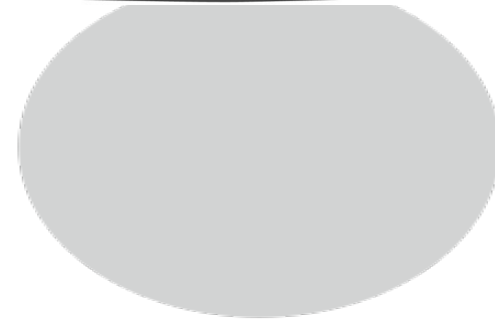




SAVANNAH ENERGY



H1 2021 Results

30<sup>th</sup> September 2021

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# Savannah at a glance

## About Us

- Leading African-focused British independent energy company
- Future contracted revenues are derived from fixed price long-term gas sales agreements with a weighted average remaining contract life of 17 years and over US\$4.3bn of remaining life-of-contract revenues<sup>1</sup>
- Significant near-term growth expected from additional gas sales agreements in Nigeria and potential delivery of first production from the R3 East project in Niger
- Our growth ambitions are underpinned by a 31.4 year reserve and resource life
- Well-established track record of delivering capital projects on time and budget
- Proven track record of geotechnical excellence with five discoveries from the five exploration wells drilled to date

## H1 2021 Results Highlights

- Total Revenues<sup>4</sup> of US\$116.5m (up 2% versus H1 2020 )
- Adjusted EBITDA<sup>5</sup> of US\$91.5m (up 3% versus H1 2020)
- Adjusted EBITDA<sup>5</sup> margin of 79% (vs 78% H1 2020)
- Group cash balance of US\$135.7m<sup>6</sup>, Net Debt of US\$369.4m<sup>7</sup>
- Gross daily production increased 6% to 22.6 Kboepd
- Proposed acquisition of upstream and midstream assets of ExxonMobil in Chad and Cameroon announced
- New GSA signed with Mulak Energy
- Launch of refocused sustainability strategy and roll out of new ESG framework
- Post period new gas production well spudded and new Niger PSC signed
- 2021 guidance (as issued in January 2021) reiterated for: Total Revenues<sup>4</sup>, Operating expenses plus administrative expenses<sup>8</sup>, DD&A and Capital Expenditure

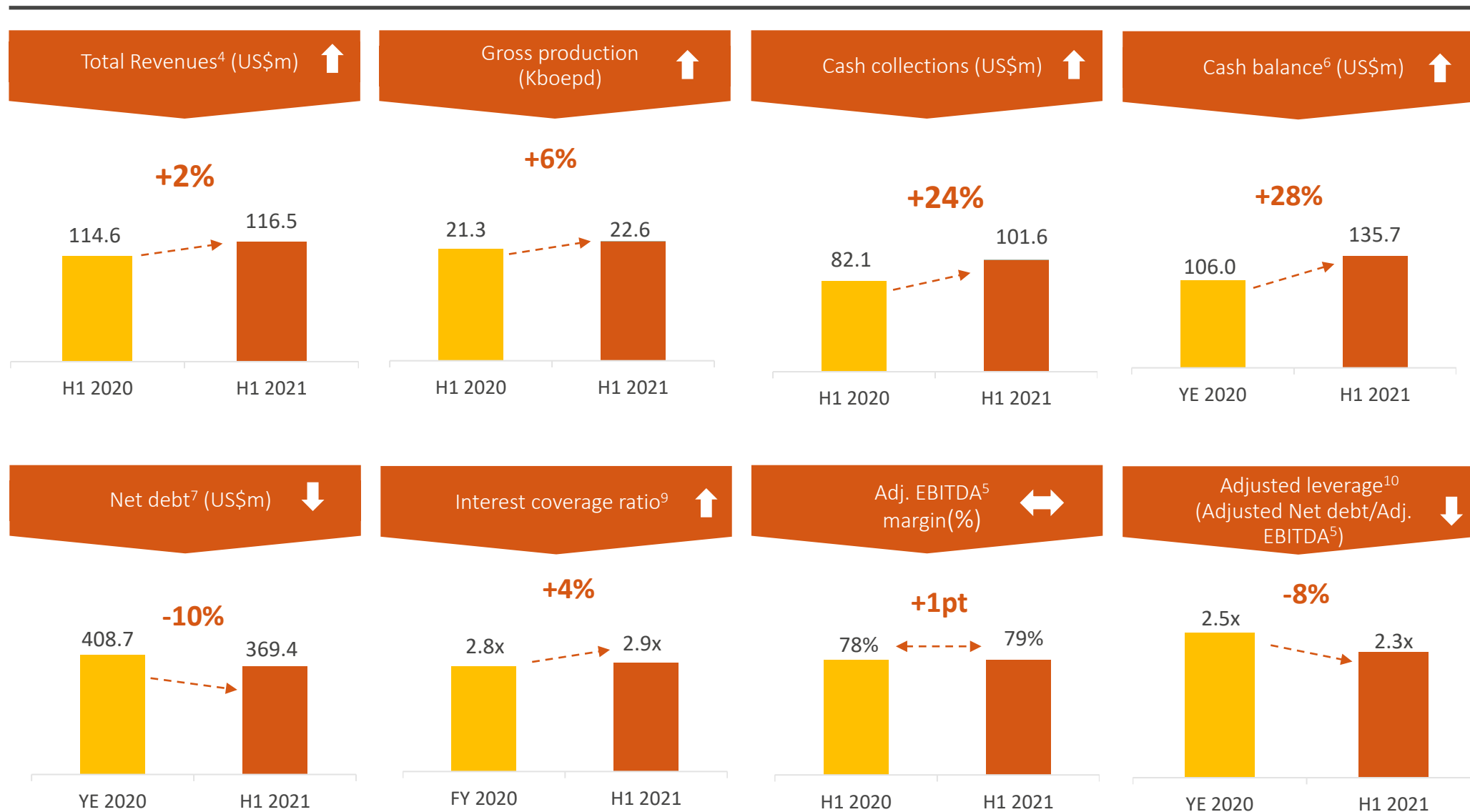
## Key Statistics

Listing (Ticker)	AIM (SAVE)
Share Price <sup>2</sup>	19.35 GBP/ share
Shares Outstanding	996,408,412
Director ownership	4.36%
Market Cap. <sup>2</sup>	US\$268m
Enterprise Value <sup>3</sup>	US\$637m
FY 2020 Production	19.5 Kboepd
End 2020 2P Reserves & 2C Resources	157 MMboe
End 2020 2P/ 2C Reserve and Resource life	31.4 years

## Blue Chip Shareholder Base



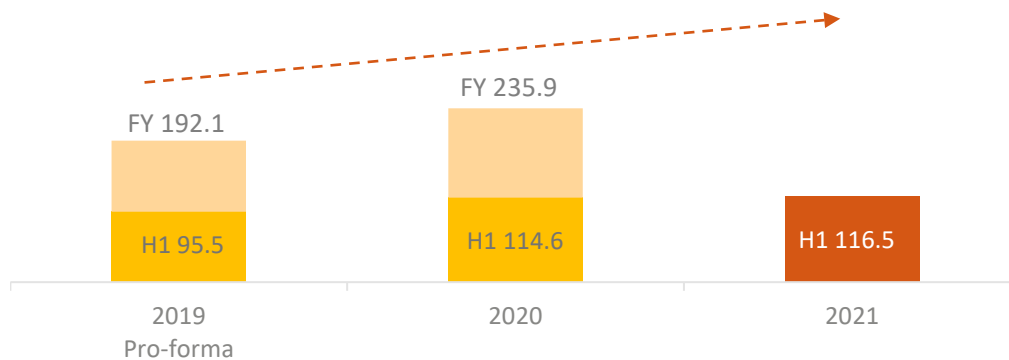
# H1 2021 vs H1 2020



## Savannah's value delivery in Nigeria

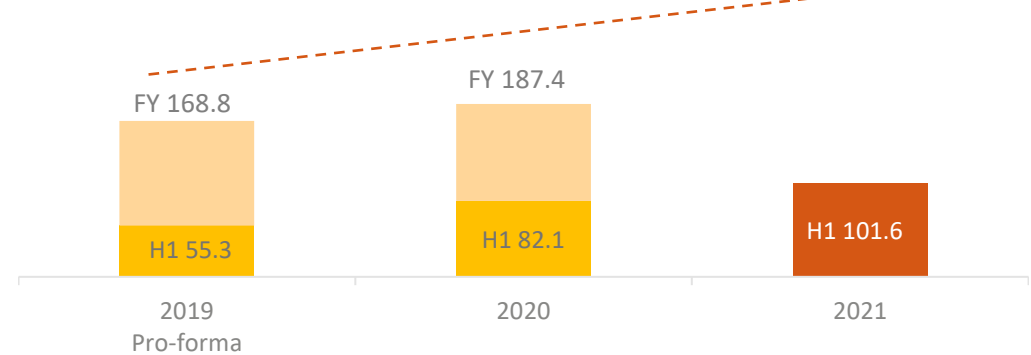
### Total Revenues<sup>4</sup> (US\$m)

**H1 trend +22%**



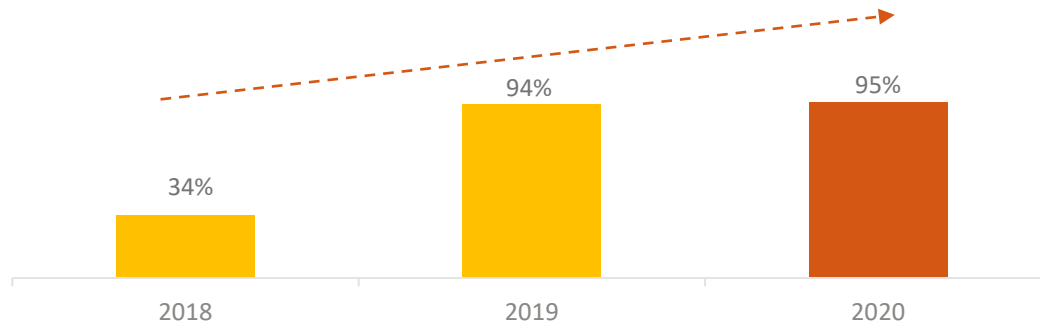
### Cash collections (US\$m)

**H1 trend +84%**



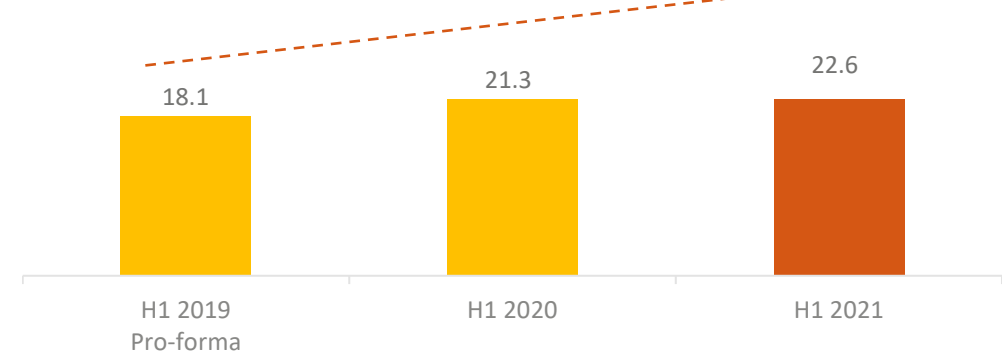
### Proportion of Investment Grade rated sales<sup>11</sup>

**+179%**



### Gross daily production rate (Kboepd)

**+25%**



Note: Numbers for 2019 refer to performance of Nigerian assets prior to the completion of the acquisition and are unaudited. Savannah entered into exclusive discussions to acquire the Nigerian assets in 2017

# Consolidated Statement of Comprehensive Income

## Income Statement

	H1 2021	H1 2020
	US\$m	US\$m
Revenue	99.4	91.7
Cost of sales	(34.3)	(32.3)
<b>Gross profit</b>	<b>65.1</b>	<b>59.4</b>
Administration & other operating expenses	(9.6)	(11.5)
ECL and related adjustments	0.7	-
Transaction costs	(2.3)	-
<b>Operating profit/(loss)</b>	<b>54.0</b>	<b>47.9</b>
<i>Exceptional items</i>		
•Fair value adjustment (SSNs)	3.0	(3.7)
Net finance costs	(38.4)	(35.9)
Foreign exchange loss	(10.9)	(7.1)
<b>Profit/(loss) before tax</b>	<b>7.7</b>	<b>1.2</b>
Tax credit/(expense)	(9.1)	0.6
<b>Net profit/(loss) after tax</b>	<b>(1.4)</b>	<b>1.8</b>

## Adjusted EBITDA

	H1 2021	H1 2020
	US\$m	US\$m
Revenue	99.4	91.7
Operating profit/(loss)	54.0	47.9
EBITDA	73.2	66.8
<b>Adjusted EBITDA</b>	<b>91.5</b>	<b>89.2</b>

## IFRS 15 Take-or-pay contract accounting

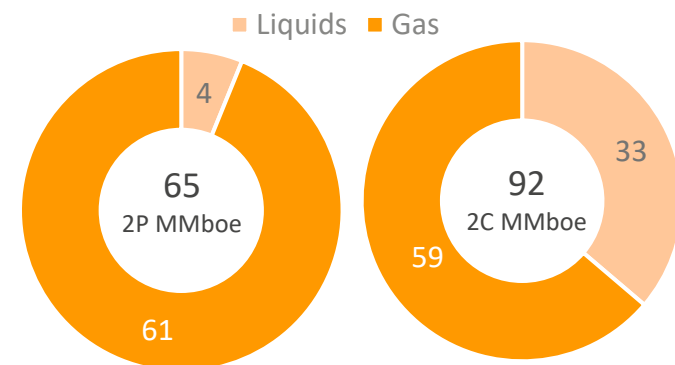
- All of Accugas' gas sales agreements are structured as take-or-pay contracts, whereby customers agree to buy and pay for a minimum amount of gas over the course of a year
- Invoiced sales associated with gas physically delivered to customers is booked as revenue in the Income Statement
- Invoiced sales 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
- Management believes that the alternative performance measure of **Adjusted EBITDA** more accurately reflects the cash generating capacity of the business

## Consolidated Statement of Financial Position

Consolidated Statement of Financial Position		
	30 June 2021	31 December 2020
	\$m	\$m
Property, plant & equipment	604.1	612.7
Exploration & evaluation	160.1	159.6
Other non current assets	197.7	205.3
<b>Total non-current assets</b>	<b>961.9</b>	<b>977.5</b>
Trade and other receivables	138.7	122.4
Other	3.6	2.9
Cash at bank	134.1	104.4
<b>Current assets</b>	<b>276.3</b>	<b>229.7</b>
Trade and other payables	(104.1)	(102.0)
Borrowings <sup>1</sup>	(99.7)	(90.0)
Interest payable	(66.5)	(51.5)
Other current liabilities	(13.9)	(8.6)
<b>Current liabilities</b>	<b>(284.2)</b>	<b>(252.1)</b>
Borrowings <sup>1</sup>	(405.4)	(424.7)
Provisions	(108.3)	(106.6)
Contract liabilities	(202.0)	(185.2)
Other	(11.2)	(11.7)
<b>Non-current liabilities</b>	<b>(726.9)</b>	<b>(728.2)</b>
<b>Net assets</b>	<b>227.1</b>	<b>226.9</b>

Net debt position		
	30 June 2021 US\$m	31 Dec 2020 US\$m
Accugas	404.6	403.0
SEUGL	94.4	103.4
Niger	12.6	12.9
Other	5.4	5.7
<b>Gross debt</b>	<b>517.0</b>	<b>525.1</b>
Call option fees & unamortised debt fees	11.9	(10.5)
<b>Total Statement of Financial Position debt</b>	<b>505.1</b>	<b>514.7</b>
Cash at bank	(135.7)	(106.0)
<b>Net debt</b>	<b>369.4</b>	<b>408.7</b>

### CPR net 2P reserves and 2C resources

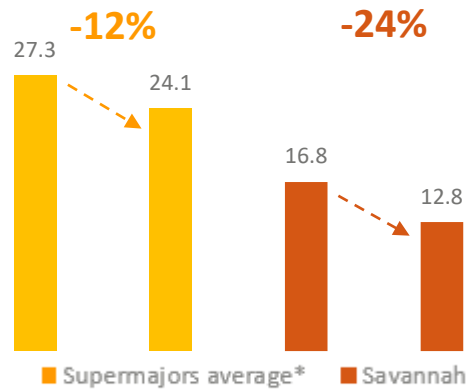


## Strategy update

	Deliver value safely and sustainably	Optimise existing portfolio performance	Deliver organic growth	Deliver value accretive inorganic growth	Provide cash returns to shareholders
Long-term objective	To deliver value in a safe, responsible and sustainable manner to maintain our licence to operate.	To optimise portfolio performance and to sustain low-cost production.	To deliver organic growth by increasing gas sales and expanding the production, reserve and resource base through targeted exploration, appraisal and development.	To pursue an inorganic growth strategy focused on the acquisition of cash generative assets or assets that supplement our existing asset base.	To develop and maintain stable financial foundations and disciplines to enable future cash returns to shareholders.
2021 KPIs	<ul style="list-style-type: none"> <li>✓ Operate safely and in an Environmentally appropriate manner Maintain social licence to operate</li> <li>✓ Increased investment in the training and development of our people to support our medium and long-term growth plans</li> <li>✓ Roll out enhanced sustainability reporting and performance framework across the Group</li> </ul>	<ul style="list-style-type: none"> <li>✓ Spudded an additional gas supply well on the Uquo Field Sept 2021</li> <li>✓ Compression Project underway in Nigeria for completion in 2022</li> <li>• Deliver Group financial guidance for 2021 – <b>On track</b></li> </ul>	<ul style="list-style-type: none"> <li>✓ New Niger PSC contractual and commercial framework finalised</li> <li>• Deliver first gas to FIPL Afam – <b>Expected H2 2021</b></li> <li>• Progress the R3 East development – <b>Expected 2022</b></li> </ul>	<ul style="list-style-type: none"> <li>✓ Proposed acquisition of entire upstream and midstream assets of ExxonMobil in Chad and Cameroon announced</li> <li>• Actively review &gt;20 potential growth opportunities – <b>On track</b></li> </ul>	<ul style="list-style-type: none"> <li>• Refinancing our US\$371 million Accugas debt facility – <b>On track</b></li> <li>• Deliver Group financial guidance for 2021 – <b>On track</b></li> </ul>

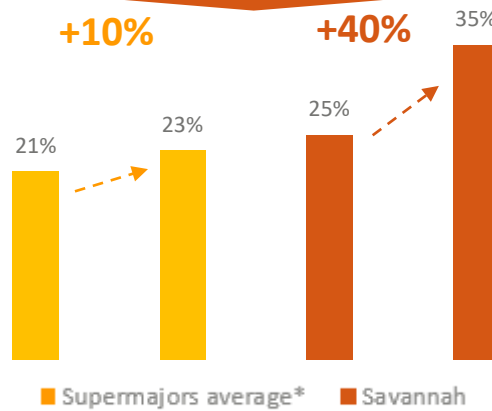
## Sector leading ESG performance

Savannah vs. Supermajors' carbon intensity  
(kg CO<sub>2</sub>e/boe)



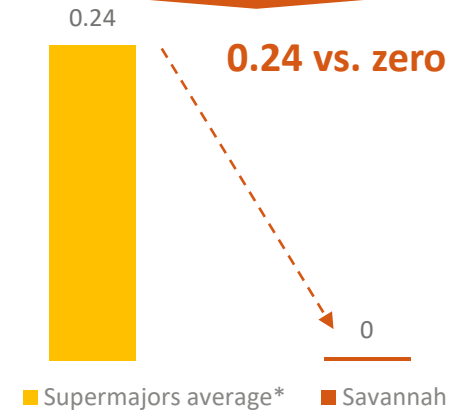
Source: Annual and Sustainability reports of BP, ConocoPhillips and Eni

Savannah vs. Supermajors' senior management  
female gender diversity (%)



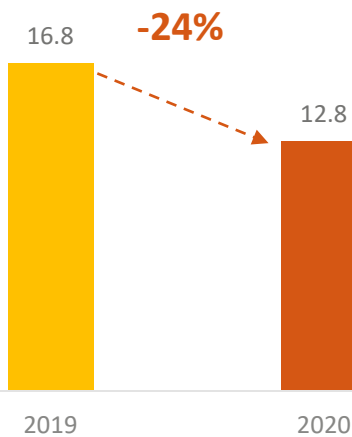
Source: Annual Reports of BP, Chevron, ConocoPhillips, Eni, ExxonMobil, Royal Dutch Shell and Total.

Savannah's Lost time injuries  
(per 200,000 hours worked)

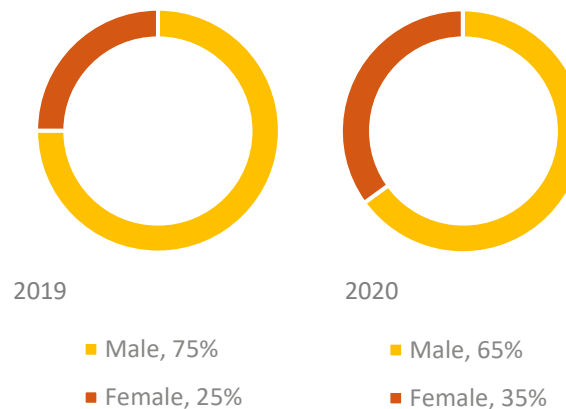


Source: Annual Reports of BP, Chevron, ConocoPhillips, Eni, ExxonMobil, Royal Dutch Shell and Total.

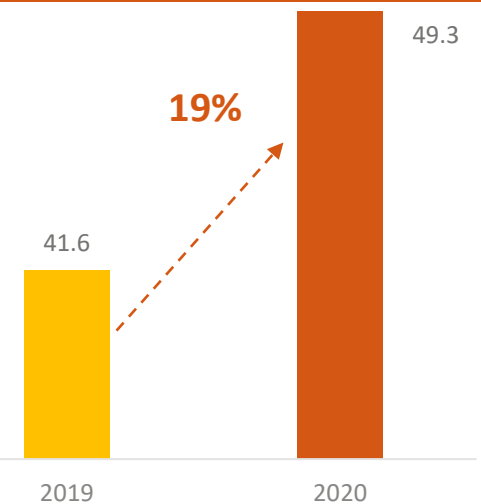
Savannah's carbon intensity  
(kg CO<sub>2</sub>/boe)



Savannah's senior management  
female gender diversity (%)



Savannah's Total Contributions (US\$m) \*



\*Note: based on the latest published data by BP, ConocoPhillips and Eni who report their carbon intensity ratios on this basis. (1)

\*Note: average of BP, Chevron, ConocoPhillips, Eni, ExxonMobil, Shell and Total. (2 & 3)

\*Note: Total contributions defined as payments to governments, employee salaries and payments to local suppliers and contractors

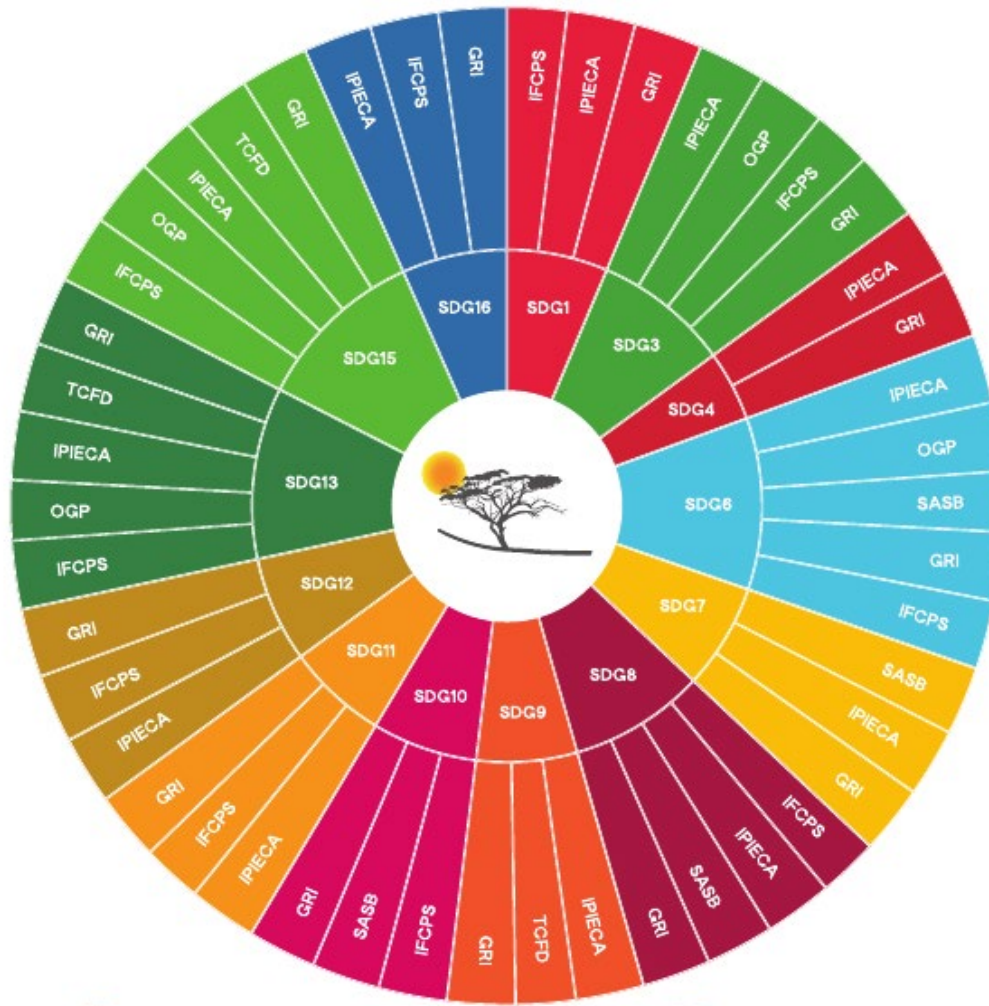
# Explaining our sustainability strategy



# Our refocused sustainability strategy

	1 Promoting Socio-economic prosperity	2 Ensuring safe and secure operations	3 Supporting and Developing our people	4 Respecting the environment
Material Issues	<ul style="list-style-type: none"> <li>Socio economic prosperity</li> <li>Tax transparency and contribution</li> <li>Community engagement and development</li> <li>Local content and responsible procurement</li> </ul>	<ul style="list-style-type: none"> <li>Health and safety</li> <li>Security and human rights</li> </ul>	<ul style="list-style-type: none"> <li>Workforce culture and engagement</li> <li>Training and development</li> <li>Diversity and equality</li> </ul>	<ul style="list-style-type: none"> <li>GHG emissions</li> <li>Biodiversity</li> <li>Water management</li> </ul>
Ambitions	<ul style="list-style-type: none"> <li>Make a positive difference to the socio- economic development of our host countries</li> <li>Build strong and meaningful relationships with our local communities based on mutual trust and benefit</li> <li>Enhance value creation potential by championing the development of local content</li> </ul>	<ul style="list-style-type: none"> <li>Continually prioritise and improve upon the safety and security of our work environment</li> </ul>	<ul style="list-style-type: none"> <li>Cultivate a winning and inclusive culture to position our employees and the business for success</li> <li>Recruit, develop and retain the best talent through our commitment to professional development</li> </ul>	<ul style="list-style-type: none"> <li>Deliver a cleaner performance by minimising our GHG emissions</li> <li>Monitor and manage our impacts on biodiversity and water</li> </ul>
SDGs				
2020 reporting metrics	<ul style="list-style-type: none"> <li>Total contributions</li> <li>Social impact investment</li> <li># of social impact projects</li> <li>Payments to local suppliers and contractors</li> </ul>	<ul style="list-style-type: none"> <li># of security/transport incidents</li> <li># of journeys safely managed</li> </ul>	<ul style="list-style-type: none"> <li># of employees</li> <li>Amount of training hours</li> <li>Gender diversity</li> <li>% of local employees</li> <li>Ethnicity statistics</li> </ul>	<ul style="list-style-type: none"> <li>Scope 1 GHG emissions</li> <li>Scope 2 GHG emissions</li> <li>Carbon intensity ratios</li> <li>UK Energy usage</li> </ul>

# Our new sustainability performance and reporting framework



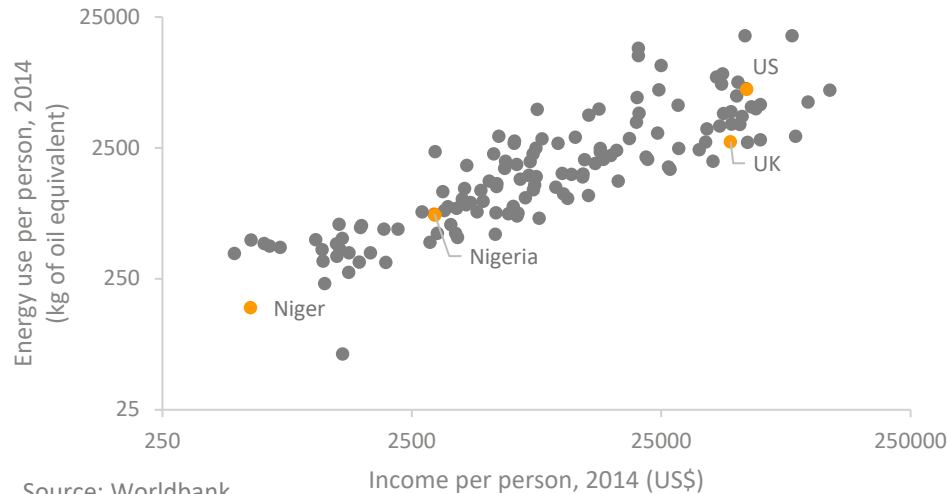
- Strategy anchored around the 13 most relevant UN SDGs to Savannah
- Integrated with six additional sustainability reporting standards



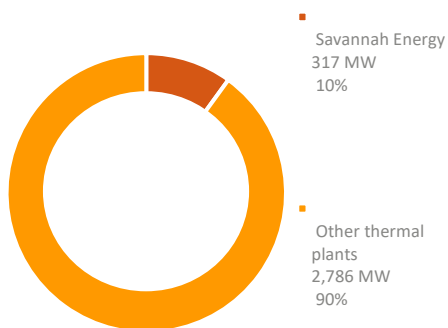
- Rolling out new sustainability performance and reporting framework across the Group in 2021.
- Plan to provide measurable, verifiable and trackable performance metrics going forward and targets from 2022

# What we do is very important and will stay so

Correlation between income per person and energy use per person  
(note: Logarithmic scale)

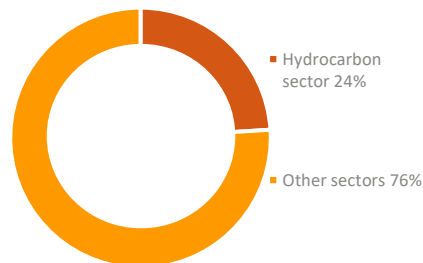


Contribution to Nigeria's daily thermal power generation 2020



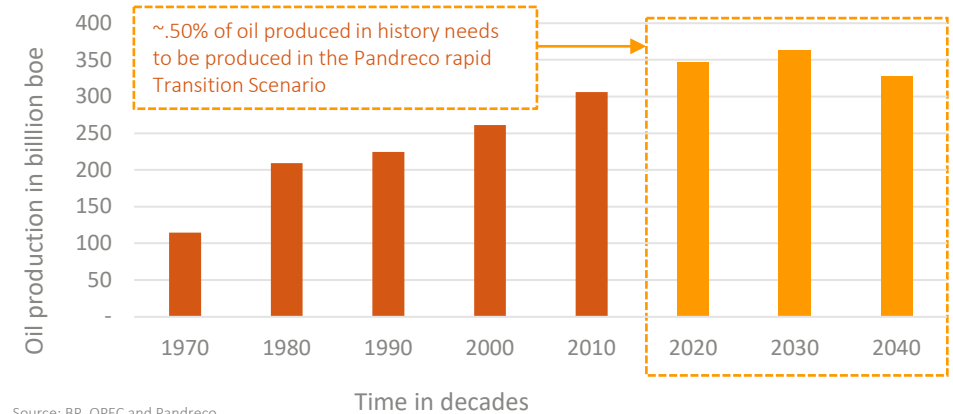
Source: Daily National Control Centre report from the Transmission Company of Nigeria

Estimated Niger GDP Components 2025



Source: Republique Du Niger, Politique Pétrolière Nationale, December 2019

Historical global oil production in billion barrels per decade with the Rapid Transition Scenario



Source: BP, OPEC and Pandreco

"If there was a button I could press to stop all hydrocarbon usage today, I would not press it"

*Elon Musk, Tesla & Space X CEO*

"You don't have to give up a quality of life to achieve some of the things that we know we have to achieve...I am told by scientists that 50% of the reductions we have to make by 2050 or 2045 are going to come from technologies that we don't yet have. That's just a reality"

*John Kerry, U.S. Special Presidential Envoy for Climate*

"It is non-negotiable that Africa is allowed to industrialise to lift our people out of poverty. The provision of energy is the only way to do this and scientifically this requires hydrocarbon production. It is critical that we achieve Net Zero 2050 in a way that does not exacerbate global income differentials further and that climate change strategists (who nearly all appear to be based in developed markets) recognise this reality."

*Yacine Wafy, VP West Africa*

# Nigeria and Niger business units

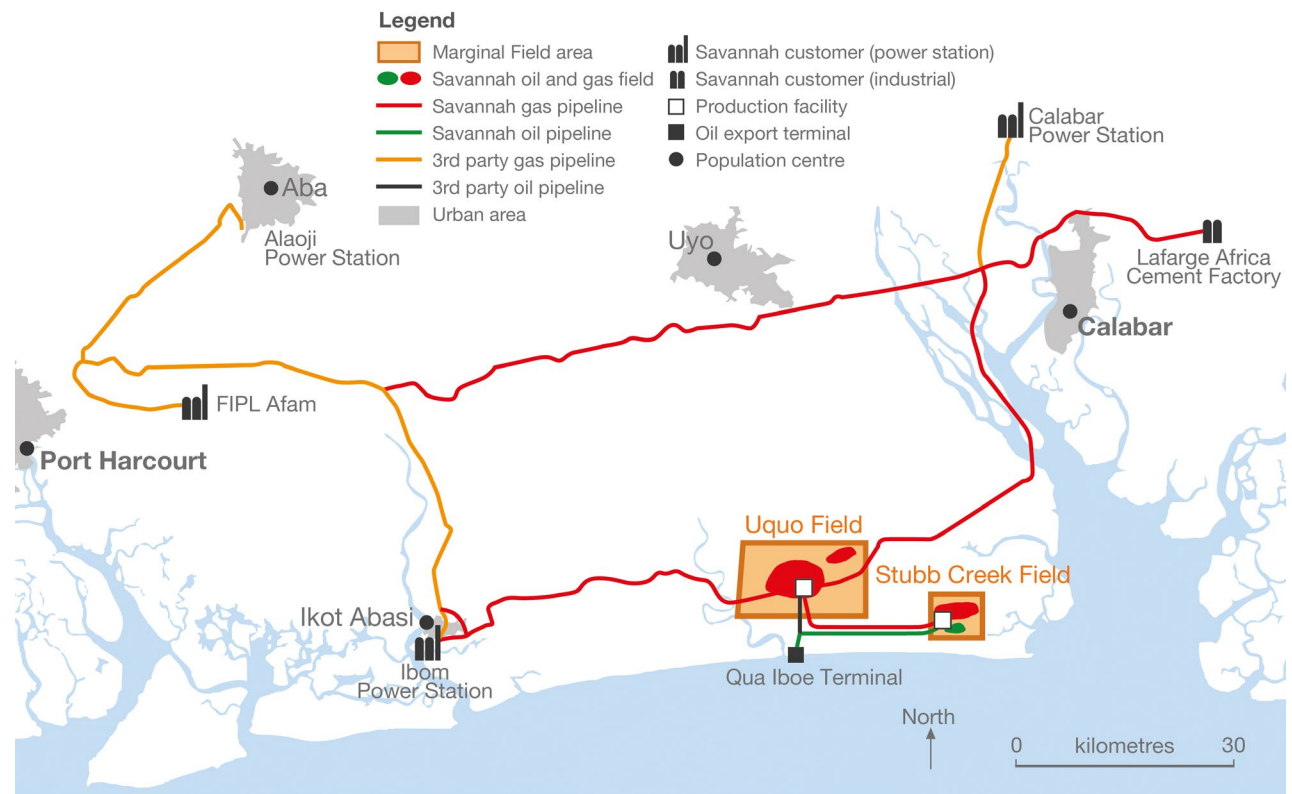


# Nigeria asset overview

## Nigerian asset summary

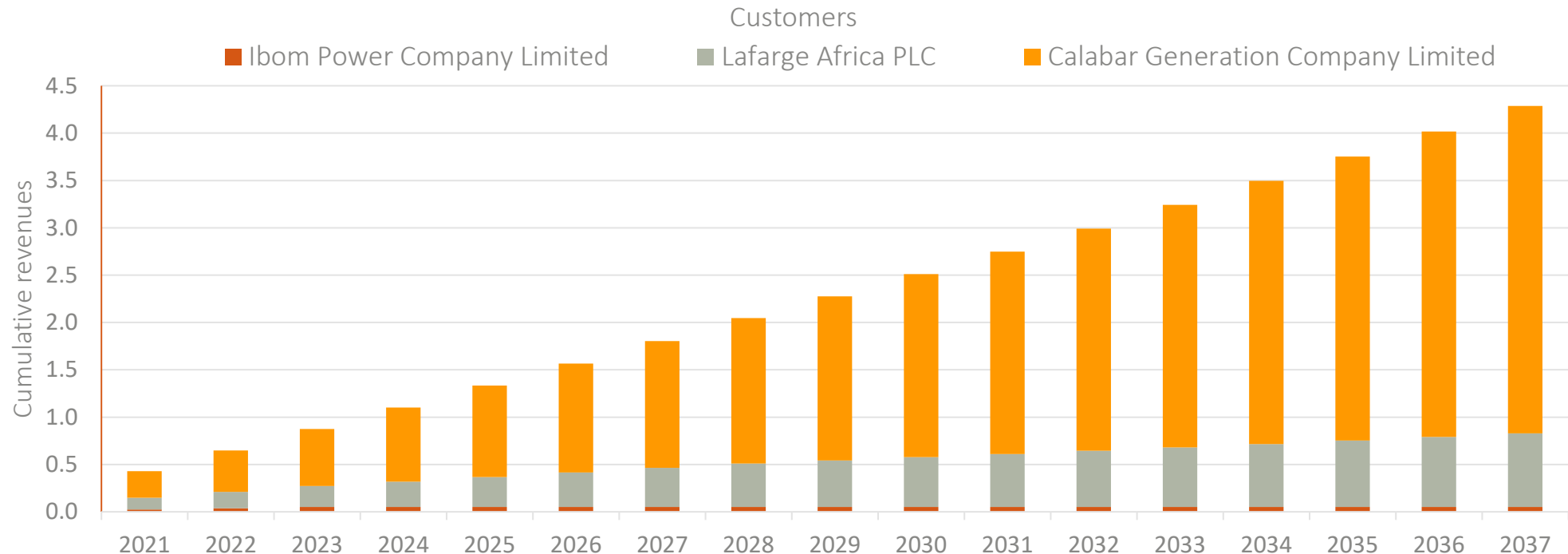
- 80% owner of Accugas - the only significant gas processing and transportation company in South East Nigeria – and interests in two world class gas and oil fields, Uquo and Stubb Creek
- Accugas' assets comprise a 200 MMscfpd processing facility and an approximately 260km pipeline network
- Our 20% partner in Accugas - Africa Infrastructure Investment Managers (wholly owned subsidiary of Old Mutual)
- 2020 Nigerian gas and liquids production amounted to 19.5Kboepd/ 117.2MMscfpd (88% gas, 12% liquids)
- End 2020 Nigerian 2P reserves at 65MMboe, 2C resources at 59MMboe
- End 2020 2P /2C Nigerian Reserve and Resource Life Index of 26.5 years
- Gas sales are currently made to 3 customers: Calabar Generation Company Limited (owner of the Calabar power station), Ibom Power Company Limited (owner of the Ibom power station) and Lafarge Africa PLC (owner of the Lafarge Mfamosing cement plant), with liquid sales made to a subsidiary of ExxonMobil.
- New gas sales expected to commence to First Independent Power Limited ("FIPL"), owner of the FIPL Afam power station, in H2 2021
- New GSA signed with Mulak Energy with sales expected to commence in 2022

## Map of Savannah's South East Nigerian asset base



## Gas revenue quality: Long dated and backed by guarantees

Contracted cumulative revenues (US\$bn)



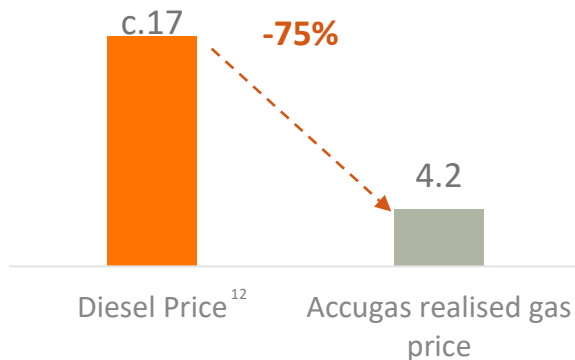
- Total contracted revenues stream of US\$4.3bn, on a maintenance adjusted Take-or-Pay basis
- Weighted average remaining contract life of 17 years, with contracted revenues extending out until 2037
- 99% of future contracted revenues are with customers providing investment grade credit guarantees<sup>11</sup>
- Note in addition to gas revenues Savannah generated US\$12m of liquids revenues in 2020

## Nigerian gas-to-power: a secular growth opportunity

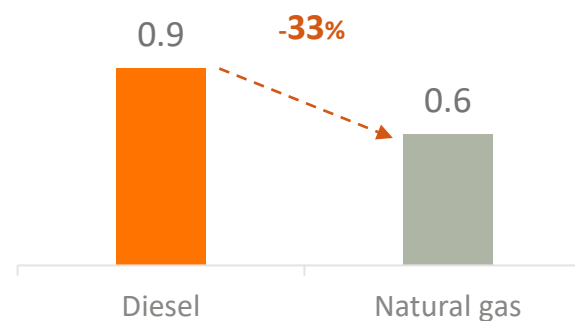
- The Nigerian gas-to-power market is expected to experience strong underlying secular growth in the coming years as per capita consumption increases to international levels and installed generation capacity is increased
- The economics and carbon intensity benefits of switching from diesel to gas are extremely compelling for new potential industrial customers
- Our large Nigerian gas reserve and resource life of 26.5 years and in country industrial contact network positions us strongly to benefit from these trends through new gas sales agreements
- The marginal cost of delivering revenues from new gas sales is expected to be limited, given our existing infrastructure footprint and existing planned 2021-23 capital expenditure programme

### Compelling economic and environmental switching dynamics

#### Compelling switching economics (\$/Mscfe)

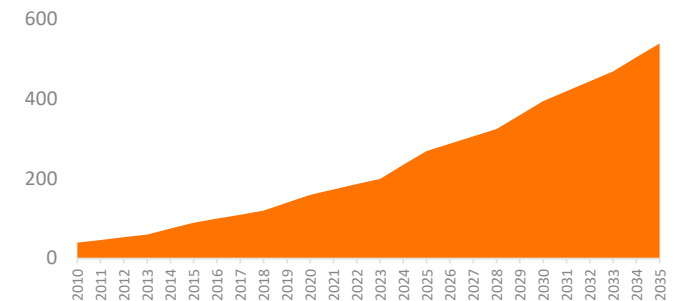


#### Indicative customer carbon intensity reduction opportunity (Kg of CO<sub>2</sub> / kWh)<sup>13</sup>

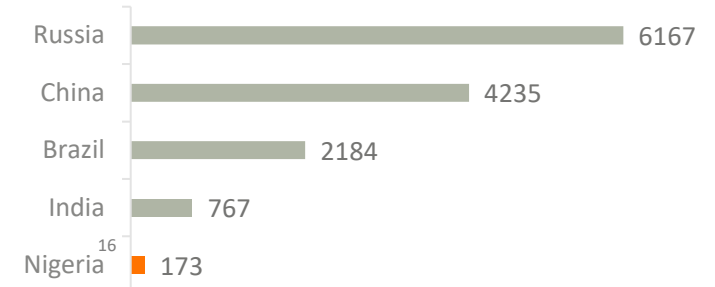


### Nigerian Gas-to-Power market dynamics

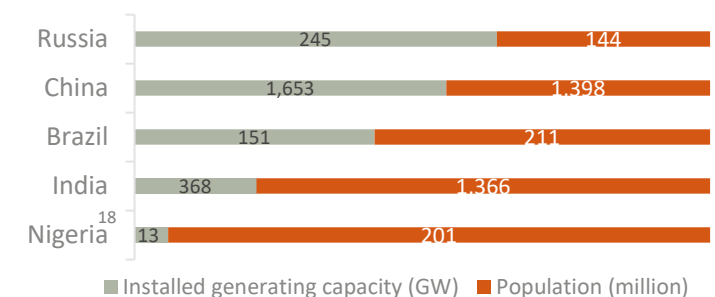
#### Huge energy demand growth forecast (TWh)<sup>14</sup>



#### Electricity power consumption (KWh per capita)<sup>15</sup>



#### Power capacity vs population<sup>17</sup>



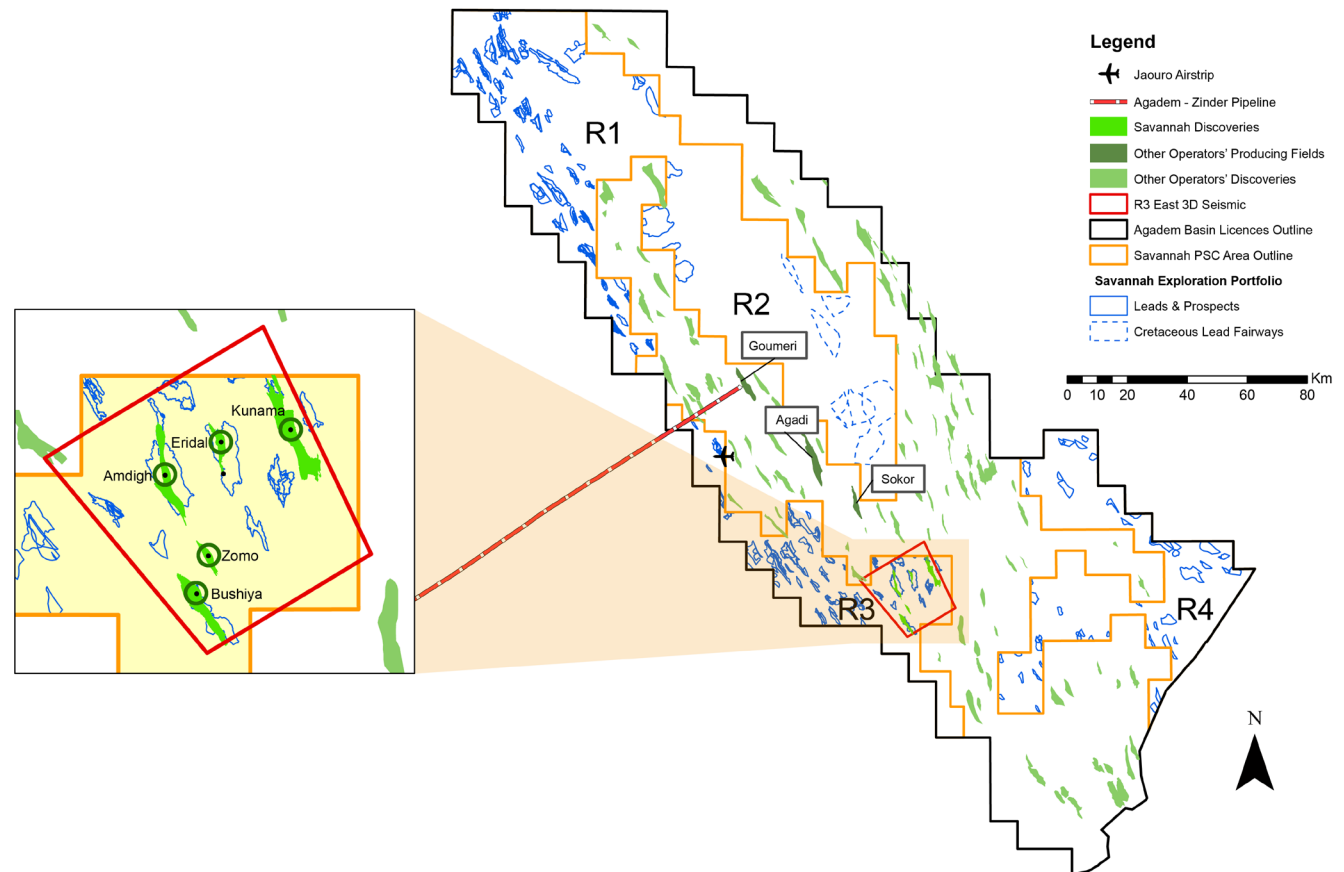
# Niger asset review

## CNPC era (2008+)

- 110 discoveries from 137 exploration wells (80% success rate)
- c.1bn bbls 2P reserve base established
- > 30,000km<sup>2</sup> 2D and 13,000km<sup>2</sup> 3D seismic acquired over the original Agadem PSC
- Establishment of major logistics and infrastructure hubs, including oil pipeline and refinery
- First oil delivered from Sokor and Goumeri (2011) and Agadi (2014)
- 20% of Agadem license sold to CPC (2013)
- Portion of license mandatorily relinquished (2013)

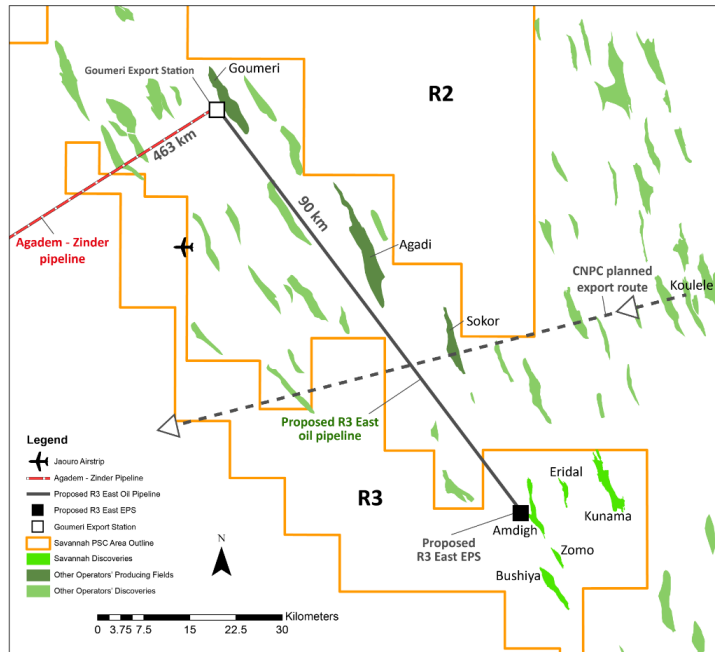
## Savannah/ CNPC era (2014+)

- July 2014, R1/R2 license awarded to Savannah<sup>18</sup>
- July 2015, R3/R4 license awarded to Savannah<sup>18</sup>
- 36,948km FTG survey acquired (2014/15)
- 806km 3D seismic survey acquired over a portion of R3 (2016/17)
- 5 discoveries from 5 exploration wells, a 100% success rate (2018)
- Gross 2C Resources of 35.0 MMstb<sup>19</sup>
- Unrisked Prospective Resources of (Best case) of 360 MMstb for a subset of 11 out of 146 leads & prospects
- R3 East early production solution to be implemented and further multi-well campaign to commence subject to financing and market conditions
- Basin-wide Niger-Benin export pipeline project launched by CNPC in 2019 and to be completed in 2022

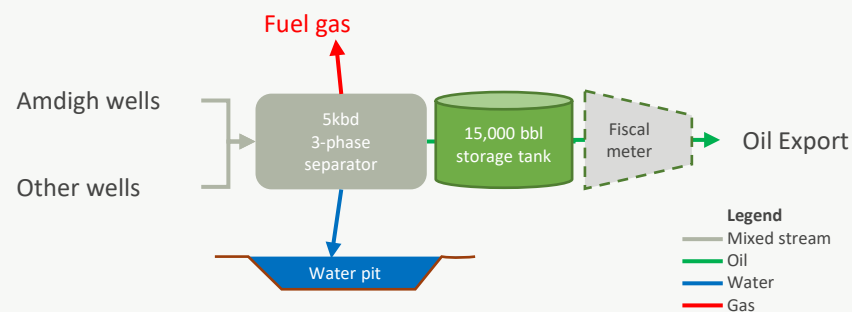


# R3 East proposed early production scheme

## R3 East development



## Early Production Facilities to be located at Amdigh



## Phase 1 – Sales to local refinery

- Expected to deliver up to 1.5 Kbpd
- 5 Kbpd capacity EPF to be built on site at Amdigh
- 90km pipeline to be laid between the EPF and the GES
- Oil to be piped to the GES, then routed to the SORAZ refinery at Zinder (using the existing 463km Agadem-Zinder pipeline)

## Phase 2 – Export

- Use of existing EPF and 90km pipeline
- Construction of a gathering system to enable adjacent discovered fields (e.g. Bushiya, Eridal and Kunama) to be tied into the EPF
- Drilling Appraisal and Development wells
- Production expected to ramp up to around 5 Kbpd which will continue to be handled by the SORAZ refinery at Zinder

## Further long-term potential

- Two sources of upside exist for production in excess of the second phase of the planned EPS:
  - 146 further potential exploration have been identified for future drilling consideration
  - Ability to export production above 5.0 Kbpd via the new Niger-Benin export pipeline expected to be completed in 2022.

## Economic summary\*<sup>20</sup>

- 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

\*Note: the CGG assessment was based upon a trucking/pipeline case and not the pipeline only case we now assume. We view the pipeline only case as having enhanced economics versus this prior case.

## Savannah Energy: A compelling investment opportunity

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**US\$4.3bn** contracted revenues stream<sup>1</sup>

**17 years** of weighted average remaining gas contract life

**31 years** 2P/2C Reserve and Resource Life index

**79%** Adjusted EBITDA<sup>9</sup> Margin

**2.3x** Group Adjusted consolidated leverage<sup>21</sup>

**Strong** anticipated organic and inorganic growth

**Strong ESG** industry leading key sustainability metrics

To find out more

## Our Annual Report

## CEO Letter

## Market Context



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### Chief Executive Officer's review

**“Savannah delivered an industry-leading performance in 2020 across a range of financial, operational and ESG metrics.”**



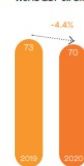
#### Dear fellow shareholders

I would like to welcome you to our seventh Annual Report as a listed company. This year's letter focuses on five key themes. The first discusses our industry-leading performance in 2020. The second focuses upon our value creation and capital allocation plans for 2021 and beyond. The third highlights the importance of our culture and operating platform to our historic and future successes. The fourth discusses the essential role that the hydrocarbon industry in general, and emerging market-focused companies such as Savannah, specifically, play in human development and poverty alleviation. The fifth discusses the key role that socially-conscious hydrocarbon asset stewards, such as Savannah, will need to play in the energy transition to deliver the Net Zero 2050 vision.

#### Performance delivery in 2020

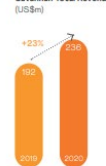
The impact of the Covid-19 pandemic dominated global socio-economic activity in 2020. Global GDP ex-China fell by 4.4%; the most since 1945. In many countries, government borrowing reached post-World War II records. The energy industry announced record financial losses and redundancies, with the seven supermajors reporting a combined US\$89 billion of net losses and over 39,500 job cuts\*. Global oil and gas production reduced by 5.0% year-on-year\*.

#### World GDP ex China (US\$m)

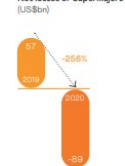


Source: IMF

#### Savannah Total Revenues\*\* (US\$m)



#### Net losses of Supermajors (US\$m)



Source: Annual reports of the seven Supermajors (BP, Chevron, ConocoPhillips, ENI, ExxonMobil, Royal Dutch Shell and Total)

#### Savannah cash collections (US\$m)



Savannah Energy PLC Annual Report and Accounts 2020

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### Market context

Guest authored by Dr Richard Norris

## Development depends on energy

### Executive summary

For over a century, industrialisation has used coal, oil and gas as the engines of growth and development, lifting entire regions far above subsistence levels. Whilst there is now a dramatic increase in the development of renewable energy technologies, the role of oil and gas will not be disrupted within the short time-frames. If we look beyond the headlines and focus on the majority of the world's population in emerging-market economies, a rapid energy transition is not taking place. In the meantime, access to cheap, reliable and local sources of energy are underpinning the economic development of billions of people, who aspire to education, healthcare, job opportunities as well as good government and good food – things that people in high-income countries take for granted. Investing in oil and gas in emerging markets, and in particular in Africa, is an essential step on the development pathway.



#### Dr Richard Norris

We are delighted that Dr Richard Norris has guest-authored this section of our Annual Report. Dr Norris is a Fellow of the Canadian Global Affairs Institute and separately runs his consultancy firm, Pandreco Energy Advisors. He is a leading author and speaker on the role of energy in society and economics. He advises public and private bodies on macro strategy as well as on specific energy investments.

Dr Norris' career has spanned research (Imperial College/ BP), operational experience (Elf Aquitaine/Total), management (Geopetrol/Candax), board roles (Candax/ Eland PLC/Duna Energy), as well as debt financing (BNP Paribas/STG Pactual) and equity investments (Hellas Investment Partners/BTG Pactual and Family Offices).

He holds a BSc in Geology, an MSc in Petroleum Geology and a PhD in Petroleum Engineering (Imperial College, London).

Please note that the opinions expressed in this Market Context section of the Annual Report are those of Richard Norris. They do not purport to reflect the opinions or views of the Company.

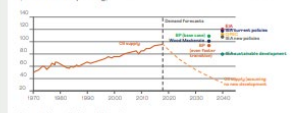


Savannah Energy PLC Annual Report and Accounts 2020

#### Introduction

According to many headlines, the age of hydrocarbons is over; reserves and resources are “stranded”, and oil and gas companies must reinvent themselves or perish. Whilst the idea of Peak Demand (i.e. oil consumption will reach a peak and then start to decline) is very enticing, it distracts from the fact that we will continue to use oil and gas in large quantities for many decades, even in aggressive transition scenarios. Critically, as demand peaks and then wanes, so supply is assumed to be abundant; supply was so abundant in 2020 that the West Texas Intermediate oil price went briefly negative. In the rush to write off society's dependence on hydrocarbons, we overlook the awkward fact that existing oil fields decline on “deplete” year after year, much like how a balloon deflates as air escapes. This creates a significant gap between the future production of our existing oil and gas fields and the forecast requirements.

#### Oil “future production wedge”: demand vs existing field supply (million barrels per day)



Source: IEA/Morgan Stanley Annual Energy Report

**“Development depends on energy, and the alternative to development is suffering; poverty, disease and death. Such conditions create instability and the potential for widespread violence. National security therefore requires developed nations to help increase energy production in their more populous developing counterparts.”**

Rhodes and Beller\*

## Appendix: 2020 Financial Performance



## References

1. Remaining life of contact revenues estimated on a maintenance adjusted Take-or-Pay basis including contributions from our 3 customers: Calabar Generation Company Limited (owner of the Calabar power station), Ibom Power Company Limited (owner of the Ibom power station) and the Lafarge Africa PLC (owner of the Lafarge Mfamosing cement plant). Note this is not an audited number.
2. As of 2 June 2021.
3. Enterprise value is defined as market capitalisation as of 2 June 2021 plus latest reported net debt as of 30 June 2021.
4. Total Revenues are 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 on page 56 of the Savannah Annual Report and Accounts 2020. Note this is not an audited number.
5. Adjusted EBITDA is defined as profit or loss before finance costs, investment revenue, foreign exchange gains or losses, expected credit loss and other related adjustments, fair value adjustments, gain on acquisition, taxes, transaction costs, depreciation, depletion, and amortisation and adjusted to include deferred revenue and other invoiced amounts. Management believes that the alternative performance measure of Adjusted EBITDA more accurately reflects the cash generating capacity of the business.
6. Within cash balance of US\$135.7m, US\$58.7m 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.
7. Net debt (defined as 'Total long and short term debt exclusive of lease liabilities less total cash and cash equivalents') includes a Senior Secured Note with a call option. Any change in this option value will impact the reported net debt.
8. Group Operating expenses plus administrative expenses are defined as total cost of sales, administrative and other operating expenses excluding royalty and depletion, depreciation and amortization and transaction costs.
9. Interest coverage ratio is calculated as Adjusted EBITDA divided by net finance costs (the net finance costs used in this calculation are in line with consensus forecasts).
10. Adjusted leverage is defined as Adjusted net debt/Adjusted EBITDA. Adjusted net debt is calculated as the net debt balance adjusted for the Naira held in cash for interest
11. Investment Grade rated sales are classed as sales where the payment obligation of the customer benefits from a guarantee or other credit support from an entity which holds an investment grade rating from either Standard & Poor's, Moody's or Fitch RatingsSavannah entered into exclusive discussions to acquire the Nigerian assets in 2017.
12. Source: [www.EIA.gov](http://www.EIA.gov) (The U.S. Energy Information Administration)
13. Source: Greenhouse Gas Emissions From Energy Systems: Comparison And Overview by R. Dones, T. Heck, S. Hirschberg.
14. Source: GIZ 2015 (FMP and power holding company of Nigeria data and UN 2010 rural/urban population data for off grid projections).
15. Sources: World Bank and CIA World Factbook.
16. Source: Daily generation broadcast by the National Control Centre – an arm of the Transmission Company of Nigeria.
17. Source: Nigerian Grid Transmission Study.
18. On September 2021, the Niger Ministry of Petroleum amalgamated Savannah's four licence areas (covered by the previous R1/R2 PSC and the R3/R4 PSC into a single (R1/R2/R3/R4 PSC) valid for up to a further 10 years. It will enter into force following ratification in early October 2021 by the Council of Ministers and the payment of the associated fee within 30 business days.
19. Refer to the Niger CPR dated April 2020.



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