

16 November 2016

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

Analyst and Investor Visit to Niger

Savannah Petroleum PLC ("Savannah") is pleased to announce that it is hosting a site visit for analysts and investors to the Company's operations and offices in Niger.

Today, presentations will be given by Savannah's management and operational team, and will include the following highlights:

- Review and update of the Company's conceptual development solution for potential Agadem discoveries, with an estimated US\$200m (c.50%) reduction in external financing costs to first oil for a c.75 mmbbls development;
- An additional export route for Agadem crude to the Kaduna refinery in northern Nigeria is now advancing;
- CGG has reviewed the cost structure and associated economic modelling presented by Savannah in relation to the revised conceptual development solution and assessed a breakeven oil price of US\$26/bbl and NPV10 of US\$5.1/bbl at US\$60/bbl to be reasonable for the Agadem-Kaduna pipeline export option;
- Strong encouragement in relation to new ARB exploration play types and higher recovery factors;
- R3 3D seismic acquisition on track, with survey completion estimated for February 2017;
- Exploration drilling remains on track to commence in 1H17.

In addition, in a separate announcement, the Company is today announcing the signature of a Memorandum of Understanding with the New Nigeria Development Company Ltd ("NNDC") and Nigeria National Petroleum Corporation ("NNPC") in relation to collaboration between the three parties in the Nigerian section of the Central African Rift System. Aside from what is outlined above, no new material information is expected to be disclosed.

Conceptual Development Solution

Savannah has completed a detailed review and update of its Conceptual Development Solution ("CDS") for potential discoveries on the R1/R2 and R3/R4 permit areas in the Agadem Rift Basin ("ARB") originally presented on 8 July 2015. This review has substantially validated Savannah's confidence in the CDS, given: (1) the volume of engineering studies and work which has fed into the review; and (2) that updated western-supplier cost estimates have been incorporated.

As before, the CDS continues to envisage Savannah implementing a "Hub and Spoke" development concept similar to that utilised and proposed by other regional operators. It envisages a Central Processing Facility ("CPF") located in close proximity to a group of core producing fields that provides centralised development utilities and which is tied into export infrastructure. Additional fields, with their own Field Production Facilities ("FPF") are assumed to be tied back to the CPF. In this way, the CDS is seen by Savannah as a highly flexible development solution, capable of expansion or replication to incorporate additional resource as and when required.

The principal difference between the two solutions is the materially reduced overall external financing requirement of the new CDS versus the prior CDS. This has been achieved through a focus on the transfer of capital expenditure to operating expenditure, the most significant aspect of which has been the introduction of an Early Production Facility using a significant volume of rental equipment (tanks, pumps, processing skids, etc.) which is expected to be implemented in parallel to the construction of definitive facilities. Indicatively, the external financing requirement for the field facilities (i.e. the maximum cashflow drawdown) is estimated at c.US\$200m for a c.75 mmbbl development under the new CDS, versus c.US\$410m under the prior CDS. The difference in Net Present Value (NPV10) between the two solutions has been assessed by CGG and is estimated not to be significant.

Export Infrastructure

Over the course of recent months, discussions between relevant governmental and corporate stakeholders have progressed materially in relation to the export of ARB crude to the Kaduna refinery in northern Nigeria. Discussions envisage the initiation of an Agadem-Kaduna early export system using trucks prior to the construction of a c.800km pipeline solution.

CGG has reviewed the development plans and associated economic modelling in relation to the Agadem-Kaduna export options. The principal conclusions of this work are that based on current assumptions the following has been assessed as reasonable:

- The breakeven oil price (to generate a 10% return on invested capital) for crude piped to the Kaduna refinery is estimated at US\$26/bbl with a Net Present Value ("NPV10") at a long-term oil price of US\$60/bbl (inflated at 2% p.a.) per barrel of US\$5.1/bbl;
- The breakeven oil price (to generate a 10% return on invested capital) for crude trucked to the Kaduna refinery is estimated at US\$35/bbl with an NPV10 at a long-term oil price of US\$60/bbl (inflated at 2% p.a.) per barrel of US\$3.7/bbl.

It should be noted that the Agadem-Kaduna export route is seen as being in addition to the already significantly progressed third party planned extension to the Chad-Cameroon pipeline, thus creating optionality in relation to potential Agadem crude offtake.

License Area Prospectivity

As previously announced on 5 July 2016, Savannah has now identified 118 exploration targets across the R1/R2 and R3/R4 PSC areas, while CGG has estimated the gross best estimate risked recoverable prospective resources at 2,185 mmbbls, using its proprietary "yet-to-find" methodology. At today's site visit, Savannah will provide background information in relation to this prospectivity.

The Company will also provide a discussion around: (1) the potential for additional exploration play types in the ARB; and (2) the potential for increased ARB recovery factors over time given the encouraging field performances seen to date. While both of these developments are encouraging, Savannah believes at this stage it is premature to quantify their associated resource potential.

Seismic Acquisition

To date, good progress has been made with an average of c.9km² of data acquired per day on the Company's c.800km² 3D seismic survey currently being conducted over a portion of the R3 license area. The survey is currently expected to be complete in February 2017. As previously announced, it is anticipated to provide greater definition over 12 existing mapped exploration targets while also being expected to identify additional exploration targets not currently mapped on the Company's existing 2D seismic dataset.

Drilling Plans

Savannah has continued to progress its plans to commence drilling activity on its Niger permit areas in mid H1 2017, for which it raised funds for in its recent equity placing. Well proposals have been issued, and technical and commercial discussions are in progress with contract signature expected in January 2017. The drilling contract structure is expected to confirm an initial three well drilling campaign, with a series of additional options to lock in equipment availability and associated cost structure for additional drilling thereafter. The campaign is expected to initially target the c.93 mmbbls Damissa structure (located on the R1 permit area), the c.37 mmbbls Bushiya structure and c.35 mmbbls Kunama structure (both located on the R3 permit area).

Foumakoye Gado, Niger Minister of Energy and Petroleum, said:

"I would like to warmly welcome the investor groups Savannah has invited to our country. I am sure they will find Niger to be opportunity rich, with a stable and supportive investment environment. Attracting additional foreign investment to Niger is critical to our future development and therefore having such investor groups visit our country is very encouraging."

Andrew Knott, CEO of Savannah Petroleum, said:

"Over the course of the site visit our core stakeholders will be exposed to every aspect of Savannah's business, enabling them to gain an understanding of the substantial unrecognised value inherent in our Niger project and how we intend to unlock this over the course of the coming months and years.

The strong momentum around the development of a new second export solution and the economics associated with this are highly encouraging as has been the significant reduction in the external financing cost associated with an ARB development."

Steve Jenkins, Chairman of Savannah Petroleum, said:

"The volume of subsurface work Savannah has now completed as a company is substantial, amounting to in excess of 2,500 man days. We are very pleased that this work has validated our reasons for entering the ARB in the first place, i.e. that our permit areas contain a large volume of low-risk and low cost oil structures – and are very excited to shortly be moving into the drilling phase of the project.

Over the course of the site visit our guests have been given the opportunity to visit our field operations, meet with our core Nigerien stakeholders and be given a detailed corporate update. I am confident that this will enable people to better understand Savannah as a business and the potential to generate meaningful value."

Steve Jenkins, Chairman, and Phil Magor, Chief Geologist, have read and approved the technical disclosure in this regulatory announcement in their capacity as qualified persons under the AIM Rules. Mr. Jenkins is a qualified Geologist, with 32 years' experience in the oil and gas industry, and is a Fellow of the Geological Society. Mr. Magor is a qualified Geologist, with 35 years' experience in the oil and gas industry, and is a member of the Society of Petroleum Engineers.

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