SAVANNAH ENERGY

2023 Half-Year Results

29 September 2023

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

2023 Half-Year Results
Average Gross Daily Production up 12% YoY and Total Revenues[1] & Adjusted EBITDA[2] both up 8% YoY

Savannah Energy PLC, the British independent energy company focused around the delivery of ***Projects that Matter***, is pleased to announce its unaudited half-year results for the six months ended 30 June 2023.

Andrew Knott, CEO of Savannah Energy, said:

"I am pleased to report robust results for the first six months of 2023, which demonstrate our continuing ability to deliver strong operational performance. Average gross daily production increased by 12% to 25.3 Kboepd, while Total Revenues[1] and Adjusted EBITDA[2] both increased by 8% during the first half of the year.

The expansion of our Renewable Energy division has continued apace, with several new projects added to our development portfolio in the first half of the year. We now have up to 676 MW of projects in motion across three countries as we quickly move towards the achievement of up to 1 GW+. At the same time, we continue to progress our proposed acquisition of PETRONAS International Corporation Limited's energy business in South Sudan, with the intention to publish an AIM Admission Document in Q4 2023.

We continue to deliver on our strategy and remain unequivocally an "AND" company, seeking to deliver strong performance both for the short AND long term across multiple fronts, and pursuing growth opportunities in both the hydrocarbon AND renewable energy areas."

Operational Highlights

- Average gross daily production from Nigerian operations was 25.3 Kboepd, a 12% increase from 22.5 Kboepd during H1 2022. Robust customer demand led to a 15% increase in gas production from the Uquo Field to 138.5 MMscfpd (H1 2022: 120.3 MMscfpd);
- Strong safety record, with our Nigerian operations recording one million working hours without a Lost Time Injury;
- Gas sold to eight principal customers, with a number of new and extended gas contracts agreed, including:
    - An agreement with Amalgamated Oil Company Nigeria Limited ("AMOCON"), whereby Savannah's Accugas subsidiary agreed to purchase up to 20 MMscfpd of gas from AMOCON over the course of the next ten years for onward sale to our gas customers (with deliveries having commenced in May); and
    - New gas sales agreement with Shell Nigeria Gas Limited ("SNG") and a contract extension with Shell Petroleum Development Company of Nigeria Limited ("SPDC");
- This strong momentum continued post-period end with contract extensions signed with Central Horizon Gas Company Limited ("CHGC"), First Independent Power Limited ("FIPL") and Notore Chemical Industries PLC ("Notore") for a total of up to 85 MMscfpd;
- Up to 676 MW of renewable energy projects now in motion, including agreements signed during the period for the up to 75 MW Bini a Warak Hydroelectric Project in Cameroon and for the development of two proposed solar photovoltaic power plants in Niger with combined capacity of up to 200 MW; and
- First disclosure report for Sustainability Accounting Standards Board ("SASB") published today here.

Financial Highlights[3]

- Total Revenues[1] increased by 8% to US$138.7 million (H1 2022: US$128.7 million);
- Adjusted EBITDA[2] increased by 8% to US108.2 million (H1 2022: US$100.3 million);
- Adjusted EBITDA[2] margin strong and stable at 78% (H1 2022: 78%);
- Operating expenses plus administrative expenses[4] of US$27.4 million (H1 2022: US$24.5 million);
- Profit after tax (including contribution from discontinued operations) of US$46.8 million (H1 2022 loss after tax: US$20.5 million); and
- Net debt position at period end of US$443.4 million (FY22: US$404.9 million) with Leverage[5] broadly stable at 1.9x (Year-end 2022: 1.8x).

2023 Guidance

- Total Revenues[1] guidance reiterated at 'greater than US$235 million';
- Group Operating expenses plus administrative expenses[4] guidance reiterated at 'up to US$75 million'; and
- Total capital expenditures guidance reduced from 'up to US$60 million' to 'up to US$30 million', reflecting the rephasing of certain planned capital projects in Niger and Nigeria.

South Sudan Acquisition Update

Further to the Company's announcement on 27 July 2023, the Company continues to advance the various workstreams required to complete the acquisition of PETRONAS International Corporation Limited's energy business in South Sudan (the "PETRONAS Acquisition") and now intends to publish an AIM Admission Document in respect of the PETRONAS Acquisition on or before 15 December 2023, following such point the Company will seek restoration to trading on AIM of its ordinary shares.

Niger Update

Savannah remains committed to the 35 MMstb (Gross 2C Resources) R3 East oil development in South East Niger. As previously announced, the intention was to carry out a well test programme on our principal discoveries in Q4 2023. However, following recent political events, this timeline will be subject to further revision due to restrictions imposed by the Economic Community of West African States on Niger, which has resulted in the closure of the border between Benin and Niger. This has created logistical challenges for companies operating in Niger and, specifically for Savannah, in relation to the importation of the necessary equipment to complete our planned well test programme. A further update in relation to timing will be provided in Q4 2023.

Savannah continues to progress the up to 250 MW Parc Eolien de la Tarka wind farm project, with all key required studies either complete or at an advanced stage. Savannah also announced the signing of an agreement for the development of two proposed solar photovoltaic power plants, each up to 100 MW in scale, during the period and work is at an initial stage on these projects.

Divestment of Interest in COTCo

On 20 April 2023, Savannah announced that its wholly owned subsidiary, Savannah Midstream Investment Limited ("SMIL"), had signed a Share Purchase Agreement with the national oil company of Cameroon, Société Nationale Des Hydrocarbures ("SNH") for the sale of 10% of the issued share capital in Cameroon Oil Transportation Company ("COTCo"). The cash consideration for the shares was US$44.9 million and SMIL also retained the right to the dividend attaching to the shares up to the payment date of the consideration. Formal completion of the sale shall occur upon satisfaction of certain conditions precedent related to amendments to the bylaws of COTCo. Please refer to Note 20 of the interim financial statements for further information on the accounting treatment of the transaction.

Board Update

Following the Annual General Meeting held on 30 June 2023, Steve Jenkins retired as Chair but remains on the Board as an independent Non-Executive Director. Joseph Pagop Noupoué was appointed Non-Executive Chair, having joined the Board as a Non-Executive Director in April 2023. Sylvie Rucar retired as a Non-Executive Director from the Board post-period end due to personal reasons.

Fenikso Limited ("Fenikso")

As previously detailed, in 2022 Savannah invested approximately US$1 million ("the Initial Investment") in Fenikso (previously known as Lekoil Limited) and, under the terms of the restructuring agreements negotiated between Savannah and Fenikso entered into in December 2022, the Company will receive payments of up to US$16.3 million over the course of the next nine years. Post-period end, Savannah has fully recovered the Initial Investment with the receipt from Fenikso of payments totalling US$1.3 million to date.

Chad Assets Update

As previously disclosed in the Group's 2022 Annual Report, the Republic of Chad nationalised the Group's interests in Chad owned by its subsidiaries, Savannah Chad Inc ("SCI") and Savannah Midstream Investment Limited ("SMIL"), (the "Chad Assets") by way of a law passed on 31 March 2023 (the Nationalisation"). This confirmed an announcement of the President of Chad of 23 March 2023.

The actions of the Republic of Chad are in breach of the upstream conventions to which SCI and the Republic of Chad are, amongst others, party, together with a breach of the convention between Tchad Oil Transportation Company ("TOTCo") and the Republic of Chad. Further details are provided in Notes 2, 22 and 23 of the financial statements. Disputes under the upstream conventions and the TOTCo convention are subject to the jurisdiction of ICC arbitral tribunals, seated in Paris. SCI and SMIL have commenced ICC arbitral proceedings against the Republic of Chad to seek full recompense for the loss that they have and will suffer as a result of the nationalisation of the Chad Assets.

Following the period end, a dispute has also arisen among the shareholders of COTCo. SMIL has initiated appropriate court and ICC arbitral proceedings to protect its interests as a shareholder in COTCo.

For further information, please refer to the Company's website www.savannah-energy.com or contact:

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The information contained within this announcement is considered to be inside information prior to its release, as defined in Article 7 of the Market Abuse Regulation No. 596/2014, as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended, and is disclosed in accordance with the Company's obligations under Article 17 of those Regulations.

About Savannah Energy:

Savannah Energy PLC is an AIM quoted British independent energy company focused around the delivery of *Projects that Matter* in Africa.

Operational Review

Nigeria

Average gross daily production was 12% higher in H1 2023 with an average of 25.3 Kboepd (H1 2022: 22.5 Kboepd).

In the first half of 2023 a number of new agreements have been concluded, including:

- An agreement with AMOCON for gas produced in the OML 156 sole risk petroleum lease area. Under the terms of the agreement, Accugas has agreed to purchase up to 20 MMscfpd of gas from AMOCON over the course of the next ten years for onward sale to our customers. Deliveries commenced in April 2023, with an average of approximately 18 MMscfpd of gas purchased from AMOCON since commencement to 30 June 2023;

- An extension of the contract with SPDC was signed for an additional 12-month period, whereby Accugas is supplying gas to SPDC for use in off-grid power generation at the Shell Industrial Area, Port Harcourt, Nigeria; and

- A new agreement with SNG for gas supplies which commenced post-period end in August 2023. SNG is a fully owned Shell PLC company, incorporated for the downstream distribution of gas to industries in Nigeria, and currently operates a gas transmission and distribution network of over 138 km, together with several distribution systems in Nigeria.

This strong momentum continued post-period end with additional contracts finalised, including:

- An extension of the agreement with CHGC for an additional 12-month period, whereby Accugas is supplying CHGC with up to 10 MMscfpd of gas on an interruptible basis. CHGC is a major gas distribution company situated in the South-South region of Nigeria, operating a 17 km gas pipeline infrastructure network providing natural gas to industrial and commercial customers in the Trans Amadi Industrial Area of Port Harcourt as well as the Greater Port Harcourt Area, Nigeria;

- An extension of the agreement with Notore for up to 10 MMscfpd was signed for an additional 12-month period, and post-period end deliveries from July to September have averaged more than twice this at 26.3 MMscfpd. Notore is a Nigeria-based integrated agro-allied, chemicals and infrastructure company located in the Onne Oil and Gas Free Zone area of Rivers State in southern Nigeria. Notore's primary business is the production of urea, ammonia and NPK blend fertilisers; and

- An extension of the agreement with FIPL was signed for an additional 12-month period, whereby Accugas is supplying FIPL's FIPL Afam, Eleme and Trans Amadi power stations with up to 65 MMscfpd of gas. FIPL is an affiliate company of the Sahara Group, a leading international energy and infrastructure conglomerate with operations in over 42 countries across Africa, the Middle East, Europe and Asia.

Savannah continues to progress its US$45 million compression project at the Uquo Central Processing Facility. Following the front-end engineering and the associated order of long lead items, detailed design work has commenced and is on track to be completed in Q4 2023. The compression project remains within budget and startup is planned for mid-2024.

Chad

As noted, nationalisation of the Chad Assets occurred on 31 March 2023. Average (gross) production from 9 December 2022 until 31 March 2023 was 29.3 Kbopd.

Cameroon

COTCo owns and operates the 903 km Cameroon oil export pipeline and the Kome Kribi 1 floating storage and offloading unit, which transport and store oil on behalf of its customers who are in turn charged a transportation tariff. During H1 2023, COTCo transported approximately 135,705 bopd, with 26 liftings completed on behalf of its customers.

Renewable Energy Division

The Renewable Energy division has made significant progress during the first half of the year, with up to 676 MW of renewable energy projects in motion. Savannah continues to advance towards its short-term target of having up to 1 GW+ of projects in motion and it is expected this will be achieved in mid-2024.

Bini a Warak Hydroelectric Project, Cameroon

Progress has continued on the Bini a Warak Hydroelectric Project since the signing of the Memorandum of Agreement with the Government of the Republic of Cameroon on 20 April 2023. The up to 75 MW project involves the construction of a hydroelectric dam on the Bini River, located in the northern Adamawa region of Cameroon, and is expected to increase current on-grid electricity generation in northern Cameroon by over 50%.

Savannah hosted a successful site visit in May 2023 for key stakeholders and distinguished guests, including representatives from the Ministry of Water Resources and Energy, H.E. Kildadi Taguieke Boukar, the Governor of the Adamawa Region, together with local paramount and village chiefs. A drone-based topographic survey has been completed and hydrological measurements have been restarted. Design optimisation will be completed during Q4 2023 as we work towards finalising the development and resumption of construction of the project. Project sanction is currently anticipated in 2024, with first power targeted in the 2027 to 2028 window.

Niger Projects

Savannah's up to 250 MW Parc Eolien de la Tarka wind farm project in Niger, which has the potential to increase Niger's on-grid electricity supply by over 40%, made significant progress in H1 2023. All key studies required to achieve project sanction (including wind measurement, environmental and social impact, grid integration, security, cartography, road and aviation studies) were either completed or made significant progress. The preliminary on-site wind speed data measurements have proven to be highly encouraging.

On 11 May 2023, Savannah announced the signing of an agreement for the development of two proposed solar photovoltaic power plants, with a combined installed power generation capacity of up to 200 MW. During H1 2023 site identification work was undertaken and a grid integration study initiated.

Sustainability

In line with our previous commitments, Savannah is today publishing our first disclosure report in accordance with the SASB which is available to download from our website here.

We continue to progress our 2023 sustainability performance measurement and reporting in line with our sustainability strategy.

Financial Review

The table below provides an overview of our results for H1 2023 with a comparison for H1 2022 (from continued operations, unless otherwise stated):

Financial highlights

	Six months ended 30 June 2023 US$ million	Six months ended 30 June 2022 US$ million
Total Revenues[1]	138.7	128.7
Adjusted EBITDA[2]	108.2	100.3
Revenue	123.7	85.8
Operating expenses plus administrative expenses[4]	27.4	24.5
Operating profit	37.3	27.9

The Group reports increased Total Revenues[1] of US$138.7 million and an increased Adjusted EBITDA[2] of US$108.2 million. The 8% increase in both metrics is a reflection of the quality of the assets in Nigeria where we see continued strong demand for gas supply.

The Group's operating profit was 33% higher than the prior year at US$37.3 million (H1 2022: US$27.9 million). The increase resulted from a combination of the increase in revenues resulting from strong customer offtake partially offset by a 12% increase in operating expenses plus administrative expenses[4]. The increase in these costs is a result of the investment being made to further enhance the resilience, reliability and efficiency of the Nigerian assets and to support the ongoing growth across the Group in both hydrocarbons and renewable energy.

Revenue

Revenue during the period was 44% higher than the comparable prior year period at US$123.7 million (H1 2022: US$85.8 million).

As previously highlighted, it is important to note the impact of take-or-pay accounting rules under IFRS 15 on our Income Statement as regards to revenue recognition for our gas sales agreements. The Revenue shown in the Condensed Consolidated Statement of Comprehensive Income includes only the gas, oil and condensate that has been delivered. The Total Revenues[1] of US$138.7 million (H1 2022: US$128.7 million) includes the volume of gas that customers are committed to pay for under the take-or-pay terms of the gas sales agreements, which includes gas that has been delivered plus gas invoiced but yet to be delivered, plus oil and condensate revenues.

Savannah continues to benefit from over US$3.7 billion of contracted future gas revenues in Accugas with annual price escalation clauses related to US consumer price inflation.

Cost of Sales, administrative and other operating expenses

Cost of sales amounted to US$35.5 million (H1 2022: US$33.1 million) which includes US$14.9 million (H1 2022: US$13.8 million) for facility operating and maintenance costs, US$2.7 million (H1 2022: US$2.9 million) royalty expenses and US$17.8 million (H1 2022: US$16.4 million) depletion and depreciation.

Administrative and other operating expenses for the period were US$14.3 million (H1 2022: US$11.7 million), which includes US$1.8 million (H1 2022: US$0.9 million) of depreciation and amortisation of intangibles. The increase in these costs was driven by the investment into new business activities and the increased scale of the business as it grows to support the operations across both hydrocarbons and renewable energy.

Adjusted EBITDA[2]

Adjusted EBITDA[2] increased to US$108.2 million (1H 2022: US$100.3 million) with the increase being driven by higher overall Total Revenues and continued strong management of costs.

Finance Costs

The increase in Finance costs to US$51.8 million (H1 2022: US$36.8 million) is a result primarily of higher underlying interest rates combined with an increase in average debt year-on-year and. The average interest rate was 13.4% (H1 2022: 10.7%) reflecting the higher US LIBOR rates during the period compared to prior period.

Foreign Exchange loss

Foreign exchange losses amounted to US$54.0 million (H1 2022: US$0.8 million). These losses are unrealised losses which occurred following the harmonisation of the various exchange rates which was implemented by the Central Bank of Nigeria in June. The impact of this decision saw the official Naira/US$ exchange rate move from approximately 460 to 755 at 30 June 2023 and this required Savannah to revalue its Naira denominated assets and liabilities at this new rate when preparing US$ denominated financial statements.

The principal Naira denominated asset on the balance sheet was cash and this reduced in US$ terms by US$66.5 million when it was translated. This was partially offset by the reduction in Naira denominated liabilities which included borrowings and trade payables.

Whilst the harmonisation resulted in a material unrealised loss, the Naira devaluation which has occurred will be positive overall as it is anticipated that this will lead to enhanced market liquidity which will assist with the Accugas debt refinancing process.

Cash flow

The cash flow results are for the consolidated group (including discontinued operations).

As noted above, cash balances reduced in the period to US$135.7 million. This reduction arose despite the strong operating performance during the period and was primarily due to a combination of debt repayments of US$74 million (H1 2022: US$30.5 million) and the unrealised foreign exchange loss following Naira exchange rate harmonisation of US$66.5 million (H1 2022: US$2.2 million). Capital and exploration expenditure for the period totalled US$4.2 million (H1 2022: US$14.0 million). During the period, Savannah also received US$44.9 million from SNH in relation to the sale of a 10% interest in COTCo.

Debt

The net debt at 30 June 2023 was US$443.4 million an increase of 9% from year-end position (31 December 2022: US$404.9 million). During the period US$74 million of debt was repaid however, there was an overall increase seen in net debt due to the revaluation of Naira cash balances (as discussed above). This has resulted in a marginal increase in leverage[5] from 1.8x to 1.9x.

Work continues on the proposed refinancing of the Accugas US$ debt facility (as was detailed in the 2022 Annual Report). A detailed term sheet has been executed with a consortium of lenders for the provision of a Naira-denominated Transitional Facility and it is anticipated this will be finalised in Q4 2023.

Discontinued Operations

As disclosed in the Group's 2022 Annual Report, the Republic of Chad passed a law on 31 March 2023 confirming the nationalisation of the Group's Chad Assets. Following this nationalisation, all of the Groups' operations for the Chad Assets have been recognised as discontinued operations in line with IFRS 5 for the current period. The net profit and total comprehensive profit from discontinued operations amounted to US$92.0 million, which is shown as a single line in the Condensed Consolidated Statement of Comprehensive Income. A breakdown of this is shown in Note 22 of the Notes to the Condensed Consolidated Interim Financial Statements.

COTCo

Following the period end, a dispute has arisen among the shareholders of COTCo. Savannah has initiated appropriate court and ICC arbitral proceedings to protect its rights under the relevant agreements.

Going Concern

The results have been presented on a going concern basis. Details of the Group's assessment of going concern for the period can be found in note 2.

Footnotes

[1] Total Revenues are defined as the total amount of invoiced sales during the period. This number is seen by management as more accurately reflecting the underlying cash generation capacity of the business as opposed to Revenue recognised in the Condensed Consolidated Statement of Comprehensive Income. A detailed explanation of the impact of IFRS 15 revenue recognition rules on our Consolidated Statement of Comprehensive Income is provided in the Financial Review section of the Annual Report and Accounts 2020.

[2] Adjusted EBITDA is calculated as profit or loss before finance costs, investment revenue, foreign exchange gains or losses, expected credit loss and other related adjustments, fair value adjustments, gain on acquisition, taxes, transaction and other related expenses, depreciation, depletion and amortisation and adjusted to include deferred revenue and other invoiced amounts. Management believes that the alternative performance measure of Adjusted EBITDA more accurately reflects the cash-generating capacity of the business.

[3] From continuing operations unless otherwise stated.

[4] Group operating expenses plus administrative expenses are defined as total cost of sales, administrative and other operating expenses excluding royalty and depletion, depreciation and amortisation and transaction costs.

[5] Leverage is defined as net debt/Adjusted EBITDA. For the 6-month period ended 30 June 2023, the Leverage calculation is prepared on a rolling 12-month basis.

INDEPENDENT REVIEW REPORT TO SAVANNAH ENERGY PLC

Qualified conclusion

We have reviewed the condensed set of financial statements of Savannah Energy plc (the "Company") included in the interim financial report for the six months ended 30 June 2023 which comprise the condensed consolidated statement of comprehensive income, the condensed consolidated balance sheet, the condensed consolidated statement of changes in equity, the condensed consolidated cash flow statement and the notes to the interim financial statements.

Except for the adjustments to the interim financial information of which we might have become aware of had it not been for the situation described below, based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information for the six months ended 30 June 2023 is not prepared, in all material respects, in a form consistent with that which will be adopted in the Company's annual accounts having regard to the accounting standards applicable to such annual accounts, and in accordance with the London Stock Exchange AIM Rules for Companies.

Basis for Qualified Conclusion

As explained in note 2, the impact of the Republic of Chad's nationalisation of the Group's interest in the Chad assets resulted in these assets being impaired and accounted for as a discontinued operation in the current period. The resulting accounting impact is included in the net profit and total comprehensive profit from discontinued activities in the income statement totalling $91.9m and is derived from the financial records and supporting documents that were available to the Group before the nationalisation date of 31 March 2023. The evidence available in respect of these assets was limited due to the Directors not being able to access all the underlying financial information, nor have access to the relevant Chad-based employees of the affected entities subsequent to 31 March 2023. This has a consequential impact on our ability to perform the required review procedures on this balance. Had we been able to complete our review of the balance of $91.9m presented as net profit and total comprehensive profit from discontinued operations, matters might have come to our attention indicating that adjustments might be necessary to the interim financial information.

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK), "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this interim financial report have been prepared in a form consistent with that which will be adopted in the Company's annual accounts having regard to the accounting standards applicable to such annual accounts.

Material uncertainty related to going concern

We draw attention to note 2 of the condensed set of financial statements which explains that the Group's ability to continue as a going concern is dependent on either the ongoing support from its lenders to amend the terms of the Accugas US$ debt facility or a refinancing of that the facility. As stated in note 2, these conditions, along with the other matters referred to in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410, however future events or conditions may cause the Group to cease to continue as a going concern.

Responsibilities of directors

The directors are responsible for preparing the interim financial report in accordance with the London Stock Exchange AIM Rules for Companies which require that the interim report be presented and prepared in a form consistent with that which will be adopted in the Company's annual accounts having regard to the accounting standards applicable to such annual accounts.

In preparing the interim financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the review of the financial information

In reviewing the interim report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the interim financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Qualified Conclusion paragraph of this report.

Use of our report

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the rules of the London Stock Exchange AIM Rules for Companies for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

DocuSigned by:

BDO LLP

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BDO LLP
Chartered Accountants
London
28 September 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2023

Continuing operations	Note	Six months ended 30 June 2023 US$'000 Unaudited	Six months ended 30 June 2022 US$'000 Unaudited
Revenue	4	**123,728**	85,847
Cost of sales	5	**(35,464)**	(33,127)
Gross profit		**88,264**	52,720
Administrative and other operating expenses		**(14,284)**	(11,686)
Transaction and other related expenses	6	**(2,833)**	(7,262)
Expected credit loss and other related adjustments	14	**(33,840)**	(5,918)
Operating profit	6	**37,307**	27,854
Finance income	7	**1,440**	273
Finance costs	8	**(51,752)**	(36,827)
Income related to associates	20	**3,580**	—
Fair value adjustment	9	**6,519**	(1,768)
Foreign translation loss	10	**(54,016)**	(846)
Loss before tax		**(56,922)**	(11,314)
Current tax expense	11	**(9,756)**	(2,793)
Deferred tax credit/(expense)	11	**21,489**	(6,438)
Tax credit/(expense)	11	**11,733**	(9,231)
Net loss and total comprehensive loss from continuing operations		**(45,189)**	(20,545)
Discontinued operations			
Profit after tax for the period from discontinued operations	22	**91,962**	—
Net profit/(loss) and total comprehensive profit/(loss)		**46,773**	(20,545)
Net profit/(loss) and total comprehensive profit/(loss) attributable to:			
Owners of the Company		**54,428**	(20,264)
Non-controlling interests		**(7,655)**	(281)
		46,773	(20,545)

		US cents	US cents
Loss per share for continuing operations			
Basic	12	**(3.09)**	(1.77)
Diluted	12	**(3.09)**	(1.77)
Profit/(loss) per share including discontinued operations			
Basic	12	**4.48**	(1.77)
Diluted	12	**4.48**	(1.77)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	30 June 2023 US$'000 Unaudited	31 December 2022 US$'000 Audited
Assets			
Non-current assets			
Property, plant and equipment	13	**508,449**	623,118
Intangible assets		**175,042**	183,013
Investments in associates	20	**142,105**	188,350
Deferred tax assets		**257,703**	234,666
Right-of-use assets		**3,136**	3,658
Restricted cash		**29**	28
Other non-current receivables		**9,981**	7,032
Total non-current assets		**1,096,445**	1,239,865
Current assets			
Inventory		**6,715**	40,374
Trade and other receivables	14	**278,365**	239,346
Cash at bank	15	**135,657**	240,888
Total current assets		**420,737**	520,608
Total assets		**1,517,182**	1,760,473
Equity and liabilities			
Capital and reserves			
Share capital		**1,835**	1,828
Share premium		**126,802**	124,819
Treasury shares		**(136)**	(136)
Other reserves		**531**	531
Share-based payment reserve		**9,900**	9,974
Retained earnings		**150,835**	96,407
Equity attributable to owners of the Company		**289,767**	233,423
Non-controlling interests		**2,991**	10,646
Total equity		**292,758**	244,069
Non-current liabilities			
Other payables	16	**2,104**	7,712
Borrowings	17	**155,565**	102,392
Lease liabilities		**3,194**	3,453
Deferred tax liabilities		**7,631**	27,607
Provisions		**68,936**	94,845
Contract liabilities	18	**321,138**	314,018
Total non-current liabilities		**558,568**	550,027
Current liabilities			
Trade and other payables	16	**98,315**	279,448
Borrowings	17	**423,462**	543,397
Interest payable	19	**109,634**	105,600
Tax liabilities		**14,896**	18,514
Lease liabilities		**1,757**	1,626
Contract liabilities	18	**17,792**	17,792
Total current liabilities		**665,856**	966,377
Total liabilities		**1,224,424**	1,516,404
Total equity and liabilities		**1,517,182**	1,760,473

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Note	Six months ended 30 June 2023 US$'000 Unaudited	Six months ended 30 June 2022 US$'000 Unaudited
Cash flows from operating activities:			
Profit/(loss) before tax including discontinued operations		**2,825**	**(11,314)**
Adjustments for:			
Depreciation		**1,805**	**914**
Depletion		**17,832**	**16,432**
Finance income		**(1,350)**	**(190)**
Finance costs	8	**51,752**	**36,827**
Income related to associates		**(4,155)**	—
Fair value adjustment		**(6,519)**	**1,768**
Unrealised foreign exchange loss/(gain)	10	**54,689**	**(99)**
Share option (credit)/charge		**(74)**	**336**
Expected credit loss and other related adjustments	14	**33,840**	**5,918**
Impairment loss on discontinued operations	22	**12,350**	—
Operating cash flows before movements in working capital		**162,995**	**50,592**
Increase in inventory		**(1,521)**	**(1,357)**
Increase in trade and other receivables		**(83,517)**	**(40,703)**
Decrease in trade and other payables		**(54,209)**	**(6,389)**
Increase in contract liabilities		**1,843**	**40,765**
Income tax paid		**(1,975)**	**(1,024)**
Net cash generated from operating activities		**23,616**	**41,884**
Cash flows from investing activities:			
Interest received		**668**	**171**
Payments for property, plant and equipment		**(2,379)**	**(9,104)**
Payments for exploration and evaluation assets		**(1,824)**	**(4,888)**
Acquisition deposits		—	**(14,648)**
Proceeds from disposal		**44,900**	—
Loans provided to third parties		**(2,512)**	**(1,067)**
Cash transferred from/(to) debt service accounts		**83,633**	**(32,186)**
Lessor receipts		**147**	**196**
Net cash generated from/(used in) investing activities		**122,633**	**(61,526)**
Cash flows from financing activities:			
Finance costs		**(29,099)**	**(24,758)**
Proceeds from issues of equity shares, net of issue costs		**2,013**	**61,141**
Sale of Treasury shares		—	**73**
Borrowing proceeds	19	—	**12,810**
Borrowing repayments	19	**(73,783)**	**(30,545)**
Lease payments	19	**(484)**	**(527)**
Net cash (used in)/generated from financing activities		**(101,353)**	**18,194**
Net increase/(decrease) in cash and cash equivalents		**44,896**	**(1,448)**
Effect of exchange rate changes on cash and cash equivalents		**(66,493)**	**(2,214)**
Cash and cash equivalents at beginning of period		**104,147**	**45,739**
Cash and cash equivalents at end of period	15	**82,550**	**42,077**
Amounts held for debt service at end of period	15	**53,107**	**139,091**
Cash at bank at end of period	15	**135,657**	**181,168**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Share capital US$'000	Share premium US$'000	Treasury shares US$'000	Other reserves US$'000	Share-based payment reserve US$'000	Retained earnings US$'000	Equity attributable to the owners of the Company US$'000	Non-controlling interest US$'000	Total equity US$'000
Balance at 1 January 2023 (audited)	**1,828**	**124,819**	**(136)**	**531**	**9,974**	**96,407**	**233,423**	**10,646**	**244,069**
Profit/(loss) for the period	—	—	—	—	—	54,428	54,428	(7,655)	46,773
Total comprehensive profit/(loss) for the period	**—**	**—**	**—**	**—**	**—**	**54,428**	**54,428**	**(7,655)**	**46,773**
Transactions with shareholders:									
Equity-settled share-based payments	—	—	—	—	(74)	—	(74)	—	(74)
Issue of shares, net of costs	7	1,983	—	—	—	—	1,990	—	1,990
Balance at 30 June 2023 (unaudited)	**1,835**	**126,802**	**(136)**	**531**	**9,900**	**150,835**	**289,767**	**2,991**	**292,758**

	Share capital US$'000	Share premium US$'000	Shares to be issued US$'000	Treasury shares US$'000	Other reserves US$'000	Share-based payment reserve US$'000	Retained earnings US$'000	Equity attributable to the owners of the Company US$'000	Non-controlling interest US$'000	Total equity US$'000
Balance at 1 January 2022 (audited)	1,409	61,204	63,956	(58)	458	8,706	157,221	292,896	13,842	306,738
Loss for the period	—	—	—	—	—	—	(20,264)	(20,264)	(281)	(20,545)
Total comprehensive loss for the period	—	—	—	—	—	—	(20,264)	(20,264)	(281)	(20,545)
Transactions with shareholders:										
Equity-settled share-based payments	—	—	—	—	—	336	—	336	—	336
Issue of shares, net of costs	340	63,693	(63,956)	(77)	—	—	—	—	—	—
Sale of treasury shares	—	—	—	—	73	—	—	73	—	73
Issue of warrants	—	—	—	—	7,850	—	—	7,850	—	7,850
Balance at 30 June 2022 (unaudited)	**1,749**	**124,897**	**—**	**(135)**	**8,381**	**9,042**	**136,957**	**280,891**	**13,561**	**294,452**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. General information

Savannah Energy PLC (“Savannah” or “the Company”) was incorporated in England and Wales on 3 July 2014. The condensed consolidated financial statements of Savannah and its subsidiaries (together the “Group”) for the six months ended 30 June 2023 were approved and authorised for issuance by the board of directors on 28 September 2023.

The Group’s principal activities are the exploration, development and production of natural gas and crude oil and development of other energy related projects in Africa.

The Company is domiciled in the England for tax purposes and its shares were listed on the Alternative Investment Market (“AIM”) of the London Stock Exchange on 1 August 2014. The Company’s registered address is 40 Bank Street, London, E14 5NR.

2. Accounting policies

Basis of Preparation
The condensed set of financial statements included in this interim financial report have been prepared in a form consistent with that which will be adopted in the Company's annual accounts having regard to the accounting standards applicable to such annual accounts, and in accordance with the London Stock Exchange AIM Rules for Companies. The provisions of IAS 34: Interim Financial Reporting have not been applied.

The interim condensed consolidated financial statements do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Group’s 2022 Annual Report and audited financial statements for the year ended 31 December 2022 (“the Group’s 2022 Annual Report”). The financial information for the six months ended 30 June 2023 does not constitute statutory accounts within the meaning of Section 434(3) of the Companies Act 2006 and is unaudited.

The annual financial statements of Savannah for the year ended 31 December 2022 were prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006. The Independent Auditors' Report on the Group’s 2022 Annual Report contained a disclaimer of opinion and as such contained a statement under 498(2) or 498(3) of the Companies Act 2006.

The Group’s statutory financial statements for the year ended 31 December 2022 have been filed with the Registrar of UK Companies’.

All the Group’s subsidiaries’ functional currency is US Dollars (“US$”), and the consolidated financial statements are presented in US Dollars and all values are rounded to the nearest thousand (US$’000), except when otherwise stated.

The financial information presented herein has been prepared in accordance with the accounting policies used in preparing the Group’s 2022 Annual Report. There are no other new or amended standards or interpretations adopted from 1 January 2023 that have a significant impact on the interim financial information.

As previously disclosed in the Group’s 2022 Annual Report, the Republic of Chad nationalised the Group’s interests in Chad owned by its subsidiaries, Savannah Chad Inc (“SCI”) and Savannah Midstream Investment Limited (“SMIL”), (the “Chad Assets”) by way of a law passed on 31 March 2023 (the Nationalisation”). This confirmed an announcement of the President of Chad of 23 March 2023. As a result of the Nationalisation, the Group has not been able to fully access all the underlying financial information, nor have access to the relevant Chad-based employees of the affected entities SCI and SMIL in order to prepare the financial information for audit purposes to be consolidated into the Group’s financial statements for the year ended 31 December 2022 and for the unaudited interim condensed consolidated financial statements for the six months ended 30 June 2023.

As stated in the Group’s 2022 Annual Report, as a result of the Nationalisation, the activities of the Chad Assets will be considered as a discontinued operation in accordance with IFRS 5 – Non-current Assets for Sale and discontinued operations from 31 March 2023 and this will be reflected in the Group Financial Statements for the year ending 31 December 2023 and for the unaudited condensed consolidated financial statements for the six months ended 30 June 2023. This is without prejudice to Group’s claims for compensation in respect of the Nationalisation. More detail of the discontinued operations is set out at Note 22 of this report.

Despite the limitation noted above, the financial information that has been disclosed for the Chad Assets in the period was primarily sourced from bank statements and any financial records and supporting documents that were available before the date of Nationalisation. Given the limited information available, the Directors considered the best way to record and present transactions during the period and agreed that the most reliable basis to record any transactions was on a cash accounting basis supported by bank statements. During the period there was an oil lifting which resulted in a cash inflow and this was recorded within revenue within discontinued operations. For cash out flows, these were mainly considered to be settlement of outstanding payables.

Included within discontinued operations is an impairment of the net balance sheet position as at the date of Nationalisation, on the basis that the Republic of Chad nationalised all the interests and rights pertaining to the Chad Assets. Also, included within the Chad Assets is the Group's interest in TOTCo held as an equity investment. This investment has also been fully impaired. Note 23 sets out the position of any potential contingent liabilities in connection with Chad Assets and the Nationalisation.

Going concern

The Group continues to trade strongly with revenues increasing significantly over the same period last year. The Group's cash balance amounted to US$135.7 million at the reporting date and a significant volume of receivables are anticipated to be collected from customers during over the next year. The Directors have considered the factors relevant to support a statement of going concern; in assessing the going concern assumption the Directors have reviewed the Group's forecasted cash flows as well as the funding requirements of the Group for at least the 12-month period from the date of publication of this Interim Report.

This forecast was prepared on a "bottom-up" basis, at each major asset and corporate level, and it reflects the Group's best estimate of costs and revenues for the period. The capital expenditure and operating costs used in this forecast are initially based on the Group's approved corporate budget, and then revised for expected trading performance, customer demand, timing of capital expenditures, debt refinancing and any new corporate transactions that have an impact on the Group's cash flows. The principal assumptions made in relation to the going concern assessment relate to the timely payments of our gas invoices by our customers, the forecast commodity oil price environment and continued access to FX markets (specifically in relation to financing of US Dollar denominated costs and the refinancing of the Accugas US$ Facility).

A detailed credit-approved term sheet has been executed with lenders for a new Naira denominated debt facility (the "Transitional Facility"). Whilst the process continues apace, Accugas did not have a long-dated extension for the refinancing process at the reporting date beyond the period of the going concern review. As such the balance outstanding of the Accugas US$ Facility continues to be reflected within current borrowings until the Transitional Facility is in place. The Group remains highly confident that the Group will continue to access the FX markets as required to maintain its operational needs and following the harmonisation of the exchange rates conducted by the Central Bank of Nigeria in June 2023 (and the unrealised foreign exchange loss which resulted from the resulting devaluation) increased liquidity has seen in the FX markets. Notwithstanding, a minimal risk exists that the Group may not be able to continue to do so and/or Accugas may not be able to complete its planned debt financing or to continue to receive support from its lenders to amend the Accugas US$ Facility to defer conversion of Naira balances to US Dollars. These facts indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue to apply the going concern basis of accounting.

The Directors are confident in the Group's forecast and have a reasonable expectation that the Group will continue in operational existence for the going concern assessment period and believe it is appropriate to continue to adopt the going concern basis in preparing these consolidated financial statements. As mentioned above, it is recognised there is a material uncertainty, however, this has not altered the Directors view on the basis of preparation as a going concern.

3. Segmental reporting

For the purposes of resource allocation and assessment of segment performance, the operations of the Group are divided into four segments: three geographical locations and an Unallocated segment. The current geographical segments are Nigeria, Cameroon and Niger. All these geographical segments' principal activities are exploration, development and extraction of oil and gas. The Unallocated segment's principal activities are the governance and financing of the Group, as well as undertaking business development opportunities. Items not included within Operating profit/(loss) are reviewed at a Group level and therefore there is no segmental analysis for this information.

The following is an analysis of the Group's continuing operations results by reportable segment for the six months ended 30 June 2023:

	Nigeria US$'000 Unaudited	Niger US$'000 Unaudited	Unallocated US$'000 Unaudited	Total US$'000 Unaudited
Revenue	123,728	—	—	123,728
Cost of sales[1]	(35,150)	(120)	(194)	(35,464)
Gross profit	**88,578**	**(120)**	**(194)**	**88,264**
Administrative and other operating expenses	(3,748)	(107)	(10,429)	(14,284)
Transaction and other related expenses	—	—	(2,833)	(2,833)
Expected credit loss and other related adjustments	(33,840)	—	—	(33,840)
Operating profit/(loss)	**50,990**	**(227)**	**(13,456)**	**37,307**
Finance income				1,440
Finance costs				(51,752)
Income related to associates				3,580
Fair value adjustment				6,519
Foreign translation loss				(54,016)
Loss before tax				**(56,922)**
Segment depreciation, depletion and amortisation	**19,030**	**112**	**495**	**19,637**
Segment non-current asset additions[2]	**2,816**	**3,211**	**29**	**6,056**

1. Refer to Note 5 for items included within Cost of Sales.
2. Includes Third party investments, Property, plant and equipment, Exploration and evaluation assets and Right-of-use assets.

The following is an analysis of the Group's results by reportable segment for the six months ended 30 June 2022:

	Nigeria US$'000 Unaudited	Niger US$'000 Unaudited	Unallocated US$'000 Unaudited	Total US$'000 Unaudited
Revenue	85,847	—	—	85,847
Cost of sales[1]	(33,127)	—	—	(33,127)
Gross profit	**52,720**	**—**	**—**	**52,720**
Administrative and other operating expenses	(3,446)	(972)	(7,268)	(11,686)
Transaction and other related expenses	—	—	(7,262)	(7,262)
Expected credit loss and other related adjustments	(5,918)	—	—	(5,918)
Operating profit/(loss)	**43,356**	**(972)**	**(14,530)**	**27,854**
Finance income				273
Finance costs				(36,827)
Fair value adjustment				(1,768)
Foreign translation loss				(846)
Loss before tax				**(11,314)**
Segment depreciation, depletion and amortisation	**16,890**	**132**	**323**	**17,345**
Segment non-current assets additions[2]	**1,862**	**5,035**	**4,101**	**10,998**

1. Refer to Note 5 for items included within Cost of Sales.
2. Includes Third party investments, Property, plant and equipment, Exploration and evaluation assets and Right-of-use assets.

The following is an analysis of the Group's financial position by reportable segment for continuing operations as at 30 June 2023:

	Nigeria US$'000 Unaudited	Cameroon US$'000 Unaudited	Niger US$'000 Unaudited	Unallocated US$'000 Unaudited	Total US$'000 Unaudited
Non-Current assets					
Property, plant and equipment	506,851	—	1,155	443	508,449
Intangible assets	3,337	—	170,873	832	175,042
Investments in associates	—	142,105	—	—	142,105
Deferred tax assets	257,703	—	—	—	257,703
Right-of-use assets	1,316	—	—	1,820	3,136
Restricted cash	29	—	—	—	29
Other non-current assets	2,500	—	—	7,481	9,981
Total non-current assets	**771,736**	**142,105**	**172,028**	**10,576**	**1,096,445**
Current assets					
Inventory	6,715	—	—	—	6,715
Trade and other receivables	244,450	1,250	43	32,622	278,365
Cash at bank	98,199	—	1,185	36,273	135,657
Total current assets	**349,364**	**1,250**	**1,228**	**68,895**	**420,737**
Total assets	**1,121,100**	**143,355**	**173,256**	**79,471**	**1,517,182**
Non-current liabilities					
Other payables	2,104	—	—	—	2,104
Borrowings	101,978	53,587	—	—	155,565
Lease liabilities	835	—	—	2,359	3,194
Deferred tax liabilities	7,631	—	—	—	7,631
Provisions	67,172	—	1,764	—	68,936
Contract liabilities	321,138	—	—	—	321,138
Total non-current liabilities	**500,858**	**53,587**	**1,764**	**2,359**	**558,568**
Current liabilities					
Trade and other payables	40,351	—	17,071	40,893	98,315
Borrowings	352,526	58,529	12,407	—	423,462
Interest payable	102,378	—	7,256	—	109,634
Tax liabilities	14,896	—	—	—	14,896
Lease liabilities	815	—	—	942	1,757
Contract liabilities	17,792	—	—	—	17,792
Total current liabilities	**528,758**	**58,529**	**36,734**	**41,835**	**665,856**
Total liabilities	**1,029,616**	**112,116**	**38,498**	**44,194**	**1,224,424**

The following is an analysis of the Group's financial position by reportable segment as at 31 December 2022:

	Nigeria	Cameroon	Niger	Unallocated	Sub-total	Chad[1]	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'00 0	US$'000
	Audited	Audited	Audited	Audited	Audited	Audited	Audited
Property, plant and equipment	501,387	—	1,180	488	503,055	120,063	623,118
Exploration and evaluation assets	4,072	—	169,242	792	174,106	8,907	183,013
Investments in associates	—	183,425	—	—	183,425	4,925	188,350
Deferred tax assets	228,582	—	—	—	228,582	6,084	234,666
Right-of-use assets	1,621	—	—	2,037	3,658	—	3,658
Restricted cash	28	—	—	-	28	—	28
Other non-current assets	—	—	—	7,032	7,032	—	7,032
Total non-current assets	**735,690**	**183,425**	**170,422**	**10,349**	**1,099,886**	**139,979**	**1,239,865**
Current assets							
Inventory	5,194	—	—	—	5,194	35,180	40,374
Trade and other receivables	188,881	379	24	37,669	226,953	12,393	239,346
Cash at bank	205,456	—	1,441	33,991	240,888	—	240,888
Total current assets	**399,531**	**379**	**1,465**	**71,660**	**473,035**	**47,573**	**520,608**
Total assets	**1,135,221**	**183,804**	**171,887**	**82,009**	**1,572,921**	**187,552**	**1,760,473**
Non-current liabilities							
Other payables	3,225	—	—	—	3,225	4,487	7,712
Borrowings	102,392	—	—	—	102,392	—	102,392
Lease liabilities	835	—	—	2,618	3,453	—	3,453
Deferred tax liabilities	—	—	—	—	—	27,607	27,607
Provisions	44,444	—	1,622	—	46,066	48,779	94,845
Contract liabilities	314,018	—	—	—	314,018	—	314,018
Total non-current liabilities	**464,914**	**—**	**1,622**	**2,618**	**469,154**	**80,873**	**550,027**
Current liabilities							
Trade and other payables	43,935	18	17,372	60,804	122,129	157,319	279,448
Borrowings	369,110	162,023	12,264	—	543,397	—	543,397
Interest payable	98,582	1,243	5,775	—	105,600	—	105,600
Tax liabilities	7,824	—	—	—	7,824	10,690	18,514
Lease liabilities	755	—	—	871	1,626	—	1,626
Contract liabilities	17,792	—	—	—	17,792	—	17,792
Total current liabilities	**537,998**	**163,284**	**35,411**	**61,675**	**798,368**	**168,009**	**966,377**
Total liabilities	**1,002,912**	**163,284**	**37,033**	**64,293**	**1,267,522**	**248,882**	**1,516,404**

[1] Refer to the Note 2, Accounting Policies – Basis of Preparation; Note 22, Discontinued operations and Note 23, Contingent Liabilities, which collectively sets out the Company's position with respect to the Chad Assets.

4. Revenue

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Six months ended 30 June	**2023 US$'000 Unaudited**	**2022 US$'000 Unaudited**
Gas sales	**115,887**	72,629
Oil and condensates sales	**7,841**	13,218
Revenue from contracts with customers	**123,728**	85,847

Gas sales represents gas deliveries made to the Group's customers under gas sale agreements. The Group sells oil and condensates at prevailing market prices.

Included within Revenue from contracts with customers is revenue of US$101.5 million (30 June 2022: US$83.8 million) relating to two (30 June 2022: four) of the Group's customers who each contribute more than 10% of revenue US$78.1 million, and US$23.4 million respectively (30 June 2022: US$36.6 million, US$21.7 million, US$13.2 million, and US$12.3 million respectively).

5. Cost of sales

Six months ended 30 June	**2023 US$'000 Unaudited**	**2022 US$'000 Unaudited**
Depletion – oil and gas, and infrastructure assets (Note 13)	**17,832**	16,432
Facility operation and maintenance costs	**14,928**	13,770
Royalties	**2,704**	2,925
	35,464	33,127

6. Operating profit

Operating profit has been arrived at after charging:

Six months ended 30 June	**2023 US$'000 Unaudited**	**2022 US$'000 Unaudited**
Staff costs	**18,275**	11,896
Depreciation – other assets (Note 13)	**261**	370
Depreciation – right-of-use assets	**522**	544
Amortisation of intangibles	**1,021**	—
Transaction and other related expenses[1]	**2,833**	7,262

1. Prior period Transaction and other related expenses pertain to costs incurred in respect to the Group's acquisition of the Chad and Cameroon Assets, integration and IT activities and other business development opportunities. Current period Transaction and other related expenses relate to costs incurred as part of the Group's proposed acquisition of assets in South Sudan and other business development opportunities.

7. Finance income

Six months ended 30 June	**2023 US$'000 Unaudited**	**2022 US$'000 Unaudited**
Lease income	**11**	19
Bank interest income	**666**	161
Other interest income	**763**	93
	1,440	273

8. Finance costs

Six months ended 30 June	2023 US$'000 Unaudited	2022 US$'000 Unaudited
Interest on bank borrowings and loan notes	**41,350**	27,949
Amortisation of balances measured at amortised cost[1]	**5,667**	3,898
Unwinding of decommissioning discount	**2,119**	2,749
Interest expense on lease liabilities	**136**	201
Bank charges & other finance costs	**2,480**	2,030
	51,752	36,827

1. Includes amounts due to unwinding of a discount on a long-term payable, contract liabilities (Note 18) and amortisation of debt fees.

9. Fair value adjustment

During 2019 the Group issued a Senior Secured Note of US$20 million that includes a voluntary prepayment option whereby early repayment will result in a discount to the contractual loan value. As an embedded derivative, the option has been separated from the host loan instrument and valued separately and accounted for as fair value through profit or loss ("FVTPL"). As at 30 June 2023 the option value was approximately US$2.3 million (31 December 2022 audited: US$2.8 million), resulting in a charge of US$0.5 million (30 June 2022: gain of US$1.8 million). The decrease in the option value was due to a worsening in credit bond spreads observed during the period as well as an increase in market expectations around interest rates.

Warrants (recognised as a financial instrument), were issued to LCP4L on 24 January 2022. The financial liability is valued at each reporting period with the changes in the fair value being recognised in the Consolidated Statement of Comprehensive Income. The warrants were valued using a European option pricing model with a value as at 30 June 2023 of US$20.2 million (31 December 2022 audited; US$19.7 million), resulting in a charge of US$0.5 million.

Contingent consideration relates to oil-price related contingent payments which arose from the acquisition of the Chad and Cameroon assets. This amount was measured at fair value at the completion date and is remeasured at fair value at every reporting date. As discussed in Note 2, due to the Nationalisation of the Chad Assets by the Chad Government, the remaining value of this consideration was fair valued to nil and resulted in a gain of US$9.2 million.

During the reporting period, the Group entered into hedging arrangements to provide protection against adverse oil price movements. The option was not exercised prior to expiry and the premiums were fair valued to nil resulting in a fair value loss of US$1.7 million through the profit and loss.

10. Foreign translation loss

Six months ended 30 June	2023 US$'000 Unaudited	2022 US$'000 Unaudited
Realised (gain)/loss	**(673)**	945
Unrealised loss/(gain)	**54,689**	(99)
	54,016	846

Unrealised loss relates to the revaluation of monetary items held in currencies other than US Dollars. During the six months ended 30 June 2023, the Nigerian Naira materially devalued against the US Dollar which created an unrealised loss on monetary items held in Naira.

11. Taxation

The tax expense/(credit) for the Group is:

Six months ended 30 June	2023 US$'000 Unaudited	2022 US$'000 Unaudited
Current tax		-
- Adjustments in respect of prior years	**(42)**	(1,126)
- Current year	**9,798**	3,919
	9,756	2,793
Deferred tax		
- Adjustments in respect of prior years	**(989)**	193
- Write down and reversal of previous write downs of deferred tax assets	**5,300**	4,353
- Origination and reversal of temporary differences	**(25,800)**	1,892
	(21,489)	6,438
Total tax (credit)/expense for the period	**(11,733)**	9,231

Income tax expense is recognised based on the actual results for the period.

The tax credit for the period of US$11.7 million (30 June 2022: charge of US$9.2 million) is made up of a current tax charge of US$9.8 million (30 June 2022: US$2.8 million) and a deferred tax credit of US$21.5 million (30 June 2022: charge of US$6.4 million). The current tax charge principally arises on Nigerian profits.

The deferred tax credit during the period principally relates to the ECLs and unrealised foreign exchange losses, which are expected to be reversed in line with expected forecasts.

12. Profit/(loss) per share

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

Diluted earnings per share amounts are calculated by dividing the profit or loss for the periods attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period, plus the weighted average number of shares that would be issued on the conversion of dilutive potential ordinary shares into ordinary shares.

As there is a profit attributable to the owners of the Company for the six months ended 30 June 2023, the diluted weighted average number of shares has been calculated. In the comparative period, the basic average number of shares was used to calculate the diluted loss per share given there is a loss attributable to the owners of the Company, meaning the diluted weighted average number of shares reduces the loss per share. Therefore, the basic weighted average number of shares was used to calculate the diluted loss per share.

The weighted average number of shares outstanding excludes treasury shares of 99,858,893 (30 June 2022: 99,858,893).

Six months ended 30 June	2023 Unaudited US$'000	2022 Unaudited US$'000
Loss from continuing operations	**(45,189)**	(20,545)
Loss attributable to owners of the Company[1]	**(37,534)**	(20,264)
Loss attributable to non-controlling interests	**(7,655)**	(281)

1. The earnings per share calculation only takes into account profit/(loss) attributed to owners of the Company.

	Number of shares	Number of shares
Basic weighted average number of shares	**1,214,693,115**	1,142,656,405
Add: employee share options	**63,727,684**	5,243,720
Diluted weighted average number of shares	**1,278,420,799**	1,147,900,125

	US cents	US cents
Loss per share for continuing operations		
Basic loss per share	**(3.09)**	(1.77)
Diluted loss per share	**(3.09)**	(1.77)

23,853,457 options granted under share option schemes are not included in the calculation of diluted earnings per share because they are anti-dilutive for the six months ended 30 June 2023 (30 June 2022: 50,233,574). These options could potentially dilute basic earnings per share in the future.

To calculate the EPS inclusive of discontinued operations (Note 21), the weighted average number of ordinary shares
for both the basic and diluted EPS is as per the table above. The following table provides the profit/(loss) amount in addition to the above used:

Six months ended 30 June	**2023 Unaudited US$'000**	**2022 Unaudited US$'000**
Profit/(loss) for the period including discontinued operations		
Profit/(loss) attributable to owners of the Company	**54,428**	(20,264)

	US cents	US cents
Profit/(loss) per share including discontinued operations		
Basic profit/(loss) per share	**4.48**	(1.77)
Diluted profit/(loss) per share	**4.48**	(1.77)

13. Property, plant and equipment

	Oil and gas assets US$'000	**Infrastructure assets US$'000**	**Other assets US$'000**	**Total US$'000**
Cost				
Balance at 1 January 2022 (audited)	197,768	446,128	4,924	648,820
Additions	896	1,068	478	2,442
Transfer to intangible assets	—	—	(390)	(390)
Recognised on acquisition of subsidiary	121,672	—	—	121,672
Decommissioning remeasurement adjustment	(5,162)	(24,856)	—	(30,018)
Balance at 31 December 2022 (audited)	315,174	422,340	5,012	742,526
Additions	355	2,523	85	2,963
Transfer to discontinued operations	(121,672)	—	—	(121,672)
Decommissioning remeasurement adjustment	2,027	18,611	—	20,638
Balance at 30 June 2023 (unaudited)	**195,884**	**443,474**	**5,097**	**644,455**
Accumulated depreciation				
Balance at 1 January 2022 (audited)	(37,069)	(40,891)	(2,659)	(80,619)
Transfer to intangibles	—	—	231	231
Depletion and depreciation charge	(22,176)	(16,227)	(617)	(39,020)
Balance at 31 December 2022 (audited)	(59,245)	(57,118)	(3,045)	(119,408)
Depletion and depreciation charge	(10,618)	(7,214)	(261)	(18,093)
Transfer to discontinued operations	1,495	—	—	1,495
Balance at 30 June 2023 (unaudited)	**(68,368)**	**(64,332)**	**(3,306)**	**(136,006)**
Net book value				
1 January 2022 (audited)	160,699	405,237	2,265	568,201
31 December 2022 (audited)	255,929	365,222	1,967	623,118
30 June 2023 (unaudited)	**127,516**	**379,142**	**1,791**	**508,449**

Upstream assets principally comprise the well and field development costs relating to the Uquo and Stubb Creek oil and gas fields in Nigeria. Infrastructure assets principally comprise the Nigerian midstream assets associated with the Group's network of gas transportation pipelines, oil and gas processing facilities and gas receiving facilities. Other assets include vehicles, office equipment (including IT software) and building improvements.

Decommissioning remeasurement adjustments reflect updated cost estimates for the year. The new asset values will be depreciated over the remaining life of the respective assets.

Each year, management performs a review of each CGU to identify potential impairment triggers. During 6 months ended 30 June 2023 and the year ended 31 December 2022, no such triggers were identified.

14. Trade and other receivables

	30 June 2023 US$'000 Unaudited	31 December 2022 US$'000 Audited
Trade receivables	**332,442**	244,288
Receivables from a joint arrangement	**6,834**	8,673
Other financial assets	**3,227**	11,518
	342,503	264,479
Expected credit loss	**(102,680)**	(68,840)
	239,823	195,639
Loan receivable	**2,210**	2,194
VAT receivable	**1,289**	1,385
Prepayments and other receivables	**35,043**	40,128
	278,365	239,346

The following has been recognised in the Condensed Statement of Comprehensive Income relating to expected credit losses for the period:

Six months ended 30 June	2023 US$'000 Unaudited	2022 US$'000 Unaudited
Provision of expected credit losses	**33,840**	5,918
Expected credit loss and other related adjustments	**33,840**	5,918

15. Cash at bank

	30 June 2023 US$'000 Unaudited	31 December 2022 US$'000 Audited
Cash and cash equivalents	**82,550**	104,147
Amounts held for debt service	**53,107**	136,741
	135,657	240,888

Cash and cash equivalents includes US$1.3 million (31 December 2022: US$1.2 million) of cash collateral on the Orabank revolving facility. The cash collateral was at a value of XOF760.3 million (31 December 2022: XOF750.9 million).

Amounts held for debt service represents Naira denominated cash balances which are held by the Group for debt service, and this has been separately disclosed from Cash and cash equivalents.

16. Trade and other payables

	30 June 2023 US$'000 Unaudited	31 December 2022 US$'000 Audited
Trade payables	**28,551**	159,068
Accruals	**24,612**	50,045
VAT and WHT payable	**15,945**	16,229
Royalty and levies	**6,051**	5,542
Employee benefits	**42**	71
Contingent consideration	—	14,680
Financial liability	**20,207**	19,739
Other payables	**2,907**	14,074
	98,315	279,448
Other payables – non-current		
Employee benefits	**2,104**	7,712
	2,104	7,712
	100,419	287,160

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

17. Borrowings

	30 June 2023 US$'000 Unaudited	31 December 2022 US$'000 Audited
Revolving credit facility	**12,432**	11,223
Bank loans	**347,162**	367,249
Senior Secured Notes	**93,251**	91,383
Other loan notes	**126,182**	175,934
	579,027	645,789

	30 June 2023 US$'000 Unaudited	31 December 2022 US$'000 Audited
Current borrowings	**423,462**	543,397
Non-current borrowings	**155,565**	102,392
	579,027	645,789

18. Contract liabilities

Contract liabilities represent the value of gas supply commitment to the Group's customers for gas not taken but invoiced under the terms of the contracts. The amount has been analysed between current and non-current, based on the customers' expected future usage gas delivery profile. This expected usage is updated periodically with the customer.

	30 June 2023 US$'000 Unaudited	31 December 2022 US$'000 Audited
Amount due for delivery within 12 months	**17,792**	17,792
Amount due for delivery after 12 months	**321,138**	314,018
	338,930	331,810

	30 June 2023 US$'000 Unaudited	31 December 2022 US$'000 Audited
As at 1 January	**331,810**	239,510
Additional contract liabilities	**16,543**	101,117
Contract liabilities utilised	**(14,700)**	(13,461)
Unwinding of discount on contract liabilities	**5,277**	4,644
As at end of period	**338,930**	331,810

The unwinding of the discount on contract liabilities relates to the fair value adjustments made under IFRS 3: Business Combinations following the acquisition of the Nigerian assets and entities in 2019. The fair value adjustment was calculated as the discounted, expected cost of the future deliveries of gas volumes under the terms of customer take-or-pay contracts. This discounted amount unwinds relative to an apportioned amount of the contract liabilities volumes at the date of acquisition that have subsequently been utilised.

19. Cash flow reconciliations

The changes in the Group's liabilities arising from financing activities can be classified as follows:

	Borrowings US$'000	Interest payable US$'000	Lease liabilities US$'000	Total US$'000
At 1 January 2023 (audited)	645,789	105,600	5,079	756,468
Cash flows				
Repayment	(73,783)	(28,545)	(484)	(102,812)
	(73,783)	(28,545)	(484)	(102,812)
Non-cash adjustments				
Payment in kind adjustment/accretion of interest	9,723	32,694	136	42,553
Net debt fees	56	—	—	56
Borrowing fair value adjustments	543	—	—	543
Working capital movements	—	—	80	80
Foreign translation	(3,301)	(115)	140	(3,276)
Balance at 30 June 2023 (unaudited)	**579,027**	**109,634**	**4,951**	**693,612**

	Borrowings US$'000	Interest payable US$'000	Lease liabilities US$'000	Total US$'000
At 1 January 2022 (audited)	524,245	80,101	6,783	611,129
Cash flows				
Repayment	(30,545)	(21,050)	(527)	(52,122)
Proceeds	12,810	—	—	12,810
Realised loss on loan repayment	33	—	—	33
	(17,702)	(21,050)	(527)	(39,279)
Non-cash adjustments				
Payment in kind adjustment/accretion of interest	3,764	26,502	201	30,467
Net debt fees	(1,236)	—	—	(1,236)
Borrowing fair value adjustments	1,768	—	—	1,768
Working capital movements	—	—	107	107
Foreign translation	(913)	3	(453)	(1,363)
Balance at 30 June 2022 (unaudited)	**509,926**	**85,556**	**6,111**	**601,593**

20. Investments in associates

The Group holds investments in two midstream pipeline entities in Chad and Cameroon used for the distribution of oil to the market from oil fields in Chad. In addition, the Cameroon entity operates a floating storage and offloading ("FSO") facility which stores the transported oil for delivery to oil tankers. Further details about the entities are shown below:

Name	**Principal place of business**	**30 June 2023 Group shareholding**	**31 December 2022 Group shareholding**
COTCo	Cameroon	*41.06%	41.06%
TOTCo	Chad	—	40.19%

(a) Income related to associates

Income related to associates relates to COTCo, from continuing operations:

Six months ended 30 June	COTCo 2023 US$'000 Unaudited	COTCo 2022 US$'000 Unaudited
Share of profit	**4,400**	—
Loss on disposal	**(820)**	—
Income related to associates	**3,580**	—

*In April 2023, an agreement was signed with Société Nationale Des Hydrocarbures ("SNH"), regarding the sale of a 10% shareholding in COTCo for a cash payment of US$44.9 million, as set out below. There are conditions remaining to the completion of the sale however, under the terms of the sale agreement SNH is entitled to the economic benefit of the 10% shareholding from the date of payment for the shares. Therefore, in accordance with IAS 28 – Investment in Associates, this has been recognised as a disposal for reporting purposes and results in a decrease in the shareholding from 41.06% (as at 31 December 2022) to 31.06% (as of 30 June 2023):

	US$'000 Unaudited
Consideration	**44,900**
Share of carrying value at disposal	**(45,720)**
Loss on disposal	**(820)**

Following this transaction, the fair value of the remaining investment in COTCo is considered to be in excess of the carrying value at the reporting date.

(b) Movement in Investment in associates

The following table shows the movements in Investments in associates during the period:

	TOTCo US$'000 Unaudited	COTCo US$'000 Unaudited
Balance at 1 January 2022 (audited)	—	—
Acquired investment at fair value	5,020	183,265
Share of profit	(95)	160
Balance at 31 December 2022 (audited)	4,925	183,425
Share of profit	**575**	**4,400**
Impairment of TOTCo	**(5,500)**	**—**
Share of carrying value at disposal	**—**	**(45,720)**
Balance at 30 June 2023 (unaudited)	**—**	**142,105**

The income statement movements related to TOTCo are disclosed within discontinued operations in Note 22. As reported at Note 2 the Chad Assets were nationalised in March 2023 and the carry value at the date of Nationalisation was fully impaired.

21. Capital commitments

At 30 June 2023, capital commitments amounted to US$6.6 million (30 June 2022: US$4.8 million).

22. Discontinued Operations

As outlined in Note 2 Accounting Policies - Basis of Preparation, because of the Nationalisation of the Chad Assets and having the unavailability of essential financial data and access to the pertinent employees of the affected entities, the Group has classified all of its activities associated with the Chad Assets as a discontinued operation in accordance with IFRS 5. Additionally, the Group has concluded that all amounts should be provided for in full. Further details on the position of the Chad Assets are set out in Note 23. This is without prejudice to Group's rights to compensation as a result of the Nationalisation.

This has resulted in a total pre-tax impairment loss of US$12.4 million (and excludes an associated tax credit write-off which amounted to US$32.2 million). This amount and the results from the Chad Assets up to the date of the Nationalisation have been recognised as a single line in the Condensed Statement of Comprehensive Income, which has been summarised in the table below. The Condensed Statement of Financial Position for the Chad Assets was fully provided for and therefore no remaining balances are disclosed at the reporting date.

Six months ended 30 June	30 June 2023 US$'000 Unaudited
Revenue	**76,560**
Cost of sales	**(4,452)**
Gross profit	**72,108**
Administrative and other operating expenses	**(84)**
Operating profit	**72,024**
Share of profit from associates	**575**
Foreign translation loss	**(501)**
Net impairment of Savannah Chad Inc.	**(6,850)**
Impairment of associate - TOTCo	**(5,500)**
Profit before tax	**59,748**
Tax credit	32,214
Net profit and total comprehensive profit from discontinued operations	**91,962**

The net cash flows from the discontinued operations are as follows:

Six months ended 30 June	2023 US$'000 Unaudited
Net cash generated from operating activities	33,738
Net cash used in investing activities	(10,441)
Net cash used in financing activities	(16,779)
Net cash inflow	**6,518**

23. Contingent liabilities

As set in Note 2, the impact of the Nationalisation of the Chad Assets has resulted in the Group not being able to determine liabilities within its subsidiary, SCI, as to both type and quantum. The Directors have sought legal advice which has confirmed that the scope of Law No. 003/PT/2023 promulgated by the President of Chad on 31 March 2023 ("Nationalisation Law") is not specific in relation to SCI's liabilities in Chad. The consequences of the Nationalisation law for SCI will be established by an arbitration which SCI has commenced against the Republic of Chad. Based upon the legal advice received and the Group's inability to sufficiently identify and quantify, through any reasonable means, the liabilities associated with SCI or the Chad Assets, the Directors believe that these should be considered as contingent liabilities in line with the requirements of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets. As previously reported, for the year ended 31 December 2022, the Group consolidated the Chad Assets from the date of completion of their acquisition on 9 December 2022 to 31 December 2022 in accordance with Note 2 of the Financial Statements, as set out in the Group's 2022 Annual Report. The financial position of the assets and liabilities of the Chad Assets as at 31 December 2022 is reproduced at Note 3 of this report.

One of the Group's subsidiaries ("the Subsidiary") had previously received approval from the Nigerian Investment Promotion Commission ("NIPC") that granted it an exemption from certain corporate taxes for a period of five years from February 2014 ("Pioneer Relief"). Subsequently, NIPC reduced the exemption period to three years with the remaining two years subject to a further extension request, which the Subsidiary submitted and subsequently received certificates for the periods. During a tax audit by the Nigerian tax authorities ("FIRS"), the validity of the extension request was queried. The Group is of the view that it has fully complied with all requirements necessary to obtain the extension and has received certificates confirming the status from NIPC. However, if FIRS are ultimately successful, an additional US$61.0 million of gas profits would be subject to corporate taxes of approximately US$3.9 million together with a deferred tax charge of approximately US$15.5 million reflecting the utilisation of capital allowances.

24. Events after the reporting date

There are no events after the reporting date other than those described within this announcement.