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20 December 2017

**Savannah Petroleum PLC**  
(“**Savannah**” or the “**Company**”)

**Update on Placing and Seven Energy Transaction**

Further to its announcement of 14 December 2017, Savannah is today providing an update on its proposed placing with institutional investors (the “Placing”) to fund, *inter alia*, the revised cash consideration portion of the Agreed Transaction.

**Update Regarding the Agreed Transaction**

As previously announced:

- in respect of the lock-up agreement entered into by Savannah, the Seven Group and certain of the creditors of the Seven Group (the “**Lock-up Agreement**”), as at the expiry of the lock-up fee deadline, at 5 p.m. (London time) on 12 December 2017, SEFL had received executed lock-up agreements from 90.13 per cent. of the holders of Seven’s current 10.25 per cent. Senior Secured Notes (the “**SSNs**”), by value, in support of the Agreed Transaction and the associated proposed financial restructuring of the Seven Group, as announced on 15 November 2017; and
- Seven has notified the Nigerian DPR of the Agreed Transaction and has received a “Letter of Authorisation to Proceed” with the same. The letter welcomes Savannah’s proposed investment in Nigeria, and paves the way for Seven to submit a formal application for Ministerial consent to effect the Agreed Transaction, which is expected to be made after the execution of the binding implementation agreement relating to the Agreed Transaction.

Following the significant support received from holders of the SSNs and the positive correspondence received from the DPR, further discussions have taken place with key stakeholders including certain holders of the SSNs.

As a result of this, it is now proposed that:

- Savannah intends to raise up to US\$125 million through the Placing;
- consideration of US\$42.5 million in cash (previously US\$87.5 million) and US\$109.5 million in new Ordinary Shares (previously US\$52.5 million) will now be paid to the holders of the SSNs (the “**Consideration Shares**”);
- the lender of the second bilateral facility will receive consideration of US\$3.5 million in cash (previously US\$7.3 million) and US\$9.2 million in new Ordinary Shares (the “**Second Bilateral Facility Shares**”) (previously US\$4.4 million); and
- the US\$20m new capital contribution from the SSNs will be exchanged for a new US\$26.7m Savannah share issuance (previously US\$25m).

*Unless otherwise defined, capitalised terms in this announcement have the same meaning ascribed to them in the Company’s announcement on 14 December 2017.*

**Update on the Placing**

The Company confirms that it now intends to raise up to US\$125 million through a placing with new and existing institutional investors and other investors (the “**Placees**”).

The use of proceeds for the Placing remains as previously described by Savannah, as adjusted for:

- The additional share consideration to be paid to holders of the SSNs and Seven's second bilateral facility (reducing cash requirements by cUS\$50m);
- Changes to the proposed Niger work programme, including the removal of the acquisition of 3D seismic and a reduction in the number of wells to be drilled in 2018 from five to three; and
- Working capital optimisation.

Savannah confirms that there is not expected to be any impact on its previously announced dividend plans, the expected CPR asset cash flow generation profile following completion of the Agreed Transaction or the Enlarged Group's planned H1 2018 activities.

As previously announced, it is expected that the new Ordinary Shares to be issued to the Placees pursuant to the Placing (the "**Placing Shares**") will be issued in two tranches. The Company expects to use its existing share issuance authority obtained at its annual general meeting earlier this year to issue the first tranche of the Placing Shares (the "**First Tranche**"). The issue of the second tranche of the Placing Shares (the "**Second Tranche**") will be conditional, *inter alia*, on the passing of certain resolutions at a general meeting of the Company to be convened (the "**General Meeting**") and the issue of the Consideration Shares.

It is now expected that the price per Placing Share will be 35 pence (the "**Placing Price**"), with Placees also being entitled to receiving 0.5 unlisted, non-tradeable warrants over each Placing Share subscribed for, exercisable over a 12 month period from completion of the Second Tranche at the Placing Price (the "**Warrants**"). The Warrants that are attributable to the Placing Shares to be issued as part of the First Tranche will not be granted until completion of the Second Tranche, and as such are conditional upon, amongst other things, the passing of the necessary shareholder resolutions at the Revised General Meeting. Such Warrants may therefore not be granted, notwithstanding that the First Tranche Placing Shares would have been issued.

Based on the anticipated Placing Price, Savannah's implied market capitalisation upon readmission to trading following completion of the Agreed Transaction, after the issue of the Placing Shares, the Consideration Shares and the issue of the Second Bilateral Facility Shares, would be approximately £313m.

### **Further Information on the Placing and Bookbuild**

The Bookbuild will continue today, and it is the Company's intention that its Placing Proof Admission Document, which is being updated to reflect the revised transaction structure, will be distributed to investors on or around 21 December 2017, with publication of the final AIM Admission Document expected to follow shortly thereafter. An update on timing around the Company's restoration to trading on AIM will be provided in due course.

The Placing Shares, when issued, will be fully paid and will rank *pari passu* in all respects with the existing Ordinary Shares, the Consideration Shares and the Second Bilateral Facility Shares, when issued. The timing of the closing of the Bookbuild and allocations are at the discretion of Barclays Bank PLC (the "Global Co-ordinator"), Mirabaud Securities Limited (together with the Global Co-ordinator, the "Joint Bookrunners") and Shore Capital Stockbrokers Limited (the "Lead Manager" and, together with the Joint Bookrunners, the "Managers") and the Company. The final Placing Price and details of the results of the Placing will be announced as soon as practicable after the close of the Bookbuild.

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