

24 January 2022

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

FY 2021 Trading Update

Savannah Energy PLC, the British independent energy company focused around the delivery of **Projects that Matter** in Africa, is pleased to announce a trading update for the full year 2021.

Andrew Knott, CEO of Savannah Energy, said:

"I am extremely pleased to be able to announce a strong set of initial results for 2021. We have exceeded our guidance set out at the beginning of 2021, with our Nigerian assets continuing to perform well throughout the period. In addition, our financial performance in the year was very strong and operationally we were able to announce new gas sales contracts in Nigeria, as well as commencing first gas sales under the FIPL Afam contract. Since the announcement of our acquisition of the Nigerian assets we have clearly demonstrated significant underlying asset value creation: for example, 2017 – 2021 Total Revenues¹ have increased by 65% and Cash Collections by 92%.

Looking forward we will continue to seek to execute our "Projects that Matter" strategy as we continue to review opportunities in the renewable energy space and further upstream and midstream asset acquisitions, deliver further operational and financial progress in Nigeria and Niger and close out our planned acquisitions in Chad and Cameroon. We look forward to updating our stakeholders as to the progress we make."

FY 2021 Unaudited Financial Highlights

- FY 2021 Total Revenues¹ of US\$230.5m (up 7% on FY 2020 on a like-for-like basis after adjusting 2020 Total Revenues of US\$235.9m for an advance payment of US\$20m from Lafarge Africa which was received on entering a revised Gas Sales Agreement). This is ahead of the Company's previously issued FY 2021 guidance of 'Total Revenues of greater than US\$205.0m';
- Group cash balance of US\$154.3m² (up 46% versus FY 2020 year-end cash balance of US\$106.0m) and net debt of US\$370.0m³ (down 9% versus FY 2020 year-end net debt of US\$408.7m) as at 31 December 2021;
- Total cash collections from the Company's Nigerian assets rose 11% year-on-year to US\$208.2m (FY2020 cash collections of US\$187.4m); and
- The Company is updating its guidance on the remaining items to report for FY 2021:
 - Operating expenses plus administrative expenses⁴ are at or below the lower end of the guidance range of US\$55.0m - US\$65.0m, driven by the ongoing control of the cost base;
 - Group Depreciation, Depletion and Amortisation of US\$20m fixed for infrastructure assets plus US\$2.3/boe (amended from US\$19m fixed for infrastructure assets plus US\$2.6/boe), an overall reduction due to the 27% reserves' increase in Nigeria as announced in the publication of the updated Nigeria Competent Persons Report on 23 November 2021; and
 - FY 2021 Capital Expenditure for the year is significantly below the guidance of up to US\$65.0m, following the successful drilling of the Uquo 11 gas development well and ongoing compression works which are now scheduled to complete in 2022.

FY 2021 Nigeria Operational Highlights

- FY 2021 average gross daily production was 22.3 Kboepd, a 14% increase from the average gross daily production of 19.5 Kboepd in FY 2020.
- Of the FY 2021 total average gross daily production of 22.3 Kboepd, 88.1% was gas, including a 15% increase in production from the Uquo gas field compared to 2020, from 103 MMscfpd (17.1 Kboepd) to 118 MMscfpd (19.7 Kboepd).

Nigeria Average Gross Daily Production

	Uquo Gas (MMscfpd)	Uquo Condensate (Kbopd)	Stubb Creek Oil (Kbopd)	Total (Kboepd)
1 January-31 December 2021	118	0.1	2.5	22.3
<i>% of total production</i>	<i>88.1%</i>	<i>0.5%</i>	<i>11.4%</i>	<i>100%</i>
1 January-31 December 2020	103	0.1	2.3	19.5
<i>% of total production</i>	<i>87.7%</i>	<i>0.6%</i>	<i>11.7%</i>	<i>100%</i>
% Increase	<i>15%</i>	<i>-3%</i>	<i>11%</i>	<i>14%</i>

N.B. - Percentages in this table are calculated from exact numbers, the figures above are rounded.

Note that Nigeria production levels are largely driven by customer nomination levels, while cash collections are largely driven by contractual maintenance adjusted take-or-pay provisions.

Niger

The amalgamation of the R1/R2 and R3/R4 Production Sharing Contract ("PSC") areas into the new R1234 PSC has been approved. The first stage of the R3 East development project is to potentially commence in 2022

New Renewable Energy Division

Opportunities exist throughout Africa in the renewable energy sphere and Savannah has recently established a new Renewable Energy division to pursue such projects. Savannah believes that its proven hydrocarbon asset operational management skills are directly transferrable to the renewable energy space, which in Africa represents a potentially vast target market of over 310GW by 2030. Savannah expects to update on this potentially significant investment opportunity in due course.

ESG Reporting Update

Savannah continues to progress plans to harmonise and enhance its approach to sustainability reporting across the enlarged Group. We look forward to providing further updates later this year.

Footnotes:

1. Total Revenues are defined as the total amount of invoiced sales during the period. This number is seen by management as more accurately reflecting the underlying cash generation capacity of the business in comparison to Revenue recognised in the Consolidated Statement of Comprehensive Income
2. Within cash balance of US\$154.3m, US\$106.9m is set aside for debt service, of which US\$75.5m is for interest, and US\$1.6m relates to monies held in escrow accounts for stamp duty relating to loan security packages
3. Net debt (defined as 'Total long and short term debt exclusive of lease liabilities less Cash at bank and other escrow monies) includes a Senior Secured Note with a call option, which is subject to final review. Any change in this option value will impact the reported net debt.
4. Operating expenses plus administrative expenses are defined as total cost of sales, administrative and other operating expenses excluding transaction costs, royalty and depletion, depreciation and amortisation

For further information, please refer to the Company's website www.savannah-energy.com or contact:

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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.

About Savannah Energy:

Savannah Energy PLC is an AIM listed British independent energy company focused around the delivery of **Projects that Matter** in Africa. In Nigeria, the Company has controlling interests in the cash flow generative Uquo and Stubb Creek oil and gas fields, and the Accugas midstream business in South East Nigeria, which provides gas enabling over 10% of Nigeria's thermal power generation. In Niger, the Company has licence interests covering approximately 50% of the highly oil prolific Agadem Rift Basin of South East Niger, where the Company has made five oil discoveries and seismically identified a large exploration prospect inventory consisting of 146 exploration targets to be considered for potential future drilling activity. The Company has announced that it is in the process of potentially acquiring a portfolio of upstream and midstream assets in Chad and Cameroon.

Further information on Savannah Energy PLC can be found on the Company's website: www.savannah-energy.com.