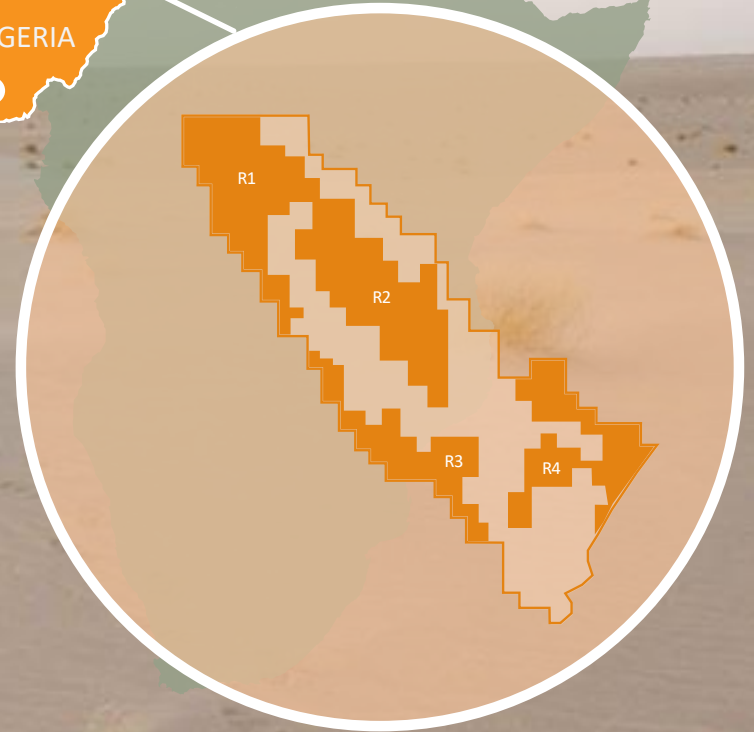
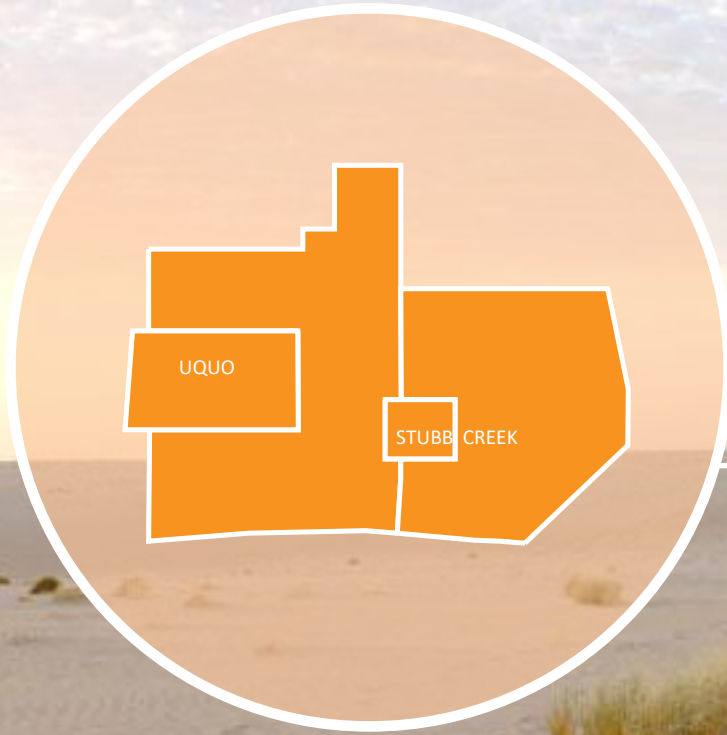


# SAVANNAH PETROLEUM



SAVANNAH PETROLEUM  
DECEMBER 2018 TRANSACTION  
UPDATE

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**These Presentation Materials assume that Savannah will acquire certain oil and gas assets currently held by Seven Energy on the terms set out in Savannah’s AIM Admission Document dated 22 December 2017. They also assume (i) a gas for oil swap with Frontier Oil Limited and the buy-out of minority shareholders in Universal Energy Resources Limited as per the terms of Savannah’s RNS dated 20 September 2018; and (ii) the acquisition of an additional 55% interest in Accugas as well as the sale of 25% (less one share) interest in SUGL and Accugas to AIIM as per the terms of Savannah’s RNS dated 21 December 2018.**



# Summary of Transaction Amendments

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## ACQUISITION OF ADDITIONAL 55% INTEREST IN ACCUGAS AND SALE TO AIIM OF 25% OF SUGL

- Acquisition of additional 55% interest in the Accugas Limited (“Accugas”) business, resulting in the Enlarged Group owning a 75% controlling interest
- Signature of MOU with African Infrastructure Investment Managers (“AIIM”) for the sale of a 25% shareholding interest in each of Seven Uquo Gas Limited (“Uquo”) and Accugas for cash consideration of US\$70m
- Transaction increases net acquired asset cashflow generation by an average of 58% over the 2019 – 2022 period and represents a 35% increase in NPV10 of the acquired assets, as reviewed by Savannah’s Competent Person (CGG Services (UK) Ltd)
- Transaction grants control of Accugas to Savannah, is materially NAV accretive, releases significant cash to Savannah and materially increases the Enlarged Group’s upside exposure to rising gas volumes and prices

## PLANNED ADDITION OF NEW CUSTOMER, THE ALAOJI POWER STATION, TO THE ACCUGAS BUSINESS

- Addition of new customer under Calabar GSA, the Alaoji power station, which is already linked to the Accugas network via NGC/Shell pipelines
- Total potential gas demand from the two power stations at full dispatch equates to 225 – 270 mmscfd (vs. current DCQ volumes of 131 mmscfd)
- Significant gas sales growth potential upon acquisition of additional upstream gas resource

## PROPOSED ACQUISITION OF CREEK TOWN – CALABAR PIPELINE

- Proposed acquisition of 21km Creek Town to Calabar pipeline from NDPHC for a net US\$20m (with payment spread over 5 years)
- Acquisition conditional upon approval by Nigerian Electricity Regulation Commission (“NERC”) of an appropriate gas pipeline transportation tariff
- Secures control of gas delivery from Uquo until transfer point at the Calabar Power Station

## ACCUGAS DEBT TERMS FINALISED

- Credit committee approval received from Accugas lenders in relation to revised terms under the c.US\$370m Accugas facility
- 7 year term, interest rate of USD LIBOR + 10.43% (payable quarterly) with amortisation payments due semi-annually
- Facility non-recourse to Savannah Petroleum plc

**All commercial terms in relation to Transaction conditions precedent have now been agreed, with remaining workstreams mainly legal/procedural in nature**



# Transaction Amendments Materially Positive for Savannah

|                               | December 2017  | December 2018   | Impact   |
|-------------------------------|--|---|--|
| <b>Assets</b>                 |  |   |  |
| Uquo Gas                      | Acquisition of 87.7% economic interest               | Acquisition of 75% economic interest (AIIM 25%)   | <ul style="list-style-type: none"> <li>✓ + 23.9 mmboe 2P reserves and 2C resources (+ 21.7% vs. December 2017 CPR)</li> <li>✓ Sale to AIIM of 25% interests in Uquo and Accugas</li> <li>✓ + US\$70m cash consideration partially monetises acquired assets and aligns interests with AIIM across the integrated gas business</li> </ul> |
| UERL (Stubb Creek)            | Acquisition of 32% interest                          | Acquisition of 51% interest   | <ul style="list-style-type: none"> <li>✓ Increased interest in Accugas consolidates control over gas value chain</li> </ul>  |
| Accugas                       | Acquisition of 20% interest (AIIM 80%)               | Acquisition of 75% interest (AIIM 25%)  | <ul style="list-style-type: none"> <li>✓ Complex ownership structure at Stubb Creek addressed, providing control over UERL cost structure cash flows</li> </ul>  |
| <b>Infrastructure</b>         |  |   |  |
| Uquo CPF                      | Operated by FOL                                      | Operated by Accugas   | <ul style="list-style-type: none"> <li>✓ Savannah gains operatorship of Uquo CPF</li> <li>✓ Control of gas related investment projects and day to day operations at Uquo</li> </ul>  |
| Creek Town – Calabar Pipeline | Owned by NDPHC                                       | Expected to be owned by Accugas   | <ul style="list-style-type: none"> <li>✓ Grants control of gas deliveries up until transfer point at Calabar power station</li> </ul>  |
| <b>Customers</b>              |  |   |  |
| Accugas customers             | Three anchor customers (Calabar, Unicem, Ibom Power) | <ul style="list-style-type: none"> <li>• Addition of new customer under Calabar GSA, Alaoji power station</li> <li>• Proposed Calabar Gas Distribution (“CGD”) project</li> </ul> | <ul style="list-style-type: none"> <li>✓ Diversifies Accugas’ customer base</li> <li>✓ Provides further medium-term growth potential</li> <li>✓ Margin and volume accretion expected from CGD</li> </ul>   |

**Increasing interest and control over the gas value chain**



# South East Nigeria – Addition of Gas Demand Hubs

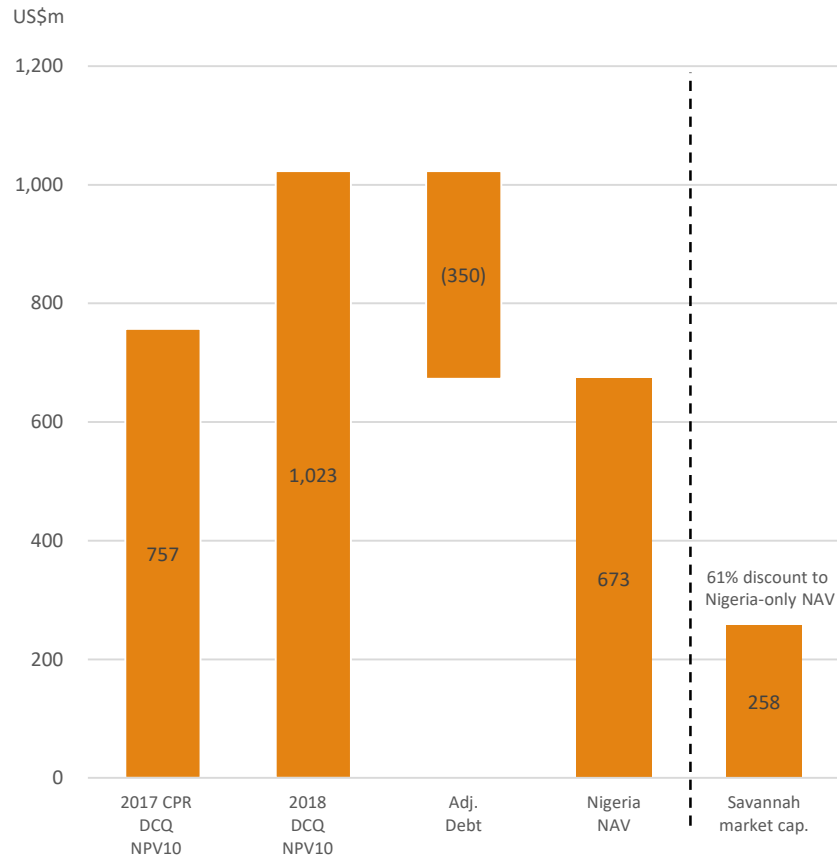


Planned addition of two material new gas demand hubs diversifies the customer base expected to add significant new revenue streams; Creek Town – Calabar pipeline acquisition secures further control over gas delivery from Uquo to Calabar

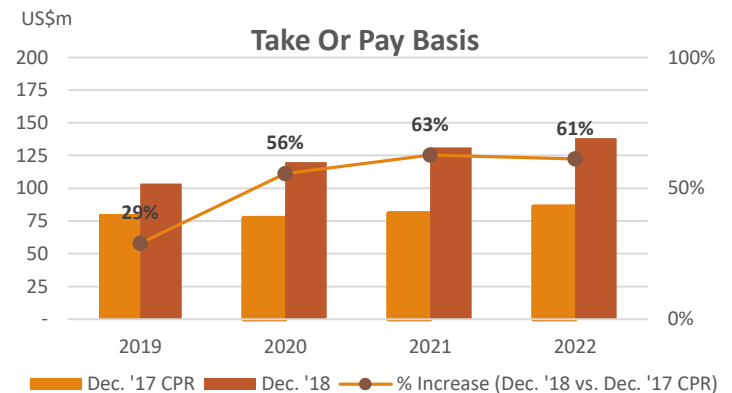
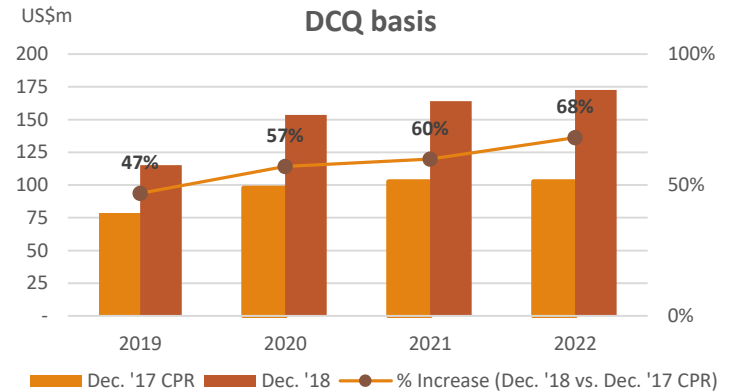


# Financial Impact of Transaction Amendments

NAV IMPACT OF TRANSACTION AMENDMENTS: DEC. 2017 VS. DEC. 2018



IMPACT OF TRANSACTION AMENDMENTS ON NET SAVANNAH ESTIMATED 2019 – 2022 ASSET FREE CASH FLOWS



Transaction amendments expected to materially enhance acquired assets' NPV and cash flows

CGG SERVICES (UK) LTD HAS PERFORMED A HIGH-LEVEL REVIEW OF SAVANNAH'S NET FREE CASH FLOW AND NPV 10 ESTIMATES AND HAS ASSESSED THESE TO BE REASONABLE ASSUMING QUOTED GAS SALES CASES AND DELIVERY OF PLANNED WORK PROGRAMS AND EFFICIENCY SAVINGS. DECEMBER 2017 NUMBERS ARE SOURCED FROM THE NIGERIA CPR PREPARED BY LLOYD'S REGISTER WHICH WAS CONTAINED IN THE DECEMBER 2017 ADMISSION DOCUMENT

(1) NUMBERS ARE NET TO THE ENLARGED GROUP'S ANTICIPATED ECONOMIC INTEREST AND ARE ASSET LEVEL (AND THEREFORE DO NOT REFLECT THE IMPACT OF ANY TAX SHIELD FROM INTEREST PAYMENTS)

(2) NET DEBT/CASH ADJUSTMENT REFLECTS US\$70M AIIM PROCEEDS AND 75% OF ACCUGAS DEBT (US\$455M) AND 75% OF NSIA DEBT (US\$105M)



# 2018 Key Achievements

|                                  |  |   |
|----------------------------------|--|---|
|                                  |  |   |
| Niger<br>Operational<br>Delivery | 5 oil discoveries made from 5 wells (100% success rate), delivered safely and within budgeted time   | ✓ |
|                                  | Delivery of monetisation plan (“Early Production Solution” or “EPS”) for R3 East discoveries via MOU with Government of Niger, and EPS pre-feasibility study submitted | ✓ |
| Seven Energy<br>Transaction      | Completion of Exchange Offer in relation to Seven’s 10.25% Senior Secured Notes  | ✓ |
|                                  | Gas for oil swap agreed with Frontier Oil at the Uquo field  | ✓ |
|                                  | Agreement to buy-out 37.5% minority shareholders in UERL   | ✓ |
|                                  | Sale of 25% in SUGL to AIIM and acquisition of additional 55% of Accugas   | ✓ |
|                                  | Addition of new Accugas customer, Alaoji power station   | ✓ |
|                                  | Calabar Gas Distribution Project commencement  | ✓ |
| Corporate /<br>Financial         | Completion of US\$125m equity raise  | ✓ |
|                                  | Cancellation of share premium account to enable maiden dividend to be paid   | ✓ |
|                                  | Signature of termsheet for US\$50m debt facility   | ✓ |



# Calabar and Alaoji Power Stations

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## CALABAR POWER STATION

- Gas turbine power station with a design capacity of 561 MW, located in Cross River State
- Linked to the Accugas pipeline network via the Creek Town – Calabar pipeline which is expected to be acquired by Accugas, giving the business direct control over gas deliveries to the power station
- 5 turbines, with each turbine capable of utilising c.25 – 30 mmscfd, implying a maximum gas consumption potential of c.125 – 150 mmscfd



## ALAOJI POWER STATION

- Gas turbine power station with a design capacity of 1,074 MW (of which 450 MW currently available), located in Abia State
- Linked to the Accugas pipeline network via the Ukanafun manifold and NGC/Shell pipelines
- 4 turbines, with each turbine capable of utilising c.25 – 30 mmscfd, implying a maximum gas consumption potential of c.100 – 120 mmscfd



**Total potential gas demand from the two power stations at full dispatch equates to 225 – 270 mmscfd**



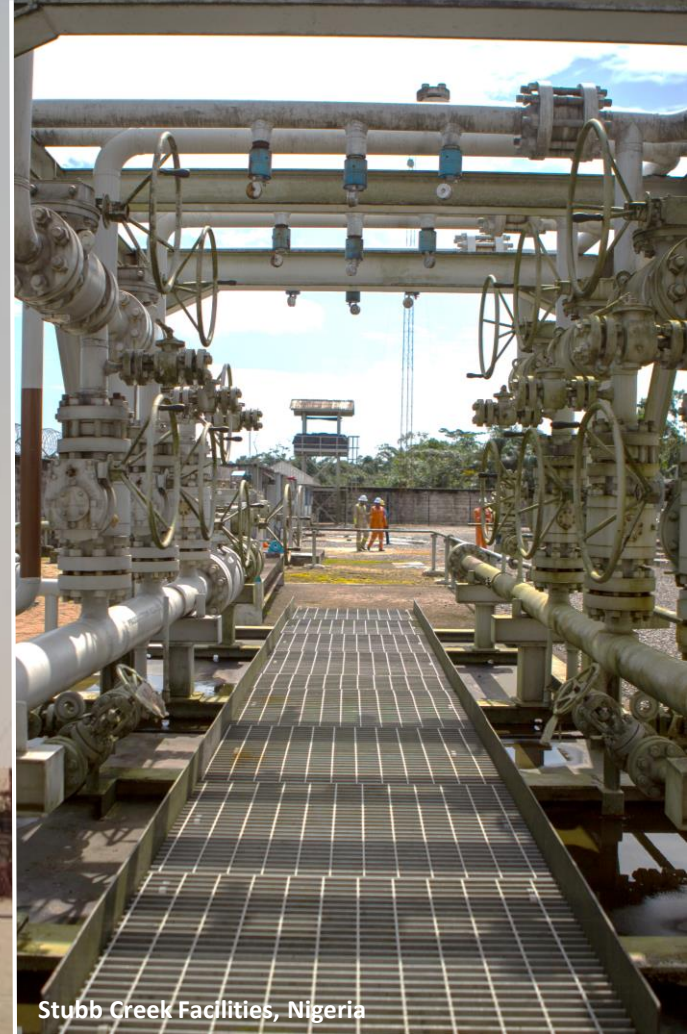




Uquo Gas Processing Facilities, Nigeria



GW 215 Rig, Niger



Stubb Creek Facilities, Nigeria

December 2018 Transaction Update

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