

5 December 2019

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

Execution of Investment and Shareholders Agreement for Aje Field, OML 113

Further to the announcement dated 21 October 2019, PetroNor (OSE ticker: "PNOR") is pleased to announce that it has now finalised and entered into the separate investment and shareholders agreement with the OML 113 operator, Yinka Folawiyo Petroleum ("YFP") (the "YFP Agreement"). The purpose of the YFP Agreement is to form a partnership and a jointly owned special purpose vehicle ("SPV") named Aje Petroleum AS ("Aje Petroleum") to focus on the revitalisation and further development of OML 113 and the Aje oil and gas field, offshore Nigeria ("Aje Field").

The YFP Agreement sets out the contribution by YFP and YFP Deep Water ("YFP DW") of their shareholding in the companies holding the YFP and YFP DW participating and economic interest in OML 113 to the partnership and the SPV. Similarly, PetroNor will contribute its shareholding in companies holding its participating and economic interest in OML 113, which is being acquired from Panoro Energy ASA. Following completion, Aje Petroleum will hold a 75.5% participating interest and an average economic interest in the order of 38.7% in OML 113, with an initial 29% economic interest at the onset of the transaction. Additional details on licence interests are provided in the attached appendix.

The ownership of Aje Petroleum is to be shared between YFP and PetroNor on the basis of a 55% and 45% shareholding respectively. Governance is established via a board consisting of five directors (the "Aje Board") with two nominated by each of YFP and PetroNor and one independent director. One of YFP's nominated directors will be the Chairman.

YFP, as the operator of OML 113, will engage Aje Petroleum as a technical service company. A joint project management team will be established by the Aje Board and be led by a member nominated by PetroNor (the "Technical Manager"). An early deliverable will be the agreement of a workplan and budget in relation to the operations of OML 113.

The completion of the YFP Agreement is subject to authorisation of the Nigerian Department of Petroleum Resources and consent of the Minister of Petroleum Resources.

Jens Pace, Chief Executive Officer of PetroNor said: *"This agreement is a key step in establishing a means to create partner alignment around our proposed concepts for the future development of the Aje Field. It builds on PetroNor's successful business development track record of gaining access to opportunities by presenting commercial and technical solutions to asset owners in order to enhance value. In this case, it has led to the creation of a special purpose vehicle with majority local content that is focused on realising the value of OML 113. Following government approvals, the Company will advance plans for increasing liquids production, and developing the discovered gas resources."*

Knut Sovold, Chief Operating Officer of PetroNor and incoming Technical Manager for Aje Petroleum, said: *"The fundamentals of the Aje Field are very encouraging. As part of our due diligence for the transaction our technical team has looked closely at various development plans to fully monetize the Aje*

Field. We are looking forward to working closely with our partners on the licence to review and approve these plans.”

Eyas Alhomouz, Chairman of Petronor and incoming board member of Aje Petroleum, said: *“We are very happy working with YFP and their advisor Redcliff Energy Advisors in the joint effort to finalise this agreement. We look forward to aligning with rest of the licence partners and the government of Nigeria for the future development of the Aje Field.”*

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APPENDIX

The following table summarises participating, voting, and economic interests within the OML-113 licence for different periods. During “Period 1” where the revenue interest of Aje Production is 29.0663%, there is an agreed schedule for repayment of historical costs to YFP from production revenue (expected to be fulfilled within three years). The revenue interest of Aje Production then increases to 38.755% in “Period 2”, and then 54.0663% in “Period 3”.

| OML-113 Summary of Participating, Voting and Economic Interest | | | | | | | | |
|--|------------------------|----------------|-------------------------------|------------------|---------------------------|------------------|-------------------------------|------------------|
| | All Period | | Period 1: Prior to YFP payout | | Period 2: Post YFP payout | | Period 3: Post Project payout | |
| | Participating Interest | CAPEX Interest | OPEX Interest | Revenue Interest | OPEX Interest | Revenue Interest | OPEX Interest | Revenue Interest |
| Aje Production JV | 75.5020 % | 38.7550 % | 38.7550 % | 29.0663 % | 38.7550 % | 38.7550 % | 54.0663 % | 54.0663 % |

Based on the above table, net production to PetroNor from it’s share of Aje Petroleum is estimated to be initially 320 bbls/day, with net 2P reserves of 0.3 mmmboe and net 2C resources of 18.7 mmmboe.