NOT FOR RELEASE OR DISTRIBUTION OR PUBLICATION IN WHOLE OR IN PART IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, HONG KONG, JAPAN, NEW ZEALAND OR SINGAPORE

4 December 2017

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

Update regarding the proposed acquisition of certain of the Nigerian oil and gas assets of Seven Energy International Limited ("Seven") (the "Agreed Transaction")

Proposed placing of new ordinary shares to raise up to US$250m

Savannah is pleased to announce an update on the Agreed Transaction, following the announcement of 15 November 2017 detailing signature of the Lock-up Agreement with, *inter alia*, Seven, Seven Energy Finance Limited ("SEFL"), certain other subsidiaries of Seven (together, the "Seven Group") and certain of the creditors of the Seven Group.

As part of the Agreed Transaction, Savannah is also announcing its intention to raise up to US$250m through an issue of new ordinary shares of £0.001 each ("Ordinary Shares") by way of a placing (the "Placing") with institutional investors (the "Placees") to fund, *inter alia,* the cash consideration of the Agreed Transaction and expansion of the Company's planned drilling campaign in Niger. Readmission of the Company's Ordinary Shares to trading is expected in December 2017, with completion of the Placing taking place in January 2018, and completion of the Agreed Transaction by the end of Q1 2018.

Highlights

The Agreed Transaction is expected to see Savannah acquire an interest in two onshore producing oil and gas fields, Uquo and Stubb Creek, as well as a proposed 20 per cent. interest in the Accugas Limited ("Accugas") midstream business for an aggregate consideration and acquisition enterprise value ("EV") of c.US$270m. This represents an acquisition cost of US$2.9/2P boe and an overall acquisition EV/capital invested in the assets to be acquired to date of c.35 per cent.

- Proposed acquisition of Seven Uquo Gas Limited ("SUGL"), which holds a 40 per cent. participating interest in the Uquo Field, and a 62.5 per cent. interest in Universal Energy Resources Limited ("UERL"), which holds a 51 per cent. participating interest in the Stubb Creek Field and a proposed 20 per cent. interest in Accugas Limited ("Accugas"), the Seven Group's midstream business;
- Independent expert Lloyd's Register ("LR") has certified 2P reserves and 2C resources net to the Seven Group interests in the Uquo and Stubb Creek fields of 92 mmboe and 44 mmboe respectively, with 2018E net production expected to be greater than 20 kboepd;
- LR has certified average 2018-2022E net free cash flow attributable to Savannah (following completion of the Agreed Transaction) from the Uquo and Stubb Creek fields of c.US$88m p.a. (see annual breakdown referenced below), as well as an NPV10 of US$548m[i];
- Concurrent with completion of the Agreed Transaction, a private equity consortium led by African Infrastructure Investment Managers ("AIIM") has agreed in principle to acquire 80 per cent. of the midstream business carried on by Accugas (Savannah to retain 20 per cent.);
- Intended expansion of Savannah's planned Niger drilling campaign from three to five wells, with drilling expected to commence in Q1 2018 and to target >250 mmbbls of prospective oil resources, with the Eocene Sokor Alternances being the primary target;
- Based on the currently expected cash flow generation of the combined business (the "Enlarged Group") following Completion of the Agreed Transaction, the Directors intend to commence payment of an annual dividend from FY 2018 onwards;
- Proposed appointment of a CFO and three new, high-calibre Non-Executive Directors to the Board;

- Appointment of equity syndicate for the Placing, including Barclays Bank PLC as Global Coordinator and Joint Bookrunner and Mirabaud Securities Limited as Joint Bookrunner; and
- Appointment of Hannam & Partners as Joint Broker to the Company.

Additional Information on the Placing

The Company intends to raise up to US$250m through an issue of new ordinary shares of £0.001 each ("Ordinary Shares") by way of a placing (the "Placing") with institutional investors (the "Placees"). It is expected that the new Ordinary Shares to be issued to the Placees pursuant to the Placing will be issued in two tranches. The Company expects to use its existing share issuance authority obtained at its annual general meeting earlier this year to issue the first tranche of the new Ordinary Shares. The issue of the second tranche of the new Ordinary Shares will be conditional on the passing of certain resolutions at a general meeting of the Company to be convened in due course.

The net proceeds of the Placing will be used to satisfy the cash element of the Agreed Transaction consideration, to advance the Company's Niger assets, to provide general working capital and for general corporate purposes for the Enlarged Group for at least the next 12 months.

Ordinary Shares will be offered to certain institutional investors in the UK and elsewhere outside the United States in reliance on Regulation S under the Securities Act of 1933, as amended (the "Securities Act"), and in the United States of America to a limited number of persons reasonably believed to be qualified institutional buyers pursuant to an exemption from the registration requirements of the Securities Act. Full details of the Placing will be included in the admission document to be published by the Company in due course in respect of the Agreed Transaction and the Placing (the "Admission Document"). Prospective investors should rely only on the information contained in the Admission Document when making a decision to participate in the Placing.

Mr Andrew Knott, the Company's CEO, has informed Savannah that he intends to invest up to US$0.5m in the Placing. This investment will be made either in his personal capacity or via a corporate entity of which he is the beneficial owner.

Summary of the Agreed Transaction

As announced on 15 November 2017, the Lock-up Agreement envisages consideration of US$87.5m in cash and US$52.5m in newly issued Savannah shares being paid to the holders of Seven's current 10.25 per cent. Senior Secured Notes ("SSNs") for the release of the SSNs. In addition, the SSNs will have the right to participate, on a pro rata basis, in a US$20m new capital contribution in exchange for the right to share, on a pro rata basis to the new capital contribution, in a US$25m new Savannah share issuance and a US$20m new debt facility issued at the Accugas level. Savannah may choose in certain circumstances to exchange the above Savannah equity interests offered to the SSNs into additional cash consideration payable by Savannah, as described in more detail in the relevant term sheet in the Lock-Up Agreement.

The Lock-up Agreement also envisages the following:

- the existing US$24.1m first bilateral facility agreement with SEFL being exchanged into a US$20m facility to be reinstated at the Accugas level, on a non-recourse basis to the Company;
- US$7.3m in cash and US$4.4m in newly issued Savannah ordinary shares being paid to the lender of the second bilateral facility agreement with SEFL as consideration for the release in full of this loan; and

- the exchange of the Seven Group's 10.50 per cent. senior secured notes due 2021 into US$15m of new notes to be issued at the Accugas level and US$85m of notes to be issued at a Savannah subsidiary company level, both on a non-recourse basis to the Company.

The new Savannah shares to be issued to the holders of the SSNs and the second bilateral facility agreement with SEFL pursuant to the Agreed Transaction will be subject to lock-in provisions that will restrict transfers of the shares for a period of six months from the completion date of the Agreed Transaction without Savannah's prior consent in order to ensure an orderly market in Savannah's ordinary shares. These lock-in arrangements will be subject to customary exceptions, including a transfer pursuant to the acceptance of a takeover.

SUGL, which on completion of the Agreed Transaction will become a Savannah subsidiary, will issue US$85m of notes due 2027 (on a non-recourse basis to the Company) to Nigeria Sovereign Investment Authority ("NSIA"). The notes will be secured by first-ranking shares pledges and first-ranking all asset security from certain of Savannah's subsidiaries. The notes will amortise at US$6m annually with the first payment to be made 31 December 2019. Cash interest will accrue at 8 per cent. per annum and PIK interest, payable in lieu of cash at the option of SUGL for the first two semi-annual interest periods, would accrue at 10 per cent. per annum.

The parties to the Lock-up Agreement are currently negotiating the terms of their proposed entry into an implementation agreement (the "Implementation Agreement"), which will document the order of steps for completion of the Agreed Transaction and attach full form documents in form and substance consistent with certain term sheets appended to the Lock-up Agreement. It is envisaged that the trustee under the SSNs will accede to the Implementation Agreement, thereby binding the SSNs in respect of the same, subject to sanction of UK and BVI schemes of arrangement, which are proposed to effect the restructuring of SEFL's liabilities to the SSNs (in order for the schemes of arrangement to be passed, they must be approved by 75 per cent. in value and more than 50 per cent. in number of those creditors present and voting either in person or by proxy at the creditors meetings and they must be sanctioned by the court). Completion of the Agreed Transaction is conditional upon, *inter alia*, the obtaining of ministerial consent from the Nigerian Department of Petroleum Resources to a change in control regarding certain of the assets to be acquired by Savannah. In addition, as the Agreed Transaction constitutes a reverse takeover under the AIM Rules, it will require to be approved by Shareholders at a general meeting of the Company.

Overview of Seven Energy

Seven is a private, Nigerian focused integrated oil and gas company, founded in 2007. Between 2007 and 2016, Seven raised US$1.1bn in equity from a blue-chip investor base which included both institutional and developmental finance investment groups. Seven has also seen cumulative net debt issued of US$0.8bn since inception. This investment enabled Seven to create a business which supplies gas to power station customers that comprise around 10 per cent. of Nigeria's available power generation capacity, as well as to facilitate a 6.8x increase in gross production at OMLs 4, 38 and 41 under its Strategic Alliance Agreement ("SAA") with Nigerian Petroleum Development Company ("NPDC").

In the period from 2016, Seven was severely impacted by a number of external factors, including:

- Loss of material cash flows from the SAA (which Savannah is not acquiring as part of the proposed transaction), as shut-down of the Forcados oil export terminal prevented any "lifts" of oil production from the Group's indirect interest in OMLs 4, 38 and 41, which was followed by the receipt of a Notice of Termination from NPDC in February 2017; and

- A substantial backlog of unpaid invoices relating to the supply of gas to Nigerian state-owned power stations, as a result of the liquidity collapse of the Nigerian power sector in 2016 (and prior to the intervention of the Federal Government of Nigeria in September 2017).

These external challenges occurred at near peak cumulative negative cash outflow and gearing for Seven, meaning that, despite a number of mitigating measures taken (including cost reduction programmes and the suspension of discretionary capital expenditure), Seven has been in default on all of its debt instruments (amounting to approximately US$900m in aggregate) since May 2017 and has not been servicing this debt. Only US$51m EBITDA was realised in the period FY 2016 – H1 2017, vs. Seven's 2016 business plan forecast which estimated EBITDA generation at US$526m over the same period.

In the meantime, Seven has been tightly managing its cash flow and working capital in order to continue operations and to preserve the value of its underlying assets while seeking to implement the Agreed Transaction.

Acquisition of Accugas in Conjunction with Private Equity Consortium

Savannah has also agreed and executed a detailed termsheet, which sets out the terms on which a private equity consortium led by AIIM and also including the IDB Fund II will acquire (to be effected concurrently with the completion of the Agreed Transaction) an 80 per cent. interest in Accugas. Savannah will retain a 20 per cent. minority equity interest in the business, providing the Company with visibility of the key end customers for its gas. The proposed sale remains subject to the parties agreeing and entering into definitive documentation and it is intended that such definitive documentation will be entered into prior to the Company's re-admission to trading on AIM.

AIIM and IDB (together the "Investors") have in principle agreed to invest in Accugas, in aggregate, US$60m for 80 per cent. ownership of Accugas and will carry Savannah's 20 per cent. interest. Savannah will have the right to acquire a further 10 per cent. of Accugas equity for a price equal to the capital invested by the Accugas shareholders, uplifted by 10 per cent. per annum. Savannah will have the right to appoint two out of the five directors on the Accugas board and the shareholders' agreement will contain typical reserved matters. The agreed intention is to distribute 100 per cent. of profits in Accugas, subject to Accugas retaining a minimum cash balance after servicing third party debt.

Savannah and the Investors have also agreed the principles that will apply to a relationship agreement to be entered into between Savannah and Accugas and the new gas sales agreement expected to be entered into between Accugas and the Uquo JV between SUGL and FOL (the "Uquo JV"). Pursuant to the relationship agreement, Accugas will be responsible for the construction of certain infrastructure including a pipeline to link the Stubb Creek field to the Accugas central processing facility. Savannah is not obliged to proceed with gas development at the Stubb Creek field, but if such gas is developed Savannah will use reasonable endeavours to sell such gas to Accugas for the same price as gas from the Uquo field. The price under the proposed new gas sales agreement is expected to be $1.7/mcf, to be increased annually to reflect the price indexation in Accugas' downstream GSAs. In the event of any new gas supply agreement, it is intended that the SUGL will receive 50 per cent. of any price agreed for sales of such gas by Accugas in excess of US$3.4/mcf pro-rata in relation to its economic interest.

It is expected that Savannah will report its 20 per cent. interest in Accugas as an equity investment in its consolidated accounts upon completion of the Agreed Transaction.

AIIM, a subsidiary of Old Mutual Investment Group, is one of the longest running and largest infrastructure fund managers in Africa, with US$2bn assets under management over seven funds which have made 45 investments and 13 exits over 17 years. AIIM also has extensive Nigerian experience, with total committed and earmarked capital of greater than US$300m in country, the majority of which is in the power, energy and telecommunications sectors.

Established in 2014, the IDB Fund II, with a target size of US$2 billion, provides an efficient investment vehicle for global and regional investors to capitalize on the infrastructure investment opportunities across Asia, the Middle East and Africa. The IDB Fund II is the successor to the US$730 million IDB Infrastructure Fund L.P., which made significant investments in power, energy, transportation, telecommunications and mining sectors across Asia, the Middle East and Africa.

IDB Fund II is managed by ASMA Capital Partners B.S.C. (c) ("ASMA Capital"), a fund management firm incorporated as a Bahrain joint stock company (closed) pursuant to the laws of the Kingdom of Bahrain. ASMA Capital is licensed and regulated by the Central Bank of Bahrain as an Investment Business Firm - Category 2.

Strategic Rationale for the Agreed Transaction

The Enlarged Group will have a substantial producing asset base, acquired at low cost

As a result of the Agreed Transaction, the Enlarged Group will hold working interests in two large, producing onshore oil and gas fields in Nigeria as well as a 20 per cent. interest in the Accugas midstream business. The assets being acquired have been certified by LR as having net 2P reserves of c.92 mmboe, 2C resources of c.44 mmboe, and expected 2018 net production of greater than c.20 kboepd. Accugas currently supplies gas to power station customers that comprise around 10 per cent. of Nigeria's available power generation capacity. The Accugas network provides the route to market for the gas from the Enlarged Group's interests in Uquo and Stubb Creek.

The EV of the Agreed Transaction is expected to be c.US$270m, which comprises c.US$85m equity, c.US$100m cash and US$85m of assumed debt. This represents an upstream acquisition cost of US$2.9/boe and EV/capital invested to date of c.35 per cent. The acquisition metrics are reflective of the distressed nature of the Agreed Transaction.

The Enlarged Group is expected to have significant, high quality cash generation with material upside

Both the upstream and midstream assets acquired have been operational for a number of years and are expected to be cash flow generative and to require limited forward capital investment. A Competent Person's Report on the assets which are to be acquired by Savannah as part of the Agreed Transaction has been prepared by LR (the "Nigeria CPR"), and will be published in the Admission Document, and confirms an indicative average 2018-2022E net free cash flow attributable to the Enlarged Group from the two upstream fields of c.US$88m p.a. (see annual breakdown referenced below). Savannah is of the view that there is significant medium-term upside potential associated with the conversion of contingent resources into reserves.

The expected forward cash flow generation is seen as being of high quality, with c.90 per cent. of expected 2018-2022E revenues being derived from investment grade end customers (Uquo and Stubb Creek oil production covered by a crude offtake agreement with Exxon, Unicem GSA supported by a Standard Chartered bank guarantee) or being supported by a World Bank Partial Risk Guarantee (Calabar GSA).

The Agreed Transaction complements Savannah's existing portfolio in Niger

The Agreed Transaction balances Savannah's existing high potential exploration asset base in Niger with a material reserves and production base. The Board believes that drilling in Niger offers substantial upside potential and has therefore decided to expand its initial drilling campaign from three to five wells. This campaign is expected to target >250 mmbbls of prospective oil resources, with Eocene Sokor Alternances being the primary target.

The Enlarged Group's combined business will provide a strong platform for further Nigerian growth

The Board believes that the Enlarged Group will provide a strong platform to take advantage of what it views as a unique opportunity to acquire further assets in Nigeria at a low point in the cycle. These opportunities are expected to come from a variety of sources, including major oil companies continuing their divestment programmes, a further marginal field bid round which is expected in early 2018, potential partnership opportunities with NNPC and direct negotiations with local/indigenous players who are typically heavily geared and struggling both to meet debt repayments and to fund capital investments into their assets.

The Enlarged Group will have a significantly enhanced corporate profile

The Company expects to enhance its governance and operational capabilities through the proposed appointment of a CFO and three highly experienced new Non-Executive Directors to the Board and, following completion of the Agreed Transaction, c.100 Seven staff to the business, the majority of whom are based in Nigeria.

Expected Dividend Policy

Based on the currently expected cash flow generation of the Enlarged Group following Completion of the Agreed Transaction, the Directors intend to commence payment of an annual dividend. This is initially expected to be US$12.5m, assuming appropriate business performance, from FY 2018 onwards (i.e. payable in 2019). The Directors may revise the Enlarged Group's dividend policy from time to time in line with the actual results and financial position of the Enlarged Group.

Proposed Appointments to Savannah's Board of Directors

Savannah is pleased to announce the proposed appointment of Isatou Semega-Janneh as Chief Financial Officer, on an interim basis, as well as Rt. Hon. Sir Stephen O'Brien, David Clarkson and Michael Wachtel to the Company's Board as Non-Executive Directors, to be effective upon re-admission of Savannah's ordinary shares to trading. The Company is delighted to have attracted such high-calibre candidates to its Board.

Isatou Semega-Janneh, Proposed Chief Financial Officer

An accountant with over 17 years' experience, Isatou has acted as Savannah's VP Finance since joining the Company in January 2015. Prior to joining Savannah, she spent 9 years with BP plc in a variety of roles, most recently as Financial Controller for BP's operations in North Africa (Algeria, Libya and Morocco). Isatou has extensive experience of implementing and managing financial and regulatory compliance systems in emerging market oil and gas environments and of managing large, multi-country finance teams. Since joining Savannah, she has implemented effective internal controls, processes and procedures for the Company, as well as putting in place an appropriate financial reporting process for the business and managing the Company's existing debt facility arrangements.

Rt. Hon. Sir Stephen O'Brien, Proposed Vice Chairman & Non-Executive Director

Stephen is a former UN Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator. Prior to this role he was a British MP, during which time he served as Permanent Under-Secretary of State for International Development and as the Prime Minister's Envoy & UK Special Representative for the Sahel as well as a series of shadow ministerial roles. Before entering politics, Stephen was International Director and Group Secretary of FTSE 100 listed global building materials company, Redland plc. Stephen began his career as a corporate litigation lawyer with Freshfields. He is a serving member of the Privy Council and was knighted in 2017 for his achievements and commitments to humanitarian action, global health and international development.

David Clarkson, Proposed Non-Executive Director

David was formerly a member of BP's Group Leadership Team and Senior Vice President for Projects and Engineering (Upstream) at BP. In this role, he was functionally accountable for embedding rigour and discipline in BP's Upstream major project investment decisions, and for building engineering capability to support the company's growth agenda. He built his career delivering safe, reliable industry-leading projects in challenging frontier locations. Throughout a 34 year career with BP, David held a variety of senior management roles in countries which include Colombia, Indonesia, Iraq, the USA and the UK. David is a Chartered Engineer and Fellow of the Institution of Mechanical Engineers.

Michael Wachtel, Proposed Non-Executive Director

Michael serves as UK Head of Corporate and Head of Energy and Natural Resources at Clyde & Co, a leading international law firm. Michael's practice has a strong emerging market focus and provides companies with a full range of legal services including Corporate, M&A, financing, governance and regulatory compliance. His client list includes major oil & gas companies and oil services companies, as well as many of the leading independent oil companies. As an executive member of Clyde's management Board, he is responsible, alongside the other members, for the running of a business with over 45 international offices and a global turnover in excess of £500m. Prior to entering law, Michael worked as an oil and gas field engineer in various West African countries for Schlumberger and Geoservices.

Appointment of Equity Syndicate and Appointment of Corporate Broker

Savannah is pleased to announce the appointment of Barclays Bank PLC to act as Global Coordinator and Joint Bookrunner on the Placing, and to work alongside Mirabaud Securities Limited as Joint Bookrunner and Shore Capital Stockbrokers Limited as Lead Manager. The Company is also pleased to announce the appointment of Hannam & Partners as its Joint Broker, alongside Mirabaud Securities Limited, with immediate effect. Strand Hanson Limited is acting as Nominated Adviser.

Re-Admission of Savannah's Ordinary Shares to Trading

The Company continues to progress the documentation necessary to implement the Agreed Transaction, including, *inter alia,* the Admission Document and associated reports with regard to the Enlarged Group. The Agreed Transaction and the Placing referred to above are subject to, *inter alia*, Savannah shareholder approval to be sought at a general meeting to be convened in due course.

Accordingly, the Company's ordinary shares remain suspended from trading on AIM and will remain suspended until the earlier to occur of: (i) publication of the Admission Document; or (ii) confirmation being given that the discussions concerning the Agreed Transaction have ceased.

Further updates will be provided as and when appropriate.

Steve Jenkins, Chairman of Savannah Petroleum, said:
"We are very pleased to be expanding our business into Nigeria, one of the world's most prolific oil and gas provinces and where we see huge potential for Savannah. I would like to welcome our new Board members, including Isatou Semega-Janneh as Chief Financial Officer, as well as the Rt. Hon. Sir Stephen O'Brien, David Clarkson and Michael Wachtel as non-executive directors. They are all of

the highest calibre and bring a wealth of highly relevant experience to the Board. With the expected addition of the Seven staff to our business, we believe we have the right team and the enhanced operational capabilities to deliver on the very significant opportunity we have before us."

Andrew Knott, CEO of Savannah Petroleum, said:
"This transaction is extremely exciting for Savannah and our stakeholders. The deal is expected to transform Savannah into a cash generative business expected capable of financing both our upcoming drilling activities in Niger and Nigeria and the introduction of a dividend. Further, Savannah is acquiring significant Nigerian operational capabilities and experience which we expect to provide a strong platform for further value accretive in-country growth. I would like to take this opportunity to again thank the Savannah and Seven teams for the many months of hard work that have been undertaken on the transaction to get to this stage. We look forward to providing further updates over the course of the coming weeks as we progress towards completion."

For further information contact:

Savannah Petroleum Andrew Knott, CEO Jessica Hostage, Corporate Communications	+44 (0) 20 3817 9844
Strand Hanson (Nominated Adviser) James Spinney Rory Murphy Ritchie Balmer	+44 (0) 20 7409 3494
Hannam & Partners (Financial Adviser and Joint Broker) Neil Passmore Chris Byrne Sam Merlin	+44 (0) 20 7907 8500
PJT Partners (Financial Adviser) David Riddell Matthew Slaffer Brad Knudtson	+44 (0) 20 3650 1100
Barclays Bank PLC (Global Coordinator and Joint Bookrunner) Simon Oxley Flora Shen Stephanie Kogels	+44 (0) 20 7623 2323
Mirabaud Securities Limited (Joint Bookrunner and Joint Broker) Peter Krens Rory Scott	+44 (0) 20 7878 3362
Shore Capital Stockbrokers Limited (Lead Manager) Jerry Keen Mark Percy Toby Gibbs	+44 (0) 20 7408 4090
Celicourt Communications (Financial PR) Mark Antelme	+44 (0) 20 7520 9266

Jimmy Lea

Uquo and Stubb Creek Oil & Gas Fields

The Nigeria CPR has been prepared by LR, and will be published in the Admission Document to be published by the Company in due course in respect of the Agreed Transaction and the Placing. A summary of the gross and net 2P and 2C resources, the expected asset free cash flows and an overview of the assets to be acquired, is included in the following paragraphs.

Summary of Gross and Net 2P Reserves and 2C Resources

	2P Reserves		2C Resources	
	Gross	**Net**	**Gross**	**Net**
Oil & Liquids (mmbbls)				
Uquo	7.8	6.7	2.5	2.1
Stubb Creek	17.1	2.5	1.0	0.2
Gas (bcf)				
Uquo	565.0	495.5	72.5	63.6
Stubb Creek	-	-	515.3	184.3
Total (mmboe)	**119.1**	**91.8**	**101.5**	**43.6**

It should be noted that a conversion factor of 6 mcf per boe has been used in this analysis.

Summary of Expected Net Asset Free Cash Flows from Uquo and Stubb Creek

	Expected Asset Free Cash Flow (Net), US$m
2018	58.9
2019	78.5
2020	97.7
2021	102.7
2022	102.7

Key assumptions used by LR in this analysis include an oil price of US$60/bbl, inflated at 2 per cent. p.a. from 2018 and Daily Contract Quantity ("DCQ") production volumes. It should be noted that this number is based upon assumptions of events or conditions; actual events or conditions may differ materially from such assumptions.

Uquo Oil & Gas Field

SUGL holds a 40 per cent. participating interest in the Uquo field, with its joint venture partner Frontier Oil Limited ("FOL") holding the remaining 60 per cent. operated interest. Under the terms of its joint operating agreement and technical services agreement with FOL, SUGL acts as technical and funding partner to FOL and as project manager for the Uquo field development. SUGL holds an 87.7 per cent. gas and 85 per cent. oil revenue interest in the asset.

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

The current gas processing facilities ("CPF") at Uquo have production capacity of 200 mmscfd, and were designed and built by respected industry contractor Petrofac. The CPF is modular in nature, with the flexibility to add additional gas processing capacity. Gas is sold to Accugas as Seven's sole customer at a current weighted average price of US$1.7/mcf, which is expected to increase by a weighted average (based on DCQ volumes) of over five per cent. p.a. over the next six years and up to 1.5 per cent. p.a. thereafter due to price indexation clauses which are included in downstream Gas Sales Agreements ("GSAs"). Current liquids production facility capacity at the field is 2 kbopd, with liquids evacuated via pipeline to Exxon's Qua Iboe oil export terminal which is located c.10km from the Uquo field.

The Uquo field is low-cost, with LR having assessed life of field gross capital and operating costs to be US$1.7/boe and US$1.3/boe respectively on a forward basis. Near-term operational plans at the field include the completion of the Uquo-9 oil well and an 11km pipeline tie-in to the CPF in 2018, which is expected to deliver oil production of c.1,800 bopd, and the drilling of one new gas well to maintain plateau production. The Nigeria CPR estimates 2018 gross capital expenditures on Uquo at US$33.5m.

Stubb Creek Oil & Gas Field

Seven holds an interest in Stubb Creek through its 62.5 per cent. subsidiary UERL. UERL holds a 51 per cent. operated interest in the field, with Sinopec International Petroleum Exploration and Production Company Nigeria Limited ("SIPEC") holding the remaining 49 per cent. interest.

Discovered by Shell in 1971, Stubb Creek was awarded to UERL as a marginal field in 2003. Seven acquired its interest in 2009 and 2010 through a two stage acquisition of a 62.5 per cent. shareholding in UERL, and brought the field into commercial production in 2015 using an Early Production Facility ("EPF") capable of processing oil at a gross rate of c.3 kbopd.

Stubb Creek is an oil asset, with a considerable (86 mmboe gross 2C) undeveloped, non-associated gas resource. Nine wells have been drilled to date on the field, of which four were drilled by Shell between 1971 and 1983 and five were development wells drilled, tested and completed between 2007 – 2009 by UERL. Oil is evacuated via pipeline to Exxon's Qua Iboe oil export terminal.

It is anticipated in 2018 that the existing EPF will be debottlenecked, to increase oil production capacity to c.5 kbopd. The contingent gas resources are currently expected to be developed in 2025, as the Uquo field comes off plateau, and to be tied back to the Uquo CPF via a 31km pipeline. The Nigeria CPR estimates 2018 gross capital expenditures on Stubb Creek at US$25.8m.

Accugas Limited Midstream Business

The Accugas midstream business focuses on the marketing, processing, distribution and sale of gas to the Nigerian market. The business comprises the 200 mmscfd Uquo CPF, a c.260km pipeline network and long-term GSAs with downstream customers. Accugas buys raw gas from its sole current supplier, the Uquo JV, at a price of US$1.7/mcf, and sells this gas to three separate customers at a weighted average price of US$3.4/mcf. This price is expected to increase by an average of over five per cent. p.a. over the next six years due to price indexation clauses which are included in the GSAs, the key terms of which are summarised below.

Accugas Summary of Key Gas Sales Agreements

	Calabar NIPP	Unicem	Ibom Power
Description	Nigerian State Power Plant	Lafarge Cement Plant	Nigerian State Power Plant
Term (Remaining)	20 Years (20)	20 years (14)	10 years (6)

Start Date	September 2017	January 2012	January 2014
Daily Contract Quantity ("DCQ")	131 mmscfd	38.7 mmscfd	19.7mmscfd
Take-or-Pay	80%	80%	80%
Gas Price	US3.16/mmbtu for the first year (price escalation applies)	US$5.00/mcf	US$2.06/mmbtu (price escalation applies)

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

The Uquo CPF consists of two identical gas processing trains, each designed to process up to 100 mmscfd. One train has been tested at levels up to 120 mmscfd, and it is the opinion of Seven that the CPF, with limited optimisation, could operate at up to 240 mmscfd on a continuous basis. As such, spare capacity of up to c.50 mmscfd is intended to be used by Savannah and the Investors as part of Accugas' business development plans going forward. There also exists significant spare capacity in Accugas' pipeline network.

Accugas has signed three non-binding Heads of Terms with potential new industrial customers in the Calabar area for gas sales of c.5mmscfd at an average price of US$7.3/mcf.

Expansion of Niger Operational Campaign

Following completion of the Placing, Savannah intends to fund an expansion to the Company's previously announced operational campaign in Niger, increasing the number of wells to be drilled from three to five and acquiring c.500km^2 of 3D seismic over the R1 PSC Area. Drilling is expected to commence in Q1 2018 using the GWDC 215 rig as previously announced, and is intended to target three prospects on the R3 PSC Area and two prospects on the R1 PSC Area (all defined on 3D seismic). Wells are expected to cost US$6 – 8m per well for this campaign, and c.US$15m of the proceeds of the Placing is intended to be used to fund the abovementioned 3D seismic acquisition.

Each well is expected to assess potential oil pay in the Eocene Sokor Alternances as a primary target, and in the Eocene-Oligocene Upper Sokor as a secondary target. As part of the Agreed Transaction and the Placing, and in addition to the Nigeria CPR produced by LR, CGG Geoconsulting ("CGG") has prepared a Competent Person's Report (the "Niger CPR") which will be included in Savannah's Admission Document and covers Savannah's R1/R2 and R3/R4 PSC Areas in Niger ("Savannah PSCs"). As part of this CPR, CGG has conducted a review of nine exploration leads and prospects ("Targets") across the Savannah PSCs which have been high-graded for potential drilling. CGG has assessed these Targets to carry a low risk profile (i.e. similar to those drilled elsewhere in the basin to date).

Drilling Campaign Planned Targets[ii]

	PSC Area	Alternances Unrisked Mean Recoverable Resources, mmbbls	Upper Sokor Unrisked Mean Recoverable Resources, mmbbls	Total Unrisked Mean Recoverable Resources, mmbbls

Bushiya	R3	28	38	36
Amdigh	R3	33	25	39
Kunama	R3	24	78	35
Damissa	R1	82	55	101
Mena	R1	54	16	50

Optional Drilling Targets

	PSC Area	Alternances Unrisked Mean Recoverable Resources, mmbbls	Upper Sokor Unrisked Mean Recoverable Resources, mmbbls	Total Unrisked Mean Recoverable Resources, mmbbls
Eridal	R3	15	28	21
Efital	R3	75	60	77
Mujia	R3	47	59	57
Kiski	R1	19	-	19

Seven Group Historical Financial Information

The financial information presented below has been derived from the unaudited Consolidated Financial Statements of the Seven Group for the 12 month period ended 31 December 2016 and the six month period ended 30 June 2017 as adjusted by Savannah for the purposes of presenting such information in accordance with Savannah's own Group accounting policies and to reflect the latest certified reserves information. The consolidated Seven financial information below therefore includes interests not being acquired as part of the Agreed Transaction, notably those relating to Seven's Strategic Alliance Agreement (SAA) with NPDC and the Anambra basin; the information also reflects Seven's 100 per cent. interest in Accugas. During the 2016 period through to June 2017 there were no revenues or material costs relating to the SAA due to damage to the Trans Forcados pipeline leading to a shutdown of the pipeline and terminal. As at 30 June 2017 following an impairment of Seven's interest in the SAA the remaining balance sheet position was a net $38m due to NPDC, which is the subject of ongoing settlement discussions.

A pro forma balance sheet which will reflect the impact of the Agreed Transaction will be included in the Admission Document.

	FY 2016 ($'000)	H1 2017 ($'000)
Income Statement Selected Line Items		
Revenue	101,920	61,750
Gross Profit/(Loss)	91,557	(65,902)
Operating Profit/(Loss)	(238,489)	(295,668)
EBITDAX[iii]	107,962	(57,241)
Profit/(Loss) Before Tax	(302,701)	(354,350)
Profit/(Loss) After Tax	(207,173)	(325,996)
Balance Sheet Selected Line Items		
Total Assets	1,648,117	1,343,411
Total Liabilities	(1,479,282)	(1,499,705)
- Includes borrowings of	*(835,981)*	*(838,850)*
Net Assets	168,835	(156,294)
Net Debt	(823,177)	(824,700)

Cash Flow Statement Selected Line Items		
Cash Flow from Operating Activities	57,239	23,203
Cash and Cash Equivalents	12,804	14,150

Seven reports segmental analysis in its accounts. The EBITDAX for Seven's South East business (which includes Uquo, Stubb Creek and Accugas) in 2016 and H1 2017 was US$46.9m and US$49.4m respectively.

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 does 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 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.

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.

Recipients of this press release who intend to purchase or subscribe for shares in Savannah Petroleum plc following publication of the final admission document are reminded that any such purchase or subscription must only be made solely on the basis of the information contained in the final admission document relating to Savannah Petroleum plc.

Neither the Company, Barclays Bank PLC, Strand Hanson Limited, Hannam & Partners, Mirabaud Securities Limited, Shore Capital Brokers 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, Barclays Bank PLC, Strand Hanson Limited, Hannam & Partners, Mirabaud Securities Limited, Shore Capital Brokers 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.*

Barclays Bank PLC, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting exclusively for the Company and no one else in connection with the Placing and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Placing and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the Placing or any transaction, arrangement or matter referred to in this document.

In connection with the Placing, Barclays Bank PLC and any of its affiliates, acting as investors for their own accounts, may subscribe for or purchase Ordinary Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Ordinary Shares and other securities of the Company or related investments in connection with the Placing or otherwise. Accordingly, references in the final admission document, once published, to the Ordinary Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by Barclays Bank PLC, or any of its affiliates, acting as investors for their own accounts. In addition Barclays Bank PLC may enter into financing arrangements with investors, such as share swap arrangements or lending arrangements where Ordinary Shares are used as collateral, that could result in Barclays Bank PLC acquiring shareholdings in the Company. Barclays Bank PLC does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

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.*

---

[i] Key assumptions include an oil price of US$60/bbl, inflated at 2 per cent. p.a. from 2018 and Daily Contract Quantity ("DCQ") production volumes. Note that this number is based upon assumptions of events or conditions; actual events or conditions may differ materially from such assumptions. Note: LR has assessed the total value of the assets being acquired by Savannah, net of Savannah's 20% share of non-recourse Accugas debt, at US$663m.

[ii] Volumes are CGG estimates of mean unrisked recoverable resources and assume a recovery factor of 30 per cent. Proposed well targets and order of drilling remain subject to change.

[iii] EBITDAX is calculated as operating profit/(loss) before depletion and impairments.