30 September, 2015

Savannah Petroleum PLC

(“Savannah” or the “Company”)

Half Year Results

Savannah Petroleum PLC (“Savannah”), with its subsidiaries (together the “Group”), today announces its unaudited interim results for the six month period ended 30 June 2015.

First Half Summary

- 36,949 sq km Full Tensor Gradiometry (“FTG”) survey over Niger’s Agadem Rift Basin (“ARB”) acquired and interpreted;
- Substantial ARB technical database gathered and analysed, including both modern and legacy 2D and 3D seismic, well logs and final reports, and geological evaluation studies;
- Initial R1/R2 geological evaluation completed resulting in identification of 14 3D seismic-backed drill-ready exploration prospects and 37 exploration leads;

Post Period Summary

- US$36m placing completed to finance the acquisition of the R3/R4 PSC and general corporate purposes;
- R3/R4 PSC signed, located within a 5,249 sq km area in close proximity to R1/R2;
- R1/R2 gross best estimate risked prospective resources upgraded to 1,191 mmbbls by CGG Robertson (from 573 mmbbls at the time of the Company’s IPO) due to the inclusion of resource potential in the deeper Yogou formation;
- Initial geological evaluation of R3/R4 completed with 29 leads identified within the PSC area;
- Preliminary engineering studies and associated economic modelling completed by Savannah (and assessed as reasonable by CGG Robertson) on a conceptual development plan for potential ARB discoveries indicating a full cycle break-even oil price of US$43/bbl;
- Update received from the Niger Ministry of Energy and Petroleum indicating a likely central case crude export cost of c.US$16/bbl;
- Environmental authorisations received which enable Savannah to acquire seismic and drill wells over R1/R2 for the remainder of its license term.

Outlook

- Seismic acquisition planning and tendering work for both the R1/R2 and R3/R4 license areas expected to be completed in Q4 2015;
- Well engineering work on high graded exploration prospects expected to be completed in Q4 2015;
- Environmental authorisations permitting ground operations on R3/R4 expected to be received by year end;
- Subject to partner introduction, operational exploration activity expected to recommence in coming months.

Andrew Knott, CEO, said:

"The year so far has seen our Company make meaningful advances both in terms of our understanding of the Agadem Rift Basin subsurface and the expansion of our acreage footprint. We have significant ongoing work streams focused around incorporating the learnings from our FTG data set into our subsurface project and examining the deeper prospectivity across our acreage. The early indications are positive and we expect to be able to update the market further in Q4. Corporately, our focus remains around the recommencement of ground operations on the R1/R2 area, which we expect to occur over the course of the coming months."

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SAVANNAH PETROLEUM PLC

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2015

	Note	6 months ended 30 June 2015 US$'000 Unaudited	Period from 3 July 2013 to 31 December 2014 US$'000 Audited
Operating expenses		(2,512)	(6,831)
Operating loss		**(2,512)**	**(6,831)**
Finance income		-	1
Finance costs		(479)	(7,862)
Loss before tax		**(2,991)**	**(14,692)**
Income tax		-	-
Net loss and total comprehensive loss		**(2,991)**	**(14,692)**
Total comprehensive loss attributable to:			
Owners of the parent		(2,886)	(14,619)
Non-controlling interests		(105)	(73)
		(2,991)	**(14,692)**
Loss per share			
Basic and diluted (US$)	4	(0.02)	(0.13)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2015

	Note	30 June 2015 US$'000 Unaudited	31 December 2014 US$'000 Audited
Assets			
Non-Current Assets			
Property, plant and equipment		780	503
Exploration and evaluation assets	3	47,633	42,539
Total non-current assets		48,413	43,042
Current Assets			
Other receivables and prepayments		794	1,475
Cash and cash equivalents		8,703	17,221
Total current assets		9,497	18,696
Total Assets		**57,910**	**61,738**
Equity and Liabilities			
Capital and reserves			
Share capital	5	224	224
Share premium	5	73,668	73,668
Capital contribution	5	458	458
Other reserve	5	(375)	(375)
Share based payment reserve	5	388	61
Accumulated deficit		(17,505)	(14,619)
Equity attributable to owners of the Group		56,858	59,417
Non-controlling interests		(178)	(73)
Total equity		56,680	59,344
Non-Current Liabilities			
Total non-current liabilities		-	-
Current Liabilities			
Trade and other payables		808	1,977
Provisions		422	417
Total current liabilities		1,230	2,394
Total Equity and Liabilities		**57,910**	**61,738**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2015

	6 months ended 30 June 2015 US$'000 Unaudited	Period from 3 July 2013 to 31 December 2014 US$'000 Audited
Cash flows from operating activities:		
Loss for the period before tax	(2,991)	(14,692)
Depreciation and amortisation	42	6
Share option charge	327	61
Finance costs	-	6,601
Issue costs	-	(3,868)
Non-cash movement in provision	5	41
Operating cash flows before movements in working capital	(2,617)	(11,851)
Decrease / (increase) in other receivables and prepayments	681	(1,475)
(Decrease) / increase in trade and other payables	(1,169)	1,977
Net cash outflow from operations	**(3,105)**	**(11,349)**
Cash flows from investing activities:		
Payments for property, plant and equipment	(319)	(509)
Exploration and evaluation costs paid	(5,094)	(42,539)
Net cash used in investing activities	**(5,413)**	**(43,048)**
Cash flows from financing activities:		
Proceeds from issues of equity shares	-	71,618
Net cash provided by financing activities	**-**	**71,618**
Net (decrease) / increase in cash and cash equivalents	**(8,518)**	**17,221**
Cash and cash equivalents at beginning of period	17,221	-
Cash and cash equivalents at end of period	**8,703**	**17,221**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2015

	Share Capital US$'000	Share Premium US$'000	Capital Contribution US$'000	Other Reserve US$'000	Share based Payment Reserve US$'000	Accumulated Deficit US$'000	Total US$'000	Non-Controlling Interest US$'000	Total US$'000
Balance at incorporation (Audited)	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Issue of ordinary shares to shareholders, net of issue costs	224	73,668	458	(375)	61	-	74,036	-	74,036
Loss for the period and total comprehensive loss	-	-	-	-	-	(14,619)	(14,619)	(73)	(14,692)
Balance at 31 December 2014 (Audited)	**224**	**73,668**	**458**	**(375)**	**61**	**(14,619)**	**59,417**	**(73)**	**59,344**
Equity settled share based payments	-	-	-	-	327	-	327	-	327
Loss for the period and total comprehensive loss	-	-	-	-	-	(2,886)	(2,886)	(105)	(2,991)
Balance at 30 June 2015 (Unaudited)	**224**	**73,668**	**458**	**(375)**	**388**	**(17,505)**	**56,858**	**(178)**	**56,680**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. General information

Savannah was incorporated in the United Kingdom on 3 July 2014. Savannah's principal activity is the management of its investment in Savannah Petroleum 1 Limited ("SP1"). SP1 was incorporated in Scotland on 3 July 2013. SP1's principal activity is the management of its investment in Savannah Petroleum 2 Limited ("SP2"), and the provision of services to other companies within the Group. SP2 has a 95% interest in Savannah Petroleum Niger R1/R2 S.A. ("Savannah Niger") whose principal activity is the exploration of hydrocarbons in the Republic of Niger.

2. Accounting policies

Basis of Preparation

The condensed consolidated financial statements have been prepared using the same accounting policies that applied to the Group's latest annual audited financial statements. The provisions of IAS 34 'Interim Financial Reporting' have not been applied.

The condensed consolidated financial statements do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2014 Annual Report. The financial information for the six months ended 30 June 2015 does not constitute statutory accounts within the meaning of Section 434(3) of the Companies Act 2006 and is unaudited.

The annual financial statements of Savannah Petroleum PLC are prepared in accordance with IFRSs as adopted by the European Union. The Independent Auditors' Report on that Annual Report and financial statements for 2014 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

The Group's statutory financial statements for the period ended 31 December 2014 have been filed with the Registrar of Companies.

All amounts have been prepared in US dollars, this being the Group's functional currency and its presentational currency.

Going concern

The Group closely monitors and manages its capital position and liquidity risk to ensure that it has sufficient funds to meet forecast cash requirements and satisfy the planned capital programme.

The majority of the Group's liabilities are trade and other payables. The Group has sufficient funds to meet its obligations in the short to medium term. The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they adopt the going concern basis in preparing the condensed interim financial statements.

In July 2015 the Company raised US$36 million (gross) from issuing new ordinary shares. The use of proceeds of this placing was to fund the acquisition and associated PSC commitments of the R3R4 PSC as well as for ongoing corporate purposes.

Accounting policies (continued)

Intangible exploration and evaluation assets

Intangible assets relate to Exploration, evaluation and development expenditure and are accounted for under the 'successful efforts' method of accounting per IFRS 6 'Exploration for an Evaluation of Mineral Resources'. The successful efforts method means that only costs which relate directly to the discovery and development of specific oil and gas reserves are capitalised. Exploration and evaluation costs are valued at cost less accumulated impairment losses and capitalised within intangible assets. Development expenditure on producing assets is accounted for in accordance with IAS 16, 'Property, plant and equipment'. Costs incurred prior to obtaining legal rights to explore are expensed immediately to the income statement.

Segmental analysis

In the opinion of the directors, the Group is primarily organised into a single operating segment. This is consistent with the Group's internal reporting to the chief operating decision maker. Separate segmental disclosures have therefore not been included.

3. Exploration and evaluation assets

Exploration and Evaluation assets consist of acquisition costs relating to the acquisition of exploration licenses and other costs associated directly with the discovery and development of specific oil and gas reserves in the R1/R2 license area.

	30 June 2015 Unaudited	***31 December 2014 Audited***
	US$'000	***US$'000***
Exploration and evaluation assets	47,633	42,539

The amounts for Exploration and Evaluation assets represent active exploration projects. These will ultimately be written off to the statement of comprehensive income as exploration costs if commercial reserves are not established, but are carried forward in the statement of financial position whilst the determination process is ongoing. There are no indications of impairment having regard to the indicators in IFRS 6.

Exploration and evaluation costs of US$5,094,000 incurred in the period to 30 June 2015 relate to FTG ("Full Tensor Gradiometry") survey and other costs in relation to the R1/R2 licence.

4. Loss per share

Basic loss per share amounts are calculated by dividing the loss for the period attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period.

Diluted loss per share amounts are calculated by dividing the loss for the periods attributable to ordinary holders by the weighted average number of ordinary shares outstanding during the period, plus the weighted average number of shares that would be issued on the conversion of dilutive potential ordinary shares into ordinary shares. The effect of share options is anti-dilutive, and is therefore excluded from the calculation of diluted loss per share.

Details of share capital movements are given in note 5.

	30 June 2015 Unaudited	**31 December 2014 Audited**
	US$'000	***US$'000***
Net loss attributable to owners of the parent	2,886	14,619
	Number of shares	**Number of shares**
Basic and diluted weighted average number of shares	131,337,172	113,056,632
	US$	**US$**
Basic and diluted loss per share	0.02	0.13

In July 2015 the Company issued 61,690,057 new ordinary shares as part of an equity fund raising to the value of US$36 million (gross).

5. Share capital

	30 June 2015 Unaudited	31 December 2014 Audited
Fully paid ordinary Shares in issue (number)	131,337,172	131,337,172
Par value per share in GBP	0.001	0.001

	Number of Shares	Share Capital	Share Premium	Total
		US$'000	*US$'000*	*US$'000*
At Incorporation (Unaudited)	10	-	-	-
Shares issued	131,337,162	224	73,668	73,892
At 31 December 2014 (Audited) and 30 June 2015 (Unaudited)	131,337,172	224	73,668	73,892

On 3 July 2014, 10 ordinary shares of £0.01 were issued.

On 22 July 2014, 49,999,991 ordinary shares of £0.001 were issued.

On 1 August 2014, 25,497,236 ordinary shares of £0.001 were issued as part of a debt to equity conversion.

On 1 August 2014, 55,839,935 ordinary shares of £0.001 were issued as part of the AIM listing.

The total aggregate increase in the share premium reserve regarding the share issues was US$73,668,000 after deducting US$3,770,000 in expenses.

In July 2015, 61,690,057 ordinary shares of £0.001 were issued as part of an equity fund raising.

UNAUDITED NOTES FORMING PART OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Share capital (continued)

Other capital reserves

	Capital contribution	Other reserve	Share based payment reserve	Total
	US$'000	***US$'000***	***US$'000***	***US$'000***
At Incorporation (Audited)	-	-	-	-
Loan note conversion	458	-	-	458
Group structuring	-	(375)	-	(375)
Share based payments expense during the year	-	-	61	61
At 31 December 2014 (Audited)	458	(375)	61	144
Share based payments expense during the period	-	-	327	327
At 30 June 2015 (Unaudited)	458	(375)	388	471

Nature and purpose of reserves

Capital contribution reserve

On 1 August 2014 a capital contribution of US$458,000 was made by shareholders of the Group as part of the loan note conversion.

Other reserve

The other reserve relates to stamp tax that may become payable in relation to the issuing of equity as part of a share for share exchange.

Share based payment reserve

The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

6. Capital commitments

At the reporting date the Group has no outstanding capital commitments with respect to the R1/R2 licence as at 30 June 2015. At 31 December 2014, the Group had commitments of US$3,196,000, of which US$2,843,000 related to the FTG survey and site construction contracts with respect to the R1/R2 licence.

7. Related parties

The related party transactions for the interim and prior period are as follows:

	Outstanding US$'000	Management services US$'000
Lothian Oil & Gas Partners LLP:		
At 31 December 2014 (Audited)	-	692
At 30 June 2015 (Unaudited)	31	182

Andrew Knott is a member of Lothian Oil & Gas Partners LLP ("LOGP") and the Chief Executive Officer of Savannah Petroleum PLC. As discussed on Page 57 of the Company's AIM Admission Document of 1 August 2014, LOGP incurred costs of US$2,002,000 relating to the Group's activities prior to Admission to AIM. US$500,000 of these costs was recharged to the Company on Admission. In addition, post-Admission, LOGP has continued to provide services to Savannah pursuant to a contract entered into on 28 July 2014, to enable Savannah to continue to benefit from the professional services of individuals affiliated to LOGP on an as required basis. Since the Company entered into this agreement with LOGP, Andrew Knott has not received remuneration from LOGP and is not expected to going forward.

8. Subsequent events

In July 2015 the Company raised US$36 million (gross) from issuing 61,690,057 new ordinary shares.

On 31 July 2015 the Company entered into a PSC ("Production Sharing Contract") with the Government of Niger in respect of the R3/R4 licence area.

INDEPENDENT REVIEW REPORT TO SAVANNAH PETROLEUM PLC

Introduction

We have been engaged by the company to review the financial information in the half-yearly financial report for the six months ended 30 June 2015 which comprises the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Statement of Financial Position, the Condensed Consolidated Statement of Cash Flows and the Condensed Consolidated Statement of Changes in Equity. We have read the other information contained in the half yearly financial report which comprises only the Notes to the Condensed Consolidated Interim Financial Statements and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in ISRE (UK and Ireland) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity'. Our review work has been undertaken so that we might state to the company those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusion we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The AIM rules of the London Stock Exchange require that the accounting policies and presentation applied to the financial information in the half-yearly financial report are consistent with those which will be adopted in the annual accounts having regard to the accounting standards applicable for such accounts.

As disclosed in Note 2 the annual financial statements of the Savannah Petroleum PLC are prepared in accordance with IFRSs as adopted by the European Union. The financial information in the half-yearly financial report has been prepared in accordance with the basis of preparation in Note 2.

Our responsibility

Our responsibility is to express to the Company a conclusion on the financial information in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial information in the half-yearly financial report for the six months ended 30 June 2015 is not prepared, in all material respects, in accordance with the basis of accounting described in Note 2.

GRANT THORNTON UK LLP
AUDITOR

London

29 September 2015