



PETRONOR E&P

Company Presentation  
Q3 - 2020





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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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# Q3 Highlights



## Growth



**Production in PNGF Sud continues to grow despite delayed infill drilling program**

**Re-instated a strong exploration portfolio**

## Financials



**Continue to deliver a solid EBITDA despite depressed oil price**

## Governance



**Registered with the Extractive Industries Transparency Initiative (EITI)**

# PetroNor – Company Overview

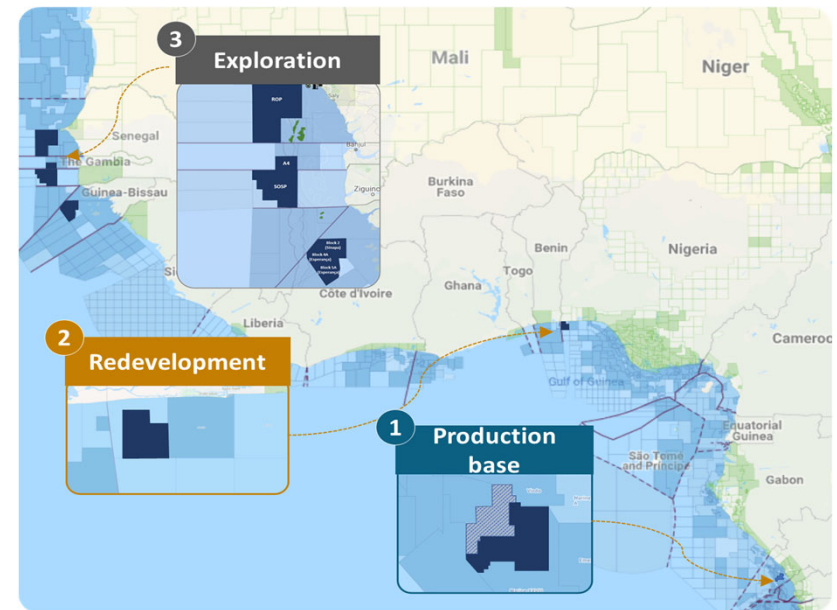
## PetroNor is a full-cycle Africa-focused independent

- > Current production of ~2,650 bopd – targeting a ten-fold increase by YE-2023
- > Strong ambitions of further regional growth with focus on Sub-Saharan Africa
- > Experienced management team with proven track record of industry leading value creation
- > Supportive strategic shareholder in Petromal (38%), part of National Holding (Abu Dhabi)

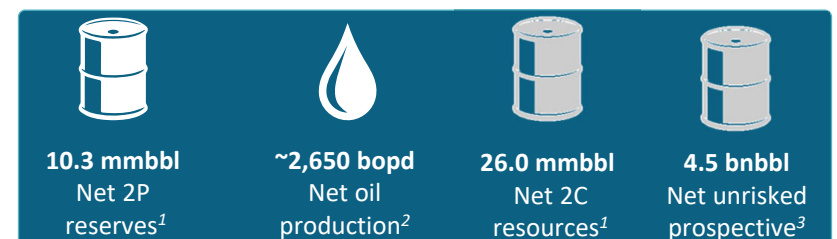
## Latest update

- > Production at PNGF SUD with a gross production of ~22,924 bopd in Q3 2020
- > Re-instated the A4 license in The Gambia
- > Further suspension of the arbitration in Senegal with 3 months
- > Initiated “market maker” agreement with SB1
- > Acquired the Sinapa and Esperança licenses in Guinea Bissau

## Portfolio Overview



## Key Metrics



1) At 1 Oct 2020 - Congo-B: Independent competent person's report prepared by AGR, volumes as of 1 Jan 2019 adjusted to 1 Oct 2020 by subtracting actual production, Nigeria: company numbers, subject to completion of contract; 2) Includes 260 bbl/d from OML 113, as reported by Panoro. Transaction is subject to government approval; 3) African Petroleum Corp., ERC Equipoise, PDC, Senegal assets in dispute; 4) Valuation, late August 2020



# Financials - Q3 2020

## Highlights

- > Maintained positive EBITDA in year to date despite reduction in oil prices during spring and summer with strict cost discipline during the ongoing pandemic
- > PNGF Sud continued steady oil production during Q3 2020, with an average of 2,407 bopd net to PetroNor
- > New 30-year Gambian A4 licence to be awarded as part of settlement agreement for past arbitration for A1 & A4 licences, prior A4 licence costs were impaired during the arbitration process, however A4 past exploration costs will be carried into the new A4 licence.
- > New USD 3.9m loan facility provided by related party Symero Ltd on terms equivalent to other sources of external finance in settlement of dividend payable to minority interest

## Financial Position - 30 September 2020

<b>Cash and bank balances</b> <b>USD 18.0m</b> (Dec 2019: USD 27.9m)	<b>Interest bearing debt</b> <b>USD 18.9m</b> (Dec 2019: USD 12.9m)	<b>Current</b> <b>USD 2.5m</b> (Dec 2019: USD 12.9m)
<b>Positive working capital</b> <b>USD 20.7m</b> (Dec 2019: USD 8.4m)		<b>Non-current</b> <b>USD 16.4m</b> (Dec 2019: nil)

## Q3 2020

<b>Total revenue</b> <b>USD 30.3m</b> (2019: USD 48.1m)
<b>EBITDA*</b> <b>USD 10.6m</b> (2019: USD 6.9m)
<b>Net profit*</b> <b>USD 2.9m</b> (2019: USD 11.3m)

## Nine months to 30 Sep 2020

<b>Total revenue</b> <b>USD 50.7m</b> (2019: USD 76.4m)
<b>EBITDA*</b> <b>USD 24.3m</b> (2019: USD 37.2m)
<b>Net profit*</b> <b>USD 7.9m</b> (2019: USD 11.7m)
<b>Operating cash flow</b> <b>USD (0.6)m</b> (2019: USD 31.3m)

<b>Quantity of oil lifted</b> <b>320,406/barrels</b> (2019: 296,875/barrels)
--

<b>Average selling price</b> <b>USD 43.6/bbl</b> (2019: 62.7/bbl)
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<b>Quantity of oil lifted</b> <b>787,409/barrels</b> (2019: 628,948/barrels)
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<b>Average selling price</b> <b>USD 39.9/bbl</b> (2019: 66.2/bbl)
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\* - Figure adjusted for USD 19.4m share based payment for merger transaction with African Petroleum Corporation Ltd in August 2019



# Congo Brazzaville



# Congo Brazzaville – Country Overview

## Various Woodmac sources

### Country fundamentals

- > Large number of opportunities in Contingent resources and Exploration Licensing
- > A combination of a mature province and underexplored opportunities
- > Attractive fiscal terms compared to country's peers
- > Oil production started in 1960 with the small onshore field Pointe Indienne



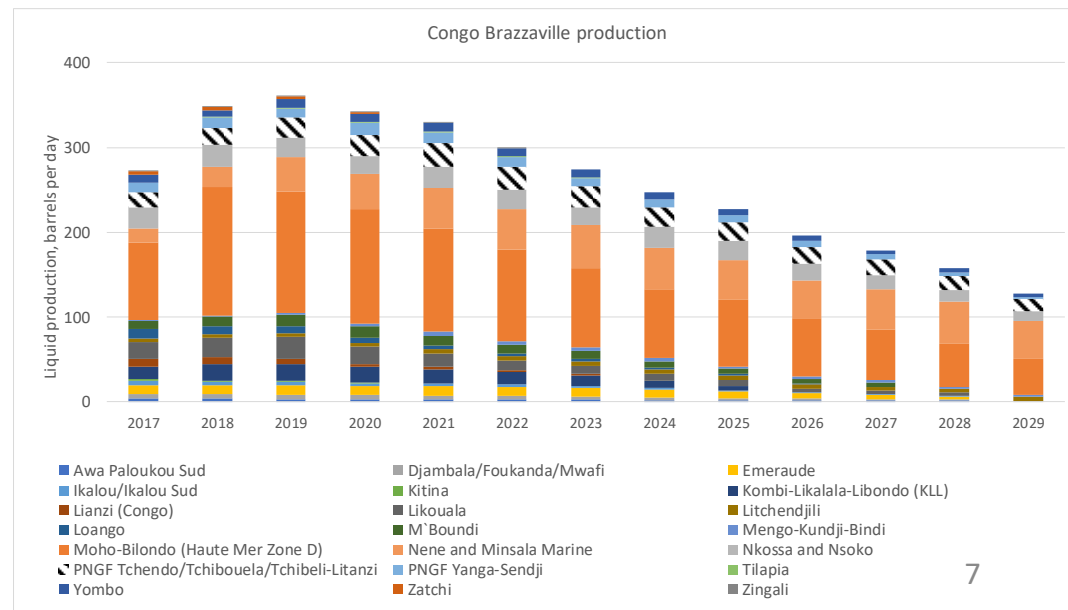
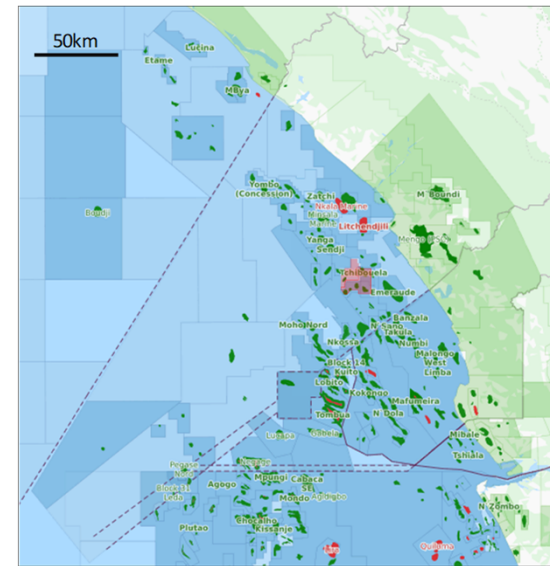
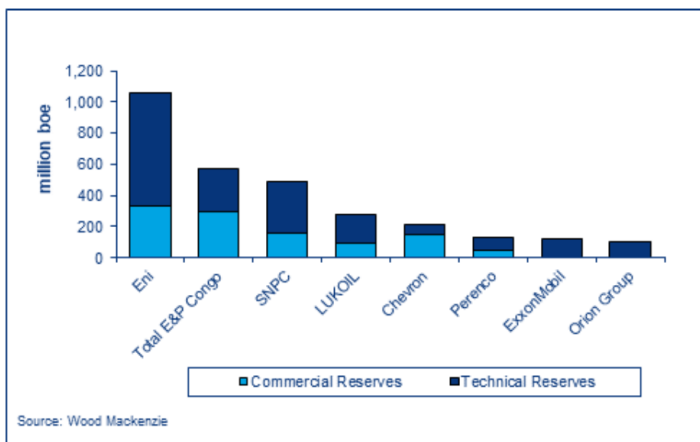
Production  
**358,000 boe/day**



Reserves  
**1,195mmboe**



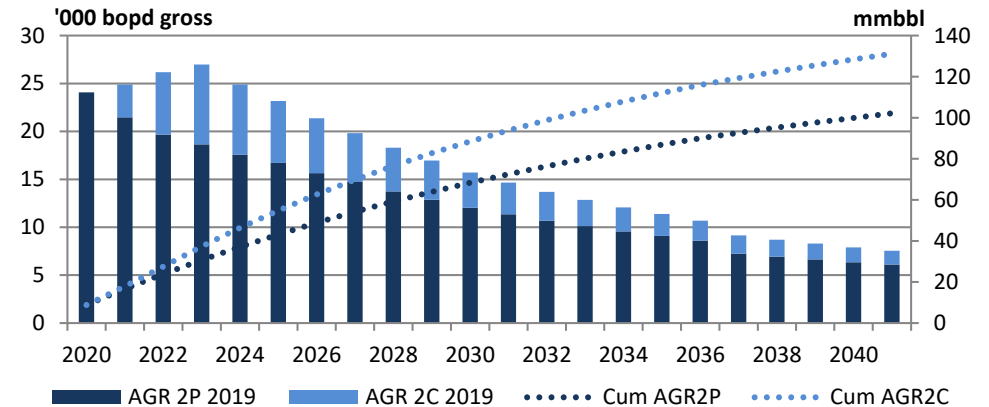
Cont Resource  
**2,487mmboe**



# Production Base – PNGF Sud<sup>1</sup>

## High Margin Producer With Growth Potential

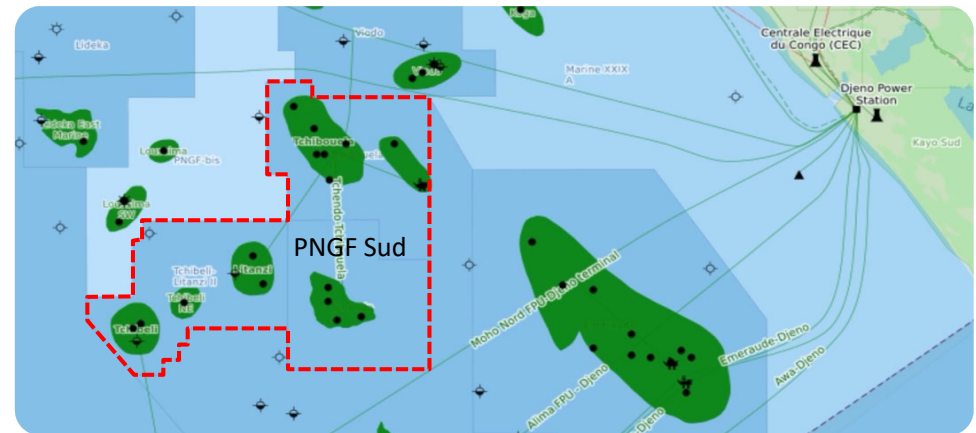
- > Mature oil asset which came on stream in 1987 and holds a significant remaining potential
- > Located in shallow waters (80-100m) with significant infrastructure in place
  - Seven steel jackets as drilling or processing centers
  - 62 producing wells across five fields
- > New partnership established in Jan. 2017 - operated by Perenco<sup>2</sup>, a world leading operator of mature assets in emerging markets
- > Asset revamped with new partnership with further potential to increase production through workovers and infill drilling
  - Substantial scope for increased oil recovery
  - Strong IRR from incremental low-effort measures



**Reserves and resources<sup>4</sup>**  
 2P (gross) 102.5 mmbbl  
 2C (gross): 29.2 mmbbl  
 STOIP: 1,910 mmbbl  
 Accumulated produced 01.01.20: 452 mmbbl

**Production**  
 2020e production (gross):  
 ~22.7 kbopd  
 (2020e reduced relative to the CPR due to delay of the infill drilling program)

<b>Operator</b>			
PERENCO 40%	<b>SNPC</b> 15%	<b>AOGC E&amp;P GROUPE AOGC</b> 10%	Continent Congo S.A. 10%
	<b>PETRONOR E&amp;P</b> 10,5% <sup>3</sup>	<b>PETROCIENGE</b> 5%	



1) Consisting of three Production sharing Agreements: Tchibouela II, Tchibeli-Litanzi II and Tchendo II  
 2) A private held French oil & gas company with current production of 465.000 boepd  
 3) PNGF Sud indirect interest of 10.5% to PetroNor through Hemla E&P Congo's 20% interest  
 4) Independent competent person's report prepared by AGR (oct 2019) as of 1 Jan 2019, volumes above adjusted to 1 Jan 2020 by subtracting 2019 production

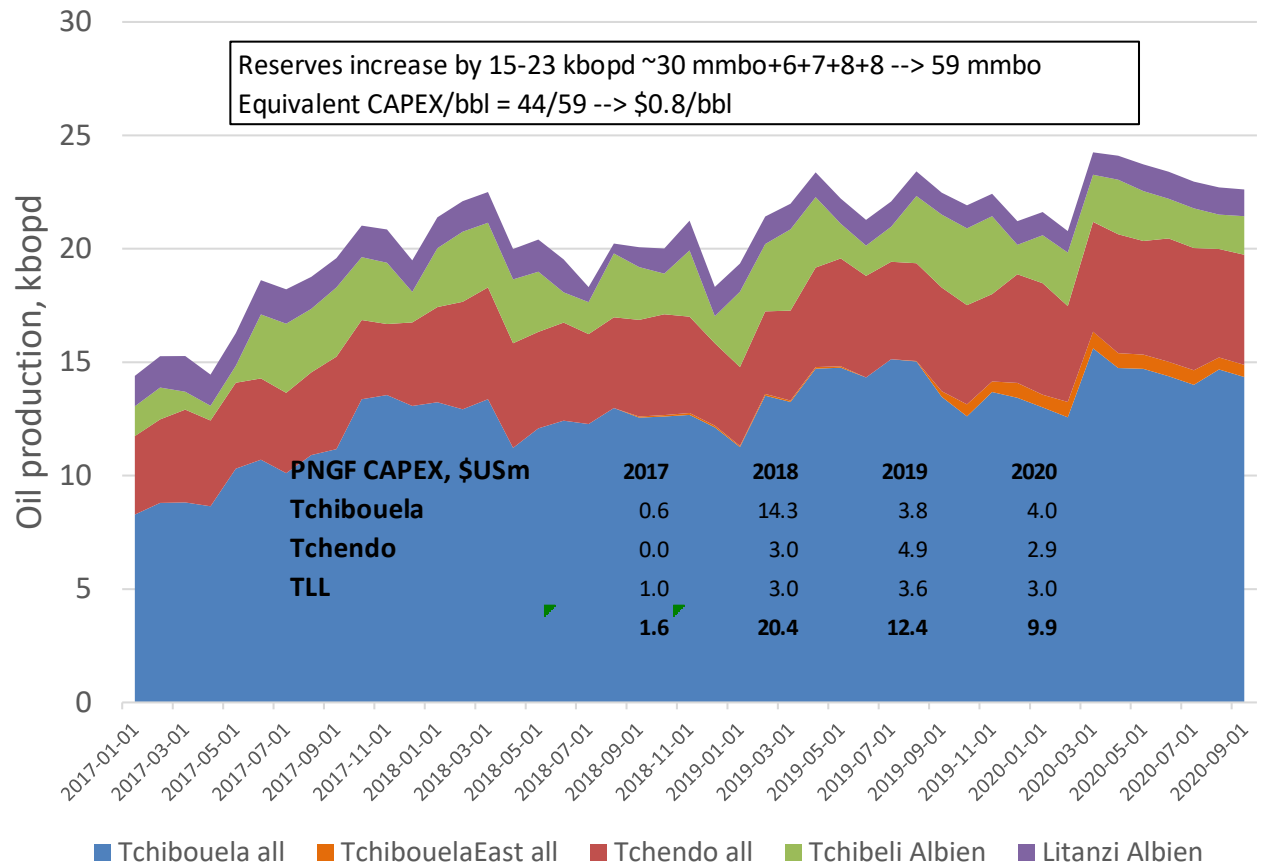


# 2017-2020 PNGF production and cost

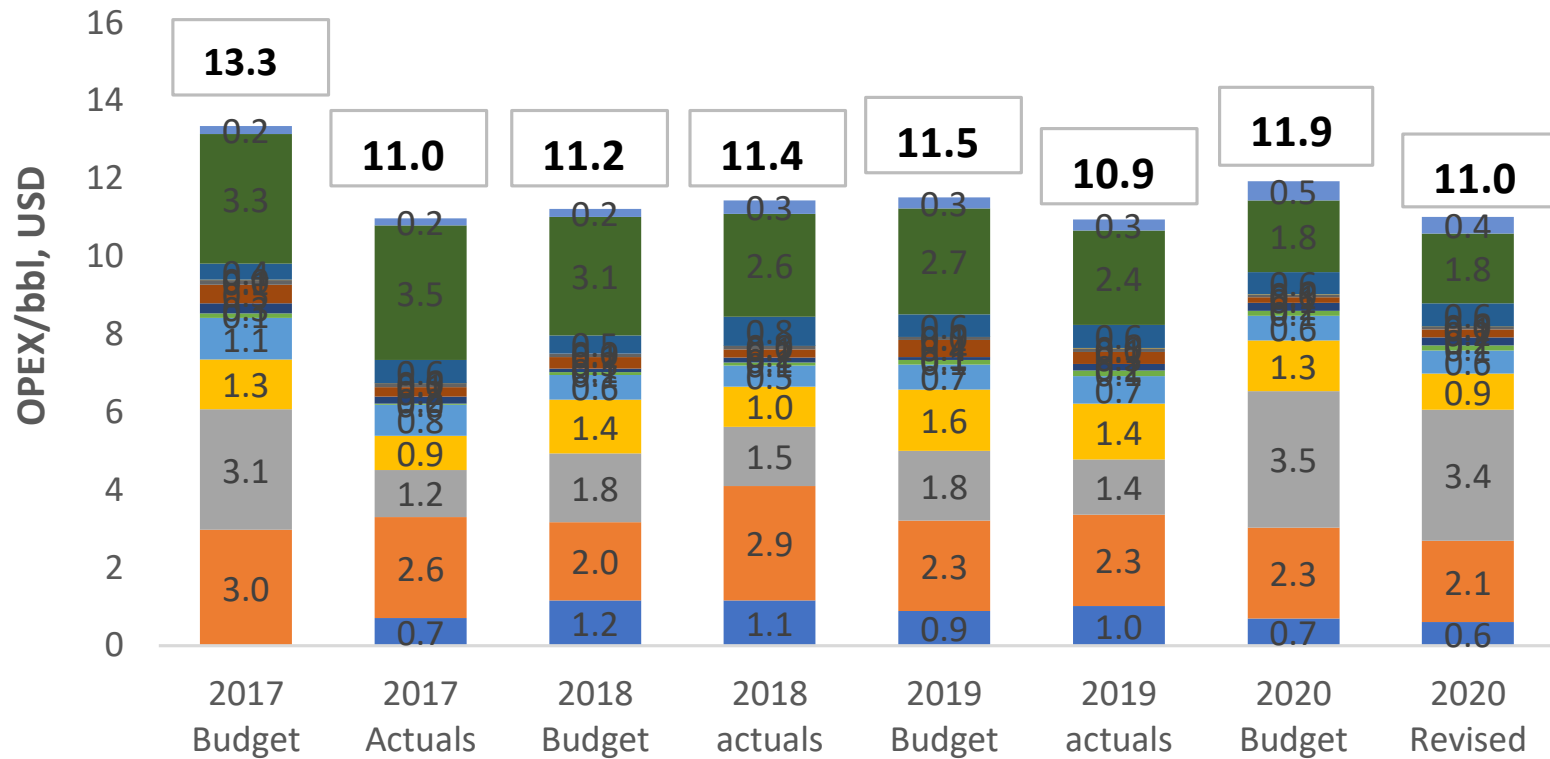


## 2017 – 2020 PNGF production growth

- > Production has increased from <15 kbopd late 2016 to 22.9 kbopd in 2020
- > CAPEX (\$44m) related to current production growth
  - > Well workovers
  - > Surface debottlenecking
  - > Studies
  - > Equivalent CAPEX cost = \$0.8/bbl
- > Additional 2019-20 spent CAPEX (\$89m) associated with infill drilling and related infrastructure for 2021 infill drilling program



# Budget discipline - OPEX



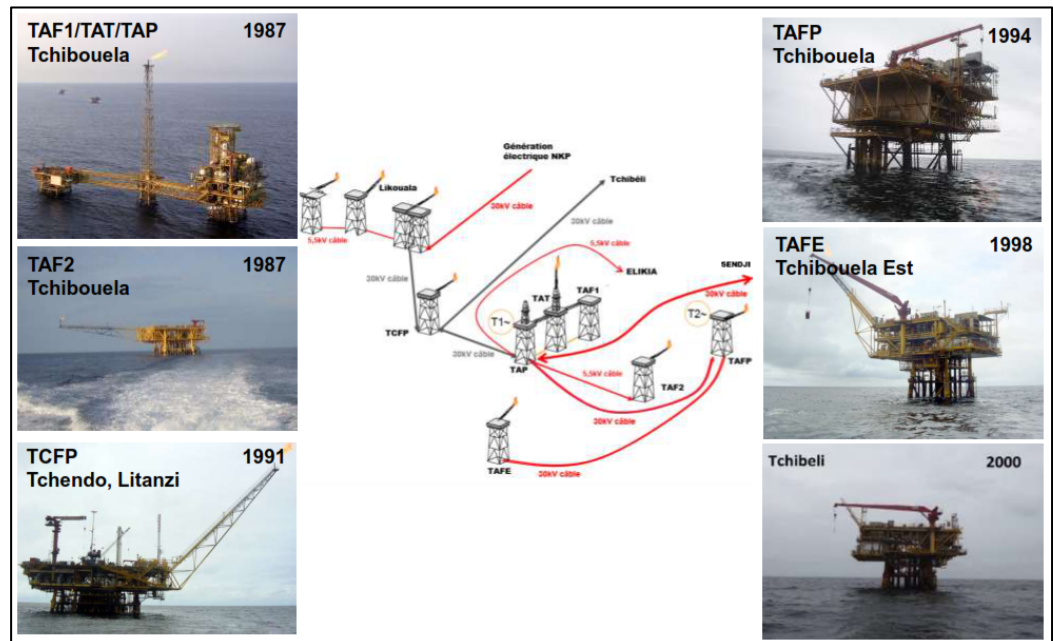
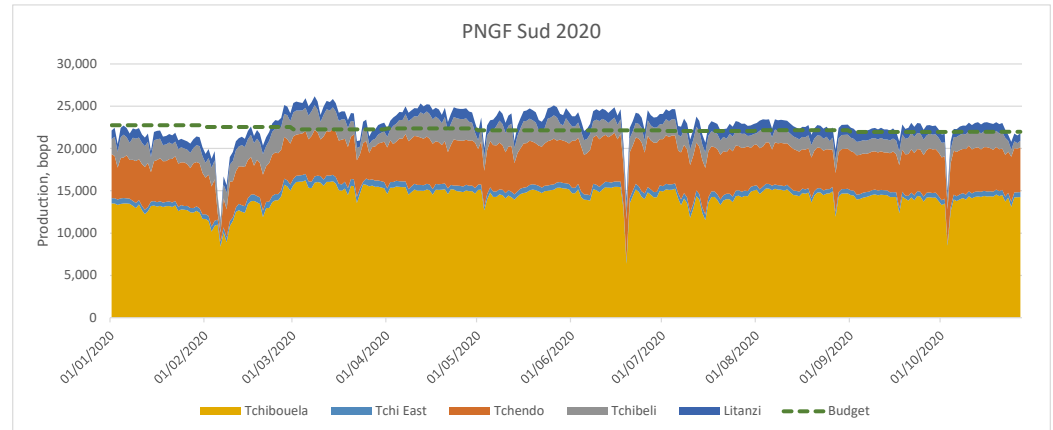
- Specific OPEX (WO)
- Employment
- Materials
- Services
- Logistics
- Material transp
- Eng/Tech studies
- Sup and Gen services
- Non-income taxes
- Other expenses
- ADMEX
- Oil transportation
- Overheads

# 2020 PNGF production



## PNGF continue to perform above expectations

- > The average 2020 production inclusive Q3 is 22,957 bopd including allocation corrections for the year
  - > Corresponds to increase of 4% from the average 2019 production (21,941)
  - > PetroNor Net ~2,410 bopd
  - > Shutdowns include control system failures and minor interruptions due to gaslocks
  - > Workover capacity to prioritize if critical wells fail i.e. on ESP (Electrical Submersible Pumps)
- > Seen from the production graph, there are few significant shut-downs and a very stable production
  - > Facility regularity ~96%
  - > Wells uptime >92%



# PNGF Sud: Upcoming Drilling Program to Fuel Production Growth

## Litanzi Infill Drilling Program

- > Infill drilling targeting proven undeveloped reserves in un-swept fault terraces
  - Currently one producing well and one water injector
  - Targeting to increase production from ~1,000 bopd to ~3,000 bopd (gross)
  - Increases field recovery factor from 13% to 27%, adding 9.3 mmbbl (gross)
- > Drilling of 4 new wells (2 producers + 2 injectors)
- > Includes re-purposing of jack-up rig as a low-cost wellhead platform

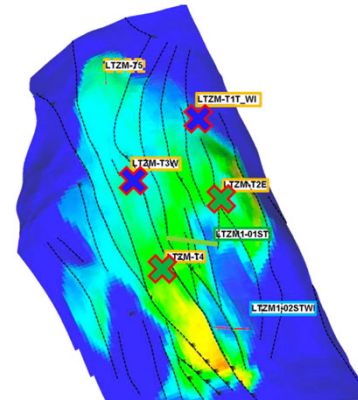
## Tchendo Infill Drilling Program

- > 19 producing wells and one water injector currently
- > 2019: New workover unit installed – allows fast & cheap workovers
- > 2020: New wellhead platform w/ 12 new slots & drilling rig to be installed
  - Creating new area hub – annual opex savings of USD 2.2m
- > 2021: Initial 6-7 infill wells - production from ~4,500 to 6,500 bopd (gross)
  - Significant further resource potential, particularly for Senonian reservoir due to low current recovery factor (3%)

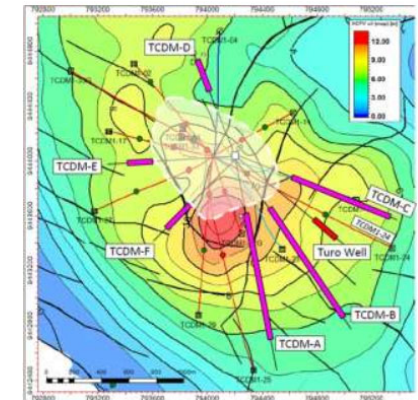
## Tchibeli Infill Drilling Program

- > Infill programme to follow

## Approved Drilling Targets

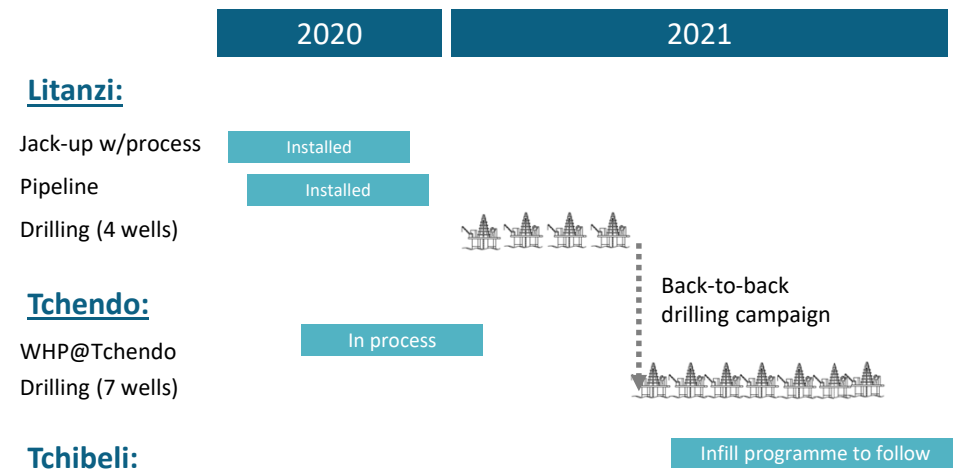


Litanzi



Tchendo

## Development Plan Schedule



# PNGF Bis – Near Field Opportunity Adjacent to PNGF Sud

## Near Field Development tie-back to PNGF Sud

- > Located ~11km from existing PNGF Sud fields, containing the Louissima discoveries – gross 2C contingent resources of 29 mmbbl
- > PetroNor has right to enter the license (14.7% indirect WI) together with Perenco (operator), negotiations expected to conclude late 2020 or early 2021
- > Early production scheme planned prior to decision to proceed with full development, expected to commence in 2021
- > Field planned developed using low-cost jack-up with minimum topside upgrading and catenary pipeline to Tchibouela
- > Less than USD 10/bbl development capex

### Operator

PERENCO  
57%

PETRONOR E&P  
14.7%<sup>1</sup>

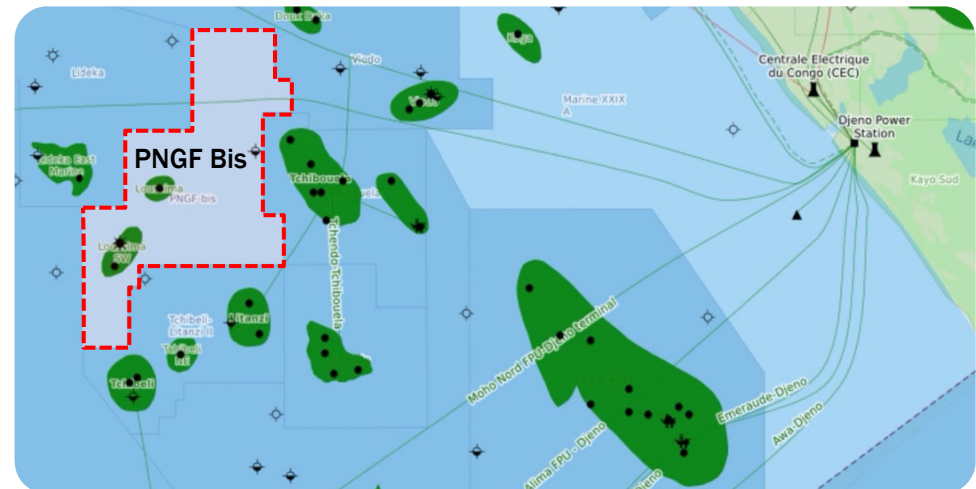
SNPC  
15%

### Reserves and resources<sup>2</sup>

2C (gross): 28.9 mmbbl  
STOIP: 101 mmbbl

### Development capex

~USD 277m (gross)



1) PNGF Bis indirect interest of 14.7% to PetroNor through Hemla E&P Congo's 28% expected interest  
2) Independent competent person's report on Louissima prepared by AGR (oct 2019) as of 1 Jan 2019



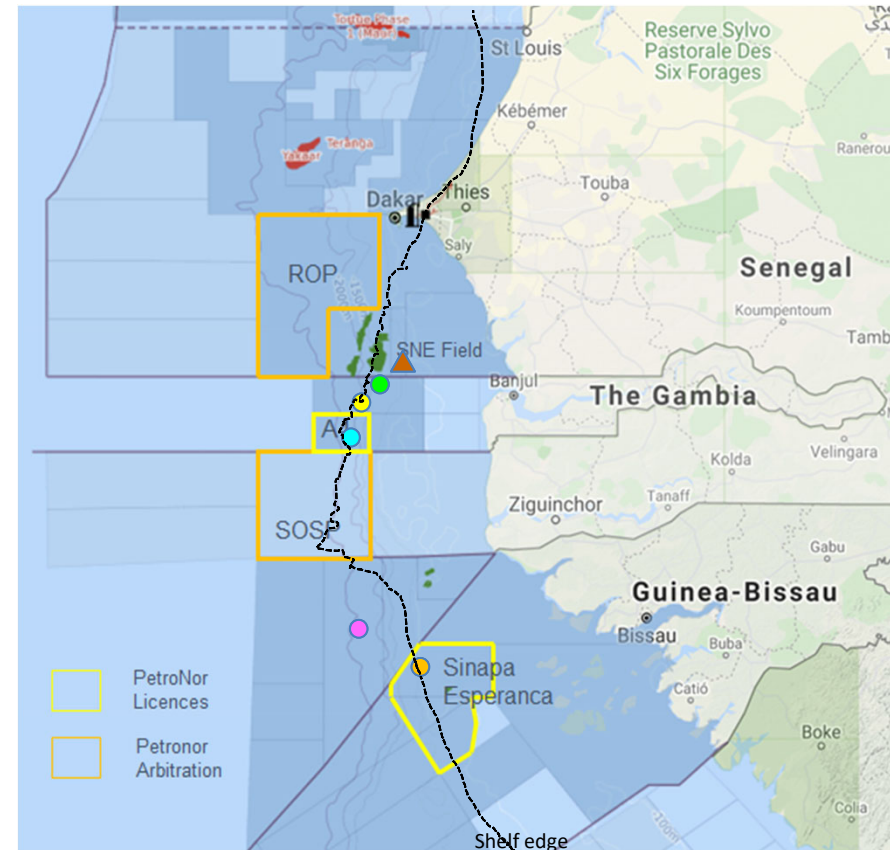
# The Gambia, Senegal and Guinea Bissau



# West African Exploration “Hotspot” – the MSGBC Basin

## Exploration Hotspot

- > The MSGBC Basin
  - > Mauritania - Senegal - Gambia - Guinea Bissau - Guinea Conakry
  
- > Extensive drilling activity expected in the region
  - BP : Gambia, A1
  - FAR / Petronas : Gambia, A2
  - CNOOC / Impact : AGC
  - PetroNor / FAR : Guinea-Bissau, Sinapa
  - PetroNor : Gambia, A4



Month	2020						2021						2022																	
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
MSGBC																														

Timing is unconfirmed



# Sangomar Field Operated by Woodside – First Oil 2023

## Senegal SNE – Oil and Gas Field

Development



Estimated P50 STOIIIP 3.6 bn boe

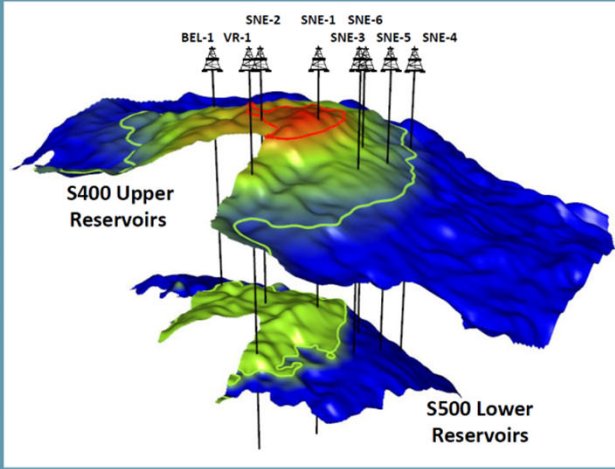
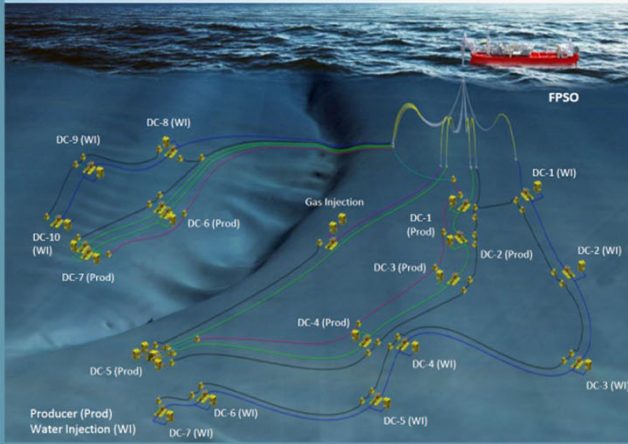
Phase 1  
2C Resources  
230 mmbbls

Phase 1a Gas  
2C Resources  
~ 200 Bcf

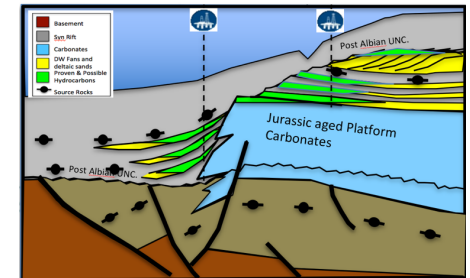
Phase 2  
2C Resources  
~130 mmbbls

Phase 3  
2C Resources  
~123 mmbbls

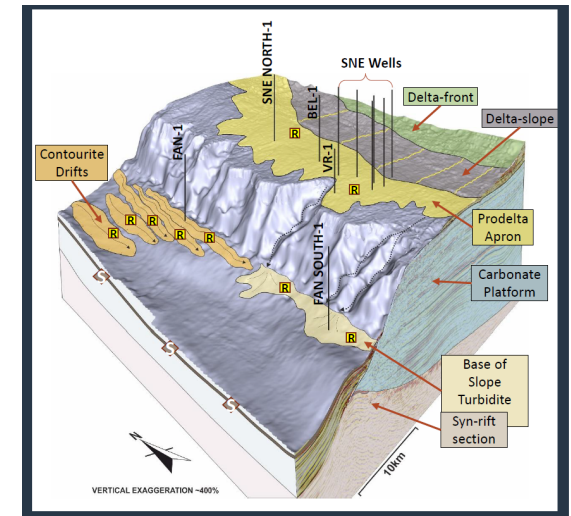
SNE Development Schematic



Senegal to Gambia to Guinea Bissau:



APCL 2017





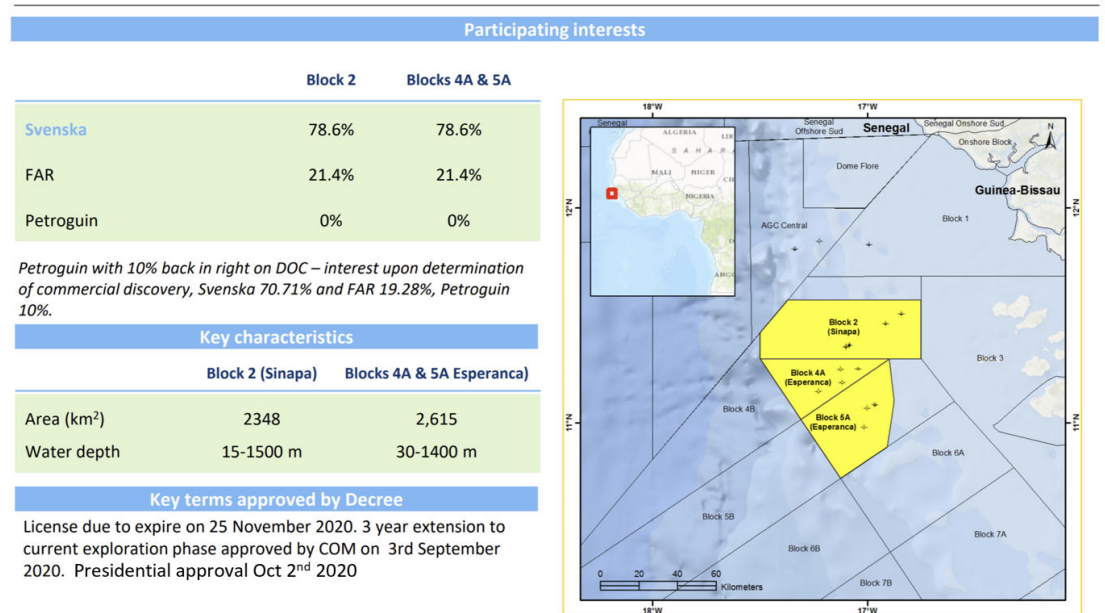
# Guinea Bissau – Sinapa and Esperança



## Attractive licenses acquired from SPE

- > PetroNor acquired the SPE Guinea Bissau AB from Svenska
- > A significant addition to the MSGBC portfolio
  - > The Sinapa license (Block 2)
  - > The Esperança license (Block 4A and 5A)
  - > 78.6% and Operator in both licenses

## Guinea Bissau overview Blocks 2, 4A and 5A



## Atum prospect is ready to drill

- > Similar structure to SNE field in Senegal
- > Significant prospect size
  - Atum and Anchova with a net P50 recoverable prospective resource of 568 mmbbl (PDC CPR report Dec 2019)
- > Drilling location proposed by SPE



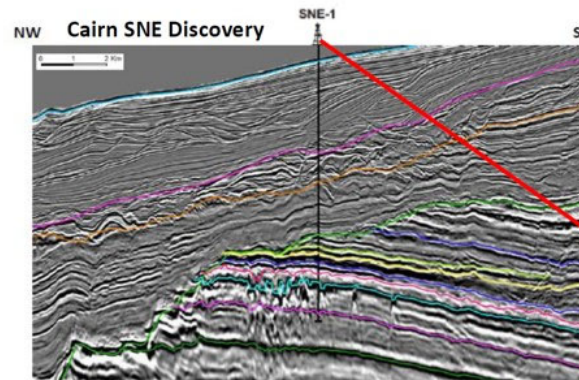
# Guinea Bissau 'Atum/Anchova' Prospect Similar to Sangomar Field in Senegal

STRICTLY PRIVATE & CONFIDENTIAL

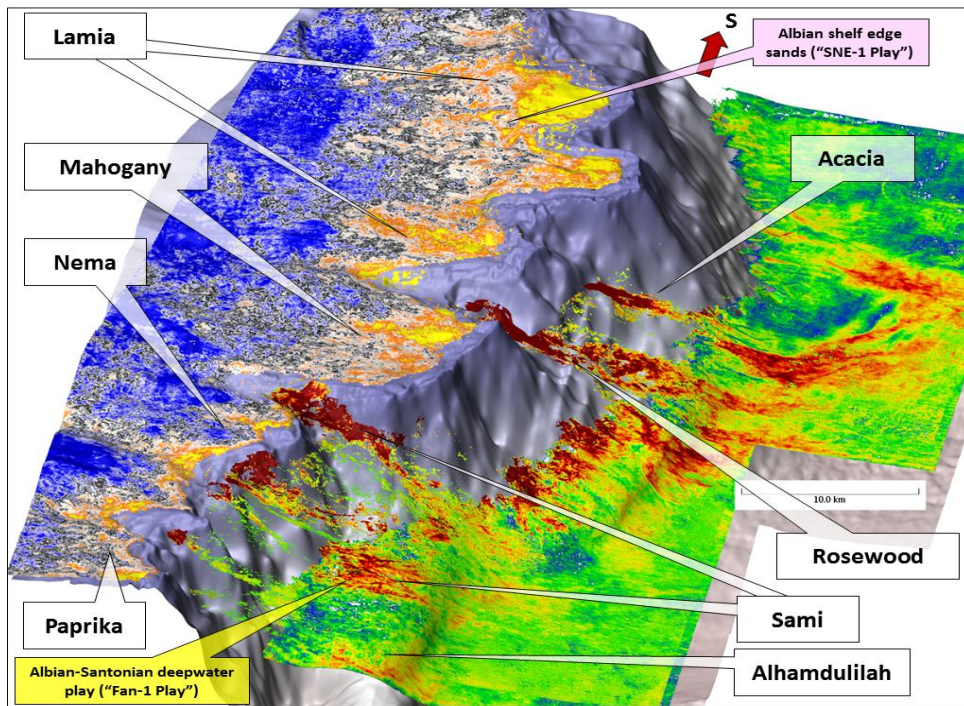
## SNE analogue – Senegal

### Key comments

- Atum Prospect is a very good analogue to the SNE discovery in Senegal
- Located 250km to the north of the Svenska shelf edge prospects
- Reservoir in lower Albian clinoforms with main hydrocarbon migration from the west
- Sealed by Intra-Albian shales and Senonian Unconformity to the west

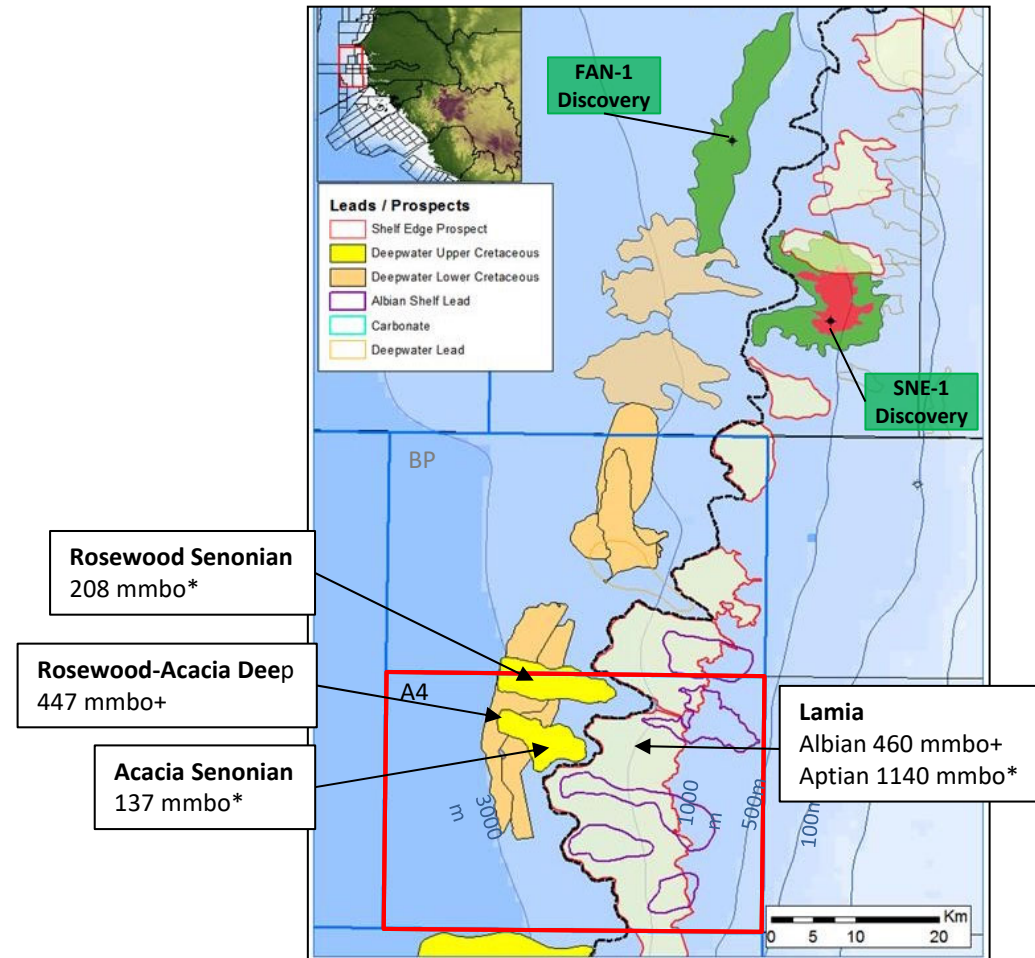


# The Gambia Block A4 Prospectivity



APC Corporate presentation 2017

APC Corporate Presentation



\* Mean net unrisked prospective resources – CPR March 2015

† APCL Management Estimate 2017



# Nigeria



# Nigeria – Country Overview

Various Woodmac sources



## Country fundamentals

- > Largest liquid producer in Africa at ~2.2 million b/d
- > Gas production at 8 bcf/d of which 30% is flared, 70% of sales to NLNG, 30% to domestic market
- > First commercial oil discovery in 1956 at Shell D’Arcy’s Oloibiri field in today’s OML-29
- > Well developed infrastructure and service industry



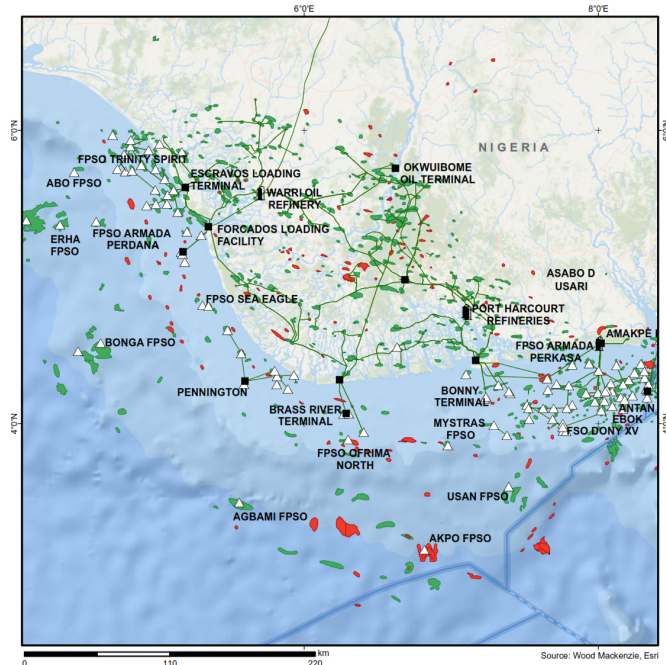
Production  
2,240,000 bliq/day  
3,200,000 boe/day



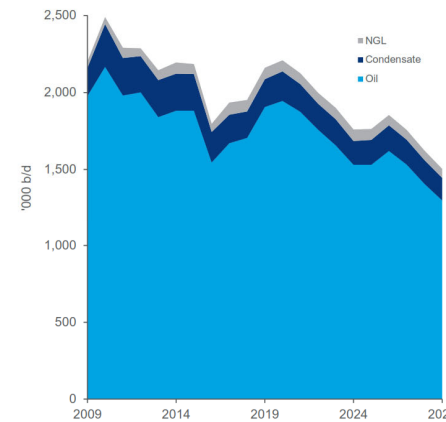
Reserves  
9,790 mmblq  
15,455 mmboe



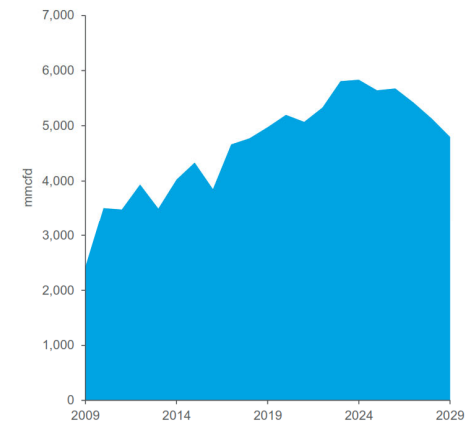
Cont Resource  
15,744 mmblq  
38,296 mmboe



Annual liquids production



Annual sales gas production



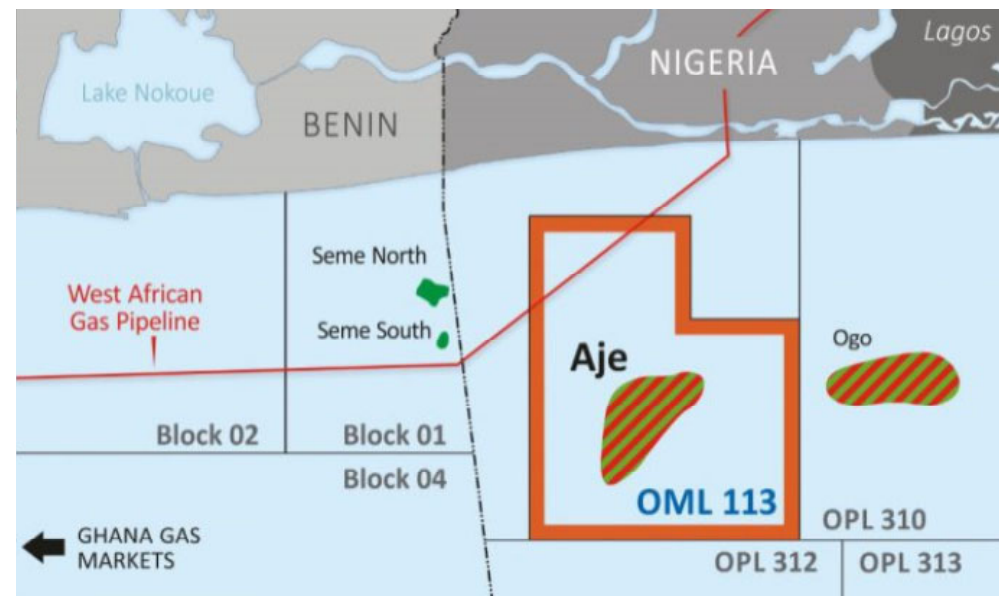
Source: Wood Mackenzie LENS

# The Aje Field: Intention to Revitalize License

## Key redevelopment

- > Producing asset<sup>1</sup> with significant upside potential to be unlocked through new partnership and different technical approach
- > During Q4 2019, PetroNor acquired an interest in OML 113 through two separate transactions:
  - Acquisition of Panoro's non-operated interest for USD 10m payable in PetroNor shares<sup>2</sup>
    - Share consideration to be spun off to Panoro shareholders
  - Partnership with existing operator YFP to revitalize the Aje field through Aje Petroleum SPV
    - PetroNor to hold 45% interest in Aje Petroleum SPV – economic interest in OML 113 starting at 13.08% and expected to reach 17.4% within 3 years based on projected payout phases
    - PetroNor to be engaged by YFP as the operator of OML 113, serving as a technical service company
- > Field redevelopment being planned with replacement of FPSO, increased liquids production and extraction of large gas resources
  - FPSO could become regional field center – substantial proven resources nearby such as Ogo and Albanian

## Aje field location and partnership overview



**New SPV being formed with Operator (YFP) to provide technical assistance, align partners and progress development of liquid and gas resources**

1) Assumed 2020 production of 260 bopd (net)

2) 6.502% participating interest, with 16.255% cost bearing interest, representing an economic interest of 12.1913% in OML 113. Option to pay partly in cash should the PetroNor share price fall below USD 0.13 per share; Future consideration of up to USD 25M based on gas production royalty in a success case

# Targeting Improved Gas and Condensate Recovery

## Forward Plan for Aje

2021 – 2022 re-development plan

### Bring-in new FPSO with increased gas processing capacity

- > Improve operational efficiencies and provide sufficient gas processing capacity
- > Three suitable replacements have been identified; two vessels have been inspected

### Infill drilling & Increase liquids production

- > Drilling of three new wells for oil and gas production
- > Offshore condensate stripping and export of wet-gas to shore

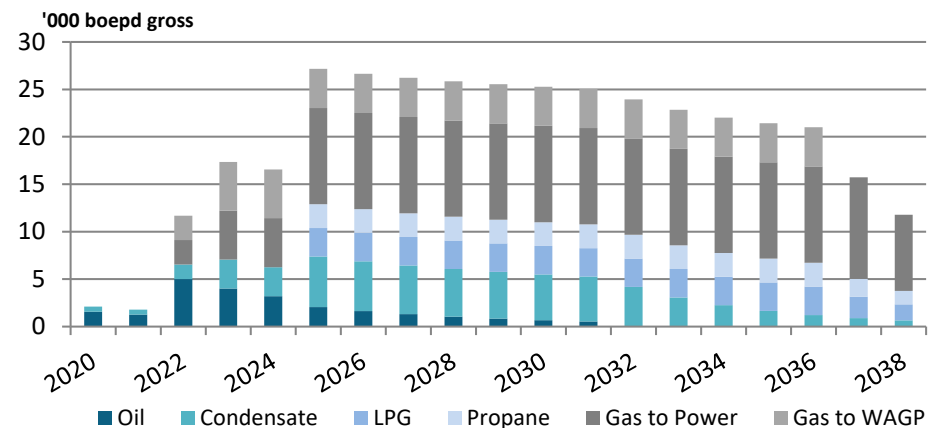
### Development of gas resources

- > Onshore gas plant (land identified)
- > Gas to be sold to nearby WAGP and Lagos/Lekki gas-to-power market
- > Power production through a barge solution
- > Produced LPGs and propane to be sold in the domestic market

## New field development

- > 2021: Drilling of two new gas producers and one oil producer (in addition to the existing two wells)
  - Expected to increase production to 15 kboepd (gross)
- > 2021: Bring in a cost effective FPSO with + 110 mmscfd gas capacity
  - OPEX USD ~30m/yr including FPSO bareboat, O&M and G&A
- > 2024: Expand gas production capacity to 110 mmscfd through drilling of additional two gas wells
- > Project planned split in upstream and midstream parts to maximize access to non-dilutive capital

## Production Profile (gross, kboepd)



# PetroNor Flare Gas Reduction Initiative

## Converting pollution into energy

According to The World Bank thousands of gas flares around the globe burn approximately **140 billion cubic meters** of natural gas annually.

If this amount of flare gas were used for power generation, it could provide **750 billion kWh** of electricity.



This is more than the African continent's annual electricity consumption.



This is enough to power all the cars in Europe.

Our main goal is to capture the flare and produce **clean energy to the world.**

We have the technology required to convert the waste gases into clean energy and help reduce the environmental footprint.

Partnership with Aragon on Gas Technology

***Prequalified together with Aragon for the ongoing flare-gas tender in Nigeria***



# PetroNor – Company Overview

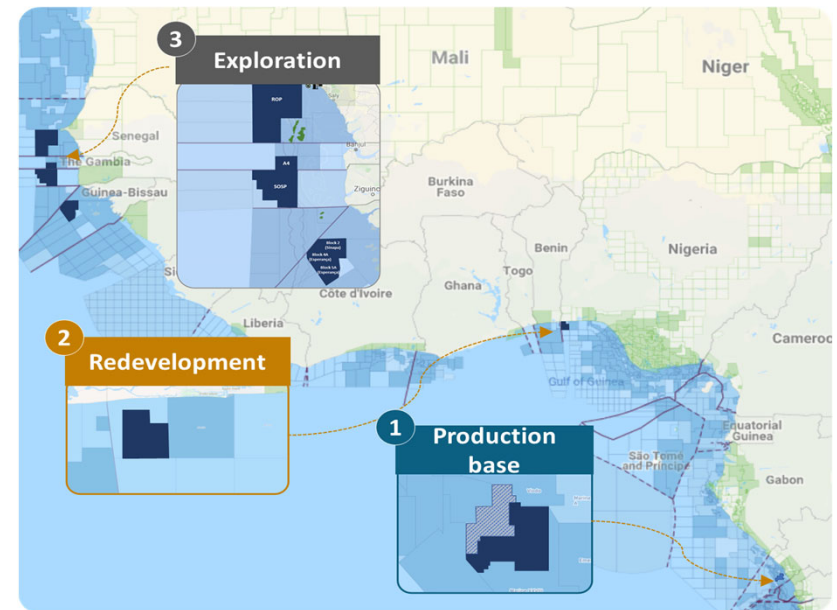
## PetroNor is a full-cycle Africa-focused independent

- > Current production of ~2,650 bopd – targeting a ten-fold increase by YE-2023
- > Strong ambitions of further regional growth with focus on Sub-Saharan Africa
- > Experienced management team with proven track record of industry leading value creation
- > Supportive strategic shareholder in Petromal (38%), part of National Holding (Abu Dhabi)

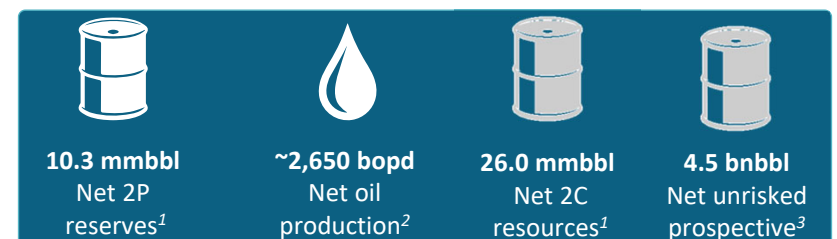
## Latest update

- > Production at PNGF SUD with a gross production of ~22,924 bopd in Q3 2020
- > Re-instated the A4 license in The Gambia
- > Further suspension of the arbitration in Senegal with 3 months
- > Initiated “market maker” agreement with SB1
- > Acquired the Sinapa and Esperança licenses in Guinea-Bissau

## Portfolio Overview



## Key Metrics



1) At 1 Oct 2020 - Congo-B: Independent competent person's report prepared by AGR, volumes as of 1 Jan 2019 adjusted to 1 Oct 2020 by subtracting actual production, Nigeria: company numbers, subject to completion of contract; 2) Includes 260 bbl/d from OML 113, as reported by Panoro. Transaction is subject to government approval; 3) African Petroleum Corp., ERC Equipoise, PDC, Senegal assets in dispute; 4) Valuation, late August 2020



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