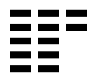 Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	921 293 453
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	PANORO TUNISIA PRODUCTION AS
Forretningsadresse:	c/o Advokatfirmaet Schjødt AS Ruseløkkveien 14 0251 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Marcus Seeli
Dato for fastsettelse av årsregnskapet:	30.04.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 25.06.2022

Resultatregnskap

Beløp i: USD	Note	2020	2019
RESULTATREGNSKAP			
Kostnader			
General and administrative costs	4	178 000	53 000
Non-recurring costs	4	261 000	69 000
Sum kostnader		**439 000**	**122 000**
Driftsresultat		**-439 000**	**-122 000**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap	15		4 663 000
Realised gain/(loss) on commodity hedges	12	7 537 000	
Unrealised gain/(loss) on commodity hedges	12	4 100 000	
Net gain (loss) on foreign exchange transactions		1 000	
Sum finansinntekter		**11 638 000**	**4 663 000**
Annen rentekostnad		1 995 000	2 584 000
Realised gain/(loss) on commodity hedges	12		1 633 000
Unrealised gain/(loss) on commodity hedges	12		3 061 000
Commitment fees			91 000
Net gain (loss) on foreign exchange transactions			1 000
Sum finanskostnader		**1 995 000**	**7 370 000**
Netto finans		**9 643 000**	**-2 707 000**
Ordinært resultat før skattekostnad		**9 204 000**	**-2 829 000**
Ordinært resultat etter skattekostnad		**9 204 000**	**-2 829 000**
Årsresultat		**9 204 000**	**-2 829 000**

Balanse

Beløp i: USD	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	16	56 851 000	56 851 000
Sum finansielle anleggsmidler		**56 851 000**	**56 851 000**
Sum anleggsmidler		**56 851 000**	**56 851 000**
Omløpsmidler			
Varer			
Fordringer			
Other current receivables		174 000	
Konsernfordringer	15	1 707 000	2 787 000
Sum fordringer		**1 881 000**	**2 787 000**
Investeringer			
Fair value of commodity hedges - current portion		2 299 000	
Sum investeringer		**2 299 000**	
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	8	1 820 000	3 000
Sum bankinnskudd, kontanter og lignende		**1 820 000**	**3 000**
Sum omløpsmidler		**6 000 000**	**2 790 000**
SUM EIENDELER		**62 851 000**	**59 641 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	11	36 000	36 000

Balanse

Beløp i: USD	Note	2020	2019
Overkurs	11	30 968 000	30 968 000
Sum innskutt egenkapital		**31 004 000**	**31 004 000**
Opptjent egenkapital			
Retained earnings		7 511 000	
Udekket tap			1 693 000
Sum opptjent egenkapital		**7 511 000**	**-1 693 000**
Sum egenkapital		**38 515 000**	**29 311 000**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	14	16 101 000	21 819 000
Fair value of commodity hedges - non-current portion	12		177 000
Sum annen langsiktig gjeld		**16 101 000**	**21 996 000**
Sum langsiktig gjeld		**16 101 000**	**21 996 000**
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	14	6 829 000	5 742 000
Leverandørgjeld		1 000	1 000
Kortsiktig konserngjeld	15	827 000	97 000
Interest payable on Senior Secured loan	14	374 000	586 000
Fair value of commodity hedges - current portion	12		1 623 000
Other current liabilities		204 000	285 000
Sum kortsiktig gjeld		**8 235 000**	**8 334 000**
Sum gjeld		**24 336 000**	**30 330 000**
SUM EGENKAPITAL OG GJELD		**62 851 000**	**59 641 000**

Konsernets resultatregnskap

Beløp i: USD	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	3	21 269 000	33 483 000
Sum inntekter		**21 269 000**	**33 483 000**
Kostnader			
Operating costs		12 342 000	9 432 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	7	6 678 000	5 916 000
General and administrative costs	4	1 490 000	2 386 000
Non-recurring costs	4	451 000	150 000
Sum kostnader		**20 961 000**	**17 884 000**
Driftsresultat		**308 000**	**15 599 000**
Finansinntekter og finanskostnader			
Realised gain/(loss) on commodity hedges	12	7 537 000	
Unrealised gain/(loss) on commodity hedges	12	4 100 000	
Net gain (loss) on foreign exchange transactions			44 000
Sum finansinntekter		**11 637 000**	**44 000**
Annen rentekostnad		1 968 000	2 563 000
Realised gain/(loss) on commodity hedges	12		1 633 000
Unrealised gain/(loss) on commodity hedges	12		3 061 000
Commitment fees			91 000
Net gain (loss) on foreign exchange transactions		515 000	
Interest expense decommissioning	10	822 000	799 000
Sum finanskostnader		**3 305 000**	**8 147 000**
Netto finans		**8 332 000**	**-8 103 000**
Ordinært resultat før skattekostnad		**8 640 000**	**7 496 000**
Income tax (expense)/benefit - current tax	5	1 038 000	12 660 000
Income tax (expense)/benefit - deferred tax	5	1 987 000	3 374 000
Ordinært resultat etter skattekostnad		**5 615 000**	**-8 538 000**
Årsresultat		**5 615 000**	**-8 538 000**

Konsernets resultatregnskap

Beløp i: USD	Note	2020	2019

Konsernets balanse

Beløp i: USD	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Production rights	7	44 125 000	48 127 000
Sum immaterielle eiendeler		**44 125 000**	**48 127 000**
Varige driftsmidler			
Production assets and equipment	7	32 134 000	26 866 000
Development assets and equipment	7	2 641 000	1 013 000
Sum varige driftsmidler		**34 775 000**	**27 879 000**
Finansielle anleggsmidler			
Investment in associates		44 000	44 000
Sum finansielle anleggsmidler		**44 000**	**44 000**
Sum anleggsmidler		**78 944 000**	**76 050 000**
Omløpsmidler			
Varer			
Crude oil inventory		1 775 000	598 000
Materials inventory		3 538 000	3 988 000
Sum varer		**5 313 000**	**4 586 000**
Fordringer			
Trade and other receivables	9	4 842 000	3 206 000
Other current receivables	9	2 944 000	810 000
Konsernfordringer	15	1 707 000	1 707 000
Sum fordringer		**9 493 000**	**5 723 000**
Investeringer			
Fair value of commodity hedges - current portion		2 299 000	
Sum investeringer		**2 299 000**	
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	8	6 657 000	9 571 000
Sum bankinnskudd, kontanter og lignende		**6 657 000**	**9 571 000**

Konsernets balanse

Beløp i: USD	Note	2020	2019
Sum omløpsmidler		**23 762 000**	**19 880 000**
SUM EIENDELER		**102 706 000**	**95 930 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	11	36 000	36 000
Overkurs	11	30 968 000	30 968 000
Sum innskutt egenkapital		**31 004 000**	**31 004 000**
Opptjent egenkapital			
Udekket tap		1 787 000	7 402 000
Sum opptjent egenkapital		**-1 787 000**	**-7 402 000**
Sum egenkapital		**29 217 000**	**23 602 000**
Gjeld			
Langsiktig gjeld			
Utsatt skatt	5	5 361 000	3 374 000
Decommissioning liability	10	30 613 000	27 832 000
Sum avsetninger for forpliktelser		**35 974 000**	**31 206 000**
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	14	16 101 000	21 819 000
Other non-current liabilities		3 206 000	1 937 000
Fair value of commodity hedges - non-current portion	12		177 000
Sum annen langsiktig gjeld		**19 307 000**	**23 933 000**
Sum langsiktig gjeld		**55 281 000**	**55 139 000**
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	14	6 829 000	5 742 000
Leverandørgjeld		6 714 000	151 000
Corporation tax liabilities	5	2 190 000	8 288 000
Kortsiktig konserngjeld	15	1 633 000	378 000

Konsernets balanse

Beløp i: USD	Note	2020	2019
Interest payable on Senior Secured loan	14	374 000	586 000
Fair value of commodity hedges - current portion	12		1 623 000
Other current liabilities		239 000	313 000
Crude oil over-lift		229 000	108 000
Sum kortsiktig gjeld		**18 208 000**	**17 189 000**
Sum gjeld		**73 489 000**	**72 328 000**
SUM EGENKAPITAL OG GJELD		**102 706 000**	**95 930 000**

Skatteetaten

Vår dato	Din dato	Saksbehandler
01.11.2018	17.09.2018	Henning Stokke
800 80 000	Din referanse	Telefon
Skatteetaten no	Anita Lilleland	800 80 000
Org.nr	Vår referanse	Postadresse
996250318	2018/1115259	Postboks 9200 Grønland 0134 Oslo

SAGA REGNSKAP HØNEFOSS AS
Postboks 29
3502 HØNEFOSS

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Sfax Petroleum Corporation AS, org. nr. 821 293 502

Vi viser til deres brev av 17. september 2018 hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Sfax Petroleum Corporation AS, org. nr. 821 293 502.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Sfax Petroleum Corporation AS, org. nr. 821 293 502, dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at det benyttes engelsk språk ved utarbeidelsen av årsregnskapet og årsberetningen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Bakgrunn
Fra søknaden gjengis:

> *Sfax Petroleum Corporation AS er datterselskap av Panoro Energy ASA. Panoro Energy ASA (org.nr. 994 051 067) med datterselskaper er en internasjonal olje og gass produsent.*
>
> *Konsernets arbeidsspråk er engelsk. Styret har flere engelskspråklige styremedlemmer. Konsernet opererer i en sektor hvor engelsk er det klart dominerende språket. Morselskapets aksjonærer er i all hovedsak utenlandske personer eller selskaper, og morselskapet henvender seg jevnlig til potensielle investorer som er basert i utlandet. All kommunikasjon med konsernets primære kunder og kreditorer foregår på engelsk.*
>
> *I lys av selskapets og konsernets situasjon, der flere av selskapets investorer kun behersker engelsk, all kommunikasjon med konsernets primære kunder og kreditorer skjer på engelsk, samt at engelsk er både arbeidsspråket til konsernet og bransjespråket der selskapet og konsernet opererer, fremstår kravet i regnskapsloven § 3-4 om utarbeidelse av årsregnskap og årsberetning på norsk som lite hensiktsmessig. I tillegg til at det er ressurskrevende, fører av og til tvil om oversettelse og uoverensstemmelser mellom engelsk og norsk versjon til unødvendige misforståelser.*
>
> *Ettersom konsernets arbeidsspråk er engelsk vil alle ansatte forstå regnskapet og årsberetningen selv om disse dokumentene i fremtiden blir utarbeidet i sin endelige form på engelsk. Det samme vil være tilfelle for konsernets kunder og kreditorer. Ettersom engelsk også er bransjespråket innen sektoren vi opererer i, kan vi heller ikke se at andre, mer tilfeldige regnskapsbrukere skulle ha noe behov for at regnskapet utarbeides på norsk. Selskapet mener derfor at alle brukere av regnskapet i sum vil være tjent med at regnskapet kun utarbeides på engelsk.*
>
> *I lys av argumentene fremført over søker selskapet derfor med dette om å få utarbeide selskapets årsregnskap og årsberetning på engelsk fra og med regnskapsåret 2018. Selskapet utarbeider også konsernregnskap. Konsernregnskapet er allerede godkjent for å bli utarbeidet på engelsk.*

Side 1 / 2

En norsk utarbeidelse av årsregnskap og årsberetning vil kun ha til formål å tilfredsstille regnskapslovens språkkrav.

Skattedirektoratets vurdering
Etter regnskapsloven § 3-4 tredje ledd skal årsregnskapet og årsberetningen være på norsk. Departementet kan ved forskrift eller ved enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

> *Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.*

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapet er heleid av et allmennaksjeselskap, hvor aksjonærene hovedsaklig er utenlandske. Eierkretsen er begrenset. Videre er det lagt vekt på at flere av styremedlemmene er utenlandske. Selskapets virksomhet er utpreget internasjonal, og arbeidsspråket er engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Jeanette Munkvold Skovholt
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Henning Stokke

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.

Side 2 / 2

Skatteetaten

Vår dato	Din dato	Saksbehandler
01.11.2018	17.09.2018	Henning Stokke
800 80 000	Din referanse	Telefon
Skatteetaten.no	Anita Lilleland	800 80 000
Org.nr	Vår referanse	Postadresse
996250318	2018/1115259	Postboks 9200 Grønland 0134 Oslo

SAGA REGNSKAP HØNEFOSS AS
Postboks 29
3502 HØNEFOSS

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Pandoro Energy AS, org. nr. 921 000 413

Vi viser til deres brev av 17. september 2018 hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Pandoro Energy AS, org. nr. 921 000 413.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Pandoro Energy AS, org. nr. 921 000 413, dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at det benyttes engelsk språk ved utarbeidelsen av årsregnskapet og årsberetningen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Bakgrunn
Fra søknaden gjengis:

> *Pandoro Energy AS er datterselskap av Panoro Energy ASA. Panoro Energy ASA (org.nr. 994 051 067) med datterselskaper er en internasjonal olje og gass produsent.*
>
> *Konsernets arbeidsspråk er engelsk. Styret har flere engelskspråklige styremedlemmer. Konsernet opererer i en sektor hvor engelsk er det klart dominerende språket. Morselskapets aksjonærer er i all hovedsak utenlandske personer eller selskaper, og morselskapet henvender seg jevnlig til potensielle investorer som er basert i utlandet. All kommunikasjon med konsernets primære kunder og kreditorer foregår på engelsk.*
>
> *I lys av selskapets og konsernets situasjon, der flere av selskapets investorer kun behersker engelsk, all kommunikasjon med konsernets primære kunder og kreditorer skjer på engelsk, samt at engelsk er både arbeidsspråket til konsernet og bransjespråket der selskapet og konsernet opererer, fremstår kravet i regnskapsloven § 3-4 om utarbeidelse av årsregnskap og årsberetning på norsk som lite hensiktsmessig. I tillegg til at det er ressurskrevende, fører av og til tvil om oversettelse og uoverensstemmelser mellom engelsk og norsk versjon til unødvendige misforståelser.*
>
> *Ettersom konsernets arbeidsspråk er engelsk vil alle ansatte forstå regnskapet og årsberetningen selv om disse dokumentene i fremtiden blir utarbeidet i sin endelige form på engelsk. Det samme vil være tilfelle for konsernets kunder og kreditorer. Ettersom engelsk også er bransjespråket innen sektoren vi opererer i, kan vi heller ikke se at andre, mer tilfeldige regnskapsbrukere skulle ha noe behov for at regnskapet utarbeides på norsk. Selskapet mener derfor at alle brukere av regnskapet i sum vil være tjent med at regnskapet kun utarbeides på engelsk.*
>
> *I lys av argumentene fremført over søker selskapet derfor med dette om å få utarbeide selskapets årsregnskap og årsberetning på engelsk fra og med regnskapsåret 2018. Selskapet utarbeider også konsernregnskap. Konsernregnskapet er allerede godkjent for å bli utarbeidet på engelsk.*

Side 1 / 2

En norsk utarbeidelse av årsregnskap og årsberetning vil kun ha til formål å tilfredsstille regnskapslovens språkkrav.

Skattedirektoratets vurdering
Etter regnskapsloven § 3-4 tredje ledd skal årsregnskapet og årsberetningen være på norsk. Departementet kan ved forskrift eller ved enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

> *Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.*

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapet er heleid av et allmennaksjeselskap, hvor aksjonærene hovedsaklig er utenlandske. Eierkretsen er begrenset. Videre er det lagt vekt på at flere av styremedlemmene er utenlandske. Selskapets virksomhet er utpreget internasjonal, og arbeidsspråket er engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Jeanette Munkvold Skovholt
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Henning Stokke

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.

Side 2 / 2

Skatteetaten

Vår dato	Din dato	Saksbehandler
01.11.2018	17.09 2018	Henning Stokke
800 80 000	Din referanse	Telefon
Skatteetaten.no	Anita Lilleland	800 80 000
Org.nr	Vår referanse	Postadresse
996250318	2018/1115259	Postboks 9200 Grønland 0134 Oslo

SAGA REGNSKAP HØNEFOSS AS
Postboks 29
3502 HØNEFOSS

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Panoro Tunisia Exploration AS, org. nr. 995 739 879

Vi viser til deres brev av 17. september 2018 hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Panoro Tunisia Exploration AS, org. nr. 995 739 879.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Panoro Tunisia Exploration AS, org. nr. 995 739 879, dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at det benyttes engelsk språk ved utarbeidelsen av årsregnskapet og årsberetningen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Bakgrunn
Fra søknaden gjengis:

Panoro Tunisia Exploration AS er datterselskap av Panoro Energy ASA. Panoro Energy ASA (org.nr. 994 051 067) med datterselskaper er en internasjonal olje og gass produsent.

Konsernets arbeidsspråk er engelsk. Styret har flere engelskspråklige styremedlemmer. Konsernet opererer i en sektor hvor engelsk er det klart dominerende språket. Morselskapets aksjonærer er i all hovedsak utenlandske personer eller selskaper, og morselskapet henvender seg jevnlig til potensielle investorer som er basert i utlandet. All kommunikasjon med konsernets primære kunder og kreditorer foregår på engelsk.

I lys av selskapets og konsernets situasjon, der flere av selskapets investorer kun behersker engelsk, all kommunikasjon med konsernets primære kunder og kreditorer skjer på engelsk, samt at engelsk er både arbeidsspråket til konsernet og bransjespråket der selskapet og konsernet opererer, fremstår kravet i regnskapsloven § 3-4 om utarbeidelse av årsregnskap og årsberetning på norsk som lite hensiktsmessig. I tillegg til at det er ressurskrevende, fører av og til tvil om oversettelse og uoverensstemmelser mellom engelsk og norsk versjon til unødvendige misforståelser.

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En norsk utarbeidelse av årsregnskap og årsberetning vil kun ha til formål å tilfredsstille regnskapslovens språkkrav.

Skattedirektoratets vurdering
Etter regnskapsloven § 3-4 tredje ledd skal årsregnskapet og årsberetningen være på norsk. Departementet kan ved forskrift eller ved enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

> *Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.*

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

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Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapet er heleid av et allmennaksjeselskap, hvor aksjonærene hovedsaklig er utenlandske. Eierkretsen er begrenset. Videre er det lagt vekt på at flere av styremedlemmene er utenlandske. Selskapets virksomhet er utpreget internasjonal, og arbeidsspråket er engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Jeanette Munkvold Skovholt
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Henning Stokke

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.

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Skatteetaten

Vår dato	Din dato	Saksbehandler
01.11.2018	17.09.2018	Henning Stokke
800 80 000	Din referanse	Telefon
Skatteetaten.no	Anita Lilleland	800 80 000
Org.nr	Vår referanse	Postadresse
996250318	2018/1115259	Postboks 9200 Grønland 0134 Oslo

SAGA REGNSKAP HØNEFOSS AS
Postboks 29
3502 HØNEFOSS

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Panoro Tunisia Production AS, org. nr. 921 293 453

Vi viser til deres brev av 17. september 2018 hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Panoro Tunisia Production AS, org. nr. 921 293 453.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Panoro Tunisia Production AS, org. nr. 921 293 453, dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

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Bakgrunn
Fra søknaden gjengis:

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Rettsavdelingen, foretaksskatt
Skattedirektoratet

Henning Stokke

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PANORO TUNISIA PRODUCTION AS

Report and Consolidated Financial Statements

For the year ended 31 December 2020

Registered number 921 293 453

Panoro Tunisia Production AS

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Panoro Tunisia Production AS

GENERAL INFORMATION

Directors
Qazi Muhammad Abdul Qadeer

Secretary
None

Registered office
c/o Advokatfirmaet Schjødt AS
Ruseløkkveien 14
0251 Oslo
Norway

Registered number
921 293 453

Panoro Tunisia Production AS

DIRECTORS' REPORT

The Board of Directors present their report together with the consolidated and company standalone financial statements of Panoro Tunisia Production AS for the year ended 31 December 2020. The consolidated financial statements of the Group consist of the Parent company ("PTP" or the "Company"), and its subsidiaries, Panoro TPS Production GmbH and Panoro TPS (UK) Production Limited, (the "Group").

Principal activities
The Company and its subsidiaries are engaged in the production of oil and gas resources in Tunisia. The Company holds no oil or gas assets outside Tunisia.

Corporate
PTP was incorporated on 8 August 2018 as a limited company under the Norwegian Public Limited Companies Act. The registered organisation number of the Company is 921 293 453 and its registered office is c/o Advokatfirmaet Schjødt AS, Ruseløkkveien 14, 0251 Oslo, Norway. These consolidated and standalone financial statements of the Group for the year ended 31 December 2020 were authorised for issue by the Board of Directors on 30 April 2021.

The Company is a fully owned subsidiary of Sfax Petroleum Corporation AS ("Sfax"). Panoro Energy ASA ("Panoro"), an independent exploration and production (E&P) company which is based in London and listed on the Oslo Stock Exchange, together with Beender Petroleum Tunisia Limited ("Beender") jointly owns and controls interests of 60% and 40% respectively in Sfax.

At 31 December 2020, PTP owes Mercuria Assets Holdings (Hong Kong) Ltd ("Mercuria") USD 23.9 million under a Senior Secured Loan facility of USD 30 million ("Senior Secured Loan"). Shares in the following companies were pledged as collateral as part of the security package:
- Panoro TPS Production GmbH a fully owned subsidiary of the Company;
- Panoro TPS (UK) Production Limited a fully owned subsidiary of Panoro TPS Production GmbH;
- Panoro Energy AS, a wholly owned subsidiary of the Company's parent company, Sfax Petroleum Corporation AS (holding company for Panoro Tunisia Exploration AS).

The Senior Secured Loan has a term of 5 years from 30 June 2019 with interest charged at USD 3-month LIBOR plus 6% on the balance outstanding, with repayments due each quarter.

Key financial covenants are required to be tested at the end of every 3-month period and are applicable at levels of the borrower group as defined in the loan documentation, include the following:
(i) Field life coverage ratio: 1.50x
(ii) Minimum cash balance of USD 3.5 million to be maintained at all times in the collection account of Panoro TPS Production GmbH
(iii) Debt service coverage ratio: between 1.15x and 1.25x subject to specifications in the loan agreement.
(iv) Liquidity Test: Customary to the loan instrument.

With the exception of waivers obtained for breach of covenants, the Group was not in breach of any financial covenants as at any of the balance sheet dates presented.

The Group initiated a commodity hedging program to strategically hedge a portion of its 2P oil reserves to protect against a fall in oil prices and consequently, to protect the Group's ability to service its debt obligations and to fund operations including planned capital expenditure. The hedge instruments used include "zero cost collars" and "commodity swap" contracts to protect the downside in 'Dated Brent' oil price. The hedging program continues to be closely monitored and adjusted according to the Group's risk management policies and cashflow requirements. The Group continues to monitor and optimise its hedging programme on an on-going basis.

Results and dividends
The results of the Group and the Company for the year ended 31 December 2020 are set out on Page 10. The Group reported a profit of USD 5.6 million for the year (31 December 2019: loss of USD 8.5 million). The Board of Directors do not propose the payment of a dividend for 2020.

Panoro Tunisia Production AS

OPERATIONAL UPDATE

The Group has interests in five producing concessions in Tunisia, namely El Hajeb/Guebiba, Gremda/El Ain, Rhemoura, Cercina and Cercina South (together referred to as "TPS assets"). The Directors provide the following update related to the Company's production activities in Tunisia.

TPS Assets: ETAP (51% interest), PTP (49% interest)
PTP indirectly owns a 49% interest in the fields and a 50% interest in the TPS operating company. The remaining interests are held by the Tunisian State Oil Company, Entreprise Tunisienne D' Activites Petrolieres (ETAP). The TPS Assets comprise five oil field concessions in the region of the city of Sfax, onshore and shallow water offshore Tunisia. The concessions are Cercina, Cercina Sud, Rhemoura, El Ain/Gremda and El Hajeb/Guebiba.

The oil fields were discovered in the 1980's and early 1990's and have produced a total of around 57 million barrels of oil to date. The current gross production is stable and ranging between 4,500 and 5,000 barrels of oil per day. Approximately 50 wells have been drilled in the TPS fields to date, whilst some of these wells have been abandoned, 14 remain on production with 5 wells currently shut-in awaiting workovers or reactivation. Two wells are used for disposal of produced water. Production facilities consist of the various wellhead installations, connected via intra-field pipelines to processing, storage and transportation systems. Crude is transported to a storage and export terminal about 70 km south of the Assets at La Skhira.

PTP indirectly owns a 49% interest in the fields and a 50% interest in the TPS operating company. The remaining interests are held by the Tunisian State Oil Company, ETAP.

Production from the TPS assets amounted to 1.42 MMbbl gross, which is approximately 0.7 MMbbl net to PTP's working interest share, an average annual gross rate of 3,890 bopd. Fourth quarter production rose to approximately 4,500 bopd average gross with rates being lifted by a series of drilling and workover operations during the third quarter. The current production is stable at around 4,700 barrels of oil per day gross.

After some COVID-19 related delays, drilling and workover activity resumed during the second and third quarters. The GUE-10AST side-track drilling operation brought into production the lower Bireno interval whilst a highly productive Douleb reservoir was drilled through and has the potential to be produced in the future. Multiple workover activities were performed during the third quarter: Electrical Submersible Pumps (ESPs) were replaced in the CER-2 and GUE-3 wells; a fishing operation at GUE-4 failed to fully retrieve a fish comprising a failed ESP and power cable; and a workover to install an ESP at GUE-5A failed to bring that well into production. Finally, replacement of a surface flowline at GUE-9 resulted in a significant boost to that well's production rates. This combined activity resulted in the 5,000 bopd gross production target being achieved during October, all of these operational activities were completed safely and without incident.

In March 2021 GCA certified (3rd party) reserves and resources from the fields as of end December 2020. These reserves amount to 1P Proved Reserves of 8.63 MMbbl, 2P Proved plus Probable Reserves of 15.08 MMbbls and 3P Proved plus Probable plus Possible reserves of 21.61 MMbbl. PTP's net working interest 1P Proved reserves are 4.23 MMbbl, 2P Proved plus Probable are 7.38 MMbbl and 3P Proved plus Probable plus Possible are 10.58 MMbbl.

In addition to these reserves, GCA also certified gross 1C Contingent Resources of 1.6 MMbbl, 2C Contingent Resources of 5.3 MMbbls and 3C Contingent Resources of 10.0 MMbbl, all assigned to the Cercina oil field. PTP's net working interest 1C Contingent Resource is 0.78 MMbbl, net working interest 2C Contingent Resource is 2.6 MMbbl and a net working interest 3C Contingent Resource is 4.9 MMbbl. These Reserves and Contingent Resources are PTP's net volumes before deductions for royalties and other taxes.

Total revenue for the full year amounted to USD 21.3 million comprising three international liftings and six smaller domestic liftings.

THE ACCOUNTS

The Board of Directors confirm that these financial statements have been prepared pursuant to the going concern assumption, in accordance with §3-3a of the Norwegian Accounting Act, and that this assumption was realistic as at the balance sheet date. The going concern assumption is based upon the financial position of the Company 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. Panoro Tunisia Production AS is the parent company of the Group and its financial statements have been prepared on the assumption that it will continue as a going concern.

The Group had USD 6.7 million in cash and bank balances as of 31 December 2020 (31 December 2019: USD 9.6 million). The Company had USD 1.8 million in cash and bank balances as of 31 December 2020 (31 December 2019: USD 3 thousand). These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as provided for by the EU and the Norwegian Accounting Act.

The consolidated accounts are presented in US dollars, rounded to the nearest thousand dollars (USD 000).

PRINCIPAL RISKS AND UNCERTAINITIES

Risks relating to the oil and gas industry

The Group's, results of operations, cash flow and financial condition depend significantly on the level of oil and gas prices and market expectations to these, and may be adversely affected by volatile oil and gas prices and by the general global economic and financial market situation.

The Group's profitability is determined in large part by the difference between the income received from the oil and gas produced and the operational costs, taxation costs relating to recovery (which are assessable irrespective of sales), as well as costs incurred in transporting and selling the oil and gas. Lower prices for oil and gas may thus reduce the amount of oil and gas that the Group is able to produce economically. This may also reduce the economic viability of the production levels of specific wells or of projects planned or in development to the extent that production costs exceed anticipated revenue from such production.

The economics of producing from some wells and assets may also result in a reduction in the volumes of the Group's reserves. The Group might also elect not to produce from certain wells at lower prices. These factors could result in a material decrease in net production revenue, causing a reduction in oil and gas acquisition and development activities. In addition, certain development projects could become unprofitable because of a decline in price and could result in the Group having to postpone or cancel a planned project, or if it is not possible to cancel the project, carry out the project with negative economic impact.

In addition, a substantial material decline in prices from historical average prices could reduce the Group's ability to refinance its outstanding credit facilities and could result in a reduced borrowing base under credit facilities available to the Group, including the Acquisition loan facility in place. Changes in the oil and gas prices may thus adversely affect the Group's business, results of operations, cash flow, financial condition and prospects.

The market in which the Group operates is highly competitive
The oil and gas industry is very competitive. Competition is particularly intense in the acquisition of (prospective) oil and gas licenses. The Group's competitive position depends on its geological, geophysical and engineering expertise, financial resources, the ability to develop its assets and the ability to select, acquire, and develop proven reserves.

Risks relating to the business of the Group

Risk relating to the outbreak of pandemics, including the ongoing Covid-19 pandemic
The ongoing Covid-19 pandemic has created uncertainty on all aspects of the operations and financial position of the Group, and has made countries and organisations, including the Group, take measures to mitigate risk for communities, employees and business operations.

Despite oil prices partially recovering from lows in April 2020, they remained volatile throughout 2020 and made it challenging to predict the full extent and duration of resulting operational and economic impact for the Company and the Group, which makes key assumptions applied in the valuation of the Group's assets and measurement of its liabilities difficult. Although the Group's production were relatively unaffected by the COVID-19 pandemic throughout the year 2020, there can be no assurances that the Group's operations will continue without major interruptions arising from outbreaks of pandemics in the future.

Developing a hydrocarbon production field requires significant investment
The Group expects to be involved in developments in Tunisia. Developing a hydrocarbon production field requires

significant investment, sometimes over several decades, to build the requisite operating facilities, drilling of production wells along with implementation of advanced technologies for the extraction and exploitation of hydrocarbons with complex properties. Making these investments and implementing these technologies, normally under difficult conditions, can result in uncertainties about the amount of investment necessary, operating costs and additional expenses incurred as compared with the initial budget, thereby negatively affecting the business, prospects, financial condition and results of operations of the Group. Further, with respect to contingent resources, the amount of investment needed may be prohibitive, such that conversion of resources into reserves may not be commercially viable. The Group may be unable to obtain needed capital or financing on satisfactory terms. If the Group's revenues decrease, it may have limited ability to obtain the capital necessary to sustain operations at current levels. If the Group's available cash is not sufficient to fund its committed or planned investments, a curtailment of its operations relating to development of its business prospects could occur, which in turn could lead to a decline in its oil and natural gas production and reserves, or if it is not possible to cancel or stop a project, be legally obliged to carry out the project contrary to its desire or with negative economic impact. Further, the Group may inter alia fail to make required cash calls and thus breach license obligations, which again could lead to adverse consequences. All of the above may have a material adverse effect on the Group and its financial position.

There are risks and uncertainties relating to extension of existing licenses and permits, including whether any extensions will be subject to onerous conditions

The Group's license interests for the exploration and exploitation of hydrocarbons will be subject to fixed terms, some of which will expire before the economic life of the asset is over. For example, the licences relating to the interest in five oil production concessions in Tunisia acquired in the OMV Transaction will expire at the end of their economic life.

The Group plans to extend any permit or license where such extension is in the best interest of the Group. However, the process for obtaining such extensions is not certain and no assurances can be given that an extension in fact will be possible. Even if an extension is granted, such extension may only be given on conditions which are onerous or not acceptable to the Group.

PTP's current production and expected future production is concentrated in a few fields

The Group's production of oil and gas comes from a limited number of offshore fields. If mechanical or technical problems, storms or other events or problems affect the production on one of these offshore fields, it may have direct and significant impact on a substantial portion of the Group's production. Also, if the actual reserves associated with any one of these fields are less than the estimated reserves, the Group's results from operations and financial condition could be materially adversely affected.

Oil and gas production could vary significantly from reported reserves and resources

The Group's reserve evaluations have been prepared in accordance with existing guidelines. These evaluations include many assumptions relating to factors such as initial production rates, recovery rates, production decline rates, ultimate recovery of reserves, timing and amount of capital expenditures, marketability of production, future prices of oil and gas, operating costs, and royalties and other government levies that may be imposed over the producing life of the reserves and resources. Actual production and cash flows will vary from these evaluations, and such variations could be material. Hence, although the Group understands the life expectancy of each of its assets, the life of an asset may be shorter than anticipated. Among other things, evaluations are based, in part, on the assumed success of exploration activities intended to be undertaken in future years. The reserves, resources and estimated cash flows to be derived therefrom contained in such evaluations will be reduced to the extent that such exploration activities do not achieve the level of success assumed in the evaluations, and such reductions may have a material adverse effect on the Group's business, results of operations, cash flow and financial condition.

The Company faces risks related to decommissioning activities and related costs

Several of the Group's license interests concern fields which have been in operation for years and which, consequently, will have equipment which from time to time will have to be decommissioned.
There are significant uncertainties relating to the estimated liabilities, costs and time for decommissioning of the Group's current and future licenses. Such liabilities are derived from legislative and regulatory requirements and require the Group to make provisions for such liabilities.
It is, therefore, difficult to forecast accurately the costs that the Group will incur in satisfying decommissioning liabilities. No assurance can be given that the anticipated cost and timing of removal are correct and any deviation from current estimates or significant increase in decommissioning costs relating to the Group's previous, current or future licenses, may have a material adverse effect on the Group.

Panoro Tunisia Production AS

The Group may be subject to liability under environmental laws and regulations
All phases of oil and gas activities present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and national laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, and releases or emissions of various substances. The legislation also requires that wells and facility sites are operated, maintained and abandoned to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties in addition to loss of reputation. Any pollution may give rise to material liabilities and may require the Group to incur material costs to remedy such discharge. No assurance can be given that current or future environmental laws and regulations will not result in a curtailment or shut down of production or a material increase in the costs of production, development or exploration activities or otherwise have a material adverse effect on the Group.

The Group's business and financial condition could be adversely affected if tax regulations for the petroleum industry are amended
There is no assurance that future political conditions will not result in the Tunisian government adopting different policies for petroleum taxation. In the event there are changes to such tax regimes, it could lead to new investments being less attractive, increase costs for the Group and prevent the Group from further growth. In addition, taxing authorities could review and question the Group's historical tax returns leading to additional taxes and tax penalties which could be material.

The Group faces the risk of litigation or other proceedings in relation to its business
The Group faces the risk of litigation and other proceedings in relation to its business. The outcome of any litigation may expose the Group to unexpected costs and losses, reputational and other non-financial consequences and diverting management attention away from operational matters, all of which could have a material adverse effect on the Group's business and financial position.

The Group will have guarantee and indemnity obligations
The Group will in its ordinary course of business provide guarantees and indemnities to governmental agencies, joint venture partners or third-party contractors in respect of activities relating to its subsidiaries, inter alia for such subsidiaries working and abandonment obligations under licences or obligations under the relevant terms of agreements with third party contractors.

Should any guarantees or indemnities given by the Company be called upon, this may have a material adverse effect on the Company's financial position.

Financial risks
Financial risk is managed by the finance department under policies approved by the Board of Directors. The overall risk management program seeks to minimise the potential adverse effects of unpredictable fluctuations in financial and commodity markets on financial performance, i.e., risks associated with currency exposures, debt servicing and oil and gas prices. Financial instruments such as derivatives, forward contracts and currency swaps are continuously being evaluated for the hedging of such risk exposures.

The Group is exposed to interest rate and liquidity risk associated with its borrowing portfolio and fluctuations in underlying interest rates
The Group's long-term debt is primarily based on floating interest rates. An increase in interest rates can therefore materially adversely affect the Group's cash flows, operating results and financial condition and make it difficult to service its financial obligations. The Group has, and will in the future have, covenants related to its financial commitments. Failure to comply with financial obligations, financial covenants and other covenants may entail several material adverse consequences, including the need to refinance, restructure, or dispose of certain parts of, the Group's businesses in order to fulfil the financial obligations and there can be no assurances that the Group in such event will be able to fulfil its financial obligations.

Changes in foreign exchange rates may affect the company's results of operations and financial position
The Group is exposed to market fluctuations in foreign exchange rates due to the fact that the company reports profit and loss and the balance sheet in USD. Revenues are in USD for export sales in Tunisia and Tunisian Dinars (TND) for domestic market sales. Operational costs in Tunisia are primarily in TND. Moreover, taxes are calculated and paid in TND. The Group may, from time to time, enter into foreign currency exchange hedging arrangements to manage the risk of foreign currency exposure and may also be required to provide security for such derivative transactions. Such security, if provided, could make it difficult for the Group to service its debt.

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The company is exposed to risk of counterparties being unable to fulfil their financial obligations
The Tunisian petroleum ministry, ETAP, is the Company's primary partner and counterparty in Tunisia. A general downturn in financial markets and economic activity may result in a higher volume of late payments and outstanding receivables, which may in turn adversely affect the company's business, operating results, cash flows and financial condition.

ORGANISATION AND HEALTH, SAFETY, SECURITY AND ENVIRONMENT (HSSE)

The Company is managed in compliance with the HSSE policies and Corporate Governance framework of Panoro Energy ASA, an independent exploration and production (E&P) company headquartered in London and listed on the Oslo Stock Exchange with ticker PEN. The HSSE objective for Panoro is zero accidents, zero unwanted incidents in all activities and striving towards performing all its activities with no harm to people or the environment. Details of Panoro's HSSE Policy and Corporate Governance framework are available on the website: http://www.panoroenergy.com/

30 April 2021
The Board of Directors
Panoro Tunisia Production AS

Qazi Muhammad Abdul Qadeer
Chairman of the Board

Panoro Tunisia Production AS

CONSOLIDATED AND COMPANY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER

		Group		Company	
USD '000	**Note**	**2020**	**2019**	**2020**	**2019**
Continuing operations					
Oil revenue	3	21,269	33,483	-	-
Total revenues		21,269	33,483	-	-
Expenses					
Operating costs		(12,342)	(9,432)	-	-
Depreciation	7	(6,678)	(5,916)	-	-
General and administrative costs	4	(1,490)	(2,386)	(178)	(53)
Non-recurring costs	4	(451)	(150)	(261)	(69)
Total operating expenses		(20,961)	(17,884)	(439)	(122)
Operating profit/(loss)		**308**	**15,599**	**(439)**	**(122)**
Realised gain/(loss) on commodity hedges	12	7,537	(1,633)	7,537	(1,633)
Unrealised gain/(loss) on commodity hedges	12	4,100	(3,061)	4,100	(3,061)
Interest costs net of income		(1,968)	(2,563)	(1,995)	(2,584)
Commitment fees		-	(91)	-	(91)
Dividends received from subsidiaries	15	-	-	-	4,663
Net gain (loss) on foreign exchange transactions		(515)	44	1	(1)
Interest expense decommissioning	10	(822)	(799)	-	-
Profit/(loss) before taxes and dividends		**8,640**	**7,496**	**9,204**	**(2,829)**
Income tax (expense)/benefit - current tax	5	(1,038)	(12,660)	-	-
Income tax (expense)/benefit - deferred tax	5	(1,987)	(3,374)	-	-
Net (loss)/profit from continuing operations		**5,615**	**(8,538)**	**9,204**	**(2,829)**
Total comprehensive (loss) / income		**5,615**	**(8,538)**	**9,204**	**(2,829)**

The annexed notes form an integral part of these financial statements.

Panoro Tunisia Production AS

CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

		Group		Company	
USD '000	**Note**	**2020**	**2019**	**2020**	**2019**
ASSETS					
Non-current assets					
Production rights	7	44,125	48,127	-	-
Production assets and equipment	7	32,134	26,866	-	-
Development assets and equipment	7	2,641	1,013	-	-
Investment in associates		44	44	-	-
Investment in subsidiaries	16	-	-	56,851	56,851
Total Non-current assets		**78,944**	**76,050**	**56,851**	**56,851**
Current assets					
Crude oil inventory		1,775	598	-	-
Materials inventory		3,538	3,988	-	-
Cash and cash equivalents	8	6,657	9,571	1,820	3
Trade and other receivables	9	4,842	3,206	-	-
Fair value of commodity hedges - current portion		2,299	-	2,299	-
Other current receivables		2,944	810	174	-
Trade receivable from Sfax Petroleum Corporation AS	15	1,500	1,500	1,500	1,500
Trade receivable from Panoro TPS Production GmbH	15	-	-	-	1,080
Trade receivable from Panoro Tunisia Exploration AS	15	207	207	207	207
Total current assets		**23,762**	**19,880**	**6,000**	**2,790**
TOTAL ASSETS		**102,706**	**95,930**	**62,851**	**59,641**

Panoro Tunisia Production AS

USD '000	Note	Group 2020	Group 2019	Company 2020	Company 2019
EQUITY AND LIABILITIES					
Equity					
Share capital	11	36	36	36	36
Share premium reserve	11	30,968	30,968	30,968	30,968
Total paid-in equity		**31,004**	**31,004**	**31,004**	**31,004**
Retained earnings		(1,787)	(7,402)	7,511	(1,693)
Total equity attributable to shareholder of the parent		**29,217**	**23,602**	**38,515**	**29,311**
Non-current liabilities					
Decommissioning liability	10	30,613	27,832	-	-
Senior Secured loan	14	16,101	21,819	16,101	21,819
Deferred tax liabilities	5	5,361	3,374	-	-
Other non-current liabilities		3,206	1,937	-	-
Fair value of commodity hedges - non-current portion	12	-	177	-	177
Total non-current liabilities		**55,281**	**55,139**	**16,101**	**21,996**
Current liabilities					
Accounts payable and accrued liabilities		6,714	151	1	1
Senior Secured loan - current portion	14	6,829	5,742	6,829	5,742
Interest payable on Senior Secured loan	14	374	586	374	586
Corporation tax liabilities	5	2,190	8,288	-	-
Fair value of commodity hedges - current portion	12	-	1,623	-	1,623
Other current liabilities		239	313	204	285
Crude oil over-lift		229	108	-	-
Trade payable to Panoro Tunisia Exploration AS	15	583	-	-	-
Trade payable to Panoro TPS Production GmbH	15	-	-	491	-
Trade payable to Panoro Energy ASA	15	1,050	378	336	97
Total current liabilities		**18,208**	**17,189**	**8,235**	**8,334**
TOTAL EQUITY AND LIABILITIES		**102,706**	**95,930**	**62,851**	**59,641**

The annexed notes form an integral part of these financial statements.

30 April 2021
Qazi Muhammad Abdul Qadeer
Chairman of the Board

Panoro Tunisia Production AS

CONSOLIDATED AND COMPANY STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of Parent			
Group (USD '000)	**Issued capital**	**Share premium**	**Retained earnings**	**Total**
At 1 January 2019	36	30,968	1,136	32,140
Net (loss)/income - continuing operations	-	-	(8,538)	(8,538)
At 31 December 2019	**36**	**30,968**	**(7,402)**	**23,602**
Net (loss)/income - continuing operations	-	-	5,615	5,615
At 31 December 2020	**36**	**30,968**	**(1,787)**	**29,217**

	Attributable to equity holders of Parent			
Company (USD '000)	**Issued capital**	**Share premium**	**Retained earnings**	**Total**
At 1 January 2019	36	30,968	1,136	32,140
Net income/(loss) - continuing operations	-	-	(2,829)	(2,829)
At 31 December 2019	**36**	**30,968**	**(1,693)**	**29,311**
Net income/(loss) - continuing operations	-	-	9,204	9,204
At 31 December 2020	**36**	**30,968**	**7,511**	**38,515**

The annexed notes form an integral part of these financial statements.

Panoro Tunisia Production AS

CONSOLIDATED AND COMPANY CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER

		Group		Company	
USD '000	**Note**	**2020**	**2019**	**2020**	**2019**
Cash flow from operating activities					
Net income / (loss) for the period before tax - continuing operations		8,640	7,496	9,204	(2,829)
Adjusted for:					
Depreciation	7	6,678	5,917	-	-
Loss / (gain) on commodity hedges	12	(11,637)	4,694	(11,637)	4,694
Net finance costs		2,790	3,454	1,995	2,675
Foreign exchange loss / (gain)		515	(45)	(1)	1
Dividend income from subsidiaries	15	-	-	-	(4,663)
Taxes paid		(7,136)	(13,977)	-	-
(Increase) / decrease in inventories		(606)	820	-	-
Increase / (decrease) in trade and other payables		9,013	(11)	(81)	(224)
Increase / (decrease) in balances due to Panoro TPS Production GmbH		-	-	1,571	
(Increase) / decrease in trade and other receivables		(3,770)	(2,087)	(174)	(1,287)
Net cash flows from operating activities		**4,487**	**6,261**	**877**	**(1,633)**
Cash flow from investing activities					
Investment in subsidiaries / associates		-	19	-	151
Cash flow relating to acquisitions	6	-	(850)	-	(850)
Investment in exploration, production and other assets	7	(7,614)	(1,474)	-	-
Net cash flow from investing activities		**(7,614)**	**(2,305)**	**-**	**(699)**
Cash flow from financing activities					
Foreign exchange (loss) / gain		(513)	45	1	-
Decrease/(increase in balances due to Panoro Energy ASA		-		239	(1,500)
Dividend income from subsidiaries	15	-	-	-	4,663
Gross proceeds from loans and borrowings	14	-	4,100	-	4,100
Repayment of Senior Secured Loan	14	(4,800)	(2,800)	(4,800)	(2,800)
Realised gain/(loss) on commodity hedges	12	7,537	(1,633)	7,537	(1,633)
Borrowing costs, including arrangement fees		(2,011)	(2,135)	(2,037)	(2,155)
Net cash flow from financing activities		**213**	**(2,423)**	**940**	**675**
Change in cash and cash equivalents during the period		**(2,914)**	**1,533**	**1,817**	**(1,657)**
Cash and cash equivalents at the beginning of the period		9,571	8,038	3	1,660
Cash and cash equivalents at the end of the period		**6,657**	**9,571**	**1,820**	**3**

The annexed notes form an integral part of these financial statements.

Panoro Tunisia Production AS

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. CORPORATE INFORMATION

The parent company, Panoro Tunisia Production AS ("the Company"), was incorporated on 8 August 2018 as a limited company under the Norwegian Public Limited Companies Act. The registered organisation number of the Company is 921 293 453 and its registered office is c/o Advokatfirmaet Schjødt AS, Ruseløkkveien 14, 0251 Oslo, Norway.

The Company and its subsidiary, Panoro TPS Production GmbH (the "Group") are engaged in the production of oil and gas resources in Tunisia. The consolidated financial statements of the Group and the standalone financial statements of the Company for the year ended 31 December 2020 were authorised for issue by the Board of Directors on 30 April 2021.

The Board of Directors confirms that the annual financial statements have been prepared pursuant to the going concern assumption, in accordance with §3-3a of the Norwegian Accounting Act, 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. Panoro Tunisia Production AS is the parent company of the Group. Its financial statements have been prepared on the basis that it will continue as a going concern.

NOTE 2. BASIS OF PREPARATION

The stand-alone parent company accounts for Panoro Tunisia Production AS (the "Company")and the consolidated financial statements have been prepared under International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

The consolidated financial statements are prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

The consolidated and standalone financial statements are presented in USD. The amounts in these financial statements have been rounded to the nearest USD thousand unless otherwise stated. USD is the currency used for accounting purposes and is the functional currency of the Company and the Group. Shares in subsidiaries and other shares are recorded in the Company's accounts using the cost method of accounting and reduced by impairment, if any.

NOTE 2.1 BASIS OF CONSOLIDATION

2.1.1 Subsidiaries

The consolidated financial statements include Panoro Tunisia Production AS and its subsidiaries as of 31 December 2020, Panoro TPS Production GmbH and Panoro TPS (UK) Production Limited.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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 NCI
- derecognises the cumulative translation differences recognised in equity

Panoro Tunisia Production AS

- 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 other comprehensive income to profit or loss or retained earnings, as appropriate.

The purchase method of accounting is applied for business combinations. The cost of the acquisition is measured as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquirer.

If the initial accounting for a business combination can only be determined provisionally, then provisional values are used. However, these provisional values may be adjusted within 12 months from the date of the combination.

2.1.2 Associated companies
Associated companies are those entities in which the Company has significant influence, but not control or joint control over the financial and operating policies. Joint arrangements, which are arrangements of which the Company has joint control together with one or more parties, are classified into joint ventures and joint operations. Joint ventures are joint arrangements in which the parties that share control have rights to the net assets of the arrangement. Joint operations are joint arrangements in which the parties that share joint control have rights to the assets, and obligations for the liabilities, relating to the arrangement.

2.1.3 Interests in joint arrangements
A joint arrangement is an arrangement over which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require unanimous consent of the parties sharing control.

Joint operations
A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement.

In relation to its interests in joint operations, the Group 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
- Expenses, including its share of any expenses incurred jointly

The Group, through its subsidiary Panoro TPS has a 49% interest in five oil and gas concessions alongside ETAP at 51%. In addition, Panoro TPS owns 50% of the shares in Thyna Petroleum Services SA ("TPS") which operates these oil and gas concessions. TPS being a joint operating company, is not considered a subsidiary of the Group. The 49% interest in the five oil and gas concessions are managed through an operating agreement between Panoro TPS and ETAP which requires unanimity in most of the operational decision making. Panoro TPS has rights to the assets, and obligations for the liabilities, relating to the arrangement. The five oil concessions are therefore considered a joint operation.

TPS operates on a cost basis and bills all the spending back to the JV partners. The sole purpose of existence of TPS is to manage the named concessions and it does not generate any meaningful income or results. Panoro TPS has no rights to the assets, or obligations for the liabilities, in the joint arrangement. The investment in TPS is therefore considered a joint venture and accounted for using the equity method.

Joint ventures
A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. The Group's investment in its joint venture is accounted for using the equity method.

Under the equity method, the investment in the joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not individually tested for impairment.

The statement of profit or loss reflects the Group's share of the results of operations of the joint venture. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Group's share of profit or loss of the joint venture is shown on the face of the statement of profit or loss and other comprehensive income as part of operating profit and represents profit or loss after tax and NCI in the subsidiaries of the joint venture. The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of a joint venture' in the statement of profit or loss and other comprehensive income.

On loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in the statement of profit or loss and other comprehensive income.

Reimbursement of costs of the operator of the joint arrangement
When the Group, acting as an operator or manager of a joint arrangement, receives reimbursement of direct costs recharged to the joint arrangement, such recharges represent reimbursements of costs that the operator incurred as an agent for the joint arrangement and therefore have no effect on profit or loss.

When the Group charges a management fee (based on a fixed percentage of total costs incurred for the period) to cover other general costs incurred in carrying out the activities on behalf of the joint arrangement, it is not acting as an agent. Therefore, the general overhead expenses and the management fee are recognised in the statement of profit or loss and other comprehensive income as an expense and income, respectively

NOTE 2.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

2.2.1. Estimates and assumptions
The preparation of the financial statements in conformity with IFRS as adopted by the EU requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

In particular, significant areas of estimation uncertainty considered by management in preparing the consolidated financial statements are as follows:

Hydrocarbon reserve 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 Group estimates and reports hydrocarbon reserves in line with the principles contained in the SPE Petroleum Resources Management Reporting System (PRMS) framework and generally obtains independent evaluations for each asset whenever new information becomes available that materially influences the reported results. 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 exploration and evaluation assets; oil and gas properties; property, plant and equipment; and goodwill may be affected due to changes in estimated future cash flows
- Depreciation and amortisation charges in the statement of profit or loss and other comprehensive income may change where such charges are determined using the UOP method, or where the useful life of the related assets change

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- Provisions for decommissioning may change — where changes to the reserve estimates affect expectations about when such activities will occur and the associated cost of these activities
- The recognition and carrying value of deferred tax assets may change due to changes in the judgements regarding the existence of such assets and in estimates of the likely recovery of such assets

Income taxes
The Group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction, to the extent that future cash flows and taxable income differ significantly from estimates. The ability of the Group to realise the net deferred tax assets recorded at the date of the statement of financial position could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods.

Impairment indicators
The Group assesses each cash-generating unit annually to determine whether an indication of impairment exists. When an indication of impairment exists, a formal estimate of the recoverable amount is made.

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell, or if relevant, a combination of these two models. These calculations require the use of estimates and assumptions. It is reasonably possible that the oil price assumption may change which may then impact the estimated life of the field and may then require a material adjustment to the carrying value of tangible assets. The Group monitors internal and external indicators of impairment relating to its tangible and intangible assets.

Asset retirement obligations
Asset retirement 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 asset retirement 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 asset retirement obligation. 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 asset retirement costs required.

Technical risk in development of oil and gas fields
The development of the oil and gas fields, in which the Group has an ownership, is associated with significant technical risk and uncertainty with regards to timing of additional production from new development activities. Risks include, but are not limited to, cost overruns, production disruptions as well as delays compared to initial plans laid out by the operator. Some of the most important risk factors are related to the determination of reserves, the recoverability of reserves, and the planning of a cost efficient and suitable production method. There are also technical risks present in the production phase that may cause cost overruns, failed investment and destruction of wells and reservoirs.

Estimates have been made after taking into account information available to management and factors in unknown uncertainties as of the date of the balance sheet.

Contingencies
By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

2.2.2 Judgments
In the process of applying the Group's accounting policies, the directors have made the following judgments, apart from those involving estimates, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Panoro Tunisia Production AS

NOTE 2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.3.1 Foreign Currency translation
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The functional currency of the Group's subsidiary incorporated in Austria is the US dollar ('USD').
Transactions in foreign currencies are initially recorded at the functional currency spot rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the spot exchange rates as at the dates of the initial transactions. 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.

2.3.2 Business combinations and goodwill
In order to consider an acquisition as a business combination, the acquired asset or groups of assets must constitute a business (an integrated set of operations and assets conducted and managed for the purpose of providing a return to the investors). The combination consists of inputs and processes applied to these inputs that have the ability to create output. Acquired businesses are included in the financial statements from the transaction date. The transaction date is defined as the date on which the company achieves control over the financial and operating assets. This date may differ from the actual date on which the assets are transferred. Comparative figures are not adjusted for acquired, sold or liquidated businesses. On acquisition of a licence that involves the right to explore for and produce petroleum resources, it is considered in each case whether the acquisition should be treated as a business combination or an asset purchase. Generally, purchases of licences in a development or production phase will be regarded as a business combination. 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.

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.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 *Financial Instruments* is measured at fair value, with changes in fair value recognised either in the statement of profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of IFRS 9, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not re-measured, and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for NCI over the fair value of the identifiable net assets acquired and liabilities assumed. If the fair value of the identifiable net assets acquired is in excess of the aggregate consideration transferred (bargain purchase), before recognising a gain, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the statement of profit or loss and other comprehensive income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a CGU and part of the operation in that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

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2.3.3 License interests, field investments, and depreciation

Development tangible and intangible assets
Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of commercially proven development wells, is capitalised within property, plant and equipment and intangible assets according to nature. When development is completed on a specific field, it is transferred to production assets. No depreciation or amortisation is charged during the Exploration and Evaluation phase.

Development costs
Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, including unsuccessful development or delineation wells, is capitalised within oil and gas properties.

Oil & gas production assets
Development and production assets are accumulated on a cash-generating unit basis and represent the cost of developing the commercial reserves discovered and bringing them into production together with E&E expenditures incurred in finding commercial reserves transferred from intangible E&E assets as outlined in accounting policy above.

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.

Depreciation/amortisation
Oil and gas properties are not depleted until production commences. Costs relating to each single field cost centre are depleted on a unit of production method based on the commercial proved and probable reserves for that cost centre. The depletion calculation takes account of the estimated future costs of development of management's assessment of proved and probable reserves, reflecting risks applicable to the specific assets. Changes in reserve quantities and cost estimates are recognised prospectively from the last reporting date. Field infrastructure exceeding beyond the life of the field is depreciated over the useful life of the infrastructure using a straight- line method.

Depreciation/amortisation on assets held for sale is ceased from the date of such classification.

Impairment – proved oil and gas production properties and intangible assets
Proven oil and gas properties and intangible assets are reviewed annually for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The carrying value is compared against the expected recoverable amount of the asset, generally by net present value of the future net cash flows, expected to be derived from production of commercial reserves or consideration expected to be achieved through the sale of its interest in an arms-length transaction, less any associated costs to sell. The cash generating unit applied for impairment test purposes is generally the field, except that a number of field interests may be grouped together where there are common facilities.

2.3.4 Financial instruments

2.3.4.1 Derivative financial instruments and hedge accounting
The Group enters into derivative financial instruments to manage its exposure to volatility in the commodity prices realised for a proportion of its crude oil production. All derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each period end. Apart from those derivatives designated as qualifying cash flow hedging instruments, all changes in fair value are recorded as financial income or expense in the year in which they arise, otherwise they are recognised in other comprehensive income.

For derivatives not designed as qualifying for cash flow hedging, the fair value at balance sheet date is based on fair value provided by the counterparties with whom the trades have been entered into. The derivatives are valued using a Black-Scholes based methodology. The inputs to these valuations include price of oil and its volatility. Fair value is the amount for which a financial asset, liability or instrument could be exchanged between knowledgeable and willing parties in an arm's length transaction. It is determined by reference to quoted market prices adjusted for estimated transaction costs that would be incurred in an actual transaction, or by the use of established estimation techniques such as option pricing models and estimated discounted values of cash flows.

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2.3.4.2 Financial assets
Financial assets are recognised initially at fair value, normally being the transaction price. In the case of financial assets not at fair value through profit or loss, directly attributable transaction costs are also included. The subsequent measurement of financial assets depends on their classification, as set out below. The group derecognises financial assets when the contractual rights to the cash flows expire or the financial asset is transferred to a third party. This includes the derecognition of receivables for which discounting arrangements are entered into. The classification depends on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortised cost
Financial assets are classified as measured at amortised cost when they are held in a business model the objective of which is to collect contractual cash flows and the contractual cash flows represent solely payments of principal and interest. Such assets are carried at amortised cost using the effective interest method if the time value of money is significant. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired and when interest is recognised using the effective interest method. This category of financial assets includes trade and other receivables.

Financial assets measured at fair value through profit or loss
Financial assets are classified as measured at fair value through profit or loss when the asset does not meet the criteria to be measured at amortised cost or fair value through other comprehensive income. Such assets are carried on the balance sheet at fair value with gains or losses recognised in the income statement. Derivatives, other than those designated as effective hedging instruments, are included in this category.

Cash equivalents
Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant risk of changes in value and generally have a maturity of three months or less from the date of acquisition. Cash equivalents are classified as financial assets measured at amortised cost.

Other financial assets – Restricted cash
Restricted cash relates to resources or collateral held by the Group which can only be accessed through fulfilment of conditions imposed by third parties. Funds are only classified from restricted cash status to cash equivalents when monies are transferred to and under the control of the Group.

Loans and receivables
Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets measured at amortised cost
The group assesses on a forward looking basis the expected credit losses associated with financial assets classified as measured at amortised cost at each balance sheet date. Expected credit losses are measured based on the maximum contractual period over which the group is exposed to credit risk. Since this is typically less than 12 months there is no significant difference between the measurement of 12-month and lifetime expected credit losses for the group's in-scope financial assets. The measurement of expected credit losses is a function of the probability of default, loss given default and exposure at default. The expected credit loss is estimated as the difference between the asset's carrying amount and the present value of the future cash flows the group expects to receive discounted at the financial asset's original effective interest rate. The carrying amount of the asset is adjusted, with the amount of the impairment gain or loss recognised in the income statement. A financial asset or group of financial assets classified as measured at amortised cost is considered to be credit-impaired if there is reasonable and supportable evidence that one or more events that have a detrimental impact on the estimated future cash flows of the financial asset (or group of financial assets) have occurred. Financial assets are written off where the group has no reasonable expectation of recovering amounts due.

2.3.4.3 Financial liabilities
The measurement of financial liabilities depends on their classification as follows:

Financial liabilities measured at fair value through profit or loss
Financial liabilities that meet the definition of held for trading are classified as measured at fair value through profit or loss. Such liabilities are carried on the balance sheet at fair value with gains or losses recognised in the income statement. Derivatives, other than those designated as effective hedging instruments, are included in this category.

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Financial liabilities measured at amortised cost
Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. This category of financial liabilities includes trade and other payables and finance debt.

2.3.5 Fair value measurement and hierarchy
The Group measures derivatives at fair value at each balance sheet date and, for the purposes of impairment testing, uses fair value less costs of disposal to determine the recoverable amount of some of its non-financial assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest-level input that is significant to the fair value measurement as a whole:

- Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly or indirectly; and
- Level 3: fair value measurements are those derived from valuation techniques which include inputs for the asset or liability that are not based on observable market data.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest-level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.3.6 Provisions
General
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of the provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is recognised through profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as interest expense. The present obligation under onerous contracts is recognised as a provision.

2.3.7 Asset retirement obligation
An asset retirement 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 asset retirement, discounted to its present value. Changes in the estimated timing of asset retirement or asset retirement 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 asset retirement provision is included as a finance cost.

2.3.8 Income tax
Income tax expense represents the sum of the tax currently payable and movement in deferred tax.

Current tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date, in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations which applicable tax regulations are subject to interpretation and established provisions where appropriate.

Deferred tax
Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affect neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences; carry forward to unused tax credits and unused tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associate with investments in subsidiaries, associate and interest in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances arose. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it occurred during the measurement period or in profit or loss.

Production-sharing arrangements
According to the production-sharing arrangement (PSA) in certain licenses, 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 Group to the appropriate tax authorities. This portion of income tax and revenue are presented net in income statement.

Sales tax
Revenues, expenses and assets are recognised net of the amount of sales tax except where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.3.9 Revenue recognition
Revenue from petroleum products
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. Where the Group has lifted and sold more than the ownership interest, an accrual is recognised for the cost of the overlift. Where the Group has lifted and sold less than the ownership interest, costs are deferred for the underlift. Overlift and underlift on the Consolidated statement of financial position date are valued at production costs. Lifting imbalances are a part of the operating cycle and as such classified as other current liabilities/assets.

Revenue from test production is recognised as a direct off-set to the capitalised cost of the exploration and evaluation asset.

Interest income and financial instruments measured at amortised cost
Interest income is recognised on an accruals basis. For all financial instruments measured at amortised cost and interest-bearing financial assets classified as available for sale, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest revenue is included in finance income in income statement.

2.3.10 Leases
Implementation of IFRS 16 on 1 January 2019 did not result in any additional lease liabilities and corresponding right-of-use asset on the asset side for Panoro Tunisia Production AS. Consequently, equity was not impacted from the implementation of IFRS 16.

Following implantation of IFRS 16 on 1 January 2019, the accounting policies for lease accounting have changed. The Group adopted the following policy application choices:

- Short term leases (12 months or less) and leases of low value assets will not be reflected in the balance sheet but will be expensed or (if appropriate) capitalised as incurred, depending on the activity in which the leased asset is used. The Group has leases of certain office space and office equipment (i.e., personal computers, printing- and photocopying machines, coffee machines) that are considered of low value.
- Non-lease components within lease contracts will be accounted for separately for all underlying classes of assets and reflected in the relevant cost category or (if appropriate) capitalised as incurred, depending on the activity involved.

Going forward, in cases where liabilities fall within the scope of IFRS 16, in the consolidated statements of comprehensive income, operating lease costs will be replaced by depreciation and interest expense. In the consolidated cash flow statement, lease payments will be presented as a cash flow used in financing activities. Previously, operating lease costs were presented within cash generated from operations or cash from/-used in investing activities, respectively, depending on whether the leased asset was used in operating activity or activities that were capitalised.

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2.3.11 Property, plant and equipment
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. Depreciation of other assets is calculated on a straight-line basis as follows:

Furniture, Fixtures & fittings	10-33.33%

2.3.12 Inventories
Inventories, consisting of crude oil, and drilling and maintenance materials, are stated at the lower of cost and net realisable value. Costs comprise costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Weighted average cost is used to determine the cost of ordinarily inter-changeable items.

2.3.13 Impairments of non-oil and gas interests
Non-financial assets
Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill is assessed for impairment on an annual basis. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units). Non-financial assets that were previously impaired are reviewed for possible reversal of the impairment at each reporting date.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in the income statement. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Financial assets
Assets carried at amortised cost
If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss shall be recognised in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date, any subsequent reversal of an impairment loss is recognised in the income statement.

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Group will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

2.3.14 Current versus non-current classification
The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is either:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within 12 months after the reporting period
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period

All other assets are classified as non-current.

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A liability is current when either:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within 12 months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

NOTE 2.4 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES IN THE CURRENT PERIOD

The Group implemented IFRS 16 with effect from 1 January 2019 and the implementation did not result in any additional lease liabilities and corresponding right-of-use asset on the asset side. Consequently, equity was not impacted from the implementation of IFRS 16.

Other standard amendments or interpretations of standards effective as of 1 January 2020 and adopted by PTP AS, were not material to the Consolidated financial statements upon adoption.

NOTE 2.5 STANDARDS, AMENDMENTS TO STANDARDS, AND INTERPRETATIONS OF STANDARDS, ISSUED BUT NOT YET ADOPTED

At the date of these financial statements, the are no standards, amendments to standards and interpretations of standards applicable to the Group that have been issued but were not yet effective that is expected to have a material impact on the consolidated financial statements.

NOTE 2.6 OTHER STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS OF STANDARDS

Other standards, amendments to standards, and interpretations of standards, issued but not yet effective, are either not expected to materially impact the Group and Company consolidated and standalone financial statements, or are not expected to be relevant to Group and Company consolidated and standalone financial statements upon adoption.

NOTE 3. OPERATING SEGMENTS

The Group's business is entirely related to production of petroleum in Tunisia. The Group's activities are considered to have a homogenous risk and return profile before tax, and the business is located in the geographical area of Tunisia. The Group operates within a single operating segment which matches the internal reporting to the Group's management.

There are no differences in the nature of measurement methods used on segment level compared with the consolidated financial statements. The oil revenue in 2020 related to sale of hydrocarbons from the Group's TPS production assets in Tunisia. The Group has local obligations in Tunisia and 20% of produced volumes are sold to the Tunisian State Oil Company, Entreprise Tunisienne D' Activites Petrolieres (ETAP) in order to fulfil the Group's domestic market obligations. All international sales of the Group during 2020 were to a single customer, Mercuria Energy Trading SA, through a crude marketing agreement.

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NOTE 4. OPERATING EXPENSES

Operating (loss) / profit is stated after charging/ (crediting):

USD '000	Group 2020	Group 2019	Company 2020	Company 2019
Depreciation	6,678	5,916	-	-
Statutory audit fees	30	27	-	-
Non-recurring costs	451	150	261	69
Management fees - Panoro Energy ASA (Note 15)	626	550	159	79

Non-recurring costs related entirely to costs for internal restructuring to streamline the group structure. The non-recurring costs have been expensed as incurred and are reported separately from recurring G&A costs for comparative purposes.

The Company and the Group has no employees (period ended 31 December 2019: None), nor was any remuneration paid to any executive or Board member for the period (period ended 31 December 2019: Nil). Since the Group and the Company has no employees, it is not required to have an occupational Pension scheme in accordance with the Norwegian law on required occupational pension ("Lov om obligatorisk tjenestepensjon").

The Group's auditors are Ernst & Young, Norway. Fees of USD 30 thousand was paid for the audit for the year ended 31 December 2020 (31 December 2019: USD 27 thousand).

NOTE 5. INCOME TAX

The major components of income tax in the consolidated statement of comprehensive income are as follows:

USD '000	Group 2020	Group 2019	Company 2020	Company 2019
Income taxes				
Current income tax	1,038	12,660	-	-
Deferred income tax	1,987	3,374	-	-
	3,025	**16,034**	**-**	**-**

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A reconciliation of the income tax expense applicable to the accounting pro0fit before tax at the statutory income tax rate (22% in Norway) to the expense at the Group's effective income tax rate is as follows:

	Group		Company	
USD '000	**2020**	**2019**	**2020**	**2019**
Profit/(loss) before taxes and dividends	8,640	7,496	9,204	(2,829)
Income tax calculated at domestic tax rates applicable in the respective countries	6,102	8,595	2,025	-
Tax losses calculated at domestic tax rates applicable in the respective countries	(4,076)	(1,642)	-	(622)
Unrealised (gain)/loss on commodity hedges not taxable in current year	(902)	(673)	(902)	(673)
Expenses not deductible	1,100	4,065	55	-
Deferred tax arising on temporary taxable differences	-	3,374	-	-
Tax effect of losses not utilised in the period	2,016	-	37	-
Tax effect of previous years' losses utilised in the period	(1,215)	2,315	(1,215)	1,295
Tax charge/(benefit)	**3,025**	**16,034**	**-**	**-**

Tax rates in Tunisia vary by permit and concession and ranges between 50% to 60% applicable to the relevant concession's taxable income.

There are no recognised deferred tax assets as of 31 December 2020 (31 December 2019: Nil). Deferred tax liability as of 31 December 2020 amounted to USD 4.5 million, entirely related to temporary differences between the tax value of assets versus IFRS valuation for certain production assets in Tunisia (31 December 2019: USD 3.4 million).

Corporation tax liability at 31 December 2020 of USD 2.2 million comprised entirely of taxes due on income from the Group's producing assets in Tunisia (31 December 2019: USD 8.8 million).

NOTE 6. BUSINESS COMBINATIONS
The Group had no business combination transactions during the 2020 or 2019 financial years.

NOTE 7. NON-CURRENT ASSETS

USD '000	**Production rights**	**Production assets and equipment**	**Development assets and equipment**
At 1 January 2020	48,127	26,866	1,013
Additions during the year	-	5,861	1,756
Adjustments to asset retirement estimates	-	1,956	-
Depreciation/write-off's during the year	(4,002)	(2,549)	(128)
At 31 December 2020	**44,125**	**32,134**	**2,641**
At 1 January 2019	51,803	28,975	1,053
Additions during the year	-	1,432	42
Adjustments to asset retirement estimates	-	(1,382)	-
Depreciation/write-off's during the year	(3,676)	(2,159)	(82)
At 31 December 2019	**48,127**	**26,866**	**1,013**

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NOTE 8. CASH AND CASH EQUIVALENTS

USD '000	Group 2020	Group 2019	Company 2020	Company 2019
Cash and bank balances	**6,657**	**9,571**	**1,820**	**3**

NOTE 9. TRADE AND OTHER RECEIVABLES

USD '000	Group 2020	Group 2019	Company 2020	Company 2019
Receivable from sale of oil (ETAP)	4,606	2,989	-	-
Other receivables	236	217	-	-
Trade and other receivables	**4,842**	**3,206**	**-**	**-**

NOTE 10. DECOMMISSIONING LIABILITY

USD '000	Group 2020	Group 2019	Company 2020	Company 2019
Balance of provision at 1 January	27,832	28,415	-	-
Acquired during the year through acquisitions	-	-	-	-
Recognised during the period	-	-	-	-
Unwinding of discount	822	799	-	-
Change in exchange rates	3	-	-	-
Change in inflation and discount rate (estimate)	1,956	(1,382)	-	-
Balance at 31 December	**30,613**	**27,832**	**-**	**-**

The current bases for the provision at 31 December 2020 are a discount rate of 2.5% and an inflation rate of 2% (31 December 2019: 3% discount rate and 2% inflation rate).

NOTE 11. SHARE CAPITAL AND RESERVES

USD '000	Number of shares	Nominal share capital
Shares issued on incorporation, 8 August 2018	30,000	4
Share capital increase	-	32
At 31 December 2019 and 31 December 2020	**30,000**	**36**

The Company was incorporated on 8 August 2018 in Norway and the share capital is denominated in NOK. The share capital given above is translated to USD at the foreign exchange rate in effect at the time of each share issue. All shares are fully paid-up and carry equal voting rights.

As at 31 December 2020 and 31 December 2019 the Company had a registered share capital of NOK 300,000 divided into 30,000 shares with a nominal value of NOK 10 each.

Reserves

Share premium

Share premium reserve of USD 31 million represents excess of subscription value of the shares over the nominal amount.

Panoro Tunisia Production AS

NOTE 12: FINANCIAL INSTRUMENTS

Fair values of financial assets and liabilities
The Group considers the carrying value of all its financial assets and liabilities to be materially the same as their fair value. The Group has no material financial assets that are past due. No material financial assets are impaired at the balance sheet dates presented. All financial assets and liabilities with the exception of derivatives are measured at amortised cost.

Fair value of derivative instruments
All derivatives are recognised at fair value on the balance sheet with valuation changes recognised immediately in the income statement, unless the derivatives have been designated as a cash flow hedge. Fair value is the amount for which the asset or liability could be exchanged in an arm's length transaction at the relevant date. Where available, fair values are determined using quoted prices in active markets. To the extent that market prices are not available, fair values are estimated by reference to market-based transactions or using standard valuation techniques for the applicable instruments and commodities involved.

The Group initiated a commodity hedging program and at 31 December 2020, 405,720 bbls were hedged over a one-year period using "zero cost collars" to protect the downside in oil prices to at least below USD 55 per bbl. As at 31 December 2019, 851,440 bbls were hedged over a two-year period using "zero cost collars" and "swaps" to protect the downside in oil price of below USD 55 per bbl.

The hedging program continues to be closely monitored and adjusted according to the Group's risk management policies and cashflow requirements. The Group continues to monitor and optimise its hedging programme on an on-going basis. The outstanding commodity hedge contracts as at the respective balance sheet dates presented were as follows:

Zero cost collar instruments	**Remaining term**	**Remaining contract amount**	**Average contract price**	**Average contract price**	**Fair value Asset / (Liability)**	**Fair value Asset / (Liability)**
		Bbls	*Buy Put (USD/Bbl)*	*Sell Call (USD/Bbl)*	*Current (USD '000)*	*Non-Current (USD '000)*
At 31 December 2019	Jan 20 - Dec 21	851,440	55	61	(1,480)	(177)
At 31 December 2020	**Jan 21 - Dec 21**	**405,720**	**55**	**61**	**2,299**	**-**

Commodity Swaps instruments	**Remaining term**	**Remaining contract amount**	**Average contract price**	**Fair value Asset / (Liability)**
		Bbls	*Settlement price ceiling (USD/Bbl)*	*Non-Current (USD '000)*
At 31 December 2019	March 2020	40,000	61	(143)
At 31 December 2020	**-**	**-**	**-**	**-**

Realised gains on these derivate contracts during the year ended 31 December 2020 were USD 7.5 million (year ended 31 December 2019: loss of USD 1.6 million).

The fair values of the commodity price options (zero cost collars and commodity swaps) were provided by the counterparty with whom the trades have been entered into. These consist of put and call options to sell/buy crude oil. The options are valued using a Black-Scholes based methodology. The inputs to these valuations include the price of oil, its volatility and the settlement period.

All the Group's derivatives are Level 2. There were no transfers between fair value levels during both the periods presented. For financial instruments which are recognised on a recurring basis, the Group determines whether transfers have occurred between levels by re-assessing categorisation (based on the lowest-level input which is significant to the fair value measurement as a whole) at the end of each reporting period.

Panoro Tunisia Production AS

NOTE 13: FINANCIAL RISK MANAGEMENT
The Group's principal financial liabilities comprise of loans and borrowings and trade and other financial liabilities. The main purpose of these financial instruments is to finance the Group's operations, including the Group's capital expenditure programme. The Group has various financial assets such as accounts receivable and cash.

The Group manages its exposure to key financial risks in accordance with its financial risk management policy. The objective of the policy is to support the Group's financial targets while protecting future financial security. The Group is exposed to the following risks:

- Market risk, including commodity price, foreign currency exchange and interest rate risks
- Credit risk
- Liquidity risk

Management reviews and agrees policies for managing each of these risks which are summarised below. The Group's policy is that all transactions involving derivatives must be directly related to the underlying business of the Group and does not use derivative financial instruments for speculative purposes.

Market risk
Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. The primary commodity price risks that the Group is exposed to include oil prices that could adversely affect the value of the group's financial assets, liabilities or expected future cash flows. In accordance with the Group's financial risk management framework, the Group enters into various transactions using derivatives for risk management purposes. The major components of market risk relevant for the Group are commodity price risk, foreign currency exchange risk and interest rate risk, each of which is discussed below.

Commodity price risk
The Group is exposed to the risk of fluctuations in prevailing market commodity prices (primarily crude oil) on the oil and gas it produces. The Group's policy is to manage these risks through the use of derivative financial instruments. The following table summarises the impact on profit before tax for changes in commodity prices on the fair value of derivative financial instruments. The impact on equity is the same as the impact on profit before tax as these derivative financial instruments have not been designated as hedges and are classified as held-for-trading. The analysis is based on derivative contracts existing at the balance sheet date, the assumption that crude oil price moves 15% over all future periods, with all other variables held constant. Management believe that 15% is a reasonable sensitivity based on forward forecasts of estimated oil price volatility.

USD '000	**Percentage change**	**2020**	**2019**
Increase /(decrease) in loss before tax and equity	+25%	(575)	450
Increase /(decrease) in loss before tax and equity	-25%	575	(450)

Foreign currency exchange risk
The Company operates internationally and is exposed to risk arising from various currency exposures, primarily with respect to the Tunisian Dinar (TND), and the Euro (EUR).

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 income statement and balance sheet 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.

The Group evaluates on a continuous basis to use cross currency swaps if deemed appropriate by management in order to hedge the forward foreign currency risk. The Group used no forex derivatives/swaps during 2019 and 2018.

A 20% strengthening or weakening of the USD against the following currencies at 31 December 2020 and 31 December 2019 would have increased / (decreased) equity and profit or loss by the amounts shown below.

Panoro Tunisia Production AS

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.

USD '000	2020		2019	
	+20%	-20%	+20%	-20%
USD versus TND				
Cash and cash equivalents	1	(1)	90	(134)
Receivables	1,180	(1,771)	602	(903)
Corporation taxes payable	(356)	533	(1,410)	2,115
Payables	(1,627)	2,441	(98)	147
Net effect	**(802)**	**1,202**	**(816)**	**1,225**
USD versus EUR				
Cash and cash equivalents	1	(1)	1	(2)
Other short term receivables	1	(1)	1	(2)
Payables	(6)	10	(5)	8
Net effect	**(4)**	**8**	**(3)**	**4**

Interest rate risk
The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's loans and borrowings and cash balances.

The following table demonstrates the sensitivity of annualised finance revenue and finance costs to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax through the impact on fixed rate short-term deposits and applicable floating rate Senior Secured debt:

USD '000	2020		2019	
	+100 bps	-100 bps	+100 bps	-100 bps
Loans and borrowings (Senior Secured facility)	239	(239)	289	(289)
Net effect	**239**	**(239)**	**289**	**(289)**

Credit risk
The Group is exposed to credit risk that arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

For banks and financial institutions, only independently rated parties with a minimum rating of "A" are accepted. Any change of financial institutions (except minor issues) are approved by the Board. The Company may engage with counterparties of a lower rating, for commercial reason, or by taking lower exposures in such counterparties to mitigate the risks following necessary approvals.

If the Group's customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control in the operating units assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The utilisation of credit limits is regularly monitored and kept within approved budgets.

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its obligations as they fall due. Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.

The table below summarises the maturity profile of the Group's financial liabilities at the balance sheet dates presented based on contractual undiscounted payments.

Panoro Tunisia Production AS

USD '000	On demand	Less than 1 year	Between 2 and 5 years	Over 5 years	Total
31 December 2020					
Loans and borrowings (Senior Secured facility)	-	7,000	16,500	-	23,500
Interest on loans and borrowings	-	374	-	-	374
Accounts payable and accrued liabilities	-	6,714	-	-	6,714
Corporation taxes payable	-	2,190	-	-	2,190
Other current liabilities	-	239	-	-	239
Net effect	**-**	**16,517**	**16,500**	**-**	**33,017**
31 December 2019					
Loans and borrowings (Senior Secured facility)	-	6,000	22,300	-	28,300
Interest on loans and borrowings	-	587	-	-	587
Accounts payable and accrued liabilities	-	151	-	-	151
Corporation taxes payable	-	8,288	-	-	8,288
Other current liabilities	-	312	-	-	312
Net effect	**-**	**15,338**	**22,300**	**-**	**37,638**

Management considers that the Group has adequate current assets and forecast cash from operations to manage liquidity risks arising from current and non-current liabilities.

Capital Management
The Group manages its capital structure to ensure that it remains sufficiently funded to support its business strategy and maximise shareholder value. 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's funding requirements are met through a combination of debt and equity and adjustments are made in light of changes in economic conditions. The Group's strategy is to maintain ratios in line with covenants associated with its Senior Secured loan. The Group includes interest bearing loans less cash, cash equivalents and restricted cash in net debt. Capital includes share capital, share premium, other reserves and accumulated profits/losses. 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 that in the forthcoming year.

Panoro Tunisia Production AS

NOTE 14: LOANS AND BORROWINGS

USD '000	2020	2019
Senior Loan facility - Non-current	16,500	22,300
Senior Loan facility - Current	7,000	6,000
Accumulated interest accrued - Current	374	586
Total Senior Secured facility	**23,874**	**28,886**
Unamortised borrowing costs - Non-current	(399)	(481)
Unamortised borrowing costs - Current	(171)	(258)
Total unamortised borrowing costs	**(570)**	**(739)**
Total Senior Secured loan facility	**23,304**	**28,147**

On 13 December 2018, the Group entered into an agreement with Mercuria Assets Holdings (Hong Kong) Ltd ("Mercuria"), whereby Mercuria provided PTP an acquisition loan facility comprising: i) a Senior Secured Loan facility of USD 27 million, and ii) an additional Junior Loan facility for a further USD 8 million gross. The Senior Secured Loan facility was fully drawn in December 2018. The Junior Loan facility was available for up to six months from 17 December 2018. In May 2019, the Group opted to cancel the Junior loan facility. The Senior Loan facility initially had term of 5 years with interest charged at USD 3-month LIBOR plus 6% on quarterly amounts drawn, with repayments due each quarter. Interest of USD 0.4 million was accrued up to 31 December 2020 (31 December 2019: USD 0.6 million).

On 25 June 2019, the Group and Mercuria mutually agreed to make minor adjustments to the Facility terms, resulting in the Facility amount increasing by USD 4.1 million to USD 30 million. As part of the security package for the enhanced facility size, shares in Panoro Energy AS, a wholly owned subsidiary of the Company's parent company, Sfax Petroleum Corporation AS and also the holding company for Panoro Tunisia Exploration AS have also been pledged as collateral. The amended Senior Loan facility has a term of 5 years from 30 June 2019 with interest charged at USD 3-month LIBOR plus 6% on the balance outstanding, with repayments due each quarter.

Key financial covenants were unchanged as a result of the amendment and are required to be tested at the end of every 3-month period. These covenants, applicable at levels of the borrower group as defined in the loan documentation, include the following:

(i) Field life coverage ratio: 1.50x
(ii) Minimum cash balance of USD 3.5 million to be maintained at all times in the collection account of Panoro TPS Production GmbH
(iii) Debt service coverage ratio: between 1.15x and 1.25x subject to specifications in the loan agreement.
(iv) Liquidity Test: Customary to the loan instrument.

With the exception of waivers obtained from the lender, the Group was not in breach of any financial covenants as at any of the balance sheet dates presented. Un-amortised borrowing costs include structuring fees and directly attributable third-party costs. These costs are expensed using an effective interest rate of 6.95% per annum over the term of the remaining term of the facility (effective interest rate 31 December 2019: 9.8%).

Security package for the original Senior Secured loan comprised a Guarantee from Panoro Energy ASA, share pledge over shares in Panoro TPS Production GmbH and from Sfax Petroleum Corporation AS, shareholder and intercompany loans (subordinated at all times), rights under hedging agreements, and the Account Management Agreement (for the Collection Account), negative pledge over the assets. In an event, the guarantee placed by Panoro Energy ASA is called upon, the shareholders' agreement with Beender for the ownership on Sfax Petroleum Corporation AS provides that Sfax Petroleum Corporation AS shall indemnify Panoro Energy ASA. If Sfax Petroleum Corporation AS is unable to indemnify, Panoro Energy ASA, such indemnification, pro rata to its ownership, shall be made by Beender. As part of the amendment in June 2019 as noted above, the security package for the enhanced facility size was amended to also include a pledge over the shares in Panoro Energy AS (holding company for Panoro Tunisia Exploration AS).

Panoro Tunisia Production AS

NOTE 15: RELATED PARTY TRANSACTIONS

The Company is a fully owned subsidiary of Sfax Petroleum Corporation AS ("Sfax"), a company incorporated in Norway. Sfax is a fully owned subsidiary of Panoro Energy ASA ("Panoro"), an independent exploration and production (E&P) company based in London and listed on the Oslo Stock Exchange. On 11 December 2018, Panoro entered into a shareholder agreement with Beender Petroleum Tunisia Limited ("Beender") resulting in Panoro and Beender jointly owning and controlling 60% and 40% respectively of Sfax Petroleum Corporation AS with an effective date of 30 July 2018.

At 31 December 2020, the Company and the Group had the following intercompany transactions and balances:

- On 3 April 2019, the Company entered into a loan facility agreement with its wholly owned subsidiary, Panoro TPS Production GmbH, with the Company as a Borrower and Panoro TPS Production GmbH as the lender. The total amount of the facility is USD 10 million. The facility bears interest at 5% per annum. During the year ended 31 December 2019, there were two drawdowns against this facility, USD 1.9 million on 3 April 2019 (first draw down) and USD 0.3 million on 3 May 2019 (Second draw down). The first draw down accrued interest of USD 18 thousand to 7 June 2019, at which point it was settled. The second draw down accrued interest of USD 7 thousand up to 3 October 2019, at which point is was settled. The facility was unutilised with no balances owed by the Company to its subsidiary as at 31 December 2020 and 31 December 2019.
- Loan receivable due from its immediate parent company, Sfax Petroleum Corporation AS of USD 1.5 million (31 December 2019: USD 1.5 million). This was non-interest bearing and classified as current.
- The Company received dividend income of USD 4.7 million from its subsidiary, Panoro TPS Production GmbH during the year ended 31 December 2019. The dividend was received in two transactions, USD 2.3 million in June 2019 and USD 2.4 million in December 2019.
- Trade payable balance due to Panoro Tunisia Exploration of USD 0.4 million. Both companies are wholly owned subsidiaries of the Company's immediate parent, Sfax Petroleum Corporation AS. This was non-interest bearing and classified as current.
- Trade payable balance due to its wholly owned subsidiary, Panoro TPS Production GmbH of USD 0.5 million. This was non-interest bearing and classified as current.
- Trade payable balance to Panoro Energy ASA of USD 0.3 million. As noted above, Panoro Energy ASA owns 60% of the share capital of the Company's immediate parent company, Sfax Petroleum Corporation AS. This was non-interest bearing and classified as current.
- Panoro TPS Production GmbH had a trade payable balance due to its wholly owned subsidiary, Panoro TPS (UK) Production Limited of USD 0.8 million. This was non-interest bearing and classified as current.

Panoro Energy ASA provides management services to the other companies in the Group under service agreements. The total management fees charged to the Group companies by Panoro Energy ASA during 2020 and the year-end balance of the Group companies due from /(to) Panoro Energy ASA is summarised in the table below:

USD '000	Management fees charged	Trade (payable) / receivable
Panoro Tunisia Production AS	159	(336)
Panoro TPS Production GmbH	-	(589)
Panoro TPS (UK) Production Limited	433	(125)

Panoro Tunisia Production AS

NOTE 16: SUBSIDIARIES
As at 31 December 2020 and 31 December 2019, the Company had one wholly owned subsidiary incorporated in Austria, Panoro TPS Production GmbH. The Company's ownership interest and voting rights in this subsidiary were 100%. Panoro TPS (UK) Production Limited was incorporated as a limited liability company in the UK on 28 January 2019 as a wholly owned susidiary of Panoro TPS Production GmbH.

Subsidiaries	Place of incorporation	Ownership interest and voting rights
Panoro TPS Production GmbH (registration number FN 476279 k)	Austria	100%
Panoro TPS (UK) Production Limited (Company number 11790067)*	United Kingdom	100%
Associated company		
Thyna Petroleum Services SA	Tunisia	50%

*Panoro TPS (UK) Production Limited is a wholly owned subsidiary of Panoro TPS Production GmbH.

Investments in subsidiaries are carried at the lower of cost or fair market value. The carrying value of the Company's subsidiaries at 31 December 2020 and 31 December 2019 were as follows:

USD '000	Panoro TPS Production GmbH	Panoro TPS (UK) Production Limited
Investment at cost:		
At 1 January 2019	57,002	-
Share capital invested on incorporation	-	-
Reduction in investment on final payment for acquisition	(151)	-
As at 31 December 2019	**56,851**	**-**
As at 31 December 2020	**56,851**	**-**

NOTE 17: GUARANTEES, PLEDGES AND CONTINGENT LIABILITIES
Under section 479A of the UK Companies Act 2006, the Company's indirect subsidiary, Panoro TPS (UK) Production Limited (Registration number: 11790067) has availed exemption for audit of their statutory financial statements pursuant to guarantees issued by the Company to indemnify the subsidiaries of any losses towards third parties that may arise in the financial year ended 31 December 2020 in such Companies. The Company can make an annual election to support such guarantee for each financial year.

Panoro Tunisia Production AS

NOTE 18: RESERVES (UNAUDITED)
In March 2021, Gaffney Cline & Associates Limited (GCA, 3rd party) certified reserves and resources for TPS assets which comprise five oil field concessions in the region of the city of Sfax, onshore and shallow water offshore Tunisia. The reserves were certified as of 31 December 2020.

The following is a summary of key results from the GCA reserve report (net of the Group's share):

Reserves	**Gross (MMbbl)**			**Interest**	**Net (MMbbl)**		
Field	**1P**	**2P**	**3P**		**1P**	**2P**	**3P**
Cercina / Cercina Sud	3.5	5.5	7.9	49%	1.7	2.7	3.9
El Hajeb / Guebiba	3.9	7.5	10.9	49%	1.9	3.7	5.3
Gremda / El Ain	1.1	1.8	2.5	49%	0.5	0.9	1.2
Rhemoura	0.2	0.3	0.4	49%	0.1	0.1	0.2
TOTAL	**8.7**	**15.1**	**21.7**		**4.3**	**7.4**	**10.6**

Contingent Resources	**Gross (MMbbl)**			**Interest**	**Net (MMbbl)**		
Field	**1C**	**2C**	**3C**		**1C**	**2C**	**3C**
Cercina	1.6	5.3	10.0	49%	0.7	2.3	4.3
TOTAL	**1.6**	**5.3**	**10.0**		**0.7**	**2.3**	**4.3**

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.

Notes:
1. Proved Reserves are truncated at the current license expiry dates; Probable and Possible Reserves assume the license will be extended under the same fiscal conditions as long as commercial production remains possible.
2. Gross Field Reserves are 100% of the volumes expected to be recovered from the asset under the intended development plan.
3. Reserves Net to PTP Group's Interest are the working interest fraction of the Gross Field Reserves, less Royalty.
4. Contingent Resources are "unrisked" in the sense that no adjustment has been made for the risk that the project may not go ahead and should not be aggregated with Reserves because of the different levels of risk involved.

Panoro Tunisia Production AS

AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Panoro Tunisia Production AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Panoro Tunisia Production AS, which comprise the financial statements for the parent company and the Group. The financial statements for the parent company and the Group comprise the statement of financial position as at 31 December 2020, the statements of comprehensive income, the statements of cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company and the Group as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations 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.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors (management) are responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

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 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.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting 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 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 to cease operations, or has no realistic alternative but to do so.

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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.

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than* Audits *or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

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Stavanger, 30 April 2021
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Erik Søreng
State Authorised Public Accountant (Norway)

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