

Third Quarter Report 2010

Panoro Energy ASA ("PEN" ticker code OSE) and its subsidiaries ("Panoro Energy" or "the Company") report EBITDA of USD 7.0 million for the third quarter. During the quarter, the Manati field in Brazil delivered solid production and cash flow, the MKB project in Congo–Brazzaville confirmed successful fracking and oil flow to surface, the Operator for the BS–3 area in Brazil confirmed that new development plans for the area will be submitted in January 2011 and the Company commenced a farm–out process for the Santos Round 9 exploration licenses in Brazil. After the close of the quarter, the sale of the Ajapa field offshore Nigeria was completed for a consideration of USD 30 million.

Third Quarter Highlights and Subsequent Events

- Record group net production averaged 3,992 boe/day in the third quarter, up 19 percent from the previous quarter
- Group EBITDA was USD 7.0 million, up from USD –3.6 million in the previous quarter
- Closed the sale of the Ajapa field, offshore Nigeria for a consideration of USD 30 million
- Positive production test from the MKB project in Congo–Brazzaville
- Operator announced that new development plans for BS–3 in Brazil will be submitted in January 2011
- Ongoing farm–out process and data room for the exploration blocks SM–1035, SM–1036 and SM–1100 in Brazil
- Prepayment of approximately NOK 43 million (15%) plus accumulated interest to NEC01 bondholders
- Successful completion of USD 140 million 1st lien bond issue

Please find enclosed the third quarter report and the investor presentations. The presentations will be broadcasted live from Shippingklubben in Oslo from 08:30 CET, and can be seen using the following link http://cikmedia.serialive.com/no_cast.php?id=57100.

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