PETRONOR E&P

Annual report 2023

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About PetroNor E&P

PetroNor E&P in brief

PetroNor E&P ASA, listed on the Oslo Stock Exchange (PNOR), is an independent oil and gas company led by an experienced board and management team, with substantial experience in oil and gas exploration, appraisal, development, and production.

Business model

OUR MISSION

Our mission is to generate shareholder value by leveraging the technical and commercial skillset of the company to enhance our reserve base, production, and cash flow.

PetroNor E&P is committed to the highest standards of corporate governance, and to deliver operational excellence safely and efficiently.

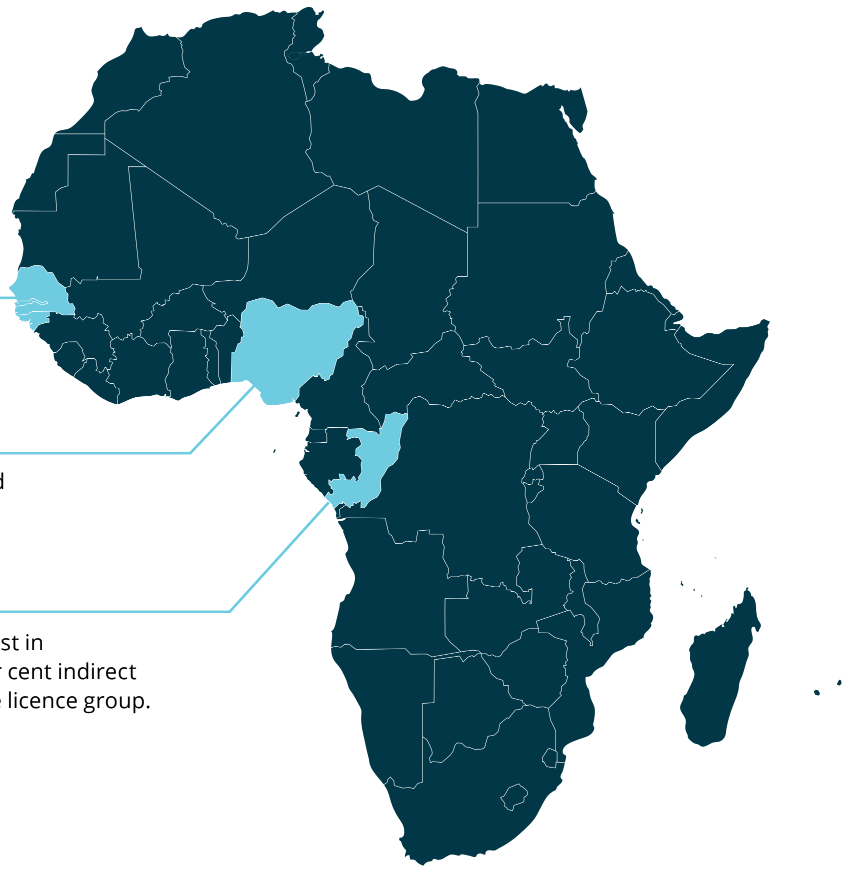
OUR VISION

Our strategic vision is to steadily build the company into a full cycle, Africa-focused exploration, and production company with an emphasis on producing and developing assets with upside potential.

OUR WORK

We are an independent oil and gas exploration and production company with multiple licences in countries in West Africa – the Republic of the Congo, The Gambia, and Nigeria. The company has amassed a diverse and high-quality portfolio comprising economically robust production, development upside, and highly promising exploration targets in West Africa.

Business locations



THE MSCGC BASIN

90 per cent interest in The Gambia A4 licence.

NIGERIA

20.2 per cent economic interest in Aje field in licence OML113.

CONGO BRAZZAVILLE

16.83 per cent indirect participating interest in PNGF Sud offshore licence group. 22.7 per cent indirect participating interest in PNGF Bis offshore licence group.

2023 Highlights

Net profit (USD million):	2P Reserves (MMbbls):	Earnings per share (USD cents):
79.1 2022: 34.3	**16.1** 2022: 18.5	**35.0** 2022: 18.0

EBITDA (USD million):	2C Contingent resources (MMboe):	Net cash (USD million):
121.8 2022: 94.2	**36.7** 2022: 37.1	**40.75** 2022: 13.8

EBIT (USD million):	Market capitalisation (USD million):
104.5 2022: 84.9	**105.0** 2022: 111.4

- Record oil sales of 1.5 MMbbls at average realised price of USD 78.30/bbl, compared with net entitlement volumes of 0.8 MMbbls at average realised price of USD 90.99/bbl in 2022
- Five new wells in the Tchibeli field added in 2023, as part of the 17-well drilling campaign in the PNGF Sud complex commenced in 2021
- Strengthened position in Nigeria's Aje field gas redeveloping following a binding agreement with New Age to acquire their 32 per cent project economic and voting interest
- Average net allocated production of 5 162 bopd in 2023, up from 4 021 bopd in 2022
- The 100 per cent farm-out of Guinea Bissau acreage completed, generating a payment of USD 23 million
- Senegal licence dispute arbitration has concluded with claims by both parties rejected by ICSID tribunal voting interest

Chief executive officer:

Operational growth and strategic advancements

As we close the chapter on 2023, I am pleased to report that PetroNor E&P has enjoyed a great year in terms of operational delivery, deal making, and cash generation. Solid production growth and record-high oil sales, in combination with the gain from the Guinea-Bissau farm-down, provide PetroNor with the financial capacity to execute our organic growth strategy while simultaneously clearing the path for capital returns to shareholders in 2024.

RECORD PRODUCTION

The total 2023 net entitlement oil volumes sold exceeded 1.5 million bbls and realised USD 121 million in cash. This represents a historically high volume and revenue for PetroNor which is now seeing the benefits from the significant capital investments into the infill drilling campaign and infrastructure improvements in the PNGF Sud field in Congo over the past two years.

Our average net allocated production rose to 5 162 bopd in 2023, up from 4 021 bopd in 2022, thanks to the addition of five new wells in the Tchibeli field as part of our ambitious 17-well drilling campaign in the PNGF Sud complex initiated in 2021. The next well is being drilled during Q1 2024.

A new wellhead and power generation platform arrived in PNGF Sud from the Netherlands in December and is being commissioned during Q1 2024. This is intended to improve the stability of operations by reducing reliance on third parties for power generation.

Our financial health remains robust, with a cash position of USD 46 million at year-end. In addition, the expected proceeds of USD 27 million from oil sales in December were received during Q1 2024. This solid financial foundation enables us to pursue our strategic objectives confidently.

At the end of 2023, the PNGF Bis licence was awarded to a contractor group led by Perenco as an operator and with PetroNor as a partner with a net interest of 22.7 per cent, represented through its Congolese subsidiary, Hemla E&P Congo. This approval, paving the way to a new Production Sharing Contract, will bring additional opportunity for accretive investment in the region.

AJE REDEVELOPMENT

The progress towards a redevelopment of the Aje field in Nigeria continues. In October, we announced an agreement to acquire additional interest in the OML 113 licence via the purchase of New Age's 32 per cent interest. This agreement will not only increase PetroNor's economic stake but also reinforce the company's active involvement and influence in the licence partnership.

PetroNor continues work with the licence operator to update the field development plan through consultation with partners, potential gas purchasers, and sources of project finance. The plan for 2024 is to proceed towards a final investment decision on the project which involves deployment of an FPSO, connection of existing suspended wells, drilling further development wells, and building a 30 km pipeline to an onshore LPG plant close to the export compressor station of the West African Gas Pipeline.

PORTFOLIO DEVELOPMENTS DURING THE YEAR

In June 2023, we announced a farm-out transaction of 100 per cent of our participating interest in our two exploration licences in Guinea-Bissau, in a deal worth up to USD 83 million to PetroNor in a success case. This delivered a cash contribution to past licence costs of USD 23 million in 2023 and set the path for a key exploration well to be drilled during 2024. This transaction demonstrates our ability to

find value in our exploration portfolio for both our host governments and the company.

In the Gambia, constructive meetings with the government are guiding our decision-making process regarding the licence's future, with a potential extension to make room for additional technical work and a partnering programme being considered.

OUTLOOK

The foundation laid in the past year, characterised by strategic transactions, operational enhancements, and solid financial management, positions us well for sustained organic growth. Looking ahead, we remain dedicated to advancing our portfolio, optimising operations, and pursuing strategic opportunities that align with our vision for growth and value creation.

The cash flow from oil sales supports our development and exploration assets and positions the board to consider other approaches to delivering value for shareholders as our cash position continues to strengthen.

– Looking ahead, we remain dedicated to advancing our portfolio, optimising operations, and pursuing strategic opportunities that align with our vision for growth and value creation.

In conclusion, I extend my gratitude to the dedicated PetroNor team, our partners, and other stakeholders for their continued support and commitment. Together, we look forward to continued success in the future.

Sincerely,

Jens Pace
Interim CEO PetroNor E&P

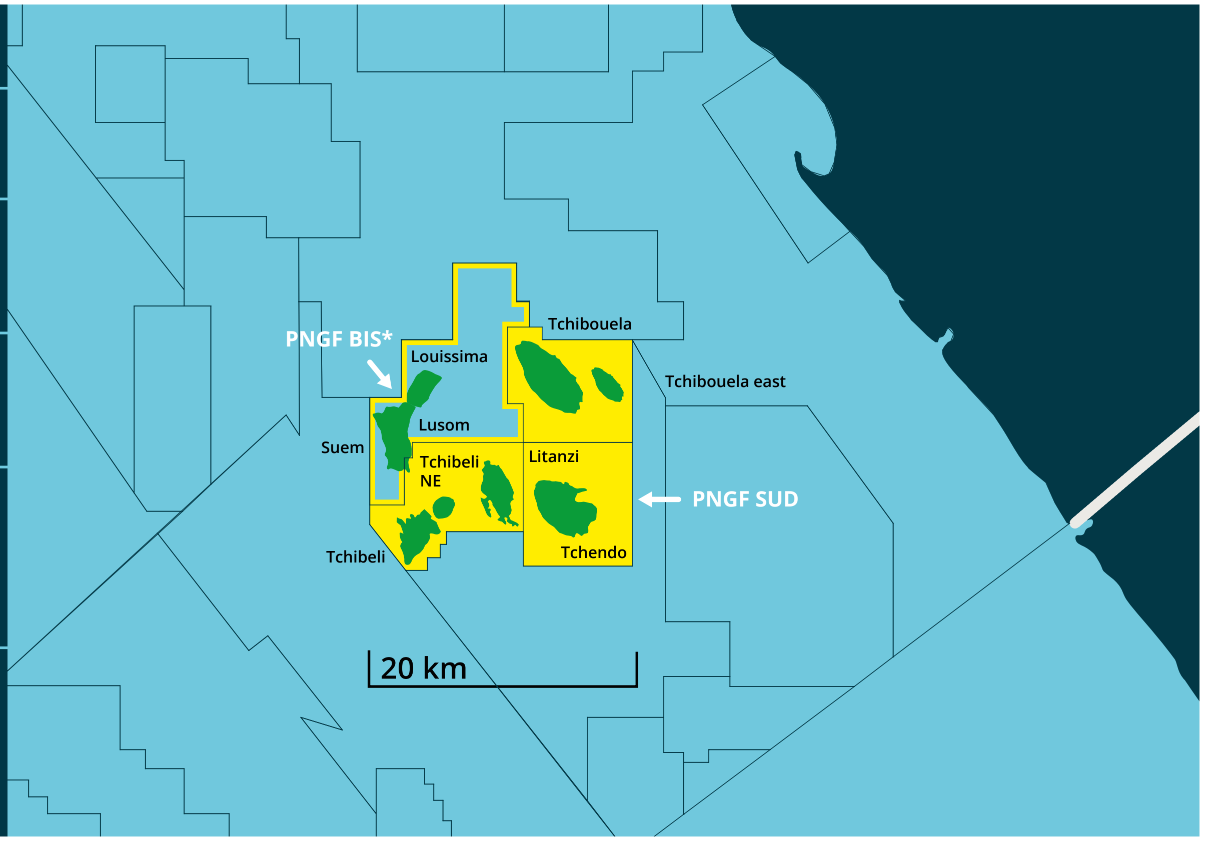
Net interest:
16.83%

Producing wells:
70

2P Reserves (net) (MMbbl):
16.10

2C Resources (net) (MMbbl):
9.2

Accumulated gross 2023 production (MMbbl):
Gross 11.2



Production:

Congo-Brazzaville

The Republic of Congo (Congo Brazzaville) is an established oil-producing country and a core country for PetroNor, both for existing production and for the development of additional resources.

PetroNor holds a 16.83 per cent participation interest in the licence group of PNGF Sud (Tchibouela II, Tchendo II and Tchibeli-Litanzi II) through Hemla E&P Congo SA.

PNGF Sud is operated by Perenco, a world-leading specialist in low-cost brownfield optimisation of mature production assets like PNGF Sud.

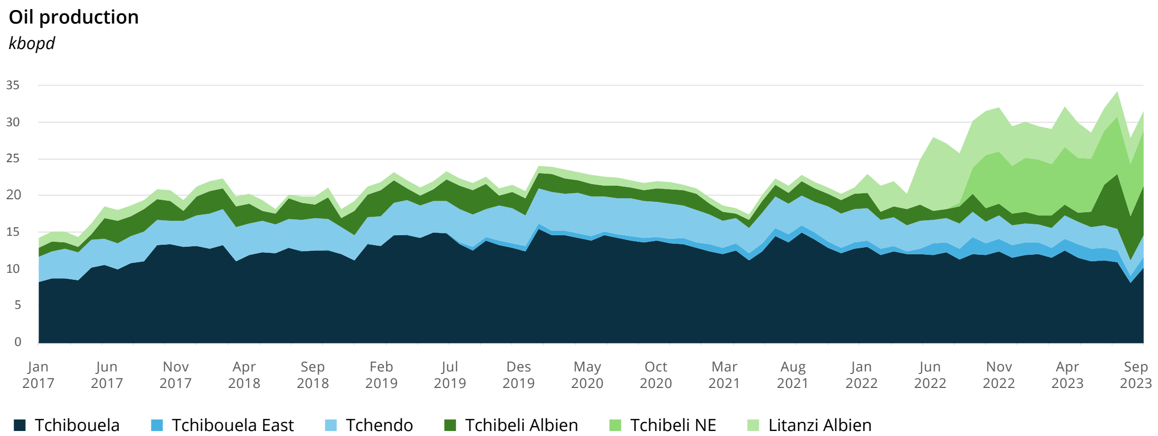
Production has continued to grow and operating cost per unit production has been significantly reduced, all achieved through improving maintenance routines, production processing capacities along with field integrity investments in a stepwise and prudent manner.

The licence partnership is now well underway with the 17-well infill drilling programme which commenced in 2021 to deliver increased production and reserves. The programme involved investments of some USD 400 million over a three-year period, and the company is now benefitting from the significant capital investment in the infill drilling campaign over the past years. Since 2022, 11 of the 17 planned infill wells have been completed - all exceeding expectations.

PNGF SUD
Licence overview

Since the entry of the new contractor group in early 2017, incremental improvements via well workovers, surface production process

Maritime oil rig accompanied by a service ship.



improvements and structural integrity and HSE improvements have resulted in year-on-year growth in production at a relatively low CAPEX spend. The goal has been to optimise the existing well stock by re-activating producers and injectors, re-allocating production intervals, increasing well lift capacities as well as increasing and managing production capacities and intra-field power consumption between the 10 wellhead-platforms in PNGF Sud.

Licence activity

The average gross PNGF production was 30 672 bopd in 2023 with a continued low lifting cost of USD 10.6/barrel (bbl). The workover programme continued successfully in 2023. On the surface side, significant investments were made on additional water handling capacity, additional export pumps plus starting the commissioning of additional generators for intra-field power generation. Correspondingly, integrity improvements were made on several steel structures.

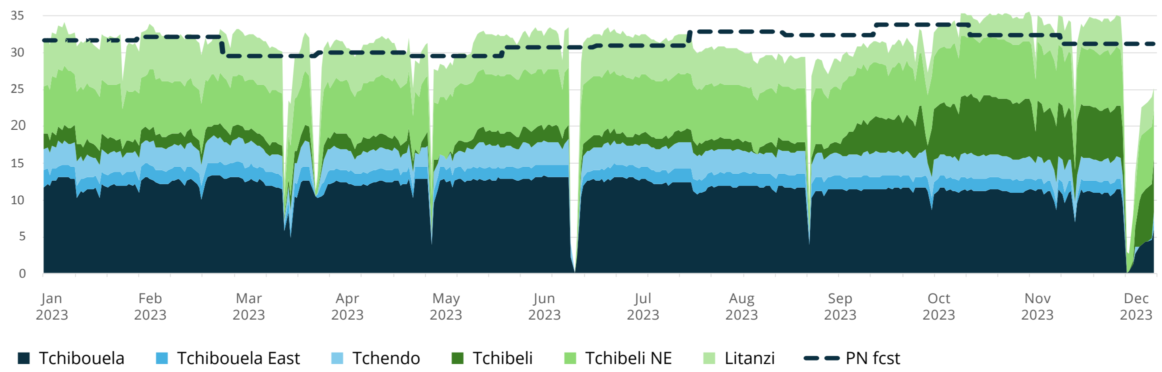
The 17-well infill drilling programme started in 2021 and delivered six new wells during 2022 in the Litanzi and Tchibeli NE fields. During 2023, five new Tchibeli wells were completed safely and below budget using drilling rig Axima #4 (4 producers, 1 injector). The drilling programme will continue in 2024 with a follow-on production well to the 2022 exploration discovery in the Vandji Formation and starting late 2024 with an infill campaign of six wells in the Tchendo field.

Production capacity thus increased from an average 23.9 thousand barrels of oil per day (kbopd) in 2022, to an average production of 30.7 kbopd in 2023. This production level has not been seen for over ten years and demonstrates the development potential of this mature asset.

The drilling rig used for the drilling of these two campaigns, Petrofor Dagda, has now been converted to a production platform in Tchibeli NE and the derrick has been removed. Another jack-up rig, the Petrofor Axima, completed drilling the five well infill drilling programme on Tchibeli. The same rig will return to drill the Tchendo programme early 2025. The Tchendo 2 platform was completed and towed from the yard in the Netherlands last year. This contains the 14 slots for future infill drilling and additional power generation capacity for the PNGF and surrounding licences. This platform is expected to be ready to be commissioned at the end of April, 2024.

The Tchendo debottlenecking project has added a water treatment capacity of 40 kbwpd and export pumps of 3x20 kbfpd.

Oil production
kbopd



PNGF BIS

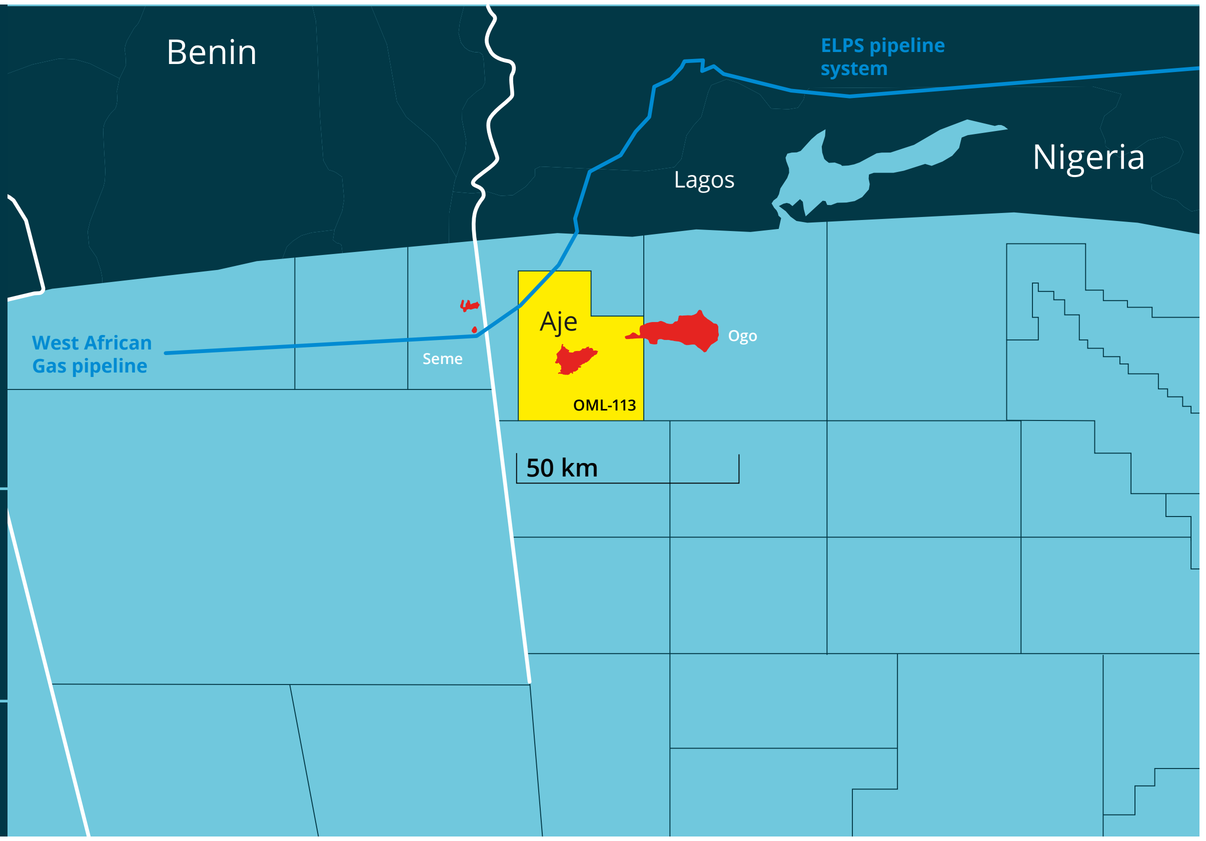
Licence overview

Located North-West of PNGF Sud, PNGF Bis licence contains two discoveries, Louissima and Loussima SW. The two discoveries are proven by three wells drilled between 1985 and 1991.

The three discovery wells tested from 1 150 to 4 700 bopd of light, good quality oil. Perenco has recently made a detailed reinterpretation, 3D modelling and facilities study for the Loussima SW discovery, yielding some 100 one million barrels (MMbbl) of in-place resources and a possible tie-back to PNGF Sud via pipeline.

In the CPR report published by AGR 2C resources are estimated at 29 MMbbl . It also verifies the tie-back scenario outlined above.

In December 2023, the Council of Ministers in the Republic of Congo approved a number of energy projects, including 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 per cent. This approval will clear the path for signing of a production sharing agreement in early 2024.



2P Economic interest:

15.1% – 20.2%

2C Resources per table (net)(MMboe):

27.1

Development:

Nigeria

Nigeria is one of the most petroleum-rich nations in the world. Nearly all of the country's primary reserves are concentrated in and around the Niger Delta. Nigeria is one of the few major oil producing nations still capable of increasing its oil output.

The Aje field is located close to the Lagos shores of Nigeria, a populated area in dire need of affordable electrical power. It is estimated that Nigeria produces electrical power from some 20-30 million diesel generators around the country and the Lagos area alone has a population exceeding 17 million people. The Aje field constitutes a significant gas discovery which has the potential of supplying cleaner, reliable and more affordable gas to power to this region of the country. Additional liquid petroleum gas (LPG) products extracted from the gas yields cooking gas for the local area replacing wood burning for cooking.

The Aje project targets production of oil, gas, condensate, and LPG, which will have the potential to replace approximately 500MW currently generated by diesel power and also provide 10 per cent of the country's cooking gas. As such, it has an attractive ESG profile consistent with PetroNor's values and longer-term goals.

OML 113 (AJE FIELD)

PetroNor directly holds 6.502 per cent participating interest in the Aje field asset, with a 16.255 per cent cost-bearing interest, representing an economic interest between 12.1913 per cent and 16.255 per cent in OML 113, containing the Aje oil and gas field.

PetroNor's existing position in Oil Mining Licence (OML) 113 was achieved through the acquisition of Panoro Energy ASA's Nigeria interests in a transaction which completed in 2022. PetroNor is working with the OML 113 operator, Yinka Folawiyo Petroleum ("YFP"), to create a jointly owned company, Aje Production AS, which will hold a project economic and joint operating agreement (JOA) voting interest of 39 per cent.

Aje Production AS will lead the technical and management efforts in the next phase of the Aje field development, from which PetroNor will hold an indirect 20.2 per cent interest.

In 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. This acquisition not only strengthens the company's position in OML 113 but also opens up exciting possibilities for future growth in the energy transition and strategic flexibility.

Subject to completion, the agreement will not only increase PetroNor's economic stake but also reinforce the company's active involvement and influence in the licence partnership to plan for the redevelopment 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 per cent.

The Aje field is estimated to contain recoverable resources of 480 Billion cubic feet (BCF) of gas, 54 MMbbls oil, condensate and LPG.

Licence overview

The Aje field was discovered after drilling of the Aje-1 well in 1996. The OML 113 block covers 835 km² with water depths ranging from 100 metres to 1 500 metres. Five wells have been drilled; oil production has been produced from Turonian and Cenomanian age reservoirs until production was suspended in November 2021.

Overlying the Turonian oil rim is a significant gas-condensate discovery which has not been developed.

Forward plan

The development plans will target the gas, condensate, and oil in a low-risk development plan. Wet gas will be brought to shore for further processing and extraction of LPG. The Nigerian government encourages stop-flaring programmes and the country is in dire need of electrical power.

According to the UN sustainability goals, gas is an important transition fuel for Africa. Thus, in addition to closing down existing gas flaring in the field and piping additional gas to shore, this is in sum a particularly ESG-friendly project.

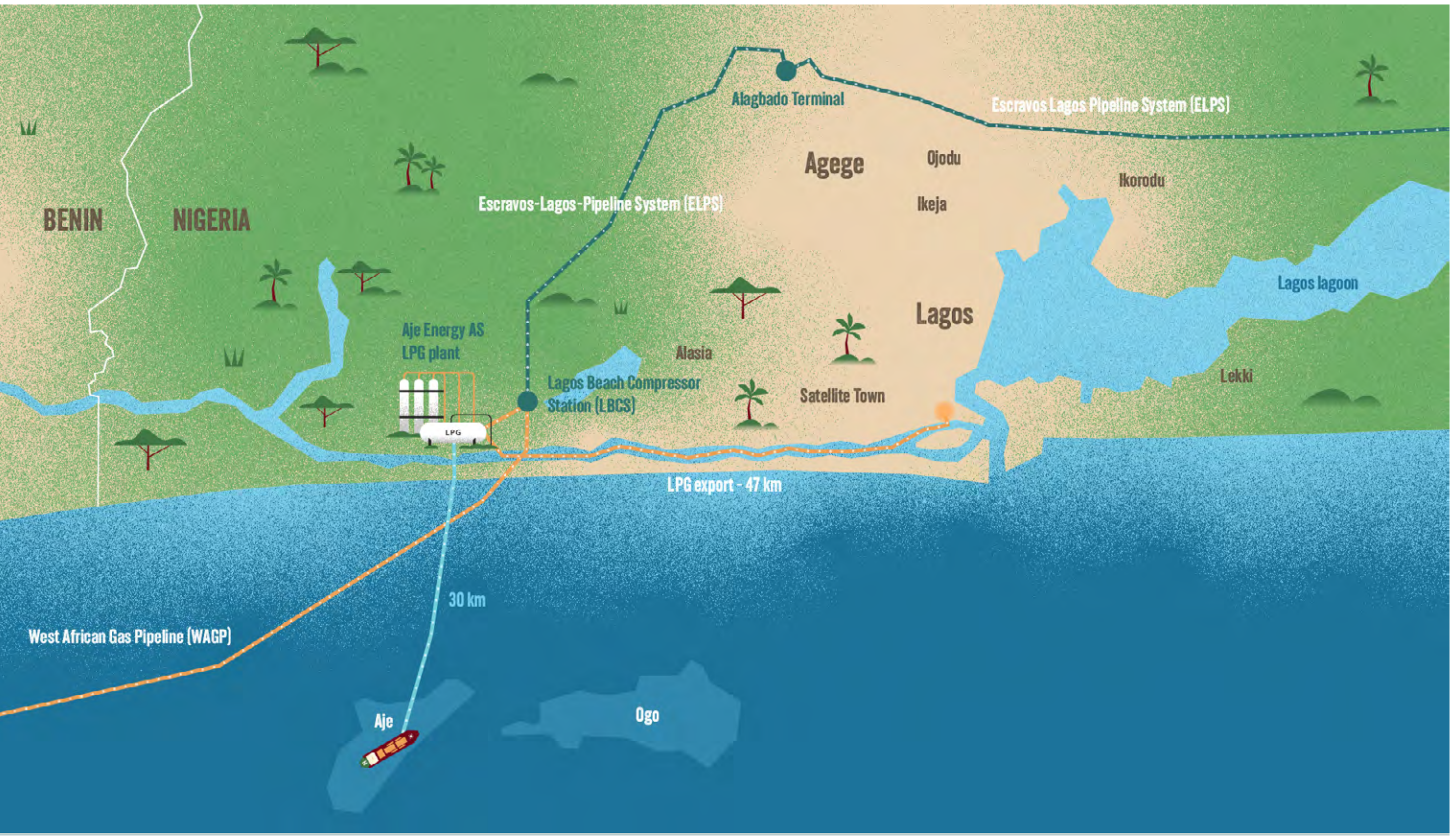
Development plans for the Aje gas condensate and additional oil are under discussion jointly with the licence partners. The strategy entails advancing with a Final Investment Decision (FID) to replace the FPSO unit, drill more oil and gas wells, and lay a 30 km pipeline to an LPG plant near the West African Gas Pipeline's (WAGP) export station. Condensate and oil will be produced and offloaded offshore while offtake agreements will include gas sales and swap arrangement for gas and LPG products.

The previous FPSO was released from the field as it had reached the end of economic field life and does not have the proper ratings for gas development.

Albeit delayed, significant progress has been made on negotiations of gas offtake contracts and the company is moving forward both in our discussions with licence partners and relevant financing institutions.

PetroNor hopes to progress the project toward concluding concept selection and final investment decision in Q2 2025.

Illuminated offshore oil rig at night.



Map of Aje field export route to Lagos.

Revitalising energy:

PetroNor's Aje field development

In the bustling region of Western Nigeria, a short distance offshore from the city of Lagos, PetroNor, in partnership with operator Yinka Folkawiyo Petroleum (YFP), is making significant strides in redeveloping the Aje gas and condensate field.

This initiative is not only a testament to PetroNor's commitment to energy innovation but also marks a significant step towards energy sufficiency in West Africa.

The Aje field redevelopment focuses on extracting the abundant natural gas reserves. This initiative positions natural gas as a crucial transitional energy source, offering a sustainable alternative for Nigeria and its neighbouring countries. By transitioning to natural gas, West Africa anticipates a considerable reduction in its energy deficit and CO_2 emissions.

Moreover, PetroNor's project ambitiously aims to supply 10 per cent of Lagos and Nigeria's LPG (Liquefied Petroleum Gas) needs for cooking. This shift not only makes LPG more affordable but also more accessible, directly impacting millions who currently rely on biomass fuels, which pose significant health risks.

FIELD DEVELOPMENT

The redevelopment of the Aje field involves field development activities. These include the re-entry and completion of existing wells, the drilling of new wells, and the installation of Subsea Production Systems (SPS) & Subsea Umbilical, Riser and Flowline (SURF) packages. From a refurbished FPSO, the field will be connected to shore by a 30-km gas pipeline, ensuring efficient transportation and processing of natural to the onshore LPG plant located close to the West African Gas Pipeline (WAGP).

Lagos from the riverside.

The produced gas will be distributed via the WAGP, while LPG will be transported to Lagos through Badagry Creek.

COMMITMENT TO ESG AND COMMUNITY DEVELOPMENT

PetroNor's approach to the Aje development is deeply rooted in Environmental, Social, and Governance (ESG) principles.

Furthermore, the potential CO_2 emission reduction from the Aje gas volumes is significant, with estimates suggesting a nearly 30 per cent decrease when natural gas replaces diesel fuel and heating oil. PetroNor and YFP are committed to following the Equator Principles and have appointed an ESG auditor to ensure compliance with these high standards.

QUOTE FROM BENJAMIN ASOKHIA, OPERATIONS MANAGER, YINKA FOLAWIYO PETROLEUM/ FASL

"The redevelopment of the Aje field is not just an energy project; it's a vision for a sustainable future. By harnessing natural gas, enhancing local energy infrastructure, and embedding strong ESG principles in our operations, we are not only contributing to the local economy but also improving the quality of life for families in Western Nigeria. I am proud to be working at the forefront of this transformative journey, redefining energy in West Africa."

QUOTE FROM INGE HOLM, FACILITIES MANAGER, PETRONOR E&P

"The Aje project is something we are truly excited to be a part of. Through collective ambition and great cooperation, PetroNor is achieving technical milestones and, most importantly, is making energy more affordable and available in areas where it is most needed."

The Gambia

Net working interest:

90%

Area in km²:

1 376

Operator:

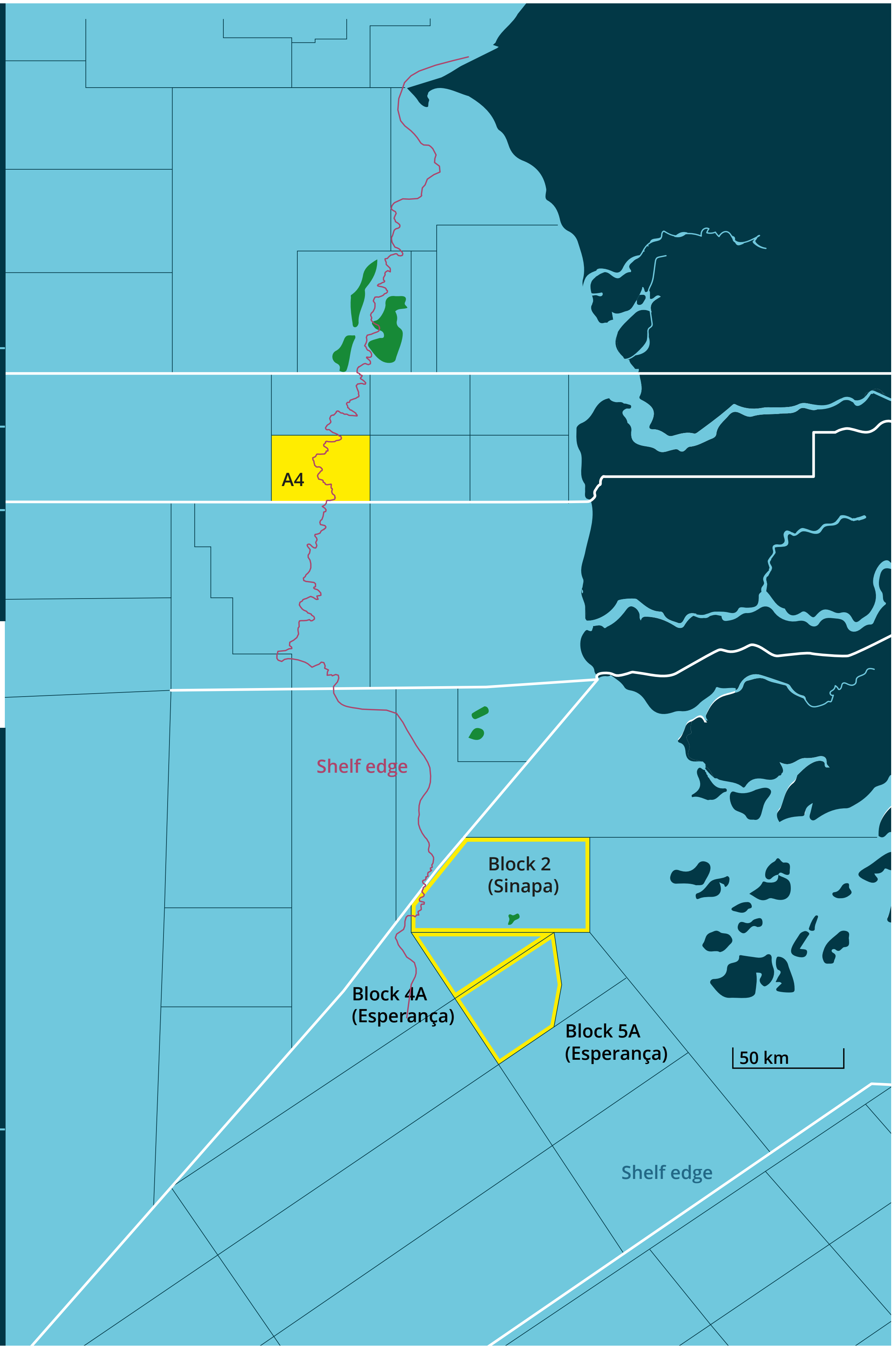
PetroNor E&P Gambia Ltd

Guinea-Bissau Sinapa-2 and Esperança 4A/5A

Net working interest farmed down 2023:

100%

Contingent consideration interest retained



Exploration:

Gambia and Guinea Bissau

THE GAMBIA A4 LICENCE

Licence overview

In November 2022, the company was awarded a new 30-year lease for the A4 licence with terms based on the newly developed Petroleum, Exploration and Production Licence Agreement – "PEPLA" model. A proportion of prior sunk costs associated with Block A4 have been carried into the new agreement. The first three-year period of the licence has been split into two 18-month periods. The first period involves an extensive work programme with a drill or drop decision in May 2024.

PetroNor has licenced additional 3D PSDM seismic data (TGS Jaan 3D) to give an enhanced regional perspective and to better understand recent well results in this part of the MSGBC Basin. PetroNor is seeking a partner to join the company in drilling one exploration well in this highly attractive acreage 40 km to the South of the Sangomar field in Senegal. The key prospects in A4 are the 'Lamia-South' and the 'Rosewood' prospects, both with commercial stand-alone volumes and attractive probability of success. PetroNor considers Lamia South to be a genuine analogue for the Sangomar Field (unlike recent wells in adjacent acreage). PetroNor aims to participate in any future well at an equity level of 30-50 per cent and hopes to drill in 2025 if entering the second 'commitment' phase of the first exploration period.

GUINEA-BISSAU SINAPA-2 AND ESPERANÇA 4A/5A LICENCES

Licence overview

Following the farm-out of 100% of the equity in both Sinapa and Esperança 4A/5A licences to Apus Energy Guiné-Bissau SA ("Apus Energy"), PetroNor retains an upside interest in the licences. In the event that the Atum-1X well proves successful, and the subsequent development produces oil and/or gas, a further USD 60 million will be paid, 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.

Annual statement of reserves

PetroNor's classification of reserves and resources complies with the guidelines established by the Oslo Stock Exchange and are based on the definitions set by the Petroleum Resources Management System (PRMS) of the Society of Petroleum Engineers/ World Petroleum Council/ American Association of Petroleum Geologists/ Society of Petroleum Evaluation Engineers (SPE/PRMS) issued in 2018.

Reserves are the volume of hydrocarbons that are expected to be produced from known accumulations:

- On production
- Approved for development
- Justified for development

Reserves are also classified according to the associated risks and probability that the reserves will be produced.

1P Proved reserves represent volumes that will be recovered with 90 per cent probability.

2P Proved + probable reserves represent volumes that will be recovered with 50 per cent probability.

3P Proved + probable + possible volumes will be recovered with 10 per cent probability.

Contingent resources are the volumes of hydrocarbons expected to be produced from known accumulations:

- In planning phase
- Where development is likely
- Where development is unlikely with present basic assumptions
- Under evaluation

Contingent Resources are reported as 1C, 2C, and 3C, reflecting similar probabilities as reserves.

DISCLAIMER

The information provided in this report reflects reservoir assessments, which in general must be recognised as subjective processes of estimating hydrocarbon volumes that cannot be measured in an exact way.

It should also be recognised that results of recent and future drilling, testing, production, and new technology applications may justify revisions that could be material. Certain assumptions on the future beyond PetroNor's control have been made. These include assumptions made regarding market variations affecting both product prices and investment levels. As a result, actual developments may deviate materially from what is stated in this report.

The estimates in this report are based on third party assessments prepared by AGR Petroleum Services AS ("AGR") in March 2024 for PNGF Sud and PNGF Bis (2024 AGR CPR). For OML113 (Aje), reserves and resources are based on a CPR from AGR/Tracs from March 2019.

PETRONOR ASSETS PORTFOLIO

The group holds exploration and production assets in Africa through subsidiaries and joint ventures, namely the offshore PNGF Sud production licences in the Republic of Congo and an economic interest between 15.115 per cent and 20.153 per cent in OML 113 following the completion of the YFP transaction. This transaction is now part of this Annual Statement of Reserves ("ASR"). The imminent completion of the transaction with New Age will bring the PetroNor economic interest to between 39.173 per cent and 52.223 per cent.

In 2023, PetroNor E&P AB, a wholly owned subsidiary of PetroNor E&P ASA 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.

During 2023, the ICSID arbitration tribunal rejected claims by the company to rights over its legacy Senegal exploration licences.

The exploration assets in Guinea-Bissau, The Gambia and Senegal only constitute prospective resources, therefore are not considered part of this ASR.

PNGF Sud:

Offshore Congo Brazzaville, operator Perenco, PetroNor 16.83 per cent

PNGF Sud is a development and exploitation licence comprising three (3) production licence agreements (Tchibouela II, Tchendo II and Tchibeli-Litanzi II), which contain six oil fields: Tchibouela Main, Tchibouela East, Tchendo, Tchibeli, Tchibeli North East and Litanzi.

PetroNor E&P's indirect subsidiary, Hemla E&P Congo (Hepco), holds a 20 per cent (16.83 per cent net to PetroNor) non-operated interest in the PNGF Sud licences offshore Congo. The operator of the licences is Perenco which holds a 40 per cent interest.

Effective since 1 January 2017, the ownership of the licences has an expiry date after 20 years plus a 5-year extension period.

Since granting of the licences, Perenco, with partner support has been committed to strict HSE compliance while growing production, improving maintenance routines and field integrity in a stepwise and prudent manner.

In November 2021, the 17-well infill programme commenced on PNGF Sud with four infill wells on Litanzi. In November 2022, two wells were completed in Tchibeli North East. A further five wells were added in Tchibeli from September 2023. Production capacity reached approximately 35 000 bopd at the end of last year. The year ended with an average 30 672 bopd (5 162 Net to Petronor). One infill well into the Vanji of Tchibeli NE was added to the 17-well programme and is close to complete in writing this report. The remaining 6 wells in the infill drilling programme will be initiated early 2025 from the newly added Tchendo 2 platform.

Gross production during 2023 was 11.2 MMbbls of oil and 10.1 Bcf of gas.

In March 2024 AGR performed a full Competent Persons Report (CPR) covering the Reserves (1P, 2P and 3P) and Resources (1C, 2C and 3C) in both PNGF Sud and PNGF Bis. The above figures were evaluated as of 31 December 2023.

As per the PRMS/SPE guidelines, only the portion of gas is contributing to power generation (on Tchibouela and Tchendo only) and is included in the overall reserves in the AGR CPR. The gas is being used centrally in the field complex as fuel for power generating turbines which is subsequently transmitted to the individual field platforms via electrical power cables. For the purpose of this report, the numbers quoted below as MMbbls do not include the oil equivalent gas but are included in the appendix reserves and resource tables.

PetroNor ASR uses as the basis the Reserves and Resources from the 2024 AGR CPR yielding Reserves and Resources as per 31 December 2023. As the only product sold is oil, PetroNor will in the text below when referring to Reserves and Resources mainly refer to oil and term these with the unit MMbbls or including condensate, LPG and gas as oil equivalents MMboe.

As of 31 December 2023, AGR evaluated that gross 1P Proved Reserves yield 65.6 MMbbls in all of the PNGF Sud fields in the Cenomanian, Turonian, Senonian and Albian reservoirs. Gross 2P Proved plus Probable Reserves at PNGF Sud amounted to 95.7 MMbbls in the same reservoirs. Gross 3P Proved plus Probable plus Possible Reserves at PNGF Sud amounted to 123.4 MMbbls.

Gross 1C Resources yield 25.5 MMbbls in all of the PNGF Sud fields in the Cenomanian, Turonian, Senonian and Albian reservoirs. Gross 2C Resources at PNGF Sud amounted to 42.0 MMbbls in the same reservoirs. Gross 3C Resources at PNGF Sud amounted to 72.3 MMbbls.

These evaluations yield 1P Proved Reserves net to PetroNor of 11.0 MMbbls, 2P Proved plus Probable Reserves net to PetroNor of 16.1 MMbbls and 3P Proved plus Probable plus Possible Reserves net to PetroNor of 20.8 MMbbls.

Additional potentially recoverable resources net to PetroNor are approximately 4.3 MMbbls 1C, 7.1 MMbbls 2C and 12.2 MMbbls 3C.

These Reserves and Contingent Resources are PetroNor's net volumes before deductions for royalties and other taxes, reflecting the production and cost sharing agreements that govern the assets.

PNGF Bis:

Offshore Congo Brazzaville, operator Perenco, PetroNor 22.7 per cent

Located North-West of PNGF Sud, PNGF Bis licence contains two discoveries, Louissima and Loussima SW. The two discoveries are proven by three wells including DSTs drilled from 1985-1991. The primary potential is identified in the pre-salt Vanji formation with promising DST rates, but the exploration and appraisal wells also include an oil column in the post-salt Senji fm (not tested).

The contractor group of PNGF Sud has now secured the rights to carry out petroleum activities on PNGF Bis and one possible scenario comprises a long-term test production period with a rented jack-up with a purchase option and an 11 km pipeline tie-back to one of the existing Tchibouela process platforms. This would allow cost recovery of the investments during the test production and allows upscaling the production levels with additional producers as resources are matured to reserves.

Based on an initial test development, net to PetroNor 1C Contingent Resources yield 0.8 MMbbls in the Loussima SW Vanji and Senji fm. Net 2C at PNGF Bis Loussima SW amounts to 2.1 MMbbls in the same reservoirs. Net 3C amounts to 3.0 MMbbls.

MANAGEMENT DISCUSSION AND ANALYSIS

PetroNor uses the services of AGR Petroleum Services for third party verifications of its reserves and resources.

All evaluations are based on standard industry practice and methodology for production decline analysis and reservoir modelling based on geological and geophysical analysis. The following discussions are a comparison of the volumes reported in previous reports, along with a discussion of the consequences for the year-end 2023 ASR.

PNGF Sud

During the years from 2017 to 2023, production and reserves have grown from the initial c. 15 000 bopd and 62 mmbo when Perenco and partners took over. An additional c. 58 mmbo have been produced in the period, thus representing a reserve replacement ratio of more than 200 per cent for the period. This has materialised through revitalising existing producers via replacements or upsizing of Electrical Submersible Pumps (ESPs), acidising, clean up or reperforating wells or converting wells from the Cenomanian to the Turonian (less depleted) formations. Significant surface debottlenecking is also taking place, projects ranging from improved power generation, gas-lift compressor upgrades, pump replacements and other surface process improvements. Production from Tchibeli has been routed to Tchendo by installing a new pipeline to avoid third party processing tariffs previously paid to the Nkossa FPSO. These brick-by-brick improvements together with infill drilling have yielded a production level during 2023 of 30 672 bopd. An infill drilling programme was decided for the Litanzi field in 2019 and in 2020 for Tchendo and Tchibeli. Development drilling of the Tchibeli NE discovery was further sanctioned in 2021 with one additional Vanji well decided in 2023. Consequently, the 2C resources in these fields have already been converted to 2P reserves. Development of 3D static and dynamic models has been and will continue to form the basis of further infill drilling programmes on PNGF Sud. As part of the commitment to infill drilling, significant 2C resources have been transferred to 2P reserves on Litanzi, (in 2019), Tchendo, Tchibeli and further in Tchibeli NE. The further infill potential in Tchibouela and Tchendo has been maintained with a significant gross/net 2C potential of some 42.0/7.1 mmbo.

Net/gross produced volumes during 2023 constituted 1.9/11.2 MMbbls. Only minor adjustments were made to 2P reserves for 2023, with a decrease after production of net/gross -0.5/-3.1 mmbo. 2C resources are unchanged.

The PNGF partnership has invested in additional power generation facilities on Tchibouela and Tchendo. According to PRMS, gas reserves for this should be classified as reserves. Total gross gas reserves attributed to power generation has been estimated at 35.0 bcf, corresponding to an additional gross 6.2 mmboe in the reserve's balances.

Production rates are expected to average around 30 000 bopd for 2024.

PNGF Bis

Once investment decisions are made on the Loussima SW project these reserves may become reserves approved for development. It is expected that these discoveries will have priority following the infill drilling programmes in PNGF Sud.

Given a successful Loussima SW, a similar development potential is also likely for the Loussima Discovery.

Aje – OML113

As part of the completion with Panoro on this transaction, reserves and resources from this licence are included in PetroNor's balances. Reserves and resources are based on a CPR from AGR/Tracs from March 2019. As the bulk of these are 2P reserves based on a Field Development Plan (FDP) submitted to and approved by the Nigerian Upstream Petroleum Regulatory Commission (NUPRC – formerly DPR) in 2018 and the current development plan will need a resubmission and approval. PetroNor assumes the same reserves now to be contingent resources. Production from 2019 to 2021, being relatively insignificant, has been subtracted from these figures.

Revenue and cost bearing interests vary through the development production period from 15.1 per cent and 20.2 per cent and net resources have been modelled and listed in the tables below. The 2C resources net to PetroNor are 10.9 mmbo of liquids and 97 bcf of gas, in total 27.1 mmboe (AGR Tracs use 6 mscf/boe).

ASSUMPTIONS

The commerciality and economic tests for the PNGF Sud, PNGF Bis and Aje reserves and resources volumes were based on an oil and condensate price of 70 USD/bbl, although the reserves and resources are not very sensitive to this parameter as OPEX levels are currently at around 10 USD/bbl in PNGF and estimated at approximately 7 USD/bbl in Aje on plateau production.

2P Reserves

(MMboe)	2022	2023	2023 PN Net
Balance – gross AGR, PNGF Sud	120.5	101.9	17.2

2P and 2C Reserves and resources status

(MMboe)	2022	2023	2023 PN Net
Balance 2P/2C gross, PNGF Sud	165.0	146.3	24.6
Balance 2P/2C gross, Sud+Bis	193.8	155.7	26.8
Balance – 2P/2C gross, ALL PNGF +Aje	339.0	290.0	53.8

PetroNor's total 1P oil Reserves at end of 2023 amounted to 11.0 MMbbls. PetroNor's 2P oil Reserves amount to 16.1 MMbbls and PetroNor's 3P oil Reserves amount to 20.8 MMbbls. This reflects the 20 March 2024 reserve report for the PNGF Sud field, conducted by AGR Petroleum Services AS and production since the field start-up.

PetroNor's Contingent Resource base includes discoveries of varying degrees of maturity towards development decisions. PetroNor's assets contain a total 2C volume of approximately 37.0 MMboe

24 April 2024

JENS PACE
Interim CEO PetroNor E&P

NET TO PETRONOR – RESERVES AND RESOURCES AT 31 DECEMBER 2023 (AGR CPR DATED 17 MARCH 2024)

Net PetroNor reserves (developed or under development):

	1P			2P			3P		
	Oil mmbo	Gas bcf	Boe mmboe	Oil mmbo	Gas bcf	Boe mmboe	Oil mmbo	Gas bcf	Boe mmboe
PNGF Sud 16.83%									
Tchibouela	5.53	1.50	5.80	7.28	2.32	7.70	8.69	3.75	9.36
Tchibouela East	0.35	-	0.35	0.50	-	0.50	0.63	-	0.63
Tchendo	2.08	2.50	2.53	3.60	3.56	4.23	4.90	3.62	5.54
Tchibeli	1.23	-	1.23	2.08	-	2.08	2.97	-	2.97
Tchibeli Northeast	1.00	-	1.00	1.33	-	1.33	1.82	-	1.82
Litanzi	0.84	-	0.84	1.31	-	1.31	1.76	-	1.76
Total	11.04	4.00	11.75	16.10	5.89	17.15	20.77	7.37	22.08
PNGF Bis 22.70%									
Loussima (Bis)	-	-	-	-	-	-	-	-	-
Total	11.40	4.00	11.75	16.10	5.89	17.15	20.77	7.37	22.8

Net PetroNor contingent resources (undeveloped):

	1C			2C			3C		
	Oil mmbo	Gas bcf	Boe mmboe	Oil mmbo	Gas bcf	Boe mmboe	Oil mmbo	Gas bcf	Boe mmboe
16.83% PNGF Sud									
Tchibouela	2.29	1.50	2.56	3.57	2.32	3.98	5.74	3.75	6.41
Tchibouela East	1.09	-	1.09	1.95	-	1.95	3.19	-	3.19
Tchendo	0.91	-	0.91	1.54	-	1.54	3.23	-	3.23
Tchibeli	-	-	-	-	-	-	-	-	-
Tchibeli Northeast	-	-	-	-	-	-	-	-	-
Litanzi	-	-	-	-	-	-	-	-	-
Total	4.28	1.50	4.55	7.06	2.32	7.47	12.16	3.75	12.82
PNGF Bis 22.70%									
Loussima (Bis)	0.75	-	0.75	2.13	-	2.13	3.00	-	3.00
Aje 20.15%									
OML 113[1)]	6.64	56.66	16.08	10.89	97.04	27.06	17.97	138.24	41.01
Total	11.67	58.16	21.38	20.08	99.37	36.67	33.12	141.99	56.83

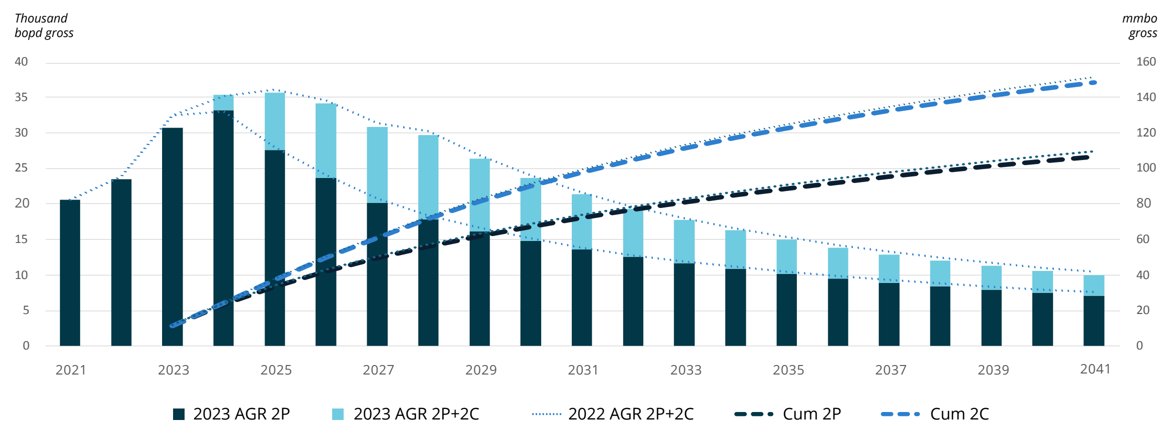
1) (Oil+Condensate+LPG) - oil equivalents for Aje are 6 mscf/boe according to the CPR.

Net Petronor reserves and resources (developed, under development or undeveloped):

	1P/1C			2P/2C			3P/3C		
	Oil mmbo	Gas bcf	Boe mmboe	Oil mmbo	Gas bcf	Boe mmboe	Oil mmbo	Gas bcf	Boe mmboe
16.83% PNGF Sud									
Tchibouela	7.82	3.00	8.35	10.85	4.65	11.68	14.43	7.51	15.77
Tchibouela East	1.44	-	1.44	2.45	-	2.45	3.81	-	3.81
Tchendo	2.99	2.50	3.44	5.14	3.56	5.77	8.13	3.62	8.78
Tchibeli	1.23	-	1.23	2.08	-	2.08	2.97	-	2.97
Tchibeli Northeast	1.00	-	1.00	1.33	-	1.33	1.82	-	1.82
Litanzi	0.84	-	0.84	1.31	-	1.31	1.76	-	1.76
Total	15.32	5.50	16.3	23.16	8.21	24.62	32.92	11.13	34.9
PNGF Bis 22.70%									
Loussima (Bis)	0.75	-	0.75	2.13	-	2.13	3.00	-	3.00
Aje 20.15%									
OML 113[1)]	6.64	56.66	16.08	10.89	97.04	27.06	17.97	138.24	41.01
Total	22.71	62.15	33.13	36.18	105.25	53.82	53.89	149.36	78.91

1) (Oil+condensate+LPG) - oil equivalents for Aje are 6 mscf/boe according to the CPR.

2P+2C production rate and cumulative production from 2023 AGR CPR



Corporate governance

Statement on corporate governance in PetroNor E&P

PetroNor E&P ASA ("PetroNor" or the "company", and with its subsidiaries; the "group") aims to instil confidence in the company and maximise long-term value through effective decision-making, well-defined roles among shareholders, management, and the board of directors (the "board"), and transparent communication.

As a company listed on the Oslo Stock Exchange, PetroNor is required to report on corporate governance under section 3-3b of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance (the "code"). The Accounting Act may be found (in Norwegian) at www.lovdata.no. The Code, which was last revised on 14 October 2021, may be found at www.nues.no. The Code is based on the "comply or explain" principle. In the event that the company deviates from the requirements of the Code, the company must provide a justification for such deviation and explain what alternative solution it has selected. The company also seeks to comply with the Oslo Stock Exchange Code of Practice for Investor Relation (IR) of 1 March 2021.

1. IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

The main objective for PetroNor's corporate governance principles is to develop a strong, sustainable and competitive company in the best interest of the shareholders, employees and society at large, in compliance with the laws and regulations of the relevant jurisdictions in which the company operates. The board and management of the company aim for a controlled and profitable development and long-term creation of growth through well-founded governance principles and risk management.

The board will prioritise the development of effective working procedures to achieve, among other objectives, the goals outlined in these corporate governance guidelines and principles.

The Code comprises 15 principles. The corporate governance report is available on the company's website www.petronorep.com.

Deviations from the Code: None.

2. BUSINESS

PetroNor is a full cycle oil and gas exploration and production company listed on the Oslo Stock Exchange with ticker code "PNOR". PetroNor holds exploration and production assets in Africa.

The company's business is defined in Article 3 of the company's articles of association, which states:

"The company's business is to invest in companies and entities that are involved in the energy industry and the oil and gas industry worldwide, as well as investment activities and other related activities."

The company is focused on growing production and reserves by leveraging existing assets to capitalise on new venture opportunities combined with targeted high impact exploration. With strategic and long-term large shareholders from Abu Dhabi and Norway, PetroNor will look to capitalise on the industry experience and government relations in these jurisdictions.

PetroNor's vision is to:

- Become a leading full-cycle E&P company.
- Use experience and competence in enhancing value in projects in Africa to the benefit of the countries PetroNor operates in and the shareholders of the company.
- Create values for the shareholders in a sustainable manner where due regards are given to financial, social and environmental issues.

The board will evaluate the group's vision and strategy at least on an annual basis, also including input from shareholders not directly represented in the board.

The oil and gas exploration and production industry is characterised by high-risk, high-reward dynamics, exposing PetroNor to fluctuations in oil prices. The company is also subject to the inherent risks associated with petroleum production, as well as the drilling of production, appraisal, and exploration wells.

The company will seek opportunities across its core region but may opportunistically invest outside of its core area.

PetroNor is dedicated to steadily building and increasing its reserve base. The company aims to use free cash flow for targeted exploration efforts in selected and highly promising basins. The primary goal is to deliver substantial value to its shareholders through high-impact wells. Furthermore, PetroNor is committed to being a responsible corporate citizen, promoting excellence in operations, and fostering innovation.

PetroNor has implemented corporate values, ethical guidelines, and guidelines for corporate social responsibility. These values and guidelines are described in PetroNor's Code of Conduct with further details in internal policies. In accordance with the Norwegian Accounting Act, the company annually reports on various aspects, including environmental and social issues, the work environment, equality and non-discrimination, adherence to human rights, and efforts to combat corruption and bribery.

Deviations from the Code: None.

3. EQUITY AND DIVIDENDS

The oil and gas E&P business is highly capital dependent, requiring PetroNor to be sufficiently capitalised. The board will ensure that the company at all times has an equity capital at a level appropriate to its objectives, strategy and risk profile. The board recognises a need to be proactive in order for PetroNor to be prepared for changes in the market.

Mandates granted to the board to increase the company's share capital or to purchase own shares will normally be restricted to defined purposes and are normally limited in time to the following year's annual general meeting. Any acquisition of PetroNor-shares will be carried out through a regulated marketplace at market price, and the company will observe the principle of equal treatment of all shareholders in connection with such transactions. If there is limited liquidity in the company's shares at the time of such transaction, the company will consider other ways to ensure equal treatment of all shareholders.

Mandates granted to the board for issue of shares for different purposes will each be considered separately by the general meeting.

Payment of dividends will be considered in the future, based on the company's capital structure and dividend capacity as well as the availability of alternative investments.

Deviations from the Code: None.

4. EQUAL TREATMENT OF SHAREHOLDERS

PetroNor has one class of shares representing one vote at the annual general meeting. The articles of association contain no restriction regarding the right to vote.

Any decision to waive the pre-emption rights of existing shareholders to subscribe for shares in the event of an increase in share capital will be justified and disclosed in the stock exchange announcement of the increase in share capital. Such decision will be made only in the common interest of the shareholders of the company.

Transactions in PetroNor shares will be made through the stock exchange or by other means at market prices. If there is a limited liquidity in the PetroNor shares, the board will consider other ways to ensure equal treatment of all shareholders when making transactions in the PetroNor shares.

Deviations from the Code: None.

5: SHARES AND NEGOTIABILITY

Shares of PetroNor are listed on the Oslo Stock Exchange. There are no restrictions on ownership, trading or voting of shares in PetroNor's articles of association.

Deviations from the Code: None.

6: GENERAL MEETINGS

PetroNor's annual general meeting is to be held by the end of June each year.

The board will take necessary steps to ensure that as many shareholders as possible may exercise their rights by participating in general meetings of the company, and to ensure that general meetings are an effective forum for the views of shareholders and the board. The company shall arrange the general meetings so that the shareholders can attend electronically, unless there is a reason to refuse.

An invitation and agenda (including proxy) will be sent out no later than 21 days prior to the meeting to all shareholders in the company. The invitation will also be distributed as a stock exchange notification. The invitation and support information on the resolutions to be considered at the general meeting will furthermore normally be posted on the company's website www.petronorep.com no later than 21 days prior to the date of the general meeting.

The recommendation of the nomination committee will normally be available on the company's website at the same time as the notice.

PetroNor will ensure that the resolutions and supporting information distributed are sufficiently detailed and comprehensive to allow shareholders to form a view on all matters to be considered at the meeting.

According to Article 7 of the company's articles of association, registrations for the company's general meetings must be received at least two trading days before the meeting is held.

The chairperson of the board, as well as the auditor and CEO of the company, shall be present at the general meetings, unless the circumstances preclude such. The chairperson of the nomination committee as well as other board members should attend the general meetings. An independent person to chair the general meeting will, to the extent possible, be appointed. Normally the general meetings will be chaired by the company's external corporate lawyer.

Shareholders who are unable to attend in person will be given the opportunity to vote by proxy. The company will nominate a person who will be available to vote on behalf of shareholders as their proxy. Information on the procedure for representation at the meeting through proxy will be set out in the notice for the general meeting. A form for the appointment of a proxy, which allows separate voting instructions for each matter to be considered by the meeting and for each of the candidates nominated for elections will be prepared. Dividend, remuneration to the board and the election of the auditor, are among the matters that will be decided at the annual general meeting. Following a general meeting, the company immediately announces that its general meeting has been held and the minutes are released on the company's ticker "PNOR" at NewsWeb as well as at the company's website.

Deviations from the Code: None.

7. NOMINATION COMMITTEE

The company shall have a nomination committee of up to three members, to be elected by the general meeting. The nomination committee shall present proposals to the general meeting regarding (i) election of the chair of the board, board members and any deputy members, and (ii) election of members of the nomination committee. The nomination committee shall also present proposals to the general meeting for remuneration of the board and the nomination committee, which is to be determined by the general meeting. The general meeting shall adopt instructions for the nomination committee.

Deviations from the Code: Due to the company's current shareholder composition, the majority of the nomination committee is currently not independent of the board and executive management. The company will continuously consider whether amendments to the composition of the nomination committee should be made.

8. BOARD OF DIRECTORS – COMPOSITION AND INDEPENDENCE

The composition of the board ensures that the board represents the common interests of all shareholders and meets the company's need for expertise, capacity and diversity. The members of the board represent a wide range of experience including upstream E&P industry, oil service, energy politics and finance. The composition of the board ensures that it can operate independently of any special interests. Members of the board are normally elected for a period of two years. Recruitment of members of the board may be phased so that the entire board is not replaced at the same time. The general meeting elects the chairperson and deputy chairperson (if any). The company's website and annual report provide detailed information about the board members expertise and independence. The company has a policy whereby the members of the board are encouraged to own shares in the company, but to dissuade from a short-term approach which is not in the best interests of the company and its shareholders over the longer term.

The board is to be composed of at least two members who are independent of the company's major shareholders, and more than half of the members are to be independent of the company's management and material business relations.

Deviations from the Code: None.

9. THE WORK OF THE BOARD OF DIRECTORS

The board has the overall responsibility for the management and supervision of the activities in general. The CEO is responsible for the company's daily operations and ensures that all necessary information is presented to the board.

The board decides the strategy of the company and makes the final decision in new projects and/or investments. The board's instructions for its own work as well as for the executive management have particular emphasis on clear internal allocation of responsibilities and duties. The chairperson of the board ensures that the board's duties are undertaken in efficient and correct manner. The board has established separate rules of procedures for its work. Such rules of procedure also address how the board and management shall deal with agreements with related parties, and in particular whether independent valuations of such agreements should be obtained. In addition, the board will report on such agreements in its annual report.

The board shall stay informed of the company's financial position and ensure adequate control of activities, accounts and asset management. The board member's experience and skills are crucial to the company both from a financial as well as an operational perspective.

An annual schedule for the board meetings is prepared and discussed together with a yearly plan for the work of the board. The board will consider evaluating its performance and expertise annually.

The company has guidelines to ensure that members of the board and executive personnel notify the board if they have any material direct or indirect interest in any transaction entered into by the company. Should the board need to address matters of a material character in which the chairperson is or has been personally involved, the matter will be chaired by an independent member of the board to ensure a more independent consideration.

The board has established an audit & risk committee and a remuneration committee as subcommittees of the board.

The audit & risk committee shall consist of at least three members appointed by and among the board. All members of the audit & risk committee must be non-executive directors, a majority of the members should be independent of the management and the company, and there must be adequate accounting and finance competence among the members of the committee. The audit & risk committee's role is to supervise the group's accounting and financial performance, as well as ensuring that adequate internal control and reporting requirements exist. The role is further detailed in a separate audit & risk committee charter.

The remuneration committee shall consist of up to three members appointed by and among the board. All members shall be independent of the executive management. The remuneration committee's role is to assist and advise the board on matters relating to the remuneration of the board and management, as well as salary, bonus and benefit policies for the employees in general. The role is further detailed in a separate remuneration committee charter.

Deviations from the Code: None.

10. RISK MANAGEMENT AND INTERNAL CONTROL

Financial and internal control, as well as short- and long-term strategic planning and business development, all according to PetroNor's business idea and vision and applicable laws and regulations, are the board's responsibilities and the essence of its work. This emphasises the focus on ensuring proper financial and internal control, including risk control systems.

The board approves the company's strategy and level of acceptable risk, as documented in the guiding tool "Risk Management" described in Note 22 to the consolidated financial statements in this annual report.

The board carries out an annual review of the company's most important areas of exposure to risk and its internal control arrangements.

Deviations from the Code: None.

11. REMUNERATION OF THE BOARD OF DIRECTORS

The remuneration to the board will be decided by the annual general meeting each year.

PetroNor is a diversified company, and the remuneration will reflect the board's responsibility, expertise, the complexity, and scope of work as well as time commitment.

The remuneration to the board is not linked to the company's performance and share options shall not be granted to board members. Remuneration in addition to normal director's fee will be specifically identified in the annual report.

Members of the board normally do not take on specific assignments for the company in addition to their appointment as a member of the board. Any exemptions shall be clarified with the full board.

Deviations from the Code: None.

12. SALARY AND OTHER REMUNERATION FOR EXECUTIVE PERSONNEL

The board has established guidelines for the remuneration of the executive personnel. The guidelines will be presented to the annual general meeting each year and shall set out the main principles applied in determining the salary and other remuneration of the executive personnel. The guidelines ensure convergence of the financial interests of the executive personnel and the shareholders. The guidelines shall be clear and transparent and contribute to the company's strategy, long term interests and financial viability.

The remuneration shall, both with respect to the chosen kind of remuneration and the amount, encourage addition of values to the company and contribute to the company's common interests – both for management as well as the owners.

Remuneration based on performance will normally be capped upwards.

Deviations from the Code: None.

13. INFORMATION AND COMMUNICATIONS

The company has established guidelines for the company's reporting of financial and other information. The chairperson and CEO are authorised by the board to speak to or be in contact with the press.

The company publishes an annual financial calendar including the dates the company plans to publish the quarterly and interim updates and the date for the annual general meeting. The calendar can be found on the company's website and will also be distributed as a stock exchange notification and updated on Oslo Stock Exchange's website. The calendar is published at the end of a fiscal year, according to the continuing obligations for companies listed on the Oslo Stock Exchange.

All information to shareholders is published simultaneously on the company's website and to appropriate financial news media.

PetroNor normally makes four quarterly presentations per year to shareholders, potential investors and analysts in connection with quarterly earnings reports or trading updates. The quarterly presentations are held through webinars to facilitate participation by all interested shareholders, analysts, potential investors and members of the financial community. A question-and-answer session is held at the end of each presentation to allow management to answer the questions of attendees. A recording of the webinar presentation is retained on the company's website www.petronorep.com for a limited number of days.

The company also makes investor presentations at conferences in Norway and internationally. The information packages presented at such meetings are published simultaneously on the company's website.

Deviations from the Code: None.

14. TAKEOVERS

PetroNor has established the following guiding principles for how the board will act in the event of a take-over bid. In a bid situation, the board shall help to ensure that shareholders are treated equally, and that the company's business activities are not disrupted unnecessarily. The board shall ensure that shareholders are given sufficient information and time to form a view of relevant offers.

As of today, the board does not hold any authorisations as set forth in Section 6-17 of the Securities Trading Act, to effectuate defence measures if a takeover bid is launched on PetroNor.

The board may be authorised by the general meeting to acquire its own shares but will not be able to utilise this in order to obstruct a takeover bid, unless approved by the general meeting following the announcement of a takeover bid.

As a rule, the company will not enter into agreements with the purpose to limit the company's ability to arrange other bids for the company's shares unless it is clear that such an agreement is in the common interest of the company and its shareholders. As a starting point the same applies to any agreement on the payment of financial compensation to the bidder if the bid does not proceed. Any financial compensation will as a rule be limited to the costs the bidder has incurred in making the bid. The company will typically aim to disclose agreements made with the bidder, which are material for the market's assessment of the bid, no later than the publication of the announcement confirming the intention to make the bid.

In the event of a take-over bid for the company's shares, the board will not exercise mandates or pass any resolutions with the intention of obstructing the take-over bid unless this is approved by the general meeting following announcement of the bid.

If an offer is made for the company's shares, the board will issue a statement evaluating the offer and making a recommendation as to whether shareholders should or should not accept the offer. The board will also arrange a valuation with an explanation from an independent expert. The valuation will be made public no later than at the time of the public disclosure of the board's statement. Any transactions that are in effect a disposal of the company's activities will be decided by a general meeting.

Deviations from the Code: None.

15. AUDITOR

The auditor will be appointed by the general meeting.

The board has appointed an audit & risk committee as a sub-committee of the board, which will meet with the auditor regularly. The auditor shall on an annual basis submit the main features of the plan for the audit of the company and an additional report to the audit & risk committee in which it declares its independence and explains the results of the statutory audit carried out by providing a range of information about the audit.

The auditor will send a complete management letter/report to the board – which is a summary report of risks faced by the business. The auditor participates in meetings of the board that deal with the annual accounts, where the auditor reviews any material changes in the company's accounting principles, comments on any material estimated accounting figures and reports all material matters on which there has been disagreement between the auditor and the executive management of the company.

In view of the auditor's independence of the company's executive management, the auditor is also present in at least one board meeting each year at which neither the CEO nor other members of the executive management are present. The board shall on an annual basis review the internal control procedures jointly with the auditor, including weaknesses identified by the auditor and assess proposals for improvement.

PetroNor places importance on independence and has established guidelines in respect of retaining the company's external auditor by the company's executive management for services other than the audit.

The board reports the remuneration paid to the auditor at the annual general meeting, including details of the fee paid for audit work and any fees paid for other specific assignments.

Deviations from the Code: None.

Board of directors

EYAS ALHOMOUZ
Non-executive chair

Qualifications:
Alhomouz graduated from Brigham Young University in Provo, UT with a degree in Chemical Engineering. Additionally, he holds a master's degree in Mineral and Energy Economics from the Colorado School of Mines, in Golden, CO.

Experience:
Alhomouz possesses extensive experience in the oil and gas sector covering the US, North Africa, and the GCC. He began his career with Schlumberger Oilfield Service as a wireline engineer in Midland, Texas. He later transitioned to Cromwell Energy in Denver, Colorado, taking on the role of international business development manager. Serving as the COO and financial director at Prism Seismic, a consulting and oil and gas software development firm in Colorado, he played a key role in its growth and eventual acquisition by Sigma Cubed. Following the acquisition, he assumed the position of director of business development, Middle East. Alhomouz further expanded his career by becoming the general manager of Jaidah Energy in Qatar, a company jointly owned by Oman and Qatar, specialising in servicing the oil and gas sector in Qatar. Alhomouz is currently the CEO of Petromal Sole Proprietorship LLC.

Alhomouz is not independent of the main shareholder.

Board meetings attendance	11
Shares owned at year-end 2023	0
Appointed since	1 October 2021

JOSEPH ISKANDER
Non-executive director

Qualifications:
Iskander holds a degree in Accounting and Finance with high distinction from Helwan University, Egypt.

Experience:
Iskander brings over 25 years of experience in the financial services industry, covering asset management, private equity, portfolio management, financial restructuring, research, banking, and audit. He began his career at Deloitte & Touche (Egypt) as an auditor. Iskander served as non-executive director on the boards of EFG Hermes in Egypt, Oasis Capital Bank in Bahrain, Sun Hung Kai & Co in Hong Kong, Qalaa Holdings in Egypt, Emirates Retakaful in UAE, Marfin Laiki Bank in Cyprus and Marfin Investment Group in Greece. Iskander led the research team at Egypt's Prime Investments and previously served as an investment advisor at Commercial International Bank (CIB). In 2004, he transitioned to Dubai Group, where he assumed the role of investment manager. During his tenure, Iskander actively participated in numerous M&A transactions, advisory services, asset management, and private equity deals, collectively exceeding a value of USD 8 billion. Until 2009, he held the position of managing director of asset management at Dubai Group and was the former head of research at Dubai Capital Group. Joining Emirates International Investment Company in July 2017, Iskander took on the role of Head of Investments, overseeing and managing EIIC's investment activities. Additionally, he serves as the Chief Executive Officer of Entrust Capital Limited, an EIIC subsidiary. EIIC operates as a subsidiary of National Holding in Abu Dhabi.

Iskander is not independent of the main shareholder.

Board meetings attendance	13
Shares owned at year-end 2023	0
Appointed since	8 October 2021

INGVIL SMINES TYBRING-GJEDDE
Non-executive director

Qualifications:
Smines Tybring-Gjedde graduated from BI Norwegian Business School with a master's degree in Management Programmes, with a strong focus on interaction, leadership, and strategy.

Experience:
Tybring-Gjedde is an experienced former Norwegian minister of national public security with overall responsibility for public safety, emergency planning, and cybersecurity. Before her position as minister of Svalbard and the Norwegian polar regions, she served as deputy minister in the Ministry of Petroleum and Energy for four years. In this capacity, her responsibilities included overseeing exploration policy, development, operations, exploration activity, the Ministry's engagements with other petroleum-producing countries and international forums. Additionally, she played a key role in the government's national climate policy, global environmental issues, and the government's full-scale project on carbon capture (CC). Tybring-Gjedde has a demonstrated history of working in the O&G, energy, and renewable industries in private and state-owned companies in various leading positions for more than 20 years.

Tybring-Gjedde is an independent director.

Board meetings attendance	12
Shares owned at year-end 2023	0
Appointed since	1 October 2021

GRO KIELLAND
Non-executive director

Qualifications:
Kielland holds a master's degree in Mechanical Engineering from the Norwegian University of Science and Technology (NTNU).

Experience:
Kielland has over 40 years of experience having held several leading positions in the oil and gas industry both in Norway and abroad, among others as CEO of BP Norway. Her professional experience includes work related to both operations and field development, as well as HSE. She has been holding non-executive roles for the last 15 years, mainly within the energy industry, working with different ownership structures, including listed companies, privately owned, PE owned, and start-up companies.

Kielland is an independent director.

Board meetings attendance	14
Shares owned at year-end 2023	0
Appointed since	1 October 2021

Board of directors

AZZA FAWZI
Non-executive director

Qualifications:
Fawzi holds a B.S.B.A. in Finance from American University Kogod School of Business.

Experience:
Fawzi, a former Shell finance executive, held responsibilities encompassing the US, Qatar, Brazil, Nigeria, Egypt, Oman, UAE, Malaysia, Mexico, and India. Her contributions played a key role in the successful business turnaround of Deep Water in the US Gulf of Mexico. As a senior finance leader, Fawzi works not only on establishing a robust control framework but also on providing strategic direction and maximising value for shareholders. With extensive international experience in oil and gas finance, she brings a wealth of knowledge to the table, including global board, audit, and executive leadership expertise.

Fawzi is an independent director.

Board meetings attendance	13
Shares owned at year-end 2023	0
Appointed since	26 January 2023

JARLE NORMAN-HANSEN
Non-executive director

Qualifications:
Norman-Hansen holds a bachelor's degree in Economics from BI Norwegian Business School and an ICFA from The Norwegian School of Economics.

Experience:
Norman-Hansen has more than 30 years of experience from the Nordic property and capital markets overseeing acquisitions and asset management of multi-billion investments. Additionally, he has served as an advisor to many of Scandinavia's largest real estate capital markets transactions.

Norman-Hansen is independent of the executive management , material business contacts and main shareholders (main shareholders being shareholders holding more than 10 per cent of the shares in the company).

Board meetings attendance	13
Shares owned at year-end 2023	8 973 389
Appointed since	26 January 2023

Executive management

JENS PACE
Interim chief executive officer

Qualifications:
Pace holds a bachelor's degree in Geology and Oceanography from the University of Wales and an MSc in Geophysics from Imperial College, London, UK.

Experience:
Pace has over 40 years of industry experience, initially garnered with major companies such as BP and Amoco. Since 2012, he has been associated with African Petroleum Corporation and PetroNor. With a background in geoscience, Pace has held senior leadership positions in E&P for the past 20 years, operating across a variety of international jurisdictions. Serving as the CEO of African Petroleum, he continued as director after the merger with PetroNor. On 9 February 2022 he stepped down from the board and was appointed as interim CEO.

CLAUS FRIMANN-DAHL
Chief technical officer

Qualifications:
Frimann-Dahl holds a bachelor's degree in Petroleum Engineering from Texas A&M University and an MSc from the University of Trondheim (NTH).

Experience:
Frimann-Dahl has 30 years of experience in the oil and gas industry, where he has held both managerial and technical positions. His experience includes operational roles with Phillips Petroleum, Norsk Hydro, and Hess spanning the North Sea in Norway and Denmark, Russia, Egypt and the US. Additionally, he played a pivotal role as the co-founder of Ener Petroleum, a company that was subsequently acquired by Dana Petroleum and KNOC.

MICHAEL BARRETT
Exploration and geoscience manager

Qualifications:
Barrett has a bachelor's degree in Geology & Geophysics from Durham University and an MSc in Petroleum Geology & Geophysics from Imperial College, Royal School of Mines in London.

Experience:
Barrett has over 30 years global exploration experience from his career at Chevron Corporation, and more recently at Addax/Sinopec International African Petroleum and PetroNor.

Barrett has held a variety of technical and managerial roles covering exploration and new ventures, and was part of Chevron's global Exploration Review Team, specialising in play and prospect risk assessment, and volumetric assessment. He has extensive experience in portfolio management and commercial evaluation of oil and gas opportunities.

CHRISTOPHER BUTLER
Group financial controller

Qualifications:
Butler is a Fellow of the Institute of Chartered Accountants in England and Wales and holds a bachelor's degree in Physics from Warwick University.

Experience:
Butler brings more than 18 years of financial and corporate experience, acquired through roles in public practice, as well as in the oil & gas and mining sectors across Africa, Asia, and Europe. His diverse responsibilities have encompassed financial reporting, contract negotiations, M&A, due diligence, treasury management and system implementations.

EMAD SULTAN
Strategy and contracts manager

Qualifications:
Sultan holds a bachelor's degree in Mechanical Engineering from the University of Washington.

Experience:
Sultan has 20 years of international exploration and production experience. Throughout his career, he has held multiple operation and marketing management positions within international oil field services companies. Additionally, he has worked in a number of technical, contracting and strategy management roles with major oil and gas operators.

Board of directors’ report

PetroNor E&P has reached several operational and strategic milestones during 2023. The total 2023 net entitlement volumes sold was 1 543 910 bbls for USD 121 million in cash. This represents a historically high volume and revenue for PetroNor which is now benefitting from the significant capital investment in the infill drilling campaign at the PNGF Sud field over the past two years.

The redevelopment plans for the Aje field continues and with the “New Age” transaction, PetroNor strengthens the company’s position in the Aje licence and opens up exciting possibilities for future growth in the energy transition and strategic flexibility. The farm-out transaction of 100 per cent of the company’s licences in Guinea-Bissau shows the company’s ability to create value for all shareholders by strengthening the balance sheet and bringing the company closer to its target of paying dividends. With the events during the year, PetroNor is well structured to fulfil its ambitious growth strategy from both its existing portfolio and new opportunities.

The board of directors' report is presented for PetroNor E&P ASA (“PetroNor” or “the company”) and its subsidiaries for the year ended 31 December 2023.

DIRECTORS

The names of directors of the ultimate parent entity of the group in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

PetroNor E&P ASA	Role	First appointed	Resigned
E Alhomouz	Non-exec chair	1 October 2021	-
J Iskander	Non-exec director	8 October 2021	-
I Smines Tybring-Gjedde	Non-exec director	1 October 2021	-
G Kielland	Non-exec director	1 October 2021	-
J Norman-Hansen	Non-exec director	26 January 2023	-
A Fawzi	Non-exec director	26 January 2023	-

OVERVIEW OF THE BUSINESS

The board of directors’ report for the PetroNor group (“the group”) comprises PetroNor E&P ASA (“the parent company“) and all subsidiaries and associated companies.

PetroNor E&P ASA is a Norwegian publicly listed liability company with its head office in Oslo, Norway.

The company is an independent oil and gas exploration and production company with a portfolio of assets in countries offshore West Africa (Republic of Congo, Nigeria and The Gambia).

As at 31 of December 2023, the company held, through its Congo subsidiary, 2P oil reserves of 16.1 MMbbls and an average net production in 2023 of 5 162 bopd. In addition, PetroNor holds an exploration licence in The Gambia with net unrisked prospective resources of approximately 1.1 billion barrels of oil (management estimate for two main prospects each with multiple stacked targets).

The total 2023 net entitlement volumes sold was 1 543 910 bbls for USD 121 million in cash, equivalent to an average price of USD 78.30 per barrel. This represents a historically high volume and revenue for PetroNor, almost double the quantity lifted and sold in 2022 by comparison, 800 177 bbls. The company is now benefitting from the significant capital investment in the infill drilling campaign over the past two years.

The asset portfolio as described in the portfolio section is supported by staff in Norway, multiple locations in Africa, the UK, and the UAE. The management team at PetroNor has in-depth industry experience from the oil and gas upstream

industry. Together they have built a broad network of industry contacts, and developed strong relationships with governments, institutions and trusted partners fostered over many years of valued collaboration.

Strategic Platform

PetroNor is a full cycle, Africa oriented E&P company focused on growing production and reserves by leveraging existing assets to capitalise on new venture opportunities combined with targeted high impact exploration.

With strategic and long-term shareholders from Norway and Abu Dhabi, PetroNor will look to leverage its industry experience and government relations in these jurisdictions.

Business Model

PetroNor will aim to steadily build and increase its reserve base while using free cash flow to pursue defined exploration targets in selected and highly prospective basins, with a view to delivering significant value to its shareholders from high impact wells whilst being a good corporate citizen and promoting excellence in operations and innovation.

The synergies between PetroNor's business model and the latest technologies developed in the offshore of the Norwegian Continental Shelf allow for the maximum commercial outcome with the least environmental impact. The transfer of technology and excellence to the company's partners or host countries ensures long-term collaborations and development.

PetroNor looks at creating value through the application of cutting edge and smart technology but always aims to strike the right balance between innovations and proven technology. PetroNor E&P gives special interest to IOR (improved oil recovery) for improved and efficient operations.

The company's area of focus is on Sub-Saharan Africa and, more specifically, proven and producing

assets in the region with development and IOR potential.

We leverage on our background and experience from the oil and gas industry in Norway, the country with the highest oil recovery rate in the world, in our operations. The PetroNor team has a proven track record from both IOR in the North Sea, as well as from direct, day-to-day, on the ground operations in Africa. The company's flat structure and assumed strict focus on execution and delivery enable it to move rapidly to take advantage of opportunities.

With many years of experience working in the international oil and gas business, the management and technical staff are able to apply and utilise cutting edge industry innovations and technologies to PetroNor's projects globally in order to maximise their potential value. With access to the Norwegian equity market with sophisticated investors in the energy sector coupled with a strong cornerstone investor from Abu Dhabi, the company is well positioned to access capital both for smaller and larger transaction opportunities.

IMPORTANT EVENTS

- Record oil sales of 1.5 MMbbls at average realised price of USD 78.30/bbl, compared with net entitlement volumes of 0.8 MMbbls at average realised price of USD 90.99/bbl in 2022
- Average net allocated production of 5 162 bopd in 2023, up from 4 021 bopd in 2022
- Five new wells in the Tchibeli field added in 2023, as part of the 17-well drilling campaign in the PNGF Sud complex commenced in 2021
- One infill well in Tchibeli NE pre-salt Vanji has been added to the drilling programme (for a total of 18) and drilling started 7 February 2024
- The 100 per cent farm-out of Guinea-Bissau acreage completed, generating a cash inflow payment of USD 22.9 million
- Senegal licence dispute arbitration has concluded with claims by both parties rejected by ICSID tribunal
- 22.7 per cent net interest in the PNGF Bis licence in the Republic of Congo awarded before the year-end
- Strenghtened position in Nigeria's Aje field gas redevelopment following a binding agreement with New Age to acquire their 32 per cent project economic and voting interest

PRINCIPAL ACTIVITY

The company's principal activity during the year was oil and gas exploration and production.

REVIEW OF OPERATIONS

Asset overview

Republic of Congo – PNGF Sud

The company has three production licence agreements (Tchbouela 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.

Since granting of the licences in January 2017, Perenco, with partner support has been committed to strict HSE compliance while growing production, improving maintenance routines and field integrity in a stepwise and prudent manner. This led to an increase in gross production from c. 15 000 bopd gross in January 2017 to an average gross production in 2023 of 30 672 bopd.

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 continued in 2023 with five new wells. The wells in 2023 were drilled on budget according to plan without lost time incidents (LTI).

The Tchendo 2 platform arrived in Congo in December 2023 having been upgraded in the Netherlands and it was commissioned in the field during Q1 2024. The platform includes a total of 14 new wells slots which will enable further development of the Tchendo field with six new wells planned in Q1 2025. The infill drilling programme has been upgraded to include an additional well. Of the 18 wells planned, 11 have been drilled to date and have lifted the daily production capacity in PNGF Sud from about 20 000 bopd to current rates of approximately 33 000 bopd.

The Tchendo 2 platform further includes three gas turbines with an installed capacity of 27MW that will allow energy independence and reduce gas emissions for the PNGF Sud licence with additional capacity for power export and excess gas utilisation for surrounding licences.

The PNGF Sud fields are developed with ten 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. The use of refurbished and recommissioned steel structures and other equipment is part of a wider sustainability programme focusing on increasing the production capacity and improving the integrity of the offshore installations.

In March 2024, AGR Petroleum prepared a competent person's report ("CPR") whereby the reserves were calculated as at 31 December 2023.

Using the CPR and adjusting for 2023 production as at 31 December 2023:

Participation Interest	16.83%
1P reserves (MMbbls)	11.0
2P reserves (MMbbls)	16.1

PetroNor's contingent resource base includes discoveries of varying degrees of maturity towards development decisions. At the end of the year, PNGF Sud contained a net 2C volume of approximately 7.1 MMbbls.

Gross production during 2023 was 11.2 MMbbls, corresponding to 1.9 MMbbls net to the company.

The current indirect participation interest is 16.83 per cent given an 84.15 per cent ownership in the subsidiary Hemla E&P Congo which holds a 20 per cent interest in the PNGF Sud licence.

Republic of Congo – PNGF Bis

PNGF Bis is located next to PNGF Sud and contains two discoveries from 1985-1991 in the structures of Loussima SW and Loussima. The company and its PNGF Sud partners have a right to negotiate the licence agreement.

The three discovery wells tested from 1 150 to 4 700 bopd of light, good quality oil. Perenco has made a detailed reinterpretation, 3D modelling and facilities study for the Loussima SW discovery, yielding some 100 MMbbl of in-place resources and a possible tie-back to Tchibouela.

In December 2023, the Council of Ministers in the Republic of Congo approved the award of the PNGF Bis licence to a contractor group led by Perenco as operator with PetroNor as a partner with a net interest of 22.7 per cent via an 84.15 per cent ownership in the subsidiary Hemla E&P Congo which holds 27 per cent interest in the licence. This approval will clear the path for the signing of a production sharing agreement in early 2024. PNGF Bis contains Net 2C resources of 2.1 mmboe according to PetroNor's 2024 Competent Person's Report.

Nigeria – OML-113 / The Aje Field

The Aje oil and gas field was discovered in 1996 with the Aje-1 well. After several appraisal wells, the field started production in May 2016 via the Front Puffin FPSO. Before suspending production in 2021, Aje was producing from two wells, the Aje-4 with oil production and Aje-5ST2 with oil and gas production. In addition to the oil, there is a significant gas-condensate column ready for further development. The oil production stopped in November 2021 due to the terminated contract with the FPSO. The Aje field is estimated to contain recoverable resources of 480 BCF of gas, 54 MMbbls oil, condensate and LPG.

In October 2023 PetroNor announced an agreement with New Age (African Global Energy) Limited ("New Age") to acquire New Age's interests in OML 113. PetroNor will pay New Age USD 6 million cash plus a deferred future gas production payment up to a maximum of USD 20 million to acquire New Age's entities holding a project economic and voting interest in the OML 113 JOA of approximately 32 per cent. Subject to completion, the agreement will not only increase PetroNor's economic stake but also reinforce the company's active involvement and influence in the licence partnership enabling PetroNor to plan for the redevelopment of the Aje field. Completion of the transaction is subject to customary conditions, including regulatory approvals in Nigeria.

PetroNor's existing position in OML 113 was achieved through the acquisition of Panoro Energy ASA's Nigeria interests in a transaction which completed in 2022. PetroNor is working with the OML 113 operator, Yinka Folawiyo Petroleum ("YFP"), to create a jointly owned company, Aje Production AS, which will hold a project economic and JOA voting interest of 39 per cent.

Upon completion of both of these transactions, PetroNor and YFP related entities will have a project economic and JOA voting interest of 71 per cent. The acquisition of New Age's Aje interests will increase PetroNor's net 2C contingent resources in Aje from 27.1 mmboe to 70.1 mmboe.

PetroNor continues work to update the field development plan ("FDP") to expedite gas development and engaged with potential off-takers and partners. Development plans for the Aje gas condensate and additional oil is progressing. The plan is to proceed toward an FID involving changeout of the FPSO, drilling further gas and oil development wells, building a 30 km pipeline to shore to a receiving LPG plant close to the export compressor station of the West African Gas Pipeline (WAGP).

Condensate and oil will be produced and offloaded offshore while offtake agreements will include gas sales and swap arrangement for gas and LPG products.

Exploration the Mauritania-Senegal-Gambia-Bissau-Conakry Basin (MSGBC Basin)

The Gambia – A4

The A4 licence is located offshore within the Mauritania-Senegal-Gambia-Bissau-Conakry Basin. The block contains multiple low risk commercial size prospects. Hydrocarbons are proven throughout the basin, the most local and notable is the 460 MMbbls Sangomar field, 30 km to the North in Senegal due to produce first oil in 2024, operated by Woodside Petroleum.

PetroNor and Gambia National Petroleum Corporation ("GNPC") have a Joint Operating Agreement ("JOA") for the A4 Licence. GNPC, as Government licencee, has a 10 per cent participating interest in the licence.

The first exploration period is for three years, the first 18 months of which are for additional prospect technical maturation work. The well commitment is made upon entry to the second 18-month period.

PetroNor E&P Gambia Ltd will be able to carry approved prior sunk costs associated with A4 into the new agreement.

The PEPLA is a royalty plus tax system valid for 30 years with an option of a 10-year extension. Post discovery, the licence moves into an exploration/appraisal phase where the commercial potential of the discovery is ascertained and a development decision taken, followed by a development and subsequent production phase.

PetroNor continues to seek partners to drill one exploration well in this highly attractive acreage and aims to participate in any future well at an equity level of 30-50 per cent.

Senegal – ROP & SOSP

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) (case ARB/18/24) to protect its interests in the Senegal Offshore Sud Profond (SOSP) and Rufisque Offshore Profond (ROP) blocks. In November 2023 results from the arbitration were announced. The ruling rejects claims by APSL and counter claims by the Republic of Senegal. As a result of the ruling, the company no longer has any activity in Senegal.

Guinea-Bissau – Sinapa 2 and Esperança 4A & 5A

In June 2023 PetroNor announced a farm-out transaction of 100 per cent of its participating interest in its two exploration licences offshore Guinea-Bissau to an SPV owned by Apus Energy DMCC. In October 2023, the Government of Guinea-Bissau approved the transfer of the Sinapa (Block 2) and Esperança (Blocks 4A and 5A) licence interests. PetroNor received cash of USD 23 million as contribution towards past licence costs at completion of the transaction in December 2023. It is anticipated that an exploration well to test the Atum-1 prospect will be drilled during the second quarter of 2024. In the case of a successful well, PetroNor stands to receive two contingent earn-out payments of USD 30 million each, contingent upon government approval of a field development plan and sustained production.

This transaction shows the company's ability to create value for all shareholders by strengthening the balance sheet and bringing the company closer to its target of paying dividends.

REVIEW OF OPERATIONS

Corporate

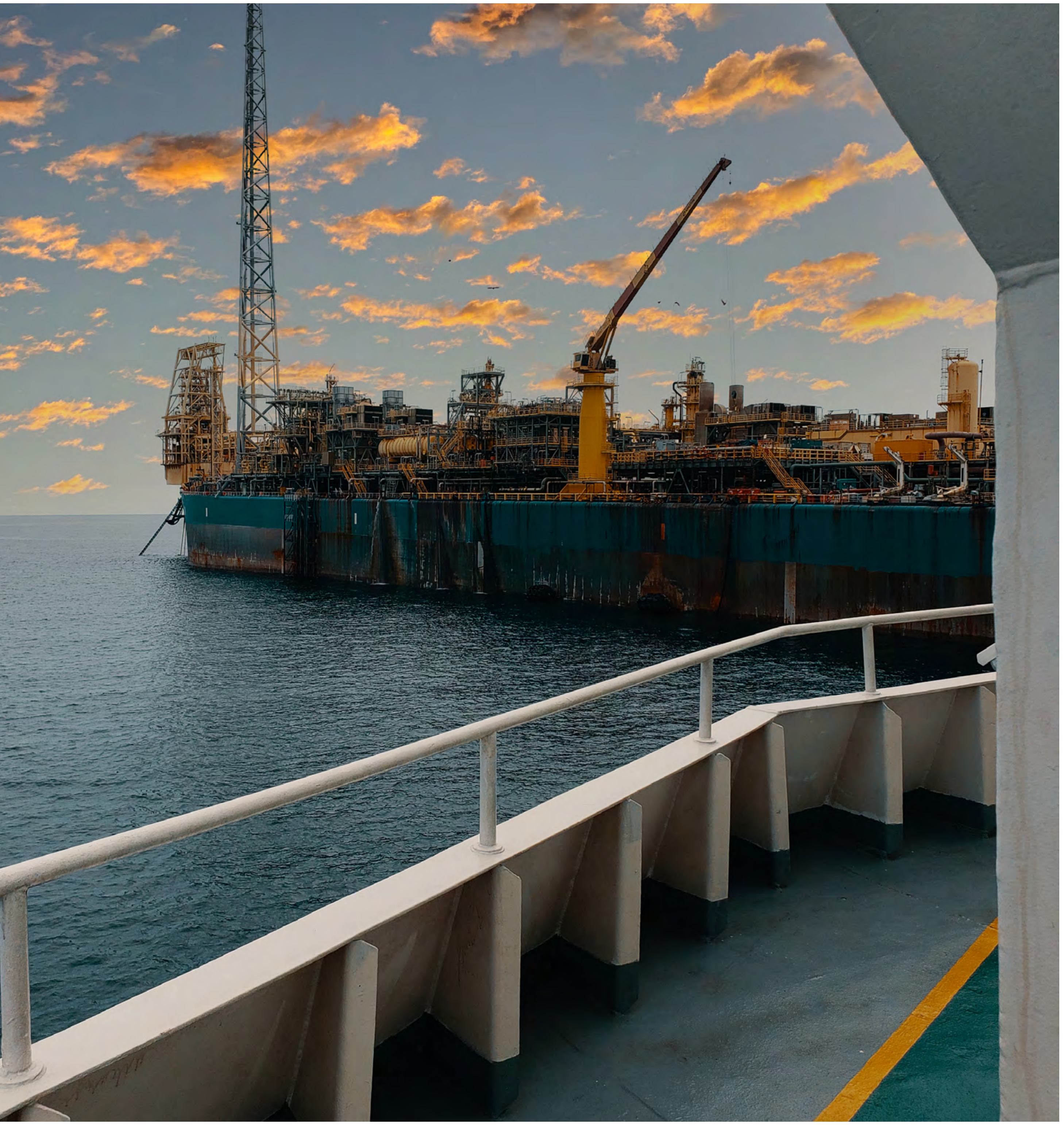
In January 2023, following an extraordinary general meeting, two additional directors were appointed to the board so that the board now consists of six directors, four of which are considered to be independent.

Økokrim charges

In December 2021, the National Authority for Investigation and Prosecution of Economic and Environmental Crime (Nw.: Økokrim) in Norway brought charges against individuals related to the company. Økokrim announced that the investigations were related to the individuals in question on suspicion of corruption concerning undisclosed projects in Africa, in addition to confirming that no charges had been brought against the group or other companies. The company takes anti-corruption and the matter at hand seriously and adopted a series of remediation steps.

The individuals charged by Økokrim in December 2021 were removed from business operations and Jens Pace was appointed interim CEO of PetroNor.

The board engaged independent legal counsel to support its governance and compliance steps, initiating an independent fact-finding process, to identify any misconduct, to analyse the causes of the underlying conduct, and setting up a separate board sub-committee to support the board with the matter at hand. These measures are designed to assure the further implementation of an effective anti-corruption and compliance programme, founded on its existing code of conduct, governing documents and related policies. The board will instigate any other remedial action



Floating production storage and offloading FPSO vessel.

deemed relevant to the situation. The measures taken by the company are led by the board sub-committee which does not comprise any persons subject to the charges or any investigations.

Completion of OML 113 acquisition
During January 2022, PetroNor received regulatory consent to the acquisition of Panoro Energy ASA's ("Panoro") interest in the OML 113 licence. PetroNor completed the acquisition of wholly owned subsidiaries Pan-Petroleum Nigeria Holding BV (renamed "Aje Nigeria Holding BV") and Pan-Petroleum Services Holdings BV (renamed "Aje Services Holding BV") that together hold 100 per cent of the shares in Pan-Petroleum Aje Ltd (renamed "Aje Production Ltd") in July 2022. This resulted in a 6.502 per cent participating interest, with a 16.255 per cent cost bearing interest, representing an economic interest of between 12.1913 per cent and 16.255 per cent in OML 113. The venture participates in the exploration for and production of hydrocarbons in Nigeria of the Aje oil and gas field.

A new joint venture with YFP Deep Water Co ("YFP-DW") is progressing under Aje Production AS where both parties will inject their interests in the OML 113 licence to facilitate further development plans of the Aje oil and gas field. PetroNor will hold 52 per cent in Aje Production AS which will result in a 15.5 per cent participating interest and an economic interest of 38.755 per cent in OML 113 during the majority of the project period. During Q4 2023, the group disposed of its interest in the Aje entities. The transaction was completed at 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 an investment in associate will be recognised once consideration is paid.

At 2 October 2023, PetroNor entered into a binding agreement with New Age (African Global Energy) Limited 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 per cent 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 redevelopment of the Aje field. Following completion of these transactions, PetroNor and YFP related entities will have a project economic and JOA voting interest of approximately 71 per cent.

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.

FINANCIAL REVIEW

The board of directors ("the board") confirms that the annual 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.

The going concern basis assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. The underlying business of the group created a net profit after tax of USD 79.1 million for the year ended 31 December 2023, with strong production from the Congo assets generating 5 025 bopd in first quarter of 2024. As at 31 December 2023, the group had a cash balance of USD 46.2 million (2022: USD 24.8 million).

The company is listed on the Oslo Børs main exchange and successfully refinanced its debt in 2022. It achieved high production levels after a successful in-fill drilling campaign and is continuously seeking potential partners for its exploration portfolio. These factors have enabled the directors of PetroNor ("the directors") to form the opinion that the company will be in a position to continue to meet its liabilities and obligations for a period of at least twelve months from the date of signing this report.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the group not continue as a going concern.

The following financial review is based on the financial statements of PetroNor E&P ASA and its subsidiaries. The statements have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU as well as Norwegian accounting legislation.

In the view of the board, the statement of comprehensive income, statement of changes in equity, statement of financial position and cashflow provide satisfactory information about the operations, financial results and position of the group and the parent company at 31 December 2023.

The consolidated financial statements are presented in US dollars.

Consolidated statement of comprehensive income

Key consolidated income statement figures

For the year ended 31 December

Amounts in USD million	2023	2022
Revenue from sales of petroleum products	**120.9**	72.8
Assignment of tax oil	**39.9**	47.6
Assignment of royalties	**26.5**	25.7
Revenue	**187.3**	146.1
EBITDA	**121.8**	94.2
Net profit/(loss)	**79.1**	34.4
Quantity of oil lifted (barrels)	**1 543 910**	800 177
Average selling price (USD per barrel)	**78.30**	90.99
Quantity of net oil produced after royalty, cost oil and tax oil (barrels)	**1 396 118**	900 495

The directors are pleased to report that favourable market conditions and the on-going corporate focus on cost control have resulted in EBITDA of USD 121.8 million for the year.

The group generated a net profit for the year of USD 79.1 million (2022: USD 34.4 million). These figures are due to an improving global market price for oil and to a steady production from PNGF Sud throughout the year as a result of the workover programme. In fact, since the group first entered the licences in 2017, it has seen more than a 100 per cent increase in the gross field production.

During 2023, the total net entitlement volumes sold amounted to 1 543 910 bbls for USD 121 million in cash, equivalent to an average price of USD 78.30 per barrel. This represents a historically high volume and revenue for PetroNor, 93 per cent above the quantity lifted and sold in 2022 (800 177 bbls). The group reports USD 187.3 million in revenue, a 28 per cent increase from 2022 (2022: USD 146.1 million). The company is now benefiting from the significant capital investment in the infill drilling campaign over the past two years.

Exploration expenses for The Gambia licence for the year were USD 0.2 million with Senegalese costs being USD 0.5 million. Under PetroNor's accounting policy, seismic data costs and time writing are expensed and not capitalised to intangible assets. A net gain of USD 18.1 million was realised on the Guinea-Bissau farm-out.

The administrative expenses in 2023 were USD 11.4 million (2022: USD 14.4 million). The USD 3 million reduction reflects movement in professional fees and CSR costs. During 2023, the professional fees decreased by USD 1.1 million where the costs in 2022 predominantly related to the redomicile of the parent entity. CSR accruals reduced by USD 1.2 million reflecting the fact that provisions in prior years have built up and the company experienced a lag in the commencement of new projects. Other costs were reduced by USD 0.6 million.

Financial position, financing and equity

The group continues to build the strength of the balance sheet with condensed statement of financial position below.

Condensed consolidated balance sheet

At 31 December

Amounts in USD million	2023	2022
Current assets	**95.2**	44.8
Non-current assets	**144.3**	139.7
Total assets	**239.5**	184.5
Current liabilities	**25.5**	26.4
Non-current liabilities	**27.2**	48.1
Total liabilities	**52.7**	74.6
Net assets	**186.8**	109.9
Capital and reserves attributable to owners of the parent	**166.4**	97.6
Non-controlling interests	**20.4**	12.3
Total equity	**186.8**	109.9

At 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 per cent in Aje Production AS which will hold a 15.5 per cent participating interest and an economic interest in the order of 38.755 per cent in OML 113. 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 per cent 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 and an investment in associates will be recognised at fair value upon completion. Refer to Note 22a of the financial statements for additional information.

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 being seen in production outputs.

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 18.1 million after tax. Refer to Note 23 Discontinued Operations for more detail.

Certain inventories relating to the Guinea-Bissau venture were retained and with a build-up of materials for the PNGF drilling programme, material inventories have increased by USD 3.5 million. There was minimal oil stock at the end of 2023 as a lifting had occurred just before year end on 15 December 2023, consequently crude oil inventories have decreased by USD 4.1 million in 2023.

The group has advanced USD 30.1 million (2022: USD 29.4 million) in cash to the operator towards the asset retirement obligation of PNGF Sud, this is considered a non-current "Other receivable".

The level of trade receivables increased by USD 41.5 million at year end, this due to the PNGF lifting of USD 27.3 million on 15 December 2023 vs a nil balance in 2022. Further, receivables included the consideration shares pending issues for the 29 December 2023 transfer of 100 per cent of shares in its Aje subsidiaries (in anticipation of completion of the YFP-DW joint venture partnership). The consideration receivable is presented as a non-current receivable of USD 10 million. An additional USD 1 million is included in this receivable which represents licence costs to be recouped in the new joint venture. Receivables also included a balance of USD 3 million in relation to the New Age transaction, upon completion this is expected to form part of investments.

The removal of joint venture payables for the OML 113 asset of USD 2.7 million is offset by the addition of an accrual for taxes arising on the Guinea-Bissau transaction of USD 4.0 million.

Provisions, net of the unwinding of discount, were USD 27.1 million versus USD 24.6 million in 2022. Provisions relating to the loss of control of entities holding the interest in the OML113 licence have been unwound from the balance sheet. Refer to Note 22a. for additional information. Refer to Note 18 for additional information on provisions and Note 22a for details of the OML 113 transaction.

The increased production performance from the PNGF Sud assets together with the successful monetisation of exploration assets have strengthened PetroNor's balance sheet with an increase of USD 76.8 million in net assets as at 31 December 2023.

Funding

At the year-end 2022, PetroNor had just closed on a debt refinancing facility of USD 11 million, repayable over 24 months. The funding was put in place at an interest rate of 11 per cent per annum and on similar terms to the previous facility. Half of the facility has now been repaid.

Cash Flow

Cash generated from operations were USD 49.6 million. The on-going investment in PNGF Sud assets consumed USD 38.3 million in cash in the period and the benefits in increased production were already being yielded in record production levels by the end of the year. Repayment of loans and borrowings were USD 5.5 million in the period. The farm-down of the Guinea-Bissau operations yielded a cash inflow of USD 22.9 million which included the recovery of costs incurred for the venture in the year of USD 1.6 million.

The group's cash position at the end of the period is USD 46.3 million (2022: USD 24.8 million).

Parent company results

At the presentation date of the financial statements, the parent entity of the group was PetroNor E&P ASA, a company domiciled in Norway.

Brazzaville by night.

The company reported a loss for the period of USD 2.5 million. The company's financial activities were purely corporate and include professional fees and fees for the services of the board of directors.

Dividends paid or recommended

During the year, no dividend was paid or recommended at group level.

RISK FACTORS

Operational risk factors

The group participates in oil and gas projects in countries in West Africa with emerging economies, such as the Republic of Congo (Brazzaville), Nigeria and The Gambia.

Oil and gas exploration, development and production activities in such emerging markets are subject to significant political and economic uncertainties that 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. Travel bans, asset freezes or other sanctions may be imposed and have historically been imposed on countries in which the group operates.

The jurisdictions in which the group operates may also have less developed legal systems than more established economies which could result in risks such as:

i. effective legal redress in the courts of such jurisdictions, whether in respect of a breach of law or regulation, or in an ownership dispute, being more difficult to obtain;
ii. a higher degree of discretion on the part of governmental authorities;
iii. the lack of judicial or administrative guidance on interpreting applicable rules and regulations;
iv. inconsistencies or conflicts between and within various laws, regulations, decrees, orders, and resolutions;

or

v. relative inexperience of the judiciary and courts in such matters.

In certain jurisdictions, the commitment of local business people, government officials and agencies, and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to the company's licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, licences, licence applications or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness of and enforcement of such arrangements in these jurisdictions cannot be assured. The jurisdictions in which the group has operations have a low score on the Transparency International's Corruption Perception Index, which implies that these countries are perceived as jurisdictions where there is a higher risk of corruption.

The group may also target acquisitions in other countries in Africa. The production sharing or other licencing contracts in such jurisdictions may provide for payments to the governments and/or national oil companies (farm-in fees, signature bonuses, taxes, training budgets, equipment budgets, carry of certain expenditures, etc.). Furthermore, the group has a number of consultants working for it in the area. Although the group believes all its consultancy agreements are entered into on clear and transparent terms, there is a risk that agents or other persons acting on behalf of the group may engage in corrupt activities without the knowledge of the group. Under applicable laws relating to the group's assets, local participation is or may be required in the oil and gas sector, but it may prove difficult to always receive final confirmation as to who the ultimate owners and affiliations of such local partners are. Through the group's investigation, it has not been possible to substantiate ultimate ownership and affiliations of all, current local partners in Congo and there can be no assurance that there are no government affiliations within the ultimate shareholders of the local partners in Congo. Corrupt practices of third parties or anyone working for the group or any of its affiliated parties, or allegations of such practices, may have a material adverse effect on the reputation, performance, financial condition, cash flow, prospects and/or results of the group.

While the Økokrim personal investigation into individuals associated with the company continues without resolution, business partners may be required to perform enhanced KYC procedures on PetroNor before they can engage with the group. This may cause delays to new operations or even stop possible relationships depending on the risk profiles of individual businesses.

Business risk factors

The group's business, results of operations, value of assets, reserves, cash flows, financial condition and access to capital depend significantly upon, and may be adversely affected by, the level of oil and gas prices, which are highly volatile.

The group's revenues, cash flow, reserve estimates, profitability and rate of growth depend substantially on prevailing international and local prices of oil and gas. Prices for oil and gas may fluctuate substantially based on factors beyond the group's control. Consequently, it is impossible to accurately predict future oil and gas price movements. Oil and gas prices are volatile and have witnessed significant changes in recent years, for many reasons, including, but not limited to, changes in global and regional supply and demand, geopolitical uncertainty, availability of equipment and new technologies, weather conditions and natural disasters, terrorism as well as global and regional economic conditions. Sustained lower oil and gas prices or price declines may inter alia lead to a material decrease in the group's net production revenues.

Currently, all of the group's production comes from fields in the PNGF Sud asset in Congo Brazzaville. The group's operations and cash flow will be restricted to a very limited number of fields.

If mechanical or technical problems, storms, shutdowns or other events or problems affect the current or future production of the current producing assets of the group, or new fields coming into production, it may have direct and significant impact on a substantial portion of the group's production and hence the group's revenue, profits and financial position as a whole.

Rising climate change concerns have led and could lead to additional legal and/or regulatory measures which could result in project delays or cancellations, a decrease in demand for fossil fuels and additional compliance obligations, each of which could materially and adversely impact the group's costs and/or revenues.

In general, the group's operations are subject to risks which are typical for the offshore oil and gas industry, all of which may have a material adverse effect on the group's operations, cash flow and financial position, relating (but not limited) to the following:

- extension of existing licences and permits, including whether any extensions will be subject to onerous conditions;

- delays, cost inflation, potential penalties, and regulatory requirements with respect to exploration, development projects and production of hydrocarbons, which may lead to hydrocarbon production being restricted, delayed or terminated due to a number of internal or external factors;
- decommissioning obligations and activities which will incur costs that may be in excess of expectations and budgets;
- third-party operators and partners and conflicts within a licence group, such as the publicly known disputes within the Aje group;
- capacity constraints and cost inflation in the service sector and lack of availability of required services and equipment;
- legal disputes and legal proceedings the group may be involved in in order to defend or enforce any of its rights or obligations under its licences, agreements or otherwise, which may be costly and time consuming;
- legal charges against individuals who are related to the company, i.e. the ongoing prosecution against persons who are major shareholders of- and related to the company, which may lead to reputational damage and complications related to the group's dealing with third parties and the authorities and its raising of debt and equity financing;
- restricted or limited access to necessary infrastructure or capacity booking for the transportation of oil and gas;
- restrictions with respect to offtake of oil and gas, including currency exchange regulations delaying or preventing timely settlement, off-taker credit risks as well as hostilities or acts of terrorism or war preventing offtake or impeding offtake and further production of crude;
- restrictions in the ability to sell or transfer licence interests due to regulatory consent requirements, provisions in its joint operating agreements, including pre-emption rights, if any, or applicable legislation;
- extremely complex and stringent regulations concerning health, safety, and environment issues; and capsising, environmental pollution to sea and air and other maritime disasters.

Financial risk factors

The overall risk management programme seeks to minimise the potential adverse effects of unpredictable fluctuations in financial markets on financial performance, i.e., risks associated with currency exposures and debt servicing. Financial instruments such as derivatives, forward contracts and currency swaps are continuously being evaluated for the hedging of such risk exposures.

Due to the international nature of its operations, the group is exposed to risk arising from currency exposure, primarily with respect to the Norwegian Kroner (NOK) and the Great British Pound (GBP).

The group's activities are and will continue to be capital intensive. The group expects future investments into existing and new hydrocarbon assets to be served by cash flow from ongoing operations. However, it is also expected that the group will look to raise debt to part-fund future growth. Such debt may not be timely available, or only be available at terms which are unattractive or makes investments less profitable than first expected. Restrictions in raising, or the unavailability of debt may prevent the group from progressing as planned and may make the group to forego or lose attractive opportunities which in turn could have a negative impact on the group's financial position and future prospects.

SHARE CAPITAL

PetroNor E&P ASA is listed on the Oslo Stock Exchange where it trades under the ticker symbol PNOR.

The company has one class of shares in issue, and in accordance with the Norwegian Public Limited Companies Act, all shares in that class provide equal rights in the company. Each of the shares carries one vote. The shares are freely transferrable. The Articles of Association do not provide for any restrictions on the transfer of shares, or a right of first refusal for the shares. Share transfers are not subject to approval by the board of directors. The shares are registered in book-entry form with the Norwegian Central Securities Depository (VPS) and have NO0012942525.

In June 2023, a 10:1 ratio reverse share split was completed in order to ensure a good price development in the company's shares and at the same time comply with the continuing obligations for listed companies in relation to minimum share price. Following the reverse share split, the company's share capital consisted of 142 356 855 ordinary shares at 31 December 2023.

At 31 March 2024, the company had 7 309 shareholders and 142 356 855 shares. The table below shows the 20 largest shareholders in the company:

#	Shareholder	Number of shares	Per cent
1	Petromal LLC [1]	48 148 167	33,82%
2	Symero Limited	13 876 364	9,75%
3	Ambolt Invest AS [2]	8 758 329	6,15%
4	Sjøvollen AS	5 179 072	3,64%
5	Gulshagen III AS	4 500 000	3,16%
6	Gulshagen IV AS	4 500 000	3,16%
7	Hagan AS	3 980 513	2,80%
8	Nordnet Livsforsikring AS	2 706 489	1,90%
9	Energie AS	2 607 570	1,83%
10	Nordnet Bank AB	2 375 965	1,67%
11	NOR Energy AS	2 274 665	1,60%
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%
16	UBS Switzerland AG	724 881	0,51%
17	Danske Bank A/S	714 727	0,50%
18	Jon Sigurdsen	650 109	0,46%
19	Jon Arne Toft	567 170	0,40%
20	Helge Holdhus	450 000	0,32%
	Subtotal	105 365 152	74,01%
	Others	36 991 703	25,99%
	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.

Options

Unissued shares under option

At the date of the publishing of this report there were no share options in the company.

No ordinary shares were issued on the exercise of options in 2023 (2022: nil).

Interests in shares & options

At the date of this report:

- Interim CEO Mr Pace holds 146 553 shares.
- Board Chair Mr Alhomouz has no personal interests in shares, but has influence over 48 148 167 shares as the CEO of significant shareholder Petromal LLC.
- Board member, Jarle Norman-Hansen holds directly and through an indirect beneficial interest 8 973 389 shares.

No other current directors hold shares or options.

Meetings of directors

The board of PetroNor E&P ASA held a total of 13 board meetings and 1 extraordinary meeting in 2023.

Indemnifying directors and officers

The group has taken out an insurance policy to indemnify the directors and officers of the group against liability when acting for the group.

ESG

PetroNor is required to report on its corporate responsibility and selected related issues under §3-3a and §3-3c of the Norwegian Accounting Act. The detailed reporting on all relevant topics can be found in the separate ESG report, which is included in this annual report on page 64.

CORPORATE GOVERNANCE

Good corporate governance provides the foundation for long-term value creation, to the benefit of shareholders, employees and other stakeholders. The board of PetroNor has established a set of governance principles in order to ensure a clear division of roles between the board, the executive management and the shareholders. The principles are based on the Norwegian Code of Practice for Corporate Governance.

PetroNor E&P ASA is subject to annual corporate governance reporting requirements under section 3-3b of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance, cf. section 7 on the continuing obligations of stock exchange listed companies.

The Accounting Act may be found (in Norwegian) at www.lovdata.no. The Norwegian Code of Practice for Corporate Governance, which was last revised on 14 October 2021, may be found at www.nues.no.

The group's Code of Conduct is available on the company's website. The annual statement on corporate governance for 2023 has been approved by the board and can be found on page 30 in this annual report.

RESEARCH AND DEVELOPMENT

The group made no investments in research and development in 2023 or 2022.

PAYMENTS TO GOVERNMENTS

This country-by-country report has been developed to comply with the legal requirements in the Norwegian Security Trading Act ("Verdipapir-handelloven") § 5-5a. The detailed regulation can be found in the regulation "Forskrift om land-for-land rapportering".

In 2023, the company was engaged in extracting activities encompassed by the legislation above in the following countries: Republic of Congo, Nigeria, The Gambia, Guinea-Bissau and Senegal. This report discloses relevant payments to governments for extractive activities in the countries above, in addition to some contextual information as required by the regulation in the "Forskrift om land-for-land rapportering".

Basis for preparation

The report includes direct payments to governments from subsidiaries, joint operations, and joint ventures. In some cases, however, certain payments to governments may be made by an operator on behalf of a partnership. This is often the case for area fees. In such cases, the company will report their paying interest share of the payment made by the operator.

Definitions

Government – In the context of this report, a government means any national, regional, or local authority of a country. It includes a department, agency or undertaking controlled by that authority.

Project – For this reporting, a project is defined as an investment in a concession agreement.

Licence fees – Typically levied on the right to use a geographical area for exploration, development, and production, and include rental fees, area fees, entry fees, severance tax, concession fees and other considerations for licences and/or concessions. Administrative government fees that are not specifically related to the extractive sector, or to access extractive resources, are excluded.

Materiality – As per the "Forskrift om land-for-land rapportering", payments made as a single payment, or as a series of connected payments that equal or exceed Norwegian Kroner (NOK) 800 000 during the year are disclosed.

Reporting currency – Payments to governments are converted from the functional currency of each legal entity into the presentation currency, United States Dollars (USD). The payments for entities whose functional currencies are other than USD are converted into USD at the foreign exchange rate at the average annual rate.

Payments to governments and contextual information

The consolidated overview below discloses the sum of the company's payments to governments in each individual country where extractive activities are performed, per country/project.

Payments per project

In USD thousand	Royalties	Oil tax	Other amounts	Total
PNGF Sud	26 584	39 852	2 022	**68 458**
Total Congo	26 584	39 852	2 022	**68 458**
A4	Nil	Nil	880	**880**
Total The Gambia	Nil	Nil	880	**880**
Sinapa	Nil	Nil	227	**227**
Esperanca	Nil	Nil	227	**227**
Total Guinea-Bissau	Nil	Nil	454	**454**
OML 113	Nil	Nil	3	**3**
Total Nigeria	0	0	3	**3**

"Other amounts" include payroll, payments under licence obligations, and other local taxes. Due to the arbitration status of the ROP and SOSP licences in Senegal, no payments were made in relation to these projects during 2023.

Legal entities by country

As per the "Forskrift om land-for-land rapportering" it is required that the company report on certain contextual information at a corporate level. This includes information on localisation of subsidiary, employees per subsidiary, and interests paid or payable to other legal entities within the group.

Active legal corporate structure of the group during 2023 is set out below:

In USD thousand	Main country of operations	EEs[1]	Interest paid or payable to a group entity
Norway			
PetroNor E&P ASA	Norway	-	-
PetroNor E&P Services AS	Norway	4	-
Hemla Africa Holding AS	Norway	-	-
Aje Production AS	Norway	-	-
Australia			
PetroNor E&P Pty Ltd	Australia	-	-
Cyprus			
PetroNor E&P Ltd	Cyprus	1	567
Republic of Congo			
Hemla E&P Congo SA	Republic of Congo	3	-
United Kingdom			
PetroNor E&P Services Ltd	United Kingdom	5	-
Nigeria			
PetroNor E&P Ltd	Nigeria	4	-
Aje Production Ltd	Nigeria	-	-
Netherlands			
Aje Services Holding BV	The Netherlands	-	-
Aje Nigeria Holdings BV	The Netherlands	-	-
Cayman Islands			
African Petroleum Corporation Ltd	Cayman Islands	-	-
Petroleum E&P Gambia Ltd	The Gambia	3	-
African Petroleum Senegal Ltd	Senegal	-	-
Senegal			
African Petroleum Senegal SAU	Senegal 2		-
Sweden			
PetroNor E&P AB	Guinea-Bissau	-	-

1) Average number of employees' during the year excluding directors.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

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

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.

On 26 March 2024, PetroNor paid USD 2 million in relation to the share sale and purchase agreement with New Age (African Global Energy) Limited (New Age) to acquire additional interest in the OML 113 licence in Nigeria. The agreement is not yet completed and subject to conditions precedent, including government approval of the transaction. However, this payment milestone enables PetroNor to instruct New Age on how to vote on matters related to the OML 113 joint venture. From the date of payment up to completion, if the instruction to vote results in a new cash call being issued to the OML 113 partners, then PetroNor shall arrange payment for the cash call on behalf of New Age. The remaining balance payable to New Age for completion of the agreement is now reduced to USD 1 million.

A new Vandji well in Tchibeli NE was successfully drilled by the Axima rig between February and early-April.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Logistical lead times for technical equipment required has meant the well infill drilling programme 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.

DECLARATION BY THE BOARD OF DIRECTORS AND CEO

We hereby confirm that, to the best of our knowledge, the consolidated annual financial statements for 1 January to 31 December 2023 have been prepared in accordance with applicable accounting standards and that the information in the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company. We confirm that the financial statements give an accurate and fair view of the development, profit, and position of the company, as well as a description of the principal risks and uncertainties it is facing.

Oslo, Norway, 24 April 2024
The board of directors and CEO – PetroNor ASA

Eyas Alhomouz
Chair

Gro Kielland
Director

Joseph Iskander
Director

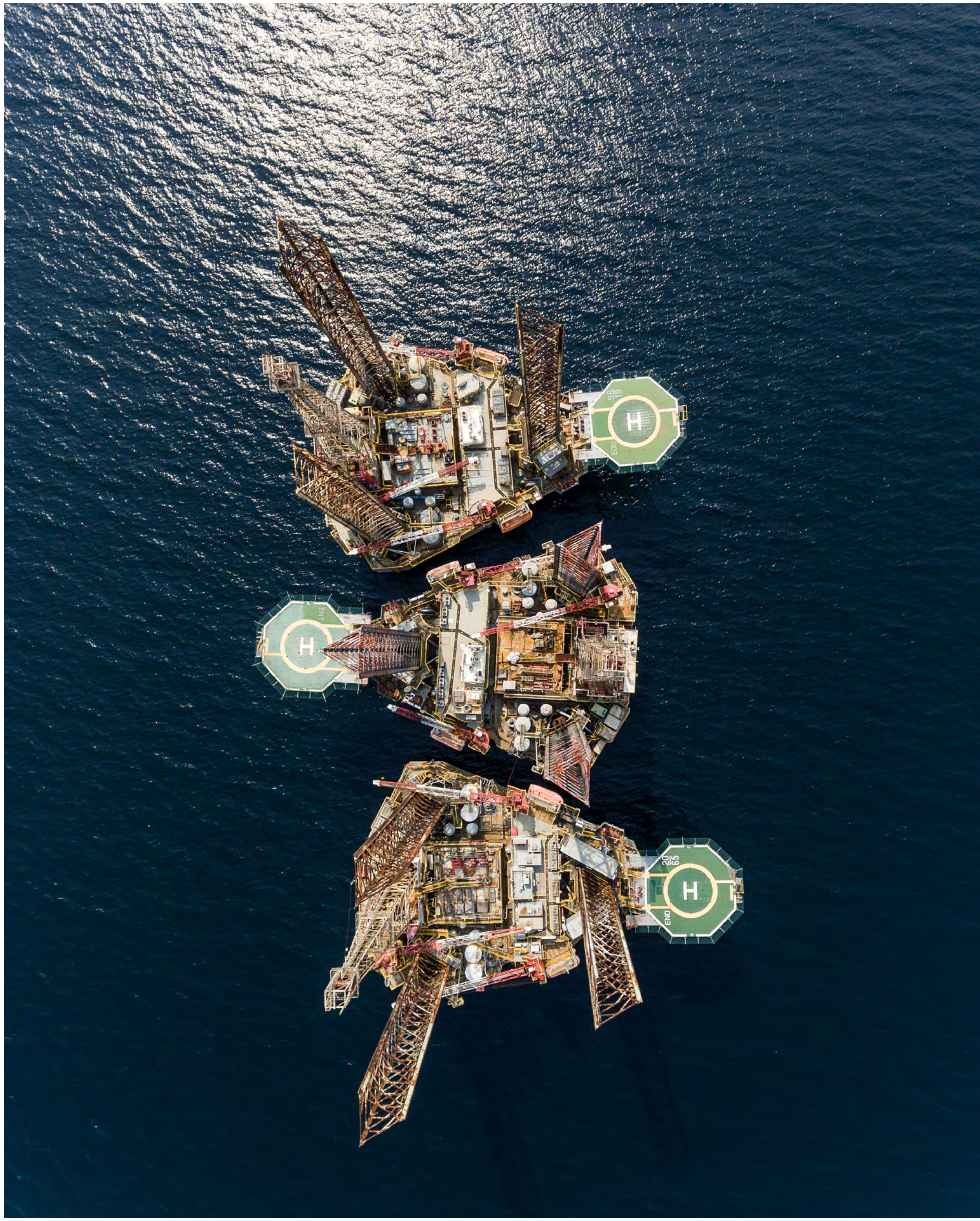
Ingvil Smines Tybring-Gjedde
Director

Azza Fawzi
Director

Jarle Norman-Hansen
Director

Jens Pace
Interim CEO

The board wishes to thank the staff, consultants, services providers and shareholders for their continued commitment to the company.



Sustainability

UN Sustainabilty Development Goals

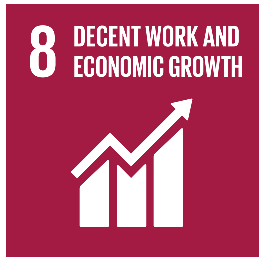
PetroNor firmly embraces sustainability in its operations, and has aligned with United Nations Sustainability Development Goals (SDGs) to contribute to global sustainable development efforts.

As a responsible business, we support each of the SDG, and all SDGs are important to us through our values and our way of working.

PetroNor has identified four key SDGs where we have the most potential to influence and add value.

SDG 3
Good health and well-being
Our aim is zero accidents and a safe work environment across all operations. We actively seek to improve and address concerns from employees and third parties. In 2023, the company took part in a waterwell-digging project in Congo.

SDG 7
Affordable and clean energy
Recognising natural gas as a crucial energy transition fuel in Africa, PetroNor are working to become a key supplier of clean cooking gas in Nigeria and neighbouring countries.



SDG 8
Decent work and economic growth
PetroNor is proud to prioritise local employment and promote ethical and fair wages principles at all our sites. This positively contributes to decent work and economic growth wherever we operate. Additionally, we sponsor academic business programmes and have financially supported the refurbishment of a university in Republic of Congo.

SDG 16
Peace, justice, and strong institutions
PetroNor has established robust policies to emphasise the importance of ethical practices. We monitor conflicts or social instability near our operations, and we remain committed to peace and justice.

Sustainability report 2023

Comments from the group financial controller

Throughout 2023, PetroNor E&P increased its emphasis and consideration of sustainability topics.

Renewable energy investments in Africa have increased significantly over the past decade, and PetroNor is ready to capitalise and contribute to the green shift by being a reliable provider of transition fuels, such as natural gas and local LPG-supplies.

PetroNor, operating across Africa, also revised the Code of Conduct and all other governance guidelines in 2023, in addition to making the documents available in both English and French.

Two years ahead of mandatory EU sustainability reporting rules, we have already started shifting towards CSRD compliance. This reflects our proactive approach to transparency and responsible business conduct. It entails a widening of the scope of what PetroNor tracks and measures, and the company is looking forward to incorporating sustainability targets into our overall strategy in 2024.

Chris Butler
Group financial controller

Performance highlights 2023

Early adopter of the new EU sustainability reporting standard ESRS	For 2023, PetroNor has used the European Sustainability Reporting Standards to guide the reporting and preparing the company for the requirements becoming applicable for the fiscal year 2025.
Due diligence improvements as required by the Transparency Act	PetroNor is providing all its policies both in English and French on its company website: ▪ Code of Conduct ▪ Anti-Bribery & Corruption Policy ▪ Anti-Money Laundering Policy ▪ Sanctions Policy ▪ Know Your Supplier Policy ▪ HSE Policy
Planning access to clean cooking gas (LPG) and addressing Nigeria's energy deficit through the Aje project.	Providing access to clean cooking gas improves air quality by replacing residual fuel oil with LPG, which has a 12 per cent lower CO_2 emission factor than kerosene. Nigeria's shift towards more sustainable cooking practices, such as LPG, represents a potential large reduction of CO_2 emissions, and PetroNor aims to provide a substantial part of the country's LPG.

General information

About the report

This is PetroNor E&P's 2023 sustainability report. For the first time we have used the European Sustainability Reporting Standards (ESRS) to guide our reporting, starting to approach the new EU sustainability reporting requirements applicable to the company from the fiscal year 2025. PetroNor is proud to be an early adaptor of the new requirements, reflecting our proactive stance towards future sustainability compliance.

The scope of the sustainability report is the same as for the financial statements, with an additional focus on reporting material topics within our value chain. The report, which is published annually, covers the fiscal year from 1 January 2023 to 31 December 2023.

The environmental, social and governance (ESG) sections of PetroNor's sustainability report covers the sustainability topics where we consider having material impacts, risks and opportunities.

The ESRS index in this report provides an overview of the disclosures made according to ESRS. In addition, we have included a chapter for other reporting requirements. The sustainability reporting has not been externally assured. From 2025 we are obliged to get limited assurance.

Any questions related to this report, or the sustainability work can be directed to:
ir@petronorep.com

ESRS-INDEX (ESRS 2 IRO-2)

The ESRS index provides readers with guidance on how PetroNor has applied the European Sustainability Reporting Standards (ESRS). The index points to where the information can be found in:

***SR:** PetroNor E&P sustainability report 2023*

SUSTAINABILITY GOVERNANCE

PetroNor recognises the importance of sound sustainability governance to identify and manage risks related to environmental, social and governance factors. It ensures compliance with laws and regulations while building trust with stakeholders.

Governing bodies (ESRS GOV-1)

The board of directors and the CEO are responsible for the day-to-day management of the company, which includes responsibility for sustainability matters of material importance. PetroNor has organised the responsilibity for sustainability jointly under the finance and business development functions, ensuring that our objectives are aligned and integrated.

Additionally, PetroNor has used external consultants to aid the development and implementation of the company's sustainability efforts.

>> Corporate governance on page 30
>> Board of directors and management on page 36

The composition and diversity of the board of directors and management

A diverse group of decision-makers reflects PetroNor's commitment to approach its work from a nuanced and multi-layered perspective.

The board of directors gender diversity ratio	Independent board members ratio	The management gender diversity ratio
50%	**66%**	**0%**
Three females and three males	Four independent and two non-independent	Zero females and five males

Integration of sustainability-related performance in incentive schemes (ESRS 1 GOV-3)

The remuneration performance criteria do not cover sustainability goals, but consideration will be given to incorporating such criteria.

>> Guidelines for remuneration of senior executives can be found on PetroNor's website

Statement on due diligence (ESRS 1 GOV-4)

Due diligence is the process whereby PetroNor identifies, prevents, reduces, and takes responsibility for how the company manages actual and potential adverse impacts on the environment and people associated with the company's operations.

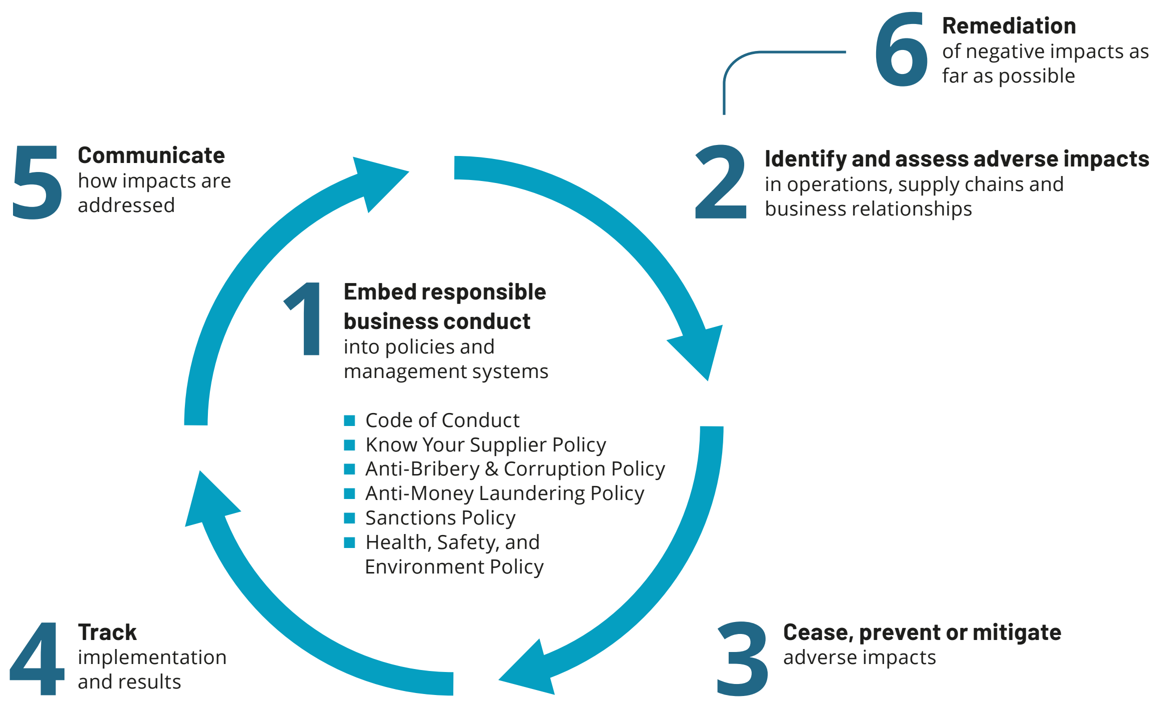
PetroNor is committed to conducting due diligence in accordance with the concepts and principles set forth in the UN Guiding Principles for Business and Human rights and OECD Guidelines for Responsible Business Conduct, through the Norwegian Transparency Act.

In 2023, PetroNor undertook a risk management evaluation based on the methodology of the ISO 31000 standard. To ensure a comprehensive understanding of due diligence processes within the value chain, key employees knowledgeable about the value chain and procurement processes were involved. The examination of the value chain centred on five distinct categories and their associated activities:

- Exploration
- Appraisal
- Development
- Production
- Abandonment

No adverse potential and actual consequences were identified during the due diligence assessment.

PetroNor's approach to due diligence



The activities related to PetroNor's due diligence work are presented in the table below.

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN THE SUSTAINABILITY STATEMENT
a) Embedding due diligence in governance, strategy, and business model	▪ ESRS 2 GOV-2 Sustainability matters addressed page page 72 ▪ ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes page 67 ▪ ESRS 2 SBM-3 Material topics and how PetroNor understands them page 72
b) Engaging with affected stakeholders in all key steps of the due diligence	▪ ESRS 2 GOV-2 Sustainability matters addressed page 72 ▪ ESRS 2 SBM-2 Stakeholder engagement in 2023 page 70 ▪ ESRS 2 IRO-1 PetroNor's materiality process page 72 ▪ ESRS 2 MDR-P Embedding sustainability in our policies and processes page 72 ▪ S1-2 Engaging with own workers and workers' representatives page 77 ▪ S2-2 Engaging with value chain workers page 81
c) Identifying and assessing adverse impacts	▪ ESRS 2 IRO-1 PetroNor's materiality process page 72 ▪ ESRS 2 SBM-3 Material topics and how PetroNor understands them page 72 ▪ G1-1 Whistleblower programme page 84
d) Taking actions to address those adverse impacts	▪ ESRS E1-3 Actions and resources (climate change) page 74 ▪ ESRS E2-2 Actions and resources (pollution) page 74 ▪ ESRS S1-4 Taking actions (own workforce) page 77 ▪ ESRS S2-4 Taking actions (value chain workers) page 81 ▪ ESRS S3-4 Taking actions (Affected communities) page 82 ▪ ESRS G1-1 Corporate governance page 84
e) Tracking the effectiveness of these efforts and communicating	▪ ESRS G1-1 Corporate governance page 84

STRATEGY, BUSINESS MODEL AND VALUE CHAIN (ESRS 2 SBM-1)

In 2024, PetroNor will update its sustainability strategy, following the completion of a double materiality assessment.

This is how PetroNor defines the value chain:

Exploration
Acquisition of an interest in a licence from a government or another oil & gas company moving from pre-drilling activities such as seismic to finally drilling of an exploration well.

Appraisal
Further drilling activities and/or seismic to confirm the size of a discovery.

Development
Activities such as drilling production wells to install facilities to enable production of hydrocarbons from the reservoir.

Production
The period from first oil or gas to drain the reservoir in an efficient and economic manner.

Abandonment
When production is no longer economic, all wells need to be plugged and abandoned and facilities removed or remediated.

STAKEHOLDER ENGAGEMENT (ESRS 2 SBM-2)

PetroNor aims for continuous, active and open dialogue with the company's stakeholders and regularly seeks external views on its operations.

PetroNor follows the business environment actively and engages with relevant stakeholder groups. The company will involve stakeholders in the materiality assessment scheduled for 2024 to seek their views on sustainability topics.

PetroNor's key stakeholders

WHY WE ENGAGE	HOW WE ENGAGE	KEY TOPICS OF INTEREST IN 2023	HOW WE RESPONDED
Customers Off-take customers are core to our business and it is critical of our success to be acknowledged as reliable and trustworthy.	■ Direct meetings and email correspondence ■ Request for Proposal (RFP)	■ Product volumes, pricing and schedule	■ Direct discussions trying to accommodate both customer and PetroNor's needs ■ General communication with regards to our current sold oil volumes ■ Give feedback on RFPs
Suppliers We expect our suppliers to deliver on their promises while living up to internationally recognised best practices.	■ Direct meetings and email correspondence ■ Request for Proposal (RFP)	■ Future business needs ■ Quality of current services and products	■ Regular update meetings ■ Give feedback of RFPs ■ Strict use of procedure in the Know Your Supplier policy
Shareholders/investors We engage to provide the public with accurate, comprehensive, and timely information, to form a good basis for making decisions related to valuation and trade of the PetroNor share.	■ Stock exchange and press releases ■ Company presentations in connection with quarterly reporting ■ Present at energy conferences ■ Hold 1-to-1 meetings ■ Update website	■ Production level ■ Project updates ■ Financial status ■ Growth of business ■ Shareholders' return ■ Frequency in reporting	■ Provide detailed disclosures and commentary on business outlook and financial performance ■ Stating dividend considered ■ Re-introduced quarterly reporting
Euronext We engage with Euronext to uphold transparent and efficient market operations contributing to a reliable platform.	■ Respond on initiatives from Euronext	■ Transparency ■ ESG ■ New regulations	■ Update Governance procedures ■ Feedback on ESG efforts ■ Adopt and apply new regulations
Financial institutions We collaborate with financial institutions to secure funding, manage financial transactions, and maintain strong financial stability, ensuring sustained growth and stability for PetroNor.	■ Direct contact ■ Frequent meetings ■ Contact via brokers	■ Business development opportunities ■ Available equity ■ Pledging ■ Financing of acquisition and development opportunities ■ Efficiency in day-to-day banking services ■ KYC	■ Regular status updates in meetings or by email ■ Provide detailed feedback on questions
Employees & management We depend on our employees, their knowledge, engagement, and great diversity to successfully deliver our strategy.	■ Seek early dialogue and communication ■ Travel for face-to-face meetings	■ Bribery & corruption risk ■ Company strategy ■ Governance ■ Internal procedures	■ Training ■ Coaching ■ Translated Code of Conduct and all relevant policies to French
Government/regulators We engage with governments and regulatory bodies to ensure compliance with laws, regulations, and ethical standards, contributing to a transparent and responsible business environment.	■ Seek early dialogue and communication ■ Travel for face-to-face meetings	■ Licence terms ■ Capability to execute (operationally and financially)	■ Constructive discussions ■ Timely and orderly feedback on progress and improvements
Licence partners When being the operator of a licence we make efforts to treat our licence partners in an inclusive and transparent manner. When being a partner in a licence we expect the same from the operator of the licence, and we make efforts to be a proactive and supporting partner.	■ Licence meetings ■ Informal meetings ■ Travel for face-to-face meetings	■ Operational updates ■ ESG ■ Financial status	■ Constructive feedback ■ Request for adequate ESG-reporting from operator of licence
Nature (silent stakeholder) Recognising the environmental context of the oil and gas industry, we consider nature as a silent stakeholder, striving to minimise environmental impact within the parameters of our operations.	■ Entertain discussions with field operators	■ Emissions and spills ■ Environmental studies	■ Request information from licence operators ■ Evaluate suppliers that can efficiently undertake environmental studies where PetroNor is operator

MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES (ESRS 2 GOV-2, ESRS 2 SBM-3, ESRS 2 IRO-1)

Building upon the foundation from previous sustainability reports, PetroNor has conducted a simplified materiality assessment to ensure consideration of all ESG topics laid out in in the ESRS.

Material topics and how PetroNor understands them

- **Climate change:** Mitigating climate change by reducing greenhouse gas emissions and adapting to climate change.
- **Pollution:** Protecting fresh air and preventing ambient air pollution by mitigating emissions to air.
- **Own workforce:** Safe work environment, developing, recruiting, and retaining employees and build an inclusive and diverse working environment.
- **Workers in the value chain:** Understanding and managing social impacts along the value chain.
- **Affected communities:** Establishing and maintaining mutually beneficial relationships with the communities in which we operate.
- **Business conduct:** Honouring responsible business conduct and promoting accountability by maintaining proper policies and practices, with zero-tolerance to bribery and corruption.

Non-material topics and why

- **Water and marine resources:** Will be important in the next phase of redeveloping the Aje field in Nigeria, where PetroNor will be responsible as technical operator in provision of technical assistance.
- **Biodiversity and ecosystems:** Will be important in the next phase of redeveloping the Aje field in Nigeria, whereas there will be offshore and onshore development activities.
- **Circular economy:** Resource extraction will only become a circular activity when carbon capture and storage technologies are further enhanced and readily available.
- **Consumers and end-users:** PetroNor sell their products B2B, and consumers and end-users are thus involved at a later stage in the product life cycle.

PetroNor did not identify any entity-specific topics in the simplified materiality assessment.

EMBEDDING SUSTAINABILITY IN POLICIES AND PROCESSES (ESRS 2 MDR-P)

PetroNor's board of directors are responsible for establishing the corporate governance framework of the company. The company has implemented corporate values, ethical guidelines, and policies for corporate social responsibility, which are delineated in PetroNor's Code of Conduct, with more detailed information available in specific policies available online.

The company is pleased to provide the following governance documentation, available in both English and French, on the company website:

- Code of Conduct
- Anti-Bribery & Corruption Policy
- Anti-Money Laundering Policy
- Sanctions Policy
- Know Your Supplier Policy
- HSE Policy

Where applicable, the standards and policies have been developed based on internationally recognised initiatives such as UN's Global Compact's principles, OECD Guidelines for Multinational Enterprises, ILO conventions and the United Nations Convention against Corruption.

Both the board of directors and management aspire to achieve controlled and profitable development, fostering long-term growth through well-founded governance principles and effective risk management. The board places significant emphasis on identifying optimal operational procedures to realise the objectives outlined in these corporate governance guidelines and principles.

Environmental information

PetroNor operates in an emission-intensive sector, and as such places a strong emphasis on mitigating harmful emissions adapting ways of working where it is feasible and suitable. The company has identified climate change and pollution as key environmental concerns.

Bridging energy gaps in local communities

As detailed on page 16 " Revitalising energy", the Aje gas and condensate field redevelopment is a key environmental initiative led by PetroNor in collaboration with Yinka Folawiyo Petroleum (YFP) and its operating company FASL. This strategic project addresses Nigeria's energy deficit while also positioning and facilitating access to natural gas which was recognised in COP28 as a transitional energy source. PetroNor aims to be supplying up to 10 per cent of Lagos and Nigeria's LPG demands, providing a cleaner cooking alternative for communities previously reliant on biomass fuels.

The positive environmental impacts of this initiative are multifaceted, contributing significantly to air quality improvement by replacing residual fuel oil with LPG. Notably, the CO_2 emission factor of LPG is 12 per cent lower than that of kerosene. This facilitation of access to LPG mitigates environmental and health risks in addition to having the potential for a substantial reduction in CO_2 emissions in Nigeria.

This shift not only mitigates GHG emissions but also reduces the release of other gases detrimental to air quality, including CO, NO, NOx and SOx. Moreover, the Aje project emerges as an important contribution in the fight against deforestation, as it reduces the need to cut down trees for cooking purposes.

Through responsible energy development and LPG facilitation, PetroNor, with the Aje project as a central reference point, plan to actively contribute to a cleaner, more sustainable future for local communities in Western Africa.

"The redevelopment of the Aje field is not just an energy project; it's a vision for a sustainable future."

Benjamin Asokhia, operations manager, Yinka Folawiyo Petroleum/ FASL

CLIMATE CHANGE AND POLLUTION

PetroNor is active in oil and gas exploration and production. The main risks for climate change are combustion gases containing CO_2 arising from the fields of operations. Further, methane leakage in the production process could also add significant adverse effect on the climate. With regards to pollution, the risk of oil spills is always present, although extremely low, in oil and gas exploration and production. Spills of toxic chemicals could also pose extra pollution risk.

PetroNor's most material activity in 2023, that was directly linked to climate change and pollution, was the oil and gas production in the Republic of Congo. PetroNor is partner in these licences, whereas Perenco is the operator. PetroNor is exercising its influence on climate change and pollution through active participation in the official decision bodies of the licences, as well as having informal communication and dialogue on the captioned issues.

MATERIALITY MANAGEMENT

Policies for climate change (ESRS E1-2, E2-1)

The company has included environmental considerations into the Code of Conduct, and the HSE policy.

>> Integrating sustainability into our policies and processes, page 30

PRIORITIES AND PERFORMANCE 2023

Actions and resources aligned with climate change and pollution policies (ESRS E1-3, E2-2)

PetroNor allocates resources to implement actions aligned with its climate change and pollution policies. This includes carrying out environmental impact assessments (EIAs), establishing and monitoring environmental management plans, and developing contingency plans to swiftly mitigate potential damage.

Carrying out EIAs prior to all major activities is one way PetroNor seeks to minimise any adverse impact on the environment. The company communicates the results to all government agencies and other relevant stakeholders.

To the company's knowledge, no breaches of the environmental regulations governing the group's exploration and production licences have been identified in 2023.

The company is aware of its environmental responsibilities related to exploration activities and diligently ensures compliance with environmental regulations during all exploration work.

Targets related to climate change and pollution mitigation and adaptation (ESRS E1-4, E1-9, E2-3, E2-6)

PetroNor will in 2024, as part of the development of the improvement of its sustainability strategy set environmental targets, aiming at minimising the environmental impact of the company's operations.

Adhering to environmental regulations and continuous monitoring ensures that the activities have minimal adverse effects on the surrounding ecosystem.

THE WAY FORWARD

In 2024, PetroNor is taking significant steps toward climate accountability. The company will initiate climate accounting measures and, upon implementation, provide annual reports on Scope 1,2 and 3 greenhouse gas emissions. Furthermore, in alignment with the CSRD, PetroNor is set to conduct a materiality assessment in 2024. Additionally, a climate-risk assessment, following the guidelines of the TCFD, is scheduled.

Reduced emissions by decreasing the flaring of natural gas

A concretisation of PetroNor's environmental efforts is demonstrated by the recently installed platform named Tchendo II in Congo, which incorporates a 27MW gas-fired power generation system. This development has the potential to reduce the need for importing electricity from external sources beyond the licence boundaries. Moreover, the platform has the capability to utilise natural gas from external suppliers for electricity generation. Additionally, any surplus electricity can be exported to other offshore oil and gas fields in Congo. In summary, this initiative is poised to significantly decrease the flaring of natural gas in Congo, contributing to a positive environmental impact.

Preserving paradise

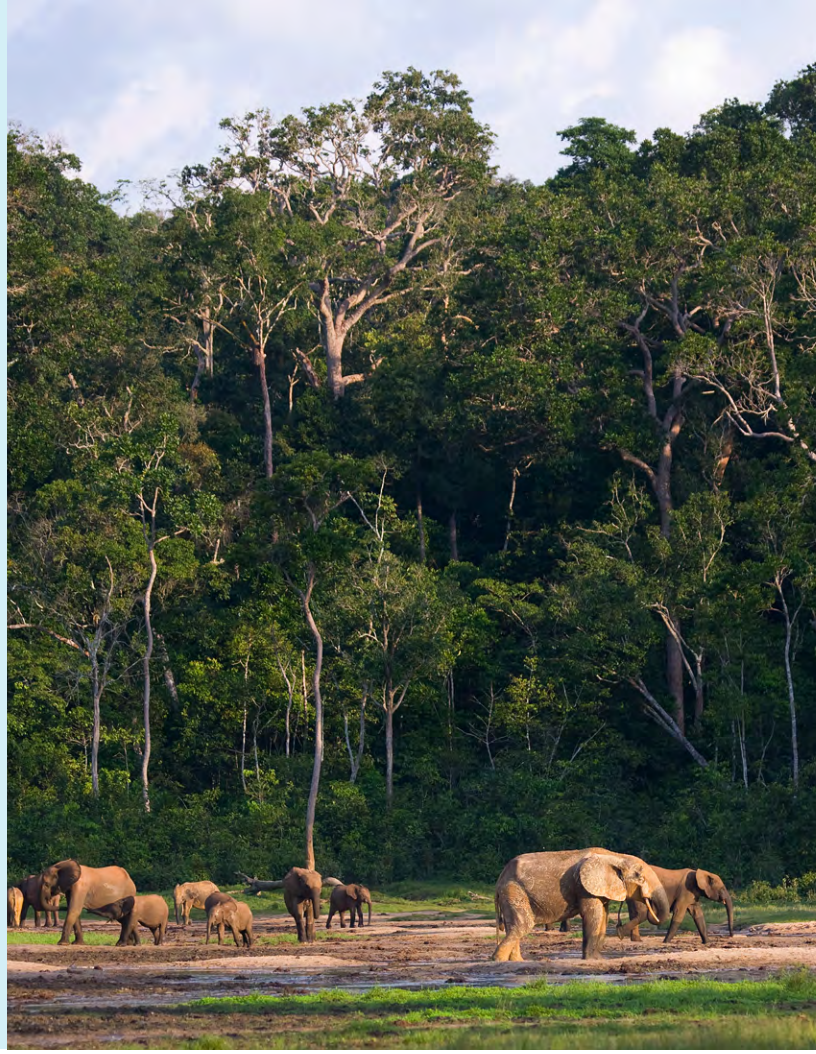
PETRONOR CONTRIBUTES TO BIODIVERSITY CONSERVATION

As part of the joint venture PGNF Sud and organised by the licence operator Perenco, PetroNor is indirectly pioneering a biodiversity conservation initiative within the Conkouati-Douli National Park in the Republic of Congo. Spanning over 500 000 hectares at the intersection of the Congolese rainforest and the ocean, this Ramsar Site and UNESCO World Heritage area represents a unique blend of coastal, marine, and forest habitats.

The project, undertaken in collaboration with the non-profit public nature organisation Project Noé, focuses on three key objectives:

- Conserving biodiversity
- Protecting the reserve's marine area
- Rehabilitating water boreholes

For example, since the initiative's inception, more than 21 water wells have been restored in the park. By actively involving the local community, the initiative safeguards the park's ecological diversity and ensures the sustainable coexistence of human communities with the natural environment. This commitment underscores PetroNor's dedication to responsible environmental stewardship, creating a positive change.



Social information

This chapter focuses on two key areas: PetroNor's own workforce and workers within the value chain. These specific topics were identified as social material matters in 2023 and are aligned with the ESRS topcis.

Own workforce

At PetroNor, the employees are key drivers to the company's success. An emphasis is put upon building a culture of equal treatment and opportunities that is safe and secure.

MATERIALITY MANAGEMENT

Employee engagement and processes for collaboration (ESRS SBM 2, S1-2)
PetroNor values its employees' opinions, and the company fosters this dialogue through direct interactions with its employees on a daily basis. Stimulating a culture of transparency, the company puts a constant focus on encouraging dialogue and discussions between employees to make sure everyone feels comfortable voicing their opinions.

Employees and consultants with PetroNor work at several locations and not all have a firm office address for their work. This allows employees to work independently and to a large extent plan their workdays as best fitted for each employee and consultant. To mitigate the disadvantages of such a working situation, the management encourages and organises frequent virtual meetings as well as physical social events.

Engaging with the employees and their representatives stands at the core of PetroNor's dedication to transparency and inclusivity. The procedures foster an open dialogue, inviting employees to actively engage in decision-making processes that affect them. Through collective endeavours, the company aims to establish an environment where every voice is acknowledged.

Integrating social matters into the strategy and business model (ESRS2 SBM-3)
In 2024, PetroNor will undertake a double materiality assessment. The results of this assessment will shape the incorporation of social sustainability considerations into the company's overarching strategy and business model.

Policies related to own workforce (ESRS S1-1)
PetroNor's Code of Conduct, and its supplemental theme specific codes, underscore the commitment to maintaining a working environment with equal opportunities, irrespective of various factors. It emphasises the company's diversity instructions and integration of equality concepts into human resources policies, and the zero-tolerance approach to harassment. PetroNor values each team member, fostering an atmosphere of positive energy, equality, and professionalism. The Code of Conduct is provided in both English and French and is readily accessible online. It places responsibility on line managers to ensure fair and equitable treatment, preventing discrimination in selection, evaluation, and promotion processes.

PetroNor has a comprehensive Health, Safety, and Environmental (HSE) policy in order to communicate the company's expectations and guidelines on the matter.

>> Sustainability integrated into our policies and processes on page 30

Processes to remediate negative impacts and channels for employees to raise concerns (ESRS S1-3)
Mitigating negative impacts and establishing ways for employees to voice their concerns are fundamental aspects of PetroNor's corporate social responsibility. The company encourages employees to share their perspectives or raise issues or report any wrongdoing. The independent disclosure service, IntegrityLog, is available for safe reporting.

>> Whistleblower mechanisms on page 87

PRIORITIES AND PERFORMANCE 2023

Internal reporting about inconsistencies to the policies (ESRS S1-4)
PetroNor wants employees and others to report inconsistencies of its policies through internal dialogue and recurrent meetings, in addition

to the formal whistleblowing channel. By creating an environment where transparency and integrity are paramount, the company encourages all employees and others to report on inconsistencies.

Characteristics of employees in PetroNor (ESRS S1-7)

Our employees form the backbone of our organisation, and recognising their diverse skills and attributes is crucial. We value the unique qualities that everyone brings to the team, creating a dynamic and inclusive workforce.

	Gender	Africa	Australia	Europe	Middle-East	**Total**
Permanent	F	2	0	4	0	**6**
Permanent	M	10	0	6	0	**16**
Total		12	0	10	0	**22**
Position contractor	F	1	0	2	2	**5**
Position contractor	M	0	1	2	0	**3**
Total		1	1	4	2	**8**

Gender	Age group	Africa	Australia	Europe	Middle-East	**Total**
Female	Under 30	0	0	0	0	**0**
	30-50	2	0	3	0	**5**
	Over 50	0	0	1	0	**1**
Total		2	0	4	0	**6**
Male	Under 30	0	0	0	0	**0**
	30-50	4	0	2	0	**6**
	Over 50	6	0	4	0	**10**
Total		10	0	6	0	**16**
Grand total		12	0	10	0	**22**

As a small company PetroNor does not track turnover, however, the core team remains in place and several contractors have throughout 2023 become full-time employees.

Collective bargaining and social dialogue (ESRS S1-8)

Recognising the value of collaboration between management and employee representatives, the company places a priority on establishing a platform for employees to actively contribute to decision-making processes related to workers' compensation and well-being. PetroNor fully endorses the right of workers to freedom of association and collective bargaining, as outlined in the International Labour Organisation's Core Convention.

Diversity metrics (ESRS S1-9)

PetroNor aims to prioritise local employment at operational sites whenever feasible. The organisation assesses gender representation across various hierarchical levels, fostering a commitment to maintaining an inclusive and professional working environment.

Proportion of local employees in West Africa:

	2023
Staff	55%
Board	Nil

Proportion of women

	2023
Staff	34%
Executive mgmt. team	Nil
Board	50%

Adequate salaries (ESRS S1-10)

PetroNor is committed to ensuring fair and adequate salaries for all its employees, reflecting a fundamental principle outlined in the company's Code of Conduct. The company upholds the International Labour Organisation's standards and national laws to guarantee that employees receive salaries meeting or exceeding minimum legal requirements.

Health and safety principles (ESRS S1-14)

The company prioritises responsible management practices to ensure the well-being of all individuals. To measure and enhance its health and safety performance, PetroNor has established key principles guided by the HSE Policy:

- **Risk-informed decision-making:** PetroNor emphasises a fact-based approach to HSE risk management, utilising available information systematically to make informed decisions.
- **Compliance and best practices:** The company ensures compliance with applicable laws and regulations, setting a standard that goes beyond minimum requirements by providing guidance on HSE issues and implementing best practices where governing laws may be absent.
- **Personnel awareness and evaluation:** PetroNor expects all personnel, including employees and contractors, to actively manage HSE risks within their areas of responsibility. HSE performance objectives are considered in evaluations, rewards, and recognition processes.
- **Incident reporting and prevention:** PetroNor encourages a culture of reporting unsafe practices and instances, promptly stopping unsafe work. The company follows up on feedback from employees, contributing to the identification of preventive measures and ensuring continuous improvement.
- **Collaboration and audits:** PetroNor fosters collaboration across functions and stakeholders to achieve efficient HSE performance. Regular audits of the HSE management system are conducted both by PetroNor to ensure ongoing effectiveness and compliance.

These actions support a culture of safety across all levels of the organisation.

Work-life balance metrics (ESRS S1-15)

PetroNor aims to facilitate work-life balance for its employees. All employees have the opportunity for flexibility in their workday to the extent possible given the nature of the work. For employees who require adjustments in certain situations to perform their jobs, PetroNor as an employer aims to contribute to this.

While there are no restrictions on remote working, PetroNor, as a widely dispersed organisation spanning multiple geographical locations, actively promotes the regular conduct of both scheduled and impromptu virtual meetings. This proactive approach ensures that all employees remain well-informed and seamlessly integrated into the company's operational dynamics. The company encourage employees to embrace autonomy and take ownership of their tasks, entrusting them with the necessary responsibilities to work independently.

The company recognises the importance of supporting our employees in achieving harmony between their professional and personal lives, contributing to their overall satisfaction and productivity. All PetroNor employees can and are encouraged to take parental leave.

Incidents, complaints, and severe human rights impacts (ESRS S1-17)
The company has a zero-tolerance approach to slavery and child labour in any part of the organisation and supply chains. PetroNor's customers, contractors, subcontractors, and suppliers shall not engage in or use child labour. Applicable national laws shall be complied with, and only workers who meet the minimum legal age requirement shall be employed.

In 2023, there were no cases identified in the company nor in its supply chains that were in violation with human rights.

Workers in the value chain

As part of PetroNor's gradual transition to CSRD reporting, the focus extends beyond internal operations to include workers in the value chain. This section is about PetroNor's approach to engage and implement measures to manage material matters of workers in the value chain.

MATERIALITY MANAGEMENT

Policies related to value chain workers (ESRS S2-1)
PetroNor has published on its website, both in English and in French, the company's comprehensive policy for workers in the value chain covered in the Know Your Supplier policy. This policy outlines the company's unwavering commitment to upholding the rights, welfare and dignity of all workers involved. The policy is in line with international standards, local regulations and the company's core values, and promotes a work environment that prioritises fairness, inclusion and ethical treatment of all employees throughout the value chain.

Processes for engaging with workers in the value chain (ESRS S2-2)
PetroNor is steadfast in upholding the principles outlined by international bodies such as the United Nations (UN) and the International Labour Organisation (ILO) concerning working conditions and associated rights. With a particular emphasis on the unique challenges posed by offshore oil and gas rigs, PetroNor ensures that its workforce experiences optimal conditions and is granted the fundamental rights enshrined in these global standards. From fair compensation to health and safety measures, PetroNor is committed to providing a work environment that aligns with international norms, acknowledging the specialised nature of offshore operations.

The company requires all potential suppliers to be screened according to the company's Know Your Supplier policy.

>> Read more about our due diligence in PetroNor's Transparency Act Statement on page 86

Processes for remediating negative impacts with workers in the value chain (ESRS S2-3)
In the unfortunate event of negative impacts on workers within the value chain, PetroNor has established effective processes for remediation through the whistleblowing channel in IntegrityLog, being readily available on the company website. This involves prompt investigation, thorough documentation, and collaboration with relevant stakeholders to address and rectify any adverse impacts on workers, ensuring a swift and fair resolution.

PRIORITIES AND PERFORMANCE 2023

Identifying risks and defining actions through the Transparency Act (ESRS S2-4)
PetroNor is committed to the protection of internationally recognised human rights and fair and ethical work practices, including the Norwegian Transparency Act.

In 2023, the company conducted thorough due diligence on essential human rights and decent working conditions, adhering to the OECD Guidelines for Multinational Enterprises. PetroNor consistently adopts a risk-based approach when evaluating new investment opportunities and making acquisitions of material goods or services. Supplier prequalification aligns with the Know Your Supplier policy and primarily involves scrutiny through Refinitiv's World Check One platform. Any PetroNor representative is obligated to promptly report any concerns or suspicions.

There are certain risks associated with limited influence in operations where PetroNor functions as a non-operating partner. In Congo, the company serves as a non-operating partner for the licences, and the licence operator holds control over the value chain when procuring goods and raw materials on behalf of the partnership. It becomes the operator's responsibility to proactively prevent and address any adverse impacts.

To address this, PetroNor have increased its communicative efforts vis-à-vis partners and suppliers by providing all the company's policies in both French and English, readily available on a dedicated page on the company website. This ensures clear expectation-setting on behalf of PetroNor's engagement with suppliers.

Affected communities

2023

PetroNor's investments in Brikama Hospital, The Gambia

As part of the Block A4 licence agreement between PetroNor E&P and The Gambia Government, a CSR fund is set up to invest in an impactful social development project.

The partners to the A4 licence along with the Government agreed to use the funds to support the maternity ward of the Brikama hospital in Western Region of the Gambia.

With an annual birth rate of over 7 000 in 2021 and 2022 respectively, the hospital registers the highest annual birth rates in the country along with the main hospital in Banjul. The hospital currently faces critical challenges in pre- and post-natal care.

The proposed interventions aim to upgrading facilities, enhancing equipment, improving staff capabilities and developing specialised care protocols.

2023

Empowering women and preserving wildlife – Les Mamans du Mayombe

As part of the joint venture PGNF Sud organised by the licence operator Perenco, PetroNor is indirectly engaged in a meaningful initiative alongside the women's association "Les Mamans du Mayombe" in the Kakamoeka district, situated in the far south-western part of the Republic of Congo. This initiative, centered around non-timber forest products, strives to empower women, combat poaching, and advocate for sustainability.

The initiative provides essential equipment to the organisation, and Perenco facilitates international product orders among employees in Paris, London, and Pointe-Noire. The backing of 'Les Mamans du Mayombe' not only aids in curbing poaching but also advances women's empowerment in the region, particularly through the production of banana chips.

Indulging in these banana-plantain crisps is more than just a snack; it is a flavorful endorsement of women's initiatives and a commitment to wildlife preservation. This project underscores PetroNor's dedication to impactful, community-driven endeavors.

2024

PetroNor's education initiatives in Republic of Congo

With the aim of making a meaningful impact in the communities the company operates, PetroNor has earmarked resources to support academic institutions in the Republic of Congo in 2024.

Marien NGOUABI University (BAPC Foundation)

Partnering with Marien NGOUABI University's BAPC Foundation, PetroNor is looking to fund research in arthropod biodiversity and crop protection. This initiative seeks to improve agricultural practices, promote biodiversity, and reduce pesticide use for sustainable farming.

Université Denis Sassou Nguesso

PetroNor is also exploring ways to support the Université Denis Sassou Nguesso, which aims to become one of the most prestigious universities in the region with studies in science, technology and development research. The faculties will get equipment and material for their laboratories.

THE WAY FORWARD

Looking ahead, PetroNor is committed to advancing social sustainability. In 2024, the company will conduct a materiality assessment to integrate social matters into its strategy and connect material topics to strategic targets.

Governance information

PetroNor is exposed to different cultures and labour conditions, which can pose potential risks. The company is committed to responsible business conduct across its operations and throughout the value chain. This commitment involves fostering accountability through our policies and practices, having zero tolerance to fraud and corruption, upholding a culture of respect, honesty, and fairness, and actively contributing to transparency.

Materiality management
The role of the administrative, management, and supervisory bodies (ESRS 2 GOV-1)

The board of directors has a supervisory role in all ESG matters, including responsible business conduct and prevention and detection of corruption and bribery. The management is responsible for the day-to-day corporate management and performance.

Business conduct policies and corporate culture (ESRS G1-1)
PetroNor emphasises high moral and legal standards in its operations, through the Code of Conduct, Anti-Bribery & Corruption, Anti-Money Laundering and Sanction policies.

All employees in PetroNor have signed the Code of Conduct which was introduced in relation to the listing of the company on Euronext. All new employees are also obliged to sign the company's Code of Conduct.

>> Embedding sustainability in policies and processes (ESRS 2 MDR-P) on page 72

Whistleblowing (ESRS G1-1)
PetroNor promotes openness and transparency through its whistleblowing mechanism. The secure online whistleblowing software, IntegrityLog, provides a safe and anonymous platform for reporting of potential ethical violations and misconduct. The whistleblowing channel can be found on PetroNor's website under the governance page.

PetroNor subscribes to Euronext Corporate Services'IntegrityLog, being a service to listed companies across various stock exchanges. In the event of a reported case, the independent disclosure service of IntegrityLog promptly contacts the relevant individual within the company to initiate the necessary procedures. Additionally, if a disclosure is directly made to a management representative or a board member, the recipient is obligated to diligently follow the agreed-upon procedures for addressing the disclosure.

All current and former PetroNor representatives, in addition to external parties, who have concerns about any aspect of the company's business are encouraged to raise them and to disclose any information which relates to improper, unethical, or illegal conduct with regards to the activities of the company. Whistleblowers shall not suffer any detrimental treatment, neither from the company nor colleagues, as a result of raising a genuine concern.

Every PetroNor representative has a right and an obligation to raise their concerns about our business including matters such as:

- Potential breaches of law
- Breach of ethical norms and internal guidelines
- Discrimination or harassment at the workplace
- Conditions that may pose a risk to life or health

No whistleblowing reports were received in 2023.

PRIORITIES AND PERFORMANCE 2023

100 per cent of PetroNor's employees have signed the Code of Conduct

Strengthening transparency to reduce corruption risks (ESRS G1-3)
PetroNor has since 2020 officially been registered as a supporting entity with the Extractive Industries Transparency Initiative (EITI). PetroNor supports the EITI in its objective to make the EITI Principles and the EITI requirements the internationally accepted standard for transparency in the oil, gas and mining sectors, recognising that strengthened transparency of natural resource revenues can reduce corruption, and the revenue from extractive industries can transform economies, reduce poverty, and raise the living standards of entire populations in resource-rich countries.

Through a public declaration of support, PetroNor contributes to the establishment of the EITI Principles and Standards as the global transparency benchmarks for the oil, gas, and mining sectors. The company diligently discloses project-level taxes and payments in non-EITI implementing countries, transparently addressing any encountered barriers. Furthermore, PetroNor meets the requirement of financial transparency in the publication of the company's audited financial statements or key items, aligning with the EITI Standard. With regards to anti-corruption measures, the company engages in rigorous due diligence processes, complemented by the publication of Petronor's Anti-Bribery & Corruption policy. Additionally, PetroNor supports gender diversity, publishing gender-disaggregated employment reporting under the EITI Standard.

Among the countries where PetroNor has oil and gas operations, the Republic of Congo and Nigeria, have pledged adherence to the EITI standards. Additionally, Norway and the UK stand as signatories to this global initiative.

The countries are evaluated on their progress in meeting EITI Standard requirements through an assessment process. Nigeria and the Republic of Congo are reporting a score of "Moderate".

Country	Current status	Last validation
Republic of Congo	Moderate	2023
Nigeria	Moderate	2023

Prevention and detection of corruption and bribery (ESRS G1-3)
PetroNor has a zero-tolerance to bribery and corruption. The company complies with all applicable anti-corruption laws and regulations. PetroNor representatives must not accept, make, seek, or offer bribes or monetary advantages of any kind. The company has established a gift and hospitality register to ensure compliance with the Anti-Bribery & Corruption policy.

Incidents of corruption and bribery (ESRS G1-4)
During 2023, no cases of corruption or bribery have been identified in the group, its supply chains, or its business relations.

THE WAY FORWARD

In the year ahead, PetroNor is positioned to intensify its commitment to transparency, governance, and ethical practices. Our focus will be on further strengthening our whistleblowing mechanisms, ensuring the effectiveness of IntegrityLog, and regularly enhancing our procedures to address potential ethical violations.

Building on our zero-tolerance approach to bribery and corruption, PetroNor will prioritise proactive risk management in 2024. This includes a comprehensive risk assessment of the supply chain, evaluations of suppliers and business partners, and the incorporation of provisions in contracts to safeguard human and labour rights.

Transparency Act Statement

The Transparency Act requires companies to respect fundamental human rights and decent working conditions in connection with the production of goods and the provision of services to ensure that the public have access to information regarding how enterprises address adverse impacts on fundamental human rights and decent working conditions.

The act imposes three main obligations on companies:

- a duty to carry out due diligence in accordance with the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (hereafter OECD guidelines),
- a duty to account for due diligence and
- a duty to answer information requests

PetroNor E&P ASA ("PetroNor", the "Company") is committed to the protection of internationally recognised human rights and to fair and ethical labour practices. The company complies with all applicable laws and regulations, including the Norwegian Transparency Act ("the Transparency Act").

This statement is prepared in accordance with the Transparency Act and summarises PetroNor's governance, policies, and procedures regarding the protection of human rights and decent working conditions. It also outlines the risks identified through due diligence assessments and measures to mitigate these risks.

ABOUT PETRONOR

PetroNor is an Africa-focused independent oil and gas exploration and production company listed on Oslo Stock Exchange. PetroNor holds exploration and production assets offshore West Africa, specifically the PNGF Sud licences in Congo Brazzaville, the A4 licence in The Gambia and OML-113 in Nigeria. The company's headquarters is located in Norway, with country offices in Congo, Nigeria, The Gambia, United Kingdom, United Arab Emirates and Cyprus. In 2023, the company counted 22 permanent full-time employees and 8 contractors.

PetroNor's area of focus is on Sub-Saharan Africa and, more specifically, proven and producing assets in the region with development and IOR potential. PetroNor is present in the region with 2P reserves at year end 2023 of 17.15 MMboe and an average net production for 2023 of 5 162 bopd.

Commitment to human rights and decent working conditions

PetroNor is dedicated to upholding high moral and legal standards throughout its operations.

The company emphasises the obligation of its management, employees, agents, and associates to adhere to the utmost ethical business practices in their interactions with customers, suppliers, shareholders, colleagues, and the broader public.

To fulfil this commitment, PetroNor pledges to conduct all business activities in alignment with the Code of Conduct and the following principles:

- Business transactions will be conducted fairly and courteously, with due consideration given to local customs and practices where applicable.
- The company will execute its business in accordance with its policies regarding health, safety, and environmental protection.
- PetroNor will strive to ensure that its activities exert a positive impact on consumers, employees, communities, stakeholders, and all other members of the public.

GOVERNANCE OF HUMAN RIGHTS AND DECENT WORKING CONDITIONS

Responsibilities

The board of directors oversees ESG matters, including human rights, working conditions, and Transparency Act compliance. The executive management oversees overall risk management, ESG issues, and ensuring compliance with laws and regulations.

Policies and governing documents

PetroNor has developed policies to prevent violations of human rights, indecent working conditions, damage to the environment, and involvement with corruption. The policies also cover data protection and whistleblower mechanisms.

All the relevant policies are described in the Code of Conduct ("CoC"), the Health, Safety and

Environmental Policy ("HSE-policy"), the Anti Bribery and Corruption policy ("ABC-policy"), the Anti Money Laundering Policy, and the Know Your Supplier policy ("KYS-policy").

As PetroNor also operates in countries with French as the official language, all these policies have been translated into French, in addition to the English versions, and are readily available on the company website in both languages. The policies are approved by the board of directors and apply to all PetroNor representatives. All employees at PetroNor have signed the company's policies. The company also requires that all business partners, joint venture associates, and suppliers adhere to the principles outlined in the policies.

The CoC is not formally incorporated into the procurement process. For larger contracts, suppliers are required to either present their own CoC and ABC-policy demonstrating equivalent standards to that of the company, or they will be obliged to sign the PetroNor CoC. The complete integration of CoC into agreements for small contracts is still pending.

Whistleblowing

PetroNor promotes transparency and openness through its whistleblowing channel. The secure online whistleblowing software, IntegrityLog provided by Euronext, facilitates safe and anonymous reporting of potential ethical violations and wrongdoing. The whistleblowing channel is publicly available on PetroNor's website under the governance page.

In case of a reported incident, IntegrityLog's independent disclosure service promptly contacts the relevant individual within the company to initiate necessary procedures. Moreover, if a disclosure is directly made to a management representative or board member, the recipient is obliged to diligently follow the agreed-upon procedures for addressing the disclosure.

The company actively encourages all representatives to raise concerns about any aspect of its business. Notably, no whistleblowing reports were received in 2023.

DUE DILLIGENCE WITH RESPECT TO HUMAN RIGHTS AND DECENT WORKING CONDITIONS

PetroNor conducted a supervised workshop in February 2024 with the stated aim to re-evaluate and update the company's risk assessment in accordance with the obligations under the Transparency Act. The assessment was based on the ISO Standard 31000, in addition to the due diligence framework in the OECD guidelines. The evaluations were enhanced by incorporating perspectives from recognised global risk assessments and insights from employees.

During the assessment, PetroNor focused mainly on examining the risks associated with its operators and opted to assess these risks from a broader strategic perspective. The evaluation of the value chain centered around five categories and their associated activities: exploration, appraisal, development, production, and abandonment. Notably, no occurring adverse incidents were discovered during the due diligence assessment.

In the previous risk assessment in the spring of 2023, PetroNor defined three pivotal risk areas primarily concentrated in the phases of exploration and development. Two out of the three risk areas remain in the updated risk assessment, maintaining the same risk level as the previous year (described below). The company has also opted to remove the risk associated with the purchasing of goods and services such as IT-solutions and legal advisory from the new risk matrix due to its negligible nature in terms of size and scale compared to the other risks.

1. Health and safety considerations for employees

Securing the health and safety of its employees remains a significant consideration for PetroNor in the countries where it operates exploration and production assets. In these locations, safety concerns are linked to the security levels within office buildings and transportation, affecting both local staff and employees commuting from Europe. PetroNor has proactively established procedures and a comprehensive safety policy for all traveling employees to mitigate potential risks. Despite these measures, the company recognises the risk of human rights violations and compromised working conditions, characterising the likelihood as present but low.

2. Construction work, yard activities, and drilling

Soon embarking on a development project in Nigeria through the joint venture Aje Production, PetroNor will provide technical assistance to the operator. The company's dedicated focus during the development phase is on construction work, a potential risk area highlighted in the previous risk assessment.

Moreover, the development project in Nigeria encompasses the construction of pipelines extending from offshore locations to the onshore LPG plant. Contractors will be engaged for the project, and the operator intends to involve local personnel to some extent.

The company has not yet finalised the selection of a yard for the revamping/construction of an FPSO. However, it is anticipated that the chosen location will be in regions with a higher risk of human rights violations during work activities, such as Asia, the Middle East, or South America.

PetroNor maintains its assessment of medium risks, meaning not very likely, but potentially impactful, related to violation of human rights and decent working conditions in construction.

Additionally, the renewed assessment has brought to light some emerging risks that demand due attention, including:

3. GDPR risks associated with physical document storage

While PetroNor considers the risk to be low overall, it acknowledges that the challenges associated with physical document storage are more pronounced in certain geographical areas, such as in the African locations. The use of physical storage, as opposed to a secure digital database, can pose risks, such as a potential reduction in oversight and increased difficulty in responding promptly to data requests as per the obligations under the GDPR.

4. Extreme weather disruptions

Extreme weather disruptions are recognised as a global threat, and PetroNor is not immune to its potential impacts. For instance, even in regions with generally benign waters, such as off the western coast of Africa, changes to the weather systems poses potential risks to health and safety for operators which could cause disruptions in the supply chain. PetroNor emphasises the need to address the associated risks ensuring the resilience of operations and supply chains in the face of unpredictable weather conditions. The company assesses the risk of extreme weather disruptions to be at a low level.

5. Social unrest and conflicts

From the workshop, PetroNor assessed potential risks associated with social unrest and conflicts, particularly in its operations in the Republic of Congo and Nigeria. The company recognises that such unrest has the potential to lead to violations of human rights and decent working conditions for suppliers. In regions marked by social and political instability, there is a heightened risk of disruptions that may impact the safety and well-being of individuals involved in the supply chain. The company assesses that while not very likely, should the risk materialise, it would have considerable consequences, and as such considers the risk to be at a medium level.

MITIGATING MEASURES

Based on the updated risk assessment, PetroNor has not identified actual negative impacts on fundamental human rights and decent working conditions linked to its operations, the value chain and its business partners.

PetroNor takes a proactive approach to the updated risk assessment, with emphasis on preventing negative impacts on fundamental human rights and decent working conditions associated with its operations, the value chain, and business partners.

In line with this commitment to the risk management process, the company has implemented a series of key initiatives:

Supplier and business partner risk assessment:

- Establish an overarching risk assessment for suppliers and business partners.
- Map risks across countries, products, and raw materials in the entire value chain.
- Emphasise in-depth evaluations based on their risk profiles.
- Explore the possibility of contracts with new suppliers to include provisions safeguarding human and labour rights.

Operational oversight:

- Maintain operational oversight through site visits to yards, vessels, and platforms.

Accountability measures:

- Continue to hold operators within the supply chain accountable.
- Request detailed information on measures taken to mitigate the risk of human rights violations and ensure decent working conditions.

Travel:

- Develop procedures and training programmes for travel scenarios.

These measures and initiatives will help PetroNor understand the risks related to human rights and decent working conditions.

Furthermore, in the coming year, PetroNor plans to diligently update its overall risk assessment across all operational facets. This comprehensive review aims to strengthen and refine the company's approach to risk evaluation, ultimately bolstering its ability to identify potential risks throughout the entire value chain as well as in their own operations.

DUTY TO PROVIDE INFORMATION

PetroNor has established a procedure for handling information requests under the Transparency Act through its communication channel: ir@petronorep.com, easily available on the dedicated Transparency Act page on the company's website.

No requests were made in 2023.

Oslo, Norway, 24 April 2024

Jens Pace
Interim CEO of PetroNor

Financial statements

PetroNor E&P ASA

Consolidated statement of comprehensive income

For the year ended 31 December

Amounts in USD thousand	*Note*	**2023**	2022
Revenue	*4*	**187 329**	146 066
Cost of sales	*5*	**(70 669)**	(46 210)
Gross profit		**116 660**	99 856
Exploration expense		**(748)**	(542)
Administrative expenses	*6*	**(11 404)**	(14 378)
Profit from operations		**104 508**	84 936
Finance expense	*7*	**(3 291)**	(3 322)
Foreign exchange gain / (loss)		**(272)**	(1 932)
Profit before tax		**100 945**	79 682
Tax expense	*8*	**(39 852)**	(47 579)
Profit for the year from continuing operations		**61 093**	32 103
Profit from discontinued operation	*23*	**17 957**	2 322
Profit for the period	*23*	**79 050**	34 425
Other Comprehensive income:			
Exchange losses arising on translation of foreign operations		**949**	1 268
Items that may subsequently be reclassified to profit or loss		**949**	1 268
Total comprehensive income		**79 999**	35 693
Profit for the year attributable to:			
Owners of the parent		**67 833**	27 037
Non-controlling interest	*22a*	**11 217**	7 388
Total		**79 050**	34 425
Total comprehensive income attributable to:			
Owners of the parent		**68 782**	28 305
Non-controlling interest	*22a*	**11 217**	7 388
Total		**79 999**	35 693
Earnings per share attributable to members *(USD cents)*:			
Basic profit per share	*9*	**35.0**	18.0
Diluted profit per share	*9*	**35.0**	18.0

The accompanying notes form part of these financial statements.

Consolidated statement of financial position

At 31 December

Amounts in USD thousand	*Note*	**2023**	2022
ASSETS			
Current assets			
Inventories	*10*	**17 839**	18 824
Trade receivables	*11*	**27 317**	-
Other receivables	*11*	**3 759**	1 171
Cash and cash equivalents	*12*	**46 249**	24 816
Total current assets		**95 164**	44 811
Non-current assets			
Property, plant and equipment	*14*	**92 791**	67 941
Intangible assets	*15*	**7 860**	42 283
Other receivables	*11*	**43 707**	29 432
Total non-current assets		**144 358**	139 656
Total assets		**239 522**	184 467
LIABILITIES			
Current liabilities			
Trade payables	*16*	**11 954**	15 437
Other payables	*16*	**8 097**	5 493
Loans and borrowings	*17*	**5 500**	5 500
Total current liabilities		**25 551**	26 430
Non-current liabilities			
Loans and borrowings	*17*	**-**	5 500
Provisions	*18*	**27 072**	24 563
Deferred tax liabilities	*19*	**-**	9 031
Other payables	*16*	**145**	9 018
Total non current liabilities		**27 217**	48 112
Total liabilities		**52 768**	74 542
NET ASSETS		**186 754**	109 925
Issued capital and reserves attributable to owners of the parent			
Issued capital	*20*	**72 115**	72 115
Reserves	*21*	**796**	(153)
Retained earnings	*21*	**93 480**	25 647
Total		**166 391**	97 609
Non-controlling interests	*22a*	**20 363**	12 316
Total equity		**186 754**	109 925

The accompanying notes form part of these financial statements.

The financial statements were approved and authorised for issue by the board of directors on 24 April 2024.

Consolidated statement of changes in equity

Amounts in USD thousand	*Note*	Share capital	Share premium	Foreign currency translation reserve	Retained earnings	Non-controlling interest	**Total**
For the year ended 31 December 2023							
Balance at 1 January 2023		159	71 956	(153)	25 647	12 316	**109 925**
Profit for the year		-	-	-	67 833	11 217	**79 050**
Other comprehensive income:		-	-	949	-	-	**949**
Total comprehensive loss for the year		-	-	949	67 833	11 217	**79 999**
Issue of capital	*20*	-	-	-	-	-	**-**
Share issue costs	*20*	-	-	-	-	-	**-**
Dividends to Non-controlling interest		-	-	-	-	(3 170)	**(3 170)**
Balance at 31 December 2023		159	71 956	796	93 480	20 363	**186 754**
For the year ended 31 December 2022							
Balance at 1 January 2022		62 115	-	(1 421)	(1 390)	6 513	**65 817**
Profit/(loss) 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	*22*	149	61 966	-	-	-	**62 115**
Issue of ordinary shares as consideration for business combination	*22*	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 consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 December

Amounts in USD thousand	*Note*	**2023**	2022
Cash flows from operating activities			
Profit for the year before tax		**100 945**	79 682
Adjustments for:			
Depreciation and amortisation		**17 277**	9 298
Unwinding of discount on decommissioning liability		**2 440**	842
Impairment reversal - inventory		**-**	(2 519)
Net foreign exchange differences		**949**	1 418
Finance expense		**720**	2 294
Total		**122 331**	91 015
(Increase)/decrease in trade and other receivables		**(30 285)**	12 631
Increase in advance against decommissioning cost	*11*	**(618)**	(2 595)
(Decrease)/increase in abandonment provision		**(328)**	3 652
Decrease/ (increase) in inventories	*10*	**247**	(10 078)
(Decrease) in trade and other payables		**(1 931)**	(11 875)
Cash (used in)/generated from operations		**89 416**	82 750
Income taxes paid	*8*	**(39 852)**	(47 579)
Net cash flows from operating activities		**49 564**	35 171
Investing activities			
Purchases of property, plant and equipment	*14*	**(38 253)**	(35 756)
Purchases of intangible assets	*15*	**(1 513)**	(2 353)
Net cash flows from investing activities		**(39 766)**	(38 109)
Financing activities			
Issue of ordinary shares	*20*	**-**	(52)
Proceeds from loans and borrowings	*17*	**-**	11 000
Repayment of loans and borrowings	*17*	**(5 500)**	(13 079)
Interest on loans and borrowings	*17*	**(830)**	(2 444)
Repayment of lease liability		**(138)**	(163)
Proceeds of discontinued operations		**21 273**	2 322
Dividends paid to non-controlling interest		**(3 170)**	(1 585)
Net cash from/(used in) financing activities		**11 635**	(4 001)
Net increase/(decrease) in cash and cash equivalents		**21 433**	(6 939)
Cash and cash equivalents at beginning of year		**24 816**	31 755
Cash and cash equivalents at end of year	*12*	**46 249**	24 816

The accompanying notes form part of these consolidated financial statements.

Notes to the consolidated financial statements

Note 01 Corporate information

The financial report of the company and its subsidiaries (together the "group") for the year ended 31 December 2023 was authorised for issue in accordance with a resolution of the Directors on 24 April 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 (code: 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 02 Basis of preparation

PetroNor E&P ASA's consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU and are mandatory for financial years beginning on or after 1 January 2023, and Norwegian disclosure requirements listed in the Norwegian Accounting Act as of 31 December 2023. The consolidated financial statements have been prepared on the basis of uniform accounting principles for similar transactions and events under otherwise similar circumstances.

The financial report is presented in United States Dollars, which is the functional currency for all the material subsidiaries, and all values are rounded to the thousand dollars unless otherwise stated.

GOING CONCERN

The board of directors confirms that the annual financial statements have been prepared pursuant to the going concern assumption, and that this assumption was realistic as 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. In the board of directors' view, the annual accounts give a true and fair view of the group's assets and liabilities, financial position and results. PetroNor E&P ASA is the parent company of the PetroNor Group. The financial statements have been prepared on the assumption that the PetroNor Group will continue as a going concern. 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.

As discussed in the board of directors' report, the group has continued to operate effectively with a strong balance sheet and cashflow position, this has enabled the directors of PetroNor (the "Directors") to form the opinion that the group will be in a position to continue to meet its liabilities and obligations for a period of at least twelve months from the date of signing this report.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the group not continue as a going concern.

The following financial review is based on the financial statements of PetroNor E&P ASA and its subsidiaries. The statements have been prepared in accordance with IFRS Accounting Standards as adopted by the EU as well as Norwegian accounting legislation.

In the view of the board, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position and Cashflow provide satisfactory information about the operations, financial results and position of the group and the parent company at 31 December 2023.

Note 03 Significant accounting judgements, estimates and assumptions

As part of recognising assets and liabilities certain estimates have been prepared based on historical knowledge and best-available current information. The management apply their professional judgment when assessing the assumptions to be used in the calculation of the estimates. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future period.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

HYDROCARBON RESERVE AND RESOURCE ESTIMATES

Hydrocarbon reserves are estimates of the amount of hydrocarbons that can be economically and legally extracted from the group's oil and gas properties. The group estimates its commercial reserves and resources based on information compiled by appropriately-qualified persons relating to the geological and technical data on the size, depth, shape and grade of the hydrocarbon body and suitable production techniques and recovery rates. Commercial reserves are determined using estimates of oil and gas in place, recovery factors and future commodity prices, the latter having an impact on the total amount of recoverable reserves and the proportion of the gross reserves which are attributable to the host government under the terms of the Production-Sharing Agreements. Future development costs are estimated using assumptions as to the number of wells required to produce the commercial reserves, the cost of such wells and associated production facilities, and other capital costs. The current long-term Brent oil price assumption used in the estimation of commercial reserves is USD 70/bbl. The carrying amount of oil and gas properties and licences at 31 December 2023 are shown in Note 14 and 15.

The group estimates and reports hydrocarbon reserves in line with the principles contained in the Society of Petroleum Engineers (SPE) Petroleum Resources Management Reporting System (PRMS) framework. As the economic assumptions used may change and as additional geological information is obtained during the operation of a field, estimates of recoverable reserves may change. Such changes may impact the group's reported financial position and results, which include:

- The carrying value of oil and gas properties may be affected due to changes in estimated future cash flows, Note 14;
- Depreciation and amortisation charges in the statement of profit or loss and other comprehensive income may change where such charges are determined using the Unit Of Production (UOP) method, or where the useful life of the related assets change, Note 14);
- Provisions for decommissioning are subject to re-estimation — where changes to reserves estimates affect expectations about when such activities will occur and the associated cost of these activities, Note 18.

DECOMMISSIONING COSTS

Decommissioning costs will be incurred by the group at the end of the operating life of some of the group's facilities and properties. The group assesses its retirement obligation at each reporting date. The ultimate decommissioning costs are uncertain and cost estimates can vary in response to many factors, including changes to relevant legal requirements, the emergence of new restoration techniques or experience at other production sites. The expected timing, extent and amount of expenditure can also change, for example in response to changes in reserves or changes in laws and regulations or their interpretation. Therefore, significant estimates and assumptions are made in determining the provision for decommissioning costs. As a result, there could be significant adjustments to the provisions established which would affect future financial results. The provision at reporting date represents management's best estimate of the present value of the future decommissioning costs required. Additional information is provided in Note 18.

IMPAIRMENT OF OIL AND GAS ASSETS

Management must determine whether there are circumstances indicating a possible impairment of the group's oil and gas assets. Changes in the circumstances or expectations of future performance of an individual asset or a group of assets may be an indicator that the asset is impaired, requiring the carrying amount to be written down to its recoverable amount. Assessment for indicators of impairment includes assessments of expected future cash flows, future oil and gas prices, cost profiles, indicators that the asset will be uneconomic to develop, geological evaluation and the date of expiration of the licences. Impairments other than impairments of goodwill are reversed where impairment indicators are no longer present.

Note 04 Revenue

Amounts in USD thousand	**2023**	2022
Revenue from contracts from customers		
Revenue from sales of petroleum products [1]	**120 893**	72 837
Other Revenue		
Assignment of tax oil	**39 852**	47 579
Assignment of royalties	**26 584**	25 650
Total Revenue	**187 329**	146 066
Quantity of oil lifted (barrels)	**1 543 910**	800 177
Average selling price (USD per barrel)	**78.30**	90.99
Quantity of net oil produced after royalty, cost oil and tax oil (barrels)	**1 396 118**	900 495

1) 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. Refer to Note 28(h) for additional information.

Note 05 Cost of sales

Amounts in USD thousand	**2023**	2022
Operating expenses	**20 795**	16 636
Royalty	**26 584**	25 650
Depreciation and amortisation of oil and gas properties	**17 119**	9 134
Provision for Diversified Investment	**1 772**	1 710
Movement in oil inventory	**4 399**	(6 920)
Total	**70 669**	46 210

Note 06 Administrative expenses

Amounts in USD thousand	*Note*	**2023**	2022
Employee benefit expenses	*6a*	**5 415**	5 581
Travelling expenses		**594**	559
Legal and professional expenses		**4 067**	5 209
Corporate social responsibility		**294**	1 500
Business development		**389**	478
Other expenses		**645**	1 051
Total		**11 404**	14 378

6A. EMPLOYEE BENEFIT EXPENSES

Amounts in USD thousand	**2023**	2022
Salaries	**4 438**	4 834
Short-term non-monetary benefits	**641**	490
Defined contribution pension cost	**65**	43
Social-security contributions and similar taxes	**271**	214
Total	**5 415**	5 581

PetroNor is required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension ("Lov om obligatorisk tjenestepensjon"). The Norwegian subsidiary that employs staff PetroNor E&P Services AS contributes to an external defined contribution scheme and therefore no pension liability is recognised in the statement of financial position.

Under the Pensions Act 2008 every employer in the UK must put certain staff into a workplace pension scheme and contribute towards it, PetroNor E&P Services Limited the subsidiary that employs staff in the UK, contributes into an external defined contribution scheme. As such, no pension liability is recognised in the statement of financial position in relation to the company's UK based employees.

There are currently no share-based payment incentive schemes in place for employees.

The cost of non-cash benefits to employees is disclosed as short-term non-monetary benefits above. Detailed disclosures on employee profiles is included within the social information section of the Sustainability Report.

6B. AUDITORS' REMUNERATION

Amounts in USD thousand	**2023**	2022
Paid or payable to BDO		
Audit review of financial reports		
BDO AS	**358**	178
BDO Network firms	**59**	131
Total	**417**	309
Other non-assurance services		
BDO related practices	**12**	19
Total	**12**	19
Paid or payable to other audit firms		
Audit or review of financial reports	**67**	47
Other non-assurance services	**121**	104
Total	**188**	151

Fees, excluding VAT, to the auditors are included in administration expenses.

Note 07 Finance expenses

Amounts in USD thousand	*Note*	**2023**	2022
Unwinding of discount on decommissioning liability	*18*	**2 440**	842
Loan structuring fee		**-**	165
Finance cost on lease liabilities		**38**	64
Interest on loans	*17*	**813**	1 042
Other interest		**-**	1 209
Total		**3 291**	2 322

Note 08 Tax expense

Tax expense excluding tax on sale of discontinued operation.

Amounts in USD thousand	**2023**	2022
Petroleum revenue tax expense		
Current income tax charge	**39 852**	47 579
Total tax expense reported in the consolidated statement of comprehensive income	**39 852**	47 579

The petroleum revenue tax expense relates solely to the subsidiary in Congo and represents the assignment of tax oil on the revenue from sales of petroleum products, Note 4.

A taxable gain arises on the farm-out of the Guinea-Bissau assets as historic tax losses relating to the venture had been consumed as group relief by the previous holder of the licence assets. This tax expense is included within discontinued operations, refer to Note 23.

There was no income tax expense in the other subsidiaries' jurisdictions nor in the parent's jurisdiction as these companies are in taxable loss positions in both 2023 and 2022. Average effective tax rate for the year was 21% (2022: 33%) based on gross revenue of the group.

Note 09 Earnings per share

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 Consolidated Income Statement so as to be comparative. There are nil options as at 31 December 2023 (31 December 2022: nil).

Amounts in USD thousand	**2023**	2022
Profit attributable to ordinary shareholders from continuing operations		
Profit attributable to the ordinary equity holders used in calculating basic / diluted profit per share	**52 479**	22 393
Profit attributable to the ordinary equity holders used in calculating basic / diluted profit per share	**52 479**	22 393
Weighted average number of ordinary shares outstanding during the period used in the calculation of profit / (loss) per share		
Basic	**142 356 855**	137 223 692
Diluted [1)]	**142 356 855**	137 272 989
Earnings per share		
Basic	**35.0**	18.0
Diluted	**35.0**	18.0

1) The number of shares has been restated so as to be comparative to 2024 share basis.

Note 10 Inventories

Amounts in USD thousand	**2023**	2022
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 per bbl). This is calculated by dividing the direct production costs USD 64.6 million (2022: 51.2 million) by the unit production cost USD 2.23 million bbls (2022: 1.74 million bbls).

The crude oil inventory and the material and supplies inventory are valued at the lower of cost and net realisable value. Cost is determined using the weighted average method.

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. In the current accounting period inventory for the Guinea-Bissau drilling campaign was written down to the net realisable value obtained in a post period sale.

Note 11 Trade and other receivables

Amounts in USD thousand	**2023**	2022
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		
Other receivables:		
Due from related parties	**11 057**	-
Fair value of contingent consideration	**2 600**	-
Advance against decommissioning cost [1]	**33 650**	29 432
Total	**43 707**	29 432

1) 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. The advances of the funds for the year are made on the basis of an average rate of USD 0.28 per barrel produced (2022: USD 1.60 per barrel). Refer to Note 18 for further details on the decommissioning liability.

The group has adopted the simplified approach allowed under IFRS 9 Financial Instruments where the group measures the provision for impairment for trade receivables and amounts due from related parties at an amount equal to lifetime ECL. The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtors' current financial pposition. This is adjusted for factors specific to the debtors' general economic conditions and forward-looking elements of the industry in which the debtors operate. It also includes an assessment of both the current and forecasted direction of conditions at the reporting date. The group has established a provision matrix that is based on its historical credit-loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. At 31 December 2023, the provision for the group is nil.

Trade receivables of USD 27 317 reflect the occurrence of an sale on 15 December 2023 this amount is still outstanding at 31 December 2023, in 2022 all trade receivable balances had been settled by 31 December.

The group disposed of its interests 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 fair value of the new investment has been assessed and will be recognised as an investment in associate when the consideration is paid. USD 1 million relates to an assignment fee to be recovered from the joint venture in due course. Refer to Note 22a for further information.

On June 27, 2023, PetroNor E&P ASA announced the farm-out of the exploration licences in Guinea-Bissau. On this occasion, PetroNor E&P AB entered into a binding agreement to transfer 100 percent of its participation interest in the two exploration licences to Apus Energia Guiné Bissau SA. Under the terms of the agreement, effective January 1, 2023, PetroNor received a payment of USD 21.3 million upon completion of the transaction, plus costs incurred in 2023 after January 1, 2023 and up to the point of completion of USD 1.6 million. The company will be eligible for two additional contingent earnout payments of USD 30 million each. The first payment would be made after government approval of a Field Development Plan. The second payment would be made after the achievement of continuous oil production. PetroNor have assessed the fair value of the contingent consideration as at 31 December 2023 to be USD 2.6 million.

Note 12 Cash and cash equivalents

Amounts in USD thousand	**2023**	2022
Cash in bank	**46 217**	24 775
Restricted cash	**32**	41
Total	**46 249**	24 816

Restricted cash at 31 December 2023 represents ringfenced cash payable to Norwegian authorities in relation to employment obligations.

The following table represents the changes in liabilities arising from financing activities through cash flows and non-cash changes:

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

Note 13 Segment information

Operating segments have been identified based on the information available to chief operating decision-makers – being the board and the executive management team.

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	2023	2022
Congo	**120 798**	98 876
Gambia	**5 461**	4 507
Guinea-Bissau	**2 600**	667
Nigeria	**1**	35 226
Norway	**11 324**	380
Other	**174**	-
Total	**144 358**	139 656

Note 14 Property, plant, and equipment

PRODUCTION ASSETS AND EQUIPMENT

Amounts in USD thousand	2023	2022
Cost		
At 1 January	**90 883**	53 585
Additions	**42 076**	37 298
Disposals in relation to loss of control of entities (refer to Note 22a)	**(926)**	-
At 31 December	**132 033**	90 883
Depreciation		
At 1 January	**22 942**	14 144
Charge for the year	**16 690**	8 798
Depreciation on disposals	**-**	-
At 31 December	**39 242**	22 942
Net carrying amount		
At 31 December	**92 791**	67 941

Production assets and equipment are carried at the following values:

Amounts in USD thousand	2023	2022
Oil & gas CAPEX	**84 589**	62 544
Decommissioning costs	**7 864**	4 900
Other	**30**	35
Total	**92 473**	67 479

PPE assets are distributed geographically as follow:

Amounts in USD thousand	2023	2022
Congo	**92 473**	66 542
Nigeria	**-**	927
Other	**10**	10
Total	**92 483**	67 479

Amounts in USD thousand	2023	2022
Right-of-use assets	**308**	462

The carrying value of production assets are assessed against their risked economic value for indicators of impairment. Two of the key factors in the economic evaluation of hydrocarbon assets are the future oil prices and the recoverable reserves of the assets, the bench mark oil price used economic valuations was USD 70/bbl. Please reference the Reserves report and the reserves table included in Note 15. There were no indicators of impairment.

Note 15 Intangible assets

LICENCES AND APPROVALS

Amounts in USD thousand	2023	2022
Cost		
At 1 January	**37 831**	11 210
Additions in relation to business combinations	**-**	24 268
Additions	**1 129**	2 353
Disposals	**(667)**	-
Disposals in relation to loss of control of entities (refer to Note 22a)	**(25 268)**	-
At 31 December	**13 025**	37 831
Accumulated amortisation and impairment		
At 1 January	**4 579**	4 038
Amortisation	**586**	541
Impairment	**-**	-
At 31 December	**5 165**	4 579
Net carrying value		
At 1 January	**33 252**	7 172
At 31 December	**7 860**	33 252

GOODWILL

Amounts in USD thousand	2023	2022
Cost		
At 1 January	**9 031**	-
Additions in relation to business combinations	**-**	9 031
Disposals in relation to loss of control of entities (refer to Note 22a)	**(9 031)**	-
At 31 December	**-**	9 031

GOODWILL
During 2023, the technical goodwill has subsequently been derecognised as part of the disposal of the entities and assets in which they originated from. Goodwill of USD 9.0 million at 31 December 2022 consisted of technical goodwill related to the acquisition that occurred during the prior year. Refer to Note 22a for more information.

LICENCE OVERVIEW
Congo
In 2017, subsidiary company Hemla E&P Congo SA acquired interests in three development and production permits (Tchendo II: 20%; Tchibouela II: 20% and Tchibeli-Litanzi II: 20%) which will respectively end in December 2037, for each of them, with possible extensions for 5 years. All these three licences are called or named collectively "PNGF Sud" and together comprise an area of 482.28km². The operator of the licences is Perenco, and the carrying value as at 31 December 2023 is USD 2.2 million. This number is net of depletion, the Congo intangible assets are the only intangibles in active use and being amortised.

Nigeria
On 29 December 2023, PetroNor E&P ASA transferred its interests in OML113 to the joint venture Aje Production AS. Upon completion, PetroNor will own 52% of Aje Production AS resulting in a 15.5% participating interest and an economic interest of 38.755% in OML 113. The OML 113 licence is operated by Yinka Folawiyo Petroleum. There were two producing wells prior to suspending production in November 2021 due to the terminated contract with the FPSO, the Aje-4 with oil production and Aje-5ST2 with oil and gas production. The licence was renewed in 2018 and has a twenty-year term. The current strategy is to update the field development plan to expedite gas development and overall redevelopment of the venture. Once the transaction has completed, PetroNor's interest will be classified as a joint venture.

The Gambia
The A4 licence area is 1 376km² and is operated by Company subsidiary PetroNor E&P Gambia Ltd. PetroNor secured a new exploration licence (PEPLA) on 18 November 2022 and entered into the first exploration period which has a duration of three years. PetroNor hold 90% equity with the Gambia National Petroleum Company as partner (10% equity). At 31 December 2023 the carrying value of the A4 licence is USD 5.5 million.

Guinea-Bissau
PetroNor announced the farm-out of 100% of the equity in both Sinapa and Esperança licences to Apus Energy Guiné-Bissau SA ("Apus Energy"). As a result, USD 0.7 million in intangible assets were derecognised and transferred and the group recognised 22.9 million as a cash contribution to 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 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.

Senegal
The company's subsidiary African Petroleum Senegal Limited received the decision of the arbitration proceedings with the International Centre for the Settlement of Investment Disputes (ICSID) regarding the interests in the Senegal Offshore Sud Profond and Rufisque Offshore Profond blocks in Senegal (ICSID case ARB/18/24) 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. No capitalised licence interests were previously held on the balance sheet.

IMPAIRMENT ASSESSMENT
Group assets are assessed for indicators of impairment on a periodic basis. Indicators of impairment would be for example a licence that is approaching the end of its term or a licence where management have indicated that there are no plans to continue with exploration and evaluation, or evaluation work which indicated that an asset would be uneconomic. The carrying value of intangible assets were assessed against their risked economic value and no assets were impaired in the period ended 31 December 2023 .

RESERVES
The group has adopted a policy of regional reserve reporting using external third-party companies to audit its work and certify reserves and resources. Reserve and contingent resource estimates comply with the definitions set by the Petroleum Resources Management System ("PRMS") issued by the Society of Petroleum Engineers ("SPE"), the American Association of Petroleum Geologists ("AAPG"), the World Petroleum Council ("WPC") and the Society of Petroleum Evaluation Engineers ("SPEE") in March 2007. AGR Petroleum Services AS provided the third party verifications of the PNGF Sud reserves. CPR Tracs International Limited provided the third party verification of the Aje reserves.

The following is a summary of key results from the reserve reports (net of the group's share):

Asset	1P reserves MMboe	2P reserves MMboe	3P reserves MMboe
PNGF Sud	11.04	16.10	20.77

Definitions:
1P) Proved reserves
Proved reserves are those quantities of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations.

2P) Proved plus probable reserves
Probable reserves are those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than proved reserves but more certain to be recovered than possible reserves.

3P) Proved plus probable plus possible reserves
Possible reserves are those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than probable reserves.

Note 16 Trade and other payables

Amounts in USD thousand	*Note*	**2023**	2022
Amounts due less than one year:			
Trade payables		**11 954**	15 437
Due to related parties	*22d*	**305**	2 019
Taxes and state payables		**4 162**	787
Other payables and accrued liabilities		**3 630**	2 687
Total		**20 051**	20 930
Amounts due more than one year			
Other payables		**145**	9 018
Total		**145**	9 018

Note 17 Loans and borrowings

Amounts in USD thousand	**2023**	2022
At 1 January	**11 000**	13 079
Received	**-**	11 000
Principal repayment	**(5 500)**	(13 079)
Interest on loan accrued	**813**	1 042
Interest on loan paid	**(813)**	(1 042)
At 31 December	**5 500**	11 000
Ageing of loans payable		
Current	**5 500**	5 500
Non-current	**-**	5 500
Total	**5 500**	11 000

On 29 December 2022, HAH and Acqua Diversified Holdings SPC entered into an amended agreement to advance an additional USD 11.0 million USD to be paid in eight quarterly instalments of USD 1.375 million. The facility carries an interest rate of 11.0%, and due to the group corporate restructure in February 2022, in addition to the previous security provided, a corporate guarantee was provided by PetroNor E&P ASA.
The Acqua Diversified Holdings SPC loan has the following covenants and undertakings:

- Cash equal to the quarterly instalments must be maintained on specific bank accounts of HAH or HEPCO on a recurring basis;
- At least USD 6.0 million from HEPCO oil sales must be paid into the collection account on a 3-month rolling basis;
- PetroNor to maintain shareholding level in excess of 70% in subsidiary company HAH;
- HAH to maintain shareholding level in excess of 74.25% in subsidiary company HEPCO;
- HAH shareholder equity ratio shall not be less than 30%;
- HAH duty to report on financial statements, pledged bank account activity and oil inventory;
- Restrictions on distributions to HAH shareholders, unless sufficient liquidity with cash balances exceeding USD 10.0 million immediately before any such distribution, and distribution does not exceed 75% consolidated HAH net profit in any year.

All covenants were complied with and there were no notifications of breaches during the year for the loan payable to Acqua Diversified Holdings SPC.

Note 18 Provisions

DECOMMISSIONING LIABILITY
In accordance with joint venture agreements and legislation, the wellheads, production assets, pipelines and other installations may have to be dismantled and removed from oil and natural gas fields when the production ceases. The exact timing of the obligations is uncertain and depends on the rate the reserves of the field are depleted.
Based on the existing production profile of the PNGF Sud field and the size of the reserves, it is expected that expenditure on retirement is likely to be after more than ten years. The current bases for the provision are a discount rate of 6.5% (2022: 6.5%) and an inflation rate of 3.0% (2022: 1.6%). The initial decommissioning liability (ARO) study was prepared internally by the operator Perenco and was presented to ARO Committee in 2018. The company reassessed the applicable discount rate during 2023 based on the rates of government bonds issued in the Congo during the year. The impact of the change in discount factor was not considered material.

The following table presents a reconciliation of the beginning and ending aggregate amounts of the obligations associated with the retirement of oil and natural gas properties:

Decommissioning provision

Amounts in USD thousand	*Note*	**2023**	2022
At 1 January		**20 912**	16 302
Arising during the year		**4 284**	3 768
Derecognised due to loss of control of entities	22a	**(3 887)**	-
Unwinding of discount on decommissioning	7	**2 440**	842
At 31 December		**23 749**	20 912
Other provisions		**3 323**	3 651
Total provisions		**27 072**	24 563

Note 19 Deferred tax liabilities

Changes in net deferred tax liabilities during the year were as follows:

Amounts in USD thousand	**2023**	2022
Net deferred tax liability at 1 January	**(9 031)**	-
Acquisitions and disposals	**9 031**	(9 031)
Net deferred tax liability at 31 December	**-**	(9 031)

Deferred tax assets have not been brought to account in respect of tax losses and unrecognised capital allowances because as at 31 December 2023 it is uncertain when future taxable amounts will be available to utilise those temporary differences and losses. The primary income generating unit of the group is in a jurisdiction where taxes are an in-kind production levy. The status of asset development in other jurisdictions is such that profits are not yet being recorded. Management is therefore not yet able to perform an assessment that deferred tax assets can be realised. As at 31 December 2023, the carried forward gross tax loss is USD 127 million (2022: USD 132 million). Carried forward losses from previous periods do not have an expiry date.

Note 20 Share capital

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held and in proportion to the amount paid up on the shares held.

At shareholders' meetings, each ordinary share entitles the holder to one vote in proportion to the paid-up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.

Reconciliation of movement in shares on issue

Number of fully paid ordinary shares	**2023**	2022
Balance at the beginning of the year	**1 423 568 543**	1 326 991 006
Issue of shares	**7**	96 577 537
Reverse share split	**(1 281 211 695)**	-
Balance at end of the year	**142 356 855**	1 423 568 543

Reconciliation of movements in issued capital

Amounts in USD thousand	**2023**	2022
Opening balance	**159**	62 115
Reversal of shares as part of redomicile [3]	**-**	(62 115)
Issue of shares in PetroNor E&P ASA as part of redomicile [3]	**-**	149
Share capital issued as consideration for business combination [2]	**-**	10
Balance at end of the period	**159**	159

1) 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.
2) On 13 July 2022, PetroNor E&P ASA completed the acquisition of Pan-Petroleum Nigeria Holding BV and Pan-Petroleum Services Holdings BV that hold 100% of the shares in Pan-Petroleum AJE Ltd. The upfront consideration was USD 10 million paid via the allotment and issue of 96 577 537 new PetroNor shares. The shares were issued at the nominal value of 0.001 NOK USD using the daily exchange rate published by the Bank of England. Refer to Note 23 for additional information.
3) On 24 February 2022: The company issued 1 326 991.006 ordinary shares as part of the implementation of the scheme of arrangement and redomicile from Australia to Norway. Shares are issued at the nominal value of 0.001 NOK and translated to 0.01 USD using the rate of exchange on the day of issue.

Share premium
Share premium reserve represents excess of subscription value of the shares over the nominal amount.

Amounts in USD thousand	**2023**	2022
Opening balance	**71 956**	-
Issue of shares as part of redomicile	**-**	61 966
Share capital issued as consideration for business combination	**-**	9 990
Balance at end of the period	**71 956**	71 956

Note 21 Reserves

The movement in reserves are reflected in the statement of changes in equity.

Foreign currency translation reserve
The foreign currency translation reserve is used to recognise foreign currency exchange differences arising on translation of functional currency to presentation currency.

Retained earnings
All other net gains and losses and transactions with owners not recognised elsewhere.

Dividends
No dividends were declared during the year by the Parent Company.

Note 22 Related party transactions

22A. SUBSIDIARIES
The principal subsidiaries of the PetroNor E&P ASA, all of which have been included in these consolidated financial statements, are as follows:

Name	Country of incorporation	Principal place of business	Proportion of effective ownership interest at 31 December 2023	2022
PetroNor E&P Pty Limited (Previously called PetroNor E&P Ltd)	Australia	Australia	**100%**	100%
PetroNor E&P Ltd	Cyprus	Cyprus	**100%**	100%
PetroNor E&P Services AS	Norway	Norway	**100%**	100%
PetroNor E&P Services Ltd	United Kingdom	United Kingdom	**100%**	100%
PetroNor E&P AB	Sweden	Guinea-Bissau	**100%**	100%
PetroNor E&P Ltd	Nigeria	Nigeria	**100%**	100%
PetroNor E&P Gambia Ltd	Cayman Islands	The Gambia	**100%**	100%
Hemla Africa Holding AS	Norway	Norway	**100%**	100%
Hemla E&P Congo SA	Congo	Congo	**84.15%**	84.15%
African Petroleum Corporation Ltd	Cayman Islands	United Kingdom	**100%**	100%
African Petroleum Senegal Ltd	Cayman Islands	Senegal	**90%**	90%
African Petroleum Senegal SAU	Senegal	Senegal	**90%**	90%
Aje Production AS	Norway	Norway	**100%**	100%
Aje Services Holding BV (Previously called Pan-Petroleum Services Holding BV)	Netherlands	Netherlands	**-**	100%
Aje Nigeria Holding BV (Previously called Pan-Petroleum Services Holding BV)	Nigeria	Nigeria	**-**	100%
Aje Production Ltd (Previously called Pan-Petroleum Aje Ltd)	Nigeria	Nigeria	**-**	100%

HEMLA E&P CONGO SA
Material non-controlling interests
The group holds 84.15% of the share capital of Hemla E&P Congo SA. Set out below is summarised financial information for the subsidiary 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	Hemla E&P Congo SA 2023	2022
Current asset	**61 523**	28 363
Current liabilities	**12 836**	11 210
Current net assets	**48 687**	17 153
Non-current assets	**124 798**	98 876
Non-current liabilities	**27 084**	20 804
Non-current net assets/(liabilities)	**97 614**	78 072
Net assets	**146 301**	95 225
Accumulated NCI	**24 138**	16 091

Summarised statement of comprehensive income

Amounts in USD thousand	Hemla E&P Congo SA 2023	2022
Revenue	**187 330**	146 067
Profit for the period	**71 175**	45 503
Other comprehensive income	**-**	-
Total comprehensive income for the year	**71 175**	45 503
Profit allocated to NCI	**11 217**	7 461
Dividends paid to NCI	**3 170**	1 585

Summarised cash flows

Amounts in USD thousand	Hemla E&P Congo SA 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)

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 assets and liabilities of the subsidiaries have been fully derecognised. The fair value of the new investment has been assessed and will be recognised as a joint venture when the consideration is paid. 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	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**

Amounts in USD thousand	29 December 2023
Consideration received or receivable	
Consideration shares receivable	10 000
Total disposal consideration	**10 000**
Net assets	(10 203)
Loss on disposal [1]	(203)

1) Loss on disposal is included within administrative expenses in the consolidated statement of comprehensive income.

22B. BOARD AND KEY MANAGEMENT PERSONNEL REMUNERATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the group, including the Directors listed on page 36, and the following other key personnel:

Jens Pace	Interim chief executive officer
Claus Frimann-Dahl	Chief technical officer
Emad Sultan	Strategy and contracts manager
Michael Barrett	Exploration manager
Chris Butler	Group financial controller

At the approval date of this report the base salary and fees for the following members of key management is as follows:

Individual	Title	Group entity	Base salary and fees /per annum	Total base salary and fees USD equivalent
E Alhomouz	Chair	PetroNor E&P Services AS [1]	USD 174 000	294 000
		Hemla E&P Congo SA	USD 120 000	
J Iskander	Director [2]		Nil	Nil
I Tybring-Gjedde	Director	PetroNor E&P Services AS	NOK 450 000	42 750
G Kielland	Director	PetroNor E&P Services AS	NOK 450 000	42 750
J Norman-Hansen	Director	PetroNor E&P Services AS	NOK 450 000	42 750
A Fawzi	Director	PetroNor E&P Services AS	NOK 450 000	42 750
J Pace	Interim chief executive officer	PetroNor E&P Services AS	GBP 360 000	450 000
E Sultan	Strategy & contracts manager	PetroNor E&P Services AS	USD 252 000	252 000
C Frimann-Dahl	Chief technical officer	PetroNor E&P Services AS	NOK 2 625 000	249 475
M Barrett	Exploration officer	PetroNor E&P Services Ltd	GBP 225 750	282 188
C Butler	Group financial controller	PetroNor E&P Services Ltd	GBP 147 000	249 750
		Hemla E&P Congo SA	USD 66 000	

1) Fees are charged by related party Petromal LLC and are not paid to the individual; above figures represent the company's fair value estimate of associated costs for the individual's services.
2) J Iskander elected not to be remunerated, as he is not considered an independent board member due to connections to the largest company shareholder.

FX rates used: NOK 1.00 : USD 0.095 | GBP 1.00 : USD 1.25

Remuneration of board and key management personnel 2023

Amounts in USD	Designation	Salary and fees	Bonus	Other cash benefits	Post-employment benefits	Total
E Alhomouz [1]	Chair	294 000	-	-	-	**294 000**
I Smines Tybring Gjedde	Director	38 685	-	-	-	**38 685**
G Kielland	Director	38 685	-	-	-	**38 685**
Azza Samir Fawzi	Director	32 763	-	-	-	**32 763**
Jarle Norman-Hansen	Director	32 763	-	-	-	**32 763**
J Pace	Interim chief executive officer	530 111	-	-	-	**530 111**
C Frimann-Dahl [2]	Chief technical officer	240 053	42 123	719	13 493	**296 388**
M Barrett [2]	Exploration manager	280 755	47 678	1 731	-	**330 164**
C Butler [2]	Group financial controller	243 400	31 202	2 427	17 740	**294 769**
E Sultan	Strategy and contracts manager	244 000	-	-	-	**244 000**
Total		1 975 215	121 003	4 877	31 233	**2 132 328**

1) USD 174 000 of the fees above is not paid to the individual, these fees charged on an arms-length basis are included in a monthly lump sum charged by related party Petromal LLC, above figures represent the company's fair value estimate of associated costs for the individual's services.
2) Bonus received was determined at the discretion of the remuneration committee, contingent upon both company performance and individual contributions.

Remuneration of of board and key management personnel 2022

Amounts in USD	Designation	Salary and fees	Bonus	Other cash benefits	Post-employment benefits	Total
E Alhomouz [1]	Chair	294 000	-	-	-	**294 000**
J Iskander	Director	-	-	-	-	**-**
I Smines Tybring Gjedde	Director	34 598	-	-	-	**34 598**
G Kielland	Director	34 598	-	-	-	**34 598**
A Neuling [2]	Director	5 728	-	-	-	**5 728**
R Steinepreis [2]	Director	5 728	-	-	-	**5 728**
J Pace [1]	Interim chief executive officer	443 500	-	-	-	**443 500**
C Frimann-Dahl	Chief technical officer	253 080	-	769	20 524	**274 373**
M Barrett	Exploration manager	279 445	-	884	2 080	**282 409**
C Butler	Group financial controller	173 059	92 177	5 747	17 306	**288 289**
E Sultan	Strategy and contracts manager	233 000	-	-	-	**233 000**
A Hicks	Company secretary	3 598	-	-	-	**3 598**
Total		1 760 334	92 177	7 400	39 910	**1 899 821**

1 USD 174 000 of the fees above is not paid to the individual, these fees charged on an arms-length basis are included in a monthly lump sum charged by related party Petromal LLC, above figures represent the company's fair value estimate of associated costs for the individual's services.
2 Individuals are Board members or management of the previous Australian top company, the above figure represents their remuneration up until the group restructure on 24 February 2022.

Share holdings by directors and other key management personnel

	Balance 1 January 2023	Shares purchased	Granted as remuneration	Net change other	Balance 31 December 2023
J Pace	146 553	-	-	-	146 553
M Barrett	115 167	-	-	-	115 167
C Butler	23 430	-	-	-	23 430
C Frimann-Dahl	60 456	-	-	-	60 456
Total	345 606	-	-	-	345 606

At 31 December 2023, Eyas Alhomouz held no shares personally but holds influence over 48 148 167 shares (2022: 48 148 167 shares) as the CEO of significant shareholder 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.

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. The opening balances have been restated to reflect this.

Other board members and key management not included in the above table held no shares during the current year.

No warrants or options were held by board members or key management personnel during the current year.

22C. SIGNIFICANT SHAREHOLDERS

Shareholder	Place of incorporation	**Ownership 31 December 2023**	Ownership 31 December 2022
Petromal LLC – Sole Proprietorship LLC	UAE	**33.82%**	33.82%
Symero Ltd	Cyprus	**9.75%**	9.75%
NOR Energy AS	Norway	**8.62%**	9.49%
Ambolt Invest AS	Norway	**6.15%**	6.15%
Gulshagen III AS	Norway	**3.16%**	3.16%
Gulshagen IV AS	Norway	**3.16%**	3.16%

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. Symero Ltd is a company owned by NOR Energy AS, which in turn is controlled jointly by former key management of PetroNor, Knut Søvold, and Gerhard Ludvigsen. Gulshagen III AS and Gulshagen IV AS are also controlled by Knut Søvold. Ambolt Invest AS is a company controlled by Jarle Norman-Hansen who was appointed as a board member on 26 January 2023.

22D. TRANSACTIONS AND PERIOD-END BALANCES WITH RELATED PARTIES

Transactions with related parties included in the consolidated statement of comprehensive income:

On 27 June 2023 PetroNor E&P AB, a wholly owned subsidiary of PetroNor E&P ASA 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, Petromal LLC is the largest shareholder in the company, with an ownership of close to 34 per cent of the shares. Since the transaction involved a related party, the non-conflicted directors on the board received an independent assessment from a third party as to the fairness of the negotiated terms, which concluded that the transaction was fair. Details of the transaction are included in Note 23 below "Discontinued operations".

Petromal LLC has had an agreement to provide technical and project management services to the PetroNor Group since 2017.

Amounts in USD thousand	**2023**	2022
Petromal – Sole Proprietorship LLC	**305**	289
Administrative expenses	**305**	289

Balances due from and due to related parties disclosed in the consolidated statement of financial position:

Amounts in USD thousand	**2023**	2022
Balances due from related parties		
Receivable from Aje Production AS	**11 067**	-
Balances due to related parties		
Other payable to Nor Energy AS	**-**	(1 283)
Other payable to Petromal – Sole Proprietorship LLC	**(26)**	(736)
Total payables to related parties (Note 19)	**(26)**	(2 019)

Amounts due from / to related parties included in the consolidated statement of financial position are interest-free and have no fixed repayment terms.

Note 23 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	
Cash consideration received	21 273
Contingent consideration at fair value	2 600
Total consideration received	23 873
Cash disposed of	-
Net consideration on disposal of discontinued operation	23 873
Net assets held for disposal (other than cash)	
Inventory	(1 626)
Intangible assets	(1 051)
Other net receivables and payables	888
Total	(1 790)
Pre-tax gain on disposal of discontinued operation	22 084
Related tax expense	(4 016)
Gain on disposal of discontinued operation	18 067

Result of discontinued operations

Amounts in USD thousand	
Other operating income	1 626
Expenses other than finance costs	(1 712)
Finance costs	(24)
Tax (expense/credit)	-
Gain from selling discontinued operations after tax	18 067
Profit/(loss) for the year	17 957
Earnings per share from discontinued operations:	
Basic (loss) / profit per share	12.6 Cents
Diluted (loss) / profit per share	12.6 Cents

Statement of cash flows

Amounts in USD thousand	
Operating activities	-
Investing activities	20 403
Financing activities	-
Net cash from discontinued operations	20 403

Note 24 Risk management

The group's principal financial liabilities comprise accounts payable and amounts due to related parties. The main purpose of these financial instruments is to manage short-term cash flow and raise finance for the group's capital expenditure programme. The group has various financial assets such as accounts receivable and cash.

The main risks that could adversely affect the group's financial assets, liabilities or future cash flows are credit risk, liquidity risk, interest rate risk and foreign currency risk. The management reviews and agrees policies for managing each of these risks which are summarised below.

The following discussion also includes a sensitivity analysis that is intended to illustrate the sensitivity to changes in the market variables on the group's financial instruments and shows the impact on profit or loss and shareholders' equity, where applicable. Financial instruments affected by market risk include accounts receivable, accounts payable and accrued liabilities.

The sensitivity has been prepared for periods ending 31 December 2023 using the amounts of debt and other financial assets and liabilities held as at those reporting dates.

The tables below detail the credit quality of the company's financial assets as well as the company's maximum exposure to credit risk by credit risk rating grades.

Amounts in USD thousand	*Notes*	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
31 December 2023							
Trade receivables	*11*	N/a	(i)	Lifetime ECL	27 317	-	27 317
Due from related parties	*11, 22d*	N/a	-	Lifetime ECL	11 057	-	11 057
Advance against decommissioning cost	*11*	N/a	-	Lifetime ECL	30 050	-	30 050
Cash and cash equivalents	*12*	Aa3/B	N/a	12-month ECL	46 249	-	46 249
Other receivables	*11*	N/a	-	Lifetime ECL	6 359	-	6 359
31 December 2022							
Trade receivables	*11*	N/a	(i)	Lifetime ECL	1 171	-	1 171
Due from related parties	*11, 22d*	N/a	-	Lifetime ECL	-	-	-
Advance against decommissioning cost	*11*	N/a	-	Lifetime ECL	29 432	-	29 432
Cash and cash equivalents	*12*	Aa3/B	N/a	12-month ECL	24 816	-	24 816

(i) For trade receivables and amounts due from related parties, the group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The expected credit losses are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

LIQUIDITY RISK

The group seeks to limit its liquidity risk by ensuring financial support is available from the shareholders. The group's terms of sales requires amounts to be paid within 30 days from the bill of lading, the point at which crude oil had been loaded onto vessel for shipment . Trade payables are normally settled within 90 to 120 days of the date of receipt of invoice. The table below summarises the maturity profile of the group's financial liabilities at 31 December 2023 based on contractual undiscounted payments.

Amounts in USD thousand	*Note*	On demand	Less than 1 month	Between 1 and 3 months	Between 3 months and 1 year	More than 1 year	Total
31 December 2023							
Trade accounts payable	*16*	-	11 954	-	-	-	**11 954**
Amounts due to related parties	*22d*	305	-	-	-	-	**305**
Loan payable	*17*	-	-	1 375	4 125	-	**5 500**
Other payable	*16*	-	-	-	-	-	**-**
Total		305	11 954	1 375	4 125	-	**17 759**

Amounts in USD thousand	*Note*	On demand	Less than 1 month	Between 1 and 3 months	Between 3 months and 1 year	More than 1 year	Total
31 December 2022							
Trade accounts payable	*17*	-	18 732	-	-	-	**18 732**
Amounts due to related parties	*22d*	2 019	-	-	-	-	**2 019**
Loan payable	*17*	-	-	1 375	4 125	5 500	**11 000**
Other payable	*19*	-	-	-	-	8 738	**8 738**
Total		2 019	18 732	1 375	4 125	14 238	**40 489**

The company had USD 46.2 million (2022: 24.8 million) in unrestricted cash at 31 December 2023. Should additional funding be required in the future for additional capital expenditure for new development phases or working capital requirements, the company has various alternatives available which it can explore to fulfil such additional requirements. The options include, amongst others, debt financing, offtake prepayment structures. As a result, the financial statements have been prepared under the assumption of going concern and realisation of assets and settlement of debt in normal operations.

INTEREST RATE RISK

The group is exposed to interest rate risk on its interest-bearing assets and liabilities and seeks to limit this risk by obtaining favourable interest rates.

	31 December 2023		31 December 2022	
Amounts in USD thousand	**+150bp**	**-150bp**	+150bp	-150bp
Loans payable	**(83)**	**83**	(165)	165

The new facility put in place does not include the oil pricing sensitivity previously applied thus providing more certainty to interest costs.

CURRENCY RISK

The group operates internationally and is exposed to risk arising from various currency exposures, primarily with respect to the Norwegian Kroner (NOK), and the Great British Pound (GBP). The group has transactional currency exposures. Such exposure arises from sales or purchases in currencies other than the respective functional currency.
The group reports its consolidated results in USD; any change in exchange rates between its operating subsidiaries' functional currencies and the USD affects its consolidated statement of comprehensive income and statement of financial position when the results of those operating subsidiaries are translated into USD for reporting purposes.

Group companies are required to manage their foreign exchange risk against their functional currency.

A 20% strengthening or weakening of the USD against the following currencies at 31 December 2023 would have increased / (decreased) equity and profit or loss by the amounts shown below.

The group's assessment of what a reasonable potential change in foreign currencies that it is currently exposed to have been changed as a result of the changes observed in the world financial markets. This hypothetical analysis assumes that all other variables, including interest rates and commodity prices, remain constant.

	31 December 2023		31 December 2022	
Amounts in USD thousand	**+20%**	**-20%**	+20%	-20%
USD vs NOK				
Cash	**(13)**	**13**	106	(107)
Receivables	**(2 918)**	**2 910**	260	(260)
Payables	**185**	**(184)**	(423)	423
Total	**(2 746)**	**2 739**	(57)	57
USD vs GBP				
Cash	**(14)**	**14**	(17)	17
Receivables	**(7)**	**7**	(3)	3
Payables	**2**	**(2)**	7	(7)
Total	**(19)**	**19**	(13)	13

CAPITAL RISK
The primary objective of the group's capital management is to continuously evaluate measures to strengthen its financial basis and to ensure that the group is fully funded for its committed 2024 activities. The group manages its capital structure and makes adjustments to it in light of changes in economic conditions. In order to maintain or change the capital structure, the group may adjust the amount of dividend payments to shareholders, return capital to shareholders or issue new shares.

The group is continuously evaluating the capital structure, with the aim of having an optimal mix of equity and debt capital to reduce the group's cost of capital and looking at avenues to procure capital in the forthcoming years.

Note 25 Financial instruments

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of bank balances and cash, amounts due from related parties and trade and some other receivables. Financial liabilities consist of amounts due to related parties, loans payable, trade account payables and some other liabilities.

	Fair value through profit or loss		Amortised cost		Fair value through other comprehensive income	
Amounts in USD thousand	**2023**	2022	**2023**	2022	**2023**	2022
Financial assets						
Cash and cash equivalents	**-**	-	**46 249**	24 816	**-**	-
Trade and other receivables	**2 600**	-	**42 133**	1 171	**-**	-
Asset retirement obligation deposit [1]	**-**	-	**30 050**	29 432	**-**	-
Total	**2 600**	-	**118 432**	55 419	**-**	-
Financial Liabilities						
Trade and other payables	**-**	-	**20 054**	29 489	**-**	-
Loans and borrowings	**-**	-	**5 500**	11 000	**-**	-
Total	**-**	-	**25 554**	40 489	**-**	-

1) The group has advanced USD 30 million in cash to the operator as a contribution towards the future obligation to decommission the PNGF Asset.

The fair values of the group's financial instruments are not materially different from their carrying amounts at the reporting date largely due to the short term maturities of these instruments.

Note 26 Commitments and contingencies

COMMITMENTS
Production asset commitments
As at 31 December 2023, the group had approved the budget for PNGF Sud operations in Congo that included planned capex expenditure for coming year of USD 18.1 million (2022 USD 45.6 million) representing HEPCO's equity interest funding commitment in the licence.

CONTINGENCIES
In December 2021 the National Authority for Investigation and Prosecution of Economic and Environmental Crime in Norway (Økokrim) initiated an investigation into allegations of corruption and brought criminal charges against individuals associated with the company. Økokirm has confirmed that neither PetroNor nor any of its subsidiaries has been charged. The US Department of Justice also began its own investigation into the allegations based on information received from Økokrim.

To mitigate potential corporate liability risks, the board has taken various remediation steps, as outlined in the director's report, including obtaining independent legal advice and implementing a compliance action plan. Despite the ongoing investigations, the company has continued to operate effectively, but has incurred costs in addressing this issue and fully cooperating with the investigating authorities. The company is not aware of the status or duration of the investigations into the individuals involved, and the uncertainty surrounding the outcome could potentially impact the group's ability to conduct transactions with both new and existing partners.

As part of the transaction to acquire the interest in OML 113 conditional consideration has been assessed as a potential contingency to the group. An additional consideration of USD 0.10 per 1 000 cubic feet of the AJE Natural Gas Sales Volume is to be paid to Panoro Energy ASA once the conditions stipulated within the SPA are met. This conditional consideration is capped at USD 16.67 million.

Note 27 Events subsequent to reporting date

In February 2024, long lead inventory that was purchased in prior years for the exploration programme in Guinea-Bissau, owned by a subsidiary of the company was sold for proceeds of USD 3.5 million.

In February 2024, a material indirect subsidiary of 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 wider group to bring to market PNGF Sud oil production.

On 26 March 2024, PetroNor paid USD 2 million in relation to the share sale and purchase agreement with New Age (African Global Energy) Limited (New Age) to acquire additional interest in the OML 113 licence in Nigeria. The agreement is not yet completed and subject to conditions precedent, including government approval of the transaction. However, this payment milestone enables PetroNor to instruct New Age on how to vote on matters related to the OML 113 joint venture. From the date of payment up to completion, if the instruction to vote results in a new cash call being issued to the OML 113 partners, then PetroNor shall arrange payment for the cash call on behalf of New Age. The remaining balance payable to New Age for completion of the agreement is now reduced to USD 1 million.

A new Vandji well in Tchibeli NE was successfully drilled by the Axima rig between February and early-April.

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.

Note 28 Summary of accounting policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.
The following is a summary of the material accounting policies adopted by the group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

28A. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS
IASB has issued several amendments to standards or interpretations to standards effective as of 1 January 2023. PetroNor have adopted these standards in the financial year, the impacts were not material to PetroNor's consolidated financial statements upon adoption.

Amendments to IAS 1 and IFRS practice statement 2: Replacing *Significant accounting policies with Material accounting policies*

IASB has issued amendments to IAS 1 Presentation of financial statements and IFRS Practice Statement 2 Making Materiality Judgements. The amendments were introduced to simplify financial statements and increase their usability by requiring entities to disclose accounting policy information that is "material". Guidance within the amendments has been provided on applying materiality judgements to accounting policy disclosures with illustrative examples. The amendments are effective for annual periods on or after 1 January 2023. PetroNor has applied the amendments within these consolidated financial statements.

Impacts of other standards and amendments to standards, and interpretations of standards, issued but not yet effective are not expected to have a material impact on the group.

28B. CONSOLIDATION
The consolidated financial statements comprise the financial statements of PetroNor E&P ASA ("the company", formerly PetroNor E&P Ltd) and its subsidiaries for the year ended 31 December 2023 (together the group).
An entity has been assessed as being controlled by the group when the group is exposed, or has the rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Specifically, the group controls an entity if and only if the group has:

- Power over the entity (i.e., existing rights that give it the current ability to direct the relevant activities of the entity)
- Exposure, or rights, to variable returns from its involvement with the entity, and
- The ability to use its power over the entity to affect its returns

When the group has less than a majority of the voting or similar rights of an entity, the group considers all relevant facts and circumstances in assessing whether it has power over an entity, including:

- The contractual arrangement with the other vote holders of the entity
- Rights arising from other contractual arrangements
- The group's voting rights and potential voting rights

The group reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Business combinations are accounted for by using the acquisition method. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the group gains control until the date the group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the group had directly disposed of the related assets or liabilities.

28C. FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The company has applied United States Dollars, being the functional currency of all major subsidiaries in the group, as its presentation currency. Where the functional currencies of entities within the consolidated group differ from United States Dollars, they have been translated into United States Dollars. The functional currency of PetroNor E&P ASA group is United States Dollars.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date and any gains or losses are recognised in the income statement.

Non-monetary items that are measured in terms of historical cost in the foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Translation of group companies' functional currency to presentation currency

On consolidation, the assets and liabilities of foreign operations are translated into United States Dollars at the rate of exchange prevailing at the reporting date and their income and expenditure are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

28D. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

28E. TRADE RECEIVABLES

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

28F. TANGIBLE ASSETS

Property, plant, and equipment

Oil & gas production assets

Oil and gas production assets are aggregated exploration and evaluation tangible assets and development expenditures associated with the production of proved reserves.

The cost of development and production assets also includes the cost of acquisitions and purchases of such assets, directly attributable overheads and the cost of recognising provisions for future restoration and decommissioning.

Where major and identifiable parts of the production assets have different useful lives, they are accounted for as separate items of property, plant and equipment. Costs of minor repairs and maintenance are expensed as incurred. Oil and gas production assets have a finite life.

Depreciation

Oil and gas properties are depreciated using the unit-of-production method. Unit-of production rates are based on 1P proved reserves, which are oil, gas and other mineral reserves estimated to be recovered from existing facilities using current operating methods. Oil and gas volumes are considered produced once they have been measured through meters at custody transfer or sales transaction points at the outlet valve on the field storage tank.

Field infrastructure exceeding beyond the life of the field is depreciated over the useful life of the infrastructure using a straight-line method.

Property, plant and equipment not associated with exploration and production activities are carried at cost less accumulated depreciation. These assets are also evaluated for impairment.

28G. INTANGIBLE ASSETS

Exploration and evaluation activity involves the search for hydrocarbon resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. For each area of interest, expenditure incurred in the acquisition of rights to explore and all costs directly associated with holding the licence such as rental, training and corporate and social responsibility are capitalised as exploration and evaluation intangible assets. Signature bonuses required by licence agreements are capitalised as exploration and evaluation intangible assets. Other costs directly associated with the licence are expensed as incurred. Exploration, evaluation and development expenditure is recorded at historical cost and allocated to cost pools on an area of interest. Expenditure on an area of interest is capitalised and carried forward where rights to tenure of the area of interest are current and:

it is expected to be recouped through successful development and exploitation of the area of interest or alternatively by its sale; or exploration and evaluation activities are continuing in an area of interest but at reporting date have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Accumulated costs in respect of areas of interest which are abandoned are written off in full against profit in the period in which the decision to abandon the area is made.

Projects are advanced to development status when it is expected that further expenditure can be recouped through sale or successful development and exploitation of the area of interest.

All capitalised costs are subject to commercial and management review, as well as review for indicators of impairment at least once a year. This is to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off through the statement of profit or loss and other comprehensive income.

When proved reserves of oil and natural gas are identified and development is sanctioned by management, the relevant capitalised expenditure is first assessed for impairment and (if required) any impairment loss is recognised, then the remaining balance is transferred to oil and gas properties. Proceeds from disposal or farm-out transactions of intangible exploration assets are used to reduce the carrying amount of the assets. When proceeds exceed the carrying amount, the difference is recognised as a gain. When the group disposes of its full interests, gains or losses are recognised in accordance with the policy for recognising gains or losses on sale of plant, property and equipment.

Generally Intangible assets can be viewed indefinite as they will be retained on the balance sheet until impaired or transferred to oil and gas properties. Certain licence related costs capitalised as intangible assets are deemed to have a finite life and are accreted over the life of the licence area.

Depreciation

Licence related costs capitalised as Intangible assets are depreciated using the unit-of-production method. Unit-of production rates are based on 1P proved reserves, which are oil, gas and other mineral reserves estimated to be recovered from existing facilities using current operating methods. Oil and gas volumes are considered produced once they have been measured through meters at custody transfer or sales transaction points at the outlet valve on the field storage tank.

Technical goodwill

Technical goodwill recognised in business combinations is allocated to each CGU for the purposes of impairment testing. Impairment is tested on an annual basis or when there are impairment indicators. Indicators may be specific to an individual CGU or groups of CGUs to which the technical goodwill is related. When conducting impairment testing, deferred tax recognised in relation to the acquired licences reduces the net carrying value prior to the impairment charges.

Impairment is recognised if the recoverable amount of the CGU (or groups of CGUs) to which the technical goodwill relates to is less than the carrying amount.

Impairment of goodwill cannot be reversed in future periods.

28H. REVENUE

(i) Revenue from petroleum products

Revenue from the sale of crude oil is recognised when a customer obtains control ("sales" or "lifting" method), normally this is when title passes at point of delivery. Revenues from production of oil properties are recognised based on actual volumes lifted and sold to customers during the period.

(ii) Other revenue

Under a production sharing contract, where the group is required to pay profit oil tax and royalties on production of crude oil, such payments are settled in kind (where the government lift the crude it is entitled to). The group presents a gross-up of the profit oil tax as an income tax expense with a corresponding increase in oil and gas revenues and any associated royalties are included in the cost of sales.

The group assesses whether it acts as a principal or agent in each of its revenue arrangements. The group has concluded that in all sales transactions it acts as a principal.

(iii) Variable consideration

If the consideration in a contract includes a variable amount, the group recognises this amount as revenue only to the extent that it is highly probable that a significant reversal will not occur in the future.

(iv) Interest

Interest income is recognised on a time-proportional basis using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts the estimated future cash receipts through the expected useful life of the financial asset to the net carrying amount of the financial asset.

28I. TAXES
The income tax expense or benefit for the period consists of two components: current and deferred tax.

The current income tax payable or recoverable is calculated using the tax rates and legislation that have been enacted or substantively enacted at year-end in each of the jurisdictions and includes any adjustments for taxes payable or recovery in respect of prior periods.

Deferred tax assets and liabilities are determined using the balance sheet liability method based on temporary differences between the carrying value of assets and liabilities for financial reporting purposes and their tax bases. In calculating the deferred tax assets and liabilities, the tax rates used are those that have been enacted or substantively enacted by year-end in each of the jurisdictions and that are expected to apply when the assets are recovered, or the liabilities are settled.

Revenue-based taxes
In addition to corporate income taxes, the group's consolidated financial statements also include and recognise as income taxes, other types of taxes on net income such as certain revenue-based taxes.

Production-sharing arrangements
According to the production-sharing arrangement (PSA) in certain licences, the share of the profit oil to which the Government is entitled in any calendar year in accordance with the PSA is deemed to include a portion representing the corporate income tax imposed upon and due by the group. This amount will be paid directly by the government on behalf of the group to the appropriate tax authorities.

The income tax expense
The current income tax is calculated using the PSA, paid in barrels and booked as income tax and also shown as revenue. Other income tax relates to the gain on disposal of the farm-out in Guinea-Bissau included in discontinued operations.

28J. DEFINED CONTRIBUTION PENSION PLAN
The group pays contributions into defined contribution plans. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

28K. TRADE AND OTHER PAYABLES
Trade and other payables are carried at amortised cost and due to their short-term nature, they are not discounted.

28L. PROVISIONS
Decommissioning liability
A decommissioning liability is recognised when the group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. A corresponding amount equivalent to the obligation is also recognised as part of the cost of the related production plant and equipment. The amount recognised in the estimated cost of decommissioning, discounted to its present value. Changes in the estimated timing of decommissioning or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to production plant and equipment. The unwinding of the discount on the decommissioning liability is included as a finance cost.

An escrow account is maintained by the operator of the licence and is governed by a joint operating agreement and the Congolese Government rules. The group's share, paid against the decommissioning liability until the balance sheet date, is classified as an advance against decommissioning liability in current assets.

28M. SHARE CAPITAL
Contributed equity is recognised at the fair value of the consideration received by the group, less any capital raising costs in relation to the issue.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

28N. DIVIDEND DISTRIBUTION
Dividend distribution to the company's shareholders is recognised as a liability in the group's financial statements in the period in which the dividends are declared and appropriately authorised or approved by the company's shareholders' general meeting. Interim dividends proposed by the board of directors are recognised as liabilities upon declaration.

28O. JOINT ARRANGEMENTS
Joint arrangements are arrangements of which two or more parties have joint control. Joint control is the contractual agreed sharing of control of the arrangement which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Control is assessed by applying the principles under IFRS 10 to determine whether the group has joint control . Joint arrangements are classified as either a joint operation or joint venture, based on the rights and obligations arising from the contractual obligations between the parties to the arrangement. Considerations in assessing the classifications would include assessments of control that are based not just on voting rights but on the extent that the joint arrangement provides the company with rights to the individual assets and obligations arising from the joint arrangement.

If the arrangement is classified as a joint operation the company recognises its:

- Assets, including its share of any assets held jointly;
- Liabilities, including its share of any liabilities incurred jointly;
- Revenue from the sale of its share of the output arising from the joint operation;
- Share of revenue from the sale of the output by the joint operation; and
- Expenses, including its share of any expenses incurred jointly.

A joint arrangement which provides the company with rights to the net assets of the arrangement, is classified as a joint venture and accounted for using the equity method and treated as an investment . Under the equity method, the cost of the investment is adjusted by the post-acquisition changes in the company's share of the net assets of the venture.

Where assets are transferred into separate legal entities concurrent with the entities shares being sold to a third party thereby resulting in a loss of control of those asset owning subsidiaries these assets will be treated as a joint venture.

28P. BUSINESS COMBINATIONS AND GOODWILL
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the fair value at the date of exchange of assets and liabilities acquired. Where a non-controlling interest exists, the group elects whether to measure NCI in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. The initial accounting for a business combination can be changed if new information about the fair value at the acquisition date is present. The allocation can be amended within 12 months of the acquisition date. When the consideration transferred by the group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration is re-measured to fair value at subsequent reporting dates with changes in fair value recognised in the income statement.

Goodwill is recognised as the aggregate of the consideration transferred and the amount of any non-controlling interest and deducted by the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill is not depreciated but is tested at least annually for impairment. In connection with this, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from synergies from the business combination.

PetroNor recognises a gain/loss on disposal of subsidiary when control is lost.

Company statement of comprehensive income – PetroNor E&P ASA

For the period ended 31 December

Amounts in USD thousand	*Note*	**2023**	2022
Administrative expenses	*4/8*	**(2 927)**	(5 753)
Loss from operations		**(2 927)**	(5 753)
Finance income/(expense)		**402**	-
Loss before tax		**(2 525)**	(5 753)
Tax expense		**-**	-
Profit/(Loss) for the year		**(2 525)**	(5 753)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation on foreign operations		**18**	(97)
Other comprehensive income/(loss)		**18**	(97)
Total comprehensive income/(loss)		**(2 507)**	(5 850)
(Loss) for the year attributable to:			
Owners of the parent		**(2 525)**	(5 753)
Total		**(2 525)**	(5 753)
Total comprehensive income/(loss) attributable to:			
Owners of the parent		**(2 507)**	(5 850)
Total		**(2 507)**	(5 850)
Loss per share attributable to owners of the parent:			
Basic (loss) per share		**(1.77)**	(4.19)
Diluted (loss) per share		**(1.77)**	(4.19)

The accompanying notes form part of these financial statements.

Company statement of financial position – PetroNor E&P ASA

At 31 December

Amounts in USD thousand	*Note*	**2023**	2022
ASSETS			
Current assets			
Other receivables	*6*	**3 361**	776
Cash and cash equivalents		**9**	30
Total current assets		**3 370**	806
Non-current assets			
Other receivables	*6*	**11 000**	-
Investment in associates	*5*	**1**	-
Investments	*5*	**141 579**	152 579
Total non-current assets		**152 580**	152 579
Total assets		**155 950**	153 385
Liabilities			
Current liabilities			
Trade payable	*8*	**369**	850
Other payables	*8*	**12 365**	6 812
Total current liabilities		**12 734**	7 662
Total liabilities		**12 734**	7 662
NET ASSETS		**143 216**	145 723
EQUITY			
Issued capital and reserves attributable to owners of the parent			
Share capital	*7*	**159**	159
Share premium	*7*	**151 420**	151 420
Reserves		**(79)**	(97)
Retained earnings		**(8 284)**	(5 759)
TOTAL EQUITY		**143 216**	145 723

The accompanying notes form part of these financial statements.

The financial statements were approved and authorised for issue by the board of directors on 24 April 2024.

Company statement of changes in equity – PetroNor E&P ASA

Amounts in USD thousand	Share capital	Share premium	Other paid in capital	Retained earnings	Total
For the year ended 31 December 2023					
Balance at 1 January 2023	159	151 420	(97)	(5 759)	**145 723**
Loss for the year	-	-	-	(2 525)	**(2 525)**
Other comprehensive income:	-	-	18	-	**18**
Total comprehensive loss for the year	-	-	18	(2 525)	**(2 507)**
Balance at 31 December 2023	**159**	**151 420**	(79)	(8 284)	**143 216**
For the year ended 31 December 2022:					
Balance at 1 January 2022	114	-	-	(6)	**108**
Loss for the year	-	-	-	(5 753)	**(5 753)**
Other comprehensive income			(97)		**(97)**
Total comprehensive loss for the year	-	-	(97)	**(5 753)**	**(5 850)**
Reduction in share capital as part of redomicile	(114)	-	-	**-**	**(114)**
Issue of shares in PetroNor E&P ASA	149	141 430	-	**-**	**141 579**
Issue of ordinary shares as consideration for business combination	10	9 990	-	**-**	**10 000**
Balance at 31 December 2022	159	151 420	(97)	**(5 759)**	**145 723**

The accompanying notes form part of these financial statements.

Company statement of cash flows – PetroNor E&P ASA

For the period ended 31 December

(Amounts in USD thousand)	*Note*	**2023**	2022
Cash flows from operating activities			
Loss for the period		**(2 525)**	(5 753)
Total		**(2 525)**	(5 753)
Adjustments for:			
Net foreign exchange differences		**18**	(97)
Total		**18**	(97)
Increase/(decrease) in other receivables		**(2 584)**	(776)
Increase/(decrease) in other payables		**5 070**	6 542
Cash (used in)/generated from operations		**(21)**	(84)
Income taxes paid		**-**	-
Net cash flows from operating activities		**(21)**	(84)
Financing activities			
Issue of ordinary shares		**-**	-
Proceeds from loans and borrowings		**-**	-
Net cash (used in)/from financing activities		**-**	-
Net increase/(decrease) in cash and cash equivalents		**(21)**	(84)
Cash and cash equivalents at beginning of period		**30**	114
Cash and cash equivalents at end of period		**9**	30

The accompanying notes form part of these financial statements.

Notes to the financial statements – PetroNor E&P ASA

Note 01 Corporate information

Petronor E&P ASA is a public limited company, incorporated in Norway.

Registered office:
Frøyas gate 13
NO-0273 Oslo
Norway

DIRECTORS
The names of Directors in office during the financial period and until the date of approval of these financial statements are as follows. Directors were in office for this entire period unless otherwise stated.

Current members:

	Role	Appointed
E Alhomouz	Chair	1 October 2021
I Tybring-Gjedde	Director	1 October 2021
G Kielland	Director	1 October 2021
J Iskander	Director	8 October 2021
J Norman-Hansen	Director	26 January 2023
A Fawzi	Director	26 January 2023

The financial statements were approved by written resolution of the board on 24 April 2024.

Note 02 Basis of preparation

PetroNor E&P ASA's financial statements have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU and are mandatory for financial years beginning on or after 1 January 2023. Additional disclosures required by the Norwegian Accounting Act are also provided.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgments in applying the company's accounting policies.

There are no areas involving a high degree of judgment or complexity.

The financial statements have been prepared on the basis of uniform accounting principles for similar transactions and events under otherwise similar circumstances.

The financial report is presented in US Dollars being the primary currency for group operations, the functional currency of the company is Norwegian Kroner. Conversion of foreign currency transactions are translated at average exchange rates provided that they are a reasonable approximation of exchange rates ruling at the date of transactions. Assets and Liabilities are translated at the rates prevailing at the balance sheet date. Exchange differences arising on translation are recognised in equity.

Note 03 Employee benefit expenses

The company has no employees

Note 04 Auditors' remuneration

Amounts in USD thousand	**2023**	2022
Paid or payable to BDO		
Audit review of financial reports		
BDO AS	**30**	62
BDO network firms	**-**	-
Total	**30**	62
Other non-assurance services		
BDO-related practices	**-**	-
Total	**-**	-
Paid or payable to other audit firms		
Audit or review of financial reports	**-**	-
Other non-assurance services	**93**	-
Total	**123**	62

Note 05 Investments

Amounts in USD thousand	**2023**	2022
Investment as at 1 January	**152 579**	-
Net income/(loss) from subsidiaries and other equity accounted investments	**-**	-
Relisting investment in PetroNor E&P ASA	**-**	141 579
Investment in Aje Production entities	**(10 999)**	11 000
Investment in associates - Aje Production AS	**1**	-
Investments at 31 December	**141 581**	152 579

INVESTMENTS IN SUBSIDIARIES
Investments in subsidiaries are measured at cost and assessed for impairment on an annual basis. The company conducts an impairment test to ensure that the assets are carried at no more than their recoverable amount. The company's evaluation of the recoverability of its investment involves assessing both the net assets of subsidiary structure and the economic value of the future cash flows arising from "Cash Generating Units (CGU's)" within the legal subsidiary structure. Group production and intangible assets are assessed for indicators of impairment on a periodic basis. Indicators of impairment would be for example a licence that is approaching the end of its term or a licence where management have indicated that there are no plans to continue with exploration and evaluation, or evaluation work which indicated that an asset would be uneconomic. The carrying value of production and intangible assets are assessed against their risked economic value for indicators of impairment. Two of the key factors in the economic evaluation of hydrocarbon assets are the future oil prices and the recoverable reserves of the assets. No assets were impaired in the period ended 31 December 2023

Please refer to Note 22a of the consolidated financial statements for full corporate structure.

The closing balance of investments at 31 December 2023 of USD 141.6 million (2022: 152.6 million), consists of investments in subsidiaries and an investment in associate for the joint venture in Aje Production AS.

The following table represents the significant subsidiary held by PetroNor E&P ASA:

Name	Ownership share	Country of Incorporation
PetroNor E&P Pty Ltd	100%	Australia

JOINT VENTURES
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 assets and liabilities of the subsidiaries have been fully derecognised. The fair value of the new investment has been assessed and will be recognised as a joint ventur when the consideration is paid. 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	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

Details of the sale of Aje subsidiaries:

Amounts in USD thousand	29 December 2023
Consideration received or receivable	
Consideration shares receivable	10 000
Total disposal consideration	10 000
Net assets	(10 203)
Loss on disposal [1]	(203)

1) *Loss on disposal recognised in administrative expenses.*

Note 06 Other receivables

Amounts in USD thousand	**2023**	2022
Recoverability less than one year		
Other receivables	3 361	776
Total	3 361	776
Recoverability more than one year		
Other receivables	11 000	-
Total	**11 000**	**-**

At 29 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. Upon completion, the fair value of the investment in associate will be recognised. A further USD 1 million has been recognised which was historically capitalised in the investment. This balance represents a signature bonus paid by PetroNor E&P ASA that will subsequently be recovered from the joint venture.

Note 07 Equity

SHARE CAPITAL
All shares have equal rights and are freely transferable share capital.

Reconciliation of movement in shares on issue

Number of fully paid ordinary shares	**2023**	2022
Balance at the beginning of the year	**1 423 568 543**	1 326 991 006
Issue of shares	**7**	96 577 537
Reverse share split	**(1 281 211 695)**	-
Balance at end of the year	**142 356 855**	1 423 568 543

Reconciliation of movement in issued capital

Amounts in USD thousand	**2023**	2022
Opening balance	**159**	114
Reversal of shares as part of redomicile	**-**	(114)
Issue of shares as part of redomicile	**-**	149
Share capital issued as consideration for business combination	**-**	10
Issue of ordinary shares [1]	**-**	-
Balance at end of the period	**159**	159

1) 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 Consolidated Income Statement so as to be comparative.

SHARE PREMIUM
Share premium reserve represents excess of subscription value of the shares over the nominal amount.

Amounts in USD thousand	**2023**	2022
Opening balance	**71 956**	-
Issue of shares as part of redomicile	**-**	61 966
Share capital issued as consideration for business combination	**-**	9 990
Balance at end of the period	**71 956**	71 956

Note 08 Related parties

The remuneration for board members is paid by subsidiary company PetroNor E&P Services AS, in addition the Chair also receives remuneration through subsidiary company Hemla E&P Congo SA.

Details on the remuneration to individual board members is included in the notes to the consolidated financial statements of PetroNor E&P ASA.

8A. TRANSACTIONS AND PERIOD-END BALANCES WITH RELATED PARTIES
Transactions with related parties included in the statement of comprehensive income:

Amounts in USD thousand	**2023**	2022
PetroNor E&P Services AS	**227**	2 373
Administrative expenses	**227**	2 373

PetroNor E&P Services AS is 100% indirectly controlled entity of PetroNor E&P ASA.

Balances due from and due to related parties disclosed in the statement of financial position:

Amounts in USD thousand	**2023**	2022
Other payables:		
PetroNor E&P Services AS	**1 000**	6 523
PetroNor E&P Ltd (Australia)	**11 110**	238
Total payables to related parties	**12 110**	6 491

Amounts in USD thousand	**2023**	2022
Other receivables:		
Aje Services Holding BV	**32**	32
Aje Nigeria Holding BV	**32**	32
Aje Production AS	**11 000**	-
PetroNor E&P Ltd	**3**	-
Total receivables from related parties	**11 067**	64

Note 09 Risk management

Please refer to group policy for detail on risk management as detailed in Note 24 to the consolidated financial statements.

Note 10 Financial instruments

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of bank balances and cash. Financial liabilities consist of other liabilities.

The fair values of the company's financial instruments are not materially different from their carrying amounts at the reporting date largely due to the short-term maturities of these instruments.

Measurement of financial instruments by categories
The following tables present PetroNor E&P ASA's classes of financial instruments and their carrying amounts by the categories as they are defined in IFRS 9 Financial instruments. For financial investments, the difference between measurement as defined by IFRS 9 categories and measurement at fair value is immaterial. For trade and other receivables and payables and cash and cash equivalents, the carrying amounts are considered a reasonable approximation of fair value.

At 31 December 2023

(Amounts in USD thousand)	Amortised cost	Fair value through profit or loss	Non-financial assets	Total carrying amount
Assets				
Receivables from subsidiaries	3	-	-	3
Trade and other receivables	14 358	-	-	14 358
Cash and cash equivalents	9	-	-	9
Total financial assets	14 370	-	-	14 370
Liabilities				
Trade and other payables	624	-	-	624
Payables due to subsidiaries	12 110	-	-	12 110
Total financial liabilities	12 734	-	-	12 734

At 31 December 2022

(Amounts in USD thousand)	Amortised cost	Fair value through profit or loss	Non-financial assets	Total carrying amount
Assets				
Receivables from subsidiaries	64	-	-	64
Trade and other receivables	712	-	-	712
Cash and cash equivalents	30	-	-	30
Total financial assets	806	-	-	806
Liabilities				
Trade and other payables	1 166	-	-	1 166
Payables due to subsidiaries	6 496	-	-	6 496
Total financial liabilities	7 662	-	-	7 662

Note 11 Commitments and contingencies

Commitments
The parent company has given a parent company guarantee against an external debt facility for USD 5.5 million loaned to indirect subsidiary Hemla Africa Holding AS.
As part of the transaction to acquire the interest in OML 113 conditional consideration has been assessed as a potential contingency to the group. An additional consideration of USD 0.10 per 1 000 cubic feet of the AJE Natural Gas Sales Volume is to be paid to Panoro Energy ASA once the conditions stipulated within the SPA are met. This conditional consideration is capped at USD 16.67 million.

Contingencies
In December 2021 the National Authority for Investigation and Prosecution of Economic and Environmental Crime in Norway (Økokrim) initiated an investigation into allegations of corruption and brought criminal charges against individuals associated with the company. Økokirm has confirmed that neither PetroNor nor any of its subsidiaries has been charged. The US Department of Justice also began its own investigation into the allegations based on information received from Økokrim.

To mitigate potential corporate liability risks, the board has taken various remediation steps, as outlined in the director's report, including obtaining independent legal advice and implementing a compliance action plan. Despite the ongoing investigations, the company has continued to operate effectively, but has incurred costs in addressing this issue and fully cooperating with the investigating authorities. The company is not aware of the status or duration of the investigations into the individuals involved, and the uncertainty surrounding the outcome could potentially impact the group's ability to conduct transactions with both new and existing partners.

Note 12 Events after the reporting period

On 26 March 2024, PetroNor paid USD 2 million in relation to the share sale and purchase agreement with New Age (African Global Energy) Limited (New Age) to acquire additional interest in the OML 113 licence in Nigeria. The agreement is not yet completed and subject to conditions precedent, including government approval of the transaction. However, this payment milestone enables PetroNor to instruct New Age on how to vote on matters related to the OML 113 joint venture. From the date of payment up to completion, if the instruction to vote results in a new cash call being issued to the OML 113 partners, then PetroNor shall arrange payment for the cash call on behalf of New Age. The remaining balance payable to New Age for completion of the agreement is now reduced to USD 1 million.

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.

Note 13 Summary of accounting policies

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

CASH AND CASH EQUIVALENTS
Cash and cash equivalents include cash on hand, demand deposits, other short-term highly liquid investments with original maturities of three months or less.

TRADE AND OTHER PAYABLES
Trade and other payables are carried at amortised cost and due to their short-term nature, they are not discounted.

SHARE CAPITAL
Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

BUSINESS COMBINATIONS
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest (NCI) in the acquiree. For each business combination, the group elects whether to measure NCI in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred and included in administrative expenses.

The initial accounting for a business combination can be changed if new information about the fair value at the acquisition date is present. The allocation can be amended within 12 months of the acquisition date [provided that the initial accounting at the acquisition date was determined provisionally]. The non-controlling interest is set to the non-controlling interest's share of identifiable assets and liabilities [alternative fair value]. The measurement principle is done for each business combination separately. When the group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. Those acquired petroleum reserves and resources that can be reliably measured are recognised separately in the assessment of fair values on acquisition. Other potential reserves, resources and rights, for which fair values cannot be reliably measured, are not recognised separately, but instead are subsumed in goodwill.

Goodwill is recognised as the aggregate of the consideration transferred and the amount of any non-controlling interest and deducted by the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill is not depreciated but is tested at least annually for impairment. In connection with this, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from synergies from the business combination.
If the fair value of the equity exceeds the acquisition cost in a business combination, the difference is recognised as income immediately on the acquisition date.

FINANCIAL INSTRUMENTS
A financial instrument is any contract that gives rise to a financial asset of any one entity and a financial liability or equity instrument of another entity.

Financial assets
The group's financial assets predominantly comprise cash and cash equivalents and trade receivables.

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss, as appropriate.

All financial assets held by the group are measured at amortised cost.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Impairment of financial assets
The group recognises an allowance for expected credit losses (ECLs) for financial assets based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the group expects to receive.

For trade receivables and contract assets, the group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The group has established a provision matrix that is based on its historical credit-loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities
The group's financial liabilities mainly comprise interest-bearing liabilities and trade payables.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, financial liabilities at amortised cost, payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Statement of directors' responsibility

Pursuant to the Norwegian Securities Trading Act section 5-5 with pertaining regulations we hereby confirm that, to the best of our knowledge, the group's financial statements for 2023 have been prepared in accordance with IFRS, as provided for by the EU, and in accordance with the requirements for additional information provided for by the Norwegian Accounting Act. The information presented in the financial statements gives a true and fair picture of the group's liabilities, financial position and results viewed in their entirety.

To the best of our knowledge, the board of directors' report gives a true and fair picture of the development, performance and financial position of the business, and includes a description of the principal risk and uncertainty factors facing the group. Additionally, we confirm to the best of our knowledge that the "Payments to governments" included in the directors' report has been prepared in accordance with the requirements in the Norwegian Securities Trading Act Section 5-5a with pertaining regulations.

Oslo, Norway, 24 April 2024
The board of directors – PetroNor ASA

Eyas Alhomouz
Chair

Gro Kielland
Director

Joseph Iskander
Director

Ingvil Smines Tybring-Gjedde
Director

Azza Fawzi
Director

Jarle Norman-Hansen
Director

BDO

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Independent Auditor's Report

To the General Meeting of PetroNor E&P ASA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of PetroNor E&P ASA.

The financial statements comprise:	In our opinion:
• The financial statements of the parent Company, which comprise the balance sheet as at 31 December 2023, income statement, statement of comprehensive income , statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and • The financial statements of the Group, which comprise the balance sheet as at 31 December 2023, and income statement, statement of comprehensive income, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.	• The financial statements comply with applicable statutory requirements, • The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU. • The accompanying financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

BDO

We have been the auditor of PetroNor E&P ASA for 3 years from the election in the Memorandum of Association of the shareholders on 1 October 2021 for the accounting year 2021.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the key audit matter	How the key audit matter was addressed in the audit
Valuation of Property, Plant & Equipment	
PetroNor E&P ASA has property, plant and equipment with a carrying amount of USD 92.8 million a at 31 December 2023. In addition, the carrying value of intangible assets was USD 7.9 million as at 31 December 2023. No impairments have been recognized during 2023 related to oil and gas assets. Due to the materiality, complexity and estimation uncertainty concerning the oil and gas assets, we consider valuation of these assets a key audit matter. Please refer to notes 14 and 15 in the consolidated financial statements.	We obtained management's impairment tests of oil and gas assets as at 31 December 2023. We evaluated the production volumes and capital expenditures used in the forecasted cash flows against external and internal reserve reports and assessed commodity prices against available market information. We involved specialists in assessing management's estimates of weighted average cost of capital including country risk premiums, and we compared the input against available market information. Furthermore, we evaluated the professional qualifications and objectivity of the external reserve experts used by management. We have also evaluated the adequacy of the disclosures.
Valuation of Contingent Consideration - Guinea-Bissau transaction	
On 29 December 2023, PetroNor E&P ASA announced the completion of a farm-out transaction of the exploration licenses in Guinea-Bissau. The wholly owned subsidiary PetroNor E&P AB entered into an agreement to transfer 100 per cent of its participation interest in the two exploration licenses to Apus Energia Guiné Bissau SA. Under the terms of the agreement, PetroNor E&P AB received a payment of USD 22.9	We have tested the existence of the contingent consideration receivable by reviewing the contractual rights under the agreement. We also assessed the classification of the receivable as a financial instrument to be measured at fair value.

million upon completion of the transaction. The company will be eligible for two additional contingent earnout payments of USD 30 million each. The contingent consideration receivable is identified as a financial instrument to be measured at fair value. PetroNor E&P ASA has assessed the fair value of the contingent consideration receivable as at 31 December 2023 to be USD 2.6 million. Due to the materiality, complexity and estimation uncertainty concerning the contingent consideration receivable, we consider valuation of the financial asset a key audit matter. Please refer to notes 11, 15 and 23 in the consolidated financial statements.	We involved specialists in assessing management's estimate of the fair value of the contingent consideration receivable. We have also evaluated the adequacy of the disclosures.

Other information

The Board of Directors and the Managing Director (management) are responsible for the other information. The other information comprises the Board of Directors' report and other information in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on the Board of Directors' report

Based on our knowledge obtained in the audit, in our opinion the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Directors' report applies correspondingly for the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as

management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:
https://revisorforeningen.no/revisjonsberetninger

Report on compliance with requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of PetroNor E&P ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name 984500AEEH2D2AK42C11-2023-12-31-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

BDO AS

Børre Skisland
State Authorised Public Accountant
(This document is signed electronically)

Glossary and definitions

bbl	One barrel of oil, equal to 42 US gallons or 159 litres
bcf	Billion cubic feet
bopd	Barrels of oil per day
boepd	Barrels of oil equivalent per day
CPR	Competent Person's Report
GNPC	Gambia National Petroleum Company
Group or PetroNor Group	PetroNor E&P ASA and its subsidiaries
HAH	Hemla Africa Holding AS
HEPCO	Hemla E&P Congo SA
IOR	Improved oil recovery
MMbbl	Million barrels of oil
MMBOE	Million barrels of oil equivalent
Mmscfd	Million standard cubic feet per day
NUPRC	Nigerian Upstream Petroleum Regulatory Commission
PEPLA	Petroleum, exploration, development and production licence agreement
PSC	Production sharing contract
SNPC	Société National des Pétroles du Congo

Corporate directory

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Ingvil Smines Tybring-Gjedde
Jarle Norman-Hansen
Azza Fawzi

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