



# 6M 2022 RESULTS

28 July 2022

reliable energy,  
limitless potential



# IMPORTANT NOTICE

Disclaimer



## FORWARD-LOOKING STATEMENTS

This presentation may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Company's control and all of which are based on the Company's current beliefs and expectations about future events. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's business, results of operations, financial position, liquidity, prospects, growth, strategies and the oil and gas business. Forward-looking statements speak only as of the date they are made and cannot be relied upon as a guide to future performance. The Company undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required. No part of these results constitutes, or shall be taken to constitute, an invitation or inducement to invest in the Company and must not be relied upon in any way in connection with any investment decision.

# INTRODUCTION

ROGER BROWN

CHIEF EXECUTIVE



reliable energy, limitless potential

# CORPORATE HIGHLIGHTS

Strong half buoyed by higher oil price



## 6M 2022 achievements

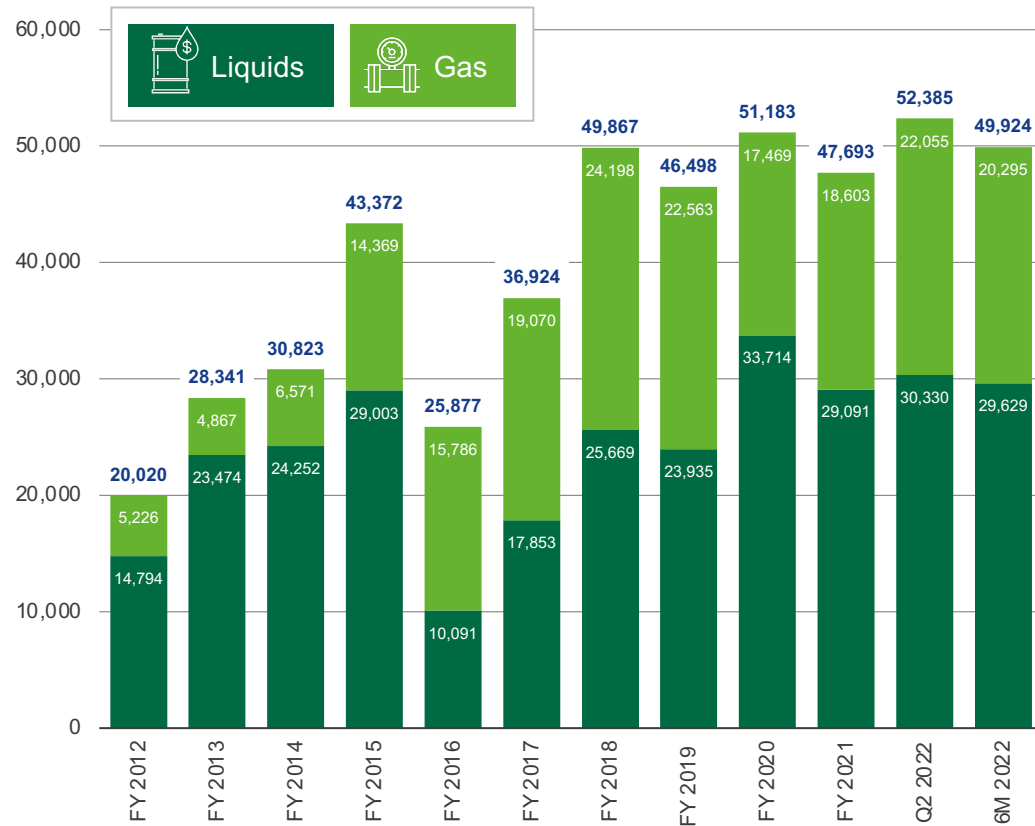
- Strong safety record extended to 28.4 million man-hours with no LTI on Seplat Energy operated assets
- Produced volumes of 49,924 boepd (Liquids: 29,629 bopd, Gas: 20,295 boepd, excludes Ubima)
- Revenues up 71% to \$527.0 million on higher oil price
- EBITDA up 92% to \$342.7 million (adjusted for non-cash items)
- Cash generation of \$330 million, net CFFO of \$284 million
- Sibiri exploration well drilled and successful, working with partner to secure regulatory approval for Extended Well Test
- AEP mechanically complete, commercial agreements signed, continuous injection begins in August and we expect Chevron to be lifting this quarter
- Strategic decision to divest Ubima for \$55 million to focus on other parts of the business that generate higher returns
- Agreement with Naphta for 95% equity farm-in in to the Abiala Marginal Field carved out of OML 40
- Basil Omiyi appointed Independent Non-Executive Chairman
- Three new Non-Executive Directors joined Board in May
- Enhanced leadership team with new COO Sam Ezugworie
- Transformational proposed MPNU acquisition announced in February 2022 will almost triple production, boost reserves and diversify production and export routes
  - Seplat Energy reiterates that the SPA to acquire MPNU, remains valid
  - We remain confident that the proposed acquisition will be brought to a successful conclusion in accordance with the law
- 'Tree for Life' decarbonisation initiative launched in May
  - Commitment to plant five million trees in five years across five states in Nigeria

# OPERATIONAL PERFORMANCE

Production affected by outage at Forcados Oil Terminal



## GROUP PRODUCTION 2012 - 6M 2022



## 2022 OPENING RESERVES AND 6M 2022 PRODUCTION BY ASSET

Block	Share	Partner	W.I. 2P reserves *			W.I. production 6M 2022		
			Oil MMbbl	Gas MMboe	Total MMboe	Oil bopd	Gas MMscfd	Total boepd
OML 4, 38, 41	45%	NPDC	143.7	112.2	255.9	17,386	117.7	37,681
OML 40 **	45%	NPDC Starcrest	24.9	-	24.9	8,688	-	8,688
OML 53	40%	NAPIMS	39.2	113.9	153.1	2,139	-	2,139
OML 55	Revenue interest	AMT	3.9	-	3.9	-	-	-
OPL 283	40%	Pillar Oil	5.4	11.7	17.1	1,416	-	1,416
<b>TOTAL</b>			<b>217.1</b>	<b>237.8</b>	<b>454.9</b>	<b>29,629</b>	<b>117.7</b>	<b>49,924</b>

\* Reserve volumes stated at 1/1/22 are based on independent estimates from Ryder Scott

\*\* Reverts to 20.25% after Westport shareholder loan is fully repaid

Following the decision to exit from the Ubima asset in April 2022, reserves and production volumes from the marginal field has not been reported

# OIL BUSINESS

Average working interest liquids production increased in Q2 2022

## PRODUCTION

- Average working interest oil production up 1.3% to 29,629 bopd (6M 2021: 29,263 bopd) excludes Ubima
  - OML 40 increases working interest to 8,688 bopd (6M 2021: 5,211 bopd)
  - Higher production in Q2, up 4.3% to 30,338 bopd from Q1 due to improvement in overall uptime
- Total downtime of 23%, TFS downtime of 16%
  - Scheduled and unscheduled maintenance shut downs
  - Terminal loading restrictions, leaks and integrity issues on TFS
  - Increased losses in the Eastern assets (11% of total production)
  - production from Jisike field has been shut-in since late February due to unavailability of export route to Brass Terminal
  - mitigating loss by selling 2,000 bopd to the Waltersmith Refinery
- Group reconciliation losses of 12.2%



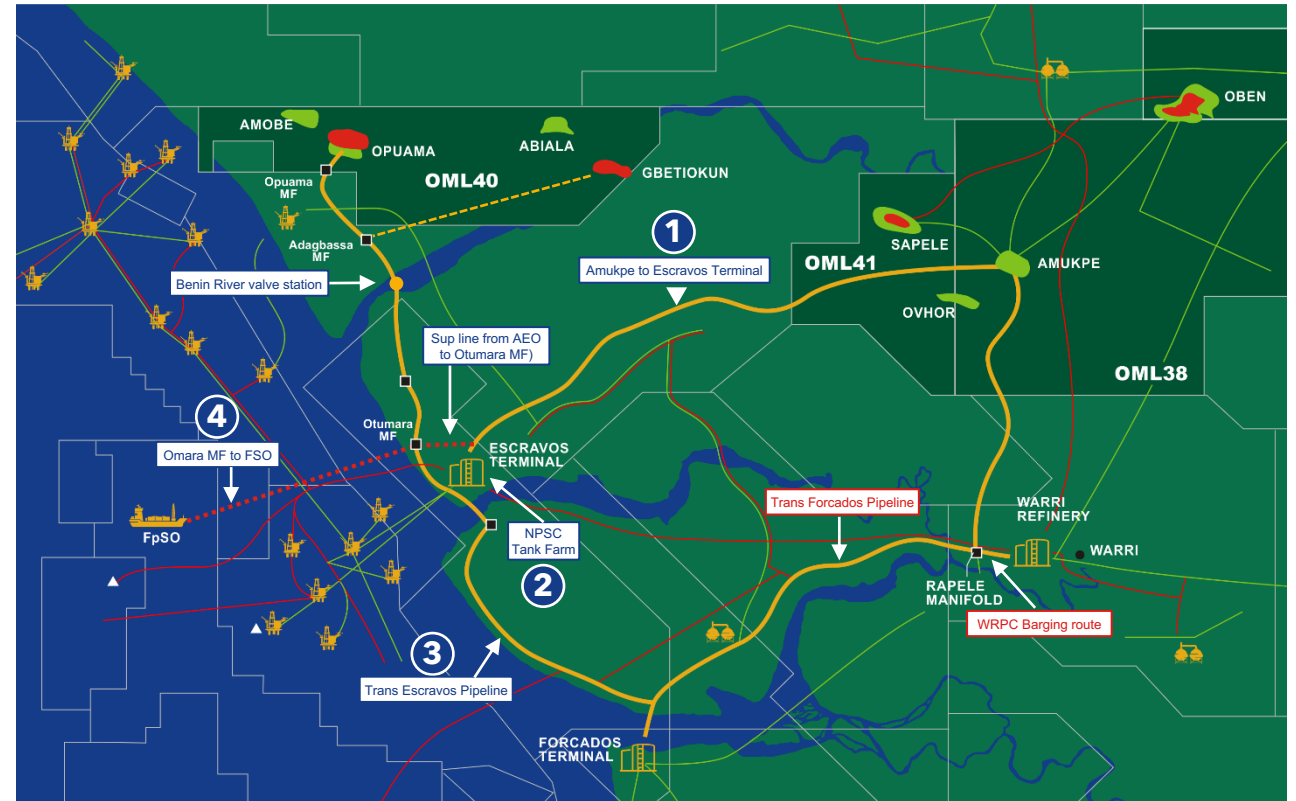
## DRILLING

- Minimum of 10 wells planned for 2022
  - Completed Amukpe-05, Opuama-12
  - Concluded the Sibiri exploration well
- Three wells spudded in Q2
  - Owu-02 (appraisal well)
  - Opuama-13 and Oben-52
  - Drilling progressing according to plan
- Sibiri exploration well drilled to TD in February
  - Initial indications - eight oil-bearing reservoirs encountered
  - 353ft gross hydrocarbon pay, 229ft net pay
  - Awaiting approval for extended well test for further data analysis
- Rigs acquired moved to Seplat well locations
  - Rig inspection vendors have been selected to carry out the Rig Inspection and Certification work
  - The Company expects all the rigs commissioned by Q4 2023

# AEP LAUNCH WILL BOOST EXPORTS

More secure and reliable route to market from major assets

- Pipeline is mechanically complete, commercial contracts signed, continuous injection of liquids begins in August
- We expect Chevron to be lifting our oil this quarter,
- Offers more secure and reliable route, significantly reducing downtime and losses
- AEP opens up three possible new export routes we can develop, detailed opposite
- Would enable combination of liquids from OML 40 with those of OML 4, 38, 41



### Options available from AEP

1. AEP to Escravos Terminal
2. AEP to NPSC Tank System
3. AEP to FOT (via the Otumara manifold & TEP)
4. AEP to FSO (via the Otumara manifold)

### Advantages

- Reduces losses and deferrals vs TFP
- Reduces tariff by not exporting through Chevron
- Reduces losses and deferrals vs TFP
- Reduces losses and deferrals vs TFP

# GAS BUSINESS

Focus on gas well development and completion of ANOH



## OPERATIONAL

- Average working interest production of 117.7 MMscfd (6M 2021: 120 MMscfd)
  - Impacted by lower offtake related to price negotiations, well testing campaign, technical issues and outages of key oil pipelines
  - Q2 production up 19.1% to 127.9 MMscfd
- Executed short term gas sales agreements (GSAs) with three new customers
  - Two customers have commenced offtake at a combined rate of 66 MMscfd
  - The third customer will commence offtake of 20 MMscfd in Q4 when conditions precedent to commence are expected to have been satisfied
- Average selling price of \$2.76/Mscf (6M 2021: \$2.86/Mscf)
  - Reduction in DGDO pricing implemented from August 2021 from \$2.50/Mscf to \$2.18; impact on 30% of volumes
- Flare reduction initiatives primarily through the installation of additional gas compressors ongoing
  - Daily flares at Oben and Amukpe were reduced by 8.2% and 23.5%, respectively in June

## ANOH GAS PLANT, OML 53

- All equipment fabricated for the project now in Nigeria with over 90% delivered to the project site
- All static process equipment foundations and most rotating equipment foundations completed.
  - Overall completion for foundations at circa 90%
- Installation phase underway.
- Overall project completion at circa 87%.
- Mechanical completion expected in H2 2022
- Delays to essential third-party infrastructure
  - Resolution expected to OB3 pipeline drilling issues at small section of river crossing
  - Spur line expected complete Q1 2023 after delayed pipe delivery
  - Shell's contractor has returned to site to complete gas wells
  - First gas still expected H1 2023



# ESG DEVELOPMENTS

Focus on safety and environmental protection underpins operations

## Health

- Effectively managed COVID-19 pandemic without disruption to business continuity and resumed 100% in Lagos and base offices
- 3,389 COVID-19 tests conducted with positivity rate rising from 1.07% - 2.45% due to the global spike in Q2
- Over 75% of employees vaccinated, discontinued mandatory testing for Lagos office and commenced use lateral test kits in field operations
- Continued vital sign checks, health monitoring and health awareness sessions in field locations

## Safety

- Achieved over 3 years operation without LTI on Seplat Energy operated assets
  - H1 LTI free days of 2,495; 4,233,805 man-hours & over 28m cumulative LTI free hours
  - LTIF = 0.00
- Simplifying & operationalizing core HSE work processes, incident management, contractor management
- Conducted evaluation of Crisis Management Process and Business Continuity Plan for operational areas



## Environment

- Continued environmental compliance monitoring to ensure environmentally safe operations and compliance with all regulatory requirements
- Held GHG framing workshop, GHG data champion engagement, Climate Change Policy discussion
- Alignment workshop on GHG emission data/quantification and 2022 reduction targets.

## Focus for H2

- Implementation of the sustainable development plan agenda including biodiversity action plan
- Rollout of HSE framework road map, and risk-based HSE improvement program
- Operationalize GHG accounting system
- Conduct environmental studies in support of operational and regulatory requirements

# FINANCIAL REVIEW

EMEKA ONWUKA  
CHIEF FINANCIAL OFFICER



reliable energy, limitless potential

# FINANCIAL HIGHLIGHTS

Six months to 30 June 2022



TOTAL REVENUES

70.7%



**\$527.0 million**

\$569.7m adjusted for \$42.7m underlift

6M 2021: \$308.8 million

REALISED PRICE

65.9%



**\$107.35 / bbl.**

Oil price recovered strongly

6M 2021: \$64.69/bbl.

UNIT OPERATING COSTS

16.5%



**\$8.1 / boe**

Lower maintenance costs

6M 2021: \$9.7 / boe

ADJUSTED EBITDA

91.6%



**\$342.7 million**

6M 2021: \$178.9 million

PRE-TAX PROFIT

238%



**\$209.9 million**

6M 2021: \$62.1 million

DIVIDEND

=



**\$0.025 per share**

6M 2021: \$0.025 per share

CASH AT BANK

7.9%



**\$350 million**

FY 2021: \$324.5 million

NET DEBT

1.9%



**\$418.6 million**

FY 2021: \$442.1 million

CAPITAL INVESTMENT

24%



**\$70.7 million**

6M 2021: \$57.2 million

# 6M 2022 FINANCIAL RESULTS

Strong increase in revenues and cash flow

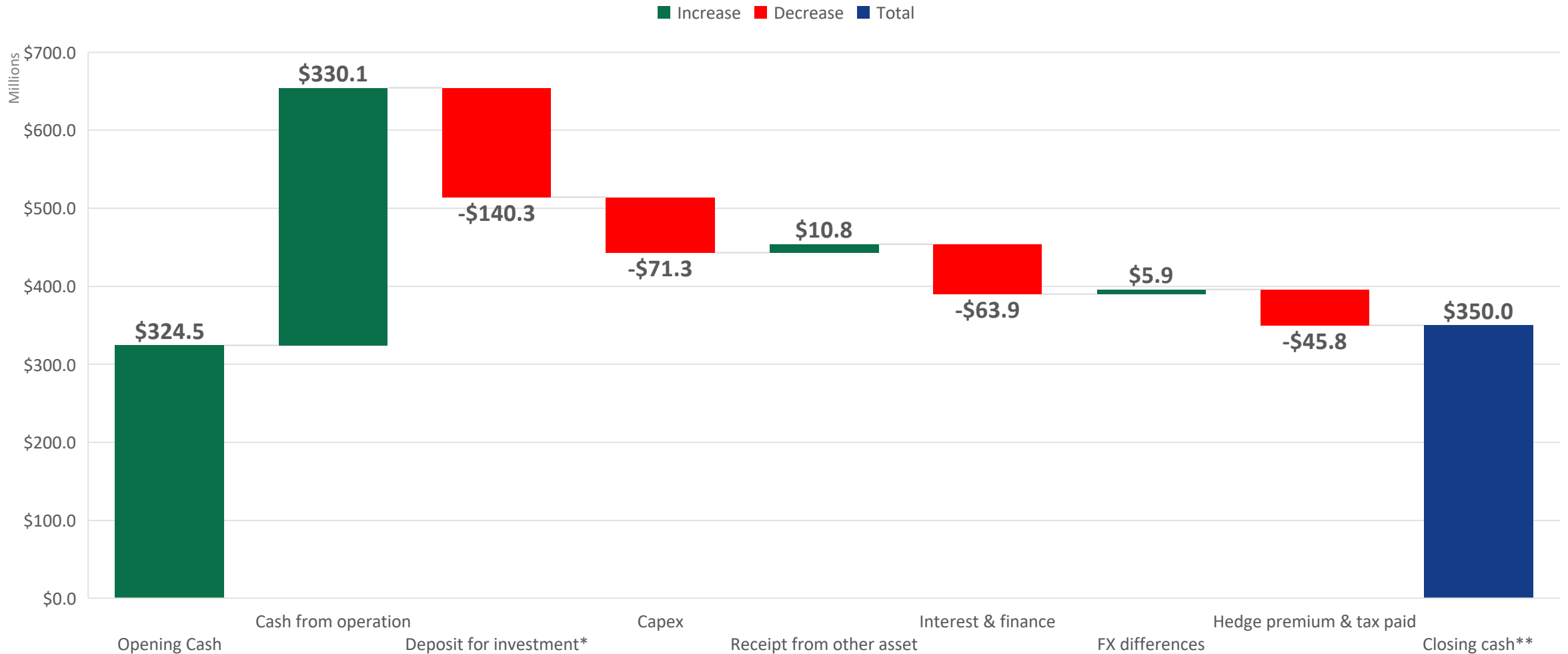


\$ million	6M 2022	6M 2021	Change
Oil revenue	469.2	244.8	91.7%
Gas revenue	57.8	64.0	(9.7%)
<b>Total revenue</b>	<b>527.0</b>	<b>308.8</b>	<b>70.7%</b>
Cost of sales	(252.7)	(219.9)	14.9%
<b>Gross profit</b>	<b>274.3</b>	<b>88.9</b>	<b>208.5%</b>
G&A	(46.4)	(36.5)	27.1%
Underlift/(overlift)	42.7	59.9	(28.7)%
Other	25.3	2.9	772.4%
<b>Operating profit</b>	<b>245.3</b>	<b>109.4</b>	<b>124.2%</b>
Net finance costs	(35.5)	(47.5)	25.3%
<b>Profit before tax</b>	<b>209.9</b>	<b>62.1</b>	<b>238.0%</b>
Tax credit / (expense)	(126.6)	(25.9)	388.8%
<b>(Loss)/Profit for the period</b>	<b>83.3</b>	<b>36.2</b>	<b>130.1%</b>
Capital investment	70.7	57.2	23.6%
Cash flow from operations	330.1	125.6	162.8%
Major JV receivables (vs FY2021)	55.5	83.9	33.8%

- Oil revenues up on higher realised price of \$107.35/bbl. (6M 2021: \$64.69/bbl.)
- Adjusted for underlift of 463 kbbls, total revenues were \$569.7m
- Gas revenues down 9.5% on lower volumes and realised price, \$2.76/Mscf (6M 2021: \$2.86/Mscf)
- Lower production opex of \$8.1/boe (6M 2021: \$9.7/boe) achieved
- Tax charge includes deferred tax liability of \$90m and current tax charge of \$36m
- Capex includes drilling, engineering and gas projects
- Focus on partner relationships ensures major JV receivable continues downward trend

# STRONG CASH GENERATION

Cash position improved in H1 2022 even after deposits for investments



\* Considerations to acquire the entire share capital of Mobil Producing Nigeria Unlimited (\$128.3m) & Abiala farm-in (\$12m)

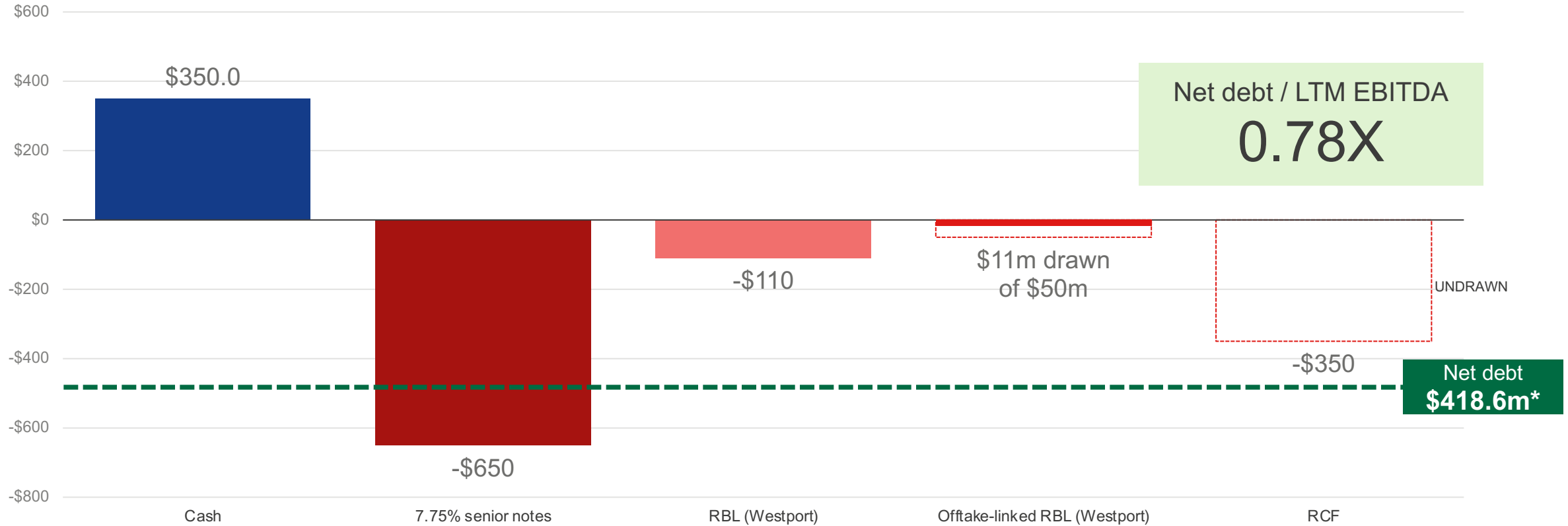
\*\* Excludes restricted cash

# ROBUST LIQUIDITY POSITION

More than \$700m liquidity available



Liquidity  
(\$m)

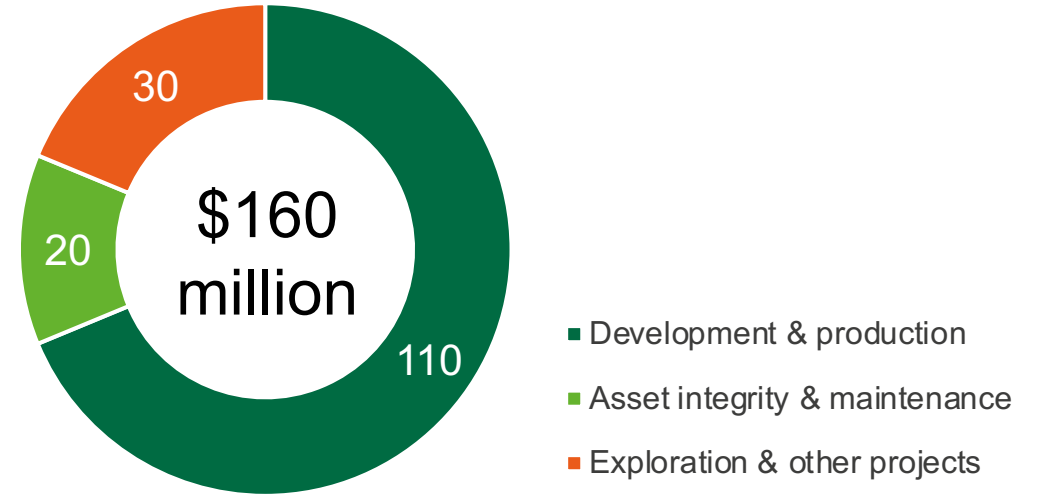


\*Adjusted with capitalised interest

# OUTLOOK FOR 2022

- Transformational impact of MPNU
  - Significantly increases production and reserves
  - Diversifies business from onshore to more secure offshore production with dedicated export routes
- Production guidance of 50 – 54 kboepd for 2022\*
  - Liquids: 30 – 33 kbopd
  - Gas: 116 – 122 MMscfd (20-21 kboepd)
  - Improved production uptime expected with AEP launch
- ANOH plant mechanical completion expected H2 2022
- Other major developments
  - Conduct Sibiri EWT, as well as appraisal drilling activities and full field development
  - Commence Abiala development with a focus on low-cost, early monetisation opportunities
- 3.5 MMbbls hedged through Q4 2022 at an average premium of \$1.32/bbl. as follows:
  - Q3: 1.0 MMbbls at a strike price of \$55/bbl. and 1.0 MMbbls at \$60/bbl.
  - Q4: 1.5 MMbbls at a strike price of \$65/bbl.

## Capital expenditure planned in 2022



### Priorities

- 40% reduction in gas flaring through installation of gas compressors by end of 2022 (compared to start-of-year baseline)
- Drill minimum 10 wells in 2022 to sustain production and arrest decline
- Embedding ESG focus in all assets
- Production and export security remains a top priority, focus on the Eastern Assets and OML 40
- Progressing significant ongoing projects, e.g. Sapele gas plant

\*Guidance does not include Ubima, MPNU and ANOH

# CONTACT US

---

## Lagos

Seplat Energy Plc  
16A Temple Road,  
Ikoyi,  
Lagos, Nigeria.

T: +234 (0)1 277 0400

E: [info@seplatpetroleum.com](mailto:info@seplatpetroleum.com)

---

## London

Seplat Energy Plc  
4th Floor,  
50 Pall Mall,  
London SW1Y 5JH

P: +44 (0)20 3725 6500

E: [info@seplatpetroleum.com](mailto:info@seplatpetroleum.com)

W: [www.seplatenergy.com](http://www.seplatenergy.com)

reliable energy, limitless potential