

3 July 2018

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

Seven Energy Transaction and Operational Update
Confirmation of Cancellation of Share Premium Account

Savannah Petroleum PLC, the British independent oil and gas company focused around activities in West Africa, is this morning pleased to announce an update on the Seven Energy Transaction (the "Transaction") and on operations at the Seven Assets in South East Nigeria.

Transaction Update

Good progress continues to be made in relation to the satisfaction of the relevant conditions precedent ahead of the completion of the Transaction, including, *inter alia*, Ministerial Consent. It is currently anticipated that the Implementation Agreement, which documents the final legal terms and steps which will be taken to effect the Transaction, will be executed by the interested parties by the end of July 2018. Savannah continues to progress the relevant documentation with all relevant stakeholders to achieve this objective. The Transaction is now expected to complete in the third quarter of 2018, and will be followed in due course by the publication of a Supplemental Admission Document.

Production Update

Average daily production from the Seven Assets for the January – May 2018 period has been 18.8 kboepd (gross). Gas production levels in April and May were lower than that achieved in the first quarter of the year due to a maintenance programme conducted at the Calabar National Integrated Power Plant, one of Accugas' three principal gas supply customers. It is anticipated that gas production levels in the second half of the year will return to those achieved in Q1.

Gas from the Uquo field is sold via Accugas to three principal customers through gas sales agreements ("GSAs"), with take-or-pay volumes under the GSAs set at 152 mmscfd (25.3 kboepd). Gas production in the January – May 2018 period averaged 95 mmscfd (15.9 kboepd, gross), with a peak delivery rate of 156 mmscfd (26.0 kboepd, gross).

Strong operational performance at the Seven Assets has been sustained, with uptime at the Uquo CPF and the Stubb Creek EPF of 100% over the five-month period to end May 2018. Field gas production capacity remains capable of delivering at least 176mmscfd (29.3 kboepd, gross).

Accugas Business Development

Accugas continues to progress plans to add additional customers to the pipeline network. To this end, Accugas has sought permission to commence right of way work to extend its existing pipeline network into the Calabar Free Trade Zone, to enable the supply of gas to a new suite of industrial customers. As previously disclosed, the addition of new industrial customers is expected to be at a significantly higher pricing point than that which is currently being realised (c.US\$3.5/mcf). There are compelling economics associated with gas replacing diesel, which is currently priced at greater than US\$10/mcfe in South East Nigeria.

Confirmation of Cancellation of Share Premium Account

The Company is also pleased to confirm that the High Court of Justice of England and Wales has made an Order confirming the cancellation of the Company's share premium account. Details of the cancellation of the Company's share premium account were set out in the notice convening the Company's recent annual general meeting ("the Notice"), which was sent to all shareholders on 10 April 2018. A copy of the Notice can be found on the Company's website (www.savannah-petroleum.com).

The Order of the Court has been registered with the Registrar of Companies and, accordingly, the cancellation of the Company's share premium account has now become effective. As was stated in the

Notice, the cancellation of the Company's share premium account has been effected to create distributable reserves in the Company in order to provide the directors of the Company with maximum flexibility in future to consider (if appropriate): (i) the payment of dividends to shareholders, where justified by the profits; and (ii) the buy-back of the Company's shares or other distributions to shareholders.

Andrew Knott, CEO of Savannah Petroleum, said:

"I am pleased with the markedly improved revenue generation we have seen from the Seven Assets in 2018 vs. previous years, with the impact of the World Bank Partial Risk Guarantee on cashflow generation this year being clear to see. Looking forward, we expect to see production volumes rise significantly in the second half of the year, although would remind our stakeholders the Accugas gas sales agreements are subject to take-or-pay provisions higher than anticipated 2018 production volumes. A major objective for Accugas is to make progress towards better leveraging its gas processing and transportation infrastructure through the addition of new customers which both Savannah and African Infrastructure Investment Managers are keen to progress as quickly as practicable.

We remain keen to progress the Transaction towards closing as soon as practicable and are working closely with the relevant stakeholders to achieve this and thank them for the support we have received throughout the acquisition process."

Hakeem Adedjie, CEO Hydrocarbon Advisors Ltd, Financial Advisor to the Accugas Banking syndicate (provider of c.US\$371m debt finance to Accugas), said:

"The Accugas Term Facility Lenders continue to work with Savannah and African Infrastructure Investment Managers to bring the Transaction to financial close."

Olusola Lawson, Investment Director West Africa, African Infrastructure Investment Managers, said:

"Accugas is a unique business, benefitting from its position as owner of the only significant gas processing and transportation infrastructure in the high energy demand growth south eastern region of Nigeria. Working hand in hand with Savannah, and the wider stakeholder group, we look forward to investing in and growing the business over the course of the coming years".

Unless otherwise defined, capitalised terms are as per the Company's Admission Document dated 22 December 2017.

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

Notes to Editors:

About Savannah Petroleum

Savannah Petroleum PLC is a British independent 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 also in the process of acquiring the Seven Assets, which comprise interests in the cash flow generative Uquo and Stubb Creek oil and gas fields and a 20% 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>

About the Seven Assets

The Seven Assets comprise Seven Energy's interests in the producing Uquo and Stubb Creek oil and gas fields, and a 20% interest in the Accugas midstream business. Both the Uquo and Stubb Creek fields are located onshore South East Nigeria in the prolific Niger Delta petroleum system. The Seven Assets have been certified by industry consultant LR Senergy Limited as having net 2P reserves of 92 mmboe and net 2C resources of 44 mmboe.

About Accugas

Accugas focuses on the marketing, processing, distribution and sale of gas to the Nigerian market. The business comprises the 200 mmscfd Uquo central processing facility ("CPF"), a c.260km pipeline network and long-term gas sales agreements with downstream customers. Accugas provides the route to market for the gas produced at Uquo and currently supplies gas to power station customers that comprise around 10 per cent. of Nigeria's available power generation capacity.

Accugas is well placed to benefit from increased future demand for gas in South East Nigeria, given its processing and pipeline network has material additional spare capacity and Accugas' position as is the principal gas processing and transportation network in the region. The restructuring of the US\$370,755,000 Accugas Term Facility is a key part of the Transaction. This requires the finalisation of mutually satisfactory documentation and final approvals of the credit committees and boards of each of the term lenders.