

## Q2 2022 Presentation

30 August 2022, Eyas Alhomouz (Chairman), Jens Pace (Interim CEO)



This Presentation has been prepared by PetroNor E&P ASA (Company).

## Summary information

This Presentation contains summary information about the Company and its subsidiaries (Company Group) and their activities. The information in this Presentation does not purport to be complete or comprehensive, and does not purport to summarise all information that an investor should consider when making an investment decision. It should be read in conjunction with the Company's other periodic and continuous disclosure announcements lodged with Oslo Børs, which are available at [www.euronext.com/nb/markets/oslo](http://www.euronext.com/nb/markets/oslo).

## Not financial product advice

This Presentation is for information purposes only and is not a prospectus, product disclosure statement or other offer document under Norwegian law or the law of any other jurisdiction. This Presentation is not a financial advice, a recommendation to acquire Company shares or accounting, legal or tax advice. It has been prepared without taking into account the objectives, financial or tax situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial and tax situation and needs and seek such legal, financial and/or taxation advice as they deem necessary or appropriate to their jurisdiction. The Company is not licensed to provide financial product advice in respect of Company shares.

## Future performance

This Presentation contains certain forward looking statements. The words anticipated, expected, projections, forecast, estimates, could, may, target, consider and will and other similar expressions are intended to identify forward looking statements. Forward looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements including projections, indications or guidance on future earnings or financial position and estimates are provided as a general guide only and should not be relied on as an indication or guarantee of future performance. There can be no assurance that actual outcomes will not differ materially from these statements. This difference may be due to various factors, including, among others: general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; actual results of reclamation activities; the outcome of negotiations, conclusions of economic evaluations and studies; changes in project parameters and returns as plans continue to be refined; future price of oil and gas; drilling risks; political instability; insurrection or war; arbitrary changes in law; delays in obtaining governmental approvals or financing or in the completion of development activities. The forward looking statements in this Presentation speak only as of the date of this Presentation. To the full extent permitted by law, the Company and its directors, officers, employees, advisers, agents and intermediaries disclaim any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions. Nothing in this Presentation will under any circumstances create an implication that there has been no change in the affairs of Company Group since the date of this Presentation.

## Investment risk

An investment in the Company shares is subject to investment and other known and unknown risks, some of which are beyond the control of the Company Group. The Company does not guarantee the performance of the Company or any particular rate of return on the performance on the Company Group, nor does it guarantee the repayment of capital from the Company or any particular tax treatment. Due to the widespread Covid-19 virus, the situation is highly volatile implying significant risk on forward looking statements.

## Not an offer

This Presentation is not and should not be considered an offer or an invitation to acquire Company shares or any other financial products and does not and will not form any part of any contract for the acquisition of the Company shares. This Presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Company shares have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

## Competent person statements

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 PetroNor E&P 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.

## Disclaimer

The Company's advisers have not authorised, permitted or caused the issue, lodgement, submission, despatch or provision of this Presentation and do not make or purport to make any statement in this Presentation and there is no statement in this Presentation which is based on any statement by the advisers. To the maximum extent permitted by law, the Company, its representatives, advisers and their respective officers, directors, employees, agents or controlling persons (collectively, the Representatives) expressly disclaim all liabilities in respect of, and make no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this Presentation or in any other documents furnished by the foregoing persons.

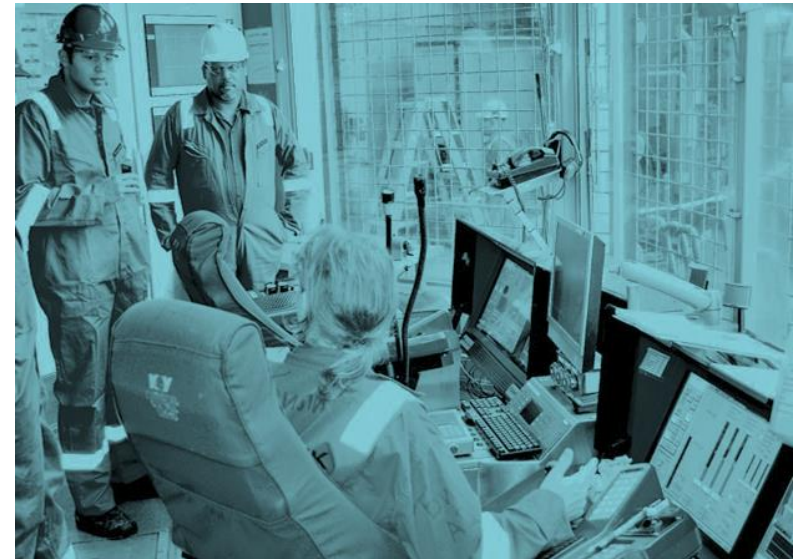
Statements made in this Presentation are made only at the date of this Presentation. The information in this Presentation remains subject to change without notice.

# Q2 2022: Infill drilling supporting production growth



## Q2 and subsequent events:

- Congo infill drilling programme continues with four new wells on Litanzi brought onstream and production above expectations.
- Average Q2 total net production of 3,737 bopd expected to ramp up to 5,000 bopd during the year.
- New lifting arrangements agreed with established Djeno Terminal operator. Lifting scheduled early October.
- Revenue for Q1 22 restated after no liftings in the first half of the year.
- The purchase of Panoro Energy ASA's Aje field interests offshore Nigeria has completed.








## H1 2022: Oil inventory true value yet to be realised

- Reported half year balance of USD 10 million of oil stock (439,992 bbls), prevailing prices indicate value is USD 42 million:
  - Reported cost value USD 22.8 /bbl
  - Net realisable value USD 95.0 /bbl
- USD 13.7 million invested in PNGF Sud drilling programme during H1 2022. Pay-back period on these wells will be <1 year, based on current prices and increased production rates.
- Interest bearing debt reduced by USD 5.0 million since year end and remaining USD 8.1 million due to be repaid or refinanced before year end.
- Half year liabilities include USD 22.5 million outstanding for joint interest billings. Oil inventory to be transferred to Perenco in settlement of license obligations.

Position (USD m)	Jun 2022	Dec 2021
Current assets	26.9	51.8
Non-current assets	86.7	73.4
<b>Total assets</b>	<b>113.6</b>	125.2
Current liabilities	40.3	39.2
Non-current liabilities	17.3	20.2
<b>Total liabilities</b>	<b>57.6</b>	59.4
<b>Net Assets</b>	<b>56.0</b>	65.8
<b>Non-controlling interest</b>	<b>5.9</b>	6.5
Interest bearing debt	8.1	13.1
Cash balance	7.7	31.8
Oil inventory	10.0	0.6

# H1 2022: Lifting timetable skews interim period reported figures

	H1-22	H1-21	2021	2020
 Average daily gross field oil production at PNGF Sud (bopd)	<b>21,595</b>	20,289	20,636	22,713
 Volumes (1,000 bbl)	<b>n/a</b>	420	831	994
 Average oil selling price (USD/bbl)	<b>n/a</b>	62.9	69.3	40.9
 Revenue from sales of petroleum products <sup>1</sup> (USD m)	-	26.5	57.6	40.6
 Other revenues (USD m)	<b>36.8</b>	21.7	48.9	26.9
Total revenue (USD m)	<b>36.8</b>	48.2	106.5	67.5
Profit / (Loss) for the period	<b>(9.9)</b>	8.9	21.1	11.2
EBITDA (USD m)	<b>20.4</b>	27.5	61.9	33.8

No physical oil liftings in H1 2022 with no petroleum products sales recognised and a total loss for the period reported (reported revenue for Q1 has been restated)

Full-year profits largely unaffected as a new lifting arrangement has been agreed with established Djeno terminal operator - two or three liftings expected in H2 2022 (seven achieved in both 2021 and 2020)

ADNOC sales agreement awaiting 3<sup>rd</sup> party pooling agreement to become operationally effective




One-off fees for the up listing to the main Børs and restructuring increased the administrative expenses with USD 7.7 million reported for the half year (2021: USD 5.3 million)

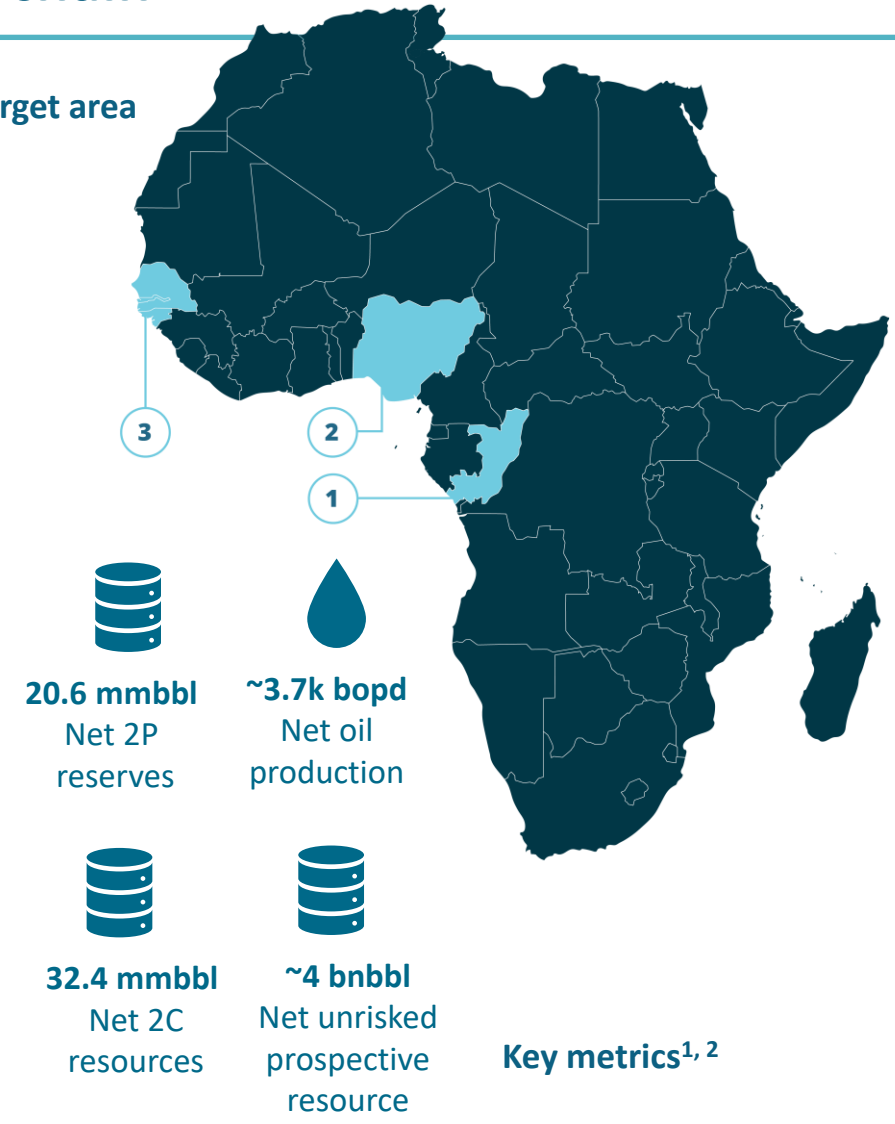
<sup>1</sup> Q1 2022 USD 22.3 million previously reported sales of petroleum products restated retroactively, further details included in the notes to the interim financial report for H1 & Q2 2022

# Balanced portfolio across the E&P value chain



## Geographical target area

1	<b>Production base – Congo-Brazzaville – PNGF Sud/Bis</b>
	<ul style="list-style-type: none"> <li>&gt; Gross field production of ~27,000 bopd</li> <li>&gt; High margin production</li> <li>&gt; Operated by Perenco (PetroNor 16.83%)</li> </ul>
2	<b>Re-development – Nigeria – Aje Field (OML 113)</b>
	<ul style="list-style-type: none"> <li>&gt; Purchase of interests completed</li> <li>&gt; Development plan of 25,000 boepd</li> <li>&gt; Gas delivers a strong ESG profile</li> </ul>
3	<b>Exploration – large scale prospects</b>
	<ul style="list-style-type: none"> <li>&gt; Multi billion bbl potential</li> <li>&gt; Proven basin</li> <li>&gt; Significant recent discoveries made along the Atlantic Margin</li> </ul>



<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. Volumes as of 1 Jan 2022 on PNGF Sud (AGR 6/4/2022); <sup>2)</sup> Exploration: Sum Net Unrisked Mean Case Prospective Recoverable Resources, based on ERC Equipoise, net unrisked mean prospective resources (Gambia/Senegal), Company management estimate, SPE Guinea Bissau AB estimate.



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

### High margin producer with growth potential

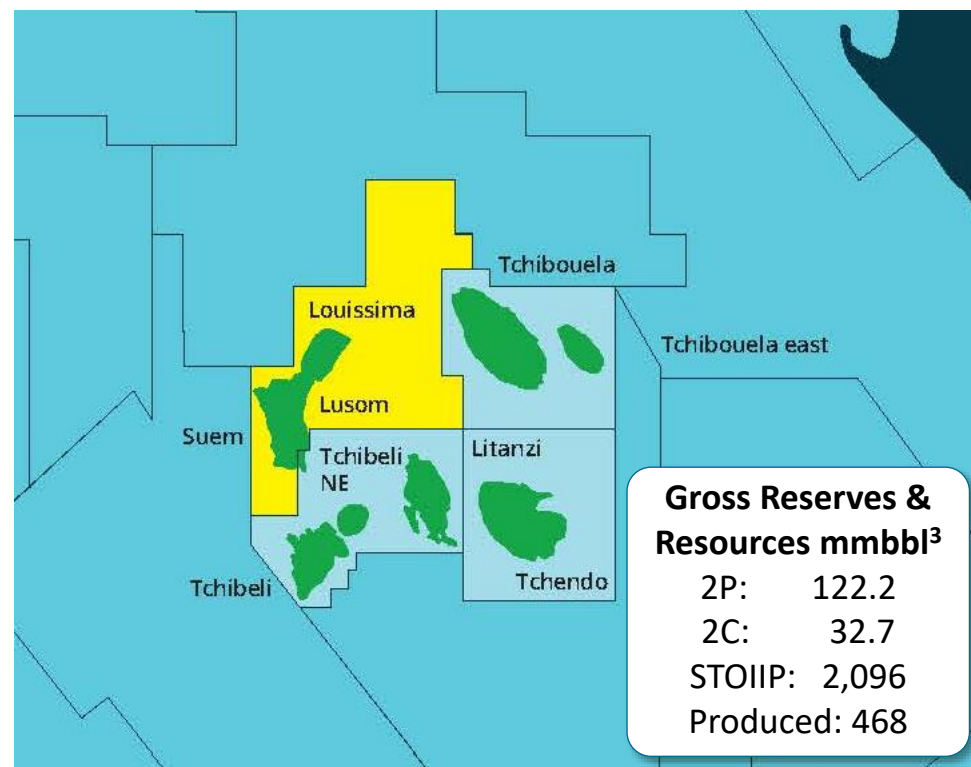
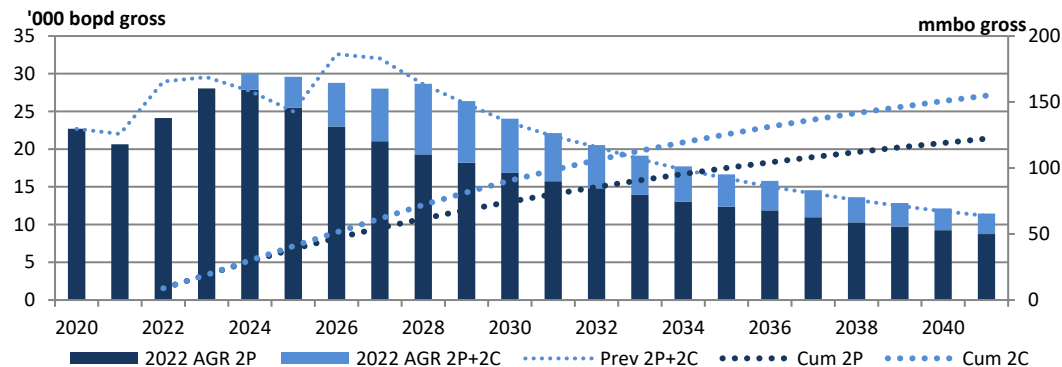
- > >2 Bn barrels mature oil asset which came on stream in 1987 with long lived remaining potential
- > Located in shallow waters (80 - 100 meters) with significant infrastructure in place
  - Nine steel jackets as drilling or processing centers
  - 67 active producing wells across five fields
- > Asset has demonstrated potential to increase production through workovers and infill drilling
  - Litanzi infill drilling program delivered 2 producers and 2 injectors with above expectation production
  - Substantial scope for increased oil recovery
  - Further infill drilling on Tchibouela, Tchibouela East and Tchendo likely following the initial 17 infill wells

<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 2022 prepared by AGR 6 Apr 2022

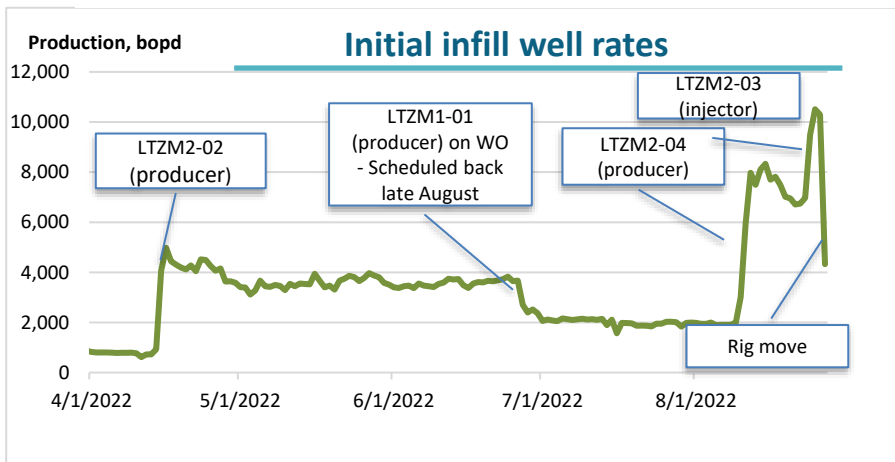
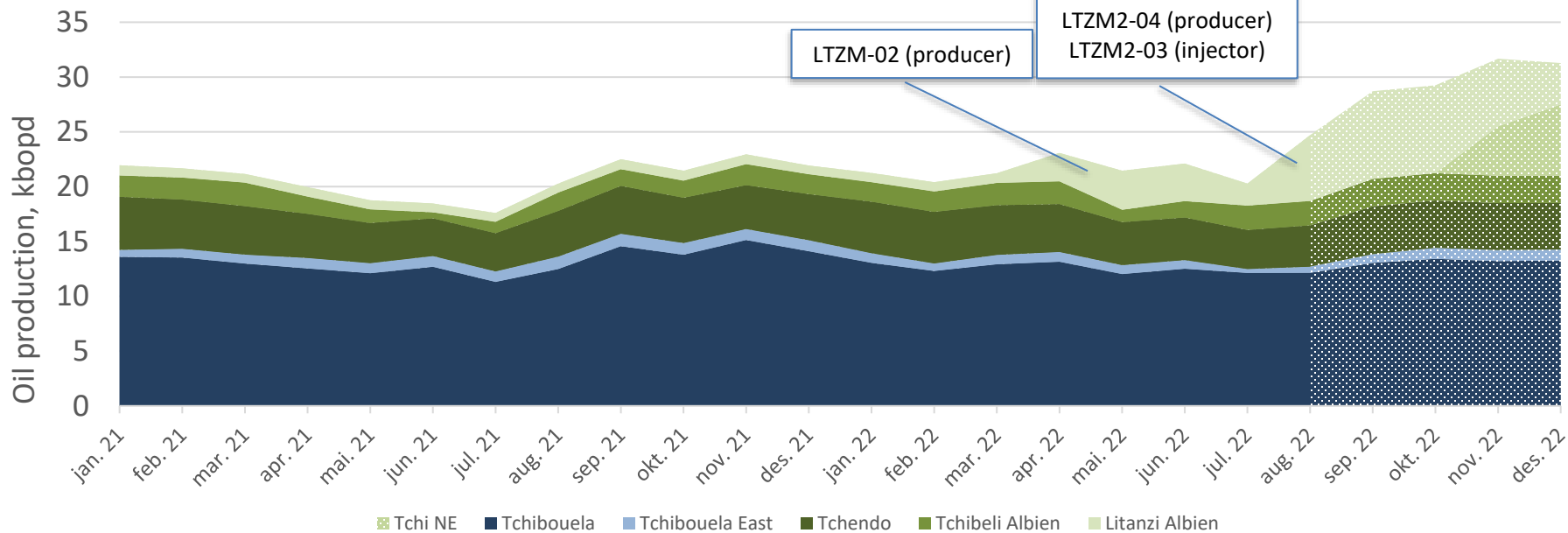
### Production and Reserves





# Production growth from infill drilling

17 wells - 2-year drilling program



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



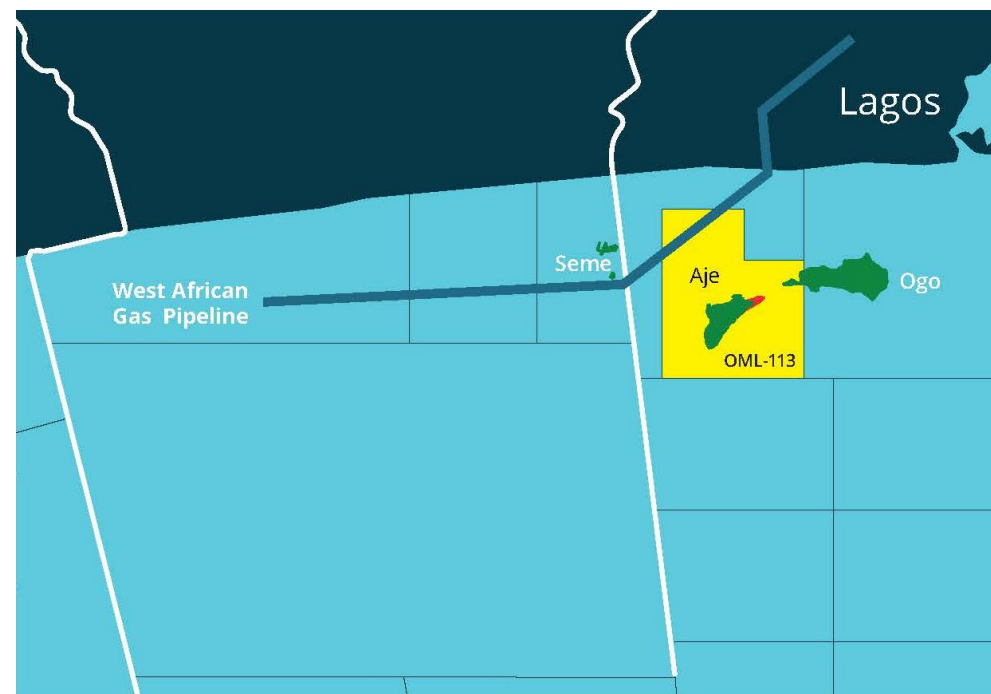
## Acquisition completed - Aje re-development engagement with partners

### Key development<sup>1</sup>

- PetroNor now has a seat at the Licence group table
- Finalising arrangements with Licence operator to hold 52% interest in jointly owned Aje Production
- Significant upside potential to be unlocked through new partnership and different technical approach
- Aje Production ready to engage with the Technical Service Company for the Licence partnership

### Gas – the transition fuel for Africa

- Re-development can 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)

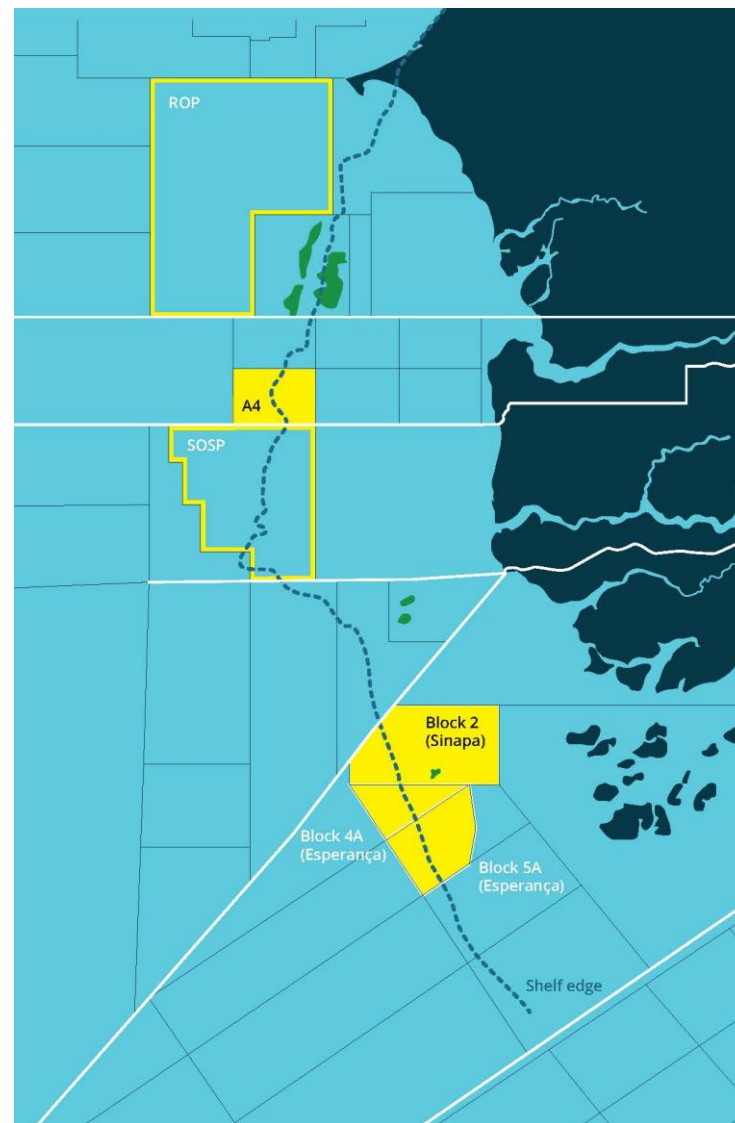


1) 6.502% participating interest, with 16.255% cost bearing interest, representing an economic interest of 12.1913% in OML 113. Option to pay partly in cash should the PetroNor share price fall below USD 0.13 per share; Future consideration of up to USD 16.67m based on gas production royalty in a success case

## West African high impact exploration

### Attractive exploration portfolio

- PetroNor holds a prospective exploration portfolio on trend with significant discoveries
  - Guinea Bissau advanced well planning for 2023
  - Gambia A4 license option milestone 18 October 2022 under discussion with the government
  - Farm-out discussions continue with IOCs across the portfolio
  - Revival in exploration expected with strengthening oil price and recent West Africa DW discoveries
  
- Significant prospect sizes
  - Multiple prospects each >200million barrels recoverable
  - Low risk stacked targets



# Positioned for growth

- Continued strong delivery from Congo assets
- Rising production outlook, targeting reaching a rate of 5,000 bopd during 2022
- Infill drilling programme supports long term production growth
- New arrangements provide visibility on lifting of entitlement oil inventory
- Aje transaction completed and partner engagement on a re-development opportunity is underway

Medium term outlook positions PetroNor with the financial capacity and flexibility to:

- > Execute **organic growth strategy**
- > Execute **transformational and accretive M&A deals**

## 3-Year Target



**Reserves**  
300 mmbbl



**Production**  
30,000 boepd

