

26 February 2019

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

**Publication of Circular and Notice of GM**

Savannah Petroleum PLC, the British independent oil & gas company focused around activities in Niger and Nigeria, announces that it is today posting a circular to shareholders (the "Circular") and a form of proxy ("Form of Proxy") in relation to a general meeting of the Company (the "General Meeting") to be convened in connection with the issuance of Consideration Shares as part of the Seven Energy Transaction.

The Circular contains notice of the General Meeting, which will be held at 10.30 a.m. on 14 March 2019 at Novotel London Canary Wharf, 40 Marsh Wall, London E14 9TP. A copy of the Circular and the Form of Proxy will shortly be made available on the Company's website at <https://www.savannah-petroleum.com/en/key-documents>.

The key sections of the Circular have been extracted and included in the announcement below. The Company continues to expect that completion of the Seven Energy Transaction will occur on or before 31 March 2019.

**Introduction**

The Company is a public limited company, was incorporated in the UK on 3 July 2014 and admitted to trading on AIM on 1 August 2014. Savannah is an independent oil and gas company, focused around maximising stakeholder value from activities in Niger and Nigeria. The Company is the holding company of the Existing Group and currently operates from offices in London, UK, and Niamey, Niger.

Since being admitted to trading on AIM, the Company has raised US\$274 million, which has funded the acquisition of the R3/R4 PSC, the further development of those Nigerien assets, and the planned acquisition of the Seven Assets from Seven and the Seven Energy Creditor Group (the "Transaction").

Its current principal business is the exploration, appraisal and planned expected monetisation of oil located in the R1/R2 and R3/R4 PSC Areas in Niger, which cover c.50% of the highly prospective Agadem Rift Basin ("ARB") and where the Company made five discoveries from five wells in its maiden exploration campaign over the course of 2018. The Company is also in the process of finalising the legal completion of the Transaction, which is expected to occur by the end of Q1 2019.

**The Seven Energy Transaction**

The Seven Assets comprise interests in the cash flow generative Uquo and Stubb Creek oil and gas fields, and an interest in the Accugas midstream business in South East Nigeria. Details of the Transaction are set out in the Admission Document, and amendments and updates thereto have been detailed in the Company's RNS announcements of 21 December 2018, 11 October 2018 and 20 September 2018.

The Directors believe that the acquisition of the Seven Assets is an attractive proposition for the following reasons:

- the Enlarged Group will have a substantial producing asset base, acquired at low cost;
- the Enlarged Group is expected to generate significant, high quality cash flows with material upside;
- the acquisition complements Savannah's existing exploration and development portfolio in Niger and offers geographical diversification;

- the Enlarged Group's combined business should provide a strong platform for future Nigerian growth; and
- the Enlarged Group will have a significantly enhanced corporate profile.

The Company continues to expect that completion of the Transaction will occur on or before 31 March 2019.

## **Share Issues**

On completion of the Transaction, and as further detailed in the Admission Document, the Company has agreed, inter alia, to:

- in consideration for Savannah Petroleum (Stubb Creek) Limited's acquisition of 62.5 per cent of the share capital of Universal, issue such number of Ordinary Shares with a value equal to US\$5 million to SEPL (the "Universal Shares");
- in partial consideration for Savannah Petroleum (Stubb Creek) Limited's acquisition of the entire issued share capital of Stubb Creek HoldCo Limited, issue such number of Ordinary Shares with a value equal to US\$4.2 million to SEPL (the "Stubb Creek Shares"); and
- issue new Ordinary Shares with a value of US\$27.7 million to certain holders of the SSNs and certain parties that have agreed to underwrite the issue of certain of those Ordinary Shares (the "New Money Shares");

together, the "Consideration Shares".

Both the Universal Shares and the Stubb Creek Shares will be subsequently transferred to Vitol Energy (Bermuda) Limited as lender under Seven Energy's Second Bilateral Facility Agreement.

The Directors do not currently have sufficient authorities in place to issue the Consideration Shares. Therefore, the Directors are seeking at the General Meeting authority to allot new Ordinary Shares on a non pre-emptive basis up to an aggregate nominal value of £140,000 to enable the Company to issue the Consideration Shares on Completion.

## **The Resolutions**

The following resolutions will be proposed at the General Meeting:

- Resolution 1: subject to the passing of Resolution 2, an ordinary resolution to authorise the Directors to allot the Consideration Shares.
- Resolution 2: subject to the passing of Resolution 1, a special resolution to dis-apply statutory pre-emption rights in relation to the allotment of the Consideration Shares.
- Resolution 3: subject to the passing of Resolution 4, an ordinary resolution to authorise the Directors to allot up to a further 100,000,000 new Ordinary Shares (which will represent approximately 10 per cent. of the maximum enlarged issued share capital of the Company following the issue of the Consideration Shares) going forward.
- Resolution 4: subject to the passing of Resolution 3, a special resolution to dis-apply statutory pre-emption rights in relation to the allotment of the new Ordinary Shares referred to in Resolution 3.

If Resolutions 1 and 2 are not passed, the Transaction will not proceed on its current terms. In the event Resolutions 1 and 2 are not passed, there can be no guarantee that suitable amended terms for the Transaction will be agreed on a timetable which would allow the Transaction to proceed.

Shareholders are therefore strongly encouraged to vote in favour of all Resolutions.

### **Recommendation**

Given that the issue of the Consideration Shares is critical to completion of the Transaction and will only be possible if Shareholders vote in favour of Resolutions 1 and 2 (as explained above), Shareholders are strongly urged to vote in favour of the Resolutions.

The Directors consider the passing of the Resolutions to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend that all Shareholders vote in favour of the Resolutions, as they intend to do, or procure to be done, in respect of their own beneficial shareholdings, being at the Latest Practicable Date, in aggregate, 32,282,840 Ordinary Shares, representing approximately 3.67 per cent. of the Existing Issued Ordinary Share Capital.

### **For further information contact:**

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

### **Notes to Editors:**

#### **About Savannah Petroleum**

Savannah Petroleum PLC is an AIM listed oil and gas company with exploration and production assets in Niger and Nigeria. Savannah's flagship assets include the R1/R2 and R3/R4 PSCs, which cover c.50% of the highly prospective Agadem Rift Basin ("ARB") of South East Niger, acquired in 2014/15. The Company is in the process of acquiring interests in the cash flow generative Uquo and Stubb Creek oil and gas fields and an interest in the Accugas midstream business in South East Nigeria from Seven Energy.

Further information on Savannah Petroleum PLC can be found on the Company's website: <http://www.savannah-petroleum.com/en/index.php>

## Definitions

The following definitions apply in the Circular and this announcement, unless the context otherwise requires:

<b>“Act”</b>	the Companies Act 2006 (as amended)
<b>“Admission Document”</b>	the Company's admission document dated 22 December 2017
<b>“AIM”</b>	the market of that name operated by London Stock Exchange plc
<b>“AIM Rules”</b>	the rules for AIM companies and their AIM advisers, as published from time to time by the London Stock Exchange in relation to AIM traded securities
<b>“Completion”</b>	completion of the Transaction
<b>“Company” or “Savannah Petroleum”</b>	Savannah Petroleum PLC, registered in England and Wales with company number 09115262
<b>“Consideration Shares”</b>	means the Universal Shares, the Stubb Creek Shares, and the New Money Shares
<b>“CREST”</b>	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755) including any enactment or subordinate legislation which amends or supersedes those regulations and any applicable rules made under those regulations or any such enactment or subordinate legislation for the time being in force
<b>“Directors” or “Board”</b>	all of the directors of the Company
<b>“Enlarged Group”</b>	the Company and its subsidiaries immediately following Completion
<b>“Existing Group”</b>	the Company and its subsidiaries prior to Completion;

<b>“Existing Issued Ordinary Share Capital</b>	the 879,769,427 Ordinary Shares in issue as at the date of the Circular and this announcement
<b>“Form of Proxy”</b>	the form of proxy accompanying the Circular for use by Shareholders in connection with the General Meeting
<b>“FSMA”</b>	the Financial Services and Markets Act 2000 of the UK (as amended), including any regulations made pursuant thereto
<b>“General Meeting” or “GM”</b>	the general meeting of the Shareholders of the Company called pursuant to the notice of General Meeting set out at the end of the Circular at which the Resolutions will be proposed
<b>“Latest Practicable Date”</b>	close of business (5.00 p.m. London time) on 25 February 2019, being the latest practicable date prior to the publication of the Circular
<b>“London Stock Exchange”</b>	London Stock Exchange PLC
<b>“Ordinary Shares”</b>	the ordinary shares of £0.001 each in the capital of the Company
<b>“Resolutions”</b>	the resolutions set out in the notice of General Meeting (and also set out in the Circular and this announcement) and which are to be proposed as ordinary and special resolutions (as indicated)
<b>“Second Bilateral Facility”</b>	the facility agreement dated 26 June 2015 between, inter alia, SEFL and Seven Energy Ltd. (as borrowers) and The Law Debenture Trust Corporation P.L.C. (as Security Agent)
<b>“SEFL”</b>	Seven Energy Finance Limited, a company incorporated in the British Virgin Islands with registered number 1811786, whose registered office is at 9 Columbus Centre, Pelican Drive, P.O Box 805, Road Town Tortola VG1110
<b>“SEPL”</b>	Seven Exploration & Production Limited, previously known as Septa Energy Nigeria Limited, a company incorporated in Nigeria with registered number 674420, whose registered office is at 35 Kofo Aboyomi Street, Victoria Island, Lagos, Nigeria
<b>“Seven”</b>	Seven Energy International Limited, a company incorporated in Mauritius with registered number 65304 C2/GBL, whose

registered office is at c/o International Management (Mauritius) Ltd, Les Cascades Building, Edith Cavel Street, Port-Louis, Mauritius

<b>“Seven Assets”</b>	the oil and gas assets to be acquired by the Company from Seven, as more particularly described in the Admission Document and the Company’s RNS’ of 21 December 2018, 11 October 2018 and 20 September 2018
<b>“Seven Energy Creditor Group</b>	the holders of the outstanding debt in Seven Energy, as more particularly described in Part 2 of the Admission Document
<b>“Shareholders”</b>	the holders of Ordinary Shares from time to time
<b>“Share Options”</b>	options to subscribe for new ordinary shares
<b>“SSNs”</b>	10.25% per cent. senior secured notes due 2021 issued by SEFL
<b>“Transaction”</b>	the Company’s proposed acquisition of the Seven Assets
<b>“UK”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“Universal”</b>	Universal Energy Resources Limited, a company incorporated under the laws of the Federal Republic of Nigeria with registered number 429120, whose registered office is at 25 Idoro Road, Uyo, Akwa Ibom State, Nigeria
<b>“U.S.” or “United States”</b>	the United States of America, its territories and possessions, any states of the United States of America and the district of Columbia and all other areas subject to its jurisdiction

References to “£”, “pence” and “p” are to British pounds and pence sterling, the currency of the United Kingdom.

References to “US\$” and “dollars” are to American dollars, the currency of the United States of America. References to times are, unless specified otherwise, references to London time.