



29 July, 2014

Savannah Petroleum Plc
("Savannah" or "The Company")

Intention to Float on the AIM Market of the London Stock Exchange

Savannah Petroleum, the Niger focused oil and gas company, today announces its intention to proceed with an initial public offering (the "IPO" or "Offer") and to apply for admission of its ordinary shares to trading on the AIM of the London Stock Exchange.

Savannah is involved in the exploration, appraisal and anticipated eventual development and production of conventional oil deposits located in the R1/R2 PSC area, which represents a significant oil and gas exploration licence in Niger, West Africa.

Highlights:

- The primary Eocene oil exploration target in the R1/R2 PSC Area has been estimated by leading geoscience consultancy, CGG Robertson, to contain "Best Estimate" risked gross prospective resource of 573 mmbbls (un-risked: 819 mmbbls), of which 544mm bbls (un-risked: 778mmbbls) are net to the Company
- CGG Robertson also recognised substantial upside potential in the deeper Upper Cretaceous, Lower Cretaceous and Palaeocene horizons
- The R1/R2 PSC Area covers 30.5 per cent. of the original Agadem permit under the CNPC PSC, which has seen an estimated 77 discoveries having been made from 99 exploration wells over the past five years
- Niger has demonstrated its receptiveness to inward investment and to the development of the country's oil and gas resource, enabling CNPC to deliver first oil for Niger approximately three years after acquisition of the original Agadem permit
- The Company has an experienced management team with extensive developing country oil and gas industry experience and with a broad range of technical, operational and financial skills
- Savannah intends to create value by maintaining a strong focus around the exploration and appraisal of the resource in the R1/R2 PSC Area.

The Company is, among western companies, an early mover into this emerging oil and gas province, which is expected to see significant oil and gas infrastructure build-out over the coming years led by the Asian national oil companies CNPC and CPC Corporation (Taiwan).

Savannah is proposing to raise approximately £29.3 million (approximately US\$50.0 million) through the issue of 52.3 million new Ordinary Shares at 56 pence per share. The net proceeds of the placing will principally be used to allow the Company to undertake its planned exploration programme, which includes the acquisition of full tensor gravity and significant seismic surveys over the R1/R2 PSC Area.

Commenting, Steve Jenkins Chairman of Savannah Petroleum, said:

"Savannah Petroleum is a company with a great asset and an experienced board and management team, and I am excited to be appointed Chairman. The foundations for future growth are in place, and with a busy work programme focused on the exploration and appraisal of the Company's PSC area, Savannah has a real opportunity to unlock and realise substantial value for Niger and shareholders alike."

Andrew Knott, CEO of Savannah Petroleum, said:

"Following the signature of the R1/R2 PSC on July 3 2014, listing on AIM marks another significant milestone for Savannah Petroleum and a platform from which we can develop our asset base and create value for our stakeholders. We have been delighted with the interest shown in our business by the institutional investment community. I would like to thank our Pre-IPO investors and new shareholders for making their investments in Savannah. The high quality of our investor base is a testament to the exciting opportunity that Savannah presents. I would also like to thank our advisory banks and Burness Paull for their support over the last year, without whom we would not be in this position today."

Mirabaud Securities LLP acted as Global Co-ordinator and Joint Bookrunner, Renaissance Capital Limited acted as Joint Bookrunner, FirstEnergy Capital LLP acted as Joint Lead Manager and Ladenburg Thalmann & Co. Inc. acted as U.S. Placing Agent to the Placing and Strand Hanson Limited acted as Financial and Nominated Adviser in connection with the Placing and Admission.

Capitalised terms used in this announcement carry the same meaning as that ascribed to them in the AIM Admission Document dated 29 July 2014, unless the context requires otherwise.

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Notes to Editors

Savannah Petroleum is a UK oil and gas company focused on the exploration, appraisal and anticipated eventual development of the R1/R2 Production Sharing Contract in Niger. Savannah intends to systematically execute its long-term business plan to maximise the value of the R1/R2 PSC for its stakeholders. This will initially encompass a geological survey phase, with exploration drilling activity expected to commence in 2015. Savannah's experienced Board and Management team, including Chairman Steve Jenkins and Director David Jamison, have many years' experience in establishing, growing and ultimately monetizing exploration and production companies.

Background

Savannah is a public limited company. It was incorporated in the UK on 3 July 2014 and is the holding company of the Group which was originally formed in July 2013 and which operates from offices in London, UK, and Niamey, Niger. The Company's current principal business is the exploration, appraisal and eventual development and production of conventional oil deposits located in the R1/R2 PSC Area.

The R1/R2 PSC Area represents a significant oil and gas exploration licence in Niger. On 3 July 2014, the Company's 95% owned Niger subsidiary, Savannah Niger R1/R2 S.A. entered into a Savannah PSC with the State of Niger to acquire a 100% working interest in the R1/R2 PSC Area for which it is required to pay a signature bonus.

The Blocks were formerly part of the original permit in the Agadem Area of South East Niger operated by CNPC, 50% of which CNPC mandatorily relinquished in June 2013 in accordance with the terms of the CNPC PSC.

The Board

The board and the Company's senior management have significant experience in establishing, growing, financing and subsequently monetising early stage oil & gas companies.

Following Admission, Savannah is chaired by Steve Jenkins. Steve is widely recognised as one of the most capable oil and gas executives in the UK, having delivered for his investors as CEO of Nautical Petroleum a £414 million sale to Cairn Energy in Q3 2012. Prior to Nautical Petroleum, Steve held a variety of roles in Nimar Petroleum, a private Saudi Arabian company with extensive global exploration and production interests. Steve is a geologist by profession and is currently Chairman of the Oil and Gas Independents Association, Circle Oil plc, Franklin Petroleum Ltd and Terrain Energy Ltd.

The Company's executive management is headed by its Chief Executive Officer and principal founder, Andrew Knott. Andrew has held leading roles in the European oil and gas sector for the last decade and has extensive energy and investment experience across emerging markets. Andrew was previously Head of Global Energy Investments for GLG Partners / MAN Group which, at December 2012, was the largest listed hedge fund in the world by assets. Prior to GLG Partners, Andrew held various roles at Merrill Lynch and Dresdner Kleinwort Wasserstein.

On Admission, the other non-executive Board members will be David Jamison and Mark Iannotti. David was a founding partner and first managing director of (the modern day) Vitol, one of the largest private oil and gas companies in the world. Mark has enjoyed a 20 year career in equity

capital markets, largely focused around the oil and gas sector. Until July 2013, Mark was a member of Bank of America Merrill Lynch's EMEA Executive Committee.

R1 / R2 PSC Area

The key observations and conclusions of the assessment of the R1/R2 PSC area made by CGG Robertson are as follows:

- An active petroleum system has been demonstrated in the Agadem Basin, with all elements (source rock, maturity and migration, reservoir rocks and trapping structures) present within the Eocene section
- 2P reserves of over 800mmbbls have been identified by CNPC in the more heavily faulted flanks of the basin, in up to 82 separate discoveries in Eocene reservoir sands. The R1 licence block, in the northwest part of the basin, is expected to be geologically very similar.
- The R2 licence block is more axial within the Agadem Basin, and appears to be less faulted in the Eocene section, although some broad structures can be seen. The Eocene petroleum system is expected to be fully operative in the area and, although there may be fewer accumulations in this block, they could be much larger than in R1
- Additional potential exists in the Palaeocene and Cretaceous sections of the basin and may be particularly important on the R2 licence block
- "Best Estimate" gross resource potential on a risked basis for the R1 block is estimated to be 316mmbbls, with 300mmbbls net to the Company
- The corresponding estimate for the R2 Block is 275mmbbls, with 245mmbbls net to the Company

CGG Robertson has applied the Petroleum Resource Management System (SPE 2007) as the Standard in its evaluation and has designated these Risked resource volumes as the Prospective Resource potential for the two licence blocks.

Niger/Agadem Overview

Niger is a landlocked country located in West Africa. It has a population over 17 million people and substantial mineral resource, yet remains one of the most underdeveloped countries in the world with an average GDP per capita of US\$395. Niger is a constitutional democracy with a fast growing economy and western-facing government. GDP is forecast to grow by the World Bank by 6.2% in 2014 and 6% in 2015.

Exploration activities in the Agadem region of Niger have been ongoing since the 1970s. Between 1974 and 2004, five discoveries were made from a total of 25 exploration wells, all of which were drilled based on 2D seismic backed geological models. Companies active at that time included Elf, Texaco, Conoco, Esso and Petronas.

In 2008, CNPC acquired the exploration rights to the Agadem production sharing contract through paying a US\$300m signature bonus to acquire the five existing discoveries and the exploration rights to the area for eight years. Over the period 2008-2013, CNPC made an additional 77 discoveries and established an 832mmbbl reserve base for the permit (having adopted a primary 3D seismic driven exploration model). In doing so, CNPC clearly demonstrated the pro-business environment of Niger, given the magnitude of the work programme pursued in a relatively short period of time. First production from the CNPC PSC licence area (and the country) was achieved in 2011. CNPC completed

the sale of 20% of the licence to CPC Corporation (the Taiwanese national oil company) in early 2013. CNPC's official target date for commencing exports is 2016.

Reasons for Admission and use of proceeds

To provide:

- the Company with the required capital to enable it to initiate its planned exploration programme in the R1/R2 PSC Area;
- Savannah with the required capital to repay any outstanding debts;
- the required capital to establish an office and operations in Niger;
- access to a wider range of potential investors and broaden the investor base;
- a flexible financial structure for further development, both organically and via potential acquisitions or joint ventures;
- a high level of transparency and corporate governance;
- a higher profile for the Company and assist in recruiting, retaining and incentivising skilled employees;
- an enhanced reputation and financial standing with key partners and suppliers and with potential vendors of additional assets