SAVANNAH ENERGY

Delivering *Projects that Matter*

Taskforce on Climate Related
Financial Disclosures Report 2024

Task Force on Climate-Related Financial Disclosures Report

TCFD was created by the Financial Stability Board to develop recommendations on the types of information that companies should disclose to support investors, lenders and insurance underwriters in appropriately assessing and pricing climate-related risks.

This report includes disclosures consistent with the TCFD framework and all 11 TCFD recommendations. The most recent TCFD guidance has been considered and appropriately informs the content and structure of this disclosure, which together with the statements throughout this report, meet the requirements of TCFD.

All data covers the period of 1 January to 31 December 2024, unless otherwise noted. It includes all of Savannah's wholly and partially owned entities as at 31 December 2024.

We continue to improve the quality and breadth of our TCFD disclosure.

Key sections include:

Governance

The organisation's governance around climate-related risks and opportunities.

Strategy

The actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy and financial planning.

Risk management

The processes used by the organisation to identify, assess and manage climate-related risks.

Metrics and targets

The metrics and targets used to assess and manage relevant climate-related risks and opportunities.

Governance

a) Describe the Board's oversight of climate-related risks and opportunities.

b) Describe the management's role in assessing and managing climate-related risks and opportunities.

Responsibility of the day-to-day oversight for the Company's management of climate-related risks and opportunities sits with the Chief Executive Officer. The Board has overall responsibility for the oversight of the development and implementation of the Company's wider sustainability strategy, and is supported by the HSES&R Committee.

The current composition and role of each Board Committee can be found on our website: www.savannah-energy.com.

Senior management can be called upon to provide relevant information to the Board and/or Committee as and when required.

The HSES&R Committee ensures that there is an appropriate framework of policies, procedures, systems and controls in place in relation to the health, safety, operational integrity, security and environmental risks arising from our operations. It oversees compliance with, and effectiveness of, the HSE&S and risk management frameworks and oversees the quality and integrity of any reporting to external stakeholders regarding health, safety, operational integrity, security and environmental matters. It receives operational updates on the progress and performance of the Company's sustainability strategy on a regular basis.

With respect to risks, the Committee reviews the processes and procedures for ensuring that material risks, threats and opportunities are properly identified, assessed, managed and reported, and that appropriate systems of monitoring and control are in place.

The Committee meets at least four times a year and reports to the Board after every meeting.

The Board considers climate-related risks and opportunities when making strategic decisions.

Direct oversight for the management of climate-related risks and opportunities rests with the Chief Executive Officer, who reports to the Board. He is supported in this by the relevant members of the senior management team who assess the climate-related risks and opportunities, define the sustainability strategy and direct activities to control and mitigate risks and explore opportunities. Assessing and managing climate-related risks and opportunities are part of the broader management's role and responsibilities at Savannah. Savannah has a Risk Manager who manages the corporate risk register and collates information for the management of risks from across the business. The Group is structured in such a way that risk management is conducted at all levels across the Group and this approach is embedded within all of our business practices.

Strategy

a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.

b) Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning.

c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario.

Understanding climate-related risk and opportunities is integral to our business, strategy and financial planning. The climate-related risks and opportunities are set out in the tables on pages 4 and 5. We monitor GHG emissions from operational activities and forecast the GHG emissions from potential acquisitions as part of our business development and due diligence processes. We established a Renewable Energy Division in late 2021. Post-year end in 2025, this was expanded to include thermal as well as renewable energy projects, and is now known as our Power Division.

Scenario analysis: testing the climate resilience of our portfolio

In December 2024 we carried out a scenario analysis to stress test the resilience of our portfolio under two climate change scenarios developed by the IEA and based on its Global Energy and Climate ("GEC") model. The GEC model is aligned with the Paris Agreement, an international climate change treaty adopted in 2015, with the objective of limiting global warming to below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels. The GEC model uses macro drivers, technoeconomic inputs and policies as input data to design and arrive at these scenarios. We have chosen to use the IEA scenarios as they enable standardisation in approach and comparison between companies.

In summary, the net present value ("NPV") of our portfolio remains positive in both IEA climate change scenarios, demonstrating the resilience of Savannah's portfolio in the light of climate change and its related financial risks.

At Savannah, we are focused on reducing our emissions at the asset level, enhancing the efficiency of our operations, and creating strategies to develop renewable energy solutions. Our corporate purpose reflects our dedication to providing energy in Africa that is accessible, affordable, and reliable, as we believe energy is critical to enabling and sustaining people's quality of life. Our primary focus is on participating in ***Projects that Matter*** in Africa and we remain unequivocally an "AND" company, pursuing growth opportunities in hydrocarbon AND renewable energy assets. This approach permeates our entire business and how we have built, and will continue to build, our corporate infrastructure.

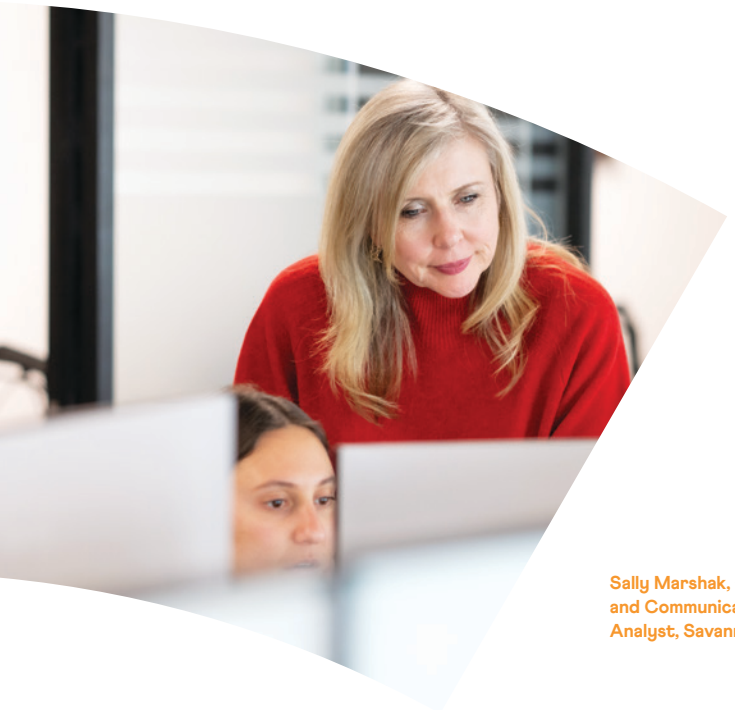
Our climate resilience assessment covers all of Savannah's hydrocarbon assets in Niger and Nigeria as at 1 January 2025.[1] with a time frame of up to the end of contract life of our assets in each country: 2041 for our assets in Nigeria and 2044 for our assets in Niger. In Nigeria, our assets include the Uquo Field, our producing gas field, the Stubb Creek oil and gas field, and Accugas, our midstream gas business. In Niger, our assets include the R1234 PSC and two large-scale wind and photovoltaic renewable energy projects which are expected in aggregate to supply up to 36% of Niger's predicted electricity demand in 2026.

In February 2023 Nigeria's National Council on Climate Change made an announcement regarding its plans to introduce a carbon tax policy in line with the country's Energy Transition Partnership, although a formal policy has yet to been established, nor is there a clear time frame for its implementation. Accordingly, for this reporting cycle, we have not factored carbon pricing into our scenario analysis. In addition, the IEA does not yet provide carbon tax prices specifically for Africa; however, it assumes carbon pricing to be relatively low for the broader emerging market region. We, therefore, estimate it would result in a negligible impact on our scenario analysis and have consequently excluded it from our analysis.

The two IEA scenarios we have applied in our analysis are as follows:

The Announced Pledges Scenario ("APS")

The APS assumes all climate commitments made by governments and industries around the world as of the end of August 2024, including commitments from specific industrial sectors and companies, are met in full and on time. This scenario still leaves an "ambition gap" between stated ambitions and actionable policies, emphasising that stronger, more concrete measures are needed to ensure that climate targets are met effectively. The APS projects a temperature rise of 1.7°C from pre-industrial levels by 2100. Global oil demand in the APS is assumed to be approximately 100 million barrels of oil per day ("MMbopd") in 2024. This is anticipated to gradually decline, reaching 93 MMbopd in 2030, with a significant drop to 55 MMbopd by 2050. Oil prices are correspondingly assumed to moderate to US$72 per barrel by 2030 and US$58 per barrel in 2050.



Sally Marshak, Group Head of Investor Relations and Communications; and Cecilia Zetti, Business Analyst, Savannah's Head Office, London

The Net Zero Emissions by 2050 Scenario ("NZE Scenario")

The NZE Scenario sets out a theoretical and highly ambitious pathway for the global energy sector to achieve net zero CO_2 emissions by 2050, limiting the mean global temperature rise to 1.5°C from pre-industrial levels, in line with the goals of the Paris Agreement. It would involve achieving universal access to electricity and clean cooking by 2030. The NZE Scenario assumes oil demand falls from approximately 100 MMbopd in 2024 to 77 MMbopd in 2030 and 24 MMbopd in 2050. Correspondingly, the decrease in demand is assumed to cause oil prices to fall to US$42 per barrel in 2030 and US$25 per barrel in 2050.

All of Savannah's gas production is currently sold exclusively in the Nigerian domestic market, the majority of which is through two long-term contracts with Calabar Generation Company Limited (for a daily contracted quantity of up to 131 MMscfpd, expiring in 2037) and Lafarge Africa PLC (for a daily contracted quantity of up to 24 MMscfpd, expiring in 2037). As we have guaranteed long-term buyers at agreed prices, in our scenario analysis we have not applied the IEA scenario prices to our gas reserves and resources, instead maintaining the contracted prices in our analysis. We have only applied the IEA scenario forecast oil prices to our oil reserves and resources. Production estimates for these assets are based on our Nigeria CPR 2024 and our Niger CPR 2021.

Savannah's portfolio resilience

We stress-tested our portfolio under the APS and NZE Scenario compared to Savannah's internal base case model by utilising the oil price assumptions in each IEA scenario and interpolating them to derive prices for each year of production associated with our 2P oil Reserves and 2C oil Resources, as per our CPRs. We used these oil prices to calculate the potential impact on Savannah's internal base case NPV, utilising a discount rate of 15%, for our assets under each scenario. Comparing Savannah's portfolio value under the two IEA climate scenarios with the Savannah's internal base case model, we found that our portfolio is resilient to the impact of both IEA climate scenarios. Under the APS, the value of our oil and gas portfolio is impacted by only a relatively limited degree due to our gas-dominated portfolio and the assumed relatively minor decline in oil prices compared to our internal base case scenario. The NZE Scenario, where oil prices are assumed to fall drastically to US$42 per barrel by 2030 and US$25 per barrel by 2050, has a greater impact on the value of our oil and gas portfolio. However, even under these extreme assumptions, whereby oil demand falls by 76% between 2024 and 2050, the value of our portfolio remains positive.

It is important to note that these forecasts are theoretical estimates of future possibilities and may not reflect possible demand and price fluctuations, portfolio changes and cost levels. In contrast we note that that the IEA's own analysis on a current trend basis estimates that global energy consumption will grow by 30% 2020A to 2050F, with oil and gas' share of the global energy mix remaining stable between 52% and 54% in this period. In absolute terms this would see oil production rising by 21% and gas production rising by 46% respectively over the period.

Given the resilience of the value of our assets under both IEA scenarios, the stability of our gas business due to long-term contracted prices, and the diversification of our business model in both hydrocarbon and power, we are confident that Savannah is well positioned to continue to thrive throughout Africa's energy transition. Despite uncertainties, the NPV 15 of Savannah's portfolio under the two IEA scenarios remains positive, reflecting its resilience to climate change impacts. Our portfolio reflects a commitment to gas development as a transition fuel in Nigeria and the critical role we play in the Nigerian power sector. In 2024, our performance against sustainability metrics remained industry leading: our carbon emissions were 73% lower than the industry average of 21.3 kg CO_2e/boe at 5.7 kg CO_2e/boe.[2] In addition, we are investing in the development and operation of utility-scale power projects across Africa, with up to 696 MW of renewable energy projects currently in motion.

Scenario analysis results

NPV15 of Savannah's portfolio

Base case	●
APS	●
NZE Scenario	●

Impact on NPV

● 0% ● 0% to -5% ● >5%

Peter Spalding, ESG Manager, Savannah's Head Office, London

Climate-related risks

Transition risk	Potential impact	Time frame	Mitigation
Access to capital for oil and gas projects becomes more restricted.	Restricted access to and/or higher costs of capital could result in a diminished ability to meet one or more of our strategic objectives.	 Short term	• Evaluate the critical role and the importance of the projects we have, and seek to pursue, for the countries in which we operate and their citizens, where poverty alleviation is a principal overriding concern. • Demonstrate that climate change is being considered alongside the other benefits of projects and conduct appropriate climate change impact assessments to mitigate risks where possible and where consistent with the reality of the underlying asset. • Maintain systems to accurately record the transparent disclosure of GHG emissions. • Continue to actively seek programmes to reduce GHG emissions, bearing in mind the realities of the underlying assets and areas of operation. • Maintain strong relationships with existing and potential lenders, shareholders and other providers of finance. • Target more diversified sources of financing. • Pursue an energy-focused corporate strategy consistent with the expected energy transition that includes both hydrocarbon and power projects. • Grow our Power Division. • Explore the potential trading of carbon credits from our proposed renewable energy projects.
Introduction of carbon taxation and other climate-related regulation such as emissions reduction requirements.	Increased operating costs and/or taxation costs.	 Short to medium term	• Maintain systems to accurately enable the transparent disclosure of GHG emissions. • Implement GHG emissions reduction initiatives, such as carbon and energy management plans, as part of our overall sustainability strategy. • Work with governments and industry groups to assess policy and political developments relating to the energy transition. • Price in carbon tax in future assets. • Explore the potential trading of carbon credits from our proposed renewable energy business.
Reduced demand for hydrocarbons as a result of the energy transition.	Potential for decreased hydrocarbon asset values.	 Medium to long term	• Continue to analyse and review the expected future global energy mix. Develop the capacity and capability to undertake energy projects consistent with that vision and provide the energy that Africa and the rest of the world needs (i.e. understand that both hydrocarbons and power generation will be needed in the future, and have the capacity to deliver both). • Grow our Power Division. • Focus on the energy solution most appropriate for the countries in which we operate. • Ensure we are the operator of choice in our host countries.
Perceived poor sustainability performance.	Reputational damage limiting stakeholders' and counterparties' willingness to do business with us, increased costs, both direct and regulatory, and potential additional challenges in retaining and attracting talent.	 Short to medium term	• Ongoing implementation of our sustainability strategy, and monitoring and reporting systems and policies.

Physical risk	Potential impact	Time frame	Mitigation
Extreme weather such as flooding, extreme heat and water stress.	Impacts of extreme weather on operations and infrastructure could include delays in receiving supplies, materials and equipment. Impacts could also affect hydrocarbon production and renewable energy projects and increase the cost of logistics and insurance.	 Short to medium term	• Insurance coverage, where appropriate and cost effective. • Contingency and emergency planning. • Incorporation of any rising operational costs in budgeting and planning.
Extreme heat days associated with climate change increase.	Personnel health and safety could be impacted by working in prolonged heat.	 Medium to long term	• Contingency and emergency planning. • Strong occupational health and safety culture. • Provisions for potential extra operational costs for the workforce.

Climate-related opportunities

Opportunity	Potential impact	Time frame	Action
Shift to natural gas as a transition fuel in the energy transition.	Increased demand for gas will provide growth and new business opportunities for Savannah to exploit our 496 Bscf of gross 2P Reserves and our further 568 Bscf of gross 2C Resources in Nigeria.	 Short to medium term	• Support the gas transition in Africa through our long-term gas contracts and utilise our existing infrastructure to bring other gas projects to market, including third-party gas and additional gas assets through acquisition.
Becoming a "responsible steward" by managing existing assets in an environmentally friendly way.	Savannah solidifies its position as an operator of choice in our focus countries and beyond.	 Short to medium term	• Implement GHG emissions reduction initiatives and ensure strong ESG management.
Develop carbon credits from our renewable energy projects.	Reduce net emissions by developing carbon credits from Savannah's large-scale renewable energy projects or monetising credits.	 Medium term	• Explore the potential to trade carbon credits from our proposed renewable energy projects.
Diversification to different energy sources.	The transition provides an opportunity to expand into other and new sources of energy.	 Medium to long term	• Grow our Power Division. • Monitor the development of new energy sources.
Potential for Carbon Capture, Utilisation and Storage ("CCUS").	CCUS could provide opportunities to capture and store carbon to allow the production of hydrocarbons in a carbon neutral way.	 Medium to long term	• Monitor developments in CCUS.
Growth of hydrogen.	Gas production and renewable energy provide opportunities to produce blue and green hydrogen, which could potentially become key parts of the future global energy mix. The recent developments in natural (white) hydrogen also offer a potential carbon-neutral energy source.	 Long term	• Monitor developments in hydrogen.

Risk management

a) Describe the organisation's processes for identifying and assessing climate-related risks.

b) Describe the organisation's processes for managing climate-related risks.

c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.

Savannah considers climate-related risks very broadly, drawing on academic research, and regards them among the many risks that impact the business. We evaluate the critical role and importance of our current projects, as well as those we seek to pursue, for the countries in which we operate and their citizens, with poverty alleviation a principal overriding concern.

Savannah's risk management framework comprises six components that combine to create an effective system of risk management and internal control. Savannah has a Risk Manager who manages the corporate risk register and collates information on risks and mitigants from across the business.

Climate change is one of the 15 principal risks identified within Savannah's risk management framework. It is through the application of the risk management framework that clear procedures for risk identification, assessment, measurement, mitigation, monitoring and reporting are aligned with the Group's strategy.

Risks are assessed on a likelihood versus impact matrix, and the Group considers both prevailing and emerging risks in the risk identification process. Every risk has a designated Risk Owner and a member of the Executive Management team has responsibility for oversight of each risk. The Risk Owner for climate change is the Chief Executive Officer who is supported by relevant members of the senior management team. Whilst the Board is ultimately responsible for the management of risk, the Group is structured in such a way that risk management is conducted at all levels across the Group and is embedded in our business practices.

The assessment of climate-related risks is based on both the qualitative and quantitative evaluation of the likelihood and impact of each particular risk arising, taking into account the Group's strategic and business objectives. We analyse the trending of principal risk factors from year to year, assigning a status of increased, stable or reduced relative to the prior year.

We monitor GHG emissions from operational activities and forecast the GHG emissions from potential acquisitions as part of our business development and due diligence processes. We invest in projects to reduce flaring to essential purge and pilot only and minimise methane emissions where possible. We explore opportunities to improve the efficiency of our operations and potential acquisitions. We track developments in climate change-related legislation in the countries in which we operate, and keep abreast of best practice regarding GHG management and reporting amongst our industry peer group.

At Savannah, risk registers that identify and assess risks, and have clear mitigation plans, are maintained at business and functional levels. These are consolidated into the corporate risk register managed by the Risk Manager. Climate-related risks are fed into business and functional risk registers and are consolidated into the corporate risk register, where climate change is one of the 15 principal risks. The assessment of climate change risks is also included as a key element of the ESIA of new projects.

After taking into account management plans and actions, these risks are assessed on two levels: the likelihood of the risk arising and the potential impact of such risk.

Arthur de Fautereau, Chief Operating Officer, Savannah's Head Office, London

Metrics and targets

a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management approach.

b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions and the related risks.

c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

As part of our sustainability strategy, we monitor and report on the following metrics:

- Scope 1 GHG emissions in metric tonnes of CO_2e;
- Scope 2 GHG emissions in metric tonnes of CO_2e;
- Scope 1 GHG emissions intensity in kg CO_2e/boe and metric tonnes of CO_2e/'000 metric tonnes of hydrocarbons; and
- Scope 1, Scope 2 and Scope 3 GHG emissions intensity in gCO_2e/MJ.

Our sustainability and climate-related metrics are disclosed in the Sustainability Review which is available on our website. A trend analysis of our key GHG metrics is provided within our Pillar 4 "Respecting the Environment" reporting. For 2024:

- Scope 1 GHG emissions: 36,101 metric tonnes of CO_2e;
- Scope 2 GHG emissions: 115.5 metric tonnes of CO_2e;
- Scope 1 GHG emissions intensity: 5.7 kg CO_2e/boe;
- Scope 1 GHG emissions intensity: 41.7 metric tonnes of CO_2e/'000 metric tonnes of hydrocarbons; and
- Scope 1, Scope 2 and Scope 3 GHG emissions intensity: 51.3 g CO_2e/MJ.

Savannah does not currently have targets relating to climate change risks, as our strategy is to pursue growth opportunities in both the hydrocarbon AND power space, which may potentially result in an increase in carbon intensity and/or total GHG emissions. However, we are committed to the responsible stewardship of our hydrocarbon assets and operations, with a strong focus on reducing the carbon intensity of our operations where possible. With respect to climate change opportunities, Savannah's Power Division currently has up to 696 MW of large-scale wind, solar and hydroelectric renewable energy projects in motion across Africa.

(L-R) Dorra Ben Slimane, Health, Safety and Environment Coordinator; and Chris Grubb, Group Head of Health, Safety and Environment, Savannah's Head Office, London

Glossary

CPR	Competent Persons Report
GHG	Greenhouse gases
HSES&R Committee	Health, Safety, Environment, Security and Risk Committee
IEA	International Energy Agency

Footnotes

1. Niger valuation starts November 2026.
2. Cabon intensity figures based on latest available published data reported by Total, ConocoPhillips and Eni who include Scope 1 and 2 emissions in their reported kg CO_2/boe carbon intensity figures. For Savannah, Scope 2 emissions are minor and in 2024 Scope 1 and 2 carbon intensity kg CO_2/boe was the same as Scope 1 carbon intensity kg CO_2/boe.

Images on front cover

1. **Savannah's Stubb Creek Early Production Facility, Nigeria**
2. **Women from the Dressa village near Savannah's Parc Eolien de la Tarka wind farm site, Niger**
3. **(L-R) Andrew Knott, Chief Executive Officer, and Joseph Pagop Noupoué, Chair of the Board Savannah's Head Office, London**