Interim financial report

For the first quarter ended
31 March 2022

Highlights

Q1 2022 and subsequent events

- The process to redomicile from Australia to Norway was completed successfully and PetroNor E&P ASA listed on Oslo Børs on 28 February 2022.
- EBITDA of USD 22.8 million for the quarter ended 31 March 2022, compared to USD 13.7 million in the same period in 2021 primarily driven by stronger market prices.
- PNGF Sud continued the 17 well infill programme in Q1 2022 with 2 infill wells on Litanzi brought on stream. The (final allocated) net production from PNGF Sud during the first quarter was 3,530 bopd.
- Competent Persons Report confirms a 126 per cent reserves replacement ratio of 2021 production.
- New prepayment sales agreement signed with ADNOC Trading.
- Aje transaction received regulatory approval in Nigeria, completion expected to take place in Q2 2022.

Assets

Republic of Congo (Brazzaville)

PetroNor's 1P reserves at the end of 2021 amounted to 14.3 MMbbls, 2P 20.6MMbbls with 3P reserves at 26.60 MMbbls, this reflects the 6 April 2022 AGR Petroleum Services AS reserve report. *The reserves upgrade corresponded to a reserve replacement ratio of approximately 126 per cent of PetroNor's net 2021 production in a year which also saw a very low total OPEX at USD 9.0/bbl* . As announced on 25 April 2022 two of the PNGF Sud Litanzi infill wells (one injector and one producer) are now on production with the last two expected onstream within first half of July. The initial producer delivers well above expectation with one month average 2,800 bopd while the injector has cleaned up and will be put on injection soon. The finally allocated net production from PNGF Sud during the first quarter was 3,530 bopd.

Nigeria

In January 2022, PetroNor received the consent from the Nigeria Upstream Petroleum Regulatory Commission (formerly the Nigerian Department of Petroleum Resources) for the transactions signed in 2019. The new jointly controlled JV entity, Aje Production AS will hold a 15.5% participating interest and an economic interest in the order of 38.755 % in OML 113 during the majority of the project period.

Guinea-Bissau

PetroNor is continuing with farm-down efforts for the Sinapa and Esperança licences and remain very positive about maturing and drilling the high impact Cretaceous shelf margin Atum prospect within the Sinapa licence. PetroNor hold a 78.57 per cent operating interest in the Sinapa and Esperanca licences the residual equity being held by FAR Ltd, however FAR have now formally applied to withdraw from the licences following an announcement on the 15th of March 2022

The Gambia

With the longstop date of the A4 licence extended until 18 October 2022 PetroNor are currently completing interpretation of the TGS PSDM seismic data . and continue to seek partners to drill an exploration well on the A4 block in 2023.

Senegal

The Rufisque Offshore Profond and Senegal Offshore Sud Profond license areas held by the Group are subject to arbitration with the Government of Senegal. The ICSID Tribunal held a hearing on jurisdiction and the merits in Paris during March 2022.

EBITDA (USD millions)

22.8

Q1 2021: **13.7**

EBIT (USD millions)

21.1

Q1 2021: **12.5**

Net profit (USD millions)

10.8

Q1 2021: **4.9**

2P Reserves (MMbbl)

20.6

2C Contingent Resources (MMbbl)

12.3

OPERATIONAL UPDATE

Corporate

Redomicile from Australia to Norway

On 24 February, PetroNor E&P ASA announced that it has issued 1,326,991,006 ordinary shares as part of the implementation of the Scheme of Arrangement. The shares of PetroNor E&P Limited (previously listed on Euronext Expand) were swapped for shares in PetroNor E&P ASA.

Following the 1 to 1 share swap, the group uplisted and PetroNor E&P ASA began trading on Oslo Børs 28 February 2022. The shares belonging to historic investors that had never registered their interests in the VPS, were sold back into the market during March and the proceeds were distributed to these mostly retail investors in Australia. The Company now has approximately 4,000 shareholders holding their interests through the VPS, with a free float of around 27 per cent.

PetroNor E&P ASA replaces PetroNor E&P Limited as the parent company of the Group, the arrangement will be treated as a continuation of the original Group for accounting purposes.

Økokrim Charges

On 11 April 2022 PetroNor announced the receipt of a notification from Økokrim that the Company's Chair of the Board, Mr. Eyas Alhomouz (US citizen), had been made subject to the ongoing investigations carried out by Økokrim and been given the status as suspect, and that the U.S. Department of Justice had opened a separate investigation into these allegations, based on information from Økokrim.

Økokrim have previously announced that the investigations were related to individuals and confirmed that no charges had been brought against the Group or other companies.

Operations

PRODUCTION

Republic of Congo – PNGF SUD

PNGF Sud fields are located approximately 25 km off the coast of Pointe-Noire in water depths of 80-100 metres. PNGF Sud comprises 3 operating licenses, Tchibouela II, Tchendo II and Tcibeli-Litanzi II, covering five oil fields: Tchibouela Main, Tchibouela East, Tchendo, Tchibeli and Litanzi.

Following the entry of the new license group in 2017, significant operational improvements have been made, increasing gross production from c. 15,000 bopd in January 2017 to an average production in 2021 of 20,636 bopd. Through further workovers, surface and process improvements and infill drilling, gross production from PNGF Sud is expected to continue to grow in the coming years.

After PNGF Sud commenced production in 1987, the fields are developed with seven wellhead platforms, and currently produce from 65 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.

In April 2022, AGR Petroleum completed a Competent Person's Report ("CPR") whereby the reserves were calculated as at 31 December 2021.

The updated and CPR verified net PetroNor reserve position after transferring the discovered resources in Tchibeli NE to reserves (as announced on 11 April 2022) and as of 31 December 2021:

Participation Interest	***16.83%***
1P reserves	14.3 MMbbls
2P reserves	20.6 MMbbls

PetroNor's Contingent Resource base includes discoveries of varying degrees of maturity towards development decisions. At the end of the year, PNGF Sud contains a total 2C volume of approximately 5.5 MMbbls assuming a 16.83 per cent participation interest.

PetroNor announced that they had signed a pre-payment sales agreement with ADNOC Trading during the quarter and has invoiced against entitlement production (net after royalty and tax) comprising the December, January, and February volumes for a total of 164,071bbl. Under this pre-payment arrangement production for March has been recognised as accrued income and accordingly there is no residual stock of crude oil to recognise. PNGF Sud began the year with Q1 production of 20,976 bopd (net 3,530), just shy of seeing the benefits from the production start of the first Litanzi infill producer starting in April adding a gross first month average of 2,800 bopd. Production is expected to further ramp up significantly in 2022 as more of the agreed 17-well infill drilling programme matures.

The current indirect participation interest is 16.83 per cent following transactions during 2021.

Republic of Congo – PNGF BIS

PNGF Bis is located next to PNGF Sud and contains two discoveries from 1985-1991 (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 >100 MMbbl of in-place resources and a possible tie-back to Tchibouela.

OPERATIONAL UPDATE

AGR Petroleum Services warrants 2C resources of 28.9 MMbbl including verification of the tieback scenario given above.

DEVELOPMENT

Nigeria – OML-113 / The AJE field

As announced 27 January 2022, the Nigeria Upstream Petroleum Regulatory Commission (formerly the Nigerian Department of Petroleum Resources) provided its consent to PetroNor's acquisition of Panoro's ownership interest in Oil Mining Lease no. 113 ("OML 113") offshore Nigeria, containing the Aje oil and gas field, and for the transfer of OML 113 to Aje Production AS ("Aje Production"). The ownership of Aje Production is to be shared between the OML 113 operator, Yinka Folawiyo Petroleum ("YFP") and PetroNor on the basis of a 48 per cent and 52 per cent shareholding respectively. As disclosed on 23 May 2022, the YFP contribution is now limited to the shareholding in YFP DW company, and to compensate for this the PetroNor ownership interest was increased from 45 per cent. PetroNor will assume the role of the technical operator.

Following completion of the transaction, Panoro's intention is to declare a special dividend and distribute to its shareholders USD 10 million equivalent in PetroNor shares in order for Panoro shareholders to retain a direct listed exposure to Aje/OML 113.

PetroNor continues work to update the field development plan ("FDP") to expedite gas development and engaged with potential offtakers and partners. PetroNor is now engaging with the JV partners in these efforts to progress the venture.

The long stop date to complete the transaction has been extended to 30 June 2022.

EXPLORATION

Guinea-Bissau – 2 and 4A & 5A

In early May 2021, the Company completed the purchase of SPE Guinea Bissau AB from Svenska Petroleum Exploration AB, and PetroNor E&P AB has assumed the operatorship of the Sinapa (Block 2) and Esperança (Blocks 4A and 5A) licences in Guinea-Bissau. The current phase on both licences has recently been extended for 3 years and are valid until 2 October 2023.

The licences contain two Cretaceous aged shelf edge prospects, Atum and Anchova, which are directly analogous to the on-trend Woodside operated Sangomar field development in Senegal. The prospects were mapped on 3D seismic acquired by Polarcus in 2016.

Svenska Petroleum Exploration AB was in the advanced stages of planning for the drilling of the Atum-1X well to test the Atum prospect prior to delays in gaining partner approvals due to the disputed presidential elections in late 2019 early 2020. Long lead items required for drilling operations have been secured and a number of pre-drill studies completed. Well planning can be recommenced at short notice.

The Atum-1x well will test a highly attractive and material prospect on the Sinapa licence. Recently reprocessed seismic data will be interpreted as part of the ongoing evaluation of both licences and as preparation to drilling.

The Gambia – A4

With the longstop date of the A4 licence extended until 18 October 2022, PetroNor are currently completing interpretation of the TGS PSDM seismic data in this initial farm-out phase.

PetroNor continues to seek partners to join the Company in its goal to drill one exploration well in 2023 in this highly attractive acreage that is on trend with the Sangomar field, 30 km to the North in Senegal. PetroNor 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 registered arbitration proceedings with the International Centre for Settlement of Investment Disputes (ICSID) (case ARB/18/24) to protect its interests in the Senegal Offshore Sud Profond and Rufisque Offshore Profond blocks. On 5 April 2021, the Company announced that the arbitration proceedings for the Group's interests in Senegal were to resume despite numerous progressive meetings with the relevant authorities to reach a mutually beneficial solution during the halt in proceedings during 2020 and Q1 2021.

OPERATIONAL UPDATE

Financial performance and activities

The Group reported an EBITDA of USD 22.8 million for the quarter ended 31 March 2022, compared to USD 13.7 million in the same period in 2021. The large increase in the net profit is driven primarily by the increase in the oil price. Net profit attributable to the equity holders of the parent was USD 8.5 million for the quarter ended 31 March 2022, compared to a profit of USD 1.6 million in the same period in 2021. During the first quarter, there were no liftings but revenue was recognised under the terms of the new ADNOC pre-payment trading agreement. Oil & gas revenue was (net of royalties & taxes) USD 14.5 million arising from invoicing of 0.164 million barrels of crude oil at an average price of USD 88.68 per barrel. In addition to which income was accrued on March volumes of 0.07 million barrels of crude oil at USD 110.85 per barrel, giving income net of royalties and taxes for the period of USD 22.31 million. In the prior year, 0.22 million barrels of crude oil was sold during the same period at an average price of USD 58.68, resulting in revenue of USD 12.88 million.

EBITDA margin of 63 per cent is higher when compared to the Q1 2021 margin of 60 per cent. Mostly due to improving market conditions and continued focus on cost management.

The balance of cash advanced to the Operator in Congo for decommissioning costs at 31 March 2022 was USD 27.8 million (31 March 2021: USD 22.2 million), this represents approximately 90 per cent of the provision required to be made under the licence arrangements. Obligations under this arrangement will be met well in advance of partnership requirements. During the quarter no dividend was paid or recommended.

The Group had USD 15.4 million in cash and bank balances as of 31 March 2022 (31 March 2021: USD 19.6 million).

The Board of Directors (the "Board") confirms that the interim financial statements have been prepared pursuant to the going concern assumption, and that this assumption was realistic at the balance sheet date. The going concern assumption is based upon the financial position of the Group and the development plans currently in place. The Group recognises that in order to fund on-going operations and pursue organic and inorganic growth opportunities it will require additional funding. This funding may be sourced through joint venture equity or share issues or through debt finance. Per the detailed disclosure in the Basis of Preparation Note to the condensed consolidated financial statements conditions exist which indicate a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. This financial report has been prepared on the going concern basis which 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 10.8 million for the quarter ended 31 March 2021, with strong production from the Congo assets generating 20,976 bopd. The Group had USD 15.4 million in cash and bank balances as of 31 March 2022 (31 March 2021: USD 19.6 million). The Company has entered into a new offtake agreement with a new partner, listed the Company on the main Oslo Børs and continued to host data rooms for potential partners to join the Company on its exploration portfolio, demonstrating that the business has continued to operate effectively, and businesses are willing to engage with the Company.

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 In the Board's view, be necessary should the Group not continue as a going concern.

Top 20 shareholders

As at 16 May 2022:

#	SHAREHOLDER	NUMBER OF SHARES	PER CENT
1	Petromal LLC[1]	481,481,666	36.28%
2	Symero Limited [2]	138,763,636	10.46%
3	NOR Energy AS [3]	135,070,623	10.18%
4	Ambolt Invest AS	87,583,283	6.60%
5	Gulshagen III AS[4]	45,000,000	3.39%
6	Gulshagen IV AS[5]	45,000,000	3.39%
7	Energie AS	26,990,650	2.03%
8	Nordnet Livsforsikring AS	21,600,011	1.63%
9	Enga Invest AS	15,772,775	1.19%
10	Nordnet Bank AB	15,081,336	1.14%
11	ENG Group Soparfi S.A.	10,000,000	0.75%
12	Pust For Livet AS	8,697,609	0.66%
13	Omar Al-Qattan	7,645,454	0.58%
14	Leena Al-Qattan	7,645,454	0.58%
15	UBS Switzerland AG	6,473,493	0.49%
16	Danske Bank A/S	5,967,683	0.45%
17	Sandberg JH AS	5,653,951	0.43%
18	Avanza Bank AB	4,159,427	0.31%
19	Geir Håkon Dahle	3,840,777	0.26%
20	John Andreas Rognstad	3,400,000	0.26%
	Subtotal	**1,075,827,328**	**81.05%**
	Others	251,163,678	18.95%
	Total	**1,326,991,006**	**100.00%**

[1] Non-Executive Chairman, Mr. Alhomouz is the CEO of Petromal LLC. 109,520,419 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] NOR Energy AS is a company controlled jointly by former CEO, Mr. Søvold, and former Director, Mr. Ludvigsen through indirect beneficial interests.

[3] Symero Ltd is a 100 per cent owned subsidiary of NOR Energy AS.

[4] Gulshagen III AS and Gulshagen IV AS are companies controlled by Mr. Søvold through an indirect beneficial interest.

OPERATIONAL UPDATE

Principal risks

The Group participates in oil and gas projects in countries in West Africa with emerging economies, such as Congo Brazzaville, Nigeria, The Gambia, Senegal and Guinea-Bissau.

Oil and gas exploration, development and production activities in such emerging markets are subject to a number of significant political and economic uncertainties as further detailed in the annual report. These may include, but are not limited to, the risk of war, terrorism, expropriation, nationalisation, renegotiation or nullification of existing or future licences and contracts, changes in crude oil or natural gas pricing policies, changes in taxation and fiscal policies, imposition of currency controls and imposition of international sanctions.

Health, safety and environment (HSE)

Health and Safety policies are essential for PetroNor. The Company`s objective for health, environment, safety, and quality (HSEQ) is zero accidents and zero unwanted incidents in all activities. The oil and gas assets located in West Africa imply frequent travel, and the Company seeks to ensure adequate safety levels for employees travelling. PetroNor experienced no accidents, injuries, incidents or any environmental claims during the quarter.

The Group's operations have been conducted by the operators on behalf of the licence partners and the operator of PNGF Sud is reporting regularly on all key HSE indicators. One medical treatment case was reported by the operator for the quarter, but no lost time injury (LTI) incidents were recorded. There have been no significant known breaches of the Company's exploration licenses conditions or any environmental regulations to which it is subject.

Time lost due to employee illness or accidents was negligible. Employee safety is of the highest priority, and the Company is continuously working towards identifying and employing administrative and technical solutions that ensure a safe and efficient workplace.

Significant events after reporting date

PetroNor published an updated Competent Person's Report prepared by AGR Petroleum, the full account of production, reserves, and resources are presented in the 2021 annual report.

During April 2022 the Company provided an update on first production from the Litanzi infill drilling program in Congo. Two wells of the initial Litanzi infill wells have been put on production; well #1 (injector) is flowing fora clean-up period producing some oil and mostly water as expected, Well #2 (producer) was put on production on April 14th and has produced above expectation for the first month with an average 2,797 bopd, raising the average gross PNGF production to approximately 24,200 bopd for this period (4,073 bopd net).

On 11 April 2022 the Company advised that it had received notification that the National Authority for Investigation and Prosecution of Economic and Environmental Crime in Norway (Økokrim) that the Company's Chairman of the Board, Mr. Eyas Alhomouz (US citizen), has been made subject to the ongoing investigations carried out by Økokrim and has been given the status as suspect, and that the U.S. Department of Justice has opened a separate investigation into these allegations, based on information from Økokrim. As previously announced, no charges have been brought against PetroNor not any of its Group companies.

On 23 May 2022, the Company published that it had executed an amendment to the agreement with YFP in relation to the planned Aje project with a 7 per cent increase in the proposed equity interest in Aje Production AS to 52 per cent.

PetroNor have announced that the first Annual General Meeting of PetroNor E&P ASA will take place on 27 May 2022.

Except for the above, the Company has not identified any events with significant accounting impacts that have occurred between the end of the reporting period and the date of this report.

Outlook

The Company and Panoro continue to finalise documentation to complete elements of the Aje transaction which is expected to take place before 30 June 2022. Meanwhile work progresses to update the field development plan to expedite gas development and engage with potential offtakers and partners.

The well infill drilling program on PNGF Sud continues, and the two last infill wells on Litanzi are expected to be put on production by first half of July, somewhat delayed due to a failing top-drive.

Separately the Company looks forward to ADNOC executing its own pooling agreement, to enable it to start lifting the PNGF Sud production from the Djeno terminal in Congo.

Condensed consolidated statement of comprehensive income

Amounts in USD thousand (Unaudited)	**Quarter ended 31 March 2022**	Quarter ended 31 March 2021
Revenue	**36,401**	22,939
Cost of sales	**(11,604)**	(8,106)
Gross profit	**24,797**	14,833
Other operating income	**-**	16
Exploration expenses	**(17)**	-
Administrative expenses	**(3,679)**	(2,394)
Profit from operations	**21,101**	12,455
Finance expense	**(608)**	(679)
Foreign exchange loss	**(677)**	(816)
Profit before tax	**19,816**	10,960
Tax expense	**(9,043)**	(6,609)
Profit for the period	**10,773**	4,351
Other Comprehensive income:		
Exchange gains / (losses) arising on translation of foreign operations	**369**	536
Total comprehensive income / (loss)	**11,142**	4,887
Profit for the period attributable to:		
Owners of the parent	**8,492**	1,631
Non-controlling interest	**2,281**	2,720
Total	**10,773**	4,351
Total comprehensive income / (loss) attributable to:		
Owners of the parent	**8,861**	1,492
Non-controlling interest	**2,281**	3,395
Total	**11,142**	4,887
Earnings per share attributable to members:	**USD cents**	USD cents
Basic profit per share	**0.64 cents**	0.17 Cents
Diluted profit per share	**0.64 cents**	0.17 Cents

The accompanying notes form part of these financial statements

Condensed consolidated statement of financial position

Amounts in USD thousand	**As at 31 March 2022 (Unaudited)**	As at 31 December 2021 (Audited)
ASSETS		
Current assets		
Inventories	**6,107**	6,227
Trade and other receivables	**22,714**	13,820
Cash and cash equivalents	**15,359**	31,755
Total	**44,180**	51,802
Non-current assets		
Property, plant and equipment	**44,694**	39,397
Intangible assets	**7,223**	7,172
Right-of-use assets	**596**	44
Other receivables	**27,746**	26,837
Total	**80,259**	73,450
Total assets	**124,439**	125,252
LIABILITIES		
Current liabilities		
Trade and other payables	**19,725**	29,996
Lease liability	**610**	58
Loans and borrowings	**10,578**	13,079
Total	**30,913**	43,133
Non-current liabilities		
Lease liability	**-**	-
Provisions	**16,567**	16,302
Total	**16,567**	16,302
Total liabilities	**47,480**	59,435
NET ASSETS	**76,959**	65,817
Issued capital and reserves attributable to owners of the parent		
Share capital	**62,115**	62,115
Foreign currency translation reserve	**(1,052)**	(1,421)
Retained earnings	**7,102**	(1,390)
Total	**68,165**	59,304
Non-controlling interests	**8,794**	6,513
TOTAL EQUITY	**76,959**	65,817

The accompanying notes form part of these financial statements

Condensed consolidated statement of changes in equity

Amounts in USD thousand	**Issued capital**	**Retained earnings**	**Foreign currency translation reserve**	**Non-controlling interest**	**Total**
For the quarter ended 31 March 2022 (Unaudited)					
Balance at 1 January 2022	**62,115**	**(1,390)**	**(1,421)**	**6,513**	**65,817**
Profit for the period	**-**	**8,492**	**-**	**2,281**	**10,773**
Other comprehensive income	**-**	**-**	**369**	**-**	**369**
Total comprehensive income for the period	**-**	**8,492**	**369**	**2,281**	**11,142**
Balance at 31 March 2022	**62,115**	**7,102**	**(1,052)**	**8,794**	**76,959**
For the quarter ended 31 March 2021 (Unaudited)					
Balance at 1 January 2021	17,735	(8,853)	(956)	14,370	22,296
Profit for the period	-	1,631	-	2,720	4,351
Other comprehensive income / (loss)	-	-	(139)	675	(536)
Total comprehensive income / (loss) for the period	-	1,631	(139)	3,395	4,887
Issue of capital	10,522	-	-	-	10,522
Acquisition of equity interest from NCI	-	-	-	(3,278)	(3,278)
Balance at 31 March 2021	28,257	(7,222)	(1.095)	14,487	34,427

The accompanying notes form part of these financial statements

Condensed consolidated statement of cash flows

Amounts in USD thousand (Unaudited)	**For the quarter ended 31 March 2022**	For the quarter ended 31 March 2021
Cash flows from operating activities		
Profit for the period	**19,816**	10,960
Adjustments for:		
Depreciation and amortisation	**1,673**	1,182
Amortisation of right-of-use asset	**10**	40
Unwinding of discount on decommissioning liability	**265**	249
Net foreign exchange differences	**369**	536
Total	**22,133**	12,967
Decrease in trade and other receivables	**(8,894)**	(1,762)
Increase in advance against decommissioning cost	**(909)**	(945)
Decrease / (Increase) in inventories	**120**	(564)
Decrease in trade and other payables	**(10,269)**	(6,976)
Cash generated from operations	**2,181**	(5,660)
Income taxes paid	**(9,043)**	(6,609)
Net cash flows from operating activities	**(6,862)**	698
Investing activities		
Purchases of property, plant and equipment	**(6,847)**	(1,054)
Purchase of intangible assets	**(174)**	-
Net cash flows from investing activities	**(7,021)**	(1,054)
Financing activities		
Issue of ordinary shares	**-**	10,522
Repayment of loans and borrowings	**(2,501)**	-
Repayment of principal portion of lease liability	**(10)**	(44)
Repayment of interest portion of lease liability	**(2)**	(3)
Net cash flows from financing activities	**(2,513)**	10,475
Net increase / (decrease) in cash and cash equivalents	**(16,396)**	5,532
Cash and cash equivalents at beginning of period	**31,755**	14,113
Cash and cash equivalents at end of period	**15,359**	19,645

The accompanying notes form part of these financial statements

Corporate information

The condensed financial report of the Company and its subsidiaries (together the "Group") for the period ended 31 March 2022 was authorised for issue in accordance with a resolution of the directors on 27 May 2022.

PetroNor 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), a regulated marketplace of the Oslo Stock Exchange, Norway. The principal activities of the Group are exploration and production of crude oil.

Basis of preparation

This general purpose condensed interim financial report for the quarter ended 31 March 2022 has been prepared in accordance with IAS 34 Interim Financial Reporting and the supplement requirements of the Norwegian Securities Trading Act (Verdipapirhandelloven).

The interim financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

It is recommended that the interim financial report be read in conjunction with the annual report for the year ended 31 December 2021 and considered together with any public announcements made by the Company during the period ended 31 March 2022 in accordance with the continuous disclosure obligations of the Oslo Børs. A copy of the annual report is available on the Company's website www.petronorep.com.

Change in accounting policy

PetroNor E&P ASA's condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) which have been adopted by the EU. The consolidated financial statements have been prepared on a historical cost basis, and on the basis of uniform accounting principles for similar transactions and events under otherwise similar circumstances. The accounts of PetroNor E&P Limited were historically prepared in accordance with the requirements of the Australian Corporations Act of 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board, which also complies with International Financial Reporting Standards (IFRS). There is no requirement for comparative restatement. It is important to note that in the previous year the consolidated financial statements complied with IFRS as issued by the International Accounting Standards Board.

The interim financial report is presented in United States Dollars being the functional currency of the Company.

Going concern

The condensed consolidated financial statements have been prepared on a going concern basis. Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future. The Group recognises that in order to fund on-going operations and pursue organic and inorganic growth opportunities it will need additional funding. This funding may be sourced through joint venture equity or share issues or through debt finance. As at the signing date of this report, the pooling agreement between two third parties necessary to enable the new offtaker to lift first quarter 2022 oil production is believed to be close to completion. The Group is currently advancing potential contingency arrangements to improve working capital should further significant delays to completion of the pooling agreement and lifting schedule eventuate. As at the date of this report it is not yet clear whether any such arrangement will be necessary and no new binding arrangements have been agreed. Global macroeconomic factors are considered to be strongly in the Company's favour at present with high demand leading to high oil prices, and the Board is confident a solution to any short-term working capital requirements will be implementable, as necessary.

There are outstanding amounts due to related party shareholders Petromal and NOR Energy for the remaining cash consideration of the 2019 reverse takeover transaction of USD 1.3 million and USD 2.1 million, respectively. Plus, the Group has a USD 3.9 million debt facility with related party shareholder Symero that is due to be repaid in November 2022, and a USD 6.6 million debt facility with Rasmala that will be repaid in equal instalments up to November 2022. In addition, the Group has material potential capital commitments associated with its exploration portfolio. Settlement of the borrowings detailed above would leave the Group debt free. However, the Group plans to refinance and consolidate its various debt positions before the year-end, to provide additional working capital and strengthen its balance sheet. While it is acknowledged that the recent Økokrim investigation may complicate refinancing initiatives and extend timetables, the Board is confident that refinancing measures will be able to be completed as necessary.

These conditions indicate a material uncertainty that may cause significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. These condensed consolidated financial statements have been prepared on the going concern basis which assumes the continuity of normal business activity, 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 10.8 million for the quarter ended 31 March 2022, with strong production from the Congo assets generating 3,530 bopd in the first quarter of 2022. At 31 March 2022, the Group had a cash balance of US 15.4 million. The Company has entered into a new offtake agreement with a new partner, listed the Company on the main of Oslo Stock Exchange, continued to host data rooms for potential partners to join the Company on its exploration portfolio, demonstrating that the business has continued to operate effectively, and that businesses are willing to engage with the Company.

This has enabled the directors to form the opinion that the Company will be in a position to continue to meet its liabilities and obligations.

These condensed consolidated financial statements do 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.

Accounting policies

The accounting policies adopted are consistent with those disclosed in the annual report for the year ended 31 December 2021.

Significant accounting judgements, estimates and assumptions

The preparation of the interim financial report entails the use of judgements, estimates and assumptions that affect the application of accounting policies and the amounts recognised as assets and liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances. The actual results may deviate from these estimates. The material assessments underlying the application of the Company's accounting policies and the main sources of uncertainty are the same for the interim accounts as for the annual accounts for 2021.

Revenue from contracts with customers

Amounts in USD thousand (Unaudited)	**Q1 2022**	Q1 2021
Revenue from contracts from customers		
Revenue from sales of petroleum products	**14,550**	12,878
Accrued Income	**7,760**	-
Other revenue		
Assignment of tax oil	**9,043**	6,609
Assignment of royalties	**5,048**	3,452
Total revenue	**36,401**	22,939
Average selling price (USD per barrel)	**95.3**	58.7
Quantity (Barrels)	**234,071**	211,622

Under the new pre-payment sales agreement PetroNor have invoiced against entitlement production but no physical liftings have taken place in the quarter. Production for March has been recognised as accrued income and accordingly there is no stock of crude oil to recognise.

Cost of sales

Amounts in USD thousand (Unaudited)	**Q1 2022**	Q1 2021
Operating expenses	**4,329**	3,651
Royalty	**5,048**	3,452
Depreciation and amortisation of oil and gas properties	**1,673**	1,172
Movement in oil inventory	**554**	(169)
Total	**11,604**	8,106

Administrative expenses

Amounts in USD thousand (Unaudited)	**Q1 2022**	Q1 2021
Employee benefit expenses	**1,527**	1,140
Legal and professional	**1,410**	545
Provision for diversified investments	**333**	225
Travelling expenses	**139**	15
Rentals	**10**	23
Depreciation and amortization	**-**	9
Depreciation on right-of-use assets	**10**	40
Other expenses	**250**	397
Total	**3,679**	2,394

Finance cost

Amounts in USD thousand (Unaudited)	**Q1 2022**	Q1 2021
Unwinding of discount on decommissioning liability	**265**	249
Interest on loan	**338**	427
Other finance costs	**5**	3
Total	**608**	679

Earnings per share

Amounts in USD thousand (Unaudited)	**Q1 2022**	Q1 2021
Profit from continuing operations attributable to the equity holders used in calculation	**8,492**	1,631
Weighted average number of shares used in the calculation of:		
Basic profit per share	**1,326,991,006**	986,663,268
Diluted profit per share	**1,328,193,158**	988,052,738

Options on issue are considered to be potential ordinary shares and have been included in the determination of diluted loss per share only to the extent to which they are dilutive. There are 1,176,070 options as at 31 March 2022 (31 March 2021: 1,389,470).

Inventories

Amounts in USD thousand	**31 March 2022 (Unaudited)**	31 December 2021 (Audited)
Crude oil inventory	**-**	554
Materials and supplies	**6,107**	5,673
Total	**6,107**	6,227

Crude oil inventory is valued at cost of USD 21.84 per bbl on 31 December 2021.

All un-invoiced produced volumes are now recognised as accrued income under the terms of the new selling arrangement with ADNOC, accordingly there is no crude oil inventory.

Trade and other receivables

Amounts in USD thousand	**31 March 2022 (Unaudited)**	31 December 2021 (Audited)
Recoverability less than one year		
Trade receivables	**14,550**	13,431
Accrued Income	**7,760**	-
Due from related parties	**-**	-
Decommissioning cost advance	**-**	-
Other receivables	**404**	389
Total	**22,714**	13,820
Recoverability more than one year		
Decommissioning cost advance	**27,746**	26,837
Total	**27,746**	26,837

Cash and bank balances

Amounts in USD thousand	**31 March 2022 (Unaudited)**	31 December 2021 (Audited)
Cash in bank	**15,359**	31,755
Total	**15,359**	31,755

Production assets and equipment

Amounts in USD thousand	**31 March 2022 (Unaudited)**	31 December 2021 (Audited)
Cost		
Opening balance	**53,204**	33,445
Additions	**6,847**	19,759
Closing balance	**60,051**	53,204
Depreciation		
Opening balance	**13,807**	9,962
Charge for the period	**1,550**	3,845
Closing balance	**15,357**	13,807
Net carrying amount	**44,694**	39,397

Intangible assets

Amounts in USD thousand	**31 March 2022 (Unaudited)**	31 December 2021 (Audited)
Net carrying value		
Licences and approval	**7,221**	7,170
Software	**2**	2
Total	**7,223**	7,172

Trade and other payables

Amounts in USD thousand	**31 March 2022 (Unaudited)**	31 December 2021 (Audited)
Trade payables	**14,426**	22,014
Due to related parties	**3,453**	3,449
Taxes and state payables	**298**	120
Other payables and accrued liabilities	**1,548**	4,414
Total	**19,725**	29,996

Loans and borrowings

Amounts in USD thousand	**31 March 2022 (Unaudited)**	31 December 2021 Audited
Ageing of loans payable		
Current	**10,578**	13,079
Non-current	**-**	-
Total	**10,578**	13,079

Decommissioning liability

In accordance with the 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 depend on the rate the reserves of the field are depleted. However, 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 6.0 per cent and an inflation rate of 1.6 per cent. The Group reassessed the applicable discount rate during 2020 based on the rates of Congolese Government bonds issued in the Congo during the year.

Related party transactions

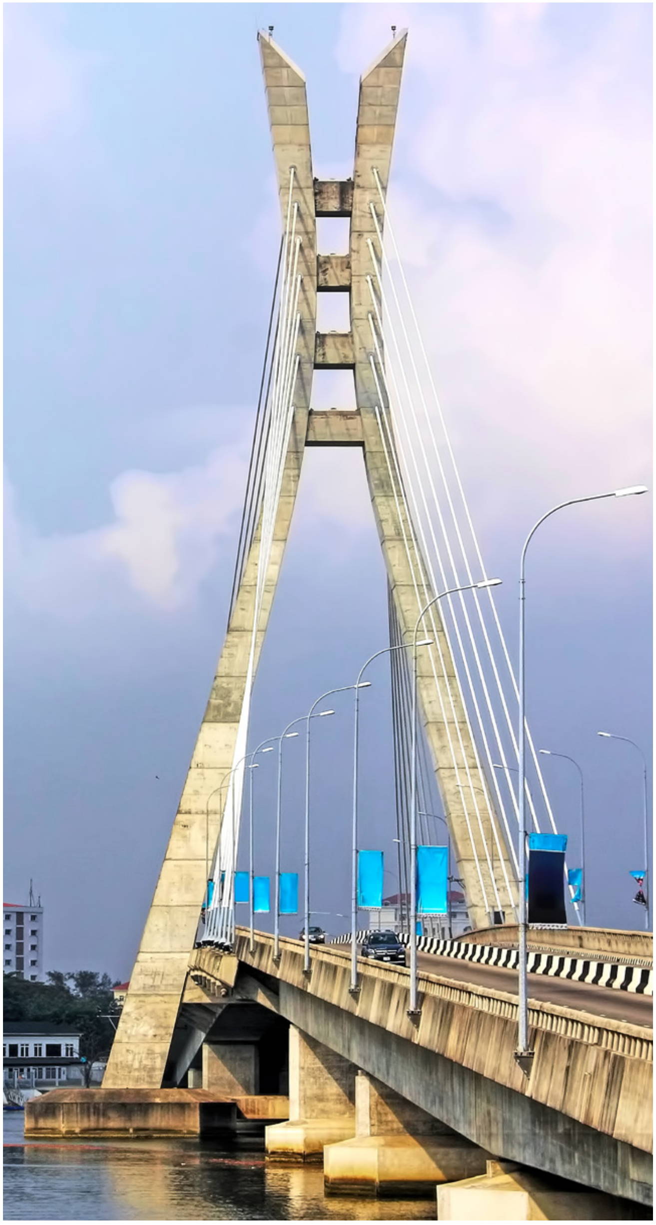
Balances due from and due to related parties disclosed in the consolidated statement of financial position:

Amounts in USD thousand	**31 March 2022 (Unaudited)**	31 December 2021 (Audited)
Other payables include:		
Nor Energy AS	**2,122**	2,136
Petromal LLC	**1,240**	1,281
Symero Ltd.	**32**	32
Trade Payables include:		
Wingate Consulting~	**59**	19
Total payables to related parties	**3,453**	3,449
Loan payable to Symero Ltd	**3,912**	3,912
Loan payable to related parties	**3,912**	3,912

~ Wingate Consulting is a company controlled by interim CEO Jens Pace.

Share capital

There were no changes in the number shares issues in the first quarter of 2022, however following the completion of the redomicile process and the listing of PetroNor E&P ASA's shares on the Oslo Børs, the Company advised that Arctic Securities have completed their engagement as the Sale Agent for the Scheme of Arrangement and sold the shares for investors not registered on the VPS back into the market. During March 2022, the Sale Agent sold 1,366,564 shares with an average sale price of NOK0.900506 per share, this is approximately 0.1 per cent of the total shares in issue.



Events subsequent to reporting date

PetroNor published an updated Competent Person's Report prepared by AGR Petroleum, the full account of production, reserves, and resources are presented in the 2021 annual report.

During April 2022 the Company provided an update on first production from the Litanzi infill drilling program in Congo. Two wells of the initial Litanzi infill wells have been put on production; well #1 (injector) is flowing fora clean-up period producing some oil and mostly water as expected, Well #2 (producer) was put on production on April 14th and has produced above expectation for the first month with an average 2,797 bopd, raising the average gross PNGF production to approximately 24,200 bopd for this period (4,073 bopd net).

On 11 April 2022 the Company advised that it had received notification that the National Authority for Investigation and Prosecution of Economic and Environmental Crime in Norway (Økokrim) that the Company's Chairman of the Board, Mr. Eyas Alhomouz (US citizen), has been made subject to the ongoing investigations carried out by Økokrim and has been given the status as suspect, and that the U.S. Department of Justice has opened a separate investigation into these allegations, based on information from Økokrim. As previously announced, no charges have been brought against PetroNor not any of its Group companies.

On 23 May 2022, the Company published that it had executed an amendment to the agreement with YFP in relation to the planned Aje project with a 7 per cent increase in the proposed equity interest in Aje Production AS to 52 per cent.

PetroNor have announced that the first Annual General Meeting of PetroNor E&P ASA will take place on 27 May 2022.

Except for the above, the Company has not identified any events with significant accounting impacts that have occurred between the end of the reporting period and the date of this report.

Statement of responsibility

We confirm that, to the best of our knowledge, the condensed set of unaudited financial statements for the quarter ended 31 March 2021, which has been prepared in accordance with IAS34 Interim Financial Statements, provides a true and fair view of the Company's consolidated assets, liabilities, financial position and results of operations, and that the management report includes a fair review of the information required under the Norwegian Securities Trading Act section 5-6 fourth paragraph.

Approved by the Board of PetroNor E&P ASA:

Eyas Alhomouz, Chairman of the Board

Gro Kielland, Director of the Board

Ingvil Smines Tybring-Gjedde, Director of the Board

Joseph Iskander, Director of the Board

Corporate directory

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Eyas Alhomouz, Chair
Joseph Iskander
Gro Kielland
Ingvil Smines Tybring-Gjedde

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Jens Pace

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