

5 February 2021

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

**Accugas' First Gas-to-CNG Sales Agreement announced with Mulak Energy**

Customer Benefits include 40% Saving in Energy Costs and 30% Reduction in Carbon Footprint<sup>1</sup>

Savannah Energy PLC ("Savannah" or the "Company"), the African-focused British independent energy company sustainably developing high quality, high potential energy projects in Nigeria and Niger, is pleased to announce that its Accugas subsidiary has entered into a new gas sales agreement ("GSA") with Mulak Energy Limited ("Mulak").

The GSA is initially for a seven-year term. It envisages the supply of gas produced by Savannah's majority-owned Uquo field for an initial two-year period on an interruptible basis (the "Interruptible Gas Delivery Period") and the subsequent five years on a firm contract basis (the "Firm Delivery Period"). During the Interruptible Gas Delivery Period, Mulak is able to nominate a maximum daily quantity of up to 2.5 MMscfpd. Volumes in the Firm Delivery Period will be agreed by the parties before the end of the Interruptible Gas Delivery Period. The GSA is priced to reflect Mulak's status as an industrial customer; Accugas, therefore, expects to see its weighted average gas sales price realisation increase as a result of this contract, without the need for any incremental capital expenditure beyond our previously announced plans.<sup>2</sup> Sales under the GSA benefit from a bank guarantee arrangement from an investment grade credit rated international bank.

Mulak is a member of the Mansour Group, the leading Egyptian multinational conglomerate with operations in more than 100 countries and annual revenues exceeding US\$7.5 billion. The agreement for the supply of gas to Mulak's Compressed Natural Gas ("CNG") Nigerian project represents Savannah's first Gas-to-CNG sales agreement. Mulak initially plans to distribute CNG to its industrial customers in Rivers State with the CNG to be substituted for diesel in generators supplied by the Mantrac Group, also a member of the Mansour Group and one of the world's largest dealers in Caterpillar machinery, power systems and equipment. Mulak is in a unique position to exploit the synergies with Mantrac's business in Nigeria through the conversion of Mantrac's existing customer base of approximately 400MW of diesel-fuelled generators to CNG-fuelled generators. This is expected to provide Mantrac customers with up to a 40% saving in energy costs and a 30% reduction in their carbon footprint.<sup>1</sup> Sales under the GSA are expected to commence in 2022 and, following the initial two-year period, Mulak has indicated that it is seeking to expand its CNG sales on a pan-Nigeria basis to Mantrac customers.

Accugas continues to make good progress in relation to agreeing further potential new gas sales agreements with new customers, further updates of which will be provided as appropriate in due course.

**Andrew Knott, CEO of Savannah Energy, said:**

*"We are delighted to announce this new gas sales agreement with Mulak Energy and the Mansour Group. This recognises, Accugas' status as the most reliable supplier of natural gas in Nigeria. Our first Gas-to-CNG agreement is hugely exciting as it represents Savannah's entry into the compressed natural gas market, which we see as offering strong growth potential for our business over the course of the next decade. The CNG market significantly extends the reach of our existing 260km pipeline network into light industrial and even domestic power generation without the need for further investment in pipelines. For example, the Mansour Group subsidiary, Mantrac, currently has an installed customer base of approximately 400MW of diesel-fuelled power generation, which has grown every year for the last decade. I would like to thank the Mansour Group for choosing to partner with Accugas and we look forward to providing them, and their customers, with a reliable, lower cost source of energy for power generation with an estimated 30% reduction in the carbon footprint of their existing diesel generators."*

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<sup>1</sup> Energy savings and carbon footprint reduction estimates provided by Mulak in relation to Mantrac customers.

<sup>2</sup> Capital expenditure plans as per Savannah's FY 2020 Trading Update published on 25 January 2021.

**Omar Hassan, CEO of Mulak Energy, added:**

*"Mulak Energy is extremely pleased to have entered into this gas sales agreement with Accugas–Savannah Energy. As part of the Mansour Group, Mulak Energy strongly believes in Nigeria's potential and future. Moreover, we are certain that gas will play a central role in fuelling Nigeria's growth and prosperity for the foreseeable future and are proud to be participants in this important development.*

*We foresee potential that this agreement with Accugas-Savannah will serve as a platform for increased cooperation between our two companies as we work to achieve our shared vision of bringing ever larger volumes of gas to the Nigerian market creating value for our shareholders and ultimately the industries and people of Nigeria.*

*We thank the teams at Accugas–Savannah for their efforts and cooperation over the past months to get this agreement finalised and look forward to working with them over the coming years."*

For further information, please refer to the Company's website [www.savannah-energy.com](http://www.savannah-energy.com) or contact:

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

**About Savannah Energy:**

Savannah Energy PLC is an AIM market listed African-focused British independent energy company sustainably developing high quality, high potential energy projects in Nigeria and Niger, with a focus on delivering material long term returns for stakeholders. In Nigeria, the Company has controlling interests in the cash flow generative Uquo and Stubb Creek oil and gas fields, and the Accugas midstream business in South East Nigeria, which provides gas contributing to over 10% of Nigeria's daily national average power generation. In Niger, the Company has interests in two large PSC areas located in the highly oil prolific Agadem Rift Basin of South East Niger, where the Company has made five oil discoveries and seismically identified a large exploration prospect inventory, consisting of 146 exploration targets to be considered for potential future drilling activity.

Further information on Savannah Energy PLC can be found on the Company's website: [www.savannah-energy.com](http://www.savannah-energy.com).