



Interim Financial Report  
For the year and half-year ended  
31 December 2022

### H2 2022 and subsequent events

- Lifting of 800,177 bbls occurred in H2 2022 at average realised price of USD 90.99 /bbl.
- PNGF Sud net allocated production was 4,400 bopd for 2H 2022 (3,553 bopd for 2H 2021).
- Two production wells were added on Tchibeli NE, following the completion of the fourth and final Litanzi well in August.
- Award of The Gambia A4 licence (PetroNor 90% equity and Operator; Gambian National Petroleum Company (GNPC) 10%)
- Acquisition of Panoro Energy ASA's interest in Oil Mining Lease no. 113 ("OML 113") offshore Nigeria was completed.
- Successful renegotiation of debt facility for USD 11 million was completed prior to the end of the year.

### Assets

#### Republic of Congo (Brazzaville)

As part of the infill drilling programme during H2 2022 two more planned Litanzi wells were brought onstream and two Tchibeli NE development production wells were brought online during December. The improvements added from the infill drilling programme has resulted in achieving production levels not seen for over a decade. One Tchibeli NE well includes an additional exploration target that encountered an oil column in the Vandji sandstones that will be evaluated to understand future potential. The programme has now been paused and is expected to resume in Q2 2023.

#### Nigeria

In January 2022, PetroNor received the consent from the Nigeria Upstream Petroleum Regulatory Commission for the transactions signed in 2019. Through the completion of the acquisition of Panoro's interest in the OML 113 field PetroNor has obtained a 12.1913% economic interest in the project. The planned new JV with YFP that is yet to complete will hold a 15.5% participating interest and an economic interest in the order of 38.755 % in OML 113 during the majority of the project period.

#### Guinea-Bissau

PetroNor is continuing to advance plans to drill the Atum prospect within the Sinapa 2A licence. Following the publication, post period, in the Official Gazette of Guinea-Bissau (Boletim Oficial 45), the FAR

Ltd 21.43% equity interest has officially been transferred to PetroNor E&P AB. FAR had formally applied to withdraw from the licences following an announcement on the 15 March 2022.

#### The Gambia

Following positive discussions with the Gambian Government, PetroNor announced that it has decided to exercise its right to continue with the Petroleum, Exploration, Development and Production Licence Agreement ("PEPLA") for the A4 licence in The Gambia. PetroNor and Gambian National Petroleum Corporation ("GNPC") have also signed a Joint Operating Agreement ("JOA") for the A4 Licence offshore Gambia. GNPC, as Government licensee, has been assigned a 10 per cent participating interest in the license.

The first exploration period is for three years, the first 18 months of which are for additional prospect technical maturation work. The well commitment is made upon entry to the second 18-month period. This highly prospective block lies 30 km South of the Senegal "Sangomar" field which will start production in 2023 at 100,000 bopd. The block contains multiple low risk commercial size prospects.

#### Senegal

The Rufisque Offshore Profond and Senegal Offshore Sud Profond license areas held by the Group are subject to arbitration with the Government of Senegal. We await the outcome of the ICSID Tribunal which held a hearing on jurisdiction and the merits in Paris during March 2022.

**H2 2022 EBITDA**  
(USD millions)

**75.2**

H2 2021: 38.5

**H2 2022 EBIT**  
(USD millions)

**69.6**

H2 2021: 33.9

**H2 2022 Net profit**  
(USD millions)

**46.5**

H2 2021: 12.3

**H2 2022 Market Cap**  
(USD millions)

**111.4**

H2 2021: 131.8

**H2 2022 2P Reserves**  
(MMbbl)

**19.1**

H2 2021: 19.6

**H2 2022 2C Contingent Resources**  
(MMbbl)

**35.1**

H2 2021: 36.5

**H2 2022 Earnings per share**  
(USD cents)

**2.76**

H2 2021: 0.72

**H2 2022 Net debt**  
(USD millions)

**13.8**

H2 2021: 18.7

### Corporate

#### Renegotiation of debt facility

On 29 December 2022 PetroNor successfully completed a refinancing arrangement with Acqua Diversified Holding SPC. Debt financing of USD\$11 million was put in place at a coupon rate of 11% per annum. Repayments will be made on a quarterly basis over a term of 24 months. The terms of the revised facility match closely those existing previously between the parties in terms of security of assets.

#### Completion of Panoro Acquisition

On 13 July PetroNor announced the completion of the purchase of the Panoro Energy ASA ("Panoro") wholly owned subsidiaries Pan-Petroleum Nigeria Holding BV and Pan-Petroleum Services Holdings BV that together hold 100% of the share in Pan-Petroleum Aje Ltd ("Pan Aje"). Pan Aje participates in the exploration for and production of hydrocarbons in Nigeria and holds a 6.502% participating interest, with a 16.255% cost bearing interest, representing an economic interest of 12.1913% in OML 113, containing the Aje oil and gas field. The upfront consideration to Panoro for the transaction was USD 10 million which was paid via the allotment and issue of 96,577,537 new PetroNor shares (the "Consideration Shares"). The Consideration Shares were issued and subsequently registered with the Norwegian Register of Business Enterprises (*Brønnøysundregistrene*) on 27 July 2022.

Post period end, these new subsidiaries have been renamed, Aje Nigeria Holding BV, Aje Services Holding BV and Aje Production Ltd.

#### Økokrim Charges

Criminal charges were brought in December 2021 against individuals related to the Company.

The Company takes compliance very seriously. The Company set up a dedicated sub-committee and engaged law firm Selmer to conduct an independent and targeted fact-finding process to assist the board in its consideration of the matter.

#### Elections to the Board

At an Extraordinary General Meeting on 26 January 2023 a resolution to appoint two new Directors to the Board was passed. The appointments were pursuant to recommendations from the nomination committee. The two new Directors, Mrs. Azza Fawzi and Mr. Jarle Norman-Hansen, take the Company's Board to a total of six Directors.

Mrs. Fawzi is a former Shell finance executive where she worked in various capacities in the US, Qatar, Brazil, Nigeria, Egypt, Oman, UAE and India. She is an international oil and gas finance executive with global board, audit and executive leadership experience.



Mr. Norman-Hansen has more than 30 years of experience in Nordic property and capital markets, overseeing the acquisition and asset management of multibillion investments, as well as acting as advisor to many of Scandinavia's largest real estate capital markets transactions. Mr. Norman-Hansen is a current shareholder of PetroNor through his company Ambolt Invest AS.



### Operations

#### PRODUCTION

##### Republic of Congo – PNGF SUD

During 2022, the ongoing infill drilling programme on PNGF Sud field added capacity and is achieving production levels not seen for over a decade.

PNGF Sud H2 2022 production was 26,142 bopd (net 4,400 bopd), but following the initial success on the Litanzi Field, the addition of the two wells on Tchibeli NE have meant that December 2022 and January 2023 average working interest production was consistently greater than 5,241 bopd.

Separately, one Tchibeli NE well includes an additional exploration target that encountered an oil column in the Vandji sandstones that will be evaluated to understand future potential.

The Dagda jack-up rig that successfully drilled four Litanzi wells and two Tchibeli wells during 2022 is now being repurposed and converted to a permanent production platform. Meanwhile the Axima jack-up rig that will take over drilling responsibilities on the infill drilling programme is currently operating for another partnership and is expected to return to work on the Tchibeli field in Q2 2023.

#### DEVELOPMENT

##### Nigeria – OML 113 / The Aje field

On 13 July 2022, the Company announced it had completed on the purchase of three fully owned subsidiaries from Panoro Energy ASA. Under the terms of the Panoro transaction, once PetroNor recovers all of its costs related to future investments to bring Aje gas into production, the Company is to pay to Panoro an additional consideration USD 0.10 per 1,000 cubic feet capped at capped at USD 16.67 million.

The completion of the Panoro transactions brings an economic interest in the OML 113 field of 12.1913% cementing the strategy to push forward to update the field development plan ("FDP") to



expedite gas development and engaged with potential offtakers and partners.

On 23 May 2022, the Company announced that it and Yinka Folawiyo Petroleum ("YFP") had executed amendments to the original agreements dated 2019. The amendments provide for YFP's contribution to be limited to the shareholding in the YFP Deepwater Company Ltd, corresponding to 48% of Aje Production AS. Consequently, PetroNor's interest increased from 45% to 52%.

PetroNor continues to engage with the JV partners in efforts to progress the redevelopment of the venture.

### EXPLORATION

#### Guinea-Bissau – 2 and 4A & 5A

The licences contain multiple mature prospects, but the primary focus is the Cretaceous shelf edge play, analogous to the Sangomar Field in Senegal. The key prospects, Atum and Anchova, (primarily within the Sinapa A2 licence with Anchova extending into Esperanca 4A) were originally mapped on 3D seismic acquired by Polarcus in 2016, the recently licenced TGS Jaan 3D version of this data has been used for the most recent mapping and volumetric and risk estimation.

PetroNor has re-engaged with EXCEED (a specialist drilling management company based in Aberdeen) in planning to drill the Atum-1X well, on the Sinapa 2. Long lead items required for drilling operations have been secured and a number of pre-drill studies completed.

#### The Gambia – A4

PetroNor secured a new exploration licence (PEPLA) on 18 November 2022 and entered into the first exploration period which has a duration of three years. PetroNor hold 90% equity and Operatorship with GNPC as partner (10% equity). The technical work program has been submitted for the first 18 months of the first exploration period. Efforts will continue to try to farm-down equity to a new partner based on the updated technical work currently underway. It is anticipated that success in finding a new partner will enable funding of an exploration well in the second 18-month period post 18 May 2024. Upon entry to the second period, the well obligation must be completed by 18 October 2025.

#### Senegal – ROP & SOSP

In July 2018, the Company's subsidiary African Petroleum Senegal Limited registered arbitration proceedings with the International Centre for Settlement of Investment Disputes (ICSID) (case ARB/18/24) to protect its interests in the Senegal Offshore Sud Profond and Rufisque Offshore Profond blocks. The ICSID Tribunal held a hearing on jurisdiction and the merits in Paris during March 2022. The company is awaiting outcome of the Tribunal.

## Financial performance and activities

The PNGF Sud drilling programme which has increased property plant and equipment assets by USD 36.7 million in the year, is adding to production capacity and driving the improvements we are seeing in production outputs.

Following the liftings in the fourth quarter the closing stock volume was ~254k bbl giving an oil stock valuation at the year-end of USD 7.5 million. Materials inventories in Congo remain high at USD 7.4 million (2021: USD 5.7 million) with the in-fill drilling campaign ongoing. Inventories for use in the Guinea-Bissau Sinapa well have been written back-up to cost to reflect the buoyant drilling market.

The acquisition of the three Panoro subsidiaries adds USD 11 million in net assets to the Group balance sheet including Property plant and equipment of USD 0.9 million, Intangible assets USD 29.8 million, and historic JV payable balances of USD 16.0 million

As at the 31 December 2022 the balance sheet value of trade and other payables was USD 28.7 million (2021: USD 29.9 million).

The balance of cash advanced to the Operator in Congo for decommissioning costs at 31 December 2022 was USD 29.4 million (2021: USD 26.8 million), covering almost the entire provision required to be made under the licence arrangements. Obligations under this arrangement will be met well in advance of partnership requirements.

Previously existing loan facilities were expunged in Q4 2023 and a new loan facility of USD 11.0 million was put in place at an interest rate of 11%. Loan proceeds were received net of facility arrangement fee of 1.5%. The loan is repayable over 24 months in quarterly instalments.

The Group had USD 24.8 million in cash and bank balances as at 31 December 2022 (2021: USD 31.8 million).

Revenue of USD 145.3 million for financial year 2022 (2021 USD 106.5 million) is driven by higher oil prices in the reporting period. Revenue net of oil sales revenue reflects realised average oil price of USD 90.99 /bbl on lifted volumes of 800,177 bbls. The Group realised revenue of USD 108 million during H2 2022 (H2 2021: USD 58.2 million), revenue net of oil sales revenue reflects realised average oil price of USD 90.99/bbl on lifted volumes of 800,177 bbls as there were no liftings in H1 2022.

As a result, the Group reported an EBITDA of USD 95.8 million for the year ended 31 December 2022, compared to USD 61.9 million profit in the same period in 2021. The increase in the net profit is driven primarily by higher oil prices.

Net profit attributable to the equity holders of the parent was USD 29.4 million for the year ended 31 December 2022, compared to a profit of USD 12.3 million in the same period in 2021. Net profit attributable to the equity holders of the parent for H2 2022 was USD 38.8 million (H2 2021: USD 9.2 million).

## OPERATIONAL UPDATE

The lifting schedule and associated recognition of oil sales can have a significant timing impact on smaller E&P companies and their reportable revenue. This can make quarterly comparisons misleading despite consistent or even growing oil production. Consequently, PetroNor has only included half-yearly interim financial reporting in its proposed financial calendar for 2023. However, the Company will continue to provide quarterly operational updates on its production performance.

During the second half-year no dividend was paid or recommended.

The Board of Directors (the "Board") confirms that the interim financial statements have been prepared pursuant to the going concern assumption, and that this assumption was realistic at the balance sheet date. The going concern assumption is based upon the financial position of the Group and the development plans currently in place. In the Board's view, the interim financial statements give a true and fair view of the Group's assets and liabilities, financial position, and results. PetroNor ASA is the parent company of the PetroNor Group (the "Group"). Its interim financial statements have been prepared on the assumption that the Group will continue as a going concern and the realisation of assets and settlement of debt in normal operations.

### Top 20 shareholders

As of 1 February 2023:

#	Shareholder	Number of shares	Per cent
1	Petromal LLC <sup>1</sup>	481,481,666	33.82%
2	Symero Limited <sup>3</sup>	138,763,636	9.75%
3	NOR Energy AS <sup>2</sup>	135,070,623	9.49%
4	Ambolt Invest AS <sup>5</sup>	87,583,283	6.15%
5	Gulshagen III AS <sup>4</sup>	45,000,000	3.16%
6	Gulshagen IV AS <sup>4</sup>	45,000,000	3.16%
7	Nordnet Livsforsikring AS	26,046,464	1.83%
8	Energie AS	24,313,630	1.71%
9	Nordnet Bank AB	19,905,707	1.40%
10	Enga Invest AS	10,722,775	0.75%
11	Avanza Bank AB	10,022,877	0.70%
12	Omar Al-Qattan	7,645,454	0.54%
13	Leena Al-Qattan	7,645,454	0.54%
14	Pust For Livet AS	7,497,609	0.53%
15	UBS Switzerland AG	6,887,714	0.48%
16	Danske Bank A/S	6,578,702	0.46%
17	Panoro Energy ASA	4,451,251	0.31%
18	Sandberg JH AS	4,000,000	0.28%
19	Spit Air AS	4,000,000	0.28%
20	Geir Håkon Dahle	3,615,327	0.25%
<b>Subtotal</b>		<b>1,076,232,172</b>	<b>75.60%</b>
Others		347,336,371	24.40%
<b>Total</b>		<b>1,423,568,543</b>	<b>100.00%</b>

<sup>1</sup> Non-Executive Chairman, Mr. Alhomouz is the CEO of Petromal LLC. 109,520,419 of the shares held by Petromal LLC are recorded in the name of nominee company, Clearstream Banking S.A. on behalf of Petromal LLC.

<sup>2</sup> NOR Energy AS is a company controlled jointly by former CEO, Mr. Søvold, and former subsidiary company Director, Mr. Ludvigsen through indirect beneficial interests.

<sup>3</sup> Symero Ltd is a 100 per cent owned subsidiary of NOR Energy AS.

<sup>4</sup> Gulshagen III AS and Gulshagen IV AS are companies controlled by Mr. Søvold through an indirect beneficial interest.

<sup>5</sup> Ambolt Invest AS is a company controlled by board member Mr. Norman-Hansen.

### Principal risks

The Group participates in oil and gas projects in countries in West Africa with emerging economies, such as Congo Brazzaville, Nigeria, The Gambia, Senegal and Guinea-Bissau.

Oil and gas exploration, development and production activities in such emerging markets are subject to a number of significant political and economic uncertainties as further detailed in the annual report. These may include, but are not limited to, the risk of war, terrorism, expropriation, nationalisation, renegotiation or nullification of existing or future licences and contracts, changes in crude oil or natural gas pricing policies, changes in taxation and fiscal policies, imposition of currency controls and imposition of international sanctions.

### Health, safety and environment (HSE)

Health and Safety policies are essential for PetroNor. The Company's objective for health, environment, safety, and quality (HSEQ) is zero accidents and zero unwanted incidents in all activities. The oil and gas assets located in West Africa imply frequent travel, and the Company seeks to ensure adequate safety levels for employees travelling. PetroNor experienced no accidents, injuries, incidents or any environmental claims during H2 2022.

For some of the Group's operations, PetroNor must rely on the procedures of the designated operators on behalf of that licence partnership group. The operator of PNGF Sud is reporting regularly on all key HSE indicators. Most recently on 25 November 2022 the operator reported no lost time injury (LTI) incidents for 751,523 working hours in the previous 12 months. There have been no significant known breaches of the Company's exploration licenses conditions or any environmental regulations to which it is subject. Time lost due to employee illness or accidents was negligible. Employee safety is of the highest priority, and the Company is continuously working towards identifying and employing administrative and technical solutions that ensure a safe and efficient workplace.

### Significant events after reporting date

On 26 January 2023, two new Directors were appointed to the Board. The appointments were pursuant to recommendations from the nomination committee. The two new Directors, Mrs. Azza Fawzi and Mr. Jarle Norman-Hansen, take the Company's Board to a total of six Directors.

## OPERATIONAL UPDATE

---

In the Official Gazette of Guinea-Bissau (Boletim Oficial 45), it was announced that following the withdrawal of FAR Limited from the Sinapa and Esperance licences offshore Guinea-Bissau their equity interest had been awarded to PetroNor.

At the start of February 317,904 bbls of oil were lifted from the Djeno Terminal, this sale generated a cash inflow of USD 24.1 million.

Except for the above, the Company has not identified any events with significant accounting impacts that have occurred between the end of the reporting period and the date of this report.

## Outlook

The well infill drilling program on PNGF Sud has paused temporarily over the year end, whilst the Axima rig drills for another partnership group. The rig is scheduled to return to PNGF Sud operations towards the end of Q2 2023 to then drill the wells planned for Tchibeli.

The Company continues to work to finalise the YFP elements of the Aje transaction. Meanwhile work progresses to update the field development plan to expedite gas development and engage with potential offtakers and partners.

The Company continues to generate sales through spot sales and the next lifting is planned before the end of April 2023.

## Condensed consolidated statement of comprehensive income

Amounts in USD thousand (Unaudited)	Six months ended		Twelve months ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Revenue	108,464	58,289	145,290	106,463
Cost of sales	(33,729)	(17,753)	(46,210)	(34,585)
<b>Gross profit</b>	<b>74,735</b>	<b>40,536</b>	<b>99,080</b>	<b>71,878</b>
Other operating income	-	509	-	866
Exploration expenses	(792)	(1,011)	(888)	(2,270)
Impairment of exploration	2,519	-	2,519	-
Administrative expenses	(6,675)	(7,815)	(14,351)	(13,131)
<b>Profit from operations</b>	<b>69,787</b>	<b>32,219</b>	<b>86,360</b>	<b>57,343</b>
Finance expense	(2,134)	(1,415)	(3,311)	(3,041)
Foreign exchange gain/ (loss)	1,008	(75)	360	(56)
<b>Profit before tax</b>	<b>68,661</b>	<b>30,729</b>	<b>83,409</b>	<b>54,246</b>
Tax expense	(22,122)	(18,448)	(46,803)	(33,102)
<b>Profit for the period</b>	<b>46,539</b>	<b>12,281</b>	<b>36,606</b>	<b>21,144</b>
<b>Other Comprehensive income:</b>				
Exchange gains / (losses) arising on translation of foreign operations	(1,019)	(335)	(872)	(364)
<b>Total comprehensive income</b>	<b>45,520</b>	<b>11,946</b>	<b>35,734</b>	<b>20,780</b>
<b>Profit for the period attributable to:</b>				
Owners of the parent	38,663	9,285	29,316	12,314
Non-controlling interest	7,876	2,994	7,290	8,830
<b>Total</b>	<b>46,539</b>	<b>12,279</b>	<b>36,606</b>	<b>21,144</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	37,644	8,952	28,444	12,208
Non-controlling interest	7,876	2,994	7,290	8,572
<b>Total</b>	<b>45,520</b>	<b>11,946</b>	<b>35,734</b>	<b>20,780</b>
<b>Earnings per share attributable to members:</b>	<b>USD cents</b>	<b>USD cents</b>	<b>USD cents</b>	<b>USD cents</b>
Basic profit per share	2.76	0.72	2.14	1.06
Diluted profit per share	2.76	0.72	2.14	1.06

The accompanying notes form part of these financial statements

## Condensed consolidated statement of financial position

<i>Amounts in USD thousand</i>	<b>As at 31 December 2022 (Unaudited)</b>	<b>As at 31 December 2021 (Audited)</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Inventories	18,824	6,227
Trade and other receivables	1,188	13,820
Cash and cash equivalents	24,816	31,755
<b>Total</b>	<b>44,828</b>	<b>51,802</b>
<b>Non-current assets</b>		
Property, plant and equipment	67,481	39,397
Intangible assets	37,753	7,172
Right-of-use assets	462	44
Other receivables	29,432	26,837
<b>Total</b>	<b>135,128</b>	<b>73,450</b>
<b>Total assets</b>	<b>179,956</b>	<b>125,252</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	28,880	29,996
Lease liability	179	58
Loans and borrowings	5,500	13,079
<b>Total</b>	<b>34,559</b>	<b>43,133</b>
<b>Non-current liabilities</b>		
Loans and borrowings	5,500	-
Lease liability	280	-
Other payables	8,738	-
Provisions	20,913	16,302
<b>Total</b>	<b>35,431</b>	<b>16,302</b>
<b>Total liabilities</b>	<b>69,990</b>	<b>59,435</b>
<b>NET ASSETS</b>	<b>109,966</b>	<b>65,817</b>
<b>Issued capital and reserves attributable to owners of the parent</b>		
Share capital	72,115	62,115
Foreign currency translation reserve	(2,293)	(1,421)
Retained earnings	27,926	(1,390)
<b>Total</b>	<b>97,748</b>	<b>59,304</b>
Non-controlling interests	12,218	6,513
<b>TOTAL EQUITY</b>	<b>109,966</b>	<b>65,817</b>

*The accompanying notes form part of these financial statements*



## Condensed consolidated statement of changes in equity

Amounts in USD thousand

Issued capital	Retained earnings	Foreign currency translation reserve	Non-controlling interest (NCI)	Total
----------------	-------------------	--------------------------------------	--------------------------------	-------

For the year ended 31 December 2022 (Unaudited)

<b>Balance at 1 January 2022</b>	<b>62,115</b>	<b>(1,390)</b>	<b>(1,421)</b>	<b>6,513</b>	<b>65,817</b>
Profit for the period	-	29,316	-	7,290	36,606
Other comprehensive income	-	-	(872)	-	(872)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>29,316</b>	<b>(872)</b>	<b>7,290</b>	<b>35,734</b>
Issue of capital	10,000	-	-	-	10,000
Dividends distributed to NCI	-	-	-	(1,585)	(1,585)
<b>Balance at 31 December 2022</b>	<b>72,115</b>	<b>27,926</b>	<b>(2,293)</b>	<b>12,218</b>	<b>109,966</b>

For the year ended 31 December 2021 (audited)

<b>Balance at 1 January 2021</b>	<b>17,735</b>	<b>(8,853)</b>	<b>(956)</b>	<b>14,370</b>	<b>22,296</b>
Profit for the period	-	12,314	-	8,830	21,144
Other comprehensive income / (loss)	-	-	(106)	(258)	(364)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>12,314</b>	<b>(106)</b>	<b>8,572</b>	<b>20,780</b>
Issue of capital	45,943	-	-	-	45,943
Share issue costs	(1,563)	-	-	-	(1,563)
Acquisition of equity interest from NCI	-	(4,851)	(359)	(16,429)	(21,639)
<b>Balance at 31 December 2021</b>	<b>62,115</b>	<b>(1,390)</b>	<b>(1,421)</b>	<b>6,513</b>	<b>65,817</b>

The accompanying notes form part of these financial statements



## Condensed consolidated statement of cash flows

<i>Amounts in USD thousand</i> (Unaudited)	<b>For the year ended 31 December 2022</b>	<b>For the year ended 31 December 2021</b>
<b>Cash flows from operating activities</b>		
Profit for the period	<b>83,409</b>	54,246
<b>Adjustments for:</b>		
Depreciation and amortisation	<b>9,152</b>	4,422
Amortisation of right-of-use asset	<b>146</b>	168
Impairment reversal – inventory	<b>(2,519)</b>	
Unwinding of discount on decommissioning liability	<b>842</b>	995
Net foreign exchange differences	<b>(872)</b>	(364)
<b>Total</b>	<b>90,158</b>	59,467
Decrease / (Increase) in trade and other receivables	<b>12,621</b>	(8,062)
Advance against decommissioning cost	<b>(2,595)</b>	(5,577)
Increase in inventories	<b>(10,078)</b>	(2,649)
(Decrease) / Increase in trade and other payables	<b>(8,256)</b>	7,758
<b>Cash generated from operations</b>	<b>81,850</b>	50,937
Income taxes paid	<b>(46,803)</b>	(33,102)
<b>Net cash flows from operating activities</b>	<b>35,047</b>	17,835
<b>Investing activities</b>		
Purchases of property, plant and equipment	<b>(35,755)</b>	(19,759)
Purchase of intangible assets	<b>(2,353)</b>	(814)
<b>Net cash flows from investing activities</b>	<b>(38,108)</b>	(20,573)
<b>Financing activities</b>		
Issue of ordinary shares	<b>(58)</b>	27,943
Share issue costs	<b>-</b>	(1,563)
Proceeds from loans and borrowings	<b>11,000</b>	-
Repayment of loans and borrowings	<b>(13,079)</b>	(5,833)
Repayment of principal portion of lease liability	<b>(120)</b>	(159)
Repayment of interest portion of lease liability	<b>(36)</b>	(8)
Dividends paid to non-controlling interest	<b>(1,585)</b>	-
<b>Net cash flows from financing activities</b>	<b>(3,878)</b>	20,380
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(6,939)</b>	17,642
Cash and cash equivalents at beginning of period	<b>31,755</b>	14,113
<b>Cash and cash equivalents at end of period</b>	<b>24,816</b>	31,755

The above investing and financing activities include a non-cash adjusting event for the corporate acquisition from Panoro Energy ASA, please refer to the accompanying note on cash and bank balances for further details.

*The accompanying notes form part of these financial statements*

### Corporate information

The condensed financial report of the Company and its subsidiaries (together the "Group") for the period ended 31 December 2022 was authorised for issue in accordance with a resolution of the directors on 21 February 2023.

PetroNor E&P ASA is a 'for profit entity' and is a company limited by shares incorporated in Norway. Its shares are publicly traded on the Oslo Børs (code: PNOR), a regulated marketplace of the Oslo Stock Exchange, Norway. The principal activities of the Group are exploration and production of crude oil.

### Basis of preparation

This general purpose condensed interim financial report for the year and half-year ended 31 December 2022 has been prepared in accordance with IAS 34 Interim Financial Reporting and the supplement requirements of the Norwegian Securities Trading Act (Verdipapirhandelloven).

The interim financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

It is recommended that the interim financial report be read in conjunction with the annual report for the year ended 31 December 2021 and considered together with any public announcements made by the Company during the period ended 31 December 2022 in accordance with the continuous disclosure obligations of the Oslo Børs. A copy of the annual report is available on the Company's website [www.petronorep.com](http://www.petronorep.com).

PetroNor E&P ASA's condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) which have been adopted by the EU. The consolidated financial statements have been prepared on a historical cost basis, and on the basis of uniform accounting principles for similar transactions and events under otherwise similar circumstances.

The interim financial report is presented in United States Dollars.

#### Going concern

Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future. The cash generated from oil sales in Q4 2022, after no sales at the start of the year, and the renegotiation of debt finance in December eased the pressure on PetroNor's short-term liquidity requirements. These factors taken together with a buoyant oil price environment and strong production has enabled the directors to form the opinion that the Company will be in a position to continue to meet its liabilities and obligations.

These condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

### Accounting policies

The accounting policies adopted are consistent with those disclosed in the annual report for the year ended 31 December 2021.

### Significant accounting judgements, estimates and assumptions

The preparation of the interim financial report entails the use of judgements, estimates and assumptions that affect the application of accounting policies and the amounts recognised as assets and liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances. The actual results may deviate from these estimates. The material assessments underlying the application of the Company's accounting policies and the main sources of uncertainty are the same for the interim accounts as for the annual accounts for 2021.

## Revenue from contracts with customers

Amounts in USD thousand	Six months ended		Twelve months ended	
	31 December 2022 (Unaudited)	31 December 2021 (Unaudited)	31 December 2022 (Unaudited)	31 December 2021 (Audited)
<b>Revenue from contracts from customers</b>				
Revenue from sales of petroleum products	72,837	31,141	72,837	57,601
<b>Other revenue</b>				
Assignment of tax oil	22,122	18,449	46,803	33,102
Assignment of royalties	13,505	8,699	25,650	15,760
<b>Total revenue</b>	<b>108,464</b>	<b>58,289</b>	<b>145,290</b>	<b>106,463</b>
Number of liftings	2	3	2	7
Quantity of oil lifted (Barrels)	800,177	410,729	800,177	831,089
Average selling price (USD per barrel)	90.99	75.82	90.99	69.31
Quantity of net oil produced after royalty, cost oil and tax oil (Barrels)	900,495	418,835	900,495	821,536

## Cost of sales

Amounts in USD thousand	Six months ended		Twelve months ended	
	31 December 2022 (Unaudited)	31 December 2021 (Unaudited)	31 December 2022 (Unaudited)	31 December 2021 (Audited)
Operating expenses	11,446	6,960	16,636	4,385
Royalty	13,505	8,699	25,650	15,760
Depreciation and amortisation of oil and gas properties	5,533	2,070	9,134	14,303
Provision for Diversified Investment~	670	-	1,710	-
Movement in oil inventory	2,575	24	(6,920)	137
<b>Total</b>	<b>33,729</b>	<b>17,753</b>	<b>46,210</b>	<b>34,585</b>

As at the year end, the volume of crude oil stock 254,009 bbls (H2 2021: 24,235 bbls).

The crude oil inventory is valued at cost estimated to be USD 29.43/bbl (H2 2021: USD 22.84/bbl).

## Administrative expenses

Amounts in USD thousand	Six months ended		Twelve months ended	
	31 December 2022 (Unaudited)	31 December 2021 (Unaudited)	31 December 2022 (Unaudited)	31 December 2021 (Audited)
Employee benefit expenses	2,696	2,970	5,581	5,434
Travelling expenses	375	161	593	218
Legal and professional	2,953	1,236	5,200	2,622
Other expenses	548	1,138	999	1,821
Business development	313	343	478	485
Corporate social responsibility	674	1,387	1,500	1,500
Provision for Diversified Investment~	(884)	580	-	1,051
<b>Total</b>	<b>6,675</b>	<b>7,815</b>	<b>14,351</b>	<b>13,131</b>

~Provision for Diversified Investment ("PID") expenditure is included in the terms of the PNGF Sud licence has been reclassified from Administrative Expenses to Cost of Sales in 2022.

## Finance cost

Amounts in USD thousand

	Six months ended		Twelve months ended	
	31 December 2022 (Unaudited)	31 December 2021 (Unaudited)	31 December 2022 (Unaudited)	31 December 2021 (Audited)
Unwinding of discount on decommissioning liability	312	497	842	995
Interest expense	1,628	915	2,255	2,038
Other finance costs	194	3	214	8
<b>Total</b>	<b>2,134</b>	<b>1,415</b>	<b>3,311</b>	<b>3,041</b>

## Earnings per share

Amounts in USD thousand

	Six months ended		Twelve months ended	
	31 December 2022 (Unaudited)	31 December 2021 (Unaudited)	31 December 2022 (Unaudited)	31 December 2021 (Audited)
Profit from continuing operations attributable to the equity holders used in calculation	38,663	9,285	29,316	12,314
Weighted average number of shares used in the calculation of:	<b>Number of Shares</b>			
Basic profit per share	1,400,998,792	1,295,142,992	1,372,236,941	1,160,438,253
Diluted profit per share	1,400,998,792	1,296,532,462	1,372,729,890	1,161,827,723

All residual share options have lapsed as at 31 December 2022 (31 December 2021: 1,389,470).

## Inventories

Amounts in USD thousand

	31 December 2022 (Unaudited)	31 December 2021 (Audited)
Crude oil inventory	7,475	554
Materials and supplies	11,349	5,673
<b>Total</b>	<b>18,824</b>	<b>6,227</b>

Crude oil inventory is valued at cost of USD 29.43 per bbl on 31 December 2022 (USD 22.84 per bbl on 31 December 2021).

## Trade and other receivables

Amounts in USD thousand

	31 December 2022 (Unaudited)	31 December 2021 (Audited)
<b>Recoverability less than one year</b>		
Trade receivables	-	13,431
Accrued Income	-	-
Other receivables	1,188	389
<b>Total</b>	<b>1,188</b>	<b>13,820</b>
<b>Recoverability more than one year</b>		
Decommissioning cost advance	29,432	26,837
<b>Total</b>	<b>29,432</b>	<b>26,837</b>



## Cash and bank balances

Amounts in USD thousand

	31 December 2022	31 December 2021
	(Unaudited)	(Audited)
Cash in bank	24,816	31,755
<b>Total</b>	<b>24,816</b>	<b>31,755</b>

### Non-cash adjustment

The condensed consolidated statement of cash flows includes a non-cash adjustment for the corporate transaction with Panoro Energy ASA. The upfront consideration for the transaction was USD 10 million which was paid via the allotment and issue of 96,577,537 new PetroNor shares. The acquisition of the Panoro subsidiaries with shares has not resulted in cash flows and therefore the statement of cash flows has been adjusted as follows:

Amounts in USD thousand

	31 December 2022	31 December 2021
	(Unaudited)	(Audited)
Purchases of property, plant and equipment	925	-
Intangible assets	28,769	-
Trade and other payables	(7,130)	-
Other non-current payables	(8,738)	-
Provisions	(3,769)	-
Issue of share capital	(10,057)	-

## Production assets and equipment

Amounts in USD thousand

	31 December 2022	31 December 2021
	(Unaudited)	(Audited)
Cost		
Opening balance	53,204	33,445
Additions	36,683	19,759
<b>Closing balance</b>	<b>89,887</b>	<b>53,204</b>
Depreciation		
Opening balance	13,807	9,962
Charge for the period	8,599	3,845
<b>Closing balance</b>	<b>22,406</b>	<b>13,807</b>
<b>Net carrying amount</b>	<b>67,481</b>	<b>39,397</b>

## Intangible assets

Amounts in USD thousand

	31 December 2022	31 December 2021
	(Unaudited)	(Audited)
<b>Net carrying value</b>		
Licences and approval	37,752	7,170
Software	1	2
<b>Total</b>	<b>37,753</b>	<b>7,172</b>

The corporate acquisition of the interest in the OML113 licence from Panoro Energy ASA, has generated the material increase in intangible assets during 2022.

## Trade and other payables

Amounts in USD thousand

	31 December 2022	31 December 2021
	(Unaudited)	(Audited)
Trade payables	23,590	22,014
Due to related parties	2,041	3,449
Taxes and state payables	741	120
Other payables and accrued liabilities	2,508	4,413
<b>Total</b>	<b>28,880</b>	<b>29,996</b>

## Loans and borrowings

Amounts in USD thousand

	31 December 2022	31 December 2021
	(Unaudited)	(Audited)
Ageing of loans payable		
Current	5,500	13,079
Non-current	5,500	-
<b>Total</b>	<b>11,000</b>	<b>13,079</b>

In December 2022, the former USD 15 million loan facility was replaced with a new arrangement with Acqua Diversified Holding SPC. Debt financing of USD 11 million was put in place at a coupon rate of 11% per annum. Repayments will be made on a quarterly basis over a term of 24 months. The security terms of the updated facility closely match those existing previously between the parties after adjusting for the corporate restructure of PetroNor in February 2022. Whereby PetroNor E&P ASA replaced PetroNor E&P Ltd Australia as the top company of the group.

## Decommissioning liability

In accordance with the agreements and legislation, the wellheads, production assets, pipelines and other installations may have to be dismantled and removed from oil and natural gas fields when the

production ceases. The exact timing of the obligations is uncertain and depend on the rate the reserves of the field are depleted. However, based on the existing production profile of the PNGF Sud field and the size of the reserves, it is expected that expenditure on retirement is likely to be after more than ten years. The current bases for the provision are a discount rate of 6.0 per cent and an inflation rate of 1.6 per cent. The Group reassessed the applicable discount rate during 2020 based on the rates of Congolese Government bonds issued in the Congo during the year. The decommissioning provision for the acquired OML113 assets are discounted at 2.50% with an inflation rate of 2.0%. The Group will reassess the provision during 2023.

### Acquisition of subsidiaries

On 13 July 2022 PetroNor completed the acquisition of the entire issued share capital of Panoro fully owned subsidiaries Pan-Petroleum Nigeria Holding BV and Pan-Petroleum Services Holdings BV that hold 100% of the shares in Pan-Petroleum AJE Ltd. The transaction has allowed PetroNor to assume a 6.502% participating interest, 16.255% cost bearing interest and economic interest of 12.1913% in Offshore Mining Licence no.113 (OML113)

Pan-Petroleum AJE Ltd participates in the exploration and production of hydrocarbons in the Aje oil and gas field.

Information is respect of the assets and liabilities acquired and the fair value allocations to the assets in accordance with the provisions of "IFRS3 – Business Combinations" is as follows:

	USD'000
<b>Assets Acquired</b>	
<i>Current assets</i>	
Trade and Other Receivables	5
Cash and bank balances	52
	57
<i>Non current assets</i>	
Intangible assets	29,769
Production assets and equipment	926
	30,695
<b>Total assets</b>	<b>30,752</b>
<i>Current liabilities</i>	
Trade and other payables	(7,246)
<i>Non-current liabilities</i>	
Provisions	(3,768)
Other payables	(8,738)
	(12,506)
<b>Total liabilities</b>	<b>(19,752)</b>
<b>Net Assets</b>	<b>11,000</b>
<b>Satisfied by:</b>	
Consideration Shares	10,000
Assignment Fee	1,000
<b>Total</b>	<b>11,000</b>

The upfront consideration for the transaction was USD 10 million paid via the allotment and issue of 96,577,537 new PetroNor shares. The volume of PetroNor shares has been determined with reference to the contractually determined 30-day volume weighted average price ("VWAP").

### Related party transactions

Balances due from and due to related parties disclosed in the consolidated statement of financial position:

	31 December 2022 (Unaudited)	31 December 2021 (Audited)
Amounts in USD thousand		
Other payables include:		
Nor Energy AS	1,283	2,136
Petromal LLC	736	1,281
Symero Ltd.	22	32
<b>Total payables to related parties</b>	<b>2,041</b>	<b>3,449</b>
Loan payable to Symero Ltd	-	3,912
<b>Loan payable to related parties</b>	<b>-</b>	<b>3,912</b>

### Share capital

During the period the Company issued 96,577,537 ordinary shares as consideration shares for the acquisition of the Panoro Energy's interest in OML113 offshore Nigeria. The Company now has 1,423,568,543 shares in issue.

### Events subsequent to reporting date

On 26 January 2023, two new Directors were appointed to the Board. The appointments were pursuant to recommendations from the nomination committee. The two new Directors, Mrs. Azza Fawzi and Mr. Jarle Norman-Hansen, take the Company's Board to a total of six Directors.

In the Official Gazette of Guinea-Bissau (Boletim Oficial 45), it was announced that following the withdrawal of FAR Limited from the Sinapa and Esperança licences offshore Guinea-Bissau their equity interest had been awarded to PetroNor.

At the start of February 317,904 bbls of oil were lifted from the Djeno Terminal, this sale generated a cash inflow of USD 24.1 million.

Except for the above, the Company has not identified any events with significant accounting impacts that have occurred between the end of the reporting period and the date of this report.

## Statement of responsibility

---

We confirm that, to the best of our knowledge, the condensed set of unaudited financial statements for the year and half-year ended 31 December 2022, which has been prepared in accordance with IAS34 Interim Financial Statements, provides a true and fair view of the Company's consolidated assets, liabilities, financial position and results of operations, and that the management report includes a fair review of the information required under the Norwegian Securities Trading Act section 5-6 fourth paragraph.

Approved by the Board of PetroNor E&P ASA:



Eyas Alhomouz, Chair of the Board



Gro Kielland, Director of the Board



Ingvil Smines Tybring-Gjedde, Director of the Board



Joseph Iskander, Director of the Board



Azza Fawzi, Director of the Board



Jarle Norman-Hansen, Director of the Board

### DIRECTORS

Eyas Alhomouz, Chair  
Joseph Iskander  
Gro Kielland  
Ingvil Smines Tybring-Gjedde  
Azza Fawzi  
Jarle Norman-Hansen

### Interim CEO

Jens Pace

### REGISTERED OFFICE

Frøyas gate 13  
0273 Oslo  
Norway

### AUDITORS

#### BDO AS

Munkedamsveien 45, Vika  
Atrium  
0121 Oslo  
Norway

### SHARE REGISTRAR

#### DNB Bank ASA

Verdipapirservice  
Dronning Eufemias gate 30  
0191 Oslo  
Norway

### STOCK EXCHANGE LISTING

#### Oslo Børs

Ticker: PNOR  
ISIN: NO0011157232

