PETRONOR E&P

Interim Financial Report

For the quarter ended

31 March 2024

HIGHLIGHTS

2P Reserves (MMboe)	**2C Contingent Resources** (MMboe)	**Market capitalisation** (USD million)
16.1 (Q1 2023: 20.3)	**36.7** (Q1 2023: 37.1)	**110** (Q1 2023: 105)

For the quarter ended 31 March 2024

EBITDA (USD million)	**EBIT** (USD million)	**Net profit** (USD million)
28.7	**23.7**	**14.1**
Q1 2023: 25.0	Q1 2023: 22.1	Q1 2023: 11.0

- **January oil sales lifting of 330,573 bbls at realised price of USD 82.87/bbl**
- **April oil sales lifting of 583,695 bbls at a realised price of USD 82.71/bbl**
- **Q1 2024 PNGF Sud production 5,025 bopd (Q1 2023 5,237 bopd)**
- **Commissioning of new Tchendo 2 platform will complete shortly**
- **Tchibeli NE infill well completed safely and brought into production during April**

Assets

Republic of Congo (Brazzaville)

PetroNor E&P ASA (PetroNor or the "Company") has three production licence agreements (Tchibouela II, Tchendo II, and Tchibeli-Litanzi II), which cover six oil fields located in 80-100 m water depths approximately 25 km off the coast of Pointe-Noire. The complex oil field was discovered in 1979, commenced production in 1987, and is called PNGF Sud.
The PNGF Sud fields are developed with eleven wellhead platforms and currently produce from 70 active production wells, with oil exported via the onshore Djeno terminal. With its long production history, substantial well count and extensive infrastructure, PNGF Sud offers well diversified and low risk production and reserves with low break-even cost.

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

Nigeria

PetroNor is working with the licence partners to make progress on the redevelopment of the Aje field. PetroNor holds a 12.1913% economic interest in the project and through the planned new joint venture with YFP DW under Aje Production AS will hold a 15.5% participating interest and an economic interest in the order of 38.755 % in OML 113 during the majority of the project period.

On 2 October 2023, PetroNor announced the acquisition of 32.1% additional interests in the OML113 licence through a binding agreement with New Age (African Global Energy) Limited. Application for approval of the acquisition was filed with The Nigerian Upstream Petroleum Regulatory Commission (NUPRC) in April with expected final approval in Q4 2024.

The Gambia

PetroNor is in discussion to extend the first phase of the A4 Exploration licence in Gambia by 18 months. If agreed PetroNor will continue to seek partners in order to enter into a drilling commitment for an Exploration well on the A4 block after 15 November 2025 with a further 18 months to drill. This highly prospective block contains multiple low risk commercial-size prospects and lies 30 km South of the Senegal "Sangomar" field (Woodside) which is anticipated to start production in 2024.

OPERATIONS

Health, safety and environment (HSE)

The safety and security of our and our operators' staff and contractors is our highest priority. The Company's objective for health, environment, safety, and quality (HSEQ) is zero accidents and incidents in all activities. The oil and gas assets located in West Africa imply frequent travel, and the Company seeks to ensure adequate safety levels for employees travelling. PetroNor experienced no accidents, injuries, incidents or any environmental claims during the quarter period.

The Group's operations have been conducted by the operators on behalf of the licence partners and the operator of PNGF Sud is reporting regularly on all key HSE indicators. No restricted work cases (RWC) nor medical treatment cases (MTC) were reported in the period of January to March 2024. The last lost time injury incident (LTI) was reported by the operator in September 2021. There have been no significant known breaches of the Company's exploration licenses conditions or any environmental regulations to which it is subject. Time lost due to employee illness or accidents was negligible. Employee safety is of the highest priority, and the Company is continuously working towards identifying. and employing administrative and technical solutions, that ensure a safe and efficient workplace.

Production

Republic of Congo – PNGF Sud

The 17-well drilling campaign targeting PNGF Sud that commenced in 2021 led to six new wells in 2022. The infill drilling programme resumed in May 2023 to add five new wells in Tchibeli. The drilling rig Axima #4 has completed drilling all five, completing four as producers plus one injector. The new wells have encountered reservoir parameters above expectations and drilling has progressed significantly faster than planned. Production from these wells started in September 2023 and production is close to pre-drill "high-case" estimate.

The current infill drilling programme will subsequently move to focus on the Tchendo field during 2025. A 14-slot wellhead (jackup) platform has been upgraded in the Netherlands and is currently being commissioned, nearing completion in the field. Drilling of the initial six wells is expected to start early 2025. The new wellhead platform has been equipped with 3x9MW power generation capacity which when commissioned will secure power independence from the Nkossa FPSO by using the additional gas volumes from the recent Litanzi and Tchibeli NE wells. One additional pre-salt Vandji in Tchibeli NE was drilled from February to April 2024 and is currently producing according to expectations.

Gross production for 2023 was 11.2 MMbbls (8.7 MMbbls in same period in 2022), corresponding to 1.9 MMbbls (1.5 MMbbls same period in 2022) net to the Company.

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

CPR as at 31 December 2023:

Participation Interest	*16.83%*
1P reserves	11.8 MMboe
2P reserves	17.2 MMboe

PetroNor's contingent resource base includes discoveries of varying degrees of maturity towards development decisions. At the end of 2023, PNGF Sud contains a net 2C volume of approximately 7.5 MMboe assuming a 16.83 per cent participation interest.

Development

Nigeria – OML 113 / The Aje field

PetroNor and YFP-DW are continuing to progress towards completing the formation of the jointly owned Aje Production AS. Both parties have now contributed their respective OML113 interests to Aje Production AS, after the shares of YFP DW were transferred in May 2024. To complete the transaction, Aje Production must now issue equity to both parties to settle the contribution-in-kind. Upon completion, PetroNor's ownership will be 52% in Aje Production which will hold a 15.5% participating interest and an economic interest in the order of 38.755 % in OML 113.

As announced on 2 October 2023, PetroNor entered into a binding agreement with New Age (African Global Energy) Limited ("New Age") to acquire New Age's interests in OML 113 in Nigeria which contains the Aje field. Application for approval of the acquisition was filed with The Nigerian Upstream Petroleum Regulatory Commission (NUPRC) in April with expected final approval in Q4 2024.

This acquisition strengthens the Company's position by adding 32.1% economic and voting interest in OML 113 which will reinforce the Company's active involvement and influence in the licence partnership to plan for the re-development of the Aje field. Following completion of these transactions, PetroNor and YFP related entities will have a project economic and JOA voting interest of 71%.

PetroNor and the partners awarded a contract to reprocess 3D seismic data in 2023. The work was completed in February 2024 and initial interpretation of results has been completed. Implications from the new interpretation are being integrated into the final Concept Select and update to the Field Development Plan.

Exploration

The Gambia - A4

Initial discussions with Government indicate that an 18-month extension to the first phase of the Exploration period will be agreed. As a result, PetroNor will have until 15 November 2025 to find a suitable partner to enter the 18 month drilling commitment period.

Financial performance and activities

PetroNor exited 2023 with a strong balance sheet and continued to strengthen the cash position with a January lifting and sale of 330,572 bbls of entitlement oil generating cash inflow of USD 27.4million. The Q1 2024 average production of 5,025 bopd drove the revenue gross-up of the tax oil and royalties, this combined with the sale of entitlement oil created revenue of USD 44.3million (Q1 2023 USD 39.8million). A second lifting and sale occurred post period during April 2024 where 583,695bbls were sold at USD 82.90/bbl netting a further USD 48.3million to PetroNor.

Cost of Sales increased comparatively for the period to USD 17.3 million (Q1 2023 USD 14.8million). The recent infill drilling campaign has led to an increased depreciation charge USD 4.9million (Q1 2023 USD 2.8million). Operating expenses have reduced USD 5.5million (Q1 2023 USD 6.2 million) with other costs USD 7.0million (Q1 2023 5.8million). The volume of stock oil at end Q1 2024 had increased by 6,171bbls over the year-end 2023 position.

PetroNor realised a profit for the period of USD 14.1million (Q1 2023 USD 11.0 million).

Inventories reduced from year end position with the sale of surplus long lead items from the Guinea-Bissau assets not included in the farm out last year, netting USD 3.2million in cash to PetroNor. There were no trade receivables as at the quarter end because the proceeds of oil sales in the quarter had been received from ADNOC Trading.

The increase during Q1 of trade payables to USD 20.8m was caused by delays with the day-to-day treasury operations of Hemla E&P Congo SA. However, the outstanding PNGF Sud joint interest billings, representing over 95 per cent of this balance, were paid and settled during April 2024.

The Group exits the quarter with a cash balance of USD 97.1million (Q1 2023 46.2 million). An onboarding process with new bankers in the UAE is nearing completion for Hemla E&P Congo SA, after an existing bank in Morocco reduced the level of services provided during Q1 and caused delays to its day-to-day treasury operations. As at the date of signing this report, the USD 46m held by the Moroccan bank is placed on a short-term deposit.

In this quarter no dividend was paid or recommended. In the Notice of Meeting released on 8 May 2024, the Board of Directors (the "Board") revised the dividend policy and anticipates a distribution of cash to the Company's shareholders during the second half of 2024 in the approximate amount of USD 25 million resulting from the farm-down of exploration licences in Guinea Bissau, which, subject to requisite corporate approvals, is intended to be implemented through a combination of dividend distribution, return of paid in capital and/or buy back of shares.

The Board confirms that the interim financial statements have been prepared pursuant to the going concern assumption, and that this assumption was realistic at the balance sheet date. The going concern assumption is based upon the financial position of the Group and the development plans currently in place. The Group recognises that in order to fund on-going operations and pursue organic and inorganic growth opportunities it will require additional funding. This funding may be sourced through joint venture equity or share issues or through debt finance or through the rearrangement of certain debts falling due.

CORPORATE

Principal Risks

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

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

Top 20 Shareholders

As of 2 May 2024:

#	Shareholder	Number of shares	Per cent
1	Petromal LLC[1]	48,148,167	33.82%
2	Symero Limited[2]	13,876,364	9.75%
3	Ambolt Invest AS[3]	8,758,329	6.15%
4	Sjøvollen AS[4]	5,179,072	3.64%
5	Gulshagen III AS[4]	4,500,000	3.16%
6	Gulshagen IV AS[4]	4,500,000	3.16%
7	Nordnet Bank AB	2,862,340	2.01%
8	Energie AS	2,607,570	1.83%
9	Nordnet Livsforsikring AS	2,594,979	1.82%
10	Hagan AS	2,480,243	1.74%
11	NOR Energy AS[2]	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	Danske Bank A/S	752,276	0.53%
16	Pust For Livet AS	749,761	0.53%
17	UBS Switzerland AG	724,031	0.51%
18	The Bank of New York Mellon SA	649,927	0.46%
19	Jon Sigurdsen	605,849	0.43%
20	Jon Arne Toft	567,170	0.40%
	Subtotal	104,432,083	73.36%
	Others	37,924,772	26.64%
	Total	142,356,855	100.00%

[1] Non-Executive Chairman, Mr. Alhomouz is the CEO of Petromal LLC. All of the shares held by Petromal LLC are recorded in the name of nominee company, Clearstream Banking S.A. on behalf of Petromal LLC.

[2] Symero Limited is a company controlled by NOR Energy AS.

[3] Ambolt Invest AS is a company controlled by board member Mr. Norman-Hansen.

[4] Gulshagen III AS and Gulshagen IV AS are companies controlled by Sjøvollen AS.

Økokrim Charges

PetroNor continues to co-operate with Økokrim and the Department of Justice (DoJ) to assist in their investigations into the allegations of corruption by individuals associated with the Company.

On 13 May 2024 the Company advised that it had been notified by Økokrim that these charges have been revised to include misleading investors through disclosures made to the market during the reverse take-over of African Petroleum Corporation Limited and subsequent disclosures. Consequently, the Company and its subsidiary Hemla Africa Holding have been given formal status as suspect for any possible corporate criminal liability resulting from the revised charges against the individuals.

Økokrim has also notified the Company that the current chairman of the Company Mr Eyas Alhomouz is given the same status as the Company relating to market disclosures. As announced on 8 May 2024, the nomination committee has proposed to the annual general meeting 29 May 2024 that Mr Joseph Iskander will replace Mr Alhomouz, who has decided not to stand for re-election.

PetroNor remains committed to cooperating and to maintaining the highest standards of ethical conduct and corporate governance.

Significant events after reporting date

In April 2024, the Company lifted and sold 583,695 bbls of entitlement oil at a realised price of USD 82.71/bbl generating USD 48 million in cash.

Outlook

The oil lifting in April 2024 placed the Company in an over lifting position with the Djeno Terminal, therefore no additional sales by liftings of entitlement oil are expected for PNGF Sud until Q4 2024.

The well infill drilling program on PNGF Sud will resume at the start of 2025 focusing on Tchendo with the drilling of six initial wells.

The Company awaits the drilling of the Atum-1X well in Guinea-Bissau expected later this year, after the 100 per cent farm-out to Apus Energy Guinea Bissau SA in 2023. A successful well increases the likelihood of the next contingent consideration payment of USD 30 million, paid on government approval of a field development plan.

A distribution to the Company's shareholders during the second half of 2024 is anticipated as considered by the revised dividend policy released in May 2024.

Consolidated statement of comprehensive income

For the quarter ended 31 March 2024

Amounts in USD thousand	Quarter ended	
	31 March 2024 (Unaudited)	31 March 2023 (Unaudited)
Continuing operations		
Revenue	**44,317**	39,776
Cost of sales	**(17,310)**	(14,781)
Gross profit	**27,007**	24,995
Exploration expenses	**2**	15
Administrative expenses	**(2,914)**	(2,695)
Profit from operations	**24,095**	22,315
Finance expense	**(528)**	(500)
Foreign exchange gain / (loss)	**710**	(1,499)
Profit before tax	**24,277**	20,316
Tax Expense	**(10,152)**	(9,360)
Profit for the period	**14,125**	10,956
Other Comprehensive income:		
Exchange (losses) / gains arising on translation of foreign operations	**(367)**	1,525
Total comprehensive income / (loss)	**13,758**	12,481
Profit for the period attributable to:		
Owners of the parent	**11,623**	8,638
Non-controlling interest	**2,502**	2,318
Total	**14,125**	10,956
Total comprehensive income / (loss) attributable to:		
Owners of the parent	**11,256**	10,163
Non-controlling interest	**2,502**	2,318
Total	**13,758**	12,481
Earnings per share attributable to members:	**USD cents**	USD cents
Basic profit per share	**8.16**	6.29
Diluted profit per share	**8.16**	6.29

The accompanying notes form part of these financial statements.

Consolidated statement of financial position

Amounts in USD thousand	**As at 31 March 2024 (Unaudited)**	As at 31 December 2023 (Audited)
ASSETS		
Current assets		
Inventories	**14,827**	17,839
Trade receivables	**-**	27,317
Other receivables	**5,489**	3,757
Cash and cash equivalents	**97,070**	46,249
Total	**117,386**	95,162
Non-current assets		
Property, plant and equipment	**90,543**	92,791
Intangible assets	**8,273**	7,860
Other receivables	**43,873**	43,707
Investments	**2**	2
Total	**142,691**	144,360
Total assets	**260,077**	239,522
LIABILITIES		
Current liabilities		
Trade payables	**20,824**	11,954
Other payables	**6,881**	8,097
Loans and borrowings	**4,125**	5,500
Total	**31,830**	25,551
Non-current liabilities		
Provisions	**27,616**	27,072
Other payables	**119**	145
Total	**27,735**	27,217
Total liabilities	**59,565**	52,768
Net assets	**200,512**	186,754
EQUITY		
Issued capital and reserves attributable to owners of the parent		
Share capital	**72,115**	72,115
Reserves	**429**	796
Retained earnings	**105,103**	93,480
Total	**177,647**	166,391
Non-controlling interests	**22,865**	20,363
Total equity	**200,512**	186,754

The interim financial statements were approved and authorised for issue by the Board on 14 May 2024.

The accompanying notes form part of these interim financial statements.

Consolidated statement of changes in equity

For the quarter ended 31 March

Amounts in USD thousand (Unaudited)	Share capital	Share premium	Foreign currency translation reserve	Retained earnings	Non-controlling interest (NCI)	**Total**
2024						
Balance at 1 January 2024	**159**	**71,956**	**796**	**93,480**	**20,363**	**186,754**
Profit for the period	**-**	**-**	**-**	**11,623**	**2,502**	**14,125**
Other Comprehensive Income	**-**	**-**	**(367)**	**-**	**-**	**367**
Total comprehensive income for the period	**-**	**-**	**(367)**	**11,623**	**2,502**	**13,758**
Dividend distributed to non-controlling interest	**-**	**-**	**-**	**-**	**-**	**-**
Balance at 31 March 2024	**159**	**71,956**	**429**	**105,103**	**22,865**	**200,512**
2023						
Balance at 1 January 2023	159	71,956	(153)	25,647	12,316	109,925
Profit for the quarter	-	-	-	8,638	2,318	10,956
Other Comprehensive Income	-	-	1,525	-	-	1,525
Total comprehensive income for the period	-	-	1,525	8,638	2,318	12,481
Dividends distributed to non-controlling interest	-	-	-	-	-	-
Balance at 31 March 2023	159	71,956	1,372	34,285	14,634	122,406

The accompanying notes form part of these interim financial statements.

Consolidated statement of cash flows

Amounts in USD thousand	**Quarter ended**	
(Unaudited)	**31 March**	31 March
	2024	2023
Cash flows from operating activities		
Profit for the period	**24,277**	20,316
Adjustments for:		
Depreciation and amortisation	**4,703**	2,882
Unwinding of discount on decommissioning liability	**375**	235
Net foreign exchange differences	**(367)**	1,525
Finance expense	**153**	314
Total	**29,141**	25,272
Decrease in trade and other receivables	**25,585**	562
Increase in advance against decommissioning cost	**58**	(467)
Increase / decrease in abandonment provision	**-**	(3,651)
Decrease in other provisions	**169**	-
Decrease / (Increase) in inventories	**3,012**	(3,024)
Increase / (decrease) in trade and other payables	**7,636**	(8,457)
Cash generated from operations	**65,601**	10, 145
Income taxes paid	**(10,152)**	(9,360)
Net cash flows from operating activities	**55,449**	785
Investing activities		
Purchases of property, plant and equipment	**(2,571)**	(2,450)
Purchase/disposal of intangible assets	**(529)**	(326)
Net cash flows from investing activities	**(3,100)**	(2,776)
Financing activities		
Repayment of loans and borrowings	**(1,375)**	(1,375)
Interest on loans and borrowings	**(153)**	(314)
Dividends paid to non-controlling interest	**-**	-
Net cash flows from financing activities	**(1,528)**	(1,689)
Net increase / (decrease) in cash and cash equivalents	**50,821**	(3,860)
Cash and cash equivalents at beginning of period	**46,249**	24,816
Cash and cash equivalents at end of period	**97,070**	21,136

The accompanying notes form part of these interim financial statements.

Notes to the interim financial statements

Note 01 Corporate information

The consolidated interim financial statements of the Company and its subsidiaries (together "the Group") for the period ended 31 March 2024 was authorised for issue in accordance with a resolution of the directors on 14 May 2024.

PetroNor E&P ASA is a 'for profit entity' and is a company limited by shares incorporated in Norway. Its shares are publicly traded on the Oslo Børs (ticker: PNOR), the main regulated marketplace of the Oslo Stock Exchange, Norway. The principal activities of the Group are the exploration and production of crude oil.

Note 02 Basis of preparation

The general purpose interim financial statements for the quarter and year ended 31 March 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting and the supplement requirements of the Norwegian Securities Trading Act (Verdipapirhandelloven).

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

It is recommended that the interim financial statements be read in conjunction with the annual report for 2023 and considered together with any public announcements made by the Company during the period ended 31 March 2024 in accordance with the continuous disclosure obligations of the Oslo Børs. A copy of the annual report is available on the Company's website www.petronorep.com.

The interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) which have been adopted by the EU. The interim financial statements have been prepared on a historical cost basis, and on the basis of uniform accounting principles for similar transactions and events under otherwise similar circumstances.

The interim financial statements are presented in United States Dollars.

The accounting policies adopted are consistent with those disclosed in the annual report for the year ended 31 December 2023.

The preparation of the interim financial statements entails the use of judgements, estimates and assumptions that affect the application of accounting policies and the amounts recognised as assets and liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances. The actual results may deviate from these estimates. The material assessments underlying the application of the Company's accounting policies and the main sources of uncertainty are the same for the interim financial statements as for the annual report for 2023.

Notes to the interim financial statements

Note 03 Revenue

Amounts in USD thousand	**Quarter ended**	
(Unaudited)	**31 March 2024**	31 March 2023
Revenue from contracts from customers		
Revenue from sales of petroleum products	27,393	24,126
Other revenue		
Assignment of tax oil	10,152	9,360
Assignment of royalties	6,662	6,290
Marketing fees	110	-
Total	44,317	39,776
Quantity of oil lifted (barrels)	330,572	317,904
Average selling price (USD per barrel)	82.82	75.89
Quantity of net oil produced after royalty, cost oil and tax oil (barrels)	336,744	349,962

All revenue from the sales of petroleum products in 2024 is generated, recognised and transferred at a point in time. Invoices are due for settlement thirty days from the bill of lading, the point at which crude oil had been loaded onto vessel for shipment. All Group revenue is derived from production in the Republic of Congo from the PNGF Sud offshore asset. The Group presents profit oil tax and royalties on a grossed-up basis as an income tax expense with corresponding increase in oil and gas revenues and any associated royalties are included in cost of sales.

Note 04 Cost of sales

Amounts in USD thousand	**Quarter ended**	
(Unaudited)	**31 March 2024**	31 March 2023
Operating expenses	5,467	6,180
Royalty	6,662	6,290
Depreciation and amortisation of oil and gas properties	4,917	2,835
Provision for diversified investment	441	419
Movement in oil inventory	(178)	(943)
Total	17,310	14,781

Notes to the interim financial statements

Note 05 Administrative expenses

Amounts in USD thousand	Quarter ended	
(Unaudited)	**31 March 2024**	31 March 2023
Employee benefit expenses	**1,191**	1,315
Travelling expenses	**112**	231
Legal and professional expenses	**1,261**	964
Corporate social responsibility	**-**	154
Other expenses	**350**	31
Total	**2,914**	2,695

Note 06 Finance expenses

Amounts in USD thousand	Quarter ended	
(Unaudited)	**31 March 2024**	31 March 2023
Unwinding of discount on decommissioning liability	**375**	235
Other finance costs	**-**	(49)
Interest expense	**153**	314
Total	**528**	500

Note 07 Tax expense

The tax expense in Congo represents the assignment of tax oil on the revenue from sales of petroleum products. There was no income tax expense in the other subsidiaries' jurisdictions nor in the parent's jurisdiction.

Note 08 Earnings per share

Amounts in USD thousand	Quarter ended	
(Unaudited)	**31 March 2024**	31 March 2023
Profit attributable to the ordinary equity holders used in calculating basic / diluted profit per share	**11,623**	8,638
Weighted average number of ordinary shares outstanding during the period used in the calculation of earnings per share		
Basic profit / (loss) per share	**142,356,855**	137,223,692
Diluted profit / (loss) per share	**142,356,855**	137,223,692

On 16 June 2023 PetroNor announced that the reverse share split in the ratio 10:1 had been registered with the Norwegian Register of Business Enterprises. Following such registration, the share capital of the Company is NOK 1,423,568.55 divided into 142,356,855 shares, each with a nominal value of NOK 0.01. EPS has been adjusted by a factor of ten on the face of the Interim Consolidated Income Statement so as to be comparative.

Notes to the interim financial statements

Options on issue are considered to be potential ordinary shares and have been included in the determination of diluted loss per share only to the extent to which they are dilutive. There are nil options as at 31 March 2024 (31 March 2023: nil).

Note 09 Inventories

Amounts in USD thousand	**31 March 2024** **(Unaudited)**	31 December 2023 *(Audited)*
Crude oil inventory	**3,257**	3,078
Materials and supplies	**11,570**	14,761
Total	**14,827**	17,839

Crude oil inventory is valued at cost of USD 28.98 per bbl (2023: USD 29.98 bbl). The crude oil inventory and the material and supplies inventory are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price, less applicable selling expenses. The cost of inventory includes all costs related to bringing the inventory to its current condition, including processing costs, labour costs, supplies, direct and allocated indirect operating overhead and depreciation expense, where applicable, including allocation of fixed and variable costs to inventory.

Note 10 Trade and other receivables

Amounts in USD thousand	**31 March 2024** **(Unaudited)**	31 December 2023 *(Audited)*
Recoverability less than one year		
Trade receivables	**-**	27,317
Other receivables	**5,489**	3,757
Total	**5,489**	31,074
Recoverability more than one year		
Advance against decommissioning cost	**30,108**	30,050
Due from related parties	**11,165**	11,057
Fair value of contingent consideration	**2,600**	2,600
Total	**43,873**	43,707

In addition to the booking of decommissioning cost asset and corresponding liability, the contractors group on the PNGF Sud licence have advanced cash funds for the decommissioning cost that is held in an escrow account which is managed by the operator.

Note 11 Cash and cash equivalents

Amounts in USD thousand	**31 March 2024** **(Unaudited)**	31 December 2023 *(Audited)*
Cash in bank	**96,966**	46,217
Restricted cash	**104**	32
Total	**97,070**	46,249

An onboarding process with new bankers in the UAE is nearing completion for Hemla E&P Congo SA, after an existing bank in Morocco reduced the level of services provided during Q1 and caused delays to its day-to-day treasury operations. As at the date of signing this report, the USD 46m held by the Moroccan bank is placed on a short-term deposit.

Notes to the interim financial statements

Note 12 Segment information

For management purposes, the Group is organised into one main operating segment, which involves exploration and production of hydrocarbons. All of the Group's activities are interrelated, and discrete financial information is reported to chief operating decision maker as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

The Group only has one operating segment, being exploration and production of hydrocarbons.

The analysis of the location of non-current assets is as follows:

Amounts in USD thousand (Unaudited)	**31 March 2024 *(Unaudited)***	31 December 2023 *(Audited)*
Congo	**122,515**	124,798
The Gambia	**5,841**	5,461
Guinea-Bissau	**2,600**	2,600
Norway	**11,408**	11,326
Other countries	**327**	175
Total	**142,691**	144,360

Note 13 Property, plant and equipment

Amounts in USD thousand	**For quarter ended 31 March 2024 *(Unaudited)***	For year ended 31 December 2023 *(Audited)*
Cost		
Opening balance	**132,033**	90,883
Additions	**2,571**	42,076
Disposals	**-**	(926)
Closing balance	**134,604**	132,033
Accumulated Depreciation		
Opening balance	**39,242**	22,942
Charge for the period	**4,819**	16,300
Closing balance	**44,061**	39,242
Closing net carrying value	**90,543**	92,791

Note 14 Intangible assets

LICENCES AND APPROVALS

Amounts in USD thousand	**For quarter ended 31 March 2024 *(Unaudited)***	For year ended 31 December 2023 *(Audited)*
Cost		
Opening balance	**13,025**	37,831
Additions	**529**	1,129
Disposals	**-**	(667)
Disposals in relation to loss of control of entities	**-**	(25,268)
Closing balance	**13,554**	13,025
Accumulated amortisation and impairment		
Opening balance	**5,165**	4,579
Amortisation	**116**	586
Closing balance	**5,281**	5,165
Closing net carrying value	**8,273**	7,860

Note 15 Trade and other payables

Amounts in USD thousand	**For quarter ended 31 March 2024 *(Unaudited)***	For the year ended 31 December 2023 *(Audited)*
Amounts due less than one year		
Trade payables	**20,824**	11,954
Due to related parties	**-**	305
Taxes and state payables	**4,439**	4,162
Other payables and accrued liabilities	**2,442**	3,630
Total	**27,705**	20,051
Amounts due more than one year		
Other payables	**119**	145
Total	**119**	145

The increase during Q1 of trade payables to USD 20.8m was caused by delays with the day-to-day treasury operations of Hemla E&P Congo SA. However, the outstanding PNGF Sud joint interest billings, representing over 95 per cent of this balance, were paid and settled during April 2024.

Notes to the interim financial statements

Note 16 Loans and borrowings

Amounts in USD thousand	**For quarter ended 31 March 2024 *(Unaudited)***	For the year ended 31 December 2023 *(Audited)*
Opening balance	**5,500**	11,000
Received	**-**	-
Principal repayment	**(1,375)**	(5,500)
Interest on loan accrued	**153**	813
Interest on loan paid	**(153)**	(813)
Closing balance	**4,125**	5,500
Ageing of loans payable		
Current	**4,125**	5,500
Non-current	**-**	-
Total	**4,125**	5,500

As at 31 March 2024, the outstanding USD 4.1 million debt facility carries an interest rate of 11.0 per cent and is to be repaid in three instalments of USD 1.375 million.

Note 17 Provisions

Amounts in USD thousand	**For quarter ended 31 March 2024 *(Unaudited)***	For the year ended 31 December 2023 *(Audited)*
Decommissioning Provision		
Opening balance	**23,749**	20,912
Arising during the period	**-**	4,284
Decrease due to disposal of entities	**-**	(3,887)
Unwinding of discount on decommissioning	**376**	2,440
Closing balance	**24,125**	23,749
Other provisions	**3,491**	3,323
Total	**27,616**	27,072

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 increase in the provision during 2023 was due to a reassessment of the appropriate inflation rate, that was increased to 3.0% from 1.6%. The discount rate remained constant at 6.5%.

Note 18 Material Non-Controlling Interests

Set out below is summarised financial information for the subsidiary Hemla E&P Congo SA that has non-controlling interests that are material to the Group. The amounts disclosed for the subsidiary are before inter-company eliminations.

Notes to the interim financial statements

Summarised statement of financial position

Amounts in USD thousand	**For quarter ended 31 March 2024 *(Unaudited)***	For the year ended 31 December 2023 *(Audited)*
Current assets	**89,083**	61,523
Current liabilities	**21,781**	12,836
Current net assets	**67,302**	48,687
Non-current assets	**122,515**	124,798
Non-current liabilities	**27,627**	27,084
Non-current net assets	**94,888**	97,614
Net assets	**162,190**	146,301
Accumulated NCI	**26,640**	24,138

Summarised statement of comprehensive income
For 3 months ended 31 March

Amounts in USD thousand (Unaudited)	**For quarter ended 31 March 2024 *(Unaudited)***	For the year ended 31 December 2023 *(Audited)*
Revenue	**44,318**	187,330
Profit for the period	**15,783**	71,175
Other comprehensive income	**-**	-
Total comprehensive income	**15,783**	71,175
Profit allocated to NCI	**2,502**	11,217
Dividends paid to NCI	**-**	3,170

Summarised statement of cash flows
For 3 months ended 31 March

Amounts in USD thousand (Unaudited)	**For quarter ended 31 March 2024 *(Unaudited)***	For the year ended 31 December 2023 *(Audited)*
Cash flows from operating activities	**29,912**	64,332
Cash flows from investing activities	**2,691**	(38,252)
Cash flows from financing activities	**-**	(19,700)
Net increase / (decrease) in cash and cash equivalents	**27,221**	6,380

Note 19 Share capital

On 16 June 2023 PetroNor announced that the reverse share split in the ratio 10:1 had been registered with the Norwegian Register of Business Enterprises. Following such registration, the share capital of the Company is NOK 1,423,568.55 divided into 142,356,855 shares, each with a nominal value of NOK 0.01.

Note 20 Post balance sheet events

In April 2024, the Company lifted and sold 583,695 bbls of entitlement oil at a realised price of USD 82.71 /bbl generating USD 48 million in cash.

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 2024, which has been prepared in accordance with IAS34 Interim Financial Statements, provides a true and fair view of the Company's consolidated assets, liabilities, financial position and results of operations, and that the management report includes a fair review of the information required under the Norwegian Securities Trading Act section 5-6 fourth paragraph.

Approved by the Board of PetroNor E&P ASA:

Eyas Alhomouz, Chairman of the Board

Jarle Norman-Hansen, Director of the Board

Ingvil Smines Tybring-Gjedde, Director of the Board

Joseph Iskander, Director of the Board

Gro Kielland, Director of the Board

Azza Fawzi, Director of the Board

DIRECTORS

Eyas Alhomouz, Chair
Joseph Iskander
Gro Kielland
Ingvil Smines Tybring-Gjedde
Jarle Norman-Hansen
Azza Fawzi

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