay **Dividends within the next two years**





PANORO ENERGY ASA

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