31 May 2019

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

2018 Audited Annual Results

Savannah Petroleum PLC is pleased to announce its full year audited results for the period ending 31 December 2018.

Highlights

Niger

- Safe and successful completion of the Company's maiden exploration drilling campaign in Niger, delivering five discoveries from five wells on the R3 East portion of the R3/R4 PSC;
- Confirmation of Savannah's intent to develop a domestic-focused early production system ("EPS") utilising resources discovered on R3 East, with oil expected to be sold into the Société de Raffinage de Zinder ("SORAZ") refinery, which is connected to the ARB via the third party owned 463km Agadem-Zinder crude oil transportation pipeline;
- Net capital expenditure to first oil expected to be less than US$5m, with external financing requirement 60% lower vs. the Company's conceptual development solution announced in November 2016; and
- Signature of a Memorandum of Understanding ("MOU") between Savannah's Niger subsidiary and the Ministry of Energy and Petroleum ("MEP") in Niger in relation to the planned EPS, setting out the MEP's commitment to support Savannah's EPS by facilitating infrastructure access agreements between Savannah Niger and third-party oil processing and transportation infrastructure.

Seven Energy Transaction

- Successful completion of US$125m placing in February 2018 to fund, *inter alia*, the acquisition by Savannah of certain assets from Seven Energy International Limited ("Seven") ("the Transaction" or "the Seven Energy Transaction") and including the acquisition of Seven's 10.25% Senior Secured Notes ("SSNs") by way of an Exchange Offer;
- Memorandum of Understanding signed between Frontier Oil Limited ("Frontier"), Seven Uquo Gas Limited ("SUGL") and Accugas Limited ("Accugas") to conduct a gas for oil swap at the Uquo Field, increasing SUGL's right to gas production from the Uquo Field to 100% from a current 87.7%;
- Agreement reached to acquire the 37.5% minority shareholders' interests in Universal Energy Resources Limited ("UERL"), increasing the Enlarged Group's interest in the Stubb Creek Field to 51% (operated) from a current c.32%;
- Acquisition of additional 55-60% interest in Accugas Limited ("Accugas"), resulting in the Enlarged Group owning a 75-80% interest and further consolidating control over the gas value chain in South East Nigeria;
- Signature of MOU with a vehicle managed by African Infrastructure Investment Managers Limited ("AIIM") for the sale of a 20-25% interest in each of Seven Uquo Gas Limited ("SUGL") and Accugas for consideration of US$54-70m, broadening the existing partnership with AIIM and providing significant additional liquidity to the Enlarged Group; and

- Enhancement of acquired assets' NPV10 by 35%, and of the associated forecast cash flows by an average of 58% over the 2019 – 2022 period, as reviewed by Savannah's Competent Person[1].

Financial

- Five well drilling campaign in Niger delivered within budgeted time;
- Completion of the second tranche of a US$125m equity placing, resulting in a cash inflow of US$99m; and
- Completion of Exchange Offer in relation to Seven Energy's 10.25% Senior Secured Notes ("SSNs").

Post-Period Highlights

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

Andrew Knott, CEO of Savannah Petroleum, said:

"I am very pleased with the progress we made as a Company in 2018. During the year we executed a highly successful drilling campaign in Niger, that saw us deliver five discoveries from five wells, a 100% exploration success record. With this achievement, we have proven that the geology is low-risk, and therefore that similar success is expected to be repeatable elsewhere on our acreage. We have also consistently demonstrated our ability to operate safely and within budgeted time in the ARB. Our focus for the remainder of the year in Niger will be to deliver first oil from our R3 East EPS and to recommence exploration drilling in H2, potentially with a partner on the licence.

In Nigeria, we shortly expect to complete the Seven Energy Transaction and our guidance remains that this will complete in Q2 2019. We continue to see Nigeria as a high-potential jurisdiction for Savannah and believe we will be able to significantly grow our business and generate returns for our stakeholders through maximising the cash flow generation potential of the Seven Assets as well as through accessing new growth opportunities. I look forward to updating all Savannah stakeholders on the progress made across our portfolio during the remainder of 2019."

Unless otherwise defined, capitalised terms are as per the Company's AIM Admission Document dated 22 December 2017 and per the Company's RNS announcements dated 20 September 2018 (specifically relating to the gas for oil swap with Frontier Oil Limited and the buy-out of minority shareholders in Universal Energy Resources Limited) and 21 December 2018 (specifically relating to the acquisition of an additional 55% interest in Accugas as well as the sale of a 25% (less one share) interest in SUGL and Accugas to AIIM).

For further information contact:

[1] Impact on NPV and cash flows assumes Savannah and AIIM own 75% and 25% respectively of SUGL and Accugas.

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

Chairman's Statement

2018 was a transformational year for our Company, which saw us achieve a 100% success rate in Niger with five discoveries from five wells. As a geologist, I have been highly encouraged that our drilling results provide validation for our original thesis for entering the Agadem Rift Basin: being that significant portions of Savannah's acreage are analogous to that of the neighbouring Agadem PSC area, which has proven so prolific for the joint venture partnership led by China National Petroleum Corporation. In Nigeria, we also delivered material enhancements to our landmark Seven Energy Transaction, which we expect to complete in short order.

Macroeconomic and commodity price conditions improved during the period, with a resurgence in oil prices leading to renewed optimism and greater levels of investment across the oil and gas industry. Whilst there has been a certain amount of volatility in the market in the last twelve months, oil prices remain above US$60 per barrel and appear to have settled within a narrower trading range. We have also benefited from ongoing stability in both Niger and Nigeria, where post period-end we saw President Buhari elected to his second term in office in Nigeria.

As the only British oil and gas company operating in Niger, we take great pride in our relationship with the Niger Government and the local communities we engage with. We have built a strong reputation in-country and are proud of the achievements we have made in the region to date. Similarly, in Nigeria Seven Energy has prioritised building strong ties with their stakeholders. We look forward to supplementing these relationships with those of our own as we complete the Transaction, integrate the Seven Assets and continue to grow our activities in country. We are optimistic about the potential of the Seven Energy assets, and our entry into the growing Nigerian gas market, as well as the positive economic and social contribution our ongoing operations and investments in the country are expected to make.

The Company continues to place the highest level of importance on its corporate governance, health, safety, security and environment, and Corporate Social Responsibility ("CSR") procedures. During 2018 the Company maintained safe and reliable operations in Niger, incurring zero Lost Time Incidents ("LTIs"), and delivering these operations within budgeted time. We firmly believe in the operational capabilities of our Nigerien workforce and will continue to focus on achieving the highest standards of operational excellence in-country. Savannah places the utmost importance on the welfare of its employees and contractors and takes every precaution necessary to ensure that the highest levels of safe working practices are attained. In addition, the Company continued to drive a number of important CSR initiatives, including the drilling of water wells, a livestock vaccination campaign and the construction of a pharmacy and provision of medical supplies for the communities who live around our operations on R3 East. These initiatives were developed in close collaboration with the local communities and are clear examples of our commitment to making a long-term, sustainable commitment to the areas where we operate.

As a Company we are committed to generating value for all our stakeholders, including the host countries we operate in. We champion West Africa as an oil and gas producing region and to demonstrate that Niger and Nigeria are best-in-class territories for international companies like ours to operate in. We are fully aligned with the growth ambitions of these countries, with both economies and populations set to increase significantly over the coming decades. We are focused on delivering first oil for Savannah in Niger in 2019 and on delivering production and cash flows from the Seven Assets, both of which are expected to generate long-term, material returns for our stakeholders. Our track record of achieving best-in-class operations, whilst maintaining a strict focus on capital discipline, is something we are determined to maintain, as we believe this is a key differentiator for Savannah versus our peers.

At Savannah, we recognise that a strong corporate culture is of paramount importance to the success of the business. The Board is focused on ensuring we have the right people and processes to ensure our business values flow through the Company, at all levels of the organisation. We strive to make Savannah a stimulating organisation to work within, and that our employees are engaged and motivated to drive the business forward and achieve the high standards we set for ourselves.

I would like to thank all of our shareholders for their continued support. Following our successes in 2018, we expect to deliver first oil from Niger in 2019 and we are poised to begin reaping the rewards of our strategy in Nigeria upon completion of the Seven Energy Transaction. I would also like to offer my gratitude to the governments of Niger and Nigeria for their ongoing co-operation and support during what has been a landmark year in Savannah's corporate history. Finally, I would like to thank all of the Savannah and Seven teams, as well as our advisers, for their tireless efforts and dedication during the year. Without their endeavours our considerable achievements during 2018 would not have been possible. I look forward to updating our stakeholders on our progress during the course of the coming year.

Steve Jenkins
Chairman
30 May 2019

CEO's 2018 Review

Dear fellow shareholders

Savannah's 2018 was dominated by three key themes: (1) our repeated exploration successes in Niger; (2) the value enhancing amendments we secured in relation to the Seven Energy Transaction; and (3) ensuring that we have additional resources and processes in place to enable us to deliver the growth we see in our enlarged asset base. In this letter I will discuss each of these themes, as well as our plans to realise the further potential of our existing assets, future growth opportunities and the equity market as it relates to Savannah.

Niger

At a high level, our stated business model for our Niger PSCs is that we are seeking to discover material oil resources for a low finding cost relative to the expected net present value per barrel of the cashflows we ultimately expect to yield from these discoveries. Our assessment of the historic Agadem Rift Basin ("ARB") finding cost is c.US$1/bbl versus an expected net present value of c.US$5/bbl[2] for a generic discovery. This business model is underpinned by three core views, being that:

(1) Our PSC areas are technically low risk: We believe that large portions of our Niger PSC areas are analogous to that of the neighbouring Agadem PSC area, which has seen 95 oil discoveries from 129 exploration wells drilled on it to date (a 74% success rate) and that therefore, to quote our Chairman Steve Jenkins, our acreage contains "all of the necessary ingredients for repeatable exploration success"[3]

(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 us confidence to deliver exploration, development and production projects. For example, the established service companies in the ARB have acquired over 30,000km 2D and 13,000km^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 the country has plans for export infrastructure to be installed over the coming years. First oil was delivered on the neighbouring Agadem PSC from a standing start three years from license award (including the construction of a new 463km pipeline and associated refinery). Further, an appropriate legal framework for sharing third party infrastructure exists in Niger.

2018 was a year of validation for our Niger business model. Our exploration campaign, expanded during the year to five wells from three initially planned, resulted in the discovery of five new oil fields – Bushiya, Amdigh, Kunama, Eridal and Zomo – delivering a 100% exploration success rate and confirming our belief that our PSC areas are technically low-risk. Similarly, we utilised the ARB's proven oil service providers and infrastructure networks to deliver our enlarged campaign ahead of budgeted time, further confirming our views in relation to the straightforward operating environment. Lastly, we made strong progress towards commercialising our discoveries, having signed an agreement in August 2018 with Niger's Ministry of Energy and Petroleum (the "Ministry") in relation to the implementation of an Early Production Scheme ("EPS"), with plans to sell crude oil to the Société de Raffinage de Zinder refinery. In March 2019 we formally submitted our Field Development Plan for the EPS to the Ministry for approval and, at the time of writing, anticipate delivering first oil from our discoveries in 2019, an industry-leading time from discovery to development. Over the course of 2020 we believe that these discoveries have the potential to deliver meaningful cashflows to our company.

Our focus in Niger in 2019 will be on testing the Amdigh-1 discovery, delivering first oil from our R3 East EPS, and commencing a further exploration programme in the second half of the year, potentially with a partner. We expect this process to be one that adds significant value for all of our stakeholders.

Nigeria

In Nigeria, I would first like to remind readers why we chose to originally enter the country and why we see such strong potential in the Seven Assets, before going onto discuss the impact of the amendments to the Transaction that we announced during 2018.

Nigeria is one of the largest petroleum jurisdictions in the world (average oil production of 1,988 kbopd[4]) and is estimated to contribute 16% of the upstream cashflows of the major international oil companies present in country[5]. We believe that the Nigerian oil and gas industry is in the early stages

[2] As per Savannah analyst consensus.
[3] Savannah 23 April 2018 Bushiya-1 oil discovery announcement.
[4] BP Statistical Review of World Energy 2018.
[5] Wood Mackenzie, upstream data tool 2017-q3. Majors include Chevron, Eni, ExxonMobil, Shell and Total.

of a process (similar for example to the UK North Sea in the 1990s/early 2000s), whereby the larger players will accelerate their divestment of non-core assets to mid-size companies for whom the assets are: (1) material; and (2) offer focused management teams the potential to generate significant returns. In other words, we see Nigeria as a high-potential jurisdiction for a medium-size company to build a business.

In November 2017 we announced our intention to acquire interests in two large-scale oil and gas fields (Uquo and Stubb Creek) alongside a 20% interest in the Accugas midstream gas business from Seven Energy at a price equating to c.36% of invested capital. Seven became distressed over the course of 2016 due to issues including an unsustainable c.US$0.9bn of borrowing and delay in ramp up in gas volumes. During the acquisition process, a World Bank Partial Risk Guarantee (effectively a bank payment guarantee) was put in place to cover Seven's main gas sales agreement, meaning that 92% of the forward revenue stream is now expected to come from investment grade equivalent customers.

Over the course of 2018, we took advantage of opportunities to amend the original terms of the Transaction through:

(1) the acquisition of an additional 55-60% controlling economic interest in Accugas;

(2) acquiring effective operational control over the Uquo gas field through a Memorandum of Understanding ("MOU") with Frontier Oil; and

(3) selling a 20-25% interest in Uquo to Africa Infrastructure Investment Managers ("AIIM") for US$54-70m.

Our Board and management team took the decision to make these amendments while recognising that they would result in a delay to the completion of the Transaction, given the material positives they represent for the Enlarged Group going forward. As I said at the time they were announced: "In aggregate, they grant control of Accugas [and Uquo] to Savannah, are demonstrably NPV and cashflow accretive, release significant cash to the Company and significantly increase the upside exposure of our South East Nigerian gas business to rising gas volumes and prices."

The table below summarises the aggregate impact of the "new deal" versus the original deal:

Summary of interests being acquired by Savannah following Transaction amendments[6]

	December 2017	**December 2018**	Comment
Uquo Gas & Condensate	87.7%	**75.0%**	Amended per Frontier MOU and subsequent acquisition by AIIM
Uquo Oil	85.0%	**—**	Amended per Frontier MOU
UERL (Stubb Creek)	62.5%	**100.0%**	Buy-out of UERL minorities
Accugas	20.0%	**75.0%**	Acquisition of further 55%

Acquired assets 2P NPV10 net to Savannah[7]

US$m	December 2017 CPR (DCQ)	**December 2018 (DCQ)**	% Change (DCQ, 2018 vs. 2017)	**December 2018 (ToP)**
NPV10	757	**1,023**	+35%	**920**

[6] Note that December 2017 Uquo interests reflect revenue interests, vs. December 2018 Uquo interests which reflect expected working interests. UERL and Accugas are shareholding interests.

[7] Note that DCQ represents "Daily Contract Quantity", e.g. the contracted gas volumes which can be nominated under Accugas' Gas Sales Agreements. ToP represents "Take or Pay", e.g. the amount of gas that the buyer is obliged to purchase, take and pay for (or pay for if not taken).

Summary of expected net asset cash flows from acquired assets[8]

US$m	December 2017 CPR (DCQ)	**December 2018 (DCQ)**	% Change (DCQ 2018 vs. 2017)	**December 2018 (ToP)**
2019	78.5	**115.3**	+47%	**103.7**
2020	97.7	**153.5**	+57%	**120.0**
2021	102.7	**164.2**	+60%	**131.3**
2022	102.7	**172.6**	+68%	**138.3**
Average	95.4	**151.4**	+58%	**123.3**

The execution of the Transaction has required us to reach agreements with 14 different financial stakeholders in Seven Energy. The ability of the Savannah and Seven Energy teams to deliver this as well as to implement the World Bank PRG, is a strong testament to the Enlarged Group's commercial capabilities and our core cultural value of "making things happen".

At the time of writing, we shortly expect to complete the Transaction (on the revised and improved terms) and I strongly believe that this will prove to have been worth the wait. Following this, Savannah's focus will be on maximising the cash flow generation potential of the Seven Assets. The Accugas infrastructure has significant spare capacity and is the only major infrastructure of its type in South East Nigeria; we therefore see strong growth potential going forward through the acquisition of new gas fields and customers. Outside of the Seven Assets, we also see strong potential to access new oil-focused growth opportunities in Nigeria over the medium term, however additional assets will only be introduced into the portfolio if they present an appropriate return on invested capital profile.

Corporate

Over 2018 we maintained our focus on ensuring that our Company has the correct resources in place to deliver on our business plan for existing assets as well as to enable us to deliver our strategic growth aspirations. Key hires over the year included the appointment of a Chief Operating Officer, a Chief Compliance Officer and a Group Head of Human Resources.

Despite the obvious value accretion of the Seven Energy Transaction and the exploration success we have enjoyed in Niger, since announcement of the Transaction our shares have underperformed the wider index. This followed the period prior to the announcement of the Transaction during which our shares had outperformed our peers[9].

This underperformance came despite management holding in excess of 120 meetings with investors and providing regular corporate updates through a variety of media, and appears to have been driven by an enhanced perception of Transaction completion risk. This comes despite the fact that the extended completion timetable is a result of the positive amendments to the Transaction discussed earlier in this letter. We hope and expect that, following completion, we will be able to demonstrate the full potential of our enlarged asset base and our share price will then perform accordingly.

We are fortunate that both of the core projects we are pursuing have the potential to make material contributions to the countries in which we operate. In Niger, our ARB project has the potential to make a material impact on the country's economic growth rate over the course of the next decade, while in Nigeria the assets that we are acquiring have the potential to supply approximately 10% of the country's power generation requirements. I am proud we have built a business which is working (and delivering) on such projects, and am very excited about the outlook for Savannah in 2019 and beyond. I look forward to sharing updates on our business with fellow shareholders over the course of the coming years.

[8] Net asset free cash flows are defined as Savannah's economic share of post-tax operating cash flows less capital expenditures.

[9] Savannah Petroleum share price performance since IPO versus the AIM Oil & Gas Index.

Finally, I would like to add to our Chairman's comments, and thank our host country stakeholders, both governmental and local community, in Niger and Nigeria for their ongoing support for our projects. I would also like to thank all of the Savannah and Seven Energy staff for their continued dedication and hard work.

Andrew Knott
Chief Executive Officer
30 May 2019

Financial Review

Our focus in the year was to progress the Seven Energy Transaction and to undertake our maiden exploration drilling campaign in Niger. To this end, the Group raised a total of US$125 million in a two-tranche fundraise occurring in December 2017 and February 2018. The use of proceeds from this fundraise were directed to the acquisition of Seven Energy's 10.25% Senior Secured Notes as part of the Transaction (in cash and shares) and to the Niger drilling campaign.

During the year, the Group undertook a successful drilling campaign which was completed within budgeted time and resulted in five oil discoveries from five wells. As a result of the initial success of this campaign, we elected to expand the campaign to five wells (versus three initially planned), and our success has enabled the Group to move forward with plans to develop an Early Production Scheme.

The Group's loss after tax for the year was US$24.6m (2017: loss US$27.4m). This loss was predominantly driven by the accounting treatment of certain ongoing transaction costs as well as increased corporate activity as we prepared to integrate the Seven Assets and provide for an enlarged group structure.

In 2019, we expect to complete the Transaction, the integration of the Seven Assets into our business and to deliver first oil in Niger. Following delivery of these key business milestones, our principal financial priorities will include:

- the refinancing of the existing Seven Energy debt facilities;
- a strong focus on revenue collection across the Enlarged Group; and
- ensuring continued strong cost discipline across the Enlarged Group as the Seven Assets and staff are integrated in an efficient manner.

Achieving these financial priorities and goals is expected to lead to the generation of material and sustainable free cash flows in the coming years which can be directed to support and deliver the Enlarged Group's long-term strategy.

Analysis of key line items

Income statement

The Group reported a loss after tax for the year of US$24.6m (2017: loss after tax US$27.4m). The loss for the year was principally driven by ongoing Seven Energy Transaction costs and increased operating expenses.

The loss for the year includes administration expenses for the Group of US$13.4m (2017: US$8m), net of exceptional business development costs. The increase in administration expenses relates to ramp-up costs incurred as the Group prepares to operate as an enlarged operation following completion of the Transaction.

Finance income of US$0.9m (2017: US$0.3m) is primarily associated with interest income on the Liquidity Facility issued by the Group to Seven Energy for working capital purposes.

Finance costs of US$2.4m (2017: US$0.6m) include interest expense of US$1.4m (2017: US$0.4m) largely in relation to the Orabank revolving credit facility, as well as foreign exchange losses of US$0.9m.

The Group's loss was offset by a fair value adjustment of US$4.9m in relation to warrants which were issued alongside the second tranche of the US$125m equity placing announced in December 2017. The warrants were exercisable at the placing price of 35p/share and have now expired. Further details on the warrants are included in Note 23 of the Annual Report and Accounts.

Balance sheet

Exploration expenditure and property, plant and equipment

During the year, exploration and evaluation assets increased by US$38.7m, associated with the successful five-well drilling programme in Niger. Included in the increase, is drilling equipment of US$1.6m which was used during the drilling campaign was reclassified from property, plant and equipment to exploration and evaluation assets.

Through the Exchange Offer which completed in February 2018, the Group acquired Seven Energy's 10.25% Senior Secured Notes which are reflected in long-term financial assets at fair value of US$89m.

Receivables of US$22.7m primarily reflect the Liquidity Facility provided by the Group to Seven Energy for working capital purposes.

Cash and debt

The Group had cash and cash equivalents at 31 December 2018 of US$1.8m (2017: US$14.9m). During the year the Group completed the second tranche of the placing and received cash of US$95.8m (2017: US$15m), net of share issue costs.

As at December 2018, the Group reported an increase of US$5.6m in trade and other payables (2018: US$23.5m, 2017: US$17.9m). This increase is associated with Niger drilling payables offset by lower Transaction costs. In addition, the Group reflected borrowings of US$14.9m (2017: US$12.7m) largely in relation to the Orabank revolving credit facility which was drawn over the year.

Cash flow

Net cash outflow from operating activities of US$32.4m (2017: US$15.7m) increased largely due to the increase in the level of corporate activity through the year and settlement of transaction related fees. This included ongoing Transaction costs, additional work undertaken as the Group prepares to operate as a larger entity, as well as expenditure associated with the Niger drilling programme.

Acquisition of the long-term financial assets of US$40.9m constitutes the cash element of the acquisition of the 10.25% Senior Secured Notes.

The net cash provided by financing activities was US$96.7m (2017: US$27.1m), reflecting cash from the second tranche of the placing in February and net cash from the Orabank revolving credit facility.

Accounting policies

The Group's significant accounting policies are disclosed within the notes to the consolidated financial statements.

Liquidity risk management and going concern

The Group manages liquidity by regularly reviewing cash requirements by reference to short-term cash flow forecasts and medium-term projections prepared by management.

The Group has reviewed these cash flow forecasts and associated capital projections for the next twelve months. Based on an assessment of these forecasts and projections (see details of going concern disclosure in Note 2), the Group has a reasonable expectation that it can access adequate resources to continue operating for the foreseeable future. The Group continues to adopt the going concern basis in preparing its financial statements.

Isatou Semega-Janneh
Chief Financial Officer
30 May 2019

Consolidated Statement of Comprehensive Income	Note	**Year ended 31 December 2018** ***US$'000***	Year ended 31 December 2017 *US$'000*
Operating expenses		**(28,069)**	(27,091)
Operating loss		**(28,069)**	(27,091)
Finance income		**869**	283
Finance costs		**(2,361)**	(561)
Fair value adjustment		**4,953**	-
Loss before tax		**(24,608)**	(27,369)
Tax expense		**(5)**	(13)
Net loss and total comprehensive loss		**(24,613)**	(27,382)
Total comprehensive loss attributable to:			
Owners of the group		**(24,519)**	(27,350)
Non-controlling interests		**(94)**	(32)
		(24,613)	(27,382)
Loss per share			
Basic (US$)	3	**(0.03)**	(0.10)
Diluted (US$)	3	**(0.03)**	(0.10)

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

Consolidated Statement of Financial Position

As at 31 December	Note	**2018** **US$'000**	2017 *US$'000*
Assets			
Non-current assets			
Property, plant and equipment		**2,431**	2,933
Exploration and evaluation assets	4	**150,425**	111,733
Long-term financial assets	5	**88,956**	-

Total non-current assets		**241,812**	114,666
Current assets			
Receivables and prepayments		**22,672**	3,999
Cash and cash equivalents		**1,750**	14,904
Total current assets		**24,422**	18,903
Total assets		**266,234**	133,569
Equity and liabilities			
Capital and reserves			
Share capital	6	**1,240**	520
Share premium	6	**-**	157,188
Capital contribution	7	**458**	458
Share based payment reserve	7	**5,908**	4,551
Other reserves	7	**(4,989)**	-
Accumulated surplus/(deficit)		**225,679**	(59,317)
Equity attributable to owners of the Group		**228,296**	103,400
Non-controlling interests		**(491)**	(397)
Total equity		**227,805**	103,003
Current liabilities			
Trade and other payables		**23,522**	17,888
Borrowings		**14,871**	12,678
Financial liability		**36**	-
Total current liabilities		**38,429**	30,566
Total equity and liabilities		**266,234**	133,569

Consolidated Statement of Cash Flows

	Note	**Year ended 31 December 2018**	Year ended 31 December 2017
		US$'000	*US$'000*
Operating activities:			
Net cash used in operating activities	8	(32,446)	(15,677)
Investing activities			
Payments for property, plant and equipment		(1,362)	(2,253)
Exploration and evaluation costs paid		(19,426)	(17,313)
Acquisition of long-term financial asset		(40,911)	-
Loan to Seven Energy		(15,686)	-
Net cash used in investing activities		(77,385)	(19,566)
Financing activities			
Finance costs		(159)	(221)
Proceeds from issues of equity shares, net of issue costs		95,767	14,966
Borrowing proceeds		8,000	12,341
Borrowing repayment		(6,931)	-
Net cash from financing activities		96,677	27,086
Net decrease in cash and cash equivalents		(13,154)	(8,157)

Cash and cash equivalents at beginning of year	14,904	23,061
Cash and cash equivalents at end of year	1,750	14,904

Consolidated Statement of Changes in Equity

	Share capital *US$'000*	Share premium *US$'000*	Capital contribution *US$'000*	Share based payment reserve *US$'000*	Other reserves *US$'000*	Retained earnings *US$'000*	Total *US$'000*	Non-controlling interest *US$'000*	Total *US$'000*
Balance at 01 January 2017	**483**	**146,892**	**458**	**2,938**	**-**	**(31,967)**	**118,804**	**(365)**	**118,439**
Loss for the year	-	-	-	-	-	(27,350)	(27,350)	(32)	(27,382)
Total comprehensive loss for the year	-	-	-	-	-	(27,350)	(27,350)	(32)	(27,382)
Transactions with shareholders:									
Equity settled share based payments	-	-	-	1,613	-	-	1,613	-	1,613
Issue of ordinary shares to shareholders, net of issue costs	37	10,296	-	-	-	-	10,333	-	10,333
Balance at 31 December 2017	**520**	**157,188**	**458**	**4,551**	**-**	**(59,317)**	**103,400**	**(397)**	**103,003**
Loss for the year	-	-	-	-	-	(24,519)	(24,519)	(94)	(24,613)
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	-	(24,519)	(24,519)	(94)	(24,613)
Transactions with shareholders:									
Equity settled share-based payments	-	-	-	1,357	-	-	1,357	-	1,357
Issue of ordinary shares to shareholders, net of issue costs	720	152,385	-	-	-	(58)	153,047	-	153,047
Issue of warrants	-	-	-	-	(4,989)	-	(4,989)	-	(4,989)
Cancellation of share premium	-	(309,573)	-	-	-	309,573	-	-	-
Balance at 31 December 2018	**1,240**	**-**	**458**	**5,908**	**(4,989)**	**225,679**	**228,296**	**(491)**	**227,805**

1. Corporate information

The consolidated financial statements of Savannah Petroleum Plc ("Savannah" or the "Company") and its subsidiaries (together the "Group") for the year to 31 December 2018 were authorised for issue in accordance with a resolution of the Board of Directors on 30 May 2019.

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

The Company is domiciled in the UK for tax purposes and its shares were listed on the Alternative Investments Market ("AIM") of the London Stock Exchange on 1 August 2014.

The Company's registered address is 40 Bank Street, London, E14 5NR.

The Group's functional currency is US dollars ("US$").

No dividends have been declared or paid since incorporation.

2. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRSs as adopted by the EU"), IFRIC interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention.

The consolidated financial statements of the Group incorporate the results for the year to 31 December 2018.

Publication of non-statutory accounts

The financial information set out in this announcement does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006.

The consolidated statement of financial position, the consolidated statement of cash flows and the consolidated statement of changes in equity as at 31 December 2018 and the consolidated statement of comprehensive income for the period ended 31 December 2018, together with the associated notes, have been extracted from the Group's 2018 financial statements upon which the auditor's opinion is unqualified and does not include any statement under Section 498 of the Companies Act 2006.

Going concern

The Directors have reviewed the budgets and forecasts as well as the funding requirements of the business for the next 12 months. The financial position of the Group, its cash flows and liquidity position are described in the Financial Review. In addition, note 24 of the Group Financial Statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk.

Ahead of completion of the Seven Energy Transaction and delivery of first oil from the Niger EPS, the Group has no current source of operating revenue, and obtains working capital primarily through equity and debt financing. During the year, the Group received funds from the second tranche of the US$125m equity placing which was announced in December 2017 as part of the Seven Energy Transaction, amounting to US$99m, net of issue costs. The net proceeds were used to fund the following key activities;

I. The cash element of the acquisition of the 10.25% Senior Secured Notes as part of the Seven Energy Transaction;
II. Successful five well drilling campaign; and
III. Group working capital and ongoing transaction costs.

As at December 2018, the Group's net current liabilities stood at US$14m and the Group held cash of US$1.8m. Immediately following the year-end, the Group successfully raised US$23m equity in order to provide additional working capital for the Group. Upon completion of the Seven Energy Transaction, the Group expects a significant cash inflow of up to US$90m (including US$20m from certain Seven Energy SSN holders as part of the "new money" investment and US$54-70m investment from AIIM to acquire a 20-25% interest in the Uquo and Accugas businesses). Following completion, the Group will also have access to cash flows generated by the Seven Energy Assets.

Following the signature of the Implementation Agreement in February 2019, the Transaction is currently at an advanced stage of legal documentation and final approvals. The Directors currently have a reasonable expectation that the Transaction will complete with the necessary approvals during 2Q 2019. However, although material progress has been achieved on the Transaction (including signature of the Implementation Agreement in February 2019), the directors recognise that there remains uncertainty around the timing for the completion of the transaction which could lead to a liquidity shortfall and the need for the company to access additional funding.

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

Basis of consolidation

Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Transactions eliminated upon consolidation

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

3. Earnings per share

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

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

Year ended 31 December	**2018** ***US$'000***	2017 US$'000
Earnings		
Net loss attributable to owners of the parent	**(24,519)**	(27,350)
	Number of shares	Number of shares
Basic and diluted weighted average number of shares	**757,050,293**	274,922,400
Loss per share	***US$***	US$
Basic and diluted	(0.03)	(0.10)

In February 2018 the Company issued 514,885,980 new ordinary shares as part of an equity fund raising to the value of US$117 million (gross). 224,021,689 of the new ordinary shares were allotted as consideration for the acquisition of $305,623,124 worth of 10.25% Senior Secure Notes due 2021 issued by Seven Energy Finance Limited.

The Company issued warrants along with the shares issued during the placings in December 2017 and February 2018, being one warrant for every two ordinary shares placed. The warrants are exercisable at a price equal to the placing price of the Company's shares on the date of grant. There is no vesting period. If the warrants remain unexercised after a period of one year from the date of the second grant, the warrants expire.

4. Exploration and evaluation assets

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

	Total *US$'000*
Balance at 01 January 2017	96,913
Additions	14,820
Balance at 31 December 2017	111,733

Additions	37,139
Reallocation from plant, property and equipment	1,553
Balance at 31 December 2018	**150,425**

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

5. Long-term financial assets

As at 31 December	***Group* 2018 *US$'000***	***Company* 2018 *US$'000***	*Group* 2017 *US$'000*	*Company* 2017 *US$'000*
10.25% Senior Secured Noted				
- Cash consideration	**40,910**	**40,910**	-	-
- Equity consideration	**48,046**	**48,046**	-	-
	88,956	**88,956**	-	-

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

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

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

To this end, an 'income approach' was applied, whereby the discounted cash flow of assets within certain entities over which the SSN's are secured were calculated, together with considering the overall fair net asset value of these entities. Management considered this to be a reliable 'level 3' input for the valuing of the SSN's. The results of this approach led management to conclude that there has been no material fluctuation in the value of the SSN's since their acquisition in February 2018.

The discount rate applied in the discounted cash flow of the applicable assets was 16%. At a discount rate of 15%, this fair value would have been $95.6m and at 17% this would have been $83.9m.

6. Share capital

As at 31 December	**2018**	2017
Fully paid ordinary Shares in issue (number)	**816,969,427**	301,793,177
Called up ordinary Shares in issue (number)	**-**	290,270

Par value per share in GBP			**0.001**	0.001

	Number of Shares	Share Capital *US$'000*	Share Premium *US$'000*	Total *US$'000*
At 01 January 2017	274,621,447	483	146,892	147,375
Shares issued	27,462,000	37	10,296	10,333
At 31 December 2017	302,083,447	520	157,188	157,708
Shares issued	514,885,980	720	152,385	153,105
Cancellation of share premium	-	-	(309,573)	(309,573)
At 31 December 2018	**816,969,427**	**1,240**	**-**	**1,240**

In February 2018 the Company issued 514,885,980 new ordinary shares as part of an equity fund raising to the value of US$117 million (gross). 224,021,689 of the new ordinary shares were allotted as consideration for the acquisition of $305,623,124 worth of 10.25% Senior Secure Notes due 2021 issued by Seven Energy Finance Limited.

As part of the equity raise in February 2018, 7,459,000 shares were issued at a value of $3.5m, the amount for which is deemed to be paid up in accordance with section 583 of the Companies Act 2006.

In June 2018 the Company cancelled its share premium account to ensure adequate distributable reserves were in place. This was effected to enable Savannah to prospectively declare dividends.

7. Other reserves

	Capital contribution *US$'000*	Share based payment reserve *US$'000*	Other reserves *US$'000*	Total *US$'000*
At 01 January 2017	458	2,938	-	3,396
Share based payments expense during the year	-	1,613	-	1,613
At 31 December 2017	458	4,551	-	5,009
Share based payments expense during the year	-	1,357	-	1,357
Warrants issued at fair value	-	-	(4,989)	(4,989)
At 31 December 2018	**458**	**5,908**	**(4,989)**	**1,377**

Nature and purpose of reserves

Capital contribution reserve

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

Share based payment reserve

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

Other reserves

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

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while seeking to maximise the return to shareholders through the optimisation of the debt and equity balance.

Details of the Group's capital structure can be found in the capital accounting policy.

The proceeds are used to finance the Group's ongoing development, appraisal of its exploration and evaluation assets, inorganic acquisitions and other business development in line with the Group's strategy.

8. Notes to the consolidated statement of cash flows

	Year ended 31 December 2018 US$'000	Year ended 31 December 2017 US$'000
Loss for the period before tax	**(24,608)**	(27,369)
Adjustments for:		
Depreciation and amortisation	**312**	274
Finance income	**(869)**	561
Finance costs	**1,413**	(2)
Fair value movement	**(4,953)**	-
Share option charge	**1,357**	1,613
Operating cash flows before movements in working capital	**(27,348)**	(24,923)
Decrease / (Increase) in other receivables and prepayments	**(2,464)**	(2,560)
(Decrease) / Increase in trade and other payables	**(2,629)**	12,604
Income tax paid	**(5)**	(798)
Net cash outflow from operating activities	**(32,446)**	(15,677)

9. Subsequent events (post balance sheet)

On 23 January 2019, the Company announced its intention to raise approximately US$23,000,000 through a placing of new ordinary shares to fund general working capital (the "Placing"). The Placing was completed on 24 January 2019 with the issue of 62,800,000 new ordinary shares at a price of £0.28 per share. Certain directors of the Board (being Andrew Knott, Isatou Semega-Janneh, David Clarkson, Steve Jenkins and Mark Iannotti) participated in the Placing and in aggregate, subscribed for 2,101,000 shares.

On 4 February 2019, as part of the Company's proposal to acquire the Seven Assets the Company signed an Implementation Agreement with Seven Energy International Limited, certain other subsidiaries of Seven Energy and certain creditors of the Seven Group. The Implementation Agreement is legally binding and details the legal terms and steps according to which the acquisition of the Seven Assets will be implemented. The Implementation Agreement includes various agreed legal documents required to complete the Transaction, and also includes provisions which commit the parties to support and deliver the Transaction (including the restructuring of Seven Group intra-group debt and triggering the controlled insolvency process in the Seven Group). As a result of signing the Implementation

Agreement, Savannah agreed to provide further liquidity to the Seven Group during the restructuring period by way of an increase in the size of the super senior secured revolving credit Liquidity Facility to up to US$28m.

None of the warrants issued in February 2018 were exercised before their expiry date 12 months later (February 2019), by which stage all warrants have either lapsed or been forfeited.