

23 January 2019

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

Proposed Placing to Raise c.US\$23 million

Savannah Petroleum PLC, the British independent company focused around activities in Niger and Nigeria, today announces its intention to conduct an accelerated bookbuild (the "Bookbuild") to raise gross proceeds of approximately US\$23m by way of a placing (the "Placing") of new ordinary shares of £0.001 each in the Company ("Ordinary Shares").

At current prices, the new Ordinary Shares issued pursuant to the Placing are expected to represent approximately 7 per cent. of the Company's current issued share capital.

The Bookbuild will open with immediate effect following release of this announcement. A further announcement confirming the closing of the Bookbuild, the number of new Ordinary Shares issued as part of the Placing and the price being paid per new Ordinary Share (the "Placing Price") is expected to be made in due course.

Mirabaud Securities Limited ("Mirabaud") and H&P Advisory Limited ("Hannam") are acting as joint bookrunners (together, the "Joint Bookrunners") in relation to the Placing. Shore Capital Stockbrokers Limited ("Shore Capital") is acting as Lead Manager.

Expected Use of Proceeds

Savannah intends to use the proceeds of the Placing to fund working capital.

Seven Energy Transaction Update

Further to the Company's announcement on 21 December 2018, Savannah confirms that it remains on schedule to sign the Implementation Agreement by the end of January 2019, with the wider Seven Energy Transaction continued to be expected to complete during Q1 2019. This will be followed in due course by the publication of a supplemental admission document. As announced in previous regulatory updates, the Company expects a cash inflow of US\$90m upon completion of the Seven Energy Transaction.

Directors' Participation

Andrew Knott, the Company's CEO, intends to participate in the Placing for an amount of US\$500,000. It is also intended that Steve Jenkins (the Company's Chairman), Isatou Semega-Janneh (CFO), David Clarkson (COO) and Mark Iannotti (Non-Executive Director) will participate in the Placing. The total participation from Directors is expected to be an aggregate amount of US\$756,360.

Director	Intended Participation, US\$
Andrew Knott, CEO	500,000
David Clarkson, COO	130,300
Mark Iannotti, Non-Executive Director	100,000
Isatou Semega-Janneh, CFO	13,030
Steve Jenkins, Chairman	13,030
Total	756,360

Additional Information on the Placing and the Bookbuild

The Placing Price and the final number of new Ordinary Shares to be issued pursuant to the Placing (the "Placing Shares") will be determined following the close of the Bookbuild. The Placing Shares, when issued, will be fully paid and will rank pari passu in all respects with the existing Ordinary Shares.

The timing of the closing of the Bookbuild and allocations of Placing Shares are at the discretion of the Joint Bookrunners and the Company. The Placing Price and details of the results of the Placing will be announced as soon as practicable after the close of the Bookbuild. Your attention is drawn to the detailed terms and conditions of the Placing described in Appendix 1 and the risk factors detailed in Appendix 2 (the "Risk Factors") (which both form part of this announcement).

By choosing to participate in the Placing and by making an oral and legally binding offer to acquire Placing Shares, investors will be deemed to have read and understood this announcement in its entirety (including the Appendices) and to be making such offer on the terms and subject to the conditions in it, and to be providing the representations, warranties and acknowledgements contained in the Appendix.

Further updates will be provided as and when appropriate.

Unless otherwise defined, capitalised terms in this announcement (including the Appendices) have the same meaning ascribed to them as in the Company's Admission Document dated 22 December 2017.

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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>

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.

This press release is for informational purposes only and shall not constitute or form part of any prospectus, offer or invitation to sell or issue or any solicitation of any offer to purchase or subscribe for any securities in the United States or in any other jurisdiction, nor shall it (or any part of it), or the fact of its distribution, form the basis of, or be relied upon in connection with, or act as any inducement to enter into, any contract or commitment whatsoever relating to any securities.

Neither this announcement nor any copy of it may be made or transmitted into the United States of America, or distributed, directly or indirectly, in the United States of America. Neither this announcement nor any copy of it may be taken or transmitted directly or indirectly into Australia, Canada or Japan or to any persons in any of those jurisdictions, except in compliance with Applicable securities laws. Any failure to comply with this restriction may constitute a violation of United States, Australian, Canadian or Japanese securities laws. The distribution of this announcement in other jurisdictions may be restricted by law and persons into whose possession this announcement comes should inform themselves about, and observe, any such restrictions. This announcement does not constitute, or form part of, an offer to sell, or a solicitation of an offer to purchase, any securities in the United States of America, Australia, Canada or Japan or in any jurisdiction in which such offer or solicitation is unlawful ("Excluded Territory").

The securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or with any securities regulatory authority of any state or other jurisdiction of the United States. The securities may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. There will be no public offer of the securities in the United States. The securities referred to herein have not been registered under the applicable securities laws of, Canada, Australia or Japan or and, subject to certain exceptions, may not be offered or sold within Canada, Australia or Japan or to any national, resident or citizen of Canada, Australia or Japan.

Neither the Company, Mirabaud Securities Limited, Hannam, Shore Capital Stockbrokers Limited or any of their respective parent or subsidiary undertakings, or the subsidiary undertakings of any such parent undertakings, or any of such person's respective directors, officers, employees, agents, affiliates or advisers or any other person ("their respective affiliates") accepts any responsibility or liability whatsoever for/ or makes any representation or warranty, express or implied, as to this announcement, including the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of the announcement or its contents or otherwise arising in connection therewith. The Company, Mirabaud Securities Limited, Hannam, Shore Capital Stockbrokers Limited and their respective affiliates accordingly disclaim all and any liability whether arising in tort, contract or otherwise which they might otherwise have in respect of this announcement or its contents or otherwise arising in connection therewith.

Forward-looking statements

This announcement contains statements that constitute forward-looking statements, beliefs or opinions, including statements relating to business, financial condition and results of operations of Savannah. These

statements may be identified by words such as "expectation", "believe", "estimate", "plan", "target", "intend," "may," "will," "should" or "forecast" and similar expressions or the negative thereof; or by the forward-looking nature of discussions of strategy, plans or intentions; or by their context. All statements regarding the future involve known and unknown risks and uncertainties and various factors could cause actual future results, performance or events to differ materially from those described or implied in these statements. Such forward-looking statements are based on numerous assumptions regarding Savannah's present and future business strategies as well as the environment in which Savannah expects to operate in the future. Further, certain forward-looking statements are based upon assumptions of future events which may not prove to be accurate and Savannah does not accept any responsibility for the accuracy of the opinions expressed in this announcement or the underlying assumptions. Past performance is not an indication of future results and past performance should not be taken as a representation that trends or activities underlying past performance will continue in the future. The forward-looking statements in this announcement speak only as at the date of this announcement and Savannah and its affiliates expressly disclaim any obligation or undertaking to review or release any updates or revisions to these forward-looking statements to reflect any change in Savannah's expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based after the date of this announcement or to update or to keep current any other information contained in this announcement or to provide any additional information in relation to such forward-looking statements, unless required to do so by applicable law.

Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that such Placing Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Mirabaud Securities Limited, Hannam and Shore Capital Stockbrokers Limited will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.

APPENDIX 1

TERMS AND CONDITIONS OF THE PLACING

IMPORTANT INFORMATION ON THE PLACING FOR INVITED PLACEEES ONLY.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THE TERMS AND CONDITIONS SET OUT HEREIN ARE FOR INFORMATION PURPOSES ONLY AND ARE ONLY DIRECTED AT, AND BEING DISTRIBUTED TO, PERSONS WHOSE ORDINARY ACTIVITIES INVOLVE THEM IN ACQUIRING, HOLDING, MANAGING AND DISPOSING OF INVESTMENTS (AS PRINCIPAL OR AGENT) FOR THE PURPOSES OF THEIR BUSINESS AND WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND ARE: (A) IF IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA ("EEA"), PERSONS WHO ARE QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE EU PROSPECTUS DIRECTIVE (WHICH MEANS DIRECTIVE 2003/71/EC, AS AMENDED FROM TIME TO TIME, AND INCLUDES ANY RELEVANT IMPLEMENTING DIRECTIVE MEASURE IN ANY MEMBER STATE OF THE EEA TO THE EXTENT IMPLEMENTED IN THE RELEVANT MEMBER STATE OF THE EEA) (THE "PROSPECTUS DIRECTIVE") ("QUALIFIED INVESTORS"); (B) IF IN THE UNITED KINGDOM, PERSONS WHO FALL WITHIN THE DEFINITION OF "INVESTMENT PROFESSIONALS" IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED ("THE ORDER") OR ARE PERSONS FALLING WITHIN ARTICLE 49(2) OF THE ORDER AND ARE "QUALIFIED INVESTORS" AS DEFINED IN SECTION 86(7) OF THE FSMA; AND (C) ANY OTHER PERSON TO WHOM IT MAY OTHERWISE LAWFULLY BE COMMUNICATED; AND, IN EACH CASE, WHO HAVE BEEN INVITED TO PARTICIPATE IN THE PLACING BY MIRABAUD SECURITIES LIMITED ("MIRABAUD"), H&P ADVISORY LIMITED ("HANNAM"), SHORE CAPITAL STOCKBROKERS LIMITED ("SHORE CAPITAL") OR THE COMPANY (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS").

THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY PERSON WHO HAS RECEIVED OR IS DISTRIBUTING THESE TERMS AND CONDITIONS MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THESE TERMS AND CONDITIONS RELATE IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THESE TERMS AND CONDITIONS DO NOT THEMSELVES CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY. THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE SECURITIES MAY NOT BE OFFERED, SOLD, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY IN, INTO OR WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. THERE WILL BE NO PUBLIC OFFERING OF THE SECURITIES IN THE UNITED STATES.

EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF AN ACQUISITION OF PLACING SHARES (AS SUCH TERM IS DEFINED BELOW).

Unless otherwise defined in these terms and conditions, capitalised terms used in these terms and conditions shall have the meaning given to them in this announcement.

If a person indicates to Mirabaud, Hannam, Shore Capital or the Company that it wishes to participate in the Placing by making an oral offer to acquire Placing Shares (each such person, a "Placee") it will be deemed to have read and understood these terms and conditions, the Risk Factors and the announcement of which they form a part in their entirety and to be making such offer on the terms and conditions, and to be providing the representations, warranties, indemnities, agreements and acknowledgements, contained in these terms and conditions as deemed to be made by Placees. In particular, each such Placee represents, warrants and acknowledges that it is a Relevant Person and undertakes that it will acquire, hold, manage and dispose of any of the Placing Shares that are allocated to it for the purposes of its business only. Further, each such Placee represents, warrants and agrees that: (a) if it is a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, that the Placing Shares acquired by and/or subscribed for by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of securities to the public other than an offer or resale in a member state of the EEA which has implemented the Prospectus Directive to Qualified Investors, or in circumstances in which the prior consent of

Mirabaud, Hannam or Shore Capital has been given to each such proposed offer or resale; and (b) it is and, at the time the Placing Shares are acquired, will be either (i) outside the United States, and acquiring the Placing Shares in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S; or (ii) a "qualified institutional buyer" ("**QIB**") as defined in Rule 144A under the US Securities Act of 1933, as amended (the "**Securities Act**") purchasing the Placing Shares in a direct transaction with the Company. These terms and conditions do not constitute an offer to sell or issue or the invitation or solicitation of an offer to buy or acquire Placing Shares.

Subject to certain exceptions, these terms and conditions and the information contained herein are not for release, publication or distribution, directly or indirectly, in whole or in part, to persons in the United States, Australia, Canada, Japan, the Republic of South Africa or any other Excluded Territory.

In particular, the Placing Shares referred to in these terms and conditions have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and the Placing Shares may not be offered or sold directly or indirectly in, into or within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. There will be no public offering of the Placing Shares in the United States. Accordingly, the Placing Shares will be offered in the United States only to a limited number of QIBs in direct transactions with the Company. For the avoidance of doubt, and notwithstanding anything contained within these terms and conditions, Mirabaud, Hannam and Shore Capital are not procuring Placees in the United States and are not involved in any marketing or distribution of the Placing Shares in the United States. Any Placee in the United States (a "**US Placee**") must satisfy the Company that it is eligible to participate in the Placing pursuant to an exemption from the registration requirements of the Securities Act and must sign and deliver to the Company a US investor letter in the form provided by the Company. Additional terms and conditions applicable to US Placees shall be provided separately to US Placees by the Company.

The distribution of these terms and conditions and the offer and/or placing of Placing Shares in certain other jurisdictions may be restricted by law. No action has been taken by Mirabaud, Hannam, Shore Capital or the Company that would permit an offer of the Placing Shares or possession or distribution of these terms and conditions or any other offering or publicity material relating to the Placing Shares in any jurisdiction where action for that purpose is required, save as mentioned above. Persons into whose possession these terms and conditions come are required by Mirabaud, Hannam, Shore Capital and the Company to inform themselves about and to observe any such restrictions.

No prospectus or other offering document has been or will be submitted to be approved by the FCA in relation to the Placing or the Placing Shares and each Placee's commitments will be made solely on the basis of the information set out in this announcement and the pricing information expected to be made available to Placees on or around 24 January 2019. Each Placee, by participating in the Placing, agrees that it has neither received nor relied on any other information, representation, warranty or statement made by or on behalf of Mirabaud, Hannam, Shore Capital or the Company and none of Mirabaud, Hannam, Shore Capital, the Company, or any person acting on such person's behalf nor any of their respective affiliates has or shall have liability for any Placee's decision to accept this invitation to participate in the Placing based on any other information, representation, warranty or statement. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

No undertaking, representation, warranty or any other assurance, express or implied, is made or given by or on behalf of Mirabaud, Hannam, Shore Capital or any of their affiliates, their respective directors, officers, employees, agents, advisers, or any other person, as to the accuracy, completeness, correctness or fairness of the information or opinions contained in this announcement or for any other statement made or purported to be made by any of them, or on behalf of them, in connection with the Company or the Placing and no such person shall have any responsibility or liability for any such information or opinions or for any errors or omissions. Accordingly, save to the extent permitted by law, no liability whatsoever is accepted by Mirabaud, Hannam, Shore Capital or any of their respective directors, officers, employees or affiliates or any other person for any loss howsoever arising, directly or indirectly, from any use of this announcement or such information or opinions contained herein.

All offers of the Placing Shares will be made pursuant to an exemption under the Prospectus Directive from the requirement to produce a prospectus.

These terms and conditions do not constitute or form part of, and should not be construed as, any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any Placing Shares or any other securities or an inducement to enter into investment activity, nor shall these terms and conditions (or any part of them), nor the fact of their distribution, form the basis of, or be relied on in connection with, any investment activity. No statement in these terms and conditions is intended to be nor may be construed as a profit forecast and no statement made herein should be interpreted to mean that the Company's profits or earnings per share for any future period will necessarily match or exceed historical published profits or earnings per share of the Company.

Proposed Placing of Ordinary Shares

Placees are referred to these terms and conditions, the Risk Factors and this announcement containing details of, inter alia, the Placing. These terms and conditions, the Risk Factors and this announcement have been prepared and issued by the Company, and each of these documents is the sole responsibility of the Company.

The new Ordinary Shares issued under the Placing, when issued and fully paid, will be identical to, and rank *pari passu* with, the existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid on the existing Ordinary Shares after their admission to trading on AIM ("**Admission**").

Application will be made to the London Stock Exchange for the Placing Shares to be issued under the Placing to be admitted to trading on AIM.

Subject to the conditions below being satisfied, it is expected that Admission of the Placing Shares will become effective on or around 25 January 2019. It is expected that dealings for normal settlement in the Placing Shares will commence at 8.00 a.m. on the same day.

The Placing of the Placing Shares is conditional, inter alia, upon:

- (i) Admission of the Placing Shares becoming effective by not later than 8.00 a.m. on or around 25 January 2019 (or such later time and/or date as the Company, Mirabaud, Hannam and Shore Capital may agree); and
- (ii) the placing agreement to be entered into between the Company, Mirabaud, Hannam and Shore Capital (the "**Placing Agreement**") having become unconditional in all respects with respect to the Placing of the Placing Shares and not having been terminated in accordance with its terms.

Bookbuild of the Placing

Commencing today, Mirabaud, Hannam and Shore Capital will be conducting the Bookbuild to determine demand for participation in the Placing. Mirabaud, Hannam and Shore Capital will seek to procure Placees as agent for the Company as part of this Bookbuild. These terms and conditions give details of the terms and conditions of, and the mechanics of participation in, the Placing.

Principal terms of the Bookbuild

- a) By participating in the Placing, Placees will be deemed to have read and understood this announcement, the Risk Factors and these terms and conditions in their entirety and to be participating and making an offer for any Placing Shares on these terms and conditions, and to be providing the representations, warranties, indemnities, acknowledgements and undertakings, contained in these terms and conditions.
- b) Mirabaud, Hannam and Shore Capital are arranging the Placing (other than any placing to US Placees, which is being arranged solely by the Company) as agents of the Company.
- c) Participation in the Placing will only be available to persons who are Relevant Persons and who may lawfully be and are invited to participate by Mirabaud, Hannam, Shore Capital or (in the case of US Placees) the Company.

Mirabaud, Hannam, Shore Capital and their respective affiliates are entitled to offer to subscribe for Placing Shares as principal in the Bookbuild.

d) Any offer to subscribe for Placing Shares should state the aggregate number of Placing Shares which the Placee wishes to acquire or the total monetary amount which it wishes to commit to acquire Placing Shares at the Placing Price which is ultimately established by the Company, Mirabaud, Hannam and Shore Capital, or at a price up to a price limit specified in its bid. The Placing Price will be jointly agreed between Mirabaud, Hannam, Shore Capital and the Company following completion of the Bookbuild and will be payable by the Placees in respect of the Placing Shares allocated to them.

e) The Bookbuild is expected to close between 23 January 2019 and 24 January 2019 but may close earlier or later, at the discretion of Mirabaud, Hannam, Shore Capital and the Company. The timing of the closing of the books and allocations will be agreed between Mirabaud, Hannam, Shore Capital and the Company following completion of the Bookbuild (the "**Allocation Policy**"). Mirabaud, Hannam and Shore Capital may, in agreement with the Company, accept offers to subscribe for Placing Shares that are received after the Bookbuild has closed.

f) An offer to subscribe for Placing Shares in the Bookbuild will be made on the basis of these terms and conditions and will be legally binding on the Placee by which, or on behalf of which, it is made and will not be capable of variation or revocation after the close of the Bookbuild.

g) Subject to paragraph (e) above, Mirabaud, Hannam and Shore Capital reserve the right not to accept an offer to subscribe for Placing Shares, either in whole or in part, on the basis of the Allocation Policy and may scale down any offer to subscribe for Placing Shares for this purpose.

h) If successful, each Placee's allocation will be confirmed to it by Mirabaud, Hannam or Shore Capital (or, in the case of US Placees, the Company) following the close of the Bookbuild. Oral or written confirmation (at Mirabaud, Hannam and Shore Capital's discretion) from Mirabaud, Hannam or Shore Capital (or, in the case of US Placees, the Company) to such Placee confirming its allocation will constitute a legally binding commitment upon such Placee, in favour of Mirabaud, Hannam and Shore Capital (other than with respect to US Placees) and the Company to acquire the number of Placing Shares allocated to it on the terms and conditions set out herein. Each Placee (other than a US Placee) will have an immediate, separate, irrevocable and binding obligation, owed to the Company, to pay to (other than with respect to US Placees) Mirabaud, Hannam or Shore Capital (or as Mirabaud may direct) as agent for the Company or (in the case of the US Placees) the Company in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares which such Placee has agreed to acquire.

i) The Company will make a further announcement following the close of the Bookbuild detailing the Placing Price and the number of Placing Shares to be issued (the "**Placing Results Announcement**"). It is expected that such Placing Results Announcement will be made as soon as practicable after the close of the Bookbuild.

j) Subject to paragraphs (g) and (h) above, Mirabaud, Hannam and Shore Capital reserve the right not to accept bids or to accept bids, either in whole or in part, on the basis of allocations determined at Mirabaud, Hannam and Shore Capital's discretion and may scale down any bids as Mirabaud, Hannam and Shore Capital may determine, subject to agreement with the Company. The acceptance of bids shall be at Mirabaud's, Hannam's and Shore Capital's absolute discretion, subject to agreement with the Company.

k) Irrespective of the time at which a Placee's allocation(s) pursuant to the Placing is/are confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the time specified, on the basis explained below under the paragraph entitled "Registration and Settlement".

l) No commissions are payable to Placees in respect of the Placing.

m) By participating in the Bookbuild, each Placee agrees that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee. All obligations under the Placing will be subject to the fulfilment of the conditions referred to below under the paragraph entitled "Conditions of the Placing and Termination of the Placing Agreement".

Conditions of the Placing

The obligations of Mirabaud, Hannam and Shore Capital under the Placing Agreement in respect of the Placing Shares are conditional on, amongst other things:

- (a) the Company having complied with its obligations under the Placing Agreement (to the extent that such obligations fall to be performed prior to Admission); and
- (b) Admission having occurred not later than 8.00 a.m. 25 January 2019 or such later date as the Company, Mirabaud, Hannam and Shore Capital may agree, but in any event not later than 8.00 a.m. on 8 February 2019.

If (i) any of the conditions contained in the Placing Agreement in relation to the Placing Shares are not fulfilled or waived by Mirabaud, Hannam and Shore Capital by the respective time or date where specified, (ii) any of such conditions becomes incapable of being fulfilled or (iii) the Placing Agreement is terminated in the circumstances specified below, the Placing will not proceed and the Placee's rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by the Placee in respect thereof.

Mirabaud, Hannam and Shore Capital, at their discretion and upon such terms as they think fit, may waive compliance by the Company with the whole or any part of any of the Company's obligations in relation to the conditions in the Placing Agreement. Any such extension or waiver will not affect Placees' commitments as set out in this Announcement.

Neither Mirabaud, Hannam, Shore Capital nor the Company nor any other person shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision they may make as to whether or not to waive or to extend the time and/or the date for the satisfaction of any condition to the Placing nor for any decision they may make as to the satisfaction of any condition or in respect of the Placing generally, and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of Mirabaud, Hannam and Shore Capital.

Termination of the Placing Agreement

Each of Mirabaud, Hannam and Shore Capital are entitled (but after, where practicable, having consulted with the Company) at any time before Admission, to terminate the Placing Agreement in relation to its obligations in respect of the Placing Shares by giving notice to the Company if, amongst other things:

- (a) the Company fails, in any material respect, to comply with any of its obligations under the Placing Agreement; or
- (b) it comes to the notice of Mirabaud, Hannam and Shore Capital that any statement contained in this announcement was untrue, incorrect or misleading at the date of this announcement or has become untrue, incorrect or misleading in each case in any respect which Mirabaud, Hannam and Shore Capital (acting reasonably) consider to be material in the context of the Placing or that any matter which Mirabaud, Hannam and Shore Capital consider to be material in the context of the Placing has arisen which would, if the Placing were made at that time, constitute a material omission therefrom; or
- (c) any of the warranties given by the Company in the Placing Agreement has ceased to be true and accurate in any respect which Mirabaud, Hannam and Shore Capital (acting reasonably) consider to be material in the context of the Placing by reference to the facts subsisting at the time when notice to terminate is given; or
- (d) there happens, develops or comes into effect: i) a general moratorium on commercial banking activities in London declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in the United Kingdom; or ii) the outbreak or escalation of hostilities or acts of terrorism involving the United Kingdom or any other relevant jurisdiction the laws or regulations of which apply to the Company or any of its subsidiary undertakings (together being the "**Group**") or the Group's assets ("**Relevant Jurisdiction**") or the declaration by the United Kingdom or any other Relevant Jurisdiction of a national emergency or war or any other occurrence of any kind which in any such case (by itself or together with any other such occurrence) in the reasonable opinion of Mirabaud, Hannam and Shore Capital is likely to materially and adversely affect the market's position or prospects of the Group taken as a whole; or iii) any other crisis of international or national effect or any change in any currency exchange rates or controls or in any financial, political, economic or market conditions or in market sentiment which, in any such case, in the reasonable opinion of Mirabaud, Hannam and Shore Capital is materially adverse.

Placing Procedure

Placees shall acquire the Placing Shares to be issued pursuant to the Placing and any allocation of the Placing Shares to be issued pursuant to the Placing will be notified to them on or around 24 January 2019 (or such other time and/or date as the Company, Mirabaud, Hannam and Shore Capital may agree).

Payment in full for any Placing Shares so allocated in respect of the Placing at the Placing Price must be made by no later than 25 January 2019 (or such other date as shall be notified to each Placee by Mirabaud, Hannam or Shore Capital) on the expected closing date of the Placing. Mirabaud, Hannam, Shore Capital or the Company will notify Placees if any of the dates in these terms and conditions should change.

Registration and Settlement

Settlement of transactions in the Placing Shares following Admission of the Placing Shares will take place within the CREST system, subject to certain exceptions. Mirabaud, Hannam, Shore Capital and the Company reserve the right to require settlement for, and delivery of, the Placing Shares to Placees by such other means that they deem necessary if delivery or settlement is not possible within the CREST system within the timetable set out in this announcement or would not be consistent with the regulatory requirements in the Placee's jurisdiction. Each Placee will be deemed to agree that it will do all things necessary to ensure that delivery and payment is completed in accordance with either the standing CREST or certificated settlement instructions which they have in place with Mirabaud, Hannam or Shore Capital.

Settlement for the Placing will be on a T+2 and delivery versus payment basis and settlement is expected to take place on or around 25 January 2019. Interest is chargeable daily on payments to the extent that value is received after the due date from Placees at the rate of 2 percentage points above prevailing LIBOR. Each Placee other than the US Placees is deemed to agree that if it does not comply with these obligations, Mirabaud, Hannam or Shore Capital may sell any or all of the Placing Shares allocated to it on its behalf and retain from the proceeds, for its own account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. By communicating a bid for Placing Shares, each Placee other than the US Placees confers on Mirabaud, Hannam and Shore Capital all such authorities and powers necessary to carry out any such sale and agrees to ratify and confirm all actions which Mirabaud, Hannam and Shore Capital lawfully take in pursuance of such sale. The relevant Placee will, however, remain liable for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon any transaction in the Placing Shares on such Placee's behalf.

Acceptance

By participating in the Placing, a Placee (and any person acting on such Placee's behalf) irrevocably acknowledges, confirms, undertakes, represents, warrants and agrees (as the case may be) with Mirabaud, Hannam, Shore Capital and the Company, the following:

1. in consideration of its allocation of a placing participation, to subscribe at the Placing Price for any Placing Shares comprised in its allocation for which it is required to subscribe pursuant to these terms and conditions;
2. it has read and understood this announcement (including these terms and conditions and the Risk Factors) in its entirety and that it has neither received nor relied on any information given or any investigations, representations, warranties or statements made at any time by any person in connection with Admission, the Placing, the Company, the Placing Shares, or otherwise, other than the information contained in this announcement (including these terms and conditions) that in accepting the offer of its placing participation it will be relying solely on the information contained in this announcement (including these terms and conditions and the Risk Factors), and undertakes not to redistribute or duplicate such documents;
3. its oral commitment will be made solely on the basis of the information set out in this announcement and the information publicly announced to a Regulatory Information Service by or on behalf of the Company on the date of this announcement, such information being all that such Placee deems necessary or appropriate and sufficient to make an investment decision in respect of the Placing Shares and that it has neither received nor relied on any other information given, or representations or warranties or statements made, by Mirabaud, Hannam, Shore

Capital or the Company nor any of their respective affiliates and neither Mirabaud, Hannam, Shore Capital nor the Company will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement;

4. the content of this announcement and these terms and conditions are exclusively the responsibility of the Company and agrees that neither Mirabaud, Hannam, Shore Capital nor any of their affiliates nor any person acting on behalf of any of them will be responsible for or shall have liability for any information, representation or statements contained therein or any information previously published by or on behalf of the Company, and neither Mirabaud, Hannam, Shore Capital nor the Company, nor any of their respective affiliates or any person acting on behalf of any such person will be responsible or liable for a Placee's decision to accept its placing participation;

5. (i) it has not relied on, and will not rely on, any information relating to the Company contained or which may be contained in any research report or investor presentation prepared or which may be prepared by Mirabaud, Hannam, Shore Capital or any of their affiliates; (ii) none of Mirabaud, Hannam, Shore Capital, their affiliates or any person acting on behalf of any of such persons has or shall have any responsibility or liability for public information relating to the Company; (iii) none of Mirabaud, Hannam, Shore Capital, their affiliates or any person acting on behalf of any of such persons has or shall have any responsibility or liability for any additional information that has otherwise been made available to it, whether at the date of publication of such information, the date of these terms and conditions or otherwise; and that (iv) none of Mirabaud, Hannam, Shore Capital, their affiliates or any person acting on behalf of any of such persons makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of any such information referred to in (i) to (iii) above, whether at the date of publication of such information, the date of this announcement or otherwise;

6. it has made its own assessment of the Company and has relied on its own investigation of the business, financial or other position of the Company in deciding to participate in the Placing, and has satisfied itself concerning the relevant tax, legal, currency and other economic considerations relevant to its decision to participate in the Placing;

7. it is acting as principal only in respect of the Placing or, if it is acting for any other person (i) it is duly authorised to do so and has full power to make the acknowledgments, representations and agreements herein on behalf of each such person, (ii) it is and will remain liable to the Company, Mirabaud, Hannam and Shore Capital for the performance of all its obligations as a Placee in respect of the Placing (regardless of the fact that it is acting for another person), (iii) if it is in the United Kingdom, it is a person (a) who has professional experience in matters relating to investments and who falls within the definition of "investment professionals" in Article 19(5) of the Order or who falls within Article 49(2) of the Order, and (b) is a qualified investor" as defined in section 86 of the FSMA, (iv) if it is in a member state of the EEA, it is a "qualified investor" within the meaning of Article 2(1)(e) of the Prospectus Directive, and (v) if it is a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, the Placing Shares subscribed by it in the Placing are not being acquired on a nondiscretionary basis for, or on behalf of, nor will they be acquired with a view to their offer or resale to persons in a member state of the EEA in circumstances which may give rise to an offer of shares to the public, other than their offer or resale to qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive in a member state of the EEA which has implemented the Prospectus Directive;

8. if it has received any confidential price sensitive information about the Company in advance of the Placing, it has not (i) dealt in the securities of the Company; (ii) encouraged or required another person to deal in the securities of the Company; or (iii) disclosed such information to any person, prior to the information being made generally available;

9. it has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000, the Terrorism Act 2006, the Criminal Justice (Money Laundering and Terrorism Financing) Act 2010 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and any related or similar rules, regulations or guidelines, issued, administered or enforced by any government agency having jurisdiction in respect thereof (the "**Regulations**") and, if it is making payment on behalf of a third party, it has obtained and recorded satisfactory evidence to verify the identity of the third party as may be required by the Regulations;

10. it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Placing Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person;

11. it is not acting in concert (within the meaning given in the City Code on Takeovers and Mergers) with any other Placee or any other person in relation to the Company;

12. it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving the United Kingdom;

13. it and any person acting on its behalf is entitled to acquire the Placing Shares under the laws of all relevant jurisdictions and that it has all necessary capacity and has obtained all necessary consents and authorities to enable it to commit to this participation in the Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in these terms and conditions);

14. unless otherwise agreed by the Company (after agreement with Mirabaud, Hannam and Shore Capital), it is not, and at the time the Placing Shares are subscribed for and purchased will not be, subscribing for and on behalf of a resident of Australia, Canada, Japan, the Republic of South Africa or any other Excluded Territory and further acknowledges that the Placing Shares have not been and will not be registered under the securities legislation of any Excluded Territory and, subject to certain exceptions, may not be offered, sold, transferred, delivered or distributed, directly or indirectly, in or into those jurisdictions;

15. it does not expect Mirabaud, Hannam or Shore Capital to have any duties or responsibilities towards it for providing protections afforded to clients under the rules of the FCA Handbook (the "**Rules**") or advising it with regard to the Placing Shares and that it is not, and will not be, a client of Mirabaud as defined by the Rules. Likewise, any payment by it will not be treated as client money governed by the Rules;

16. any exercise by Mirabaud, Hannam or Shore Capital of any right to terminate the Placing Agreement or of other rights or discretions under the Placing Agreement or the Placing shall be within Mirabaud's, Hannam' and Shore Capital's absolute discretion and Mirabaud, Hannam and Shore Capital shall not have any liability to it whatsoever in relation to any decision to exercise or not to exercise any such right or the timing thereof;

17. neither it, nor the person specified by it for registration as a holder of Placing Shares is, or is acting as nominee(s) or agent(s) for, and that the Placing Shares will not be allotted to, a person/person(s) whose business either is or includes issuing depository receipts or the provision of clearance services and therefore that the issue to the Placee, or the person specified by the Placee for registration as holder, of the Placing Shares will not give rise to a liability under any of sections 67, 70, 93 and 96 of the Finance Act 1986 (depository receipts and clearance services) and that the Placing Shares are not being acquired in connection with arrangements to issue depository receipts or to issue or transfer Placing Shares into a clearance system;

18. the person who it specifies for registration as holder of the Placing Shares will be (i) itself or (ii) its nominee, as the case may be, and acknowledges that Mirabaud, Hannam, Shore Capital and the Company will not be responsible for any liability to pay stamp duty or stamp duty reserve tax (together with interest and penalties) resulting from a failure to observe this requirement; and each Placee and any person acting on behalf of such Placee agrees to participate in the Placing on the basis that the Placing Shares will be allotted to a CREST stock account of Mirabaud, Hannam or Shore Capital who will hold them as nominee on behalf of the Placee until settlement in accordance with its standing settlement instructions with it;

19. where it is acquiring Placing Shares for one or more managed accounts, it is authorised in writing by each managed account to acquire Placing Shares for that managed account;

20. if it is a pension fund or investment company, its acquisition of any Placing Shares is in full compliance with applicable laws and regulations;

21. it has not offered or sold and will not offer or sell any Placing Shares to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of the FSMA;

22. it has not offered or sold and will not offer or sell any Placing Shares to persons in any member state of the EEA prior to Admission except to persons whose ordinary activities involve them acquiring, holding, managing or disposing of investments (as principal or agent) for the purpose of their business or otherwise in circumstances which have not resulted and will not result in an offer to the public in any member state of the EEA within the meaning of the Prospectus Directive;

23. participation in the Placing is on the basis that, for the purposes of the Placing, it is not and will not be a client of Mirabaud, Hannam or Shore Capital and that Mirabaud, Hannam and Shore Capital do not have any duties or responsibilities to it for providing the protections afforded to its clients nor for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement or the contents of these terms and conditions;

24. to provide Mirabaud, Hannam, Shore Capital or the Company (as relevant) with such relevant documents as they may reasonably request to comply with requests or requirements that either they or the Company may receive from relevant regulators in relation to the Placing, subject to its legal, regulatory and compliance requirements and restrictions;

25. any agreements entered into by it pursuant to these terms and conditions shall be governed by and construed in accordance with the laws of England and Wales and it submits (on its behalf and on behalf of any Placee on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by Mirabaud, Hannam or Shore Capital in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;

26. to fully and effectively indemnify and hold harmless the Company, Mirabaud, Hannam, Shore Capital and each of their respective affiliates (as defined in Rule 501(b) under the Securities Act) and each person, if any, who controls Mirabaud, Hannam or Shore Capital within the meaning of Section 15 of the Securities Act or Section 20 of the US Exchange Act of 1934, as amended, and any such person's respective affiliates, subsidiaries, branches, associates and holding companies, and in each case their respective directors, employees, officers and agents from and against any and all losses, claims, damages and liabilities (i) arising from any breach by such Placee of any of the provisions of these terms and conditions and (ii) incurred by Mirabaud, Hannam, Shore Capital and/or the Company arising from the performance of the Placee's obligations as set out in these terms and conditions;

27. to indemnify on an after-tax basis and hold the Company, Mirabaud, Hannam, Shore Capital and any of their affiliates and any person acting on their behalf harmless from any and all losses, claims, damages, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgments, agreements and undertakings in these terms and conditions and further agrees that the provisions of these terms and conditions shall survive after completion of the Issue;

28. in making any decision to subscribe for the Placing Shares, (i) it has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of acquiring the Placing Shares; (ii) it is experienced in investing in securities of this nature and is aware that it may be required to bear, and is able to bear, the economic risk of, and is able to sustain a complete loss in connection with, the Placing; (iii) it has relied on its own examination, due diligence and analysis of the Company and its affiliates taken as a whole, including the markets in which the Group operates, and the terms of the Placing, including the merits and risks involved; (iv) it has had sufficient time to consider and conduct its own investigation with respect to the offer and purchase of the Placing Shares, including the legal, regulatory, tax, business, currency and other economic and financial considerations relevant to such investment and (v) will not look to Mirabaud, Hannam, Shore Capital or any of their respective affiliates or any person acting on their behalf for all or part of any such loss or losses it or they may suffer;

29. its commitment to acquire Placing Shares will continue notwithstanding any amendment that may in future be made to the terms and conditions of the Placing, and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's or Mirabaud, Hannam and Shore Capital's conduct of the Placing; and

30. Mirabaud, Hannam, Shore Capital and the Company and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and undertakings which are irrevocable.

Please also note that the agreement to allot and issue Placing Shares to Placees (or the persons for whom Placees are contracting as agent) free of stamp duty and stamp duty reserve tax in the UK relates only to their allotment and issue to Placees, or such persons as they nominate as their agents, direct from the Company for the Placing Shares in question. Such agreement assumes that such Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to transfer such Placing Shares into a clearance service. If there were any such arrangements, or the settlement related to other dealing in such Placing Shares, stamp duty or stamp duty reserve tax may be payable, for which none of the Company, Mirabaud, Hannam and Shore Capital would be responsible and Placees shall indemnify the Company, Mirabaud, Hannam and Shore Capital on an after-tax basis for any stamp duty or stamp duty reserve tax paid by them in respect of any such arrangements or dealings. Furthermore, each Placee agrees to indemnify on an after-tax basis and hold each of Mirabaud, Hannam, Shore Capital and/or the Company and their respective affiliates harmless from any and all interest, fines or penalties in relation to stamp duty, stamp duty reserve tax and all other similar duties or taxes to the extent that such interest, fines or penalties arise from the unreasonable default or delay of that Placee or its agent. If this is the case, it would be sensible for Placees to take their own advice and they should notify Mirabaud, Hannam or Shore Capital accordingly. In addition, Placees should note that they will be liable for any capital duty, stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the UK by them or any other person on the acquisition by them of any Placing Shares or the agreement by them to acquire any Placing Shares.

Selling Restrictions

By participating in the Placing, a Placee (and any person acting on such Placee's behalf) irrevocably acknowledges, confirms, undertakes, represents, warrants and agrees (as the case may be) with Mirabaud, Hannam, Shore Capital and the Company, the following:

1. it is not a person who has a registered address in, or is a resident, citizen or national of, a country or countries, in which it is unlawful to make or accept an offer to subscribe for Placing Shares;
2. it has fully observed and will fully observe the applicable laws of any relevant territory, including complying with the selling restrictions set out herein and obtaining any requisite governmental or other consents and it has fully observed and will fully observe any other requisite formalities and pay any issue, transfer or other taxes due in such territories;
3. if it is in the United Kingdom, it is a person (i) who has professional experience in matters relating to investments and who falls within the definition of "investment professionals" in Article 19(5) of the Order or who falls within Article 49(2) of the Order, and (ii) is a "qualified investor" as defined in section 86 of the FSMA;
4. if it is in a member state of the EEA, it is a "qualified investor" within the meaning of Article 2(1)(e) of the Prospectus Directive;
5. it is a person whose ordinary activities involve it (as principal or agent) in acquiring, holding, managing or disposing of investments for the purpose of its business and it undertakes that it will (as principal or agent) acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
6. it is and, at the time the Placing Shares are acquired, will be either (i) outside the United States, purchasing in an offshore transaction pursuant to Regulation S or (ii) a QIB that makes each of the representations, warranties, acknowledgments and agreements set out in paragraph 9 below;

7. none of the Placing Shares have been or will be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States;

8. none of the Placing Shares may be offered, sold, taken up or delivered directly or indirectly, in whole or in part, into or within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States;

9. if it is in the United States, (i) it is a QIB that has signed and delivered to the Company a US investor letter in the form provided by the Company; (ii) it acknowledges that it is acquiring the Placing Shares in a direct transaction with the Company and that Mirabaud, Hannam and Shore Capital have not participated in the distribution of the Placing Shares to it;

10. if it is in South Africa, it is a person falling within a category of person listed in section 96 of the South African Companies Act, 2008 as not being a member of the public;

11. If it is in Australia, it is a person who falls within an exemption from disclosure to investors in Australia under the Australian Corporations Act 2001 (Cth) (the "**Corporations Act**"), including a "sophisticated investor" within the meaning of Section 708(8) of the Corporations Act or a "professional investor" within the meaning of Section 708(11) of the Corporations Act or a "wholesale client" within the meaning of Section 761(G) of the Corporations Act;

12. it (on its behalf and on behalf of any Placee on whose behalf it is acting) has (a) fully observed the laws of all relevant jurisdictions which apply to it; (b) obtained all governmental and other consents which may be required; (c) fully observed any other requisite formalities; (d) paid or will pay any issue, transfer or other taxes; (e) not taken any action which will or may result in the Company, Mirabaud, Hannam or Shore Capital (or any of them) being in breach of a legal or regulatory requirement of any territory in connection with the Placing; (f) obtained all other necessary consents and authorities required to enable it to give its commitment to subscribe for the relevant Placing Shares and (g) the power and capacity to, and will, perform its obligations under the terms contained in these terms and conditions.

Miscellaneous

The Company reserves the right to treat as invalid any application or purported application for Placing Shares that appears to the Company or its agents to have been executed, effected or dispatched from the United States or an Excluded Territory or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Placing Shares in an Excluded Territory or the United States, or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates.

When a Placee or person acting on behalf of the Placee is dealing with Mirabaud, Hannam or Shore Capital, any money held in an account with Mirabaud, Hannam or Shore Capital on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the rules and regulations of the FCA made under the FSMA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from Mirabaud, Hannam and Shore Capital's money in accordance with the client money rules and will be used by Mirabaud, Hannam and Shore Capital in the course of their own business; and the Placee will rank only as a general creditor of Mirabaud, Hannam or Shore Capital.

Times

Unless the context otherwise requires, all references to time are to London time. All times and dates in these terms and conditions may be subject to amendment. Mirabaud, Hannam and Shore Capital (or, in the case of US Placees, the Company) will notify Placees and any persons acting on behalf of the Placees of any changes.

APPENDIX 2

RISK FACTORS

Ordinary Shares are subject to a number of risks. Accordingly, shareholders should consider carefully all of the information set out in this announcement including, in particular, the risks described below, prior to making any decision relating to the Ordinary Shares.

An investment in the Company may not be suitable for all investors and involves a high degree of risk. Before making an investment decision, prospective investors are advised to consult a professional adviser authorised under FSMA who specialises in advising on investments of the kind described in this announcement. Prospective investors should consider carefully whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them.

The exploration for and development of natural resources is a highly speculative activity which involves a high degree of risk. Accordingly, the Ordinary Shares should be regarded as a highly speculative investment and an investment in the Company should only be made by those with the necessary expertise to evaluate the investment fully.

In addition to the following risk factors, shareholders are advised to review the risk factors which are set out in the Company's Admission Document of 22 December 2017.

THE FOLLOWING RISK FACTORS DO NOT PURPORT TO BE AN EXHAUSTIVE LIST OR EXPLANATION OF ALL THE RISK FACTORS INVOLVED IN INVESTING IN THE COMPANY. IN PARTICULAR, THE COMPANY'S PERFORMANCE MIGHT BE AFFECTED BY CHANGES IN MARKET AND/OR ECONOMIC CONDITIONS AND IN LEGAL, REGULATORY AND TAX REQUIREMENTS. ADDITIONALLY, THERE MAY BE RISKS OF WHICH THE BOARD IS NOT AWARE OR BELIEVES TO BE IMMATERIAL WHICH MAY, IN THE FUTURE, ADVERSELY AFFECT THE OPERATING RESULTS, FINANCIAL CONDITION AND PROSPECTS AND THE MARKET PRICE OF THE ORDINARY SHARES. IN SUCH CASES, THE MARKET PRICE OF THE ORDINARY SHARES MAY DECLINE AND HOLDERS OF ORDINARY SHARES MAY LOSE ALL OR PART OF THEIR INVESTMENT. ANY ONE OR MORE OF THESE RISK FACTORS COULD HAVE A MATERIALLY ADVERSE IMPACT ON THE VALUE OF THE GROUP AND SHOULD BE TAKEN INTO CONSIDERATION WHEN ASSESSING THE COMPANY AND WHETHER TO ACQUIRE ORDINARY SHARES.

Risks relating to the business

Risks relating to the Group's activities in the oil and gas industry

There are numerous factors which may affect the success of the Group's business which are beyond its control including local, national and international economic, legal and political conditions. The Group's business involves a high degree of risk which a combination of experience, knowledge and careful evaluation may not overcome. The operations of the Group in West Africa may expose it to potential civil unrest and political or currency risks.

Oil prices

The marketability and price of oil and natural gas that may directly or indirectly be acquired or discovered by the Group will be affected by numerous factors beyond the control of the Group, but which include: global and regional supply and demand, expectations regarding future supply and demand, for oil and gas; global and regional economic conditions; political, economic and military developments in oil and gas producing regions; prices and availability of alternative sources of energy; geopolitical uncertainty; speculative activities and trends in the financial community; and the ability and desire of members of OPEC, and other oil producing nations, to set and maintain specified levels of production and prices. Low oil prices will reduce the projected economic value of the Group's assets, make it harder for the Company to attract partners and/or capital and reduce the cashflows of the Group's assets once developed.

Title matters and payment obligations

Although the R1/R2 Production Sharing Contract ("PSC") and the R3/R4 PSC (together, the "Savannah PSCs") and various international treaties to which Savannah Niger is a signatory offer a strong protection to the Group, an unforeseen defect in title, changes in law (or interpretations thereof), regulatory consents or political events may arise or occur to defeat or impair the claim of the Group to some or all of the rights in properties which it currently owns or is interested or may acquire which could result in a material adverse effect on the Group, including a reduction in any revenues generated.

Early stage of operations

The Group's operations are at an early stage of development and future success will depend, *inter alia*, on the Directors' ability successfully to manage and exploit the current asset portfolio and to take advantage of further opportunities which may arise. There can be no guarantee that the Group can or will be able to, or that it will be commercially advantageous for the Group to, develop its assets.

An investment in the Company is subject to certain risks related to the nature of the Group's business in the acquisition, appraisal, exploitation, development and production of oil and natural gas assets and their early stage of development. The Group has a limited operating history and no history of positive earnings, and there can be no assurance that the Group's business will be successful or profitable.

Further, the Group has no assets producing positive cash flow and its ultimate success will depend on, *inter alia*, the Group's success in discovering oil and/or natural gas, the Directors' ability to implement their strategy, generate cash flow from economically viable projects and access appropriate sources of future funding, including, but not limited to, equity markets, bank debt and proceeds from potential asset sales. Whilst the Directors are optimistic about the Group's prospects, there is no certainty that sustainable revenue streams and sustainable profitability will be achieved.

The Group will not generate any material income until either (i) production in Niger has successfully commenced; or (ii) the Seven Energy Transaction has completed, and in the meantime the Group will continue to expend its cash reserves.

The Group's business plan to exploit and commercialise its assets will require significant capital expenditure for the identification, acquisition, appraisal, exploration, development and production of oil and gas resources and/or reserves in the future.

In the opinion of the Directors, the net proceeds of the Placing receivable by the Company will be sufficient to finance the Company until the Seven Energy Transaction has completed. However, there is a risk that the Company may require additional access to funding in the event that the completion of the Seven Energy Transaction is delayed. The Group's inability to access sufficient capital for its operations may have a material adverse effect on its business, financial condition, results of operations and prospects.

Use of proceeds of the Placing

At present, the Company intends to use the net proceeds of the Placing to fund working capital and general corporate purposes. The very nature of the oil and gas industry in which the Group operates means that it will need to manage certain events which are outside of its control.

Governmental relations may change and retention of key business relationships

To protect the Group's licences and permits to operate and its ability to secure new resources it is important that the Group should maintain strong positive relationships with the governments of, and communities in, the countries where its business is conducted. Failure – real or perceived – to maintain these relationships, or any of the risk factors described in this announcement materialising, could harm the Group's reputation, which could, in turn, impact the Group's licences, financing and access to new opportunities.

Although the Company believes it has good relations with both the Nigerien and Nigerian Governments, there can be no assurance that the actions of present or future governments in Niger and Nigeria and governments of other countries in which the Group may operate, directly or indirectly, in the future, will not materially adversely affect the business or financial condition of the Group.

The Group will rely significantly on strategic relationships with other entities, on good relationships with regulatory and governmental departments and upon third parties to provide essential contracting services. There can be no assurance that its existing relationships will continue to be maintained or that new ones will be successfully formed, and the Group could be adversely affected by changes to such relationships or difficulties in forming new ones. Any circumstance which causes the early termination or non-renewal of one or more of these key business alliances or contracts could adversely impact the Group, its business, operating results and prospects.

Farm down of the Group's assets

In due course the Group may, subject to receipt of any necessary consents, farm down part of its licence interests to third parties, some of which may act as operator. Operating agreements with third party operators typically provide for a right of consultation or consent in relation to significant matters and generally impose standards and requirements in relation to the operator's activities. However, in the event that the Group does not act as operator in respect of certain of its licence interests, the Group will generally have limited control over the day-to-day management or operations of those assets and will therefore be dependent upon the third party operator. A third party operator's mismanagement of an asset may result in significant delays or materially increased costs to the Group. The Group's return on assets operated by others will therefore depend upon a number of factors that may be outside the Group's control, including the timing and amount of capital expenditures, the operator's expertise and financial resources, the approval of other participants, the selection of technology and risk management practices.

Generally, a failure by any licence partner (whether the operator or otherwise) to fulfil its financial obligations may increase the Group's exposure related to the licence in question. Any significant increase in costs as a consequence of joint and several liabilities may materially adversely affect the financial condition of the Group.

There can be no certainty that a farm out transaction will be successfully concluded due to, without limitation, an inability to secure suitable terms, failure of a potential farminee to achieve appropriate management or regulatory approvals, or a change in the Group's strategy.

Dependence on key executives and personnel

The future performance of the Group will to a significant extent be dependent on its ability to retain the services and personal connections or contacts of key executives and to attract, recruit, motivate and retain other suitably skilled, qualified and industry experienced personnel to form a high calibre management team. Such key executives are expected to play an important role in the development and growth of the Group, in particular by maintaining good business relationships with regulatory and governmental departments and essential partners, contractors and suppliers.

Further, the Group may struggle to recruit key personnel required to run an exploration and appraisal programme and other important members of the workforce required to run a full exploration or appraisal programme. Shortages of labour, or of skilled workers, may cause delays or other stoppages during exploration and appraisal activities. Many of the Group's competitors are larger, have greater financial and technical resources, as well as staff and facilities, and have been operating in a market-based competitive economic environment for much longer than the Group.

There can be no assurance that the Group will retain the services of any key executives, advisers or personnel who have entered into service agreements or letters of appointment with the Group. The loss of the services of any of the key executives, advisers or personnel may have a material adverse effect on the business, operations, relationships and/or prospects of the Group. In particular, given the importance of the direction and leadership of its existing Chief Executive Officer as founder of the Group, his local knowledge and relationships in the oil and gas industry in Niger and his industry expertise, the future success of the Group is, to an extent, dependent upon the continued service of the Chief Executive Officer. The Group currently has no key-man insurance policy in place and, therefore, there is a risk that the unexpected departure or loss of this individual could have a material adverse effect on the business, financial condition and results of operations of the Group, and there can be no assurance that the Group will be able to attract or retain a suitable replacement.

Labour and health & safety

Developing oil and gas resources and reserves into commercial production involves a high degree of risk. The Group's exploration operations are subject to all the risks common in its industry. These hazards and risks include encountering unusual or unexpected rock formations or geological pressures, geological uncertainties, seismic shifts, blowouts, oil spills, uncontrollable flows of oil, natural gas or well fluids, explosions, fires, improper installation or operation of equipment and equipment damage or failure, including failure to comply with regulatory requirements expected of a Western country (such as

comprehensive health and safety processes). Personal injuries suffered as a result of the foregoing are likely to be exacerbated as a result of a lack of access to medical care facilities and healthcare professionals.

If any of these types of events were to occur, they could result in loss of production, environmental damage, injury to persons and loss of life.

They could also result in significant delays to drilling programmes, a partial or total shutdown of operations, significant damage to equipment owned or used by the Group and personal injury, wrongful death or other claims related to loss being brought against the Group. These events could result in the Group being required to take corrective measures, incurring significant civil liability claims, significant fines or penalties as well as criminal sanctions potentially being enforced against the Group and/or its officers. The Group may also be required to curtail or cease operations on the occurrence of such events. Any of the above could have a material adverse effect on the Group's business, prospects, financial condition or results of operations.

While the Group has implemented certain policies and procedures to identify and mitigate such hazards, develop appropriate work plans and approvals for high-risk activities and prevent accidents from occurring, these procedures may not be sufficiently robust or appropriately followed by the Group's staff or third-party contractors to prevent accidents.

Risks associated with the need to maintain an effective system of internal controls

The Group faces risks frequently encountered by developing companies such as under-capitalisation, under-capacity, cash shortages and limited resources. In particular, its future growth and prospects will depend on its ability to manage growth and to continue to maintain, expand and improve operational, financial and management information systems on a timely basis, whilst at the same time maintaining effective cost controls. Any damage to, failure of or inability to maintain, expand and upgrade effective operational, financial and management information systems and internal controls in line with the Group's growth could have a material adverse effect on the Group's business, financial condition and results of operations.

Project development risks

There can be no assurance that the Group will be able to manage effectively the expansion of its operations or that the Group's current personnel, systems, procedures and controls will be adequate to support the Group's operations. Any failure of the Board to manage effectively the Group's growth and development could have a material adverse effect on the Group's business, financial condition and results of operations. There is no certainty that all or, indeed, any of the elements of the Group's current strategy will develop as anticipated and that the Group will be profitable.

Foreign subsidiaries

The Group conducts most of its operations through its subsidiary, Savannah Niger, which is located outside of the United Kingdom. Therefore, the success of the Group in the near term will be dependent on distributions from the Company and its subsidiaries to Savannah Niger in order that it may meet its obligations. At the point of production commencement, the ability of Savannah Niger to make payments to the Company may be constrained by, among other things, the level of taxation, particularly in relation to corporate profits and withholding taxes, in the jurisdiction in which it or any other Group company operates, and the introduction of exchange controls or repatriation restrictions or the availability of hard currency to be repatriated.

Tax risks

The Group is subject to taxation including, but not limited to, that as outlined in the Savannah PSCs. The Group has subsidiaries located in multiple jurisdictions and has relied on external professional advice in relation to the applicable taxation regime in each jurisdiction. The Group cannot be certain that this advice will ultimately prove to be correct. The application of such taxes together with taxes levied in other applicable jurisdictions, may change over time due to changes in laws, regulations or interpretations by

the relevant tax authorities. Any such changes, or the application of taxes where not anticipated by the Group, may have a material adverse effect on the Group's financial condition and results of operations.

Exchange rate fluctuations

Currency fluctuations may affect the Group's operating cash flow since certain of its costs and revenues are likely to be denominated in currencies other than Pounds Sterling such as US Dollars, Euros and Communauté Financière Africaine francs (XOF). Fluctuations in exchange rates between currencies in which the Group operates may cause fluctuations in its financial results (which are reported in US Dollars) which are not necessarily related to its underlying operations. The Group does not currently have a foreign currency hedging policy in place. If and when appropriate, the adoption of such a policy will be considered by the Board.

The Company's share price is quoted on the London Stock Exchange in Pounds Sterling. As a consequence, shareholders may experience fluctuation in the market price of the Ordinary Shares as a result of, amongst other factors, movements in the exchange rate between Pounds Sterling, US Dollars, Euros and XOF.

Exchange controls

Savannah Niger is subject to the special foreign exchange regime provided for under the Savannah PSCs as well as the common law foreign exchange regime for issues with respect to which the Savannah PSCs do not provide for a preferential treatment.

In accordance with the combined provisions of the WAEMU Foreign Exchange Regulation and of the Savannah PSCs, there are no restrictions on transfers of funds into Niger though Savannah Niger must send a quarterly report to the Nigerien Government with all information concerning the movement of capital and payments made by it that are required for declaration purposes.

Any resident company intending to transfer foreign currency out of the country must provide supporting documentation. Residents are required to transfer any income in foreign currency via an approved intermediary. In this case as well, Savannah Niger must, each quarter, send to the Nigerien Government all information concerning the movement of capital and payments out of Niger effected by it.

Notwithstanding the stabilisation of the foreign exchange regime granted to Savannah Niger as per the Savannah PSCs, if restrictions on exchange controls are changed in a manner detrimental to the Group, its business, prospects, results of operations or financial conditions could be materially adversely affected, as would its ability to pay dividends on the Ordinary Shares, should any be declared.

Insurance coverage and uninsured risks

While the Board will determine appropriate insurance coverage from time to time, it may elect not to have insurance for certain risks due to the high premium costs associated with insuring those risks or for other reasons, including an assessment in some cases that the risks are remote.

No assurance can be given that the Group will be able to obtain insurance coverage at reasonable rates (or at all), or that any coverage it or the relevant operator obtains and proceeds of insurance will be adequate and available to cover any claims arising. The Group may become subject to liability for pollution, blow-outs or other hazards against which it has not insured or cannot insure, including those in respect of past activities for which it was not responsible. The Group will exercise due care in the conduct of its business and obtain insurance prior to commencing operations in accordance with industry standards to cover certain of these risks and hazards. However, insurance is subject to limitations on liability and, as a result, may not be sufficient to cover all of the Group's losses. The occurrence of a significant event against which the Group is not fully insured, or the insolvency of the insurer of such event, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. Any indemnities the Group may receive from such parties may be difficult to enforce if such sub-contractors, operators or joint venture partners lack adequate resources. In the event that insurance coverage is not available or the Group's insurance is insufficient to fully cover any losses, claims and/or liabilities incurred, or indemnities are difficult to enforce, the Group's business and

operations, financial results or financial position may be disrupted and adversely affected. Further, even where the Group is insured, its contractors may themselves be insufficiently insured, or uninsured, in respect of damage they may cause to the Group's property or operations. In such cases, the Group may be required to incur additional costs to extend its cover to its contractors, from whom it may be unsuccessful in recovering such costs in full or at all.

The payment by the Group's insurers of any insurance claims may result in increases in the premiums payable by the Group for its insurance cover and adversely affect the Group's financial performance. In the future, some or all of the Group's insurance coverage may become unavailable or prohibitively expensive.

Operational insurance policies are usually placed in one year contracts and the insurance market can withdraw cover for certain risks which can greatly increase the costs of risk transfer. Such increases are often driven by factors unrelated to the Group such as well control elsewhere in the world and wind storm damage.

Professional advisers

The Directors and the Group have relied upon advice from various professional advisers engaged by the Group in relation to the preparation of this circular and the Placing. Such professional advisers' liability is subject to limitations. Accordingly, in the event any such advice proves to have been incorrect, any amounts recoverable from the relevant adviser(s) may not be sufficient to cover all of the Group's resulting losses. This could have a material adverse effect on the Group's business and operations, financial condition and prospects.

Future litigation

From time to time, the Group may be subject, directly or indirectly, to litigation arising out of its proposed operations. Damages claimed under such litigation may be material or may be indeterminate, and the outcome of such litigation may materially impact the Group's business, results of operations or financial condition. While the Group assesses the merits of each lawsuit and defends itself accordingly, it may be required to incur significant expenses or devote significant resources to defending itself against such litigation. In addition, the adverse publicity surrounding such claims may have a material adverse effect on the Group's business.

Risks relating to the Seven Energy Transaction

Risk that the Transaction will not be implemented on a timely basis or at all

Completion of the Seven Energy Transaction is conditional upon, among other things: (i) the Company entering into the Implementation Agreement to effect the Transaction; and (ii) Ministerial Consent. There is a risk that these conditions will not be satisfied on a timely basis or at all.

The terms of the Seven Energy Transaction which were set out in the Company's Admission Document of 22 December 2017 are expected to be amended by the terms of (i) a gas for oil swap with Frontier Oil Limited and the buy-out of minority shareholders in Universal Energy Resources Limited as per the terms of Savannah's RNS dated 20 September 2018; and (ii) the acquisition of an additional 55% interest in Accugas as well as the sale of 25% (less one share) interest in SUGL and Accugas to AIIM as per the terms of Savannah's RNS dated 21 December 2018. There is a risk that the Transaction will not be implemented on the basis set out in these announcements.

Risk that the Seven Energy Assets do not perform as expected

The assets being acquired as part of the Seven Energy Transaction have historically delivered poor financial performance due in large part to key end users failing to fulfil their contractual obligations. There is a risk that, once owned by Savannah, the Seven Energy Assets do not deliver improved financial performance.

General exploration, development and production risks

Exploration, development and production risks

There can be no guarantee that hydrocarbons will be discovered in commercial quantities, or that those potentially discovered will be developed into profitable production. Developing a hydrocarbon production field requires significant investment, generally over several years, to build the requisite operating facilities, drilling of production wells along with implementation of advanced technologies for the extraction and exploitation of hydrocarbons with complex properties. Making these investments and implementing these technologies, normally under difficult conditions, can result in uncertainties about the amount of investment necessary, operating costs and additional expenses incurred as compared with the initial budget, thereby negatively affecting the business, prospects, financial condition and results of operations of the Group. In addition, hydrocarbon deposits assessed by the Group may not ultimately contain economically recoverable volumes of resources and even if they do, delays in the construction and commissioning of production projects or other technical difficulties may result in any projected target dates for production being delayed or further capital expenditure being required. There is also the risk that the Group may not be awarded exclusive exploitation rights in respect of resources which are ultimately identified.

The operations and planned drilling activities of the Group and its partners may be disrupted, curtailed, delayed or cancelled by a variety of risks and hazards which are beyond the control of the Group, including unusual or unexpected geological formations, formation pressures, geotechnical and seismic factors, environmental hazards such as accidental spills or leakage of petroleum liquids, gas leaks, ruptures or discharge of toxic gases, industrial accidents, occupational and health hazards, technical failures, mechanical difficulties, equipment shortages, labour disputes, fires, power outages, compliance with governmental requirements and extended interruptions due to inclement or hazardous weather and ocean conditions, explosions, blow-outs, pipe failure and other acts of God.

Any one of these risks and hazards could result in work stoppages, damage to, or destruction of, the Group's or its partners' facilities, personal injury or loss of life, severe damage to or destruction of property, environmental damage or pollution, clean-up responsibilities, regulatory investigation and penalties, business interruption, monetary losses and possible legal liability which could have a material adverse impact on the business, operations and financial performance of the Group. Although precautions to minimise risk are taken, even a combination of careful evaluation, experience and knowledge may not eliminate all of the hazards and risks. In addition, not all of these risks are insurable.

Hydrocarbon resource and reserve estimates

No assurance can be given that hydrocarbon resources and reserves reported by the Group previously, now or in the future are or will be present as estimated, will be recovered at the rates estimated or that they can be brought into profitable production. Hydrocarbon resource and reserve estimates may require revisions (either up or down) based on actual production experience and in light of the prevailing market price of oil and gas. Hydrocarbon resource and reserve estimates are highly subjective, and there is a risk that there are discrepancies between those estimates and the resources and reserves which are ultimately identified, both in terms of volume of resources and reserves identified, and in terms of the potential for recovery of such resources to be economically recoverable. A decline in the market price for oil and gas could render reserves uneconomic to recover and may ultimately result in a reclassification of reserves as resources.

Capital and operating expenditure estimates may not be accurate

Estimated capital and operating expenditure requirements are estimates based on anticipated costs and are made on certain assumptions. Given the inherent uncertainties as to Savannah Petroleum's future work program and associated capital expenditures, the uncertain time frame during which the capital expenditures will be made and sources of finance will be made available to the Group, and the general correlation between oil and gas capital expenditures and global commodity markets there is a risk that currently assessed capital and operating expenditure costs may prove to be inaccurate. In addition, given the pragmatic approach of Savannah Petroleum's board and executive management team, nearer term capital and operating expenditure may be subject to change if Savannah Petroleum's board and management believe such a change is in the best interests of the Group.

Should the Group's capital and operating expenditure requirements turn out to be higher than currently anticipated the Group or its partners may need to seek additional funds which it may not be able to secure on reasonable commercial terms to satisfy the increased capital expenditure requirements. If this happens, the Group's business, cash flow, financial condition and operations may be materially adversely affected.

Exploration activities are capital intensive and there is no guarantee of success

Exploration activities are capital intensive and their successful outcome cannot be assured. The Group intends to undertake exploration activities and incur significant costs with no guarantee that such expenditures will result in the discovery of commercially deliverable oil or gas. The Group intends to explore in geographic areas, where environmental conditions are challenging and costs can be high. The costs of drilling, completing and operating wells are often uncertain. As a result, there may be cost overruns or requirements to curtail, delay or cancel drilling operations because of many factors, including unexpected drilling conditions, pressure or irregularities in geological formations, equipment failures or accidents, adverse weather conditions, compliance with environmental regulations, governmental requirements and shortages or delays in the availability of drilling rigs and the delivery of equipment. Capital expenditure commitments may vary (or be increased) as a result of actual exploration performance. The risk of incurring such costs and the failure of such exploration may adversely affect the Company's profitability.

Appraisal and development results may be unpredictable

Appraisal results for discoveries are also uncertain. Appraisal and development activities involving the drilling of wells across a field may be unpredictable and not result in the outcome planned, targeted or predicted, as only by extensive testing can the properties of the entire field be fully understood.

Production operations may produce unforeseen issues and drilling activities may not be successful

Any production operations at the Savannah PSCs would involve risks common to the industry, including blowouts, oil spills, explosions, fires, equipment damage or failure, natural disasters, geological uncertainties, unusual or unexpected rock formations and abnormal geological pressures. In the event that any of these occur, environmental damage, injury to persons and loss of life, failure to produce oil or gas in commercial quantities or an inability to fully produce discovered reserves could result. Drilling activities may be unsuccessful and the actual costs incurred in drilling, operating wells and completing well workovers may exceed budget. There may be a requirement to curtail, delay or cancel any drilling operations because of a variety of factors, including unexpected drilling conditions, pressure or irregularities in geological formations, equipment failures or accidents, adverse weather conditions, compliance with governmental requirements and shortages or delays in the availability of drilling rigs and the delivery of equipment. The occurrence of any of these events could have a material adverse effect on the Group's business, prospects, financial condition and operations.

Increase in drilling costs and the availability of drilling equipment

The oil and gas industry historically has experienced periods of rapid cost increases. Increases in the cost of exploration and development would affect the Group's ability to invest directly or indirectly in prospects and to purchase or hire equipment, supplies and oil and gas specific services. In addition, the availability and cost of drilling rigs and other equipment and services, including access to seismic survey equipment and related professionals, is affected by the level and location of drilling activity around the world.

An increase in drilling operations outside or in the Group's intended area of operations may reduce the availability, and increase the cost, of such equipment and services to the Group and to the companies with which it operates. The reduced availability of such equipment and services may delay the Group's ability, directly or indirectly, to exploit reserves and adversely affect the Group's operations and profitability.

Delays in production, marketing and transportation

Various production, marketing and transportation conditions may cause delays in oil production and adversely affect the Group's business. Drilling wells in areas remote from distribution and production facilities may delay production from those wells until sufficient reserves are established to justify expenditure on construction of the necessary transportation and production facilities. The Group's inability directly or indirectly to complete wells in a timely manner would result in production delays.

The Group is also subject to market fluctuations in the prices of oil and natural gas, deliverability uncertainties related to the proximity of reserves to adequate pipeline and processing facilities, and extensive government regulations relating to price, taxes, royalties, licences, land tenure, allowable production, the export of oil and natural gas, and many other aspects of the oil and natural gas business. Moreover, weather conditions may impede the transportation and delivery of oil by sea. Any or all of these factors may result in an adverse impact on the financial returns anticipated by the Group.

Oil exploration and production and the sale of such production depends on adequate infrastructure.

Reliable roads, bridges, power sources and water supplies are important determinants which affect capital and operating costs. Generally speaking, Niger suffers from underdeveloped infrastructure, communication problems (particularly internet access), energy shortages and high energy costs.

Interruptions in availability of exploration, production or supply infrastructure

The Group may suffer, indirectly, from delays or interruptions due to lack of availability of drilling rigs or construction of infrastructure, including pipelines, storage tanks and other facilities, which may adversely impact the operations and could lead to fines, penalties, criminal sanctions against the Group and/or its officers or its current or future licences or interests being terminated. Despite assurances given by the Nigerien Government in the Savannah PSCs, there is the risk of delays in obtaining licences, permissions and approvals required by the Group or its partners in the pursuance of its business objectives could likewise have a material adverse impact on the Group's business and the results of its operations.

Failure to meet contractual work commitments may lead to penalties

The Group is subject to contractual work commitments, including those specified within the Savannah PSCs, which include minimum work programmes to be fulfilled within certain time restraints. Specifically these commitments may cover certain depths of wells to be drilled, seismic surveys to be performed and other data acquisition. Failure to comply with such obligations, whether inadvertent or otherwise, may lead to fines, penalties, restrictions and withdrawal of licences with consequent material adverse effects.

Decommissioning costs may be greater than initially estimated

The Group, through its licence interests, expects to assume certain obligations in respect of the decommissioning of its wells, fields and related infrastructure. These liabilities are derived from legislative and regulatory requirements concerning the decommissioning of wells and production facilities and require the Group to make provisions for and/or underwrite the liabilities relating to such decommissioning. It is difficult to forecast accurately the costs that the Group will incur in satisfying its decommissioning obligations. When its decommissioning liabilities crystallise, the Group will be liable either on its own or jointly and severally liable for them with any other former or current partners in the field. In the event that it is jointly and severally liable with other partners and such partners default on their obligations, the Group will remain liable and its decommissioning liabilities could be magnified significantly through such default. Any significant increase in the actual or estimated decommissioning costs that the Group incurs may adversely affect its financial condition.

Natural disasters

Any interest held by the Group is subject to the impacts of any natural disaster such as earthquakes, epidemics, fires and floods etc. No assurance can be given that the Group will not be affected by future natural disasters.

Environmental factors

The Group's operations are, and will be, subject to environmental regulation in Niger and any other regions in which the Group may operate. Environmental regulations may evolve in a manner that will require stricter standards and enforcement measures being implemented, increases in fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors and employees. Compliance with environmental regulations could increase the Group's costs. Should the Group's operations not be able to comply with this mandate, financial penalties may be levied. Environmental legislation can provide for restrictions and prohibitions on spills, releases of emissions of various substances produced in association with oil, condensate and natural gas operations. In addition, certain types of operations may require the submission and approval of environmental impact assessments. The Group's operations will be subject to such environmental policies and legislation.

Environmental legislation and policy may be periodically amended. Such amendments may result in stricter standards of enforcement and in more stringent fines and penalties for non-compliance. Environmental assessments of existing and proposed projects may carry a heightened degree of responsibility for companies and their directors, officers and employees. The costs of compliance associated with changes in environmental regulations could require significant expenditure, and breaches of such regulations may result in the imposition of material fines and penalties. In an extreme case, such regulations may result in temporary or permanent suspension of production operations. There can be no assurance that these environmental costs or effects will not have a materially adverse effect on the Group's future financial condition or results of operations.

Risks relating to Niger and West Africa

Doing business in Niger

The Group is currently dependent upon the Savannah PSCs and the Exclusive Exploration Authorisations granted thereunder. Any adverse development affecting the Savannah PSCs would have a material adverse effect on the Group, its business, prospects, results of operations and financial condition. Doing business in Niger brings with it a wide variety of risks, including political, legal, regulatory, social and economic.

Niger faces a threat of terrorism. One element of this risk arises as a result of its proximity to various regional Islamist insurgencies. Whilst these insurgencies have not impacted Savannah Petroleum's operations historically, there can be no guarantee this continues to be the case in the future.

Risk of crime and corruption

Countries in West Africa experience high levels of criminal activity and governmental and business corruption. Oil and gas companies operating in West Africa may be particular targets of criminal or terrorist actions. Criminal, corrupt or terrorist action against the Group and its directly or indirectly held properties or facilities could have a material adverse effect on the Group's business, results of operations or financial condition. In addition, the fear of criminal or terrorist actions against the Group could have an adverse effect on the ability of the Group adequately to staff and/or manage its operations or could substantially increase the costs of doing so.

Furthermore, alleged or actual involvement in corrupt practices or other illegal activities by the Group or by Savannah Petroleum's potential future joint venture partners, or others with whom the Group directly or indirectly conducts business, could also damage the Group's reputation and business and adversely affect the Group's financial condition and results of operations. The UK Bribery Act 2010 ("Bribery Act") came into force in July 2011. Under the terms of the Bribery Act, an unlimited fine may be imposed on companies (which could potentially include the Company and other members of its Group) where they have failed to take appropriate steps ("Adequate Procedures") to ensure that the company and its associated persons, as defined in the Bribery Act (including, but not limited to, employees, subsidiaries, joint ventures, and agents) are not involved in any corrupt practices. There is concern in the oil and gas industry that, following the letter of the law, the Bribery Act prohibits certain practices which are not covered by (a) the US Foreign Corrupt Practices Act 1977 (the "FCPA"), or (b) Nigerien anti-corruption legislation and regulations (to which the Group is bound), but which are regarded as standard industry practice (for example, facilitation payments). It may not be possible for the Group to detect or prevent

every instance of fraud, bribery or corruption. Failure to detect or prevent any such instances may expose the Group to potential civil or criminal penalties under relevant applicable law and to reputational damage, which may have a material adverse effect on the Group's business, prospects, financial condition or results of operations.

Emerging markets risk

Investors in emerging markets, such as Niger, should be aware that these markets are subject to greater risk than more developed markets, including, in some cases, significant legal, fiscal, economic and political risks. Accordingly, investors should exercise particular care in evaluating the risks involved in an investment in the Company and must decide for themselves whether, in the light of those risks, their investment is appropriate. Generally, investment in emerging and developing markets is suitable only for sophisticated investors who fully appreciate the significance of the risks involved.

Political, economic, fiscal, legal, regulatory and social environment risk

The Group's interests in Niger are likely to be exposed to political, economic, fiscal, legal, regulatory and social environment risk. The Group's business will involve a high degree of risk which a combination of experience, knowledge and careful evaluation may not overcome. These risks include, but are not limited to, corruption, civil strife or labour unrest, armed conflict, terrorism, limitations or price controls on oil exports, and limitations or the imposition of tariffs or duties on imports of certain goods. If the existing body of laws and regulations in Niger are interpreted or applied, or relevant discretions exercised, in an inconsistent manner by the courts or applicable regulatory bodies, this could result in ambiguities, inconsistencies and anomalies in the enforcement of such laws and regulations, which, in turn, could hinder the long-term planning efforts of the Group and may create uncertainties in its operating environment.

Exploration and development activities in developing countries may require protracted negotiations with host governments, national oil companies and third parties and may be subject to economic and political risks referred to above and expropriation, nationalisation or renegotiation of existing contracts. The two main protections granted to Savannah Petroleum under the Savannah PSCs are (1) the stability of the legislation and the terms agreed under the Savannah PSCs and the commitment that the Nigerien Government shall never (a) directly or consequently increase the obligations and responsibilities imposed on Savannah Niger nor (b) infringe the latter's economic rights and advantages resulting from Law of 2007 and the Savannah PSCs, and (2) the arbitration procedure according to which any dispute relating to the Savannah PSCs which cannot be settled amicably shall ultimately be resolved by means of arbitration conducted in accordance with the Arbitration Rules of the International Centre for Settlement of Investment Disputes (ICSID Rules) in accordance with the Convention on the settlement of investment disputes between States and nationals of other States, the "Washington Convention". The Savannah PSCs each provide that the dispute shall be resolved in accordance with its provisions, the Law of 2007 and the provisions of international law applicable in the area. The Savannah PSCs specifically provide for any such arbitration to be heard in Paris, France.

The Nigerien Government owns the country's mineral resources and grants hydrocarbon exploration and production rights under fixed term production sharing contracts, which can be renewed in accordance with their terms. It thus retains control over the exploration and exploitation of hydrocarbon reserves. Any adverse changes in the Nigerien Government's policy with respect to the oil and gas industry, including any which may occur following the proposed review of the current Petroleum Code, may adversely impact the interests of the Group. Further, the strategy and business of the Group in Niger depend on it maintaining good relationships and cooperating with the relevant Nigerien authorities. While the Company believes that it has an effective working relationship with the Niger authorities, there is no guarantee that this positive relationship will continue or that actions by current or future governments will not seriously affect the business or financial position of the Group. This relationship could be adversely impacted by future changes in the personnel or management of the Group or the Nigerien authorities.

Uncertainties in the interpretation and application of laws and regulations

A number of the Group's principal agreements, including the Savannah PSCs, are governed under Niger law. The courts in Niger may offer less certainty as to the judicial outcome or a more protracted judicial

process than is the case in more established economies. However, the Savannah PSCs offer the option of a recourse to an international arbitration procedure in accordance with the International Centre for Settlement of Investment Disputes (ICSID Rules) in accordance with the Convention on the settlement of investment disputes between States and nationals of other States, the "Washington Convention" (the Savannah PSCs specifically providing for any such arbitration to be heard in Paris, France). Nevertheless, the Group could face risks, such as: (i) effective legal redress in the courts being more difficult to obtain, whether in respect of a breach of law or regulation, or in an ownership dispute, (ii) a higher degree of discretion on the part of governmental authorities and, therefore, less certainty, (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations. Enforcement of laws in Niger may also depend on and be subject to the interpretation placed upon such laws by the relevant local authority, and such authority may adopt an interpretation of an aspect of local law which differs from the advice that has been given to the Group by local lawyers or even previously by the relevant local authority itself.

In Niger, the state asserts ownership of minerals and consequently, subject to the terms agreed in the Savannah PSCs, retains control of (and, in many cases, participates in) the production of hydrocarbon reserves. Transfers of interests typically require government approval, which may delay or otherwise impede such transfers.

Licensing and other regulatory requirements in Niger

The Group's direct and/or indirect intended future operations will be subject to, licences, production sharing contracts, regulations and approvals of governmental authorities for exploration, development, construction, operation, production, marketing, pricing, transportation and storage of oil, taxation, and environmental and health and safety matters. The Group cannot guarantee that such documents applied for will be granted or, if granted, will not be subsequently withdrawn or made subject to possibly onerous conditions, or their availability to the Group or its associated companies may adversely affect the Group's assets, plans, targets and projections. A block authorisation may be revoked by the relevant regulatory authority if, *inter alia*, an interest holder defaults on its block obligations.

The Group will be subject to extensive government laws and regulations (which may be subject to change) governing prices, taxes, royalties, allowable production, waste disposal, pollution control and similar environmental laws, the export of oil and many other aspects of the oil business. There can be no assurance that the actions of present or future governments in Niger, or of governments of other countries in which the Group may operate in the future, will not materially adversely affect the Group's ability to comply with such laws and regulations or that there will not be a challenge to the Group's title to any interest it may have in Niger. However, in the Savannah PSCs, the Nigerien Government grants to Savannah Niger a guarantee of the stability of the legal, economic, tax, customs duty, financing and foreign exchange regimes applicable to the Savannah PSCs and to the petroleum operations carried out by virtue of the Savannah PSCs.

In order to ensure continuity of its activities in Niger, the Group needs to obtain the renewal of the Savannah PSCs after the initial phase. Despite the guarantees given by the Government of Niger in the Savannah PSCs, possible changes in political and institutional will may result in the Government rejecting any request for the renewal or extension of the Savannah PSCs and licenses, thereby leaving Savannah without valid title. Notwithstanding the right to dispute settlement by arbitration, such a refusal by the Nigerien Government to extend the Savannah PSCs would severely impact the operations of the Group.

Adverse sovereign action involving expropriation or renationalisation

The oil and gas industry is central to the economy and future prospects for development in Niger. Therefore, the industry can be expected to be the focus of continuing attention and debate. In certain developing countries, petroleum companies have faced the risks of expropriation or renationalisation, breach or abrogation of project agreements, application to such companies of laws and regulations from which they were intended to be exempt, denials of required permits and approvals, increases in royalty rates and taxes that were intended to be stable, application of exchange or capital controls, and other risks.

As with many countries, possible future changes in the government, major policy shifts or increased security arrangements could have, to varying degrees, an adverse effect on the value of investments.

These factors could materially adversely affect the Group's business, prospects or financial results.

In the event of a dispute arising in connection with its interests, the Group is likely to be subject to the jurisdiction of the courts of Niger. The effectiveness of and enforcement of such contracts and relationships with parties in these jurisdictions cannot be assured. Consequently, the Group's exploration, development and production activities could be substantially affected by factors beyond the Group's control, any of which could have a material adverse effect on the Group.

Investment and AIM risks

Share price volatility and liquidity

The Company's entire issued share capital is admitted to trading on AIM (and it is intended that the Placing Shares will be admitted to AIM), there can be no assurance that an active or liquid trading market for the Ordinary Shares will develop or, if developed, that it will be maintained. AIM is a market designed primarily for emerging or smaller growing companies which carry a higher than normal financial risk and tend to experience lower levels of liquidity than larger companies. Accordingly, AIM may not provide the liquidity normally associated with the Official List or some other stock exchanges. The Ordinary Shares may therefore be difficult to sell compared to the shares of companies listed on the Official List and the share price may be subject to greater fluctuations than might otherwise be the case. An investment in shares traded on AIM carries a higher risk than those listed on the Official List.

The Company is principally aiming to achieve capital growth and, therefore, Ordinary Shares may not be suitable as a short-term investment. Consequently, the share price may be subject to greater fluctuation on small volumes of shares traded, and thus the Ordinary Shares may be difficult to sell at a particular price. Prospective investors should be aware that the value of an investment in the Company may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. There can be no guarantee that the value of an investment in the Company will increase. Investors may therefore realise less than, or lose all of, their original investment.

The share prices of publicly quoted companies can be highly volatile and shareholdings illiquid. The price at which the Ordinary Shares are quoted and the price which investors may realise for their Ordinary Shares may be influenced by a large number of factors, some of which are general or market specific, others which are sector specific and others which are specific to the Group and its operations. These factors include, without limitation, (i) the performance of the Company and the overall stock market, (ii) large purchases or sales of Ordinary Shares by other investors, (iii) results of exploration, development and appraisal programmes and production operations, (iv) changes in analysts' recommendations and any failure by the Group to meet the expectations of the research analysts, (v) changes in legislation or regulations and changes in general economic, political or regulatory conditions (particularly in Niger), and (vi) other factors which are outside of the control of the Company.

Modification or Cancellation of Placing

The Company or certain of its advisers may withdraw, cancel or modify the placing of the Ordinary Shares at any time without notice. The Ordinary Shares are offered subject to the right of the Company to reject any purchase in whole or in part, for any reason, or to allot to any investor less than the amount of the Ordinary Shares subscribed for by that investor.

Dilution

Shareholders not participating in future offerings may be diluted and pre-emptive rights may not be available to Shareholders, including, but not limited to Shareholders resident in jurisdictions with restrictions having the effect that they will not be granted subscription rights in connection with, or be able to subscribe for new shares in, such offerings. Statutory pre-emptive rights have been waived up to certain stated amounts as detailed in the Company's 2018 AGM circular. The Company may in the future issue warrants and/or options (in addition to the existing awards made by the Company under its share

incentive scheme, which are set out in the Company's AIM Admission Document dated 22 December 2017) to subscribe for new Ordinary Shares, including (without limitation) to certain advisers, employees, directors, senior management and consultants. The exercise of such warrants and/or options would result in dilution of the shareholdings of other investors.

Dividends

The Group has announced its intention to commence payment of an annual dividend assuming the successful completion of the Seven Energy Transaction. This is initially expected to be US\$12.5m, payable in 2019. The Group intends to provide further information on its intended forward dividend policy in due course, however there can be no assurance as to the level of future dividends.