

## Trading Update Q3 2021

November 26<sup>th</sup> 2021, Knut Sjøvold (CEO) and Claus Frimann-Dahl (CTO)



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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. In addition, this is supplemented with corporate management estimates for Nigeria and estimates by SPE Guinea Bissau AB for the Guinea Bissau licenses. Further, hydrocarbon resource estimates for The 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.

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# Balanced portfolio across the E&P value chain



1


## Production base – Congo-Brazzaville – PNGF Sud/Bis



- > Gross field production of ~22,000 bopd
- > High margin production
- > Operated by Perenco (40%)

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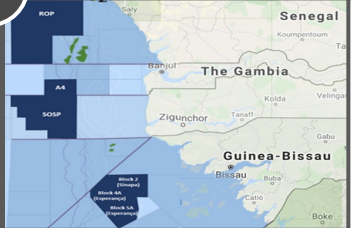
## Re-development – Nigeria – Aje Field (OML 113)



- > Revised dev. plan of 25,000 boepd
- > Awaiting governmental approval
- > A strong ESG profile

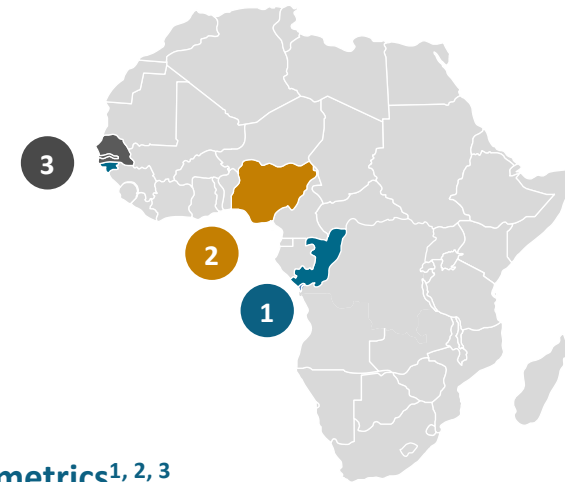
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## Exploration – large scale prospects

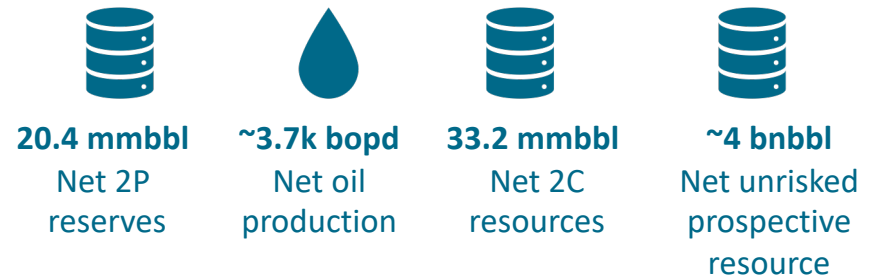


- > Multi billion bbl potential
- > Increased activity after ENI's billion bbl. discovery in Ivory Coast

## Geographical target area



## Key metrics<sup>1, 2, 3</sup>



<sup>1</sup>) Congo: PNGF Bis constitutes 6.8 mmbbls of 2C resources in Congo. PetroNor has the right to enter into the PNGF Bis license with net working interest of 23.56% with Perenco as operator. Nigeria: Estimates according to independent competent person's report prepared by AGR. Volumes as of 1 Jan 2021 on PNGF Sud (AGR 10/3/2021); Corrected for production until 1.7.21. <sup>2</sup>) Nigeria: Resources are subject to completion of the Aje transaction (initial net working economic interest of 13.08%, 17.4% within three years based on project payout phases). <sup>3</sup>) Exploration: Sum Net Unrisksd Mean Case Prospective Recoverable Resources, based on ERC Equipoise, net unrisksd mean prospective resources (Gambia/Senegal), Company management estimate, SPE Guinea Bissau AB estimate.

# Q3 2021: Ramping up for infill drilling

- > **Infill drilling program in Congo<sup>1</sup> progressing as planned**
  - > Drilling starting in November
  - > PetroNor to invest USD ~80 million during 2021-2023
  - > Gross field production levels expected at 22,200 bopd in Q4-21, up from 20,020 bopd in Q3-21
- > **Attractive exploration prospects in The Gambia & Guinea-Bissau**
  - > Farm-out process continues
- > **Continued M&A activity to reach growth target**
- > **Capital raised to enable execution of PetroNor's growth strategy**
  - > A private placement with gross proceeds of NOK 340 million was completed in H1 2021
  - > Gross proceeds totalling NOK 51 million raised in a subsequent share offering in Q3-21
- > **Re-domicile to Norway and process to be listed on Oslo Stock Exchange (“Main list”) progressing to complete before year-end**



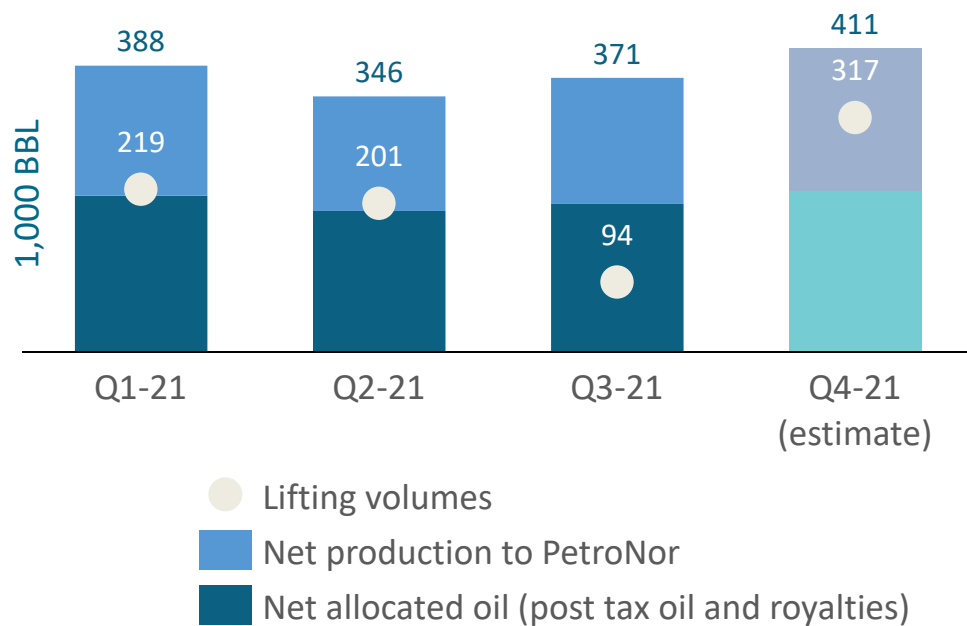
Well spud on Litanzi this month

<sup>1</sup> PNGF Sud indirect interest of 16.83% to PetroNor through Hemla E&P Congo's 20% interest

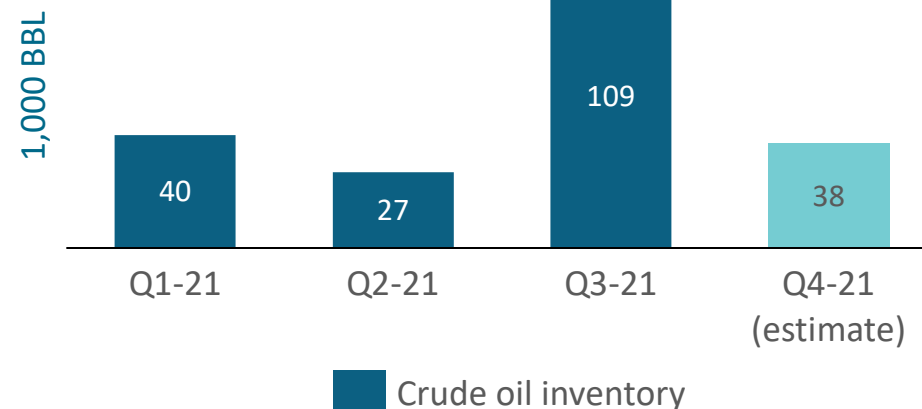
# Stable production levels and Q3 inventory build-up



### Production remain stable while lifting volumes vary






### Inventory build-up in Q3 2021



# Q3 2021: Stable production, revenues reduced from underlift




	Q4-20	Q1-21	Q2-21	Q3-21	YTD Q3-21	2020
 Average daily gross field oil production at PNGF Sud <sup>1</sup> (bopd)	22,182	21,530	19,061	20,020	20,198	22,713
 Volumes sold (liftings) (1,000 bbl)	206	219	201	94	514	994
Average oil selling price (USD/bbl)	44.8	58.7	67.6	74.2	65.0	40.9
 Revenue from sales of petroleum products (USD m)	9.2	12.8	13.6	7.0	33.4	40.6
Other revenues (USD m)	7.6	10.1	11.6	11.4	33.1	26.9
<b>Total revenue (USD m)</b>	<b>16.8</b>	<b>22.9</b>	<b>25.2</b>	<b>18.3</b>	<b>66.5</b>	<b>67.5</b>
<b>EBITDA (USD m)</b>	<b>11.5</b>	<b>13.7</b>	<b>13.9</b>	<b>9.6</b>	<b>37.2</b>	<b>33.8</b>
<b>Net interest Bearing Debt (USD m)</b>	<b>18.9</b>	<b>18.9</b>	<b>18.1</b>	<b>15.6</b>	<b>15.6</b>	<b>18.9</b>
<b>Cash balance at period-end (USD m)</b>	<b>14.1</b>	<b>19.6</b>	<b>20.4</b>	<b>37.9</b>	<b>37.9</b>	<b>14.1</b>

Estimated Q4-21 revenues from oil sales would be USD ~24 million, assuming an average oil price of 75 USD/bbl for the period.

<sup>1</sup> PNGF Sud indirect interest of 16.83% to PetroNor through Hemla E&P Congo's 20% interest

# High level of activity in coming years



		2021		2022				2023	
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>CORE ASSETS</b>	<b>PNGF Sud</b>			Extensive infill drilling program					
		Workover program							
	<b>PNGF Bis</b>								Pilot dev.
	<b>Aje</b>					FPSO, 3-5 wells, pipeline to shore			
<b>OTHER ACTIVITIES</b>	<b>Exploration portfolio</b>	Farm-out prces		Well commitment					
		Conclusion Senegal arbitration		A2 in Gambia		Sangomar First Oil			
	<b>M&amp;A / Business development</b>	Ongoing M&A activities							

<sup>1</sup> The license partners have the right to negotiate in good faith the PNGF Bis license agreement, with net working interest to PetroNor of 23.56%

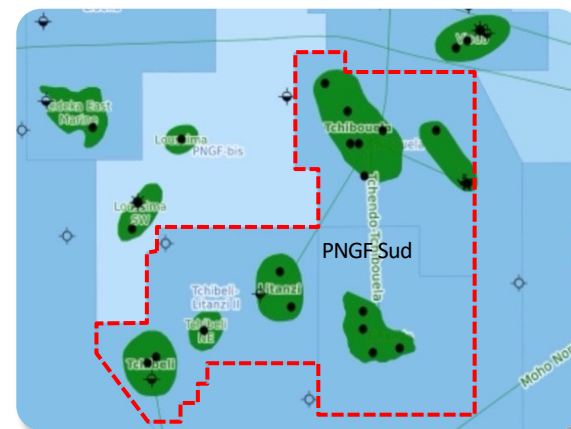
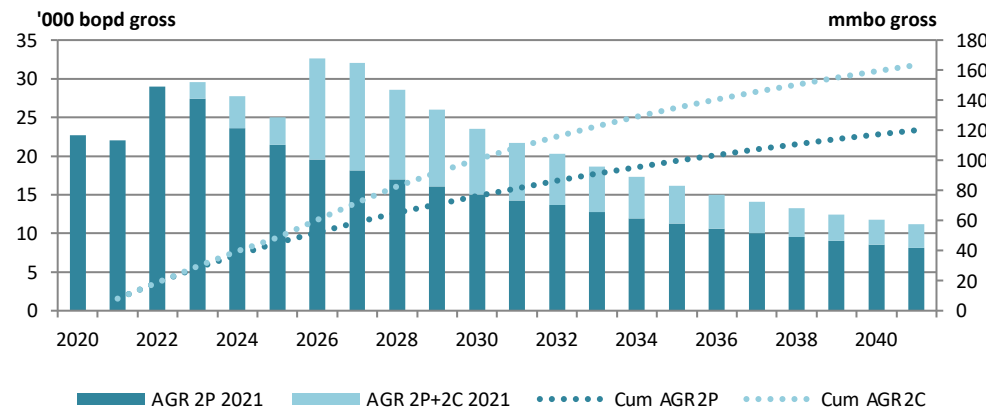


# Our production Base – PNGF Sud<sup>1</sup>

## 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 - 100 meters) with significant infrastructure in place
  - Seven steel jackets as drilling or processing centers
  - 61 producing wells across five fields
- > New partnership established in Jan 2017 - operated by Perenco, 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

## Key facts PNGF Sud



**Reserves and resources<sup>3</sup>**

- 2P (gross) 116.5 mmbbl
- 2C (gross): 43.4 mmbbl
- STOIIP: 2,029 mmbbl
- Accumulated produced 01.07.21: 464 mmbbl

**Production**

Q3 2021 production (gross): 20.0 kbopd

**Operator**

 PERENCO 40%	 SNPC 15%	 AOGC E&P GROUPE AOGC 10%	Continent Congo S.A. 10%
 PETRONOR E&P 16.83% <sup>2</sup>		 PETROBRAS 5%	

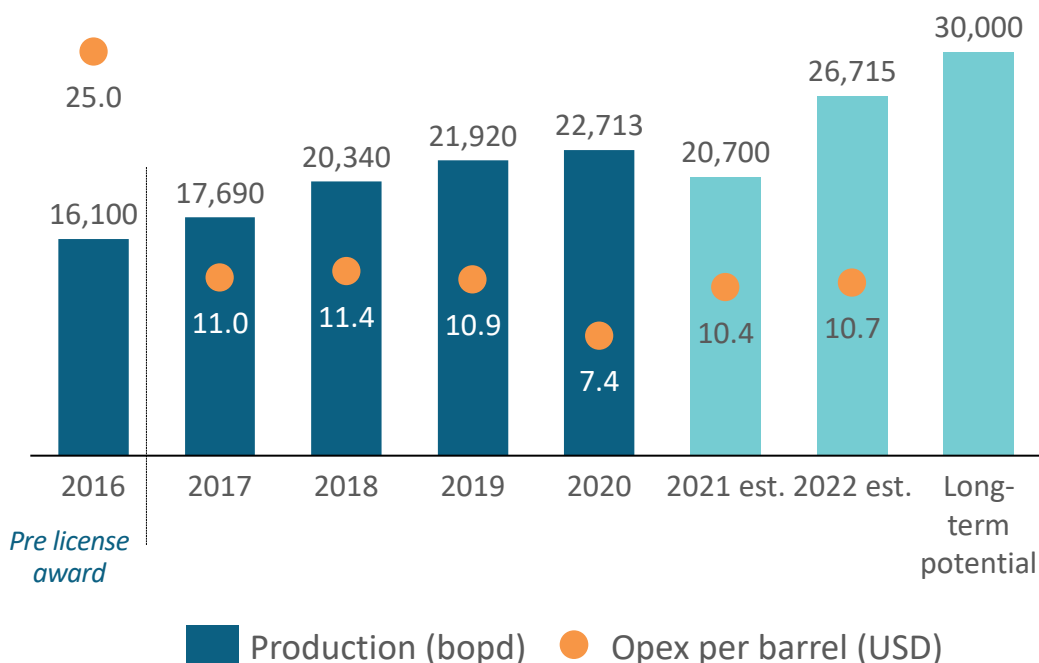
<sup>1</sup> Consisting of three Production sharing Agreements: Tchibouela II, Tchibeli-Litanzi II and Tchendo II  
<sup>2</sup> PNGF Sud indirect interest of 16.83% to PetroNor through Hemla E&P Congo's 20% interest  
<sup>3</sup> Independent competent person's report as of 1 Jan 2021 prepared by AGR 10 Mar 2021; Corrected for production until 1 Jul 2021



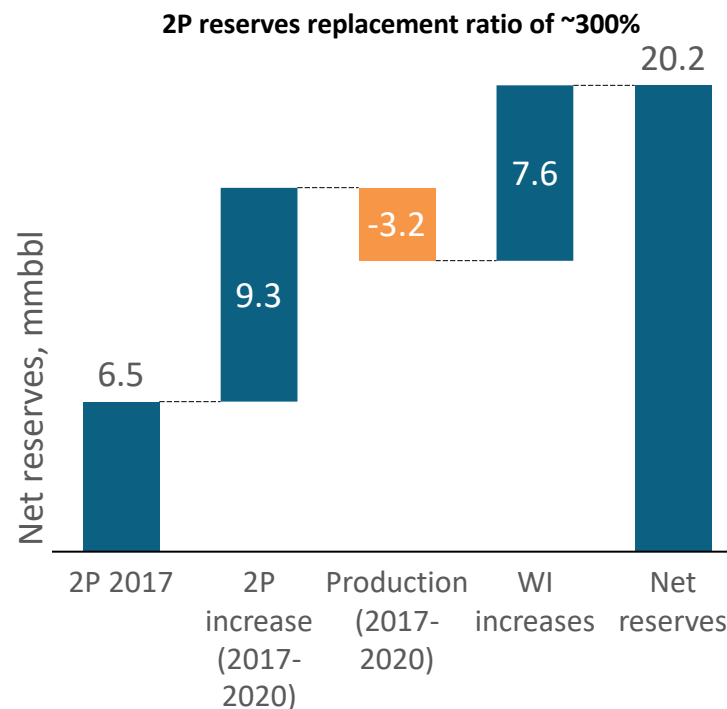
# Steady growth from core production licence PNGF Sud



## Strong performance from Perenco partnership



## Gross / net reserves increased 2.4x / 3.6x respectively<sup>1</sup>



*Reserves have increased consistently every year since license entry based on production performance and approved infill drilling programmes*

1) PNGF Sud indirect interest of 16.83% to PetroNor through Hemla E&P Congo's 20% interest

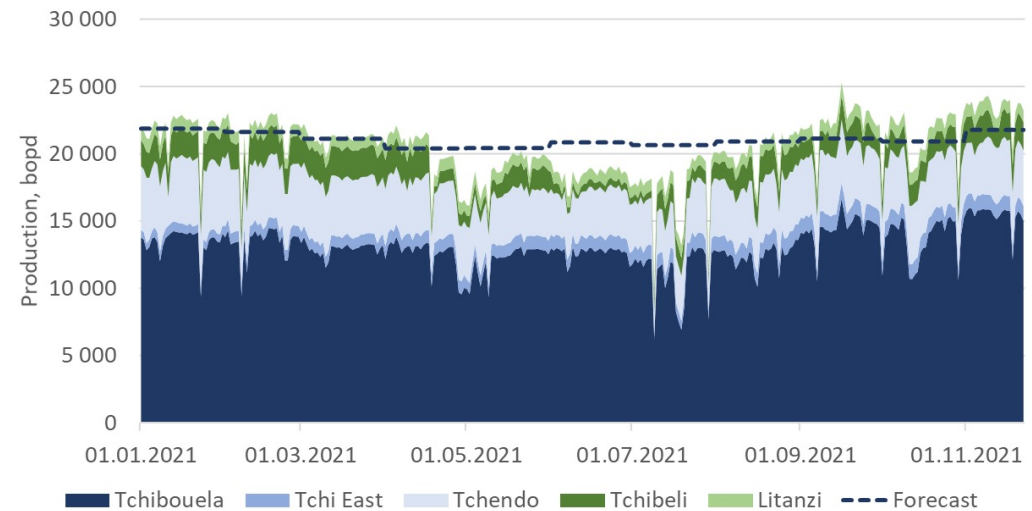


# Production back on track and starting infill drilling on PNGF Sud

## Well drilling campaign has started

- > Gross field production is back on track with estimated average for Q4 2021 of 22,200 bopd
  - Q2 production was impacted by logistics chain issues implying lack of production maintenance equipment
  
- > 17 well drilling campaign starting November
  - First well to be spud on Litanzi
  - Production benefits to be seen from Q1 2022 and onwards

## Production back on track at PNGF Sud<sup>1</sup>



Q1-21	Q2-21	Q3-21	Q4-21 (est.)
21,530 bopd	19,061 bopd	20,020 bopd	22,200 bopd

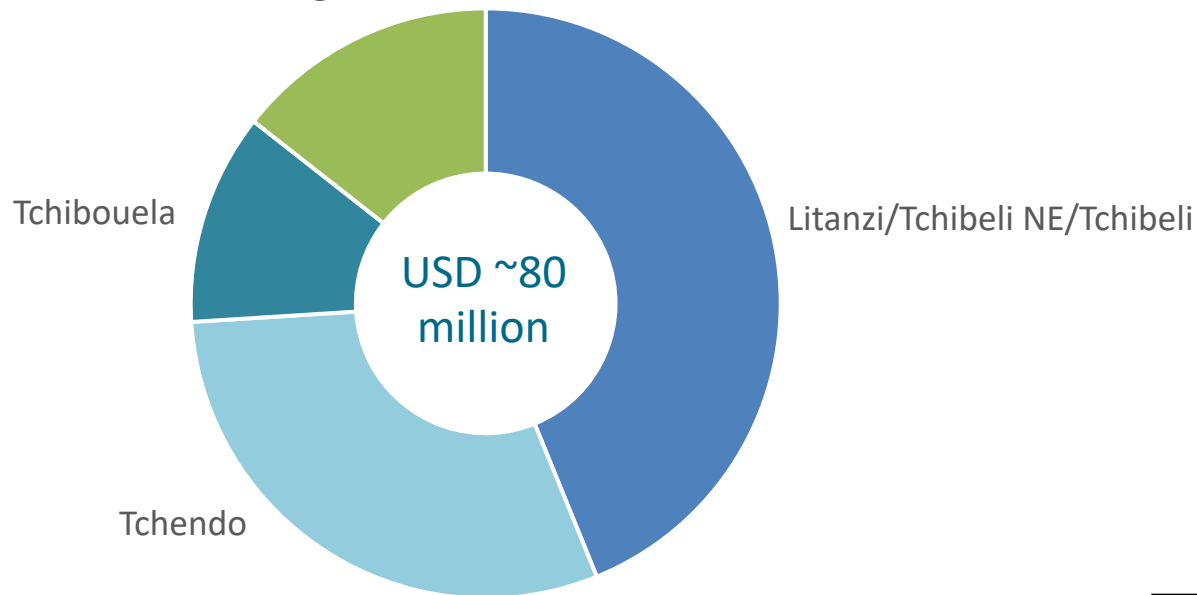
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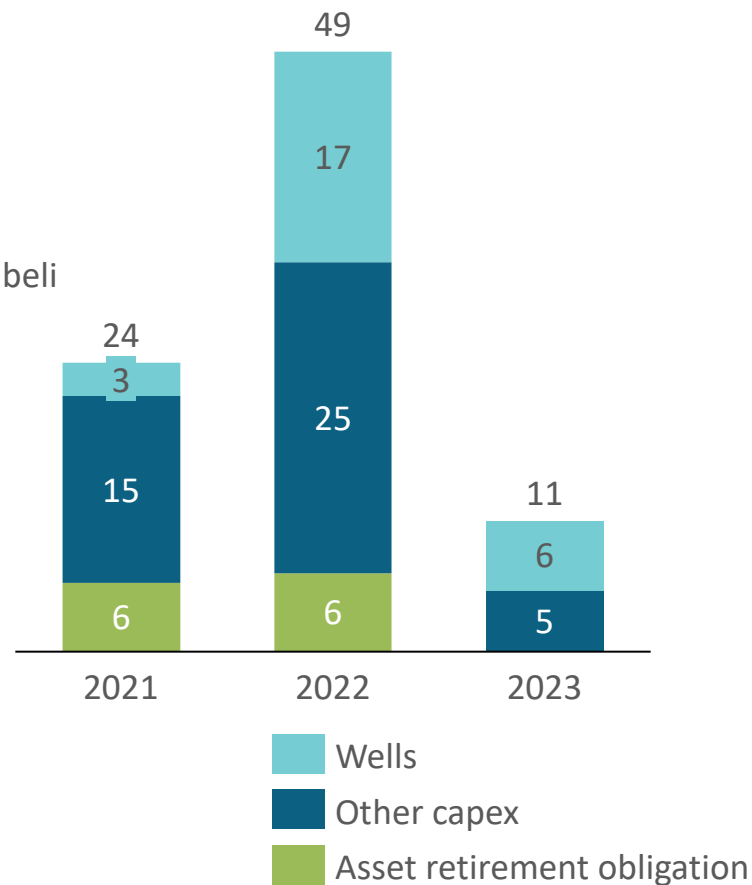
# Planned USD ~80 million capex in PNGF Sud up to 2023

Capex by licence, net to PetroNor

Asset retirement obligation<sup>1</sup>



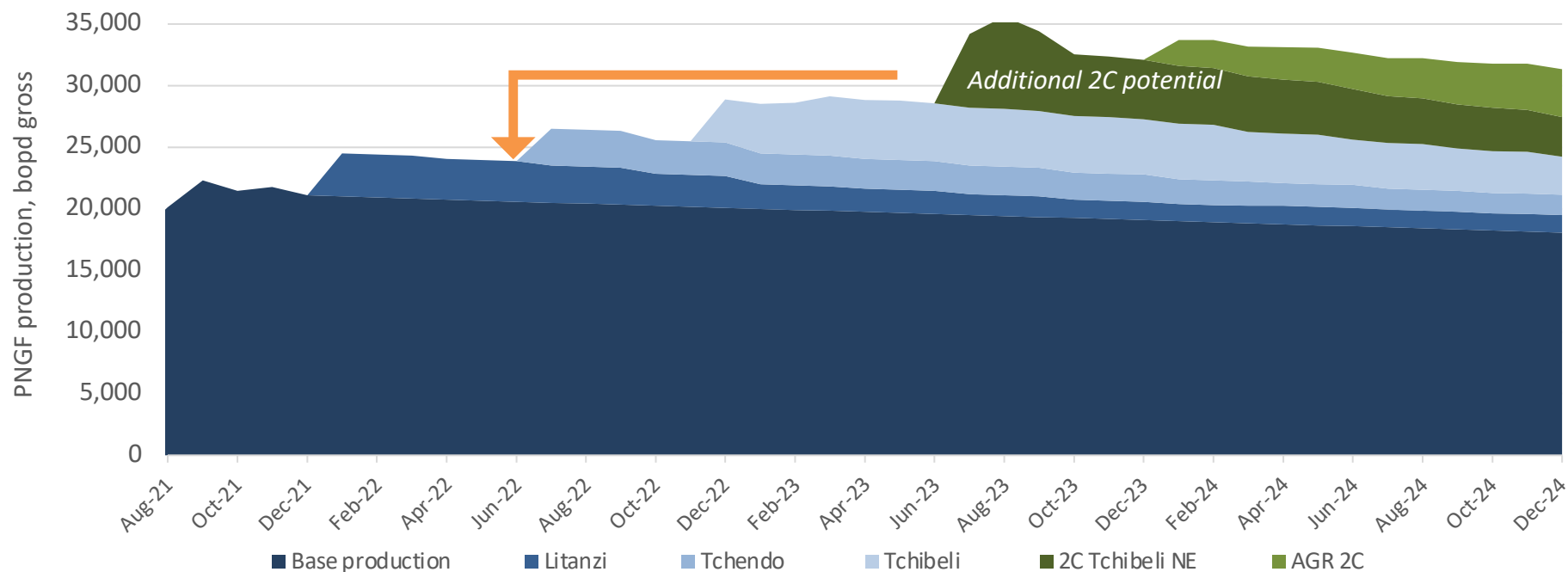
Phasing of capex



<sup>1</sup> By the end of 2022 licence partners have fulfilled its retirement obligations as per current estimates, 20 years ahead of licence expiry.

# Production growth from infill drilling ahead of program

17 wells - 2-year drilling program ahead – Tchibeli NE is matured up from 2C and drilling accelerated



Field	Litanzi	Tchibeli NE	Tchibeli	Tchendo
Target	Infill drilling	Development drilling	Infill drilling	Infill drilling
Producers	2	2	2	7
Injectors	2		2	
Capex, mill. USD	~105	~90	~50	~105

# Aje re-development – a project with a strong ESG profile

## Key development

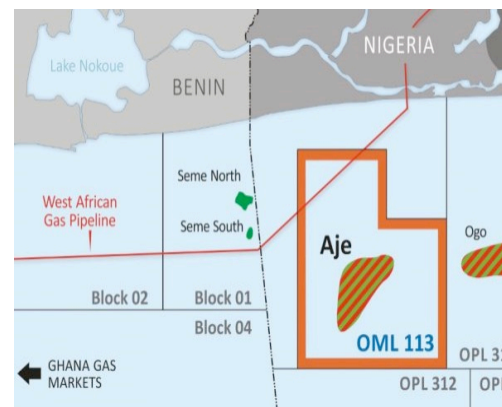
- > Participating interest pending ministerial approval - process well advanced and conducted Due Diligence session with DPR in early June 2021 with positive feedback
- > Producing asset<sup>1</sup> with significant upside potential to be unlocked through new partnership and different technical approach
- > During Q4 2019, PetroNor acquired an interest in OML 113 through acquisition of Panoro's interest and contributing it to Aje Production SPV. PetroNor will engage at the lease as Technical Service Company.
- > PetroNor to hold 45% interest in Aje Production SPV and effective Economic Interest of 13.08% and expected to reach 17.4% within 3 years based on projected payout phases.

## Gas – the transition fuel for Africa

- > Aje will at re-development become a significant contributor to the CO<sub>2</sub> emission reduction for Nigeria
  - Potential to produce/replace +500MW power generated on diesel
  - Provide +10% of the country cooking gas (LPG)
- > Gas and LPG is important for Africa to reach several of the UN sustainability goals

1) 2020 production of 259 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 16.67m based on gas production royalty in a success case



### Final Report Study on the Potential of Increased Use of LPG for Cooking in Developing Countries



September 2020

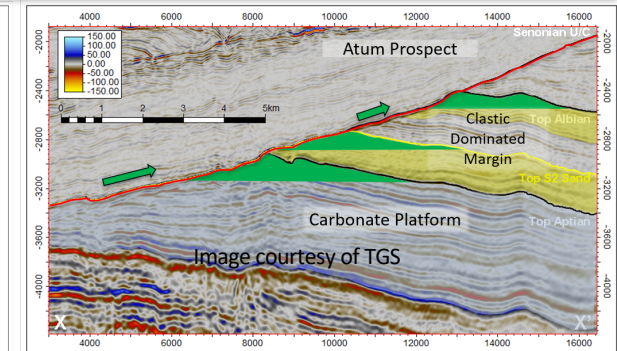
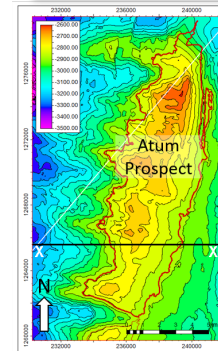
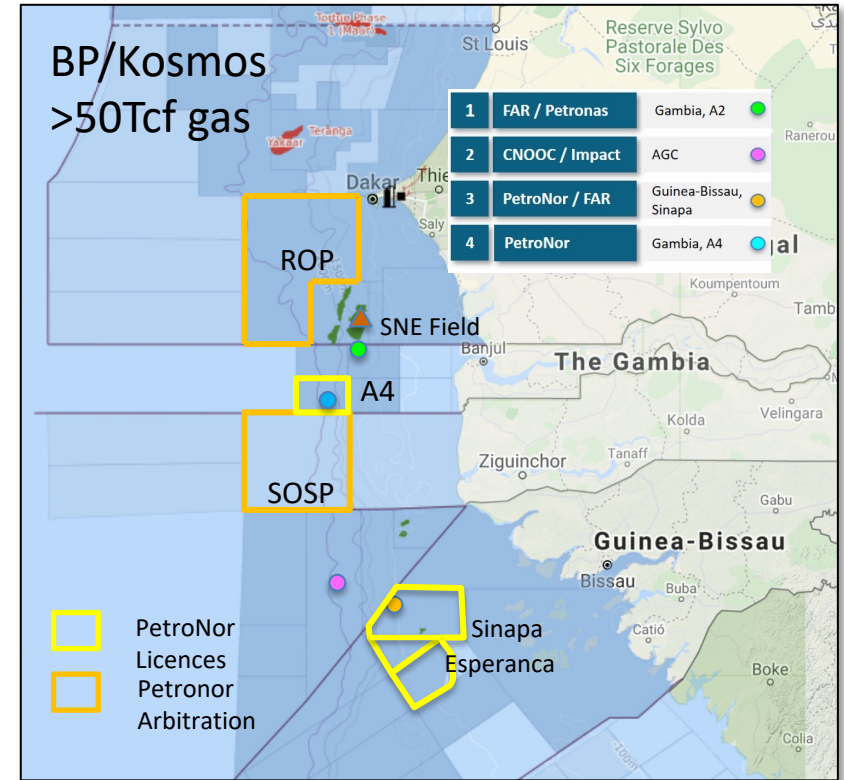
With a fast-expanding population of about 27-million people, Lagos state receives an average of about 1,000MW for no more than 12 hours a day, he said. ***The state requires nine times as much power around the clock***, according to state commissioner for energy and mineral resources Olalere Odusote



# West African exploration “hotspot”

## Attractive exploration portfolio

- > Regional activity
  - ENI made a significant discovery in Ivory Coast
  - Sangomar Field target 100,000 bopd in 2023
  - Bambo well (A2 licence) in The Gambia spudded by FAR 15 November 2021
- > PetroNor has re-established a strong exploration portfolio through 2021
  - Farm-out discussions with several IOC ‘s (“International Oil Companies”) across the portfolio
  - Revival in exploration expected with strengthening oil price
- > Significant prospect sizes
  - Multiple prospects with +500mill.bbl recoverable



# Well positioned for further growth

## Balanced portfolio across the E&P value chain

- > **Production growth in Congo**
  - > Infill well program starting November
  - > Target to reach net 5,000 bopd during 2023
- > **Attractive re-development and exploration portfolio**
  - > Aje project awaiting governmental approval
  - > Target farm-down and carried through well exploration drilling
  - > Remain significant interests in world-class prospects
- > **Long-term strong free cash flow**
  - > Recycle profit in Congo into drilling
- > **Additional growth from M&A**
  - > Actively looking for value accretive transactions

## Financial capacity for growth

Positions PetroNor with the financial capacity and flexibility to:

- > Execute its **organic growth strategy**
- > Execute **transformational and accretive M&A deals**
- > Whilst maintaining a **conservative risk profile**

### 3-Year Target



**Reserves**  
300 mmbbl



**Production**  
30,000 boepd

