

7 June 2022

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

FY 2021 Preliminary Unaudited Annual Results

Notice of AGM and Posting of the 2021 Annual Report

Savannah Energy PLC, the British independent energy company focused around the delivery of *Projects that Matter* in Africa, is pleased to announce its preliminary unaudited results for the year ended 31 December 2021. The Notice of the Annual General Meeting ("AGM" or "Meeting") is available to download from the Company's website (www.savannah-energy.com). A copy of the 2021 Annual Report and Accounts ("Annual Report") and investor presentation will be available to download from the Company's website later today. The Notice of the AGM has been posted to shareholders today with the Annual Report to follow shortly.

Andrew Knott, CEO of Savannah Energy, said:

"2021 was a fantastic year for Savannah. Our Total Revenues^{1,2} and Adjusted EBITDA² grew by 7% year-on-year to US\$231m and US\$175m respectively. We organically increased our Net 2P reserves by 20% to 77.7 MMboe. We announced our potentially transformational acquisition of a large portfolio of upstream and midstream assets in Chad and Cameroon, which upon completion we now expect will more than double our corporate free cashflow. We established a Renewable Energy Division which, post period, has signed agreements for up to 750 MW of large scale greenfield solar and wind projects. We successfully renewed and amalgamated our Niger PSC areas, paving the way for the progression of our intended 35 MMstb R3 East development and a return to exploration activity in the licence areas. Our performance against key industry sustainability metrics relating to HSE performance, carbon intensity, senior management gender diversity and local employee ratios remain industry leading.

Looking forward to the rest of 2022, I am confident in where we are as a business. We expect to deliver on our financial guidance. We expect to complete our entry to Chad and Cameroon during Q3 2022 and to likely announce further hydrocarbon acquisitions. We expect to further grow our Renewable Energy Division, with several new large-scale greenfield opportunities under review and negotiation. We expect to finalise the refinancing of our Nigerian debt and to announce the development and exploration plans for our assets in Niger.

I would urge shareholders to spend time reading through my CEO Letter to Shareholders which will be in the Annual Report, and which discusses our 2021 performance and 2022 plans in more detail, while also discussing our views of the "how" and the "why" we see the African energy transition evolving and how this relates to Savannah's hydrocarbon AND renewables business model.

Most of all we will maintain our focus around the delivery of Projects that Matter in Africa. I would like to express my gratitude to all of those who contributed to our success in 2021 – my incredibly dedicated and passionate colleagues, our host governments, communities, local authorities and regulators, our shareholders and lenders, and our customers, suppliers and partners. Thank you all."

Key FY 2021 Financial Highlights

- FY 2021 Total Revenues¹ of US\$230.5m (+7% on FY 2020 Total Revenues of US\$215.9m²). This is ahead of the Company's previously issued FY 2021 guidance of 'Total Revenues of greater than US\$205m';

¹ Total Revenues refers to the total amount invoiced in the financial year. This number is seen by management as appropriately reflecting the underlying cash generation capacity of the business compared to Revenue recognised in the income statement. A detailed explanation of the impact of IFRS 15 revenue recognition rules on our income statement is provided in the Financial Review section of our 2020 Annual Report. For reference FY 2021 Revenues were US\$185.8 million (up 10% on FY 2020 Revenues of US\$169.0 million). 2020 Total Revenues are represented to exclude a one-off advance payment of US\$20 million which was received on entering into an amended and extended Gas Sales Agreement with Lafarge Africa to enable a like-for-like comparison with 2021.

- Average realised gas price of US\$4.19/Mscf (+6% on the 2020 average realised gas price of US\$3.96/Mscf) and an average realised liquids price of US\$69.9/bbl (+51% compared to the 2020 average realised liquids price of US\$46.2/bbl);
- Total cash collections from the Company's Nigerian assets of US\$208.2m (+24% on FY 2020 cash collections of US\$167.4m²);
- Adjusted EBITDA of US\$175.0m (+7% on FY 2020 Adjusted EBITDA of US\$163.2m²);
- Adjusted EBITDA margin remained broadly unchanged at 76%;
- Group operating expenses plus administrative expenses³ of US\$49.9m (FY 2021 initial guidance of US\$55-65m);
- Group Depreciation, Depletion and Amortisation of US\$36.2m (FY 2021 initial guidance of US\$38.3m based on the actual produced volumes);
- Capital Expenditure for the year of US\$32.5m (FY 2021 initial guidance of up to US\$65m);
- Group cash balances of US\$154.3m⁴ as at 31 December 2021 (+46% versus FY 2020 year-end Group cash balances of US\$106.0m);
- Group net debt of US\$370.0m as at 31 December 2021 (-9% versus FY 2020 year-end Group net debt of US\$408.7m);
- Leverage⁵ was 2.1x, (20% improvement on 2020 leverage of 2.5x), and an interest cover ratio⁶ of 2.8x (FY 2020 ratio of 2.4x);
- Total Group assets amounted to US\$1,349m at year-end (2020: US\$1,207m); and
- Successfully announced a proposed placing to raise US\$65.8m of equity financing and secured up to US\$432m of debt financing for the proposed Chad and Cameroon Asset Acquisitions. The equity financing completed in January 2022.

Key FY 2021 Operational Highlights

- FY 2021 average gross daily production from the Nigerian operations 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% was gas, including a 15% increase in gas production from the Uquo gas field, from 103 MMscfpd (17.1 Kboepd) in FY 2020 to 118 MMscfpd (19.7 Kboepd) in FY 2021;
- Successful drilling and completion of the Uquo-11 gas production well;
- Publication of an updated Competent Person's Report ("CPR")⁷ for Nigeria, with an organic 2P reserve upgrade on the Uquo field, resulting in a 20% increase in Nigeria 2P reserves to 77.7 MMboe (net);

² Adjusted EBITDA is calculated as profit or loss before finance costs, investment revenue, foreign exchange gains or loss, expected credit loss and other related adjustments, fair value adjustments, gain on acquisition, taxes, transaction costs, depreciation, depletion and amortisation and adjusted to include deferred revenue and other invoiced amounts. Management believes that the alternative performance measure of Adjusted EBITDA more accurately reflects the cash-generating capacity of the business. 2020 cash collections and Adjusted EBITDA are represented to exclude a one-off advance payment of US\$20 million which was received on entering into an amended and extended Gas Sales Agreement with Lafarge Africa to enable a like-for-like comparison with 2021.

³ Group operating expenses plus administrative expenses are defined as total cost of sales, administrative and other operating expenses, excluding royalty and depletion, depreciation and amortisation.

⁴ Within cash balance of US\$154.3m, US\$132.8m is set aside for debt service, of which US\$75.5m is for interest and US\$57.3m is for scheduled principal repayments, and US\$1.6m relates to monies held in escrow accounts.

⁵ Leverage is calculated as Net debt/Adjusted EBITDA

⁶ Interest cover ratio is Adjusted EBITDA² divided by Finance costs excluding (i) unwind of a discount on a long-term payable, (ii) unwind of discount on contract liabilities and (iii) unwinding of decommissioning discount, less Interest Finance Income

⁷ CPR compiled by CGG Services (UK) Ltd ("CGG"), a well-known independent third-party reserves auditor. For an explanation of the defined terms in this announcement readers should refer to the updated Nigeria CPR, which is available to download from the Company's website at www.savannah-energy.com

- Uquo compression project progressed with compressor packages acquired, completion of Front End Engineering & Design studies and long-lead items specified ready for ordering;
- New gas sales agreement ("GSA") signed with Mulak Energy Limited in Nigeria in February 2021, representing Savannah's first Gas-to-CNG sales agreement;
- Commencement of gas sales to First Independent Power Limited's ("FIPL") power plant, FIPL Afam, in Nigeria, in November 2021, marking Savannah's first entry into the high growth Port Harcourt Industrial area. Followed by the extension of the FIPL GSA in April 2022 post-year end, almost doubling the maximum contracted volume to up to 65 MMscfpd and extending coverage to a total of three of FIPL's power stations in Rivers State, Nigeria;
- Post-year end, in February 2022, a new GSA was signed with the Central Horizon Gas Company, a major gas distribution company situated in the South-South region of Nigeria;
- Post-year end, in June 2022, a further new GSA was signed with TransAfam Power Limited ("TAPL"), a subsidiary of Transnational Corporation of Nigeria plc, for the provision of gas to its power plants in Rivers State, Nigeria;
- Niger Production Sharing Contract contractual and commercial framework completed and finalised with commercial terms agreed and announced in September 2021;
- Savannah's Renewable Energy Division was established in 2021, with the announcement in March 2022 of the Company's inaugural renewable energy project, the up to 250 megawatts ("MW") Parc Eolien de la Tarka wind farm project in Niger. This is targeted to increase the country's on-grid electricity supply by up to 40%. Project sanction is targeted for 2023 with first wind power in 2025; and
- This was followed in May 2022 with the signing of an agreement with the Ministry of Petroleum and Energy of the Republic of Chad for the development of up to 500 MW of renewable energy projects. The up to 300 MW Centrale Solaire de Komé project would represent the largest solar plant in sub-Saharan Africa (excluding South Africa) and potentially the largest battery storage project on the continent. The up to 200 MW Centrales d'Énergie Renouvelable de N'Djamena in Chad would more than double the existing installed generation capacity supplying the capital city and increase the total installed on-grid power generation capacity in Chad by up to an estimated 63%.

Financial Guidance Reiterated for FY 2022

Savannah reiterates its financial guidance for the full year 2022 as follows:

Total Revenues¹	≥US\$215 million
Group Operating expenses plus administrative expenses³	≤US\$75 million
Depreciation, Depletion and Amortisation	US\$21 million + US\$2.3/boe
Capital Expenditure	≤US\$85 million

Update on Savannah's Sustainability Strategy

Savannah's focus in 2021 was on articulating the level of ambition across the four pillars of our sustainability strategy: (1) Promoting socio-economic prosperity; (2) Ensuring safe and secure operations; (3) Supporting and developing our people; and (4) Respecting the environment. We conducted an exercise to benchmark the Company's performance against industry peers and leaders, which helped us to develop our strategy and link key performance metrics to our ambitions and to the 13 relevant United

Nations Sustainable Development Goals which anchor our strategy. In particular, the following key performance metrics were identified to measure performance and progress, many of which are industry-leading:

- Continued our strong health & safety record with a zero Lost Time Injury Rate ("LTIR") (2020: zero) and a 0.34 Total Recordable Incident Rate ("TRIR") in 2021 (2020: 0.28);
- Increased our Total Contributions⁸ to host nations Nigeria and Niger by 12% to US\$55.1m (2020: US\$49.3m);
- Increased our investment in social impact projects in Nigeria and Niger by more than 50% to US\$246,000 in 2021 (2020: US\$161,000);
- Number of transport related incidents remains exceptionally low with two in 2021 covering over 1.6 million transport kilometres travelled (2020: five incidents);
- Maintained senior management female gender diversity at 35% (2020: 35%);
- Established a multimillion-dollar, world class training scheme across our whole business for 2021-23, resulting in a 22% increase in training hours per employee and a 32% increase in total working hours of training;
- Maintained a low carbon intensity of 13.3 kg CO₂e/boe (2020: 12.8 kg CO₂e/boe) compared to our industry peer group;
- Maintained our zero hydrocarbon spills record defined as not greater than one barrel reaching the environment (2020: zero);
- Measured our freshwater use for the first time, recording usage of approximately 5,359 m³ of freshwater from boreholes and mains supply; and
- Minimised our negative impacts on biodiversity, putting in place Biodiversity Action Plans at our four operational sites to minimise any impact from our operations.

During 2021 and 2022, we have implemented the Company's new sustainability performance and reporting framework across the Group. We implemented a digital tool to track our performance on our key sustainability indicators on a month-by-month and country-by-country basis and have integrated seven leading sustainability reporting standards into our reporting framework. We plan to publish the respective detailed disclosure reports setting out our alignment to each standard during H2 2022.

Savannah is pleased to have been recognised for the progress in our sustainability reporting to date, having been shortlisted for 'ESG Initiative of the Year' at the Chartered Governance Institute UK & Ireland ("CGI") Awards in November last year and, more recently, shortlisted for 'Best ESG Materiality Reporting (Small Cap)' at the IR Magazine Awards - Europe 2022.

AGM

The AGM will be held at 10.30 a.m. on Thursday, 30 June 2022 at 40 Bank Street, London, E14 5NR. Details on how to submit your proxy vote are set out in the section of the Notice of AGM headed "Voting Arrangements - Action to be taken". The results of the AGM will be announced shortly after its conclusion and published on the Company's website at www.savannah-energy.com.

⁸ Total Contributions to Nigeria and Niger defined as payments to governments, employee salaries and payments to local suppliers and contractors.

For further information, please contact:

Savannah Energy +44 (0) 20 3817 9844
Andrew Knott, CEO
Nick Beattie, CFO
Sally Marshak, Head of IR & Communications

Strand Hanson (Nominated Adviser) +44 (0) 20 7409 3494
James Spinney
Ritchie Balmer
Rob Patrick

finnCap Ltd (Joint Broker) +44 (0) 20 7220 0500
Christopher Raggett
Tim Redfern

Panmure Gordon (UK) Ltd (Joint Broker) +44 (0) 20 7886 2500
John Prior
Hugh Rich
James Sinclair-Ford

Camarco +44 (0) 203 757 4980
Billy Clegg
Owen Roberts
Violet Wilson

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 (EU) No. 596/2014, which forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended), 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 quoted British independent energy company focused around the delivery of Projects that Matter in Africa and is active in Cameroon, Chad, Niger and Nigeria.

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

Unaudited Consolidated Statement of Comprehensive Income

for the year ended 31 December 2021

		Year ended 31 December 2021	Year ended 31 December 2020
	Note	Unaudited US\$'000	Audited US\$'000
Revenue	4	185,799	169,005
Cost of sales	5	(65,011)	(72,460)
Gross profit		120,788	96,545
Administrative and other operating expenses		(25,675)	(14,691)
Transaction expenses		(7,374)	—
Expected credit loss and other related adjustments		(26)	10,992
Operating profit		87,713	92,846
Finance income		490	472
Finance costs	6	(76,604)	(75,796)
Fair value adjustment		(610)	(1,682)
Foreign exchange loss		(18,734)	(5,396)
(Loss)/profit before tax		(7,745)	10,444
Current tax expense	7	(2,589)	(4,197)
Deferred tax credit/(expense)	7	27,437	(12,685)
Tax credit/(expense)	7	24,848	(16,882)
Profit/(loss) after tax		17,103	(6,438)
Other comprehensive income			
Items not reclassified to profit or loss:			
Actuarial gains/(losses) relating to post-employment benefits		1,827	(362)
Tax relating to items not reclassified to profit or loss		(609)	308
Other comprehensive profit/(loss)		1,218	(54)
Total comprehensive profit/(loss)		18,321	(6,492)
Profit/(loss) after tax attributable to:			
Owners of the Company		768	(6,684)
Non-controlling interests		16,335	246
		17,103	(6,438)
Total comprehensive profit/(loss) attributable to:			
Owners of the Company		1,742	(6,738)
Non-controlling interests		16,579	246
		18,321	(6,492)
Earnings/(loss) per share			
Basic (US\$)	8	0.00	(0.01)
Diluted (US\$)	8	0.00	(0.01)

All results in the current financial year derive from continuing operations.

Unaudited Consolidated Statement of Financial Position

as at 31 December 2021

	Note	2021 Unaudited US\$'000	2020 Audited US\$'000
Assets			
Non-current assets			
Property, plant and equipment	9	568,201	612,707
Exploration and evaluation assets		161,343	159,572
Deferred tax assets		223,814	196,986
Right-of-use assets		4,724	5,581
Restricted cash		1,635	1,635
Finance lease receivable		722	1,049
Total non-current assets		960,439	977,530
Current assets			
Inventory		3,873	2,916
Trade and other receivables	10	231,631	122,400
Cash at bank	11	152,644	104,363
Total current assets		388,148	229,679
Total assets		1,348,587	1,207,209
Equity and liabilities			
Capital and reserves			
Share capital		1,409	1,409
Share premium		61,204	61,204
Shares to be issued		63,956	—
Treasury shares		(58)	(59)
Capital contribution		458	458
Share-based payment reserve		8,706	7,104
Retained earnings		157,221	155,308
Equity attributable to owners of the Company		292,896	225,424
Non-controlling interests		13,842	(2,737)
Total equity		306,738	222,687
Non-current liabilities			
Other payables	12	3,415	4,648
Borrowings	13	108,652	424,667
Lease liabilities		5,308	7,057
Provisions		68,966	106,606
Contract liabilities	14	213,043	185,172
Total non-current liabilities		399,384	728,150
Current liabilities			
Trade and other payables	12	116,771	106,225
Borrowings	13	415,593	89,995
Interest payable	15	80,101	51,544
Tax liabilities	7	2,058	2,539
Lease liabilities		1,475	1,004
Contract liabilities	14	26,467	5,065
Total current liabilities		642,465	256,372
Total liabilities		1,041,849	984,522
Total equity and liabilities		1,384,587	1,207,209

Unaudited Consolidated Statement of Cash Flows

for the year ended 31 December 2021

	Year ended 31 December 2021 Unaudited US\$'000	Year ended 31 December 2020 Audited US\$'000
	Note	
Cash flows from operating activities:		
Net cash generated from operating activities	15	128,115
Cash flows from investing activities:		
Interest received		193
Payments for property, plant and equipment		(31,191)
Exploration and evaluation payments		(1,327)
Payment for financial asset		(7,500)
Acquisition deposits		(7,000)
Lessor receipts		388
Cash to debt service accounts		(76,800)
Cash from restricted cash accounts		—
Net cash used in investing activities		(123,237)
Cash flows from financing activities:		
Finance costs		(25,967)
Borrowing proceeds		18,476
Borrowing repayments		(15,818)
Lease payments		(1,850)
Net cash used in financing activities		(25,159)
Net (decrease)/increase in cash and cash equivalents		(20,281)
Effect of exchange rate changes on cash and cash equivalents		(8,238)
Cash and cash equivalents at beginning of year		74,258
Cash and cash equivalents at end of year	11	45,739
Amounts held for debt service at end of year	11	106,905
Cash at bank at end of year as per Statement of Financial Position	11	152,644

Unaudited Consolidated Statement of Changes in Equity

for the year ended 31 December 2021

	Share capital US\$'000	Share premium US\$'000	Shares to be issued US\$'000	Treasury shares US\$'000	Capital contribution US\$'000	Share-based payment reserve US\$'000	Retained earnings US\$'000	Equity attributable to the owners of the Company US\$'000	Non-controlling interest US\$'000	Total equity US\$'000
Balance at 1 January 2020 (audited)	1,393	61,204	—	—	458	6,448	161,099	230,602	(2,983)	227,619
(Loss)/profit for the year	—	—	—	—	—	—	(6,684)	(6,684)	246	(6,438)
Other comprehensive loss	—	—	—	—	—	—	(54)	(54)	—	(54)
Total comprehensive (loss)/profit for the year	—	—	—	—	—	—	(6,738)	(6,738)	246	(6,492)
Transactions with shareholders:										
Equity-settled share-based payments	—	—	—	—	—	656	—	656	—	656
Share adjustments	16	—	—	—	—	—	888	904	—	904
Treasury shares recognition	—	—	—	(59)	—	—	59	—	—	—
Balance at 31 December 2020 (audited)	1,409	61,204	—	(59)	458	7,104	155,308	225,424	(2,737)	222,687
Profit for the year	—	—	—	—	—	—	768	768	16,335	17,103
Other comprehensive profit	—	—	—	—	—	—	974	974	244	1,218
Total comprehensive profit for the year	—	—	—	—	—	—	1,742	1,742	16,579	18,321
Transactions with shareholders:										
Equity-settled share-based payments	—	—	—	—	—	1,602	—	1,602	—	1,602
Share adjustments	—	—	—	1	—	—	171	172	—	172
Shares to be issued	—	—	63,956	—	—	—	—	63,956	—	63,956
Balance at 31 December 2021 (unaudited)	1,409	61,204	63,956	(58)	458	8,706	157,221	292,896	13,842	306,738

Notes to the Unaudited Financial Information

for the year ended 31 December 2021

1. Corporate information

The Company was incorporated in the United Kingdom on 3 July 2014. Savannah's principal activity is the exploration, development and production of natural gas and crude oil and development of other energy related projects in Africa. The Company is domiciled in England for tax purposes and is a public company, and its shares were listed on the Alternative Investment Market ("AIM") of the London Stock Exchange on 1 August 2014. The Company's registered address is 40 Bank Street, London E14 5NR.

2. Basis of preparation

The unaudited consolidated financial statements of the Company and the Group have been prepared in accordance with International accounting standards as adopted by the United Kingdom, with future changes being subject to endorsement by the UK Endorsement Board. The unaudited consolidated financial statements have been prepared under the historical cost convention and incorporate the results for the year ended 31 December 2021. The financial information contained in this report for the year ended 31 December 2021 (the "Financial Information") does not constitute full statutory accounts as defined in sections 435 (1) and (2) of the Companies Act 2006. The statutory accounts for the year ended 31 December 2021 will be finalised on the basis of the financial information presented by the Directors in this announcement and will be delivered to the Registrar of Companies in due course. The statutory accounts are subject to completion of the audit and may change before the approval of the Annual Report.

Statutory accounts for the year ended 31 December 2020 have been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified, drew attention by way of emphasis of matter to the material uncertainty related to going concern without qualifying the accounts and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. Statutory accounts for the year ended 31 December 2021 will be delivered in due course.

The accounting policies applied are consistent with those adopted and disclosed in the Group's audited consolidated financial statements for the year ended 31 December 2021. There have been a number of amendments to accounting standards and new interpretations issued by the International Accounting Standards Board which were applicable from 1 January 2021, however these have not any impact on the accounting policies, methods of computation or presentation applied by the Group. Further details on new International Financial Reporting Standards adopted will be disclosed in the Annual Report.

Going concern

The Group places significant importance in managing its liquidity position and ensuring that all parts of the business have appropriate funding as needed to meet their obligations. The Directors have considered the Group's forecasted cash flows and funding requirements for the period to 31 December 2023 (including sensitivity analysis of key assumptions which has been undertaken) and in addition the Directors have considered the range of risks facing the business on an ongoing basis. The principal assumptions made in relation to the going concern assessment relate to (1) the timely receipts of our gas invoices by our customers, (2) the forecast commodity price environment and (3) continued access to FX markets for debt refinancing. Considering this last point, the Directors are highly confident that the Group will continue to be able to access US dollars as required to maintain its going concern status. However, a minimal risk exists that the Group may not be able to continue to do so and/or the Group may not be able to amend its debt facilities and/or complete its planned debt refinancing. These facts indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue to adopt the going concern basis of accounting. Notwithstanding this, the Directors have full confidence in the Group's forecasts and have continued to adopt the going concern basis in preparing the Group's unaudited consolidated financial statements.

3. Segmental reporting

For the purposes of resource allocation and assessment of segment performance, the operations of the Group are divided into three segments: two geographical locations and an Unallocated segment. The two geographical segments are Nigeria and Niger, and their principal activities are the exploration, development and extraction of oil and gas. These make up the total current and future revenue-generating operations of the Group. The Unallocated segment's principal activities are the governance and financing of the Group, as well as undertaking business development opportunities. Items not included within Operating profit/(loss) are reviewed at a Group level and therefore there is no segmental analysis for this information.

The following is an analysis of the Group's revenue and results by reportable segment in 2021:

	Nigeria Unaudited US\$'000	Niger Unaudited US\$'000	Unallocated Unaudited US\$'000	Total Unaudited US\$'000
Revenue	185,799	—	—	185,799
Cost of sales ¹	(65,011)	—	—	(65,011)
Gross profit	120,788	—	—	120,788
Administrative and other operating expenses	(6,814)	(6,837)	(12,024)	(25,675)

Transaction expenses	—	—	(7,374)	(7,374)
Expected credit loss and other related adjustments	(26)	—	—	(26)
Operating profit/(loss)	113,948	(6,837)	(19,398)	87,713
Finance income				490
Finance costs				(76,604)
Fair value adjustment				(610)
Foreign translation loss				(18,734)
Loss before tax				(7,745)
Segment depreciation, depletion and amortisation	35,402	282	543	36,227
Segment non-current assets²	568,709	162,644	2,915	734,268
Segment non-current asset additions	32,535	1,779	184	34,498
Segment total assets	1,085,486	160,962	102,139	1,348,587
Segment total liabilities	(938,513)	(31,620)	(71,716)	(1,041,849)

1. Refer to note 5 for items included within Cost of sales.

2. Includes Property, plant and equipment, Exploration and evaluation assets and Right-of-use assets.

The following is an analysis of the Group's revenue and results by reportable segment in 2020:

	Nigeria Audited US\$'000	Niger Audited US\$'000	Unallocated Audited US\$'000	Total Audited US\$'000
Revenue	169,005	—	—	169,005
Cost of sales ¹	(72,460)	—	—	(72,460)
Gross profit	96,545	—	—	96,545
Administrative and other operating expenses	(9,235)	(282)	(5,174)	(14,691)
Expected credit loss and other related adjustments	10,992	—	—	10,992
Operating profit/(loss)	98,302	(282)	(5,174)	92,846
Finance income				472
Finance costs				(75,796)
Fair value adjustment				(1,682)
Foreign translation loss				(5,396)
Profit before tax				10,444
Segment depreciation, depletion and amortisation	35,310	328	643	36,281
Segment non-current assets²	613,439	161,147	3,274	777,860
Segment total assets	1,039,653	161,778	5,778	1,207,209
Segment total liabilities	(919,067)	(34,524)	(30,931)	(984,522)

1. Refer to note 5 for items included within Cost of sales.

2. Includes Property, plant and equipment, Exploration and evaluation assets and Right-of-use assets.

4. Revenue

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Year ended 31 December	2021 Unaudited US\$'000	2020 Audited US\$'000
Gas sales	169,052	157,080
Oil, condensate and processing sales	16,747	11,925
Total revenue from contracts with customers	185,799	169,005

Gas sales represents gas deliveries made to the Group's customers under long-term, take-or-pay gas sale agreements. The Group sells oil and condensates at prevailing market prices.

5. Cost of sales

Year ended 31 December	2021 Unaudited US\$'000	2020 Audited US\$'000
Depletion and depreciation – oil and gas, and infrastructure assets	34,463	34,789
Facility operation and maintenance costs	26,023	33,682
Royalties	4,525	3,989
	65,011	72,460

6. Finance costs

Year ended 31 December	2021 Unaudited US\$'000	2020 Audited US\$'000
Interest on bank borrowings and loan notes	53,384	58,910
Amortisation of balances measured at amortised cost ¹	14,557	11,184
Unwinding of decommissioning discount	4,977	1,781
Interest expense on lease liabilities	511	372
Bank charges	327	352
Other finance costs	2,848	3,197
	76,604	75,796

1. Includes amounts due to unwinding of a discount on a long-term payable, contract liabilities (note 14) and amortisation of debt fees.

7. Taxation

Income tax

The tax (credit)/expense recognised in the profit or loss statement for the Group is:

Year ended 31 December	2021 Unaudited US\$'000	2020 Audited US\$'000
Current tax		
– Current year	2,586	2,903
– Adjustments in respect of prior years	3	1,294
	2,589	4,197
Deferred tax		
– Current year	9,094	3,808
– Change in tax rates	25,871	—
– Write down and reversal of previous write downs of deferred tax assets	(61,657)	—
– Adjustments in respect of prior years	(745)	8,877
	(27,437)	12,685
Total tax (credit)/expense for the year	(24,848)	16,882

Corporation tax is calculated at the applicable tax rate for each jurisdiction based on the estimated taxable profit for the year. The Group's outstanding current tax liabilities of US\$2.1 million (2020: US\$2.5 million) principally relate to the corporation tax liabilities in Nigeria.

8. Earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit for year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year, plus the weighted average number of shares that would be issued on the conversion of dilutive potential ordinary shares into ordinary shares. In the prior year, there was a loss attributable to the owners of the Company, which meant the diluted weighted average number of shares would reduce the loss per share. Therefore, the basic weighted average number of shares were used to calculate the diluted loss per share.

The weighted average number of shares outstanding excludes treasury shares of 41,966,942 (2020: 42,624,837).

Year ended 31 December	2021 Unaudited US\$'000	2020 Audited US\$'000
Profit/(loss)		
Profit/(loss) attributable to owners of the Company	768	(6,684)

	Unaudited Number of shares	Audited Number of shares
Basic weighted average number of shares	954,280,611	953,783,575
Add: employee share options	4,766,269	279,565
Diluted weighted average number of shares	959,046,880	954,063,140

	Unaudited US\$	Audited US\$
Earnings/(loss) per share		
Basic	0.00	(0.01)
Diluted	0.00	(0.01)

50,233,574 options granted under share option schemes are not included in the calculation of diluted earnings per share because they are anti-dilutive for the year ended 31 December 2021 (2020: 49,973,168). These options could potentially dilute basic earnings per share in the future.

9. Property, plant and equipment

	Oil and gas assets US\$'000	Infrastructure assets US\$'000	Other assets US\$'000	Total US\$'000
Cost				
Balance at 1 January 2020 (audited)	167,890	457,414	2,879	628,183
Additions	1,757	1,831	534	4,122
Disposals	—	—	(59)	(59)
Decommissioning remeasurement adjustment	(14,914)	10,236	—	(4,678)
Transfer from Receivables from a joint arrangement	30,844	—	—	30,844
Transfers to Exploration and evaluation assets	—	(284)	—	(284)
Reclassification of assets ¹	(1,725)	720	1,005	—
Balance at 31 December 2020 (audited)	183,852	469,917	4,359	658,128
Additions	16,212	15,780	565	32,557
Decommissioning remeasurement adjustment	(2,296)	(39,569)	—	(41,865)
Balance at 31 December 2021 (unaudited)	197,768	446,128	4,924	648,820
Accumulated depreciation				
Balance at 1 January 2020 (audited)	(3,269)	(5,671)	(957)	(9,897)
Depletion and depreciation charge	(17,234)	(17,555)	(751)	(35,540)
Adjustment to accumulated depreciation	176	56	(216)	16
Balance at 31 December 2020 (audited)	(20,327)	(23,170)	(1,924)	(45,421)
Depletion and depreciation charge	(16,742)	(17,721)	(735)	(35,198)
Balance at 31 December 2021 (unaudited)	(37,069)	(40,891)	(2,659)	(80,619)
Net book value				
Balance at 1 January 2020 (audited)	164,621	451,743	1,922	618,286
Balance at 31 December 2020 (audited)	163,525	446,747	2,435	612,707
Balance at 31 December 2021 (unaudited)	160,699	405,237	2,265	568,201

¹ Certain assets have been reclassified between the various asset classes to ensure they are reported in the most appropriate class.

10. Trade and other receivables

	2021 Unaudited US\$'000	2020 Audited US\$'000
As at 31 December		
Trade receivables	156,440	131,078
Receivables from a joint arrangement	67	419
Other financial assets	5,237	5,548
	161,744	137,045
Expected credit loss	(29,345)	(17,213)
	132,399	119,832
VAT receivables	694	185
Prepayments and other receivables	98,538	2,383
	231,631	122,400

The following has been recognised in the Statement of Comprehensive Income relating to expected credit losses:

	2021 Unaudited US\$'000	2020 Audited US\$'000
Year ended 31 December		
Provision for expected credit loss	(12,628)	(16,782)
Gain on acquired credit impaired assets	12,602	27,774
Expected credit loss and other related adjustments	(26)	10,992

For reporting purposes previously acquired assets were shown net of any related ECL. After acquisition, some of these assets have been fully recovered. Consequently, the associated ECL has been released, with a credit of US\$12.6 million (2020: US\$27.8 million) being recognised in the Statement of Comprehensive Income. The recoveries on the acquired credit impaired assets are reflective of management's improved credit control processes since acquisition. The remaining ECL of US\$1.8 million (2020: US\$14.4 million) that was netted within the fair value of the trade receivables at acquisition remains netted within the trade receivables balance and will only be released when the associated receivables have been fully realised.

The provision for expected credit loss that has been recognised in the year relates to an expected credit loss recognised on new invoices raised during the year as well as changes in expected credit loss rates because of non-payment of certain invoices. Set out below is the movement in the allowance for expected credit loss on trade and other receivables:

	2021 Unaudited US\$'000	2020 Audited US\$'000
As at 1 January	17,213	431
Provision for expected credit loss	12,628	16,782
Other receivables written off	(496)	—
As at 31 December	29,345	17,213

Included within Prepayments and other receivables as at 31 December 2021 are amounts for shares to be issued following the

signing of placing agreements with shareholders of the Company in 2021 amounting to US\$65.8 million (2020: US\$nil), deposits

amounting to US\$21.5 million (2020: US\$nil) for the Group's proposed acquisition of the Chad and Cameroon assets as well as

debt fees associated with unutilised debt amounting to US\$7.5 million (2020: US\$nil).

11. Cash at bank

	2021 Unaudited US\$'000	2020 Audited US\$'000
As at 31 December		
Cash and cash equivalents	45,739	74,258
Amounts held for debt service	106,905	30,105
	152,644	104,363

The Directors consider that the carrying amount of cash at bank approximates their fair value.

Cash and cash equivalents includes US\$1.1 million (2020: US\$1.2 million) of cash collateral on the Orabank revolving facility. The cash collateral was at a value of XOF626.4 million (2020: XOF621.7 million).

Amounts held for debt service represents Naira denominated cash balances which are held by the Group for 2020 and 2021 debt service which has been separately disclosed from Cash and cash equivalents. In total, approximately US\$132.8 million (2020: US\$78.9 million) will be paid for the 2020 and 2021 debt service from bank accounts designated as Amounts held for debt service, and from Cash and cash equivalents.

12. Trade and other payables

	2021 Unaudited US\$'000	2020 Audited US\$'000
As at 31 December		
Trade and other payables		
Trade payables	30,957	40,590
Accruals	62,927	35,565
VAT and WHT payable	13,783	12,075
Royalty and levies	5,196	6,261
Employee benefits	91	74
Deferred consideration	—	7,500
Other payables	3,817	4,160
Trade and other payables	116,771	106,225
Other payables - non-current		
Employee benefits	3,415	4,648
Other payables - non-current	3,415	4,648
	120,186	110,873

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

Deferred consideration of US\$7.5 million related to a loan note that was initially acquired via the acquisition of the Nigerian assets in November 2019, and was then acquired by the Company for future settlement. The amount was repaid in 2021.

13. Borrowings

	2021 Unaudited US\$'000	2020 Audited US\$'000
As at 31 December		
Revolving credit facility	9,916	12,998
Bank loans	379,002	376,509
Senior Secured Notes	100,717	106,513
Other loan notes	34,610	18,642
	524,245	514,662

	2021 Unaudited US\$'000	2020 Audited US\$'000
As at 31 December		
Current borrowings	415,593	89,995
Non-current borrowings	108,652	424,667
	524,245	514,662

14. Contract liabilities

Contract liabilities represents the value of gas supply commitment to the Group's customers for gas not taken but invoiced under the terms of the contracts. The amount has been analysed between current and non-current liability, based on the customers' expected future usage gas delivery profile. This expected usage is updated periodically with the customer.

	2021 Unaudited US\$'000	2020 Audited US\$'000
As at 31 December		
Amount due for delivery within 12 months	26,467	5,065
Amount due for delivery after 12 months	213,043	185,172
	239,510	190,237

	2021 Unaudited US\$'000	2020 Audited US\$'000
As at 1 January	190,237	121,994
Additional contract liabilities	61,033	86,881
Contract liabilities utilised	(18,345)	(23,632)
Unwind of discount on contract liabilities	6,585	4,994
As at 31 December	239,510	190,237

Following the purchase of the Nigerian assets on 14 November 2019, the contract liabilities balance was adjusted to reflect the fair value at the acquisition date. Discount amounting to US\$6.6 million (2020: US\$5.0 million) has been accreted during the year as make-up gas has been delivered.

15. Cash flow reconciliations

A reconciliation of profit before tax to net cash generated from operating activities is as follows:

	Year ended 31 December 2021 Unaudited US\$'000	Year ended 31 December 2020 Audited US\$'000
Loss/(profit) for the year before tax	(7,745)	10,444
Adjustments for:		
Depreciation	1,764	1,492
Depletion	34,463	34,789
Finance income	(49)	(388)
Finance costs	76,604	75,796
Fair value movement	610	1,682
Unrealised foreign translation loss	9,791	404
Share option charge	1,602	656
Expected credit loss and other related adjustments	26	(10,992)
Operating cash flows before movements in working capital	117,066	113,883
(Increase)/decrease in inventory	(956)	1,104
Increase in trade and other receivables	(57,744)	(49,281)
Increase/(decrease) in trade and other payables	29,455	(11,162)
Increase in contract liabilities	42,689	63,247
Income tax paid	(2,395)	(2,222)
Net cash generated from operating activities	128,115	115,569

Interest paid during the year amounted to US\$22.6 million (2020: US\$19.8 million).

The changes in the Group's liabilities arising from financing activities can be classified as follows:

	Borrowings US\$'000	Interest payable US\$'000	Lease liabilities US\$'000	Total US\$'000
At 1 January 2021 (audited)	514,662	51,544	8,061	574,267
Cash flows				
Repayment	(15,818)	(22,584)	(1,850)	(40,252)
Proceeds	18,476	—	—	18,476
Realised foreign translation	175	—	—	175
	2,833	(22,584)	(1,850)	(21,601)
Non-cash adjustments				
Payment-in-kind adjustment/accretion of interest	10,544	51,327	511	62,382
Lease liability additions	—	—	138	138
Net debt fees	(2,774)	—	—	(2,774)
Borrowing fair value adjustments	610	—	—	610
Working capital movements	—	—	(29)	(29)
Foreign translation	(1,630)	(186)	(48)	(1,864)
At 31 December 2021 (unaudited)	524,245	80,101	6,783	611,129

	Borrowings US\$'000	Interest payable US\$'000	Lease liabilities US\$'000	Total US\$'000
At 1 January 2020 (audited)	532,052	13,715	5,570	551,337
Cash flows				
Repayment	(31,474)	(19,785)	(767)	(52,026)
Proceeds	7,213	—	—	7,213
	(24,261)	(19,785)	(767)	(44,813)
Non-cash adjustments				
Payment-in-kind adjustment/accretion of interest	3,991	57,612	372	61,975
Lease liability additions	—	—	3,050	3,050
Net debt fees	1,049	—	—	1,049
Borrowing fair value adjustments	1,682	—	—	1,682
Foreign translation	149	2	(164)	(13)
At 31 December 2020 (audited)	514,662	51,544	8,061	574,267

16. Events after the reporting period

The Directors are not aware of any events after the reporting date that require reporting.