

16th March 2020

PetroNor E&P Limited
("PetroNor" or the "Company")

Corporate Update

PetroNor E&P Limited ("PetroNor" or the "Company") provides a corporate update that addresses price sensitivity of operations in the current low oil price environment.

PetroNor's producing assets in Congo Brazzaville have robust economics capable of generating operating free cash flow with breakeven prices in the order of USD 20 per barrel. Such production costs include field operating costs, including capex for the ongoing work-over and drilling programme, royalties and an estimate of profit-sharing based taxes, where applicable.

PetroNor is selling its oil on a regular basis through our lifting arrangement with ENI thus the company is realising a monthly average of the oil price for each lifting.

As previously guided, the Board is presently undertaking a programme to improve cost management and enhance operating efficiencies throughout the business to ensure the Company is appropriately structured for the current market conditions. The Board has already made progress in reducing overheads through streamlining the organisation and reducing the cost base, and is targeting further reductions in G&A through a number of cost saving initiatives, including continued reduction in salaries and expenses as appropriate.

Mr. Knut Sjøvold, CEO of PetroNor, said, *"The industry is currently recalibrating to a sudden change in economics following the rapid decline in commodity pricing. Fortunately, our producing assets have robust economics capable of remaining profitable down to \$20 a barrel. We are saddened by the impact of the current crises on global society. Despite the current issues, we remain optimistic about the long-term demand and economics associated with the oil and gas industry across the African continent, and we expect more business development opportunities to present themselves on account of this market dynamic. The Company remains well placed to create value from its existing portfolio and expects to capitalise on compelling inorganic opportunities in line with its stated growth strategy."*

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