

31 May 2023

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

**New Natural Gas Sales and Purchase Agreement signed with Amalgamated Oil Company Nigeria Limited**

Savannah Energy PLC, the British independent energy company focused around the delivery of *Projects that Matter*, is pleased to announce that the Company's 80% indirectly owned subsidiary, Accugas Limited, has entered into a Natural Gas Sales and Purchase Agreement (the "NGSPA") with Amalgamated Oil Company Nigeria Limited ("AMOCON") for gas produced in the OML 156 sole risk petroleum lease area, for onward sale to its customers.

Accugas focuses on the marketing, processing, distribution and sale of gas to the domestic Nigerian market. In 2022, Accugas processed and transported an average of 145 MMscfpd of gas through its pipeline network, with all gas sourced from Savannah's 80% indirectly owned Uquo gas field<sup>1</sup>. Gas is processed at Accugas' 200 MMscfpd Uquo central processing facility ("Uquo CPF") for onward transportation to customers through its c.260km, up to c.600 MMscfpd transportation capacity pipeline network. The NGSPA with AMOCON represents the first time that Accugas will be supplying gas to its customers that has not been produced from the Uquo gas field. Gas purchased from AMOCON does not require processing by Accugas and therefore does not utilise available capacity at the Uquo CPF.

Under the terms of the NGSPA, Accugas has agreed to purchase up to 20 MMscfpd of gas from AMOCON over the course of the next ten years. The cost of connection to Accugas' infrastructure has been borne by AMOCON, with the gas being delivered from a new AMOCON-owned 140m pipeline connecting AMOCON's Early Production Facility ("EPF") to Accugas' existing pipeline network. Under the terms of the NGSPA, all capital expenditure required for the AMOCON EPF-to-Accugas pipeline was borne by AMOCON and Accugas has not incurred any additional capital expenditure in relation to this project. The contract is already operational and gas supply to Accugas has stabilised at approximately 20 MMscfpd.

**Andrew Knott, CEO Savannah Energy, said:**

*"Since we announced our intention to acquire our ownership interest in Accugas in 2017, Accugas has recorded six consecutive years of growth in Total Revenues<sup>2</sup> at a compound annual growth rate of 21%. We are now contracted to supply gas to up to 24% of Nigeria's thermal power generation capacity (up from 10% at the time of acquisition) as well as key petrochemical and cement factories. We are clearly performing a critical service to the Nigerian economy.*

*By providing a commercial route to market for otherwise stranded gas resources, the deal with AMOCON represents a new source of growth for Accugas. This deal has the potential to serve as a template for the commercialisation of other stranded gas resources in South East Nigeria which represents a potentially significant opportunity for Accugas."*

For further information, please refer to the Company's website [www.savannah-energy.com](http://www.savannah-energy.com) or contact:

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This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR").

### **About Savannah Energy:**

Savannah Energy PLC is an AIM quoted British independent energy company focused around the delivery of *Projects that Matter*, active in Cameroon, Niger and Nigeria.

### **Footnotes:**

1. Under the terms of the Uquo field joint operating agreement, Savannah Energy Uquo Gas Limited holds 100% economic interest in the Uquo field gas project (including associated condensate production). Frontier Oil Limited holds 100% economic interest of the oil project at the Uquo Field.
2. 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.

## Savannah's Operations in South East Nigeria (including AMOCON facility)

