H1 2020 Results and Trading Update

October 2020

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Corporate overview

Savannah Energy PLC ("Savannah")

- Leading African-focused British independent energy company focused around the delivery of material long-term returns for stakeholders through the sustainable development of high-quality, high-potential energy projects
- Listed on the London Stock Exchange (AIM), with a strong institutional investor base that includes some of the largest asset management companies in the world

High quality asset base

- 94% of Revenues derived from fixed price, long-term (weighted average 15 year) gas sales agreements with no oil price linkage
- Uquo and Stubb Creek (South East Nigeria) are large, producing, low-cost onshore oil & gas fields
- Accugas midstream business operates the principal gas distribution and transportation network in SE Nigeria
- R3 East development project and R1/R2/R3/R4 exploration assets[1] in Niger (100% exploration success rate to date)

Significant performance improvements delivered, strong FY2020 expected

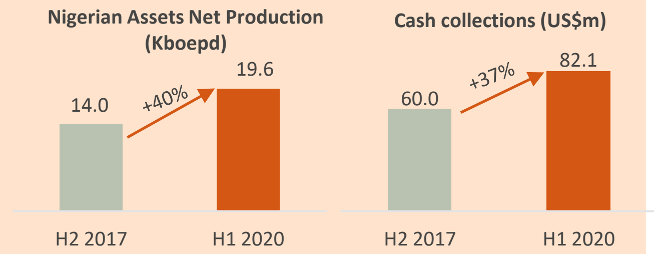
- Nigerian asset cash collections +37% H1 2020 versus H2 2017; production +40% H2 2017 versus H1 2020
- Nigerian asset cash collections YTD to 31 Aug 2020 were US$133.1m
- 31 August 2020 group cash balance of US$84.7m[2] and net debt of US$426.8m
- FY2020 guidance reiterated for Total Revenues[3], Group Administrative and Operating Costs[4] and Capital Expenditure:
  - Total Revenues of greater than US$200m
  - Group administrative and operating costs of US$68m - US$72m
  - Capital expenditure of up to US$45m
- Reduction in FY 2020 Group Depreciation, Depletion and Amortisation guidance to US$35.0m – US$37.0m (from US$43.0m – US$45.0m), reflecting an increase in the estimated useful life of our infrastructure assets

Material future growth expected from:

- Increased infrastructure capacity utilisation and price optimisation at Accugas
- Delivery of first production and further exploration discoveries in Niger
- Potential addition of cashflow and near cashflow generative project(s) capable of enabling the commencement of shareholder returns

Market Statistics (September 2020)	
Listing	AIM (SAVE)
Share Price	10 GBp
Market Cap.	£100m

H1 2020 Operational and Financial Highlights



Reserve & Resource Base[5]

70 MMBOE
NET 2P RESERVES

92 MMBOE
NET 2C RESOURCES

Blue Chip Shareholder Base

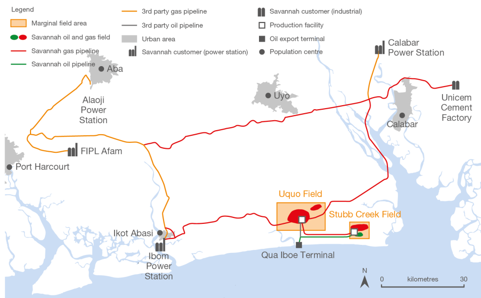
Fidelity Worldwide Investment · Capital Group · Legal & General · TT International · RWC · Standard Life Aberdeen · J O Hambro Capital Management Group · Premier Miton Investors · Ashmore

Two material business units

Assets

Nigeria

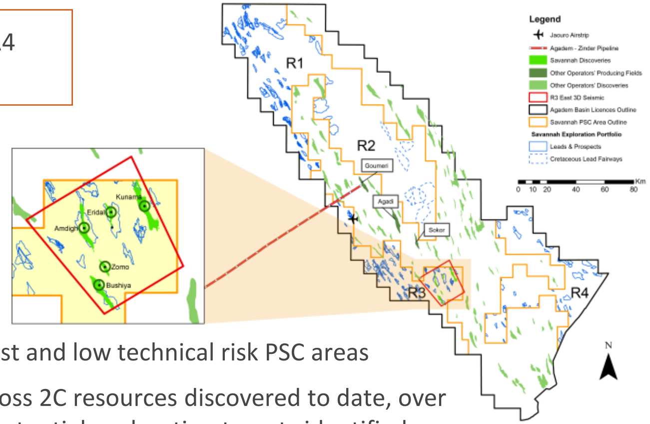
- Uquo Field
- Stubb Creek Field
- Accugas



- Two large, onshore oil & gas fields with high deliverability wells
- Gas processing facility with capacity of 200 MMscfpd
- Flagship gas processing and distribution infrastructure business in South East Nigeria with significant spare capacity

Niger

- R1/R2/R3/R4 PSC Areas[1]



- Large, low cost and low technical risk PSC areas
- 35 MMstb gross 2C resources discovered to date, over 146 further potential exploration targets identified

Business Model

Nigeria

- Delivery of production and cash flows from existing assets

Niger

- Find and deliver cashflows from new oil fields at a material discount to the NPV of those fields

Value Creation Potential

Nigeria

- Focus on addition of:
  - New customers, including power stations (e.g. FIPL) and higher margin industrial customers
  - Further gas resources, with c.10 Tscf undeveloped gas estimated to be located within tie-in radius of pipeline infrastructure

Niger

- Delivery of R3 East early production system
- Further material resource additions expected in our next drilling campaign targeting some of the 146 leads and prospects identified on the Savannah PSC areas
- Historic basin-wide finding cost of <US$2/bbl, vs. expected NPV of discovered barrels of ~US$6/bbl
- Historic basin-wide exploration drilling success rate of 80%+

Trading and post period update year-to-date

Post Period Summary/2020 YTD Trading Update

- Total cash collections of US$131.1m (year-to-date period ended 31 August 2019: US$103.8m)
- Average gross daily production of 20.4 Kboepd, of which 88% was gas production (2019: 17.6 Kboepd)
- Group cash balance of US$84.7m[2] and net debt of US$426.8m as at 31 August 2020
- Total of 10,998,844 ordinary Savannah shares (1.1% of total issued shares) bought in August 2020 by directors of the Company
- First sustainability review published as part of the 2019 Annual Report in which Accugas reported its ESG performance in line with the International Finance Corporation's eight Performance Standards and the World Bank's Environmental, Health & Safety Guidelines. Savannah plans to develop and implement a new ESG performance reporting framework for the Group

Guidance for FY 2020

- FY 2020 guidance reiterated for Total Revenues[3], Gross Production, Group Administrative and Operating Costs[4] and Capital Expenditure
  - Total Revenues[3] of greater than US$200.0m (H1 2020: US$114.6m)
  - Average Gross Daily Production of 21.0 Kboepd to 23.0 Kboepd (H1 2020: 21.3 Kboepd)
  - Group Administrative and Operating Costs[4] of US$68.0m to US$72.0m (H1 2020: US$27.7m)
  - Capital expenditure of up to US$45.0m (H1 2020: 1.8m)
- Reduction in FY 2020 Group Depreciation, Depletion and Amortisation guidance to US$35.0m – US$37.0m (from US$43.0m – US$45.0m), reflecting an increase in the estimated useful life of our infrastructure assets (H1 2020: US$18.9m)

H1 2020 results highlights

- Revenue of US$91.7m, comprising US$83.6m of gas sales and US$8.1m of liquids sales (Pro-forma[6] H1 2019[7] Revenue: US$70.3m)
- Total Revenues[3] of US$114.6m (Pro-forma[6] H1 2019[7]: US$95.5m)
- Average realised gas price of US$3.9/Mscf and average realised liquids price of US$48.3/bbl
- Average gross daily production rose 18% during H1 2020 to 21.3 Kboepd (H1 2019: 18.1 Kboepd)
- Group Administrative Expenses and Operating Costs[4] of US$22.7m (H1 2019: US$4.3m)
- EBITDA[8] of US$66.8m (H1 2019: negative US$10.5m and Pro-forma[6] H1 2019[7] EBITDA: US$30.0m)
- Group Depreciation, Depletion and Amortisation of US$18.9m (H1 2019: US$0.4m)
- Maiden profit after tax of US$1.8m (H1 2019: loss US$3.0m)
- Capital expenditure of US$1.8m (H1 2019: US$2.5m)
- Total cash collections from the Nigerian assets of US$82.1m (H1 2019: US$55.3m)
- Group cash balance of US$53.3m[9] as at 30 June 2020 (31 December 2019: US$48.1m)
- Group net debt of US$460.5m as at 30 June 2020, after a fair value adjustment of US$3.7m[10] (31 December 2019: US$484.0m)

Income statement summary

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Income Statement

	H1 2020 US$m	H1 2019 US$m
Revenue	91.7	-
Cost of sales	(32.3)	-
Gross profit	**59.4**	**-**
Administration & other operating expenses	(11.5)	(4.3)
Transaction costs	-	(6.6)
Operating profit/(loss)	**47.9**	**(10.9)**
Exceptional items		
• *Fair value adjustment (SSNs)*	(3.7)	7.9
Net finance costs	(35.9)	0.35
Foreign exchange loss	(7.1)	-
Profit/(loss) before tax	**1.2**	**(3.0)**
Tax credit/(expense)	0.6	-
Net profit/(loss) after tax	**1.8**	**(3.0)**

Pro-forma EBITDA for Nigeria Acquisition

	H1 2020 US$m Reported	H1 2019 US$m Pro-forma	H1 2019 US$m Reported
Revenue	91.7	70.3	-
Operating profit/(loss)	47.9	3.3	(10.9)
EBITDA	**66.8**	**30.0**	**(10.5)**
Difference between invoiced sales and Revenue due to IFRS 15 take-or-pay accounting rules	22.9	25.2	-

IFRS 15 Take-or-pay contract accounting

- All of Accugas' gas sales agreements are structured as take-or-pay contracts, whereby customers agree to buy and pay for a minimum amount of gas over the course of a year
- Invoiced sales associated with gas physically delivered to customers is booked as revenue in the Income Statement
- Invoiced sales associated with gas paid for, but not delivered in the accounting period, is booked as a contract liability in the Statement of Financial Position (Balance Sheet) and released to the Income Statement in future periods when it is physically delivered
- This is a "non-cash" adjustment, the same amount of cash is ultimately received at the same time

Balance Sheet and Reserves and Resources Summary

Consolidated Statement of Financial Position

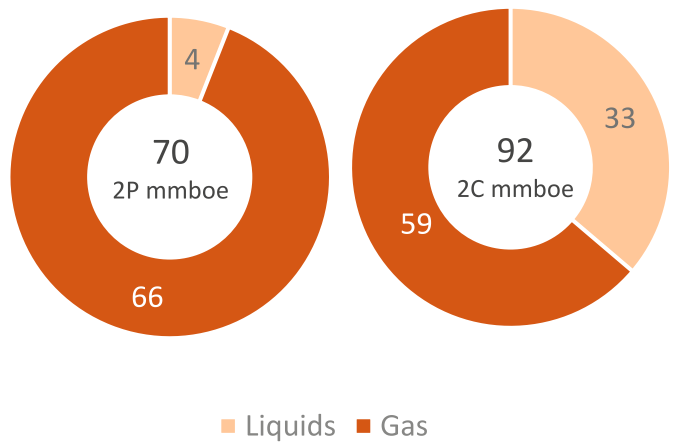
	H1 2020 US$m	FY 2019 US$m
Property, plant & equipment	600.6	618.3
Exploration & evaluation	155.5	154.7
Other non current assets	217.2	215.4
Total non-current assets	**973.4**	**988.4**
Trade and other receivables	131.0	99.8
Other	8.3	10.6
Cash and cash equivalents	51.7	46.3
Total current assets	**191.0**	**156.6**
Trade and other payables	(151.8)	(133.9)
Borrowings	(70.8)	(71.4)
Other current liabilities	(8.5)	(7.6)
Total current liabilities	**(231.2)**	**(212.9)**
Borrowings	(442.9)	(460.7)
Provisions	(110.4)	(109.5)
Contract liabilities	(141.6)	(118.1)
Other	(4.7)	(12.5)
Total non-current liabilities	**(699.7)**	**(700.7)**
Net assets	**233.5**	**231.4**

Debt borrowings[11]

Note: these debt balances (97% of total) are non-recourse to Savannah

	H1 2020 (US$m)	FY 2019 (US$m)
Accugas	401.3	411.5
Uquo	108.5	118.2
Niger	12.5	9.9
Other	3.0	6.6
Total	**525.3**	**546.2**

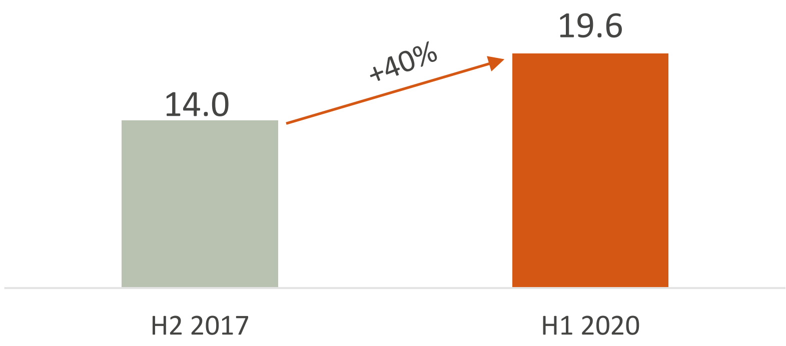
CPR net 2P reserves and 2C resources[5]



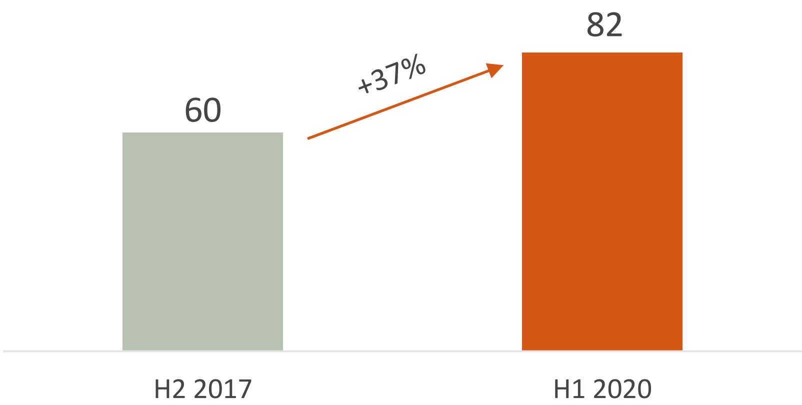
Financial and operational improvements delivered

SAVANNAH ENERGY

Nigerian Assets Net Production (Kboepd)



Cash collections (US$m)



Key Post acquisition Highlights

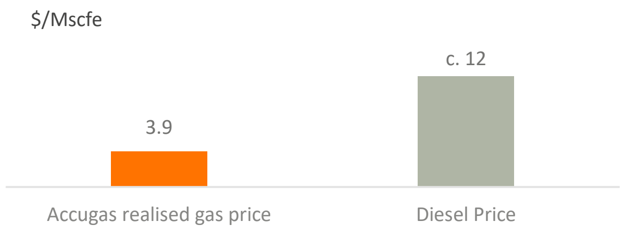
- Production volumes +40% H1 2020 versus H2 2017; Cash collections +37% H1 2020 versus H2 2017
- Delivered peak production volume of 177 MMscfpd on 30 May 2020
- In H1 2020, Accugas has ramped up gas supply to the Nigeria power sector by 35% in contrast to wider industry performance whereby gas shortage to supply the Nigerian power grid increased by 33%[12]
- First new gas sales agreement signed by Accugas in over 5 years with First Independent Power Limited (FIPL) for the interruptible supply of gas of up to 35 MMscfpd to the FIPL Afam power plant
- Other opportunities being actively progressed

Accugas volume enhancement and price optimisation opportunity

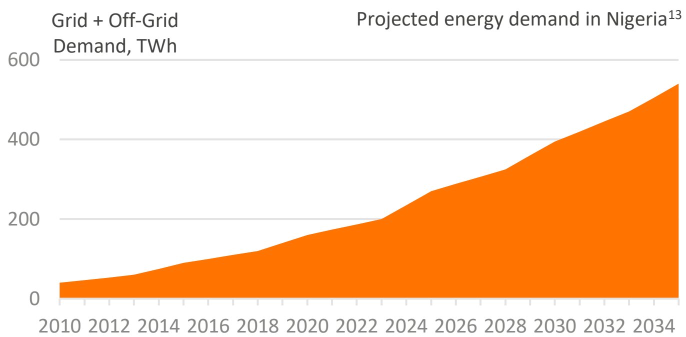
Advantaged position

- Accugas is the only significant gas processing and transportation infrastructure in south east Nigeria
- c.10 Tscf undeveloped gas located in the surrounding area
- Gas processing facilities at Accugas viewed to have upside for additional gas throughput vs. current contracted volumes
- >200% additional throughput upside in Accugas pipeline network vs. current contracted volumes

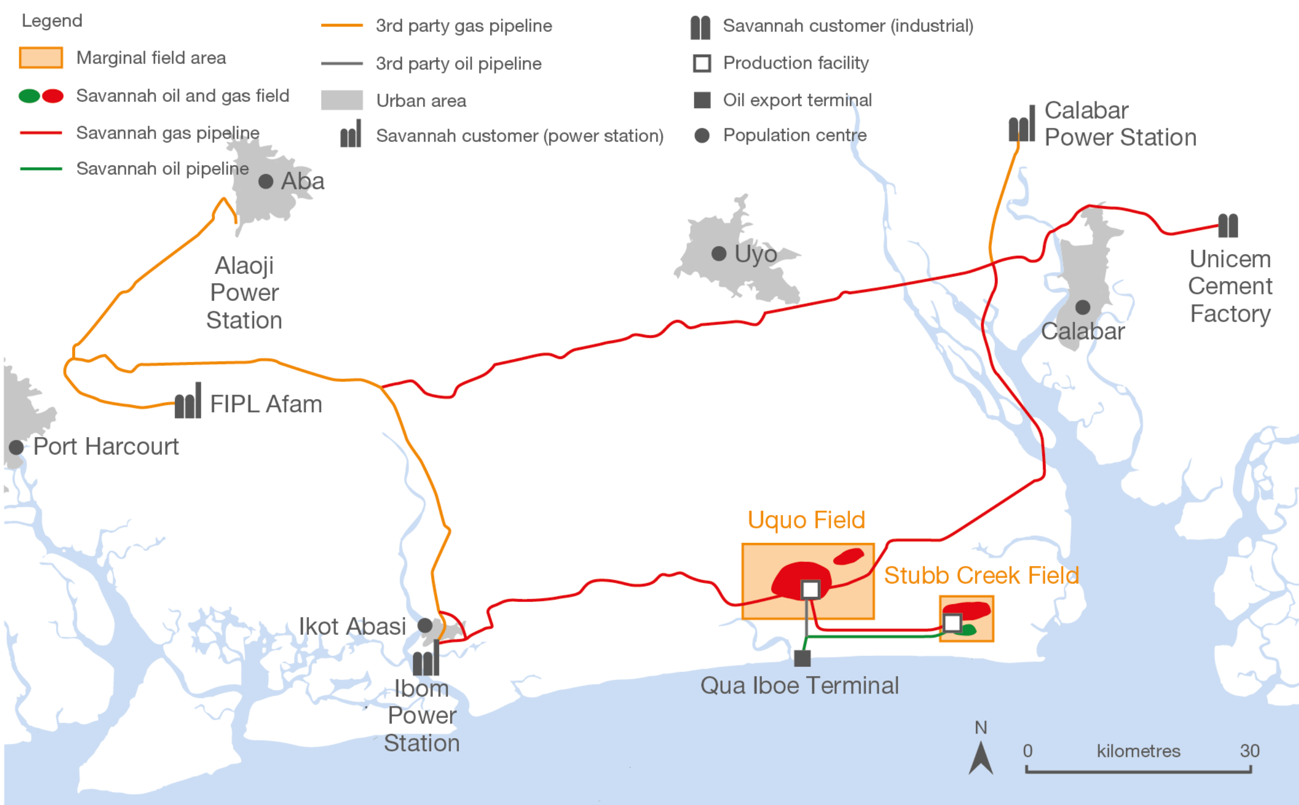
Compelling switching economics



Huge energy demand growth forecast



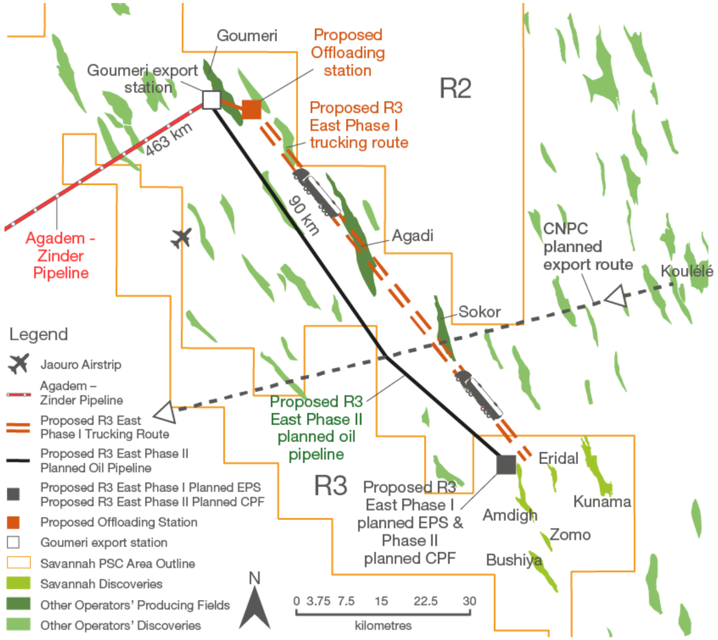
Savannah's operations in South East Nigeria



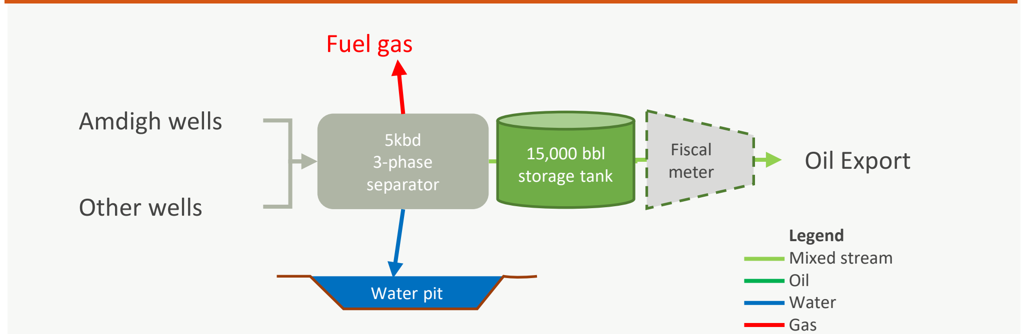
Proposed early production scheme – R3 East

SAVANNAH ENERGY

R3 East development



Early Production Facilities to be located at Amdigh



Phase I – Trucking

- Expected to deliver a plateau of c.1,000 bopd+ from initial well testing
- Surface processing equipment procured on a rental basis initially
- Oil to be trucked c.120km to the Goumeri/Jaouro export station, then piped to the Zinder refinery (using the existing 463km Agadem-Zinder pipeline)

Phase II – Pipeline

- Central Processing Facility ("CPF") expected to be constructed at Amdigh, planned to be linked to a gathering system to enable proximal fields (e.g. Bushiya, Kunama, Eridal) to be tied into the CPF
- Planned construction of a c. 90km pipeline between the CPF and the Goumeri/Jaouro export station, enabling production to ramp up to 5,000 bopd following completion of pipeline construction
- Niger-Benin export pipeline (expected to cross R3 area) provides an additional monetisation route for existing and future discoveries

Economic summary[14]

- Total planned gross 28 MMstb R3 East development has been estimated by CGG as having a Net Present Value of US$132.8m or US$5.8/bbl net to Savannah
- CGG estimated total external funding requirement of less than US$60m for both phases
- Each additional 20 MMstb of resources potentially tied into the R3 East development is estimated to increase the NPV by c. US$100m net to Savannah
- CGG has estimated an economic break-even oil price of US$26/bbl

Niger exploration opportunity

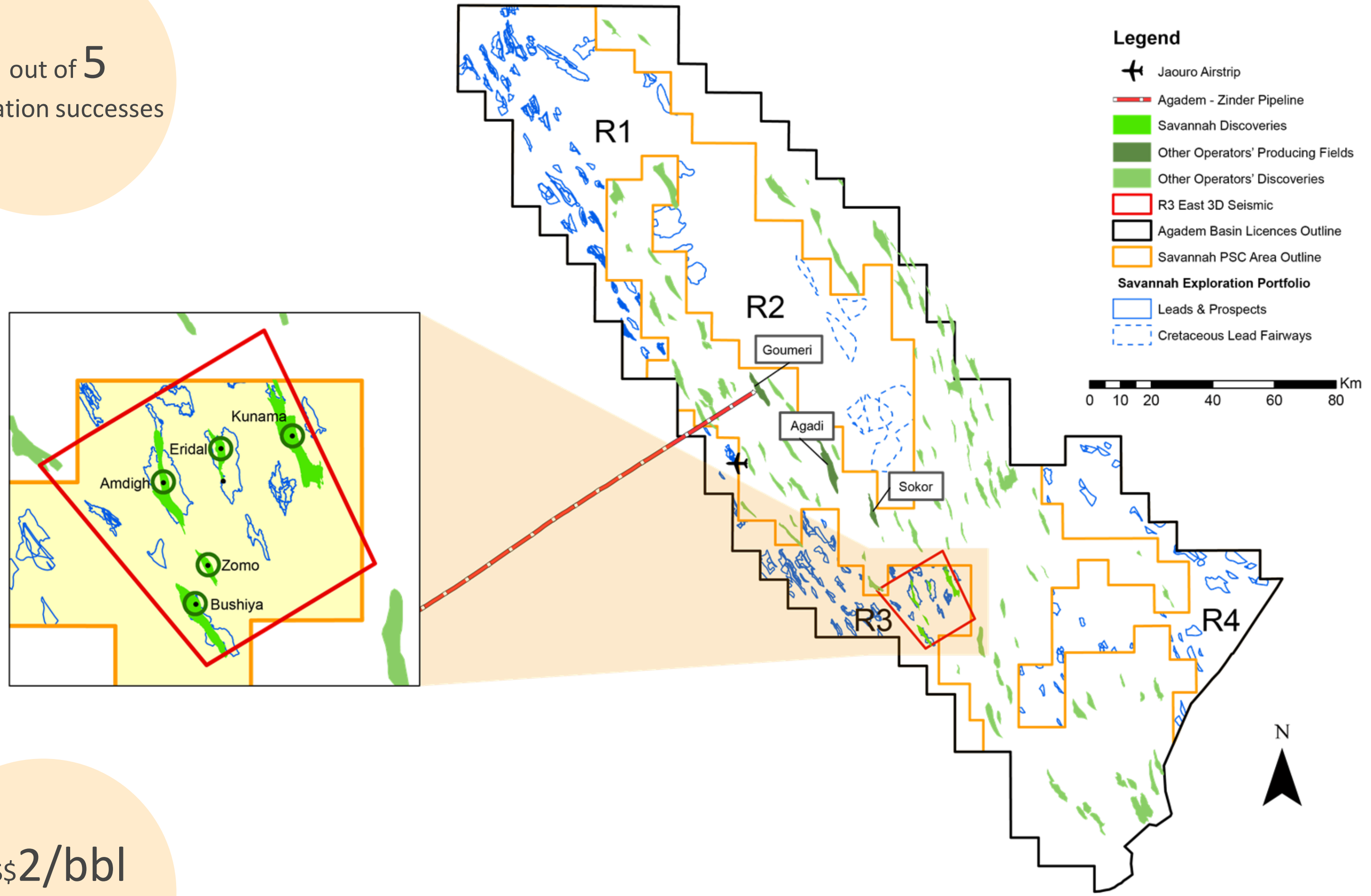
5 out of 5
Exploration successes

C.80%
Basin exploration success rate

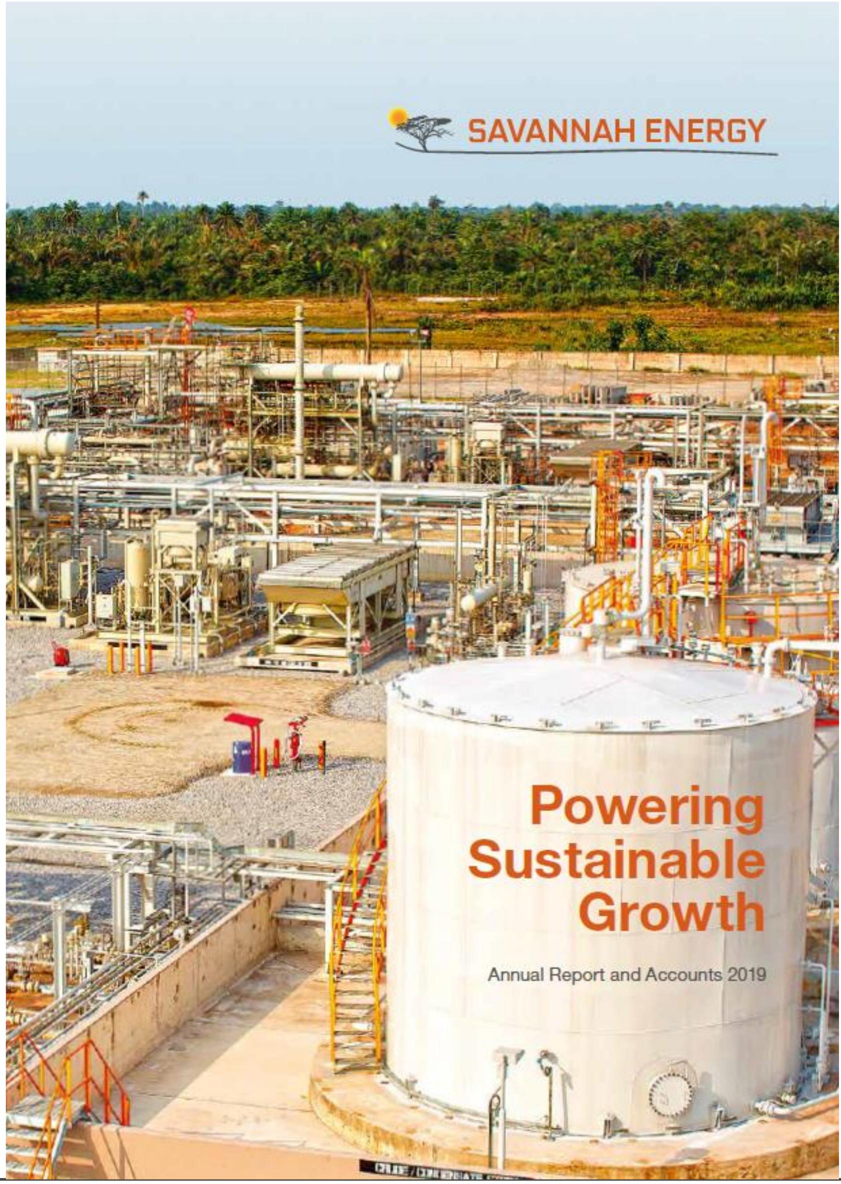
146
Savannah identified potential exploration targets

Proven operating environment & strong cost management discipline

<US$2/bbl
historic basin finding cost



Annual Report key highlights



Strategic Report | Governance | Financial Statements

Welcome to the Savannah Energy Annual Report 2019

What's inside

CEO's Review

Andrew Knott
Chief Executive Officer

See pages 6 to 11

Financial Review

Isatou Semega-Jannah
Chief Financial Officer

See pages 66 to 70

Sustainability Review

Stubb Creek field

See pages 48 and 65

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1. Post year end the company agreed with the Niger Ministry of Energy and Petroleum that the R4 licence area will be combined with the R1/R2 PSC Area into a new R1/R2/R4 PSC and that the R3 PSC area will continue as a stand-alone PSC area. Ratification of these changes is subject to Council of Minister approval and payment of the associated fee
2. Within cash balance of US$84.7m, US$34.9m is set aside for debt service and US$1.6m relates to monies held in escrow accounts for stamp duty relating to loan security packages.
3. Total Revenues is defined as the total amount of invoiced sales during the period. This number is seen by management as more accurately reflecting the underlying cash generation capacity of the business as opposed to Revenue recognised in the Income Statement. A detailed explanation of the impact of IFRS 15 revenue recognition rules on our Income Statement is provided in the Financial Review section of the Savannah Annual Report and Accounts 2019
4. Group Administrative Expenses and Operating Costs are defined as total cost of sales, administrative and other operating expenses less royalty and depletion, depreciation and amortization
5. Source: See Savannah Energy Annual Report 2019 Pg. 169
6. H1 2019 numbers do not include operations in Nigeria as the Company only completed the acquisition of the Nigerian Assets in November 2019
7. Proforma numbers are calculated to show impact if Nigeria Assets had been owned throughout 2019
8. EBITDA is defined as profit or loss before finance costs, investment revenue, foreign exchange gains or losses, fair value adjustments, gain on acquisition, taxes, depreciation, depletion, and amortisation
9. Within cash balance of US$53.3m, US$34.9m is set aside for debt service and US$1.6m relates to monies held in escrow accounts for stamp duty relating to loan security packages
10. During 2019 the Group issued a Senior Secured Note of US$20 million. The note includes a voluntary prepayment option whereby early repayment will result in a discount to the contractual loan value. As an embedded derivative, the option was separated from the host loan instrument and valued separately and accounted for as FVTPL. As at 30 June 2020 the option value was US$3.4 million (31 December 2019 audited: US$7.1 million), resulting in a charge to the income statement of US$3.7 million. The reduction in the option value was principally due to the deteriorating credit spread assumption observed during the period
11. Balance sheet debt excludes debt fees and the fair value of call options relating to the US$20m SSNS, which for financial reporting purposes are netted against borrowings
12. Source: Daily National Control Centre report from the Transmission Company of Nigeria
13. Source: GIZ 2015 (FMP and power holding company of Nigeria data and UN 2010 rural/urban population data for off grid projections)
14. Refer to the Niger CPR dated April 2020