30 April 2020

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

**Publication of Supplemental Admission Document**

In line with previous announcements, Savannah Energy PLC, the British independent energy company focused around activities in Nigeria and Niger, is pleased to announce the publication of a Supplemental Admission Document (the 'Document') relating to the Seven Energy Transaction (the 'Transaction'). Completion of the Transaction was announced on 15 November 2019.

Selected extracts from Part 1 of the Document: *Information Relating to the Company* have been reproduced below. Shareholders are however encouraged to read the Document in full.

In line with AIM Rule 14, following publication of the Company's AIM Admission Document relating to the Transaction in December 2017, Shareholder approval was sought and granted at the Company's General Meeting on 8 January 2018. No further shareholder votes in relation to the Transaction are therefore required.

Strand Hanson Limited acted as Financial & Nominated Adviser to the Company on the Transaction.
Mirabaud and Numis continue to act as joint brokers to the Company.

The Document is available to download from the Company's website in accordance with AIM Rule 20: www.savannah-energy.com

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

*"I am pleased to announce the publication of the Supplemental Admission Document relating to the value accretive Seven Energy Transaction. In this transaction, we were able to acquire a set of high quality, cash flow generative assets, which transformed Savannah into a full cycle E&P company, with a considerable footprint in West Africa. We have made significant strides with the assets to date and have a clear plan for growth laid out. We look forward to providing further updates to shareholders on our plans in Nigeria in due course."*


**For further information contact:**

| | |
|---|---|
| **Savannah Energy**<br>Andrew Knott, CEO<br>Isatou Semega-Janneh, CFO<br>Sally Marshak, Communications | +44 (0) 20 3817 9844 |
| **Strand Hanson (Nominated Adviser)**<br>James Spinney<br>Ritchie Balmer<br>Rory Murphy | +44 (0) 20 7409 3494 |
| **Mirabaud (Joint Broker)**<br>Peter Krens<br>Ed Haig-Thomas | +44 (0) 20 7878 3362 |
| **Numis Securities (Joint Broker)**<br>John Prior<br>Emily Morris<br>Alamgir Ahmed | +44 (0) 20 7260 1000 |
| **Celicourt Communications**<br>Mark Antelme<br>Jimmy Lea<br>Ollie Mills | +44 (0) 20 8434 2754 |

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**

**Savannah Energy**

Savannah Energy PLC is an AIM listed energy company with exploration and production assets in Nigeria and Niger. 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 to approximately 10% of Nigeria's available power generation capacity. In Niger, Savannah has interests in two large PSC areas located in 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 prospects and leads to be considered for potential future drilling activity.

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

***Selected extracts from Part 1: Information Relating to the Company from the Document***

*Readers of the below should refer to the Document for explanation of the defined terms included within the text, as well as for the figures referred to in the text but not shown below.*

**1. Introduction**

The Company is the holding company of the Enlarged Group and currently operates from offices in the UK (London), Nigeria (Lagos, Abuja, Eket and Uyo) and Niger (Niamey). The Enlarged Group in its current form resulted from a reverse takeover transaction by the Company, pursuant to Rule 14 of the AIM Rules for Companies, of the Nigerian Assets. The Transaction is more fully described in this Part 1 and Part 2 of this document.

The Company has two high-quality and high-growth business units located in Nigeria and Niger. In Nigeria, following the Acquisition, the Company has a significant interest in a large-scale integrated gas production and distribution business which is capable of supplying gas to c. ten per cent. of Nigeria's power generation capacity. In Niger, the Company holds two significant licences in the country's main petroleum basin.

The Company is a public limited company and was incorporated in the UK on 3 July 2014. The Company was admitted to trading on AIM on 1 August 2014 at the same time as raising approximately US$50 million in new equity. Since being admitted to trading on AIM, the Company has raised a further US$203 million through the issue of new Ordinary Shares, which funded the acquisition of the R3/R4 PSC, further exploration activity on the Savannah PSCs (including the acquisition/processing of 806 $km^2$ of 3D seismic and a five well exploration drilling campaign which delivered a 100 per cent. success rate) as well as the Acquisition.

*Figure 1, Location of Company's Nigerian and Nigerien assets*


***Nigeria***

The Company acquired the Nigerian Assets from Seven Energy in November 2019 following completion of the Transaction.

The Nigerian Assets comprise interests in two large-scale oil and gas fields, the Uquo Field and the Stubb Creek Field, with net 2P Reserves and net 2C Resources of 71.0 MMboe and 58.6 MMboe respectively, and the Accugas Midstream Business. Gas produced from the Uquo Field is processed and transported through Accugas's infrastructure, which includes a 200 MMscfpd processing facility and a c. 260km pipeline network connecting the Uquo Field to its end user gas customers, including the Calabar and Ibom power stations, that comprise ten per cent. of Nigeria's available power generation capacity, and the Unicem cement factory.

*Figure 2, Location of Company's Nigerian Assets*


*Source: Savannah, 2019*

### *Niger*

The Company's licence interests in Niger are located in the highly prospective Agadem Rift Basin in South East Niger covering an area of approximately 13,655km$^2$. The ARB is comparable in scale to the North Sea rift system, and forms part of the Central African Rift System. The Central African Rift System runs through Niger, Chad, Sudan, South Sudan and also Nigeria, with over 6 bnbbls of oil discovered to date. The Company's interests, which were acquired over the course of 2014 and 2015, cover c. 50 per cent. of the ARB, and of the original Agadem PSC Area which was compulsorily relinquished by CNPC in July 2013. Following a successful exploration drilling programme in 2018 on the R3 East portion of the R3/R4 PSC ("**R3 East**"), and in accordance with the terms of the R3/R4 PSC, the Company relinquished the R4 area of this PSC. The Company has agreed with the Ministry of Energy and Petroleum that the R4 area will be combined with the R1/R2 PSC Area into a new PSC, which would see the Group retaining the full acreage position previously covered by the R1/R2 PSC and the R3/R4 PSC. As later described in this section, formalisation of this arrangement is ongoing.

The Company has proven its ability to operate in Niger, having acquired a 36,948km FTG Survey over the ARB as well as 806 km$^2$ 3D seismic over part of the R3 portion of the R3/R4 PSC Area. In 2018, Savannah launched its maiden exploration drilling campaign on the R3 East portion of the R3/R4 PSC, delivering five discoveries from five wells. The Company has a strong operational track record in Niger, with all projects having been delivered with no lost-time incidents and ahead of budgeted time. Current focus projects in Niger are the delivery of first production and cash flows from the planned R3 East early production scheme, and preparation for the Company's next drilling campaign where further material resource additions are expected through targeting some of the 146 potential exploration targets which have been identified on the Savannah PSC areas. Subject to market and financing conditions, Savannah expects both of these projects to be launched in 2020 and believes that its existing (and potential further) Niger discoveries have the potential to deliver meaningful cash flows to the Group in the future.

Further details on the Nigerian Assets are set out in this Part 1 and in Part 4 and Part 8 of this document. Further information on the Company's Niger assets is set out in this Part 1 and in Part 5 and Part 9 of this document. Further details of the Transaction and the Capital Restructuring are set out in this Part 1, Part 2 and Part 11 of this document.

## 2. Acquisition of the Nigerian Assets

Since the Company first announced the proposed transaction with Seven Energy and certain of the financial creditors of Seven Energy in 2017, the terms of the Transaction and the interests being acquired by the Company as described in the Dec 2017 Admission Document were amended.

The key differences between the Acquisition as it was initially described in the Dec 2017 Admission Document and as it was subsequently amended (as described by the Company's RNSs of 20 September 2018, 21 December 2018 and 1 October 2019) are summarised in Figure 3 and described in further detail below.

*Figure 3, Summary of Interests Acquired by the Company Following Transaction Amendments*

| | *December 2017* | *Upon Transaction Completion* | *Comment* |
|---|---|---|---|
| Uquo Gas & Condensate | 87.7% | 80.0%[1] | Amended per FOL Transaction and AIIM Transaction |
| Uquo Oil | 85.0% | – | Amended per FOL Transaction |
| Universal (Stubb Creek) | 62.5% | 100.0%[2] | Acquisition of Universal minority shareholders |
| Accugas Midstream Business | 20.0% | 80.0%[3] | Amended per FOL Transaction and AIIM Transaction |

*Notes*

1. The Uquo interests reflects the Company's net economic interest in the Uquo Field after taking into account the 20 per cent. equity interest held by AIIM, via African Upstream Holdings Mauritius, in Uquo HoldCo, the holding company of SUGL;
2. This represents the Company's economic interest in Universal, which holds a 51 per cent. operating interest in the Stubb Creek Field; and
3. This represents the Company's shareholding interest in Accugas HoldCo, which is the holding company for the Accugas Midstream Business.

The Directors took the decision to make these amendments, whilst recognising that they would result in a delay to the completion of the Transaction, as the Board believes the amendments represent material positives for the Enlarged Group going forward. In aggregate, the amendments give the Company control of the integrated Accugas Midstream Business and the Uquo Gas Project (affording Savannah increased operational control across the gas value chain) and the Directors believe that the amendments are demonstrably NPV and cash flow accretive and significantly increase the upside exposure of Savannah's Nigerian gas business given the current unutilised processing and transportation capacity of the Accugas Midstream Business.

Under the final terms of the Acquisition and the AIIM Transaction, the Company acquired the following assets:

### A. *80 per cent. economic interest in the Uquo Field gas project*

Savannah holds an indirect 80 per cent. economic interest in the exploration, development and production of gas within the Uquo Field through its 80 per cent. equity ownership interest in Savannah Petroleum (Uquo) Limited and its wholly owned subsidiary. Seven Uquo Gas Limited, which has a 100 per cent. economic interest in the Uquo Gas Project (including associated condensate production). SUGL holds responsibility for all operations of the gas project at the Uquo Field, including control of gas-related capital investment projects and day to day gas operations.

The remaining 20 per cent. economic interest in the Uquo Field is held by African Infrastructure Investment Managers, a leading African-focused private equity firm, through its 20 per cent. equity interest in Savannah Petroleum (Uquo) Limited.

Further details about AIIM are included in paragraph 8 of Part 1 of this document.

*Changes to the Acquisition structure since the Dec 2017 Admission Document*

At the time of the Dec 2017 Admission Document, it was intended that the Company would acquire a 40 per cent. participating interest in the Uquo Field, through the acquisition of SUGL. At that time, the Company would have had an effective 87.7 per cent. gas and 85 per cent. oil revenue interest in the Uquo Field under the terms of the joint operating agreement and technical services agreement between SUGL and Frontier (which held the balance of interest in the Uquo Field) in which SUGL acted as the technical and funding partner to Frontier and as project manager for the development of the Uquo Field.

The Company announced on 1 October 2019 that Frontier, SUGL and Accugas had entered into final long-form documentation in relation to the restructuring of economic interests in the Uquo Field and the operatorship of the Uquo CPF, in line with the Company's RNS dated 20 September 2018. Pursuant to the terms of the FOL Transaction, Frontier, SUGL and Accugas Limited agreed to undertake a transaction known as the FOL Transaction.

As previously stated by the Company, the FOL Transaction has led to a significant reduction in SUGL's capital investment plans, where approximately US$35 million was anticipated to be spent on oil related capital expenditure at the Uquo Field following completion of the Transaction, and the consideration of the FOL Transaction is therefore expected to be offset against associated reductions in capital expenditure.

The terms of the FOL Transaction provided that, whilst Frontier's and SUGL's participating interest in the Uquo Field remains at 60 per cent. and 40 per cent. respectively, SUGL is granted economic ownership and control of 100 per cent. of the gas project at the Uquo Field (including associated condensate production), Accugas Limited is granted operatorship of the Uquo CPF and Frontier is granted economic ownership and control of 100 per cent. of the oil project at the Uquo Field, all with an economic effective date of 31 August 2018.

Under the terms of the FOL Transaction, SUGL made an advance payment of cash calls of US$20 million to Frontier on the completion of the FOL Transaction. A further US$14.13 million of advance cash calls is payable in Naira across three yearly instalments, with the first instalment of US$5 million due twelve months following the completion of the Transaction, the second instalment of US$5 million due twenty-four months following completion of the Transaction and the final instalment of US$4.13 million due thirty-six months following completion of the Transaction. The three yearly instalments payable to Frontier are subject to a deduction of NGN 1.2 billion in respect of gas sales proceeds received by Frontier between 31 August 2018 and the date of completion of the FOL Transaction (net of royalties paid by Frontier in respect of the corresponding volumes of gas).

As previously announced, AIIM's 20 per cent. ownership of Savannah Petroleum (Uquo) Limited was formalised on 8 July 2019 with the signature of final long-form documentation.

### *B. 100 per cent. economic interest in Universal, which holds a 51 per cent. operating interest in the Stubb Creek Field*

Savannah holds a 51 per cent. interest in the Stubb Creek Field. This interest is held via a 100 per cent. economic interest in Universal, which in turn holds a 51 per cent. interest in the Stubb Creek Field. The remaining 49 per cent. interest in the field is held by Sinopec International Petroleum Exploration and Production Company Nigeria Limited.

*Changes to the Acquisition structure since the Dec 2017 Admission Document*

At the time of the Dec 2017 Admission Document, it was intended that the Company would acquire a minimum 62.5 per cent. interest in Universal.

The Company announced on 20 September 2018 that an agreement had been reached for Seven Energy to acquire the remaining 37.5 per cent. minority shareholders' interests in Universal for total consideration of US$3 million, increasing the Company's effective participating interest in the Stubb Creek Field to 51 per cent. upon completion of the Transaction.

Prior to completion of the Transaction, a newly incorporated company within the Seven Group ("**Stubb Creek HoldCo**") acquired the 37.5 per cent. minority shareholders' interests in Universal. Upon completion of the Transaction, Stubb Creek HoldCo and the 62.5 per cent. interest in Universal otherwise held by the Seven Group were transferred to Savannah, such that the Company acquired a 100 per cent. economic interest in Universal and a 51 per cent. operating interest in Stubb Creek Field.

### *C. 80 per cent. interest in Accugas Midstream Business*

Savannah holds an 80 per cent. indirect interest in the Accugas Midstream Business, which owns and operates the 200 MMscfpd Uquo CPF and c. 260km gas pipeline network and related gas distribution infrastructure, as well as holding a number of gas sales agreements with downstream customers. The remaining 20 per cent. of the Accugas Midstream Business is held indirectly by AIIM.

*Changes to the Acquisition structure since the Dec 2017 Admission Document*

Previously, as described in the Dec 2017 Admission Document, the Company had entered into a conditional investment agreement pursuant to which AIIM, together with potentially one or more co-investors, would acquire an 80 per cent. interest in the Accugas Midstream Business with AIIM to invest at least US$45 million into the business in return for its equity interest. Pursuant to this conditional investment agreement, the Company would acquire a 20 cent. carried interest in the business.

As announced by the Company on 21 December 2018, the Company stated its intention to acquire an additional 60 per cent. interest in the Accugas Midstream Business, which would have the result of the Enlarged Group owning an 80 per cent. interest in the Accugas Midstream Business. On 8 July 2019, the Company signed final long-form documentation in respect of, *inter alia*, the AIIM Transaction. Pursuant to the Acquisition, the Company acquired a 100 per cent. indirect interest in Accugas Limited and, pursuant to the AIIM Transaction, immediately thereafter, new ordinary shares representing a 20 per cent. interest in Accugas HoldCo, the holding company of Accugas Limited, were issued to AIIM (via African Midstream Holdings Mauritius) with the effect that the Company maintained an 80 per cent. indirect interest in the Accugas Midstream Business.

AIIM acquired its 20 per cent. indirect interest in both Uquo HoldCo (see above) and Accugas HoldCo for a total cash consideration of US$54 million, which was transferred directly to the Company (on behalf of Accugas HoldCo and Savannah Petroleum (Uquo) Limited) upon completion of the AIIM Transaction. As a result of the transaction amendments, which were NPV and cashflow accretive, Savannah gained control of the Accugas Midstream Business thereby increasing the upside exposure of the Group to a rise in gas volumes and prices.

### *Proforma Net Assets of the Enlarged Group*

The Unaudited Proforma Statement of Net Assets of the Enlarged Group following completion of the Transaction is set out in Part 7 of this document. A comparison of the proforma net assets of the Enlarged Group following the Transaction as initially described in the Dec 2017 Admission Document and the Transaction as subsequently amended and described in this document is summarised below.

| *Proforma Net Assets of the Enlarged Group* | *Transaction* | *Dec 2017 Admission Document* |
|---|---|---|
| | *US$000* | *US$000* |
| | *Note 2* | *Note 1* |
| Non-current assets | 1,224,342 | 455,030 |
| Current Assets | 163,417 | 66,046 |
| **Total Assets** | **1,387,759** | **521,076** |
| Current Liabilities | 210,772 | 29,669 |
| Non-current liabilities | 729,042 | 111,785 |
| **Total liabilities** | **939,814** | **141,454** |
| **Net assets** | **447,945** | **379,622** |

*Notes*

1. Proforma Net Assets of the Enlarged Group as at 30 June 2017
2. Proforma Net Assets of the Enlarged Group as at 30 June 2019

Further details on the Acquisition of the Nigerian Assets and the Transaction, and the Enlarged Group structure, are set out in Part 2 of this document.

***Good standing opinions***

It is noted that as a result of the COVID-19 outbreak, it has not been possible for the Company's Nigerian counsel to undertake, immediately prior to publication of this document, the necessary in person searches that are required in Nigeria to confirm the good standing of the Group's Nigerian licences and subsidiaries. The relevant searches were last completed in March 2020 by the Company's Nigerian counsel confirming the good standing of the local subsidiaries and pipeline licences as at that date. The Stubb Creek licence was confirmed to be in good standing in a letter from the DPR in February 2020 and the Uquo Field licence good standing confirmation is subject to the payment of a fee, the question of which is currently under negotiation between Savannah and the DPR (a matter which is further described in Risk Factor 5.13 in Part 3 of this document).

Whilst the Company has no reason to believe that the good standing of its Nigerian licences and subsidiaries will have changed between the date of the searches and the date of this document, it cannot rely on up to date searches to evidence this fact, and in the unlikely event that a successful challenge had been lodged, in this interim period, as to the good standing nature of the Company's assets in Nigeria, it may result in the Enlarged Group being required to halt development or production or operations or, ultimately, in the loss of such assets.

## 3. Key investment proposition

Under the guidance of Savannah's Board and management team, the Enlarged Group's business model is centered on the delivery of material long-term returns for its stakeholders through the sustainable development and ultimate monetisation of high-quality, high-potential energy projects.

The Directors believe that an investment in the Company should be attractive to prospective investors for the following reasons:

***Nigeria***

- Independently assessed average expected base case net asset free cash flows before debt service of approximately US$130 million p.a. (2020-2023)[1];
- Existing infrastructure has significant spare capacity, and therefore there is strong operational gearing associated with the signature of new gas contracts, which are typically long-term in nature; and
- Strongly positioned to deliver further organic and inorganic upstream oil and gas projects.

***Niger***

- Near term first production and cash flow potential from the R3 East development;
- Significant exploration potential of over 6.7 Bnbbls unrisked best estimate Oil-Initially-In-Place independently assessed, with 146 mapped prospects and leads;
- Proven ability to successfully operate, cost efficiently, in country with a 100 per cent. exploration success rate on five wells drilled to date;
- Proximity of operations to existing large scale infrastructure, with current focus around potential creation of an early production system aiming to monetise up to 5 Kbopd of production; and
- Planned 2,000 km cross border pipeline network funded by CNPC and due for completion in 2021/22 increases potential export market.

***Corporate***

- Supportive, long-term oriented institutional shareholder base
- Focus on creating significant shared value and lasting benefits for all stakeholders; and
- Strong culture of governance and delivery.

### *4. The Capital Restructuring*

As part of the Transaction, in February 2018 the Company acquired US$305,623,123 of Senior Secured Notes issued by Seven Energy Finance Limited for cash consideration of US$40,910,505.74 and the issue of 224,021,689 new Ordinary Shares. A further US$552 million of Seven Energy's existing indebtedness was restructured and has been re-instated as follows (and shown as a comparison with the capital restructuring as described in the Dec 2017 Admission Document):

*Figure 4 – Seven Energy re-instated debt (US$ milion)*

| | *Accugas HoldCo $mn* | *Accugas Limited $mn* | *SUGL $mn* | *Total $mn* |
|---|---|---|---|---|
| Senior Secured Notes | | | – | 20 |
| SUGL Notes | | | 105 | 105 |
| First Bilateral Facility | 20 | – | – | 20 |
| Second Bilateral Facility | – | – | – | – |
| Accugas IV Facility | – | 371 | – | 371 |
| DSA Facility | – | 11 | – | 11 |
| Working Capital Facility | | | 13 | 13 |
| Promissory Note | 12 | – | – | 12 |
| ***Total*** | ***52*** | ***382*** | ***118*** | ***552*** |

[1] Futures price of US$59.3/bbl 2020, US$57.4/bbl 2021, US$56.9/bbl 2022, US$57.1/bbl 2023. NPVs shown on "take or pay" basis. i.e. based on the amount of gas that Accugas' customers are obliged to purchase, take and pay for (or pay for if not taken).

| | | | | |
|---|---|---|---|---|
| Dec 2017 Admission Document | 82 | 386 | 85 | 553 |

Note: Since Completion, US$40 million of the re-instated debt has been paid down by Savannah

## 6. Nigerian Upstream Assets

The Nigeria upstream assets comprise the Uquo Field and Stubb Creek Field, both of which are located onshore in southern Nigeria, in the South East of the prolific petroleum system of the Niger Delta. As further detailed in the Nigeria CPR prepared by CGG, the respected international geophysical consultancy, a summary of the gross and net 2P Reserves and 2C Resources and the expected asset free cash flows of the Uquo Field and the Stubb Creek Fields are set out below:

*Figure 5, Summary of Gross and Net 2P Reserves and 2C Resources*

| | *2P Reserves* | | *2C Resources* | |
|---|---|---|---|---|
| | Gross | Net | *Gross* | *Net* |
| Uquo | 0.7 | 0.5 | – | – |
| Stubb Creek | 15.4 | 3.7 | – | – |
| **Gas (Bscf)** | | | | |
| Uquo | 500.9 | 400.7 | 72.5 | 58.0 |
| Stubb Creek | | | 515.3 | 293.7 |
| **Total (MMboe)** | 99.6 | 71.0 | 98.0 | 58.6 |

*Figure 6, Summary of expected net asset free cash flows from the Uquo Field, Stubb Creek Field and Accugas Midstream Business (see below table for Nigeria CPR key assumptions)*

| | *Nigeria CPR Forecast Asset Free Cash Flow, Net (US$ million)* |
|---|---|
| 2020 | 104.2 |
| 2021 | 128.1 |
| 2022 | 141.3 |
| 2023 | 141.3 |
| **Average** | **128.7** |

CGG has conducted a review of the value of the Savannah's interests in the Uquo Field and the Stubb Creek Field, which has been incorporated in the Nigeria CPR. The base case NPV10, based on 2P Reserves, for Savannah's interests in the Uquo Field and the Stubb Creek Field have been assessed at US$227.7 million and US$56.7 million, respectively.

Key assumptions used by CGG in its analysis include Brent futures oil price (inflated at 2 per cent. p.a. from 2027)[2], contracted gas prices and Take or Pay ("**ToP**") volumes. For full details of the assumptions used by CGG in its analysis, please see the Nigeria CPR, as set out in full in Part 8 of this document, and as announced by the Company on 11 December 2019.

***Uquo Field***

Savannah holds an 80 per cent. interest in the exploration, development and production of gas within the Uquo Field through its 80 per cent. owned subsidiary SUGL. Pursuant to the FOL Transaction, SUGL is responsible for all operations of the gas project at the Uquo Field, including control of gas-related capital investment projects and day to day gas operations.

Under the Uquo JOA, which was amended to reflect the terms of the FOL Transaction on an ongoing basis with effect from 31 August 2018, SUGL and Frontier have separated the oil and gas operations at the Uquo Field such that:

- SUGL has 100 per cent. of the economic benefit of, shall retain all gas and associated condensate produced and gross proceeds from (including associated natural gas produced from the oil production), shall pay for all costs, taxes and royalties, and take all risks, obligations and liabilities with respect to the Uquo Gas Project; and
- Frontier has 100 per cent. economic benefit of, shall retain all crude oil produced and gross proceeds from, shall pay all costs, taxed and royalties, and take all risks, obligations and liabilities with respect to the oil production from the Uquo Field.

Discovered by Shell in 1958, the Uquo Field was awarded to Frontier in the 2003 Marginal Field round, with Seven Energy acquiring its interest in 2009. Nine wells have been drilled to date on the field and these have proven three separate structures with 19 hydrocarbon bearing reservoirs (14 gas, 4 oil and 1 potential oil) all of which lie within the Early Miocene Agbada Formation. Commercial production from the Uquo Field commenced in 2014.

The Uquo CPF has processing capacity of 200 MMscfpd and was designed and built by respected industry contractor Petrofac. The Uquo CPF is modular in nature, with the flexibility to add additional gas processing capacity. Gas is sold under the Upstream GSA to Accugas Limited, as SUGL's sole customer, at a current price of US$1.31/Mscf for 2020, which is expected to increase by a weighted average (based on DCQ volumes) of over five per cent. per annum over the next five years and up to 1.5 per cent. per annum thereafter due to price indexation clauses which are included in the downstream GSAs. Current liquids facility capacity at the field is 2 Kbopd, with liquids evacuated via pipeline to the QIT, which is located c. 10 km from the Uquo Field, under a crude offtake agreement with ExxonMobil Sales and Supply LLC.

The Uquo Field is, in the Board's opinion, a low-cost field, with CGG having assessed life of field gross capital and operating costs to be US$0.9/boe (US$0.15/Mscf) and US$1.5/boe (US$0.25/Mscf), respectively on a forward basis, in the Nigeria CPR. Near-term operational plans at the field include the drilling and completion of a gas production well, recompletion of an oil well as a gas producer and work over of the current gas production wells at an estimated cost of US$33.7 million.

***Stubb Creek Field***

Savannah has a 51 per cent. participating interest in the Stubb Creek Field. Savannah's interest is held via a 100 per cent. economic interest in Universal, which in turn holds a 51 per cent. interest in the field. The remaining 49 per cent. interest in the field is held by Sinopec. Universal is the operator of the Stubb Creek Field.

The commercial agreement in relation to the crude oil and natural gas at the Stubb Creek Field is allocated on the following terms:

*Figure 7, Commercial agreement between Universal and Sinopec with respect to the Stubb Creek Field*

| | *Crude oil* | | *Natural gas produced with crude oil* | | *Non-associated natural gas* | |
|---|---|---|---|---|---|---|
| | *Funding* | *Profit* | *Funding* | *Profit* | *Funding* | *Profit* |
| Universal | 20% | 51% | 20% | 51% | 50% | 60% |
| Sinopec | 80% | 49% | 80% | 49% | 50% | 40% |

Discovered by Shell in 1971, the Stubb Creek Field was awarded to Universal as a Marginal Field in 2003. Seven acquired its interest in 2009 and 2010 through a two-stage acquisition of a 62.5 per cent. shareholding in Universal and brought the field into commercial production in January 2015 using the Stubb Creek EPF, which is capable of processing oil at a gross rate of c. 3 Kbopd.

The Stubb Creek Field is an oil asset, with a considerable (515 Bscf gross 2C) undeveloped, non-associated gas resource. Nine wells have been drilled to date on the Stubb Creek Field, of which four were drilled by Shell between 1971 and 1983 and five development wells were drilled, tested and completed between 2007 – 2009 by Universal.

Stubb Creek Field crude oil is exported from the Stubb Creek Field to QIT, which is operated by ExxonMobil and sold under the terms of the ExxonMobil COSA, as detailed in Part 11 of this document.

The Board believes that the acquisition of the minority shareholders' interest in Universal, in addition to the acquisition of Seven's interest, materially further increases the Enlarged Group's reserves and resources and provides the Enlarged Group with control over Universal's cost structure and Universal's share of Stubb Creek cash flows.

It is anticipated in 2021 that the existing Stubb Creek EPF will be debottlenecked, to increase oil production capacity to c. 5 Kbopd. The total capital investment anticipated for this project, involving bringing two existing wells into production and drilling a downdip water disposal well, is estimated at US$28million. The gas Contingent Resources are currently expected to be developed in 2030, as the Uquo Field comes off plateau, and to be tied back to the Uquo CPF via a new 31 km pipeline. The development of the gas resources required to fulfil the current GSAs, includes drilling/completion of four gas wells and construction of the pipeline. The pipeline cost is to be borne by Accugas.

Further information on the Uquo Field and the Stubb Creek Field is set out in Part 4 and Part 8 of this document.

## *7.* Accugas Midstream Business

The Accugas Midstream Business focuses on the marketing, processing, distribution and sale of gas to the Nigerian market. The business comprises the 200 MMscfpd Uquo CPF, a c. 260km pipeline network and long-term GSAs with downstream customers. Accugas buys raw gas from its sole current supplier, 80 per cent. owned subsidiary of Savannah, SUGL, at a price of US$1.31/Mscf for 2020, and sells this gas to three separate customers in long term gas sales agreements at a weighted average price of US$3.88/Mscf for 2020. This price is expected to increase by an average of over five per cent. per annum over the next six years due to price indexation clauses which are included in the gas sales agreements, the key terms of which are summarised below.

*Figure 8, Accugas Summary of Key Gas Sales Agreements*

| | *Calabar Power Plant* | *Unicem Cement Plant* | *Ibom Power Plant* |
|---|---|---|---|
| **Length of contract** | 20 years | 20 years | 10 years |
| **Contract end** | Sept 2037 | Dec 2031 | Dec 2023 |
| **DCQ** | 131.0 MMscfpd | 38.7 MMscfpd | 19.7 MMscfpd |
| **Take or Pay (ToP)** | 80% | 80% | 80% |

Further information about the GSAs is included in Part 11 of this document.

CGG has conducted a review of the value of Accugas, which has been incorporated in the Nigeria CPR. The base case enterprise value (NPV10) for Savannah's 80 per cent. interest in the Accugas Midstream Business has been assessed at US$672.8 million.

The Uquo CPF consists of two identical gas processing trains, each designed to process up to 100 MMscpfd.

### *Accugas new customer plans*

Accugas' historical focus has primarily been on high volume, but lower margin power station customers, which sell their electricity into the regulated Nigerian distribution network. These customers underpinned the contracted forward gas sales which were required to justify the initial capital investment into Accugas' business infrastructure. Going forward, Accugas intends to focus on new gas supply opportunities with both power station customers and new "low volume, high value" industrial customers whose typical alternative source of power is from higher cost diesel-fuelled generation, with Accugas' facilities able to reach three principal industrial activity hubs (the areas surrounding Calabar, Port Harcourt and Aba).

The Company announced on 21 December 2018 that Accugas had entered into an agreement with Calabar Generation Company Limited and NDPHC in relation to the supply of gas to the Alaoji power station (which, like Calabar NIPP, is owned by NDPHC). Alaoji is a 504MW gas fired power station which is connected to the Accugas pipeline network via the Ukanafun Manifold and NGC/Shell gas pipelines. Potential gas demand from the two NDPHC power stations at full dispatch is currently estimated to be 225 – 270 MMscfpd (versus current Calabar DCQ volumes of 131 MMscfpd), presenting Accugas with significant long-term gas sales growth potential.

The Company announced on 31 January 2020 that Accugas had entered into a new interruptible gas sales agreement ("**IGSA**") with First Independent Power Limited ("**FIPL**") in relation to the provision of gas sales to the FIPL Afam power plant ("**Afam**"). FIPL is an affiliate company of Sahara Group, a leading international energy and infrastructure conglomerate with operations in over 38 countries across Africa, the Middle East, Europe and Asia.

Afam has a current power generation capacity of 180MW. The FIPL IGSA envisages the supply of gas (produced by Uquo, with a maximum daily nominated quantity of 35 MMscfpd or approximately 5.8 Kboepd) by Accugas to Afam in order to augment its existing gas supply on an interruptible basis for an initial term of one year with the ability to extend upon mutual agreement. The commercial terms of the IGSA are expected to augment the weighted average profitability of the Accugas portfolio while Accugas' sales volumes, revenues and cash flows are expected to increase with no incremental capital expenditure.

Accugas continues to make good progress in relation to the negotiation of contracts to supply gas to several other potential new customers, expected to diversify customer-mix and sources of revenue.

## 8. Partnership with African focused private equity investor AIIM

The Africa focused private equity fund manager, African Infrastructure Investment Managers, acting through its AIIF3 fund (via African Midstream Holdings Mauritius and African Upstream Holdings Mauritius) has acquired a 20 per cent. interest in each of SUGL and Accugas.

AIIM, which is a subsidiary of Old Mutual Investment Group, is one of the longest running and largest infrastructure fund managers in Africa, with US$2.1 billion assets under management over seven funds which since 2000 have concluded investments in more than 60 portfolio companies with operations in 19 countries. AIIM has extensive Nigerian experience, with total invested, committed and earmarked capital of greater than US$300 million in country, the majority of which is in the power, energy and telecommunications sectors.

As a leading infrastructure manager across Africa, central to AIIM's investment objectives and processes is its commitment to responsible investment. In this regard, the environmental, social and governance (ESG) factors are fully integrated within AIIM's investment process to support the pursuit and creation of positive futures and obtaining sustainable returns. AIIM has a proven track record of providing strategic, commercial and financial expertise into infrastructure investment activities.

Savannah and AIIM have indirectly entered into shareholders' agreements and technical services agreements with SUGL and Accugas. Pursuant to the shareholders' agreements, Savannah has the right to appoint the management, three out of the five directors and the chairman of the board of each of Uquo HoldCo and Accugas HoldCo and the operating subsidiaries will have the same board composition.

## 13. Overview of Niger Operations

The Company's license interests in Niger are located in the highly prospective Agadem Rift Basin in South East Niger covering an area of approximately 13,655 km$^2$. The ARB is comparable in scale to the North Sea rift system, and forms part of the Central African Rift System. The Company's interests, which were acquired over the course of 2014 and 2015, cover c. 50 per cent. of the ARB. Following a very successful exploration drilling programme in 2018 on the R3 East portion of the R3/R4 PSC, and in accordance with the terms of the respective PSCs, the Exclusive Exploration Authorisation on the R3/R4 PSC was renewed for a further two year term expiring 31 August 2021 and the Company relinquished the R4 area of the R3/R4 PSC. The initial term of the Exclusive Exploration Authorisation on the R1/R2 PSC has expired however, the Company has agreed with the Ministry of Energy and Petroleum that the R4 area will be combined with the R1/R2 PSC Area into a new PSC (the "**R1/R2/R4 PSC**") to be issued under the Petroleum Code 2017, thus retaining the full acreage position previously covered by the R1/R2 PSC and the R3/R4 PSC. The new R1/R2/R4 PSC covering the R1, R2 and R4 areas is subject to approval by the Council of Ministers and is expected to be formally awarded to Savannah on payment of the signature bonus and a fee in relation to the Government's expenses incurred in connection with the signing of the R1/R2/R4 PSC. The Directors expect that the Council of Ministers approval will be forthcoming shortly after publication of this document. Please refer to Appendix C for the key terms of the Savannah PSCs.

Savannah's stated business model in Niger is to discover material oil resources for a low finding cost relative to the expected net present value per barrel of the cash flows which it ultimately expects to yield from these discoveries. The Company's assessment of the historic ARB finding cost is c. US$1/bbl versus an expected net present value of c. US$5/bbl for a generic discovery. This business model is underpinned by three core views, being that:

1. The Company's PSC areas are technically low risk – the Company believes that large portions of its Niger PSC areas are analogous to that of the neighbouring Agadem PSC area, which has seen 110 oil discoveries from 137 exploration wells drilled on it to date (an 80 per cent. success rate) and that therefore the Company's exploration activities on its acreage may see similar repeatable exploration success.
2. The ARB is an established oil and gas jurisdiction conducive to successful operations: The ARB operating environment is proven, with established logistics and service company networks, giving Savannah confidence to deliver exploration, development and production projects. For example, the established service companies in the ARB have acquired over 18,000 km 2D and 13,000 km$^2$ 3D seismic, drilled over 200 wells and built production, pipeline and refinery facilities.
3. Commercialisation of ARB discoveries is relatively straightforward: The ARB has existing downstream infrastructure in place and as noted above, the country has plans for export infrastructure to be installed over the coming years, most notably through the Niger-Benin Export Pipeline. First oil was delivered on the neighbouring Agadem PSC from a standing start three years from license award (including the construction of a new 463 km pipeline and associated refinery). Further, an appropriate legal framework for sharing third party infrastructure exists in Niger.

### *Exploration drilling campaign*

Following the acquisition of 806 km$^2$ high-quality 3D seismic over the R3 East portion of the R3/R4 PSC area in 2016/2017, the interpretation of this dataset enabled the Savannah technical team to identify high-grade drilling targets for its exploration campaign on the area. GWDC acted as the Company's drilling contractor for the campaign, using the GWDC 215 rig ("**Rig GW-215**"). Prior to the commencement of Savannah's operations, Rig GW-215 had successfully drilled over 40 wells on the ARB and in total GWDC had drilled over 200 wells on the ARB, acquiring significant knowledge and experience of the geological and technical aspects of drilling in the area.

In April 2018, Savannah commenced its maiden exploration drilling campaign with the spud of the Bushiya-1 well, which delivered the Company's first discovery. This was followed by successes at Amdigh-1 and Kunama-1, leading to Savannah electing to exercise two individual well options and resulting in two further discoveries at Eridal-1 and Zomo-1. Following the Zomo-1 discovery, Savannah chose to conclude its campaign in order to allow its team to evaluate results from the campaign.

2018 was thus a validation of Savannah's Niger business model in which the exploration campaign resulted in the discovery of five new oil fields – Bushiya, Amdigh, Kunama, Eridal and Zomo – delivering a 100 per cent. exploration success rate and confirming the Company's belief that its PSCs are technically low risk.

Following the successful results of the five exploration wells drilled, Savannah Niger elected to commission Pre-Stack Depth Migration re-processing of the R3 East 3D seismic dataset, which showed an overall improvement in seismic imaging (better event continuity and fault definition) at all levels versus the existing Pre-Stack Time Migration dataset. The interpretation phase, which commenced in June 2019, will assist in confirming drilling targets to support the proposed early production scheme ("**EPS**") as well as identifying additional prospectivity in the deeper Yogou and Donga Cretaceous intervals. The Company also plans on proceeding with its planned Amdigh-1 and Eridal-1 well tests.

### *Route to market*

Following Savannah's successful 2018 exploration drilling campaign, the Company has focused on commercialising the discoveries through an EPS which would accommodate the well-testing operation and seamlessly continue to produce oil into the existing local infrastructure. This would see oil produced from the discovery wells in the R3 East area of the R3/R4 PSC produced for sale into the Société de Raffinage de Zinder ("**SORAZ**") refinery. SORAZ is connected to the ARB via the 463 km Agadem-Zinder pipeline.

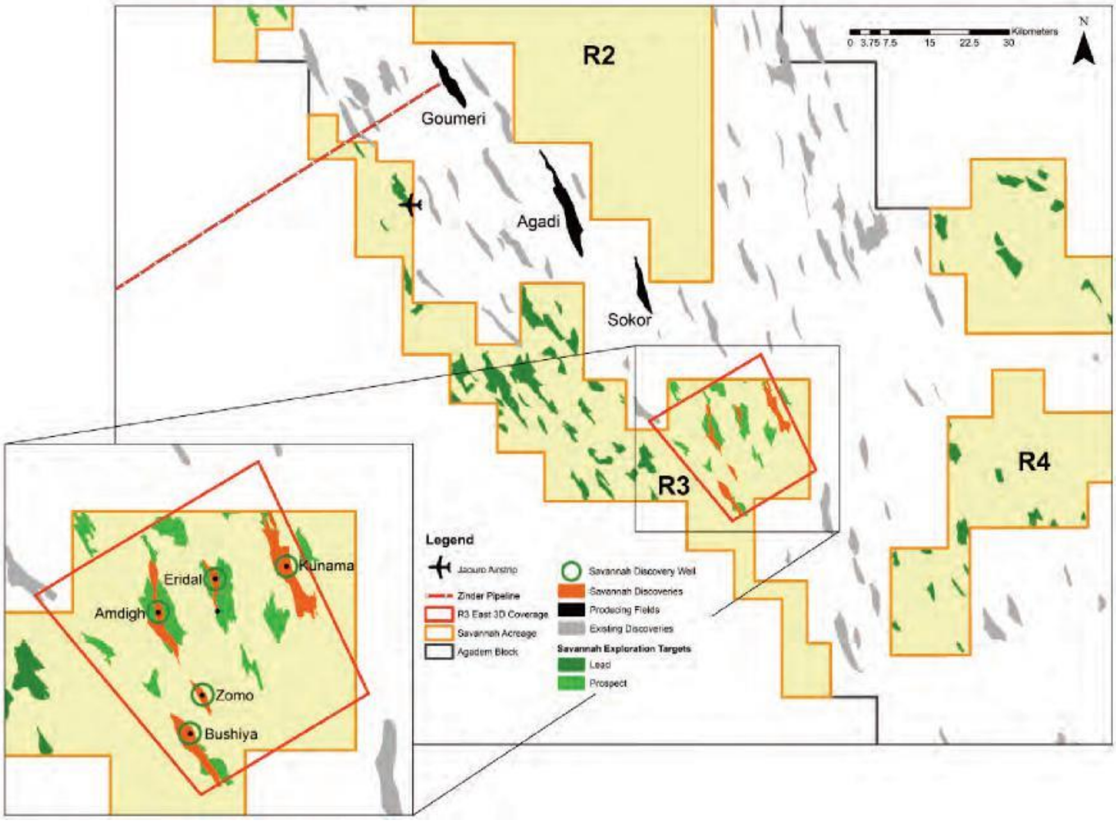
In August 2018, Savannah signed an agreement with the Republic of Niger in relation to the EPS. This agreement sets out how the Niger Government and Savannah intend to work together, and how Savannah will be supported by the Niger Government, in order to deliver first production from the EPS.

Achieving first oil from Savannah's discoveries in Niger is a key strategic priority for the Company and has the potential to deliver meaningful cash flows for the business, which the Company believe could occur within the next twelve months, market conditions and financing permitting.

The EPS is anticipated to be developed in two phases ("**Phase 1**" and "**Phase 2**"). Phase 1 is expected to see crude oil trucked from Amdigh 120 km to the Goumeri Export Station ("**GES**"), then piped to the SORAZ refinery via the existing pipeline and is anticipated to deliver plateau production of up to 1,500 bopd. Phase 2 foresees a pipeline being laid from Amdigh to the GES, with production expected to ramp up to 5,000 bopd.

As noted earlier, on 15 September 2019 CNPC and the Republic of Niger entered into a Transportation Convention in relation to the planned crude oil export Niger-Benin Export Pipeline. The Niger-Benin Export Pipeline is expected to run for c. 2,000 km from the ARB in Niger to Port Seme on the Atlantic coast in Benin, and is expected to be complete by the end of 2021. Under the terms of Savannah's PSCs, the Petroleum Code of Niger and its Implementing Decree, Savannah is entitled to access such third-party infrastructure. Importantly, the Niger-Benin Export Pipeline provides Savannah with a significant additional potential route to market, alongside the existing SORAZ refinery.

*Figure 10, Map of Savannah's R3 East discovery hub*




*Source: Savannah, 2020*

Contingent Resources

Each of the five wells drilled by Savannah in 2018 can be classified as 'Discoveries' under the Petroleum Resource Management System (PRMS) 2018 definitions, and for which Contingent Resource volumes can be estimated, as determined by CGG in the Niger CPR. These amount to over 33 MMstb net attributable to Savannah in the 2C, mid case.

*Figure 11, Contingent Resource estimates*

| | *Gross on Licence* | | | | | | *Chance of net attributable development* | *Operator* |
|---|---|---|---|---|---|---|---|---|
| Discovery | 1C | 2C | 3C | 1C | 2C | 3C | | |
| Amdigh | 7.2 | 18.4 | 83.9 | 6.8 | 17.5 | 79.7 | High | Savannah |
| Eridal | 4.3 | 6.2 | 8.5 | 4.0 | 5.9 | 8.1 | High | Savannah |
| Bushiya | 3.3 | 6.2 | 12.9 | 3.2 | 5.9 | 12.3 | High | Savannah |
| Kunama | 1.8 | 4.2 | 9.3 | 1.8 | 4.0 | 8.8 | High | Savannah |
| **Total MMstb** | 16.7 | 35.0 | 114.6 | 15.8 | 33.3 | 105.1 | | |
| Zomo | 0.0 | 0.2 | 0.0 | | 0.2 | | Medium | Savannah |
| | | | | | | | | |

*Note: Net Attributable volumes are given pre-Royalties, pre-Taxes and pre-Government share of profit. Source: Adapted from the Niger CPR*

Four of these discoveries are assessed by CGG as having a high probability of commercial development, allowing relatively near-term future conversion of these volumes to Reserves under PRMS guidelines.

Evaluation of the Zomo discovery is preliminary, pending further seismic evaluation, and the indicative resources shown are excluded from the total.

***Prospective Resources***

CGG recognises a total of eleven exploration Prospects and Leads, for which Prospective Resource estimations have been made (Figures 37 and 38 of Part 5 of this document). Five of these are located on the R3/R4 PSC, with an aggregate gross Best Estimate resource potential of 90 MMstb, and assessed Chance of Success of 25 per cent. to 75 per cent. Three of these are deep exploration targets in the Cretaceous Yogou formation below the shallower discoveries at Bushiya, Amdigh and Eridal. Two further undrilled leads are identified on the western edge of the PSC, with prospectivity in the Sokor as well as the deeper Yogou formation.

A further six undrilled exploration prospects and leads have been assessed by CGG in the R1/2/4 PSC Area, within the R1/R2 PSC Area to the north west of the R3/R4 PSC. These all have exploration potential throughout the section and have a larger aggregate gross resource potential of 270 MMstb (Best Estimate). Two of these features, Kunkuru and Damissa, are covered by 3D seismic and are thought to have a high chance of exploration Success (>75 per cent.). The other four features are also large (30 – 80 MMstb) but are currently regarded as high risk (most <25 per cent. chance of exploration success).

## 14. Summary Financial Information of the Target Companies

The summary financial information presented below has been extracted without material adjustment from the historical financial information of the Target Companies as set out in Part 6B of this document. This summary financial information has been derived from the audited financial statements of Accugas, SUGL, Exoro and Universal for the year ended 31 December 2018 and the unaudited interim financial statements of Accugas, SUGL, Exoro and Universal for the six month period ended 30 June 2019, as adjusted by Savannah for the purposes of presenting such information in accordance with Savannah's own accounting policies.

| | *FY 2018* *$000* | *H1 2019* *$000* |
|---|---|---|
| **Income Statement Selected Line Items** | | |
| Revenue | 93,572 | 70,271 |
| Operating Profit | 145,016 | 14,178 |
| Profit/(Loss) Before Tax | 45,255 | (32,191) |
| Profit After Tax | 42,144 | 3,376 |
| **Balance Sheet Selected Line Items** | | |
| Total Assets | 1,154,252 | 1,201,650 |
| Total Liabilities | 1,555,354 | 1,599,353 |
| Net Liabilities | (401,102) | (397,703) |
| Net Debt | (804,800) | (814,570) |
| **Cash Flow Statement Selected Line Items** | | |
| Cash Flow from operating activities | 73,758 | 23,271 |
| Cash used in financing activities | (76,149) | (23,790) |
| (Decrease)/increase in cash and cash equivalents | (7,264) | 1,702 |

## 16. Current trading of the Enlarged Group

The operating and financial performance of the Nigerian Assets continued to improve during the course of 2019 and into the first quarter of this year. 2019's performance, as compared to 2018, is summarised in the table below:

| | Year ended 31 December 2019 | Year ended 31 December 2019 |
|---|---|---|
| Gas sales – MMscfpd | 93.9 | 64.2 |
| Average selling price – US$/Mcf | 3.57 | 3.40 |
| Oil production (gross) – bopd | 2,519 | 2,393 |
| Total cash collections – US$ million | 168.8 | 128.7 |
| EBITDAX – US$ million | 89.5 | 6.9 |

*Note: the financial information included above for the year ended 31 December 2019 is unaudited and may be subject to adjustment before the results for the year ended 31 December 2019 are published*

In 2019, year-on-year gas sales increased by 46 per cent. to an average of 93.9 MMscfpd, principally as a result of increased volumes being supplied to Calabar whose offtake increased by approximately 130 per cent. compared to 2018. The average realised price was five per cent. higher in 2019 at US$3.57 per Mcf largely as a result of the price indexation that is embedded into the GSAs. Oil production was 5 per cent. higher in 2019 at 2,519 bopd, principally from the Stubb Creek Field which achieved average daily production of 2,393 bopd as a result of increased uptime compared to 2018. The unaudited EBITDAX for the Nigerian Assets for 2019 was US$89.5 million, compared to US$6.9 million in 2018. Total cash collections from gas sales and oil production amounted to US$169 million in 2019 which was 31 per cent. higher than in 2018.

***Q1 2020 trading***

Gas sales in the first quarter of 2020 increased by 20 per cent. compared to the average for 2019 to 113.1 MMscfpd, despite Ibom Power being offline for much of the period. Calabar's offtake in this period was a further 40 per cent. higher than its average offtake for 2019 and a peak daily production rate of 164 MMscfpd was achieved in February 2020. Oil production was marginally lower in Q1 2020 compared to last year at 2,387 bopd as a result of the Stubb Creek Field being shut in for 10 days due to required maintenance at the FUN Manifold.

Since the Transaction was completed in November 2019, total cash collections from the Nigerian Assets have amounted to US$96 million, the Enlarged Group has paid down US$40 million of the restructured debt taken on as part of the Acquisition and the Capital Restructuring and, as referred to in paragraph 7 above, the Group entered into its first new GSA for over five years.

**Your attention is drawn to the Risk Factors in Part 3 of this document and, in particular, that relating to the evolving situation with the COVID-19 pandemic. This has already had a significant impact on global oil prices and could have further impact on the Group's business and financial performance if, for one reason or another, the Group is unable to supply gas to any of its customers or its customers have to curtail or cease production and, therefore, take delivery of lower gas volumes.**

## 17. Future strategy of the Enlarged Group

Savannah seeks to enhance and ultimately realise sustainable value for stakeholders through the successful delivery of material projects across the energy asset life cycle. The Enlarged Group has a valuable and stable asset base which provides a strong platform for future growth, and the Directors believe that energy companies can create substantial value by acquiring, either organically or inorganically, oil and gas reserves and resources at a significant discount to the net present value per share of the cash flows that they are capable of subsequently realising from those reserves and resources.

In the near-term, significant benefits to the Enlarged Group are expected to be realised through the cash flows which are expected to be generated by the Uquo Field, Stubb Creek Field and Accugas as well as through the development of the Company's Niger R3 East EPS. Accugas' immediate focus is on the addition of new customers, including power stations, and higher margin industrial customers. Existing Accugas infrastructure is largely ex-capex and with significant spare capacity, and therefore there is strong operational gearing associated with the signature of new gas contracts, which are long-term in nature.

Outside of "on asset" or "near asset" growth opportunities in Niger and Nigeria, the Company reviews potential acquisitions and strategic transactions on an ongoing basis. In order for the Company to progress with a growth opportunity, it assesses the potential opportunity to deliver material NAV accretion, asset diversification and medium-term cost of capital reduction. Opportunities should also be cash flow generative, or close to delivering cash flow generation, represent controlling interests in assets (or have a competent, credible operator) and be located in an emerging market jurisdiction with high-quality subsurface characteristics.

The Company also keeps under review the best avenue for developing its Nigerien Assets and Nigerian Assets, which may, in due course, result in the Company seeking independent finance for each business.

Savannah's business model is underpinned by the Company's entrepreneurial and proactive culture. Savannah focuses on generating long-term value over short-term results and aims to move quickly to take advantage of opportunities that arise and to react promptly to changes in the business environment.

## Grant of Options

The Company intends, immediately following the publication of this document, to make the following option awards to each of Sir Stephen O'Brien, David Clarkson and Michael Wachtel. Such awards are being made in full satisfaction of the Company's obligation to grant awards over new Ordinary Shares, as referenced in the Dec 2017 Admission Document, with an aggregate value of £50,000 (based on a price per Ordinary Share of £0.35) to each of them (see paragraph 7.2 of this Part 10 for further details). It is anticipated that each of the above Directors will be granted 142,857 options over new Ordinary Shares, which will be exercisable for a period of five years and have an exercise price of £0.001 per Ordinary Share. There is no current intention to make the options subject to any vesting or other performance conditions.