PETRONOR E&P

Interim Financial Report

For the full year and fourth quarter ended

31 December 2021

HIGHLIGHTS

Q4 2021 and subsequent events

The process to redomicile from Australia to Norway was completed successfully and PetroNor E&P ASA listed on Oslo Børs on 28 February 2022.

PNGF Sud commenced the 17 well infill programme in November 2021 with 4 infill wells on Litanzi. The (finally allocated) net production from PNGF Sud during the fourth quarter was 3,705 bopd.

PNGF Sud resource to reserves conversion for development decision of Tchibeli NE.

Aje transaction received regulatory approval in Nigeria, completion expected to take place in Q2 2022.

Gambia A4 licence extension to 18 October 2022.

Assets

Republic of Congo (Brazzaville)

On 7 December 2022, PetroNor announced that 1.88 mmbo of net contingent resources were being transferred to reserves increasing PetroNor's proven plus probable reserves from 20.2 mmbo to 22.1 mmbo (estimate as per 1 January 2021). The reserves upgrade corresponded to a reserve replacement ratio of approximately 140 per cent of PetroNor's expected net 2021 production. PNGF Sud commenced the 17 well infill programme in November 2021 with 4 infill wells on Litanzi. The (finally allocated) net production from PNGF Sud during the fourth quarter was 3,705 bopd.

The Group holds a right to negotiate, in good faith, along with the contractor group of PNGF Sud, the terms of the adjacent license of PNGF Bis.

Nigeria

In January 2022, PetroNor received the consent from the Nigeria Upstream Petroleum Regulatory Commission (formerly the Nigerian Department of Petroleum Resources) for the transactions signed in 2019. Through the two transactions signed in 2019, the Company acquired a 13.1% economic interest in the Aje Field through two transactions with Panoro and YFP. This consent has allowed PetroNor to reengage financial and industrial partners with a target to mature the project towards an FID.

Guinea-Bissau

78.57% interest of the Sinapa and Esperança licences are held by the Group through the purchase of SPE Guinea Bissau AB from Svenska Petroleum Exploration AB on 4 May 2021. The licences are operated by PetroNor, and the remaining equity is held by FAR Ltd.

The Gambia

In September 2020, under the terms of the settlement agreement, a new A4 licence was awarded providing a 90% interest and operatorship of the A4 licence to the Group. The remaining 10% interest of the new licence is held by the Government of The Gambia.

The Government of The Gambia extended the longstop date of the A4 license until 18 October 2022.

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.

EBITDA 2021 (USD) **61.9 m** (2020: 34.0m)	**Cash Dec 2021 (USD)** **31.8 m** (Dec 2020 14.1 m)
Net profit 2021 (USD) **21.1 m** (2020: 11.1 m)	**Net interest-bearing debt Dec 2021 (USD)** **13.1 m** (2020: 18.9 m)

PNGF Sud & Bis
20.8 MMbbl
2P Reserves

12.2 MMbbl
2C Contingent Resources

CORPORATE

Redomicile from Australia to Norway

On 7 October 2021, PetroNor E&P Limited and PetroNor E&P ASA entered into an agreement whereby shares in PetroNor E&P Limited (previously listed on Euronext Expand) were swapped for shares in PetroNor E&P ASA as part of the process to redomicile the Company[1] from Australia to Norway. Subsequently, PetroNor E&P ASA submitted its application for its shares to be listed on Oslo Børs 27 October 2021.

On 29 November 2021, an Extraordinary General Meeting was held in PetroNor E&P Ltd by order of the Supreme Court of Western Australia where the shareholders of the Company approved the proposed Scheme of Arrangement.

Following the shareholders' approval, PetroNor E&P Ltd received the final approval from the Supreme Court of Western Australia on 17 February 2022, followed by delisting of its shares from Euronext Expand on 24 February 2022 in conjunction with the listing of PetroNor E&P ASA.

Following the 1 to 1 share swap, PetroNor E&P ASA began trading on Oslo Børs 28 February 2022.

Økokrim Charges

On 15 December 2021, the National Authority for Investigation and Prosecution of Economic and Environmental Crime (Nw.: Økokrim) in Norway announced in a press release that they had entered the Company's premises in Oslo in relation to suspicion of a criminal offence committed by individuals related to the Group, including its previous CEO and his business partner who together hold shares in the Company. On the same day, the Group announced that it had no reason to believe that there were any suspicions against it.

On the subsequent day, Økokrim announced that the investigations were related to the individuals in question on suspicion of corruption concerning undisclosed projects in Africa, in addition to confirming that no charges had been brought against the Group or other companies.

Organizational changes

On 16 December 2021, Jens Pace was appointed interim CEO of PetroNor E&P Ltd. on 9 February 2022, Mr. Pace stepped down from his position as Board Member of PetroNor E&P ASA following his election as interim CEO.

Capital raise and Subsequent Offering

In March 2021, the PetroNor E&P Ltd raised NOK 340 million of new equity through a Private Placement of 309,090,909 new shares in the PetroNor E&P Ltd. Gross proceeds of NOK 51 million were raised through the subsequent offering of 46,234,809 new shares issued in September 2021. Following the capital raise and subsequent offering, PetroNor E&P Ltd.'s issued and outstanding share capital was 1,326,991,006 ordinary shares of no par value.

OPERATIONS

PRODUCTION

Republic of Congo – PNGF SUD

PNGF Sud fields are located approximately 25 km off the coast of Pointe-Noire in water depths of 80-100 metres. PNGF Sud comprises 3 operating licenses, Tchibouela II, Tchendo II and Tcibeli-Litanzi II, covering five oil fields: Tchibouela Main, Tchibouela East, Tchendo, Tchibeli and Litanzi.

Following the entry of the new license group in 2017, significant operational improvements have been made, increasing gross production from c. 15,000 bopd in January 2017 to an average production in 2020 of 22,713 bopd. Through further workovers, surface and process improvements and infill drilling, gross

[1] When the terms "Company is used in this report, it is a reference to PetroNor E&P Limited up to 24 February 2022 and to PetroNor E&P ASA thereafter

OPERATIONAL UPDATE

production from PNGF Sud is expected to continue to grow in the coming years.

After PNGF Sud commenced production in 1987, the fields are developed with seven wellhead platforms and currently produce from 61 active production wells, with oil exported via the onshore Djeno terminal. With its long production history, substantial well count and extensive infrastructure, PNGF Sud offers well diversified and low risk production and reserves with low break-even cost.

In March 2021, AGR Petroleum prepared a Competent Person's Report ("CPR") whereby the reserves were calculated as at 31 December 2020.

Using the CPR and adjusting for 2021 production, as well as transferring Tchibeli NE from resources to reserves (as announced on 7 December 2022) as at 31 December 2021:

Participation Interest	***16.83%***
1P reserves	13.2 MMbbls
2P reserves	20.8 MMbbls

PetroNor's Contingent Resource base includes discoveries of varying degrees of maturity towards development decisions. At the end of the year , PNGF Sud contains a total 2C volume of approximately 6.81 MMbbls assuming a 16.83% participation interest.

PNGF Sud ended the year with a Q4 production of 22,016 bopd (net 3,705), constituting the highest quarterly production of the year. Q2 and Q3 were affected by COVID-19 and logistical challenges getting workover and production equipment into the country. The average production for the year was 20,636 bopd (net 3,473). Production is expected to ramp up significantly in 2022 in response to the agreed 17-well infill drilling programme started in November 2021 with (part batch drilling) 4 wells on the Litanzi field.

The current indirect participation interest is 16.83% following transactions during 2021.

Republic of Congo – PNGF BIS

PNGF Bis is located next to PNGF Sud and contains two discoveries from 1985-1991 (Loussima SW and Loussima). The Company and its PNGF Sud partners have a right to negotiate the licence agreement.

The three discovery wells tested from 1,150 to 4,700 bopd of light, good quality oil. Perenco has made a detailed reinterpretation, 3D modelling and facilities study for the Loussima SW discovery, yielding >100 MMbbl of in-place resources and a possible tie-back to Tchibouela.

AGR Petroleum Services warrants 2C resources of 28.9 MMbbl including verification of the tieback scenario given above.

DEVELOPMENT

Nigeria – OML 113 / The AJE field

As announced 27January 2022, the Nigeria Upstream Petroleum Regulatory Commission (formerly the Nigerian Department of Petroleum Resources) provided its consent to PetroNor's acquisition of Panoro's ownership interest in Oil Mining Lease no. 113 ("OML 113") offshore Nigeria, containing the Aje oil and gas field, and for the transfer of OML 113 to Aje Production AS ("Aje Production"). The ownership of Aje Production is to be shared between the OML 113 operator, Yinka Folawiyo Petroleum ("YFP") and PetroNor on the basis of a 55 per cent and 45 per cent shareholding respectively, with PetroNor assuming the role of the technical operator.

As previously announced, following completion of the Transaction, Panoro's intention is to declare a special dividend and distribute to its shareholders USD 10 million equivalent in PetroNor shares in order for Panoro shareholders to retain a direct listed exposure to Aje/OML 113.

Also in 2019, PetroNor entered into separate agreements with the OML 113 operator Yinka Folawiyo Petroleum ("YFP") to create a holding company to exploit the substantial gas and liquids reserves at Aje. The regulatory process for this agreement was aligned with the Transaction and was approved concurrently.

PetroNor and Panoro have also taken the opportunity to review the deferred contingent element of the Transaction, reflecting the changed macro-economic background since the original announcement in 2019. Under the original agreement, once PetroNor had recovered all its costs related to their future investments to bring Aje gas into production, the Company was to pay to Panoro additional consideration of USD 0.15 per 1,000 cubic feet of the natural gas sales, such additional consideration being capped at USD 25 million. The amended terms are for the consideration to be USD 0.10 per 1,000 cubic feet with the additional consideration being capped at USD 16.67 million.

The consent from the Nigeria Upstream Petroleum Regulatory Commission has allowed PetroNor to re-engage financial and industrial partners with a target to mature the project towards an FID.

PetroNor continues work to update the field development plan ("FDP") to expedite gas development and engaged with potential offtakers and partners. PetroNor is now engaging with the JV partners in these efforts to progress the venture.

EXPLORATION

Guinea-Bissau – 2 and 4A & 5A

In early May 2021, the Company completed the purchase of SPE Guinea Bissau AB from Svenska Petroleum Exploration AB, and

OPERATIONAL UPDATE

PetroNor E&P AB has assumed the operatorship of the Sinapa (Block 2) and Esperança (Blocks 4A and 5A) licences in Guinea-Bissau. The current phase on both licences has recently been extended for 3 years and are valid until 2 October 2023.

The licences contain two Cretaceous aged shelf edge prospects, Atum and Anchova, which are directly analogous to the on-trend Woodside operated Sangomar field development in Senegal. The prospects were mapped on 3D seismic acquired by Polarcus in 2016.

Svenska Petroleum Exploration AB was in the advanced stages of planning for the drilling of the Atum-1X well to test the Atum prospect prior to delays in gaining partner approvals due to the disputed presidential elections in late 2019 early 2020. Long lead items required for drilling operations have been secured and a number of pre-drill studies completed. Well planning can be recommenced at short notice.

The Atum-1x well will test a highly attractive and material prospect on the Sinapa licence. Recently reprocessed seismic data will be interpreted as part of the ongoing evaluation of both licences and as preparation to drilling.

The Gambia – A4

In September 2020, PetroNor E&P Gambia Ltd was awarded a new 30-year lease for the A4 licence. The award was part of a settlement agreement with the Government of The Gambia connected to the arbitration of the A1 and A4 licences previously issued in 2006.

The terms of the new license are based on the newly developed Petroleum, Exploration and Production Licence Agreement (PEPLA). PetroNor E&P Gambia Ltd will be able to carry approved prior sunk costs associated with A4 into the new agreement.

The PEPLA is a royalty plus tax system valid for 30 years with an option of a 10-year extension. The initial six years exploration period is divided into three periods of two years during which exploration activities are to be completed.

The Government of The Gambia extended the longstop date of the A4 license until 18 October 2022.

The A4 licence is located offshore within the Mauritania-Senegal-Gambia-Bissau-Conakry Basin. Hydrocarbons are proven throughout the basin, including current producing fields in Mauritania, major accumulations at Dome Flore and most notably the Sangomar field, 30 km to the North in Senegal.

PetroNor continues to seek partners to drill one exploration well in this highly attractive acreage and aims to participate in any future well at an equity level of 30-50%.

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. On 5 April 2021, the Company announced that the arbitration proceedings for the Group's interests in Senegal were to resume despite numerous progressive meetings with the relevant authorities to reach a mutually beneficial solution during the halt in proceedings during 2020 and Q1 2021.

FINANCIAL PERFORMANCE AND ACTIVITIES

The Group reported an EBITDA of USD 24.4 million for the quarter ended 31 December 2021, compared to USD 11.5 million in the same period in 2020. The large increase in the net profit is driven primarily by the increase in the oil price. Net profit attributable to the equity holders of the parent was USD 9.5 million for the quarter ended 31 December 2021, compared to a profit of USD 1.2 million in the same period in 2020. During the fourth quarter, there were two liftings that meant oil & gas revenue was (net of royalties & taxes) USD 24.2 million arising from sale of 0.32 million barrels of crude oil at an average price of USD 76.29 per barrel. In the prior year, 0.20 million barrels of crude oil was sold during the same period at an average price of USD 44.75, resulting in a revenue of USD 9.2 million.

EBITDA margin of 61% is higher when compared to the Q4 2020 margin of 54%. Mostly due to improving market conditions and continued focus on cost management.

The balance of cash advanced to the Operator in Congo for decommissioning costs at 31 December 2021 was USD 26.8 million (31 December 2020: 21.3 million), this represents 87% of the provision required to be made under the licence arrangements. Obligations under this arrangement will be met well in advance of partnership requirements. During the quarter 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 E&P 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.

Following successful share placements in the first and third quarters the Group had USD 31.8 million in cash and bank balances as of 31 December 2021 (31 December 2020: USD 14.1 million).

OPERATIONAL UPDATE

TOP 20 SHAREHOLDERS

As at 15 February 2022

#	SHAREHOLDER	NUMBER OF SHARES	PER CENT
1	Petromal LLC[1]	481,481,666	36.28%
2	NOR Energy AS[2]	139,470,623	10.51%
3	Symero Limited[3]	138,763,636	10.46%
4	Ambolt Invest AS	87,583,283	6.60%
5	Gulshagen III AS[4]	45,000,000	3.39%
6	Gulshagen III AS[5]	45,000,000	3.39%
7	Energie AS	30,802,797	2.32%
8	Nordnet Livsforsikring AS	24,472,056	1.84%
9	ENG Group Soparfi S.A.	19,812,442	1.49%
10	Enga Invest AS	16,158,293	1.22%
11	Nordnet Bank AB	14,932,275	1.13%
12	Pust For Livet AS	9,560,582	0.72%
13	Omar Al-Qattan	7,645,454	0.58%
14	Leena Al-Qattan	7,645,454	0.58%
15	UBS Switzerland AG	6,556,557	0.49%
16	Danske Bank A/S	5,847,807	0.44%
17	Sandberg JH AS	5,653,951	0.43%
18	Telinet Energi AS	5,599,161	0.42%
19	Avanza Bank AB	3,706,474	0.28%
20	John Andreas Rognstad	3,500,000	0.26%
	Subtotal	**1,099,192,511**	**82.83%**
	Others	227,798,495	17.17%
	Total	**1,326,991,006**	**100.00%**

[1] 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.

[2] NOR Energy AS is a company controlled jointly by former CEO, Mr. Søvold, and former Director, Mr. Ludvigsen through indirect beneficial interests.

[3] Symero Ltd is a 100% owned subsidiary of NOR Energy AS.

[4] Gulshagen III AS and Gulshagen IV AS are companies controlled by Mr. Søvold through an indirect beneficial interest.

PRINCIPAL RISKS

The Group is subject to a number of risk factors inherent in the oil and gas industry which are further detailed in the annual report. These include technical risks, reserve and resource estimates, and risks of operating in a foreign country (in particularly economic, political, social and environmental risks).

The principal risks disclosed in the annual report have not materially changed, and although the PetroNor E&P Ltd has raised equity finance in previous years, there may be new risks in the contemplated equity financing disclosed post period end for our investors to consider.

Risks associated with the contemplated equity financing are disclosed in the corporate presentation included with details on the proposed transactions, which is available on the Company website.

HEALTH, SAFETY AND ENVIRONMENT (HSE)

The Group's objective for health, environment, safety and quality (HSEQ) is zero accidents and zero unwanted incidents in all activities. PetroNor experienced no accidents, injuries, incidents or any environmental claims during the quarter.

The Group's operations have been conducted by the operators on behalf of the licensees, at acceptable HSE standards and the Operator of PNGF Sud is reporting regularly on all key HSE indicators. No accidents that resulted in loss of human lives or serious damage to people or property have been reported during the quarter. There have been no significant known breaches of the Company's exploration license conditions or any environmental regulations to which it is subject.

COVID-19

In the respective countries of operations, the Company followed government regulations and promoted remote working to limit the contact between internal staff and risk of infection in a small workforce. The pandemic and associated social restrictions continue to impact the freedom of movement on staff, directly and indirectly impacting supply chains for the business.

SIGNIFICANT EVENTS AFTER REPORTING DATE

On 23 February 2022: PetroNor E&P ASA announced that at an Extraordinary General Meeting of the Company, the PetroNor E&P ASA had issued 1,326,991.006 ordinary shares as part of the implementation of the Scheme of Arrangement and listing of its shares on the Oslo Stock Exchange main list ("Oslo Børs"). PetroNor E&P ASA's issued capital is 1,326,991,006 shares.

On 25 February 2022 PetroNor E&P ASA announced that the Financial Supervisory Authority of Norway (Nw. Finanstilsynet) had approved a prospectus prepared by the Company for listing of all its outstanding shares on Oslo Børs. The prospectus is available on the Company's website at: www.petronorep.com/investors.

On 28 February 2022 PetroNor E&P ASA's shares were listed and began trading on Oslo Børs.

The interim financial report is presented as a continuance of the business of PetroNor E&P Ltd.

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 Company has received the governmental approval for the Aje transaction and expects that this will complete in Q2 2022.

OPERATIONAL UPDATE

PetroNor has a robust financial position and all sanctioned activities are fully funded with significant flexibility to adjust its capital expenditure in a low oil price environment.

Liftings

During the fourth quarter, PetroNor's total lifting volumes came in at 317 kbbl, with one lifting of 133.6 kbbl completed in October and another 183.4 kbbl lifted in December. This compares to total liftings of 93.8 kbbl in the third quarter, when underlift led to inventory build-up.

Infill Drilling Program

The previously announced infill drilling program on PNGF Sud commenced in November 2021 with the spudding of the first well on Litanzi. Drilling operations are progressing according to plan, having set and cemented the 13 3/8" casings in the four planned Litanzi wells at around 800 metres measured depth (mMD). Current operations include batch drilling the two first 12 ¼" sections before completing and adding the two to production. The total infill drilling program involves 17 wells altogether and is expected to increase net production to PetroNor E&P to ~5,000 bopd by the end of 2023. A positive impact on production is expected from Q1 - Q2 2022.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE

USD' 000	Three months ended 31 December		Twelve months ended 31 December	
(Unaudited)	**2021**	2020	**2021**	2020
Revenue	**39,956**	16,836	**106,463**	67,543
Cost of sales	**(11,171)**	(4,823)	**(34,585)**	(25,885)
Gross profit	**28,785**	12,013	**71,878**	41,658
Other operating income	**501**	265	**866**	45
Exploration expenses	**(994)**	-	**(2,270)**	-
Administrative expenses	**(4,839)**	(4,520)	**(13,131)**	(12,376)
Profit from operations	**23,453**	7,758	**57,343**	29,327
Finance expense	**(757)**	(736)	**(3,041)**	(2,606)
Foreign exchange (loss) / gain	**94**	982	**(56)**	1,507
Profit / (loss) before tax	**22,790**	8,004	**54,246**	28,228
Tax expense	**(10,814)**	(4,913)	**(33,102)**	(17,078)
Profit / (loss) for the period	**11,976**	3,091	**21,144**	11,150
Other Comprehensive income:				
Exchange losses arising on translation of foreign operations	**(117)**	-	**(364)**	(1,050)
Total comprehensive income / (loss)	**11,859**	2,627	**20,780**	10,100
Profit / (loss) for the period attributable to:				
Owners of the parent	**9,467**	1,243	**12,314**	2,373
Non-controlling interest	**2,509**	1,848	**8,830**	8,777
	11,976	3,091	**21,144**	11,150
Total comprehensive income / (loss) attributable to:				
Owners of the parent	**9,350**	791	**12,208**	1,417
Non-controlling interest	**2,509**	1,836	**8,572**	8,683
	11,859	2,627	**20,780**	10,100
Earnings per share attributable to members:	**USD cents**	USD cents	**USD cents**	USD cents
Basic profit / (loss) per share	**0.71**	0.13	**1.06**	0.24
Diluted profit / (loss) per share	**0.71**	0.13	**1.06**	0.24

The accompanying notes form part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

USD'000	As at 31 December 2021 *(Unaudited)*	As at 31 December 2020 *(Audited)*
Assets		
Current assets		
Inventories	6,227	3,578
Trade and other receivables	13,820	9,397
Cash and cash equivalents	31,755	14,113
	51,802	27,088
Non-current assets		
Property, plant and equipment	39,397	23,483
Intangible assets	7,172	6,935
Right-of-use assets	44	212
Other receivables	26,837	21,260
	73,450	51,890
Total assets	125,252	78,978
Liabilities		
Current liabilities		
Trade and other payables	29,996	22,238
Lease liability	58	170
Loans and borrowings	9,167	4,000
	39,221	26,408
Non-current liabilities		
Loans and borrowings	3,912	14,912
Lease liability	-	55
Provisions	16,302	15,307
	20,214	30,274
Total liabilities	59,435	56,682
NET ASSETS	65,817	22,296
Issued capital and reserves attributable to owners of the parent		
Share capital	62,115	17,735
Foreign currency translation reserve	(1,421)	(956)
Retained earnings	(1,390)	(8,853)
	59,304	7,926
Non-controlling interests	6,513	14,370
TOTAL EQUITY	65,817	22,296

The accompanying notes form part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

USD' 000	Issued capital	Retained earnings	Foreign currency translation reserve	Non-controlling interest	Total
For the period ended 31 December 2021 *(Unaudited)*					
BALANCE AT 1 JANUARY 2021	**17,735**	**(8,853)**	**(956)**	**14,370**	**22,296**
Profit for the period	-	**12,314**	-	**8,830**	**21,144**
Other comprehensive loss	-	-	**(106)**	**(258)**	**(364)**
Total comprehensive income / (loss) for the period	-	**12,314**	**(106)**	**8,572**	**20,780**
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)**
BALANCE AT 31 DECEMBER 2021	**62,115**	**(1,390)**	**(1,421)**	**6,513**	**65,817**
For the period ended 31 December 2020 *(Audited)*					
BALANCE AT 1 JANUARY 2020	17,735	(11,226)	-	14,749	21,258
(Loss) / Profit for the period	-	2,373	-	8,777	11,150
Other comprehensive income	-	-	(956)	(94)	(1,050)
Total comprehensive loss for the period	-	2,373	(956)	8,683	10,100
Dividend paid	-	-	-	(9,062)	(9,062)
BALANCE AT 31 DECEMBER 2020	17,735	(8,853)	(956)	14,370	22,296

The accompanying notes form part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

USD' 000	Notes	For the year ended 31 December 2021 (Unaudited)	For the year ended 31 December 2020 (Audited)
Cash flows from operating activities			
Profit for the period		**54,246**	28,228
Adjustments for:			
Depreciation and amortisation		**4,422**	4,475
Amortization of right-of-use asset		**168**	169
Unwinding of discount on decommissioning liability		**995**	934
Net foreign exchange differences		**(364)**	(1,050)
		59,467	32,756
(Increase) / decrease in trade and other receivables		**(8,062)**	729
Increase in advance against decommissioning cost		**-**	(6,614)
Increase in inventories		**(2,649)**	(345)
Increase / (decrease) in trade and other payables		**7,758**	(12,363)
Cash generated from / (used in) operations		**56,514**	(18,593)
Income taxes paid		**(33,102)**	(17,078)
Net cash flows from operating activities		**23,412**	(2,915)
Investing activities			
Purchases of property, plant and equipment		**(19,759)**	(4,615)
Purchases of intangibles		**(814)**	(3,007)
Advance against decommissioning cost		**(5,577)**	-
Net cash flows from investing activities		**(26,150)**	(7,622)
Financing activities			
Issue of ordinary shares		**27,943**	-
Share issue costs		**(1,563)**	
Proceeds from loans and borrowings		**-**	18,912
Repayment of loans and borrowings		**(5,833)**	(12,941)
Repayment of principal portion of lease liability		**(159)**	(131)
Repayment of interest portion of lease liability		**(8)**	(19)
Dividends paid to non-controlling interest		**-**	(9,062)
Net cash from financing activities		**20,380**	(3,241)
Net increase / (decrease) in cash and cash equivalents		**17,642**	(13,778)
Cash and cash equivalents at beginning of period		**14,113**	27,891
Cash and cash equivalents at end of period		**31,755**	14,113

The accompanying notes form part of these financial statements

NOTES TO THE INTERIM FINANCIAL REPORT

Corporate information

The condensed financial report of the Company and its subsidiaries (together the "Group") for the period ended 31 December 2021 was authorised for issue in accordance with a resolution of the directors on 1 March 2022.

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 under ticker PNOR, the main regulated marketplace of the Oslo Stock Exchange, Norway. The principal activities of the Group are the exploration and production of crude oil.

Basis of preparation

This general purpose condensed interim financial report for the quarter ended 31 December 2021 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.

The implementation of the scheme of arrangement on 24 February 2022 results in PetroNor E&P ASA replacing PetroNor E&P Ltd as the top company of the group on 28 February 2022. The interim financial report is presented as a continuance of the business of PetroNor E&P Ltd.

It is recommended that the interim financial report be read in conjunction with the annual report for the year ended 31 December 2020 and considered together with any public announcements made by the Company during the period ended 31 December 2021 in accordance with the continuous disclosure obligations of Oslo Børs. A copy of the annual report is available on the Company's website www.petronorep.com.

The 2020 Annual Report for PetroNor E&P Ltd complied with Australian Accounting Standards, of which the financial report also complied with International Financial Reporting Standards "IFRS" as issued by the International Accounting Standards Board "IASB".

The interim financial report is presented in United States Dollars being the functional currency of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Accounting policies

The accounting policies adopted are consistent with those disclosed in the annual report for the year ended 31 December 2020.

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 2020.

NOTES TO THE INTERIM FINANCIAL REPORT

Revenue from contracts with customers

USD'000 *(Unaudited)*	*Three months ended 31 December*		*Twelve months ended 31 December*	
	2021	2020	**2021**	2020
Revenue from sales of petroleum products	**24,176**	9,225	**57,601**	40,635
Assignment of tax oil	**10,815**	4,913	**33,102**	17,078
Assignment of royalties	**4,965**	2,698	**15,760**	9,830
	39,956	16,836	**106,463**	67,543
Number of liftings	**2**	2	**7**	7
Quantity of oil lifted (Barrels)	**316,912**	206,165	**831,089**	993,574
Average selling price (USD per barrel)	**76.29**	44.75	**69.31**	40.90
Quantity of net oil produced after royalty, cost oil and tax oil (Barrels)	**218,967**	230,483	**821,536**	999,522

Cost of sales

USD'000 *(Unaudited)*	*Three months ended 31 December*		*Twelve months ended 31 December*	
	2021	2020	**2021**	2020
Operating expenses	**902**	953	**4,385**	11,357
Royalty	**4,965**	2,698	**15,760**	9,830
Depreciation and amortisation of oil and gas properties	**3,366**	1,341	**14,303**	4,429
Movement in oil inventory	**1,938**	(169)	**137**	269
	11,171	4,823	**34,585**	25,885

Exploration expenses

USD'000 *(Unaudited)*	*Three months ended 31 December*		*Twelve months ended 31 December*	
	2021	2020	**2021**	2020
Seismic data acquisition	**994**	-	**2,270**	-
	994	-	**2,270**	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Administrative expenses

USD'000 *(Unaudited)*	***Three months ended 31 December***		***Twelve months ended 31 December***	
	2021	2020	**2021**	2020
Employee benefit expenses	**1,630**	1,638	**5,434**	6,002
Travelling expenses	**137**	71	**218**	312
Legal and professional	**893**	1,196	**3,106**	3,279
Other expenses	**2,177**	1,615	**4,373**	3,051
	4,837	4,520	**13,131**	12,644

Finance cost

USD'000 *(Unaudited)*	***Three months ended 31 December***		***Twelve months ended 31 December***	
	2021	2020	**2021**	2020
Unwinding of discount on decommissioning liability	**249**	234	**995**	934
Loan structuring fee	**-**	-	**-**	150
Interest accrued on right-of-use liability	**-**	-	**8**	19
Interest on loan	**508**	484	**2,038**	1,493
Other finance costs	**-**	18	**-**	10
	757	736	**3,041**	2,606

Earnings per share

USD'000 *(Unaudited)*	***Three months ended 31 December***		***Twelve months ended 31 December***	
	2021	2020	**2021**	2020
Profit / (loss) from continuing operations attributable to the equity holders used in calculation	**9,467**	1,243	**12,314**	2,373
	Number of shares			
Weighted average number of shares used in the calculation of:				
Basic profit per share	**1,326,991,006**	971,665,288	**1,160,438,253**	971,665,288
Diluted profit per share	**1,328,380476**	973,781,280	**1,161,827,723**	974,229,968

Options on issue are considered to be potential ordinary shares and have been included in the determination of diluted loss per share only to the extent to which they are dilutive. There are 1,389,470 options as at 31 December 2021 (31 December 2020: 1,389,470 options).

NOTES TO THE INTERIM FINANCIAL REPORT

Inventories

USD'000	31 December 2021 (Unaudited)	31 December 2020 (Audited)
Crude oil inventory	554	689
Materials and supplies	5,673	2,889
	6,227	3,578

Crude oil inventory is valued at cost of USD 22.84 per bbl (2020: USD 17.79 per bbl).
Materials inventory of USD 1.735 million were acquired with the Sinapa and Esperança Guinea-Bissau licences.

Trade and other receivables

USD'000	31 December 2021 (Unaudited)	31 December 2020 (Audited)
Recoverability less than one year:		
Trade receivables	13,431	5,408
Due from related parties	-	3,639
Advance against decommissioning cost	-	-
Other receivables	389	350
	13,820	9,397
Recoverability more than one year:		
Advance against decommissioning cost	26,837	21,260
	26,837	21,260

Cash and bank balances

USD'000	31 December 2021 (Unaudited)	31 December 2020 (Audited)
Cash in bank	31,755	14,113
Restricted cash	-	-
	31,755	14,113

Material non-cash transaction
The acquisition of an additional 9,900 shares of subsidiary company Hemla E&P Congo S.A. was considered in settlement of the USD 3.6 million historic outstanding receivable from MGI International S.A.

Production assets and equipment

USD'000	31 December 2021 (Unaudited)	31 December 2020 (Audited)
Cost	53,204	33,445
Depreciation	(13,807)	(9,962)
Net carrying amount	39,397	23,483

Intangible assets

USD'000	31 December 2021 (Unaudited)	31 December 2020 (Audited)
Net carrying value		
Licences and approval	7,170	6,930
Software	2	5
	7,172	6,935

Trade and other payables

USD'000	31 December 2021 (Unaudited)	31 December 2020 (Audited)
Trade payables	22,014	5,226
Due to related parties	3,449	11,694
Taxes and state payables	120	348
Other payables and accrued liabilities	4,414	4,970
	29,996	22,238

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Loans payable

USD'000	31 December 2021 (Unaudited)	31 December 2020 (Audited)
Loans payable		
- Secured	13,079	15,000
Loans from related parties		
- Unsecured	3,912	3,912
	16,691	18,912

USD'000	31 December 2021 (Unaudited)	31 December 2020 (Audited)
Ageing of loans payable		
Current	13,079	4,000
Non-current	3,912	14,912
	16,691	18,912

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 6.5% and an inflation rate of 1.6%. The Group reassessed the applicable discount rate during 2021 based on the rates of Congolese Government bonds issued in the Congo during the year.

Share capital

In March 2021 the PetroNor E&P Ltd completed a Private Placement divided into two tranches. For Tranche 1, 84,363,636 ordinary shares were issued for no par value and a subscription price of NOK 1.10 to existing and new investors.

For Tranche 2a and 2b 224,727,273 new ordinary shares have been issued in Q3 2021. Further 46,234,809 new ordinary shares for no par value and a subscription price of NOK 1.10 were issued pursuant to the Subsequent Offering in September 2021. Following the Subsequent Offering, PetroNor had an issued and outstanding share capital of 1,326,991,006 shares of no par value.

Related party transactions

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

USD'000	31 December 2021 (Unaudited)	31 December 2020 (Audited)
Loan receivable from MGI International S.A.	-	3,639
Total from related parties	-	3,939
Other payables include:		
Nor Energy AS	2,135	3,378
Petromal – Sole Proprietorship LLC	1,281	2,030
Symero Ltd	32	108
MGI International S.A.	-	6,178
Total to related parties	3,448	11,986
Loan payable to Symero Ltd.	3,912	3,912
	3,912	3,912

Events subsequent to reporting date

The Group successfully completed the redomicile process in February 2022. The implementation of the scheme of arrangement on 24 February 2022 resulted in PetroNor E&P ASA replacing PetroNor E&P Ltd. as the top company of the Group. On 28 February the shares of PetroNor E&P ASA were listed and began trading on the Oslo Børs. The interim financial report is presented as a continuance of the business of PetroNor E&P Ltd.

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 quarter ended 31 December 2021, 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, Chairman of the Board

Joseph Iskander, Director of the Board

Gro Kielland, Director of the Board

Ingvil Smines Tybring-Gjedde, Director of the Board

CORPORATE DIRECTORY

DIRECTORS

Eyas Alhomouz	Chairman
Joseph Iskander	
Gro Kielland	
Ingvil Smines Tybring-Gjedde	

SENIOR MANAGEMENT

Michael Barrett	
Christopher Butler	
Claus Frimann-Dahl	
Jens Pace	Interim Chief Executive Officer
Emad Sultan	

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