Championing the African energy transition

"We remain unequivocally an "AND" company. We are seeking to deliver strong performance, both for the short AND long-term, across multiple fronts. We are pursuing growth opportunities in both the hydrocarbon AND renewable energy areas. This approach permeates our entire business and how we have built, and will continue to build, our corporate infrastructure."

Andrew Knott
Chief Executive Officer

Dear fellow shareholders

I would like to welcome you to our tenth Annual Report as a listed company. This year's letter follows a similar format to those of recent years. The first section discusses our Company's continued industry-leading financial, operational and sustainability performance. The second discusses our key focus areas for 2023 and 2024. The third discusses the "how" and the "why" we see the African energy transition evolving and discusses the relevance of our hydrocarbon AND renewables business model.

Before turning to the first section, I would like to draw your attention to three key articles in this year's Annual Report. The first article on pages 10 to 19 describes "Why we do what we do", where we discuss our corporate purpose and the associated core beliefs which serve to underpin our strategy and business model. I really believe that this section is essential reading for anyone seeking to understand our Company. The second on pages 27 to 31, authored by Professor Stefan Dercon, CMG, Professor of Economic Policy at the Blavatnik School of Government and the Department of Economics of the University of Oxford, and the Director of the Centre for the Study of African Economies at the University of Oxford, discusses "Private Investors and the Gamble on Growth and Development", drawing on themes from his recent book, "Gambling on Development; Why Some Countries Win and Others Lose". The third article, on pages 32 to 37 from Johan Norberg, an author, lecturer, documentary filmmaker and a Senior Fellow at the Cato Institute in Washington D.C., focuses on the importance of capitalism and free markets for economic growth in Africa, following the arguments developed in his recent book, "The Capitalist Manifesto: Why the Global Free Market Will Save the World". We are extremely grateful to both of our distinguished guest authors for their contributions.

2023 in review

The macro environment of 2023 was very different to that of 2022. Real GDP growth in both Africa and the OECD fell year-on-year to 3.2%[1] and 1.6%[2] from 4.0%[1] and 2.9%[2] respectively. The macro energy complex was significantly weaker too, with, for example, benchmark oil and liquified natural gas prices falling by 18% and 38%[3] respectively. Annual inflation rates in advanced economies fell from an average of 7.3%[1] in 2022 to 4.6%[1] in 2023, starkly contrasting with sub-Saharan Africa where inflation rose year-on-year to 16.2%[1] versus 14.5%[1] last year. The latter was caused largely by the former countries' loose monetary policies[4] and resulted in a broadly proportionate depreciation in the value of non-indexed African currencies which depreciated against the US Dollar by an average of 16%[5].

The seven energy Supermajors reported US$129.3 billion of profit in 2023 (-29% year-on-year)[6], largely driven by the softening macroeconomic environment, while their aggregate annual production volume fell by a modest 1.2%. The major energy companies' business plans were also revised with CEO commentary across the board focusing on the critical role energy and, in particular, energy generated from hydrocarbons, plays in the global economy. This was reflected in the Supermajors' near-term projected capital expenditures for transition projects reducing relative to their projected capital expenditures for fossil fuel projects, with a consequent increased role for hydrocarbons in their pre-2030 business mixes than had been suggested in prior year CEO commentaries.

Savannah's financial performance was significantly ahead of the guidance we provided at the beginning of the year. We reported Total Revenues[(a)] of US$261 million (versus guidance of greater than US$235 million and US$290.4 million last year), Operating and administrative expenses[(f)] of US$68.8 million (versus guidance of less than US$75 million and US$66.2 million last year) and Adjusted EBITDA of US$184.1 million (2022:

US$223.6 million). Our Adjusted EBITDA margin, therefore, remained industry leading at 71% compared to the Supermajors' average margin of 20%[6]. The 10% year-on-year decline in Total Revenues[(a)] was significantly driven by lower gas invoicing due to a planned maintenance programme we conducted at our production facilities in Nigeria (a regulatory requirement coinciding with the 10-year anniversary of the commencement of operations).

At the Nigerian business unit level, we recorded Adjusted EBITDA[(c)] of US$213.9 million (-13% year-on-year) and an Adjusted EBITDA[(c)] margin of 82%. The US$29.8 million difference between the Group and our Nigerian business Adjusted EBITDA[(c)] numbers largely reflects the central costs of running the business, the investments we are making in our pre-revenue renewables business and the build-up of corporate infrastructure necessary to support our significant future organic and inorganic growth plans. A substantial portion of these central costs in the year related to the establishment of the infrastructure needed to support the operations in Chad and these costs would ordinarily have been charged to these entities. However, following the Nationalisation, the costs remained at the corporate level – we have taken steps to reduce these costs in FY 2024, while continuing to maintain the necessary infrastructure to support our growth plans.

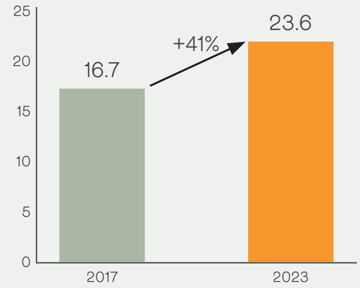
In 2023, 90% of our revenue stream was derived from fixed price gas sales agreements with no cyclical exposure to oil or international gas prices. Over the last seven years our Nigerian business has achieved an annualised Total Revenues[(a)] compound annual growth rate ("CAGR") of 15.7%. This Total Revenues[(a)] growth compares favourably to the long-term trend CAGR of the wider UK stock market constituents of 4.6%. Further, since the announcement of our decision to acquire our Nigerian business in 2017, we have more than doubled the number of customers. We are now contracted to supply gas to enable approximately 20% of Nigeria's thermal power generation capacity (up from approximately 10% at the time of acquisition)[7], as well as to key petrochemical and cement factories. We are clearly performing a critical service to the Nigerian economy. Over the same period our operational performance has been equally robust, with an estimated 99% uptime versus plan at our Uquo CPF.

The build out of our pre-revenue Renewable Energy Division continued in 2023 as the 500 MW of projects we had intended to pursue in Chad were replaced by up to 446 MW of new solar, hydro and wind projects in other African countries. We intend to provide more details on the individual projects we are developing within our Renewable Energy Division at a strategy presentation later in 2024. At the time of writing, we have up to 696 MW of renewable projects in motion.

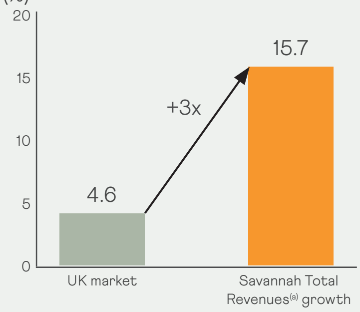
On a pro forma basis we increased training hours per employee by 24% on a broadly flat headcount. We intend to continue to invest in our people and infrastructure as we pursue our goal of potentially quadrupling the scale of our business over the course of the coming years.

As always, we maintained our strong focus around safe operational delivery. In 2023 we recorded an exceptional Lost Time Injury Rate ("LTIR") of zero and a Total Recordable Incident Rate ("TRIR") of zero per 200,000 working hours. Our performance against key sustainability metrics remained equally industry-leading. Our carbon emissions were 45% lower than the industry average of 19.4 kg CO_2e/boe at 10.7 kg CO_2e/boe. Our senior management female gender diversity was 33%, while our local employee ratios in our countries of operation were maintained at 99% for Nigeria and 100% for Niger.

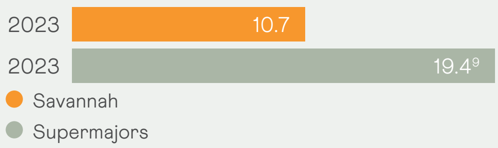
Gross production growth 2017-2023[8]
(Kboepd)



UK market vs. Savannah long-term revenue growth 2017-2023
(%)



Savannah vs. Supermajors' carbon intensity
(kg CO_2e/boe)



A visual representation of Savannah's proposed Parc Eolien de la Tarka wind farm project, Niger

Key highlights

Niger

Following the change of government in Niger in July 2023, the country achieved first oil exports through the 1,950 km Niger-Benin oil export pipeline in Q2 2024. At the time of writing, the pipeline is now reported to be fully operational and transporting approximately 90 Kbopd from China National Petroleum Corporation's Agadem licence area to the Port of Cotonou in Benin. This increased production is expected to accelerate Niger's economic growth by an estimated 27% and exports by 89% respectively in 2025 versus 2023 levels[10].

From a Savannah perspective, commissioning of the pipeline provides a clear route to international markets for crude oil produced from our R1234 contract area. We expect to commence a comprehensive flow testing programme in late 2024 of the main oil fields included in our c. 35 MMstb R3 East field development plan (the "FDP"). This flow testing programme is expected to enable us to fine tune and optimise the FDP, ahead of expected first commercial oil production in H2 2025/H1 2026. The NPV of the initial R3 East development project has been assessed at US$150 million[11].

We made significant progress on our up to 250 MW Parc Eolien de la Tarka wind farm project, located in the Tahoua Region of southern Niger. We have now completed the principal studies required to enter into a definitive concession agreement with the Government of Niger. We submitted our Environmental Social Impact Assessment ("ESIA") scoping report to the National Bureau of Environmental Evaluation post-year end in Q1 2024. During H2 2024 we plan to continue the ongoing ESIA fieldwork and complete the additional studies required for the submission of the full ESIA report. We hope to achieve project sanction in 2025 with first power delivery in 2027. We have also signed agreements with two leading international Development Finance Institutions to fund approximately two-thirds of the pre-construction development costs of the project. The project is anticipated to supply up to 22% of Niger's electricity demand, based on the country's projected energy demand in 2026 (which is expected to grow significantly between today and 2026).

In May 2023 we signed an agreement for the potential development of two solar photovoltaic power plants in the areas around the cities of Zinder and Maradi, also in southern Niger, with a combined installed power generation capacity of up to 200 MW. These projects are now operating on a timeline with a sanctioning decision expected in 2025, for first power in 2027. These projects are expected to supply up to 12% of Niger's electricity demand based on 2026 energy demand projections.

Our wind and photovoltaic renewable projects in development in Niger would therefore be capable of supplying up to 34% of Niger's electricity demand at the commencement of project operations.

Nigeria

Post-year end we announced plans to increase our effective economic interest in the Stubb Creek oil and gas field in Nigeria from 51% to 100%, through the acquisition of our Nigerian subsidiary Universal Energy Resources's joint venture partner SIPEC. This acquisition will increase Savannah's net 2P and 2C Reserves and Resources base by 29% from 157.6 MMboe to 203.4 MMboe for a total consideration of US$61.5 million, an effective cost of US$1.3/boe[12].

In January 2024, our Nigerian midstream subsidiary, Accugas, signed an agreement with a consortium of five Nigerian banks to provide a new NGN340 billion term facility (the "Transitional Facility"). This refinancing will enable us to align the currency of Accugas' principal revenue streams with its debt service obligations and is intended to provide much greater financial flexibility for the business in future years.

Throughout 2023 we progressed the US$45 million compression project at our Uquo CPF, which will enable us to further grow our gas production levels over the course of the coming years. At the time of writing, the project remains on track and on budget, and is expected to be completed and operational in H2 2024.

The investment we made in the Nigerian energy investment company Fenisko (previously known as Lekoil Limited), performed well in 2023. In 2022, Savannah invested approximately US$1 million in Fenikso and, under the terms of the restructuring agreements subsequently negotiated between Savannah and Fenikso, we received an entitlement to payments totalling up to US$16.3 million for the following nine year period. At the time of writing Savannah has fully recovered our investment, with payment receipts totalling US$2.9 million to date.

Cameroon

In Cameroon progress has continued apace on Savannah's Bini a Warak hybrid hydroelectric and solar project since the signing of the Memorandum of Agreement with the Government of the Republic of Cameroon on 20 April 2023. The project involves the construction of a hydroelectric dam on the Bini River, located in the northern Adamawa Region of Cameroon, and is expected to increase current on-grid electricity generation capacity in northern Cameroon by over 50%.

During 2023, design optimisation studies were completed which identified opportunities for improvement on the original project design, reducing its environmental and social impact and lowering the cost per kilowatt hour. In particular, the redesign incorporates photovoltaic solar into the project, raising its installed power generation capacity from 75 MW to 95 MW. Hydropower production will adapt to photovoltaic solar production levels, enabling a combined stable level of energy generation throughout the day. The redesign is also expected to reduce dam water levels, thereby lowering the flooded surface area by around 50% and reducing the impact on local communities.

The proposed redesign was presented to Cameroon's Ministry of Water and Energy in December 2023 and was subsequently approved by the Minister of Water and Energy, His Excellency Gaston Eloundou Essomba. A project sanction decision is currently anticipated in early 2026, with first power targeted in the 2027 to 2028 window.

We also agreed to sell a 10% interest in COTCo to the national oil company of Cameroon, Société Nationale Des Hydrocarbures, for consideration of US$44.9 million plus accrued dividends[13, 14].

Chad

Our wholly owned subsidiary, Savannah Chad Inc ("SCI"), commenced arbitral proceedings against the Government of the Republic of Chad and its instrumentalities in response to the March 2023 nationalisation of SCI's rights in the Doba fields in Chad, and other breaches of SCI's rights. Our other wholly owned subsidiary, Savannah Midstream Investment Limited ("SMIL"), commenced arbitral proceedings in relation to the nationalisation of its investment in TOTCo, the Chadian company which owns and operates the section of the Chad-Cameroon pipeline located in Chad. SMIL has also commenced arbitral and other legal proceedings for breaches of SMIL's rights in relation to COTCo, the Cameroon company which owns and operates the section of the Chad-Cameroon pipeline located in Cameroon.

We expect the arbitral proceedings to be concluded in the second half of 2025. SCI and SMIL are claiming in excess of US$840 million for the nationalisation of their rights and assets in Chad, and SMIL has a claim valued at approximately US$380 million for breaches of its rights in relation to COTCo. Whilst the Government of the Republic of Chad has acknowledged SCI's and SMIL's right to compensation, no compensation has been paid or announced by the Government of the Republic of Chad to date. We believe the assets have suffered because of the nationalisation, with the Government of the Republic of Chad's own figures suggesting that Doba field oil production has fallen by 25%[15] . This contrasts substantially with the planned 20% increase in production Savannah had anticipated over the same period and equates to an estimated more than US$235 million annualised loss of potential tax revenue for the Government of the Republic of Chad.

Further, as a result of the actions of the Government of the Republic of Chad, Savannah is no longer actively pursuing the up to 500 MW of renewable power generation projects in Chad. These projects were the subject of a Memorandum of Understanding signed on 26 May 2022 by the Government of the Republic of Chad and Savannah in the presence of the Ambassador of the United Kingdom to the Republic of Chad. The projects had attracted significant interest from Development Finance Institutions wishing to partner with us and we believe would have increased electricity access rates in the country by over 200%. As discussed above, our Renewable Energy Division has successfully replaced these planned projects with new projects we are pursuing in other African countries.

Savannah remains ready and willing to discuss with the Government of the Republic of Chad an amicable solution to the disputes. However, in the absence of such discussions, the Group intends to vigorously pursue its rights in the arbitrations.

South Sudan

We continue to progress the planned acquisition of PETRONAS assets in South Sudan. In 2023 the assets produced 149 Kbopd (gross) of crude oil[16]. Savannah has already undertaken significant preparation work associated with the completion of this acquisition, which is now targeted for Q3 2024.

Key focus areas for the coming years

Over the course of the coming years, I expect there to be several key focus areas for the business. These include:

- **Significant expansion of our Renewable Energy Division.** We expect to have up to 1 GW+ of renewable energy projects in motion by end 2024 and up to 2 GW+ by end 2026. Our confidence in these targets is driven by the pipeline of projects we are working on and expect to be in a position to announce in H2 2024 and the robust growth dynamics underpinning the African power market on both the supply and demand sides of the equation (i.e. low existing electricity access rates and high population growth rates). Over time, I believe that our renewable energy business will evolve to be a high growth business characterised by contractually long-dated, geographically diversified cashflows;
- **Further hydrocarbon acquisitions.** The major energy companies are estimated to have in excess of US$169 billion[17] of upstream oil and gas assets in Africa and most have significant upstream asset divestment programmes. Savannah is strongly positioned to continue to participate in these divestment programmes, given our operating capabilities, regional reputation and access to capital. Post-deal we would expect to act as strong asset stewards delivering better underlying operational performance and improvements in unit carbon intensity (within the limitations of the underlying assets) compared to the previous asset owners;
- **The refinancing of our US$342 million Accugas debt facility.** Our intention remains to redenominate the current US Dollar-denominated facility to a multi-tranche Naira-denominated facility, extending the average maturity to beyond 2030 and reducing the facility cost in Dollar equivalent terms;
- **Progressing the R3 East Development project**. As noted previously, we intend to commence a flow testing programme on the key R3 East area fields in Q4 2024 with first commercial oil production anticipated during H2 2025/H1 2026;
- **Increasing oil production at Stubb Creek**. Following completion of the SIPEC Acquisition, we plan to implement a de-bottlenecking programme at the Stubb Creek processing facilities. It is anticipated that within 12 months of the completion of the acquisition, this will lead to the more than doubling of Stubb Creek gross oil production to approximately 4.7 Kbopd; and
- **Resolution of the Chad disputes.** As discussed above, SCI and SMIL have claims valued in excess of US$1 billion in aggregate in the Chad disputes with the legal arbitrational processes scheduled to conclude by end 2025.

As can be seen from the above list, we remain unequivocally an "AND" company. We are seeking to deliver strong performance, both for the short AND long-term, across multiple fronts. We are pursuing growth opportunities in both the hydrocarbon AND renewable energy areas. This approach permeates our entire business and how we have built, and will continue to build, our corporate infrastructure.

It is also important to emphasise that our investment decisions are first and foremost driven by expected risk-adjusted returns criteria and all projects and transactions that we pursue are subject to rigorous analysis and due diligence in this regard.

> "We expect to have up to 1 GW+ of renewable energy projects in motion by end 2024 and up to 2 GW+ by end 2026. Over time, I believe that our renewable energy business will evolve to be a high growth business characterised by contractually long-dated, geographically diversified cashflows."
>
> **Andrew Knott**
> Chief Executive Officer

How we see the African Energy Transition

As in previous years' shareholder letters, I have chosen to discuss how we see the African Energy Transition. Before turning to discuss this, I feel it is important to emphasise that this is only one of several important contributing beliefs driving what Savannah does as a company. On pages 10 to 19 of the Annual Report we have outlined in detail "Why we do what we do". In that section we discuss our corporate purpose and associated core beliefs which serve to underpin our hydrocarbons AND renewables strategy and business model. In simple terms, the section explains why energy poverty in Africa is the principal problem our Company is seeking to help solve and why we believe this problem is one of the most urgent and important problems facing the world today. I would urge any reader interested in really understanding our Company to read this section, especially if they are from a rich world background and perhaps less intuitively understand the realities of the everyday challenges facing the 600 million people who are defined by the World Bank as living in extreme poverty (i.e. have incomes of less than US$2.15/day)[18].

Energy is critical to enabling and sustaining people's quality of life. My preferred chart for demonstrating this is below, which compares GDP per capita to power consumption per capita. As can be seen, people without access to energy are dramatically poorer than those with access to energy. For example, Niger is ranked 189 out of 193 on the UN Human Development Index[19] ("UN HDI") with a GDP per capita of US$1,187[20] and power consumption per capita of 410 kWh[21]. The United States of America on the other hand is ranked 20 out of 193 on the UN HDI with GDP per capita of US$63,670 and power consumption per capita of 76,989 kWh, 5,266% and 18,689% higher respectively. A similar pattern emerges when we look at the relationship between power consumption and other key quality of life barometers such as life expectancy and lifetime health outcomes.

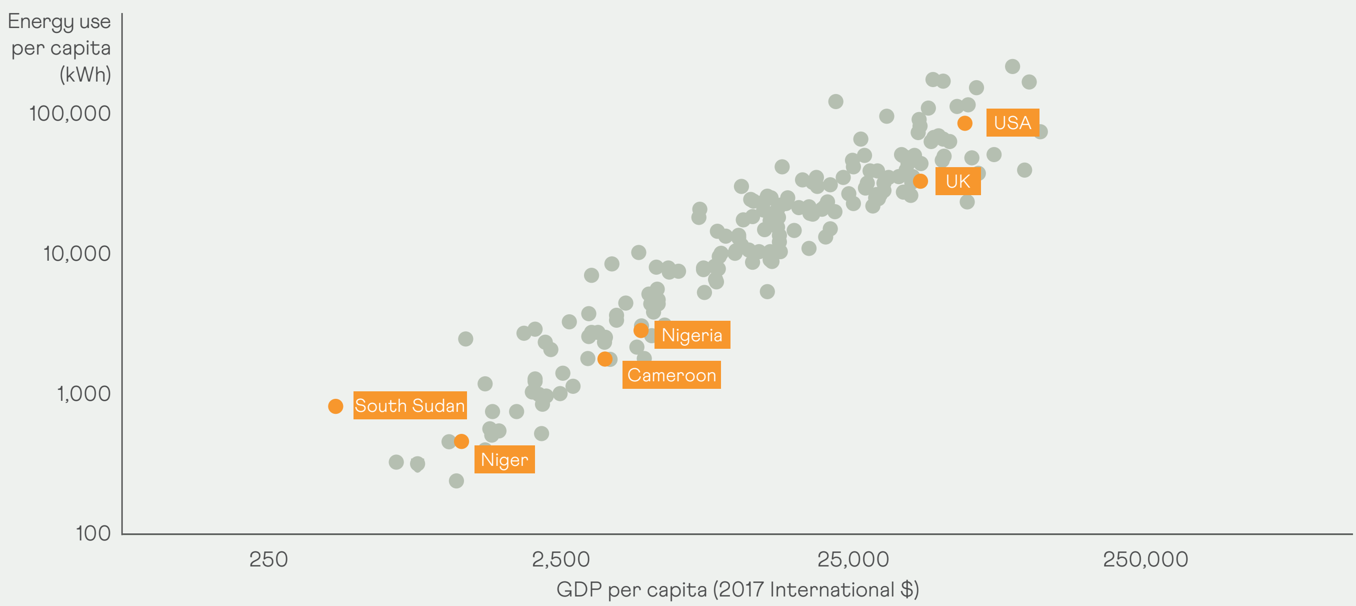
Over 75% of today's global energy mix is provided by hydrocarbons with 53%[22] of this provided by oil and gas. The scale of investment required to sustain the "status quo" global quality of life is immense. Global non-financial capital expenditures for the energy sector amount to 42% of all global capex[23]. The world clearly, therefore, requires oil and gas today, and is prepared to pay vast amounts of money to enable this. The extent to which the world requires oil and gas in the future will depend on the absolute and relative rate of renewable energy and carbon mitigation technological improvements, and the absolute and relative rate of adoption of these improvements. In this regard, the quote by John Kerry (The former US Climate Change Envoy), which I have cited in my last three shareholder letters, remains pertinent – "I am told by scientists that 50% of the reductions we have to make by 2050 or 2045 are going to come from technologies we don't have yet."

> "2023 clearly demonstrated the robustness of our business model, corporate capacity and corporate infrastructure. Our core business continued to perform strongly, while we have progressed our projects in Niger during a period of political change, managed the impact of the nationalisation of our Chad Assets to ensure that we receive the value we are due, progressed two separate hydrocarbon acquisitions which are material to our business, continued to grow our renewable energy business and positioned ourselves strongly to announce and progress further new and exciting projects in 2024."

Andrew Knott
Chief Executive Officer

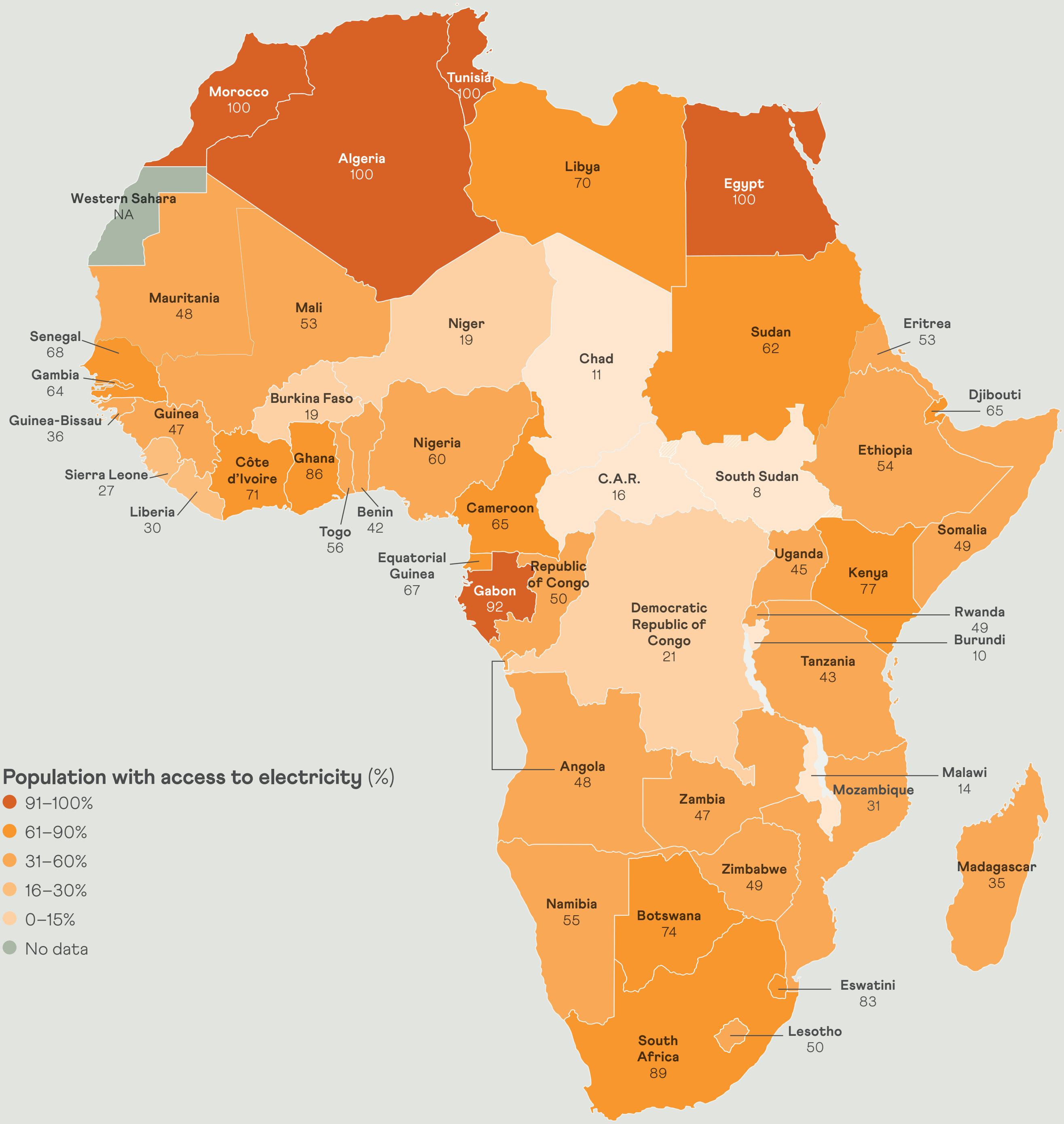
Correlation between GDP and energy use per capita: energy poverty drives economic poverty

(Note: logarithmic scale)



Source: Our World in Data based on BP & Shift Data Portal, World Bank (2021).

African population with access to electricity (%)

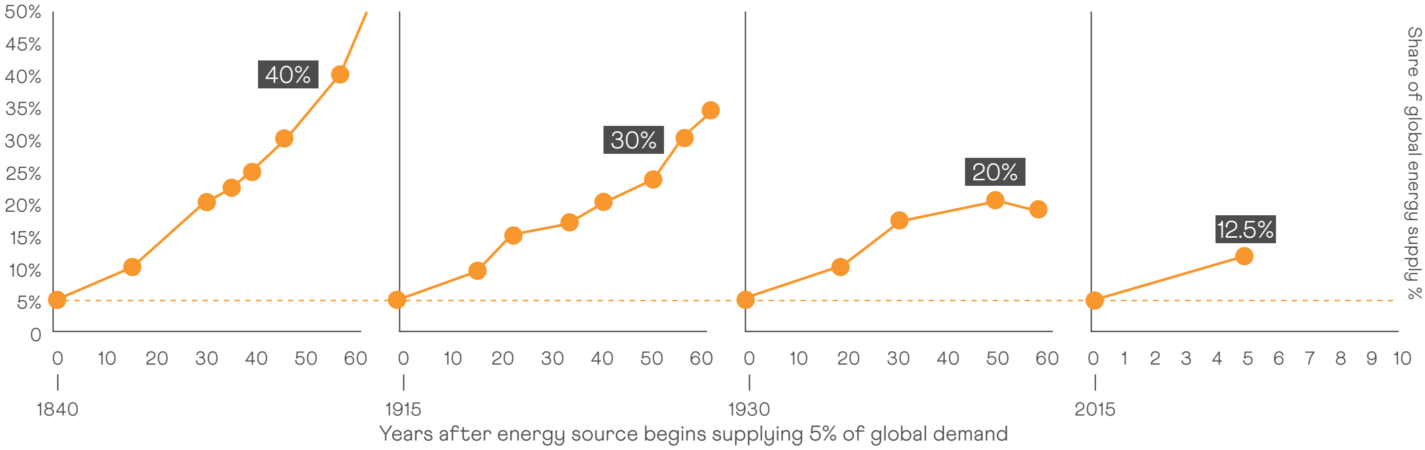


Source: World Bank.

Energy transitions take (a lot of) time

It has taken decades for major energy sources to provide a significant share of global supply:

Coal	Crude oil	Natural Gas	Modern Renewables
50 years to contribute 40% of the global energy mix	50 years to contribute 30% of the global energy mix	50 years to contribute 20% of the global energy mix	Still contributes only 12.5% of the global energy mix



Sources: Vaclav Smil. Modern renewables include: wind, solar, and modern biofuels; Bill Gates: How to Avoid a Climate Disaster, IEA.

How we see the African Energy Transition continued

While the pace of technological evolution and adoption may be argued to be generally faster today than in earlier periods, I believe that it is important to recognise that the global energy transition is likely to take a relatively long time. As demonstrated above, previous energy transitions have taken fifty plus years, and the modern renewable transition only began around 2015. Further, full displacement of the previous energy sources has not occurred in previous transitions (i.e. coal still provides approximately 26% of the global energy mix).

In this regard, when we look at the forecast future energy mix, there is currently a big difference between the trend case (i.e. what forecasters are suggesting will actually happen) versus the net zero 2050 case. Essentially the world appears to be on track to have around 52-54%[24] of its energy mix in 2050 to be provided by oil and gas, which, given likely energy demand growth over the course of the next 26 years, suggests that actual oil and gas demand is currently not on trend to fall significantly over the period.

The foregoing contrasts dramatically with the many net zero forecasts which generally see the total share of fossil fuel supply falling to just over 20% of the global energy mix by 2050[25].

Further, it is likely that lower income countries, where the ability to pay for renewable energy infrastructure is lowest and the need for low-priced energy to deliver life changing economic growth is highest, will see hydrocarbons form a much greater part of their energy mix in 2050 than in the developed world. This point is demonstrated well by the adjacent map. On average, only 57% of Africa's entire population has access to on-grid electricity (falling to 51% if South Africa, Egypt and Algeria are excluded), with the electricity access rate in our countries of active operations estimated at 65% for Cameroon, 19% for Niger and 60% for Nigeria. For much of Africa, the primary issue is around people being given access to reliable and affordable power, period.

From a Savannah perspective, our primary focus is on participating in ***Projects that Matter*** in Africa. We expect to continue to acquire hydrocarbon businesses and to re-invest the cash flows we generate in both hydrocarbon AND renewable energy projects. We firmly believe that Africa needs both if it is to be given the opportunity to grow and lift ever more of her citizens out of energy poverty.

Closing thoughts

I would hope that having read through this letter my reasons for being optimistic around the future of our business are clear. We are a purposeful organisation, doing societally essential work. The opportunities associated with the African energy transition (the build-out of our renewable energy business hydrocarbon acquisitions from Big oil sellers) represent a once in a generation opportunity, which we at Savannah are strongly positioned to take advantage of. We have made significant investments in our people, infrastructure, and capabilities, and have well-developed regional and financial stakeholder relationships and credibility. We have a strong track record of "getting things done". I believe that Savannah will achieve great things over the course of the coming years and look forward to continuing this journey with you, my fellow shareholders.

2023 clearly demonstrated the robustness of our business model, corporate capacity and corporate infrastructure. Our core business continued to perform strongly, while we have progressed our projects in Niger during a period of political change, managed the impact of the nationalisation of our Chad Assets to ensure that we receive the value we are due, progressed two separate hydrocarbon acquisitions which are material to our business, continued to grow our renewable energy business and positioned ourselves strongly to announce and progress further new and exciting projects in 2024. We have invested heavily to create a growth and performance orientated pan-African company with a diversified asset base. In 2023 we clearly saw the benefits of this.

Lastly, I would like to express my gratitude to all those who contributed to our successes in 2023 - my incredibly dedicated and passionate colleagues, our host governments, communities, local authorities and regulators, our shareholders and lenders, and our customers, suppliers and partners. Thank you all.

Andrew Knott
Chief Executive Officer
6 June 2024

Definitions

(a) Total Revenues are defined as the total amount of invoiced sales during the period. This number is seen by management as appropriately reflecting the underlying cash generation capacity of the business as opposed to Revenue recognised in the Consolidated statement of comprehensive income. A detailed explanation of the impact of IFRS 15 revenue recognition rules on our Consolidated statement of comprehensive income is provided in our 2020 Annual Report in the Financial Review section on page 56. Note that Total Revenues is not an audited number.

(b) Remaining life of contract revenues estimated on a maintenance adjusted take-or-pay basis including contributions from two of our customers: Calabar Generation Company Limited (owner of the Calabar power station), and the Lafarge Africa PLC (owner of the Lafarge Mfamosing cement plant). Note this is not an audited number.

(c) Adjusted EBITDA is calculated as profit or loss (excluding Other operating income), before finance costs, investment revenue, foreign exchange gains or loss, expected credit loss and other related adjustments, fair value adjustments, gain on acquisition, share-based payments, 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.

(d) Total contributions to Nigeria and Niger defined as payments to governments, employee salaries and payments to local suppliers and contractors. Where total contributions refer to the period 2014–2023 they include contributions to Nigeria during the period pre-acquisition of the Nigerian assets by Savannah.

(e) Investment grade indicates credit support from an entity which holds an investment grade rating from either Standard & Poor's, Moody's or Fitch Ratings.

(f) Operating expenses plus administrative expenses are defined as total cost of sales excluding third party gas purchases, administrative and other operating expenses excluding royalty and depletion, depreciation and amortisation.

(g) Net debt is defined as Borrowings less Cash at bank and Restricted cash.

(h) Leverage is defined as Net debt divided by Adjusted EBITDA.

Footnotes

1. Source: IMF April 2024.
2. Source: OECD November 2023.
3. Source: EIA, International Energy Outlook.
4. Source: IMF, Regional Economic Outlook: Sub-Saharan Africa, Light on the Horizon? October 2023 and Bloomberg, August 2023, Nigeria's Economic Policies Too Loose to Support Naira, IMF Says.
5. Source: ISS African Futures: 'Exchange rate pressures take a toll on sub-Saharan Africa'.
6. Source: S&P Capital IQ.
7. Savannah estimate based on the generation capacity of the power stations supplied by Accugas.
8. In 2017 Savannah entered exclusive discussions to acquire the Nigerian assets, this graph includes the period when Savannah had influence over running the assets before completion of the acquisition.
9. Carbon intensity figures based on the latest available published data reported by TotalEnergies and Eni.
10. Estimated on a normalised basis adjusted for the impact of the ECOWAS sanctions imposed between July 2023 and February 2024.
11. Competent Persons Report, R1234 Licence Area, Agadem Basin Niger, December 2021, CGG Services (UK) Ltd. Net Present Value discounted at 10%.
12. Cost of US$1.3/boe based on the effective date consideration payable to Sinopec and Jagal and Reserves and Resources estimate as at 1 September 2023.
13. Savannah's wholly owned subsidiary, Savannah Midstream Investment Limited ("SMIL"), has signed a Share Purchase Agreement with the national oil company of Cameroon, Société Nationale Des Hydrocarbures ("SNH") for the sale of 10% of the issued share capital in COTCo. Completion of the transfer of the shares from SMIL to SNH will result in SMIL's shareholding in COTCo reducing from 41.06% to 31.06%. Completion shall occur upon satisfaction of certain conditions precedent related to amendments to the Articles of Association of COTCo.
14. During the second half of 2023, in an attempt to take control of and deprive SMIL of its equity ownership, governance and operational rights in COTCo, the Republic of Chad, SHT Overseas Petroleum (Cameroon) Limited ("SHT"), COTCo and certain other shareholders of COTCo have undertaken a number of actions in breach of the Articles of Association of COTCo, the Services Agreement between COTCo and SMIL and Cameroonian law. SMIL has commenced arbitral and other legal proceedings against COTCo, the Republic of Chad, SHT Overseas Petroleum (Cameroon) Limited and the other shareholders of COTCo to seek full compensation for the loss that it has and may suffer as a result of actions in breach of SMIL's rights under the Articles of Association of COTCo and the Services Agreement.
15. Production drop from the time of nationalisation to May 2024 as stated by Tchad Petroleum Company SA.
16. Source: EIA.
17. Rystad estimates US$169bn of upstream asset value in Africa for Exxon, BP, Shell, Chevron, Total, Eni, Equinor and Repsol.
18. Source: World Bank.
19. Source: Human Development Report 2023/2024.
20. Source: IMF 2022.
21. Source: Our World in Data.
22. Source: IEA, World Energy Outlook.
23. Source: S&P Global Market Intelligence, S&P Global Ratings.
24. Source: IEA, Net zero by 2050.
25. Source: EIA, International Energy Outlook.