

PetroNor E&P ASA: Farm-out of exploration licences in Guinea-Bissau for up to USD 85 million

Oslo, 27 June 2023: PetroNor E&P AB, a wholly owned subsidiary of PetroNor E&P ASA (“PetroNor”), has today entered into a binding agreement to farm-out 100 per cent of its participating interest in the two exploration licences offshore Guinea-Bissau to an SPV owned by Apus Energy DMCC, a subsidiary of Petromal.

According to the agreement, which has an effective date of 1 January 2023, PetroNor will receive a payment of up to USD 85 million divided into a contribution towards past licence costs of at least USD 25 million at completion of the transaction, and a further entitlement to two contingent earnout payments of USD 30 million each, subject to government approval of a field development plan and achievement of continuous production respectively.

“Today’s agreement marks an important milestone for PetroNor and for Guinea-Bissau as completion of the transaction will add significantly to PetroNor’s balance sheet and lead to the drilling of an exploration well during the first half of 2024,” says interim CEO Jens Pace.

The agreement involves the Sinapa (Block 2) and Esperança (Blocks 4A and 5A) licences. The assets will be assigned to Apus Energia Guiné Bissau SA, which is owned by Apus Energy DMCC, a Dubai-based joint venture majority owned by Petromal LLC.

Petromal LLC is the largest PetroNor shareholder, with an ownership of close to 34 per cent of the shares. Since the transaction involves a related party, the non-conflicted directors on the board have received an independent assessment from KWC AS of the fairness of the negotiated terms, which concludes that the transaction is fair.

“We are happy to have worked with our largest shareholder to conclude this transaction that will create value for all shareholders by strengthening our balance sheet to put us one step closer on our pathway to paying dividends” added Pace.

PetroNor E&P AB, which holds the Sinapa and Esperança licences was purchased from Svenska Petroleum Exploration AB in 2021, when PetroNor assumed operatorship and an interest of 78.57 per cent in both licences. In 2023, it was confirmed that the remaining 21.43 per cent previously held by FAR Limited had been transferred to PetroNor.

The combined licences cover an area of 4,963 square kilometers. According to PetroNor estimates, the two main prospects, Atum and Anchova, represent mean un-risked prospective resources of 467 MMbbl.

The signature of the agreement was witnessed by a representative of Petroguin, the national oil company of Guinea-Bissau. The transaction is expected to be completed in the second half of 2023 pending final government approval of a licence extension, the assignment of interests and operatorship, and satisfaction of certain other closing conditions customary for a transaction of this kind.

In accordance with §3-19 of the Public Limited Liability Companies Act, the non-conflicted board directors have prepared and signed an Announcement of the Material Agreement concluded between PetroNor E&P ASA's subsidiary PetroNor E&P AB and Apus Energy DMCC. This announcement is available on the company’s website:

<https://petronorep.com/investors/results-reports-presentations/>

This information is considered to be inside information pursuant to the EU Market Abuse Regulation and is subject to the disclosure requirements pursuant to section 5-12 the Norwegian Securities Trading Act.

This stock exchange announcement was published by Chris Butler, Group Financial Controller of PetroNor E&P ASA on 27 June 2023 at 19:00 CEST.

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About PetroNor E&P ASA

PetroNor E&P ASA is an Africa-focused independent oil and gas exploration and production company listed on Oslo Børs with the ticker PNOR. PetroNor E&P ASA holds exploration and production assets offshore West Africa, specifically the PNGF Sud licenses in Congo Brazzaville, the A4 license in The Gambia, the Sinapa (Block 2) and Esperança (Blocks 4A and 5A) licenses in Guinea-Bissau, the Rufisque Offshore Profond and Senegal Offshore Sud Profond in Senegal (in arbitration) and OML-113 in Nigeria.