30 September 2019

Savannah Petroleum PLC
("Savannah" or "the Company")

2019 Half Year Results

Savannah Petroleum PLC, the British independent oil and gas company focused around activities in Niger and Nigeria, is today pleased to announce its unaudited interim results for the six-month period ended 30 June 2019.

First Half Summary

- Successful completion of US$23m equity raise to fund working capital needs of the Company ahead of Seven Energy Transaction completion;
- Signature of Implementation Agreement in relation to the Seven Energy Transaction, a legally binding agreement between Savannah, Seven and certain of Seven's creditors which details the legal terms and steps according to which the Transaction will be implemented; and
- Submission of feasibility study to the Ministry of Energy and Petroleum in Niger in relation to the planned R3 East EPS.

Post Period Summary

- Notification received by Seven Energy International Limited ("SEIL") that His Excellency President Muhammadu Buhari of the Federal Republic of Nigeria has approved the transfer of the Seven Assets (SEIL's entire interests in Seven Uquo Gas Limited, Universal Energy Resources Limited and Accugas Limited) to Savannah or any of its subsidiary companies as part of the Seven Energy Transaction;
- Execution and signature of long-form documentation in relation to the Seven Energy Transaction with AIIM Investments, which will see a vehicle managed by African Infrastructure Investment Managers Limited acquire a 20% interest in each of Seven Uquo Gas Limited ("SUGL") and Accugas for consideration of US$54m, providing significant additional liquidity to the Enlarged Group on Transaction completion; and
- Launch of Niger-Benin crude oil export pipeline by China National Petroleum Corporation ("CNPC"), providing additional monetisation optionality for Savannah's existing and future Agadem Rift Basin oil discoveries.

Outlook

- The principal conditions precedent outstanding for the Transaction relate to the execution of long-form documentation in relation to the Seven Energy Group debt restructuring and the Frontier Restructure, following which the Transaction completion process is expected to commence;
- As announced previously, the Company expects a cash inflow of US$74m on Transaction completion.

The Seven Energy Transaction refers to the planned acquisition by Savannah of the Seven Assets and the restructuring of Seven Energy's existing indebtedness, as more fully described in the Company's Admission Document dated 22 December 2017 and per the Company's RNS announcements dated 20 September 2018 (specifically relating to the gas for oil swap with Frontier Oil Limited and the buy-out of minority shareholders in Universal Energy Resources Limited) and 21 December 2018 (specifically relating to the acquisition of an additional 55-60% interest in Accugas as well as the sale of a 20-25% (less one share) interest in SUGL and Accugas to AIIM). Unless otherwise defined, capitalised terms in this announcement are per the above Admission Document and RNS announcements.

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The information contained within this announcement is considered to be inside information prior to its release, as defined in Article 7 of the Market Abuse Regulation No.596/2014, and is disclosed in accordance with the Company's obligations under Article 17 of those Regulations.

Notes to Editors:

About Savannah Petroleum

Savannah Petroleum PLC is an AIM listed oil and gas company with exploration and production assets in Niger and Nigeria. Savannah's flagship assets include the R1/R2 and R3/R4 PSCs, which cover c.50% of the highly prospective Agadem Rift Basin ("ARB") of South East Niger, acquired in 2014/15. The Company is in the process of acquiring interests in the cash flow generative Uquo and Stubb Creek oil and gas fields and an interest in the Accugas midstream business in South East Nigeria from Seven Energy.

Further information on Savannah Petroleum PLC can be found on the Company's website: http://www.savannah-petroleum.com/en/index.php

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2019

	Note	6 months ended 30 June 2019 US$'000 Unaudited	6 months ended 30 June 2018 US$'000 Unaudited	Year ended 31 December 2018 US$'000 Audited
Operating expenses	3	(10,931)	(19,250)	(28,069)
Operating loss		**(10,931)**	**(19,250)**	**(28,069)**
Finance income		716	345	869
Finance costs		(681)	(895)	(2,361)
Fair value adjustment	7, 9	7,896	2,223	4,953
Loss before tax		**(3,000)**	**(17,577)**	**(24,608)**
Tax expense		(3)	(5)	(5)
Net loss and total comprehensive loss		**(3,003)**	**(17,582)**	**(24,613)**
Total comprehensive loss attributable to:				
Owners of the parent		(2,741)	(17,554)	(24,519)
Non-controlling interests		(262)	(28)	(94)
		(3,003)	**(17,582)**	**(24,613)**
Loss per share				
Basic and diluted (US$)	4	(0.00)	(0.03)	(0.03)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	30 June 2019 US$'000 Unaudited	30 June 2018 US$'000 Unaudited	31 December 2018 US$'000 Audited
Assets				
Non-Current Assets				
Property, plant and equipment		2,454	5,343	2,431
Right of use assets	5	4,319	-	-
Exploration and evaluation assets	6	152,513	125,876	150,425
Long term financial assets	7	96,816	88,956	88,956
Total non-current assets		256,102	220,175	241,812
Current Assets				
Other receivables and prepayments		29,330	29,185	22,672
Cash and cash equivalents		2,604	11,719	1,750
Total current assets		31,934	40,904	24,422
Total Assets		**288,036**	**261,079**	**266,234**
Equity and Liabilities				
Capital and reserves				
Share capital	8	1,319	1,240	1,240
Share premium	8	22,058	-	-
Other reserve	8	-	(4,989)	(4,989)
Capital contribution	8	458	458	458
Share based payment reserve	8	6,182	5,198	5,908
Accumulated surplus		217,499	232,644	225,679
Equity attributable to owners of the Group		247,516	234,551	228,296
Non-controlling interests		(753)	(425)	(491)
Total Equity		246,763	234,126	227,805
Current Liabilities				
Trade and other payables		21,499	12,056	23,522
Borrowings		14,374	12,131	14,871
Financial liability (Warrants)	9	-	2,766	36
Short term lease liabilities	10	295	-	-
Total current liabilities		36,168	26,953	38,429
Non-Current Liabilities				
Long term lease liabilities	10	5,105	-	-
Total non-current liabilities		5,105	-	-
Total Liabilities		**41,273**	**26,953**	**38,429**
Total Equity and Liabilities		**288,036**	**261,079**	**266,234**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2019

	6 months ended 30 June 2019 US$'000 Unaudited	6 months ended 30 June 2018 US$'000 Unaudited	Year ended 31 December 2018 US$'000 Audited
Cash flows from operating activities:			
Loss for the period before tax	(3,000)	(17,577)	(24,608)
Depreciation and amortisation	440	174	312
Share option charge	274	647	1,357
Unrealised finance costs	92	72	544
Fair value adjustments	(7,896)	(2,223)	(4,953)
Operating cash flows before movements in working capital	(10,090)	(18,907)	(27,348)
Decrease / (increase) in other receivables and prepayments	(514)	(18,808)	(2,464)
Increase / (decrease) in trade and other payables	580	(12,000)	(2,629)
Income tax paid	(3)	(5)	(5)
Net cash used in operating activities	**(10,027)**	**(49,720)**	**(32,446)**
Cash flows from investing activities:			
Payments for property, plant and equipment	(186)	(2,226)	(1,362)
Exploration and evaluation costs paid	(3,428)	(8,332)	(19,426)
Acquisition of long term financial asset	-	(40,911)	(40,911)
Loan to Seven Energy	(6,368)	-	(15,686)
Net cash used in investing activities	**(9,982)**	**(51,469)**	**(77,385)**
Cash flows from financing activities:			
Finance (charges) / income	(273)	21	(159)
Proceeds from issues of shares, net of issue costs	22,136	98,937	95,767
Finance lease payments	(114)	-	-
Drawdown of borrowings	6,413	876	8,000
Repayment of borrowings	(7,299)	(1,830)	(6,931)
Net cash provided by financing activities	**20,863**	**98,004**	**96,677**
Net decrease in cash and cash equivalents	**854**	**(3,185)**	**(13,154)**
Cash and cash equivalents at beginning of period	1,750	14,904	14,904
Cash and cash equivalents at end of period	**2,604**	**11,719**	**1,750**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2019

	Share Capital US$'000	Share premium US$'000	Capital contribution US$'000	Other reserve US$'000	Share based payment reserve US$'000	(Accumulated deficit)/ Retained earnings US$'000	Total US$'000	Non-controlling interest US$'000	Total US$'000
Balance at 31 December 2017 (Audited)	**520**	**157,188**	**458**	**-**	**4,551**	**(59,317)**	**103,400**	**(397)**	**103,003**
Issue of ordinary shares to shareholders, net of issue costs	720	152,385	-	-	-	(58)	153,047	-	153,047
Equity settled share based payments	-	-	-	-	647	-	647	-	647
Warrants issue	-	-	-	(4,989)	-	-	(4,989)	-	(4,989)
Share premium cancellation	-	(309,573)	-	-	-	309,573	-	-	-
Loss for the period and total comprehensive loss	-	-	-	-	-	(17,554)	(17,554)	(28)	(17,582)
Balance at 30 June 2018 (Unaudited)	**1,240**	**-**	**458**	**(4,989)**	**5,198**	**232,644**	**234,551**	**(425)**	**234,126**
Issue of ordinary shares to shareholders, net of issue costs	-	-	-	-	-	-	-	-	-
Equity settled share based payment	-	-	-	-	710	-	710	-	710
Loss for the period and total comprehensive loss	-	-	-	-	-	(6,965)	(6,965)	(66)	(7,031)
Balance at 31 December 2018 (Audited)	**1,240**	**-**	**458**	**(4,989)**	**5,908**	**225,679**	**228,296**	**(491)**	**227,805**
Adjustment to change in accounting policy	-	-	-	-	-	(450)	(450)	-	(450)
Issue of ordinary shares to shareholders, net of issue costs	79	22,058	-	-	-	-	22,137	-	22,137
Equity settled share based payment	-	-	-	-	274	-	274	-	274
Warrants expires	-	-	-	4,989	-	(4,989)	-	-	-
Loss for the period and total comprehensive loss	-	-	-	-	-	(2,741)	(2,741)	(262)	(3,003)
Balance at 30 June 2019 (Unaudited)	**1,319**	**22,058**	**458**	**-**	**6,182**	**217,499**	**247,516**	**(753)**	**246,763**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. General information

Savannah was incorporated in the United Kingdom on 3 July 2014. Savannah's principal activity is the management of its investment in Savannah Petroleum 1 Limited ("SP1"). SP1 was incorporated in Scotland on 3 July 2013. SP1's principal activity is the management of its investment in Savannah Petroleum 2 Limited ("SP2"), and the provision of services to other companies within the Group. SP2 has a 95% interest in Savannah Petroleum Niger R1/R2 S.A. ("Savannah Niger") whose principal activity is the exploration of hydrocarbons in the Republic of Niger.

Savannah remains committed to operating safely and with no harm to the environment. We continue to focus on improving ways to monitor, measure and, where possible, reduce our impact in the areas where we operate, and we will continue to report on our progress and plans as the business evolves.

2. Accounting policies

Basis of Preparation

The condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRSs as adopted by the EU"), IFRIC interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The provisions of IAS 34 'Interim Financial Reporting' have not been applied.

The condensed consolidated financial statements do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2018 Annual Report. The financial information for the six months ended 30 June 2019 does not constitute statutory accounts within the meaning of Section 434(3) of the Companies Act 2006 and is unaudited.

The annual financial statements of Savannah Petroleum PLC are prepared in accordance with IFRSs as adopted by the European Union. The Independent Auditors' Report on that Annual Report and financial statements for 2018 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

The Group's statutory financial statements for the year ended 31 December 2018 have been filed with the Registrar of Companies.

All amounts have been prepared in US dollars, this being the Group's functional currency and its presentational currency.

<u>New Accounting Standards and Interpretations</u>

IFRS 16 Leases

In the context of the transition to IFRS 16, right-of-use assets of US$5,529,000 and lease liabilities of US$5,444,000 were recognised as at 1 January 2019. The Group transitioned to IFRS 16 in accordance with the modified retrospective approach. The prior-period figures were not adjusted. As part of the initial application to IFRS 16, the Group has decided not to apply the new guidance to leases whose term will end within twelve months of the date of initial application. In such cases, the leases will be accounted for as short-term leases and the lease payments associated with them will be recognised as an expense from short-term leases. The right-of-use asset is depreciated on a straight-line bases over the lease term.

For any new contracts entered into on or after 1 January 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group

Accounting policies (continued)

- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Going concern

The Directors have reviewed the budgets and forecasts as well as the funding requirements of the business for the next 12 months.

Ahead of completion of the Seven Energy Transaction and delivery of first oil from the Niger EPS, the Group has no current source of operating revenue, and obtains working capital primarily through equity and debt financing. During the period, the Group received funds from an equity placement of US$22.1m (net of issue costs). The proceeds from this placement were utilised to fund Group working capital and ongoing Transaction costs.

As at 30 June 2019, the Group's net current liabilities stood at US$4.2m and the Group held cash of US$2.6m. Upon completion of the Seven Energy Transaction, the Group expects a significant cash inflow of up to US$90m (including US$20m from certain Seven Energy SSN holders as part of the "new money" investment and US$54-70m investment from AIIM to acquire a 20-25% interest in the Uquo and Accugas businesses). Following completion, the Group will also have access to cash flows generated by the Seven Energy Assets.

Key Transaction milestones were achieved during the period and also subsequent to the period end: (i) the signature of the Implementation Agreement in February 2019 and (ii) receipt of Ministerial Consent in August 2019. The Directors therefore believe that the Transaction is at an advanced stage of legal documentation and final approvals. The Directors currently have a reasonable expectation that the Transaction will complete during 4Q 2019. However, although material progress has been achieved on the Transaction (including the receipt of Ministerial consent), the Directors recognise that there remains uncertainty around the timing for completion of the Transaction which could lead to a liquidity shortfall and the need for the Company to access additional funding.

The Directors have a reasonable and strong expectation that the Group will be able to access adequate resources to continue operating for the foreseeable future in the event of potential completion delays and subject to the Enlarged Groups' business performance. On this basis the Directors continue to adopt the going concern basis in preparing the consolidated financial statements.

Accounting policies (continued)

Intangible exploration and evaluation assets

Intangible assets relate to exploration, evaluation and development expenditure and are accounted for under the 'successful efforts' method of accounting per IFRS 6 'Exploration for an Evaluation of Mineral Resources'. The successful efforts method means that only costs which relate directly to the discovery and development of specific oil and gas reserves are capitalised. Exploration and evaluation costs are valued at cost less accumulated impairment losses and capitalised within intangible assets. Development expenditure on producing assets is accounted for in accordance with IAS 16, 'Property, plant and equipment'. Costs incurred prior to obtaining legal rights to explore are expensed immediately to the income statement.

Financial assets

During the period to 30 June 2018, the Group completed the exchange offer in respect of the 10.25% SSN's issued by Seven Energy Finance Ltd, representing 96.04% of the outstanding 10.25% SSN's.

The acquisition of the SSN's were recognised at a fair value of US$89m and recorded as Long-term financial asset, it is expected to form part of the purchase consideration for Seven Energy upon completion of the Transaction. The fair value of the SSN's at 30 June 2019 has been reassessed resulting in an increase in the fair value to US$96.8m.

Management assessed whether the acquisition of the SSN's, which will later form part of the purchase consideration could attribute to Savannah, control over Seven Energy. Management concluded that the acquisition did not grant Savannah 'control' (as defined in IFRS 10) over Seven Energy, as the Group does not have access to the variable return from the SSN's nor does it have the ability to direct the relevant activities of Seven Energy.

Warrants

Savannah granted to each participant in the two-tranche equity placing associated with the Seven Energy Transaction (the first and second tranches having taken place in December 2017 and February 2018 respectively) one warrant to subscribe for ordinary shares for every two placing shares subscribed. The shares are denominated in Sterling, however the reporting currency of the Group is the US Dollar. The 'fixed for fixed' test therefore did not pass and the warrants were treated as a financial liability through profit and loss.

The warrants were exercisable twelve months post second tranche equity placing, at an exercise price of £0.35. The warrants expired in February 2019.

Segmental analysis

In the opinion of the directors, the Group is primarily organised into a single operating segment. This is consistent with the Group's internal reporting to the chief operating decision maker. Separate segmental disclosures have therefore not been included.

3. Operating loss

Operating loss has been arrived at after charging:

	30 June 2019 Unaudited	**30 June 2018 Unaudited**	**31 December 2018 Audited**
	US$'000	***US$'000***	***US$'000***
Depreciation	440	174	312
Staff costs	2,036	5,035	6,912
Operating lease rental	13	133	395

During the period an amount of US$6,632,000 (HY 2018: US$12,000,000, FY 2018: US$14,700,000) related to costs associated with the proposed acquisition of the Seven Assets from Seven and Seven Energy Creditor Group was included within operating loss.

4. Loss per share

Basic loss per share amounts are calculated by dividing the loss for the period attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period.

Diluted loss per share amounts are calculated by dividing the loss for the periods attributable to ordinary holders by the weighted average number of ordinary shares outstanding during the period, plus the weighted average number of shares that would be issued on the conversion of dilutive potential ordinary shares into ordinary shares. The effect of share options and warrants are anti-dilutive and are therefore excluded from the calculation of diluted loss per share.

Details of share capital movements are given in note 8.

	30 June 2019 Unaudited	30 June 2018 Unaudited	31 December 2018 Audited
	US$'000	***US$'000***	***US$'000***
Net loss attributable to owners of the parent	2,740	17,554	24,519
	Number of shares	**Number of shares**	**Number of shares**
Basic and diluted weighted average number of shares	862,903,377	657,332,395	757,050,293
	US$	**US$**	**US$**
Basic and diluted loss per share	0.00	0.03	0.03

5. Right of use assets

	US$'000
Cost	
Balance at 30 June 2018 and 31 December 2018	-
Adjustment to accounting policy	5,529
Balance at 30 June 2019	**5,529**
Amortisation	
Balance at 30 June 2018 and 31 December 2018	-
Adjustment to accounting policy	(933)
Charge for the period	(277)
Balance at 30 June 2019	**(1,210)**
Net Book Value	
Balance at 30 June 2018	-
Balance at 30 December 2018	-
Balance at 30 June 2019	**4,319**

6. Exploration and evaluation assets

Exploration and evaluation assets consist of acquisition costs relating to the acquisition of exploration licenses and other costs associated directly with the discovery and development of specific oil and gas reserves in the R1/R2 and R3/R4 license areas.

	30 June 2019 Unaudited	30 June 2018 Unaudited	31 December 2018 Audited
	US$'000	***US$'000***	***US$'000***
Exploration and evaluation assets	152,513	125,876	150,425

The amounts for exploration and evaluation assets represent active exploration projects. These will ultimately be written off to the statement of comprehensive income as exploration costs if commercial reserves are not established but are carried forward in the statement of financial position whilst the determination process is ongoing. There are no indications of impairment having regard to the indicators in IFRS 6.

Exploration and evaluation costs of US$2,088,000 incurred in the six-month period to 30 June 2019 are mainly related to drilling campaign costs in the R3/R4 license area. As at 30 June 2019, the Group had achieved oil discoveries in all five wells drilled to date on the R3 East area.

Under the terms of the R1/R2 Production Sharing Contract and within the provisions of Niger's petroleum code, the first phase of the R1/R2 Exclusive Exploration Authorisation ("EEA") expired on 5 August 2019. Savannah is actively engaged in discussions with the Government of Niger regarding the terms for the renewal of the EEA and is confident that such renewal can be obtained.

7. Long term financial assets

	30 June 2019 Unaudited	30 June 2018 Unaudited	31 December 2018 Audited
	US$'000	***US$'000***	***US$'000***
10.25% Senior Secured Notes			
- Cash consideration	40,910	40,910	40,910
- Equity consideration	48,046	48,046	48,046
- Fair value through profit and loss	7,860	-	-
	96,816	88,956	88,956

On 7 February 2018 the Group completed the exchange offer on the 10.25% Senior Secured Notes (SSN's) and Savannah had received valid exchange instructions in respect of US$305,623,123 in principal amount of outstanding 10.25% SSN's, representing 96.04 per cent of the outstanding 10.25% SSN's.

For IFRS 9 purposes, the SSNs are not held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. They are rather expected to ultimately form part of the consideration of the relevant assets in the Seven Energy Group, upon completion of the Transaction. The Group is therefore required to measure the SSNs at fair value through profit and loss.

The SSN's acquired were initially recognised at their fair value of $88,956,000. In determining the fair value of the SSNs, management carefully considered the use of a "level 1" active market value (in terms of IFRS 13), however the lack of an active trading market for the SSNs led management to conclude that any publicly quoted values are not a reasonable presentation of their fair value. Management therefore sought alternative observable means to reasonably calculate the fair value of the SSNs.

To this end, an “income approach” was applied, whereby the discounted cash flow of assets within certain entities over which the SSNs are secured were calculated, together with considering the overall fair net asset value of these entities. Management considered this to be a reliable “level 3” input for the valuing of the SSNs. The results of this approach led management to conclude that there has been an increase in the fair value of the SSNs at the period end and a fair value adjustment of US$7.9m is reflected through the profit and loss.

8. Share capital

	30 June 2019 Unaudited	**30 June 2018 Unaudited**	**31 December 2018 Audited**
Fully paid ordinary shares in issue (number)	879,769,427	794,489,081	816,969,427
Called up ordinary shares in issue (number)	-	22,480,346	-
Par value per share in GBP	0.01	0.001	0.001

	Number of Shares	**Share Capital**	**Share Premium**	**Total**
		US$'000	***US$'000***	***US$'000***
At 30 June 2018 (Unaudited)	816,969,427	1,240	-	1,240
Shares issued	-	-	-	-
At 31 December 2018 (Audited)	816,969,427	1,240	-	1,240
Shares issued	62,800,000	79	22,058	22,137
At 30 June 2019 (Unaudited)	879,769,427	1,319	22,058	23,377

Other capital reserves

	Capital contribution	**Other reserve**	**Share based payment reserve**	**Total**
	US$'000	***US$'000***	***US$'000***	***US$'000***
At 30 June 2018 (Unaudited)	458	(4,989)	5,198	667
Share based payments expense during the year	-	-	710	710
At 31 December 2018 (Audited)	458	(4,989)	5,908	1,377
Share based payments expense during the period	-	-	274	274
Warrants expired	-	4,989	-	4,989
At 30 June 2019 (Unaudited)	458	-	6,182	6,640

Nature and purpose of reserves

Capital contribution reserve

On 1 August 2014 a capital contribution of US$458,000 was made by shareholders of the Group as part of the loan note conversion.

Share based payment reserve

The share based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

Other reserve

The other reserve figure represents the reclassification of the fair value of warrants granted from equity to a financial liability, at initial grant date. See note 8 for further information.

9. Warrant liability

The Company issued warrants along with the share issued during the placings in December 2017 and February 2018, being one warrant for every two ordinary shares placed. The warrants were exercisable at a price equal to the placing price of the Company's shares on the date of grant. The warrants expired in February 2019.

	30 June 2019 Unaudited	**30 June 2018 Unaudited**	**31 December 2018 Audited**
	US$'000	***US$'000***	***US$'000***
Warrants			
- Fair value recognition at issue date	4,989	4,989	4,989
- Fair value through profit and loss	(4,989)	(2,223)	(4,953)
As at period end	-	2,766	36

Details of the warrants outstanding during the period are as follows:

	30 June 2019		**30 June 2018**		**31 December 2018**	
	Number of warrants	**Weighted average exercise price**	**Number of warrants**	**Weighted average exercise price**	**Number of warrants**	**Weighted average exercise price**
Outstanding at the beginning of period	132,590,817	35p	13,090,817	35p	13,090,817	35p
Issued during the period	-	-	119,500,000	35p	119,500,000	35p
Forfeited during the period	-	-	-	-	-	-
Exercised during the period	-	-	-	-	-	-
Expired during the period	(132,590,817)	35p	-	-	-	-
Outstanding at the end of the period	-	-	132,590,817	35p	132,590,817	35p

In 2018, warrants were issued on 9 February 2018. The aggregate of the estimated fair values of the warrants issued on those dates is US$2.5 million. As at 8 February 2019 all warrants expired. The inputs into the Black-Scholes model are as follows:

	30 June 2019	30 June 2018	31 December 2018
Weighted average share price USD cents	-	38.50	33.8
Weighted average exercise price USD cents	-	46.22	44.7
Expected volatility	-%	38.02%	39.29%
Expected life	Nil months	7 months	1 months
Risk-free rate	-	0.61%	0.74%

Expected volatility was determined by calculating the historical volatility of the group's share price and the currency fluctuation between the USD and GBP. The expected life used in the model has been adjusted, based on contractual terms.

10. Lease liabilities

Maturity Analysis – contractual undiscounted cash flows:

	30 June 2019 Unaudited	30 June 2018 Unaudited	31 December 2018 Audited
	US$'000	***US$'000***	***US$'000***
Less than one year	370	379	266
One to five years	3,691	1,243	3,118
More than five years	2,636	466	-
	6,697	2,088	3,384

Lease liabilities included in the statement of financial position:

	30 June 2019 Unaudited	30 June 2018 Unaudited	31 December 2018 Audited
	US$'000	***US$'000***	***US$'000***
Current	295	-	-
Non-current	5,105	-	-

11. Capital commitments

At 30 June 2019, capital commitments related to drilling amounted to US$Nil (HY 2018: US$Nil, FY 2018: US$Nil).

12. Contingent liability

In January 2019, the EU Commission ruled that the finance company exemption from the UK's controlled foreign company (CFC) rules partly contravened EU state aid rules and the UK must require repayment from groups that benefited. This ruling could potentially give rise to taxable income from the finance income generated SPN Ltd on its loans to Savannah Petroleum Niger R1/R2 SA, another Savannah Group company.

In conjunction with its tax advisors, Management believes that the Company has strong grounds to defend the position of no UK SPFs with respect to the financing company and as such has not recognised a tax liability in relation to this ruling.

INDEPENDENT REVIEW REPORT TO SAVANNAH PETROLEUM PLC

Introduction

We have been engaged by the company to review the financial information in the half-yearly financial report for the six months ended 30 June 2019 which comprises the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Statement of Financial Position, the Condensed Consolidated Statement of Cash Flows and the Condensed Consolidated Statement of Changes in Equity. We have read the other information contained in the half yearly financial report which comprises only the Notes to the Condensed Consolidated Interim Financial Statements and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The AIM rules of the London Stock Exchange require that the accounting policies and presentation applied to the financial information in the half-yearly financial report are consistent with those which will be adopted in the annual accounts having regard to the accounting standards applicable for such accounts.

As disclosed in Note 2 the annual financial statements of Savannah Petroleum PLC are prepared in accordance with IFRSs as adopted by the European Union. The financial information in the half-yearly financial report has been prepared in accordance with the basis of preparation in Note 2.

Our responsibility

Our responsibility is to express to the company a conclusion on the financial information in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial information in the half-yearly financial report for the six months ended 30 June 2019 is not prepared, in all material respects, in accordance with the basis of accounting described in Note 2.

Use of our report

This report is made solely to the company in accordance with guidance contained in ISRE (UK and Ireland) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity'. Our review work has been undertaken so that we might state to the company those matters we are required to state to it in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusion we have formed.

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Glasgow
27 September 2019