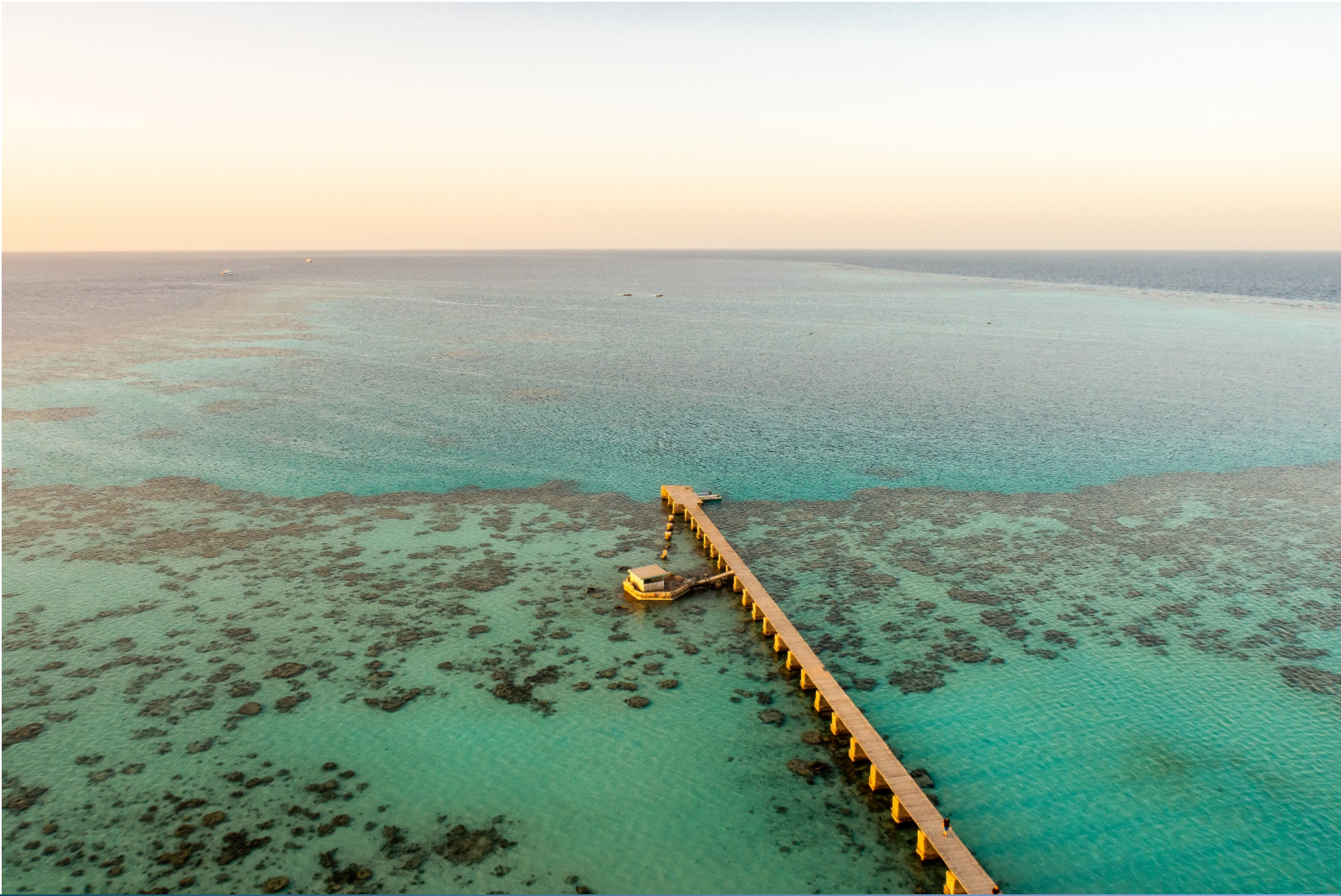
PETRONOR E&P



Interim Financial Report

For the half year ended

30 June 2023

EBITDA (USD million)

57.8

H1 2022: 20.4

EBIT (USD million)

51.8

H1 2022: 16.7

Net profit (USD million)

30.6

H1 2022: Net loss 9.8

2P Reserves (mmboe)

20.3

2C Contingent Resources (mmboe)

37.1

Market capitalisation (USD million)

109.7 (H1 2022 110.7)

H1 2023 AND SUBSEQUENT EVENTS

- PetroNor entered a binding agreement to farm down 100% of its participating interests in the Guinea-Bissau licences for consideration of up to USD 85 million.
- Allocated net production from PNGF Sud for the first half of 2023 was 5,119 bopd an increase of (16% over H2 2022 (4,400 bopd).
- The successful infill programme restarted in late May 2023 with the first four wells now drilled and currently being completed for production, reservoir properties encountered are consistent with a high-case which involves drilling of a 5th well and corresponding additional recoverable reserves.
- 833,266 barrels of oil have been lifted and sold at an average realised sales price of 76.30 USD/bbl.
- 10:1 ratio reverse share split was carried out in the period to ensure a good price development in the Company's shares.

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 eight wellhead platforms and currently produce from 68 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 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.

Guinea-Bissau

In June 2023, PetroNor has entered into an agreement to farm-out 100 per cent of its participating interest in the Sinapa and Esperança licences offshore Guinea-Bissau.

The Gambia

On 18 November 2022 PetroNor announced that it had decided to exercise its right to continue with the Petroleum, Exploration Development and Production Licence agreements ("PEPLA") for the A4 licence in the Gambia. PetroNor is seeking partners in order to enter into a drilling commitment for an exploration well on the A4 block in 2024. This highly prospective block lies 30 km South of the Senegal "Sangomar" field (Woodside) which will start production in 2024 at an estimated 100,000 bopd. The block contains multiple low risk commercial size prospects.

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. The ICSID Tribunal held a hearing on jurisdiction and the merits in Paris during March 2022.

CORPORATE

Board Appointments

On 23 January 2023, Azza Fawzi and Jarle Norman-Hansen were appointment as directors, increasing the number of board members to six, three of which are considered to be independent.

Annual General Meeting

The Annual General Meeting of PetroNor E&P ASA took place on 25 May 2023. All proposed resolutions were passed.

Registration of Reverse Share Split

To meet the continuing obligations of the Oslo Stock Exchange and ensure that the Company share price is trading above the minimum level for the Oslo Børs. PetroNor performed a reverse share split of the Company's shares in the ratio of 10:1 which was registered on 16 June 2023 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.

Økokrim Charges

As previously announced no charges have been brought against PetroNor nor any of its Group companies, though the Company has been made aware that Mr Eyas Alhomouz is no longer considered a suspect by the National Authority for Investigation and Prosecution of Economic and Environmental Crime in Norway (Økokrim).

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

OPERATIONS

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 adding to the production. The drilling programme resumed in May 2023 to add four new wells in Tchibeli. The drilling rig Axima is currently (August 2023) drilling well track #4. The new wells have encountered reservoir parameters above expectations and drilling has progressed significantly faster than planned. These positive indicators have led to the addition of a fifth well to the program and should yield higher than expected reserves outcome. Production from these wells is expected during September, 2023.

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

It is expected the operator will request approval of additional infill drilling and expansion of the pre-salt Vandji in Tchibeli NE and PNGF BIS.

Gross production during the first half of 2023 was 5.51 MMbbls (3.91 MMbbls in same period in 2022), corresponding to 0.93 MMbbls (0.66 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.

Using the CPR and adjusting for 2022 production as at 31 December 2022:

Participation Interest	*16.83%*
1P reserves	12.6 MMbbl
2P reserves	20.3 MMbbl

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 net 2C volume of approximately 7.1 MMbbls assuming a 16.83 per cent participation interest.

Development

Nigeria – OML 113 / The Aje field

PetroNor and YFP-DW have made 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.

PetroNor and the partners awarded a contract to reprocess 3D seismic data with target completion in 2023. The reprocessing of seismic data will be instrumental to update 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. The aim is to conclude a competitive bidding process for the gas with a signed agreement this year.

PetroNor continued work to optimize solutions for FPSO deployment in OML 113 to start Gas and condensate production as well as resuming oil production currently planned in 2026.

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. The agreement followed an extensive negotiation period which was running in parallel with continued maturation of the well location. The activities carried out in this phase included identification of a rig and key service providers and planning for the execution of the drilling of the Atum-1X well in the Sinapa licence. EXCEED Energy are the well delivery partner on contract with PetroNor and through their well respected and established expertise in managing drilling operations worldwide, they bring the continuity required by the National Oil Company of Guinea-Bissau 'Petroguin' and the incoming new operator Apus Energy Guiné-Bissau to safely and efficiently drill the Atum-1X well on schedule in 2024.

The terms of the transaction will bring an initial USD 25 million to Petronor E&P AB before any taxes for 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

Since award of the A4 licence in November 2022, PetroNor have progressed the agreed technical work program. Remapping of 4,000 km2 of multi-client 3D seismic data is almost complete and an inversion and rock physics feasibility study has been completed. Ikon Geoscience is working as the technical contractor on behalf of the PetroNor / Gambia National Petroleum Corporation ("GNPC") partnership. Re-evaluating on a regional basis (not just a block basis), and fully understanding nearby discoveries and dry holes, has enabled PetroNor to put the exciting prospectivity of A4 into context, and has resulted in an increase in the expected Chance of Exploration Success ("COS") and a better definition of the expected recoverable resource ranges. The economics for development will be updated with up to date cost estimates as part of the farm-out process.

The detailed geophysical analysis being conducted by Ikon, based upon the Multi-Client 'Jaan' 3D PSDM seismic dataset from TGS, will hopefully reduce the exploration risk further (through identification of sands, shales and possibly hydrocarbons) and enhance the chance of a successful farm-out. PetroNor have a live 'Virtual Dataroom' and continue discussions with several interested parties.

The first half of the first exploration period expires in May 2024 with the second eighteen-month period carrying a well commitment.

Senegal – ROP & SOSP (In arbitration)

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. The ICSID Tribunal held a hearing on jurisdiction and the merits in Paris during March 2022. We are still awaiting the outcome of the Tribunal.

Financial performance and activities

The PNGF Sud drilling programme which has increased property plant and equipment assets by USD 14.1 million in the period, is adding to production capacity and driving the improvements we are seeing in production outputs. Trade Receivables balance of USD 19.5 million (31 December 2022: Nil) reflects the timing of the last lifting where revenue arising was received in July 2023.

At the half year, the volume of stock was 108,801 bbls giving a stock variation movement within cost of sales of USD 4.3 million (2022 H1 USD: (9.5) million).

As at 30 June 2023 the balance sheet value of trade payables was USD 15.9 (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 June 2023 was USD 30.1 million (31 December 2022: USD 29.4 million), covering almost the entire provision required to be made under the licence arrangements. Obligations under this arrangement will be met well in advance of partnership requirements.

In the period H1 2023 the outstanding loan balance was reduced by USD 2.8 million, with the current facilities maturing before the end of 2024.

During the period, the Group recorded liftings of 833,266 bbls realising an average selling price of 76.3 USD/bbl (there were no liftings in the comparative period of 2022). Gross revenue for the half year was USD 93,919 million (H1 2022: USD 36,826 million), revenue recognised in the first half of 2022 represented royalty and tax revenue as the physical payment in kind of royalties and oil taxes continued with production. The comparatively high Cost of Sales results from the build up of inventory to June 2022 where the movement in oil inventory reduces the costs of sales amount. In H1 2022 this was a credit of USD (9.5) million, versus the current period cost of USD 4.3 million a swing of USD 13.8 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 5.9 million versus USD 3.6 million for the comparative period last year.

As a result, the Group reported an EBITDA of USD 57.8 million for the half year ended 30 June 2023, compared to USD 20.4 million in the same period in 2022. Net profit is USD million versus a loss of USD 9.8 million for the same period 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 30.6 million for the half year ended 30 June 2023, with strong production from the Congo assets generating 30,330 bopd (2022: 21,595 bopd) for the half year. The Group had USD 26.5 million in cash and bank balances as of 30 June 2023 (31 December 2022: USD 24.8 million), as well as inventory of USD 16.9 million (31 December 2022: USD 18.8 million) and trade receivables of USD 19.7 (31 December 2022: USD 1.2 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 August 2023:

#	Shareholder	Number of shares	Per cent
1	Petromal LLC[1]	48,148,167	33.82%
2	Symero Limited	13,876,364	9.75%
3	NOR Energy AS	13,507,063	9.49%
4	Ambolt Invest AS[2]	8,758,329	6.15%
5	Gulshagen III AS	4,500,000	3.16%
6	Gulshagen IV AS	4,500,000	3.16%
7	Nordnet Livsforsikring AS	2,795,156	1.96%
8	Energie AS	2,428,023	1.71%
9	Nordnet Bank AB	2,111,024	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	727,509	0.51%
15	UBS Switzerland AG	673,019	0.47%
16	Helge Holdus	400,000	0.28%
17	Spit Air AS	400,000	0.28%
18	Avanza Bank AB	367,952	0.26%
19	Reodor AS	353,309	0.25%
20	Kjetil Ellertsen	340,714	0.24%
	Subtotal	**107,237,760**	**75.33%**
	Others	35,119,095	24.67%
	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]Ambolt Invest AS is a company controlled by board member Mr. Norman-Hansen.

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, Senegal 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.

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 zero unwanted 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 half year 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. No medical treatment cases nor lost time injury incidents (LTI) were reported by the operator for the half year period. One near-miss included the failure of a crane during a heavy-lift. This lead to some material damages but no injuries to personnel. 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.

Significant events after reporting date

On 06 July 2023, the Company announced that it had completed the sale of 270,000 bbls at a realised price of 72.10 USD/bbl.

In an operational update on 10 July 2023 the Company announced that production had increased by 16% over the previous half year in 2022 attaining 5,119 bopd net to PetroNor. Field performance is supported by strong contributions from the on-going infill drilling campaign. On Tchibeli infill drilling programme, current operations include completing the fourth well in a series of five. The fifth well was added after encountering better than expected reservoir properties and thus the potential for recovering additional reserves. Following completion of the fifth well, top completions will be added to all five before putting four on production and one on injection in quick succession during September.

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 well infill drilling program on PNGF Sud continues; production from the new Tchibeli wells is expected in the coming months. Whilst the upgraded jackup platform for Tchendo will arrive in location before the year end.

Transfer of operatorship of the Guinea Bissau licences to Apus Energy 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 half-year ended 30 June

Amounts in USD thousand (Unaudited)	30 June 2023	30 June 2022
Revenue	**93,919**	36,826
Cost of sales	**(35,590)**	(12,481)
Gross profit	**58,329**	24,345
Exploration expenses	**(408)**	(95)
Administrative expenses	**(6,118)**	(7,676)
Profit from operations	**51,803**	16,574
Finance expense	**(987)**	(1,177)
Foreign exchange (loss)/gain	**(2,165)**	(648)
Profit before tax	**48,651**	14,749
Tax expense	**(18,071)**	(24,681)
(Loss)/Profit for the period	**30,580**	(9,932)
Other Comprehensive income:		
Exchange gains / (losses) arising on translation of foreign operations	**2,322**	147
Total comprehensive income / (loss)	**32,902**	(9,785)
Profit for the period attributable to:		
Owners of the parent	**24,502**	(9,346)
Non-controlling interest	**6,078**	(586)
Total	**30,580**	(9,932)
Total comprehensive income / (loss) attributable to:		
Owners of the parent	**26,824**	(9,199)
Non-controlling interest	**6,078**	(586)
Total	**32,902**	(9,785)
Earnings per share attributable to members:	USD cents	USD cents
Basic (loss) / profit per share	17.21 Cents	(7.00) Cents
Diluted (loss) / profit per share	17.21 Cents	(7.00) 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 June 2023 (Unaudited)**	As at 31 December 2022 (Audited)
ASSETS		
Current assets		
Inventories	**16,895**	18,824
Trade and other receivables	**19,729**	1,171
Cash and cash equivalents	**26,462**	24,816
Total	**63,086**	44,811
Non-current assets		
Property, plant and equipment	**75,975**	67,480
Intangible assets	**43,399**	42,283
Right-of-use assets	**385**	462
Other receivables	**30,050**	29,432
Total	**149,809**	139,656
Total assets	**212,895**	184,467
LIABILITIES		
Current liabilities		
Trade and other payables	**22,148**	20,751
Lease liability	**171**	179
Loans and borrowings	**5,500**	5,500
Total	**27,819**	26,430
Non-current liabilities		
Loans and borrowings	**2,750**	5,500
Lease liability	**193**	280
Provisions	**24,707**	24,563
Deferred tax liabilities	**9,031**	9,031
Other payables	**8,738**	8,738
Total	**45,419**	48,112
Total liabilities	**73,238**	74,542
Net assets	**139,657**	109,925
EQUITY		
Issued capital and reserves attributable to owners of the parent		
Share capital	**72,115**	72,115
Reserves	**2,319**	(3)
Retained earnings	**49,999**	25,497
Total	**124,433**	97,609
Non-controlling interests	**15,224**	12,316
Total equity	**139,657**	109,925

The accompanying notes form part of these interim financial statements.

The interim financial statements were approved and authorised for issue by the board of directors on 29 August 2023.

Consolidated statement of changes in equity

For the half-year ended 30 June

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	**-**	**-**	**-**	**24,502**	**6,078**	**30,580**
Other comprehensive income	**-**	**-**	**2,322**	**-**		**2,322**
Total comprehensive income for the period		**-**	**2,322**	**24,502**	**6,078**	**32,902**
Dividend distributed to non-controlling interest	**-**	**-**	**-**	**-**	**(3,170)**	**(3,170)**
Balance at 30 June 2023	**159**	**71,956**	**2,319**	**49,999**	**15,224**	**139,657**
2022						
Balance at 1 January 2022	62,115	-	(1,421)	(1,390)	6,513	65,817
Loss for the period	-	-		(9,346)	(586)	(9,932)
Other comprehensive income / (loss)	-	-	147	-		147
Total comprehensive income / (loss) for the period	-	-	147	(9,346)	(586)	(9,875)
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 shares as consideration for business combination	-	-	-	-	-	-
Dividends to non-controlling interest	-	-	-	-	-	-
Balance at 30 June 2022	149	61,966	(1,274)	(10,736)	5,927	56,032

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

For the half-year ended 30 June

Amounts in USD thousand (Unaudited)	*Note*	**For the half year ended 30 June 2023**	For the half year ended 30 June 2022
Cash flows from operating activities			
Profit for the period		**48,651**	14,749
Adjustments for:			
Depreciation and amortisation		**5,857**	3,610
Amortisation of right-of-use asset		**191**	115
Unwinding of discount on decommissioning liability		**470**	530
Net foreign exchange differences		**2,322**	147
Finance expense		**509**	647
Total		**58,000**	19,798
Decrease / (increase) in trade and other receivables		**(18,558)**	12,426
Increase in advance against decommissioning cost		**(618)**	(2,337)
Decrease in other provisions		**(328)**	-
Increase in inventories		**1,929**	(11,538)
Increase / (decrease) in trade and other payables		**1,397**	2,108
Cash generated from operations		**41,822**	20,427
Income taxes paid		**(18,071)**	(24,681)
Net cash flows from operating activities		**23,751**	(4,254)
Investing activities			
Purchases of property, plant and equipment		**(14,125)**	(13,697)
Purchase of intangible assets		**(1,342)**	(303)
Net cash flows from investing activities		**(15,467)**	(14,000)
Financing activities			
Issue of ordinary shares			-
Repayment of loans and borrowings		**(2,750)**	(5,001)
Interest on loans and borrowings		**(509)**	(647)
Repayment of principal portion of lease liability		**(201)**	(140)
Repayment of interest portion of lease liability		**(8)**	(17)
Dividends paid to non-controlling interest		**(3,170)**	-
Net cash flows from financing activities		**(6,638)**	(5,805)
Net increase / (decrease) in cash and cash equivalents		**1,646**	(24,029)
Cash and cash equivalents at beginning of period		**24,816**	31,755
Cash and cash equivalents at end of period		**26,462**	7,726

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 June 2023 was authorised for issue in accordance with a resolution of the directors on 29 August 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 half-year ended 30 June 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 June 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	**Six months ended**	
(Unaudited)	**30 June 2023**	30 June 2022
Revenue from contracts from customers		
Revenue from sales of petroleum products	**63,579**	-
Other revenue		
Assignment of tax oil	**18,071**	24,681
Assignment of royalties	**12,269**	12,145
Total	**93,919**	36,826
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)	900,495	779,088

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	**Six months ended**	
(Unaudited)	**30 June 2023**	30 June 2022
Operating expenses	**12,370**	6,230
Royalty	**12,269**	12,145
Depreciation and amortisation of oil and gas properties	**5,856**	3,601
Provision for diversified investment	**821**	-
Movement in oil inventory	**4,274**	(9,495)
Total	**35,590**	12,481

Provision for diversified investment expenditure has been reclassified from administrative expenses to cost of sales in H2 2022.

Note 05 Administrative expenses

Amounts in USD thousand	**Six months ended**	
(Unaudited)	**30 June 2023**	30 June 2022
Employee benefit expenses	**2,488**	2,885
Travelling expenses	**329**	218
Legal and professional expenses	**2,036**	2,224
Corporate social responsibility	**294**	-
Provision for diversified investment	**-**	826
Business development	**334**	188
Other expenses	**637**	1,430
Total	**6,118**	7,676

Provision for diversified investment expenditure has been reclassified from administrative expenses to cost of sales in H2 2022.

Notes to the interim financial statements

Note 06 Finance expenses

Amounts in USD thousand *(Unaudited)*	Six months ended **30 June 2023**	30 June 2022
Unwinding of discount on decommissioning liability	**470**	530
Finance cost on lease liabilities	**8**	17
Interest on loans	**503**	627
Other interest	**6**	3
Total	**987**	1,177

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

(Unaudited)	Six months ended **30 June 2023**	30 June 2022
Profit/(loss) attributable to the ordinary equity holders used in calculating basic/diluted profit per share	**24,536**	(9,346)
Weighted average number of ordinary shares outstanding during the period used in the calculation of earnings per share		
Basic profit/(loss) per share	**142,356,854**	1,326,991,006
Diluted profit/(loss) per share	**142,356,854**	1,327,779,361

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

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 June 2023 (30 June 2022: nil).

Note 9 Inventories

Amounts in USD thousand	**30 June 2023** ***(Unaudited)***	31 December 2022 *(Audited)*
Crude oil inventory	**3,202**	7,475
Materials and supplies	**13,693**	11,349
Total	**16,895**	18,824

Crude oil inventory is valued at cost of USD 29.43 per bbl (2022: USD 29.43 bbl). This is derived from the direct production costs USD 51.2 million in 2022 and the unit production cost USD 1.74 million. 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 June 2023** ***(Unaudited)***	31 December 2022 *(Audited)*
Recoverability less than one year		
Trade receivables	**19,477**	-
Other receivables	**252**	1,171
Total	**19,729**	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 liability, the contractors group and the Congolese Government have decided to set up funds for the decommissioning cost in an escrow account which is managed by the operator.

Note 11 Cash and cash equivalents

Amounts in USD thousand	**30 June 2023** ***(Unaudited)***	31 December 2022 *(Audited)*
Cash in bank	**26,436**	24,775
Restricted cash	**26**	41
Total	**26,462**	24,816

Amounts in USD thousand	Non-current borrowings	Current borrowings	**Total**
At 1 January 2023	5,500	5,500	11,000
Cash flows		(2,750)	(2,750)
Non-cash flows	-	-	-
Movement non-current to current	(2,750)	2,750	-
As at 30 June 2023	**2,750**	5,500	8,250
At 1 January 2022	**-**	13,079	13,079
Cash flows	**-**	(5,001)	(5,001)
Non-cash flows	**-**	-	-
Movement non-current to current	**-**	-	-
As at 30 June 2022	**-**	8,078	8,078

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 June 2023 *(Unaudited)***	31 December 2022 *(Audited)*
Congo	**107,741**	98,876
The Gambia	**5,412**	4,507
Guinea-Bissau	**1,017**	667
Nigeria	**35,226**	35,226
Other countries	**412**	380
Total	**149,808**	139,656

Note 13 Property, plant and equipment

Amounts in USD thousand	**30 June 2023 *(Unaudited)***	31 December 2022 *(Audited)*
Cost		
Opening balance	**89,885**	53,204
Additions	**14,126**	36,681
Disposals	**-**	-
Closing balance	**104,011**	89,885
Accumulated Depreciation		
Opening balance	**22,406**	13,807
Charge for the period	**5,630**	8,599
Closing balance	**28,036**	22,406
Closing net carrying value	**75,975**	67,479

Note 14 Intangible assets

LICENCES AND APPROVALS

Amounts in USD thousand	**30 June 2023 *(Unaudited)***	31 December 2022 *(Audited)*
Cost		
Opening balance	**37,831**	11,210
Additions	**1,342**	2,353
Additions in relation to business combinations	**-**	24,268
Closing balance	**39,173**	37,831
Accumulated amortisation and impairment		
Opening balance	**4,579**	4,038
Amortisation	**227**	541
Closing balance	**4,806**	4,579
Closing net carrying value	**34,367**	33,252

Notes to the interim financial statements

GOODWILL

Amounts in USD thousand	**30 June 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 June 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 six months to 30 June 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 June 2023** **(*Unaudited*)**	31 December 2022 (*Audited*)
Amounts due less than one year		
Trade payables	**15,941**	15,437
Due to related parties	**20**	2,019
Taxes and state payables	**286**	787
Other payables and accrued liabilities	**5,901**	2,508
Total	**22,148**	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 June 2023** ***(Unaudited)***	31 December 2022 *(Audited)*
Opening balance	**11,000**	13,079
Received	**-**	11,000
Principal repayment	**(2,750)**	(13,079)
Interest on loan accrued	**576**	1,042
Interest on loan paid	**(576)**	(1,042)
Closing balance	**8,250**	11,000
Ageing of loans payable		
Current	**5,500**	5,500
Non-current	**2,750**	5,500
Total	**8,250**	11,000

As at 30 June 2023, the outstanding USD 8.25 million debt facility carries an interest rate of 11.0 per cent and is to be repaid in six quarterly instalments of USD 1.375 million.

Note 17 Provisions

Amounts in USD thousand	**30 June 2023** ***(Unaudited)***	31 December 2022 *(Audited)*
Opening balance	**20,912**	16,302
Arising during the year	**-**	3,768
Unwinding of discount on decommissioning	**471**	842
Closing balance	**21,383**	20,912
Other provisions	**3,324**	3,651
Total	**24,707**	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 June 2023** ***(Unaudited)***	31 December 2022 *(Audited)*
Current assets	**53,942**	28,363
Current liabilities	**(27,296)**	11,210
Current net assets	**26,646**	17,153
Non-current assets	**107,741**	98,876
Non-current liabilities	**(20,878)**	20,804
Non-current net assets	**86,863**	78,072
Net assets	**113,509**	95,225
Accumulated NCI	**19,015**	16,091

Summarised statement of comprehensive income
For half-year ended 30 June

Amounts in USD thousand (Unaudited)	**2023**	2022
Revenue	**93,919**	36,826
Profit for the period	**38,285**	3,700
Other comprehensive income	**-**	-
Total	**38,285**	3,700
Profit allocated to NCI	**6,094**	586
Dividends paid to NCI	**3,170**	-

Summarised statement of cash flows
For half-year ended 30 June

Amounts in USD thousand (Unaudited)	**2023**	2022
Cash flows from operating activities	**31,791**	(222)
Cash flows from investing activities	**(14,125)**	(13,695)
Cash flows from financing activities	**(8,241)**	(286)
Net increase / (decrease) in cash and cash equivalents	**9,426**	(14,203)

Note 19 Share capital

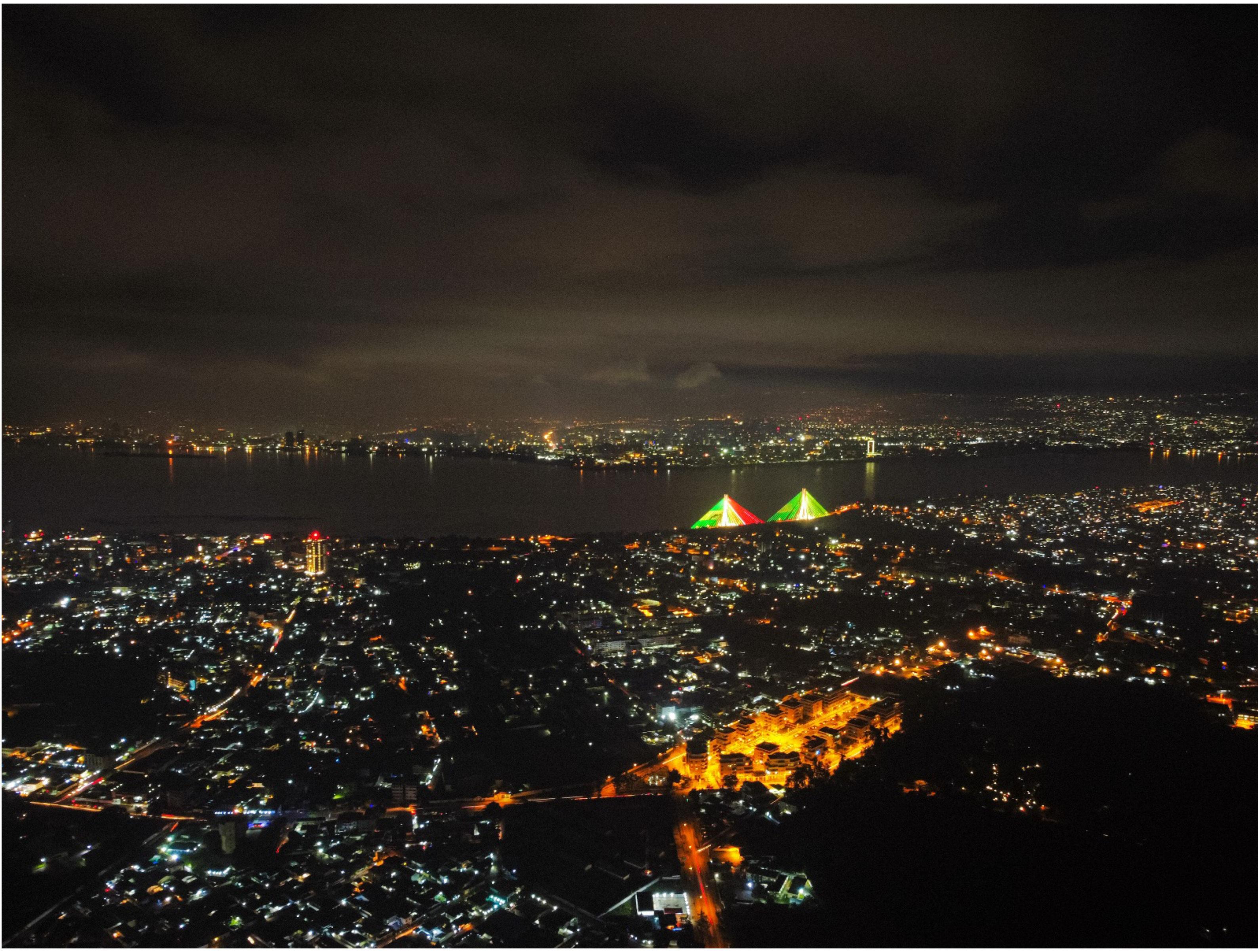
On 16 June 2023 PetroNor announced that the reverse share split in the ratio 10:1 had been registered with the Norwegian Register of Business Enterprises. Following such registration, the share capital of the Company is NOK 1,423,568.55 divided into 142,356,855 shares, each with a nominal value of NOK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

Note 20 Post balance sheet events

On 06 July 2023, the Company announced that it had completed the sale of 270,000 bbls at a realised price of 72.10 USD/bbl.

In an operational update on 10 July 2023 the Company announced that production had increased by 16% over the previous half year in 2022 attaining 5,119 bopd net to PetroNor. Field performance is supported by strong contributions from the on-going infill drilling campaign. On Tchibeli infill drilling programme, current operations include completing the fourth well in a series of five. The fifth well was added after encountering better than expected reservoir properties and thus the potential for recovering additional reserves. Following completion of the fifth well, top completions will be added to all five before putting four on production and one on injection in quick succession during September.

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 half year ended 30 June 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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