



1 August, 2014

**Savannah Petroleum PLC**  
("Savannah" or "The Company")

**First Day of Dealings on AIM**

Savannah Petroleum, the Niger focused oil and gas company, is pleased to announce its admission to trading on AIM at 08:00 UK time today. Dealings in the company's ordinary shares will commence under the ticker AIM: SAVP.

**Summary**

- The Placing, comprising the issue of 52.3 million new Ordinary Shares, has raised c. £29.3 million (approximately US\$50.0 million) for the Company at 56p per share ("the Placing Price").
- The number of ordinary shares in issue immediately after admission will be 131,337,172 giving the Company a Market Capitalisation of £73.5 million at the Placing Price
- New monies will principally be used to allow the Company to undertake its planned exploration programme, which includes the acquisition of full tensor gravity and significant seismic surveys over the R1/R2 PSC Area
- Mirabaud Securities LLP acted as Global Co-ordinator and Joint Bookrunner, Renaissance Capital Limited acted as Joint Bookrunner, FirstEnergy Capital LLP acted as Joint Lead Manager and Ladenburg Thalmann & Co. Inc. acted as U.S. Placing Agent to the Placing and Strand Hanson Limited acted as Financial and Nominated Adviser in connection with the Placing and Admission.
- Savannah Petroleum's trading symbol is SAVP and the Company's ISIN code is GB00BP41S218

The Company's admission document can be found at [http://www.savannah-petroleum.com/downloads/AIM\\_Admission\\_Document.pdf](http://www.savannah-petroleum.com/downloads/AIM_Admission_Document.pdf)

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## **Notes to Editors**

Savannah Petroleum is a UK oil and gas company focused on the exploration, appraisal and anticipated eventual development of the R1/R2 Production Sharing Contract in Niger. Savannah intends to systematically execute its long-term business plan to maximise the value of the R1/R2 PSC for its stakeholders. This will initially encompass a geological survey phase, with exploration drilling activity expected to commence in 2015. Savannah's experienced Board and Management team, including Chairman Steve Jenkins and Director David Jamison, have many years' experience in establishing, growing and ultimately monetizing exploration and production companies.

## **Background**

Savannah is a public limited company. It was incorporated in the UK on 3 July 2014 and is the holding company of the Group which was originally formed in July 2013 and which operates from offices in London, UK, and Niamey, Niger. The Company's current principal business is the exploration, appraisal and eventual development and production of conventional oil deposits located in the R1/R2 PSC Area.

The R1/R2 PSC Area represents a significant oil and gas exploration licence in Niger. On 3 July 2014, the Company's 95 per cent. owned Niger subsidiary, Savannah Niger R1/R2 S.A. entered into a Savannah PSC with the State of Niger to acquire a 100% working interest in the R1/R2 PSC Area for which it is required to pay a signature bonus.

The Blocks were formerly part of the original permit in the Agadem Area of South East Niger operated by CNPC, 50 per cent. of which CNPC mandatorily relinquished in June 2013 in accordance with the terms of the CNPC PSC.

## **The Board**

The board and the Company's senior management have significant experience in establishing, growing, financing and subsequently monetising early stage oil & gas companies.

Following Admission, Savannah is chaired by Steve Jenkins. Steve is widely recognised as one of the most capable oil and gas executives in the UK, having delivered for his investors as CEO of Nautical Petroleum a £414 million sale to Cairn Energy in Q3 2012. Prior to Nautical Petroleum, Steve held a variety of roles in Nimar Petroleum, a private Saudi Arabian company with extensive global exploration and production interests. Steve is a geologist by profession and is currently Chairman of the Oil and Gas Independents Association, Circle Oil plc, Franklin Petroleum Ltd and Terrain Energy Ltd.

The Company's executive management is headed by its Chief Executive Officer and principal founder, Andrew Knott. Andrew has held leading roles in the European oil and gas sector for the last decade and has extensive energy and investment experience across emerging markets. Andrew was previously Head of Global Energy Investments for GLG Partners / MAN Group which, at December 2012, was the largest listed hedge fund in the world by assets. Prior to GLG Partners, Andrew held various roles at Merrill Lynch and Dresdner Kleinwort Wasserstein.

On Admission, the other non-executive Board members will be David Jamison and Mark Iannotti. David was a founding partner and first managing director of (the modern day) Vitol, one of the largest private oil and gas companies in the world. Mark has enjoyed a 20 year career in equity capital markets, largely focused around the oil and gas sector. Until July 2013, Mark was a member of Bank of America Merrill Lynch's EMEA Executive Committee.

## **R1 / R2 PSC Area**



The key observations and conclusions of the assessment of the R1/R2 PSC area made by CGG Robertson are as follows:

- An active petroleum system has been demonstrated in the Agadem Basin, with all elements (source rock, maturity and migration, reservoir rocks and trapping structures) present within the Eocene section
- 2P reserves of over 800mmbbls have been identified by CNPC in the more heavily faulted flanks of the basin, in up to 82 separate discoveries in Eocene reservoir sands. The R1 licence block, in the northwest part of the basin, is expected to be geologically very similar.
- The R2 licence block is more axial within the Agadem Basin, and appears to be less faulted in the Eocene section, although some broad structures can be seen. The Eocene petroleum system is expected to be fully operative in the area and, although there may be fewer accumulations in this block, they could be much larger than in R1
- Additional potential exists in the Palaeocene and Cretaceous sections of the basin and may be particularly important on the R2 licence block
- "Best Estimate" gross resource potential on a risked basis for the R1 block is estimated to be 316mmbbls, with 300mmbbls net to the Company
- The corresponding estimate for the R2 Block is 275mmbbls, with 245mmbbls net to the Company

CGG Robertson has applied the Petroleum Resource Management System (SPE 2007) as the Standard in its evaluation and has designated these Risked resource volumes as the Prospective Resource potential for the two licence blocks.

### **Niger/Agadem Overview**

Niger is a landlocked country located in West Africa. It has a population over 17 million people and substantial mineral resource, yet remains one of the most underdeveloped countries in the world with an average GDP per capita of US\$395. Niger is a constitutional democracy with a fast growing economy and western-facing government. GDP is forecast to grow by the World Bank by 6.2% in 2014 and 6% in 2015.

Exploration activities in the Agadem region of Niger have been ongoing since the 1970s. Between 1974 and 2004, five discoveries were made from a total of 25 exploration wells, all of which were drilled based on 2D seismic backed geological models. Companies active at that time included Elf, Texaco, Conoco, Esso and Petronas.

In 2008, CNPC acquired the exploration rights to the Agadem production sharing contract through paying a US\$300m signature bonus to acquire the five existing discoveries and the exploration rights to the area for eight years. Over the period 2008-2013, CNPC made an additional 77 discoveries and established an 832mmbbl reserve base for the permit (having adopted a primary 3D seismic driven exploration model). In doing so, CNPC clearly demonstrated the pro-business environment of Niger, given the magnitude of the work programme pursued in a relatively short period of time. First production from the CNPC PSC licence area (and the country) was achieved in 2011. CNPC completed the sale of 20% of the licence to CPC Corporation (the Taiwanese national oil company) in early 2013. CNPC's official target date for commencing exports is 2016.

### **Reasons for Admission and use of proceeds**



To provide:

- the Company with the required capital to enable it to initiate its planned exploration programme in the R1/R2 PSC Area;
- Savannah with the required capital to repay any outstanding debts;
- the required capital to establish an office and operations in Niger;
- access to a wider range of potential investors and broaden the investor base;
- a flexible financial structure for further development, both organically and via potential acquisitions or join ventures;
- a high level of transparency and corporate governance;
- a higher profile for the Company and assist in recruiting, retaining and incentivising skilled employees;
- an enhanced reputation and financial standing with key partners and suppliers and with potential vendors of additional assets