



SAVANNAH ENERGY



SAVANNAH ENERGY PLC

# SUPPLEMENTAL ADMISSION DOCUMENT

9 December 2022

STRAND  
HANSON

Nominated &  
Financial Adviser  
Strand Hanson Limited

**THIS SUPPLEMENTARY ADMISSION DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this document or as to what action you should take, you should seek your own personal advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who specialises in advising on the acquisition of shares and other securities and is authorised under the Financial Services and Markets Act 2000 (as amended) (“FSMA”) if you are resident in the UK, or, if you are not resident in the UK, from another authorised independent adviser.

This document, which is a supplementary admission document produced in accordance with the AIM Rules, is supplemental to, and should be read in conjunction with the admission document issued by the Company on 31 December 2021, being the admission document prepared in connection with: (i) the proposed acquisition of ExxonMobil’s and PETRONAS’s entire upstream and midstream asset portfolios in Chad and Cameroon; (ii) the placing and subscription of 251,623,453 new Ordinary Shares which were admitted to trading on AIM between 7 January 2022 and 11 February 2022; and (iii) re-admission of the Company’s issued and to be issued share capital to trading on AIM.

This document does not comprise a prospectus within the meaning of section 85 of FSMA and does not constitute an offer of transferable securities to the public in the United Kingdom, within the meaning of section 102B of FSMA, and has not been approved or examined by and will not be filed with the United Kingdom Financial Conduct Authority or the London Stock Exchange plc (the “London Stock Exchange”), but comprises an admission document in relation to AIM, a market operated by the London Stock Exchange (“AIM”). This document has been drawn up in accordance with the AIM Rules for Companies (the “AIM Rules”) and has been issued in connection with the proposed re-admission to trading on AIM of the entire issued and to be issued share capital of Savannah Energy PLC (the “Company”). The Company, its directors (the “Directors”) and proposed directors (the “Proposed Directors”), whose names appear on page 5 of this document, accept responsibility, collectively and individually, for the information contained in this document and for compliance with the AIM Rules. To the best of the knowledge and belief of the Company, the Directors and the Proposed Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. To the extent that information has been sourced from a third party, this information has been accurately reproduced and, as far as the Directors and the Proposed Directors are aware, no facts have been omitted which may render the reproduced information inaccurate or misleading. In connection with this document, no person is authorised to give any information or make any representation other than as set out in this document.

The Company existing share capital (“Existing Share Capital”) is admitted to trading on AIM. Application has been made to the London Stock Exchange for the Existing Share Capital to be readmitted to trading on AIM following completion of the Exxon Acquisition (“Re-Admission”). It is expected that Re-Admission will become effective and dealings in the Existing Share Capital will become effective on 13 December 2022. The Existing Share Capital is not dealt in on any market other than, from Re-Admission, AIM and no application has been or is intended to be made for the Existing Share Capital to be admitted to trading on any such other market.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the FCA (the “Official List”). A prospective investor should be aware of the risks of investing in AIM companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Each AIM company is required pursuant to the AIM Rules to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Re-Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.

**THE WHOLE OF THE TEXT OF THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH THE COMPANY’S ADMISSION DOCUMENT PUBLISHED ON 31 DECEMBER 2021 (THE “DECEMBER 2021 ADMISSION DOCUMENT”) AND IN PARTICULAR YOUR ATTENTION IS DRAWN TO THE SECTION ENTITLED “RISK FACTORS” SET OUT IN PART 3 OF THE DECEMBER 2021 ADMISSION DOCUMENT THAT DESCRIBES CERTAIN RISKS ASSOCIATED WITH AN INVESTMENT IN THE COMPANY.**

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# SAVANNAH ENERGY PLC

*(Incorporated in England and Wales under the Company’s Act 2006 with registered number 09115262)*

## ACQUISITION OF EXXONMOBIL’S ENTIRE UPSTREAM AND MIDSTREAM ASSET PORTFOLIO IN CHAD AND CAMEROON AND RE-ADMISSION OF THE COMPANY’S EXISTING SHARE CAPITAL TO TRADING ON AIM

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STRAND  
HANSON

Financial & Nominated Adviser

Strand Hanson Limited

Strand Hanson Limited (“Strand Hanson”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as financial and nominated adviser to the Company in connection with Re-Admission. Its responsibility as the Company’s nominated adviser under the AIM Rules for Nominated Advisers is owed solely to the London Stock Exchange and is not owed to the Company, any Director or Proposed Director, or to any other person in respect of their decision to acquire shares in the Company in reliance on any part of this document. Strand Hanson is

acting exclusively for the Company and for no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the contents of this document or Re-Admission.

Strand Hanson has not authorised the contents of this document and no representation or warranty, express or implied, is made by Strand Hanson as to the accuracy or contents of this document or the opinions contained herein, without limiting the statutory rights of any person to whom this document is issued. The information contained in this document is not intended to inform or be relied upon by any subsequent purchasers of any ordinary shares in the capital of the Company ("Ordinary Shares") (whether on or off exchange) and accordingly no duty of care is accepted by Strand Hanson in relation to them. No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised. The delivery of this document will not, under any circumstances, be deemed to create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in this document is correct at any time subsequent to its date.

No legal, business, tax or other advice is provided in this document. Prospective investors should consult their professional advisers as needed on the potential consequences of subscribing for, purchasing, holding or selling Ordinary Shares under the laws of their country and/or state of citizenship, domicile or residence.

This document does not constitute an offer to sell, or a solicitation to buy, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any such distribution could result in a violation of the laws of such jurisdictions. In particular, subject to certain exceptions, this document is not for distribution into Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan, or any other jurisdiction where to do so would be in breach of any applicable laws and/or regulations. The Ordinary Shares have not been, nor will they be, registered under the securities legislation of any province or territory of Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan. Accordingly, the Ordinary Shares may not, subject to certain exemptions, be offered, sold, re-sold, renounced, taken up or delivered, directly or indirectly, into Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan, or to any national, citizen or resident of Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan. No action has been taken by the Company, the holders of Ordinary Shares, or by Strand Hanson that would permit a public offer of Ordinary Shares or possession or distribution of this document where action for that purpose is required.

Investors should only rely on the information in this document and the December 2021 Admission Document. No person has been authorised to give any information or to make any representations other than as contained in this document in connection with Re-Admission and, if given or made, such information and representations must not be relied upon as having been authorised by or on behalf of the Company. The contents of the websites of the Group (and/or any of its affiliates) or any website directly or indirectly linked to such websites do not form part of this document and investors should not rely on them.

Copies of this document will be available free of charge during normal business hours on weekdays (excluding Saturdays, Sundays and public holidays) from the date hereof until one month after Re-Admission from the offices of Computershare Investor Services plc at the Pavilions, Bridgwater Road, Bristol, BS13 8AE and from the Company's website: [www.savannah-energy.com](http://www.savannah-energy.com).

All statements regarding the business of the Enlarged Group, its financial position and prospects should be reviewed in light of the risk factors set out in the section headed "Risk Factors" in Part 3 of the December 2021 Admission Document.

#### Forward-looking statements

This document contains forward looking statements relating to the Company's future prospects, developments and strategies, which have been made after due and careful enquiry and are based on the Directors' current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Forward-looking statements are or may be, without limitation, identified by the use of terms and phrases such as "believe", "could", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are subject to, *inter alia*, the risk factors described in Part 3 of the December 2021 Admission Document. The Directors believe that the expectations reflected in these statements are reasonable, but may be affected by a number of variables which could cause actual results or trends to differ materially. Each forward-looking statement speaks only as of the date of the particular statement



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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Completion of the Exxon Acquisition	9 December 2022
Publication of this document	9 December 2022
Cancellation of the Existing Share Capital to trading on AIM	4.30 p.m. on 12 December 2022
Re-Admission of the Existing Share Capital to trading on AIM	8.00 a.m. on 13 December 2022

References to times above are to London time unless otherwise stated. Each of the times and dates set out in the timetable above and mentioned throughout this document may be adjusted at the absolute discretion of the Company and Strand Hanson. In the event of a change, the Company will make an appropriate announcement to a Regulatory Information Service giving details of any revised dates and details of the new times. Shareholders may not receive any further written communication.

## KEY STATISTICS

Number of Ordinary Shares in issue at the date of this document	1,306,098,819
Closing mid-market price on the Last Practicable Date	26.65 pence
Market capitalisation as at the Last Practicable Date	£348,075,335
Percentage of the Existing Share Capital held by the Directors	4.4 per cent.
Percentage of the Existing Share Capital not in public hands (as defined by the AIM Rules)	9.6 per cent.
Number of new Ordinary Shares issuable by full exercise of Warrants	101,113,992
Number of new Ordinary Shares issuable by full exercise of Warrants as a percentage of the Existing Share Capital	7.7 per cent.
ISIN for the Ordinary Shares	GB00BP41S218
SEDOL for the Ordinary Shares	BP41S21
Trading symbol for the Ordinary Shares on AIM	SAVE
Legal Entity Identifier	2138002YCJORSFH5YR43

## EXCHANGE RATES

The US\$:GBP exchange rate used in this document is US\$1.213:£1.00.

## DIRECTORS, SECRETARY AND ADVISERS

<b>Directors</b>	Steve Jenkins – <i>Non-Executive Chair</i> Sir Stephen O’Brien – <i>Non-Executive Vice Chair</i> Andrew Knott – <i>Chief Executive Officer</i> Nick Beattie – <i>Chief Financial Officer and Company Secretary</i> David Clarkson – <i>Non-Executive Director</i> Mark Iannotti – <i>Non-Executive Director</i>
<b>Proposed Directors</b>	Sarah Clark – <i>Non-Executive Director</i> Dr Djamila Ferdjani – <i>Non-Executive Director</i>
<b>Company secretary</b>	Nick Beattie
<b>Company’s registered office</b>	40 Bank Street London, E14 5NR
<b>Company’s registered number</b>	09115262
<b>Financial &amp; Nominated Adviser</b>	Strand Hanson Limited 26 Mount Row London, W1K 3SQ
<b>Brokers</b>	finnCap Ltd One Bartholomew Close London, EC1A 7BL  Panmure Gordon (UK) Limited One New Change London, EC4M 9AF
<b>Solicitors to the Company as to UK law</b>	Burness Paull LLP 50 Lothian Road Festival Square Edinburgh, EH3 9WJ  Bracewell (UK) LLP Tower 42 25 Old Broad Street London, EC2N 1HQ
<b>Solicitors to the Company as to Chad, Cameroon and Nigerian law</b>	EY Cameroon 1602 Bd de La Liberté Akwa, Douala Cameroon
<b>Solicitors to the Company as to Nigerian law</b>	The Law Crest LLP Plot 98 Adeola Odeku Street Victoria Island Lagos, Lagos State Nigeria
<b>Solicitors to the Nominated Adviser as to UK law</b>	Fieldfisher LLP Riverbank House 2 Swan Lane London, EC4R 3TT

<b>Reporting Accountants to the Company</b>	Crowe U.K. LLP Second Floor 55 Ludgate Hill London, EC4M 7JW
<b>Financial PR to the Company</b>	Capital Market Communications Limited Third Floor Cannongate House 62-64 Cannon Street London, EC4N 6AE
<b>Registrar to the Company plc</b>	Computershare Investor Services The Pavilions Bridgwater Road Bristol, BS13 8AE
<b>Auditors to the Company</b>	BDO LLP 55 Baker Street London, W1U 7EU
<b>Company's website</b>	<a href="http://www.savannah-energy.com">www.savannah-energy.com</a>



## DEFINITIONS

The following definitions apply throughout this document, unless otherwise stated or the context requires otherwise:

<b>1988 Convention</b>	the convention covering a portion of Permit H described as “Lake Chad, Chari North, Chari South” between the Republic of Chad, EEPCL, PC Chad and SHT Petroleum Chad Company Limited dated 19 December 1988 (as amended on 19 May 1993, 12 March 1997, 21 June 2000 and 9 June 2017);
<b>2004 Convention</b>	the convention covering a portion of Permit H described as “Chari West, Chari East and Lake Chad” between the Republic of Chad, EEPCL, PC Chad and SHT Petroleum Chad Company Limited dated 10 May 2004 (as amended on 9 June 2017);
<b>2014 Long Term Incentive Plan or 2014 LTIP</b>	the Company’s initial long term incentive plan, which was established on 28 November 2014, further details on which are contained in paragraph 4 of Part 4 of this document;
<b>2015 Supplemental Plan</b>	the Company’s supplemental long term incentive plan, further details on which are contained in paragraph 4 of Part 4 of this document;
<b>Accugas Holdco</b>	Accugas Holdings UK PLC, a company incorporated under the laws of England and Wales with registered number 11950135, whose registered office is at 40 Bank Street, London E14 5NR;
<b>Accugas Limited</b>	Accugas Limited, a company incorporated under the laws of Nigeria with registered number 881197, whose registered office is at The Wings Complex, 17A Ozumba Mbadiwe Avenue, Victoria Island, Lagos, Lagos State;
<b>Accugas Midstream Business</b>	the business operated by Accugas Limited, an indirect subsidiary of Accugas HoldCo, comprising a 200 MMscfpd gas processing facility and approximately 260 km gas pipeline network and associated gas processing infrastructure;
<b>Accugas Term Facility</b>	the US\$370.8 million term facility provided to Accugas Limited (as amended and restated);
<b>AIM</b>	the AIM market operated by the London Stock Exchange;
<b>AIM Rules for Companies or AIM Rules</b>	the London Stock Exchange’s rules and guidance notes contained in its “AIM Rules for Companies” publication (including the AIM Note for Mining, Oil and Gas Companies) relating to companies whose securities are traded on AIM, as amended from time to time;
<b>AIM Rules for Nominated Advisers</b>	the London Stock Exchange’s rules contained in its “AIM Rules for Nominated Advisers” publication relating to the nominated advisers of companies whose securities are traded on AIM, as amended from time to time;
<b>April 2020 Supplemental Admission Document</b>	the supplemental AIM admission document published by the Company on 30 April 2020;
<b>Articles</b>	the articles of association of the Company, as amended and restated from time to time;
<b>Board</b>	the board of directors of the Company from time to time;

<b>Cameroon Transportation System</b>	the portion of the ETS located in the Republic of Cameroon operated by COTCo;
<b>certificated or in certificated form</b>	an Ordinary Share which is not in uncertificated form (that is, not in CREST);
<b>CGG</b>	CGG Services (UK) Limited, the author of the Nigeria CPR, the Niger CPR and the Chad/Cameroon CPR;
<b>Chad</b>	Republic of Chad;
<b>Chad/Cameroon Assets</b>	the following assets to be acquired on completion of the Exxon Acquisition, being: <ul style="list-style-type: none"> <li>(a) a 40 per cent. participating interest in the Doba OFDA in Chad; and</li> <li>(b) 40.19 per cent. and 41.06 per cent. shareholding interest in TOTCo and COTCo (respectively), which own and operate the Chad-Cameroon Pipeline and the Kome Kribi 1 FSO;</li> </ul>
<b>Chad/Cameroon CPR</b>	the competent person's report on the Chad/Cameroon Assets, as set out in Part 9 of the December 2021 Admission Document;
<b>Chad-Cameroon ETS or ETS</b>	the Chad-Cameroon export transportation system comprising the Chad-Cameroon Pipeline and the Kome Kribi 1 FSO;
<b>Chad-Cameroon Pipeline</b>	the 1,081 km, 30 inch oil pipeline connecting the Doba Oil Project to the Kome Kribi 1 FSO, offshore Cameroon, with a nameplate capacity of 250 Kbopd;
<b>Chad Transportation System</b>	the portion of the ETS located in the Republic of Chad operated by TOTCo;
<b>Companies Act or the Act</b>	the UK Companies Act 2006;
<b>Company or Savannah</b>	Savannah Energy PLC, a company incorporated in England and Wales with registered number 09115262, whose registered office is at 40 Bank Street, London E14 5NR;
<b>Completion</b>	the completion of the Exxon Acquisition in accordance with the terms of the Exxon SPA;
<b>COTCo or Cameroon Pipeline Company</b>	Cameroon Oil Transportation Company, incorporated under the laws of the Republic of Cameroon, with registered company number M089700006137L, whose registered office is at 164 Rue Toyota, Bonapriso, Douala, Cameroon;
<b>COTCo Convention</b>	the Convention of Establishment between the Republic of Cameroon and COTCo dated 20 March 1998, as amended from time to time and which granted COTCo the right to construct, own, operate and maintain the Cameroon Transportation System;
<b>COTCo Transportation Agreement</b>	the transportation agreement between COTCo, the Republic of Chad, EEPCL, PC Chad and SHT dated 19 June 2000;
<b>CREST</b>	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear which facilitates the transfer of title to shares in uncertificated form;

<b>CREST Regulations</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755) including any enactment or subordinate legislation which amends or supersedes those regulations and any applicable rules made under those regulations or any such enactment or subordinate legislation for the time being in force;
<b>December 2021 Admission Document</b>	the AIM admission document published by the Company on 30 December 2021;
<b>Directors</b>	those persons who have been appointed as executive or non-executive directors of the Company, as applicable, whose names are set out on page 5 of this document;
<b>Doba Consortium</b>	the unincorporated joint venture of EEPCI, PC Chad and SHT, which explores, develops and produces hydrocarbons pursuant to the Upstream Conventions;
<b>Doba OFDA or Doba Oil Project</b>	the area known as the Doba oil field development area, consisting of the contractual areas covered by the Upstream Conventions;
<b>Doba Pipeline</b>	Doba Pipeline Investments Inc., incorporated under the laws of the Cayman Islands, whose registered office is at the Offices of Maples and Calder, Attorneys-at-Law, P.O. Box 309, George Town, Grand Cayman, Cayman Islands BW1, which holds 30.16 per cent. and 29.77 per cent. shareholding interests in TOTCo and COTCo respectively;
<b>DPR</b>	the Department of Petroleum Resources, a department of the MPR, in Nigeria and where applicable its successor bodies under the Petroleum Investment Act 2021, the Nigerian Upstream Petroleum Regulatory Commission or Nigerian Midstream and Downstream Petroleum Regulatory Authority;
<b>EACMI</b>	Esso Africa Crude Marketing Inc.;
<b>EACMI Crude SPA</b>	the Doba crude oil sale and purchase agreement dated 8 December 2022 between EEPCI and EACMI;
<b>EBT</b>	the Savannah Energy 2022 Trust established by a settlement deed dated 10 February 2022;
<b>Economic Effective Date:</b>	1 January 2021;
<b>EEPCI</b>	Esso Exploration and Production Chad Inc., incorporated in the Bahamas, which holds a 40 per cent. participating interest in (and is the operator in respect of) the Doba Oil Project;
<b>Employee Plan 2018</b>	means the Savannah Energy PLC Employee Share Option Plan 2018, further details of which are contained in paragraph 4 of Part 4 of this document;
<b>Employee Plan 2021</b>	means the Savannah Energy PLC Employee Share Option Plan 2021, further details of which are contained in paragraph 4 of Part 4 of this document;



<b>Employee 2014/15 Replacement Plan</b>	means the Savannah Energy PLC Replacement Share Option Plan 2021 further details of which are contained in paragraph 4 of Part 4 of this document;
<b>English High Court</b>	the High Court of England and Wales;
<b>Enlarged Group</b>	the Company and its subsidiaries immediately following Completion of the Exxon Acquisition;
<b>EPIL</b>	Esso Pipeline Investments Limited, incorporated in the Bahamas and which holds a 40.19 per cent. and 41.06 per cent. shareholding interest in TOTCo and COTCo respectively;
<b>ESMA Recommendations</b>	European Securities and Markets Authority's update of the Committee of European Securities Regulators' recommendations for the consistent implementation of the EU Regulations on Prospectuses;
<b>Euro or €</b>	the official currency of the European Union;
<b>Euroclear</b>	Euroclear UK & International Limited, a company incorporated in England and Wales with registered number 2878738, being the operator of CREST;
<b>Existing Group</b>	the Company and its subsidiaries prior to Completion of the Exxon Acquisition;
<b>Existing Share Capital or Existing Ordinary Shares</b>	the 1,306,098,819 Ordinary Shares in issue as at the date of this document;
<b>ExxonMobil</b>	Exxon Mobil Corporation, being the parent company of the Exxon Target Companies;
<b>Exxon Acquisition</b>	the acquisition by Savannah Chad, a wholly owned subsidiary of the Company, of EEPCI and EPIL;
<b>Exxon Lender</b>	ExxonMobil Funding Services Limited;
<b>Exxon Prepayment Facility</b>	the facility made available to Savannah Energy Finance pursuant to the Prepayment Facility Agreement;
<b>ExxonMobil Services Agreement</b>	the service agreement for COTCO between Esso Pipeline Services Inc. and Cameroon Oil Transportation Company S.A. dated 13 February 2019;
<b>Exxon Sellers</b>	Exxon Mobil Corporation, ExxonMobil International Holdings Inc. and Esso Exploration Holdings Inc.;
<b>Exxon SPA</b>	the share sale and purchase agreement dated 12 December 2021 between Exxon Mobil Corporation, ExxonMobil International Holdings Inc., Esso Exploration Holdings Inc. and Savannah Energy Chad Limited;
<b>Exxon Target Companies</b>	the companies being acquired by Savannah Chad pursuant to the Exxon SPA, being EEPCI and EPIL, as applicable;
<b>Exxon Target Companies' Financial Information</b>	the audited combined historical IFRS financial information prepared by the Company for the financials of the Exxon Target Companies for the two years ended 31 December 2020 and 31 December 2021;

<b>Exxon Target Companies' Interim Financial Information</b>	the unaudited interim historical financial information of the Exxon Target Companies for the six-month period ended 30 June 2022;
<b>FCA</b>	the Financial Conduct Authority of the United Kingdom;
<b>FIPL Afam</b>	FIPL Afam power plant;
<b>FSMA</b>	the Financial Services and Markets Act 2000 of the UK (as amended), including any regulations made pursuant thereto;
<b>Group</b>	the Company and its subsidiaries from time to time;
<b>HSE &amp; S</b>	health, safety, environmental & security;
<b>IFRS</b>	International Financial Reporting Standards as adopted by the United Kingdom;
<b>Kome Kribi 1 FSO</b>	the Kome Kribi 1 floating storage and offloading facility which forms part of the ETS;
<b>Latest Practicable Date</b>	8 December 2022, being the last practicable day prior to the publication of this document for the inclusion of certain information in this document;
<b>London Stock Exchange</b>	London Stock Exchange plc;
<b>Market Abuse Regulations</b>	Market Abuse Regulation (Regulation 596/2014) (as it forms part of domestic UK law pursuant to the European Union (Withdrawal) Act 2018, as amended);
<b>Ministerial Consent:</b>	the approval of the Minister of Petroleum and Mining for the Republic of Chad for the Exxon Acquisition in accordance with 1962 Petroleum Code, 1967 Implementing Decree, the Upstream Conventions and the TOTCo Convention;
<b>MPN</b>	Mobil Producing Nigeria Unlimited, a subsidiary of ExxonMobil;
<b>MPR</b>	the Federal Ministry of Petroleum Resources in Nigeria;
<b>NGN or Naira</b>	Nigerian Naira, the functional currency of Nigeria;
<b>Niger CPR or Niger Competent Person's Report</b>	the competent person's report on the Group's Nigerian assets, as set out in Part 11 of the December 2021 Admission Document;
<b>Niger Exploration</b>	Niger Exploration Limited, a Seychelles international business company, with registered number 150520 whose registered address is Level 2B, Caravelle House, Manglier Street, Victoria, Mahé Seychelles, and whose sole asset is an approximate five per cent. interest in Savannah Energy 2 Limited;
<b>Nigerian Assets</b>	the interest in the Uquo Gas Project owned by SEUGL, the interest in the Stubb Creek Field owned by Universal and the interest in the Accugas Midstream Business owned by Accugas Limited;
<b>Nigerian CPR or Nigerian Competent Person's Report</b>	the competent person's report on the Group's Nigerian assets, as set out in Part 10 of the December 2021 Admission Document;
<b>Officers Plan 2020</b>	means the Savannah Energy PLC Share Option Plan 2020, further details of which are contained in paragraph 4 of Part 4 of this document;

<b>Official List</b>	the Official List maintained by the FCA pursuant to Part VII of the FSMA;
<b>Ordinary Shares</b>	the ordinary shares of par value £0.001 each in the capital of the Company;
<b>OPEC</b>	the Organisation of the Petroleum Exporting Countries, comprising: Algeria, Angola, Congo, Ecuador, Equatorial Guinea, Gabon, Islamic Republic of Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates and Venezuela;
<b>OPEC+</b>	the Organisation of the Petroleum Exporting Countries Plus, comprising OPEC and Azerbaijan, Bahrain, Brunei, Kazakhstan, Malaysia, Mexico, Oman, Russia, South Sudan and Sudan;
<b>Panel</b>	the UK Panel on Takeovers and Mergers;
<b>PC Chad</b>	PETRONAS Carigali (Chad EP) Inc., incorporated under the laws of the Cayman Islands, whose registered office is at the Offices of Maples and Calder, Attorneys-at-Law, P.O. Box 309, George Town, Grand Cayman, Cayman Islands BW1;
<b>PC Marketing</b>	PETRONAS Chad Marketing Inc., incorporated under the laws of the Cayman Islands, whose registered office is at the Offices of Maples and Calder, Attorneys-at-Law, P.O. Box 309, George Town, Grand Cayman, Cayman Islands BW1;
<b>PCCEPI</b>	PETRONAS Carigali Chad Exploration & Production Inc., incorporated under the laws of the Cayman Islands, whose registered office is at the Offices of Maples and Calder, Attorneys-at-Law, P.O. Box 309, George Town, Grand Cayman, Cayman Islands BW1;
<b>PCM</b>	PetroChad (Mangara) Limited;
<b>PETRONAS</b>	PETRONAS (E&P) Overseas Ventures SDN. BHD., incorporated under the laws of Malaysia, whose registered office is at Tower 1, PETRONAS Twin Towers, Kuala Lumpur City Centre, 5008, Kuala Lumpur, Malaysia;
<b>PETRONAS Acquisition</b>	the acquisition by Savannah Chad, a wholly owned subsidiary of the Company, of PCCEPI, PC Chad, Doba Pipeline and PC Marketing with potential completion date forecast in H1 2023;
<b>PIA</b>	Petroleum Industry Act 2021 of Nigeria;
<b>Pipeline Companies</b>	TOTCo and COTCo;
<b>Pounds Sterling or £</b>	pounds sterling, the lawful currency of the UK from time to time;
<b>Prepayment Facility Agreement</b>	the facility agreement dated 8 December 2022 between the Exxon Lender, EACMI and Savannah Energy Finance Limited;
<b>Prospectus Regulation Rules</b>	the rules published by the FCA under FSMA governing the publication of a prospectus;
<b>QCA Code</b>	the Quoted Companies Alliance Corporate Governance Code for Small and Mid-Size Quoted Companies, as amended from time to time;



<b>QIT</b>	the Qua Iboe oil export terminal owned and operated by MPN, a subsidiary of ExxonMobil, located close to the Uquo & Stubb Creek fields, on the south coast of Nigeria;
<b>R1234 PSC</b>	the production sharing contract between Savannah Niger and the Government of Niger dated 4 February 2022;
<b>R3 East</b>	the R3 East portion of the R1234 PSC;
<b>Re-Admission</b>	the re-admission of the Existing Share Capital to trading on AIM, following Completion of the Exxon Acquisition, and such admission becoming effective in accordance with the AIM Rules for Companies;
<b>Registrar</b>	Computershare Investor Services plc;
<b>Regulation S</b>	Regulation S promulgated under the Securities Act;
<b>Savannah Chad</b>	Savannah Energy Chad Limited, incorporated under the laws of England and Wales with registered number 13490881, whose registered office is at 40 Bank Street, London E14 5NR;
<b>Savannah EIL</b>	Savannah Energy Investments Limited;
<b>Savannah Energy Finance</b>	Savannah Energy Finance Limited;
<b>Savannah Niger</b>	Savannah Energy Niger S.A. a société anonyme unipersonnelle incorporated under the laws of Niger with registered number RCCM: NI-NIA-2014-B 1940, whose registered office is at 124 Rue des Ambassades, BP11272, Niamey, Niger;
<b>SEC</b>	US Securities and Exchange Commission;
<b>Securities Act</b>	US Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder;
<b>Senior Manager</b>	Antoine Richard;
<b>SEUGL</b>	Savannah Energy Uquo Gas Limited (previously known as Seven Uquo Gas Limited and GOGÉ (Nig) Limited), a company incorporated under the laws of the Federal Republic of Nigeria, with registered number 659675, whose registered office is at The Wings Complex, 17A Ozumba Mbadiwe Avenue, Victoria Island, Lagos, Lagos State;
<b>Shareholders</b>	the holders of Ordinary Shares from time to time;
<b>Share Options</b>	options to subscribe for new Ordinary Shares and Ordinary Shares held by the EBT;
<b>Share Schemes</b>	means the 2014 LTIP, the 2015 Supplemental Plan, the Employee Plan 2018, the Officers Plan 2020, the Employee Plan 2021, the Employee 2014/15 Replacement Plan, further details of which are set out in paragraph 4 of Part 4 of this document;
<b>SHT or Chad National Oil Company</b>	Société des Hydrocarbures du Tchad;
<b>Significant Shareholder</b>	a Shareholder holding three per cent. or more of the Ordinary Shares in issue from time to time;

<b>Sinopec</b>	Sinopec International Petroleum Exploration and Production Company Nigeria Limited;
<b>Strand Hanson</b>	Strand Hanson Limited, the Company's financial and nominated adviser, whose registered office is at 26 Mount Row, London W1K 3SQ;
<b>Stubb Creek Field</b>	the Stubb Creek marginal field located in the OML 14 block onshore Nigeria;
<b>Takeover Code</b>	the UK City Code on Takeovers and Mergers (as amended from time to time);
<b>TOTCo or Chad Pipeline Company</b>	Tchad Oil Transportation Company, incorporated under the laws of the Republic of Chad with registered company number 600 010 746, whose registered office is at 3223 Rue d'Abeche, B. P. 6321 N'Djamena, Chad;
<b>TOTCo Convention</b>	the Convention of Establishment between the Republic of Chad and TOTCo dated 20 July 1998, as amended from time to time, which granted TOTCo the right to construct, own, operate and maintain the Chad Transportation System;
<b>TOTCo Transportation Agreement</b>	the transportation agreement between TOTCo, the Republic of Chad, EEPCL, PC Chad and SHT dated 11 June 2000 (as amended on 11 October 2011);
<b>UK or United Kingdom</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>uncertificated or in uncertificated form</b>	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
<b>United States or US</b>	the United States of America, its territories and possessions, any state of the United States of America and the district of Columbia and all other areas subject to its jurisdiction;
<b>Universal or UERL</b>	Universal Energy Resources Limited, a company incorporated under the laws of the Federal Republic of Nigeria with registered number 429120, whose registered office is 25 Idoro Road, Uyo, Akwa Ibom State, Nigeria;
<b>Upstream Conventions</b>	the 1988 Convention and the 2004 Convention;
<b>Uquo CPF</b>	the 200 MMscfpd gas processing facilities, owned by Accugas Limited and located at the Uquo Field;
<b>Uquo Field</b>	the Uquo marginal field located in the OML 13 block onshore Nigeria;
<b>Uquo Gas Project</b>	the gas project at the Uquo Field;
<b>US Dollar, US\$ or \$</b>	the legal currency of the United States;
<b>VAT</b>	valued added tax;
<b>Warrantholders</b>	the holders of Warrants from time to time;

<b>Warrants</b>	the Warrants granted to Andrew Knott (via Lothian Capital Partners 4 Limited) under the terms of the Warrant Instrument;
<b>Warrant Instrument</b>	the warrant instrument entered into by the Company by way of deed poll on 30 December 2021; and
<b>Warrant Shares</b>	the new Ordinary Shares to be issued to Warranholders on exercise of the Warrants.

## **GLOSSARY**

Words and expressions defined in the Glossary in the December 2021 Admission Document shall have the same meaning in this document.

## PART 1

### LETTER FROM THE NON-EXECUTIVE CHAIR OF SAVANNAH

# SAVANNAH ENERGY PLC

*(Incorporated and registered in England and Wales under the Companies Act 2006 with registered number 09115262)*

*Directors:*

Steve Jenkins *(Non-Executive Chair)*  
Sir Stephen O'Brien *(Non-Executive Vice Chair)*  
Andrew Knott *(Chief Executive Officer)*  
Nick Beattie *(Chief Financial Officer and Company Secretary)*  
Mark Iannotti *(Non-Executive Director)*  
David Clarkson *(Non-Executive Director)*

*Registered address:*

40 Bank Street  
London E14 5NR

*Proposed Directors:*

Sarah Clark *(Non-Executive Director)*  
Dr Djamila Ferdjani *(Non-Executive Director)*

9 December 2022

**To the holders of Existing Ordinary Shares and, for information only, to holders of Share Options and Warrants**

Dear Shareholder,

**ACQUISITION OF EXXONMOBIL'S ENTIRE UPSTREAM AND MIDSTREAM ASSET PORTFOLIO IN CHAD AND CAMEROON, AND RE-ADMISSION OF THE COMPANY'S EXISTING SHARE CAPITAL TO TRADING ON AIM**

## **1 Introduction**

On 13 December 2021, the Company announced that it had entered into an agreement to acquire ExxonMobil's interests in the Doba Oil Project and the Chad-Cameroon ETS, which constituted a reverse takeover transaction pursuant to Rule 14 of the AIM Rules. The proposed transaction was approved by Shareholders on 24 January 2022.

The Company is pleased to confirm that completion of the Exxon Acquisition took place on 9 December 2022. Consequently, the Company's Existing Share Capital will be cancelled from trading on AIM at 4.30 p.m. on 12 December 2022 and Re-Admission of the Company's Existing Share Capital will take place at 8.00 a.m. on 13 December 2022.

The consideration payable by the Company in respect of the Exxon Acquisition is being funded by a combination of the proceeds of the drawdown on the Exxon Prepayment Facility and existing cash resources.

The key terms of the Exxon Acquisition are summarised in Part 2 of this document.

**You should read the whole of this document and the December 2021 Admission Document, and not just rely on the information contained in this document.**

## **2 Update on the Exxon Acquisition**

Following the publication of the December 2021 Admission Document, the Company appointed a new senior management team in Chad. This team has been working with ExxonMobil's transition team and EEPCL to prepare for the transfer of the operated Chad/Cameroon Assets to Savannah Chad.

The Company has also focused on preparing to deliver the business support services currently provided by ExxonMobil affiliates to TOTCo and COTCo via the ExxonMobil Services Agreement.

Savannah's business support functions have engaged with local teams on critical business processes in both Chad and Cameroon.

The ExxonMobil and Savannah IT teams have taken the necessary actions in preparation for transitioning key business systems, applications, and IT infrastructure from ExxonMobil to Savannah whilst maintaining continuity of business operations, which will take effect on or shortly following Completion.

During 2022, production rates at the Doba Oil Project have not deviated materially from those disclosed in the Chad/Cameroon CPR dated 17 December 2021.

## **3 Details of the Exxon Prepayment Facility**

Savannah Energy Finance (as borrower), the Exxon Lender (as lender) and EACMI (as marketing agent) entered into an up to the US\$170 million Prepayment Facility Agreement to fund Completion of the Exxon Acquisition in accordance with the Exxon SPA.

The key terms of the Exxon Prepayment Facility are set out in paragraph 3.1 of Part 5 of this document.

## **4 Status of PETRONAS Acquisition**

Completion of the PETRONAS Acquisition is not a condition of the Exxon Acquisition.

## **5 Company History and Events Arising since the publication of the December 2021 Admission Document**

Savannah is a leading, Africa-focused, British, independent energy company quoted on AIM. The Company is the holding company of the Existing Group and currently operates from offices in the UK (London), Nigeria (Abuja, Lagos, and Uyo) and Niger (Niamey).

### **5.1 Nigeria**

In Nigeria, the Company has a significant controlling interest in a large-scale integrated gas production and distribution business which is currently supplying gas to facilitate over 24 per cent. of Nigeria's thermal power generation. The Company acquired the Nigerian Assets in November 2019 (refer to the April 2020 Supplemental Admission Document for further information). The Nigerian Assets comprise interests in two large-scale oil and gas fields, the Uquo non-associated gas field and the Stubb Creek oil and gas field, with net 2P Reserves and net 2C Resources, as estimated by CGG in the 2021 Nigeria CPR, of 79.3 MMboe and 60.0 MMboe, respectively, and the Accugas Midstream Business, all of which are located in South-East Nigeria.

Average gross daily production from the Nigerian assets in the year-to-date period ended 31 October 2022 was 27.0 Kboepd, a 23 per cent. increase from the average gross daily production of 21.9 Kboepd in the same period in 2021. Of the total average gross daily production of 27.0 Kboepd in the year-to-date period, 90 per cent. was gas, including a 27 per cent. increase in production from the Uquo Gas Project compared to the same period last year, from 115.6 MMscf/d (19.3 Kboepd) to 146.4 MMscf/d (24.4 Kboepd).

The Company's cash collections from its Nigerian Assets for the ten months ended 31 October 2022 amounted to US\$156.8 million, an increase of five per cent. on equivalent period in 2021 of US\$149.2 million.



A new gas production well, Uquo-11, commenced production in April 2022 and produced at an average rate of 80 MMscfd up to 31 October 2022.

During 2022, the Company signed, via its subsidiary, Accugas Limited, new gas sales agreements (“GSAs”) in Nigeria with: (i) Central Horizon Gas Company Limited (“CHGC”), a major gas distribution company situated in the South-South region of Nigeria; (ii) TransAfam Power Ltd, a licensed power generation company in Nigeria; and (iii) Notore Chemical Industries PLC, 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. In addition, a contract extension was signed with First Independent Power Limited (“FIPL”) to supply gas to its Eleme and Trans Amadi power plants, bringing the total number of power plants supplied under the contract to three, including the FIPL Afam power plant.

In addition, Accugas Limited commenced gas deliveries to three new customers in Nigeria, FIPL’s Trans Amadi power plant, TransAfam’s power plants in Rivers State, and CHGC. Accugas Limited now has operational GSAs with power plants comprising 24 per cent. of Nigeria’s thermal generation capacity.

## 5.2 **Refinancing of the Accugas Term Facility**

The Company is progressing towards refinancing the Accugas Term Facility, which currently has a maturity date of 31 December 2025, into a multi-tranche, Naira denominated borrowing structure. It is currently anticipated that the first phase of the refinancing will complete during the first half of 2023, although there can be no guarantee this will occur. Once completed, this refinancing would align the currencies of the Existing Group’s principal revenue streams with its debt service obligations and would reduce the Existing Group’s foreign exchange exposure.

## 5.3 **Niger**

The Company’s current focus in Niger is the planned R3 East early production scheme to be located at the Amdigh field and initially commencing in 2023, subject to market conditions and financing.

The Board believes that significant further potential exists on its licence area in Niger with an exploration portfolio containing a total of 146 potential exploration targets with a total Unrisked Best Estimate of approximately 6.7 Bnbbls Oil Initially In Place. The Board believes that this has the potential to deliver meaningful cashflows to the Group in the future.

The key terms of the R1234 PSC remain as described in paragraph 12 of Part 14 of the December 2021 Admission Document, save that in the first four years of the PSC, Savannah is now obliged to drill five (as opposed to two) exploration wells to a minimum depth of 2,000 metres, with at least one exploration well on R1, R2 or R4, as well as acquiring 250km<sup>2</sup> of 3D seismic.

## 5.4 **Renewable Energy**

Savannah’s Renewable Energy division was established in 2021 and during H1 2022 signed two non-binding agreements for the development of a total of up to 750MW large-scale greenfield solar and wind projects with the governments of Chad and Niger. The agreement signed in Chad covers two projects. The first comprises an up to 300 MW photovoltaic solar farm and battery energy storage system located in Komé, Southern Chad (the “**Centrale Solaire de Komé**”). This project is being developed to provide clean, reliable power generation for the Doba Oil Project and the surrounding towns of Moundou and Doba. The second involves the development of solar and wind projects of up to 100 MW each to supply power to the country’s capital city, N’Djamena (the “**Centrales d’Energie Renouvelable de N’Djamena**”). The Centrale Solaire de Komé project would represent the largest solar plant in sub-Saharan Africa (excluding South Africa) and potentially the largest battery storage project on the continent. The Centrales d’Energie Renouvelable de N’Djamena would more than double the existing installed generation capacity supplying the capital city and increase the total installed on-grid power generation capacity in Chad by up to an estimated 63 per cent.

In Niger, an agreement was signed by Savannah with the Ministry of Petroleum, Energy and Renewable Energies of the Republic of Niger for the construction and operation of the country’s first wind farm, with a proposed installed power generation capacity of up to 250 MW on an independent power producer basis in the Tahoua Region of Southern Niger. This is targeted to increase the country’s

on-grid electricity supply by up to 40 per cent. Sanctioning of this project is targeted for 2023 with first wind power expected to commence in 2025. These projects represent potentially substantial foreign direct investments that would make significant contributions to the economic development of the regions where they will be situated.

## 6 Summary Financial Information of the Exxon Target Companies

### 6.1 Exxon Target Companies

The summary financial information presented below is an extract of the historical financial information of Exxon Target Companies as set out in Part 3 of this document. The summary financial information for the six months ended 30 June 2022 and the year ended 31 December 2021 has been derived from Exxon Target Companies' Financial Information.

*Figure 1, Summary Financial Information of the Exxon Target Companies*

#### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME SELECTED LINE ITEMS

	<i>Six months ended</i>	<i>Year ended</i>
	<i>30 June</i>	<i>31 December</i>
	<i>2022</i>	<i>2021</i>
	<i>US\$'000</i>	<i>US\$'000</i>
Revenue	95,686	192,705
Operating loss	(14,816)	(6,570)
Loss before tax	(16,970)	(13,143)
Loss after tax	(13,032)	(113,651)

#### CONSOLIDATED STATEMENT OF FINANCIAL POSITION SELECTED LINE ITEMS

Total assets	820,568	782,740
Total liabilities	598,783	547,923
Net assets	221,785	234,817

#### CONSOLIDATED CASH FLOW STATEMENT SELECTED LINE ITEMS

Cash (used in)/generated from operating activities	(121,647)	104,105
Cash provided by investing activities	40,680	25,534
Cash generated from/(used in) financing activities	75,356	(129,667)
Net cash outflow	(5,611)	(28)

### 6.2 Summary Financial Information of the Existing Group

The summary financial information presented below is an extract without material adjustment from the audited consolidated financial statements for the Existing Group for the year ended 31 December 2021 and the unaudited interim financial information for the six months ended 30 June 2022.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME SELECTED LINE ITEMS

	Six months ended 30 June 2022 US\$'000	Year ended 31 December 2021 US\$'000
Revenue	85,847	185,799
Operating profit	27,854	87,713
(Loss) before tax	(11,314)	(7,745)
(Loss)/profit after tax	(20,545)	17,103

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION SELECTED LINE ITEMS

Total assets	1,341,760	1,348,587
Total liabilities	1,047,308	1,041,849
Net assets	294,452	306,738

## CONSOLIDATED CASH FLOW STATEMENT SELECTED LINE ITEMS

Cash generated from operating activities	41,884	128,115
Cash used in investing activities	(61,526)	(123,237)
Cash from/(used in) financing activities	18,194	(25,159)
Net cash (outflow)/inflow	(1,448)	(20,281)

## 7 Corporate Structure

The structure of the Enlarged Group is shown in Figure 2 below.

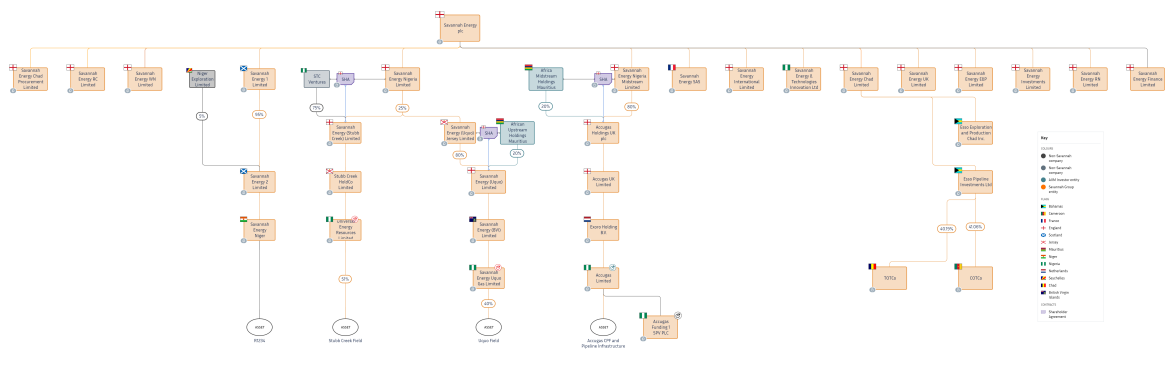


Figure 2, Enlarged Group Structure Chart

Source: Company materials

## 8 Board Changes

Nick Beattie was appointed as Chief Financial Officer on 7 June 2022. Nick joined Savannah in 2019 as Group Treasurer and was appointed interim Chief Financial Officer and Company Secretary in August 2021. During his time at Savannah, Nick has been actively involved in all finance and business development activities for the Company. Nick has an extensive background in financing energy companies, including seven years with BNP Paribas where he was a Managing Director in the Upstream Oil and Gas team in London, responsible for leading the bank relationships with UK-focused independent E&P companies. Nick

is a Fellow of the Chartered Banker Institute and a Member of the Chartered Institute for Securities and Investment.

On 7 June 2022, the Company announced that Steve Jenkins had agreed with the Board that he would step down from his role as Non-Executive Chair at or prior to the 2023 Annual General Meeting, but would continue to serve as a Non-Executive Director. The search for a Chair-Designate has commenced and it is expected that an appointment will be made in the first half of 2023.

David Jamison retired from the Board with effect from 30 June 2022.

As also announced on 7 June 2022, on Completion of the Exxon Acquisition, Sarah Clark and Dr Djamila Ferdjani will be appointed to the Board as Independent Non-Executive Directors. Sarah Clark and Dr Djamila Ferdjani have successful backgrounds in a diverse range of industries and are expected to significantly strengthen the Board's experience and ability to maintain the highest standards of governance. The appointment of Sylvie Rucar has been delayed due to personal reasons and is now anticipated to become effective during early 2023.

The biographies of Sarah Clark and Dr Djamila Ferdjani are set out below.

**Sarah Louise Clark**, aged 44 – Independent Non-Executive Director

Sarah was an elite level athlete for 18 years and is a former British, European and Commonwealth champion, who competed at three Olympic Games for Great Britain. Sarah is currently CEO of Edinburgh Judo, and serves as a Non-Executive Director of JudoScotland (the governing body for judo in Scotland).

Sarah has worked extensively in mentor, role model and leadership positions with organisations such as the Dame Kelly Holmes Trust, the Youth Sport Trust and the Winning Scotland Foundation. In these roles, her focus has been to deliver personal and group development programmes to young people from disadvantaged backgrounds and communities. She has also worked extensively with individuals and companies delivering programmes around the positive learnings businesses can take from the elite level sport world.

**Dr Djamila Ferdjani**, aged 60 – Independent Non-Executive Director

Dr Ferdjani is a medical doctor, entrepreneur and social activist. She founded the Pro-Santé Polyclinic in Niger, of which she was President and CEO. Dr Ferdjani formerly served as a technical consultant to the Islamic Development Bank and as a Professor of Health Prevention and Promotion at the African Development University.

She is a founding Board member of Afrikajom (the leading Pan African human rights focused think tank) and is the founder and President of MedCom NGO (a Niger focused medical and educational NGO). She is a former member of the executive committee of the Orange Niger Foundation. She regularly speaks at African focused Human Rights events, including those organised by the World Bank, Oxfam, Plan International, the G5 Sahel, The Open Society Initiative for West Africa, the National Democratic Institute and TEDx. Dr Ferdjani has been named by the United Nations Population Fund as one of the 100 women leaders in Niger and by Facebook as one of 19 African LeadHERs breaking boundaries in the fields of media, entertainment, education and business.

## **9 Corporate governance**

The Board recognises its responsibility for the proper management of the Company and the importance of sound corporate governance, proportionate to the size and nature of the Company and the interests of its shareholders. As an AIM-quoted Company, the Board is committed to maintaining high standards of corporate governance and has adopted the QCA Code as the basis of the Group's governance framework.

Refer to Part 13 of the December 2021 Admission Document for a detailed description of the Company's corporate governance structure and practices. The position outlined therein remains true and accurate save that:

- The Board, following Completion of the Exxon Acquisition will comprise of eight Directors: the Non-Executive Chair, the Non-Executive Vice Chair, four Non-Executive Directors and two Executive Directors (the CEO and CFO). Steve Jenkins, Sir Stephen O'Brien, Mark Iannotti, David Clarkson, Sarah Clark and Dr Djamilia Ferdjani are all deemed to be independent within the meaning of the QCA Code.
- David Jamison retired from the Board with effect from 30 June 2022 and, as a consequence:
- the Board's Remuneration and Nomination Committee now comprises of Mark Iannotti and Steve Jenkins; and
- the Board's Compliance Committee now comprises Sir Stephen O'Brien (Chair), David Clarkson and Mark Iannotti.

## **10 Competent Person's Reports**

Other than for depletion as a result of forecast production rates broadly in line with those disclosed in the Nigerian CPR dated 17 December 2021 and the Chad/Cameroon CPR dated 17 December 2021, both of which were included in the December 2021 Admission Document, CGG confirms as at the date of this document that there has been no material change in the technical status of the Company's assets in Nigeria and those being acquired as part of the Exxon Acquisition. CGG further confirms that as at the date of this document that there has been no material change in the defined resource base of the Company's Nigerian assets as disclosed in the Niger CPR dated 17 December 2021, which was also included in the December 2021 Admission Document.

## **11 Environmental, Social and Governance**

Savannah is committed to managing its operations in a safe, secure, reliable and environmentally sustainable manner, and to act in a responsible manner towards its stakeholders. Savannah considers that a high standard of health and safety performance and environmental protection is critical to the ongoing success of the Company and the Enlarged Group. The Company has Environmental, Social and Governance ("ESG") policies in place and reports its performance to the Board through the HSE & S Committee and to its stakeholders through its Annual Report and other corporate updates. The Company expects its employees, contractors and partners to comply with these policies and to enforce similarly high standards.

The Company also has a robust HSE & S management system in place which aligns with international management system standards and local legislation, takes a proactive approach to the identification and management of HSE & S risks and is underpinned by on-site leadership and through a leading indicator monitoring approach to building safe working practices.

In 2020, Savannah undertook a thorough review of its sustainability strategy, including a materiality assessment which took into account the feedback of an extensive consultation exercise conducted with the Company's key external and internal stakeholder groups. Following the 2020 review, the Company launched its current sustainability strategy in May 2021. It comprises four strategic pillars which are aligned with the United Nations Sustainable Development Goals ("UN SDGs") that the Company believes it can have the biggest economic, environmental, social and governance impact to achieve a better and more sustainable future for all. While anchoring the sustainability strategy around the 13 most relevant UN SDGs to Savannah, the Company has integrated six additional sustainability reporting standards into its sustainability performance and reporting framework. These were selected on the basis of those most relevant for the sector and of most importance to stakeholders and include the Global Reporting Index, the International Petroleum Industry Environmental Conservation Association, the International Association of Oil & Gas Producers, the Sustainability Accounting Standards Board, the Task Force on Climate Related Disclosures and the International Finance Corporation Key Performance Standards.

During the last year, the Company rolled out a new sustainability performance and reporting framework across the Group which forms the basis for publishing a range of measurable, verifiable and trackable performance ESG metrics. The Company reported performance against key sustainability metrics in the 2021 Annual Report for carbon intensity (13.3kg CO<sub>2</sub>e/boe versus industry average 20.2kg CO<sub>2</sub>/boe), senior

management gender diversity (35 per cent. female) and local employee ratios (99 per cent. for Nigeria and 100 per cent. for Niger), all of which were industry leading.

## **12 UK Taxation**

Information regarding UK taxation is set out in paragraph 16 of Part 4 of this document. This information is intended as a general guide only to the current tax position in the United Kingdom regarding withholding taxes and is not intended to constitute personal tax advice for any person. Prospective investors are strongly advised to consult their own independent professional tax advisers regarding the tax consequences of purchasing and owning Ordinary Shares.

## **13 Admission, settlement and CREST**

Application has been made to the London Stock Exchange for the Existing Share Capital to be re-admitted to trading on AIM and it is expected that Re-Admission will become effective and dealings in the Existing Share Capital will commence at 8.00 a.m. on 13 December 2022.

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument in accordance with the CREST Regulations.

The Ordinary Shares are eligible for CREST settlement. Accordingly, following Re-Admission, settlement of transactions in the Ordinary Shares may continue to take place within the CREST system if a Shareholder so wishes.

CREST is a voluntary system and Shareholders who wish to receive and retain share certificates are able to do so.

For more information concerning CREST, Shareholders should contact their stockbroker.

## **14 Risk Factors and Additional Information**

The whole of the text of this document should be read in conjunction with the December 2021 Admission Document and in particular your attention is drawn to the section entitled “risk factors” set out in part 3 of December 2021 Admission Document that describes certain risks associated with an investment in the Company.

Your attention is also drawn to the additional information set out in Parts 2 to 5 (inclusive) of this document.

**You are recommended to read all the information contained in this document and the December 2021 Admission Document and not just rely on the key or summarised information.**

Yours faithfully

**Steve Jenkins**

*Independent Non-Executive Chair*



## PART 2

### EXXON ACQUISITION OVERVIEW

#### 1. Exxon Acquisition

- 1.1. On 12 December 2021, Savannah Chad and the Exxon Sellers entered into the Exxon SPA relating to the acquisition by Savannah Chad:
  - 1.1.1. from Exxon Mobil Corporation, of a 100 per cent. shareholding interest in EEPCI, which holds a 40 per cent. participating interest in, and is operator of, the Doba OFDA; and
  - 1.1.2. from ExxonMobil International Holdings Inc. and Esso Exploration Holdings Inc., of a 100 per cent. shareholding interest in EPIL, which in turn holds a:
    - 1.1.2.1. 40.19 per cent. shareholding interest in TOTCo; and
    - 1.1.2.2. 41.06 per cent. shareholding interest in COTCo.
- 1.2. A description of the key terms of the Exxon SPA are set out in paragraph 2.1 of Part 5 of this document.
- 1.3. Completion under the Exxon SPA occurred on 9 December 2022. The Exxon SPA has an economic effective date of 1 January 2021.

#### Acquisition Consideration

- 1.4. The total approximate consideration payable by Savannah Chad for the Exxon Acquisition consists of:
  - 1.4.1. US\$240.6 million in cash for the entire issued share capital of EEPCI (plus interest); plus
  - 1.4.2. US\$104.4 million in cash for the entire issued share capital of EPIL (plus interest); plus or less (*as applicable*)
  - 1.4.3. the sum of certain completion date adjustments (plus interest on certain of these adjustments), including: (i) a positive adjustment for (EEPCI's underlift position) of US\$11.9 million as at the Economic Effective Date; (ii) a negative adjustment for any leakage from the Exxon Target Companies during the interim period; (iii) a positive adjustment for any contributions made to the Exxon Target Companies by the Exxon Sellers during the interim period; (iv) a negative adjustment for certain agreed cash amounts extracted from the Exxon Target Companies by the Exxon Sellers immediately prior to Completion; and (v) a negative adjustment to compensate for EEPCI failing to achieve its target production between 1 November 2021 and Completion; plus
  - 1.4.4. to the extent that EEPCI fails to achieve its target production (should the effect on production capacity, following an incident affecting the water handling system at the Miandoum gathering station, not have been rectified) a negative adjustment at Completion proportionate to the extent to which the then current production falls short on the target production, followed by a contingent positive post-Completion non-interest bearing payments payable from the proceeds of EEPCI's crude oil over a four year period post-Completion should the target production be re-achieved; plus
  - 1.4.5. up to an aggregate of US\$50 million of non-interest-bearing contingent consideration, by means of payment to ExxonMobil of 25 per cent. of the proceeds of sale of EEPCI's entitlement to crude oil (net of any royalty barrels or royalty payments due to the Government of Chad) received by EEPCI above US\$55 per bbl and up to US\$80 per bbl, between 1 January 2021 and 31 December 2023. The first of such payments shall be made at Completion.
- 1.5. The Company has provided to the Exxon Sellers a parent company guarantee to guarantee the obligations of Savannah Chad under the Exxon SPA.

### **Developments since execution of the Exxon SPA**

- 1.6. In exchange for EACMI remaining as the marketing agent in respect of EEPCI's share of crude oil production from the Doba Oil Project (pursuant to the EACMI Crude SPA), Savannah Chad and the Exxon Sellers have agreed to enter into the Exxon Prepayment Facility, pursuant to which the Exxon Lender has agreed to provide Savannah Energy Finance with an up to US\$170 million loan facility for the purposes of funding the estimated completion amount under the Exxon SPA.
- 1.7. Savannah Chad will therefore not need to draw down on the up to US\$400 million borrowing base facility between, *inter alia*, Savannah Chad and Madox DMCC (and detailed in the December 2021 Admission Document) for the purposes of Completion of the Exxon Acquisition.
- 1.8. Descriptions of the key terms of the EACMI Crude SPA and the Exxon Prepayment Facility are set out in paragraphs 2.2 and 3 of Part 5 of this document.
- 1.9. On account of the fact that the Minister provided his deemed consent pursuant to the terms of the Upstream Conventions and the TOTCo Convention, Savannah Chad and the Exxon Sellers have agreed to waive the condition under the Exxon SPA in relation to the provision of written Ministerial Consent;
- 1.10 Savannah Chad and the Exxon Sellers have also agreed:
  - 1.10.1 to waive the condition under the Exxon SPA in relation to EEPCI obtaining a settlement with the Government of Chad with respect to certain items, including taxes relating to the period prior to the Economic Effective Date;
  - 1.10.2 any Chadian and Cameroonian capital gains tax liabilities of the Exxon Sellers in relation to the sale by the Seller of EEPCI and EPIL shall be for the account of Savannah Chad; and
  - 1.10.3 a US\$15 million reduction to the consideration payable in respect of the entire issued share capital of EEPCI by Savannah Chad at Completion.

### **2. Adjustment upon Completion**

Given the difference between the Economic Effective Date of the transaction and the completion date of the Exxon Acquisition of 9 December 2022, there was a completion adjustment to the sums ultimately paid to ExxonMobil at Completion relating to, *inter alia*, the cash generation of the acquired assets during this period and the sweeping by ExxonMobil of EEPCI's and EPIL's cash balances during this period.

### **3. The Enlarged Group Post-Completion**

- 3.1. Following Completion of the Exxon Acquisition, the Enlarged Group now holds:
  - 3.1.1. a 40 per cent. participating interest in, and be the operator of, the Doba OFDA;
  - 3.1.2. a 40.19 per cent. shareholding interest in TOTCo; and
  - 3.1.3. a 41.06 per cent. shareholding interest in COTCo.
- 3.2. In relation to the Enlarged Group's interests in COTCo and TOTCo, it should be noted that:
  - 3.2.1. Savannah does not control a majority of the voting rights in these entities and will require the support of another shareholder or director (as applicable) in order to pass resolutions; and
  - 3.2.2. certain matters are reserved and require the approval of all shareholders, which creates the risk of deadlock on these reserved issues.

### **4. Acquisition Financing**

Savannah Chad has funded the amount payable at Completion of the Exxon Acquisition using the proceeds of the drawdown of the Exxon Prepayment Facility and existing cash resources.

## **5. Ministerial Consent**

Ministerial Consent for the Exxon Acquisition is required prior to Completion. Pursuant to the terms of the Upstream Conventions and the TOTCo Convention, the Minister had 60 days following notification to grant or deny consent, following which, consent was deemed to have been given. EEPCL provided notification to the Minister seeking Ministerial Consent and the Minister has provided his deemed consent pursuant to the terms of the Upstream Conventions and the TOTCo Convention.

## PART 3A

### ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE EXXON TARGET COMPANIES



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9 December, 2022  
The Directors and Proposed Directors  
Savannah Energy PLC  
40 Bank Street  
London E14 5NR

The Directors  
Strand Hanson  
26 Mount Row  
London  
W1K 3SQ

Dear Sirs and Madams,

#### Introduction

We report on the audited combined historical financial information of Esso Exploration and Production Chad Inc (“**EEPCI**”) and Esso Pipeline Investments Limited (“**EPIL**”) (together, the “**Exxon Target Companies**”) for the two years ended 31 December 2020 and 31 December 2021 (the “**Exxon Target Companies’ Financial Information**”), set out in Part 3B “*Historical Financial Information of the Exxon Target Companies*” of Savannah Energy PLC’s (the “**Company**”) AIM supplementary admission document dated 7 December 2022 (the “**Supplementary Admission Document**”).

#### Opinion on financial information

In our opinion, the Exxon Target Companies’ Financial Information gives, for the purposes of the Supplementary Admission Document, a true and fair view of the state of affairs of the Exxon Target Companies as at the dates stated, and of the results, financial position, cash flows and changes in equity for the years then ended, in accordance with International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union (“**IFRS**”).

#### Responsibilities

The directors of the Company (the “**Directors**”) are responsible for preparing the Exxon Target Companies’ Financial Information in accordance with IFRS.

It is our responsibility to form an opinion on the Exxon Target Companies’ Financial Information and to report our opinion to you.

#### Basis of Preparation

The Exxon Target Companies’ Financial Information has been prepared for inclusion in the Supplementary Admission Document on the basis of the accounting policies set out in note 2 to the Exxon Target

Companies' Financial Information. This report is required by Paragraph (a) of Schedule Two to the AIM Rules for Companies and is given for the purposes of complying with that paragraph and for no other purpose.

### **Basis of opinion**

We conducted our work in accordance with Standards of Investment Reporting issued by the Financial Reporting Council in the United Kingdom (the "**FRC**"). We are independent of the Exxon Target Companies in accordance with relevant ethical requirements. In the United Kingdom, this is the FRC's Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the Exxon Target Companies' Financial Information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the Exxon Target Companies' circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Exxon Target Companies' Financial Information is free from material misstatement, whether caused by fraud or other irregularity or error.

### **Conclusions relating to going concern**

We have not identified a material uncertainty related to events or conditions that, individually or collectively, may cast doubt on the ability of the Exxon Target Companies to continue as a going concern for a period of at least 12 months from the date of this report. We therefore conclude that the Directors' use of the going concern basis of accounting in the preparation of the Exxon Target Companies' Financial Information is appropriate.

### **Declaration**

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this report as part of the Supplementary Admission Document and we declare, to the best of our knowledge, the information contained in this report is in accordance with the facts and that this report makes no omission likely to affect its import. This declaration is included in the Supplementary Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully,

**Crowe U.K. LLP**

*Chartered Accountants*

## PART 3B

### HISTORICAL FINANCIAL INFORMATION OF THE EXXON TARGET COMPANIES

**Combined Statement of Comprehensive Income  
for the years ended 31 December**

		<i>Year ended 31 December 2021 US\$'000</i>	<i>Year ended 31 December 2020 US\$'000</i>
	<i>Note</i>		
Revenue	6	192,705	133,468
Cost of sales	7	(267,195)	(181,055)
<b>Gross loss</b>		(74,490)	(47,587)
Administrative and other operating expenses	8	(33,032)	(65,726)
Impairment reversal/(charge)	12, 13	100,952	(471,693)
<b>Operating loss</b>		(6,570)	(585,006)
Finance income	9	4,237	511
Finance costs	10	(23,665)	(20,900)
Share of profit from associates	12	12,855	3,999
<b>Loss before tax</b>		(13,143)	(601,396)
Current tax expense	11	(29,305)	–
Deferred tax (expense)/credit	11	(71,203)	360,092
Tax (expense)/credit	11	(100,508)	360,092
<b>Loss after tax and total comprehensive loss</b>		(113,651)	(241,304)



**Combined Statement of Financial Position**  
**as at 31 December**

		<i>As at</i> <i>31 December</i> <i>2021</i> <i>US\$'000</i>	<i>As at</i> <i>31 December</i> <i>2020</i> <i>US\$'000</i>
	<i>Note</i>		
<b>Assets</b>			
<b>Non-current assets</b>			
Investment in associates	12	75,315	273,254
Property, plant and equipment	13	282,018	200,242
Intangible assets		1,432	2,103
Deferred tax assets	11	174,945	333,950
Other non-current assets		98	135
<b>Total non-current assets</b>		<u>533,808</u>	<u>809,684</u>
<b>Current assets</b>			
Inventory	14	87,888	85,844
Trade and other receivables	15	160,598	185,743
Cash at bank	16	446	474
<b>Total current assets</b>		<u>248,932</u>	<u>272,061</u>
<b>Total assets</b>		<u>782,740</u>	<u>1,081,745</u>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital		602,403	602,403
Retained earnings		(367,586)	(253,935)
<b>Total equity</b>		<u>234,817</u>	<u>348,468</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities	11	203,150	290,951
Other payables	17	207,898	314,124
Decommissioning provisions	18	109,895	104,011
<b>Total non-current liabilities</b>		<u>520,943</u>	<u>709,086</u>
<b>Current liabilities</b>			
Trade and other payables	17	26,980	24,191
<b>Total current liabilities</b>		<u>26,980</u>	<u>24,191</u>
<b>Total liabilities</b>		<u>547,923</u>	<u>733,277</u>
<b>Total equity and liabilities</b>		<u>782,740</u>	<u>1,081,745</u>

**Combined Statement of Cash Flows**  
**for the years ended 31 December**

	<i>Year ended</i> <i>31 December</i> <i>2021</i> <i>US\$'000</i>	<i>Year ended</i> <i>31 December</i> <i>2020</i> <i>US\$'000</i>
	<i>Note</i>	
<b>Cash flows from operating activities:</b>		
Loss before tax	(13,143)	(601,396)
Adjustments for:		
Share of profit from associates	(12,855)	(3,999)
Depletion	199,812	114,851
Net impairment (reversal)/charge	(100,952)	471,693
Inventories written-off	–	7,200
Finance cost	24,001	20,632
Taxation paid/(rebate)	(29,306)	15,484
	<hr/>	<hr/>
Operating cash flows before movements in working capital	67,557	24,465
Net change in working capital	36,548	(69,865)
	<hr/>	<hr/>
<b>Net cash generated from/(used in) operating activities</b>	<b>104,105</b>	<b>(45,400)</b>
<b>Cash flows from investing activities:</b>		
Payments for property, plant and equipment	(3,260)	(16,526)
Dividend received	28,794	25,831
	<hr/>	<hr/>
<b>Net cash provided by investing activities</b>	<b>25,534</b>	<b>9,305</b>
<b>Cash flows from financing activities:</b>		
Interest paid on related party loan	(23,937)	(17,038)
Repayment of related party loan	(105,730)	–
Proceeds from related party loan	–	53,118
	<hr/>	<hr/>
<b>Net cash (used in)/provided by financing activities</b>	<b>(129,667)</b>	<b>36,080</b>
	<hr/>	<hr/>
<b>Net decrease in cash and cash equivalents</b>	<b>(28)</b>	<b>(15)</b>
	<hr/>	<hr/>
<b>Cash and cash equivalents at beginning of year</b>	<b>474</b>	<b>489</b>
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>	<b>446</b>	<b>474</b>
	<hr/> <hr/>	<hr/> <hr/>

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**Combined Statement of Changes in Equity  
for the years ended 31 December**

	<i>Share capital US\$'000</i>	<i>Retained earnings US\$'000</i>	<i>Total US\$'000</i>
<b>Balance at 1 January 2020</b>	602,403	(12,631)	589,772
Loss for the year	–	(241,304)	(241,304)
<b>Total comprehensive loss for the year</b>	–	(241,304)	(241,304)
<b>Balance at 31 December 2020</b>	602,403	(253,935)	348,468
Loss for the year	–	(113,651)	(113,651)
<b>Total comprehensive loss for the year</b>	–	(113,651)	(113,651)
<b>Balance at 31 December 2021</b>	602,403	(367,586)	234,817

## **Notes to the Financial Statements**

### **for the year ended 31 December 2021**

#### **1. General information**

The Exxon Target Companies' Financial Information combines the audited historical financial information of both EEPCI and EPIL, collectively the "Exxon Target Companies".

EEPCI is a wholly owned subsidiary of Exxon Mobil Corporation. EEPCI holds a 40 per cent. interest in a joint arrangement – the Doba Oil Field Development Area ("Doba OFDA", "OFDA" or "Doba Oil Project") in Chad. EEPCI also acts as operator to the Doba Oil Project. EPIL is held by ExxonMobil International Holdings Inc. and Esso Exploration Holdings Inc. EPIL holds 41.06 per cent. and 40.19 per cent. interest in COTCo and TOTCo, respectively.

#### **2. Basis of preparation**

The Exxon Target Companies' Financial Information has been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for the assets at the time of initial recognition.

#### **Statement of Compliance**

The Exxon Target Companies' Financial Information has been prepared on a basis that combines the results, assets, liabilities and cashflows of all entities making up the Exxon Target Companies, even though such entities did not historically form a Group under the requirements of IFRS 10. The disclosure requirements of IFRS 7, IAS 7 paragraphs 44(a) to 44(e) and IAS 33 have also not been complied with. These have not been complied with due to the limited and immaterial value in which they offer the users of this document.

The Exxon Target Companies' Financial Information has been prepared in accordance with the requirements of the AIM Rules for Companies and in accordance with this basis of preparation. The basis of preparation describes how the Exxon Target Companies' Financial Information has been prepared in accordance with International Accounting Standards as adopted by the United Kingdom ("UK-adopted IAS") except as described below.

In preparing the Exxon Target Companies' Financial Information, certain accounting conventions commonly used for the preparation of historical financial information for inclusion in investment circulars as described in the Annexure to SIR 2000 (Investment Reporting Standard applicable to public reporting engagements of historical financial information) issued by the Financial Reporting Council have been applied. The application of these conventions results in a material departure from IFRS as adopted by the UK: the Exxon Target Companies' Financial Information does not constitute a set of general-purpose financial statements under paragraph 2 of IAS 1 and consequently there is no explicit and unreserved statement of compliance with IFRS as contemplated by paragraph 16 of IAS 1.

In all other respects, IFRS as adopted by the UK has been applied. The significant accounting policies adopted in the preparation of the Historical Financial Information are set out in note 3. The policies have been consistently applied to all periods presented, unless otherwise stated.

#### **Basis of combination**

The combined Exxon Target Companies' Financial Information combine the financial statements of EEPCI and EPIL.

#### *Transactions eliminated upon consolidation*

Material intra-group transactions, balances, income and expenses are eliminated in full on combination

### **3. Significant accounting policies**

#### ***Foreign currency translation***

Transactions entered into in a currency other than the functional currency are translated into the functional currency using the spot exchange rates prevailing at the dates of the transactions. At each reporting date, the monetary assets and liabilities of the Exxon Target Companies that are not in the functional currency of that entity are translated into the functional currency at exchange rates prevailing at the reporting date. The resulting exchange differences are recognised in the Statement of Comprehensive Income.

#### ***Functional and presentation currency***

US Dollar is the functional currency of each entity of the Exxon Target Companies, due to it being the currency of the primary economic environment in which the Exxon Target Companies operate, based on the following facts:

- oil revenues are priced and invoiced in US Dollars;
- most of the expenses of the entities of the Exxon Target Companies are denominated in US Dollars; and
- the majority of funds raised from financing activities (debt or equity instruments) are generated in US Dollars.

#### ***Revenue recognition***

The Exxon Target Companies are principally engaged in the exploration, development and production of crude oil. The Exxon Target Companies have generally concluded that it is the principal in its revenue arrangements, as it typically controls the goods or services before transferring them to the customer.

#### ***Sales of crude oil***

Revenue from sales of crude oil is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the processed crude oil at the delivery point. The normal credit term is 30 days upon delivery.

#### ***Consideration payable to a customer***

The payment of the costs, claims, demands, liabilities and/or expenses suffered or incurred by the buyer under the oil contract (if any) has been recognised as a reduction of the transaction prices and, therefore, of revenue since the payment to the customer is not in exchange for distinct goods that the customers transfer to the Exxon Target Companies.

#### ***Contract balances***

##### ***Contract assets***

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Exxon Target Companies perform by transferring goods or services to a customer before the customer pays consideration or before payment is due, or not invoiced at the reporting date, a contract asset is recognised for the earned consideration that remains conditional.

##### ***Trade receivables***

A receivable represents the Exxon Target Companies right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets under financial instruments – initial recognition and subsequent measurement.

#### ***Oil and gas assets***

Expenditure on the construction, installation or completion of facilities such as process plant and the drilling of development wells is capitalised within oil and gas assets. When a development project moves into the production stage, the capitalisation of certain construction/development costs ceases and costs are either regarded as part of the cost of inventory or expensed in the period in which they are incurred, except for costs which qualify for capitalisation relating to producing asset additions, improvements or new

developments. Development and producing assets are carried at cost less accumulated depreciation, depletion and accumulated impairment losses.

### **Infrastructure assets and other property, plant and equipment**

Infrastructure assets and other property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

### **Depletion, depreciation and amortisation**

Depletion, depreciation and amortisation are provided at rates calculated to write each asset down to its estimated residual value over its expected useful life as follows:

	Years
<b>Oil and gas assets</b>	
Production and development costs	Unit <sup>1</sup>
Geological and geophysical costs, production drilling costs and development drilling costs	Unit <sup>1</sup>
<b>Infrastructure assets</b>	
Pipeline and facilities	5 - 20
Equipment	5 - 7
<b>Other assets</b>	
Computers	5
Motor vehicles	5
Furniture and fixtures	5
<b>Intangible assets</b>	
Software	5 – 20

1 Dependent on a unit-of-production using reserves.

Oil and gas assets are depleted on a unit-of-production basis over the total Proved Reserves of the field concerned, except in the case of assets whose useful life is shorter than the lifetime of the field, in which case the straight-line method is applied.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

### **Investments in associates**

Associates are entities which the Exxon Target Companies have significant influence including representation on the Directors, but not control or joint control, over the financial and operating policies of the investee company.

Investments in associates are accounted for using the equity method, with the Exxon Target Companies' share of net assets being recognised on the Statement of Financial Position, being adjusted for changes in the Exxon Target Companies' share of net assets of the associates. The Statement of Comprehensive Income reflects the Exxon Target Companies' share of results of operations in the associates. The Exxon Target Companies also assess the investment for impairment and, if the carrying amount is greater than the expected recoverable amount, an impairment is recognised in the Statement of Comprehensive Income.

### **Segmental analysis**

The Exxon Target Companies are primarily organised into one geographical operating segment, refer to note 5.

### **Impairment**

#### *Property, plant and equipment*

At each reporting date, the Exxon Target Companies review the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss.



If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount is the higher of fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than the carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Comprehensive Income.

Non-financial assets which have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior periods. A reversal of an impairment loss is recognised immediately in the Statement of Comprehensive Income.

### **Financial assets**

#### *Other receivables*

Other receivables are measured at amortised cost using the effective interest method less any impairment.

#### *Impairment of financial assets*

The Exxon Target Companies recognise an allowance for expected credit loss (“ECL”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Exxon Target Companies expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms (if any). ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit loss that results from default events that are possible within the next twelve months (a twelve-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit loss expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For most trade receivables, the Exxon Target Companies are required to follow a simplified approach in calculating ECLs if no significant financing component exists. Therefore, the Exxon Target Companies do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

### **Joint arrangements**

A joint arrangement is an arrangement over which two or more parties have joint control. Joint control exists when the Exxon Target Companies do not have the power, directly or indirectly, to solely govern the financial and operating policies of an entity. In assessing control, potential voting rights which are currently exercisable are taken into account. The Exxon Target Companies engage in oil exploration, development, production and distribution through unincorporated joint ventures or jointly controlled entities. The Exxon Target Companies account for their share of assets, liabilities, revenues and expenses of unincorporated joint arrangements as joint operations.

Interest in jointly controlled entities is accounted for using the equity method. Under the equity method, the investment is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Exxon Target Companies’ share of net assets of the venture since the acquisition date. The aggregated Statement of Comprehensive Income reflects the Exxon Target Companies’ share of results of operations in the ventures.

## **Financial liabilities and equity**

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

### *Financial liabilities at FVTPL*

Financial liabilities are classified as at FVTPL when the financial liability is: (i) contingent consideration that may be paid by an acquirer as part of a business combination; (ii) held for trading; or (iii) designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the fair value adjustment line item in the statement of comprehensive income.

### *Financial liabilities at amortised cost*

After initial recognition at fair value, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate ("EIR") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

### *Equity instruments*

Equity instruments issued by the Exxon Target Companies are recorded at the fair value of the proceeds received or the fair value price at the date of issue, net of direct issue costs, which are recorded to share capital (nominal value) and share premium.

### *Trade payables*

Trade payables are measured initially at fair value and subsequently measured at amortised cost.

## **Taxation**

### *Current tax*

The tax currently payable is based on assessable taxable income generated for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Exxon Target Companies' liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

### *Deferred tax*

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Exxon Target Companies' Financial Information and the corresponding tax basis used in the computation of taxable profit and is accounted for using the statement of financial position liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Exxon Target Companies is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Exxon Target Companies expect, at the reporting date, to recover or to settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Exxon Target Companies intend to settle their current tax assets and liabilities on a net basis.

#### *Current and deferred tax for the year*

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity or other comprehensive income, in which case the tax is also recognised directly in equity or other comprehensive income, as appropriate.

#### **Inventories**

Inventories of oil and gas assets are stated at the lower of cost and net realisable values. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Costs of crude oil includes costs of bringing the inventories to their present location and condition and is determined on a weighted average basis.

Lifting of offtake arrangements for crude oil produced in joint operations is such that it is not practicable for each participant to receive or sell its precise share of the overall production during the period. At each reporting date, the extent of underlift is recognised as an asset at the lower of the cost and net realisable value, while overlift is recognised as a liability. The net movement in underlift and overlift is recognised in the Statement of Comprehensive Income within Cost of sales.

#### **Cash at bank**

Cash at bank in the Statement of Financial Position comprises cash and cash equivalents, such as cash at banks and at hand and short-term deposits with an original maturity of three months or less. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined.

#### **Provisions**

##### *General*

Provisions are recognised when the Exxon Target Companies have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the Exxon Target Companies' best estimate of the expenditure required to settle the obligation at the reporting date, considering the risks and uncertainties of the obligation, and are discounted to present value where the effect is material. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the Statement of Comprehensive Income.

Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Where the Exxon Target Companies expect some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

### *Decommissioning liability*

The Exxon Target Companies recognise an initial decommissioning liability and an asset in Property, plant and equipment, if they have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. The obligation generally arises when the asset is installed, or the ground/environment is disturbed at the location. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related assets to the extent that it was incurred by the development/construction of the asset. Any decommissioning obligations that arise through the production of inventory are expensed as incurred. Changes in the estimated timing of decommissioning or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to Property, plant and equipment.

Any reduction in the decommissioning liability and, therefore, any deduction from the asset to which it relates, may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to the Statement of Comprehensive Income. If the change in estimate results in an increase in the decommissioning liability and, therefore, an addition to the carrying value of the asset, the Exxon Target Companies consider whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment in accordance with IAS 36. If, for mature fields, the revised oil and gas asset net of decommissioning provisions exceeds the recoverable value, that portion of the increase is charged directly to expense.

Over time, the discounted liability is increased for the change in present value based on the discount rate that reflects current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in the Statement of Profit or Loss and Other Comprehensive Income as a finance cost.

### **Capital**

The capital structure of the Exxon Target Companies consists of equity attributable to the owners of EEPCI and EPIL, comprising issued capital and retained earnings.

#### *Share capital*

Share capital comprises issued capital in respect of issued and paid-up shares, at their par value.

### **Retained earnings**

Retained earnings comprises the accumulated or deficit of earnings retained by the Exxon Target Companies.

The Exxon Target Companies' objective when managing capital is to maintain adequate financial flexibility to preserve their ability to meet financial obligations, both current and long-term, and to maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Exxon Target Companies is managed and adjusted to reflect changes in economic conditions.

### **Employee benefits**

#### *Defined contribution plan*

The retirement savings plan is a voluntary plan. The Exxon Target Companies and their employees respectively contribute up to 15 per cent. of the employees' base salary. Employees' contributions to the scheme are funded through payroll deductions while the Exxon Target Companies' contributions are charged to the Statement of Comprehensive Income in the year to which the contributions relate. Funds are bearing interest at 3.5 per cent. per year, which is the minimum return for insurance contracts under the CIMA (Conference Interafricaine des Marchés d'Assurance) code. Savings are available at the definitive retirement date, but employees can request the withdrawal of part or the whole of their retirement savings plan as per the 2021 Collective Labour Agreement in certain permitted circumstances.

If an employee leaves either of the Exxon Target Companies within five years of commencing employment, the Exxon Target Companies' contribution is vested as follows:

- 4 years – 80 per cent.;
- 3 years – 60 per cent.;
- 2 years – 40 per cent.;
- 1 year – 20 per cent.; and
- Less than 1 year – 0 per cent.

The contribution is vested at 100 per cent. for employees having at least five years of service.

#### **4. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Exxon Target Companies' accounting policies, which are described above, judgements, estimates and assumptions are required to be made, about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

##### ***Key sources of estimation uncertainty***

###### *Income and deferred taxes*

Judgement is required to determine which types of arrangements are a tax on income in contrast to an operating cost. Judgement is also required in determining whether deferred income tax assets are recognised in the Statement of Financial Position. Deferred income tax assets, including those arising from un-utilised tax losses, require management to assess the likelihood that the entities within the Exxon Target Companies will generate sufficient taxable earnings in future periods, in order to utilise recognised deferred income tax assets.

The deferred tax assets presented in the Exxon Target Companies' Financial Information are based on estimated future taxable profits of the Exxon Target Companies. These estimates of future taxable income are based on projected cash flows from operations (which are impacted by production and sales volumes, oil prices, reserves, operating costs, decommissioning costs, capital expenditure, dividends and other capital management transactions) and judgement about the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Exxon Target Companies to realise the net deferred income tax assets recorded at the reporting date could be impacted.

###### *Fair value measurement*

From time-to-time the Exxon Target Companies are required to determine the fair values of both financial and non-financial assets and liabilities, e.g. when the entity acquires a business, or where an entity measures the recoverable amount of an asset or cash-generating unit. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Exxon Target Companies use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Changes in estimates and assumptions about these inputs could affect the reported fair value.

### *Fair value hierarchy*

Where the fair value of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. The fair value of cash and cash equivalents, accounts receivable and accounts payable is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. At each reporting period, the fair value of these balances approximated their carrying value due to their short-term to maturity.

### *Decommissioning liabilities*

The Exxon Target Companies have decommissioning obligations in respect of their oil assets. The ultimate decommissioning and restoration costs are uncertain and cost estimates can vary in response to many factors, including changes to relevant legal and regulatory requirements, the emergence of new restoration techniques or experience at other production sites. The expected timing and amount of expenditure can also change in response to changes in reserves or changes in laws and regulations or their interpretation.

The extent to which a provision is recognised requires management to make judgements on the legal and constructive obligations at the date of decommissioning, estimates of the restoration costs, timing of work, long-term inflation and discount rates to be applied. As a result, there could be significant adjustments to the provisions established which would affect future financial results. Changes to expected timing of cash outflows can materially change the decommissioning liability.

### *Recoverability of oil assets*

Management is required to assess the Exxon Target Companies' oil assets for indicators of impairment. Management considers the Exxon Target Companies' latest development plans and business strategies and applies judgement in determining the appropriate cash-generating units for the purpose of applying the annual impairment assessment. Management compares the carrying value of these assets to the estimated net present value of the underlying oil and gas reserves and related future cash flows that could be generated from these reserves based upon estimates of future revenues, development costs and operating costs and applying a suitable post-tax discount rate. The reserve estimates are management's best estimates, taking into consideration independent evaluations of the proved and probable reserves attributable to the Exxon Target Companies' economic interests, using industry standard definitions and measurement techniques. Further details on the recoverability of oil assets are disclosed in note 13.

## **5. Segmental reporting**

The Exxon Target Companies comply with IFRS 8: Operating Segments which requires operating segments to be identified on the basis of internal reports about the components of the Exxon Target Companies that are regularly reviewed by the Exxon Target Companies' management to allocate resources to the segments and to assess their performance.

The operations of the Exxon Target Companies comprise of oil production and transportation and related activities in Chad and Cameron.

## **6. Revenue**

Set out below is the disaggregation of the Exxon Target Companies revenue from contracts with customers:

<i>Year ended 31 December</i>	<i>2021</i> <i>US\$'000</i>	<i>2020</i> <i>US\$'000</i>
Oil sales	192,705	133,468
	<u>192,705</u>	<u>133,468</u>

The Exxon Target Companies sell oil under sales and purchase agreements with various customers and revenue is recognised at a point in time, when the oil has been delivered to the customer, based on terms included within the sales contract.

All revenue is earned from the sale of crude oil

## 7. Cost of sales

	2021	2020
<i>Year ended 31 December</i>	<i>US\$'000</i>	<i>US\$'000</i>
Depreciation and depletion – oil and gas assets (note 13)	199,356	113,737
Royalties and fees	1,913	3,984
Facility operation and maintenance costs	65,926	63,334
	<u>267,195</u>	<u>181,055</u>

## 8. Administrative and other operating expenses

	2021	2020
<i>Year ended 31 December</i>	<i>US\$'000</i>	<i>US\$'000</i>
Net staff costs	31,551	35,514
Employee Benefits	(416)	4,985
Other expenses	42,584	63,719
Depletion and depreciation- other assets (note 13)	456	434
Capitalised expenses	(5,644)	(5,384)
Joint venture cutbacks to other joint operating partners	(56,429)	(62,467)
Administrative expenses	20,930	28,925
	<u>33,032</u>	<u>65,726</u>

## 9. Finance income

	2021	2020
<i>Year ended 31 December</i>	<i>US\$'000</i>	<i>US\$'000</i>
Bank deposit interest income	–	6
Related party interest income	4,237	505
	<u>4,237</u>	<u>511</u>

## 10. Finance costs

	2021	2020
<i>Year ended 31 December</i>	<i>US\$'000</i>	<i>US\$'000</i>
Unwinding of decommissioning provision	5,884	3,594
Interest on related party loan	17,292	17,038
Other finance costs	465	226
Bank charges	24	42
	<u>23,665</u>	<u>20,900</u>



## 11. Taxation

### (a) **Income tax**

The tax expense/(credit) recognised in the Statement of Comprehensive Income for the Exxon Target Companies is:

	2021 US\$'000	2020 US\$'000
<i>Year ended 31 December</i>		
Current tax		
– Current year	29,305	–
Deferred tax		
– Current year	71,203	(360,092)
<b>Total tax expense/(credit) for the year</b>	<u>100,508</u>	<u>(360,092)</u>

Corporation tax is calculated at the applicable tax rate based on the estimated taxable profit/(loss) for the year.

	Year ended 31 December 2021 US\$'000	Year ended 31 December 2020 US\$'000
<i>Year ended 31 December</i>		
The expense/(credit) for the year can be reconciled per the Statement of Comprehensive Income as follows:		
Loss on ordinary activities before tax	(13,143)	(601,396)
Loss before taxation multiplied by the tax rate of 60.0% (2020: 60.0%)	(7,885)	(360,838)
Tax effects of:		
Expenses disallowed for taxation purposes	29,155	341,354
Tax losses carried forward	8,035	19,484
Tax charge for the year	<u>29,305</u>	<u>–</u>

### (b) **Deferred tax**

The following are the major deferred tax assets/(liabilities) recognised by the Exxon Target Companies and movements thereon during the years under review.

	<i>Property, plant and equipment US\$'000</i>	<i>Other provisions US\$'000</i>	<i>Tax losses US\$'000</i>	<i>Total US\$'000</i>
Balance at 1 January 2020	(348,000)	30,906	–	(317,094)
Credit to Statement of Comprehensive Income	<u>57,049</u>	<u>283,559</u>	<u>19,484</u>	<u>360,092</u>
Balance at 31 December 2020	(290,951)	314,465	19,484	42,998
Expense to Statement of Comprehensive Income	<u>87,801</u>	<u>(147,555)</u>	<u>(11,449)</u>	<u>(71,203)</u>
Balance at 31 December 2021	<u>(203,150)</u>	<u>166,910</u>	<u>8,035</u>	<u>(28,205)</u>



<i>Year ended 31 December</i>	<i>As at 31 December 2021 US\$'000</i>	<i>As at 31 December 2020 US\$'000</i>
Deferred tax assets	174,945	333,950
Deferred tax liabilities	(203,150)	(290,951)
<b>Net deferred asset/(liability)</b>	<b>(28,205)</b>	<b>42,999</b>

In respect of the DTA for tax losses, the Exxon Target Companies believe that they will be profit generating in the coming periods and utilise the tax losses recognised.

## 12. Investment in associates

<i>Companies</i>	<i>2021 and 2020 Equity %</i>	<i>Country of incorporation</i>	<i>Principal activities</i>
Tchad Oil Transportation Company S.A ('TOTCO')	40.19%	Republic of Chad	Pipeline operation
Cameroon Oil Transportation S.A ('COTCO')	41.06%	Republic of Cameroon	Pipeline operation

The following tables summarise the information of the Exxon Target Companies significant associates, as adjusted for any differences in accounting policies:

### **COTCO**

	<i>As at 31 December 2021 US\$'000</i>	<i>As at 31 December 2020 US\$'000</i>
As at 31 December	US\$'000	US\$'000
Current assets	197,362	184,927
Non-current assets	482,638	524,519
Current Liabilities	27,996	21,768
Non-current liabilities	65,071	65,839
Equity	586,933	621,839
Share in equity	41.06%	41.06%
<b>Carrying amount of the investment</b>	<b>240,995</b>	<b>255,308</b>
	<i>2021</i>	<i>2020</i>
<i>Year ended 31 December</i>	<i>US\$'000</i>	<i>US\$'000</i>
Revenue	172,257	163,101
Operating expenses	(13,8505)	(151,269)
Profit before tax	33,752	11,832
Income tax expenses	(2,321)	(1,683)
Profit for the year	31,431	10,149
Share in equity	41.06%	41.06%
<b>Share of profit</b>	<b>12,905</b>	<b>4,167</b>

**TOTCO**

	2021 US\$'000	2020 US\$'000
<i>As at 31 December</i>		
Current assets	21,312	18,665
Non-current assets	58,635	66,885
Current Liabilities	6,615	6,240
Non-current liabilities	34,011	35,941
Equity	39,321	43,369
Share in equity	40.19%	40.19%
<b>Carrying amount of the investment</b>	<b>15,803</b>	<b>17,429</b>
	2021 US\$'000	2020 US\$'000
<i>Year ended 31 December</i>		
Revenue	20,213	19,958
Operating expenses	(20,827)	(20,669)
Loss before tax	(614)	(711)
Income tax expenses	489	292
Loss for the year	(125)	(419)
Share in equity	40.19%	40.19%
<b>Share of loss</b>	<b>(50)</b>	<b>(168)</b>
	2021 US\$'000	2020 US\$'000
<i>As at 31 December</i>		
Carrying amount of investment in associates	256,799	272,737
Accumulated impairment losses	(182,000)	-
Net carrying amount	74,798	272,737
Goodwill	517	517
Net goodwill carrying amount	517	517
<b>Net carrying amount of investment in associates</b>	<b>75,315</b>	<b>273,254</b>
<b>Share of profit from associate</b>	<b>12,855</b>	<b>3,999</b>
		US\$'000
Balance at 1 January 2020		295,086
Share of net profit		3,999
Dividends received		(25,831)
Balance at 31 December 2020		273,254
Share of net profit		12,855
Dividends received		(28,794)
Impairment		(182,000)
<b>Balance at 31 December 2021</b>		<b>75,315</b>

An impairment of \$182 million has been recognised in the Statement of Comprehensive Income to reflect the fair value of the investments in associates. The fair value has been derived from the Exxon SPA signed on 12 December 2021. It has been deemed to be, the best representation of the value of the assets.

### 13. Property, plant and equipment

	<i>Oil and gas assets US\$'000</i>	<i>Projects in progress US\$'000</i>	<i>Other assets US\$'000</i>	<i>Total US\$'000</i>
<b>Cost</b>				
Balance at 1 January 2020	3,055,803	24,709	28,077	3,108,589
Additions	4,117	430	696	5,243
Disposals	–	(574)	(26)	(600)
Decommissioning remeasurement adjustment (note 18)	43,599	–	–	43,599
Balance at 31 December 2020	3,103,519	24,565	28,747	3,156,831
Additions	2,687	393	180	3,260
Disposals	(5,467)	(601)	(3,992)	(10,060)
Balance at 31 December 2021	3,100,739	24,357	24,935	3,150,031
<b>Accumulated depreciation</b>				
Balance at 1 January 2020	(2,326,218)	(17,928)	(26,579)	(2,370,725)
Depletion	(113,040)	(697)	(434)	(114,171)
Impairment charge	(471,693)	–	–	(471,693)
Balance at 31 December 2020	(2,910,951)	(18,625)	(27,013)	(2,956,589)
Depletion	(198,522)	(834)	(456)	(199,812)
Disposals	1,179	221	4,036	5,436
Impairment reversal	282,952	–	–	282,952
Balance at 31 December 2021	(2,825,342)	(19,238)	(23,433)	(2,868,013)
<b>Net book value</b>				
31 December 2020	192,568	5,940	1,734	200,242
31 December 2021	275,397	5,119	1,502	282,018

Oil and gas assets principally comprise the well and field development costs relating to Moundouli, Miandoum, Maikeri, Bolobo, Kome and Nya and Timbre in Chad. The Infrastructure assets principally comprise the Chadian midstream assets associated with the Exxon Target Companies' network of transportation pipelines, and processing facilities. Other assets typically include vehicles, office equipment and building improvements.

During 2020, the Exxon Target Companies undertook a more detailed technical assessment of the decommissioning provision cost estimates using an independent contractor. The associated decommissioning asset has been adjusted to reflect the new cost estimates. The new asset value will be depreciated over the remaining life of the respective assets from 1 January 2022.

The recoverable amount for Property, Plant and equipment (cash-generating unit) was US\$282 million and was determined from the value-in-use calculations using cash flow projections and determine as at 31 December 2021. The project cash flows were discounted using a discount rate of 10.00 per cent. The principal driver of the impairments and impairment reversal has been the projected oil price based on a range of long-term assumptions and management expectations of market developments including the following:

- Revisions to the economic life or remaining unexpired concession period;
- Projected crude oil prices;
- Future capital and operating expenditures to be spent on the projects and their corresponding incremental reserves potentially to be recovered; and
- Current and forecasted market conditions.

The estimated future cash flows are reviewed at each reporting date, while the discount rate is reviewed annually based on the above factors and changes will eventually affect profit or loss through impairment charges or reversal of impairment.

#### 14. Inventory

	2021 US\$'000	2020 US\$'000
<i>As at 31 December</i>		
Spare parts	79,016	73,217
Crude oil	8,872	12,627
	<u>87,888</u>	<u>85,844</u>

During the year, the amount of inventories recognised as an expense in Cost of sales of the Exxon Target Companies was US\$3.8 million (2020: US\$7.2 million).

#### 15. Trade and other receivables

	2021 US\$'000	2020 US\$'000
<i>As at 31 December</i>		
Trade receivables	–	25,169
Receivables from a joint arrangement	13,328	19,800
Other receivables	12,727	3,718
VAT receivables	64	100
Prepayments	4,969	4,004
Related party receivables	129,509	132,952
	<u>160,598</u>	<u>185,743</u>

#### 16. Cash at bank

	2021 US\$'000	2020 US\$'000
<i>As at 31 December</i>		
Cash and cash equivalents	446	474
	<u>446</u>	<u>474</u>

#### 17. Trade and other payables

	2021 US\$'000	2020 US\$'000
<i>As at 31 December</i>		
<b>Current trade and other payables</b>		
Trade payables	7,522	4,599
Accruals	10,438	9,935
VAT and Withholding tax payables	1,225	2,944
Current tax liability	–	–
Crude oil overlift	7,107	2,425
Notes payables	688	1,517
Other payables	–	2,771
	<u>26,980</u>	<u>24,191</u>
<b>Non-current trade and other payables</b>		
Employee benefits	67,920	65,517
Related party loan payables	139,978	248,607
	<u>207,898</u>	<u>314,124</u>
	<u>234,878</u>	<u>338,315</u>

## 18. Decommissioning provisions

	2021 US\$'000	2020 US\$'000
As at 31 December		
Decommissioning provision	109,895	104,011
	<u>109,895</u>	<u>104,011</u>

Provision for decommissioning of oil and gas properties and other property, plant and equipment is recognised when there is an obligation to abandon a facility or an item of property, plant and equipment and to restore the site on which it is located, and when a reasonable estimate of that liability can be made. The Exxon Target Companies provide for the present value of estimated future decommissioning costs for certain of its oil and gas properties in Chad. These costs are updated annually based upon a review of both inflation and discount rates. Periodically, the Exxon Target Companies will undertake a more detailed technical assessment by both internal and external specialists as appropriate. The amounts shown are expected to crystallise in 2039.

The provision recognised is the present value of the obligations of the estimated future costs determined in accordance with current conditions and requirements.

A corresponding asset of an amount equivalent to the provision is also created. This asset is depreciated in accordance with the policy set out in note 3.

Most of these removal events are many years in the future and the precise requirements that will have to be met when the removal events actually occur are uncertain. Because actual timing and net cash outflows can differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions, the carrying amounts of provisions, together with the interest rate used in discounting the cash flows and inflation rate, are regularly reviewed and adjusted to take account of such changes.

	2021 US\$'000	2020 US\$'000
<b>Decommissioning provision</b>		
As at 1 January	104,011	56,818
Provided during the year	–	43,599
Unwinding of decommissioning provision discount (note 9)	5,884	3,594
<b>As at 31 December</b>	<u>109,895</u>	<u>104,011</u>

During the year ended 31 December 2020, the Exxon Target Companies undertook a detailed technical assessment of the decommissioning provision cost estimates. The assessments had a significant impact on the provision amount and therefore an adjustment in the accounts for the financial year ended 31 December 2020 was recorded. Such an assessment was not performed during 2021 as the accounting policy of the Exxon Target Companies required such assessment to be performed once every three years.

**PART 3C**

**UNAUDITED INTERIM FINANCIAL INFORMATION OF THE EXXON TARGET COMPANIES**

**Combined Statement of Comprehensive Income**

	<i>Unaudited</i>	<i>Unaudited</i>
	<i>Six months</i>	<i>Six months</i>
	<i>ended</i>	<i>ended</i>
	<i>30 June</i>	<i>30 June</i>
<i>Note</i>	<i>2022</i>	<i>2021</i>
	<i>US\$'000</i>	<i>US\$'000</i>
Revenue	1 95,686	122,110
Cost of sales	2 (108,942)	(159,491)
	<u>(13,256)</u>	<u>(37,381)</u>
<b>Gross loss</b>		
Administrative and other operating expenses	3 (1,560)	(20,227)
Impairment reversal	–	267,109
	<u>(14,816)</u>	<u>209,501</u>
<b>Operating (loss)/profit</b>		
Finance income	668	165
Finance costs	4 (6,473)	(11,783)
Share of profit in associates	7 3,651	3,630
	<u>(16,970)</u>	<u>201,513</u>
<b>(Loss)/profit before tax</b>		
Current tax credit/(expense)	5 26,735	(29,383)
Deferred tax credit	5 (22,797)	(94,153)
	<u>3,938</u>	<u>(123,536)</u>
Tax credit/(expense)	5	
	<u>(13,032)</u>	<u>77,977</u>
<b>(Loss)/profit after tax and total comprehensive (loss)/profit</b>		

## Combined Statement of Financial Position

		<i>Unaudited</i>	<i>Audited</i>
		<i>30 June</i>	<i>31 December</i>
	<i>Note</i>	<i>2022</i>	<i>2021</i>
		<i>US\$'000</i>	<i>US\$'000</i>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	188,540	282,018
Investment in associates	7	37,837	75,315
Intangible Assets		1,088	1,432
Deferred tax assets		128,188	174,945
Other non-current assets		78	98
<b>Total non-current assets</b>		<u>355,731</u>	<u>533,808</u>
<b>Current assets</b>			
Inventory	8	114,765	87,888
Trade and other receivables	9	350,072	160,598
Cash and cash equivalents	10	–	446
<b>Total current assets</b>		<u>464,837</u>	<u>248,932</u>
<b>Total assets</b>		<u>820,568</u>	<u>782,740</u>
<b>Equity and Liabilities</b>			
<b>Capital and Reserves</b>			
Share capital		602,403	602,403
Retained earnings		(380,618)	(367,586)
<b>Total equity</b>		<u>221,785</u>	<u>234,817</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		168,258	203,150
Other payables	11	280,441	207,898
Decommissioning provisions		130,225	109,895
<b>Total non-current liabilities</b>		<u>578,924</u>	<u>520,943</u>
<b>Current liabilities</b>			
Overdraft	10	5,165	–
Trade and other payables	11	14,694	26,980
<b>Total current liabilities</b>		<u>19,859</u>	<u>26,980</u>
<b>Total liabilities</b>		<u>598,783</u>	<u>547,923</u>
<b>Total equity and liabilities</b>		<u>820,568</u>	<u>782,740</u>

## Combined Statement of Cash Flows

	<i>Unaudited Six months ended 30 June 2022 US\$'000</i>	<i>Unaudited Six months ended 30 June 2021 US\$'000</i>
<b>Cash flows from operating activities:</b>		
(Loss)/profit before tax	(16,970)	201,513
Adjustments for:		
Share of profit from associates	(3,651)	(3,630)
Depletion, depreciation and amortisation	93,927	135,454
Impairment reversal	–	(267,109)
Finance cost	6,473	11,783
Operating cash flows before movements in working capital	79,779	78,011
Net change in working capital	(201,426)	(120,035)
<b>Net cash used in operating activities</b>	<u>(121,647)</u>	<u>(42,024)</u>
<b>Cash flows from investing activities:</b>		
Payments for property, plant and equipment	(449)	–
Dividend received	41,129	29,128
<b>Net cash provided by investing activities</b>	<u>40,680</u>	<u>29,128</u>
<b>Cash flows from financing activities:</b>		
Interest paid on related party loan	(3,211)	(7,878)
Proceeds from related party loan	78,567	20,767
<b>Net cash provided by financing activities</b>	<u>75,356</u>	<u>12,889</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(5,611)</u>	<u>(7)</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>446</u>	<u>474</u>
<b>Cash and cash equivalents at end of period</b>	10 <u><u>(5,165)</u></u>	<u><u>467</u></u>



**Combined Statement of Changes in Equity**

	<i>Share Capital US\$'000</i>	<i>Retained earnings US\$'000</i>	<i>Total Equity US\$'000</i>
<b>Balance at 1 January 2022 (audited)</b>	602,403	(367,586)	234,817
Loss for the period	—	(13,032)	(13,032)
<b>Total comprehensive loss for the period</b>	—	(13,032)	(13,032)
<b>Balance at 30 June 2022 (unaudited)</b>	<u>602,403</u>	<u>(380,618)</u>	<u>221,785</u>
	<i>Share Capital US\$'000</i>	<i>Retained earnings US\$'000</i>	<i>Total Equity US\$'000</i>
<b>Balance at 1 January 2021 (audited)</b>	602,403	(253,935)	348,468
Profit for the period	—	77,977	77,977
<b>Total comprehensive profit for the period</b>	—	77,977	77,977
<b>Balance at 30 June 2021 (unaudited)</b>	<u>602,403</u>	<u>(175,958)</u>	<u>426,445</u>

## Notes to the Financial Statements

### Basis of Preparation:

The Exxon Target Companies' Financial Information has been prepared on the same basis as the audited full year historical financial information for the year ending 31 December 2021.

### 1. Revenue

Set out below is the disaggregation of the Exxon Target Companies revenue from contracts with customers:

	<i>Unaudited</i> 2022 US\$'000	<i>Unaudited</i> 2021 US\$'000
<i>Six months ended 30 June</i>		
Crude Oil sales	95,686	122,110
	<u>95,686</u>	<u>122,110</u>

All revenue is earned from the sale of crude oil.

### 2. Cost of sales

	<i>Unaudited</i> 2022 US\$'000	<i>Unaudited</i> 2021 US\$'000
<i>Six months ended 30 June</i>		
Depletion and depreciation – oil and gas, and infrastructure assets	93,701	134,903
Royalties and similar fees	1,558	1,041
Facility operation and maintenance costs	13,683	23,547
	<u>108,942</u>	<u>159,491</u>

### 3. Administrative and other operating expenses

	<i>Unaudited</i> 2022 US\$'000	<i>Unaudited</i> 2021 US\$'000
<i>Six months ended 30 June</i>		
Net staff costs	14,243	15,762
Other expenses	15,685	24,907
Depreciation and amortisation	226	551
Capitalised expenses	–	(1,854)
JV Cutbacks to joint operation partners	(42,115)	(30,534)
Administrative expenses	13,521	11,395
	<u>1,560</u>	<u>20,227</u>

### 4. Finance Cost

	<i>Unaudited</i> 2022 US\$'000	<i>Unaudited</i> 2021 US\$'000
<i>Six months ended 30 June</i>		
Unwinding of decommissioning discount	3,298	3,111
Interest on related party loan	3,175	7,878
Other finance costs	–	780
Bank charges	–	14
	<u>6,473</u>	<u>11,783</u>

## 5. Taxation

The tax credit/(expense) recognised in the Statement of Comprehensive Income for the Exxon Target Companies is:

	<i>Unaudited</i> 2022 US\$'000	<i>Unaudited</i> 2021 US\$'000
<i>Six months ended 30 June</i>		
Current tax	26,735	(29,383)
Deferred tax	(22,797)	(94,153)
	<u>3,938</u>	<u>(123,536)</u>

## 6. Property, plant and equipment

	<i>Oil and gas</i> <i>assets</i> US\$'000	<i>Infrastructure</i> <i>assets</i> US\$'000	<i>Other</i> <i>assets</i> US\$'000	<i>Total</i> US\$'000
<b>Cost</b>				
Balance at 1 January 2021 (audited)	3,103,519	24,565	28,747	3,156,831
Additions	2,687	393	180	3,260
Disposals	(5,467)	(601)	(3,992)	(10,060)
Balance at 31 December 2021 (audited)	<u>3,100,739</u>	<u>24,357</u>	<u>24,935</u>	<u>3,150,031</u>
Additions	39	387	23	449
Balance at 30 June 2022 (unaudited)	<u>3,100,778</u>	<u>24,744</u>	<u>24,958</u>	<u>3,150,480</u>
<b>Accumulated depreciation</b>				
Balance at 1 January 2021 (audited)	(2,910,951)	(18,625)	(27,013)	(2,956,589)
Depletion and depreciation	(198,522)	(834)	(456)	(199,812)
Disposals	1,179	221	4,036	5,436
Impairment reversal	282,952	–	–	282,952
Balance at 31 December 2021 (audited)	<u>(2,825,342)</u>	<u>(19,238)</u>	<u>(23,433)</u>	<u>(2,868,013)</u>
Depletion and depreciation	(93,276)	(425)	(226)	(93,927)
Balance at 30 June 2022 (unaudited)	<u>(2,918,618)</u>	<u>(19,663)</u>	<u>(23,659)</u>	<u>(2,961,940)</u>
<b>Net book value</b>				
31 December 2021 (audited)	<u>275,397</u>	<u>5,119</u>	<u>1,502</u>	<u>282,018</u>
30 June 2022 (unaudited)	<u>182,160</u>	<u>5,081</u>	<u>1,299</u>	<u>188,540</u>

An impairment has been recognised in the year ending 31 December 2021. For additional information on the impairment, refer to the audited full year historical financial information for the year ending 31 December 2021.

## 7. Investment in associates

	US\$'000
Balance at 1 January 2021 (audited)	273,254
Share of net profit	12,855
Dividends received	(28,794)
Impairment	(182,000)
Balance at 31 December 2021 (audited)	<u>75,315</u>
Share of net profit	3,651
Dividends received	(41,129)
<b>Balance at 30 June 2022 (unaudited)</b>	<u>37,837</u>

## 8. Inventory

	<i>Unaudited</i> 30 June 2022 US\$'000	<i>Audited</i> 31 December 2021 US\$'000
Spare parts	74,590	79,016
Crude oil	40,175	8,872
	<u>114,765</u>	<u>87,888</u>

## 9. Trade and other receivables

	<i>Unaudited</i> 30 June 2022 US\$'000	<i>Audited</i> 31 December 2021 US\$'000
Receivables from a joint arrangement	2,720	13,328
Other receivables	708	12,728
VAT receivables	100	64
Prepayments	2,873	4,969
Intercompany receivable	343,671	129,509
	<u>350,072</u>	<u>160,598</u>

## 10. Cash at bank

	<i>Unaudited</i> 30 June 2022 US\$'000	<i>Audited</i> 31 December 2021 US\$'000
Cash and cash equivalents	–	446
Overdraft	(5,165)	–
	<u>(5,165)</u>	<u>446</u>

## 11. Trade and other payables

	<i>Unaudited</i> 30 June 2022 US\$'000	<i>Audited</i> 31 December 2021 US\$'000
<b>Current trade and other payables</b>		
Trade payables and accruals	14,694	17,960
VAT and Withholding tax payables	–	1,225
Crude oil overlift	–	7,107
Notes payable	–	688
	<u>14,694</u>	<u>26,980</u>
<b>Non-current other payables</b>		
Employee benefits	61,898	67,920
Related party loan payables	218,542	139,978
	<u>280,441</u>	<u>207,898</u>
	<u>295,135</u>	<u>234,878</u>

## PART 3D

### HISTORICAL FINANCIAL INFORMATION ON THE EXISTING GROUP

In accordance with Rule 28 of the AIM Rules, this document does not contain historical financial information on the Existing Group, which would otherwise be required under Section 18 of Annex 1 of the Prospectus Regulation (Regulation (EU) 2017/1129).

This information is available on the Company's website, as follows:

<i>Financial Information</i>	<i>Hyperlink</i>
Savannah's audited results for the year ended 31 December 2019	<a href="https://wp-savannah-2020.s3.eu-west-2.amazonaws.com/media/2020/10/26100057/SVE_AR19_1-1.pdf">https://wp-savannah-2020.s3.eu-west-2.amazonaws.com/media/2020/10/26100057/SVE_AR19_1-1.pdf</a>
Savannah's audited results for the year ended 31 December 2020	<a href="https://wp-savannah-2020.s3.eu-west-2.amazonaws.com/media/2021/06/07175510/Savannah-Energy-PLC-Annual-Report-and-Accounts-2020.pdf">https://wp-savannah-2020.s3.eu-west-2.amazonaws.com/media/2021/06/07175510/Savannah-Energy-PLC-Annual-Report-and-Accounts-2020.pdf</a>
Savannah's audited results for the year ended 31 December 2021	<a href="https://wp-savannah-2020.s3.eu-west-2.amazonaws.com/media/2022/09/Savannah-Energy-PLC-AR21.pdf">https://wp-savannah-2020.s3.eu-west-2.amazonaws.com/media/2022/09/Savannah-Energy-PLC-AR21.pdf</a>
Savannah's unaudited interim results for the six months ended 30 June 2022	<a href="https://wp-savannah-2020.s3.eu-west-2.amazonaws.com/media/2022/09/H1-2022-Results-Release-FINAL-B.pdf">https://wp-savannah-2020.s3.eu-west-2.amazonaws.com/media/2022/09/H1-2022-Results-Release-FINAL-B.pdf</a>

Shareholders or other recipients of this document may request a hard copy of the above information incorporated by reference from the Company at its registered office, 40 Bank Street, London E14 5NR, or by telephoning +44 (0) 20 3817 9844. Such copy will be provided to the requester within 7 days. A hard copy of the information incorporated by reference will not be sent to Shareholders or other recipients of this document unless requested.

## PART 4

### ADDITIONAL INFORMATION

#### 1 RESPONSIBILITY

The Company, its Directors and Proposed Directors (whose names and functions appear on page 5 of this document) accept responsibility, both individually and collectively, for the information contained in this document. To the best of the knowledge and belief of the Directors and Proposed Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. All the Directors and Proposed Directors accept individual and collective responsibility for compliance with the AIM Rules.

#### 2 INCORPORATION AND GENERAL

- 2.1 The Company was incorporated in England and Wales on 3 July 2014, under the name of Savannah Petroleum PLC (registered number 09115262), as a public limited company under the Act. The Company changed its name to Savannah Energy PLC on 16 April 2020.
- 2.2 The Company's registered office and its principal place of business is at 40 Bank Street, London E14 5NR (telephone number 0203 102 6897 or, if dialling from outside the United Kingdom, +44 203 102 6897).
- 2.3 The Company is domiciled in the United Kingdom.
- 2.4 The accounting reference date of the Company is 31 December and will remain so on Re-Admission.
- 2.5 The website address for the Company for the purposes of AIM Rule 26 is [www.savannah-energy.com](http://www.savannah-energy.com).
- 2.6 The principal legislation under which the Company operates is the Act.
- 2.7 On 22 July 2014, the Company obtained a certificate pursuant to section 761 of the Act entitling it to do business and borrow and on 1 August 2014, the Company's Ordinary Shares were admitted to trading on the AIM market operated by the London Stock Exchange plc.
- 2.8 The Company's auditors are BDO LLP, a firm of chartered accountants registered with the Institute of Chartered Accountants in England and Wales.
- 2.9 The Company is the ultimate holding company of the Existing Group and, from Completion, the Enlarged Group. On Re-Admission of the Existing Ordinary Shares to trading, the Company will have the following subsidiaries and other undertakings:

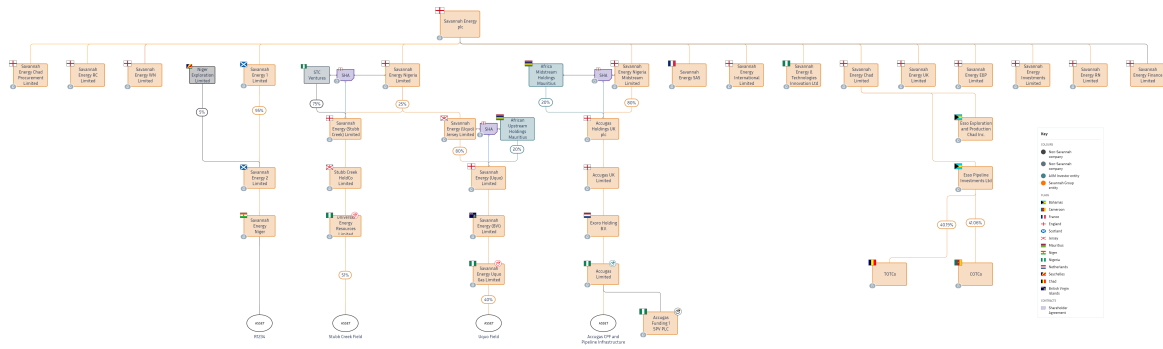
<i>Name (Jurisdiction)</i>	<i>Registered Office</i>	<i>Principal Activity</i>	<i>Issued Share Capital</i>
Savannah Energy 1 Limited (Scotland – SC453751)	50 Lothian Road, Festival Square, Edinburgh, Midlothian, EH3 9WJ	Subsidiary company	15,737,894 A1 ordinary shares of £0.000000001 each, two A2 ordinary shares of £0.000000001 each and 1,000,000,020 B ordinary shares of \$0.000000001 each
Savannah Energy 2 Limited (Scotland – SC467099)	50 Lothian Road, Festival Square, Edinburgh, Midlothian, EH3 9WJ	Subsidiary company	105,264 ordinary shares of \$0.00001 each

<i>Name (Jurisdiction)</i>	<i>Registered Office</i>	<i>Principal Activity</i>	<i>Issued Share Capital</i>
Savannah Energy Niger S.A. (Niger-RCCM NI-NIA-2014-B1940)	124 Rue des Ambassades AM-8, BP 11272, Niamey, Niger	Exploration and extraction of petroleum and natural gas	1,000 shares of 10,000 CFA francs each
Savannah Energy SAS (France – 811 283 043)	3-5 Rue Saint-Georges, 75009, Paris, France	Services company	1 share of €1.00
Savannah Energy International Limited (England – 10344619)	40 Bank Street, London, United Kingdom, E14 5NR	Subsidiary company	1 ordinary share of £0.01
Savannah Energy Nigeria Midstream Limited (England – 11685648)	40 Bank Street, London, United Kingdom, E14 5NR	Subsidiary company	1 ordinary share of \$1.00
Savannah Energy Nigeria Limited (England – 11290084)	40 Bank Street, London, United Kingdom, E14 5NR	Subsidiary company	1 ordinary share of \$1.00
Savannah Energy (Stubb Creek) Limited (England – 11309541)	40 Bank Street, London, United Kingdom, E14 5NR	Subsidiary company	75 A ordinary shares of \$1.00 each and 25 B ordinary shares of \$1.00 each
Accugas Holdings UK plc (England – 11950135)	40 Bank Street, London, United Kingdom, E14 5NR	Subsidiary company	62,502 ordinary shares of £1.00 each
Accugas UK Limited (England – 12257421)	40 Bank Street, London, United Kingdom, E14 5NR	Subsidiary company	3 ordinary shares of £1.00 each
Exoro Holding B.V. (Netherlands – 27307262)	40 Bank Street, London, United Kingdom, E14 5NR	Subsidiary company	18,769 shares of €1.00 each
Accugas Limited (Nigeria – 881197)	The Wings Complex, 17A Ozumba Mbadiwe Avenue, Victoria Island, Lagos State, Nigeria	Gas processing, marketing & distribution	10,424,329 shares of NGN 1.00 each
Accugas Funding 1 SPV PLC (Nigeria – 1810276)	35 Kofo Abayomi Street, Victoria Island, Lagos State, Nigeria	Subsidiary company	100,000,000 shares of NGN 1.00 each
Stubb Creek Holdco Limited (Jersey – 128339)	11 Bath Street, St Helier, Jersey, JE4 8UT	Subsidiary company	302 shares of \$1.00 each
Universal Energy Resources Limited (Nigeria – 429120)	25 Idoro Road, Uyo, Akwa Ibom State, Nigeria	Exploration and extraction of petroleum and natural gas	480,000,000 shares of NGN 1.00 each
Savannah Energy (Uquo) Jersey Limited (Jersey – 130188)	11 Bath Street, St Helier, Jersey, JE4 8UT	Subsidiary company	3 shares of \$1.00 each

<i>Name (Jurisdiction)</i>	<i>Registered Office</i>	<i>Principal Activity</i>	<i>Issued Share Capital</i>
Savannah Energy (Uquo) Limited (England – 12292632)	40 Bank Street, London, United Kingdom, E14 5NR	Subsidiary company	1,250 ordinary shares of \$0.001 each
Savannah Energy (BVI) Limited (British Virgin Islands – 1032686)	Midocean Chambers PO Box 805, Road Town, Tortola, British Virgin Islands	Subsidiary company	56,068,924 class no. 1 ordinary shares with no par value
Savannah Energy Uquo Gas Limited (Nigeria – 659675)	The Wings Complex, 17A Ozumba Mbadiwe Avenue, Victoria Island, Lagos State, Nigeria	Exploration and extraction of petroleum & natural gas	100,000,000 shares of NGN 1.00 each
Savannah Energy & Technologies Innovations Ltd (Nigeria – 1399618)	The Wings Complex, 17A Ozumba Mbadiwe Avenue, Victoria Island, Lagos State, Nigeria	Subsidiary company	10,000,000 shares of NGN 1.00 each
Savannah Energy Chad Limited (England – 13490881)	40 Bank Street, London, United Kingdom, E14 5NR	Subsidiary company	1 ordinary share of \$1.00
Savannah Energy UK Limited (England – 13740680)	40 Bank Street, London, United Kingdom, E14 5NR	Subsidiary company	1 ordinary share of \$1.00
Savannah Energy Chad Procurement Limited (England – 14014394)	40 Bank Street, London, United Kingdom, E14 5NR	Subsidiary company	1 ordinary share of £1.00
Savannah Energy RC Limited (England – 14031643)	40 Bank Street, London, United Kingdom, E14 5NR	Subsidiary company	1 ordinary share of £1.00
Savannah Energy WN Limited (England – 14455664)	40 Bank Street, London, United Kingdom, E14 5NR	Subsidiary company	1 ordinary share of £1.00
Savannah Energy E&P Limited (England – 13868221)	40 Bank Street, London, United Kingdom, E14 5NR	Subsidiary company	1 ordinary share of £1.00
Savannah Energy RN Limited (registered number 13980231)	40 Bank Street, London, United Kingdom, E14 5NR	Subsidiary company	1 ordinary share of £1.00
Savannah Energy Investments Limited (England – 13889146)	40 Bank Street, London, United Kingdom, E14 5NR	Subsidiary company	1 ordinary share of £1.00
Savannah Energy Finance Limited (England – 14516807)	40 Bank Street, London, United Kingdom, E14 5NR	Subsidiary company	1 ordinary share of £1.00



2.10 A structure chart showing the principal members of the Group is shown below:



2.11 The Company owns 99 per cent. of the issued share capital of Savannah Energy 1 Limited (“SE1L”). The remaining one per cent. is owned by former senior employees of the Group pursuant to the 2014 LTIP, described in paragraph 4 of this Part 4.

2.12 The Company owns indirectly:

- 2.12.1 (via SE1L) 100,000 ordinary shares in the capital of Savannah Energy 2 Limited (“SE2L”), and Niger Exploration is the holder of 5,264 ordinary shares in the capital of SE2L. The articles of association of SE2L contain a “drag-along” provision pursuant to which SE1L can force Niger Exploration to sell its shares in SE2L in the event SE1L is selling the shares that it owns in SE2L. Niger Exploration is 95 per cent. beneficially owned and 100 per cent. controlled by Yacine Wafy, the Group’s Vice President for West Africa; Savannah Niger is a wholly owned subsidiary of SE2L.
- 2.12.2 (via Savannah Energy Nigeria Limited) 25 B ordinary shares in the capital of Savannah Energy (Stubb Creek) Limited and STC Joint Venture Limited is the holder of the other 75 A ordinary shares in the capital of Savannah Energy (Stubb Creek) Limited; and
- 2.12.3 (via Savannah Energy Nigeria Midstream Limited) 50,002 ordinary shares in Accugas Holdings UK plc and Africa Midstream Holdings Mauritius (a subsidiary of AIIM) is the holder of the other 12,500 ordinary shares in issue. Accugas UK Limited, Exoro Holdings B.V., Accugas Limited and Accugas Funding I SPV PLC are wholly owned subsidiaries of Accugas Holdings UK plc.

2.13 Savannah Niger, Accugas Limited, SEUGL and UERL are the principal operating subsidiaries of the Group.

2.14 Following completion of the Exxon Acquisition, the Company will acquire, either directly or indirectly, the following interests in the following undertakings:

Name	Registered Office	Principal Activity	Issued Share Capital	Percentage Ownership
Esso Exploration and Production Chad Inc.	Office Number 2 Pineapple Business Park, Nassau, Bahamas	Holding company	2 ordinary shares	100%
Esso Pipeline Investments Limited	Office Number 2 Pineapple Business Park, Nassau, Bahamas	Holding company	1,000 common shares	100%

Tchad Oil Transportation Company	Klemat, 2e Arrondissement, N'Djamena, Chad	Trading company	76,836 ordinary shares	40.19%
Cameroon Oil Transportation Company	164 Rue Toyota, Bonapriso, Douala, Cameroon	Trading company	678,553 ordinary shares	41.06%

### 3 SHARE CAPITAL

3.1 The share capital history of the Company from 1 January 2018 to the date of this document is as follows:

- 3.1.1 On 9 February 2018, 514,885,980 Ordinary Shares were issued.
- 3.1.2 On 26 June 2018, the English High Court confirmed the cancellation of the Company's share premium amount, which was effected by way of a special resolution of the Company dated 3 May 2018.
- 3.1.3 On 28 January 2019, 62,800,000 Ordinary Shares were issued for cash at an issue price of £0.28 per Ordinary Share.
- 3.1.4 On 14 November 2019, (i) 90,666,308 Ordinary Shares were issued for cash at a price of £0.24 per Ordinary Share; and (ii) 25,972,677 Ordinary Shares were issued for cash at a price of £0.28 per Ordinary Share.
- 3.1.5 On 31 December 2021, the Company issued warrants (the "**Warrants**") over 101,113,992 Ordinary Shares to Lothian Capital Partners 4 Limited ("**LCP4**"), which is controlled by Andrew Knott, the Company's Chief Executive Officer. The Warrants have a 90-month term and an exercise price of £0.235 per Ordinary Share.
- 3.1.6 On 6 January 2022, 251,623,456 Ordinary Shares were issued as part of a placing of new Ordinary Shares in the Company for an issue price of £0.1935 per Ordinary Share.
- 3.1.7 On 11 February 2022, 58,066,951 Ordinary Shares were issued to the EBT.

3.2 For the purposes of implementing the Exxon Acquisition, at the General Meeting on 24 January 2022, Shareholders approved for all purposes, including without limitation, for the purposes of Rule 14 of the AIM Rules for Companies published by the London Stock Exchange plc, that the Directors be and are hereby authorised to take all steps necessary or, in the opinion of the Directors, desirable, to give effect to the Exxon Acquisition.

3.3 The Company's issued fully paid share capital as at the date of this document is, and on Re-Admission will be, as follows:

	<i>Present</i>		<i>Immediately following Re-Admission</i>	
	<i>Number</i>	<i>Nominal Value</i>	<i>Number</i>	<i>Nominal Value</i>
Issued and fully paid	1,306,098,819	£1,306,098.82	1,306,098,819	£1,306,098.82

3.4 The net asset value of an Ordinary Share as at 30 June 2022 was approximately £0.186 (the "**Net Asset Value Per Share**").

3.5 The Ordinary Shares in issue on Re-Admission are capable of being held in either registered or uncertificated form. In the case of Ordinary Shares held in uncertificated form, the Articles permit the holding and transfer of Ordinary Shares through CREST. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by written instrument. The records in respect of Ordinary Shares held in uncertificated form will be maintained by Euroclear UK and International Limited and the Company's registrar, Computershare Investor Services plc (details of which are set out on page 13).

3.6 The Ordinary Shares are denominated in Pounds Sterling.

3.7 The Company does not have in issue any equity securities not representing share capital.

- 3.8 The Company does not hold any treasury shares and no Ordinary Shares or other shares in the Company were held by, or on behalf of, any member of the Group.
- 3.9 The International Security Identification Number for the Ordinary Shares is GB00BP41S218.
- 3.10 Save as disclosed in this paragraph 3 and paragraph 4 below of this Part 4:
- 3.10.1 there are no convertible securities, exchangeable securities or securities with warrants;
- 3.10.2 no person has any acquisition rights and or obligations over authorised but unissued capital, and there is no undertaking to increase the capital; and
- 3.10.3 no capital of the Company or any member of the Group is under option or is agreed, conditionally or unconditionally, to be put under option.

#### **4 INCENTIVE SCHEMES**

- 4.1 The Company has granted options and awards under a number of share plans. These are detailed below and are as follows:
- 4.1.1 the 2014 Long-Term Incentive Plan;
- 4.1.2 the 2015 Supplemental Plan;
- 4.1.3 the Employee Plan 2018;
- 4.1.4 the Officers Plan 2020;
- 4.1.5 the Employee 2014/15 Replacement Plan; and
- 4.1.6 the Employee Plan 2021.

#### **4.2 2014 LTIP**

##### *4.2.1 Introduction*

On 28 November 2014, the Company established a management long-term incentive equity incentive plan. The 2014 LTIP is now closed and is not expected to be reopened.

##### *4.2.2 Type of award*

Under the terms of the existing 2014 LTIP, participants subscribe for shares in SE1L, with an entitlement to exchange such shares for Ordinary Shares if the closing middle market quotation of the Ordinary Shares on any day equals or exceeds £1.68 (the **“Hurdle Price”**).

##### *4.2.3 Performance conditions and vesting of awards*

- (a) The number of Ordinary shares that can be acquired by participants following the Hurdle Price being achieved will be determined on the date of the share exchange in accordance with the following formula:

$$X = A - ((A \times B) / C)$$

Where:

X is the number of Ordinary Shares to be issued on exchange (rounded to the nearest whole number);

**A** is the number of SE1L shares being exchanged;

**B** is £0.56 (being the price at which the Ordinary Shares were admitted to dealing on AIM at the time of the Company’s admission to AIM); and

**C** is the closing middle market quotation of the Ordinary Shares on the date of the share exchange.

- (b) If the Hurdle Price is met prior to the vesting date, the award will not vest until the vesting date and the relevant participants will not be able to exchange their SE1L shares for Ordinary Shares until after the vesting date unless there is a change of control of the

Company, or the individual ceases to be an employee or director of a member of the Group.

#### 4.2.4 *Cessation of employment*

- (a) Awards issued pursuant to the 2014 LTIP will be subject to full or partial forfeiture if the relevant participant ceases to be either: (i) employed by a member of the Group; or (ii) a director of a member of the Group prior to the vesting date (a **“Leaver”**) (other than awards held by Andrew Knott, which are not subject to any forfeiture provisions).
- (b) Pursuant to the terms of the forfeiture provisions, the relevant participant will be required to transfer the following proportion of his or her awards for nil consideration to the Company or a person nominated by the Company:
  - (i) 100 per cent. if the participant becomes a Leaver within 2.5 years of being issued the awards;
  - (ii) 0 per cent. if the participant becomes a Leaver after five years of being issued the awards; and
  - (iii) if the participant becomes a Leaver at or after 2.5 years of being issued the awards but before the fifth anniversary of the awards being issued, the proportion will be determined by the following formula:  $50 - 50((Y-2.5)/2.5)$ , where Y is the number of years that have elapsed between the awards being issued and the participant becoming a Leaver.

#### 4.2.5 *Award Holders*

The only awards under the 2014 LTIP that will continue in existence are those held by former employees of the Group which did not lapse at the time of cessation of their employment.

### 4.3 **2015 Supplemental Plan**

4.3.1 On 30 July 2015, the Company established a supplemental share option plan. The 2015 Supplemental Plan is now closed and is not expected to be reopened.

4.3.2 The 2015 Supplemental Plan has been implemented and structured principally on the same terms as the 2014 LTIP, subject to the following differences:

- (a) the aggregate number of any issued or unissued Ordinary Shares being the subject of the 2014 LTIP and the 2015 Supplemental Plan from time to time shall not exceed ten per cent. of the Company's fully diluted share capital;
- (b) one half of the equity available under the 2015 Supplemental Plan and the 2014 LTIP shall be awarded to Andrew Knott;
- (c) the share price hurdle rate is £1.14 per Ordinary Share;
- (d) options granted pursuant to the 2015 Supplemental Plan will vest and become exercisable on the earliest to occur of: (i) the Company's share price on any day equalling or exceeding £1.14 per Ordinary Share; (ii) any person or group of persons acting in concert obtaining control of 30 per cent. or more of the Company's issued share capital (other than the existing concert party); (iii) the sale of a substantial proportion of the Group's assets (as shall be determined by the Company's Remuneration and Nomination Committee in its sole discretion); and (iv) the passing of a resolution for the voluntary winding up of the Company;
- (e) options granted pursuant to the 2015 Supplemental Plan will be granted over unissued Ordinary Shares, rather than shares in SE1L; and

- (f) options granted pursuant to the 2015 Supplemental Plan will lapse in the event that a participant ceased to be either: (i) employed by a member of the Group; or (ii) a director of a member of the Group prior to 28 November 2017.

#### 4.3.3 *Award Holders*

The only awards under the 2015 Supplemental Plan that will continue in existence are those held by former employees of the Group which had not lapsed at the time of cessation of their employment.

### 4.4 **Employee Plan 2018**

#### 4.4.1 *Introduction*

- (a) On 15 June 2018, the Company established an employee share option plan.
- (b) The Employee Plan 2018 is a discretionary share plan administered by the Board or a committee appointed by the Board.
- (c) Any employee (including an executive director) of the Group will be eligible to participate in the Employee Plan 2018 at the discretion of the Board.
- (d) The Board must not grant an option which would cause the number of Ordinary Shares allocated under the Employee Plan 2018 and any other share plan adopted by the Company from time to time to exceed such number as represents approximately ten per cent. of the fully diluted ordinary share capital of the Company in issue from time to time.
- (e) Awards shall be granted in the form of options to acquire Ordinary Shares. Before Ordinary Shares are allotted pursuant to the exercise of any awards, the Board may decide to pay a cash amount equal to the value of the Ordinary Shares that the participant would otherwise have recorded, less the aggregate exercise price payable (the “**gain**”). Alternatively, the Board may deliver to the participant for nil or nominal value a number of Ordinary Shares with a value equal to the gain.
- (f) Awards may be granted over pre-existing Ordinary Shares held by the EBT.
- (g) The extent to which an award shall vest shall be determined by the Board by reference to a performance condition measuring the Company’s total shareholder return (“**TSR**”). For the purposes of this performance condition, TSR shall be calculated as the volume weighted average price of the Ordinary Shares over any period of 30 continuous dealing days within a period of five years from the relevant date of grant, plus the aggregate value of any dividends paid by the Company per Ordinary Share during such period. A performance condition may be amended or substituted if an event occurs which causes the Board to consider that an amendment/substitution would be appropriate and would not be materially less difficult to satisfy.
- (h) Awards which are subject to performance conditions will normally vest as soon as practicable after the performance condition has been satisfied. Awards will normally be exercisable from the date of vesting until the tenth anniversary of the grant date.
- (i) Various provisions will apply to the awards as set out below in the event of serious misconduct on the part of the participant where such conduct would justify their summary dismissal. At any time up to the date of vesting of an award, the Board may cancel the award or impose further conditions on it if the event described above occurs.

#### 4.4.2 *Ceasing to provide services to the Group: unvested awards*

- (a) If a participant in the Employee Plan 2018 ceases employment by reason of death, ill- health, injury, disability or for any other reason at the Board’s discretion (a “**Good Leaver**”), any unvested award he holds will usually continue and vest at the normal

vesting date. The Board will have discretion to vest the award at cessation of employment. If a participant in the Employee Plan 2018 ceases employment and is not a Good Leaver, he will be a “Bad Leaver” and his award will lapse.

- (b) The extent to which an award held by a Good Leaver vests will be determined by reference to the extent to which any performance condition has been satisfied (as determined by the Board in the event of vesting before the end of the performance period). Unless the Board determines otherwise, the extent to which an award vests will be reduced to take account of the proportion of the vesting period that has elapsed at the date of cessation of employment.

#### 4.4.3 *Corporate events*

- (a) In the event of a change of control of the Company, unvested awards will vest as soon as practicable, to the extent determined by the Board having regard to the extent to which any performance condition has been satisfied at the date of change of control (as determined by the Board) and/or such other factors as the Board considers appropriate. The Board may also take into account the extent to which the vesting period has elapsed in determining the extent of vesting.
- (b) If other events occur, such as a winding up of the Company, demerger, delisting, special dividend or other event which, in the opinion of the Board, may affect the current or future value of Ordinary Shares, the Board may determine that awards will vest on the same basis as in the event of a change of control.

#### 4.4.4 *Adjustment of Awards*

In the event of a variation of the Company's share capital or a demerger, delisting, special dividend, rights issue or other event, which may, in the Board's opinion, affect the current or future value of Ordinary Shares, the number of Ordinary Shares subject to an award and/or the exercise price and/or any performance condition attached to awards, may be adjusted.

#### 4.4.5 *Amending the Employee Plan 2018, termination of the Employee Plan 2018 and further terms of awards*

- (a) The Board may amend the Employee Plan 2018 at any time, provided that the approval of the Company's Shareholders in a general meeting will be required for any amendments to the advantage of participants relating to eligibility, limits, the basis for determining a participant's entitlement to, and the terms of, the Ordinary Shares comprised in an award and the impact of any variation of capital to become effective.
- (b) However, any minor amendment to benefit administration, to take into account legislative changes, or to obtain or maintain favourable tax treatment, exchange control or regulatory treatment may be made by the Board without Shareholder approval.
- (c) The Employee Plan 2018 will in normal circumstances terminate on its tenth anniversary, but the rights of existing participants will not be affected by any termination.

#### 4.4.6 *Award Holders*

The only awards under the Employee Plan 2018 are those held by the Company's CEO, Andrew Knott.

### 4.5 **Officers Plan 2020**

On 30 April 2020, the Company established a non-tax advantaged share option plan. The main features of the non-tax advantaged Officers Plan 2020 are set out below.

#### 4.5.1 *Eligibility*

Options may be granted to officers (whether or not employees) of the Group. The Board has an absolute discretion as to the selection of individuals to whom options may be granted.

#### 4.5.2 *Grant of Options*

Options may generally be granted at any time provided that such grant is not in breach of the AIM Rules or the Market Abuse Regulation. No options may be granted after the tenth anniversary of the adoption of the Officers Plan 2020

#### 4.5.3 *Exercise Price*

The exercise price shall be as specified by the Board at the date of grant of each option. Where such option is a right to subscribe for new Ordinary Shares, the exercise price in respect of that option shall not be less than the nominal value of an Ordinary Share.

#### 4.5.4 *Limits on Grant of Options*

There is no overall limit on awards that may be made under the Officers Plan 2020 by reference to the issued share capital of the Company.

#### 4.5.5 *Performance Targets*

The exercise of options granted under the Officers Plan 2020 is not subject to the meeting of any performance targets.

#### 4.5.6 *Variation of Share Capital*

In the event of any variation of the share capital of the Company, the Board may make such adjustment as it considers appropriate to the aggregate number or description of option shares and/or the exercise price.

#### 4.5.7 *Vesting of Options*

Options granted under the Officers Plan 2020 are not subject to any vesting criteria and are exercisable at any time.

#### 4.5.8 *Rights and Restrictions*

An option granted under the Officers Plan 2020 is not transferable. Options are exercisable within a limited time period which varies depending on the circumstances in which they have become exercisable and any terms specified in the option contract. Options will lapse if they are not exercised within the applicable period. Options will lapse in any event on the tenth anniversary of the date of grant, if not exercised before that date.

#### 4.5.9 *Alteration of the Employee Plan*

The Board may at any time alter or add to any of the provisions of the Officers Plan 2020 in any respect provided that no alterations or additions shall be made to options granted before the alteration or addition without the consent of the affected option holders.

### 4.6 **Employee 2014/15 Replacement Plan**

On 23 December 2021, the Company established a non-tax advantaged share option plan. The main features of the Employee 2014/15 Replacement Plan are set out below.

#### 4.6.1 *Eligibility*

Options may be granted to employees (including executive directors) and officers (whether or not employees) of the Group. Whereas the Board has an absolute discretion as to the selection of employees or officers to whom options may be granted, it is intended that options will only be granted under the Employee 2014/15 Replacement Plan to participants who have surrendered awards granted to them under the 2014 LTIP and the 2015 Supplemental Plan.



#### 4.6.2 *Grant of Options*

Options may be granted by the Board at any time, provided that such grant is not in breach of the AIM Rules or the Market Abuse Regulations. No options may be granted after the tenth anniversary of the date of adoption of the Employee 2014/15 Replacement Plan.

#### 4.6.3 *Exercise Price*

The exercise price shall be as specified by the Board at the date of grant of each option. Where such option is a right to subscribe for new Ordinary Shares, the exercise price in respect of that option shall not be less than the nominal value of an Ordinary Share.

#### 4.6.4 *Limits on Grant of Options*

There is no overall limit on awards that may be made under the Employee 2014/15 Replacement Plan by reference to the issued share capital of the Company.

#### 4.6.5 *Performance Targets*

The Board may determine and specify that the exercise of an option is conditional upon the meeting of performance targets. Such performance targets are at the discretion of the Board and can differ from employee to employee.

#### 4.6.6 *Variation of Share Capital*

In the event of any variation of the share capital of the Company, the Board may make such adjustment as they consider appropriate to the aggregate number or description of option shares and/or the exercise price.

#### 4.6.7 *Vesting of Options*

Options will become exercisable once they have vested. Options granted within three months of Admission to replace surrendered awards (granted under the 2014 LTIP and 2015 Supplemental Plan) that are subject to performance targets will vest on the earlier of (i) the relevant performance target having been satisfied or waived or when the Board in its discretion has deemed the performance targets to be satisfied, or (ii) an exit involving (broadly) the sale of 30 per cent. or more of the ordinary share capital of the Company, the sale of 20 per cent. or more of the Group's assets or a voluntary winding-up. If the employee or office holder's employment or office ceases, they will be entitled to retain the option (the holding period having already been satisfied under the original surrendered award).

#### 4.6.8 *Rights and Restrictions*

An option granted under the Employee 2014/15 Replacement Plan is not transferable. Options are exercisable within a limited time period which varies depending on the circumstances in which they have become exercisable and any terms specified in the option contract. Options will lapse if they are not exercised within the applicable period. Options will lapse in any event on the tenth anniversary of the date of grant, if not exercised before that date.

#### 4.6.9 *Alteration of the Employee 2014/15 Replacement Plan*

The Board may at any time alter or add to any of the provisions of the Employee 2014/15 Replacement Plan in any respect.



#### 4.7 **Employee Plan 2021**

On 23 December 2021, the Company established a non-tax advantaged share option plan. The main features of the Employee Plan 2021 are set out below.

##### 4.7.1 *Eligibility*

Options may be granted to employees (including executive directors) of the Group. The Board has an absolute discretion as to the selection of employees to whom options may be granted.

##### 4.7.2 *Grant of Options*

Options may be granted by the Board at any time, provided that such grant is not in breach of the AIM Rules or the Market Abuse Regulations. No options may be granted after the tenth anniversary of the date of adoption of the Employee Plan 2021.

##### 4.7.3 *Exercise Price*

The exercise price shall be as specified by the Board at the date of grant of each option. Where such option is a right to subscribe for issued Ordinary Shares (for example, shares held the EBT), the exercise price in respect of that option may be nil. Where such option is a right to subscribe for new Ordinary Shares, the exercise price in respect of that option shall not be less than the nominal value of an Ordinary Share.

##### 4.7.4 *Limits on Grant of Options*

There is no overall limit on awards that may be made under the Employee Plan 2021 by reference to the issued share capital of the Company.

##### 4.7.5 *Performance Targets*

The Board may determine and specify that the exercise of an option is conditional upon the meeting of performance targets. Such performance targets are at the discretion of the Board and can differ from employee to employee.

##### 4.7.6 *Variation of Share Capital*

In the event of any variation of the share capital of the Company, the Board may make such adjustment as they consider appropriate to the aggregate number or description of option shares and/or the exercise price.

##### 4.7.7 *Vesting of Options*

Options will become exercisable once they have vested. Options granted within three months of Admission to replace surrendered options (granted under the Employee Plan 2018) and to new participants and that are not subject to performance conditions will vest in five tranches during a five-year vesting period (one-fifth on each of the first, second, third, fourth and fifth anniversary of the date of grant). If the option holder's employment ceases before the end of the five-year period the employee may normally only exercise their option to the extent it has vested.

##### 4.7.8 *Rights and Restrictions*

An option granted under the Employee Plan 2021 is not transferable. Options are exercisable within a limited time period which varies depending on the circumstances in which they have become exercisable, and any terms specified in the option contract. Options will lapse if they are not exercised within the applicable period. Options will lapse in any event on the tenth anniversary of the date of grant, if not exercised before that date.

#### 4.7.9 Lock-in

Following an option being exercised, an option holder may be prohibited from selling the acquired Ordinary Shares for a period of up to 24 months, subject to customary exceptions and Group equity-holding / share dealing policies. Such period and exceptions and Group policies, if applicable, will be notified to each option holder at the time of grant of their options.

#### 4.7.10 Malus and Clawback

In certain circumstances, where there has been unsatisfactory actions by an option holder, the Board may reduce the option it by such number of option shares as the Board considers to be fair and reasonable, taking account of all circumstances that the Board considers to be relevant. Where the option has already been exercised, the Board may determine a cash clawback amount in relation to the Ordinary Shares acquired on such exercise.

#### 4.7.11 Alteration of the Employee Plan 2021

The Board may at any time alter or add to any of the provisions of the Employee Plan 2021 in any respect.

### 4.8 Awards

4.8.1 As at the date of this document, the EBT holds 68,964,585 Ordinary Shares (equal to approximately 5.3 per cent. of the Existing Share Capital).

4.8.2 As at the date of this document, awards have been granted (excluding any awards that have already lapsed or been surrendered) over (i) 555,982 ordinary shares in the capital of SE1L, and (ii) 74,052,351 Ordinary Shares (equal to approximately 5.7 per cent. of the Existing Share Capital) (of which 50,242,716 Ordinary Shares are held by the EBT).

4.8.3 As at the date of this document, the following awards have been made to Directors and Senior Managers. There is no current intention to make awards to any of the Proposed Directors in the near term.

	<i>Share options issued pursuant to the Employee Plan 2018 over Ordinary Shares held by the EBT</i>	<i>Share options issued pursuant to the Officers Plan 2020 over Ordinary Shares held by the EBT</i>	<i>Share options granted under the Employee Replacement Plan 2021 over unissued Ordinary Shares</i>	<i>Share options granted under the Employee Plan 2021 over Ordinary Shares held by the EBT</i>
<i>Directors</i>				
Andrew Knott	21,312,418	2,200,000	17,035,204	–
Mark Iannotti	–	–	2,805,215	–
Stephen Jenkins	–	–	2,805,215	–
Sir Stephen O'Brien	–	142,857	–	–
David Clarkson	–	142,857	–	–
Nick Beattie	–	187,500	–	5,828,525
<b>Proposed Directors</b>				
Sarah Clark	–	–	–	–
Dr Djamila Ferdjani	–	–	–	–
<b>Senior Managers</b>				
Antoine Richard	–	–	–	4,936,751

## **5 ARTICLES OF ASSOCIATION**

The Articles provide, amongst other things:

### **5.1 Voting rights**

Subject to any special rights or restrictions as to voting for the time being attached to any shares, at a general meeting of the Company every member who is present in person (including any corporation present by its duly authorised representative) shall on a show of hands have one vote and every member present in person or by proxy shall on a poll have one vote for each share of which they are a holder. The Directors may accept the appointment of a proxy contained in an electronic communication subject to such terms and conditions as the Directors may determine. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

### **5.2 Restrictions on voting**

Unless the Board determines otherwise, no member is entitled to vote at a general meeting, either in person or by proxy, or to exercise any privilege as a member, or be reckoned in a quorum, in respect of any share held by them unless all calls presently payable by them in respect of that share, whether alone or jointly with any other person, together with interest and expenses (if any) have been paid to the Company.

### **5.3 Dividends**

5.3.1 Subject to the provisions of the Act and of the Articles, the Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board and no dividend shall be payable except out of the profits of the Company available for distribution.

5.3.2 Subject to the provisions of the Act, the Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appear to the Directors to be justified by the profits of the Company available for distribution.

5.3.3 Except as otherwise provided by the rights attached to shares, all dividends:

- (a) shall be declared and paid according to the amounts paid up (otherwise than in advance of calls) on the shares on which the dividend is paid;
- (b) shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms that it shall rank for dividend as from a particular date, it shall rank for dividend accordingly; and
- (c) may be declared in any currency.

5.3.4 All dividends unclaimed for a period of 12 years after having been declared or become due for payment shall (if the Directors so resolve) be forfeited and shall cease to remain owing by the Company.

5.3.5 The Board may, with the authority of an ordinary resolution of the Company, or in the case of an interim dividend may without the authority of an ordinary resolution, direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, or in any one or more of such ways.

5.3.6 The Board may deduct from any dividend or other monies payable to any person on or in respect of a share, all such sums as may be due to the Company on account of calls or otherwise in relation to the shares of the Company from him.

#### 5.4 **Distribution of assets on a winding up**

If the Company is wound up, the surplus assets remaining after payment of all creditors shall be divided among the members in proportion to the capital held by them respectively and, if the surplus assets are insufficient to repay the whole of the capital, the losses shall be borne by the members in proportion to the capital held. If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by law, divide among the members in specie the whole or any part of the assets of the Company. The resolution may provide for and sanction a distribution of any specific assets amongst different classes of members otherwise than in accordance with their existing right. In such an event, every member shall have the right of dissent.

#### 5.5 **Transfers of shares**

5.5.1 Every member may transfer all or any of their shares which are in certificated form by instrument of transfer in writing in any usual form or in any form approved by the Board, left at the registered office of the Company (or such other place as the Board may determine) and accompanied (except in the case of a transfer by a person to whom the Company is not required by law to issue a certificate and to whom a certificate has not been issued or in the case of a renunciation) by the certificate of the shares to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor (or person renouncing) and the due execution of the transfer or renunciation by them or, if the transfer or renunciations is executed by some other person on his behalf, the authority of that person to do so. The transferor is deemed to remain the holder of the shares concerned until the name of the transferee is entered in the register of members.

5.5.2 Unless the Directors otherwise determine, a transfer of shares will not be registered if the transferor or any other person appearing to be interested in the transferor's shares has been duly served with a notice under section 793 of the Act, has failed to supply the information required by such notice within 14 days and the shares in respect of which such notice has been served represent at least 0.25 per cent. of their class, unless the member is not themselves in default as regards supplying the information required and proves to the satisfaction of the Directors that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer, or unless such transfer is by way of acceptance of a takeover offer, in consequence of a sale on a recognised stock exchange or a sale to an unconnected party.

#### 5.6 **Variations of rights**

5.6.1 If at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any share or class of shares in the Company may be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, with the consent of the holders of not less than three-quarters in nominal value of the issued shares of the class sanctioning the resolution at a general meeting of the holders of shares of the class. The quorum at any such meeting shall be not less than two persons holding or representing by proxy at least one-third of the nominal amount paid up on the issued shares of the class in question and at an adjourned meeting not less than one person holding shares of the class in question or his proxy.

5.6.2 Subject to the terms of issue of or rights attached to any shares, the rights or privileges attached to any class of shares shall be deemed not to be varied or abrogated by the creation or issue of any new shares ranking *pari passu* in all respects.

#### 5.7 **Changes in capital**

Subject to the provisions of the Act, the Company in general meeting may from time to time by ordinary resolution increase its share capital, consolidate and divide all or any of its share capital into shares of a larger amount, cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled and sub-divide all or any of its shares into shares of smaller amount. The Company may also, subject to the provisions of the Act and to any rights for the time being attached

to any shares, purchase its own shares and, by special resolution, reduce its share capital or any capital redemption reserve fund or any share premium account in any way.

## **5.8 Issues of shares**

5.8.1 Subject to the Companies Act and to any relevant authority of the Company in general meeting required by the Act, the Board may offer, allot (with or without conferring rights of renunciation), grant options over or otherwise deal with or dispose of shares or grant rights to subscribe for or convert any security into shares to such persons, at such times and upon such terms as the Board may decide. No share may be issued at a discount.

5.8.2 Subject to the Act, the Company may at any time pass an ordinary resolution permitting the Directors to generally and unconditionally allot ordinary shares for a period of up to five years from the passing of the ordinary resolution.

## **5.9 Remuneration of Directors**

5.9.1 The salary or remuneration of any Director appointed to hold any employment or executive office in accordance with the Articles may be either a fixed sum of money or may altogether or in part be governed by business done or profits made or otherwise determined by the Board, and may be in addition to or in lieu of any fee payable to them for their service as Director in accordance with the Articles.

5.9.2 If by arrangement with the Board, any Director shall perform or render any special duties or services outside their ordinary duties as a Director and not in their capacity as a holder of employment or executive office, they may be paid such reasonable additional remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine.

## **5.10 Pensions and gratuities for Directors**

The Board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or availability benefits or other allowances or gratuities (whether by insurance or otherwise) for any person who is or has at any time been a Director of the Company or any company which is a holding company or a subsidiary undertaking of or allied to or allocated with the Company or any such holding company or subsidiary undertaking or any predecessor in business of the Company or of any such holding company or subsidiary undertaking, and for any member of his family (including a spouse or former spouse) and any person who is or was dependent on them.

## **5.11 Directors' interests in contracts**

Subject to the Companies Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company may:

5.11.1 be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;

5.11.2 act by themselves or through their firm in a professional capacity for the Company (otherwise than as auditor) and they or their firm shall be entitled to remuneration for professional services as if they were not a Director;

5.11.3 be or become a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; or

5.11.4 hold any office or place of profit with the Company (except as auditor) in conjunction with their office of Director for such period and upon such terms, including as to remuneration as the Board may decide.

## 5.12 Restrictions on Directors' voting

5.12.1 Save as provided in the Articles, a Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Directors or of a committee of the Directors concerning any contract, arrangement, transaction or any other proposal whatsoever to which the Company is or is to be a party and in which they have an interest which is to their knowledge a material interest otherwise than by virtue of their interests in shares or debentures or other securities of or otherwise in or through the Company, unless the resolution concerns any of the following matters:

- (a) the giving by them of any security, guarantee or indemnity for any money or any liability which they, or any other person, has lent or obligations they or any other person has undertaken at the request, or for the benefit, of the Company or any of its Subsidiary undertakings;
- (b) the giving of any security, guarantee or indemnity to any person for a debt or obligation which is owed by the Company or any of its subsidiary undertakings, to that other person if the Director has taken responsibility for some or all of that debt or obligation;
- (c) a proposal or contract relating to an offer of any shares or debentures or other securities for subscription or purchase by the Company or any of its subsidiary undertakings, if the Director takes part because they are a holder of shares, debentures or other securities, or if they take part in the underwriting or sub-underwriting of the offer;
- (d) any arrangement for the benefit of employees of the Company or any of its subsidiary undertakings which only gives them benefits which are also generally given to employees to whom the arrangement relates;
- (e) any arrangement involving any other company in which the Director (together with any person connected with the Director) has any interest of any kind in that company (including an interest by holding any position in that company or by being a shareholder of that company);
- (f) a contract relating to insurance which the Company can buy or renew for the benefit of the Directors or a group of people which includes Directors; or
- (g) a contract relating to a pension, superannuation or similar scheme or a retirement, death, disability benefits scheme or employees' share scheme which gives the Director benefits which are also generally given to the employees to whom the scheme relates.

5.12.2 The Board may authorise, to the fullest extent permitted by law any matter which would otherwise result in a Director infringing his duty to avoid a situation in which he has, or could have, a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company, provided that the Director in question, and any other interested Director, are not counted in the quorum at any board meeting at which such matter is authorised.

## 5.13 Number of Directors

Unless otherwise determined by the Company by ordinary resolution, the number of Directors shall not be less than two but shall not be subject to any maximum number.

## 5.14 Directors' appointment and retirement

5.14.1 Directors may be appointed by the Company by ordinary resolution or by the Board. If appointed by the Board, a Director holds office only until the next annual general meeting and shall retire from office but shall be eligible for re-appointment. Each Director shall retire from office at the third annual general meeting after the annual general meeting or general meeting (as the case may be) at which they were previously appointed. A Director shall not be required to hold any shares in the Company.

5.14.2 If: (i) at the annual general meeting in any year any resolution or resolutions for the appointment or re-appointment of the persons eligible for appointment or re-appointment of the persons eligible for appointment or re-appointment as Directors are put to the meeting and lost; and (ii) at the end of that meeting the number of Directors is fewer than any minimum number of

Directors required, all retiring Directors who stood for re-appointment at that meeting shall be deemed to have been re-appointed as Directors and shall remain in office, but may only act for the purpose of convening general meetings of the Company and perform such duties as are essential to maintain the Company as a going concern, and not for any other purpose.

5.14.3 In addition to any power of removal conferred by the Act, the office of Director shall be vacated if they are requested to resign by all of the other Directors by notice in writing.

#### 5.15 **Borrowing powers**

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (present and future) and uncalled capital and, to create and issue debenture and other securities and give security either outright or as collateral security for any debt, liability or obligation of the Company or any third party.

#### 5.16 **Untraced shareholders**

Subject to the Articles, the Company may sell any shares in the Company registered in the name of a member remaining untraced for 12 years who fails to communicate with the Company following advertisement of an intention to make such a disposal. Until the Company can account to the member, the net proceeds of sale will be available for use in the business of the Company or for investment, in either case at the discretion of the Directors. The proceeds will not carry interest.

#### 5.17 **Meetings**

##### 5.17.1 **Annual General Meetings**

The Company shall comply with the requirements of the Act regarding the holding of an annual general meeting.

##### 5.17.2 **General Meetings**

All general meetings other than annual general meetings shall be called general meetings. General meetings may be called whenever the Board thinks fit or when one has been requisitioned in accordance with the Act.

A general meeting is to be called on at least 14 days' notice in writing exclusive of the day on which it is served or deemed to be served and the day on which the meeting is to be held. A general meeting can be called on shorter notice if a majority in number of the members having a right to attend and vote at the general meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right, consent. Subject to Section 318(1) of the Act, two members present in person or by proxy and entitled to vote shall be a quorum for all purposes.

#### 5.18 **Rights attaching to Ordinary Shares**

5.18.1 The Ordinary Shares rank *pari passu* in the following respects:

- (a) they are in all respects identical;
- (b) they are of the same nominal value and the same amount per Ordinary Share has been paid up;
- (c) they carry the same rights as to unrestricted transfer, attendance and voting in general meetings and in all other respects; and
- (d) they are entitled to dividends at the same rate and for the same period so that at the next ensuing distribution to the dividend payable on each Ordinary Share will be the same amount.

5.18.2 All of the Existing Ordinary Shares are fully paid and freely transferable.



## 6 DIRECTORS, PROPOSED DIRECTORS, SENIOR MANAGERS' AND OTHER INTERESTS

- 6.1 The names of the Directors, the Proposed Directors and Senior Managers of the Company are set out in Part 1 of this document.
- 6.2 The interests (within the meaning of sections 820-825 of the Act) of each Director, Proposed Director and Senior Manager and (so far as is known to the Directors, Proposed Directors and Senior Managers having made all reasonable enquiries) persons connected with them (within the meaning of section 252 of the Act) and any member of each Director's, Proposed Director's and Senior Manager's family (as defined in the AIM Rules) in the issued share capital of Company, all of which are legal and beneficial (except as noted below) in the issued share capital of the Company as at the Last Practicable Date are as follows:

<i>Names</i>	<i>Ordinary Shares</i>	<i>%</i>
<b>Directors</b>		
Andrew Knott <sup>1</sup>	48,555,409	3.72
Steve Jenkins	722,198	0.06
Mark Iannotti <sup>2</sup>	5,367,984	0.41
Sir Stephen O'Brien	533,999	0.04
David Clarkson	1,630,488	0.12
Nick Beattie	–	–
<b>Proposed Directors</b>		
Sarah Clark	–	–
Dr Djamila Ferdjani	–	–
<b>Senior Managers</b>		
Antoine Richard	–	–

- 6.3 Save as disclosed in this document, no Director, Proposed Director or Senior Manager has any interest in the share capital or loan capital of the Company or any of the subsidiaries of the Company nor does any person connected with the Directors, Proposed Directors or Senior Managers (within the meaning of section 252 of the Act) have any such interests, whether beneficial or non-beneficial.

### Other Interests of Directors in the Group

- 6.4 The Company issued Warrants over 101,113,992 Ordinary Shares to LCP4, which is controlled by Andrew Knott, the Company's Chief Executive Officer. The Warrants have a 90-month term and an exercise price of £0.235 per Ordinary Share.
- 6.5 The Directors and Proposed Directors hold or have held the following directorships (in addition to the Company) and/or are or have been a partner in the following partnerships within the five years prior to the date of this document:

### Directors

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Previous directorships and partnerships</i>
Steve Jenkins	Evoterra Limited Hedgepig Growth Limited Microenergy Generation Services Limited Oil & Gas Independents' Association Limited Terrain Energy Limited Viaro Energy Limited	Circle Oil plc Encounter Oil Limited Groliffe Limited Offshore Decommissioning Services Limited Postgate Petroleum Limited Talon Energy Ltd

1 Held directly and through Lothian Capital Partners 1 Limited, Lothian Capital Partners 3 Limited, Lothian Investment Partners and Ariadne Petroleum Limited, which are 100 per cent. beneficially and legally owned by Andrew Knott.

2 Held directly and through his wife Mrs. Jules Iannotti.



<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Previous directorships and partnerships</i>
Sir Stephen O'Brien	Department for International Trade Friends of the Global Fund Europe Motability Operations Group plc Observe Limited Usborne Mews Residents Association Limited	IVCC
Andrew Knott	Lothian Capital Partners 1 Limited Lothian Capital Partners 2 Limited Lothian Partners Limited	Borealis Alaska Oil, Inc Djado Gold Limited Golden Eagle Petroleum Limited Lothian Oil & Gas Partners LLP Savannah Energy 1 Limited Savannah Energy 2 Limited Savannah Energy International Limited Scotia Oil & Gas Exploration Limited
Nick Beattie	Accugas Funding 1 SPV PLC Accugas Holdings UK PLC Accugas UK Limited Exoro Holding BV Savannah Energy (BVI) Limited Savannah Energy (Stubb Creek) Limited Savannah Energy (Uquo) Jersey Limited Savannah Energy (Uquo) Limited Savannah Energy 1 Limited Savannah Energy 2 Limited Savannah Energy Chad Limited Savannah Energy Chad Procurement Limited Savannah Energy E&P Limited Savannah Energy International Limited Savannah Energy Nigeria Limited Savannah Energy Nigeria Midstream Limited Savannah Energy RC Limited Savannah Energy RN Limited Savannah Energy UK Limited Savannah Energy WN Limited Stubb Creek Holdco Limited Savannah Energy Finance Limited	Range Resources (Barbados) GY Limited Range Resources (Barbados) Limited Range Resources Drilling Services Limited Range Resources GY Deep Limited Range Resources GY Shallow Limited Range Resources HK Limited Range Resources Trinidad Limited Range Resources West Coast Limited SOCA Petroleum Limited Star Phoenix Group UK Ltd West Indies Exploration Company Limited
David Clarkson	Adergy Limited	Bowleven (Kenya) Limited Bowleven (Zambia) Limited Bowleven Cameroon Limited Bowleven New Ventures Limited Bowleven plc Bowleven Resources Limited FirstAfrica Oil Limited Sound Energy plc Storegga Limited
Mark Iannotti	Djado Gold Company Limited Djado Gold plc Fitness Life Limited Rocksteady Restaurant Enterprises Limited	Galore Holdings Ltd Savannah Energy 1 Limited

## Proposed Directors

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Previous directorships and partnerships</i>
Sarah Clark	Peebles Sport Ltd	JudoScotland
Dr Djamila Ferdjani	NGO Medcom	None

6.6 Subject to paragraph 6.7, no Director or Proposed Director has:

- 6.6.1 any unspent convictions in relation to indictable offences or convictions in relation to fraudulent offences;
- 6.6.2 been bankrupt or the subject of an individual voluntary arrangement;
- 6.6.3 been a director of any company which had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangement, or made any composition or arrangement with its creditors generally or with any class of its creditors while they were a director or within the 12 months after they had ceased to be a director of that company;
- 6.6.4 been a partner of any partnership which went into compulsory liquidation, administration or partnership voluntary arrangement, while they were a partner or within the 12 months after they ceased to be a partner in that partnership;
- 6.6.5 been the owner of any asset which has been placed in receivership or a partner in any partnership which has been placed in a receivership while they were a partner in that partnership or within the 12 months after they ceased to be a partner in that partnership;
- 6.6.6 had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or
- 6.6.7 been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

6.7 Steve Jenkins was a director of Circle Oil plc when it was placed into liquidation through a creditors' voluntary winding up on 20 February 2017.

6.8 Save as set out below, the Company is not aware of any person who is directly or indirectly interested in three per cent. or more, of the issued share capital or voting rights of the Company:

<i>Shareholder</i>	<i>Ordinary Shares</i>	<i>%</i>
Ingalls & Snyder LLC	129,128,300	9.89
TT International Investment Management	116,566,261	8.92
Capital Research & Management	95,818,908	7.34
Premier Miton Investors	91,894,580	7.04
Abrdn plc	84,748,010	6.49
JO Hambro Capital Management	74,678,128	5.72
Cavendish Fiduciary (Jersey) Limited <sup>1</sup>	68,964,585	5.28
Standard Life Assurance Limited	54,863,663	4.20
Andrew Allister Knott <sup>2</sup>	48,555,409	3.72
RWC Asset Advisors LLC	47,182,295	3.61

### Notes:

- 1 Cavendish Fiduciary (Jersey) Limited is the holding company for the Company Employee Benefit Trust shares.
- 2 Held directly and through Lothian Capital Partners 1 Limited, Lothian Capital Partners 3 Limited, Lothian Investment Partners and Ariadne Petroleum Limited, which are 100 per cent. beneficially and legally owned by Andrew Knott.

6.9 As at the Last Practicable Date, so far as the Directors and Proposed Directors are aware, no person, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

6.10 As at the Last Practicable Date, so far as the Directors and Proposed Directors are aware, there are no arrangements the operation of which may at a later date result in a change of control of the Company.

- 6.11 None of the Company's major holders of Ordinary Shares listed in paragraph 6.8 has voting rights which are different from other holders of Ordinary Shares.
- 6.12 There are no loans made or guarantees granted or provided by any member of the Group to or for the benefit of any Director, Proposed Director or Senior Manager.
- 6.13 In respect of the Directors, Proposed Directors and Senior Managers, there are no potential conflicts of interest between any duties they have to the Company and their private interests and/or other duties they may have.
- 6.14 No Director, Proposed Director or any member of their immediate family nor any person connected with them (within the meaning of section 252 of the Act) has a related financial product (as defined in the AIM Rules for Companies) referenced to Ordinary Shares.

## **7 DIRECTORS' SERVICE CONTRACTS AND REMUNERATION**

The services of the Directors are provided to the Group under the following agreements:

### **7.1 Executive Directors**

#### **7.1.1 Andrew Knott**

Andrew Knott became a director of the Company on its incorporation on 3 July 2014. Mr Knott is appointed as Chief Executive Officer. This service agreement shall continue until terminated by the Company on 12 months' written notice. Under the terms of the agreement, Mr Knott is entitled to an annual salary of £650,475, which will be payable on a monthly basis and, at the sole discretion of the Company's remuneration committee, a bonus of up to three times his annual salary. Mr Knott will also be eligible to participate in any management incentive programme that the Group may adopt. Mr Knott will receive an employer's pension contribution equal to ten per cent. of his annual salary. There is a right to place Mr Knott on gardening leave during all or any part of his notice period. The service agreement provides for early termination, *inter alia*, in the event of a serious breach of the agreement. Mr Knott's service agreement will be terminated in the event that Mr Knott ceases to be a Director.

#### **7.1.2 Nick Beattie**

Nick Beattie became a director of the Company on 7 June 2022. Mr Beattie is appointed as Chief Financial Officer. This service agreement shall continue until terminated by the Company on six months' written notice. Under the terms of the agreement, Mr Beattie is entitled to an annual salary of £350,000, which will be payable on a monthly basis and, at the sole discretion of the Company's remuneration committee, an annual bonus. Mr Beattie will also be eligible to participate in any management incentive programme that the Group may adopt. Mr Beattie will receive an employer's pension contribution equal to 10 per cent. of his annual salary. There is a right to place Mr Beattie on gardening leave during all or any part of his notice period. The service agreement provides for early termination, *inter alia*, in the event of a serious breach of the agreement. Mr Beattie's service agreement will be terminated in the event that Mr Beattie ceases to be a Director.

### **7.2 Non-Executive Directors**

#### **7.2.1 Steve Jenkins**

On 26 July 2014, Mr Jenkins was appointed as non-executive chairman. The appointment shall continue until terminated by either the Company or Mr Jenkins on six months' written notice. Mr Jenkins is paid an annual fee of £175,000 payable monthly.

### 7.2.2 **Sir Stephen O'Brien**

On 21 December 2017, Sir Stephen O'Brien was appointed as non-executive vice chairman. The appointment shall continue until terminated by either the Company or Sir Stephen O'Brien on six months' written notice. Sir Stephen O'Brien is paid an annual fee of £60,000 payable monthly.

### 7.2.3 **David Clarkson**

On 21 December 2017, Mr Clarkson was appointed as a non-executive director. The appointment shall continue until terminated by either the Company or Mr Clarkson on six months' written notice. Mr Clarkson is paid an annual fee of £60,000 payable monthly.

### 7.2.4 **Mark Iannotti**

On 3 July 2014, at incorporation of the Company, Mr Iannotti was appointed as a non-executive director. The appointment shall continue until terminated by either the Company or Mr Iannotti on six months' written notice. Mr Iannotti is paid an annual fee of £60,000 payable monthly.

It is anticipated that the fees payable to: (i) Steve Jenkins will be increased to £250,000 per annum; and (ii) Sir Stephen O'Brien, David Clarkson and Mark Iannotti will be increased to £75,000 per annum, in each case, following completion of the Exxon Acquisition.

## 7.3 **Proposed Directors**

### 7.3.1 **Sarah Clark**

Ms Clark shall be appointed as a non-executive director with effect from completion of the Exxon Acquisition. The appointment shall continue until terminated by either the Company or Ms Clark on six months' written notice. Ms Clark will be paid an annual fee of £75,000 payable monthly.

### 7.3.2 **Dr Djamila Ferdjani**

Dr Ferdjani shall be appointed as a non-executive director with effect from completion of the Exxon Acquisition. The appointment shall continue until terminated by either the Company or Dr Ferdjani on six months' written notice. Dr Ferdjani will be paid an annual fee of £75,000 payable monthly.

## 7.4 **Directors' Appointment Details**

<i>Name Office</i>	<i>Date of Current Term</i>	<i>Date of Expiration of Appointment</i>
Andrew Knott	3 July 2014	2025 AGM
Nick Beattie	7 June 2022	2025 AGM
Mark Iannotti	3 July 2014	2025 AGM
Steve Jenkins	26 July 2014	2023 AGM
Sir Stephen O'Brien	21 December 2017	2023 AGM
David Clarkson	21 December 2017	2023 AGM
<b>Proposed Directors</b>		
Sarah Clark	9 December 2022	2023 AGM
Dr Djamila Ferdjani	9 December 2022	2023 AGM

## **8 EMPLOYEES**

- 8.1 As at 31 December 2021, the Savannah Group had 230 employees and, as at the date of this document, the Savannah Group has 275 employees.

<i>Location</i>	<i>Number of Employees</i>
United Kingdom	72
Niger	17
Nigeria	178
France	8

## **9 RELATED PARTY TRANSACTIONS**

- 9.1 Save as disclosed in this document, or the related party transaction notes contained in the financial statements incorporated by reference in this document, none of the Directors or Proposed Directors has any interest, beneficial or non-beneficial, in the share or loan capital of the Company.
- 9.2 Save as disclosed in this document, or the related party transaction notes contained in the financial statements incorporated by reference in this document, none of the Directors or Proposed Directors has any interest, direct or indirect, in any assets that have been or are proposed to be acquired or disposed by, or leased to, the Group and no contract or arrangement exists in which any Director or Proposed Director is materially interested and which is significant in relation to the business of the Group.

## **10 INVESTMENTS**

Save as disclosed in this document, there are no investments made, being made by the Company or to be made in the future in respect of which firm commitments have been made.

## **11 PROPERTY**

The Company's principal establishment (which is leased and used as an office facility) is located at 40 Bank Street, London, United Kingdom, E14 5NR. The Company also has establishments in: (i) Lagos, Nigeria; (ii) Uyo, Nigeria; (iii) Eket, Nigeria; (iv) Abuja, Nigeria; and (v) Niamey, Niger.

## **12 WORKING CAPITAL**

The Directors are of the opinion that, after having made due and careful enquiry, the working capital available to the Company and the Group will be sufficient for its present requirements, that is for at least the next 12 months from the date of this document.

In making the above working capital statement, the Directors, as required by the ESMA Recommendations, are required to assess whether there is sufficient margin or headroom to cover a reasonable worst case scenario.

## **13 LITIGATION**

- 13.1 Subject to the following paragraphs in this paragraph 13, no member of the Group is or has been involved in any governmental, legal or arbitration proceedings and the Company is not aware of any such proceedings pending or threatened by or against the Group during the 12 months preceding the date of this document which may have or have had in the recent past a significant effect on the financial position or profitability of the Group.
- 13.2 A former director of the Company, Ms Isatou Semega-Janneh, has raised a claim in the UK Employment Tribunal against the Company in connection with her exit from the Company. The Company, having taken legal advice, believes the claim is without merit, and is vigorously defending the claim.

## **14 NO SIGNIFICANT CHANGE STATEMENT**

- 14.1 Save as disclosed in this document, there has been no significant change in the trading or financial position of the Existing Group since 30 June 2022, the date to which the last interim accounts of the Existing Group were published.
- 14.2 Save as disclosed in this document, there has been no significant change in the trading or financial position of the Exxon Target Companies since 30 June 2022, the date to which the unaudited interim historical financial information of the Exxon Target Companies included in this document was prepared.

## **15 GENERAL**

- 15.1 The total costs and expenses of, or incidental to, Re-Admission, all of which are payable by the Company, are estimated to be approximately US\$£1.3 million (exclusive of value added tax) to the date of this document.
- 15.2 Crowe U.K. LLP has given and has not withdrawn its consent to the inclusion of its Accountant's Reports on the historical financial information of the Exxon Target Companies in Parts 3A to 3C of this document in the form and context in which it appears and has authorised its report for the purposes of Schedule Two of the AIM Rules for Companies.
- 15.3 Strand Hanson Limited has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.
- 15.4 CGG has given and not withdrawn its consent to the inclusion of the wording contained in paragraph 10 in Part 1 of this document in the form and context in which it appears.
- 15.5 Save as disclosed in this document, the Directors are unaware of any exceptional factors which have influenced the Group's activities.
- 15.6 Save as otherwise disclosed in this document, no person (other than the Company's professional advisers named in this document and trade suppliers) has at any time within the 12 months preceding the date of this document received, directly or indirectly, from the Company or any other member of the Group or entered into any contractual arrangements to receive, directly or indirectly, from the Company or any other member of the Group on or after Re-Admission any fees, securities in the Company or any other benefit to the value of £10,000 or more.
- 15.7 Where information has been sourced from a third party, the information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render such information inaccurate or misleading.
- 15.8 Save as disclosed in this document, so far as the Directors are aware there are no environmental issues that may affect the Company's utilisation of its tangible fixed assets.
- 15.9 The Directors are not aware of any patents or other intellectual property rights, licences, particular contracts or manufacturing processes on which the Group is dependent.
- 15.10 There are no provisions in the Articles which would have the effect of delaying, deferring or preventing a change of control of the Company.

15.11 Save as disclosed in this document, the Directors are unaware of:

- 15.11.1 any significant trends in production, sales and inventory and costs and selling prices since 31 December 2021 to the date of this document; and
- 15.11.2 any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Group's prospects for at least the current financial year.

15.12 The Articles contain no restriction on the objects of the Company.

## **16 TAXATION**

### **Taxation in the United Kingdom**

The following information is based on UK tax law and HM Revenue and Customs (“**HMRC**”) practice currently in force in the UK. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The information that follows is for guidance purposes only. Any person who is in any doubt about his or her position should contact their professional advisor immediately.

### **Tax treatment of UK investors**

The following information, which relates only to UK taxation, is applicable to persons who are resident in the UK and who beneficially own Ordinary Shares as investments and not as securities to be realised in the course of a trade. It is based on the law and practice currently in force in the UK. The information is not exhaustive and does not apply to potential investors:

- who intend to acquire, or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), 10 per cent. or more, of the shares in the Company; or
- who intend to acquire Ordinary Shares as part of tax avoidance arrangements; or
- who are in any doubt as to their taxation position.

Such Shareholders should consult their professional advisers without delay. Shareholders should note that tax law and interpretation can change and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Company.

Shareholders who are neither resident nor temporarily non-resident in the UK and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the Ordinary Shares are connected, will not normally be liable to UK taxation on dividends paid by the Company or on capital gains arising on the sale or other disposal of Ordinary Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

### **Dividends**

Where the Company pays dividends, no UK withholding taxes are deducted at source. Shareholders who are resident in the UK for tax purposes will, depending on their circumstances, be liable to UK income tax or corporation tax on those dividends.

UK resident individual Shareholders who are domiciled in the UK, and who hold their Ordinary Shares as investments, will be subject to UK income tax on the amount of dividends received from the Company.

Dividend income received by UK tax resident individuals before 6 April 2023 will have a £2,000 per annum dividend tax allowance. As announced in the Autumn Statement on 17 November 2022 from 6 April 2023 the allowance reduces to £1,000 and after 6 April 2024 the allowance reduces to £500. Please note that the legislation supporting the allowance changes in the Autumn Statement is yet to be substantively enacted.

Dividend receipts received before 6 April 2023 in excess of £2,000 will be taxed at 8.75 per cent. for basic rate taxpayers, 33.75 per cent. for higher rate taxpayers, and 39.35 per cent. for additional rate taxpayers. Dividend receipts received between 6 April 2023 and 5 April 2024 in excess of £1,000 and receipts received in excess of £500 after 6 April 2024 will be taxed at the same rates. However as mentioned above the legislation supporting the allowance changes in the Autumn Statement is yet to be substantively enacted.



Shareholders who are subject to UK corporation tax should generally, and subject to certain anti-avoidance provisions, be able to claim exemption from UK corporation tax in respect of any dividend received, but will not be entitled to claim relief in respect of any underlying tax.

### **Disposals of Ordinary Shares**

Any gain arising on the sale, redemption or other disposal of Ordinary Shares will be taxed at the time of such sale, redemption or disposal as a capital gain.

The rate of capital gains tax on disposal of Ordinary Shares by basic rate taxpayers is 10 per cent. rising to 20 per cent. for higher rate and additional rate taxpayers.

For Shareholders within the charge to UK corporation tax, indexation allowance up until 1 January 2018 may reduce any chargeable gain arising on disposal of Ordinary Shares, but will not create or increase an allowable loss.

Subject to certain exemptions, the corporation tax rate applicable to its taxable profits is currently 19 per cent. The current legislation states that from 1 April 2023 the rate was to increase to 25 per cent. after for profits in excess of £250,000, with profits below £50,000 continuing to be taxed at 19 per cent., and a marginal rate on profits between these values. The profit limits are reduced under certain circumstances, with close investment-holding companies not being entitled to the lower rate.

### **Further information for Shareholders subject to UK income tax and capital gains tax**

#### ***“Transactions in securities”***

The attention of Shareholders (whether corporates or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007, which (in each case) give powers to HMRC to raise tax assessments so as to cancel “*tax advantages*” derived from certain prescribed “*transactions in securities*”.

### **Stamp Duty and Stamp Duty Reserve Tax**

No stamp duty or stamp duty reserve tax will generally be payable on the issue of *Ordinary Shares*.

Neither UK stamp duty nor stamp duty reserve tax should arise on transfers of *Ordinary Shares* on AIM (including instruments transferring *Ordinary Shares* and agreements to transfer *Ordinary Shares*) based on the following assumptions:

- the *Ordinary Shares* are admitted to trading on AIM, but are not listed on any market (with the term “*listed*” being construed in accordance with section 99A of the Finance Act 1986), and this has been certified to Euroclear; and
- AIM continues to be accepted as a “*recognised growth market*” as construed in accordance with section 99A of the Finance Act 1986).

In the event that either of the above assumptions does not apply, stamp duty or stamp duty reserve tax may apply to transfers of *Ordinary Shares* in certain circumstances.

Any transfer of *Ordinary Shares* for consideration prior to admission to trading on AIM is likely to be subject to stamp duty or SDRT.

The above comments are intended as a guide to the general stamp duty and stamp duty reserve tax position and may not relate to persons such as charities, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

**THIS SUMMARY OF UK TAXATION ISSUES CAN ONLY PROVIDE A GENERAL OVERVIEW OF THESE AREAS AND IT IS NOT A DESCRIPTION OF ALL THE TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION TO INVEST IN THE COMPANY. THE SUMMARY OF CERTAIN UK TAX ISSUES IS BASED ON THE LAWS AND REGULATIONS IN FORCE AS OF THE DATE OF THIS DOCUMENT AND MAY BE SUBJECT TO ANY CHANGES IN UK LAWS OCCURRING AFTER SUCH**



**DATE. LEGAL ADVICE SHOULD BE TAKEN WITH REGARD TO INDIVIDUAL CIRCUMSTANCES. ANY PERSON WHO IS IN ANY DOUBT AS TO THEIR TAX POSITION OR WHERE THEY ARE RESIDENT, OR OTHERWISE SUBJECT TO TAXATION, IN A JURISDICTION OTHER THAN THE UK, SHOULD CONSULT THEIR PROFESSIONAL ADVISER.**

## **17 MANDATORY BIDS, SQUEEZE OUT AND SELL-OUT RULES RELATING TO THE ORDINARY SHARES**

### **17.1 Mandatory bid**

The Takeover Code applies to the Company. Under the Takeover Code, if an acquisition of Ordinary Shares were to increase the aggregate holding of the acquiror and its concert parties to shares carrying 30 per cent. or more of the voting rights in the Company, the acquiror and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for the Ordinary Shares by the acquiror or its concert parties during the previous 12 months. This requirement would also be triggered by any acquisition of shares by a person holding (together with its concert parties) shares carrying between 30 per cent. and 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the voting rights.

### **17.2 Squeeze-out**

Under the Companies Act if an offeror were to acquire 90 per cent. of the Ordinary Shares within four months of making its offer, it could then compulsorily acquire the remaining ten per cent. It would do so by sending a notice to outstanding Shareholders telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding Shareholders. The consideration offered to the Shareholders whose shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

### **17.3 Sell-out**

The Companies Act also gives minority Shareholders in the Company a right to be bought out in certain circumstances by an offeror who had made a takeover offer. If a takeover offer related to all the Ordinary Shares and at any time before the end of the period within which the offer could be accepted the offeror held or had agreed to acquire not less than 90 per cent. of the Ordinary Shares, any holder of shares to which the offer relates who has not accepted the offer can by a written communication to the offeror require it to acquire those shares. The offeror would be required to give any Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a Shareholder exercises its rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

## **18 POTENTIAL EFFECT OF THE CEMAC FOREX REGULATION**

18.1 Foreign exchange matters within the Economic and Monetary Community of Central Africa Countries (CEMAC) area are dealt with in Regulation N°2/18/CEMAC/UMAC/CM dated 21 December 2018 and applicable as from 1 March 2019 (the "CEMAC Forex Regulation"). The application of the CEMAC Forex Regulation to entities falling within the upstream hydrocarbons and mining sectors (the "extractive companies") has however been postponed since 2019 but it is in full force and effect as of 1 January 2022.

18.2 In the past three years, representatives of the upstream hydrocarbons and mining industries have engaged in discussions with the Bank of Central African States (the "BEAC") and the CEMAC authorities to review the principles and related requirements enacted by the CEMAC Forex Regulation in the context of their operations.

18.3 The outcome of these discussions resulted so far in the adoption of, amongst others:

- three separate instructions by the Governor of the BEAC on 4 February 2022 (replacing the three instructions adopted on 13 December 2021) that apply to the extractive companies in connection with (a) the conditions and modality of opening and maintaining foreign currency accounts and (b) the domiciliation of the importation and exportation of goods and services;
- two separate regulations by the Committee of Ministers on 23rd December 2021, providing (a) the implementation of certain provisions of the CEMAC Forex Regulation for extractive companies and (b) the non-seizability of foreign currency accounts in CEMAC of extractive companies;
- an instruction from the Governor of the BEAC on 20 July 2022 relating to the modalities of repatriation and domiciliation of decommissioning funds in the books of the BEAC; and
- a circular adopted by the Governor of the BEAC on 27 September 2022 clarifying the exemptions to the repatriation obligation applicable to extractive companies,

providing, *inter alia*, several new obligations for the extractive companies:

- the prior authorisation from the BEAC for opening and maintaining foreign currency accounts outside and within the CEMAC zone together with reporting obligations on the transactions operated from/to the authorized accounts (and in relation to any existing foreign currency accounts existing as of 13 December 2021, the extractive companies had a grace period of 10 months from 31 December 2021 to comply with the newly adopted relevant instruction);
- the prior declaration and the repatriation of any borrowings (principal, interests repayments) made to a resident entity by a non-resident;
- the repatriation within the CEMAC zone within 150 days of receipt of at least 35% of the foreign currencies generated by their activities provided that:
  - all funds held offshore for decommissioning are repatriated onshore; and
  - foreign currencies arising from (i) activities relating to the exploration phase or (ii) a “resources backed loan” or similar contracts admitted by the BEAC (including foreign currencies that are secured under such financing) are not required to be repatriated;
- the prior authorisation from the BEAC for any loan from a resident to a non-resident in the CEMAC zone and the declaration and repatriation of any revenues (including any repayments) from such loan within the CEMAC zone;
- a simplified process for the domiciliation of all importations and exportations of goods or services with a local credit institution when the amount is at least XAF 10 million and reporting obligation to the BEAC for any import of goods and services settled from an authorized offshore account;
- the repatriation of all decommissioning funds to an onshore account opened with the BEAC in the name of the BEAC and the extractive company, the opening and functioning of which is governed by a tri-partite convention between the relevant CEMAC country, the BEAC and the extractive company (and in respect of any funds held offshore prior to 1 January 2022, such funds must be repatriated within three years with one third repatriated each year);
- the declaration to the Central Bank and the ministry in charge of money and credit of all transfer exceeding XAF 100 million out of the CEMAC zone 30 days prior to their realization; and
- the non-seizability of the foreign currency accounts of extractive entities domiciled in the books of credit institutions in the CEMAC zone.

The CEMAC Forex Regulation is a regional cross-border regulation which, from a hierarchy of norms’ perspective, supersedes and prevails on the national provisions of each country. The Company will, following Completion of the Exxon Acquisition, review the structure of its operations in Chad and Cameroon to ensure compliance with the CEMAC Forex Regulation as amended.

## **19 COTCO AIRCRAFT INCIDENT**

At 14:35pm on 11 May 2022, COTCO was notified by Caverton Aviation Cameroon (a company providing aviation services to COTCO) that it had lost contact with a fixed wing aircraft it operated that had taken off from Yaounde-Nsimalen Airport at 12:44pm, carrying three (3) COTCO employees, six (6) COTCO contractors and two (2) pilots. At 18:30pm the same day a helicopter visually identified a potential crash-site and at 11:00am the next morning ground search and rescue crews arrived on site to discover the wreckage of the aircraft with no survivors. Two investigations into the incident are ongoing: (i) a technical investigation carried out by the Ministry of Transport, and (ii) a criminal investigation lead by the Prosecutor for Yaounde Centre.

## **20 DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during usual business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Computershare Investor Services plc at the Pavilions, Bridgwater Road, Bristol, BS13 8AE for a period of a month from the date of this document:

- 20.1 the memorandum and articles of association of the Company; and
- 20.2 the Accountant's Reports on the Historical Annual Financial Information of the Exxon Target Companies from Crowe U.K. LLP set out in Part 3 of this document.

## **21 COPIES OF THIS DOCUMENT**

This document will be available for download from the Company's website at [www.savannah-energy.com](http://www.savannah-energy.com).

## PART 5

### MATERIAL CONTRACTS

The following contracts are all material subsisting agreements which are included within, or which relate to, the assets and liabilities of the Company (notwithstanding whether such agreements are (i) within the ordinary course or (ii) were entered into outside of the two years immediately preceding the publication of this document).

This section is supplementary to, and should be read in conjunction with, Part 14 of the December 2021 Admission Document.

The Material Contracts described in this Part 5 have either been entered into, supplemented or amended, since the publication of the December 2021 Admission Document. Where there is any conflict between the terms of this Part 5 and Part 14 of the December 2021 Admission Document, the terms of this Part 5 shall prevail.

Defined terms in this Part 5 refer to the same defined terms within the relevant contracts and may or may not be redefined here.

#### 1 MATERIAL CONTRACTS RELATING TO RE-ADMISSION

##### Introduction Agreement

The Company has entered into an introduction agreement dated 9 December 2022 with the Directors and Strand Hanson in relation to Re-Admission. Under the terms of the introduction agreement, the Company, the Directors and the Proposed Directors have given certain customary warranties and indemnities to Strand Hanson in connection with Re-Admission and other matters relating to the Company and its affairs. The liability of the Company under the Introduction Agreement is unlimited as to amount and time.

#### 2 MATERIAL TRANSACTION DOCUMENTS RELATING TO THE EXXON ACQUISITION

##### 2.1 Share Sale and Purchase Agreement relating to the Exxon Acquisition

2.1.1 On 12 December 2021, Savannah Chad and the Exxon Sellers entered into a share sale and purchase agreement in relation to the entire issued share capital of EEPCI and EPIL (the “**Exxon Sale Shares**”) (the “**Exxon SPA**”). Upon completion of the Exxon SPA, the effective date for the acquisition will be deemed to be the Economic Effective Date.

2.1.2 Completion under the Exxon SPA occurred on 9 December 2022.

2.1.3 In accordance with the terms of the Exxon SPA, on 12 December 2021, the Company entered into a parent company guarantee for the benefit of the Exxon Sellers in relation to all of Savannah Chad’s payment and performance obligations under the Exxon SPA.

2.1.4 Savannah Chad has agreed to pay the Exxon Sellers the following consideration for the Exxon Sale Shares:

##### (a) Completion consideration:

- (i) US\$240.6 million in cash for the entire issued share capital of EEPCI (plus interest); plus
- (ii) US\$104.4 million in cash for the entire issued share capital of EPIL (plus interest); plus or less (as applicable)
- (iii) the sum of certain completion date adjustments, (plus interest on certain of these adjustments), including: (i) a positive adjustment for EEPCI’s underlift position) of US\$11.9 million as at the Economic Effective Date; (ii) a negative adjustment for any leakage from the Exxon Target Group Companies during the interim period; (iii) a positive adjustment for any contributions made to the Exxon Target Group Companies by the Exxon Sellers during the interim period; (iv) a negative adjustment for certain agreed cash amounts extracted from the Exxon Target Companies by the Exxon Sellers immediately prior to Completion; and (v) an adjustment to compensate for EEPCI failing to achieve its target production between 1 November 2021 and Completion; plus

- (iv) to the extent that EEPPI fails to achieve its target production (should the effect of an incident, which affected the water handling system at the Miandoum gathering station, not have been rectified) a negative adjustment at Completion proportionate to the extent to which the then current production falls short of target production, followed by a contingent positive post-Completion non-interest bearing payments payable from the proceeds of EEPPI's crude oil over a four year period post-Completion should the target production be re-achieved; plus
  - (b) **Contingent consideration** up to an aggregate of US\$50 million of non-interest bearing contingent consideration, by means of payment to ExxonMobil of 25 per cent. of the proceeds of sale of EEPPI's entitlement to crude oil (net of any royalty barrels or royalty payments due to Government of Chad and barrels used in operations) received by EEPPI above FOB US\$55 per bbl and up to FOB US\$80 per bbl, between 1 January 2021 and 31 December 2023. The first of such payments shall be made at Completion.
  - (c) Given the difference between the Economic Effective Date of the transaction of 1 January 2021 and the Completion date of the Exxon Acquisition of 9 December 2022, there was a completion adjustment to the sums ultimately paid to ExxonMobil at Completion relating to, inter alia, the cash generation of the acquired assets during this period and the sweeping by ExxonMobil of EEPPI's and EPIL's cash balances during this period.
- 2.1.5 Payment of the estimated completion amount under the Exxon SPA has been paid to the Exxon Sellers by the Exxon Lender and payment of the final completion amount (to the extent that there are any further adjustments in favour of the Exxon Sellers following the estimated completion amount) under the Exxon SPA shall be paid to the Exxon Sellers by EACMI (in its capacity as marketing agent under the EACMI Crude SPA), in each case on behalf of Savannah Chad and in accordance with the terms of the Exxon Prepayment Facility. Payment of the contingent consideration under the Exxon SPA shall be paid to the Exxon Sellers by EACMI (in its capacity as marketing agent under the EACMI Crude SPA) on behalf of Savannah Chad and in accordance with the terms of the Exxon Prepayment Facility.
- 2.1.6 Between the date of signature of the Exxon SPA and Completion:
- (a) the Exxon Sellers agreed to comply with a suite of interim covenants, including restrictions relating to the ownership, control and operations of the EEPPI and EPIL;
  - (b) if a material adverse change were to occur with respect to any of EEPPI and EPIL, depending on whether such material adverse change is remediable or not, the Exxon SPA provides that the Exxon Sellers may elect to remedy the resulting damage, or the parties may agree to reduce the consideration amount or terminate the Exxon SPA; and
  - (c) the Exxon Sellers were obliged to procure that all existing intercompany agreements between EEPPI and EPIL and the Exxon group were terminated as at Completion.
- 2.1.7 Under the terms of the Exxon SPA, following Completion:
- (a) Savannah Chad is under certain obligations to ensure that EEPPI and EPIL are de-branded, and no longer use any Exxon trademarks, logos, trade names and any other Exxon identifying features; and
  - (b) Savannah Chad is responsible for providing all insurance cover for each of EEPPI and EPIL and their businesses, operations and assets.
- 2.1.8 Under the Exxon SPA the Exxon Sellers have given Savannah Chad:
- (i) a suite of business related warranties, including in relation to their ownership of EEPPI and EPIL, their title to interests in the Doba OFDA and the Pipeline Companies, certain material contracts, environmental issues, employment, tax, abandonment and litigation. The Exxon Sellers have also given certain limited warranties with respect to the Pipeline Companies, and the Chad-Cameroon pipeline businesses, qualified by the Exxon Sellers' knowledge. The liability of the Exxon Sellers under the Exxon SPA with respect to these warranties is subject to a number of limitations of liability, including: (A) limitations on claim period time, minimum claim size and a cap on the maximum financial liability of the Exxon Sellers; and (B) excluding liability for claims relating to information disclosed by the Exxon Sellers to Savannah Chad; and

- (ii) subject to completion occurring, certain tax related indemnities (relating to taxes other than Chadian and Cameroonian taxes) and an indemnity with respect to EEPCI's participating interest share of any liabilities arising from certain labour related cases commenced by the ex-employees of a previous contractor (TCC) of the Doba Consortium. The liability of the Exxon Sellers under certain of these indemnities is subject to certain limitations, including a cap on the maximum financial liability of the Exxon Sellers.

2.1.9 Under a side letter dated 8 December 2022, Savannah Chad has given the Exxon Sellers:

- (i) certain warranties relating to Savannah Chad and its capacity and authority to enter into the Exxon SPA.
- ii) subject to completion occurring, an indemnity in respect of liabilities suffered by the Exxon group or their directors, employees or officers in relation to Chadian and Cameroonian capital gains tax liabilities in respect of the sale by the Exxon Sellers of EEPCI and EPIL.

Subject to completion occurring and to certain carve outs (mentioned below), a 'clean break' indemnity with respect to any and all liabilities (including environmental, abandonment and safety liabilities) suffered, whether before or after the Effective Date, by the Exxon group or their directors, employees or officers as a result of any liability connected with EEPCI's and EPIL's respective interests in the upstream and midstream businesses in Chad and Cameroon. Under the carve outs from the indemnity, Savannah Chad shall not be liable for: (A) certain taxes which the Exxon Sellers are indemnifying the Company for under the SPA (see paragraph 2.1.9 above); and (B) liabilities arising from the TCC related claims (see paragraph 2.1.9 above).

2.1.10 Under a side letter dated 8 December 2022, Savannah Chad has given the Exxon Sellers, subject to Completion occurring, an indemnity in respect of liabilities suffered by the Exxon group or their directors, employees or officers in relation to Chadian and Cameroonian capital gains tax liabilities in respect of the sale by the Exxon Sellers of EEPCI and EPIL.

2.1.11 The Exxon SPA is governed by English law. Disputes shall be resolved in the first instance by amicable negotiations between the parties for thirty days, failing which disputes shall be settled by ICC arbitration in English in London by a three-member arbitration panel.

## 2.2 **EACMI Crude SPA**

2.2.1 The Company and the Exxon Sellers have agreed the Doba crude oil purchase and sale agreement dated 8 December 2022 between EEPCI (as seller) and EACMI (as buyer) in respect of the sale and purchase (on a marketing basis) of EEPCI's participating interest share of Doba blend crude oil, in return for a variable marketing fee.

2.2.2 The EACMI Crude SPA came into effect upon Completion of the Exxon Acquisition and continues in effect until all amounts outstanding under the Exxon Prepayment Facility have been repaid in full.

2.2.3 During the term of the EACMI Crude SPA (i) EEPCI agrees not to sell or market any of participating interest share of Doba blend crude oil to any other person and (ii) EACMI shall purchase all of EEPCI's participating interest share of Doba blend crude oil available for lifting at the Kome Kribi 1 FSO on an FOB basis, and shall on-sell all such cargoes to third parties or its affiliates.

2.2.6 EACMI shall direct the ultimate crude buyer to pay the on-sale price for each cargo into an account nominated by EACMI, and EACMI will then remit amounts to EEPCI in accordance with the terms of the Exxon Prepayment Facility (see paragraph 3.1 of this Part 5 of this document for further details).

2.2.7 Each party makes a number of anti-bribery and corruption representations, warranties and undertakings to each other and either party may terminate the EACMI Crude SPA if the other party is in breach of any such representations, warranties or undertakings.

2.2.8 The EACMI Crude SPA is governed by English law. Disputes shall be resolved in the first instance by amicable negotiations between the parties for thirty days, failing which disputes shall be settled by ICC arbitration in English in London by a three-member arbitration panel.



### 3 MATERIAL FINANCE CONTRACTS RELATING TO THE EXXON ACQUISITION

#### 3.1 Exxon Prepayment Facility

- 3.1.1 On 8 December 2022, Savannah Energy Finance (as borrower), the Exxon Lender (as lender) and EACMI (as marketing agent) entered into an up to US\$170 million prepayment facility agreement (the “**Prepayment Facility Agreement**”) to fund Completion of the Exxon Acquisition in accordance with the Exxon SPA.
- 3.1.2 The Prepayment Facility Agreement has a final maturity date of 24 months after the date of the Prepayment Facility Agreement save that if on such date Savannah Energy Finance has not received all proceeds from the sale of Doba blend crude oil lifted pursuant to the EACMI Crude SPA (“**Crude Proceeds**”) on or prior to such date, the final maturity date shall be the date on which Savannah Energy Finance receives such proceeds. The Prepayment Facility Agreement shall accrue interest at a rate of 3 month Term SOFR plus a margin of 7 per cent. per annum and shall be payable on each date on which EACMI pays Savannah Energy Finance and/or EEPCI any Crude Sale Proceeds (each such date a “Crude Payment Date”).
- 3.1.3 On each Crude Payment Date, the relevant Crude Sale Proceeds shall (once provision has been made for EEPCI’s working capital requirements) be applied towards: (i) amounts due and payable under the Exxon SPA following the determination of the final completion amount thereunder; (ii) any amounts due and payable in respect of contingent consideration under the Exxon SPA; and (iii) interest and fees under the Prepayment Facility Agreement, mandatory prepayments and repayments of principal.
- 3.1.4 The Prepayment Facility Agreement contains standard mandatory prepayment events in respect of illegality and change of control. In addition, any distributions received by a member of the Group in respect of EPIL’s equity interest in each of TOTCo and COTCo shall be paid directly into an account nominated by the Exxon Lender and applied prepayment of the outstanding principal under the Prepayment Facility Agreement. Savannah Energy Finance may voluntarily prepay the Prepayment Facility Agreement at any time without penalty or premium.
- 3.1.5 The Exxon Lender will have the benefit of a security package with the Prepayment Facility Agreement being secured against the: (i) shares of Savannah Energy Finance, EEPCI and EPIL; (ii) the EACMI Crude SPA; and (iii) EEPCI’s proceeds account. In addition, the Company will guarantee certain payment obligations of Savannah Energy Finance in accordance with the terms of a guarantee to be granted by it in favour of the Exxon Lender. The Company’s liability under this guarantee is capped at US\$34 million less the amount of principal repayments that have been made from time to time, save that in a circumstance where an event of default arises under the Prepayment Facility Agreement due to EEPCI directing Doba crude oil to any person other than EACMI, the Company’s liability shall be capped at the amount of Savannah Energy Chad’s remaining payment obligations under the Prepayment Facility Agreement. The Exxon Lender can transfer its commitment to an affiliate without the consent of Savannah Energy Finance.
- 3.1.6 The Prepayment Facility Agreement contains a number of events of default, including cross-acceleration and as set out in paragraph 3.1.5 above. There will be an event of default if EEPCI sells any crude committed to EACMI under the EACMI SPA to another party (other than where EACMI fails to lift the relevant cargo in breach of the terms of the EACMI Crude SPA), and such circumstance is not remedied within five business days of the Exxon Lender giving notice to Savannah Energy Finance of the same.
- 3.1.7 The Prepayment Facility Agreement is governed by English law. Disputes shall be resolved in the first instance by amicable negotiations between the parties for thirty days, failing which disputes shall be settled by ICC arbitration in English in London by a three-member arbitration panel.

## 4 GAS SALE AND PURCHASE AGREEMENTS

### 4.1 Calabar PRG GSA

- 4.1.1 On 8 December 2011, Accugas Limited entered into a GSA with Calabar Electricity Generation Company Limited (now Calabar Generation Company Limited (“CGCL”), the Calabar NIPP power station’s owner and operator, and CGCL’s parent company, Niger Delta Power Holding Company Limited (“NDPHC”), to supply natural gas to CGCL (“Calabar PRG GSA”). The Calabar PRG GSA was amended on 20 February 2013 via a side letter and became effective on 22 September 2017.
- 4.1.2 On 10 November 2014, the parties entered into an interim GSA for Accugas Limited to supply natural gas to CGCL via the East Horizon Pipeline until the facilities required to supply gas to CGCL under the Calabar PRG GSA could be built. On 12 May 2017, the parties executed an amendment and restatement of the Calabar PRG GSA, pursuant to which NDPHC is no longer a party to the agreement. The conditions precedent for this agreement were satisfied on 15 September 2017.
- 4.1.3 The term of the Calabar PRG GSA is 20 years from the start date. Provided Accugas Limited’s facilities were constructed, tested, commissioned and ready to deliver quantities of natural gas to the delivery point when all conditions precedent were satisfied, the start date occurred five business days later, being 22 September 2017. First deliveries under the Calabar PRG GSA occurred on 22 September 2017.
- 4.1.4 Under the Calabar PRG GSA, the daily contract quantity is 131 MMscf/d and the annual contract quantity is 131 MMscf/d multiplied by the number of days in the relevant year (“ACQ”). Accugas Limited is contracted to supply the gas volumes nominated, being between zero and 150 MMscf/d, capped at a maximum of 150 MMscf/d multiplied by 365 in any given year. CGCL has committed to a take-or-pay obligation equivalent to 80 per cent. of 1/12th of the ACQ for the relevant year, less certain deductions set forth in the Calabar PRG GSA. Subject to the terms of the Calabar PRG GSA, CGCL can require any gas paid for but not received to be supplied as make-up gas at a later date, for which purpose CGCL may extend the term of the Calabar PRG GSA for a further 18 months.
- 4.1.5 The contract price is US\$3.16 per MMBtu for the first year, to be increased progressively over the first seven years of the contract to US\$4.74 per MMBtu (indexed annually by reference to US CPI). Either party is entitled to seek a review of the contract price if, as a result of a change in law or any hindrance of government or other act or failure to act by any government claiming jurisdiction over the agreement, that party suffers a material adverse financial impact in any contract year.
- 4.1.6 All payments under the agreement are to be made: (a) in the Naira currency using the applicable sell rate for the conversion of US\$ to Naira published by the Central Bank of Nigeria on the business day immediately prior to the date of payment, or in the event that such rate is not published by the Central Bank of Nigeria, the interbank rate published on the FMDQ’s website; or (b) at the option of CGCL, provided no laws prohibit this, in US\$.
- 4.1.7 The Calabar PRG GSA can be terminated by CGCL by 30 days’ notice to Accugas Limited if given prior to the start date, or by 180 days’ notice thereafter if Accugas Limited, among other things: (i) abandons construction or operation of the facilities required to deliver gas to the delivery point; (ii) due to a force majeure event, fails to make available for delivery 75 per cent. of the ACQ over a continuous 24 month period (provided that the volumes properly nominated by the buyer during each contract year of that period exceed 75 per cent. of the ACQ); (iii) fails to make available for delivery in any contract year 50 per cent. of the ACQ (provided that during that contract year the quantities of gas that are properly nominated by CGCL exceed 50 per cent. of the ACQ or 50 per cent. of the aggregate of the properly nominated quantities in such contract year); or (iv) suffers an insolvency event which is defined to include an assignment or general arrangement for the benefit of creditors. The agreement can also be terminated with immediate effect by CGCL where CGCL’s power purchase agreement is terminated due to an event of force majeure.
- 4.1.8 Accugas Limited may terminate the Calabar PRG GSA by 30 days’ notice to CGCL if given prior to the start date, or by 180 days’ notice thereafter, if CGCL, among other things: (i) abandons construction or operation of the Calabar NIPP power station and the connecting pipeline; (ii) due to a force majeure event, is unable to take delivery of at least 75 per cent. of the ACQ over a 24 month



period; (iii) fails to take delivery in any contract year of 50 per cent. of the aggregate of properly nominated quantities of gas; (iv) nominates zero quantities of natural gas for a period of 45 continuous days or 90 days in aggregate during any contract year, for reasons other than force majeure (and without Accugas Limited's consent); (v) suffers an insolvency event; or (vi) diverts the natural gas to facilities other than the Calabar NIPP power station, without the consent of Accugas Limited.

- 4.1.9 Force majeure under the Calabar PRG GSA includes force majeure which primarily affects a third party where that force majeure prevents, impedes or delays CGCL or Accugas Limited's performance under the agreement.
- 4.1.10 Where CGCL fails to pay amounts due pursuant to the Calabar PRG GSA, interest at five per cent. plus three month LIBOR is applicable on all amounts due, and Accugas Limited is entitled to make a claim under the letter of credit provided in accordance with the terms of the Support Agreement (see "PRG Agreements" section below). If the amount remains unpaid by either CGCL or the provider of the credit support, Accugas Limited is entitled to suspend deliveries under the agreement on ten days' notice until such time as payment is made. If deliveries remain suspended in this manner for 60 consecutive days, Accugas Limited shall have the right to terminate the agreement.
- 4.1.11 Except in relation to permitted assignments to affiliates, the parties shall not assign all or any part of their rights and obligations under the Calabar PRG GSA without the prior written consent of the other parties. CGCL and Accugas Limited may assign their rights under the agreement to a bank or other financial entity for the purpose of providing financing in connection with their respective facilities subject to the terms of the Support Agreement (see "PRG Agreements" section below).
- 4.1.12 CGCL must provide a letter of credit from an acceptable financial institution and as supported by the International Development Association's partial risk guarantee throughout the term of the agreement, in accordance with the terms of the Support Agreement (see "PRG Agreements" section below).
- 4.1.13 The Calabar PRG GSA can be terminated by Accugas Limited in the event of an insolvency event affecting whichever of NDPHC or Nigerian Bulk Electricity Trading Plc ("NBET"). NBET is the party providing credit support for the agreement in accordance with the terms of the Support Agreement (see "PRG Agreements" section below).
- 4.1.14 Any change of control of CGCL requires Accugas Limited's prior written consent; prior to any change of control, alternative credit support must be provided to Accugas Limited to Accugas Limited's satisfaction determined at its sole discretion. However, it is recognised that CGCL and NDPHC are engaged in a process of privatisation, for which consent is explicitly given; credit support in the context of the privatisation is dealt with pursuant to the Support Agreement (see "PRG Agreements" section below). The Calabar PRG GSA can be terminated by Accugas Limited in the event of a change of control of CGCL in breach of the terms of the agreement.
- 4.1.15 The Calabar PRG GSA is governed by the laws of the Federal Republic of Nigeria.

## 4.2 PRG Agreements

- 4.2.1 The Calabar PRG GSA is ultimately supported by a partial risk guarantee from the International Development Association; however, this is not triggered immediately and a network of contracts has been put in place as set out below.
- 4.2.2 Pursuant to the support agreement between NDPHC, CGCL, Accugas Limited and NBET dated 12 May 2017 ("Support Agreement"), NDPHC is to procure a letter of credit for Accugas Limited in relation to the amounts payable by CGCL under the Calabar PRG GSA, which letter of credit will be supported by the International Development Association's partial risk guarantee pursuant to the guarantee agreement (see below). The Support Agreement specifies that when NDPHC is privatised, NBET will replace NDPHC as the guarantor for CGCL under the Calabar PRG GSA, being the party required to provide credit support for the Calabar PRG GSA. This is to ensure that the International Development Association's partial risk guarantee is always linked to credit support provided by a state owned entity. The fees for the letter of credit issued pursuant to the Support Agreement are to be paid by Accugas Limited.

- 4.2.3 There is a 90 day moratorium period from the effective date of the letter of credit during which and in respect of which Accugas Limited will not be able to make demands for payment pursuant to the letter of credit. The letter of credit is provided by JP Morgan Chase Bank N.A., London Branch, or a substitute bank which must be a bank meeting the eligibility criteria, including a minimum of a “Long Term Issues Rating” of A2 by Moody’s Investor Services, Inc, a “Foreign Company Long Term Issuer Default Rating” of “A” from Fitch Ratings Ltd and a “Foreign Long Term Issuer Credit Rating” of “A” by Standard and Poor’s Financial Services LLC. The Support Agreement cannot be assigned, by the parties except for: (i) Accugas Limited assigning its rights under the Support Agreement by way of security which does not require consent of the other parties; and (ii) concurrently with the assignment of the Calabar PRG GSA and subject to the written consent of the other parties and the International Development Association.
- 4.2.4 Pursuant to the project agreement between Accugas Limited and the International Development Association dated 14 June 2017, Accugas Limited agrees to pay the International Development Association’s fees relating to the provision of the partial risk guarantee, being an annual fee of 0.75 per cent. of the maximum amount of the letter of credit applicable for the relevant period, together with one-off fees of 0.15 per cent. and 0.50 per cent. of the maximum amount of the letter of credit as initiation and processing fees.
- 4.2.5 In order to monitor Accugas Limited’s compliance with its obligation under the project agreement, Accugas Limited agrees to allow inspections of its pipelines and facilities by the International Development Association on reasonable notice. Accugas Limited must also keep (and allow the International Development Association access to) reports and information relating to gas deliveries pursuant to the Calabar PRG GSA, monthly invoices in relation to the same, information on payments made and defaults pursuant to the Calabar PRG GSA and demands under the Calabar PRG GSA.
- 4.2.6 Accugas Limited also makes the following covenants to the International Development Association:
- (a) no material change to the letter of credit or any other agreement related to the Support Agreement or Calabar PRG GSA without the International Development Association’s prior written consent;
  - (b) not to bring claims during a moratorium period;
  - (c) deliver a notice of credit support;
  - (d) co-operate in good faith with the International Development Association in relation to any breaches notified by the International Development Association;
  - (e) not engage in sanctionable practices (being corrupt practices, collusive practices, coercive practices or obstructive practices, each as defined in the agreement) in relation to the supply of gas pursuant to the Calabar PRG GSA;
  - (f) not engage or enter into contracts with debarred persons, being a person or entity which is ineligible to be awarded a World Bank financed contract;
  - (g) to execute, operate and maintain the project with due diligence and efficiency and comply with its material obligations under the agreements relating to the Calabar PRG GSA;
  - (h) to implement and maintain policies and procedures to monitor compliance with environmental and social laws, a resettlement action plan and environmental impact assessments;
  - (i) keep the International Development Association informed of payment and default notices or demands pursuant to the Calabar PRG GSA and Support Agreement;
  - (j) not assign its rights, interests, covenants or obligations under this agreement, the Support Agreement or the letter of credit without the International Development Association’s prior written consent (not to be unreasonably delayed);
- 4.2.7 to notify the International Development Association of its application for or receipt of permits or licences for new oil wells or gas gathering or treatment facilities in the Uquo Field area and develop any such new wells or facilities in compliance with environmental and social laws; and
- 4.2.8 to ensure compliance by its employees, agents, contractors and sub-contractors with environmental and social laws in relation to the supply of gas for the Calabar PRG GSA.

- 4.2.9 In the event Accugas Limited breaches its representations, covenants or other obligations, the International Development Association can suspend its guarantee's coverage of the letter of credit on 45 days' notice. In the event Accugas Limited fails to make payments due within six business days, breaches its obligations relating to sanctionable practices, debarred persons, or in the event the guarantee of the letter of credit is suspended for a period of 180 days or longer, the International Development Association is entitled to terminate its guarantee.
- 4.2.10 Accugas Limited has agreed to indemnify the International Development Association for, *inter alia*, any claims or liabilities incurred as a result of a representation, warranty, covenant or obligation of Accugas Limited under the agreement and all reasonable costs and expenses incurred in the enforcement of its rights or the enforcement of the letter of credit bank's rights, or the amendment of or a waiver or consent under the agreement.
- 4.2.11 There is a guarantee agreement between the International Development Association and JP Morgan dated 14 June 2017 under which the International Development Association guarantees any amounts outstanding under the letter of credit to be issued by JP Morgan to NDPHC or NBET, as applicable, pursuant to the Support Agreement.
- 4.2.12 By an indemnity agreement between the State of Nigeria and the International Development Association, the State of Nigeria agrees to indemnify the International Development Association for payments made pursuant to the guarantee agreement above.
- 4.2.13 Pursuant to a cooperation agreement between the International Development Association and NDPHC dated 14 June 2017, NDPHC gives a number of warranties and covenants for the benefit of International Development Association and agrees to indemnify International Development Association for its losses pursuant to this agreement.
- 4.2.14 Pursuant to a cooperation agreement between the International Development Association and NBET dated 14 June 2017, NBET gives a number of warranties and covenants for the benefit of International Development Association and agrees to indemnify International Development Association for its losses pursuant to this agreement.
- 4.2.15 Pursuant to a reimbursement and credit agreement dated 15 May 2017 between NDPHC and JP Morgan and NBET, NDPHC and NBET, as applicable, agree to reimburse JP Morgan for amounts advanced under the credit support provided under the Calabar PRG GSA, with interest.

### 4.3 **Ibom Power GSA**

- 4.3.1 On 15 May 2009, Seven Exploration & Production Limited ("SEPL") (as seller) and Ibom Power (as buyer) entered into a gas purchase and sales agreement, whereby SEPL agreed to supply processed gas to Ibom Power, as operator of the Ibom Power station (the "**Ibom Power GSA**"). On 4 June 2010, SEPL transferred its rights, liabilities, duties and obligations under the Ibom Power GSA to Accugas Limited via a deed of amendment, replacement and novation, and the Ibom Power GSA was amended and restated on the same day. The agreement was further amended on 1 August 2016. The term of the Ibom Power GSA is ten years from the date of first commercial supply of gas (which occurred on 1 January 2014), subject to any extension mutually agreed between the parties.
- 4.3.2 Delivery was initially on a take or pay basis for 100 per cent. of the ACQ being 43,500 MMBtu multiplied by the number of days in the contract year, less certain deductions set out in the Ibom Power GSA. The Minimum and Maximum Daily Quantities were both 43,000 MMBtupd. Under an addendum to the Ibom Power GSA executed on 26 April 2016, the Daily Contract Quantity was reduced to 20,000 MMBtu and the Maximum Daily Quantity ("MDQ") became 27,000 MMBtu. Under the Ibom Power GSA, Ibom Power agrees to accept and pay for, or to pay for if not taken, the monthly equivalent of 80 per cent. of the daily contract quantity, less certain deductions set forth in the Ibom Power GSA (including an Ibom Power force majeure and up to twelve days of Ibom Power outages). Ibom Power has an option to increase the daily contract quantity to 43,500 MMBtu ("Increased DCQ") with a take-or-pay obligation of 80 per cent. of the Increased DCQ. The parties agree to discuss in good faith increasing the DCQ and MDQ to meet Ibom Power's requirements in Phase 2 of its developments, which will occur when the power generation capacity of Ibom Power's facilities reaches 685MW. Initially, the contract price for the gas was the higher of: (i) the fixed price, being a price of

US\$0.40 per MMBtu plus a subsidy of US\$1.60 per MMBtu payable by the Akwa Ibom State Government to deliver to Accugas Limited a price of US\$2.00 per MMBtu (converted to Naira at the buying rate published on the Central Bank of Nigeria website for the invoice date); or, (ii) the last price, being the fixed price adjusted annually on the anniversary of the first supply date by the movement in US CPI for the preceding 12 months. By an addendum dated 1 August 2016, the parties agreed a new price of US\$3.30 per MMBtu, however, this price increase has yet to come into force, and is only expected to do so once regulatory approval from the Nigerian Electricity Regulatory Commission has been granted.

- 4.3.3 The Ibom Power GSA provides that Ibom Power pay an advance of US\$63.5 million for future gas deliveries. Accugas Limited repays the advance payment to Ibom Power by the provision of gas by way of credit in respect of the full amount invoiced for each month following the first supply date until the value of gas invoiced to Ibom Power equals 50 per cent. of the advance payment, and thereafter by way of credit of a Naira amount equal to US\$294,028 in respect of each invoice for each month until the aggregate credits invoiced to Ibom Power from Accugas Limited, during the contract period, shall equal the advance payment.
- 4.3.4 The Ibom Power GSA requires Ibom Power to provide a guarantee from the Akwa Ibom State Government in respect of its obligations under the agreement and in accordance with the provisions set out therein. Ibom Power provided an executed guarantee from the Akwa Ibom State Government dated 24 June 2010 (the "Akwa Guarantee"), for the Naira equivalent of US\$2.4 million to be set aside in an escrow account for 60 days, each month. Accugas has advised that the Akwa Guarantee has now fallen away.
- 4.3.5 The Ibom Power GSA can be terminated by Accugas Limited upon ten days' written notice in the case of an event of default, as defined in the agreement, by Ibom Power or by the Akwa Ibom State government under its Akwa Guarantee. There are no reciprocal termination rights for Ibom Power. Save for permitted affiliates, the parties are not permitted to assign all or any part of their rights and obligations under the agreement without the prior written consent of the other parties. However, Ibom Power is not required to obtain the prior written consent of Accugas Limited in the event of a full or partial assignment of the agreement by Ibom Power for the purposes of obtaining financing for the construction of the Ibom Power station in Akwa Ibom State.
- 4.3.6 The Ibom Power GSA is governed by the laws of the Federal Republic of Nigeria.

#### 4.4 **Unicem GSA**

- 4.4.1 By a gas sale agreement dated 18 April 2007 (as amended on 5 January 2012 and 28 November 2016, and amended and restated on 21 December 2020) between EHGC (as seller) and Lafarge Africa PLC ("Unicem", previously United Cement Company of Nigeria Limited) (as buyer) (the "**Unicem GSA**"), EHGC agreed to sell and Unicem agreed to purchase gas for Unicem's cement plant in Cross River State, Nigeria. The term of the agreement is until 7 January 2037, subject to Unicem's right to elect to extend the term of the agreement for delivery of make-up gas by up to a further 24 months (the "GSA Extension Period"). As at 20 November 2021, the outstanding balance of make-up gas paid for by Unicem but not taken was 18,301,069.64 Mscf.
- 4.4.2 Pursuant to the terms of the 21 December 2020 amendment and restatement of the Unicem GSA, Unicem was obliged to make an advance payment of US\$20 million. Unicem had the right to elect to pay the advance payment amount in US Dollars or NGN (at the Nigerian Autonomous Foreign Exchange fixing rate for US Dollar to NGN conversions on 21 December 2020). Upon receipt of the advance payment by Accugas Limited, the outstanding balance of make-up gas at such time was to be credited by an amount of gas equal to the advance payment amount (based on the then applicable contract price). Accugas Limited shall be deemed to settle the advance payment amount through delivery of make-up gas to Unicem.
- 4.4.3 From 1 January 2020 Unicem has agreed to take and/or pay for a minimum of 80 per cent. of the monthly contract quantity (subject to certain deductions set out in the Unicem GSA) (the "Take-or-Pay Quantity"). The monthly contract quantity is calculated by multiplying the daily contract quantity of 24.19 MMscf by the number of days in such month. During the GSA Extension Period the Take-or-Pay Quantity shall reduce to 50 per cent. of monthly contract quantity.

- 4.4.4 From 1 January 2020, the daily nominations limit for Unicem is 125 per cent. of daily contract quantity for the purpose of utilising make up gas in accordance with the terms of the agreement. With Accugas Limited's written consent (not to be unreasonably withheld), Unicem can nominate up to a maximum of 42.57 MMscf per day above the daily nomination limit ("Overrun Gas").
- 4.4.5 From 1 January 2020 until 30 April 2027, the contract price for gas delivered shall be US\$5.00 per Mscf. From 1 May 2027 the contract price for gas delivered shall be US\$5.10 per Mscf subject to an annual (upward) US CPI related escalation. From 1 January 2020 until 30 April 2027, Unicem shall make a pre-payment on the Take-or-Pay Quantity of US\$2.50 per Mscf. This prepayment shall be deemed to be settled by Accugas Limited by delivery of make-up gas. Unicem has the option to elect to pay in US Dollars or NGN (applying the Central Bank of Nigeria US Dollar to NGN exchange rate on the date of payment).
- 4.4.6 If a party considers that there has been a significant change in law or regulation, with the direct consequence that: (i) the applicable contract price creates economic hardship for a party; and (ii) the contract price is uncompetitive when compared to other fuels that are available in sufficient quantities at the delivery point, then the affected party can request a price review. They shall carry out the price review within three months of the request. If the parties are unable to agree an amendment to the contract price within five months of the request, either party may refer the matter for expert determination.
- 4.4.7 The Unicem GSA may be terminated, by either party by notice in writing with immediate effect if any act of insolvency occurs in relation to the other party. Unicem may also terminate, inter alios, for convenience on three months' notice. However, where Unicem terminates for convenience, Unicem shall be liable to pay the seller a termination fee in the sum of US\$500 million, which sum shall be reduced by: (i) US\$5 million for each contract year which has elapsed since 21 December 2020 prior to such termination; (ii) US\$13,700 for each day that has elapsed since the anniversary of 21 December 2020 immediately preceding the effective date of the termination; and (iii) the aggregate of any outstanding payments due from Unicem to Accugas Limited under the agreement at the date of termination. Unicem has the right to elect to pay the advance payment amount in US Dollars or NGN (at the Central Bank of Nigeria US Dollar to NGN conversion rate applicable on the date of payment).
- 4.4.8 Unicem's obligations under the Unicem GSA are guaranteed to a value of NGN 1,811,595,536 (approximately US\$4 million) under a bank guarantee in favour of Accugas Limited executed by Standard Chartered Bank Nigeria Limited and dated 10 May 2022. The guaranteed sum is payable upon written demand signed by an authorised representative of Accugas Limited stating that the customer has failed to make any due payments under the contract. The guarantee cannot be transferred or assigned.
- 4.4.9 The Unicem GSA is governed by the laws of the Federal Republic of Nigeria.

#### 4.5 **FIPL GSA**

- 4.5.1 The agreement (the "FIPL GSA") came into effect on 28 January 2020, with a contractual start date of 30 August 2021. The initial term of the First GSA is 12 months from the contractual start date, however the Company has confirmed that the agreement has expired and the parties are negotiating an extension. The Company is continuing to supply gas to FIPL on the basis of the terms of the FIPL GSA until the extension is agreed.
- 4.5.2 FIPL is required to provide security under the FIPL GSA.
- 4.5.3 The FIPL GSA provides that First Independent Power Limited may nominate an amount of gas up to a maximum of 65 MMscfpd for delivery on the following day, of which Accugas Limited may choose to accept, vary or reject. For accepted nominations, First Independent Power Limited will pay to Accugas Limited a gas sales price of US\$2.50 per MMBtu and will pay an additional transportation tariff to transport the gas from the Uquo CPF to the Ikot Abasi Gas Receiving Facility at a rate specified in the gas transportation agreement which is yet to be agreed.



- 4.5.4 If First Independent Power Limited takes either (i) less than 80 per cent., or (ii) more than 120 per cent. of the daily nominated quantity, First Independent Power Limited will pay a ten per cent. premium on the price for amounts of gas falling below or above such thresholds. If Accugas Limited delivers less than 80 per cent. of the daily nominated quantity, First Independent Power Limited will be entitled to a ten per cent. discount on any amount under the 80 per cent. threshold.
- 4.5.5 The FIPL GSA can be terminated by Accugas Limited by giving ten days' notice to First Independent Power Limited for certain events of default as defined in the agreement. There is a reciprocal right for First Power Independent Limited to terminate by serving notice on Accugas Limited for Accugas Limited's insolvency or breach of their material obligations under the agreement.
- 4.5.6 The FIPL GSA is governed by the laws of the Federal Republic of Nigeria.

#### 4.6 **Mulak GSA**

- 4.6.1 On 5 February 2021, Accugas Limited (as seller) and Mulak Energy Limited ("Mulak") (as buyer) entered into a gas sales and purchase agreement, whereby Accugas Limited agreed to supply natural gas to Mulak as operator of the compressed natural gas production facility being developed by Mulak at Ikot Abasi, Akwa Ibom State (the "Mulak GSA").
- 4.6.2 The main terms of the Mulak GSA only become effective on the satisfaction of certain conditions, including: (i) the execution of a direct agreement between the parties, (ii) the acquisition by Mulak of the land, licences and permissions to commence construction and operation of its facilities, and (iii) the agreement by the parties of insurance to be maintained by Mulak. The agreement has a longstop date of 28 February 2022 by which time if the parties have not satisfied the conditions, either party may terminate the agreement. The Company has confirmed that there are discussions underway with Mulak to extend the longstop date. On the date the conditions are satisfied (or waived) the Mulak GSA will commence ("Commencement Date").
- 4.6.3 Following the Commencement Date, Accugas Limited will begin construction on the interconnection works necessary to connect the Accugas facilities to the Mulak facilities, the cost of which is for Mulak. Once Accugas Limited has completed the interconnection works it will issue to Mulak a "Seller Ready Notice" signalling its readiness to supply gas to Mulak.
- 4.6.4 Following the Commencement Date, Mulak will begin construction of its own facilities in order to receive gas from Accugas Limited. Once Mulak has completed its facilities it will issue to Accugas Limited a "Buyer Ready Notice" signalling its readiness to receive gas from Accugas Limited. In the Buyer Ready Notice Mulak will notify Accugas Limited of a "First Gas Date" being the date on which Mulak wishes to receive the first gas.
- 4.6.5 If either party fails to complete their respective construction works (and provide a Buyer Ready Notice or Seller Ready Notice, as applicable) within 12 months from the Commencement Date, the other party may terminate the Mulak GSA immediately.
- 4.6.6 The term of the agreement shall run for seven years from the First Gas Date unless otherwise extended by the parties. Mulak may extend the contract period for a further fixed period of five years by serving notice on Accugas Limited 12 months prior to the end of the seven year contract period.
- 4.6.7 Accugas Limited will supply natural gas to Mulak on an interruptible basis for a period of 24 months from the Commencement Date ("Interruptible Gas Delivery Period"). During the Interruptible Gas Delivery Period, Mulak shall, by the twenty fifth day of each month, provide Accugas Limited with a daily contract quantity ("DCQ") nomination for the following month between zero and 2.5MMscf subject to acceptance by Accugas Limited. Upon acceptance by Accugas Limited the interruptible DCQ nomination will be fixed for that month ("Confirmed Interruptible Gas DCQ"). If the parties cannot agree an acceptable interruptible DCQ nomination then the interruptible DCQ nomination for that month shall be zero.
- 4.6.8 For each quarter during the Interruptible Gas Delivery Period, the quarterly contract quantity shall be calculated as the sum of the Confirmed Interruptible Gas DCQs multiplied by the number of days in that quarter.

- 4.6.9 During the Interruptible Gas Delivery Period, Mulak shall be obliged to take and pay for (or pay for if not taken) a quantity of natural gas equal to 80 per cent. of the quarterly contract quantity as calculated in accordance with section 9.6.9 above.
- 4.6.10 Following the end of the Interruptible Gas Delivery Period, Accugas Limited will supply natural gas to Mulak for the remainder of the contract period on a firm basis ("Firm Delivery Period"). Mulak shall notify Accugas Limited in writing no later than seven months before the end of the Interruptible Gas Delivery Period of its DCQ nomination for the Firm Delivery Period.
- 4.6.11 The nominated DCQ for the Firm Delivery Period is to be between zero and 2.5MMscf, however if Mulak nominates less than 1.5MMscf as the Firm Delivery Period DCQ nomination, Accugas Limited has the right to terminate the Mulak GSA by providing 60 days' notice to Mulak following its nomination.
- 4.6.12 No later than four months prior to the end of a contract year, Mulak may request an increase in the Firm Delivery Period DCQ for the following contract year. Accugas Limited will have discretion to accept or reject a Firm Delivery Period DCQ nomination of less than 1.5MMscf. If the Firm Delivery Period DCQ nomination is equal to or greater than 1.5MMscf, Mulak may issue an increase request for: (i) up to 120 per cent. of the Firm Delivery Period DCQ (which will not require Accugas Limited approval), or (ii) an amount above 120 per cent. of the Firm Delivery Period DCQ nomination (which will require Accugas Limited approval).
- 4.6.13 If Mulak fails to make a nomination for the Firm Delivery Period DCQ, the fall-back DCQ nomination shall be 2.5MMscf ("Fall-back DCQ").
- 4.6.14 For each quarter during the Firm Delivery Period, the quarterly contract quantity shall be calculated as either the Firm Delivery Period DCQ nomination or the Fall-back DCQ (as applicable) multiplied by the number of days in such quarter.
- 4.6.15 During the Firm Delivery Period, Mulak shall be obliged to take and pay for (or pay for if not taken) a quantity of natural gas equal to 80 per cent. of the quarterly contract quantity as calculated in accordance with section 9.6.15 directly above.
- 4.6.16 The contract price for natural gas under the agreement for the first contract year shall be \$5.15/MMBtu and for each successive contract year shall be adjusted in proportion to the US CPI index, calculated by reference to a formula contained in the Mulak GSA.
- 4.6.17 By the date falling one month after the First Gas Date, Mulak shall establish and maintain credit support throughout the remainder of the Interruptible Gas Delivery Period in the amount of \$390,000, and during the Firm Delivery Period (up until three months after termination of the Mulak GSA) credit support in the amount of \$1,170,000.
- 4.6.18 Mulak's remedies under the agreement include a shortfall gas and liquidated damages regime. Where at the end of any quarter following the quarter in which a shortfall gas aggregate arose Mulak has not taken an amount equal to the shortfall gas balance, Mulak will invoice Accugas Limited for an amount equal to the product of the shortfall gas balance remaining at the end of the quarter multiplied by ten per cent. of the contract price applicable at the time that such quantity of shortfall gas arose. Upon payment of the amount, the shortfall gas balance to which it relates shall be extinguished.
- 4.6.19 All payments under the agreement are to be made in US Dollars but Mulak may opt to pay any Dollar amounts due under the agreement in the Naira currency using the Nigerian Autonomous Foreign Exchange Rate (NAFEX) for Dollar to Naira conversions published by the FMDQ OTC PLC on FMDQ's website on the business day immediately preceding the date of payment.
- 4.6.20 The Mulak GSA can be terminated by Mulak giving 90 days' notice to Accugas Limited if any of the following has occurred and has not been cured to the satisfaction of Mulak by the end of such 90 day period: (i) Accugas Limited abandons operation of its facilities required to deliver gas to the delivery point or abandons construction of the interconnection works; (ii) for reasons other than Accugas Limited's force majeure, by the date falling 30 days after the start of the Firm Delivery Period Accugas Limited is unable to make the take or pay quantities available on a sustained basis; or (iii)

an act of insolvency affects Accugas Limited. The Mulak GSA can also be terminated with immediate effect by Mulak if: (i) for reasons other than the Accugas Limited's force majeure, during the Firm Delivery Period, Accugas Limited has been unable to make available for delivery volumes of gas to Mulak of at least 80 per cent. of the aggregate quarterly contract quantity in any 12 month period, or 50 per cent. of the aggregate of the quarterly contract quantity in any six month period; (ii) the conditions to the Mulak GSA have not been satisfied prior to the longstop date; (iii) Accugas Limited has not issued the Seller Ready Notice within 12 months of the Commencement Date; or (iv) Accugas Limited breaches its anti-bribery and corruption related undertakings.

4.6.21 The agreement can be terminated by Accugas Limited giving 90 days' notice to Mulak if any of the following has occurred and has not been cured to the satisfaction of Accugas Limited:

- (i) following the Commencement Date, Mulak abandons the construction or operation of its facilities;
- (ii) Accugas Limited reasonably believes that the Mulak facilities pose a risk of personal injury to Accugas Limited directors, officers, employees, agents or contractors, or damage to or loss of property of Accugas Limited or its affiliates; or (iii) an act of insolvency affects Mulak. The agreement can also be terminated with immediate effect by Accugas Limited if: (i) Mulak fails to establish or maintain the credit support up to \$390,000 during the Interruptible Gas Delivery Period and \$1,170,000 during the Firm Delivery Period (and such failure is not remedied within 14 days of from the date the credit support was supposed to be established or maintained; (ii) Accugas Limited has issued Mulak a notice of non-payment and such non-payment has not been remedied within fourteen days from the date of the notice of non-payment; (iii) for reasons other than the Accugas Limited's fault or Mulak's force majeure, during the Firm Delivery Period, Mulak does not take delivery of at least 80 per cent. of the aggregate quarterly contract quantity in any 12 month period, or 50 per cent. of the aggregate of the quarterly contract quantity in any six month period; (iv) without the prior written consent of Accugas Limited, Mulak diverts uncompressed natural gas to facilities other than its own facilities; (v) Accugas Limited's right to suspend deliveries under the agreement has arisen and has not ceased within 90 days of the notice of suspension; (vi) there is a change in control of Mulak in breach of the terms of the Mulak GSA; (vii) Mulak breaches its anti-bribery and corruption related undertakings; (viii) the conditions to the Mulak GSA have not been satisfied prior to the longstop date; or (ix) Mulak has not issued the Buyer Ready Notice within 12 months of the Commencement Date.

4.6.22 Force majeure under the Mulak GSA includes force majeure which primarily affects a third party where that force majeure prevents, impedes or delays Mulak or Accugas Limited's performance under the agreement.

4.6.23 Where Mulak fails to pay amounts due pursuant to the agreement, interest at four per cent. plus three month LIBOR is applicable on all amounts due, and Accugas Limited is entitled to make a claim on the Advance Payment (\$700,000) or the credit support (during the Interruptible Gas Delivery Period an amount of \$390,000 and the Firm Delivery Period an amount of \$1,170,000). If the amount remains unpaid by either Mulak or the provider of the credit support, Accugas Limited may immediately suspend deliveries of natural gas to Mulak.

4.6.24 Except in relation to permitted assignments to affiliates, the parties shall not assign all or any part of their rights and obligations under the agreement without the prior written consent of the other party. Mulak and Accugas Limited may assign their rights under the agreement to a bank or other financial entity for the purpose of providing financing in connection with their respective facilities.

4.6.25 Any change of control of Mulak requires the prior written consent of Accugas Limited, such consent is not to be unreasonably withheld provided that the new proposed owner of Mulak is a reputable business and has the requisite technical and financial capabilities to satisfy Mulak's obligations under the Mulak GSA. The agreement can be terminated by Accugas Limited in the event that a change of control of Mulak breaches the terms of the Mulak GSA.

4.6.26 The Mulak GSA is governed by the laws of the Federal Republic of Nigeria.



## **5 MATERIAL CONTRACTS RELATING TO THE STUBB CREEK FIELD**

### **5.1 Mobil Crude Handling Agreement**

- 5.1.1 On 30 November 2012, MPN in its capacity as operator of the QIT, entered into a crude handling agreement with Frontier Oil Nigeria Limited, Universal and Network Exploration & Production Company Nigeria Limited (together, the “FUN Group”) with respect to this paragraph 10.3 (“CHA”). The term of the CHA was for five years from the date of execution, expiring at the end of November 2017, however, the CHA was extended pursuant to an amendment agreement dated January 2018 extending the term to 29 November 2022.
- 5.1.2 The Company is in discussions with the CHA partners to extend the term of the CHA beyond November 2022. The parties are continuing to operate under the terms of the CHA until the extension agreement is signed.
- 5.1.3 The CHA provides that oil (“Qua Iboe Crude”) produced by the FUN Group will be shipped through the oil infrastructure of the QIT. In consideration, the FUN Group must pay MPN monthly tariffs as recalculated and adjusted annually based on actual cash and non-cash operating costs. The FUN Group first delivered Qua Iboe Crude to MPN on 31 January 2015. There is a send or pay obligation allowing the FUN Group to either deliver the required quantity of crude oil each year or make payments (as calculated by a formula in the agreement) for such quantity.
- 5.1.4 The CHA provides that MPN may terminate the agreement: (i) upon termination of the ExxonMobil COSA (as defined below), (ii) upon cessation of MPN operating the QIT, (iii) due to the FUN Group’s failure to deliver by reason of force majeure for a period of six consecutive months, (iv) due to the FUN Group’s failure to deliver crude which fails to meet the agreed specification for a period of 12 consecutive months or (v) there is a change to the FUN Group’s financial circumstances.
- 5.1.5 The CHA provides that the FUN Group may terminate the agreement: (i) if a FUN Group marginal field ceases to be a producing field, (ii) where MPN fails to accept Qua Iboe Crude for a period of six consecutive months or fails to deliver Qua Iboe Crude at the delivery point, or (iii) the FUN Group are (having used reasonable endeavours to do so) unable to deliver crude or deliver crude at the agreed specification for a period of 12 consecutive months.
- 5.1.6 Either party may terminate the CHA if there is a payment default, prolonged force majeure or a change in financial circumstances. A payment default is defined in the agreement as when a party fails to pay any sum 30 days after the payment date. A prolonged force majeure is where either party is excused from its obligations due to a force majeure event for a period of 24 consecutive months. A change in financial circumstances is defined in the agreement as when MPN has reasonable grounds to believe that the FUN Group will cease to have the financial resources to meet its obligations under the CHA.
- 5.1.7 Pursuant to the CHA, a party shall be excused from failing to perform its obligations in whole or part if such failure is attributed to an event of force majeure other than to the extent that a party is required from making timely payments of any monies due which became payable prior to the event of force majeure. A party claiming force majeure shall promptly notify the other parties of the nature and extent of the force majeure and shall keep the other parties informed of steps being taken in relation to such event.
- 5.1.8 By a separate and concurrent agreement described in paragraph 5.2 below, MPN’s affiliate, ExxonMobil Sales and Supply LLC (“ExxonMobil S&S”), committed to purchase all volumes of Qua Iboe Crude stored and transferred by MPN.

### **5.2 Exxon Mobil Crude Oil Sales Agreement**

- 5.2.1 On 30 November 2012, ExxonMobil S&S and the FUN Group entered into an agreement pursuant to which the FUN Group have agreed to sell Qua Iboe Crude to ExxonMobil S&S (the “ExxonMobil COSA”).
- 5.2.2 The term of the ExxonMobil COSA commenced on the effective date of the CHA and continues throughout the term of the CHA. As noted above, the CHA was extended to 29 November 2022 and

consequently the term of the ExxonMobil COSA will also expire once the termination conditions in the agreement have been met. The ExxonMobil COSA states that in the event that the CHA is terminated, the ExxonMobil COSA will automatically terminate on the earlier of: (i) the end of the third full month following the date of termination of the CHA; and (ii) the date of ExxonMobil S&S's payment for the purchase of the remaining inventory of the FUN Group in the QIT.

- 5.2.3 The current term of the CHA and COSA has lapsed, however the Company is in discussions with the CHA partners to extend the term of the CHA and COSA. The parties are continuing to operate under the terms of the CHA and COSA until the extension agreement is signed.
- 5.2.4 The ExxonMobil COSA specifies the quantity of Qua lboe Crude to be sold under the agreement, which is determined at monthly production curtailment and lifting schedule meetings with NNPC and MPN. However, the FUN Group reserves the right to deliver a quantity less than that shown in the lifting schedule in the event of production changes, weather, operational reasons or any other matters beyond the control of the FUN Group.
- 5.2.5 The contract price per barrel for a particular month of lifting is determined in accordance with the following formula: the average of the dated Brent quotations published in Platts in the month of lifting plus the average of the differential for Qua lboe Crude to dated Brent published in the period starting on the twentieth day of the second month prior to the month of lifting through the nineteenth day of the first month prior to the month of lifting; less a logistics margin of 0.125 per cent. of the price component determined as described above (subject to the logistics margin not being less than US\$0.11 per barrel). In the pricing formula, where available, the differential for Qua lboe Crude to dated Brent is calculated on a 50/50 basis using information published in Platts and Argus Media. There is no take-or-pay obligation on ExxonMobil S&S and title to and risk of loss passes from the FUN Group to ExxonMobil S&S as the cargo passes the permanent inlet flange of the vessel at the load port.
- 5.2.6 Pursuant to the ExxonMobil S&S General Terms and Conditions (March 1997 edition) ("GTC") (which are incorporated by reference into the terms of the ExxonMobil COSA), neither party shall be liable for loss or damage, including indirect or consequential damage, under the terms of the agreement due to a force majeure event which is beyond its reasonable control. Pursuant to the GTCs, ExxonMobil S&S is not obligated to purchase additional crude oil during a period of force majeure to make up deliveries omitted during the period of disruption nor will the term of the ExxonMobil COSA be automatically extended due to such an event. The party affected by the force majeure is required to give prompt notice to the other party providing sufficient details relating to the event and the estimated scope of disability caused by such an event.

