

## Q1-2011 Manati production update

Panoro Energy ASA ("PEN", OSE ticker code), the independent oil and gas company with assets in West Africa and Brazil, is pleased to announce production volumes from the Manati field in Brazil for the first quarter 2011.

Natural gas production from the Manati field averaged 4.12 MMm3/day (2,593 boe/day net to PEN) in the first quarter 2011. This represents a decrease of approximately 30% from the first quarter 2010 and a decrease of approximately 38% compared to the fourth quarter 2010. As in earlier periods, reported sales volumes in our financial statements will be adjusted for retainage (usage, line loss and stripping of condensate) which has historically been approximately 6% below produced volumes.

As previously communicated, the Operator has performed inspections and maintenance of the platform risers and the field has since mid-March only been producing from one out of six wells, causing a temporary decrease in its production capacity.

The work to bring wells back into production has largely been dependent on the logistics of acquiring necessary replacement parts for the risers. According to the Operator, three wells are expected to return to production by the end of April, bringing total production capacity up to 5.6 MMm3/day. The field is expected to return to full capacity of 8.0 MMm3/day by June 2011.

The Operator expects 2011 field production to average around 6.00 MMm3/day (~3,700 boe/day net to PEN), contingent upon sufficient demand in the second half of 2011.

Panoro Energy ASA holds its 10 % ownership in the Manati gas field through its Brazilian subsidiary Rio das Contas.

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