PETRONOR E&P

Interim Financial Report

For the quarter year and nine months ended

30 September 2023

HIGHLIGHTS

2P Reserves (MMboe)	**2C Contingent Resources** (MMboe)	**Market capitalisation** (USD million)
20.3	37.1	120 (Q3 2022: 111)

For the nine months ended 30 September 2023

EBITDA (USD million)	**EBIT** (USD million)	**Net profit** (USD million)
71.1	61.6	28.4
2022: 36.1	2022: 30.2	2022: 30.1

- Operatorship of Guinea-Bissau licences assigned to APUS Energy SA in October 2023 as part of the farm down of participating interests, due to receive payment of approximately USD 25 million cash towards past costs.
- Allocated net production from PNGF Sud for the third quarter of 2023 was 5,113 bopd, with an average of 5,117 for the year to date.
- Five new Tchibeli wells have now been completed, safely and below budget and are contributing well to a current gross production of 35,000 bopd.
- During 2023 to date, 1,170,487 barrels of oil have been lifted and sold at an average realised sales price of 79.95 USD/bbl as at date of this report.
- ICSID Tribunal ruling rejects claims by African Petroleum Senegal Ltd and counter claims by the Republic of Senegal. The subsidiary of the Company has been ordered to pay approximately USD 3 million in respect of 90% of the ICSID costs and the Republic of Senegal's legal expenses.

Assets

Republic of Congo (Brazzaville)

The Company has three production licence agreements (Tchibouela II, Tchendo II, and Tchibeli-Litanzi II), which cover six oil fields located in 80-100 m water depths approximately 25 km off the coast of Pointe-Noire. The complex oil field was discovered in 1979, commenced production in 1987, and is called PNGF Sud.

The PNGF Sud fields are developed with ten wellhead platforms and currently produce from 72 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.

Nigeria

Having received regulatory consent to the acquisition of Panoro's interest in the OML113 licence in January 2022, PetroNor is working with the licence partners to make progress on the redevelopment of the Aje field. PetroNor holds a 12.1913% economic interest in the project and through 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.

On 2 October 2023, PetroNor announced the acquisition of additional interests in the OML113 licence through a binding agreement with New Age (African Global Energy) Limited that is subject to the customary Governmental approvals and completion.

The Gambia

PetroNor is seeking partners in order to enter into a drilling commitment for an Exploration well on the A4 block in 2025. This highly prospective block lies 30 km South of the Senegal "Sangomar" field (Woodside) which will start production in January 2024 at an estimated 100,000 bopd. The block contains multiple low risk commercial-size prospects.

Guinea-Bissau

PetroNor is farming-out 100 per cent of its participating interest in the Sinapa and Esperança licences offshore Guinea-Bissau, but retains upside exposure if the Atum-1X well proves successful, and the subsequent development produces oil and/or gas.

OPERATIONS

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 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 the quarter period.

The Group's operations have been conducted by the operators on behalf of the licence partners and the operator of PNGF Sud is reporting regularly on all key HSE indicators. One restricted work case (RWC) (a squeezed finger) was reported, but no lost time injury incidents (LTI) were reported by the operator for the quarter in which almost 300,000 work hours were logged. 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.

Production

Republic of Congo – PNGF Sud

The 17-well drilling campaign targeting PNGF Sud that commenced in 2021 led to six new wells in 2022. The infill drilling programme resumed in May 2023 to add five new wells in Tchibeli. The drilling rig Axima #4 has completed drilling all five, completing four as producers plus one injector. The new wells have encountered reservoir parameters above expectations and drilling has progressed significantly faster than planned. Production from these wells started in September 2023.

The current infill drilling programme will subsequently move to focus on the Tchendo field during 2024. A 14-slot wellhead (jackup) platform has been upgraded in the Netherlands and is currently in transit to the field with installation expected during November and December of this year. Drilling of the initial six wells is expected to start in the second half of 2024.

One additional pre-salt Vandji in Tchibeli NE has been added to the infill drilling programme and is planned to be drilled in February.

Gross production including the third quarter of 2023 was 8.3 MMbbls (6.1 MMbbls in same period in 2022), corresponding to 1.40 MMbbls (1.03 MMbbls same period in 2022) net to the Company.

In March 2023, AGR Petroleum prepared a Competent Person's Report ("CPR") whereby the reserves were calculated as at 31 December 2022.

CPR as at 31 December 2022:

Participation Interest	*16.83%*
1P reserves	13.9 MMboe
2P reserves	20.3 MMboe

PetroNor's contingent resource base includes discoveries of varying degrees of maturity towards development decisions. At the end of 2022, PNGF Sud contains a net 2C volume of approximately 7.5 MMboe assuming a 16.83 per cent participation interest.

Development

Nigeria – OML 113 / The Aje field

PetroNor and YFP-DW are making progress towards completing the formation of the jointly owned Aje Production. Upon completion, PetroNor's ownership will be 52% in Aje Production which will hold a 15.5% participating interest and an economic interest in the order of 38.755 % in OML 113.

As announced on 2 October 2023, PetroNor entered into a binding agreement with New Age (African Global Energy) Limited ("New Age") to acquire New Age's interests in OML 113 in Nigeria which contains the Aje Field.

This acquisition strengthens the company's position by adding 32% economic and voting interest in OML 113 which will reinforce the Company's active involvement and influence in the licence partnership to plan for the re-development of the Aje field. Following completion of these transactions, PetroNor and YFP related entities will have a project economic and JOA voting interest of 71%.

PetroNor and the partners awarded a contract to reprocess 3D seismic data with target completion in 2023. The reprocessing of seismic data has commenced and will be instrumental to updating the subsurface models and the Field Development plan.

PetroNor together with the joint venture partnership ("JVP") engaged with multiple potential offtakers for the planned Aje gas production. Competitive bids were received from multiple interested bidders and are currently being evaluated.

Exploration

Guinea-Bissau – 2 and 4A & 5A

On 27 June 2023, PetroNor announced the farm-out of 100% of the equity in both Sinapa and Esperança 4A/5A licences to Apus Energy Guiné-Bissau SA ("Apus Energy"). The agreement followed an extensive negotiation period which was running in parallel with continued maturation of the well location.

The conclusion of the transaction which is anticipated in Q4 2023 will bring an initial gross USD 25 million to PetroNor E&P AB before any tax, covering the recoupment of past costs. If the Atum-1X well proves successful, and the subsequent development produces oil and/or gas, a further USD 60 million will be paid. This is split into USD 30 million paid on government approval of a field development plan and USD 30 million on achievement of continuous production. The timing is uncertain in this scenario with appraisal drilling and development planning and construction of facilities necessary before first oil. Based on analogous projects this is likely to take at least four years from exploration well success if the project moves at a rapid pace.

The Gambia - A4

Basic interpretation of the PSDM 3D seismic data is complete, gather conditioning for a 400km2 area over the main Lamia South prospect is also complete. Rock physics and modelling have been completed for wells in three key areas, by Ikon Science. The next steps involve facies inversion on the conditioned data. Results from this will be reinterpreted and incorporated into the farm-out process through provision of updated volumetrics and risk assessments. The Gambia National Petroleum Corporation ("GNPC") is working closely with PetroNor and Ikon on this project. It is hoped to incorporate the most recent Gambia well data into the project.

The latest view on the Gambia A4 farm-in opportunity was presented at Africa Oil Week in the Prospects Forum in October. PetroNor notes an increase in exploration activity overall and continues in its efforts to secure a farm-in partner ahead of the May 2024 decision to enter the 18-month commitment phase.

Senegal

In July 2018, the Company's subsidiary African Petroleum Senegal Limited ("APSL") registered arbitration proceedings with the International Centre for Settlement of Investment Disputes (ICSID) to protect its interests in the Senegal Offshore Sud Profond and Rufisque Offshore Profond blocks. Since the start of the arbitration process the licences have had nil carrying value in the financial statements of the Company due to the uncertainty of the final ruling, which was received from the ICSID Tribunal on 17 November 2023.

The ruling rejects claims by APSL and counter claims by the Republic of Senegal. APSL has been ordered to pay approximately 3 million in respect of 90% of the Tribunal costs and the Republic of Senegal's legal expenses. The ruling confirms that APSL no longer holds the Senegal Offshore Sud Profond and Rufisque Offshore Profond licences.

Financial performance and activities

The PNGF Sud drilling programme which has increased property plant and equipment assets by USD 17 million in the period, is adding to production capacity and driving the improvements we are seeing in production outputs.

Stock volumes at quarter end were 459,956 bbls resulting in a stock variation movement within cost of sales of USD 5.3 million (YTD Q3 2022: USD (21.3) million).

As at 30 September 2023 the balance sheet value of trade payables was USD 18.6 million (31 December 2022: USD 15.4 million) the level of payables remains high largely because of the on-going infill drilling programme in PNGF Sud.

The balance of cash advanced to the Operator in Congo for decommissioning costs at 30 September 2023 was USD 30.1 million (31 December 2022: USD 29.4 million), covering the entire provision required to be made under the 2018 assessment of the licence arrangements. The Operator is expected to update their assessment of this obligation during 2024, updating for the capital expenditure on the infill drilling program.

During the Q3 2023 period the outstanding loan balance was reduced by USD 1.38 million, with the current facility maturing before the end of 2024.

From January to September 2023, the Group recorded liftings of 833,266 bbls realising an average selling price of 76.3 USD/bbl (2022: nil). A post period lifting in October 2023 brings total for the year-to-date volume to 1,170,487 bbls with a realised average price of USD 79.95. Gross revenue for the year to date at September was USD 112.6 million (YTD Q3 2022: USD 52.2 million). The comparatively high Cost of Sales in 2023 versus 2022 was a result of the exceptionally high level of inventory held at September 2022. Movement in oil inventory being a reduction in the cost of sales. The year to September figure was a credit of USD (21.3) million, versus the current year credit of USD

(5.3) denoting a variance of USD 16.0 million. Depreciation, a non-cash item, is also higher, with the depletion rates rising as a result of additional capex in the fixed asset base. Depreciation and amortisation are USD 9.2 million versus (2022 USD 5.8 million).

As a result, the Company and its related companies (the "Group") reported an EBITDA of USD 71.1 million for the nine months ended 30 September 2023, compared to USD 36.1 million in the same period in 2022. YTD profit at September is USD 28.4 million versus a loss of USD 9.5 million in 2022. The large increase in the net profit is driven primarily by the lack of a lifting during the comparative period last year.

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. The Group recognises that in order to fund on-going operations and pursue organic and inorganic growth opportunities it will require additional funding. This funding may be sourced through joint venture equity or share issues or through debt finance or through the rearrangement of certain debts falling due.

The underlying business of the Group created a net profit after tax of USD 28.4 million for the nine months ended 30 September 2023, with strong production from the Congo assets generating 30,406 bopd (2022: 22,555 bopd). The Group had USD 23.7 million in cash and bank balances as of 30 September 2023 (31 December 2022: USD 24.8 million), as well as inventory of USD 27.5 million (31 December 2022: USD 18.8 million).

This has enabled the directors to form the opinion that the Company will be in a position to continue to meet its liabilities and obligations.

Top 20 Shareholders

As of 15 November 2023:

#	Shareholder	Number of shares	Per cent
1	Petromal LLC[1]	48,148,167	33.82%
2	Symero Limited[2]	13,876,364	9.75%
3	NOR Energy AS	12,951,887	9.10%
4	Ambolt Invest AS[3]	8,758,329	6.15%
5	Gulshagen III AS[4]	4,500,000	3.16%
6	Gulshagen IV AS[4]	4,500,000	3.16%
7	Nordnet Livsforsikring AS	2,702,829	1.90%
8	Nordnet Bank AB	2,126,653	1.49%
9	Energie AS	2,107,570	1.48%
10	Enga Invest AS	1,072,278	0.75%
11	Omar Al-Qattan	764,546	0.54%
12	Leena Al-Qattan	764,546	0.54%
13	Pust For Livet AS	749,761	0.53%
14	Danske Bank A/S	737,741	0.52%
15	UBS Switzerland AG	673,154	0.47%
16	Jon Arne Toft	514,670	0.36%
17	Helge Holdhus	420,000	0.30%
18	Jon Sigurdsen	405,363	0.28%
19	Spit Air AS	400,000	0.28%
20	Reodor AS	385,688	0.27%
	Subtotal	**106,559,546**	**74.85%**
	Others	35,797,309	25.15%
	Total	**142,356,855**	**100.00%**

[1]Non-Executive Chairman, Mr. Alhomouz is the CEO of Petromal LLC. All 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] Symero Limited is a company controlled by NOR Energy AS.

[3] Ambolt Invest AS is a company controlled by board member Mr. Norman-Hansen.

[4] Gulshagen III AS and Gulshagen IV AS are companies controlled by Sjøvollen AS.

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, 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.

Økokrim Charges

PetroNor continues to co-operate with Økokrim and the Department of Justice (DoJ) to assist in their investigations into the allegations of corruption by individuals associated with the company. At the time of writing this report, there are no further updates in relation to the progress of the investigations.

Significant events after reporting date

As announced on 2 October 2023, PetroNor entered into a binding agreement with New Age to acquire New Age's interests in OML 113 in Nigeria which contains the Aje field.

Following completion of the formation of the jointly owned company with YFP-DW and the acquisition of New Age's interest, PetroNor and YFP related entities will have a project economic and JOA voting interest of 71%.

In October 2023, the operatorship of the Guinea-Bissau licences held by PetroNor were assigned to APUS Energy SA.

On 17 November 2023, the ICSID Tribunal delivered their final ruling on the Senegalese arbitration matter, both sides claims and counterclaims were rejected by the ruling. However subsidiary company African Petroleum Senegal Limited was ordered to pay approximately USD 3 million in respect of 90% of the Tribunal costs and the Republic of Senegal's legal expenses.

Outlook

The well infill drilling program on PNGF Sud continues in 2024 focusing on Tchendo with the drilling of six initial wells. The upgraded jackup platform for Tchendo is expected to arrive and be installed on site before the year end and drilling to begin in 2H 2024.

The farm down of the Guinea-Bissau licences will see the Atum -1X well drilled in 2024, and the Company monetising its investment in these exploration assets.

Consolidated statement of comprehensive income

For the quarter year ended and nine-month period ended 30 September

Amounts in USD thousand (Unaudited)	Quarter year ended		Nine months ended	
	30 September 2023	30 September 2022	**30 September 2023**	30 September 2022
Revenue	**18,687**	**15,328**	**112,606**	52,154
Cost of sales	**(5,970)**	**(2,907)**	**(41,560)**	(16,214)
Gross profit	**12,717**	12,421	71,046	35,940
Exploration expenses	**(334)**	(154)	**(1,227)**	(249)
Impairment of Exploration	**-**	2,519	**484**	2,519
Administrative expenses	**(2,600)**	(2,651)	**(8,718)**	(9,343)
Profit from operations	**9,783**	12,135	**61,585**	28,867
Finance expense	**(635)**	(1,095)	**(1,622)**	(2,272)
Foreign exchange (loss) / gain	**291**	(1,196)	**(1,874)**	(1,844)
Profit before tax	**9,439**	9,844	**58,089**	24,751
Tax expense	**(11,592)**	(9,553)	**(29,663)**	(34,234)
(Loss) / Profit for the period	**(2,153)**	291	**28,426**	(9,483)
Other Comprehensive income:				
Exchange gains / (losses) arising on translation of foreign operations	**(146)**	1,210	**2,176**	1,357
Total comprehensive income / (loss)	**(2,299)**	1,501	**30,602**	(8,126)
Profit for the period attributable to:				
Owners of the parent	**(2,149)**	305	**22,352**	(9.042)
Non-controlling interest	**(4)**	144	**6,074**	(442)
Total	**(2,153)**	449	**28,426**	(9,484)
Total comprehensive income / (loss) attributable to:				
Owners of the parent	**(2,295)**	1,515	**24,528**	7,684
Non-controlling interest	**(4)**	144	**6,074**	442
Total	**(2,299)**	1,659	**30,602**	8,126
Earnings per share attributable to members:	**USD cents**	USD cents	**USD cents**	USD cents
Basic (loss) / profit per share	**(1.51) Cents**	0.22 Cents	**15.70 Cents**	(6.67) Cents
Diluted (loss) / profit per share	**(1.51) Cents**	0.22 Cents	**15.70 Cents**	(6.67) Cents

On 16 June 2023 the Company carried out a 10:1 reverse share split, comparative period earnings per share have been restated.

The accompanying notes form part of these financial statements.

Consolidated statement of financial position

Amounts in USD thousand	**As at 30 September 2023 (Unaudited)**	As at 31 December 2022 (Audited)
ASSETS		
Current assets		
Inventories	**27,532**	18,824
Trade and other receivables	**470**	1,171
Cash and cash equivalents	**23,686**	24,816
Total	**51,688**	44,811
Non-current assets		
Property, plant and equipment	**84,511**	67,480
Intangible assets	**43,384**	42,283
Right-of-use assets	**375**	462
Other receivables	**30,050**	29,432
Total	**158,320**	139,656
Total assets	**210,008**	184,467
LIABILITIES		
Current liabilities		
Trade and other payables	**22,720**	20,751
Lease liability	**188**	179
Loans and borrowings	**5,500**	5,500
Total	**28,408**	26,430
Non-current liabilities		
Loans and borrowings	**1,375**	5,500
Lease liability	**157**	280
Provisions	**24,942**	24,563
Deferred tax liabilities	**9,031**	9,031
Other payables	**8,738**	8,738
Total	**44,243**	48,112
Total liabilities	**72,651**	74,542
Net assets	**137,357**	109,925
EQUITY		
Issued capital and reserves attributable to owners of the parent		
Share capital	**72,115**	72,115
Reserves	**2,173**	(3)
Retained earnings	**47,849**	25,497
Total	**122,137**	97,609
Non-controlling interests	**15,220**	12,316
Total equity	**137,357**	109,925

The interim financial statements were approved and authorised for issue by the board of directors on 27 November 2023.

The accompanying notes form part of these interim financial statements.

Consolidated statement of changes in equity

For the nine-month period ended 30 September

Amounts in USD thousand (Unaudited)	Share capital	Share premium	Foreign currency translation reserve	Retained earnings	Non-controlling interest (NCI)	**Total**
2023						
Balance at 1 January 2023	**159**	**71,956**	**(3)**	**25,497**	**12,316**	**109,925**
Profit for the period	**-**	**-**	**-**	**22,352**	**6,074**	**28,426**
Other Comprehensive Income	**-**	**-**	**2,176**	**-**	**-**	**2,176**
Total comprehensive income for the period		**-**	**2,176**	**22,352**	**6,074**	**30,602**
Dividend distributed to non-controlling interest	**-**	**-**	**-**	**-**	**(3,170)**	**(3,170)**
Balance at 30 September 2023	**159**	**71,956**	**2,173**	**47,849**	**15,220**	**137,357**
2022						
Balance at 1 January 2022	62,115	-	(1,421)	(1,390)	6,513	65,817
Profit for the Period	-	-		(9,042)	(442)	(9,484)
Other Comprehensive Income			1,357			1,357
Unwinding PetroNor E&P Ltd (Australia) Share Capital	(62,115)	-	-	-	-	(62,115)
Issue of shares in PetroNor E&P ASA	149	61,966	-	-	-	62,115
Issue of ordinary shares as consideration for business combination	10	9,990	-	-	-	10,000
Dividends to non-controlling interest	-	-	-	-	-	-
Balance at 30 September 2022	159	71,956	(64)	(10,432)	6,071	67,690

The issued share capital for PetroNor E&P Ltd (Australia), formerly the parent entity up to 24 February 2022, is adjusted to reflect historic fair value adjustments on two reverse takeover events so as to reflect Group share capital. The like for like share exchange and relisting on the Oslo Børs is a continuation of the business and so Group share capital remains unchanged following the issue of 1,326,991,006 shares.

The accompanying notes form part of these interim financial statements.

Consolidated statement of cash flows

Amounts in USD thousand *(Unaudited)*	**Nine months ended** **30 September 2023**	30 September 2022	**Year ended** 31 December 2022 (audited)
Cash flows from operating activities			
Profit for the period	**58,089**	24,751	81,854
Adjustments for:			
Depreciation and amortisation	**9,271**	5,785	9,152
Amortisation of right-of-use asset	**201**	111	146
Unwinding of discount on decommissioning liability	**706**	795	842
Impairment reversal - inventory	**-**	-	(2,519)
Net foreign exchange differences	**2,176**	1,357	1,418
Finance expense	**748**	1,473	2,444
Total	**71,191**	34,272	93,337
Decrease / (increase) in trade and other receivables	**660**	12,681	12,631
Increase in advance against decommissioning cost	**(618)**	(3,733)	(2,595)
Increase in abandonment provision	**-**	-	3,652
Decrease in other provisions	**(328)**	-	-
Increase in inventories	**(8,708)**	(25,905)	(10,078)
Increase / (decrease) in trade and other payables	**2,009**	24,614	(11,875)
Cash generated from operations	**64,206**	41,929	85,072
Income taxes paid	**(29,663)**	(34,234)	(47,579)
Net cash flows from operating activities	**34,543**	7,695	37,493
Investing activities			
Purchases of property, plant and equipment	**(25,961)**	(26,282)	(35,756)
Purchase of intangible assets	**(1,441)**	(750)	(2,353)
Net cash flows from investing activities	**(27,402)**	(27,032)	(38,109)
Financing activities			
Issue of ordinary shares	**-**	-	(52)
Proceeds from loans and borrowings	**-**	-	11,000
Repayment of loans and borrowings	**(4,125)**	(6,667)	(13,079)
Interest on loans and borrowings	**(748)**	(1,473)	(2,444)
Repayment of principal portion of lease liability	**(60)**	(111)	(127)
Repayment of interest portion of lease liability	**(168)**	(70)	(36)
Dividends paid to non-controlling interest	**(3,170)**	-	(1,585)
Net cash flows from financing activities	**(8,271)**	(8,321)	(6,323)
Net increase / (decrease) in cash and cash equivalents	**(1,130)**	(27,658)	(6,939)
Cash and cash equivalents at beginning of period	**24,816**	31,755	31,755
Cash and cash equivalents at end of period	**23,686**	4,097	24,816

The accompanying notes form part of these interim financial statements.

Notes to the interim financial statements

Note 1 Corporate information

The consolidated interim financial statements of the Company and its subsidiaries (together "the Group") for the period ended 30 September 2023 was authorised for issue in accordance with a resolution of the directors on 27 November 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 (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.

Note 2 Basis of preparation

The general purpose interim financial statements for the quarter year ended and nine-month period ended 30 September 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting and the supplement requirements of the Norwegian Securities Trading Act (Verdipapirhandelloven).

The interim financial statements do 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 statements be read in conjunction with the annual report for 2022 and considered together with any public announcements made by the Company during the period ended 30 September 2023 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.

The interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) which have been adopted by the EU. The interim 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 statements are presented in United States Dollars.

The accounting policies adopted are consistent with those disclosed in the annual report for the year ended 31 December 2022.

The preparation of the interim financial statements 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 financial statements as for the annual report for 2022.

Notes to the interim financial statements

Note 03 Revenue

Amounts in USD thousand (Unaudited)	**Quarter year ended 30 September 2023**	Quarter year ended 30 September 2022	**Nine months ended 30 September 2023**	Nine months ended 30 September 2022
Revenue from contracts from customers				
Revenue from sales of petroleum products	**-**	-	**63,579**	-
Other revenue				
Assignment of tax oil	**11,592**	9,552	**29,663**	34,233
Assignment of royalties	**7,095**	5,776	**19,364**	17,921
Total	**18,687**	15,328	**112,606**	52,154
Quantity of oil lifted (barrels)	**-**	-	**833,266**	-
Average selling price (USD per barrel)	**-**	-	**76.30**	-
Quantity of net oil produced after royalty, cost oil and tax oil (barrels)	**339,291**	256,162	**1,029,675**	671,919

All revenue from the sales of petroleum products in 2023 is generated, recognised and transferred at a point in time. Invoices are due for settlement thirty days from the bill of lading, the point at which crude oil had been loaded onto vessel for shipment. All Group revenue is derived from production in the Republic of Congo from the PNGF Sud offshore asset. The Group presents profit oil tax and royalties on a grossed-up basis as an income tax expense with corresponding increase in oil and gas revenues and any associated royalties are included in cost of sales.

Note 04 Cost of sales

Amounts in USD thousand (Unaudited)	**Quarter year ended 30 September 2023**	Quarter year ended 30 September 2022	**Nine months ended 30 September 2023**	Nine months ended 30 September 2022
Operating expenses	**4,584**	6,400	**16,954**	12,630
Royalty	**7,095**	5,776	**19,364**	17,921
Depreciation and amortisation of oil and gas properties	**3,413**	2,171	**9,269**	5,772
Provision for diversified investment	**467**	369	**1,288**	1,195
Movement in oil inventory	**(9,589)**	(11,809)	**(5,315)**	(21,304)
Total	**5,970**	2,907	**41,560**	16,214

Note 05 Administrative expenses

Amounts in USD thousand (Unaudited)	**Quarter year ended 30 September 2023**	Quarter year ended 30 September 2022	**Nine months ended 30 September 2023**	Nine months ended 30 September 2022
Employee benefit expenses	**1,279**	936	**3,766**	3,821
Travelling expenses	**111**	118	**440**	336
Legal and professional expenses	**911**	928	**2,947**	3,340
Corporate social responsibility	**-**	-	**294**	-
Business development	**(48)**	248	**286**	248
Other expenses	**347**	421	**984**	1,598
Total	**2,600**	2,651	**8,718**	9,343

Notes to the interim financial statements

Note 06 Finance expenses

Amounts in USD thousand	**Quarter year ended**		**Nine months ended**	
(Unaudited)	**30 September 2023**	30 September 2022	**30 September 2023**	30 September 2022
Unwinding of discount on decommissioning liability	**236**	**265**	**706**	795
Finance cost on lease liabilities	**160**	**53**	**168**	70
Interest on loans	**232**	**776**	**735**	1,403
Other interest	**7**	**1**	**13**	4
Total	**635**	**1,095**	**1,622**	2,272

Note 07 Tax expense

The income tax expense is only related to the subsidiary in Congo and represents the assignment of tax oil on the revenue from sales of petroleum products. There was no income tax expense in the other subsidiaries' jurisdictions nor in the parent's jurisdiction.

Note 08 Earnings per share

Amounts in USD thousand	**Nine months ended**	
(Unaudited)	**30 September 2023**	30 September 2022
Profit / (loss) attributable to the ordinary equity holders used in calculating basic / diluted profit per share	**22,354**	(9,042)
Weighted average number of ordinary shares outstanding during the period used in the calculation of earnings per share		
Basic profit / (loss) per share	**142,356,855**	1,355,396,143
Diluted profit / (loss) per share	**142,356,855**	1,356,044,732

On 16 June 2023 PetroNor announced that the reverse share split in the ratio 10:1 had been registered with the Norwegian Register of Business Enterprises. Following such registration, the share capital of the Company is NOK 1,423,568.55 divided into 142,356,855 shares, each with a nominal value of NOK 0.01. EPS has been adjusted by a factor of ten on the face of the Interim Consolidated Income Statement so as to be comparative.

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 nil options as at 30 September 2023 (30 September 2022: nil).

Note 9 Inventories

Amounts in USD thousand	**30 September 2023** ***(Unaudited)***	31 December 2022 *(Audited)*
Crude oil inventory	**12,791**	7,475
Materials and supplies	**14,741**	11,349
Total	**27,532**	18,824

Crude oil inventory is valued at cost of USD 27.81 per bbl (2022: USD 29.43 bbl). The crude oil inventory and the material and supplies inventory are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price, less applicable selling expenses. The cost of inventory includes all costs related to bringing the inventory to its current condition, including processing costs, labour costs, supplies, direct and allocated indirect operating overhead and depreciation expense, where applicable, including allocation of fixed and variable costs to inventory.

Notes to the interim financial statements

Note 10 Trade and other receivables

Amounts in USD thousand	**30 September 2023 *(Unaudited)***	31 December 2022 *(Audited)*
Recoverability less than one year		
Trade receivables	**-**	-
Other receivables	**470**	1,171
Total	**470**	1,171
Recoverability more than one year		
Advance against decommissioning cost	**30,050**	29,432
Total	**30,050**	29,432

In addition to the booking of decommissioning cost asset and corresponding liability, the contractors group on the PNGF Sud licence have advanced cash funds for the decommissioning cost that is held in an escrow account which is managed by the operator.

Note 11 Cash and cash equivalents

Amounts in USD thousand	**30 September 2023 *(Unaudited)***	31 December 2022 *(Audited)*
Cash in bank	**23,667**	24,775
Restricted cash	**19**	41
Total	**23,686**	24,816

Amounts in USD thousand	Non-current borrowings	Current borrowings	**Total**
At 1 January 2023	5,500	5,500	11,000
Cash flows		(4,125)	(4,125)
Non-cash flows	-	-	-
Movement non-current to current	(1,375)	1,375	-
As at 30 September 2023	**4,125**	**2,750**	**6,875**
At 1 January 2022	**-**	13,079	13,079
Cash flows	**-**	(6,667)	(6,667)
Non-cash flows	**-**	-	-
Movement non-current to current	**-**	-	-
As at 30 September 2022	**-**	6,142	6,142

Notes to the interim financial statements

Note 12 Segment information

For management purposes, the Group is organised into one main operating segment, which involves exploration and production of hydrocarbons. All of the Group's activities are interrelated, and discrete financial information is reported to chief operating decision maker as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

The Group only has one operating segment, being exploration and production of hydrocarbons.

The analysis of the location of non-current assets is as follows:

Amounts in USD thousand (Unaudited)	**30 September 2023 *(Unaudited)***	31 December 2022 *(Audited)*
Congo	**116,154**	98,876
The Gambia	**5,437**	4,507
Guinea-Bissau	**1,092**	667
Nigeria	**35,226**	35,226
Other countries	**411**	380
Total	**158,320**	139,656

Note 13 Property, plant and equipment

Amounts in USD thousand	**30 September 2023 *(Unaudited)***	31 December 2022 *(Audited)*
Cost		
Opening balance	**89,885**	53,204
Additions	**25,962**	36,681
Disposals	**-**	-
Closing balance	**115,847**	89,885
Accumulated Depreciation		
Opening balance	**22,406**	13,807
Charge for the period	**8,930**	8,599
Closing balance	**31,336**	22,406
Closing net carrying value	**84,511**	67,479

Note 14 Intangible assets

LICENCES AND APPROVALS

Amounts in USD thousand	**30 September 2023 *(Unaudited)***	31 December 2022 *(Audited)*
Cost		
Opening balance	**37,831**	11,210
Additions	**1,442**	2,353
Additions in relation to business combinations	**-**	24,268
Closing balance	**39,273**	37,831
Accumulated amortisation and impairment		
Opening balance	**4,579**	4,038
Amortisation	**341**	541
Closing balance	**4,902**	4,579
Closing net carrying value	**34,353**	33,252

Notes to the interim financial statements

GOODWILL

Amounts in USD thousand	**30 September 2023** ***(Unaudited)***	31 December 2022 *(Audited)*
Cost		
Opening balance	**9,031**	-
Additions in relation to business combinations	**-**	9,031
Closing net carrying value	**9,031**	9,031

Goodwill

Goodwill of USD 9.0 million at 30 September 2023 consists of technical goodwill related to the acquisition that occurred in July 2022. Technical goodwill is subject to impairment testing whenever there is an indicator that the Cash Generating Unit ("CGU") to which it is allocated is impaired. Technical goodwill has been allocated to the OML 113 CGU and impairment assessments will be based on the underlying economics for the asset.

Licence Overview

During the nine months to 30 September 2023, there were no changes to the licences held by Company and its subsidiaries as detailed in the 2022 Annual Report.

Note 15 Trade and other payables

Amounts in USD thousand	**30 September 2023** ***(Unaudited)***	31 December 2022 *(Audited)*
Amounts due less than one year		
Trade payables	**18,584**	15,437
Due to related parties	**20**	2,019
Taxes and state payables	**286**	787
Other payables and accrued liabilities	**3,830**	2,508
Total	**22,720**	20,751
Amounts due more than one year		
Other payables	**8,738**	8,738
Total	**8,738**	8,738

Note 16 Loans and borrowings

Amounts in USD thousand	**30 September 2023 *(Unaudited)***	31 December 2022 *(Audited)*
Opening balance	**11,000**	13,079
Received	**-**	11,000
Principal repayment	**(4,125)**	(13,079)
Interest on loan accrued	**735**	1,042
Interest on loan paid	**(735)**	(1,042)
Closing balance	**6,875**	11,000
Ageing of loans payable		
Current	**5,500**	5,500
Non-current	**1,375**	5,500
Total	**6,875**	11,000

As at 30 September 2023, the outstanding USD 6.9 million debt facility carries an interest rate of 11.0 per cent and is to be repaid in five quarterly instalments of USD 1.375 million.

Note 17 Provisions

Amounts in USD thousand	**30 September 2023 *(Unaudited)***	31 December 2022 *(Audited)*
Opening balance	**20,912**	16,302
Arising during the year	**-**	3,768
Unwinding of discount on decommissioning	**707**	842
Closing balance	**21,619**	20,912
Other provisions	**3,323**	3,651
Total	**24,942**	24,564

Notes to the interim financial statements

Note 18 Material Non-Controlling Interests

Set out below is summarised financial information for the subsidiary Hemla E&P Congo SA that has non-controlling interests that are material to the Group. The amounts disclosed for the subsidiary are before inter-company eliminations.

Summarised statement of financial position

Amounts in USD thousand	**30 September 2023 *(Unaudited)***	31 December 2022 *(Audited)*
Current assets	**39,867**	28,363
Current liabilities	**(21,204)**	(11,210)
Current net assets	**18,663**	17,153
Non-current assets	**116,154**	98,876
Non-current liabilities	**(21,078)**	(20,804)
Non-current net assets	**95,076**	78,072
Net assets	**113,739**	95,225
Accumulated NCI	**19,219**	16,091

Summarised statement of comprehensive income
For 9 months ended 30 September

Amounts in USD thousand (Unaudited)	**2023**	2022
Revenue	**112,606**	52,154
Profit for the period	**32,410**	(2,049)
Other comprehensive income	**-**	-
Total comprehensive income	**32,410**	(2,049)
Profit allocated to NCI	**6,104**	(386)
Dividends paid to NCI	**3,170**	-

Summarised statement of cash flows
For 9 months ended 30 September

Amounts in USD thousand (Unaudited)	**2023**	2022
Cash flows from operating activities	**50,176**	12,047
Cash flows from investing activities	**(25,962)**	(29,511)
Cash flows from financing activities	**(20,020)**	(30)
Net increase / (decrease) in cash and cash equivalents	**4,194**	(17,494)

Note 19 Share capital

On 16 June 2023 PetroNor announced that the reverse share split in the ratio 10:1 had been registered with the Norwegian Register of Business Enterprises. Following such registration, the share capital of the Company is NOK 1,423,568.55 divided into 142,356,855 shares, each with a nominal value of NOK 0.01.

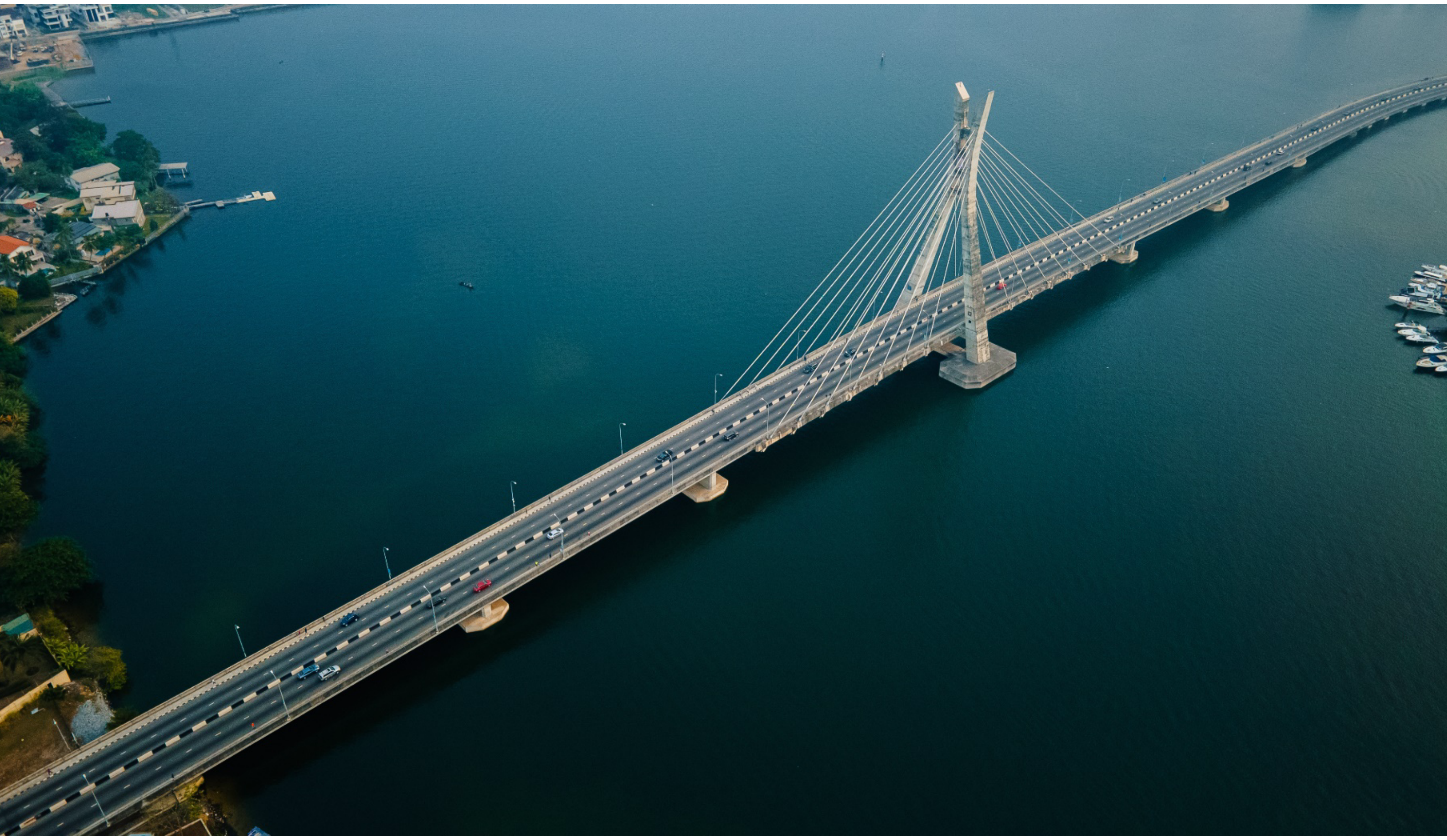
Note 20 Post balance sheet events

As announced on 2 October 2023, PetroNor entered into a binding agreement with New Age to acquire New Age's interests in OML 113 in Nigeria which contains the Aje field.

Following completion of the formation of the jointly owned company with YFP-DW and the acquisition of New Age's interest, PetroNor and YFP related entities will have a project economic and JOA voting interest of 71%.

In October 2023, the operatorship of the Guinea-Bissau licences held by PetroNor were assigned to APUS Energy SA.

On 17 November 2023, the ICSID Tribunal delivered their final ruling on the Senegalese arbitration matter, both sides claims and counterclaims were rejected by the ruling. However subsidiary company African Petroleum Senegal Limited was ordered to pay approximately USD 3 million in respect of 90% of the Tribunal costs and the Republic of Senegal's legal expenses.



Statement of responsibility

We confirm that, to the best of our knowledge, the condensed set of unaudited financial statements for the quarter year ended and nine-month period ended 30 September 2023, 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

Jarle Norman-Hansen, Director of the Board

Ingvil Smines Tybring-Gjedde, Director of the Board

Joseph Iskander, Director of the Board

Gro Kielland, Director of the Board

Azza Fawzi, Director of the Board

DIRECTORS

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

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