Interim Financial Report

For the year and quarter ended

31 December 2023

HIGHLIGHTS

2P Reserves (MMboe)	**2C Contingent Resources** (MMboe)	**Market capitalisation** (USD million)
20.3 (2022: 20.6)	**35.9** (2022: 12.7)	**110** (2022: 111)

For the year ended 31 December 2023

EBITDA (USD million)	**EBIT** (USD million)	**Net profit** (USD million)
141.3	**124.8**	**78.1**
2022: 96.4	2022: 87.1	2022: 34.3

- **Record oil sales recorded during 2023**
  1,543,910 barrels of oil lifted and sold at an average realised sales price of 78.3 USD/bbl
- **Allocated net production from PNGF Sud for the quarter was 5,319 bopd**
  average of 5,168 bopd 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**
- **22.7% net interest in the PNFG Bis licence in the Republic of Congo awarded before year-end**
- **USD 22.9 million cash received for Guinea-Bissau farm-out**

Assets

Republic of Congo (Brazzaville)

PetroNor E&P ASA (PetroNor or 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 eleven wellhead platforms and currently produce from 70 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.

On 27 December 2023, the Council of Ministers in the Republic of Congo met and approved a number of energy projects. This included the award of the PNGF Bis licence to a contractor group led by Perenco as an operator and with PetroNor, represented through its Congolese subsidiary, Hemla E&P Congo, as a partner with a net interest of 22.7%. This approval will clear the path for signing a production sharing agreement in early 2024.

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 joint venture with YFP DW under Aje Production AS 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 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 contains multiple low risk commercial-size prospects and lies 30 km South of the Senegal "Sangomar" field (Woodside) which is anticipated to start production in 2024.

Guinea-Bissau

PetroNor has farmed-out 100 per cent of its participating interest in the Sinapa and Esperança licences offshore Guinea-Bissau but retains upside exposure if a discovery at Atum-1X is subsequently developed.

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) and a medical treatment case (MTC) (a hit finger) were reported in the period of January to October 2023, but no lost time injury incidents (LTI) were reported by the operator for the same period in which almost 869,000 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 and production is close to pre-drill "high-case" estimate.

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 installed and being commissioned in the field. Drilling of the initial six wells is expected to start at the beginning of 2025. The new wellhead platform has been equipped with 3x9MW power generation capacity which when commissioned in Q1 will secure power independence from the Nkossa FPSO by using the additional gas volumes from the recent Litanzi and Tchibeli NE wells. One additional pre-salt Vandji in Tchibeli NE has been added to the infill drilling programme and drilling rig Axima spudded the well mid-February.

Gross production for 2023 was 11.2 MMbbls (8.7 MMbbls in same period in 2022), corresponding to 1.9 MMbbls (1.5 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 2023, 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 continuing to progress towards completing the formation of the jointly owned Aje Production AS. On 29 December 2023, PetroNor transferred its interests in OML 113 to the joint venture via the disposal of its shares in the entities holding the interest in the licence. 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 in 2023. The work is expected to be completed in February 2024 and will be followed by consideration for update to the Field Development Plan based on the outcome of reprocessing.

PetroNor together with the joint venture partnership ("JVP") received competitive bids for the planned Aje gas production and continued to engage with multiple potential offtakers.

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 transaction completed in Q4 2023, and resulted in a cash contribution to past costs of USD 22.9 million .

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 would be 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 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. Further work on the conditioned data will enable updates to volumetrics and risk assessments. The Gambia National Petroleum Corporation 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 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 had been ordered to pay approximately USD 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

During the quarter, there were two significant transactions that impacted PetroNor's financial performance being the farm-out of equity in Sinapa and Esperança 4A/5A licences and the loss of control of the Aje subsidiaries holding the interest in OML 113 licence.

The loss of control of the Aje subsidiaries predominantly impacted the balance sheet as at 31 December 2023. The key movements included a decrease in intangible assets of USD 34.3 million, a decrease of USD 8.7 million relating to cash calls owed to the venture and reduction of deferred tax liabilities of USD 9.0 million. Before year end, PetroNor transferred 100% of the shares in these entities to Aje Production AS, representing PetroNor's contribution to the joint venture. As these events have taken place around year end, timing meant that the consideration shares had not yet been issued. As a result, a USD 11.0 million "other receivable" has been recognised which will subsequently be reclassified to investments in associates upon completion. Refer to note 20 for additional information.

The conclusion of the Guinea-Bissau farm-out has resulted in an increase of USD 22.9 million in cash and a net gain of USD 19.4 million before tax. Refer to note 09 Discontinued Operations for more detail.

The PNGF Sud drilling programme which has increased property plant and equipment assets by USD 38.3 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 106,208 bbls resulting in a stock variation movement within cost of sales of USD 4.4 million (2022: USD (6.9) million).

The balance of cash advanced to the Operator in Congo for decommissioning costs at 31 December 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, to reflect the capital expenditure on the infill drilling program.

During the twelve-month period, the outstanding loan balance was reduced by USD 5.5 million, with the remaining balance classified as current. The facility is due to mature before the end of 2024.

The Group recorded liftings of 1,543,910 bbls realising an average selling price of 78.3 USD/bbl (2022: 90.99). Gross revenue for the year to date was USD 187.3 million (2022: USD 146.0 million). The comparatively high Cost of Sales in 2023 versus 2022 was primarily a result of the reduction in inventory as the Group had five liftings in the current year as opposed to two in 2022. The prior year to date figure was a credit of USD (6.92) million, versus the current year cost of USD 4.4 denoting a variance of USD 11.3 million. Depreciation, a non-cash item, is also higher, with the depletion rates rising due to a combination of increased production and additional capex in the fixed asset base. Depreciation and amortisation are USD 17.2 million versus (2022 USD 9.1 million).

As a result, the Company and its related companies (the "Group") reported an EBITDA of USD 141.3 million for the year ended December 2023, compared to USD 96.4 million in the same period in 2022. YTD profit at December is USD 77.8 million versus a loss of USD 34.3 million in 2022. The large increase in the net profit is driven primarily by increased liftings during the period, in conjunction with the gain from the Guinea-Bissau farm-out.

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 Group benefited from strong production from the Congo assets generating 5,319 bopd in the fourth quarter (Q4 2022: 4,688 bopd).

The increase of USD 21.4 million in cash and increase in trade receivables of USD 27.3 million has enabled the directors to form the opinion that the Company will be able to continue to meet its liabilities and obligations with a net current asset position of USD 70 million.

Top 20 Shareholders

As of 31 January 2024:

#	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	Ambolt Invest AS[3]	8,758,329	6.15%
4	Sjøvollen AS	5,179,072	3.64%
5	Hagan AS	4,980,513	3.50%
6	Gulshagen III AS[4]	4,500,000	3.16%
7	Gulshagen IV AS[4]	4,500,000	3.16%
8	Energie AS	2,607,570	1.83%
9	Nordnet Livsforsikring AS	2,546,027	1.79%
10	NOR Energy AS	2,274,665	1.60%
11	Nordnet Bank AB	2,168,891	1.52%
12	Enga Invest AS	1,072,278	0.75%
13	Omar Al-Qattan	764,546	0.54%
14	Leena Al-Qattan	764,546	0.54%
15	Pust For Livet AS	749,761	0.53%
17	UBS Switzerland AG	697,357	0.49%
16	Danske Bank A/S	695,354	0.49%
18	Jon Arne Toft	567,170	0.40%
19	Jon Sigurdsen	438,788	0.31%
20	Helge Holdhus	420,000	0.30%
	Subtotal	105,709,398	74.26%
	Others	36,647,457	25.74%
	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 and The Gambia.

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

In February 2024, long lead inventory that was purchased in prior years for the exploration program in Guinea-Bissau was sold for proceeds of USD 3.5 million.

In February 2024, the Company achieved a new operational milestone by exporting under its own capacity as a party to the Djeno terminal in Congo. The arrangements with the Djeno terminal increase the options available to the Company to bring to market its PNGF Sud oil production.

The drilling rig Axima started a new Vandji well in Tchibeli NE during mid-February.

Outlook

Logistical lead times for technical equipment required has meant the well infill drilling program on PNGF Sud will not commence until late 2024 focusing on Tchendo with the drilling of six initial wells. The upgraded Tchendo 2 platform is currently being installed and commissioned in the field. Drilling is expected at the start of 2025.

Consolidated statement of comprehensive income

For the year ended and quarter ended 31 December 2023

Amounts in USD thousand	Quarter ended		Year ended	
	31 December 2023 (Unaudited)	31 December 2022 (Unaudited)	**31 December 2023 (Unaudited)**	31 December 2022 (Audited)
Continuing operations				
Revenue	**74,723**	93,911	**187,329**	146,066
Cost of sales	**(29,109)**	(29,996)	**(70,669)**	(46,210)
Gross profit	**45,614**	63,915	**116,660**	99,856
Exploration expenses	**52**	(459)	**(689)**	(542)
Administrative expenses	**(2,714)**	(5,034)	**(11,432)**	(14,378)
Profit from operations	**42,952**	58,422	**104,539**	84,936
Finance expense	**(223)**	(1,050)	**(1,697)**	(3,322)
Foreign exchange (loss) / gain	**1,620**	(51)	**(254)**	(1,932)
Profit before tax	**44,349**	57,321	**102,588**	79,682
Tax expense	**(10,189)**	(13,345)	**(39,852)**	(47,579)
(Loss) / Profit for the period from continuing operations	**34,160**	43,976	**62,736**	32,103
Profit/(Loss) from discontinued operation	**15,357**	(244)	**15,357**	2,322
Profit for the period	**49,517**	43,732	**78,093**	34,425
Other Comprehensive income:				
Exchange gains / (losses) arising on translation of foreign operations	**(1,229)**	61	**946**	1,268
Total comprehensive income / (loss)	**48,288**	43,793	**79,039**	35,693
Profit for the period attributable to:				
Owners of the parent	**43,844**	35,902	**66,346**	27,037
Non-controlling interest	**5,673**	7,830	**11,747**	7,388
Total	**49,517**	43,732	**78,093**	34,425
Total comprehensive income / (loss) attributable to:				
Owners of the parent	**42,615**	35,963	**67,292**	28,304
Non-controlling interest	**5,673**	7,830	**11,747**	7,389
Total	**48,288**	43,793	**79,039**	35,693
Earnings per share attributable to members:	**USD cents**	USD cents	**USD cents**	USD cents
Basic profit per share	**20.12**	26.16	**46.40**	19.59
Diluted profit per share	**20.12**	26.16	**46.40**	19.59

Total comprehensive income for the period attributable to owners of PetroNor E&P ASA arises from:

Continuing operations	**32,931**	**44,037**	**63,682**	**33,372**
Discontinued operations	**15,357**	**(244)**	**15,357**	**2,322**

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 31 December 2023 (Unaudited)**	As at 31 December 2022 (Audited)
ASSETS		
Current assets		
Inventories	**17,839**	18,824
Trade receivables	**27,317**	-
Other receivables	**3,759**	1,171
Cash and cash equivalents	**46,248**	24,816
Total	**95,163**	44,811
Non-current assets		
Property, plant and equipment	**88,270**	67,479
Intangible assets	**7,833**	42,283
Right-of-use assets	**308**	462
Other receivables	**41,115**	29,432
Total	**137,526**	139,656
Total assets	**232,689**	184,467
LIABILITIES		
Current liabilities		
Trade payables	**12,207**	15,437
Other payables	**7,597**	5,314
Lease liability	**180**	179
Loans and borrowings	**5,500**	5,500
Total	**25,484**	26,430
Non-current liabilities		
Loans and borrowings	**-**	5,500
Lease liability	**145**	280
Provisions	**21,266**	24,563
Deferred tax liabilities	**-**	9,031
Other payables	**-**	8,738
Total	**21,411**	48,112
Total liabilities	**46,895**	74,542
Net assets	**185,794**	109,925
EQUITY		
Issued capital and reserves attributable to owners of the parent		
Share capital	**72,115**	72,115
Reserves	**793**	(153)
Retained earnings	**91,993**	25,647
Total	**164,901**	97,609
Non-controlling interests	**20,893**	12,316
Total equity	**185,794**	109,925

The interim financial statements were approved and authorised for issue by the board of directors on 20 February 2024.

The accompanying notes form part of these interim financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2023 (Unaudited)

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**	**(153)**	**25,647**	**12,316**	**109,925**
Profit for the period	**-**	**-**	**-**	**66,346**	**11,747**	**78,093**
Other Comprehensive Income	**-**	**-**	**946**	**-**	**-**	**946**
Total comprehensive income for the period	**-**	**-**	**946**	**66,346**	**11,747**	**79,039**
Dividend distributed to non-controlling interest	**-**	**-**	**-**	**-**	**(3,170)**	**(3,170)**
Balance at 31 December 2023	**159**	**71,956**	**793**	**91,993**	**20,893**	**185,794**
2022						
Balance at 1 January 2022	62,115	-	(1,421)	(1,390)	6,513	65,817
Profit for the year	-	-	-	27,037	7,388	34,425
Other Comprehensive Income	-	-	1,268	-	-	1,268
Total comprehensive loss for the year	-	-	1,268	27,037	7,388	35,693
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	-	-	-	-	(1,585)	(1,585)
Balance at 31 December 2022	159	71,956	(153)	25,647	12,316	109,925

The accompanying notes form part of these interim financial statements.

Consolidated statement of cash flows

Amounts in USD thousand	Quarter ended		Year ended	
	31 December 2023 (Unaudited)	31 December 2022 (Unaudited)	**31 December 2023 (Unaudited)**	31 December 2022 (Audited)
Cash flows from operating activities				
Profit for the period	**59,706**	57,103	**121,961**	81,854
Adjustments for:				
Depreciation and amortisation	**7,851**	3,367	**17,122**	9,152
Amortisation of right-of-use asset	**(46)**	35	**155**	146
Unwinding of discount on decommissioning liability	**140**	47	**846**	842
Impairment reversal - inventory	**-**	-	**-**	(2,519)
Net foreign exchange differences	**(1,081)**	61	**946**	1,418
Finance expense	**82**	1,037	**830**	2,444
Total	**66,652**	61,650	**141,860**	93,337
Decrease / (increase) in trade and other receivables	**(30,992)**	(6)	**(30,283)**	12,631
Increase in advance against decommissioning cost	**-**	1,138	**(618)**	(2,595)
Increase/decrease in abandonment provision	**140**	4,231	**(328)**	3,652
Decrease in other provisions	**-**	-	**-**	-
Increase in inventories	**9,693**	13,308	**985**	(10,078)
Increase / (decrease) in trade and other payables	**48**	(35,571)	**2,008**	(11,875)
Cash generated from operations	**45,541**	44,750	**113,624**	85,072
Income taxes paid	**(10,189)**	(13,345)	**(43,869)**	(47,579)
Net cash flows from operating activities	**35,352**	31,405	**69,755**	37,493
Investing activities				
Purchases of property, plant and equipment	**(12,293)**	(8,421)	**(38,253)**	(35,756)
Purchase/disposal of intangible assets	**1,007**	(4,249)	**(435)**	(2,353)
Net cash flows from investing activities	**(11,286)**	(12,670)	**(38,688)**	(38,109)
Financing activities				
Issue of ordinary shares	**-**	-	**-**	(52)
Proceeds from loans and borrowings	**-**	11,000	**-**	11,000
Repayment of loans and borrowings	**(1,375)**	(6,412)	**(5,500)**	(13,079)
Interest on loans and borrowings	**(82)**	(1,037)	**(830)**	(2,444)
Repayment of principal portion of lease liability	**(46)**	27	**(114)**	(127)
Repayment of interest portion of lease liability	**(1)**	(9)	**(21)**	(36)
Dividends paid to non-controlling interest	**-**	(1,585)	**(3,170)**	(1,585)
Net cash flows from financing activities	**(1,504)**	1,984	**(9,659)**	(6,323)
Net increase / (decrease) in cash and cash equivalents	**22,562**	20,719	**21,432**	(6,939)
Cash and cash equivalents at beginning of period	**23,686**	4,097	**24,816**	31,755
Cash and cash equivalents at end of period	**46,248**	24,816	**46,248**	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 31 December 2023 was authorised for issue in accordance with a resolution of the directors on 20 February 2024.

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 and year ended 31 December 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 year ended 31 December 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 ended		Year ended	
	31 December 2023	31 December 2022	**31 December 2023**	31 December 2022
Revenue from contracts from customers				
Revenue from sales of petroleum products	**57,314**	72,837	**120,893**	72,837
Other revenue				
Assignment of tax oil	**10,189**	13,345	**39,852**	47,579
Assignment of royalties	**7,220**	7,729	**26,584**	25,650
Total	**74,723**	93,911	**187,329**	146,066
Quantity of oil lifted (barrels)	**710,644**	800,177	**1,543,910**	800,177
Average selling price (USD per barrel)	**80.65**	90.99	**78.30**	90.99
Quantity of net oil produced after royalty, cost oil and tax oil (barrels)	**366,443**	318,576	**1,396,118**	900,495

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 ended		Twelve months ended	
	31 December 2023	31 December 2022	**31 December 2023**	31 December 2022
Operating expenses	**3,841**	4,006	**20,795**	16,636
Royalty	**7,220**	7,729	**26,584**	25,650
Depreciation and amortisation of oil and gas properties	**7,850**	3,362	**17,119**	9,134
Provision for diversified investment	**484**	515	**1,772**	1,710
Movement in oil inventory	**9,714**	14,384	**4,399**	(6,920)
Total	**29,109**	29,996	**70,669**	46,210

Notes to the interim financial statements

Note 05 Administrative expenses

Amounts in USD thousand	Quarter ended		Twelve months ended	
(Unaudited)	**31 December 2023**	31 December 2022	**31 December 2023**	31 December 2022
Employee benefit expenses	**1,645**	1,760	**5,412**	5,581
Travelling expenses	**140**	223	**580**	559
Legal and professional expenses	**1,167**	1,135	**4,114**	5,209
Corporate social responsibility	**-**	1,500	**294**	1,500
Business development	**103**	230	**389**	478
Other expenses	**(341)**	186	**643**	1,051
Total	**2,714**	5,034	**11,432**	14,378

Note 06 Finance expenses

Amounts in USD thousand	Quarter ended		Twelve months ended	
(Unaudited)	**31 December 2023**	31 December 2022	**31 December 2023**	31 December 2022
Unwinding of discount on decommissioning liability	**140**	47	**846**	842
Loan structuring fee	**-**	-	**-**	165
Finance cost on lease liabilities	**5**	127	**38**	36
Interest expense	**78**	876	**813**	2,279
Total	**223**	1,050	**1,697**	3,322

Note 07 Tax expense

The income tax expense related to two subsidiaries in the current period. The tax expense in Congo represents the assignment of tax oil on the revenue from sales of petroleum products. The other income tax expense recognised was in relation to the gain on disposal of the farm-out in Guinea Bissau, this was included within discontinued operations. There was no income tax expense in the other subsidiaries' jurisdictions nor in the parent's jurisdiction.

Notes to the interim financial statements

Note 08 Earnings per share

Amounts in USD thousand

	Twelve months ended	
(Unaudited)	**31 December 2023**	31 December 2022
Profit / (loss) attributable to the ordinary equity holders used in calculating basic / diluted profit per share	**66,346**	26,887
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**	1,372,236,921
Diluted profit / (loss) per share	**142,356,855**	1,372,729,890

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 31 December 2023 (31 December 2022: nil).

Note 09 Discontinued operations

During June 2023, PetroNor entered a binding agreement to farm-out 100% of its participating interest in two exploration licences offshore Guinea-Bissau. The Government approved the transfer of the two licences during October 2023 and consideration was subsequently paid in December 2023 thus classified as a discontinued operation for the year ended 31 December 2023.

The post-tax gain on disposal of discontinued operations was determined as follows:

Amounts in USD thousand *(Unaudited)*	**31 December 2023**	31 December 2022
Cash consideration received	**21,273**	-
Other consideration received	-	-
Total consideration received	**21,273**	-
Cash disposed of	-	-
Net cash inflow on disposal of discontinued operation	**21,273**	-
Net assets held for disposal (other than cash)		
Inventory	**(1,626)**	(3,965)
Intangible assets	**(1,051)**	(667)
Other net receivables and payables	**888**	556
	(1,790)	(4,076)
Pre-tax gain on disposal of discontinued operation	**19,484**	(4,076)
Related tax expense	**(4,016)**	-
Gain on disposal of discontinued operation	**15,467**	(4,076)

Notes to the interim financial statements

Result of discontinued operations

Amounts in USD thousand *(Unaudited)*	**31 December 2023**	31 December 2022
Other operating income	**1,626**	2,519
Expenses other than finance costs	**(1,712)**	(184)
Finance costs	**(24)**	(13)
Tax (expense/credit)	**-**	-
Gain from selling discontinued operations after tax	**15,357**	-
Profit/(loss) for the year	**15,357**	2,322
Earnings per share from discontinued operations:		
Basic (loss) / profit per share	**10.79 Cents**	0.17 Cents
Diluted (loss) / profit per share	**10.79 Cents**	0.17 Cents

Statement of cash flows

Amounts in USD thousand *(Unaudited)*	**31 December 2023**	31 December 2022
Operating activities	**19,736**	124
Investing activities	**667**	(353)
Financing activities	**-**	-
Net cash from discontinued operations	**20,403**	(229)

Note 10 Inventories

Amounts in USD thousand	**31 December 2023** ***(Unaudited)***	31 December 2022 *(Audited)*
Crude oil inventory	**3,078**	7,475
Materials and supplies	**14,761**	11,349
Total	**17,839**	18,824

Crude oil inventory is valued at cost of USD 28.98 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 11 Trade and other receivables

Amounts in USD thousand	**31 December 2023 *(Unaudited)***	31 December 2022 *(Audited)*
Recoverability less than one year		
Trade receivables	**27,317**	-
Other receivables	**3,759**	1,171
Total	**31,076**	1,171
Recoverability more than one year		
Advance against decommissioning cost	**30,050**	29,432
Due from related parties	**11,065**	-
Total	**41,115**	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.

On 29th December 2023, PetroNor transferred 100% of shares in its Aje subsidiaries in anticipation of completion of the YFP-DW joint venture partnership. The consideration shares have not yet been issued. As a result, a non-current receivable of USD 10 million has been recognised until completion where the balance will be reclassified as an investment in associate. Refer to note 20 for additional information.

Note 12 Cash and cash equivalents

Amounts in USD thousand	**31 December 2023 *(Unaudited)***	31 December 2022 *(Audited)*
Cash in bank	**46,216**	24,775
Restricted cash	**32**	41
Total	**46,248**	24,816

Amounts in USD thousand	Non-current borrowings	Current borrowings	**Total**
At 1 January 2023	**5,500**	**5,500**	**11,000**
Cash flows	**-**	**(5,500)**	**(5,500)**
Non-cash flows	**-**	**-**	**-**
Movement non-current to current	**(5,500)**	**5,500**	**-**
As at 31 December 2023	**-**	**5,500**	**5,500**
At 1 January 2022	-	13,079	13,079
Cash flows	5,500	(7,579)	(2,079)
Non-cash flows	-	-	-
As at 31 December 2022	5,500	5,500	11,000

Notes to the interim financial statements

Note 13 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)	**31 December 2023 *(Unaudited)***	31 December 2022 *(Audited)*
Congo	**120,585**	98,876
The Gambia	**5,437**	4,507
Guinea-Bissau	**-**	667
Nigeria	**1**	35,226
Other countries	**11,503**	380
Total	**137,526**	139,656

Note 14 Property, plant and equipment

Amounts in USD thousand	**31 December 2023 *(Unaudited)***	31 December 2022 *(Audited)*
Cost		
Opening balance	**89,885**	53,204
Additions	**38,253**	36,681
Disposals	**(926)**	-
Closing balance	**127,212**	89,885
Accumulated Depreciation		
Opening balance	**22,406**	13,807
Charge for the period	**16,536**	8,599
Closing balance	**38,942**	22,406
Closing net carrying value	**88,270**	67,479

Note 15 Intangible assets

LICENCES AND APPROVALS

Amounts in USD thousand	**31 December 2023 *(Unaudited)***	31 December 2022 *(Audited)*
Cost		
Opening balance	**37,831**	11,210
Additions	**172**	2,353
Additions in relation to business combinations	**-**	24,268
Disposals	**(25,005)**	
Closing balance	**12,998**	37,831
Accumulated amortisation and impairment		
Opening balance	**4,579**	4,038
Amortisation	**586**	541
Closing balance	**5,165**	4,579
Closing net carrying value	**7,833**	33,252

Notes to the interim financial statements

GOODWILL

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

Goodwill

Goodwill of USD 9.0 million at 31 December 2022 consisted of technical goodwill related to the acquisition that occurred in July 2022. Technical goodwill has been derecognised on 29 December 2023 as a result of the disposal of Aje entities holding the OML 113 licence.

Licence Overview

During the year, the entities holding the interest in OML 113 have been disposed by the Company.

Note 16 Trade and other payables

Amounts in USD thousand	**31 December 2023 *(Unaudited)***	31 December 2022 *(Audited)*
Amounts due less than one year		
Trade payables	**12,207**	15,437
Due to related parties	**-**	2,019
Taxes and state payables	**4,162**	787
Other payables and accrued liabilities	**3,435**	2,508
Total	**19,804**	20,751
Amounts due more than one year		
Other payables	**-**	8,738
Total	**-**	8,738

Note 17 Loans and borrowings

Amounts in USD thousand	**31 December 2023 *(Unaudited)***	31 December 2022 *(Audited)*
Opening balance	**11,000**	13,079
Received	**-**	11,000
Principal repayment	**(5,500)**	(13,079)
Interest on loan accrued	**879**	1,042
Interest on loan paid	**(879)**	(1,042)
Closing balance	**5,500**	11,000
Ageing of loans payable		
Current	**5,500**	5,500
Non-current	**-**	5,500
Total	**5,500**	11,000

As at 31 December 2023, the outstanding USD 5.50 million debt facility carries an interest rate of 11.0 per cent and is to be repaid in four quarterly instalments of USD 1.375 million.

Notes to the interim financial statements

Note 18 Provisions

Amounts in USD thousand	**31 December 2023** ***(Unaudited)***	31 December 2022 *(Audited)*
Opening balance	**20,912**	16,302
Arising during the year	**72**	3,768
Unwinding of discount on decommissioning	**846**	842
Decrease due to disposal of entities	**(3,887)**	-
Closing balance	**17,943**	20,912
Other provisions	**3,323**	3,651
Total	**21,266**	24,563

Note 19 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	**31 December 2023** ***(Unaudited)***	31 December 2022 *(Audited)*
Current assets	**61,523**	28,363
Current liabilities	**(12,836)**	(11,210)
Current net assets	**48,687**	17,153
Non-current assets	**120,585**	98,876
Non-current liabilities	**(21,278)**	(20,804)
Non-current net assets	**99,307**	78,072
Net assets	**147,994**	95,225
Accumulated NCI	**24,455**	16,091

Summarised statement of comprehensive income
For the year ended 31 December

Amounts in USD thousand *(Unaudited)*	**2023**	2022
Revenue	**187,330**	146,067
Profit for the period	**72,769**	45,503
Other comprehensive income	**-**	-
Total comprehensive income	**72,769**	45,503
Profit allocated to NCI	**11,525**	7,461
Dividends paid to NCI	**3,170**	1,585

Notes to the interim financial statements

Summarised statement of cash flows
For the year ended 31 December

Amounts in USD thousand (Unaudited)	**2023**	2022
Cash flows from operating activities	**64,332**	41,847
Cash flows from investing activities	**(38,252)**	(38,349)
Cash flows from financing activities	**(19,700)**	(10,028)
Net increase / (decrease) in cash and cash equivalents	**6,380**	(6,530)

Note 20 Investment in subsidiaries

Aje Entities (OML113)

During the period, the Group disposed of its interest in fully owned subsidiaries Aje Nigeria Holding B.V., Aje Services Holding B.V. and Aje Production Ltd. The transaction completed on 29 December 2023 with the consideration of USD 10 million expected to be paid via the allotment and issue of new shares in Aje Production AS. The disposal forms part of the YFP DW joint venture transaction where the consideration receivable will be reclassified to an investment in associate once consideration is paid. The overall impact will be a change in presentation in the financial statements where the entities were historically classified as investments in subsidiaries, they will now be classified as an investment in associate. As a result, the operations have not changed in relation to OML 113. The venture will continue to progress with redevelopment of the OML 113 field and as such, PetroNor have assessed that this disposal will not be classified as a discontinued operation. Financial information relating to the disposal for the period to the date of disposal is set out below.

The carrying amount of assets and liabilities as at the date of disposal (29 December 2023) were:

Amounts in USD thousand (Unaudited)	**29 December 2023**
Property, plant and equipment	**926**
Intangible assets	**25,268**
Goodwill	**9,031**
Other receivables	**7**
Cash	**51**
Total assets	**35,283**
Trade creditors	**(3,023)**
Other payables	**(9,139)**
Deferred tax liabilities	**(9,031)**
Provision for decommissioning cost	**(3,887)**
Total liabilities	**(25,080)**
Net assets	**10,203**

Notes to the interim financial statements

Details of the sale of Aje subsidiaries

Amounts in USD thousand (Unaudited)	**29 December 2023**
Consideration received or receivable	
Consideration shares receivable	**10,000**
Total disposal consideration	**10,000**
Net assets	**(10,203)**
Loss on disposal	**(203)**

Note 21 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 22 Post balance sheet events

In February 2024, long lead inventory that was purchased in prior years for the exploration program in Guinea-Bissau was sold for proceeds of USD 3.5 million.

In February 2024, the Company achieved a new operational milestone by exporting under its own capacity as a party to the Djeno terminal in Congo. The arrangements with Djeno terminal increase the options available to the Company to bring to market its PNGF Sud oil production.

The drilling rig Axima started a new Vandji well in Tchibeli NE during mid-February.

Statement of responsibility

We confirm that, to the best of our knowledge, the condensed set of unaudited financial statements for the quarter and year ended 31 December 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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