



PETRONOR E&P

# Company Presentation

**Pareto Securities – Oil & Offshore Conference, Oslo  
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## Competent person statements

The information in this Presentation relating to hydrocarbon resource estimates for Gambia and Senegal includes information compiled by Dr Adam Law, Geoscience Director of ERC Equipoise Ltd. Dr Law, is a post-graduate in Geology, a Fellow of the Geological Society and a member of the Society of Petroleum Evaluation Engineers. He has 18 years relevant experience in the evaluation of oil and gas fields and exploration acreage, preparation of development plans and assessment of reserves and resources. Dr Law has consented to the inclusion in this Presentation of the matters based on the information in the form and context in which it appears. The information in this Presentation relating to hydrocarbon resource estimates for Congo-Brazzaville includes information compiled by AGR Petroleum Services AS ("AGR"). AGR has consented to the inclusion in this Presentation of the matters based on the information in the form and context in which it appears.

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# Introducing PetroNor E&P

## African Focused World Class Acreage Position

- > Large acreage position in Sub-Sahara Africa: 3 countries, 5 licences
- > 8.5MMbbl net 2P reserves & 7.6MMbbl net 2C resources<sup>1</sup>
- > 4.9bn barrels net unrisks prospective oil resources<sup>2</sup>

## High Margin Production From Congo-Brazzaville Assets

- > High margin and well diversified production of ~2,300bbl/d net (OPEX ~USD 11/bbl) generating strong cash flow
- > Assets operated by Perenco since January 2017 who have increased production by 40%

## Significant Upside Potential From Disputed Assets

- > High impact exploration acreage in The Gambia & Senegal
- > Licenses in dispute and subject to ICSID arbitration regarding title status
- > Expect to resolve disputes either through arbitration or settlement

## Infill Drilling Campaign H2 2019 / 2020

- > Infill drilling program to commence shortly in Congo-Brazzaville
- > Expect to increase net production by up to 420bbbls/day

## Targeting High Impact New Ventures

- > Strategy is to increase production and reserves organically and through high impact new ventures



Sub Sahara Africa E&P company



Full-cycle platform with significant upside

## Standalone Key Metrics



8.5MMbbl of  
net 2P  
Reserves<sup>1</sup>



~2,300 Mbbl/d  
of net oil  
production



7.6MMbbl of  
net 2C  
Resources<sup>1</sup>



4.9Bnbbl of net  
unrisks  
prospective  
resources<sup>2</sup>

## Oslo Axess Listing

- > Listed on Oslo Axess since May 2014
- > Formerly African Petroleum Corporation Ltd
- > Merged with PetroNor E&P in August 2019
- > Strong retail shareholder base

## Capital Structure

<b>Shares on issue</b>	<b>971,655,288</b>
APCL shareholder warrants <sup>1</sup> (expire 31-Dec-19)	155,466,446
PN vendor warrants <sup>2</sup> (expire 31-Dec-19)	155,466,446
Management warrants <sup>1</sup> (expire 31-Dec-19)	8,513,848
Other share options <sup>3</sup>	3,283,137
<b>Fully Diluted Capital</b>	<b>1,294,385,165</b>

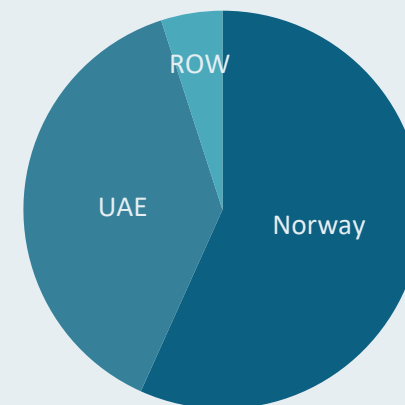
## Major Shareholders

- > NOR Energy AS (Norway) – 45.7%
- > Petromal (Abu Dhabi) – 38.3%

## Market Statistics (11-Sep-2019)

Listing	OAX (PNOR)
Shares on Issue	971,665,288
Market Cap	NOK 1.22B
Share Price	NOK 1.26

## Geographic Analysis of Investors



## Supportive Shareholder Base



1) The warrants vest upon (i) the reinstatement of the A1 and A4 licenses in The Gambia or reinstatement of the SOSP license in Senegal, whichever comes first, and (ii) a farm-in agreement to these licenses being signed and legally binding, where the Company will be fully carried for the current phase work program under the licenses, on commercially acceptable terms approved by the Company Board; 2) vest upon (i) signed acquisition/farm-in agreement for a gas asset in Nigeria, and (ii) a signed and legally binding gas offtake agreement relating to the gas from such asset, both agreements on commercially acceptable terms approved by the Company Board; 3) various former employees and company brokers

# Experienced Board and Management Team



## Management



### Jens Pace: CEO & Executive Director

- > 30 years at BP, and heritage company Amoco, gaining E&P leadership experience in Africa, Europe and Russia
- > Managed an active exploration portfolio for BP in North Africa
- > Additional experience in the areas of field development and as commercial manager



### Knut Sjøvold: COO & Executive Director

- > 30 years' E&P experience (executive and technical)
- > Worldwide field & license experience. Previously part of mgt team of Snorre Field producing 200kboepd, West Africa focus since 2000
- > 10 years' experience with FLNG, est. Pangea LNG
- > MSc in Petroleum from The Institute of Technology in Trondheim



### Michael Barrett: Exploration Director

- > 20+ years global exploration experience incl. Chevron and Addax
- > Specialised in Play and Prospect risk assessment, volumetric analysis, commercial evaluation and portfolio management
- > Background in quantitative geophysics, stratigraphic interpretation workflows and 3D visualisation



### Stephen West: CFO & Executive Director

- > 20+ years of financial and corporate experience from public practice, oil & gas, mining and investment banking
- > Chartered Accountant with Bachelor of Commerce (Accounting and Business Law)
- > Proven track record working with listed growth companies, particularly in the resource sector



### Gerhard Ludvigsen: Business Development Manager

- > Founder of several companies in Norway and internationally within oil & gas and other ventures
- > Previously oil & gas deal advisor for a leading investment bank in Norway (Russia, Nigeria, Indonesia, Argentina and the North Sea)
- > Instrumental in establishing Pangea LNG
- > Strong network in the international E&P industry



### Claus Frimann-Dahl: Chief Technical Officer

- > 30 years' E&P experience (technical & management)
- > Operator experience incl. Phillips, Norsk Hydro & Hess
- > Co-founder of Ener Petroleum
- > BSc in Petroleum Engineering from Texas A&M University and a "Sivilingeniør" title from The Institute of Technology in Trondheim

## Board



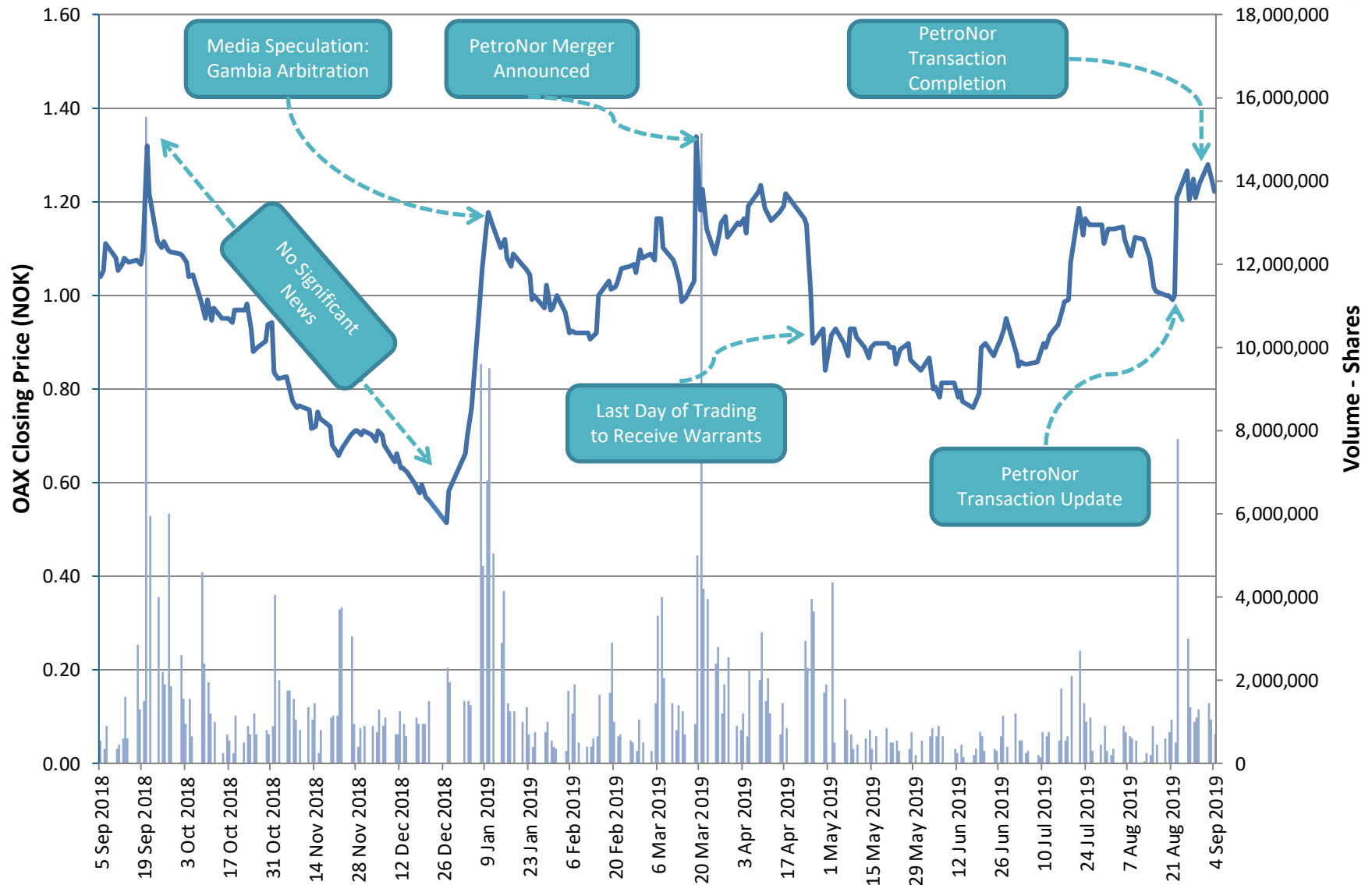
### Eyas Alhomouz: Non-Executive Chairman

- > 20+ years international E&P experience (full-cycle), including several years with Schlumberger
- > Currently the CEO of Petromal - part of National Holding Group
- > Master in Energy and Mineral Economics from Colorado School of Mines and a BSc in Chemical Engineering

### Other Non-Executive Board Members

- > David King
- > Bjarne Moe
- > Timothy Turner
- > Joseph Iskander

# Share Price Performance and Liquidity (12 months)



## Production and Reserves

- > Increase existing baseline production from 2,300bbls/day (net) to ~2,700bbls/day (net) through infill drilling campaign
- > Expand asset base in Congo-Brazzaville through PNGF BIS licence
- > Recycle production revenues to secure new venture opportunities to significantly increase production and reserves
- > Targeted high impact exploration in existing assets

## Resolve Asset Disputes To Unlock Value

- > Resolve disputes in The Gambia and Senegal either through ICSID arbitration process or early negotiated settlement
- > Unlock significant value in these world class acreage positions

## Diversify Shareholder Base

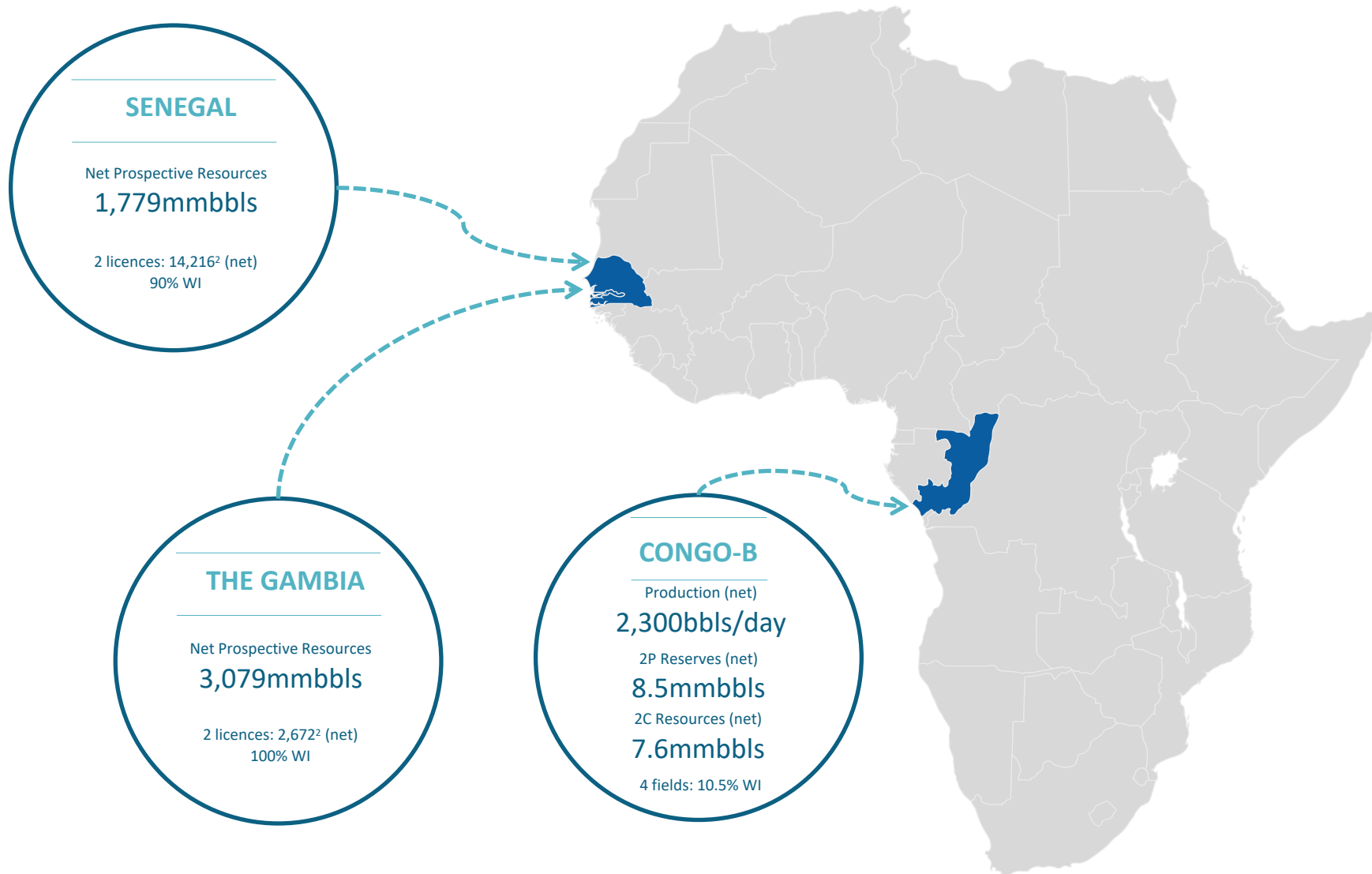
- > Attract institutional investors to diversify the existing shareholder base

## Company Mission

*Full cycle, Sub Sahara focused E&P company focused on growing production and reserves by leveraging existing assets to capitalise on new venture opportunities combined with targeted high impact exploration. With strategic and long term shareholders from Abu Dhabi and Norway, PetroNor E&P will look to capitalise on the industry experience and government relations in these jurisdictions.*

*Petronor E&P will aim to steadily build and increase its reserve base while using free cash flow to pursue defined exploration targets in selected and highly prospective basins with a view to delivering significant value to its shareholders from high impact wells.*

# World Class Acreage Position: Sub-Saharan Africa



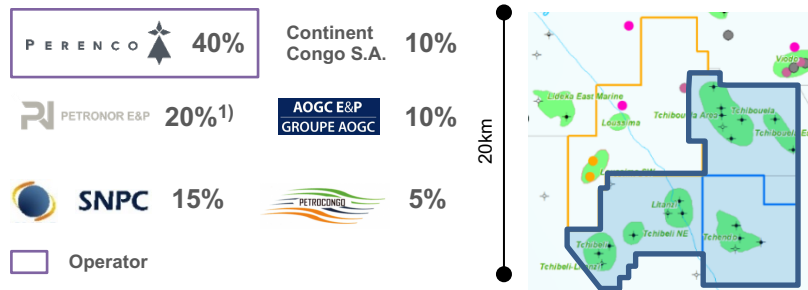


# Congo-Brazzaville: PNGF Sud and PNGF BIS



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## PNGF Sud (10.5% net interest)



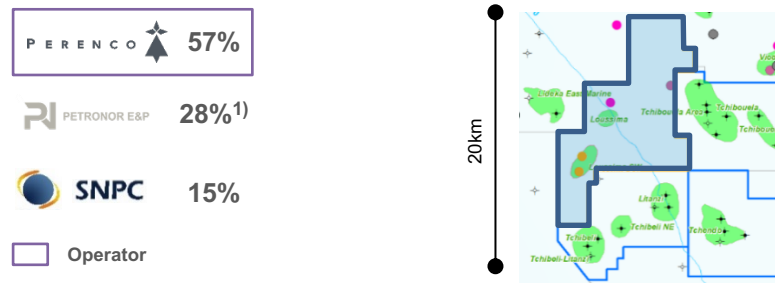
### Field description

- Shallow waters (80-100m)
- New license group from 1 January 2017, Perenco assumed operatorship
  - > Production up 40% and significant cost improvements
  - > Off-take agreement for oil with ENI in place effective from January 2019
- Further potential to increase production through workover and infill drilling
- Facilities: Seven steel jackets as drilling or processing centers
- Oil exported through the Djeno terminal and the NKOSSA FPSO
- 2018 actual production ~20,200 bbl/d on gross basis
- Operator budget for 2019 of ~21,200 bbl/d (max. recorded YTD ~24,200 bbl/d)

### Key details (gross)<sup>3)</sup>

Field	Start year	Reserves & resources 2P	Reserves & resources 2C	Current Production <sup>4)</sup>	Producing wells	STOPIP
		mmbbl	mmbbl	bbl/d	#	mmbbl
Tchibouela	1987	47.91	12.00	12,500	33	783
Tchendo	1991	19.29	10.80	4,700	17	1,028
Tchibeli	2000	10.92	6.74	3,000	3	134
Litanzi	2006	3.25	2.64	1,400	1	70
<b>Total</b>		<b>81.37</b>	<b>32.18</b>	<b>21,600</b>	<b>54</b>	<b>2,015</b>

## PNGF BIS (14.7% net interest<sup>2)</sup>)



### Field description

- Adjacent to PNGF Sud: Louissima and Louissima SW discoveries
- Subject to final agreement on license terms, PetroNor, Perenco and SNPC have the right to enter into the license
  - > Currently in final stages of negotiations
- Low-risk phased development
  - > Test production planned 2020 – subsequent FID
- Development plan to use jack-up with minimum topside upgrading and 11km catenary pipeline to Tchibouela

### Key details (gross)<sup>3)</sup>

Project	Resources 2C	STOIPP	ESTIMATED CAPEX
	mmbbl	mmbbl	USDm
Test well	1.9		~37
Full field dev.	27		~235
<b>Total</b>	<b>28.9</b>	<b>90</b>	<b>~272</b>

1) PNGF Sud indirect interest of 10.5% to PetroNor and PNGF BIS 14.7% through ownership in Hemla E&P Congo 2) PetroNor, Perenco and SNPC have the right to negotiate with the Republic of Congo, in good faith, license terms to enter into PNGF Bis 3) Independent competent person's report prepared by AGR, volumes as of 1.1.2018 adjusted for 2018 production 4) December 2018 production outlook from the operator

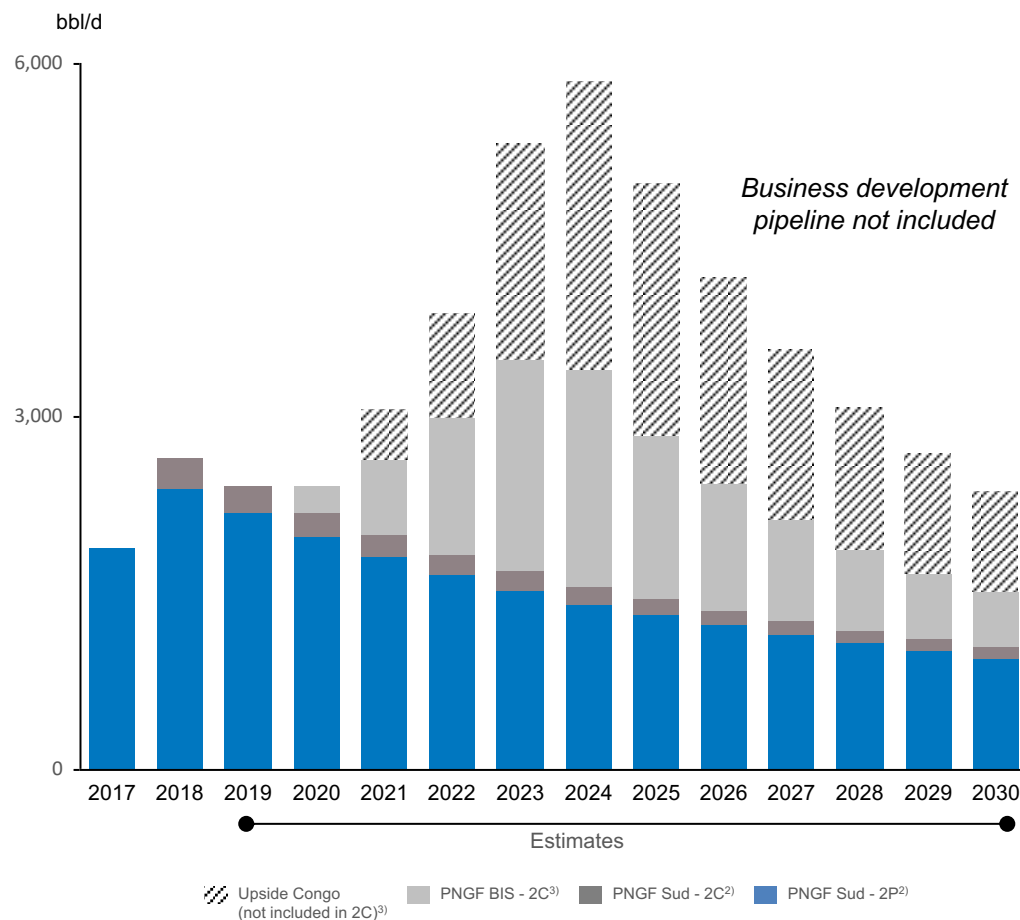
# Congo-Brazzaville: Strong Production and Upside Potential



## Key Considerations

<b>Reserves &amp; resources 1.1.2019</b>	PNGF SUD • 2P reserves: 8.5 mmbbl <sup>1)</sup> • 2C resources: 3.4 mmbbl <sup>2)</sup> PNGF BIS • 2C resources: 4.3 mmbbl <sup>2)</sup>
<b>Net OPEX</b>	• ~USD 11/bbl • Similar level expected for PNGF BIS
<b>Net CAPEX</b>	• USD 1.7/bbl (2C case PNGF Sud) • ~USD 5m initial well BIS in 2020 • Total BIS development ~USD 35m
<b>Net ABEX</b>	• USD 3.4/bbl with a total cap of ~USD 16m • Planned set aside during 2019 and 2020 <sup>3)</sup>
<b>Tax &amp; carry</b>	• No carry of government / SNPC share of costs • Netback ~30% of realized oil price
<b>Break even</b>	• ~USD 20/bbl through remaining field life • Production profile: 2P case
<b>Cash flow estimates</b>	• 2019e ~USD 15m (2P scenario @ USD 60/bbl)

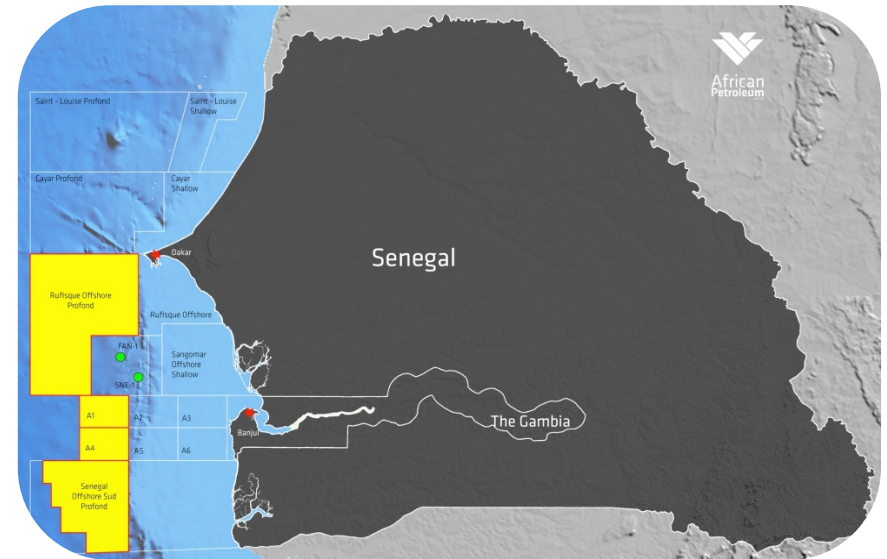
## Production Outlook (net to PetroNor)



1) ) Independent competent person's report prepared by AGR, volumes as of 1.1.2018 adjusted for 2018e production 2) Independent competent person's report prepared by AGR, 1.1.2018. PetroNor, Perenco and SNPC have the right to negotiate with the Republic of Congo, in good faith, license terms to enter into PNGF Bis 3) Management estimates based on current information available from operator

## History

- > Early entry into The Gambia / Senegal margin as a high risk frontier exploration opportunity
- > 90% working interest in Senegal, 100% Gambia<sup>1</sup>
- > Significant investor with ~US\$100m sunk costs on seismic, technical work and associated licence fees
- > Multiple prospects identified and promoted to potential partners and subsequently de-risked by discoveries in neighbouring licences
- > Industry wide oil crisis in 2015/16 impacted funding for delivery of work program leading to breakdown in government relations
- > Disputed licence status escalated to ICSID arbitration as per specified resolution mechanism in respective agreements
- > Reserving rights to all blocks including those re-awarded to Total (Senegal) and BP (The Gambia)



## Way Forward

- > Progression of legal process to conclusion in late 2020 / early 2023 with respective ICSID tribunal ruling
- > Preference for early negotiated settlement that is acceptable to all parties

1) ) Subject to ongoing ICSID arbitration processes

## Focused Approach

- > Focused on production enhancement and targeted exploration opportunities in Sub-Saharan Africa
- > Leveraging expertise in improved recovery and gas monetisation to identify undeveloped potential in currently producing assets
- > Capitalise on management and major shareholder's relationships in various jurisdictions
- > Manageable entry costs with robust economics to support project financing
- > Access to operatorship roles to control scope and pace of investment

## Near Term Objectives

- > Build on government and local relationships in screening multiple opportunities over past 18 months
- > Focusing on opportunities with oil producing assets and material untapped gas reserves
- > Aim to materially increase production and reserves in the near term



- > A newly created, full-cycle E&P company with a diverse portfolio in sub-Saharan Africa
- > Well defined strategy to grow reserves and production
- > Material upside associated with satisfactory arbitration outcomes
- > Strong new venture pipeline being screened as Company seeks to establish scale
- > Strategic and long term major shareholders from Abu Dhabi and Norway
- > Well positioned to deliver near-term growth and shareholder value



**Sub-Saharan Africa E&P company**



**Focused on increasing reserves and production**



**Strong operational experience and partnerships**



**Extensive network in Africa ensuring strong deal pipeline**



**Full-cycle platform with significant upside**

# Q & A

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Pareto Securities (Norway)

Arctic Securities (Norway)

## **AUDITORS**

BDO

## **COMPETENT PERSON**

ERC Equipoise Limited

AGR Petroleum Services AS