# Driving a just and affordable energy transition

**Seplat Energy Plc**
Annual Report and Accounts 2023

## About us

Seplat Energy is Nigeria's leading independent energy company, dedicated to supplying a young and growing population with affordable, reliable energy that contributes positively to Nigeria's future prosperity.

## Welcome to our Annual Report 2023

The principal activity of the group is the supply of energy to society through the production of oil and the production and processing of natural gas in Nigeria. Produced volumes are sold to both international and domestic markets.

Building on our 2022 Sustainability and TCFD Reports. In our 2023 Annual Report we adopt higher standards of disclosure as we early adopt IFRS S1 and S2 reporting requirements.

Sustainability is central to our core values and strategy, The additional non-financial disclosures included in the 2023 Annual Report highlight progress made on our journey to more sustainable operations.


**seplatenergy.com**

# Our purpose is to deliver sustainable energy solutions to society

We are proud to operate as the leading independent energy company in Nigeria, one of the African continent's fastest growing population and fastest growing economy.

At Seplat Energy we strive to supply reliable, sustainable energy that will help drive economic growth, create a stronger society and provide opportunities for all Nigerians to live healthy and prosperous lives.


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# Driving a just and affordable energy transition

Primary energy supply continues to be a pre-eminent topic of conversation and policy focus globally. As so clearly recognised at the recent COP28, meeting the energy needs of the fast developing Global South requires more pragmatic thinking and solutions.

At Seplat a significant part of our strategy is to deliver affordable and reliable primary energy to Nigeria. In the first instance we aim to maximise production from our oil and gas reserves and resources, our Pillars 1 and 2, and we continue to explore ways to further move along the value chain in country in both New Energy (principally in Solar) and Power, our Pillar 3.

We see a natural extension of our Midstream Gas business as we look to provide more electrons to the grid and off-grid demand centres in country. As an established business, we understand the economic model and endeavour to make a profitable return for our shareholders at the same time as we deliver increased energy access for Nigerians.

## Our purpose:
To deliver sustainable energy solutions for society.

## Our vision:
Transform lives through energy.

## Our mission:
Leading Nigeria's energy transition with accessible, affordable and reliable energy that drives social and economic prosperity.

## The values at the heart of our work

### Safety
We will prioritise safety, which is a matter of both individual and collective responsibility.

### Integrity
We will behave with integrity in all our dealings.

### Partnership
Our ambitions will be driven by partnerships, so we strive to collaborate and be a trusted partner.

### Ambition
We will be a driving and innovative force in the delivery of energy solutions, for social and economic growth.

### Agility
We strive to be an efficient organisation, proactive and adaptive to changes in our environment.

# Transform lives through energy

With one of the continent's largest economy and by far its largest population, Nigeria is Africa's giant – a dynamic and fast growing country whose transition to reliable, sustainable, affordable energy will be transformational, empowering every person, business and community to thrive.

At Seplat Energy, we are making this future a reality. Our energy will help support Nigeria's growth as one of Africa's powerhouse economies.

### Our journey continues

In 2021, we changed our name to Seplat Energy to reflect the exciting future ahead of us as a supplier of a more diverse range of energy products in what will soon be one of the most populous countries on Earth.

At the same time, we unveiled a new strategic plan that would guide us to achieve our aims, namely to *Build a Sustainable Business and Deliver Energy Transition for Nigeria.*

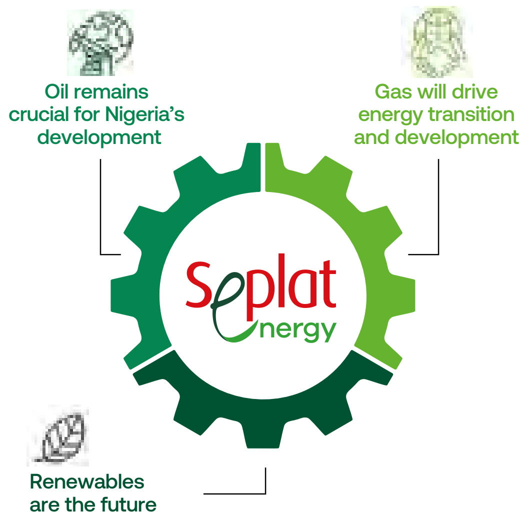
In 2023 we continued to build upon that plan and began to execute on our strategy, which is guided by the belief that the greatest business opportunity we have is to supply the right mix of energy to support Nigeria's growth. In doing so, we must also look to reduce global $CO_2$ emissions, enter the renewable energy market, make a positive social impact in Nigeria and contribute to its achievement of the United Nations' Sustainable Development Goals.

The transition to gas is imperative. Too much hard-earned Nigerian money is spent importing diesel and petrol to run the inefficient and polluting small scale generators that power Nigeria's homes and business operations. This is a huge opportunity, with the potential to convert more than 20GW of energy generation from imported diesel and petrol to Nigerian gas, just to satisfy existing demand.

Beyond that is the need to increase energy access from less than 60% at present, so we can provide universal access to reliable and affordable energy for more than 400 million Nigerians expected by 2050, and let them use it to power their entrepreneurial spirit.

### Our business strategy is driven by three core beliefs:

1. Oil will remain vital to Nigeria's economy for many years to come, because of its contribution to government revenues, which fund the nation's day-to-day activities as well as its future development.
2. Gas will be the main feed stock for cleaner, lower-cost electricity that will in turn help to diversify and boost the economy and provide essential baseload to support future renewables.
3. Renewables are the future, for Nigeria and for Seplat Energy but first Nigeria must deliver base load affordable electricity.



# Nigeria's leading independent energy provider

## Proudly Nigerian

Since our rebranding in 2021 to Seplat Energy we have taken a proactive approach to improve Energy Access directly in Nigeria.

Our company sees a positive interaction between profitable development of Nigeria's gas resources and the reduction in usage of Biomass and Diesel for energy needs. Our role in the Midstream is such that in 2023 we operated c.25% of Nigeria's gross gas production of 1,102 MMscf/d, equivalent to c.30% of gas used in Nigeria's domestic power grid. In 2024 we look forward to the expected completion of ANOH gas project, which will increase Seplat's contribution to meeting Nigeria's energy needs. ANOH has the potential to approximately double our operated production when producing at plant capacity.

As well, completion of the Sapele gas plant will allow the processing of bottled LPG which can directly benefit small businesses and homes in Nigeria, reducing the use of biomass.

Access to Energy is vital for Nigeria's future. It will be key to development and Seplat is positioned to support the future prosperity of the country.

| Asset | 2023 (boepd) |
|---|---|
| OMLs 4, 38, 41 – Liquids | 14,866 |
| OMLs 4, 38, 41 – Gas | 19,672 |
| OML 40 | 10,455 |
| OML 53 | 1,212 |
| OPL 283 | 1,554 |

| Asset | 2022 (boepd) |
|---|---|
| OMLs 4, 38, 41 – Liquids | 15,422 |
| OMLs 4, 38, 41 – Gas | 19,369 |
| OML 40 | 6,557 |
| OML 53 | 1,689 |
| OPL 283 | 1,067 |

## Gas

Seplat Energy's gas business consists of gas fields and associated infrastructure in OML 4, which supports our 465 MMscfd Oben Gas Processing Plant, and OML 53, where we have completed building a 300 MMscf/d gas plant, via our independent JV ANOH Gas Processing Company (AGPC).

ANOH is one of Nigeria's most important strategic energy transition projects and we expect to begin selling gas to the country's power sector in 2024. As at 1 January 2024, Seplat Energy's 2P gas reserves were 1,463 Bscf.

## Oil

Seplat Energy's oil portfolio contributed 59% of Group volumes in 2023 and 88% of its revenues. We have operations across seven blocks in the Niger Delta, our largest being the combined operations of OMLs 4, 38 and 41. As at 1 January 2024, our 2P liquids reserves totalled 226 million barrels.

## Our portfolio

Seplat Energy's portfolio comprises seven oil and gas blocks in the prolific Niger Delta, which we operate with partners including the Nigerian Government and other oil producers, as well as a revenue interest in OML 55.

The blocks are connected to well-established export routes and with the commissioning of the Amukpe-Escravos Pipeline, which serves our major assets at OMLs 4, 38 and 41, we now have a more secure and reliable alternative to the Trans Forcados System, whose outages have previously impacted production.

Staff

588

2023 Production

47,758 boepd

(2022: 44,104boepd)

Proportion of Nigeria's electricity grid supported by our gas production

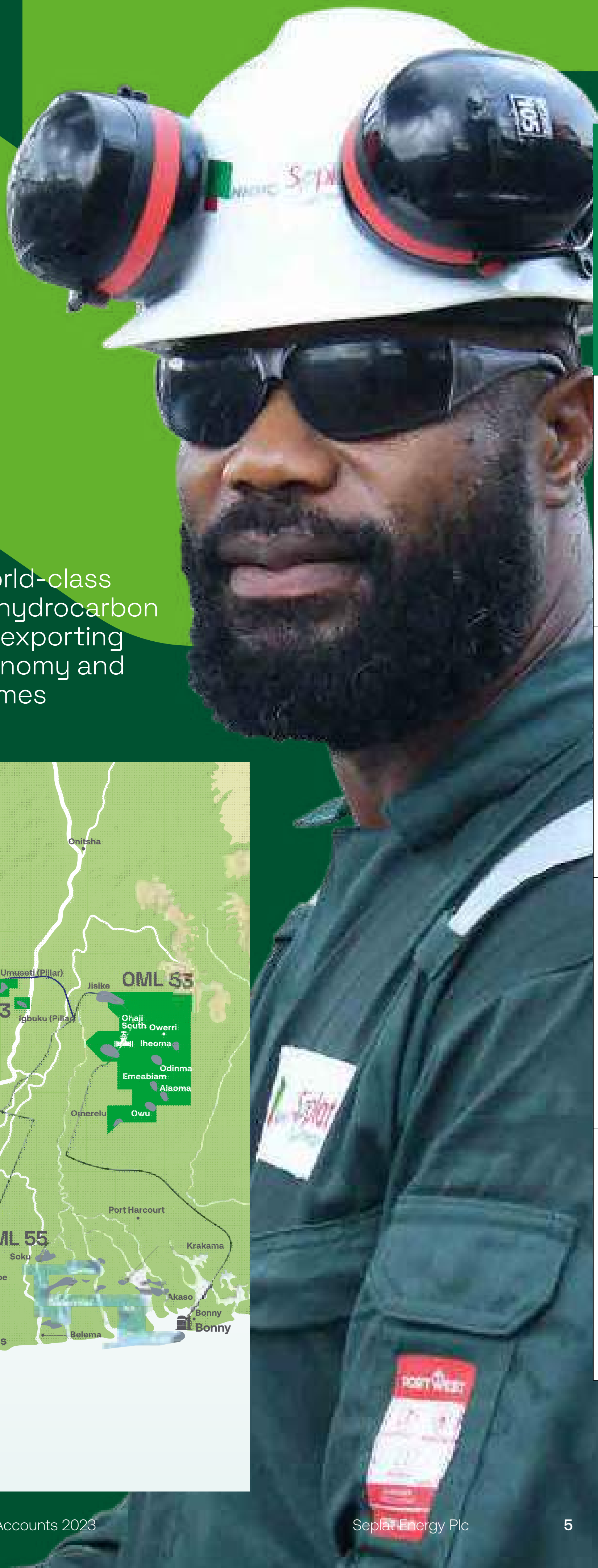
c.25%

2023 y/y reserves replacement ratio

292%

Paid in dividends to shareholders since listing

$575m



Since 2010, we have built a world-class energy business based upon hydrocarbon production in the Niger Delta, exporting oil that supports Nigeria's economy and delivering gas to power its homes and businesses.

# Celebrating a decade of energy – powering prosperity in Nigeria

## 2009

Having spent 12 years at NNPC and 8 years as founder and Managing Director of Platform Petroleum, Austin Avuru co-found Seplat in 2009, alongside ABC Orjiako (Shebah), with the vision of creating a leading indigenous upstream E&P company.

### 2010

Seplat became the first indigenous company to acquire and operate producing assets from an IOC when it acquired OMLs 4, 38 & 41 from Shell.

Successfully transitioned management and technical teams from SPDC into Seplat operations.

First GMOU executed with host communities.

### 2011

Doubled daily liquids production from these assets to over 30,000 bopd.


### 2012

Considering major policy and regulatory developments, Seplat was quick to see the increasing importance of natural gas as a key source of energy for Nigeria and made the strategic decision to invest in expanding the gas business for domestic consumption.

### 2013

Completed the acquisition of 40% participating interest in Umuseti/Igbuku (OPL 283) fields.

Entered into an SPA with Chevron Nigeria Limited for a 40% participating interest in OML 53.

## 2014

Landmark IPO; the first ever London and Lagos dual listing and the first upstream E&P company to list on the Nigerian Stock Exchange. The IPO raised US$535 million valuing the business at US$1.9 billion.

Strategic pipeline connecting Seplat's Rapele LACT unit to Warri refinery completed that would give Seplat an alternative export route in periods of downtime on the major terminal.

### 2015

Completed acquisition of 40% participating interest in OML 53 and concluded negotiations to acquire interest in Belamoil Producing limited for the OML 55 asset.

In response to the lower oil price environment, Seplat adopted a prudent approach to align capex with cash flow and reduce costs to ensure a robust capital structure was maintained.

Completed the major expansion project at Oben. Lifting gas processing capacity to 300 MMscf/d. Higher gas revenues partially offset the impacts of lower oil prices.

### 2016

In addition to the low oil price, in 2016 Seplat had to contend with an extended force majeure on its principal oil export route – the Forcados terminal.

Completed upgrades to two jetties at the Warri refinery to sustain exports of 30,000 bopd.

Commenced operatorship of OML 53 following acquisition from Chevron in 2015.

Since our dual listing on the Nigerian Stock Exchange and London Stock Exchange on April 14, 2014, we have emerged as a premier Nigerian independent energy company. This achievement is attributed to our dedicated leadership, robust operational and financial performance, and unwavering commitment to delivering value to all stakeholders.

As we mark a decade in Seplat's history, we reflect on the challenges overcome and the accomplishments achieved throughout this remarkable journey. These experiences continue to positively shape our short and long term goals.



**2017**
Force majeure at the Forcados terminal was lifted in June allowing Seplat to return to full productivity in the second half and emerge from a difficult chapter in its history a fitter and stronger business.

Phase II of the Oben expansion was completed taking processing capacity to 525 MMscfd and the gas business made a record contribution of US$124 million, accounting for 27% of total revenue.

**2018**
Successfully completed a debut bond issuance of US$350 million, a strong endorsement of the quality of Seplat's underlying asset base.

Seplat attained the Nigerian Stock Exchange's (NGX) Premium listing status becoming the first oil and gas company migrated to the Premium Board of the NGX.

# 2019

FID was taken for ANOH, which will position Seplat as Nigeria's largest supplier of processed gas to the domestic market.

Completed the GBP382 million acquisition of Eland Oil & Gas plc, the first public market acquisition of a London Stock Exchange listed company by a Nigerian company.

**2020**
Leadership transition – Roger Brown takes over as CEO from co-founder Austin Avuru.

**2021**
AGPC raised $260m debt for the 300 MMscfd ANOH Gas Plant project.

Successfully refinanced existing debt with $650m bond at 7.75%.

Changed our name to Seplat Energy to reflect our positioning as Nigeria's energy champion.

Launched new strategic pillars – Upstream, Midstream and New Energy.

**2022**
Signed SPA for the entire share capital of Mobil Producing Nigeria Unlimited.

Successfully refinanced existing RCF with a new 3 year $350m RCF due in June 2025.

Board leadership transition from founder ABC Orjiako as Chairman to Independent Chairman Basil Omiyi.

**2023**
Core dividend raised to US12c and cumulative dividends exceed IPO proceeds.

AGPC achieved mechanical completion.

# 2024

Sibiri FDP approval. Decision to develop Abiala marginal field. Progress towards ANOH first gas.

Ten years after listing, Seplat is now firmly established as Nigeria's leading independent oil and gas company.

**Key highlights**
In 2024 we will celebrate our first decade as a listed company and look back at some of our achievements in that time:

Cumulative barrels of oil and gas equivalent produced (2014-2023)
**155mmboe**

Cumulative Dividends paid to Shareholders (2014-2023)
**$575m**

Cumulative taxes paid to Nigeria (2010-2023) (Inclusive of all taxes, royalties and levies)
**$2.8bn**

Cumulative investment in communities where we operate
**$57.2m**

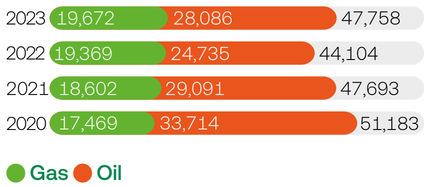
# Measuring our progress

Seplat Energy's Key Performance Indicators align strategy and execution, with consideration to risk management and remuneration, enabling us to measure our progress. As we further implement our strategy, we will introduce new KPIs focused on ESG and other metrics.

| Key performance indicator | Definition and relevance |
| --- | --- |

### Net working interest production (boepd)

47,758

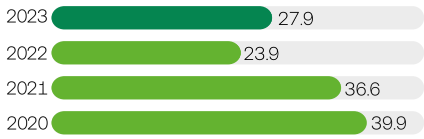



Our share of oil & gas produced during the year proportionate to our working interest in each producing block. Volumes expressed are as measured at our facilities, prior to any reconciliation losses.

**Relevance**
An indicator of production strength at our current blocks and the impact of organic and inorganic development projects.

### Carbon intensity (kg$CO_2$e/boe)

27.9




A measure of scope 1 and 2 emissions per unit of production within Seplat's operating assets and facilities.

**Relevance**
An assessment of our carbon footprint and its impact on our operations.

### Production opex ($/boe)

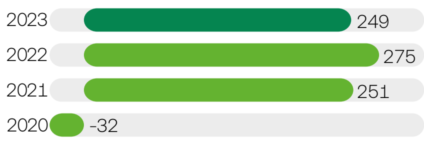
10.4


The operating costs (excluding non-cash flow expenses, and financing costs) net to the company divided by our working interest barrels of oil and equivalent produced in the period.

**Relevance**
An indicator of how cost efficiently we are able to utilise its oil & gas reserves. By controlling our operating cost base, we can be more resilient when oil prices are low, and more profitable when they are high.

### EBIT ($ million)

249




Our earnings before the deduction of interest and tax expenses.

**Relevance**
An indicator of our earnings ability and cash generation.

### Lost Time Injury Frequency

0.0


The number of lost-time incidents recorded per million man-hours worked.

**Relevance**
An indicator of health and safety performance that is widely established within the oil & gas industry.

**Strategy** — See Page 44

| | |
|---|---|
| 1 | Drive social development |
| 2 | Focus on environmental care and reporting |
| 3 | Maximise returns for all stakeholders |
| 4 | Pillar 1: Upstream |
| 5 | Pillar 2: Midstream Gas |
| 6 | Pillar 3: New Energy |

**Principal risks** — See Page 78

| | |
|---|---|
| 1 | Niger Delta millitancy/Third party interference |
| 2 | Portfolio concentration risk |
| 3 | Sustaining Exploration and Appraisal (E&A) programme |
| 4 | Oil price volatility |
| 5 | Merger & acquisition (M&A) risk |
| 6 | Stakeholder management relationships |
| 7 | HSSE risks |
| 8 | Availability of capital |
| 9 | Liquidity |
| 10 | Changes to fiscal and tax status |
| 11 | Bribery and corruption risk |
| 12 | Fraudulent activity risk |
| 13 | Field operations and project deliverability |
| 14 | Geo-political risk |
| 15 | Cost control risk |
| 16 | Foreign exchange risk |
| 17 | Information security risk |
| 18 | New energy and gas market risk |
| 19 | Corporate governance and compliance risk |
| 20 | Climate-related risks |

| Progress and outlook | Risk management | |
|---|---|---|
| In 2023, we delivered W.I. oil and gas production of 47,758 boepd, an 8.3% increase relative to 2022. W.I. production for liquids was 28,087 bopd while for gas, it was 114.1 MMscfd. Reconciliation losses for the year was 3.7%.<br>**Outlook**<br>Working interest production guidance for 2024 is set at 44,000-52,000 boepd. We believe improvement in our drilling program will help sustain and grow production. | The Company has an in-depth understanding of the subsurface and constantly monitors individual well and reservoir performance in order to optimise the drawdown rate on each well and maximise long-term economic recovery of oil and gas from the reservoirs. It has also prioritised the creation and use of alternative oil export routes to mitigate high concentration risk. | **Progress**<br>In line with expectations<br>**Links to strategy**<br>1/2/3/4/5/6<br>**Link to principal risks**<br>1/2/3/5/6/13/14/18<br>**Linked to remuneration?**<br>Yes |
| The carbon intensity recorded for the period was 27.9 kg $CO_2$/boe, higher than the 23.9 kg $CO_2$/boe recorded in 2022. The increase was driven by a combination of: higher production in the year, and also by the unavailability of some evacuation options resulting in increased flaring. In addition, as we continue to strive for improvements in data gathering and recording, the commissioning of the Fluenta meter at the Oben GP site resulted in a year-on-year increase in recorded flare volumes compared to the prior year's estimate.<br>**Outlook**<br>We have committed to being carbon neutral in 2050, ending routine flares in our operated assets by the end of 2025 is a priority. We plan to complete the Oben, Amukpe, Sapele and Jisike Flares Out projects, which will capture and monetise gas for productive use and significantly reduce our carbon intensity. | The Company recognises that the business faces significant risks from climate change, and upgraded climate-related risk as a principal risk within the company's risk management framework. Our primary commitment is to reduce our GHG emissions resulting from direct operations and we have established a broad set of investment activities designed to reduce emissions from its operated facilities and offset residual emissions. | **Progress**<br>Above expectations<br>**Links to strategy**<br>3/4/5<br>**Link to principal risks**<br>3/5/6/8/10/18/20<br>**Linked to remuneration?**<br>Yes |
| Production cost per unit of production increased by 1% to $10.4/boe in 2023. The marginal increase is reflective of increased usage of the AEP/EOT export route which is more expensive than the TFP/FOT route.<br>**Outlook**<br>We continue to implement cost control measures to ensure stability in production costs. Also, we continue to drive improvement in production which can help to reduce the fixed component of production costs on a unit basis. | The Company carefully monitors expenditures and continually analyses its underlying cost base, making comparisons to prevailing market rates in order to ensure that the company is identifying and able to action cost savings and efficiency gains, keeping it competitively positioned on the cost curve. | **Progress**<br>In line with expectations<br>**Links to strategy**<br>3/4/5<br>**Link to principal risks**<br>1/3/6/7/10/13/15/18<br>**Linked to remuneration?**<br>No |
| EBIT reduced 9.5% to $249.4 million in 2023, from $274.7 million in 2022. The reduction reflects the impact of weaker oil prices, partially offset by improved oil and gas production.<br>**Outlook**<br>On a constant commodity price and production basis, we see potential for improvements in operating profits on 2023, given an expected reduction in exceptional costs which impacted G&A expense in 2023. | The Company has robust financial processes in place and carefully monitors revenues, cost of sales and admin costs to ensure continued strong profitability. Oil price is a major influencing factor on the company's revenue. The company has implemented a hedging strategy to mitigate exposure to oil price volatility. | **Progress**<br>In line with expectations<br>**Links to strategy**<br>3/4/5<br>**Link to principal risks**<br>1/2/4/5/6/9/13/14/15/16/18/20<br>**Linked to remuneration?**<br>Yes |
| We achieved 10.6 million man-hours since our last LTI recorded in 2022. LTIF for the year was 0, with 8.7 million man-hours worked in 2023.<br>**Outlook**<br>In 2024, the company will continue to strengthen its HSE systems and protocols with a focus to minimising the frequency of lost time incidents across all our operations. | The Company has in place extensive and well-developed HSE policies and reporting procedures with an emphasis on the early identification and mitigation of HSE risks.<br>The company closely monitors its HSE performance and is constantly evaluating ways to improve its performance. | **Progress**<br>In line with expectations<br>**Links to strategy**<br>1/2/3/4/5<br>**Link to principal risks**<br>1/6/7/20<br>**Linked to remuneration?**<br>Yes |

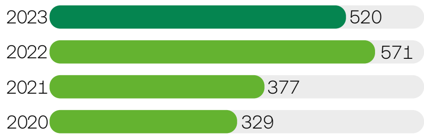
# Tracking our performance

In addition to our Key Performance Indicators, we also track performance against additional metrics that further assist in measuring progress. We will add further metrics as appropriate in the coming year, closely aligned to our strategic imperatives.

**Key performance indicator** | **Definition and relevance**

### Cash flow from operations ($ million)

520




Our operating cash flow in the year before taking into account movements in working capital.

**Relevance**
An indicator of the cash generative potential of our producing oil and gas blocks.

### Capital expenditures ($ million)

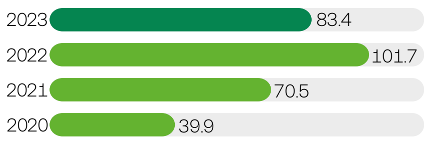
184


The total amount of capital expenditure invested during the year, excluding acquisitions costs.

**Relevance**
An indicator of our level of investment activities in production, development and exploration and appraisal activities.

### Realised oil price ($/bbl)

83.4

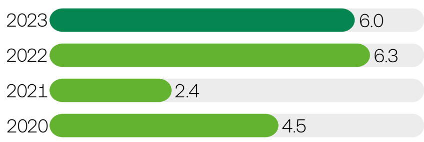



The average oil price per barrel we sold during the year.

**Relevance**
Our financial performance is closely linked to the price of oil.

### Staff turnover (%)

6.0




The rate at which full-time staff of Seplat choose to leave the company voluntarily, expressed as a percentage of average full time headcount during the year.

**Relevance**
An indicator of our ability to attract and retain personnel. The loss of people can result in skills shortage, loss of knowledge and higher recruitment costs.

**Strategy** — See Page 44

1 Drive social development
2 Focus on environmental care and reporting
3 Maximise returns for all stakeholders
4 Pillar 1: Upstream
5 Pillar 2: Midstream Gas
6 Pillar 3: New Energy

**Principal risks** — See Page 78

1 Niger Delta millitancy/Third party interference
2 Portfolio concentration risk
3 Sustaining Exploration and Appraisal (E&A) programme
4 Oil price volatility
5 Merger & acquisition (M&A) risk
6 Stakeholder management relationships
7 HSSE risks
8 Availability of capital
9 Liquidity
10 Changes to fiscal and tax status
11 Bribery and corruption risk
12 Fraudulent activity risk
13 Field operations and project deliverability
14 Geo-political risk
15 Cost control risk
16 Foreign exchange risk
17 Information security risk
18 New energy and gas market risk
19 Corporate governance and compliance risk
20 Climate-related risks

| Progress and outlook | Risk management | |
|---|---|---|
| Cash flow from operations fell 10% to $520 million in 2023. The decline in Operating cash flow is largely due to reduced oil price realisations.<br>**Outlook**<br>Combining our 2024 production expectations with the current commodity price outlook, implies that Seplat once again has the opportunity to generate robust cash flows in 2024. The outlook supports potential for strong earnings and cash generation. | Careful financial management and high levels of operating efficiency allow the company to ensure positive cash generation from its operating activities. | **Progress**<br>In line with expectations<br>**Links to strategy**<br>1/2/3/4/5/6<br>**Link to principal risks**<br>1/2/4/5/6/9/13/14/16/18/20 |
| Capital expenditure for the period was $183.9 million spread across drilling, engineering and other assets.<br>**Outlook**<br>Capex for 2024 is expected to be between $170-200 million and we plan to drill 13 new wells across our operated and non-operated assets. We will continue to invest in our oil and gas development projects and complete ongoing capital projects. We would continue to selectively consider opportunities within our existing portfolio for our drilling projects. | Project investments are monitored closely against budgets to minimise the risk of over-runs. We benchmark every investment opportunity to ensure capital is deployed to only the highest return projects, and adheres to a price disciplined acquisition strategy. | **Progress**<br>Above expectations<br>**Links to strategy**<br>2/3/4/5/6<br>**Link to principal risks**<br>1/2/4/5/8/9/13/15/16/17/18/20 |
| Oil prices fell in 2023 as the market weighed the impact of global monetary policy normalisation on economic growth while increased production from US, Iran, and Venezuela also contributed to weakness in oil prices. Overall, average Brent crude fell 17% to $82.15/bbl.<br>**Outlook**<br>Crude oil prices continue to be elevated in the early part of 2024 due to heightened geopolitical risks and favourable supply/demand balances. The near term outlook provided by analysts at global investment banks is for oil prices to remain supported around current levels. | We continue to closely monitor prevailing oil market dynamics and will consider further measures and take advantage of opportune periods to implement additional hedges that provide appropriate levels of cash flow assurance. | **Progress**<br>Above expectations<br>**Links to strategy**<br>1/2/3/4/5/6<br>**Link to principal risks**<br>3/4/6/10/14/20 |
| We have continued to improve our employment policies, practices and employee value proposition to attract, motivate and retain talented employees. Staff turnover was only 6.0% in 2023 despite persistent trend of workers' migration.<br>**Outlook**<br>In the long term, the industry will continue to face intense competition for talent, but we will continue to be an attractive employer for the highly qualified and experienced people we need for our future success. | Our response is to continue to deploy strategies to support the future of work expectations, including those expressed in the 2022 employee survey. In addition, we are working to ensure that we continue to provide competitive pay and benefit packages, progressive career opportunities and good working conditions. | **Progress**<br>In line with expectations<br>**Links to strategy**<br>1/2/3/4/5/6<br>**Link to principal risks**<br>5/6/11/12/17/18/19 |

# Evolving our approach to reporting

## Reporting methodology

Our Annual Report aims to offer a well-rounded portrayal of our strategy, performance, opportunities, and prospects concerning significant financial, economic, social, and governance matters. While the primary focus of the report is on addressing the value-creation concerns of long-term investors, by enhancing our disclosures, this year we aim to provide additional relevant information for the benefit of a wider array of stakeholders.

Given the increased need for action on climate change and the tightening regulatory and investor demands around climate risk, our 2023 report will be the first to report against the IFRS framework. We have followed the disclosure guidelines by including all relevant content and will continue to invest in improving our alignment and disclosure in the upcoming reporting cycle.

### Reporting boundary

The performance indicators are tailored to match the company's objectives and reflect the potential impacts of Seplat Energy's activities. Specifically:

- Health, safety, climate, and ecological impact metrics cover Seplat Energy subsidiaries, Companies in joint arrangements, and associated companies, as detailed in note 3.5.
- The waste management, end of routine flares roadmap, net zero target and other ESG targets cover volumes Seplat Energy operated assets.
- Social investment, people, diversity and inclusion, as well as ethics and anti corruption data encompasses Seplat Energy and its subsidiaries.
- The equity approach is used to calculate greenhouse gas emissions, acid gases, and water.

Performance comments are based on these parameters. For all other data, the perimeter aligns with relevant legislation and comprises companies consolidated line by line to prepare Seplat Energy Group's consolidated financial statements.

### Reporting period

The report is produced and published annually, covering our financial year from January 1 to December 31. Any subsequent material events up to the Board approval date of every year are also included.

### UN SDGs

In 2023, we streamlined our commitment to the United Nations Sustainable Development Goals (UN SDGs) to support our strategy objectives. Our concentrated efforts now centre on six specific goals: SDG 3 (Good Health and Well-being), SDG 4 (Quality Education), SDG 7 (Affordable and Clean Energy), SDG 8 (Decent Work and Economic Growth), SDG 13 (Climate Action), and SDG 17 (Partnerships for the Goals).

### Key frameworks

- Global Reporting Initiative (GRI) – GRI 11: Oil & Gas Sector 2021 Standards
- International Financial Reporting Standards
- International Sustainability Reporting Standards (IFRS S1 and S2)
- Sustainability Accounting Standards Board – SASB Oil & Gas Extraction & Production Standard
- The International Integrated Reporting Framework (IR)
- Companies and Allied Matters Act, 2020
- Financial Reporting Council of Nigeria Act, No.6, 2011
- UK Financial Conduct Authority (FCA), Listing rules
- International Petroleum Industry Environmental Conservation Association (IPIECA)
- Green House Gas Protocols
- United Nations Global Compact

### Accompanying report

Sustainability Report

### External verification and assurance

LRQA has provided limited assurance on the performance data relating to a sample of our most material ESG impacts on our operated assets.

PWC has audited our consolidated and separate financial statements.

# Mi Material issues

1 Climate change
2 Ecological impact
3 Water and waste management
4 Critical incident risk management
5 Health, safety and security
6 Human rights and community relations
7 Human capital management
8 Diversity and inclusion
9 Supply chain management
10 Business ethics and transparency
11 Management of legal and regulatory framework

Read more
Page 16

## Icon key

**Strategy**

Social Development
Environmental Care
Maximise Returns
Pillar 1: Upstream
Pillar 2: Midstream Gas
Pillar 3: New Energy

Read more
Page 44

**ISSB standards**

IFRS S1 — IFRS S1
IFRS S2 — IFRS S2

**Other links**

Risks
Capitals
Material Issues

**Timeframe**

Short term
Medium term
Long term

**UN SDGs**

3 Good health and well-being
4 Quality education
7 Affordable and clean energy
8 Decent work and economic growth
13 Climate action
17 Partnerships for the goals

## Material issues determination

Seplat Energy is focused on enhancing corporate value over the medium and long term by adeptly adapting to dynamic markets, regulatory landscapes, and operational environments. We understand that to manage risk and garner stakeholder support effectively, we must comprehend the issues that hold significance for them and are most impactful for our business. Our material issues were identified through systematic processes in 2022 guided by the Global Reporting Initiative's GRI 11: Oil and Gas Sector 2021, Sector Standard, to support our sustainable business model. In response to the escalating call for improved disclosure and non-financial information, we reviewed our material issues in 2023, guided by the IFRS Sustainability Standards. This process involved identifying new definitions and components driven by SASB Oil and Gas Exploration & Production and Midstream and revising key performance indicators (KPIs) to enhance human capital.

Each issue has been assessed based on feedback received from key stakeholders across the business, particularly those responsible for managing relationships with stakeholders. Additionally, we evaluated them against our Enterprise Risk Register, assigning a rating based on their materiality to the business.

Throughout this Annual Report, we address these material issues. Our discussions encompass the management of these issues, outlining the mitigating steps taken to reduce identified risks and the actions implemented where opportunities for positive impact have been identified.

## Quick guide

**Value creation**

Read more
Page 40

**Strategy**

Read more
Page 42


**Performance in our ESG focus areas**

Read more
Page 94


**Corporate governance report**

Read more
Page 117

# IFRS S1 & S2 information

## Non-financial and other sustainability disclosures

Our operations are intricately tied to the natural environment, making it imperative to assess and manage the risks, opportunities, dependencies, and impacts associated with climate change and nature.

This consideration is fundamental to our entire business model, reflected in the comprehensive integration of disclosures throughout our report. Similarly, other material matters, such as health, safety and security, climate change, critical risk incident management, community relations, supply chain management, and diversity, and inclusion, are incorporated.

Seplat is proud to be an early adopter of the International Sustainability Standards Board (ISSB) standards. The table below outlines where the IFRS S1 and S2 information can be found throughout the report. The disclosures are colour-coded and icon-indicated for easy identification.

### Statement of Compliances and early adoption of ISSB standards

During the year, Seplat Energy Plc early adopted the International Sustainability Standards Board (ISSB) standards in line with the adoption roadmap issued by the Financial Reporting Council of Nigeria (FRC). This Annual Report of Seplat Energy Plc for the year ended 31 December 2023 is the first ISSB compliant report of the Group after the Group published its Audited Financial Statements in February 2024. The Audited Financial Statements for 31 December 2023 as contained in this Annual Report did not reflect the alignment with sustainability-related financial disclosures and financial statements. In line with E4 and paragraph 60 of IFRS S1, there will be full alignment between sustainability-related financial disclosures and the financial statements in the half-year interim general purpose financial report. The effects of the adoption including, and all the transition reliefs taken including paragraph E4, are presented on Page 294 of this Annual Report. All sustainability-related financial disclosures contained in this Annual Report for the year ended 31 December 2023 as referenced below have been prepared in compliance with the requirements of IFRS Sustainability Disclosure Standards, IFRS S1 and S2 as effective 1 January 2023.

The Annual Report contains highlights of the disclosures on the sustainability and climate related risks and opportunities that could reasonably be expected to affect the Company's prospects in line with the Governance, Strategy, Risk Management, and Metrics and Targets requirements of IFRS S1 and S2.

| | IFRS S1 | | IFRS S2 | |
|---|---|---|---|---|
| **Section** | | **Disclosures** | | **Disclosures** |
| **Governance** | P. 122, 135 | • Board oversight of sustainability and climate related risks and opportunities | | |
| | P. 123 | • Management role in assessing sustainability and climate-related risks and opportunities | | |
| **Strategy** | P. 16, 42 | • Sustainability related risks and opportunities | P. 51, 87 | • Climate related risks and opportunities |
| | P. 15, 42 | • Business model and value chain | P. 15, 50 | • Business model and value chain |
| | P. 44 | • Strategy and decision making | P. 50 | • Strategy and decision making |
| | | | P. 51 | • Climate resilience |
| | | | P. 60, 64 | • Financial position, performance and cash flow |
| **Risk management** | P. 74 | • Our approach to identifying, assessing and managing risks and opportunities | P. 89 | • How we identify and assess climate related risks |
| | P. 84 | • How we identify and assess sustainability related risks | P. 84 | • Management of climate related risks |
| | P. 84 | • Management of sustainability related risks | P. 74 | • Integration of climate related risk into our risk management processes |
| | P. 74 | • Integration of sustainability related risk into our risk management processes | P. 87 | • Our risks most sensitive to climate change |
| **Metrics and targets** | P. 94- | • Performance in relation to sustainability-related risks and opportunities | | |
| | P. 107 | • Metrics and targets used to assess climate related risks and opportunities | | |

# Time horizons

Development of conventional oil and gas assets is fundamentally a long cycle business. Recognizing the capital intensive nature of our asset and the evolving corporate and regulatory landscape we adopt short and medium term frameworks that support long term value creation.

| | |
|---|---|
| **Short Term** | |
| **Definition: up to 2025**<br>We establish yearly operational and financial performance targets yet maintain adaptability within these plans to address challenges and guarantee the most effective and efficient progress toward achieving our five-year objectives. | **Link to Planning Horizon and decision making:**<br>Decision-making in the short term is focused on maintaining current operations, addressing immediate challenges, and achieving short-term financial targets. We establish annual, quantifiable objectives while preserving adaptability to address emerging challenges. Short-term planning guides our progress toward medium and long-term goals, offering measurable targets for continuous monitoring and evaluation.<br><br>Before each financial year, from January 1 to December 31, these plans formulate a business plan subject to our JV partner approvals and corporate scorecard subject to board review and approval. These plans outline annual targets to enhance production delivery and efficiency, contributing to our overarching goals. Achievement against these targets determines bonus percentages for executive directors and staff organisation-wide. Executive directors receive compensation through a Long-Term Incentive Plan (LTIP) to discourage short-term decision-making and prioritise long-term company performance.<br><br>Regular business review meetings between the senior leadership team (SLT) and senior managers assess progress against annual targets. Flexibility in short-term planning is essential to adapt to unforeseen challenges, ensuring the delivery of high-quality and resilient services in the most efficient manner possible.<br><br>This flexibility may be reduced, or additional investments may be required to manage project delays and prioritise spending to address unexpected challenges.<br><br>**Capacity to adjust or adapt our strategy and business model to climate change over the various time-frames**<br>Our immediate focus is maintaining financial stability amidst currency fluctuations and volatile oil prices. We closely monitor our Naira revenue stream to match our significant Naira cost base, ensuring resilience against short-term currency risks. Additionally, we continuously assess the performance of our assets and evacuation routes, allowing us to swiftly adjust our capital allocation strategy to optimise cash generation and maintain financial flexibility. |
| **Medium Term** | |
| **Definition: 2025-2030**<br>Medium-term planning involves balancing our short-term operational needs and long-term strategic vision. Our medium-term goals contribute to the achievement of our broader strategic objectives. | **Link to Planning Horizon:**<br>Our ten-year business plan establishes objectives for 2022–30, and we are formulating our strategy for 2030-2050. Our long-term delivery strategy is seamlessly integrated into our medium-term targets, guiding us as we progress towards our overarching, long-term plans.<br><br>**Capacity to adjust or adapt our strategy and business model to climate change over the various time-frames**<br>We are steadfast in our commitment to enhancing our adaptability to climate change over the medium term. This involves refining our capital allocation strategy and closely monitoring emerging climate-related risks and opportunities, such as shifts in regulatory frameworks or advancements in renewable energy technologies. By integrating climate considerations into our decision-making process, we are actively future proofing our business model and positioning ourselves to capitalise on emerging trends, thereby maximising long-term value for our stakeholders. |
| **Long Term** | |
| **Definition: beyond 2030**<br>Long-term planning encompasses our strategic initiatives that align with Seplat's vision and purpose. It involves decisions related to significant investments, research and development, market positioning, and other transformative endeavours. | **Link to Planning Horizon:**<br>We employ adaptive planning and extensively envision the future to ensure our businesses survive against potential risks. This approach ensures we can deliver for our stakeholders over the long-term.<br><br>**Capacity to adjust or adapt our strategy and business model to climate change over the various time-frames**<br>Looking further ahead, we recognise the imperative of integrating climate resilience into our long-term strategic planning. We commit to investing in sustainable initiatives that mitigate our environmental impact and enhance our resilience to climate-related disruptions. This includes diversifying our revenue streams, investing in renewable energy projects, and implementing innovative technologies to reduce our carbon footprint. By proactively adapting our business model to address climate change, we aim to ensure our operations' long-term sustainability and success. |

# Our material issues

By addressing material issues, we improve our environmental and social performance, mitigate risks, and contribute to sustainable development in Nigeria. Read more on our performance on pages 94-107.

IFRS S1

## Climate change

| | |
|---|---|
| **Links to strategy** | 1/2/3/4/5/6 |
| **Stakeholder groups** | 1/2/3/4/5/7 |
| **UN SDGs** | 3/7/13 |
| **Key performance metric** | Carbon intensity (kg$CO_2$e/boe) for operated assets |

As an energy company, we have a responsibility to be mindful of the global emphasis on reducing carbon emissions. We take responsibility for minimizing our carbon footprint, prioritize investments in renewable energy technologies, adopt energy-efficient practices throughout our operations, and reduce methane flaring to mitigate our environmental impact.

**Impact**
Failing to address climate change concerns can cause severe consequences, such as increasing regulatory scrutiny, damaging reputation, and creating financial liabilities. Moreover, extreme weather events and changing climate patterns can disrupt our operations and infrastructure. As responsible corporate citizens, we proactively take steps to reduce our carbon emissions and contribute to creating a more sustainable future.

## Ecological impact

| | |
|---|---|
| **Links to strategy** | 1/2/3/4/5/6 |
| **Stakeholder groups** | 1/2/3/4/5/7 |
| **UN SDGs** | 3/7/13/17 |
| **Key performance metric** | Number of environmental incidents or spills |

As a company that operates mainly onshore in the Niger Delta, we are committed to addressing the ecological impact of our activities. We aim to minimize oil spills, mitigate habitat destruction, and implement reforestation programs to restore damaged areas.

**Impact**
Recognizing that our activities can cause ecological damage, such as oil spills or habitat destruction, is essential as it can lead to significant consequences, including environmental fines, legal disputes, and biodiversity loss. Our relationship with local communities and stakeholders can also be negatively impacted. We remain dedicated to minimizing our ecological footprint and proactively protecting the environment.

## Water and waste management

| | |
|---|---|
| **Links to strategy** | 1/2/3/4/5 |
| **Stakeholder groups** | 1/2/3/4/5/7 |
| **UN SDGs** | 3/7/13 |
| **Key performance metric** | Water usage; Waste generation |

Our environmental sustainability depends on adequate water resources and waste management. We implement stringent water treatment processes and use proper disposal methods for hazardous waste generated during our operations.

**Impact**
Proper water and waste management is crucial in preventing environmental contamination, protecting nearby communities from health risks, and avoiding penalties for non-compliance with regulations. We prioritise responsible water and waste management practices to minimise our environmental impact and safeguard the health of the communities we serve.

**Strategy**

1 Drive social development
2 Focus on environmental care and reporting
3 Maximise returns for all stakeholders
4 Pillar 1: Upstream
5 Pillar 2: Midstream Gas
6 Pillar 3: New Energy

**Stakeholders**

1 Workforce
2 Shareholders and providers of capital
3 Joint Venture Partners
4 Suppliers and contractors
5 Host communities
6 Customers
7 Government and regulators

**UN SDGs**

## Critical incident risk management

| | |
|---|---|
| **Links to strategy** | 1/2/3/4/5/6 |
| **Stakeholder groups** | 1/2/3/4/5/7 |
| **UN SDGs** | 3/7/13 |
| **Key performance metric** | Training and readiness assessments for emergency response teams |

Given that our operations are in a region with a history of security challenges and political instability, we prioritise critical incident risk management. This involves developing robust emergency response plans, implementing security protocols to safeguard our personnel and assets, and collaborating with local authorities to mitigate security risks.

**Impact**

Security incidents such as sabotage or theft can disrupt our operations, endanger the safety of our personnel, and cause damage to our infrastructure, resulting in production losses and reputational harm to our company.

## Health, safety, and security

| | |
|---|---|
| **Links to strategy** | 1/2/3/4/5/6 |
| **Stakeholder groups** | 1/2/3/4/5/7 |
| **UN SDGs** | 3/8 |
| **Key performance metric** | Lost Time Incident ; Total Recordable Incident Rate |

Safety and well-being are of the utmost importance in our industry, which is why we have strict health and safety protocols and ongoing wellness initiatives in place to protect our employees. Similarly, we understand the importance of prioritising the security of our workers and the local communities in which we operate.

**Impact**

Failing to prioritise health, safety, and security can have severe consequences, including accidents, injuries, and even fatalities among workers. This can lead to legal liabilities, regulatory sanctions, and significant damage to our company's reputation. Therefore, we are committed to ensuring that our workers and communities are safe and secure, and we continually strive to improve our health, safety, and security measures.

## Human capital management

| | |
|---|---|
| **Links to strategy** | 1/2/3/4/5/6 |
| **Stakeholder groups** | 1/2/3/4/5/7 |
| **UN SDGs** | 3/4/8/17 |
| **Key performance metric** | Employee turnover rate; Employee engagement scores |

Human capital management is paramount for our success in the energy industry. We prioritise talent acquisition and development to ensure that we recruit and retain skilled personnel. We believe a positive work culture and recognition of employee contributions are vital for employee engagement and retention. Additionally, succession planning is essential to ensure continuity in leadership roles and identify and nurture potential future leaders to sustain operational efficiency and effectiveness.

**Impact**

Inadequate human capital management within our company can result in talent shortages, decreased productivity, and heightened safety risks, negatively affecting our business operations in the oil and gas industry.

## Diversity and inclusion

| | |
|---|---|
| **Links to strategy** | 1/2/3/4/5/6 |
| **Stakeholder groups** | 1/2/3/4/5/7 |
| **UN SDGs** | 8/17 |
| **Key performance metric** | Percentage of women employees in the workforce, board and senior management; Diversity and inclusion training (hours). |

Promoting diversity and inclusion is essential for our success as an oil and gas producer. We embrace cultural diversity through inclusive workplace practices, implement gender diversity initiatives, support local content development, and foster inclusive leadership practices. By doing so, we can enhance employee engagement, attract diverse talent, and strengthen relationships with stakeholders, ultimately contributing to our long-term success.

**Impact**
Neglecting diversity and inclusion initiatives can have negative consequences for our company, including decreased employee morale, hindered innovation, and strained community relations in Niger.

## Human rights and community relations

| | |
|---|---|
| **Links to strategy** | 1/2/3/4/5/6 |
| **Stakeholder groups** | 1/2/3/4/5/6/7 |
| **UN SDGs** | 3/4/7/17 |
| **Key performance metric** | Number of community development projects implemented |

We believe respecting human rights and maintaining positive community relations are essential for sustainable operations. We are committed to engaging with local communities, addressing grievances, and implementing social development projects to enhance livelihoods and foster trust.

**Impact**
Neglecting these principles could lead to protests, social unrest, project delays, and reputational damage, which would negatively impact our success. Therefore, we are committed to upholding these values in all our operations.

## Supply chain management

| | |
|---|---|
| **Links to strategy** | 1/2/3/4/5/6 |
| **Stakeholder groups** | 3/4/5/6/7 |
| **UN SDGs** | 8/13/17 |
| **Key performance metric** | Supplier compliance with labour and environmental standards; Number of sustainability trainings conducted for strategic vendors |

We believe in responsible supply chain management to ensure ethical sourcing and minimise environmental and social risks. We conduct due diligence on our suppliers, promote local procurement, and ensure adherence to labour and environmental standards throughout our supply chain.

**Impact**
Ethical lapses or non-compliance within our company's supply chain can harm our reputation, disrupt our operations, and result in legal or regulatory penalties.

**Strategy**

| | |
|---|---|
| 1 | Drive social development |
| 2 | Focus on environmental care and reporting |
| 3 | Maximise returns for all stakeholders |
| 4 | Pillar 1: Upstream |
| 5 | Pillar 2: Midstream Gas |
| 6 | Pillar 3: New Energy |

**Stakeholders**

| | |
|---|---|
| 1 | Workforce |
| 2 | Shareholders and providers of capital |
| 3 | Joint Venture Partners |
| 4 | Suppliers and contractors |
| 5 | Host communities |
| 6 | Customers |
| 7 | Government and regulators |

**UN SDGs**

3 Good health and well-being; 4 Quality education; 7 Affordable and clean energy; 8 Decent work and economic growth; 13 Climate action; 17 Partnerships for the goals

## Business ethics and transparency

| | |
|---|---|
| **Links to strategy** | 1/2/3/4/5/6 |
| **Stakeholder groups** | 1/2/3/4/5/6/7 |
| **UN SDGs** | 8 |
| **Key performance metric** | Percentage of workforce who have received anti-corruption training; confirmed incidents of corruption |

Upholding high standards of business ethics and transparency is crucial for our company to maintain the trust of our stakeholders. To achieve this goal, we adopt clear ethical guidelines, promote transparency in financial reporting and decision-making processes, and ensure accountability for any misconduct.

**Impact**

Breaching ethics or lacking transparency erodes trust, harms our company's reputation, and invites legal consequences.

## Management of legal and regulatory framework

| | |
|---|---|
| **Links to strategy** | 1/2/3/4/5/6 |
| **Stakeholder groups** | 2/3/7 |
| **UN SDGs** | 8 |
| **Key performance metric** | Timeliness and accuracy of regulatory reporting |

Compliance with the legal and regulatory framework is fundamental for our company's operation in Nigeria's energy sector. We stay updated with evolving regulations, obtain the necessary permits and licenses, and implement internal controls to ensure adherence to legal requirements.

**Impact**

Non-compliance with legal and regulatory requirements is not just a risk but a potential threat to our company's operations. It can lead to severe consequences such as fines, legal disputes, project delays, and damage to our hard-earned reputation. Therefore, it is of the utmost importance that we remain vigilant and ensure strict compliance with all applicable laws and regulations.

**Mr. Basil Omiyi, CON**
Outgoing Independent Non-Executive Chairman

### Distinguished Shareholders

As the Chairman of Seplat Energy during the 2023 financial year, I am delighted to present this review of our Company's performance.

This is my second and last annual review as Chairman of Seplat Energy, a company with which I have had a long and engaging association, having joined its Board in March 2013 – a year before its dual listing on both the Nigerian and London Stock Exchanges. In this tenth anniversary year of that historic listing, I am proud that our Company has established a reputation for high standards of governance, transparency and disclosure – standards that we will raise this year as we become an early adopter of the new IFRS S1 and S2 disclosures on our sustainability performance.

# A future-forward energy company

We delivered a strong set of results in 2023, against a weaker oil price environment. Despite the 17.0% decline in average price of Brent crude, we grew our oil and gas revenue by 11.5% to $1,061.3 million, crossing the $1.0 billion mark for the first time, supported by improved production and asset availability. We also made significant progress on several of our growth projects, showing a willingness to not just deliver value today but to plan for tomorrow. We also made significant progress on several key projects that will deliver value for many years to come.

### The global oil price environment

In 2023, oil prices retreated from the highs seen in 2022 but overall remained supportive of continued cash generation. The average price of Brent crude fell 17.0% in 2023 to $82.15/bbl, from $98.95/bbl. in 2022. Reflecting this trend, our average realised oil price fell 18.0% to $83.39/bbl in 2023, down from $101.67/bbl in 2022. We recorded an average premium to Brent of $1.24/bbl, in 2023.

### Business performance in 2023

We increased average daily production by 8.3% in 2023, to 47,758 boepd, from 44,104 bopd in 2022. Our increased production was supported by new well stock, the availability of the Amukpe-Escravos Pipeline (AEP) and the improved operational performance of the Forcados Oil Terminal (FOT) compared to 2022. However, as with the previous year, the FOT experienced extended outage, this time due to the need to repair the Single Point Mooring (SPM) system during the third quarter.

# 47,758 boepd
Average daily production, FY 2023

# 42%
2023 Adjusted EBITDA margin

# $83.4/bbl
2023 average realised crude oil price

# $10.4 /boe
2023 Production cost per boe

# 8.7
Million man hours worked without LTI in 2023

Revenue from oil and gas sales for 2023 rose 11.5% to $1,061.3 million from $952.0 million in 2022. Excluding the reported $98.9 million overlift, total oil and gas sales were $962.4 million, 4.1% higher than 2022's equivalent revenue figure of $924.8 million ($27.2 million overlift).

We completed 14 new wells across our operated and non-operated assets, which was less than we initially planned. Additionally, our drilling campaign was affected by the tragic capsize of a drilling platform on its way to one of our fields. Our exploration and assessment of the Sibiri prospect continues and we estimate oil-in-place of 91.1 MMbbls, which will provide a boost to our reserves at OML40.

Our joint venture, the ANOH Gas Processing Company achieved mechanical completion at the end of 2023, but we await completion of third-party pipelines needed to connect the plant to Nigeria's power stations. We now expect the plant to produce first gas in Q3 2024. I am pleased to report we achieved 8.7 million man-hours with no LTI on our operated assets, reinforcing our strong commitment to safety in our operations.

## Financial performance and dividend

Our total revenue rose by 11.5% to $1,061.3 million, which marks the first time that Seplat has reported revenue above $1 billion, a feat achieved thanks to resilient and improved operational performance as oil prices came off the highs seen in 2022.

Net profit rose by 18.3% to $123.9 million, thanks to lower tax charges and continued focus on costs. Strong cash generation saw cash at bank grow to $450m at year end, which excludes the $128 million deposit for MPNU, while we also reduced our gross debt, reinforcing our healthy cash position.

As a result of this financial strength, the Board has recommended for your approval a special dividend of US 3 cents per share, in addition to a final dividend of US 3 cents per share, bringing the total dividend for 2023 to US 15 cents per share, consistent with our distribution to shareholders in 2022.

Upon approval, payments will be made to shareholders whose names appear in the Company's register at the close of business on 26 April 2024.

## Shareholder actions

In the first half of 2023 the Company and some of its leadership team were the subject of spurious and unwarranted court actions instigated by a handful of shareholders. I am pleased to say that their actions have either been withdrawn or been rejected by courts as baseless and we have put these unwanted distractions behind us. The Board has always expressed high confidence in the Company's leadership team, especially its Chief Executive, whose vision will lead Seplat Energy into a new and exciting era as Nigeria's leading energy company.

## Board changes

As previously reported by the Company, and in line with international best practices in corporate governance, I stepped down as Chairman – and from the Board – on 31 March 2024. I was succeeded as Chairman by Mr. Udoma Udo Udoma, whose appointment became effective on 1 April 2024.

At the same time, Charles Okeahalam stepped down from the Board, most recently as Senior Independent Non-Executive Director, a position to which he was appointed in May 2022. He was succeeded by Mr Bello Rabiu on 1 April 2024.

In November 2023, we announced the appointment of three new Independent Non-Executive Directors: Mr. Christopher John Okeke; Mr. Udoma Udo Udoma; and Mr. Babs Omotowa. Mr. Okeke and Mr. Udoma joined the Board in 1 December 2023, while Mr. Omotowa joined on 1 April 2024. Their considerable experience in the management and governance of Nigerian companies, including those in its energy industry, will be an invaluable addition to the Board.

On 28 July 2023, we announced that our Chief Financial Officer, Emeka Onwuka, will step down from the Board and be succeeded by Eleanor Adaralegbe, previously our Vice President, Finance.

**Basil Omiyi, CON**
Outgoing Independent Non-Executive Chairman

**Mr. Udoma Udo Udoma**
Independent Non-Executive Chairman

## Welcome

It is with great pleasure that I welcome you all to the 11th Annual General Meeting (AGM) of Seplat Energy PLC, Nigeria's leading independent energy company.

On behalf of the Board of Directors, I am delighted to present for your approval the Annual Report and Accounts for the year ended 31 December 2023, along with our separate Sustainability Report.

Together, these documents provide a comprehensive account of our achievements in 2023, detailing our operational and financial performance as we endeavoured to pursue our strategic aims in the most sustainable way possible, for the benefit of all our stakeholders including you, our shareholders.

As owners of our Company, I encourage you to participate fully in this AGM, as our Directors and Leadership Team are on hand to answer any questions you may have about our strategy and performance in 2023, as well as our future prospects.

I have taken over Chairmanship of Seplat Energy at a most exciting time; in the coming months we will commence production from our joint venture ANOH Gas Processing Company and, we hope, complete our transformative acquisition of Mobil Producing Nigeria Unlimited (MPNU), which will diversify the business into offshore operations for the first time.

# Delivering excellence

I am delighted to join Seplat Energy at an exciting time in its history. The Company is looking forward to a number of significant events that can substantially increase its position within Nigeria's energy industry.

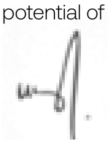
We have been able to take on this acquisition of a much larger entity because we have managed the Company well since our listing, focusing on high standards of safety, responsible stewardship of Nigeria's assets, excellence in operations, improvements in corporate governance and consistent strengthening of our finances.

It is this strength and good management that enables me to seek your approval for a final dividend of US 3 cents per share, along with a special dividend of US 3 cents per share, bringing our total dividend for the year to US 15 cents.

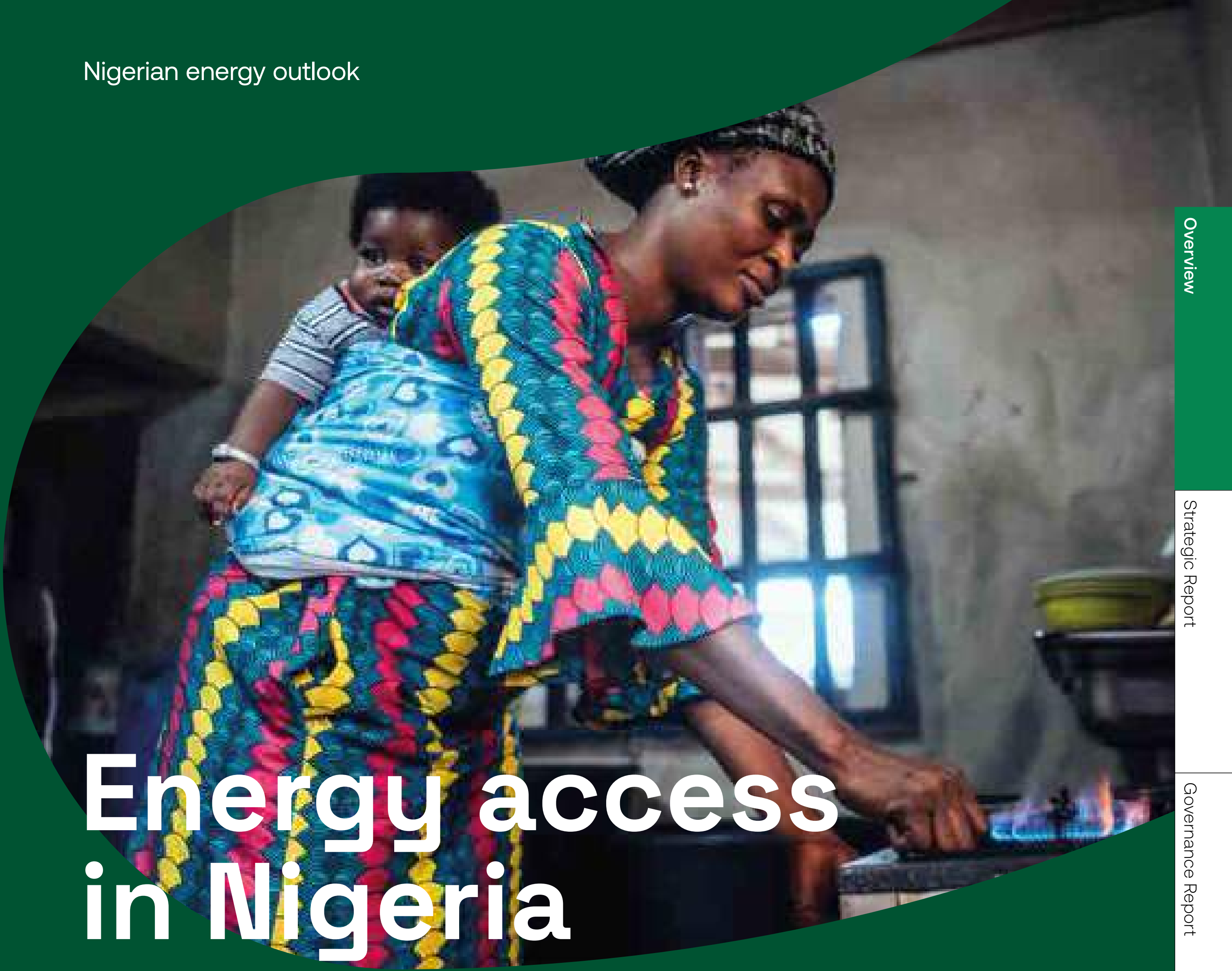
As the new Chairman, I intend to follow the lead of my predecessor in committing Seplat Energy to continue operating to the highest standards of governance and management. I am optimistic that by maintaining these standards Seplat Energy will be able to continue offering very attractive returns to shareholders.

The Company's vision, as outlined by my predecessor, Mr. Basil Omiyi, in the 2022 Annual Report remains unchanged – that Seplat Energy should be a model company, an example of excellence and respectability that inspires other Nigerian companies to achieve the highest levels of success on the global business stage.

We hope to complete our acquisition of the entire share capital of MPNU and integrate its business with ours, welcoming its highly skilled and experienced staff to the Seplat family. I am confident that the larger group we become will be synonymous with excellence in Nigeria, reflecting the boundless energy and limitless potential of its people.



**Mr. Udoma Udo Udoma**
Independent Non-Executive Chairman



# Energy access in Nigeria

Despite continuous efforts and policy formulations to improve electricity generation, transmission and distribution in Nigeria, access to electricity remains poor. As of 2021, just 59.5% of the population had access to any kind of electricity, according to World Bank data, suggesting that approximately 88 million Nigerians were without. Energy access was higher in urban areas, with 89.2% urban access, while access in rural areas as 26.3%. Per-capita consumption of electricity is estimated at just 144 kWh, according to International Energy Agency data for 2021, the latest available. By contrast, per-capita consumption in the UK was 4,539 kWh in the same year.

In terms of customers, the Nigerian National Bureau of Statistics estimates that the country's 11 distribution companies (DISCOs) had a total of 11.7 million customers, of whom 5.7 million were metered. For context, Nigeria is estimated to have 42 million households and 40 million micro, small and medium-sized businesses.

Nigeria's domestic generating capacity remains poorly developed. According to the Nigerian Electricity Regulation Commission, there are 26 grid-connected power plants with total installed capacity of 12,199 MW, as of January 2024 (Source; NERC fact sheet). However, the average availability capacity for January 2024 was just 4,459 MW and the average hourly output was 4,275 MWh. This monthly snapshot is representative of Nigeria's poor generation capability, with lack of gas and poor maintenance being significant causes of power station unavailability. Furthermore, Nigeria's distribution system has suffered 46 grid collapses since 2017 and 2023 due to poor maintenance and vandalism. The majority of grid electricity, approximately 78%, is powered by gas, with hydro-electric contributing 22%, according to the International Energy Agency figures for 2021. The IEA estimates that solar power contributed 0.1% of grid electricity.

The use of small-scale diesel and petrol generators is widespread in Nigeria, with an estimated 22 million being deployed across the country and a combined capacity estimated at 42 GW. Generating power from such small-scale, mostly imported systems is expensive, particularly in light of recent rises in the cost of petrol and diesel, and the devaluation of the Naira.

Electricity generation remains a priority for the Federal Government, with new plants recently being commissioned in 2023 – the 240 MW Afam Three Fast Power natural gas-fired plant as well as a 50 MW gas-fired power plant in Maiduguri. The 700 MW Zungeru hydropower plant was commissioned in Q4 2023, boosting the renewable generation of the country.

A new 1,350 MW gas-fired power plant, Gwagwalada is currently under construction in three phases, the first of which is expected to be completed in 2024. Once operational, it is expected to provide around 11% of the country's electricity, according to the IEA.

The IEA also notes that 75% of electricity generated on the main grid in 2023 was powered by natural gas, which is expected to remain an important part of energy supply and grid stabilisation for Nigeria's power sector until 2030. Nigeria's Energy Transition Plan foresees a decline in gas beyond 2030 as hydro power and solar capacity comes onstream. The IEA believes mini-grids and domestic systems will form a large proportion of new demand for solar, doubtless spurred by the abolition of the fuel subsidy, which has made domestic generation more expensive.

**Seplat's response**

At Seplat Energy, we are developing our Midstream Gas business to produce more gas for Nigeria's domestic power generation. We are exploring hybrid gas/renewable systems to offer on the scale of business parks, hospitals and universities, and we are also taking tentative steps into renewable energy both as a business line and in community projects, such as the installation of solar panels for local clinics and schools in our areas of operation.

# Our operating context

The external operational environment significantly affects profitability, business continuity, risk management, and strategic decision-making. It plays a vital role in shaping our views on important issues that impact our business. Our ability to create value depends on various economic factors and our ability to adapt to them strategically, with corresponding implications for our stakeholders.

## Global economy

In 2023, global financial markets underwent significant volatility, driven by uncertainty regarding monetary policy, inflation, and economic growth in US and major European economies. January began with optimism, as expectations of a weaker US economy led to anticipation of softer inflation and lower interest rates, potentially prompting the US Federal Reserve to halt its rate hikes. However, with robust economic data and unexpected inflation, the economic outlook shifted in February. Banking sector turmoil, triggered by the Silicon Valley Bank failure and UBS's buyout of Credit Suisse, further rattled markets, leading to a sell-off in global financial stocks. Central banks faced the challenge of balancing inflation control, banking system stability, and economic growth support.

By the end of March, some key economies saw an improved growth outlook, making equities more attractive, although risk aversion persisted. Global equities outperformed bonds and developed markets performed better than emerging markets. In Q2, global bonds turned bearish but developed market equities surprisingly remained strong, driven by a positive US growth outlook, even as China's prospects weakened. Central banks, including the US Federal Reserve, maintained hawkish stances, necessitating additional rate hikes, with the Bank of England, Canada, and Australia making noteworthy moves.

However, the third quarter saw a decline in investor sentiment as the global interest rate outlook worsened, impacting 2024 growth expectations. The possibility of "higher for longer" interest rates prompted widespread risk aversion, leading to broad sell-offs in global equity and bond markets. September witnessed significant sales of developed market government bonds due to continued hawkish comments from the US Federal Reserve and others.

Additional factors affecting market sentiment included disappointing Chinese growth, risks associated with the Russia-Ukraine conflict, and a sharp rise in oil prices, which reached $97 per barrel for Brent crude in late September. This surge in oil prices heightened inflation concerns as oil producers extended production cuts and inventories decreased. The market losses were similar across equities and bonds, affecting developed and emerging markets. Global property stocks suffered the most from the "higher for longer" interest rate outlook.

**What this means to Seplat**

The state of the global economy plays a pivotal role in shaping the dynamics of oil supply and demand. These dynamics, in turn, significantly influence the balance between oil supply and demand, a critical determinant of oil prices. Consequently, the global economy substantially impacts sector profitability, valuations, and investment strategies within the oil and gas industry.

In addition to its role in the oil market, the global economy contributes to the overall stability or volatility experienced in global financial markets. These markets encompass equities, debt, commodities, and currencies, all interconnected with the oil and gas sector. Any fluctuations or disturbances in these financial markets can have far-reaching implications for companies operating within the oil and gas industry, affecting their strategic business decisions.

Overall, while oil prices fell on average versus 2022, as a result of cooling geopolitical tensions and wider demand-led economic concerns, they remained at a level which supported strong financial performance for Seplat in 2023.

## Nigerian Government transition

In March 2023, the electoral commission of Nigeria declared Bola Ahmed Tinubu from the APC party as the presidential election winner. Since taking office, President Tinubu has implemented several key economic policies. Notably, he eliminated fuel subsidies to foster fiscal responsibility and better resource allocation. His administration also allowed the Naira to float, addressing foreign exchange rate issues, although this led to Naira depreciation and rising inflation.

Under Tinubu's leadership, the Electricity Act 2023 was introduced, replacing the 2005 Electricity and Power Sector Reform Act. This new law transformed the electricity sector by liberalizing generation, transmission, and distribution nationally, allowing states, companies, and individuals to manage electricity in their regions. It focuses on renewable energy, sets clear licensing and monitoring rules, and safeguards licensees' assets and rights.

In the oil & gas sector, President Tinubu has set out to improve security of the country's pipelines, while also implementing policies that will drive growth in investments in the sector. On 6-March 2024, President Tinubu signed executive orders to implement some oil & gas sector reforms including Introduction of fiscal incentives for non-associated gas, midstream and deepwater developments, Streamlining of contracting process to compress the contracting cycle to six months, and the application of the local content requirements without hindering investments or the cost of competitiveness.

**What this means to Seplat**

Seplat's production and product evacuation are influenced by policies that promote investment and facilitate product movement. We observed a notable reduction in pipeline losses in 2023 as export infrastructure benefited from government and industry efforts to improve security. The Nigerian economy's current state suggests that recent government reforms will likely have a positive impact in the medium term, especially in strengthening fiscal and external aspects of the government. These reforms, particularly in the oil and gas sector, aim to increase production levels and market prices. This is expected to boost oil and gas output, tackle existing challenges, and stabilize the sector's contribution to Nigeria's economy.

The success of these reforms hinges on effective implementation, political stability, and global economic conditions. However, the government's commitment to these reforms is a positive step towards resolving the Nigerian economy's problems and establishing a foundation for long-term economic growth and stability.

## Naira/US$ exchange rates

In June 2023, the Central Bank of Nigeria (CBN) announced a significant policy change to stabilise the exchange rate and boost the economy. This involved conducting all foreign exchange (FX) transactions through the Investors and Exporters (I&E) window, introducing a "willing buyer, willing seller" model. Before this, Nigeria had multiple exchange rates. The policy change aims to establish a market-driven FX system that would reflect the actual value of the Naira and enhance investor confidence in Nigeria. Additionally, the policy intended to attract Foreign Direct Investment (FDI) and stimulate economic growth.

While the CBN's move to unify exchange rates received praise, it faced a significant challenge – the demand for dollars exceeded its supply. As such, considerable effort has been expended to clear the FX backlog.

The move to float the Naira triggered a rapid depreciation of Nigeria's currency against others. For context, at the official market, the Naira depreciated 49% to N900/$ at the end of 2023, from N463/$ before the FX unification attempt. In the parallel market, the Naira depreciated 43% to N1,300 within the same period. This demonstrated the challenges of maintaining a stable exchange rate amidst limited FX reserves and earnings.

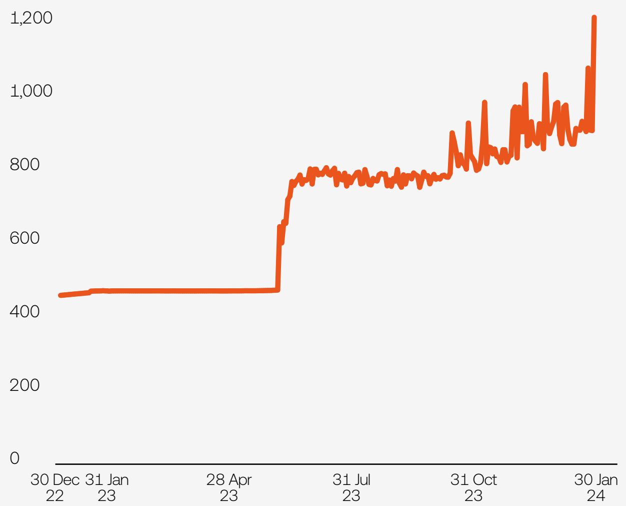
**What this means to Seplat**

The Company acknowledges the importance of effectively managing the impacts of foreign exchange (FX) fluctuations. It recognises that navigating the changing currency dynamics is crucial to its financial stability and overall success.

Seplat generates revenues in both US dollars and Naira, and incurs costs in both currencies. In 2023 around 80-85% revenues were generated in USD, with the balance generated in Naira. Naira revenues are generated in our gas business and also through sales of oil to the Waltersmith refinery from OML53. All our Naira revenues are indexed in USD and paid in Naira, limiting our exposure to local currency depreciation. Furthermore, we typically do not need to convert NGN to USD.

Nevertheless, Seplat will continue to proactively monitor currency risks within its portfolio, both from the perspective of revenue and costs. This strategic approach will allow the Company to safeguard its financial position, optimise its operations, and maintain resilience in the face of currency uncertainties.

**Exchange rate ($)**

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# Oil price

Throughout 2023, oil prices experienced notable fluctuations. At the start of the year, oil price fell, as bearish sentiments were fuelled by persistent hawkish monetary policy in US & Europe, global growth concerns, and fear of weaker oil demand from China. However, by September, prices surged, with Brent, Murban crude, and WTI all showing considerable increases, influenced by production cuts from Russia and Saudi Arabia and heightened demand from China.

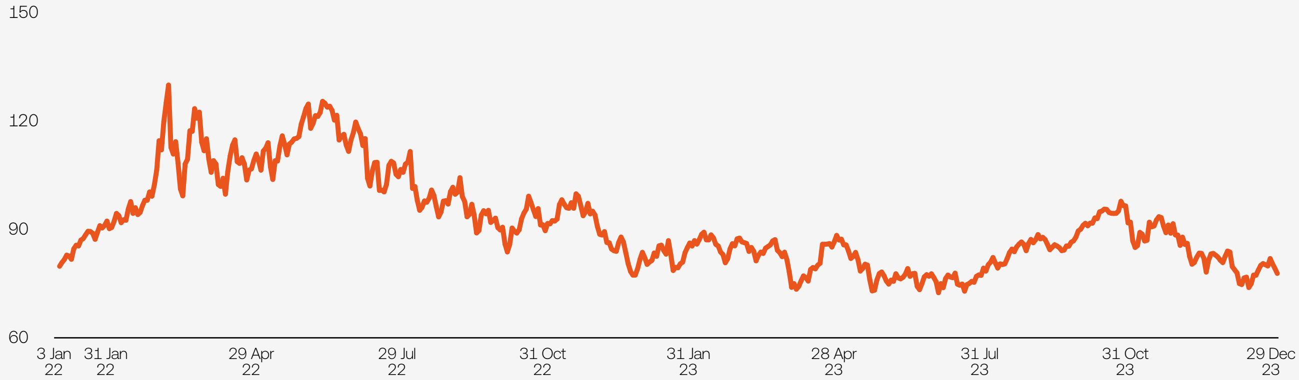
In October, Brent futures fell again as concerns about supply were overshadowed by worsening macroeconomic indicators and decreasing demand, especially in the US where gasoline deliveries were at their lowest in two decades. Emerging markets suffered even more from demand destruction due to currency issues and the removal of fuel subsidies.

Finally, in November, oil prices declined further, with Brent averaging lower than in October. This decline was mainly attributed to reduced demand due to the global economic slowdown, geopolitical events, and delays in OPEC+ output level decisions.

**What this means to Seplat**
The price Seplat realises for sales of crude oil have a significant bearing on our revenue, profitability, and cash flow. These factors, in turn, shape our capital expenditure (capex) program and growth strategy. In 2023, our sales of crude oil generated 88% of total revenues. Highlighting the importance of global oil prices are in driving our financial performance, which in turn supports our investment plans, ability to service debt and deliver returns to shareholders.

Furthermore, oil prices and oil price futures substantially impact equity valuations and market sentiment, which can influence our trading performance as a publicly listed company. The volatility in oil prices can introduce higher levels of risk to our business, as such the company has a well established hedging policy (buying deferred premium puts for two quarters in advance), which was executed to plan in 2023.

**Brent Crude Price ($)**




# Gas opportunity

There are significant opportunities for growth and development of gas in Nigeria, both for the domestic and export markets. The outlook for the Nigerian gas sector is positively framed by several key developments and initiatives that highlight its potential for growth and significant impact on the economy and energy landscape. The Nigerian Upstream Petroleum Regulatory Commission (NUPRC) has underscored the abundance of opportunities in the oil and gas sector. Nigeria has a target to develop its estimated gas reserves of 210 trillion cubic feet (TCF) and grow oil production capacity to three million barrels per day by 2030, the sector is poised for substantial expansion.

The government's "Decade of Gas" initiative, launched in 2021, is a pivotal driver in this positive outlook. It aims to enhance gas infrastructure, thereby increasing gas penetration across the economy. This initiative not only addresses the current needs but also aims to meet suppressed demand through the development of projects like the Ajaokuta-Kaduna-Kano (AKK) a 614km gas pipeline by NNPC, linking gas fields in the Niger Delta to industrial hubs in the North, and the Obiafu- Obrikom-Oben (OB3) pipeline which will take gas from Seplat operated OML53 to industrial hubs in Nigeria.

Moreover, the emergence of small-scale gas projects that adopt a modular and flexible approach to gas infrastructure is a noteworthy trend. These projects focus on capturing flared gas and turning it into valuable commodities for the domestic market, such as liquefied petroleum gas (LPG) and compressed natural gas (CNG), demonstrating an innovative approach to addressing both environmental concerns and market needs.

In terms of exports, Nigeria's potential as an alternative gas supplier, particularly to Europe, is significant. The country's proven gas reserves and geographical proximity offer a strategic advantage in the global gas market. However, realising this potential depends on creating an enabling environment for investment and aligning projects with current market dynamics.

The Nigerian gas sector's positive outlook is thus characterised by ambitious growth targets, strategic infrastructure development, innovative small-scale projects, and the potential to be a key player in the global gas market. These elements collectively suggest a promising future for the sector, with opportunities for economic growth, energy security, and environmental sustainability.

**What this means to Seplat**
Seplat has strongly emphasised the commercialisation and growth of our substantial gas reserves and resources within our blocks. We see development of its gas reserves as a key strategic focus, and efforts to construct gas processing facilities on our assets at Oben, Sapele and ANOH has established Seplat as a prominent provider of processed natural gas to Nigeria's domestic market.

We are preparing to commission the ANOH gas processing plant at OML 53, which will significantly expand our capacity to supply processed gas (300 MMscf/d gross plant design capacity), to the domestic market. Furthermore, Seplat is investing in multiple projects to eliminate routine gas flaring from its production hubs. As the projects complete through 2024 and 2025, Seplat will significantly reduce its operated emissions, whilst also increasing its gas sales.

# Decarbonisation and adaptation

In 2023, the decarbonisation movement within the oil and gas industry saw significant advancements marked by strategic initiatives, global commitments, and heightened scrutiny from environmental groups. Companies increasingly embraced decarbonisation strategies, focusing on operational efficiency and clean technology investments, driven by the need for competitive advantage and compliance with evolving regulatory landscapes. A notable development was at COP28, where 50 major oil and gas companies, representing around 40% of global oil production, pledged to achieve zero carbon emissions by 2050 and substantially reduce methane emissions by 2030. This commitment was part of the broader Global Decarbonisation Accelerator initiative aimed at various heavy-emitting sectors.

The Nigerian government's Energy Transition Plan (ETP) is a central component of Nigeria's decarbonisation initiatives. The ETP aimed to address around 65% of Nigeria's emissions and focused on several key objectives, including lifting 100 million Nigerians out of poverty, providing modern energy services to the entire population, managing job losses in the oil sector due to reduced global fossil-fuel demand, and promoting a fair and inclusive energy transition in Africa. This pathway identified gas as a critical transition fuel, particularly in the power and cooking sectors. The ETP highlighted significant investment opportunities in solar energy, hydrogen, and electric vehicles and projected substantial job creation across various sectors by 2030 and 2060.

A key component of Nigeria's decarbonisation strategy involves transitioning away from diesel and petrol generators towards increased gas generation and renewable energy capacity. The transport sector also saw plans for a significant decrease in emissions, primarily through the uptake of electric vehicles (EVs). The cooking sector focused on replacing traditional firewood, kerosene, and charcoal with LPG and later transitioning to electric cookstoves and biogas. In the oil and gas sector, decarbonisation efforts were mainly driven by the global response to climate change and included reducing flaring and fugitive emissions. The industry sector planned a considerable reduction in emissions through decarbonisation efforts in cement and ammonia production and a shift to zero-emission fuels for heating.

To achieve its decarbonisation goals, Nigeria requires an investment of approximately $1.9 trillion to reach net zero by 2060, which included $410 billion above projected usual spending. This additional cost is estimated to amount to about $10 billion annually.

Additionally, the Nigerian government launched the Nigeria Deep Decarbonisation Project (DPP), designed to generate context-specific scenarios and long-term modelling to support the government's emission reduction strategies.

Nigeria's commitment to decarbonisation also extends to its involvement in carbon markets, as evidenced by the National Council on Climate Change's (NCCC) regulatory guidance on its carbon market approach. This approach was aligned with Nigeria's development priorities, Nationally Determined Contributions (NDCs), and its NetZero target, as outlined in the Paris Agreement. The NCCC emphasised the role of domestic private sector operators in the success of Nigeria's carbon market and aimed to encourage their participation in decarbonisation efforts.

The implementation of the Presidential Power Initiative, and back off-grid projects like the Solar Power Naija Program and the Nigeria Electrification Project. These projects aim to provide electricity to millions of Nigerians through solar home systems and solar hybrid mini-grids. These efforts align with Nigeria's Electricity "Vision 30:30:30," which seeks to boost electric power generation from 5.5 gigawatts to 30 GW, with 30 per cent of the energy coming from renewable sources by 2030.

**What this means to Seplat**

We positioned for decarbonisation through several strategic initiatives and reinforced our commitment to sustainability and the energy transition, emphasising our role in leading Nigeria's domestic gas supply, which accounts for about c.25% of the country's gas-to-power supply.

A key focus for us has been the aggressive program to eliminate gas flares by 2025, which is a significant part of our commitment to achieving net zero by 2050. We are also exploring using solar power where feasible and have initiated a diesel replacement program to increase the use of gas, a less carbon-intensive fuel, for power generation.

To support these decarbonisation efforts, Seplat Energy has committed substantial financial resources. In 2023, we allocated $5.7 million towards projects to end routine flares in operations. This includes installing gas compression facilities and incineration at various flow stations. Upon completing these projects, we expect to significantly improve our gas handling capacity and reduce flares, thus monetising flare gas in alignment with our corporate strategy and national initiatives.

Additionally, Seplat Energy has committed to afforestation efforts through tree planting across Nigeria, part of its strategy to capture residual emissions. The New Energy business has been tasked with developing power and renewable energy, aligning our business strategy with the Paris Agreement's overarching goal of limiting global temperature rise and supporting Nigeria's pathway to carbon neutrality by 2060.

# Petroleum Industry Act (PIA) 2021

The Petroleum Industry Bill was signed into law on 16 August 2021 and represents a comprehensive overhaul of the legal framework governing Nigeria's oil and gas sector. It aims to address various longstanding issues and challenges within the industry and provides for the voluntary conversion of existing prospecting licenses and mining leases to the terms of the PIA. Key provisions of the Petroleum Industry Act include Establishment of Regulatory Bodies, Host Community Development, Fiscal Reforms, Governance and Transparency, Environmental and Social Responsibility, Restructuring of State-Owned Entities, Liberalization of Downstream Sector. The PIA represents a significant step toward reforming Nigeria's petroleum industry, attracting investment, promoting transparency, and addressing the concerns of host communities. It is expected to have a profound impact on the country's oil and gas sector and its overall economy.

The regulators (NUPRC and NMDPRA)are finalising the new regulations including guidelines that address conditions precedent for the conversion (twenty-nine regulations have been gazetted between NUPRC and NMDPRA, and about eighteen regulations still outstanding and under review as of January 2024) and has shared concession contracts with converting companies to enable a thorough review and understanding of the contractual terms and obligations that will be applicable under the new PIA regime. The long-stop date for the fulfilment of the condition's precedent, which was extended to September 30, 2023, has expired; and a new date is expected to be communicated.

**What this means to Seplat**

In October 2022, Seplat West Limited (OMLs 4, 38 & 41) and Seplat East Onshore Limited (OML 53), along with their respective joint venture partners (NEPL and NNPCL), submitted provisional applications to the NUPRC for the voluntary conversion of their operated Oil Mining Leases under sections 92 and 93 of the PIA. Additionally, NEPL, the operator of OML 40, joined by Elcrest, also applied for conversion.

The decision to pursue conversion was based on Seplat Energy's evaluation of the new fiscal terms introduced by the PIA. Notably, the improved oil and gas royalty structure, revised tax system, and the introduction of production-based allowances collectively have the potential to enhance the value of our Upstream and Midstream assets.

Following the conditional application for complete conversion to the PIA regime submitted in February 2023, our dedicated team has diligently prepared the company to align with various aspects of the PIA and related regulations that affect Seplat. Furthermore, we established four Host Community Development Trusts (HCDTs) for OMLs 4, 38, 41, and 53, with HCDT accounts set up in 2023. In May 2023, we submitted to NUPRC, our agreed retention and relinquishment areas for Seplat-operated acreages as well as minimum work programs to support the prospecting license areas – these are still subject to ongoing review by the regulator.

Seplat continues to monitor the evolving regulatory landscape closely, while reserving the option to modify or withdraw the conversion application within the conversion period as guided by the regulations.

In doing this, we will work closely with the regulators to ensure compliance on gazetted regulations. We would also focus on finalising the details around our retain acreages to enable us quantify the applicable performance security applicable to our assets and then assess a holistic impact of conversion.

# Nigerian ownership of the E&P sector

The Nigerian National Petroleum Corporation Limited (NNPC Ltd) was established as a limited liability company on September 21, 2021, by enacting the Petroleum Industry Act (PIA) 2021. Its primary mission is to harness the potential of Nigeria's oil and gas resources to meet energy demand and boost the national economy. NNPC Ltd is mandated to prioritise profitability and continuous value addition while adhering to legal and regulatory requirements.

NNPC represents the Nigerian government's ownership interests in joint venture contracts with international and indigenous exploration companies. It has issued over 70 Oil Mining Licenses (OML) to these companies to extract crude oil and gas in Nigeria. Notably, NNPC successfully negotiated and signed new production-sharing contract arrangements with international oil companies, with these agreements projected to yield up to ten billion barrels over 20 years.

The recent announcements of divestment by international oil companies from Nigeria's onshore and shallow water license areas opens avenues for local firms to acquire and develop these proven, mature assets, while potentially freeing the IOCs to invest in greenfield deepwater opportunities in Nigeria.

These divestments bring opportunities for local ownership and the potential for transferring crucial technical skills to Nigerian companies, which could significantly benefit Nigeria's economy.

To address the shift of international oil companies (IOCs) from onshore and shallow water investments to deepwater, an important initiative was announced in December 2022. This initiative involves an upcoming bid round for seven new offshore blocks, covering a significant area in water depths ranging from 1,150 to 3,100 meters. It aims to attract experienced local and international offshore exploration and production investors, promote energy security, generate substantial revenue, and foster partnerships within a fair and well-defined legal and regulatory framework.

# Global oil and gas corporate activity

The global oil and gas industry witnessed significant corporate M&A activity in 2023, shaped by strategic divestments, acquisitions, and a pivot towards renewable energy amidst environmental, social, and governance (ESG) pressures. Major oil companies continued to streamline their portfolios by exiting less profitable or environmentally sensitive areas, particularly in regions fraught with operational challenges, such as the Niger Delta. This trend facilitated the rise of local entities and national oil companies (NOCs) stepping into roles formerly held by international oil companies (IOCs), aiming to maximise domestic resources and build technical expertise.

Mergers and acquisitions (M&A) activity was robust, driven by a desire to consolidate operations, gain access to new resources, and enhance operational efficiencies. Companies also sought to diversify their energy portfolios, investing in renewable energy projects and technologies to align with global decarbonisation goals. This strategic shift underscored the industry's response to increasing climate change concerns, regulatory pressures, and consumer preferences.

The financing landscape for oil and gas projects witnessed changes, with traditional funding sources becoming more cautious due to ESG considerations. This led to innovative financing models and increased interest from private equity and venture capital in energy transition projects. Technological advancements and digital transformation initiatives also gained momentum, aiming to reduce operational costs, increase efficiency, and mitigate environmental impact.

Overall, the global oil and gas sector 2023 navigated through a transformative period, balancing the immediate energy demands with long-term sustainability and transition goals. The industry's corporate activities reflected a complex interplay of economic, environmental, and social factors, pointing towards a future where traditional and renewable energy sources coexist within diversified energy companies.

**What this means to Seplat**
The competitive landscape and the cost associated with inorganic growth are pivotal factors influencing decision-making in the oil and gas industry regarding capital allocation. This sector is characterized by intense competition, often involving numerous corporate players vying for business opportunities that may overlap. The level of competition, as well as the availability or scarcity of these opportunities, can lead to competitive pressures that drive up acquisition multiples used as benchmarks. Evaluating the cost of these opportunities also plays a critical role in determining how capital is allocated, especially when weighing the value of such opportunities against organic investments.

Presently, Seplat maintains a focused approach within the Nigerian oil and gas sector, where we believe we possess distinct competitive advantages. As an indigenous operator with a strong track record of successful delivery and a disciplined strategy for acquisitions at competitive prices, coupled with broad access to various sources of international and domestic capital, we view ourselves as a unique and preferred investment partner. In December 2019, we completed the acquisition of Eland Oil and Gas PLC, a London-listed company, for a cash consideration of GBP 382 million, underscoring our commitment to strategic growth.

**What this means to Seplat**
Seplat, as a Nigerian indigenous company, is actively contributing to the country's local content objectives. They were among the pioneering indigenous firms directly acquiring blocks from major International Oil Companies (IOCs). This strategic move demonstrates Seplat's clear intention to play a consolidating role within Nigeria's independent oil and gas sector.

The acquisition of Eland Oil and Gas PLC further emphasises Seplat's commitment to expanding its influence in Nigeria's independent oil and gas industry. Seplat is estimated to manage approximately 20% of Nigerian indigenous oil production. Additionally, they are a significant supplier of processed gas, supporting up to one-third of the country's on-grid power generation.

With the impending commissioning of the ANOH project, Seplat is poised to become a crucial player in underpinning Nigeria's power generation, with the capacity to support up to 2,000 megawatts of electricity across its gas midstream business

Seplat's reputation as a reliable partner makes it a preferred choice for incumbent asset owners seeking to engage in various Nigerian oil and gas transactions. Their strategic positioning positions them well to capitalise on future opportunities, including asset divestments from the IOCs, participation in upcoming licensing rounds, and farm-in prospects.

# Nigerian economy

In the first half of 2023, Nigeria experienced a complex interplay of electoral tensions, government policy decisions, and their impact on various sectors. The year began with disruptions caused by the Central Bank of Nigeria's (CBN) Naira redesigns policy and cash withdrawal limits, leading to a liquidity crisis that significantly affected economic activities and the informal economy. Simultaneously, the 2023 General Election process reignited political tensions, exacerbating divisions among ethnic groups, political parties, and demographics.

President Bola Ahmed Tinubu's administration aimed to reduce policy uncertainty and adopted pro-market policies to mitigate exchange rate risks and fiscal constraints. However, socio-cultural tensions persisted due to insecurity, kidnapping, and farmer-herder clashes.

Despite challenges, the Nigerian economy grew in H1-2023, albeit slower than the previous year. The real GDP expanded by 2.4%, with varying growth rates in Q1 and Q2. The Naira liquidity crunch in the first quarter impacted growth, particularly in the agriculture sector, which recorded negative growth for the first time since 2020.

Inflation rates fluctuated, with headline inflation reaching 22.8% in June 2023. This was influenced by policy reforms, including a significant increase in the price of premium motor spirit (PMS), removal of fuel subsidies, and currency devaluation. The supply shortage of foreign exchange and heightened insecurity further drove inflation, particularly in food prices.

Nigeria's public debt increased significantly, with foreign debt rising due to currency devaluation and loans from China. Domestic debt also surged following the inclusion of Ways and Means advances from the Central Bank of Nigeria. This increase raised concerns about the debt-to-GDP ratio breaching the government's self-imposed limit in 2023.

The 2024 proposed budget aimed for higher revenues, mainly driven by increased net oil revenue targets after subsidy removal. However, the budget also featured higher government spending, particularly on debt servicing and recurrent expenditures, resulting in a substantial deficit that would be financed through domestic and foreign borrowings, multilateral loans, and privatisation proceeds.

In the third quarter, President Tinubu nominated Yemi Cardoso as the CBN governor, and the new management team took office, addressing the backlog of foreign exchange forward contracts, lifting the ban on purchasing foreign exchange for specific items, and announcing bank recapitalisation to support economic goals.

**What this means to Seplat**
Seplat plays a significant role in contributing positively to the Nigerian economy, making it an important participant in the country's economic landscape. This contribution encompasses various aspects:

Seplat contributes to the Nigerian government's revenue by paying royalties and taxes and supporting public services and infrastructure development.

The company provides employment opportunities to many Nigerians, contributing to job creation and economic livelihoods.

Seplat's efforts in increasing domestic gas supply are essential for underpinning Nigeria's power generation capacity, reducing reliance on more expensive imported diesel denominated in USD. A stable and affordable energy supply is crucial for economic growth.

The company actively engages in social investments within Nigeria, focusing on various initiatives that contribute to community development, education, healthcare, and overall social well-being.

Seplat has successfully raised substantial capital from both domestic and international sources, reinvesting these funds in Nigeria to drive growth and support various projects and initiatives.

The broader economic performance of Nigeria significantly influences its attractiveness as an investment destination for capital providers, including Seplat. A stable and growing Nigerian economy enhances the country's appeal as an investment opportunity. Conversely, economic challenges can impact access to capital and the cost of financing for companies like Seplat. Therefore, the company's success is closely tied to the overall health and performance of the Nigerian economy.

# Global equity markets

Global equities rose strongly in the first half of the year. The widely predicted U.S. recession has yet to arrive, and corporate profits have been very resilient, at least in nominal terms. The exceptional performance of technology stocks, inspired by talk of an AI revolution, has grabbed the headlines, but beneath the surface, valuation metrics are working well across most markets. Since the March failure of two U.S. regional banks (along with the collapse of Credit Suisse), the financial sector has also proved resilient. China's market remains the primary source of disappointment for equity investors, with continued struggles in the real estate sector overshadowing the post-COVID economic recovery and unease over the government's domestic and foreign policies.

In the US market, the "magnificent seven" drove most of the strength in global equity markets this year as they accounted for 75% of the US market year-to-date return – Apple, Microsoft, Nvidia, Amazon, Meta, Tesla, and Google. As of the end of November, Technology, communication services, and consumer discretionary stocks have notched big rebounds in 2023. So have growth stocks in general. One key factor has been the investor shift in focus from rising interest rates to the possibility of rate cuts as soon as early 2024. The tech-heavy Nasdaq Composite has gained around 37% in 2023. The blue-chip Dow Jones Industrial Average was up about 11% across the year.

Not only have they rebounded dramatically, but the high-growth, cyclical technology, telecom, and consumer discretionary sectors have been the top-performing S&P 500 sectors of the year. Defensive sectors, including the utilities, healthcare, and consumer staples, were the biggest laggards in 2023.

In addition to technology and growth stocks, a handful of specific investment themes delivered significant gains. ChatGPT and other generative AI products and services took the world by storm in 2023. Given the speed at which technology is developing and, it appears likely that AI will play an increasingly important role in the future global economy and in the oil and gas industry.

From a geopolitical perspective, conflict in Israel-Gaza, and the ongoing conflict between Russia and Ukraine continued to impact on markets. Given proximity to large oil producing regions it is likely that these conflicts impact oil prices.

**What this means to Seplat**

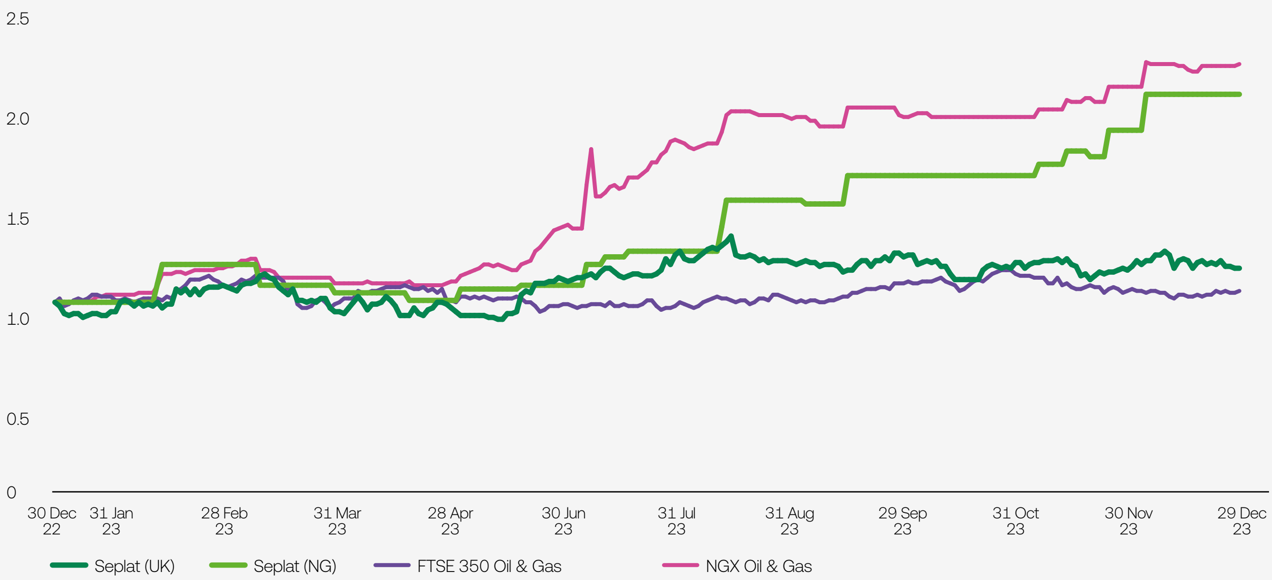
Seplat is listed on the Premium Board of the Nigerian Stock Exchange and the main market of the London Stock Exchange. Fluctuations in market conditions can notably impact Seplat's trading performance. As the sole Nigerian company fully dual-listed on these two prominent exchanges, our trading performance is susceptible to influences from both domestic and international market conditions. Many complex and external factors beyond our direct control are inherently affected by equity markets. Consequently, investment returns can exhibit significant disparities across various markets and industry sectors. We focus on influencing factors within our control to navigate these challenges effectively. Our primary objective is to deliver performance that aligns with our established guidance. Robust risk management practices, prudent financial management, rigorous operational control, and stringent investment criteria underpin this pursuit. Our overarching aim is to ensure the creation of long-term value for our shareholders.

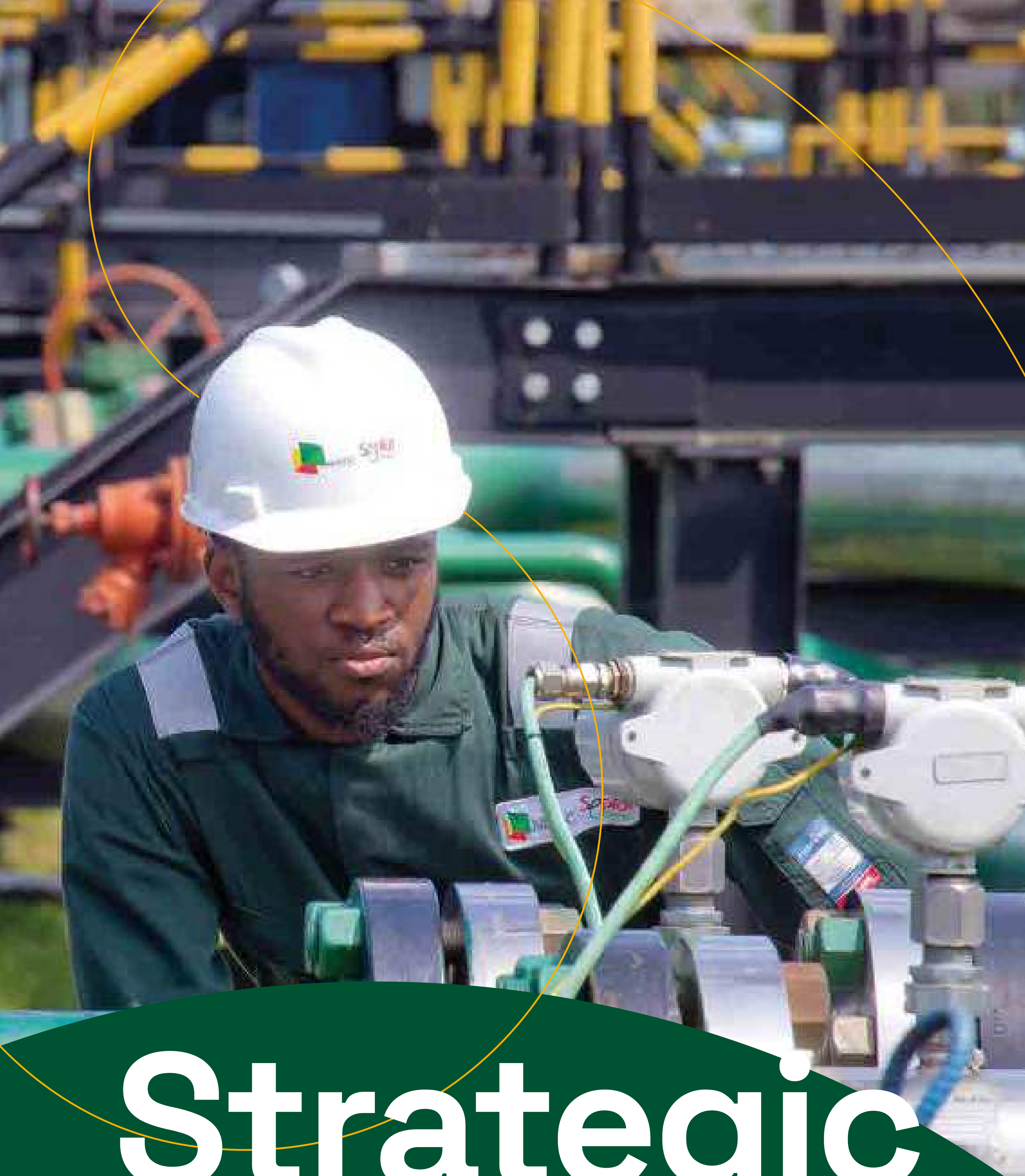
Following reforms, Moody's rating agency revised Nigeria's outlook from stable to positive, indicating the potential for improving the country's fiscal and external positions. However, Moody's maintained a "Caa1" long-term foreign and local currency issuer rating, reflecting Nigeria's ongoing weaknesses in these areas. The agency expressed concerns that the reform efforts might not be sufficient to significantly enhance Nigeria's credit profile, given the existing credit vulnerabilities in the country.

Moody's emphasised that Nigeria continues to face challenges in its economic and social environment, characterised by widespread poverty, social inequalities, and social unrest exacerbated by rising inflation. These factors pose a risk to the sustainability of the reforms and could potentially hinder or reverse their progress.

In summary, while there is optimism regarding Nigeria's fiscal and external outlook following reforms, Moody's maintains a cautious stance, acknowledging the persisting challenges and vulnerabilities that the country faces.

## Seplat vs Peers ($)





# Strategic Report

**Roger Thompson Brown**
Chief Executive Officer

### Q. How would you assess the year for Seplat Energy?

**A:** Our total production rose by 8.3% to 47,758 boepd and that was a good recovery from 2022, though we still had some pipeline disruptions in the third quarter of the year that prevented an even higher performance. However, we had significantly less downtime on our major export routes and the fact that the Amukpe-Escravos Pipeline was operational meant we were able to ship nearly 14% more liquids for export in 2023. Our realised oil price was down by 18% to $83.39 per barrel, in line with global pricing.

Our gas production just above flat year-on-year, at 19,672 boepd against 19,369 boepd in 2022, with a realised gas price of $2.90/Mscf. We expect our gas sales to improve significantly when our joint venture ANOH Gas Processing Company (AGPC) comes onstream in 2024, and we begin selling gas from the nearby OML53 to the plant for processing.

# Leading Nigeria's energy transition

Nigeria's population is expected to grow from about 210 million now to over 400 million by 2050 and those immediate problems facing the country will only get bigger in the future if we don't use immediate solutions like natural gas to tackle them now. We believe this is essential for a just and affordable energy transition in Africa, and we believe it will support the achievement of most of the continent's Sustainable Development Goals.

The inflationary backdrop and significant movements in local currency had their own impacts on the operating environment. That said, the strong operational performance meant that we reported EBTIDA of $448m up 7.4% YoY, despite lower realised oil prices, while net income increased to $124m.

Cash generation was a highlight for the year, operating cash flow post tax was 10.8% lower than in 2022. We maintained a discipline with our capital investment plans, even as we delivered on our revised drilling program, staying within revised guidance at $184m. As such we delivered $261m free cash flow, enabling us to both deleverage our balance sheet and continue to reward shareholders.

### Q. Are you frustrated by the lack of resolution on the proposed MPNU acquisition, which was first announced two years ago?

**A:** Clearly, approval for the deal is taking much longer than we anticipated, but we have been working closely with all the relevant parties to achieve a resolution to get the deal to completion, which we think will be soon. We are fully committed to acquiring, integrating and operating these assets for the benefit of all Nigerians and we plan to invest heavily to make them as productive as possible, which we believe will generate significant revenues for Nigeria. What's more, there is a huge gas resource to be developed and this can help to power Nigeria's energy transition in the coming years, ensuring that more Nigerians can have access to energy that is much cleaner, more reliable and more affordable than using domestic generators. ExxonMobil has very high standards of operation and safety and we will ensure these high standards are maintained. As a dual-listed company, accountable to international shareholders and scrutinised by ESG ratings agencies, the transfer of these assets will be a very transparent change of ownership, and we believe this is how divestments will have the best chance of success for all stakeholders.

### Q. You have stated publicly that Seplat Energy does not have a separate sustainability strategy, rather it is embedded across the company; what do you mean by that?

**A:** In 2021 we unveiled a new corporate strategy based upon two ambitions, to Build a sustainable business and Deliver energy transition. Clearly each of these has sustainability at its heart, and each is made up of three pillars in which we define our business strategy in terms of specific initiatives that promote sustainability across our business activities. So we prefer to think of it as 'sustainable execution of strategy' rather than a 'sustainability strategy' and we are constantly impressing that thinking on all our staff.

In fact, we did some reorganisation and abandoned the model of having a 'sustainability department', which would be responsible for managing our sustainability efforts, and instead we made clear to all our staff that sustainability was something to be embedded at all levels and across all our operations. Put simply, the responsibility for cutting emissions at our operations has been placed within the teams managing those operations, it is not managed by a separate unit at Head Office, and so those local teams understand they have a direct responsibility to achieve emission reductions, it is not someone else's target to worry about while they get on with producing energy. We've done this with all our sustainability initiatives. This has been a change in mindset for people but they now understand their responsibility and I believe they are proud to know that they can make a difference as individuals.

### Q. How does being in fossil fuel extraction align with sustainability?

**A:** Sustainability is wide ranging and isn't solely about carbon emission reduction. In Africa the electrification rates are some of the lowest in the world and where there is an electricity supply, it is often prohibitively expensive. If we take Nigeria as an example, the effective grid on a daily basis is around 4GW to 5GW for a population over 210 million. The people who can afford it, run their daily lives on small scale generators which is expensive, not to mention, highly polluting. This barrier to affordable, accessible and reliable power holds back the development of all industries and small businesses in delivering the much-needed services a fast-growing population desperately needs. Affordable electricity is essential for Nigeria and this cannot be delivered without extracting fossil fuels – liquids export to bring in much needed foreign exchange to fund the energy transition and gas for domestic supply to build an effective grid that can supply the wider population.

"We are committed to Nigeria's energy transition, including deployment of renewable technologies"

Sustainability problems like poverty, energy access, poor housing and lack of job creation to support population growth hold back the advancement of the country. These are immediate problems that require immediate solutions, and we believe that natural gas is one such solution that Nigeria (and the wider African Continent) must be allowed to develop if it is to solve many of these problems. Bottled gas can also be used to replace biomass as a cooking fuel, which will help to prevent nearly 500,000 unnecessary deaths across Africa every year.

With a functioning and reliable base load electricity grid, this will facilitate the long-term future of growing renewable energy in scale with gas powered generation providing that much needed reliable and consistent baseload power to complement growth in renewables. This will enable the provision of consistent power output 24/7 which is needed (amongst others) to support air conditioning in these hot climates.

Furthermore, affordable and reliable power supporting industry and small businesses will fuel jobs for a young fast growing population and give Africans a future of employment which will allow them to afford healthcare, education and food security etc, all of the ingredients for a bright and sustainable future for the developing world.

We believe this is essential for a just and affordable energy transition in Africa, and we believe it will support the achievement of most of the continent's Sustainable Development Goals. From the perspective of the Company, Seplat Energy, we will allocate capital into the energy transition and renewables, because these are our long-term future as an energy supplier in Nigeria.

"Building resilience is a process that involves many important steps and different parts of the Company. We have an excellent risk management team that looks at all possible risk scenarios that might affect us now and, in the future, and we develop and implement plans to avoid or mitigate those risks if they become realised."

**Q. What of Seplat's achievements made you most proud in 2023?**

**A:** I think it was the fact that we proved we are a resilient company in the face of all the challenges we faced in the year. I have long made it a priority for us to focus on business resilience and prepare for any scenarios that might affect our ability to continue delivering value for shareholders, whether they're difficulties with our export routes, or projects being delayed, or the discredited legal distractions that prevented me from acting as Chief Executive for several weeks. Because we had a business resilience plan in place, our Chief Operating Officer Sam Ezugworie was able to step into my shoes to ensure the Company ran smoothly and effectively, continuing to deliver value for shareholders.

Building resilience is a process that involves many important steps and different parts of the company. We have an excellent risk management team that looks at all possible risk scenarios that might affect us now and, in the future, and we develop and implement plans to avoid or mitigate those risks if they become realised. Our operational managers are practised in developing and implementing contingency plans and at leadership level and below we have succession planning for key positions so that the loss of one person does not cause operations to halt. We also focus on financial resilience, cost efficiencies and managing our cash and capital allocation carefully, so we always have a strong balance sheet and cash reserves should we need them. All of this is underpinned by a strong safety culture that is designed to avoid problems, not react to them.

"ANOH is our joint venture that will provide dividends for the Company to strengthen our balance sheet and support our ambitious capital allocation plans. It will provide a significant amount of new gas that can be used to increase energy supply in Nigeria, thereby revitalising power stations that are currently lying dormant for lack of fuel. We know that increasing energy supply will help the Nigerian economy so this will be a significant launch when it happens."

### Q. What is the outlook for Seplat Energy in 2024?

**A:** I think this year will be truly transformational for us, as we bring the ANOH gas project onstream and, I hope, complete the MPNU transaction and develop the four blocks that are in much need of investment to realise their full potential in both liquids and developing a very significant gas resource.

ANOH is our joint venture that will provide dividends for the company to strengthen our balance sheet and support our ambitious capital allocation plans. It will provide a significant amount of new gas that can be used to increase energy supply in Nigeria, thereby revitalising power stations that are currently lying dormant for lack of fuel. We know that increasing energy supply will help the Nigerian economy so this will be a significant launch when it happens.

As for MPNU, we await the necessary approvals to complete that transaction and we are confident these will be granted. Then we will spend a couple of months preparing a prospectus so we can temporarily de-list on the LSE and then re-list the enlarged company, as is required under UK securities law. We have always planned to run the MPNU assets operationally as a standalone business, but obviously there will need to be a close working relationship between some functions to ensure consistency across the Seplat group.

We'll be welcoming more than a thousand very talented staff into the Seplat family and we're looking forward to sharing their knowledge and experience, and ours, so we can get the best out of all our assets, both MPNU and the onshore business we are today. Remember that the MPNU assets will be larger than our existing onshore business, so it diversifies production offshore and this will improve revenue assurance because the offshore infrastructure is less prone to disruption. Aside from more than doubling our existing output, we believe there is huge potential to develop the gas in these assets and we'll invest heavily to make this gas work for the benefit of Nigeria, either through domestic gas sales or through export revenues. It's a very exciting prospect for us and for Nigeria and we want this divestment to be seen as a model of good practice in operational management, sustainability and transparency because we are committed to responsible stewardship of Nigeria's natural resources.

**Roger Thompson Brown**
Chief Executive Officer

FY 2023 Working Interest production

## 47,758 boepd

FY 2023 Total revenue

## $1,061.3m

FY 2023 liquids volume lifted

## 11.3 MMbbls

FY 2023 Gas sales volume

## 41.6 Bscf

# Seplat and the six capitals

Seplat Energy is an efficient manager of capital and we ensure the confluence of our six key capitals – human, social, natural, financial, manufactured, and intellectual – are maximised to deliver best value for all stakeholders.

## 1 Human capital

To foster the growth and effective management of our business operations and ensure the safe and efficient functioning of our facilities, we seek high-performing, innovative individuals who bring diverse perspectives along with the necessary skills and experience. We emphasise being an inclusive organization, actively cultivating and retaining crucial skills, and continually enhancing our leadership capabilities.

| | |
|---|---|
| **Principal risks and uncertainties** | 6/7 |
| **Material issues** | 4/5/6/7/8/10 |
| **UN SDGs** | 3/8 |

**How we manage our human capital**

We contribute to the Nigerian economy by supporting jobs and fostering a legacy through graduate trainee programs. We prioritize competitive salaries, attractive benefits, and inclusive offerings such as pensions, healthcare, and a share incentive plan for our colleagues. We provide comprehensive training towards career development and remote working is facilitated where feasible.

Our commitment to equity, diversity, and inclusion is evident in our recruitment practices, drawing talent from the communities we serve. Networks, overseen by an SLT sponsor, support colleagues facing specific challenges, promoting equal opportunities. We prioritize our workforce's health, safety, and well-being.

Colleague engagement is assessed annually through surveys. Performance is monitored through regular reviews, and our bonus scheme is inclusive, involving colleagues at all levels, ensuring collective benefits from the company's success.

## 2 Social capital

We strive to establish a conducive environment for operations and investment by incorporating the requirements of our stakeholders into our business practices, ensuring that we fulfil our commitments. Through active engagement, we work collaboratively with stakeholders to advance our strategic goals and adopt a multi-stakeholder approach to address challenges.

| | |
|---|---|
| **Principal risks and uncertainties** | 1/6/7/13/14/20 |
| **Material issues** | 1/2/4/5/6/7/8/9/10 |
| **UN SDGs** | 3/4/8/17 |

**How we manage our social capital**

Active engagement with stakeholders, including regulators, involves discussing short-term and long-term priorities and objectives. We respond to consultations to influence outcomes where possible. Stakeholder engagement extends to environmental interest groups and community bodies, fostering collaboration and partnerships. This engagement helps us create a matrix of material issues for stakeholders and our value creation, forming a key part of our planning approach.

## 3 Natural capital

We depend on natural resources such as natural gas and crude oil, along with air, water, land, and energy, to transform hydrocarbon reserves into valuable product streams while minimizing our environmental impact.

| | |
|---|---|
| **Principal risks and uncertainties** | 1/3/4/5/20 |
| **Material issues** | 1/2/3/4/11 |
| **UN SDGs** | 7/13 |

**How we managed our natural capital**

We have outlined our emissions reduction roadmap to discontinue routine flaring by 2025 and attain a net-zero status by 2050. This reflects our commitment to a gradual decarbonisation of our operations. We are actively working on incorporating renewable power generation into our processes as part of this initiative. This is exemplified by initiating pilot solarisation projects at key locations such as the Amukpe warehouse and security gateposts. Additionally, we aim to enhance energy efficiency by centralising power generation at our field locations and incorporating renewable electricity into our operations.

Concurrently, a comprehensive water management strategy for our operated assets is being developed. Simultaneously, we are finalising our biodiversity action plan priorities, which are set to be completed by 2024. These efforts underscore our dedication to environmental sustainability and responsible business practices.

### Principal risks and uncertainties

1 Niger Delta militancy/Third party interference
2 Portfolio concentration risk
3 Sustaining E&A programme
4 Oil price volatility
5 Merger & acquisition (M&A) risk
6. Stakeholder management relationships
7 HSSE risks
8. Availability of capital
9 Liquidity
10 Changes to fiscal and tax status
11 Bribery and corruption risk
12 Fraudulent activity risk
13 Field operations and project deliverability
14 Geo-political risk
15 Cost control risk
16 Foreign exchange risk
17 Information security risk
18 New energy and gas market risk
19 Corporate governance & compliance risk
20 Climate related risk

### Material issues

1 Climate change
2 Ecological impact
3 Water and waste management
4 Critical incident risk management
5 Health, safety and security
6 Human rights and community relations
7 Human capital management
8 Diversity and inclusion
9 Supply chain management
10 Business ethics and transparency
11 Management of legal and regulatory framework

### UN SDGs

3 Good health and well-being
4 Quality education
7 Affordable and clean energy
8 Decent work and economic growth
13 Climate action
17 Partnerships for the goals

## 4 Financial capital

We adhere to a disciplined approach in allocating financial resources. We sustain our business operations and fund growth initiatives by utilizing cash generated from operations, divestments, and debt and equity financing.

| | |
|---|---|
| **Principal risks and uncertainties** | 4/8/9/15/16 |
| **Material issues** | 1/2/4/5/6/7/10 |
| **UN SDGs** | 8/13/17 |

**How we managed our financial capital**

We uphold a resilient capital structure, responsibly balancing equity and debt financing with closely monitored covenant ratios. Regular updates are provided to debt and equity investors, fostering two-way dialogue on matters of interest. Our hedging policies aim to guarantee a minimum level of cash flow in times of oil price weakness and volatility.

## 5 Manufactured capital

Through strategic investments in plant and equipment, we convert hydrocarbon resources into high-value product streams and maintain reliable operations. We invest in other infrastructure like pipelines to enable evacuation of our crude for export. These investments are key in managing our environmental impact and ensuring compliance with regulatory requirements.

| | |
|---|---|
| **Principal risks and uncertainties** | 1/3/6/7/13/20 |
| **Material issues** | 2/3/4/5/7/9/11 |
| **UN SDGs** | 7/8/13 |

**How we managed our manufactured capital**

Central to our operations is a commitment to asset integrity, process safety management, and a robust maintenance culture. This dedication ensures the safety, reliability, and availability of our facilities. Additionally, it plays a pivotal role in enhancing revenue assurance and supporting our cost-saving initiatives. Through targeted asset integrity programs, we anticipate a reduction in deferment by approximately 120 thousand barrels annually and aim to eliminate routine flares.

## 6 Intellectual capital

Our competitive edge is supported by proprietary and licensed technologies, software, licenses, procedures, and protocols. Initiatives focused on operational excellence and digitalization contribute to strengthening our robust foundation

| | |
|---|---|
| **Principal risks and uncertainties** | 3/13/18 |
| **Material issues** | 1/3/4/5/7/9/10 |
| **UN SDGs** | 4/13/17 |

**How we managed our intellectual capital**

We employ diverse methods to foster innovation and discover creative ideas and solutions, drawing inspiration from peer companies and other industry producers. The Seplat Technology Summit invites partners, peers and other industry leaders to discuss inventive solutions. This year's event revolved around "Technological Innovations in Energy Transition: The Interplay between Economics, Policy, and Sustainability." The Summit presents a unique opportunity to expand our knowledge, glean insights from industry experts, and forge valuable connections with fellow professionals, whose presence will contribute to our collective growth and ensure we remain at the forefront of technological advancements. At the same time, we promote innovation internally through initiatives like the CEO Awards, where teams are rewarded for innovation achieved during the year, amongst other achievements.

# Generating value

## Capital inputs

### Natural capital
- Interest in 7 oil and gas licenses on the Niger Delta
- Licenses held in onshore and swamp conditions
- 10.3 MMbbls of crude oil produced; 41.6 Bcf of natural gas processed

### Human capital
- 588 employees on payroll
- >100 contracted staff
- Worked with over 600 unique suppliers in 2023

### Financial capital
- $184m Capital expenditure
- $182m Direct operating expenses
- $445m net operating cashflow

### Intellectual capital
- $4.8m invested in staff development; supporting c.15,000 hours of training
- High qualified technical staff with expertise in G&G, Engineering
- Raising finance in Emerging Markets

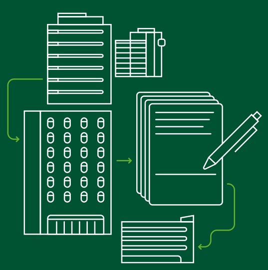
### Social & relationship capital
- $10.2 million invested into communities in 2023
- 4 host community development trusts (HCDT) established

### Manufactured capital
- Construction of production facilities on operated licenses
- Invested in the development of LPG processing facilities at ANOH and Sapele to expand energy product suite

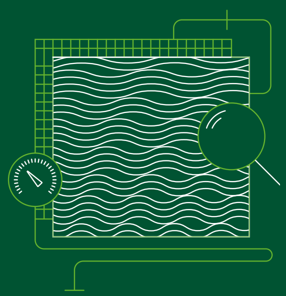
## Value creation

### Our business activities

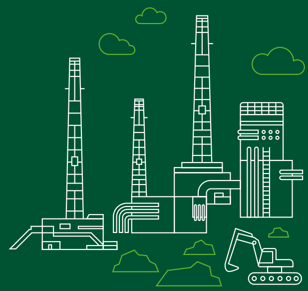
**1. Acquire**
Seplat has grown through acquisitions of onshore assets from IOCs. The proposed acquisition of MPNU, announced in February 2022, has the potential to transform our production and asset base.



**2. Explore & appraise**
After successful exploration and appraisal efforts, we submitted a Field Development Plan for development of Sibiri, which was approved by Nigerian regulators in early 2024.



**3. Develop**
In 2023 we drilled 14 wells. We plan to drill 13 wells in 2024 as we continue to effectively develop our reserves base. In midstream we continued constriction of new gas plants at ANOH and Sapele.



### Delivered across the value chain

| | | | | |
|---|---|---|---|---|
| Oil | Field | Well-head | Flowstation | Pipeline |
| Gas | Field | Well-head | Gas plant | Pipeline |

### Alignment to our strategy

**Drive social development**
Read more Page 46

**Focus on environmental care and reporting**
Read more Page 47

**Maximise returns for all stakeholders**
Read more Page 47

**Upstream**
Read more Page 48

### External environment

**Operating environment**
We adapt to our volatile operating environment by implementing flexible strategies prioritising stakeholder needs and material issues. We remain competitive and sustainable by monitoring market trends and investing in innovative technologies.

**Sustainability**
Is embedded in our Strategy and is driving force behind our operations and investment decisions, our management and culture.

# Guided by our strategic framework, our business model applies our core strengths, relationships and experience to create long-term value and shared prosperity for all of our stakeholders.

**4. Produce, process & sell**
We continue to invest in production and export infrastructure. Maximising our evacuation options gives greater revenue assurance. In 2023 we achieved $1bn in revenue for the first time in the company's history.

**Domestic – Refinery**
**Export – Terminal**

**Domestic gas to power**
**Gas to commercial & industry**

**Generating renewable energy**
Seplat Energy aims to be at the centre of Nigeria's energy transition. We are focused on increasing energy access by extending our business portfolio to the renewable energy sector, thereby driving Nigeria's transition to cleaner and more sustainable power generation.

We are exploring entrance to the power market in appropriate and profitable roles, identifying and serving commercial and domestic markets that are neglected by the status quo and offering innovative energy solutions.

**Midstream Gas**
Read more
Page 49

**New Energy**
Read more
Page 49

**Risks and opportunities**
We recognise the inherent risks associated with operating in the oil and gas sector, but are committed to maximising resource recovery in the most sustainable way. Our track record of prudent financial management and operational performance provides us with the opportunity to grow our operations in Nigeria.

| Outputs | Outcomes |
| --- | --- |
| • Equipped six schools and three hospitals with renewable power in 2023<br>• Investing in solar power for utilities on our operating sites<br>• 430,807 tCO2e natural gas flared | • Reduction of GHG emissions<br>• Responsible stewardship of natural resources<br>• Lowering impact on local environment |
| • Organisation well equipped to adapt to adverse situations<br>• Organisational capability to grow the business | • Healthy, safe working environment<br>• Increasing employee engagement<br>• Enhancing diversity and inclusion in the workplace<br>• Being a responsible employer of choice in Nigeria |
| • $1,062m revenue<br>• $124m net income<br>• $261m free cash flow<br>• 15c/shr dividends paid | • Robust balance sheet<br>• Greater visibility on cash generation<br>• Strong and consistent shareholder returns |
| • Upper quartile operating efficiency<br>• Drilled 14 wells in 2023, and over 100 since IPO | • Sector leading knowledge of operating assets in the Niger Delta<br>• Responsible development of oil and gas assets<br>• Ability to expand operations |
| • $252.6m paid in taxes and royalties in 2023<br>• 10,777 eye screenings in 2023<br>• 2,550 students in 2023 participating in PEARLS event<br>• 4.3km road construction ongoing in our local communities in 2023 | • Strong relationships within the communities where we operate<br>• Significant payments to FG Nigeria supporting domestic growth<br>• Increased mobility and access to education |
| • Continued progress towards completion of the Sapele and ANOH gas plants, which will lift gross gas processing capacity to >850 MMscf/d by end 2024<br>• Supply crude to export and domestic customers<br>• Supply a significant portion (c.25%) of natural gas demand for Nigeria's electrical grid | • Improving reliability and volume of gas supplied to the Nigerian national grid, improving energy security for Nigeria<br>• Pathway to delivering bottled gas to communities, reducing risk and enhancing quality of life |

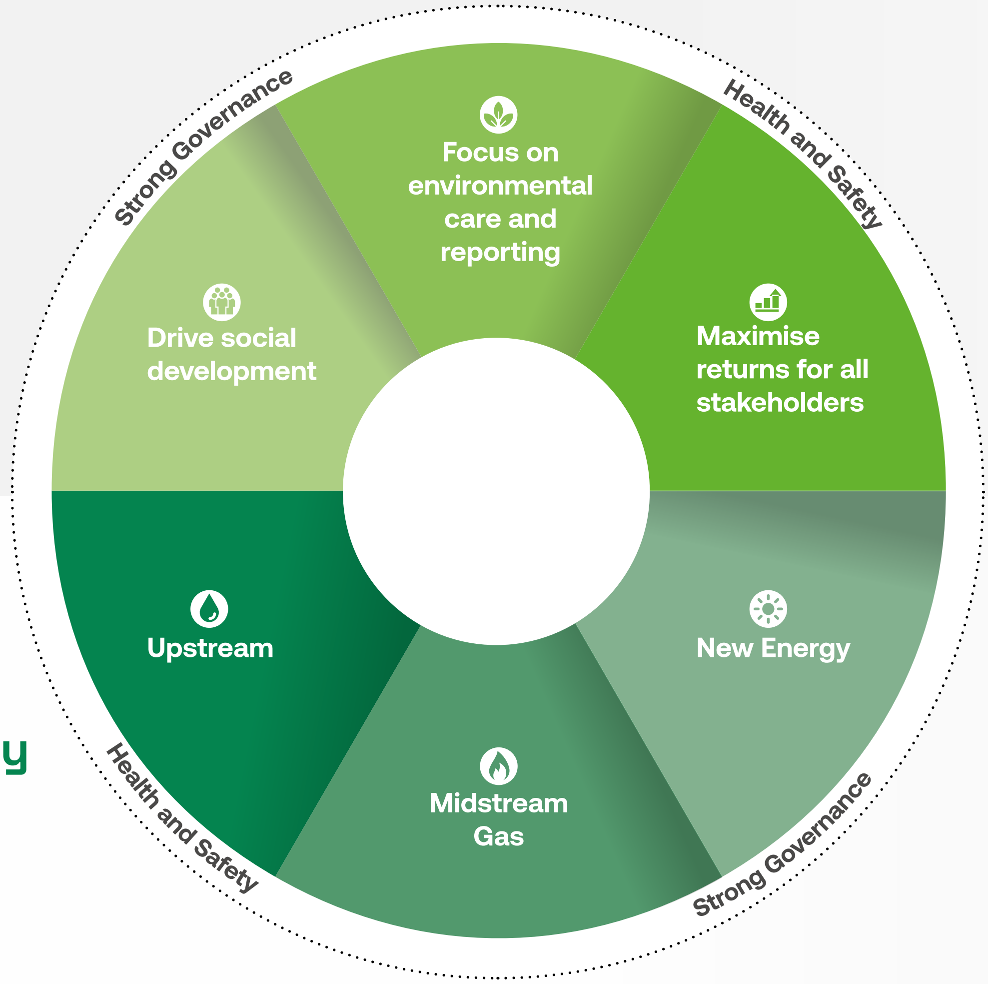
# Our strategic framework

## 1

## Build a sustainable business

## 2

## Deliver energy transition



## Drive social development

Make a positive impact on Nigeria through improved access to energy, opportunities for local employment and suppliers, DE&I and initiatives that foster entrepreneurship, education, health and resilience.

## Focus on environmental care and reporting

Be a responsible steward of Nigeria's natural resources by minimising our impact on local and global environments, driving improvements where possible, committing to global standards and transparently reporting our progress.

## Maximise returns for all stakeholders

Maximise cash generation through the cycle, manage our finances prudently, pay our share of taxes and royalties, service debt, invest for the future, and return dividends to shareholders.

## Upstream

Generate consistent and profitable long-term cash flow by developing our Upstream business, selectively expanding our asset base, optimising the gas/oil mix, increasing production, reducing costs and carbon intensity, and increasing revenue assurance by diversifying routes to market.

## Midstream Gas

Generate long-term, highly visible revenue streams by developing Nigeria's gas resources to accelerate the replacement of diesel/petrol generation and use of biomass for cooking, and support economic growth through the supply of reliable, low-cost energy.

## New Energy

Develop gas-to-power to displace diesel and petrol generators, provide baseload electricity to support renewables and achieve a world-class capability in renewable energies.

# A strategy for sustainable growth

In 2021, as part of our goal to be Nigeria's leading energy supplier we began to implement our strategic imperatives, namely to *Build a Sustainable Business* and *Deliver Energy Transition*.

IFRS S1 IFRS S2

In 2021 we changed our name from Seplat Petroleum Development to Seplat Energy to reflect our ambition to diversify beyond our oil and gas business to become a more diverse supplier of energy right along the value chain. At the same time, we unveiled a new strategy that would guide our ambitions and the decisions we take to achieve them. This new strategic approach aligned our operations into three pillars, as described opposite, and put sustainability at the heart of our corporate thinking and decision-making.

Our strategic framework is based on two priorities – "Build a sustainable business" and "Deliver energy transition" – and it provides a robust response to our sustainability-related risks and opportunities. Our priorities to drive social development and focus on environmental care and reporting, while delivering performance across our three integrated pillars of Upstream, Midstream Gas and New Energy, position Seplat to respond today and continue to evolve our response to these risks and opportunities.

### Effects and our response to sustainability-related risks and opportunities on strategy and decision-making

Sustainability-related risks are multidimensional. At an environmental level, as established in our climate-related risk disclosures, they include physical risks driven by climatic events such as extreme rainfall and flooding and energy transition risks (page 87). The effects of these physical risks could include interruptions to operations and damage to infrastructure, and so the strategic priorities for our Upstream business are the diversification of export routes against disruption and assuring asset integrity. While making these investments to diversify and secure our evacuation channels, from a business planning perspective, in project evaluation, we also increase our range of sensitivities to reflect impact of downtime due to infrastructure availability.

We recognise risks associated with energy transition and the current and future energy mix dynamics, including uncertainty about future demand for oil/gas and price volatilities. Seplat's strategy is transition-based, and our drive towards forward integration along the energy value chain through our Pillar 1, 2 and 3 businesses in response to our belief that oil remains crucial for Nigeria's development, that gas will drive energy transition and that renewables are the future.

The geopolitics of energy transition will increasingly influence our investment choices and energy mix as we evolve the business through a reduction in the carbon intensity of the Upstream business, increased gas utilization (CNG, LPG), and new investments in gas-to-power and renewables. Going forward, we plan to establish strategic scenarios for long-term planning. We will integrate our pathway to net-zero, considering our resources, pipeline projects and opportunities, productive capacity and business capabilities.

At the social level, our strategy is also situated within the domestic context of Nigeria. Energy poverty and low human and economic capital have remained a persistent challenge in the country and pose a threat to meaningful growth and sustainable development. Conversely, there is an opportunity to drive social development through increased access to affordable, reliable and sustainable energy. Therefore, our investments in social programs such as access to energy, health, education, and entrepreneurship reinforce our strategic alignment to UN SDGs 3 (good health and well-being), 4 (quality education), 7 (affordable and clean energy) and 8 (decent work and economic growth) in our commitment to sustainable development in Nigeria.

At the governance and policy levels, these sustainability-related risks have necessitated increased regulatory scrutiny and reporting requirements. Again, our strategic framework focuses on environmental care and reporting. Through this, we are committed to global reporting standards and will continue to report on our progress transparently Critical to this is the establishment of comprehensive baselines from which to set credible medium-long term targets which will articulate and communicate in due course.

We have developed and will continue to drive the implementation of robust policies that govern how we conduct our business internally and how we interact with external stakeholders and the natural environment.

During 2024, Seplat plans to review and update its assessment of Material ESG Issues for the business (as set out in page 16 of the report) for the business. This will enable Seplat to create a focus for its initiatives designed to improve ESG performance and outcomes.

## Concentration of sustainability and climate-related risks and opportunities

Climate and sustainability-related risks and opportunities within our company's business model and value chain are concentrated primarily in the Niger Delta region, encompassing Edo, Delta, Imo, and parts of Rivers States. This area serves as the core operational hub for our company, where our oil and gas exploration, production, and processing activities occur. Our facilities, including drilling rigs, production facilities, pipelines, and processing plants, are in this region. Geographically, the Niger Delta is susceptible to various environmental and socio-economic challenges, including ecological degradation, community unrest, and regulatory scrutiny. Our operations in this area are thus exposed to climate-related risks such as extreme weather events, sea level rise, and changes in regulatory frameworks. However, the Niger Delta also presents opportunities for us to demonstrate leadership in sustainability, community engagement, and environmental stewardship. By implementing innovative technologies, adopting best practices in environmental management, and engaging with local communities, we can mitigate risks and capitalize on opportunities to create long-term value for our stakeholders while promoting sustainable development in the region.

## Capacity to adjust to the uncertainties arising from sustainability and climate-related risks

We recognize the dynamic nature of these risks and have established robust mechanisms to navigate uncertainties effectively. Firstly, we conduct comprehensive risk assessments to identify, evaluate, and prioritize sustainability and climate-related risks across our operations and value chain. This proactive approach enables us to anticipate potential challenges and develop contingency plans to mitigate adverse impacts.

Moreover, we invest in ongoing monitoring and surveillance systems to track environmental indicators, regulatory developments, and community sentiments, allowing for timely adjustments to our risk management strategies. By maintaining open channels of communication with stakeholders, including local communities, regulatory authorities, and investors, we ensure transparency and responsiveness in addressing emerging risks and concerns.

Additionally, we emphasize innovation and diversification of our operations and revenue streams, exploring alternative energy sources, adopting cleaner technologies, and implementing efficiency measures to reduce environmental footprints and enhance resilience to climate-related shocks. Through continuous improvement initiatives and adaptive management approaches, we remain agile in responding to evolving sustainability and climate-related challenges, safeguarding our long-term viability and creating value for all stakeholders.

# 1
# Build a sustainable business

### Material issues

| | |
|---|---|
| 1 | Climate change |
| 2 | Ecological impact |
| 3 | Water and waste management |
| 4 | Critical incident risk management |
| 5 | Health, safety and security |
| 6 | Human rights and community relations |
| 7 | Human capital management |
| 8 | Diversity and inclusion |
| 9 | Supply chain management |
| 10 | Business ethics and transparency |
| 11 | Management of legal and regulatory framework |

### Stakeholder groups

| | |
|---|---|
| 1 | Workforce |
| 2 | Shareholders and providers of capital |
| 3 | Joint Venture Partners |
| 4 | Suppliers and contractors |
| 5 | Host communities |
| 6 | Customers |
| 7 | Government and regulators |

## Drive social development

| | |
|---|---|
| **Material issues** | 1/2/4/5/6/7/8/9/10/11 |
| **Stakeholder groups** | 1/5 |
| **Alignment to SDGs** | 3 Good health and well-being; 4 Quality education; 7 Affordable and clean energy; 8 Decent work and economic growth |

**Key initiatives:**

### Increase access to energy

We are working to increase access to energy at both national and local levels. At national level, we are investing to increase our gas resources, gas production and gas processing so we can supply more gas to Nigeria's power stations. Our joint venture ANOH Gas Processing Company, launching in 2024, will provide enough gas to support in excess of 1,000 MW of generation.

At local level, we are equipping hospitals and schools with solar panels so they have more reliable and sustainable energy to support healthcare and education.

### Foster local entrepreneurship, increase community employment and content

We are committed to developing our communities by improving their infrastructure, such as providing clean water, electricity, roads, markets, and hospitals. We also run community development programs, including leadership training and economic empowerment for women. In addition to training and upskilling, we provide take-off grants and equipment to support our youth empowerment programmes.

### Increase access to quality healthcare and education

Our healthcare initiatives include our flagship Eye Can See eyecare programme, which has treated nearly 100,000 patients in our host communities. We are renovating clinics and equipping them with solar panels and building new eye care centres, starting with Sapele.

In education, our annual Pearls Quiz is a national competition for schools, while our Seplat Teachers Empowerment Programme (STEPS) has helped nearly 1,000 teachers in science, technology, maths, engineering and arts. Our National Undergraduate Scholarship, with 780 beneficiaries to date, provides financial and other support for undergraduates.

### Increase diversity, equity and inclusion

We continue to focus on D,E&I at our corporate headquarters, guided by our D,E&I policy, and this year appointed Eleanor Adaralegbe to the position of Chief Financial Officer and Board member. Our Board now consists of five women directors, while overall, our company is 24% female.

**Risk overview**

Working with other industry players in the Niger Delta, we continued to work with the government to find a lasting solution to social unrest in the region. To mitigate any occurrence of business disruptions from community agitations, we continue to ensure consistent delivery of our community Initiatives (as well as full compliance with the terms of the GMOU) across all operational areas. We are participating in all ongoing engagements with stakeholders including community leadership for a better understanding of the PIA mechanism.

## Focus on environmental care and reporting

| | |
|---|---|
| **Material issues** | 1/2/4/5/6/7/8/9/10/11 |
| **Stakeholder groups** | 1/5/7 |
| **Alignment to SDGs** | 13 CLIMATE ACTION, 17 PARTNERSHIPS FOR THE GOALS |

**Key initiatives:**

### Strive for continuous reduction in net impact

We are working on numerous initiatives to reduce our carbon footprint, including our flares out projects, improvements in leak detection and repairs, replacing diesel generators with gas turbines and solar panels, increasing solar installations where we can, and by increasing operational efficiency. In addition, we will strive to reduce other impacts on the environment, including water use, spill reduction and protection of biodiversity.

### Establish comprehensive baselines from which to set targets

We are conducting a comprehensive assessment to establish baseline data across key environmental metrics such as greenhouse gas emissions, water usage, energy consumption, and waste generation. This data will serve as the foundation for setting ambitious yet achievable long-term targets in these material areas.

### Develop and implement environmental protection policies

We adopted a comprehensive biodiversity policy in 2023 and are developing a dedicated Biodiversity Action Plan. As part of our efforts to preserve and restore natural habitats, we partnered with the National Conservation Foundation to sponsor biodiversity and habitat restoration projects within Seplat's operation areas. We launched the pilot phase of the Tree 4 Life programme.

### Adopt global reporting standards as introduced

Having adopted the recommendations of the Task Force on Climate Related Financial Disclosures in 2022, we will continue to report our Company's exposure to the risks and opportunities posed by climate change. In this 2023 Annual Report, we are an early adopter of the new IFRS S1 and S2 disclosures. IFRS S1 prescribes how we should prepare and report our sustainability-related financial disclosures, while IFRS S2 requires us to disclose information about climate-related risks and opportunities that could reasonably be expected to affect our cash flows, access to finance or cost of capital over the short, medium or long term.

**Risk overview**

We recognise that as an oil and gas producer operating in the Niger Delta, our business faces significant risks from climate change. As such an important focus of 2023 has been to oversee the upgrading of climate-related risk as a principal risk within our risk management framework. In order to mitigate the risk of environmental impact due to spill, improper waste management, produced water and fresh water management, gas flaring, air emissions, we have enhanced our environmental compliance monitoring and asset integrity management.

## Maximise returns for all stakeholders

| | |
|---|---|
| **Material issues** | 8/9 |
| **Stakeholder groups** | 1/2/4/5/6/8/9/10/11 |
| **Alignment to SDGs** | 8 DECENT WORK AND ECONOMIC GROWTH, 17 PARTNERSHIPS FOR THE GOALS |

**Key initiatives:**

### Maintain focus on cost reduction in operations and across the corporate centre

Against a backdrop of inflation and volatility in currency markets, we continue to focus on cost efficiency across our operations and corporate centre. Production opex of $10.4/boe represented only a 1% increase on prior year unit costs. We target efficiencies in drilling, flaring and enhanced supply chain performance to offset cost increases in wages, transportation tariffs and environmental costs.

### Drive sustainable growth and returns through prudent capital allocation, balance sheet management and dividend policy

Seplat has always maintained a strong balance sheet that fortifies us against uncertainties that may occur in our area of operations. We have proven our ability to deliver new well stock and operate assets at low cost. We have invested significant capital to building infrastructure for growth in the domestic gas market, and are engaged in projects that will materially reduce our Scope 1 & 2 emissions. Against this we have paid dividends to shareholders in nine of the past 10 years, returning more capital to shareholders than raised at IPO. We grew our core dividend by 20% in 2023, further enhancing our shareholder returns proposition.

### Protect against oil price volatility by hedging and diversification

We have a well-established structure for hedging oil price risk. We operate the majority of our assets, giving us the ability to control capital expenditures when required. The majority of our future development capex is drilling focused and can be reduced at short notice. We complement this with increased protection from downside oil price outcomes through buying deferred premium puts. We continue to diversify oil price risk through growth in our gas business, which represented 12% of revenues in 2023 and gas will be a larger component of revenue once ANOH comes on stream in 2024.

### Explore new opportunities for offset products

The Ohaji Gas Flare Reduction Project in OML 53 has been pre-screened to ascertain the qualifying status and relevance to earn carbon credits under the European Union Fuel Quality Directive EU-FQD) – German Market, where carbon credits are presently trading at a high price range of between Euro100-200.

**Risk overview**

Our estimated proved reserve, revenue, operating cash flows and margins, liquidity, and future earnings are all impacted by the volatility of crude oil, and natural gas prices, as well as established prices emanating from the other products derived from the strategic energy mix. Our risk management strategy is to protect ourselves against adverse oil price movements through our oil price hedging policy, which targets hedging six months in advance via out-of-the-money puts. Also, to mitigate JV relationship risk, we continue to manage our JV relationships very closely.

# 2 Deliver energy transition

**Material issues**

| | |
|---|---|
| 1 | Climate change |
| 2 | Ecological impact |
| 3 | Water and waste management |
| 4 | Critical incident risk management |
| 5 | Health, safety and security |
| 6 | Human rights and community relations |
| 7 | Human capital management |
| 8 | Diversity and inclusion |
| 9 | Supply chain management |
| 10 | Business ethics and transparency |
| 11 | Management of legal and regulatory framework |

**Stakeholder groups**

| | |
|---|---|
| 1 | Workforce |
| 2 | Shareholders and providers of capital |
| 3 | Joint Venture Partners |
| 4 | Suppliers and contractors |
| 5 | Host communities |
| 6 | Customers |
| 7 | Government and regulators |

## Upstream

| | |
|---|---|
| **Material issues** | 1/2/4/5/6/7/8/9/10/11 |
| **Stakeholder groups** | 1/2/3/4/5/6/7 |
| **Alignment to SDGs** | 8 DECENT WORK AND ECONOMIC GROWTH; 13 CLIMATE ACTION |

**Key initiatives:**

### Maximise monetisation of reserves and ensure reserves replacement

We continue to pursue exploration and development opportunities as appropriate and are optimistic for a good outcome on the Sibiri exploration wells drilled in 2022 and 2023. These have potential to add significant reserves at our OML40 field. During the year we drilled 14 wells, increased production from 44,104 boepd to 47,758 boepd and continue to focus on cost optimisation to increase profitability per boe. We plan to invest between $170-200 million in development and production in 2024, having spent $184 million in 2023.

### Focus on timely delivery of projects, operational efficiency, cost control and innovation

Having experienced delays due to internal and external project management, we are working to improve project delivery through increased due diligence and screening of contractors and partners, a strengthening of project management skills and by implementing a robust Project Delivery Assurance System to manage all our ongoing and future projects. We expect this system to be in operation in 2024. Regarding operational efficiency, we continue to work towards higher efficiency and cost reduction across the business.

### Diversify export routes against disruption and ensure asset integrity

The launch of the Amukpe-Escravos Pipeline has helped to increase export volumes by providing an alternative to the Trans Forcados System. We are also studying numerous other proposals including alternative pipelines at other assets and supply to local refineries. In addition, we continue to focus on improving asset integrity through improved maintenance and the deployment of predictive analytics for preventive and corrective maintenance.

### Reduce carbon intensity of production to achieve significant reductions in emissions

The end of routine flaring in 2025 will significantly reduce our carbon intensity of production. We will invest to improve leak detection and repairs, improve operating efficiency and the monitoring and reduction of methane emissions. We will increase use of renewable energy in our operations, as well as achieving reductions in energy consumption. We will replace diesel generators with gas or solar arrays.

**Risk overview**

We focus on expanding our asset base through a clear exploration programme with an exploration objective in place to drill at least one exploration well each year with significant finds, as well as embarking on a continuous M&A programme to secure available opportunities at the right price. In order to increase production and revenue, we continue to ensure operability and availability of production facilities due to asset integrity issues. A key mitigation against problems is the inclusion of a maintainability and operability philosophy in engineering design stage.

## Midstream Gas

| | |
|---|---|
| **Material issues** | 1/2/4/5/6/7/8/9/10/11 |
| **Stakeholder groups** | 1/2/3/4/5/6/7 |
| **Alignment to SDGs** | 7 Affordable and clean energy; 8 Decent work and economic growth |

**Key initiatives:**

### Expand our Midstream Gas business

The launch of our joint venture ANOH Gas Processing Company will significantly increase the scale of our Midstream Gas business, adding 300 MMscfd capacity. The plant will be fed by our operations at OML53, increasing wet gas sales for the Upstream business. At the end of 2023, ANOH was mechanically complete, awaiting completion of the connecting Spur Line and OB3 pipelines by external parties.

The Sapele gas plant upgrade is more than 75% complete and will increase capacity to 85 MMscfd, with a new LPG processing module opening markets for LPG products.

### Increase utilisation of gas plants

We are looking to process more third-party gas at the Oben and Sapele Gas Plants as part of our strategy to optimise capacity at the plants.

### Develop new markets for gas products

The forthcoming Sapele Gas Plant will include an LPG module so that we can develop LPG products for local markets.

In addition we have an opportunity to develop cleaner, low-carbon energy solutions as part of the energy transition through investment in the CNG and power business opportunities. We are at the early stage of developing the midstream gas and business entry into the electricity market using gas and renewable energy. These businesses will have to robust to deliver healthy and sustainable returns on investment.

### Unlock value by separating Midstream Gas business from Upstream to create standalone unit

The corporate restructuring of the Midstream Gas business will generate material economic value through government-led royalty and tax reconfigurations. The Oben and Sapele fields are located within OMLs 4 and 41 respectively in the NEPL/SEPLAT JV acreage. The gas assets within the acreage are situated in the upstream with income currently subject to upstream fiscal terms. From an economic standpoint, there is benefit to Seplat in moving the Oben and Sapele gas plants from the upstream into a midstream entity because of the more favourable tax and royalty fiscal terms applicable to condensate income under the new structure. We secured board approval for the reorganisation at the start of 2023 and achieved 70% implementation by the end of 2023. Our target is to complete 100% implementation this year with full operationalisation of Seplat Midstream Company by the end of 2024.

**Risk overview**

We continued to align our business to the new strategy that was announced in 2022, advancing the development of the Midstream Gas business and making the necessary decisions to realise the separation of the Gas business from the Upstream business. As a mitigation strategy, we will diversify our portfolio through integrated long-term planning for the gas and future power and renewables business. The completion of the ANOH Gas Processing Plant will diversify our revenues and business away from oil.

## New Energy

| | |
|---|---|
| **Material issues** | 1/2/4/5/7/8/9/10/11 |
| **Stakeholder groups** | 1/2/3/4/5/6/7 |
| **Alignment to SDGs** | 7 Affordable and clean energy; 8 Decent work and economic growth; 13 Climate action; 17 Partnerships for the goals |

**Key initiatives:**

### Capture additional value along the energy chain through selective entry to power generation market

We continue to assess various power and renewable investment opportunities and will determine suitable options once they have been properly evaluated and economic viability ascertained.

### Develop skillsets and capabilities to compete in power and renewable markets

A key entry strategy into this new area is through collaboration with established industry partners to create a platform to acquire new skills and develop the required capabilities for the business. We believe it will be more effective to take on established teams with specific domain experience in the power and renewables markets. When combined with our expertise in gas and financial strength, we believe the resulting ventures will deliver significant value.

### Develop new offerings in gas-to-power

This prospect provides a platform for Seplat Energy to invest to deliver electricity to one of the largest markets in Nigeria, with the possibility to export electricity to the West Africa Power Pool to earn foreign exchange.

The focus is on building a robust business that delivers maximum value to shareholders by providing higher quality service (better availability and reliability) for customers.

### Develop renewables business line

Following the completion of internal due diligence, we are reviewing two new potential acquisition opportunities in the Compressed Natural Gas (CNG) and Renewable Power Generation markets.

**Risk overview**

We developed a long-term plan for the New Energy Business, which will drive future prosperity for Seplat Energy as we diversify and transition towards producing energy in multiple forms, and for a much wider customer base both at home and abroad. We have identified numerous business opportunities in power and new energy and will carefully consider these in advance of a final investment decision, subject to them meeting financial and technical requirements.

# IFRS S2

Seplat Energy continues to improve its quality and breath of disclosure. The additional disclosures highlight our ongoing efforts to play a prominent role in the energy transition in Nigeria. We are investing in lowering our emissions and improving efficiency of our operations, and developing strategies to construct low-carbon and renewable energy products. Our purpose underscores our commitment to accessible, affordable and reliable energy that drives social and economic prosperity.

Our portfolio and investments show the commitment to gas development as a transition fuel in Nigeria, with the substantial gas volumes, we supply to the domestic market to power Nigeria (~30% of gas to power supply). This is evidenced by our OML 4, 38, 41, OML 53 and OPL 283 portfolios, where the gas business contributes about 43%, 73% and 70% of the value of the assets in the BP price scenario, respectively.

## Climate related risks and opportunities

Seplat's strategy aims to reduce vulnerability to climate-related risks and position itself as a leading player in Nigeria's energy transition. We evaluate climate-related risks in two primary categories: physical and transition risks, with an emerging focus on climate litigation. The details have been discussed as part of our risk report on page 74 and include our current and anticipated indirect and direct mitigation and adaption efforts on page 79 and 87.

We employ a comprehensive range of macroeconomic and externally sourced metrics to evaluate our business's climate-related risks and opportunities. In the short term, our primary objective is to eradicate all routine flaring from our existing operations by the conclusion of 2025. Looking ahead to the medium term, we aim to integrate renewable energy sources into our operations. In the long term, we are committed to achieving net zero emissions by 2050. These progressive targets underscore our dedication to addressing environmental concerns and advancing sustainability within our business framework.

## Using scenario analysis to assess our resilience

Seplat conducted the annual scenario analysis for the January 1 to December 31 2023 reporting period in February 2024 to assess shifts in the macroeconomic outlook, technology developments, policy and legal implications. The climate resilience assessment encompasses all of Seplat's cash-generating portfolios, including all producing assets and office locations.

To demonstrate the resilience of the organisational strategy and financial plans to a range of plausible climate-related scenarios, Seplat Energy has adopted the IEA's Global Energy and Climate (GEC) Model in conducting this scenario analysis, which is aligned with the Paris Agreement. The GEC Model uses macro drivers, techno-economic inputs and policies as input data to design and arrive at these scenarios. Each energy transition scenario yields a range of commodity prices, environmental fees, and taxes.

These scenarios reflect changes to oil prices with fixed gas prices based on contractual terms and crude production forecast based on the Company's Competent Persons Report (CPR). The NPV15 of Seplat Energy's portfolio under the selected scenarios remains positive. Seplat Energy's 2023 economic assumptions used in the long-term Business Plan (BP) capture all the elements that could result in uncertainties in the evaluation. We have also considered inflation, Exchange Rate, Fiscal Policies, oil and gas prices, Insecurity (crude theft, vandalisation of pipelines, and delays in project execution) in our analysis.

The Company is planning to factor in carbon pricing in its scenario analysis. This decision follows Nigeria's National Council on Climate Change (NCCC) announcement of introducing a carbon tax policy that is in line with the country's Energy Transition Plan.

The climate-related scenarios are associated with both the transition and physical risks. The decision to apply our chosen climate-related scenarios is embedded in the definitions of each of these scenarios, as shown below:

## Net Zero Emissions by 2050 Scenario (NZE)

The NZE Scenario is a normative scenario that shows a pathway for the global energy sector to reach net zero emissions of $CO_2$ by 2050 through the deployment of various clean energy technologies. These deployment decisions are expected to be driven by costs, technology maturity, market conditions, infrastructure availability and policy preferences. Net Zero Emissions by 2050 Scenario (NZE). The NZE Scenario is a normative scenario that shows a pathway for the global energy sector to reach net zero emissions of $CO_2$ by 2050 through the deployment of various clean energy technologies. These deployment decisions are expected to be driven by costs, technology maturity, market conditions, infrastructure availability and policy preferences.

## Announced Pledges Scenario (APS)

The APS, introduced in 2021, aims to illustrate how announced ambitions and targets can deliver the reductions needed to achieve net zero emissions by 2050. In the APS, countries fully implement their national targets, and the outlook for exporters of fossil fuels and low-emissions fuels such as hydrogen is shaped by what full implementation of all targets means for global demand. The APS assumes that all country targets for access to electricity and clean cooking are achieved on time and in full. For countries that still need to make a net zero pledge, policies are assumed to be the same as in the STEPS. Non-policy assumptions, including population and economic growth, are the same as in the STEPS.

## Stated Policies Scenario (STEPS)

The STEPS provides a more conservative benchmark for the future, exploring the direction of the energy system without a significant additional steer from policymakers. Similarly to the APS, it is not designed to achieve a particular outcome. For the first time in 2023, the STEPS takes account of industry action, including manufacturing capacity for clean energy technologies, and the impacts of this capacity on market uptake beyond policies in force or announced. The STEPS shows that, in aggregate, current country commitments are enough to make a significant difference.

## The time horizons used for the analysis include:

| | |
|---|---|
| **Short Term:** | **Up to 2025** |
| **Medium Term:** | **2025-2030** |
| **Long Term:** | **Beyond 2030** |

Nigeria has set a 2060 Net Zero target as outlined in the Petroleum Industry Act (PIA) 2022. The initiatives acknowledge the challenges related to energy shortages and limited electricity penetration in Nigeria. The concerted effort is to create an environment conducive to increased investment in the energy sector, thereby addressing critical energy needs. In response to these national priorities, Seplat is unwavering in its commitment to reduce its carbon footprint actively and has set a net-zero target of 2050. This target aligns our climate goals with the Paris Agreement, which aims to limit global warming to below 2 degrees Celsius above pre-industrial levels.

**The Company is resolute in transitioning to cleaner and more sustainable forms of energy. This commitment is rooted in a profound understanding of the urgency to mitigate the adverse effects of climate change and advance the broader Nigerian energy transition agenda.**

We have also considered that the ecologically significant Delta faces heightened vulnerability to the impacts of climate change, with a specific emphasis on the risk of flooding. The region relies heavily on its low-lying mangroves, which are crucial for flood protection. Recognizing the ecological importance and susceptibility to environmental shifts, the climate resilience assessment is designed to comprehensively evaluate and address the potential challenges of climate change across these diverse operational landscapes.

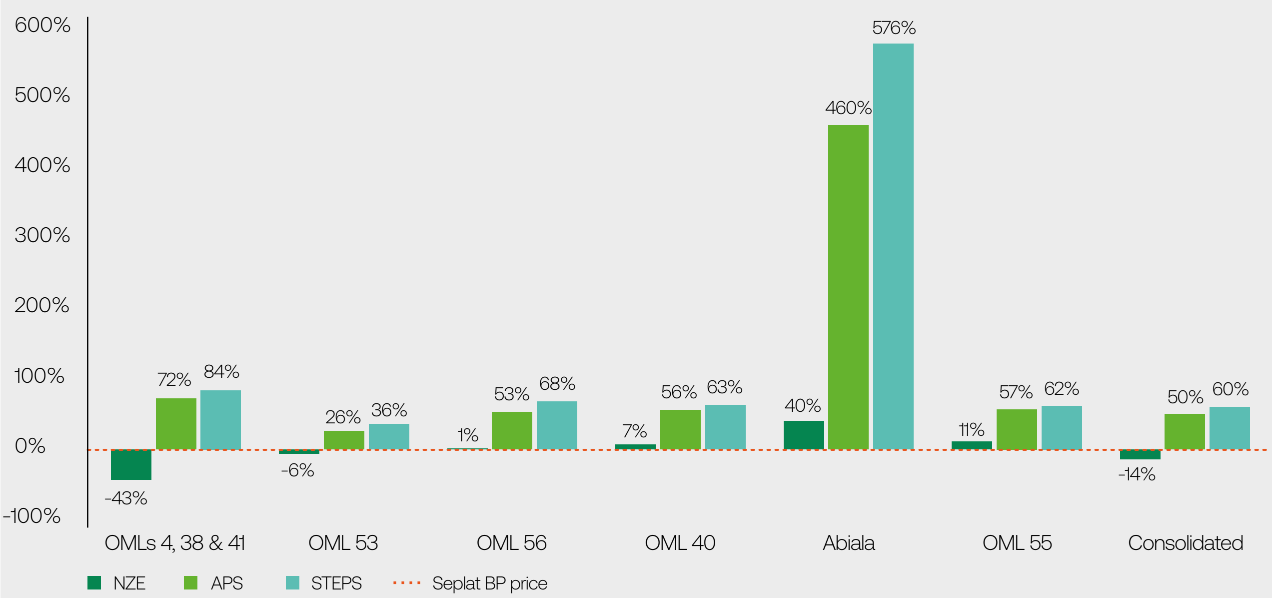
## Seplat's portfolio's resilience

Comparing Seplat's portfolio value under the IEA scenarios with the Seplat BP price, the chart shows that the Seplat portfolio is resilient to the impact of the IEA climate scenarios. Under the IEA STEPS and APS scenarios, the NPV is 60% and 50% higher than the Seplat BP price scenario, respectively, which indicates the impact of the higher prices compared with Seplat's planning assumptions. But in the NZE scenario, oil prices plummet to $42/bbl. And at $25/bbl. In 2030 and 2050, respectively, the portfolio's value is 14% less than the BP price scenario. In all the scenarios, Seplat's portfolio remains resilient. However, OMLs 4, 38, 41, and 53 recorded a negative asset impact in the NZE scenario when compared with the Seplat BP price. OMLs 55, 40, OPL 283 and Abiala all recorded a positive asset impact in all scenarios compared to the Seplat BP. For the NZE scenario, the price collapse is entirely dependent on the assumed dramatic reduction in demand – oil demand will fall by 75% and natural gas demand will fall by 50% by 2050 against 2020 levels. It is important to note that these forecasts are just estimates of future possibilities and may not reflect possible price fluctuations, portfolio changes and cost levels. However, the analysis demonstrates the resilience of Seplat Energy's portfolio in the light of climate change and related financial risks. Thus supporting the vital role to be played by Seplat Energy as a low-cost, low-carbon energy player delivering sustainable energy solutions for future generations.

Despite uncertainties, the Net Present Value (NPV) of Seplat's portfolio under selected scenarios remains positive, reflecting resilience to climate change impacts.

**Our portfolio reflects a commitment to gas development as a transition fuel in Nigeria, contributing significantly to the domestic energy supply. The comparative analysis demonstrates portfolio resilience across different climate scenarios, supporting Seplat's low-cost, low-carbon energy provider role.**

### FY2023 scenario analysis



# IFRS S2

"Our evaluation confirms our business's resilience across all climate change scenarios. We remain committed to reducing our greenhouse gas (GHG) emissions by addressing scope 1 and 2 emissions across all assets by implementing planned GHG emission projects."

## Capital allocation towards decarbonisation

Decarbonisation is integrated into our annual capex prioritization processes. We have dedicated around $60 million towards decarbonising our operations, including ending routine flaring and implementing an afforestation program. However, the impact of the Sapele Gas Plant is not included in this amount. So far, we have already spent $41.5 million on these various initiatives to reduce our operational greenhouse gas emissions.

Furthermore, decommissioning and abandonment costs have been carefully considered in our scenario analysis, with a consolidated annual range of $14 million to $18 million over the life cycle of all assets.

Our CapEx investments across all scenarios are strategically directed towards addressing our GHG emission reduction plans and advancing our energy transition agenda.

## Capacity building and technology investment

Acknowledging the vital role of human resources and technology, Seplat is committed to enhancing workforce skills and expertise and investing in infrastructure to facilitate its transition to a sustainable energy portfolio.

Seplat has articulated a strategic vision to play a significant role in Nigeria's energy transition by expanding into renewable energy. The Company anticipates rapid advancements in renewable energy technologies, such as batteries and energy storage solutions, driven by declining costs. Recognizing the potential impact of these shifts on the demand for traditional oil and gas products, Seplat is prepared to adapt and contribute to this transformative journey.

Anchored in the mission of "Leading Nigeria's energy transition with accessible, affordable, and reliable energy that drives social and economic prosperity," Seplat's strategy emphasizes value creation across the entire energy chain. This entails developing lower-carbon and renewable energy products to meet evolving market demands.

Central to realizing this strategic shift is the imperative to build capacity and invest in human resources and technology. Seplat understands that achieving its goal of leading Nigeria's energy transition requires developing a skilled workforce and leveraging cutting-edge technology.

Seplat's New Energy business is driving this strategy forward. This business unit spearheads efforts to transition towards a more sustainable and diversified energy portfolio. This business unit is actively fostering essential skills and making strategic infrastructure investments to propel Seplat towards leadership in Nigeria's evolving energy landscape.

We are focusing on elevating employee awareness and skills to manage and optimise the processes associated with emission reduction effectively. By combining technological advancements with a commitment to building employee expertise, we aim to make substantial strides in reducing our environmental footprint and fostering sustainable practices within our operations.

## Commitment to net zero by 2050

| | |
|---|---|
| Short Term: | **End of routine flaring** |
| Medium Term: | **Initiatives such as plugging fugitive leaks, improving energy efficiency of E&P operations and performance monitoring** |
| Long Term: | **GHG emissions from residual activities and organic growth will be abated by carbon offsetting to attain net zero** |

Seplat Energy is committed to reducing greenhouse gas (GHG) emissions as part of our overarching objective to contribute to climate action. Our strategic approach focuses on utilizing gas as a transition fuel to enhance access to energy and actively exploring suitable investments in renewable energy. The core pillars of our energy transition strategy are founded on three key elements: Decarbonisation, Low-carbon strategic growth projects, and renewables and carbon credits monetisation. These pillars are seamlessly integrated into a robust Environmental, Social, and Governance (ESG) framework, ensuring comprehensive and sustainable implications for our business.

**Decarbonisation:** Our commitment to decarbonisation involves implementing targeted initiatives to reduce the carbon footprint of our operations, which encompasses efforts to minimize emissions, enhance energy efficiency, and adopt cleaner technologies across our value chain.

**Low-carbon strategic growth projects:** Seplat Energy is dedicated to pursuing strategic growth projects with a low-carbon footprint, which includes investments in projects and initiatives in the gas value chain that align with our sustainability goals, fostering economic growth while minimizing environmental impact.

**Renewables and carbon credits monetisation:** Embracing renewables is a key component of our energy transition strategy. We actively explore opportunities to invest in renewable energy sources, more specifically solar, contributing to a cleaner and more sustainable energy landscape. Additionally, we seek to monetize carbon credits, leveraging our environmental stewardship to generate economic value.

Seplat will attain GHG emissions reduction through its near-term flares out program, and its medium-term initiatives such as plugging fugitive leaks, improving energy efficiency of E&P operations and performance monitoring GHG emissions from residual activities and organic growth will be abated by activities such as carbon offsetting to attain net zero.

2024 | 2025 | 2030 | 2050

| | | |
|---|---|---|
| **Emissions reduction** | **Routine flare reduction** | Flares out (AG compression in our operated assets) |
| | | Incineration & waste heat capture project |
| | | Gas commercialisation |
| | **Fugitive emissions** | Leak Detection & Repair (LDAR) |
| | | Flare Valves Leak & Repair (FVAR) |
| **Energy efficiency** | **Energy efficiency** | Centralised power to west/east |
| | | Clean energy drilling |
| | | Solarisation project (Phase 1) (Phase 2) |
| | | Replacement of diesel/petrol run pumps to electric motor |
| **Carbon offset / monetisation** | **Carbon offset** | Reduction projects carbon offsets |
| | | Carbon offsets from new energy strategic initiatives – solar mini grid |
| | | Tree planting initiative |

# IFRS S2

Flared gas currently constitutes most of our greenhouse gas emissions, prompting us to develop a comprehensive investment strategy focused on reducing flaring. Beyond the environmental benefits, this strategy presents the advantage of commercialising the captured gas for the market. Recognising the potential for additional carbon taxes introduced by the PIA, our innovative measures proactively mitigate future financial liabilities.

Our approach to mitigating greenhouse gas (GHG) emissions revolves around targeted initiatives to address routine flaring, minimise fugitive emissions, and reduce our reliance on diesel. We are actively implementing operational enhancements through strategic investments in cutting-edge technologies to achieve these objectives.

Through meticulously monitoring flared volumes, we have successfully built a compelling economic case that offsets potential project costs through market availability. Our reduction strategy is ambitious, with a clear target to eliminate routine flaring by 2025. Implementing our end-of-routine flaring program is geared towards commercialising flared gas for sale in the domestic market and utilising it in our production process as lift gas. Progress is underway, including installing gas compressors at various locations to facilitate this transition.

Significant investments are being made to advance our emissions management practices, focusing on empowering our workforce with the tools and knowledge necessary to enhance asset integrity. Notably, acquiring an LDAR (Leak Detection and Repair) system enables us to detect and address invisible leaks promptly. Our commitment to managing fugitive emissions is also demonstrated by training six employees to use technology independently to identify emission sources within our facilities.

## Ending routine flaring

**32 MMscfd**

**2022**
Opening baseline flare volumes

Fix the basics and OEM replacements (3MMscfd)[1]

**30.5 MMscfd**

**2023**
Opening baseline

Mechanical completion of Sapele accelerated gas plant (26MMscfd)[1]

Mechanical completion of Jisike gas lift compressors (3MMscfd)[1]

**31.8 MMscfd**

**2024**
Opening baseline

Amukpe, Oben & Sapele screw compressors (4.5MMscfd)[1]

Ohaji South compressors & VRU (12.5MMscfd)[1]

Oben condensate flared gas solution (2.5MMscfd)[1]

### Key milestones for flares out in 2024

**Q1 2024**
- Completion of Jisike gas lift compressor

**Q2 2024**
- Commence gas supply to Eurafric post completion of the Sapele power steam turbine repairs

**Q3 2024**
- Commission screw compressors at Amukpe, Sapele and Oben

**Q4 2024**
- Complete mechanical installations of Sapele LPG storage & offloading facility
- Complete mechanical installations of Oben (LPG) GP flares out
- Complete mechanical installations of Ohaji flares out
- Complete OEM recommendations for Oben AG optimisation

**16.0 MMscfd** **2025**

**0 MMscfd** **2026**

Opening baseline

**2025**
- Commission Sapele LPG storage & offloading facility
- Commission Oben (LPG) GP flares out
- Commission Ohaji flares out
- Third party gas commercialisation at Jisike

1. Represents installed capacity of the project

The opening balances for flaring are based on forecasts of unconstrained production from all our operated assets, and reflect the expected flaring determined for the gas to oil ratio from all available wells. Each year's opening balance is adjusted for expected production from new wells.

“As part of our renewable energy initiatives, a pilot solar installation program is underway at our Amukpe Warehouse, powering essential infrastructure. Furthermore, plans are in place for a broader solar installation program at all 18 security outposts around our operations.”

In addressing our historical reliance on diesel generators, known for emitting higher levels of greenhouse gases, we have initiated a diesel replacement program. This involves conducting a comprehensive inventory of all diesel-operated equipment to assess and reduce our dependence on this carbon-intensive energy source. By exploring alternatives, such as gas-powered generators, and examining opportunities for solar power, we aim to significantly reduce our carbon footprint without disrupting operations.

As part of our renewable energy initiatives, a pilot solar installation program is underway at our Amukpe Warehouse, powering essential infrastructure. Furthermore, plans are in place for a broader solar installation program at all 18 security outposts around our operations. Although these projects may vary in scale, they underscore our unwavering commitment to decarbonising our operating footprint and embracing sustainable energy solutions.

A strategic acquisition that will significantly enhance Seplat Energy's portfolio by adding well-managed offshore assets with dedicated export infrastructure and substantial hydrocarbon reserves.

# Enhancing our portfolio

**2020 basis**

MPNU working interest production, 2020

95 kboepd

2P W.I. liquids reserves, 2020

409 MMbbl

2P W.I. gas reserve, 2020

211 Bscf

MPNU staff and contractors

1,000

Potential W.I. gas resource, 2020

2,910 Bscf

## A transformational acquisition

On 25 February 2022 we announced that we had entered into a Sale & Purchase Agreement (SPA) to acquire the entire share capital of Mobil Producing Nigeria Unlimited (MPNU) for a consideration of $1.283 billion, plus up to $300 million contingent consideration, subject to adjustments at closing.

In May 2023 we announced an update to the SPA which included an extension to the long stop date for the transaction and an update to the revenue sharing mechanism.

The proposed acquisition will deliver significant value for shareholders, substantially increasing Seplat Energy's oil and gas reserves and production, while diversifying its operations offshore, where there is more secure, dedicated export infrastructure. In addition, Seplat Energy will benefit from the experience of a highly skilled local operating team and a track record of safe operations.

As of early March 2024, we await the necessary approvals from the Federal Government and continue to work with all relevant stakeholders to achieve completion.

## Strategic rationale

MPNU operates and is the 40% owner of four shallow water assets: OMLs 67, 68, 70 and 104. It also owns the Qua Iboe Terminal, one of Nigeria's largest export facilities, and a 51% interest in Bonny River Terminal, and Natural Gas Liquids Recovery plants at EAP and Oso.

We will become one of the largest independent energy companies on the Nigerian Exchange and London Stock Exchange, thereby strengthening our market position and ability to drive growth, profitability and prosperity for all our stakeholders, including Nigeria itself.

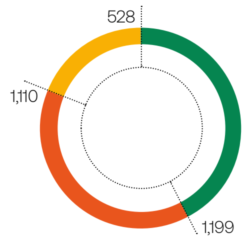
## Balanced portfolio

Adding these MPNU assets and their dedicated infrastructure will significantly increase our scale in the Nigerian energy industry, diversifying the business in favour of offshore assets with more secure export routes. Our existing onshore business, from which our Western Assets (OML 4, 38, and 41) produce most of our revenues, will be augmented by a substantially larger reserve and production base offshore. Furthermore, MPNU's dedicated export infrastructure will provide additional assurance against the kinds of disruptions we have experienced at the Western Assets, which until the advent of the Amukpe-Escravos Pipeline, were reliant on the Trans Forcados Pipeline and Forcados Oil Terminal. The result for shareholders will be higher profitability from increased production and greater reliability of exports.

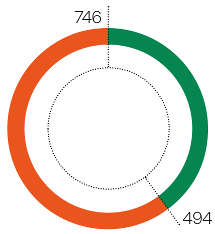
| | |
|---|---|
| **Potential to develop** | We believe there is great potential to develop a significant gas resource of 2,910 Bscf (W.I.) using existing infrastructure (see map and charts). |
| **Significant upside** | The addition of MPNU will substantially increase Seplat Energy's production from our 2023 volume of 47.8kboepd. MPNU's W.I. production in 2020 (latest available figures) was 95 kboepd, from well managed shallow water assets. |
| **Dedicated export routes** | MPNU operates its own dedicated export infrastructure, which includes the Qua Iboe Terminal and Bonny River Terminal. |

## Potential to develop 7+ TSCF GROSS

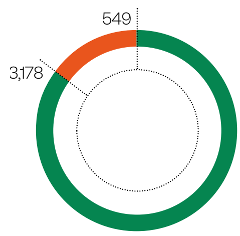
**Oso area**
2,309 Bscf + 528 Bscf 2P (gross)




**Yoho area**
1,240 Bscf (gross)




**EAP area**
3,727 Bscf (gross)




- Associated gas
- Non-associated gas
- 2P reserves

# Operating review

**Samson Ezugworie**
Chief Operations Officer

## Highlights

Aggregate production
47,758

2P Reserves
478 MMboe

Number of wells drilled
14

Liquids production
28,087 bopd

Gas production
114.1 MMScfd

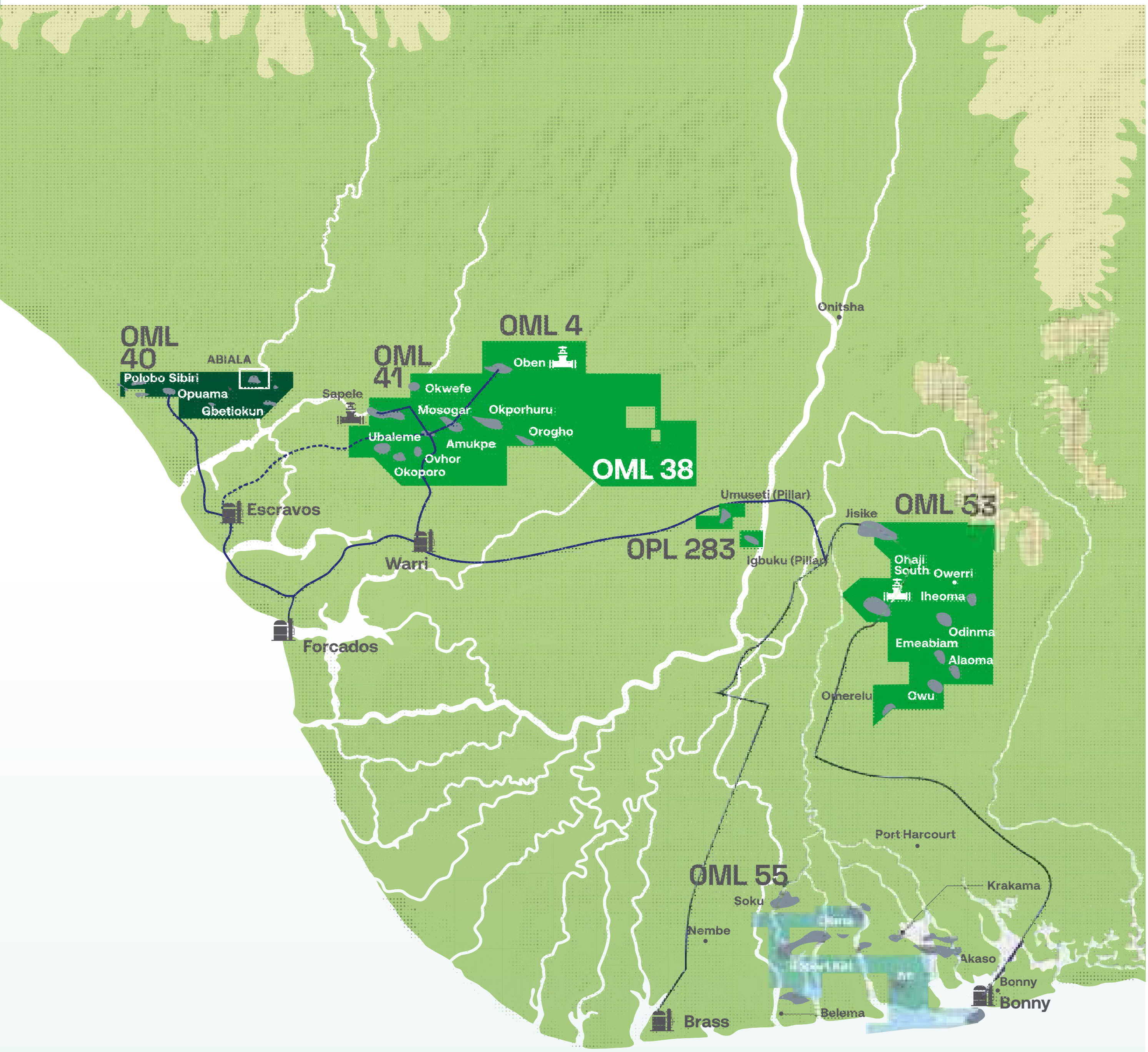
Carbon intensity from operated assets
27.9 $kgCO_2e/boe$

### Oil and gas sector development

Following his assumption to office, President Bola Ahmed Tinubu has invested significant efforts in ameliorating the issues that have weakened Nigeria's crude oil production in the past four years. This particularly includes improving the security architecture around the country's pipelines. This has yielded positive results as data from Nigerian Upstream Petroleum Regulatory Commission (NUPRC) shows crude and condensate production growing by c.123 kbopd since May-2023.

Furthermore, to debottleneck investing in the oil & gas sector, the President signed some executive orders on oil & gas reforms. The executive orders include Introduction of fiscal incentives for non-associated gas, midstream & deepwater developments, Streamlining of contracting process to compress the contracting cycle to six months, and the Application of the local content requirements without hindering investments or the cost of competitiveness.

Overall, we view these policies as positive for Seplat and the oil and gas industry. This is reflected across our production metrics which has seen lower losses and improved asset availability.




- Oil & gas producing assets
- Oil producing assets
- Financial interest
- Pipeline

Seplat's current portfolio comprises direct interests in seven oil and gas blocks and a revenue interest in one block, all of which are located onshore land and swamp areas of the Niger Delta. This portfolio provides the Group with a robust platform of oil and gas reserves and production capacity, as well as material upside opportunities to add reserves through future development.

## IFRS S2

Seplat annually discloses its estimated hydrocarbon resources and reserves, relying on reports prepared independently by Competent Persons. Our reported reserves are underpinned by a comprehensive economic valuation encompassing all future deductions.

The deductions incorporate royalty payments, normal direct costs of operating wells, recompletion costs, developments costs and certain abandonment costs net of salvage. The future net income is before the deduction of Corporate Income Tax (CIT) and Petroleum Profit Tax (PPT) and general administrative overhead. It is not adjusted for outstanding loans that may exist nor does it include any adjustments for cash on hand or undistributed income.

Seplat is required to compute the estimated $CO_2$ emissions associated with its proven hydrocarbon reserves. We intend to disclose the embedded carbon dioxide emissions associated with our 2P hydrocarbon reserves in our future reports.

Seplat currently has reserves in Nigeria and therefore has no reserves in countries with the 20 lowest rankings in Transparency's International Corruption Perception Index.

# Upstream business performance

## Reserves and resources

### 2P reserves

The Group's audited 2P reserves, as assessed independently by Ryder Scott Company, L.P., increased by 40 MMboe from 438 MMboe at the end of 2022 to 478 MMboe at the end of 2023. The increase in 2P reserves is attributed to additional volumes from discovery of new reservoirs in OML 40, booking of volumes from the Abiala marginal field and conversion of 2C to 2P volumes in OML 53.

| | | 2P reserves at 31/12/2023 | | | 2P reserves at 31/12/2022 | | |
|---|---|---|---|---|---|---|---|
| | | Liquids | Gas | Total[3] | Liquids | Gas | Total |
| | Seplat % | MMbbl | Bscf | MMboe | MMbbl | Bscf | MMboe |
| OMLs 4, 38 & 41 | 45% | 135 | 617 | 242 | 138 | 629 | 246 |
| OPL 283 | 40% | 9 | 81 | 23 | 4 | 61 | 15 |
| OML 53 | 40% | 51 | 747 | 180 | 39 | 653 | 152 |
| OML 55 | Fin. Interest | 3 | – | 3 | 3 | – | 3 |
| OML 40[1] | 45% | 24 | - | 24 | 22 | – | 22 |
| Abiala | 95% | 4 | 17 | 6 | – | – | – |
| **Total** | | **226** | **1,463** | **478** | **206** | **1,343** | **438** |

Eland has a 45% working interest in OML40 until the Westport loan is fully repaid in accordance with the loan agreement, reverting to 20.25%
Quantities of oil equivalent are calculated using a gas-to-oil conversion factor of 5,800 scf of gas per barrel of oil equivalent.

### 2C resources

The Group's audited 2C resources decreased by 11% from 70 MMboe to 62 MMboe, comprising 37 MMbbls of oil & condensate and 146 Bscf of natural gas. The decrease in 2C gas resources (boe) is due to revisions from previous estimates.

Consequently, the Group's working interest 2P reserves and 2C resources stood at 540 MMboe as of 31 December 2023, comprising 262 MMbbls oil & condensate and 1,609 Bscf of natural gas (277 MMBoe).

| | | 2C resources at 31/12/2023 | | | 2C resources at 31/12/2022 | | |
|---|---|---|---|---|---|---|---|
| | | Liquids[1] | Gas | Total | Liquids | Gas | Total |
| | Seplat % | MMbbl | Bscf | MMboe | MMbbl | Bscf | MMboe |
| OMLs 4, 38 & 41 | 45% | 29 | 111 | 48 | 31 | 124 | 52 |
| OPL 283 | 40% | 1 | 4 | 2 | 7 | 24 | 11 |
| OML 53 | 40% | 4 | 32 | 10 | 3 | 11 | 5 |
| OML 40 | 45% | 3 | - | 3 | 2 | 0 | 2 |
| **Total** | | **37** | **146** | **62** | **43** | **159** | **70** |

# Group production

In 2023, total liquids production was within guidance and increased by 14.4% to 10.3 MMbbls, compared to 9.0 MMbbls in 2022. Gas production was also higher by 1.5% to 41.6 Bcf (2022: 41.0) The oil and gas mix was 59% and 41% respectively. Total production deferred in the period was 31% (2022: 37%).

## Working interest production for the twelve months ended 31 December 2023

| | | FY 2023 | | | FY 2022 | | |
|---|---|---|---|---|---|---|---|
| | | Liquids | Gas | Total | Liquids | Gas | Total |
| | Seplat % | bopd | MMscfd | boepd | bopd | MMscfd | boepd |
| OMLs 4, 38 & 41 | 45% | 14,866 | 114.1 | 34,538 | 15,422 | 112.3 | 34,791 |
| OML 40 | 45% | 10,455 | - | 10,455 | 6,557 | - | 6,557 |
| OML 53 | 40% | 1,212 | - | 1,212 | 1,689 | - | 1,689 |
| OPL 283 | 40% | 1,554 | - | 1,554 | 1,067 | - | 1,067 |
| **Total** | | **28,087** | **114.1** | **47,758** | **24,735** | **112.3** | **44,104** |

Liquid production volumes as measured at the LACT (Lease Automatic Custody Transfer) unit for OMLs 4, 38 and 41; OML 40 and OPL 283 flow station.
Gas conversion factor of 5.8 boe per scf.
Volumes stated are subject to reconciliation and may differ from sales volumes within the period.

## Working interest production by quarter

| | | Q4 2023 | | | Q3 2023 | | | Q2 2023 | | | Q1 2023 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Liquids | Gas | Total | Liquids | Gas | Total | Liquids | Gas | Total | Liquids | Gas | Total |
| | Seplat % | kbopd | MMscfd | kboepd | kbopd | MMscfd | kboepd | kbopd | MMscfd | kboepd | kbopd | MMscfd | kboepd |
| OMLs 4, 38 and 41 | 45% | 13.9 | 107.0 | 32.3 | 12.6 | 110.8 | 31.7 | 15.5 | 114.8 | 35.3 | 17.6 | 124.1 | 39.0 |
| OML 40 | 45% | 11.3 | - | 11.3 | 8.9 | - | 8.9 | 12.0 | | 12.0 | 9.6 | - | 9.6 |
| OML 53 | 40% | 1.4 | - | 1.4 | 1.1 | - | 1.1 | 1.0 | | 1.0 | 1.3 | - | 1.3 |
| OPL 283 | 40% | 1.6 | - | 1.6 | 1.2 | - | 1.2 | 1.6 | | 1.6 | 1.9 | - | 1.9 |
| **Total** | | **28.1** | **107.0** | **46.6** | **23.8** | **110.8** | **42.9** | **30.1** | **114.8** | **49.9** | **30.3** | **124.1** | **51.7** |

Liquid production volumes as measured at the LACT (Lease Automatic Custody Transfer) unit for OMLs 4, 38 and 41; OML 40 and OPL 283 flow station.
Gas conversion factor of 5.8 boe per scf.
Volumes stated are subject to reconciliation and may differ from sales volumes within the period.

Average daily working interest production increased by 8.3% to 47,758 bopd in 2023, compared to 44,104 bopd in 2022, and was delivered within our original guidance range. The higher production during the period was supported by new well stock, the availability of the Amukpe-Escravos Pipeline (AEP) and the improved operational performance of the Forcados Oil Terminal (FOT) compared to the prior year. Though FOT again experienced extended outage due to the need to repair the Single Point Mooring (SPM) system during 3Q 2023.

In OMLs 4, 38, & 41, working interest liquids production fell by 3.6% to 14,866 bopd (2022: 15,422 bopd). This decline in production was primarily attributed to delays in the on-stream dates of planned wells, resulting from challenges encountered during the execution of our drilling program, as described below. The alternative evacuation routes provided production reassurance as intended during the year, reducing the impact of pipeline outages by approximately 60% (measured in days).

Our operations at OML 40 contributed the most significant growth in the period. Working interest production from the asset grew by 59.5% to reach 10,455 bopd in 2023, up from 6,557 bopd in 2022. The volume increase in OML 40 is attributed to the successful execution of the 2023 wells campaign, which delivered ahead of expectations and higher production uptime, driven mainly by improved pipeline availability.

In OML 53, daily working interest production fell 28.3% to 1,212 bopd in 2023 due to challenges with the evacuation lines. Production from Ohaji was evacuated to the nearby Waltersmith Refinery. Ohaji potential remains constrained given the unavailability on the Trans Niger Pipeline (TNP), where zone 6 of the line did not operate at all during 2023. Issues with the Antan-Ebocha delivery line that is crucial for evacuation from Jisike, were resolved in August allowing the field to resume production. This resolution supported modestly higher output from OML 53 in 4Q 2023.

We are actively pursuing solutions for the third-party evacuation issues affecting our Eastern assets. The OML 53 Joint Venture (JV) has successfully concluded negotiations and finalised the JV Crude Sale and Purchase Agreement (CSPA) with the Edo Refinery. This agreement facilitates the off-take of approximately 1,000 barrels of oil per day (bopd) of JV crude from Ohaji to the Edo Refinery. Furthermore, the finalisation of Facility Use Agreements is underway, with off-take operations anticipated to commence in the first quarter of 2024. In addition, efforts are underway to reduce deferment from pipeline downtime by providing storage capacity at both Jisike and Ohaji.

We remain committed to addressing current evacuation issues, with our priority in the East being the resumption of operations on the TNP, in addition to exploring alternative solutions, and working to optimise production efficiency across our operations.

## Update on Sibiri oil discovery

In 2023, we commenced extended well testing (EWT) of Sibiri-01. In addition, the Sibiri-02 drilling operation was concluded and further well data acquisition and technical studies were conducted. This data confirmed the preliminary results that Oil-In-Place volumes were at the upper end pre-appraisal Oil-In-Place estimates.

In H2 2023 a full Field Development Plan (FDP) was submitted to the regulators, with a base case Oil-in-Place estimate of 91.1 MMbbls oil. In February 2024 we received regulatory approval for the full lifecycle Field Development Plan (FDP) for Sibiri oil discovery. The project will now move into the development phase, initially from the two pre-driled wells Sibiri-01 and Sibiri-02, tied back to Opuama.

Base case oil-in-place volumes estimate at Sibiri

**91.1 MMbbls**

Volumes added to reserves by Abiala

**6 MMboe**

## Abiala farm-in and development

In 2022, we announced that Elcrest (45% owned by Seplat Energy) had entered into an agreement with Naphta for a 95% equity farm-in to the Abiala marginal field, while Naphta would have a 5% carried interest. Additionally, Elcrest was designated as the Operator, Technical & Financial Partner in the Elcrest/Naphta Joint Venture.

In 2023, all definitive agreements about the Abiala Marginal Field (including the Farm-in Agreement, Joint Operating Agreement, Farmout and Technical Services Agreement, and Development Operations Agreement) were executed. Furthermore, we successfully convened the inaugural Abiala Joint Operating Committee (JOC) meeting. The drilling of the Abiala wells (Abiala 1 W/O and Abiala B) is scheduled for 2024, with the expectation of achieving first oil in Q3 2024. Abiala adds 6 MMboe to our 2P reserves.

## Drilling activities

In 2023, we completed fourteen new wells across our operated and non-operated assets, meeting our revised targets for the year. Our drilling programme underwent adjustments in August 2023 due to the tragic incident involving the contracted rig, Majestic, which capsized when its rig owners were moving the rig to the new drill site. To mitigate the resulting delays, we implemented a drilling recovery plan. This initiative involved deploying three land rigs in the Western Asset region to partially compensate for the postponement of drilling activities for six swamp wells: Ovhor DKFW-01, Abiala-1 W/O, Abiala-B, Ovhor DNFT-02, Ovhor DMFU-01, and Ovhor DFFW-01, will now form part of future drilling programmes.

In OML 4, 38, & 41, we delivered four wells (Orogho-08, Okporhuru-08 WO, Sapele-07 WD, and Sapele-CEGX), which are expected to produce a combined gross rate of c.1,300 bopd and 55 MMscfd of gas. Three other wells; Okporhuru-HUHA-04, Sapele N EXP, and Ovhor 21ST were spudded towards the end of the year and will be completed in Q1 2024.

In OML 40, our drilling program delivered five new wells (including Gbetiokun-04 WO, Gbetiokun-09, Gbetiokun-10, Sibiri-02 and Opuama-17). Four wells in the initial program have been deferred to 2024 as drilling was suspended till Q2-2024 to contract a new swamp rig.

In OML 53, we delivered three new wells, Ohaji-07, Ohaji-08, Ohaji-09. When on stream, the Ohaji wells are expected to produce at a combined gross rate of c. 5,000 bopd. Also, the ANOH upstream unit operated by Shell drilled and completed two new wells (ASSN-05, and ASSN-06) to further support feedstock for the ANOH gas plant.

# Midstream Gas performance

Seplat Energy continues to play a critical role in expanding the domestic gas market to fuel the Nigerian economy's growth. During the period, the Company delivered 41.6 Bcf of gas to the domestic market. The average working interest gas production volumes grew by 1.6% to reach 114.1 MMscfd, up from 112.3 MMscfd in 2022. This increase is attributed to enhanced well performance and the availability of condensate evacuation routes.

During the year, we entered into a new Gas Sales Agreement (GSA) with a bulk gas supplier for a volume of 50 MMscfd. The new customer met all the necessary conditions precedent, and gas supply under this agreement commenced in Q4 2023. We are also actively working on securing new gas resources from third parties and exploration to keep the process trains at the gas hubs (Oben and Sapele) full in the medium to long term.

## ANOH gas processing plant

The ANOH gas plant achieved mechanical completion on 29th December 2023 without recording any Lost Time Incident (LTI) across 11 million hours. Current activity on the ANOH gas project involves moving all key work streams to completion ahead of first gas, planned for 3Q 2024.

All upstream wells required for first gas were completed by the operator, SPDC, in 2023, with well deliverability tests conducted in Q1 2024. Work is ongoing to connect the wells to the gas plant.

Our government partner, NGIC, is responsible for delivering the pipelines required to transport the gas from ANOH to the demand centres, including the 23km spur line and the Obiafu-Obrikom-Oben (OB3) pipeline.

With respect to the OB3 pipeline, grouting of the unconsolidated formation along the tunnelling pathway on the River Niger has been completed, and our government partners announced that tunnelling operations are ongoing. Our partners recently reaffirmed their guidance for completion of construction of the OB3 pipeline in early 2024.

Regarding the Spur Line project, the operations in Imo State are witnessing improved progress following the engagement of additional contractors to expedite the completion of the remaining pipeline sections. NGIC is advising an expected completion date in early 2024.

The project has achieved several notable milestones in recent months, providing greater assurance that the project is on track to achieve first gas as estimated by Seplat in Q3 2024.

Upon commencement of operations, ANOH will provide two income streams to Seplat.

First, the sales of wet gas from Upstream to AGPC. The ANOH gas plant has a design capacity of 300 MMscf/d. Seplat will report our net share (20% working interest) of wet gas production as working interest production. We note that gas sales will benefit from lower opex than our current gas operations by virtue of not having to bear the burden of midstream processing costs.

Second, as a 50% owner in the AGPC incorporated joint venture, Seplat will receive dividends from the AGPC's profits. As previously reported, we anticipate c.6-month ramp up to plateau production after first gas, during which period AGPC will establish plant stability and offtake performance. Incorporating these elements, we estimate that AGPC should provide a dividend stream net to Seplat of c.$30m per annum. The dividends are expected to begin approximately 12-18 months after first gas. We expect that a $10/bbl change in the oil price would change the expected dividend by c.$5m, while a 1% change in production deferment changes the expected dividend by c.$1m; both figures are net to Seplat.

## Sapele gas plant

Project execution work continues on the new Sapele Gas Plant, with progress at 81%. Upon completion, the processing capacity will be 90 MMscfd. The upgraded facility will produce gas that meets export specifications, and the LPG processing module will enhance the economics of the plant and eliminate routine gas flaring.

In 2023, we completed the procurement of equipment and delivery to site for the plant construction, significantly progressed engineering and other milestones to support expected completion of the plant in early 2025. This represents a material component of our program to ending our routine flaring at Sapele.

IFRS S2

Seplat Energy's primary operational emphasis lies in onshore oil and gas development, with a concurrent commitment to expanding into renewable energy generation. Seplat does not yet generate any revenue from sales related to renewable energy.

## New energy business

In line with our strategy to deliver energy transition, we have assessed various midstream gas, power, and renewable investment opportunities that are focused on increasing energy supply and reliability, lowering costs, and reducing carbon intensity of Nigeria's electricity consumption.

In view of this, we have high-graded a gas-to-power development project, which has the potential to reach Final Investment Decision (FID) in 2024, subject to Board approval.

In addition, following the completion of internal due diligence, Seplat is reviewing two other potential acquisition opportunities in the Compressed Natural Gas (CNG) and Renewable Power Generation markets.

## Outlook

Seplat Energy's production has recorded improved stability in the past year, supported by measures to diversify evacuation routes.

In 2024, we expect this to continue, our 2024 capex program aims to maintain production, and we provide initial guidance at 44 - 52 kboepd. The guidance assumes availability of TNP from end 3Q 2024. It also assumes first gas on ANOH inline with guidance, and gradual ramp up of contribution from the gas field through the end of the year.

Capital expenditure for 2024 is expected to be in the range of $170-$200 million.

The program includes drilling 13 new wells across our operated and non-operated assets, as follows:

- OMLs 4, 38 & 41: Nine wells (seven oil wells, two gas wells)
- OML 40: Four oil wells (including two wells in Abiala)

The 2024 drilling program will address normal production decline and, along with the completion of maintenance activities, support long-term production levels from the assets.

Our key focus areas and expenditure on facility and project deliverables include:

- Completion of the ANOH Gas Processing Plant commissioning and commencement of operations
- Completion of the Sapele Gas Plant
- Installation of Abiala surface production facilities
- Delivery of Oben, Amukpe, Sapele & Ohaji flares out projects

Furthermore, we aim to enhance our infrastructure by developing alternative evacuation routes, ensuring operational resilience and efficiency. Additionally, we are committed to exploring and developing new business opportunities, fostering growth and diversification within our portfolio. Finally, a significant priority for the business will be the elimination of routine gas flares, aligning with our commitment to environmental sustainability and regulatory compliance. These deliverables underscore our dedication to innovation, sustainability, and value creation across all operations.

We recognise the importance of the sustainability of our evacuation options and strive to bolster security measures along our evacuation routes to safeguard our operations. These initiatives are geared towards maximising the volume of oil sales and revenue for the company, highlighting our commitment to operational efficiency and financial sustainability.

We will exercise discretion over drilling investments and selectively consider opportunities in our existing portfolio, focusing on delivering the highest cash return whilst diligently preserving a solid balance sheet.

# Strong leadership skills and expertise

By leveraging the collective skills and expertise of our Senior Leadership Team (SLT), each with well-defined and specialised portfolios, we aim to steer Seplat towards enhanced value creation and reinforce the trust of all our stakeholders.

**Roger Brown**
CEO

| | |
|---|---|
| Appointed to SLT: | 2013 |
| Joined Seplat: | 2013 |

**Responsible for:**
Providing overall leadership, strategic direction, and decision-making to achieve the organization's goals and objectives while ensuring sustainable growth and profitability.

**Samson Ezugworie**
COO/ED

| | |
|---|---|
| Appointed to SLT: | 2022 |
| Joined Seplat: | 2022 |

**Responsible for:**
Managing all Seplat operations – maintaining safe, reliable, profitable and sustainable operations.

**Effiong Okon**
Director, New Energy

| | |
|---|---|
| Appointed to SLT: | 2018 |
| Joined Seplat: | 2018 |

**Responsible for:**
The New Energy Directorate with the responsibility to champion Seplat's Energy Transition.

**Gary Thompson**
Technical Director

| | |
|---|---|
| Appointed to SLT: | 2021 |
| Joined Seplat: | 2021 |

**Responsible for:**
Engineering and Projects, Well Delivery, Exploration, Corporate Subsurface, Business Development Technical Evaluations and Acquisition Integration into Seplat.

**To read the SLT profiles in full, please visit our website:**
www.seplatenergy.com/our-company/our-governance/leadership

## Emeka Onwuka
CFO/ED

| | |
|---|---|
| Appointed to SLT: | 2020 |
| Joined Seplat: | 2020 |

**Responsible for:**
Ensuring appropriate capital allocation, financial discipline, commercial, investor relations and the effective management of Risks.

## Eleanor Adaralegbe
CFO, Designate

| | |
|---|---|
| Appointed to SLT: | 2020 |
| Joined Seplat: | 2015 |

**Responsible for:**
Delivery of strategic Finance operations with key oversights for all financial reporting, Joint Venture Finance, Tax, Supply Chain management, including key Investor and partner engagements.

## Ayodele Olatunde
Managing Director,
Seplat West Ltd.

| | |
|---|---|
| Appointed to SLT: | 2020 |
| Joined Seplat: | 2014 |

**Responsible for:**
Overseeing the operations of Seplat West (OMLs 4, 38 & 41) unit business plan with its associated Work Programme and Budget.

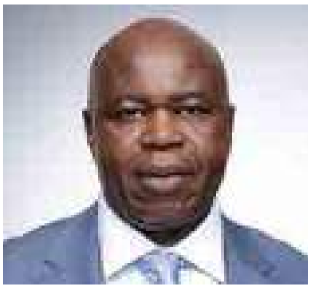
## Ibi-Ada Itotoi
Managing Director,
Seplat East Ltd.

| | |
|---|---|
| Appointed to SLT: | 2022 |
| Joined Seplat: | 2013 |

**Responsible for:**
Overseeing the operations of Seplat East (OML53) and providing oversight for Seplat's interests in OML56.

## What we delivered during the year

| | |
|---|---|
| **Financial performance and governance** | • Strengthened the balance sheet and increased core dividend by 20% |
| **Cost management and efficiency** | • Cost control and monitoring ensuring optimum value on capital expenditure<br>• Drove down fixed operating costs in EA by 50% through effective cost centre monitoring<br>• Workplace culture and engagement<br>• Fostered an inclusive work culture promoting diversity and equity<br>• Conducted the Seplat People Survey (SPS) to gauge employee pulse and drive engagement |
| **Stakeholder engagement and relationship management** | • Established an engagement framework for media, government, and regulator stakeholders<br>• Effectively managed and optimized Western Asset resource base for production cash flow and liquidity |



**Pius Ozoemenam Udeh**
Managing Director, Elcrest Exploration and Production Ltd.

| | |
|---|---|
| Appointed to SLT: | 2022 |
| Joined Seplat: | 2013 |

**Responsible for:**
Managing Elcrest subsidiary, focusing on maximising production from OML40.

**Edith Onwuchekwa**
Director Legal / Company Secretary

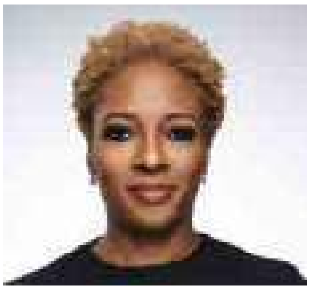
| | |
|---|---|
| Appointed to SLT: | 2020 |
| Joined Seplat: | 2019 |

**Responsible for:**
The legal, governance, compliance and company secretarial health of Seplat Energy PLC and its various subsidiaries across Nigeria and the United Kingdom.

**Charles Gbandi**
Director, Corporate Services

| | |
|---|---|
| Appointed to SLT: | 2021 |
| Joined Seplat: | 2021 |

**Responsible for:**
Group Human Resources, Business Services, and Information Technology departments, overseeing their functions to collectively foster a positive work culture, attract and retain talent, and contribute to the organisation's overall success.



**Chioma Yvonne Afe**
Director External Affairs & Social performance

| | |
|---|---|
| Appointed to SLT: | 2023 |
| Joined Seplat: | 2023 |

**Responsible for:**
The strategic global positive reputation of the Seplat Brand as well as overall external relations and managing the corporate social performance strategies and initiatives.

**Okechukwu Mba**
Managing Director, ANOH Gas Processing Company (AGPC)

| | |
|---|---|
| Appointed to SLT: | 2020 |
| Joined Seplat: | 2010 |

**Responsible for:**
Overall responsibility for the day to day running of AGPC with a primary focus on the delivery of the ANOH gas plant project – A 300MMscfd greenfield integrated gas plant that will produce dry gas, condensate, and LPG.

**Alasdair Mackenzie**
Director, Strategy, Planning and Business Development

| | |
|---|---|
| Appointed to SLT: | 2021 |
| Joined Seplat: | 2021 |

**Responsible for:**
Corporate Strategy, Business Planning and Performance, Economic and Decision Analysis, Post Investment Analysis, Business Development, Research and Content.

**21%**
Executive Directors

**28%**
Women on the senior leadership team (SLT)

## What we delivered during the year

| | |
|---|---|
| **Operational milestones** | • Substantial progress on construction of the Sapele integrated gas plant<br>• Completion of Sapele accelerated associated gas (AG) project and major end of routine flaring projects at Oben, Amukpe, and Sapele<br>• Achieved mechanical completion of ANOH gas plant with over 10 million-manhours without Lost Time Injury (LTI)<br>• Maximization of hydrocarbon resource recovery from Western Asset through production enhancement techniques |
| **Strategic initiatives and projects** | • Delivered board-approved strategy and implementation plan for pillars 2 and 3<br>• Delivery of all midstream gas projects to support gas monetization and end of routine flares |
| **Governance** | • Resolved governance, regulatory, and court challenges raised by minority shareholders with zero business interruption |

**Skills and experience of the Senior Leadership Team**

- Upstream oil and gas
- Legal, regulatory and stakeholder relations
- Midstream gas
- Corporate finance, mergers and acquisitions
- Corporate governance and business ethics
- Project execution and delivery
- Strategy and risk management
- Safety
- Sustainability
- Human capital management

**Emeka Onwuka**
Chief Financial Officer

# Financial review

Our 2023 results benefited from improved production, stronger realised gas prices and, while lower than 2022, a supportive oil price environment. Seplat achieved an average crude oil price of $83.4/bbl, down 18% vs. 2022 and achieved an average gas price of $2.90/Mscf up 3% vs. 2022. This backdrop supported Seplat as it delivered its capex program, further strengthened its balance sheet and returned material funds to shareholders in 2023.

## Revenue

In 2023, oil prices retreated from the highs seen in 2022 but overall remained supportive of continued cash generation. The average Brent crude oil price in 2023 fell 17.0% to $82.15/bbl, from $98.95/bbl. in 2022. For Seplat, our average realised oil price reflects the market reality: it fell 18.0% to $83.39/bbl (N54,756/bbl) in 2023, down from $101.67/bbl (N43,146/bbl) in 2022. We recorded an average premium to Brent of $1.24/bbl (N814/bbl), in 2023.

Revenue from oil and gas sales for 2023 rose 11.5% to $1,061.3 million (N696.9 billion) from $952.0 million (N403.9 billion) in 2022. Excluding the reported $98.9 million (N64.9 billion) overlift, total oil and gas sales were $962.4 million (N631.9 billion), 4.1% higher than 2022's equivalent revenue figure of $924.8 million (N392.5 billion, excluding $27.2 million (N11.5 billion) overlift).

Crude oil revenue rose 11.7% to $937.9 million (N615.9 billion) in 2023 from $839.5 million (N356.3 billion) in 2022. The growth in crude oil revenue is attributable to the higher production, lower pipeline losses and overlift recorded during the period; these combined to offset the decline in realised oil prices. The total overlift for the period stood at $98.9 million (N64.9 billion, equivalent to 1.3 MMbbls) and is adjusted for in other income. Excluding the overlift, crude oil revenue was $839.0 million (N550.9 billion), 3.2% higher than equivalent crude oil revenue of $812.3 million (N344.7 billion) in 2022. Total liquids lifted during the period rose 36.3% y/y to 11.3 MMbbls, compared to 8.3 MMbbls in 2022.

Gas sales revenue recorded a 9.7% y/y increase, reaching $123.4 million (N81.0 billion) in 2023 from $112.5 million (N47.7 billion) in 2022. Gas sales represented 12% of total revenue in 2023. This growth is attributed to a modest increase in realised gas prices and a rise in sales volume. The average realised gas price rose by 2.8% to $2.90/Mscf (N1,904/Mscf), while gas production saw a 1.6% increase to 41.6 Bscf during the same period (compared to 41.0 Bscf in 2022). The average realised gas price improvement reflects the impact of higher gas price negotiated with off-takers.

The group's average reconciliation loss factor improved to 3.5% in 2023 (compared to 10.7% in 2022), attributed to enhanced security measures and strengthened asset integrity management during the period.

## Gross profit

During the period, gross profit rose 14.4% to $532.0 million (N349.3 billion) from $464.7 million (N197.2 billion) recorded in 2022. Non-production costs primarily included $183.4 million (N120.4 billion) in royalties and $149.6 million (N98.2 billion) in depreciation, depletion, and amortisation (DD&A), contrasting with $180.8 million (N76.7 billion) in royalties and $128.7 million (N54.6 billion) in DD&A in the previous year. The difference is largely due to higher production in 2023.

Direct operating costs, which encompass expenses related to crude-handling charges (CHC), barging/trucking, operations & maintenance, amounted to $182.2 million (N119.6 billion) in 2023, marking an 9.8% increase from the $165.9 million (N70.4 billion) incurred in 2022. This rise in direct operating costs is attributed to the increase in produced volumes in 2023 by about 1.2 MMbbls and higher CHC from using alternative evacuation routes secured by Seplat to minimise reliance from a single evacuation route resulting in lower outages and third-party infrastructure downtime.

Considering the cost per barrel equivalent basis, production operating expenses (opex) were $10.4/boe (N6,822/boe) in 2023, compared to $10.3/boe (N4,371/boe) in 2022.

Please see Note 42 in the consolidated financial statements for the average USD Naira exchange rates used in calculating Naira equivalents in 2023 and 2022 in the financial review.

## Operating profit

During the period under review, operating profit decreased by 9.2% to $249.4 million (N163.7 billion), from $274.7 million (N116.6 billion) achieved in 2022. This decrease in operating profit can be attributed to a combination of lower oil prices, foreign exchange (FX) losses due to Naira devaluation, and higher General and Administrative (G&A) expenses.

G&A expenses amounted to $143.6 million (N94.3 billion), 4.5% higher than the $137.4 million (N58.3 billion) incurred in 2022. The increase in G&A costs was mainly due to professional fees associated with the litigation costs in response to the unprecedented and intense period of minority shareholder actions through the Courts; it also includes costs related to the MPNU transaction. Excluding these exceptional items, G&A costs would have closed at c.$115.0m (c.N75.5 billion). Nevertheless, Seplat remains committed to minimising G&A expenses and has established cost champions to identify cost pressure points. We are implementing measures to control expenditure in those areas in 2024.

During the period, there was a significant adjustment in the exchange rate between the Nigerian Naira and the US Dollar, following CBN guidelines to unify multiple exchange rate windows to the Nigerian Autonomous Foreign Exchange Market (NAFEM). The closing rate for the year was NGN899.89/USD1, representing a notable difference from the rates in May 2023 of NGN461.28/USD1, before the new guidelines were implemented. The revaluation of the Group's financial assets arising from the exchange rate difference resulted in a net (non-cash) loss of $27.7 million (N18.2 billion), compared to FX loss of $1.1 million (N0.5 billion) in 2022. Overall, there is no adverse effect on the Company and summarised in the table below are the expected future impacts of Naira devaluations:

| Component | Impact NGN | Impact USD | Comments |
|---|---|---|---|
| Gas Revenue | Increase | Unchanged | Gas sales are priced in dollars but invoiced in Naira at the prevailing NAFEM rate. The same applies for crude sold to the Waltersmith refinery |
| G&A/Opex Costs | Unchanged | Reduce | Devaluation would lead to a reduction in Naira denominated costs when expressed in Dollars |
| Cash Balances | Unchanged | Reduce | Naira revenue to closely match Naira expenses with percentage of Naira balances in cash maintained at reasonable levels |
| Trade receivables | Unchanged | Reduce | Exchange loss on Naira receivables |
| Other Naira Financial Assets | Unchanged | Reduce | Exchange loss in US$ on the valuation and settlement of Naira-denominated financial assets |
| Naira Liabilities | Unchanged | Reduce | Exchange gains in US$ upon revaluing or settling our Naira-based liabilities |

"After adjusting for non-cash items such as impairment, fair value, and exchange losses, the adjusted EBITDA for the period was $447.9 million (2022: $416.9 million), resulting in a margin of 42.2% (2022: 43.8%)."

We have implemented several measures to control the impact of the Naira devaluation on financial performance including exhausting avenues to cover costs in Naira and ensuring utilisation of Naira's excess cash balances. Seplat will continue to utilise its Naira revenue (which will also increase in quantum in line with new exchange rates since gas and some oil (OML53) contract values are Dollar denominated although settled in Naira) to fund local currency transactions and constantly manage our holdings in Naira which usually doesn't exceed 20% of total cash holding. By proactively monitoring this, the Company aims to mitigate potential risks arising from currency volatility. This strategic approach will allow the Company to safeguard its financial position, optimize its operations, and maintain resilience in the face of currency uncertainties.

After adjusting for non-cash items such as impairment, fair value, and exchange losses, the adjusted EBITDA for the period was $447.9 million (N294.1 billion), 2022: $416.9 million (N176.9 billion), resulting in a margin of 42.2% (2022: 43.8%).

## Taxation

The income tax expense of $67.3 million (N44.2 billion) includes a current tax charge of $84.1 million (N55.2 billion) and a deferred tax credit of $16.8 million (N11.0 billion). The effective tax rate for the period was 35.2% (2022: 48.8%). The increase in current tax compared to the prior year was mainly caused by increased profitability and unrealized FX loss. The deferred tax movement was driven by a change in the applicable tax rate on our Elcrest assets, which impacted the deferred tax asset balance brought forward from prior years.

| Effective tax rate analysis | Income tax expense | | | Tax rate | |
|---|---|---|---|---|---|
| Profit before tax ($'million) | Current | Deferred | Total | ETR (Effective Tax Rate) | Current Tax Rate |
| 191.2 | 84.1 | (16.8) | 67.3 | 35% | 49% |

## Net result

Profit before tax fell by 6.4%, amounting to $191.2 million (N125.5 billion) compared to $204.4 million (N86.7 billion) in 2022. Profit after tax grew by 18.3% to $123.9 million (N83.3 billion) in 2023 from $104.7 million (N44.4 billion) in 2022, because of lower taxation (tax expense fell 32.4%) during the period.

The profit attributable to equity holders of the parent company, representing shareholders, was $83.1 million (N54.6 billion) in 2023, which resulted in basic earnings per share of $0.14/share (N92.75/share) for the period (2022: $0.11/share (N45.00/share)).

## Cash flows from operating activities

During the period, the Company generated $519.9million (N340.6 billion) in cash from its operating activities, a 9.5% decrease from the $574.6 million (N243.9 billion) generated in 2022 because of the effect of oil prices, FX devaluation and timing differences in the lifting dates and resultant settlement dates for crude oil sold at the end of the year.

Net cash flow from operating activities amounted to $445.1 million (N292.1 billion) in 2023, compared to $498.9 million (N211.6 billion) in 2022. This figure includes higher cash tax payments of $62.1 million (N40.8 billion) and a hedging premium of $5.4 million (N3.5 billion) during the current period, while in the previous year, cash tax payments were $57.5 million (N24.4 billion), and the hedging premium paid was $10.3 million (N4.4 billion).

The Group continued to record improvements in the recovery of receivables from the major JV partner and, in 2023, received $316.3 million (N207.7 billion) towards the settlement of cash calls. As a result, the major JV receivable balance now stands at $129.4 million (N116.4 billion) 2022: $93.6 million (N41.9 billion); these are mainly cash calls owed within the last 60 days and are expected to be settled within Q1 2024. As of February 2024, we have received more than $55 million as part of the settlement of the 2023 outstanding amounts. We received $40.5 million (N26.6 billion) from our JV partner on OML 53 and the outstanding receivables were $21.2 million (N18.4 billion). The partner has been impacted by prolonged crude evacuation challenges, where Seplat has lifted through the Waltersmith Refinery since early 2022. In view of this, we are in discussions with NUIMS management with the expectation of offsetting outstanding receivables with the overlift volumes from the Waltersmith liftings, which stood at 1.1 MMbbls at the end of the year.

## Cash flows from investing activities

In 2023, the total net cash outflow from investing activities was $162.4 million (N106.6 billion), which decreased from $280.9 million (N122.1 billion) in 2022. The amount recorded in 2022 includes $140.3 million (N62.5 billion) in acquisition costs, of which the deposit for investment in MPNU transaction was $128.3 million (N57.4 billion).

The capital expenditure on oil & gas assets during the period was $179.0 million (N117.5 billion), including $122 million (N80.1 billion) in drilling activities and $57 million (N37.4 billion) in engineering projects. Total capex (including other fixed assets) was $183.9 million (N120.8 billion).

The Company received $15.1 million (N9.9 billion) from All Grace Energy regarding the divestment from Ubima Field, bringing the total sum received to $33.7 million (N22.1 billion), and leaving an outstanding balance of $21.3 million (N19.2 billion). An extension of the payment period was previously agreed, with the outstanding balance to be settled by October 2024.

## Cash flows from financing activities

Net cash outflows from financing activities were $196.7 million (N108.6 billion), which increased from the $137.0 million (N58.2 billion) recorded in 2022.

These outflows included dividends paid to Shareholders amounting to $98.8 million (N64.9 billion) 2022: $58.8 million paid (N25.0 billion) and a charge of $1.5 million (N1.2 billion) relating to Seplat Energy's Long-Term Incentive Plan. The Trustees hold the shares under a Trust for the benefit of Seplat Energy employee beneficiaries covered under the Trust. In addition, $61.6 million (N40.5 billion) for interest on loans and borrowings, reflecting the cost of servicing the company's debt obligations and $8.1 million (N5.3 billion) for other financing charges is associated with commitment fees on the undrawn portion of interest-bearing borrowings and liabilities. The loan repayments of $22.0 million (N6.3 billion), in two $11m tranches, during the period represent the first principal repayments of the Eland Senior RBL Facility.

## Debt repayments

The $110 million Westport RBL Facility (RBL Facility) commenced amortising on 31 March 2023. The reduction in facility commitments will be on a semi-annual basis on March and September of each year until final maturity in 2026. In 2023, Seplat paid down $22 million (N6.3 billion) in principal repayments under the RBL Facility on 31 March 2023 and 30 September 2023. As at 31 December 2023, $88 million (N79.1 billion) is outstanding under the RBL Facility. The subsequent reduction in commitments will be on 31 March 2024 for an amount of $19.25 million.

The $350 million Revolving Credit Facility (RCF) will commence amortising on 30 June 2024, unless the Senior Notes are prepaid, repaid and/or redeemed in full on or before 30 June 2024. However, until the RCF has been drawn, no repayments are currently due.

As the Company continuously reviews its funding and maturity profile, it continues to monitor the market to ensure that it is well positioned for any refinancing and or buyback opportunities for the current debt facilities – including potentially the $650 million 7.75% 144A/Reg S bond maturing in 2026.

Note: All debt is denominated and settled in US Dollars.

## Liquidity

The balance sheet continues to remain healthy with a solid liquidity position.

| Net debt reconciliation 31 December 2023 | $ million* | Coupon | Maturity |
|---|---|---|---|
| Senior notes* | 654.2 | 7.75% | April 2026 |
| Westport RBL* | 90.9 | SOFR rate+8% | March 2026 |
| Off-take facility* | 10.2 | SOFR rate+10.5% | April 2027 |
| Total borrowings** | 755.7 | | |
| Cash and cash equivalents (exclusive of restricted cash) | 450.1 | | |
| **Net debt** | **305.6** | | |

* Including amortised interest and **accrual for the RCF (undrawn) commitment fee

Seplat Energy ended the year with gross debt of $755.7 million (N679.7 billion), with maturities in 2026 and 2027, and cash at bank of $450.1 million (N404.8 billion), leaving net debt at $305.6 million (N274.9 million) 2022: $365.9 million (N163.6 billion). The restricted cash balance of $27.0 million (N24.3 billion) includes $8.1 million (N7.3 billion) and $11.4 million (N10.3 billion) set aside in the stamping reserve and debt service reserve accounts for the revolving credit facility.

We continue to monitor the Net Debt-to-EBITDA ratio of the company, focusing to keeping it under 2.0x (Debt covenant – 3.0x). At the end of 2023, Net Debt-to-EBITDA ratio closed at 0.68x, from 0.88x in 2022.

## Dividend

The Board has approved/recommended a core dividend of US3.0 cents per share (N26.45 per share) for the final quarter 2023 (subject to appropriate WHT). Following a review of Seplat's operational, liquidity and financial position post refinancing, the Board has decided to declare an additional special dividend of US3.0 cents per share (N26.45 per share), subject to appropriate WHT, to be paid to shareholders whose names appear in the Register of Members as at the close of business on 26 April 2024. This brings the total dividend declared for 2023 to US15.0 cents per share (N119.55 per share, based on FX rates at dividend declaration date). The payment of the special dividend reflects the Board's continued confidence in the future of the business and is underpinned by a strong balance sheet.

## Hedging

Seplat Energy's hedging policy aims to guarantee appropriate levels of cash flow assurance in times of oil price weakness and volatility. The total volume hedged in 2023 was 6.0 MMbbls at a weighted average premium of $0.90/bbl (N591/bbl) and a weighted average strike price of $51.67/bbl (N33,928/bbl).

The hedging program for 2024 has commenced. 3 MMbbls hedged for 1H 2024 at a weighted average premium of $0.97/bbl (N637/bbl) and a weighted average strike price of $60/bbl (N40,376/bbl). Additional barrels are expected to be hedged for 3Q and 4Q 2024 in the coming months in line with the approach to target hedging two quarters in advance. The Board and management team closely monitor prevailing oil market dynamics and will consider further measures to provide appropriate levels of cash flow assurance in times of oil price weakness and volatility.

| Oil put options | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|---|---|---|---|---|---|---|
| Volume hedged (MMbbls) | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 |
| Price hedged ($/bbl.) | 50 | 50 | 51.7 | 55 | 65 | 55 |

## Credit ratings

Seplat maintains corporate credit ratings with Moody's Investor Services (Moody's), Standard & Poor's (S&P) Rating Services and Fitch. The current corporate ratings are as follows: (i) Moody's Caa1 (positive) (ii) S&P B- (stable) (iii) Fitch B- (stable).

Moody's downgraded Seplat in February 2023 from B3 (stable) to Caa1 (stable) as a direct consequence of a downgrade of Nigeria's sovereign ratings. This was due to Seplat's substantial exposure and strong credit linkage with the Nigerian sovereign. This was updated in December 2023 when Moody's revised their outlook for Seplat to positive, due to a revision in Nigeria's outlook, which was also upgraded from stable to positive.

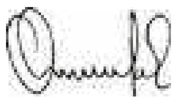
## Petroleum Industry Act (PIA) implementation status

Since submitting the conditional application to convert all our assets to the PIA regime in February 2023, our multidisciplinary team has been diligently preparing the Company for full compliance with the various aspects of the PIA and anchor regulations as they impact Seplat. Meanwhile, the regulator is finalising the guidelines for the conversion and has shared concession contracts with converting companies to enable a thorough review and understanding of the contractual terms and obligations that will be applicable under the new PIA regime. Key technical issues that need to be resolved include modalities around establishing decommissioning & abandonment fund, guidelines alignment on acreage delineation and retention areas, and process flow for Minimum Work Program (MWP) commitment on retain prospecting license areas, environmental remediation and management – these all form part of the conditions precedent to conversion. The long-stop date for the fulfilment of the conditions precedent, which was extended to September 30, 2023, has expired; we expect a new date to be communicated.

## Outlook

Our financial strategy ensures we can appropriately fund our capital expenditure, meet necessary debt repayments, and return cash to our shareholders and provides the flexibility required to realise the value of our asset base. We have a Naira revenue stream that largely matches our significant Naira cost base, and we will continue to monitor our exposure over the coming months to effectively manage the impacts of any currency fluctuations as they occur. We will continue to closely monitor the performances of oil prices, our assets and evacuation routes, and their implications on cash generation to appropriately scale and phase our capital allocation, ensuring that we have a sound financial platform from which we can build and grow further.

For 2024, we highlight that our capex guidance is between $170 million and $200 million, while we plan to keep production operating cost per boe within $9.50 – $10.5/boe.



**Emeka Onwuka**
Chief Financial Officer

**Bello Rabiu**
Chairman, Risk Management
and HSSE Committee

# Protecting our business

Seplat Energy PLC is committed to applying leading risk management practices in carrying out its duties. We consider risk management to be an integral part of Seplat's achievement of its objectives.

## Managing risk and protecting our business

The unprecedented scale and pace of disruption in the market today require a new way of thinking about risk management. Technological advances are blurring industry lines and changing the nature of work.

Changing social demographics and an accelerating climate crisis are calling into question how, and for whom, businesses create value. From cybersecurity threats to a volatile geopolitical landscape, these, and other developments, are facilitating the need for the Company to build risk resiliency and create long-term value while sustaining trust across stakeholders. Embracing the upside of risk and sustaining stakeholder loyalty and trust is also fundamental to achieving a competitive market advantage in this era of disruption.

At the Management level, this translates to adopting a future-fit risk approach that is more attuned to external business trends and one that allows management to focus on identifying and capitalizing on risks that enhance trust and enable innovation, speed, and value creation.

Risk management forms an integral component of Seplat Energy's business operations. The company's risk management policy prioritizes the early detection of present and prospective risks crucial to realizing its strategic goals, corporate objectives, and annual business plans. This entails assessing potential impacts on the business and implementing mitigative measures. Seplat Energy acknowledges that risk management is an ongoing process of enhancement rather than a static destination. Consequently, the company remains committed to refining its risk management protocols to adeptly navigate the ever-changing landscape of the energy sector.

## Our risk management system

The risk management system of the company adheres to the principles outlined in ISO 31000, the global standard for risk management. It employs a dual approach, combining top-down direction from the Board of Directors (Board) to establish the appropriate risk appetite aligned with corporate objectives, alongside a bottom-up process where business units identify and address risks at the unit and asset levels.

The Risk Management and HSSE Committee provides support to the Board in supervising the Company's risk management framework and its risk/reward strategy as determined by the Board. This committee ensures the presence of a robust risk management system within the Company to navigate the diverse and evolving risks and opportunities encountered while generating value for shareholders. Meeting no less than four times annually, the committee scrutinizes the Company's primary risk profiles, proposed mitigation strategies, management's actions for mitigation, and any residual risk exposures. Executive Directors, responsible for comprehensive risk identification and proposing effective mitigating measures to achieve objectives, attend these meetings. Reports concerning the Company's corporate risk register, significant risk exposures in its operations, and evaluations of its risk management systems are compiled and delivered to the Board of Directors.

While key risks and their associated appetites are determined at the highest level, business units and functional managers bear responsibility for the risks within their respective domains. The Company's enterprise risk management (ERM) system, reporting to the CFO's office and overseen by the Board Risk Management and HSSE Committee, facilitates risk management across all business segments and functions.

This ERM system encompasses robust mechanisms and methodologies for risk identification, assessment, reporting, and monitoring. It includes the maintenance of enterprise-wide and functional/operational level risk registers, risk dashboards, tracking of mitigation actions, and comprehensive risk reporting.

**Our risk management framework**

ISO 31000 based, top-down and bottom-up approach

**Board of Directors**
**Company strategy | Strategic risks oversight | Approve risk management policy and system | Define risk appetite**

**Risk Management and HSSE Committee of the Board**
- Review risk management policy and system
- Oversee and monitor enterprise risks.

**Board finance and Audit Committee**
**Sustainability Committee**

**Executive Management**
- Delivery of company strategy
- Identify key risks against the achievement of strategy via the BRAC
- Proffer and deploy actions and controls to address key risks via the BRAC
- Monitor enterprise risks via the BRAC.

**Enterprise Risk Management Team**
- Coordinate enterprise risk management activities
- Articulate and update risk management policy and system
- Risk identification, assessment, quantification, and rating
- Risk reporting and monitoring
- Enterprise risk register and dashboard
- Coordinate BRAC and Risk champion activities.

**Internal Audit**
- Independent assurance
- Reports to Audit and Finance committees of the Board

**Business Units**
- Business objectives
- Risk identification, assessment and rating
- Mitigation actions and controls
- Monitor risks and mitigation actions
- Report risks and mitigation actions status

Risk identification, monitoring, mitigation action implementation and monitoring are bottom-up from assets, projects, and function levels.

To further embed risk management throughout the organization, an additional risk governance structure, Business Risk & Assurance Committee (BRAC) was formed. The BRAC ensures that the risks are managed within the Business Unit's established Risk Appetite. The BRAC links risk appetites with authority delegations for all leadership functions within the business.

Furthermore, the Internal Audit unit conducts periodic audits of various business units, including the Company's corporate governance systems and risk management processes.

**Key principles that underpin the Company's risk management framework and system:**

- Strong focus on safety throughout the organisation.
- Close oversight by senior management in day-to-day business operations.
- Risk owners throughout the business.
- Accountability of staff and/or key personnel.
- Regular and timely reporting.
- Clear line of sight on the system of internal controls.
- Monitoring and independent reviews.

## Activities in 2023

During the year 2023, the company engaged Ernst and Young, EY, to conduct a review of its Enterprise Risk Management function amidst a fast-evolving energy industry environment. The review was aimed at benchmarking Seplat ERM's Framework with leading practices. A key recommendation from the review was the establishment of a Business Risk and Assurance Committee (BRAC) at the executive level with representation from operational management, 2nd line oversight functions, and internal audit. The BRAC would integrate multidisciplinary views on key organizational risks, prioritize the most relevant risks, and align risk management, control, and assurance activities. The BRAC will embed risk management discussions at the senior management level in the organization while aiding decision-making. The BRAC has been constituted and inaugurated with subject matter experts across the business, and its primary role is to assess key risks and recommend appropriate mitigations to the Senior Leadership Team and the Executive Committee.

During the year, the company embarked on a revision to the enterprise risk outlook, to align risk management with Seplat's refreshed corporate strategy. The proposal was to streamline the current enterprise risk register structure of 7 risk classifications and 61 risk items into 5 risk classifications and 27 risk items. The new structure would simplify the classification of high-grade enterprise risks, drive best practice in risk management and reporting, and improve accountability at Senior Leadership Team level.

The Company remains the first energy company in Africa to achieve this remarkable feat of Asset level certification. ISO 55001 is the international standard that helps organizations to manage their assets and optimize asset lifetime value effectively. The ISO certification delivers value both now and in the future by helping to improve the company's bottom line, reduce risks across the organization, improve asset performance, and ultimately improve investors' confidence in how Seplat Energy manages its Assets.

To address the production challenges faced in 2023, active collaboration and continuous engagements were held with all relevant stakeholders including potential partners with the aim to unblock all the hinderances around existing evacuation routes and develop alternative routes. The Eastern Asset operations were severely impacted with total unavailability of the zone 6 section of the TNP and the frequent shut-ins of the Addax/ANTAN line that flows crude from Jisike to Brass terminal. Nonetheless, modest crude oil production and evacuation was achieved by leveraging crude oil sales to the Waltersmith refinery. Throughout 2023, several alternative evacuation options were considered and evaluated, some of which include sale of oil to other local refineries, trucking, barging, alternative pipelines, and installation of additional tanks. After a detailed evaluation of these options, ExCom approval was secured to supply another local refinery, the construction of an alternative pipeline to AGPC-Ebocha-Brass and the provision of buffer tanks that were deemed operationally and commercially viable. These projects are currently being worked on and upon completion, will reduce crude oil deferment, losses, and unit operating costs, all of which will unlock value for the company.

Throughout 2023, the Committee diligently scrutinized and assessed the Company's array of key risk exposures. This involved a meticulous review of the Corporate Risk Register, alongside presentations of risk reports furnished by management. These reports meticulously delineate the critical risks, their potential ramifications, and the likelihood of occurrence. Mitigative strategies were exhaustively explored, encompassing a broad-spectrum including climate-related risks, breaches in export lines and crude evacuation, stability within the Niger Delta, oil price fluctuations, and the timely delivery of strategic projects.

Additionally, a gamut of other risks were meticulously weighed, spanning from Government and JV relations management, liquidity concerns, geopolitical factors, environmental considerations, market dynamics, contractual obligations, to potential litigation risks. The Committee meticulously assessed the status and efficacy of ongoing mitigation efforts, while identifying any lingering gaps or requisite follow-up actions. Key performance indicators, alongside other risk indicators and trends, were vigilantly tracked. Risks warranting considerations regarding risk tolerance levels and strategic interventions were deliberated upon extensively by the Board.

# High-profile risks and uncertainties

Highlighted below are the six high-profile risks that the Company dealt with in 2023 and will continue to monitor going into 2024.

## ⚠ Climate related risk

During the year, the company remained steadfast in its commitment to effectively manage Climate-Related Risks, which are categorized into Physical and Transition Risks. Progress in mitigating these risks was meticulously monitored and reported to the Risk & HSSE Committee during their quarterly meetings. Paramount among the measures identified to manage and mitigate climate-related risks include the decarbonisation of our operations and the strategic diversification of our business into lower-carbon and renewable energy products.

For comprehensive details on the Physical and Transition risks identified, our assessment of their impacts on the Company, and the proactive actions being undertaken to mitigate these risks, please refer to the Report page 87.

## ⚠ Niger Delta stability/extended production shut-in due to third-party infrastructure downtime, and geopolitical risk

Seplat Energy's core operations are in the Niger Delta region of Nigeria and that comes with significant risks. Historically, the Niger Delta has always been a high-risk environment. Cases of militancy, crude oil theft, pipeline vandalism, environmental pollution arising from illegal bunkering activities, and other lawless activities are rife in the region. During the year, the business recorded zero occurrences of militant attacks on the export pipeline, similar to the previous year 2022.

The Company, working with other industry players in the region, continued to work with the government to find a lasting solution to Niger Delta restiveness; also, the current security measures put in place by the facility operator, coupled with the government's strategy of dialogue with stakeholders in the region seems to be working. Actions to mitigate the risk were closely monitored and reported to the Risk & HSSE Committee during their quarterly meetings.

## Low oil price environment

Seplat Energy's operating results are highly dependent on the prices of crude oil, and natural gas. The Company's estimated proved reserve, revenue, operating cash flows and margins, liquidity, and future earnings are all impacted by the volatility of crude oil, and natural gas prices, as well as established prices emanating from the other products derived from the strategic energy mix. Seplat's risk management strategy is to protect itself against adverse oil price movements through our oil price hedging policy, which targets hedging ca. 6 months in advance via out-of-the-money puts.

During the year 2023, we hedged two quarters in advance for 1.5mmbbls per quarter with "out of the money" puts. Our long-term natural gas contracts have escalation clauses that protect the Company against a severe price decline. Overall, actions to mitigate the risk were closely monitored and reported to the Risk & HSSE Committee during their quarterly meetings.

## Geo-political risk

During the year 2023, the company experienced significant fluctuations in currency exchange rates, but appropriate risk mitigation measures were implemented, along with proposed long-term solutions. Notably, the company recorded no incidents related to activities such as terrorism and secessionist agitations.

As a mitigating strategy, against these risks, active monitoring of geopolitical developments in the Niger Delta region was maintained, and regular intelligence-sharing and partnerships with security stakeholders were upheld.

Furthermore, in response to regulatory changes, particularly the implementation of the new Petroleum Industry Act (PIA), the company focused on understanding its implications, especially regarding the involvement of affected communities.

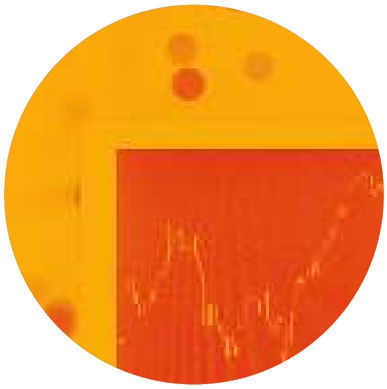
This proactive approach aimed to address potential community agitation within our host communities. Consequently, the company actively engaged in ongoing discussions with stakeholders, including community leaders, to gain insights into the PIA mechanism and ensure alignment with company objectives.

These risk mitigation efforts were diligently monitored and reported to the Risk & HSSE Committee during their quarterly meetings.

## JV receivable and future cash call funding

Seplat Energy operates significant joint ventures (JVs) with the Nigerian government, crucial for our operations. Historically, cash call funding from government partners has been deficient, resulting in a backlog of legacy cash call receivables. In 2023, government JV partners remained fairly current in meeting cash calls obligations. However, the risk of reverting to pre-2019 practices of late payments persist.

To address this risk, the Company closely manages its JV relationships and actively engages government partners to ensure timely payment of cash calls. These proactive measures aimed to mitigate exposure to funding delays. Monitoring of these risk mitigation efforts and reporting to the Risk & HSSE Committee occurred during quarterly meetings.



## Liquidity risk

The combination of the AEP, Trans-Forcados Pipeline up time, and favourable oil prices substantially bolstered Seplat's liquidity in the 2023 fiscal year. Liquidity risk is prudently managed by ensuring adequate funds are on hand to meet obligations as they arise.

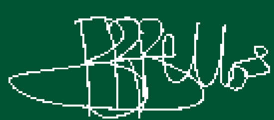
This involves monitoring both short-term and long-term cash flow projections to assess funding needs for various activities. Additionally, surplus cash is diligently invested in interest-bearing accounts, time deposits, and money market instruments to optimize returns while maintaining liquidity.

In summary, despite the challenges encountered in our drilling campaign during the first half of 2023, we promptly addressed them by devising and executing a recovery plan for well delivery. Unfortunately, our drilling performance was further affected by the tragic incident involving the Depthwize Majestic (swamp) rig in Q3 2023 as it was being relocated to a drill location in our Western Assets. Our heartfelt condolences go out to the families of those who lost their lives in this incident.

In response, we adjusted the well delivery plan, rescheduling the three Ovhor swamp wells slated for 2023 to 2024 to allow ample time for securing a new swamp rig. This revised plan facilitated the successful drilling and completion of the remaining four land wells scheduled for 2023, a testament to the resilience and dedication of our team.

Additionally, the Board of Directors Succession Forward Plan was unveiled to drive our envisioned business transformation through 2023/2024.

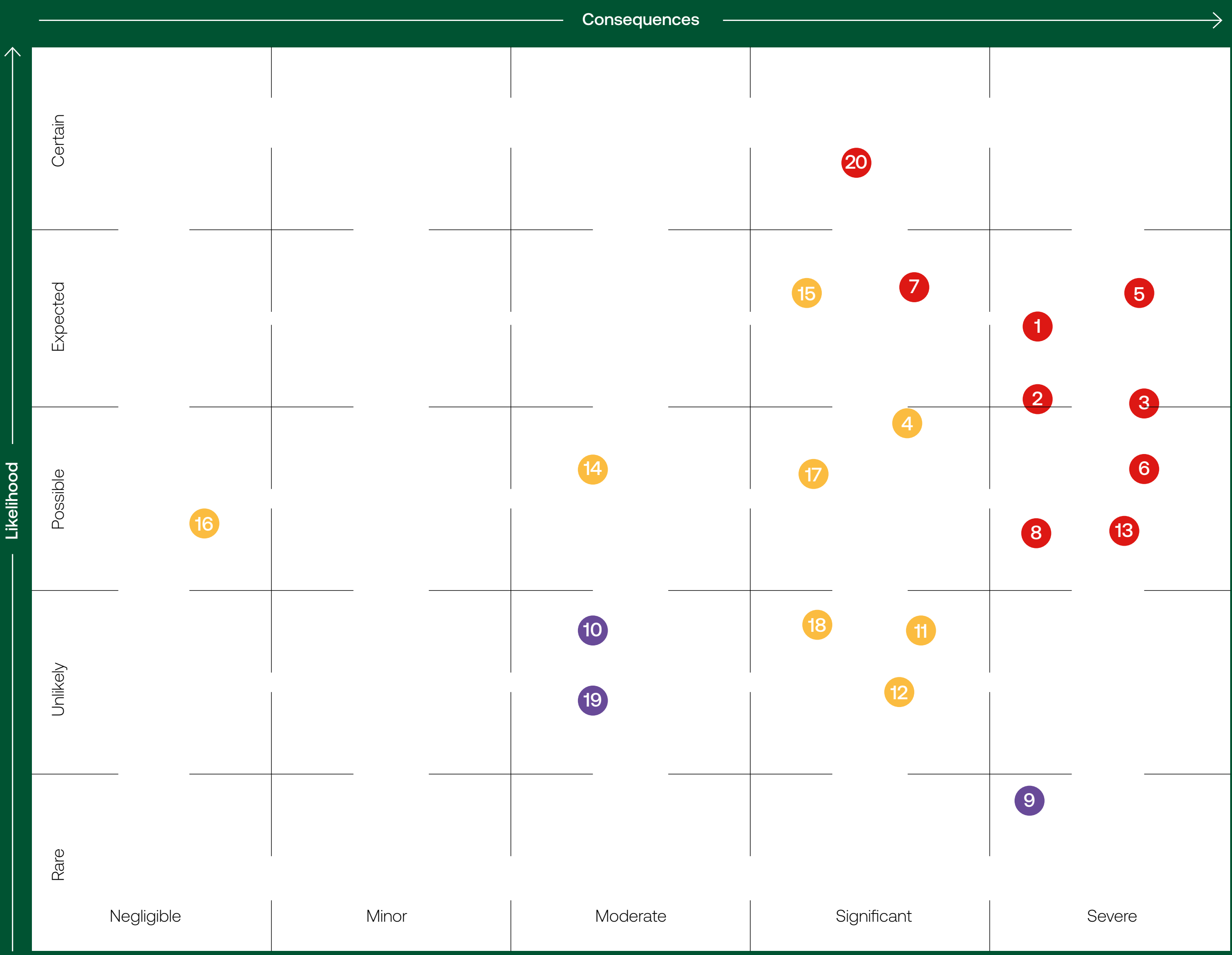
Overall, the Committee is confident in the robustness of the Company's Risk Management System, which ensures the integrity of our business processes, decisions, and activities moving forward. Additionally, our HSSE Management System continues to demonstrate maturity and reliability, consistently delivering strong HSSE performance year after year.



**Bello Rabiu**
Chairman, Risk Management and HSSE Committee

# Mapping our risk

The mapping of our risks considered both quantitative and qualitative factors. Seplat Energy's risk mapping is underpinned by a two-factor spectrum – Likelihood and Impact, which are further plotted on the basis of Seplat Energy 5x5 methodology, to arrive at a final assessment for each risk.




**Assessment**
- Very high
- High
- Medium
- Low

**Movement trend**
- ↓ Decreasing
- ↑ Increasing
- ↔ Steady

| Topic | | Trend |
|---|---|---|
| 1. Niger Delta Militancy/Third party interference | Very high | ↔ |
| 2. Portfolio concentration risk | Very high | ↔ |
| 3. Sustaining E&A programme | Very high | ↔ |
| 4. Oil price volatility | High | ↔ |
| 5. Merger & Acquisition (M&A) risk | Very high | ↔ |
| 6. Stakeholder management relationships | Very high | ↔ |
| 7. HSSE risks | Very high | ↔ |
| 8. Availability of capital | Very high | ↓ |
| 9. Liquidity | Medium | ↓ |
| 10. Changes to fiscal and tax status | Medium | ↓ |
| 11. Bribery and corruption risk | High | ↔ |
| 12. Fraudulent activity risk | High | ↓ |
| 13. Field operations and project deliverability | Very high | ↔ |
| 14. Geo-Political risk | High | ↔ |
| 15. Cost control risk | High | ↔ |
| 16. Foreign exchange risk | High | ↔ |
| 17. Information security risk | High | ↔ |
| 18. New Energy and Gas Market risk | High | ↓ |
| 19. Corporate Governance & Compliance risk | Medium | ↔ |
| 20. Climate related Risk | Very high | ↓ |

# Monitoring and mitigating risks

The implementation of our strategy can be hindered by various risks and uncertainties. The risks that the Board considers most significant are described here.

## Operational risks

**Risk:** **Field operations and project deliverability**

**Definition:** Failure to manage operational activities in line with planned expectations can lead to production misses, project delays and cost overruns, high production costs and earlier than expected field decommissioning.

**Links:** **KPI/Performance metric**
- Net working interest production
- Operating costs per boe

| | |
|---|---|
| **Strategy** | 3/4/5 |
| **Material issues** | 1/2/3/4/5/6/8/9/11 |
| **Assessment** | High |

**Mitigation:** Focus on risk management at planning phase and mitigation plans activated. Compulsory 'peer-to-peer' review for high-value projects and better project management techniques. Protracted land acquisition, preparation and rig startup have been contributory factors which have received focused attention and significant process improvements and improved communications with JV partner and approving regulators to mitigate delays. Use of smart/intelligent wells to improve recovery and improved rig performance monitoring and reporting to manage Non Productive Times (NPTs).

**Trend:** Steady. We continue to redefine our project management approach for improved speed of delivery and efficiency; Acquired the ISO 55001 Asset Management System certification for Asset Integrity, successfully preserved the certification by passing two follow-up surveillance Audits, consolidate performance across board, maximise production, maintain a strong balance sheet, and strategically position the company for future growth.

**Risk:** **Third party infrastructure downtime**

**Definition:** An over-reliance on third party operated transportation infrastructure can expose the Company to extended period of production being shut-in.

**Links:** **KPI/Performance metric**
- Net working interest production
- Days downtime
- EBIT

| | |
|---|---|
| **Strategy** | 3/4/5 |
| **Material issues** | 2/4/5/6/9 |
| **Assessment** | Very high |

**Mitigation:** Amukpe to Escravos pipeline (AEP) since commissioning in Q3 2022 has continued to compliment the Trans Forcados Pipeline in the event of a shutdown of the latter. The company continues to explore other export options via barging and crude trucking as a back-up option in extreme cases. All associated Upgrades of existing Amukpe Flowstation & LTF Facilities which were embedded in the Amukpe LTF Upgrade Project Scope shall be individually reviewed and progressed (if necessary) as part of Amukpe Facility Development.

**Trend:** Steady. The Forcados export system recorded significant downtime during the year – however the AEP since coming onstream has provided evacuation support for the business and helped enhance bottomline liquidity. Risk trend is kept at steady with the AEP availability providing support in the event of an outage of the TFP.

**Risk:** **HSSE risks**

**Definition:** Oil and gas activities carry significant levels of HSSE risks which must be properly managed. As activity levels continue to increase there is a strong focus on preventing major environmental (including the emerging Climate Change – GHG emissions risk), health or safety incidents

**Links:** **KPI/Performance metric**
- HSE scorecards
- LTIR
- TRIR

| | |
|---|---|
| **Strategy** | 1/2/3/4/5 |
| **Material issues** | 2/4/5/6/7/8 |
| **Assessment** | Very high |

**Mitigation:** Deployment of an HSSE Management System in line with best practices. Monitoring and reporting of HSSE performance scorecards at management and Board levels. Our HSSE systems and process are subjected to independent review and identified improvement initiatives are deployed. Continual focus on HSSE training and initiatives on incidence prevention. Emergency Response plan set for any eventuality and comprehensive Incident Review panels to identify and channel lessons learnt to improvement activities. Focus on the delivery on projects earmarked to reduce and or eliminate gas flaring as spelt out under the company's "gas flares out roadmap" and new energy transition plan.

**Trend:** Steady. Though the risk is inherent, we will continue to deploy our HSSE risk management in line with best practices and with strong emphasis on prevention.

## Operational risks (cont.)

**Risk:** **Climate-related risks**

**Definition:** IFRS S2 defines climate risk as the potential negative effects of climate change on an entity. These risks are categorised as climate-related physical risks and climate related transition risks.

**Mitigation:** The company has identified a number of projects to deliver on projects earmarked to reduce and or eliminate routine gas flaring as spelt out under the “”gas flares out roadmap”; projects include (i) delivery of the LPG projects at Sapele and Oben, (ii) Installation of booster compressors, and (iii) the commissioning of the Sapele integrated gas plant project.

Other mitigation include (1.) seek alternative options for cleaner energy, (2.) Participate in all industry discussions and initiatives aimed at the introduction and deployment of Carbon-emissions trading schemes in a developing carbon-trading oil and gas economy.

**Links:** **KPI/Performance metric**
- HSE scorecards
- LTIR
- TRIR

| | |
|---|---|
| **Strategy** | 1/2/3/4/5/6 |
| **Material issues** | 1/2/3/4/5/6/9/10/11 |
| **Assessment** | Very high |

**Trend:** Steady. The risk trend is being kept at steady following the company’s focus continued drive and commitment to deliver all key projects towards reducing and or eliminating routine gas flaring as spelt out under the “”gas flares our road map. Additionally, the company has developed climate change and sustainability/ESG policies.

**Risk:** **Sustaining Exploration and Appraisal (E&A) programme**

**Definition:** Exploration and appraisal activities carry significant levels of subsurface risk. Sustained E&A drilling failure will impact the Company’s ability to organically replace reserves and production.

**Mitigation:** Strict compliance with reservoir management guidelines. Building internal capacity with skilled sub-surface expertise. Drill a minimum of two exploration wells, as well as continuous M&A work to secure available opportunities at the right price

**Links:** **KPI/Performance metric**
- Reserve replacement

| | |
|---|---|
| **Strategy** | 4 |
| **Material issues** | 1/2/3/7/9/11 |
| **Assessment** | Very high |

**Trend:** Steady. High grading our exploration portfolio through a thorough prospect screening exercise. In the near term, plan is to commence exploration drilling campaign in the West.

## External risks

**Risk:** **Niger Delta stability and security**

**Definition:** Seplat Energy’s core operations are located in the Niger Delta region of Nigeria and that comes with significant risks. Historically, the Niger Delta has always been a high-risk environment with security incidents such as kidnappings, vandalism and criminal attacks on O&G installations.

**Mitigation:** The Company, working with other industry players in the region, continue to put pressure on government to find a lasting solution to Niger Delta restiveness and the current security measures put in place by the facility operators, consolidated with government’s strategy of dialogue with stakeholders in the region seems to be working.

**Links:** **KPI/Performance metric**
- LTIR
- TRIR
- Security incidents
- Operating cashflow

| | |
|---|---|
| **Strategy** | 1/2/3/4/5 |
| **Material issues** | 1/2/3/4/5/6/7/9/10/11 |
| **Assessment** | Very high |

**Trend:** Steady. Efforts by the Govt and industry pressure groups, aimed at enhancing security in the region seems to be paying off as the business recorded zero occurrence in militant attacks, similar to the previous year 2022. Our monitoring of the response plans/mitigation actions, remains top notch.

**Risk:** **Stakeholder management relationships**

**Definition:** Failure to manage stakeholders can result in business disruptions and interference. The Company prioritises the effective management of relationships with all stakeholders including host communities, JV partners, government, regulatory bodies and shareholders.

**Mitigation:** Ensure consistent delivery of CSR Initiatives (as well as full compliance with the terms of the GMOU) across all operational areas. Sustain local content development with priority to community contractors. Tailored CSR programmes, capacity building and infrastructure developments with the host communities. Organisational focus and clear strategy to deliver shareholder value pursued by the Board and management. Implementation of the new PIA (Petroleum industry Act) – inclusion of impacted communities as a driver for annulling community agitation from our immediate host communities (GMOU vs PIA). Corporate governance, transparency and proactiveness in dealings with regulators and JV partners.

**Links:** **KPI/Performance metric**
- Net working interest production
- LTIR
- TRIR
- Host community incidences

| | |
|---|---|
| **Strategy** | 1/2/3/4/5 |
| **Material issues** | 1/2/3/4/5/6/7/8/9 |
| **Assessment** | Very high |

**Trend:** Steady. We continue to enjoy good working relations with all stakeholders of the business.

## External risks (cont.)

**Risk:** **Geo-political risk**

**Definition:** Nigeria has at times in its history faced political uncertainties and threats such as terrorism aimed at de-stabilising and undermining the orderly and effective rule of central government.

**Links:**

**KPI/Performance metric**
- Occurrences of civil unrest and terrorism

| | |
|---|---|
| **Strategy** | 1/2/3/4/5 |
| **Material issues** | 1/11 |
| **Assessment** | High |

**Mitigation:** Scenarios and response options plan set. Crisis management team in place for high alert political periods. Continue to partner/network with security stakeholders and share intelligence regarding security. Business continuity plans actioned in light of current geo-political situation.

**Trend:** Steady. During the year 2023, the company recorded no incidents of terrorism and secessionist agitations. As a mitigation strategy, the company continued to monitor Niger Delta geo-political developments and issued regular reports to management, as well as partnered with security stakeholders in the sharing of intelligence regarding security.

## Financial risks

**Risk:** **Oil price volatility**

**Definition:** Oil prices have exhibited a history of volatility and can fluctuate sharply in line with external factors.

**Links:**

**KPI/Performance metric**
- Realised oil price
- Operating cashflow

| | |
|---|---|
| **Strategy** | 3/4 |
| **Material issues** | 1 |
| **Assessment** | High |

**Mitigation:** Hedging continues to be our price risk management tool. We conduct price sensitisation on project economics and enforce cost discipline for capital projects sanctioning. Aggressive focus on cost reduction.

**Trend:** Steady. Seplat's risk management strategy is to protect itself against adverse oil price movements through our oil price hedging policy, which targets hedging c. 6 months in advance via out-of-the-money puts (i.e., "disaster protection insurance"). In the year 2023, we kept focus on our price risk management policy to protect the company's cash flow stream from downside scenarios. We will also continue to take hedge positions and apply cost reduction strategies. Hedging has been important to several stakeholders, including our bond investors, our banks and our rating agencies.

**Risk:** **Changes to tax status and legislation**

**Definition:** If the tax regime/legislation under which the Company operates its assets were to change (e.g. new PIA tax regime), profitability may be impacted.

**Links:**

**KPI/Performance metric**
- Effective tax rate
- Tax status

| | |
|---|---|
| **Strategy** | 3 |
| **Material issues** | 1/2/3/4/5/6/9/10/11 |
| **Assessment** | Medium |

**Mitigation:** Perform evaluation of business plan and performance metrics exclusive of tax benefits. Project economics were conducted to ascertain the impact of the new PIA on the company's bottom line. All Impact assessment of potential tax legislation is monitored at the Board level.

**Trend:** Steady. The company is participating in all ongoing engagement with stakeholders including community leadership for a better understanding/implementation of the PIA mechanism.

**Risk:** **Availability of capital**

**Definition:** The oil and gas industry is highly capital intensive. Significant amounts of capital are required to continue development activities and fund M&A. Non funding of cashcalls by JV partners impacts activities and liquidity.

**Links:**

**KPI/Performance metric**
- JV receivables
- CAPEX
- New M&A activities

| | |
|---|---|
| **Strategy** | 3/4/5/6 |
| **Material issues** | 1/2/4/5/6/10/11 |
| **Assessment** | Very high |

**Mitigation:** Emphasis on compliance with requirements of the JV operating agreement for effective/strict JV partner concurrence. Board review and approval of financial strategy and debt portfolio management with strong banking relationships.

**Trend:** Decreasing. JV partners continues to remain current in paying cash calls.

## Financial risks (cont.)

**Risk:** **Cost control risk**

**Definition:** Cost reduction remains central to the Company's current operating strategy. High operating cost and ineffective capital cost control negatively impacts operating cash flows and profitability.

**Links:** **KPI/Performance metric**
- Operating cost per boe
- EBIT
- CAPEX
- Well costs

| | |
|---|---|
| **Strategy** | 3/4/5 |
| **Material issues** | 1/3/4/5/6/7/9/10/11 |
| **Assessment** | High |

**Mitigation:** Comprehensive budgeting process approved by the joint venture partner and the Board. Clear cost management targets. Grading of portfolio opportunities and project ranking for capital allocation. Focus on reducing drilling costs at well design phase. Cost monitoring and periodic reporting. Focus on effective contracting strategies for cost reduction.

**Trend:** Steady. Cost discipline remains key focus of the business

**Risk:** **Liquidity**

**Definition:** Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

**Links:** **KPI/Performance metric**
- Operating cashflow
- CAPEX

| | |
|---|---|
| **Strategy** | 3 |
| **Material issues** | 9/10/11 |
| **Assessment** | Medium |

**Mitigation:** Manage liquidity risk by ensuring that sufficient funds are available to meet commitments as they fall due. Uses both long-term and short-term cash flow projections to monitor funding requirements for activities and to ensure there are sufficient cash resources to meet operational needs. Cash flow projections take into consideration the Company's debts and covenant compliance. Surplus cash held is transferred to the treasury department which invests in interest bearing current accounts, time deposits and money market deposits.

**Trend:** Decreasing. The combination of the AEP and the Trans-Forcados Pipeline assisted Seplat's liquidity position significantly in the year. We manage liquidity risk by ensuring that sufficient funds are available to meet commitments as they fall due, using both long-term and short-term cash flow projections to monitor funding requirements for activities.

**Risk:** **Foreign exchange risk**

**Definition:** The Company is exposed to exchange rate risk to the extent that balances and transactions are denominated in a currency other than the US dollar.

**Links:** **KPI/Performance metric**
- Operating cashflow
- CAPEX

| | |
|---|---|
| **Strategy** | 3 |
| **Material issues** | 9/10/11 |
| **Assessment** | High |

**Mitigation:** The company has options to manage its foreign exchange exposure including financial hedge instruments such as forward exchange contracts.

**Trend:** Rising. Historically, the Company holds majority of its cash and cash equivalent in US dollar. Gas contracts are indexed in US dollar. The Federal Govt Policy on FX resulted in significant exchange rate fluctuations, impacting on cost of essential commodities in-country.

## Strategic risks

**Risk:** **Portfolio concentration risk**

**Definition:** High dependency on a concentrated portfolio of producing blocks and limited number of wells can leave the Company more susceptible to declining long-term growth and reserves depletion.

**Links:** **KPI/Performance metric**
- Successful execution of new acquisition and farm-in opportunities.

| | |
|---|---|
| **Strategy** | 3/4/5/6 |
| **Material issues** | 6/10/11 |
| **Assessment** | Very high |

**Mitigation:** Focus on portfolio expansion strategy from the Board level to diversify current portfolio. Integrated long-term planning on crude oil, gas and other renewables business.

**Trend:** Steady. The company strategic direction is targeted at accessing oil and gas reserves and resources to support growth in Pillar2 (midstream) and Pillar 3 (new energy)

## Strategic risks (cont.)

**Risk:** 
### Merger & acquisition (M&A) risk

**Definition:** Growth through M&A activities is part of the Seplat's strategy to pursue a focused acquisition and farm-in. M&A deals and transactions come with significant risk including structural, commercial and integration risks. There is also the risk of non achievement of acquisition targets due to highly competitive landscape.

**Links:** **KPI/Performance metric**
- Successful execution of new acquisition and farm-in opportunities.

| | |
|---|---|
| **Strategy** | 3/4/5/6 |
| **Material issues** | 5/6/10/11 |
| **Assessment** | Very high |

**Mitigation:** New business development unit is always looking for the right opportunities for Seplat. Decision review board (EXCOM) process in place to ensure deals are properly vetted and proper due diligence is done for new opportunities: A Structured ExCom is now in place. The Excom ensures the commercial, structural, KYC and integration risks are fully considered and addressed with mitigation plans approved and in place prior to deal closing.

**Trend:** Steady. We have a robust process in place to vet opportunities and deals. Risk trends are steady following an ongoing strategy to acquire more strategic assets. M&A landscape remains competitive.

**Risk:** 
### Bribery and corruption risk

**Definition:** Bribery and corruption presents a risk throughout the global oil and gas industry and represents an ongoing risk to any oil and gas company.

**Links:** **KPI/Performance metric**
- Whistle blowing reports
- Number of disciplinary cases.

| | |
|---|---|
| **Strategy** | 3 |
| **Material issues** | 6/7/9/10/11 |
| **Assessment** | High |

**Mitigation:** Extensive training on anti-bribery and corruption. Embedding corporate governance principles with key focus on areas of the business which may be more susceptible to corruption such as the contracting and procurement process. Processes exist to guide dealings with public officials.

**Trend:** Steady. Our geographical location continues to be susceptible to corruption. However, the risk trend is kept at decreasing following lower cases of whistle blowing recorded during the year.

**Risk:** 
### Fraudulent activity risk

**Definition:** Fraudulent activity presents a risk throughout the global energy industry and represents an ongoing risk to any energy company.

**Links:** **KPI/Performance metric**
- Number of reported cases

| | |
|---|---|
| **Strategy** | 3 |
| **Material issues** | 6/7/8/9/10 |
| **Assessment** | High |

**Mitigation:** Extensive whistleblowing campaign. Continuous monitoring and improvement of the system of internal controls by all lines of defence with strong internal audit activity. Automation of processes where possible to reduce manual intervention.

**Trend:** Decreasing. Risk is kept at High and the Company continues to maintain a zero tolerance policy.

**Risk:** 
### Information security risk

**Definition:** Potential cyber attacks and information technology security breaches could result in loss or compromise of sensitive proprietary information, communication and IT business continuity disruption across operations.

**Links:** **KPI/Performance metric**
- Information security identification and containment reports

| | |
|---|---|
| **Strategy** | 3 |
| **Material issues** | 7/9/10/11 |
| **Assessment** | High |

**Mitigation:** We monitor and regularly upgrade the Company's information technology and security systems. The Company has a clearly defined employee user policy and control of access rights. Our information security framework and infrastructure have been externally reviewed in line with requirements of ISO27001. IT business continuity plan is in place for quick deployment.

**Trend:** Steady. While cyber security continues to hold international attention, there has not been material IT breach on our operations. However, giving the current norm of remote working, the company has taken steps to ensure adequate protection/defence mechanisms are in place to avert any external cyber attacks.

IFRS S1

## Sustainability and climate risk oversight

We use a combination of controls, processes, and procedures to support the oversight of sustainability and climate-related risks and opportunities. These controls and procedures are integrated with other internal functions to ensure a holistic and coordinated approach at all levels of the organisation. As part of our commitment to ensuring alignment with emerging trends and mandates, Seplat has integrated ESG (Environmental, Social, and Governance) and sustainability matters into our Enterprise Risk Management framework and register, following guidance from the Risk Committee. Seplat maintains a Risk Universe, which aids in identifying critical risks associated with factors that influence our business strategy and objectives. In 2023, Seplat conducted a comprehensive review and update of the Seplat Risk Universe within its Risk Management and Internal Control (RMIC) framework. This update formally integrated sustainability-related risks, such as ecological impacts and climate change, into the Risk Universe to ensure a more comprehensive risk assessment process.

We have identified our sustainability-related risks as applicable to our material issues which have been described on page 16. These sustainability-related risks have been prioritized relative to other types of risks applicable to Seplat's business) using our risk assessment approach as disclosed on Page 78 (Mapping our risk).

## Assessment and identification of sustainability and climate-related risks and opportunities

Seplat evaluates sustainability-related risks by soliciting input from key stakeholders and aligning these risks with its Enterprise Risk Register to evaluate their significance to the company. In 2024, Seplat plans to enhance this assessment by conducting a comprehensive impact evaluation of identified sustainability-related risks. This assessment will integrate data collected from stakeholders and evaluate it against Seplat's Enterprise Risk Management (ERM) framework. The results of this process will be disclosed in the 2024 annual report. Furthermore, Seplat will incorporate scenario analyses to better understand the potential likelihood, scale and materiality of the impacts stemming from sustainability-related risks outside of climate.

Seplat conducts risk assessments across various dimensions, encompassing financial, HSSE (Health, Safety, Security, and Environment), project lead time, reputational, climate change, and information technology impacts. Each risk category's severity and potential consequences are evaluated, resulting in an overall score integrated into Seplat's risk matrix. Furthermore, a risk likelihood versus impact assessment is performed based on Seplat's risk heat map, considering the probability and consequence of risk events occurring.

Seplat has established Key Performance Indicators (KPIs) to track its performance against material sustainability-related risks and opportunities, with progress disclosed in its sustainability report. In our future report, we aim to assess the efficacy of the safeguards and mitigations implemented to address each identified sustainability risk. Furthermore, we intend to formulate a resilient and adaptable improvement strategy, considering the evolving sustainability regulatory framework, emerging global sustainability risk factors and stakeholder expectations.

**Read more**
Page 94

## Establishment of objectives and targets

Once risks and opportunities are identified, management sets clear objectives and targets for sustainability and climate, often aligning with the company's strategic goals and commitments.

## Implementation of controls and procedures

Following this, we establish controls and procedures to manage and mitigate identified risks while capitalising on opportunities, including various measures such as implementing energy-efficient technologies, conducting audits, and ensuring regulatory compliance.

## Functional roles in sustainability management

Different teams within the organisation, such as Finance, Operations, Human Resources, Legal, Compliance, and Risk Management, have responsibility for different aspects of managing sustainability initiatives across various aspects of the business:

Please see page 123 for accountability for sustainability related issues at senior leadership and board level.

| Team | Responsibilities |
|---|---|
| **Finance** | Manages the budget allocation for sustainability initiatives and tracks financial performance against sustainability goals and supply chain management. |
| **Operations** | Implements sustainable practices in day-to-day operations, such as emissions reduction projects, water management and waste reduction. |
| **Human Resources** | Incorporates sustainability into hiring, training, and employee engagement. |
| **Legal and Compliance** | Ensures that the company complies with environmental regulations and reporting requirements. |
| **Risk Management** | Identifies and manages sustainability and climate-related risks within the overall risk management framework. |
| **EA & Social performance** | Focus on the social aspects of a company's operations and their impact on various stakeholders. |
| **Strategy** | Aligns sustainability objectives with overarching business goals. |

## Monitoring and reporting

Regular monitoring and reporting mechanisms are established to track progress towards sustainability and climate-related objectives and targets, including key performance indicators (KPIs) specific to sustainability and climate performance. Management uses feedback from monitoring and reporting to make adjustments and continuously improve performance against sustainability and climate-related objectives. This feedback loop helps refine controls, processes, and procedures over time. Furthermore, we engage with our stakeholders to gather insights and feedback on sustainability efforts, which supports alignment between sustainability goals and stakeholder expectations.

> "We use a combination of controls, processes, and procedures to support the oversight of sustainability and climate-related risks and opportunities. These controls and procedures are integrated with other internal functions to ensure a holistic and coordinated approach at all levels of the organisation."

## Materiality assessment and risk management

In our future report, we are committed to disclosing the criteria and methodologies utilised for evaluating the potential impacts of our sustainability-related risks and opportunities on areas such as our strategy, business model, financial performance, and cash flows across short-, medium-, and long-term horizons. This disclosure will encompass how we consider uncertainty, variability and long-term planning in our assessments. We will also provide insights into the sustainability-related risks and opportunities we have deemed material for our company and the rationale behind their prioritisation.

Additionally, we will conduct periodic materiality assessments to regularly update the list of sustainability topics. This proactive approach ensures that necessary adjustments to our disclosure process, including criteria, methods, and actions in response to new information and changing circumstances, are duly accounted for. The KPIs established by the business are inextricably linked to the sustainability topics determined by our materiality assessment. We are committed to continuously evaluating our resources, capabilities, and organisational structures to ensure we can effectively focus on taking advantage of the identified opportunities to create value.

## Continuous improvement and adaptation

Seplat aims to enhance its approach to assessing sustainability-related risks through various strategies, including scenario analysis, benchmarking, and collaboration with experts, ensuring a proactive risk management strategy. We are committed to disclosing criteria, methodologies, and impacts of sustainability-related risks and opportunities, along with regular updates through periodic materiality assessments and performance tracking.

# IFRS S2

We recognise that as an energy company operating in the Niger Delta, our business is exposed to significant risks from climate change. Reducing the carbon intensity of our operations by eliminating routine flaring, while growing our natural gas, LPG, and renewable business to supply Nigerians with reliable and sustainable energy, will allow us to both mitigate some of our exposure to climate-related risks and position us to play a leading role in realising the many opportunities presented by Nigeria's energy transition

## Summary

In accordance with best practice, we consider climate-related risks under two broad categories: physical risk and transition risk.

The Physical and Transition risks we have identified, our assessment of their impacts on our Company, and the actions we are taking to mitigate these risks, are summarised in the Climate Risk Table below. This is followed by a separate section describing in more detail our understanding of the physical risks to our business.

In addition to recognising the risks, we see climate change and the associated energy transition as offering significant new strategic and commercial opportunities. These opportunities abound from supplying the reliable, sustainable energy Nigeria will need in the decades ahead, underpinned by robust demand for natural gas. LNG (Liquified Natural Gas) and LPG (Liquified Petroleum Gas) are likely to play an increasingly important role in Nigeria's energy mix over the next decades in generating electricity, alleviating severe energy poverty, reducing dependence on biomass for cooking, and achieving a just energy transition. We proactively established the New Energy business to focus on growing our gas businesses as well as to explore opportunities in the renewable energy space.

We assess climate-related risks and opportunities using the same planning horizons and materiality considerations.

| Timeframe | |
|---|---|
| Short term | |
| Medium term | |
| Long term | |

## Climate risk table

| Risk | Type | Impact on Seplat's business model and value chain | Timeframe | Mitigation actions |
|---|---|---|---|---|
| **Physical** | | | | |
| **Chronic** | Sea-level rise, drought, variable rainfall patterns | Direct impact on Seplat has so far been limited but over time loss of farmland and productivity due to drought and intrusion of seawater into fresh water in Niger Delta and other parts of Nigeria could lead to increased conflicts over land and food security, in turn, leading to increased militancy against oil infrastructure | | • Periodic assessment of physical risks to our assets, operations, and host communities and positive engagement with local communities has lessened the risk of Seplat being the direct target of militancy<br>• Adding the Amukpe-Escravos Pipeline provides a second and more secure export route for production from our Western Assets<br>• Development of a physical climate risk management plan |
| **Acute** | Flooding, heavy rainfall | Impassable roads, storm damage, interruptions to operations and maintenance, reduced production, higher operating costs | | • Seplat's operations are spread across the Eastern and Western Niger Delta thus reducing the concentration of exposure to specific weather events<br>• Our robust Environmental Management System (EMS) and Emergency Response Plan (ERP) allow us to deal effectively with any short-term storm damage or interruptions |
| **Transition** | | | | |
| **Market** | Increased uncertainty & volatility for oil and gas prices | Significantly lower prices could negatively impact revenues, profits, and cash flow. Significantly higher prices could negatively impact the Nigerian economy and make our Gas-to-Power, LNG, CNG & LPG business less competitive because prices are unaffordable for our consumers | | • Scenario analysis page 50 shows that the Company's oil and gas portfolio is resilient to the climate change and Business Plan price scenarios considered.<br>• Our growing gas businesses will add further resilience while our New Energy business will provide diversification<br>• We have long-term agreements in place to sell our gas production into the domestic market and are working with the Nigerian government and other stakeholders to ensure the business model for the Company's gas business is robust |
| | Reduced demand for our oil and gas | Limiting global warming to 1.5°C or 2°C requires global demand for both oil and gas to decline sharply. This could affect our ability to sell our products on the world market and increase uncertainty around the strategy for our domestic gas business | | |
| | Increased costs of raw materials | Climate change is likely to have a growing impact on trade patterns; the energy transition will have a significant impact on demand for specific metals, other commodities, and products. These impacts may translate into higher prices for steel, chemicals, and other materials we use in our business | | • The risk is factored into the business planning process for the New Energy Business. We aim to convert all our operational vehicles as soon as practicable to gas/CNG from our field; steady transition to use of gas, wind, and solar power across our locations.<br>• Deployment of biofuels from organic waste |
| | Repricing and stranding of assets | If there is growth in stakeholder expectations that oil and gas demand will fall in line with global decarbonisation goals, there could be a negative impact on the valuation of our assets and share price and raise fears of our longer-term production becoming stranded | | • Scenario analysis page 50 shows that our portfolio is resilient to reduced demand for oil<br>• Our growing gas business is expected to play a significant role in Nigeria's energy transition as a substitute for bio-mass and addressing energy poverty |
| | Cost of capital | Our cost of capital may increase if investors perceive the climate-related financial, reputational, or other risks of investing in our business are growing or if we are assessed negatively relative to our peers | | • Our strategy, built on playing a leading role in Nigeria's energy transition, together with our decarbonisation plan, are designed to bolster the resilience of our business and our reputation and ensure that investors maintain a positive view of Seplat in absolute terms and relative to our peers |

# IFRS S2

| Risk | Type | Impact on Seplat's business model and value chain | Timeframe | Mitigation actions |
|---|---|---|---|---|
| **Policy** | Cost of carbon | Seplat is not currently affected by regulatory emissions pricing, taxation or emissions trading schemes, and we expect that it is likely to be some time before global carbon pricing becomes a practical reality. We are however aware of the Carbon tax policy drive by the Nigeria's National Council on Climate Change (NCCC), which is in line with the Energy Transition Plan of the Federal Government.<br>We understand that this policy drive will not take effect in the near future, implying no impact to us currently. However, we recognise that such costs could be passed down through the supply chain and result in increased operational costs over time. | | • We are mitigating our exposure to carbon pricing by eliminating Scope 1 & 2 emissions from our Upstream and Mid-stream operations as far as possible via our end of routine flaring programme, replacing diesel with gas generators, upgrading compressors, using solar power, enhanced methane leak detection and repair.<br>• We are also developing the capability to measure and manage the Company's Scope 3 emissions. |
| | Increased regulation and reporting requirements | Nigeria's Climate Change Act and other Nigerian and UK regulations introduce new obligations which Seplat must comply with. These include a requirement to implement GHG emission reduction measures in line with Nigeria's decarbonisation goals, a need for enhanced measurement and reporting of GHG emissions, and new climate change reporting requirements for UK listed companies aligned with FCA Listing Rules and the IFRS S2 recommendations | | • Stay within the regulatory GHG emission limits and eliminate routine flaring ahead of Nigeria's target date of 2030<br>• Fully aligned with the UK climate reporting requirements, while enhancing our ESG performance and our wider non-financial reporting by working with ESG rating agencies and other third parties |
| **Technology** | Substitution of oil and gas with low-carbon forms of energy | Further rapid development of renewable energy technologies, including for batteries and other forms of energy storage, together with falling prices could drive renewables to become an ever larger share of the global energy mix and impact on demand for our oil and gas | | • Seplat intends to play a leading role in Nigeria's energy transition with investments in New energy and diversifying into renewables |
| | Cost of GHG emissions reduction and reporting technology | Adopting technology to reduce emissions, particularly routine flaring, will have implications for capital and operating expenditure | | • Our emission reduction plans are already well-advanced with short and medium-term costs factored into budgets |
| | Unsuccessful investment in New Energy business | Entering into new and untested markets inevitably comes with downside commercial risks | | • We are taking a proactive but prudent approach to developing the company's New Energy business. This includes the use of feasibility studies and pilot projects to evaluate the technological and commercial viability of initiatives prior to making final investment decisions and scaling-up |
| **Reputation** | Shifts in customer preferences and stigmatisation | Like other fossil fuel companies, Seplat is at risk of being associated with the negative impacts of climate change | | • Clearly communicating our role in Nigeria's energy transition to our stakeholders, setting and then achieving ambitious targets to decarbonise our business, and aligning with best practice in climate-related disclosures |
| **Litigation** | | | | |
| | Growing numbers of legal cases being brought against fossil fuel companies | Increased scientific and judicial understanding of the link between GHG emissions and physical climate impacts and a growing body of regulation raises the risks of fossil fuel companies being sued in the courts | | • Seplat's historic emissions are relatively low compared to other fossil fuel companies; Seplat is determined to comply with existing and emerging regulatory requirements, decarbonisation targets, and climate disclosure rules |

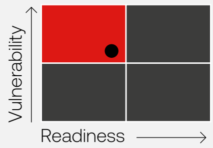
## Focus on physical climate risk

Nigeria is vulnerable to the physical impacts of climate change. It ranks 154th in the 2023 Notre Dame Global Adaptation Index (ND-GAIN). The physical impacts include increased flooding, rise in sea level and coastal erosion in the South, chronic droughts in the North, and variability in rainfall patterns throughout the country. The effects include displacement of local populations, reduced agricultural productivity, increased intrusion of seawater into freshwater, and the risk of increased internal conflicts over land and food security.

**ND-GAIN Country Index Rank**

**154**

**Score: 38.5**




| | |
|---|---|
| **Vulnerability:** | **0.486** |
| **Readiness:** | **0.256** |

**"The high vulnerability score and low readiness score of Nigeria places it in the upper-left quadrant of the ND-GAIN Matrix. It has both a great need for investment and innovations to improve readiness and a great urgency for action. Nigeria is the 53rd most vulnerable country and the 179th most ready country."**

Apart from our offices in Lagos, Abuja, Aberdeen, and London, Seplat's operations are located in the Niger Delta (Edo, Delta, Imo, and parts of Rivers States). Spanning over 20,000 square kilometres, the delta is the largest wetland in Africa and among the three largest in the world. It is vulnerable to impacts from climate change, particularly flooding, and is dependent on low-lying mangroves for flood protection.

Nevertheless, to date, these dangers have not significantly impacted Seplat's operations. Heavy rains and flooding have, on occasion, made roads impassable causing delays to the transportation of equipment and personnel to or from our areas of operation. Heavy rains can also affect our overall productivity, particularly due to delays in carrying out maintenance, or from having to divert resources to repair storm damage(s). However, any increases in our operating costs from these types of incidents have so far not been material. We are in the process of developing a more comprehensive physical climate risk management plan to ensure that we are prepared for increased extreme weather events.

## Leveraging climate-related opportunities

Seplat's New Energy and Midstream Gas business is emblematic of our proactive approach to seizing climate-related opportunities. We adapt to emerging environmental trends through strategic investments and innovative initiatives and actively leverage them to drive growth and sustainability. In line with our Pillar 3 strategy, we are looking at renewable energy and clean technologies. We believe that this approach will help us diversify and become more resilient in the changing energy landscape. By taking advantage of these climate-related opportunities, we hope to contribute to sustainable development and environmental stewardship in Nigeria while positioning ourselves as leaders in this field.

## Risk Management – enhanced understanding of climate-risk

We recognise that climate change and the energy transition have become critical considerations for the global economy, for Nigeria, and for our business. That is why we now categorise climate risk as a key or principal risk for the Company and why climate change considerations increasingly influence our strategic thinking, risk management processes, and operations on a day-to-day basis.

However, in Nigeria, as in many other parts of the world, energy poverty is a fundamental challenge. The inseparability of these issues is clearly reflected in Seplat's strategic goal to provide accessible, affordable, and reliable energy as an intrinsic part of its role in helping to transform lives through energy.

Our processes for identifying and assessing climate-related risks are built on our increasing awareness of the nature of these risks. During the year 2023, led by our Enterprise Risk Management (ERM) team, we held risk workshops to carry out a fundamental reassessment of our approach to climate-related risk. The workshops brought together representatives from key departments, including Operations, New Energy, Legal, Investor Relations, HSE, and Sustainability to:

a) identify and assess the risks under each of the categories recommended by the IFRS S2.

b) assign a risk rating to each of the categories of risk using the Seplat 5x5 Risk Assessment framework. This combines the likelihood of a risk being realised with the likely impact on Seplat if the risk materialises; and

c) consider how these risks can be managed and mitigated.

The result of the reassessment was that all the categories of climate-related risk were assigned the most severe risk rating of 'Very High'. This reflects our recognition of the impact of climate-related risks. In terms of the 'likelihood' of these risks being realised, each category was assessed as being 'certain' (as defined in our ERM framework) and allotted a maximum score of 5 out of 5. This meant that even where the 'impact' on Seplat was considered to be only moderate (a score of 3 out of 5) the combined result was still sufficient to categorise the risk as 'Very High'.

An example of this is our recognition of the prevalence of policy risk arising from the growing body of regulation related to decarbonisation in Nigeria and climate-related reporting in the UK together with our estimation that the likely impact on Seplat is currently 'moderate'.

The key measures identified as necessary to manage and mitigate climate-related risks reflect the core elements of our overall corporate strategy: decarbonising our operations and diversifying our business into lower-carbon and renewable energy products. These have already been described in detail in the preceding sections of this report and are also summarised in the Climate Risk Table in the Strategy section of this report.

# Collaborating with stakeholders to deliver value

Our objective is to generate shared value for our business and the communities we impact. We have developed a robust stakeholder engagement programme to engage on material concerns in open dialogue with our stakeholders.

## Workforce

| | |
|---|---|
| **Why we engage** | A strong and harmonious relationship with our employees is critical for our business. We strive to continuously improve our Employee Value Proposition, strengthen engagement, and achieve better productivity. |
| **How we engage** | • Regular manager one-to-one meetings providing two-way engagement<br>• Monthly newsletters<br>• Quarterly town halls & "Ask Us" Sessions with company HR leadership<br>• Quarterly Joint Consultative Committee (JCC) meetings between Employee and Management<br>• Employee Engagement Surveys |
| **Important issues** | • Health, safety and security<br>• Human rights and community relations<br>• Business ethics<br>• Training and development<br>• Diversity and inclusion<br>• Economic outlook |
| **How we respond** | • Company-wide focus group sessions to deepen understanding of survey results.<br>• Taking actions to address concerns arising from survey outcomes and enhance the Seplat culture and employee engagement |
| **Performance** | • $58m in salaries and benefits<br>• 77% positive to neutral engagement<br>• Improved Employee Retention. YoY turnover rate down to ca. 6%<br>• 93% Response rate to employee engagement surveys. |
| **Alignment to SDGs** |  |

## Shareholders and providers of capital

| | |
|---|---|
| **Why we engage** | Maintaining consistency and clarity in our strategy and investment case facilitates well-informed decision-making and aids in managing expectations. |
| **How we engage** | • 1-2-1 meetings<br>• Roadshows<br>• Capital market days<br>• Investor conferences<br>• Half yearly conference calls<br>• RNS announcements<br>• Annual report<br>• Quarterly reports<br>• AGM<br>• Site visits |
| **Important issues** | • Economic performance<br>• Operational performance<br>• Project delivery<br>• M&A strategy<br>• Capital allocation<br>• Evacuation security<br>• GHG emissions and & other actions against climate change<br>• Health, safety and security<br>• Human rights and community relations<br>• Critical Incident Risk Management<br>• Business Ethics<br>• Management of the legal and regulatory environment |
| **How we respond** | • Committed to open and transparent communication and interaction<br>• Delivered operationally and financially<br>• Established capital allocation priorities<br>• Timely repayment of debt (principal and interest)<br>• Timely submission of information covenants<br>• Increased core dividend by 20%<br>• Established alternate evacuation route for production from OMLs 4,38 & 41<br>• Routine flares-out projects to eliminate up to 80% of emissions in 2025 |
| **Performance** | • $0.15 Earnings Per Share<br>• $98.8m dividends paid in 2023<br>• $69.7m paid in interest and fees to providers of capital<br>• c. 300 Number of investor meetings held |
| **Alignment to SDGs** |  |

## Joint Venture Partners

| | |
|---|---|
| **Why we engage** | Maintaining strong relationships with our JV partners is key to carry out our business safely, responsibly and efficiently. |
| **How we engage** | • Structured Meetings at various levels, in line with the joint Operating Agreements and include Subcommittee and Technical meetings, Quarterly Management review sessions and Ultimately the Operating Committee meetings which serve as the approving committee for the operations. |
| **Important issues** | • Greenhouse gases and other actions against climate change<br>• Health, safety and security<br>• Human rights and community relations<br>• Critical Incident Risk Management<br>• Business ethics<br>• Responsible supply chain management<br>• Management of the legal and regulatory environment |
| **How we respond** | • Deliver operational targets<br>• Budget management and control<br>• Periodic reporting |
| **Performance** | • Seplat continues to maintain strong relationships with its partners with collaborative relationships to manage risk, improve our processes and efficiency and minimise impact on the environment<br>• 47,758 kboepd net production<br>• 95% Cost recovery from partners |
| **Alignment to SDGs** |  |



## Suppliers and contractors

| | |
|---|---|
| **Why we engage** | The industry relies on our value chain suppliers who enable the delivery of oil and gas. |
| **How we engage** | • Annual vendor conference across Seplat locations<br>• Performance reviews |
| **Important issues** | • Health, safety and security<br>• Business ethics<br>• Critical Incident Risk Management<br>• Responsible supply chain management |
| **How we respond** | • Simplified relationship management process, implementing consistent policies standards and procedures |
| **Performance** | • Seplat continues to maintain strong relationships across its supply chain with collaborative relationships to manage risk, improve processes<br>• 115 community vendors awarded contracts in 2023.<br>• 20% of the procurement budget spent on products/services purchased locally<br>• 2,828 attendance at the annual vendor forum |
| **Alignment to SDGs** |  |

## Host communities

| | |
|---|---|
| **Why we engage** | The sustainability of our business is dependent on the relationship we build with the communities in which we operate and the contribution we make to societal upliftment. |
| **How we engage** | • Announcements<br>• Host Community Trust<br>• Townhalls<br>• Annual surveys |
| **Important issues** | • Health and safety<br>• GHG emissions<br>• Emergency preparedness<br>• Human rights and community relations<br>• Business ethics<br>• Biodiversity<br>• Responsible supply chain management |
| **How we respond** | • Skills development programs<br>• Dispute resolution<br>• Community projects<br>• Priority contractors<br>• Job creation |
| **Performance** | • $10m invested is social investment programmes<br>• 26 Averted potentially disruptive incidents |
| **Alignment to SDGs** |  |



## Customers

| | |
|---|---|
| **Why we engage** | Being responsive to our customer needs and expectation means delivering exceptional service and improving the customer experience. |
| **How we engage** | • Personal meetings<br>• Reports<br>• Reconciliation sessions<br>• Quarterly meetings |
| **Important issues** | • Business Ethics<br>• Evacuation security<br>• Asset integrity<br>• Responsible supply chain management |
| **How we respond** | • Efficient delivery of onspec products<br>• Availability of pipeline<br>• Improved customer service levels |
| **Performance** | • 11.3 MMbbls of oil delivered<br>• 41.0 Bcf of gas supplied<br>• 50 MMscfd additional GSA signed |
| **Alignment to SDGs** |  |



## Government and regulators

| | |
|---|---|
| **Why we engage** | Building and maintaining relationships based on transparency and trust with governments and regulators is the foundation of collaboration. It secures our license to operate, advances mutually beneficial objectives as well as our ability to contribute to policy formulation. |
| **How we engage** | • Personal meetings<br>• Press releases<br>• Report |
| **Important issues** | • Health and safety<br>• Emergency preparedness<br>• Human rights and community relations<br>• Business ethics<br>• Biodiversity<br>• Energy security and supply<br>• Energy transition<br>• Responsible supply chain management<br>• Management of the legal and regulatory environment |
| **How we respond** | • Regulatory compliance<br>• Safety priority<br>• Collaborate to enhance the economy<br>• Sustained production<br>• Job creation<br>• Energy security |
| **Performance** | • $178.9m in Royalties<br>• $102.5m in fees and taxes<br>• $184m capex |
| **Alignment to SDGs** |  |

# Performance in our ESG focus areas


Valuing the environment and climate
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Caring for our people partners and communities
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Living by the strictest governance standards
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IFRS S1 S2



We have identified targets to measure our performance and are monitoring our progress towards achieving them. Our short-term goals align with our long-term strategic objectives, covering financial and non-financial measures.

Seplat is one of the first companies to adopt the IFRS Sustainability Disclosure Standards globally. To comply with the standards, we have integrated non-financial data about environmental, social, and governance (ESG) aspects into our annual report. This approach ensures a more comprehensive representation of our performance and impact.

# Valuing the environment and climate

**UN SDGs:**


**Goal:** Deliver environmental care.

As Nigeria's leading indigenous energy company, we recognise our duty to minimise the impact of our operations on the environment. We aim to create increasingly sustainable energy solutions to provide access and meet increasing energy demand, while addressing the critical challenge of climate change for society and our business.

## Environmental performance metrics

| | Unit | FY 2023 |
|---|---|---|
| **GHG intensity** | **$kgCO_2e$/boe** | **27.9** |
| **Gross Scope 1** | **$tCO_2$-e** | **565,423.8** |
| OMLs 4, 38 & 41 | $tCO_2$-e | 373,211.2 |
| OML 53 | $tCO_2$-e | 33,929.1 |
| OPL 283 | $tCO_2$-e | 18,901.5 |
| OML 40 | $tCO_2$-e | 138,675.5 |
| Offices | $tCO_2$-e | 706.6 |
| **CO2** | **$tCO_2$-e** | **413,230.0** |
| OMLs 4, 38 & 41 | $tCO_2$-e | 272,340.0 |
| OML 53 | $tCO_2$-e | 25,870.0 |
| OPL 283 | $tCO_2$-e | 13,660.0 |
| OML 40 | $tCO_2$-e | 100,660.0 |
| Offices | $tCO_2$-e | 700.0 |
| **CH4** | **$tCO_2$-e** | **151,990.0** |
| OMLs 4, 38 & 41 | $tCO_2$-e | 100,740.0 |
| OML 53 | $tCO_2$-e | 8,050.0 |
| OPL 283 | $tCO_2$-e | 5,240.0 |
| OML 40 | $tCO_2$-e | 37,960.0 |
| **Flaring** | **$tCO_2$-e** | **430,806.5** |
| OMLs 4, 38 & 41 | $tCO_2$-e | 277,625.1 |
| OML 53 | $tCO_2$-e | 30,375.9 |
| OPL 283 | $tCO_2$-e | 12,832.2 |
| OML 40 | $tCO_2$-e | 109,973.3 |
| **Process emissions** | **$tCO_2$-e** | **6,875.0** |
| OMLs 4, 38 & 41 | $tCO_2$-e | 6,875.0 |
| OML 53 | $tCO_2$-e | – |
| OPL 283 | $tCO_2$-e | – |
| OML 40 | $tCO_2$-e | – |
| **Vented emissions** | **$tCO_2$-e** | **–** |
| **Other combusted emissions** | **$tCO_2$-e** | **32,522.0** |
| OMLs 4, 38 & 41 | $tCO_2$-e | 26,378.5 |
| OML 53 | $tCO_2$-e | 127.6 |
| OPL 283 | $tCO_2$-e | 2,343.7 |
| OML 40 | $tCO_2$-e | 3,672.2 |
| **Fugitive emissions** | **$tCO_2$-e** | **94,513.8** |
| OMLs 4, 38 & 41 | $tCO_2$-e | 62,332.5 |
| OML 53 | $tCO_2$-e | 3,425.7 |
| OPL 283 | $tCO_2$-e | 3,725.6 |
| OML 40 | $tCO_2$-e | 25,030.0 |

Our reporting boundaries are detailed on page 12.
We have taken early adopter relief for IFRS Sustainability Standards and have not reported any data for 2022 because they have not been previously reported.
Read more about our carbon intensity metrics on page 8.
Gross Scope 1 is consists of CO2, CH4 and N20.

Flaring makes up approximately 74% of our operated assets GHG emissions.. Flare volumes are aggregated on a facility level and includes a combination of metered direct measurements and estimates from regulator approved individual well test programmes.

| | Unit | FY 2023 |
|---|---|---|
| **Gross Scope 2** | **$tCO_2$-e** | **1,320.7** |
| OMLs 4, 38 & 41 | $tCO_2$-e | 67.0 |
| OML 53 | $tCO_2$-e | 2.7 |
| OPL 283 | $tCO_2$-e | 220.3 |
| OML 40 | $tCO_2$-e | 21.6 |
| Offices | $tCO_2$-e | 1,009.1 |
| **VOCs** | **ppm** | |
| OMLs 4, 38 & 41 | ppm | 1.2 |
| OML 53 | ppm | 0.8 |
| OPL 283 | ppm | 0.1 |
| OML 40 | ppm | 9.1 |
| **NOx** | **ug/m3** | |
| OMLs 4, 38 & 41 | ug/m3 | 1.3 |
| OML 53 | ug/m3 | 0.0 |
| OPL 283 | ug/m3 | 0.0 |
| OML 40 | ug/m3 | 30.5 |
| **SOx** | **ug/m3** | |
| OMLs 4, 38 & 41 | ug/m3 | 3.6 |
| OML 53 | ug/m3 | 0.0 |
| OPL 283 | ug/m3 | 0.0 |
| OML 40 | ug/m3 | 0.0 |
| **COx** | **ppm** | |
| OMLs 4, 38 & 41 | ppm | 0.8 |
| OML 53 | ppm | 0.8 |
| OPL 283 | ppm | 0.0 |
| OML 40 | ppm | 0.2 |
| **Suspended particulate matter released** | **ug/m3** | |
| OMLs 4, 38 & 41 | ug/m3 | 6.6 |
| OML 53 | ug/m3 | 0.1 |
| OPL 283 | ug/m3 | 0.9 |
| OML 40 | ug/m3 | 4.4 |

We monitor Acid Gas (Non GHG emissions) at production facilities to assess compliance against NUPRC (Nigerian Upstream Petroleum Regulatory Commission) regulatory limits (SOx-125ug/m3, NOx-200ug/m3, COx-10ppm and SPM- 250ug/m3).

To improve comparability to other organisations, we intend to report Acid Gas (Non GHG emissions) in tonnes as per the IFRS Sustainability Reporting Guidelines in future reporting as we establish a local methodology for determining quantitative emissions in tonnes was not available.

During the current reporting period, Seplat has transitioned from the operated assets method used in 2022 to the equity method when calculating GHG emissions. This change reflects Seplat's commitment to complying with the evolving reporting standards and aligning with IFRS guidelines. The equity method consolidates Seplat and its subsidiaries as a single entity, providing a more comprehensive view of GHG emissions. However, we have not included comparative figures for specific ESG metrics for our subsidiaries and partners for 2022 as we adopted the equity reporting method this year. To ensure transparency and facilitate comparison with the previous reporting period, Seplat continues to provide data using the operated assets method in its accompanying sustainability report. From our 2024 report, we will transition exclusively to reporting based on the equity ownership method.

## Climate change

We are committed to the Paris Agreement and recognize our responsibility to address climate risks while maximizing the opportunities for creating social benefits. We understand the importance of adapting to and building resilience against the changing climate. As a result, we are actively reducing our greenhouse gas emissions and aiming to achieve Net Zero by 2050 through a plan aligned to the SBTi, incorporating the guidelines from the UK transition plan to guide our path.

**Our short to medium term priorities**

- End routine flaring of associated gases and methane emissions by end of 2025
- Commitment to integrate renewable energy sources into operations
- Commitment to reduce overall energy consumption and associated greenhouse gas emissions
- Reach FID on power generation opportunities in 2024
- Scope 3 emissions reporting

## Carbon targets

| | |
|---|---|
| **In 2025 – Reduce scope 1 and emissions by** | 70% |
| **By 2050** | Achieve net zero |

**Emissions scope and boundaries**
Our Company follows a reporting methodology that adheres to the 2015 GHG Protocol Corporate Accounting and Reporting Standard. This methodology is based on guidance from the International Petroleum Industry Environmental Conservation Association (IPIECA) for sustainability reporting in the oil and gas industry. The Company reports all relevant GHG Protocol emissions within scopes 1 and 2.

Scope 1 emissions arise from flaring, combustion emissions, process emissions, and fugitive emissions from well sites, flow stations, gas production facilities, and office locations. Scope 2 emissions arise from purchased electricity consumption at corporate and field logistics offices.

As of now, we have yet to include our Scope 3 emissions in our reporting. However, in future reports, we plan to expand our reporting capabilities to measure identified emissions. This expansion will encompass various aspects of our operations and value chain, including Procurement of Capital Goods, Upstream Transportation and Distribution, Drilling operations, Business Travel, Operations Waste, Employee Commuting, Upstream Leased Assets, Downstream Leased Assets, Downstream Transportation and Distribution, Use of Sold Products, and Investments in Other Assets.

We rely on the robust Noobyia GHG accounting system to calculate our GHG data. This system, which includes carbon dioxide ($CO_2$), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF6), and nitrogen trifluoride (NF3), underwent rigorous external verification by the University of Belgrade in February 2023. This verification process was conducted against the methodologies outlined in the API Compendium 2021, ensuring the utmost accuracy and reliability of our emissions data.

## Ending routine flaring
Seplat has made reducing the carbon intensity of its operations a key strategic focus. To achieve this, the company has implemented its End-of-Routine Flaring (EORF) roadmap, with a baseline year of 2020. The roadmap includes absolute milestone targets, as shown on page 55, which involve making investments across its production facilities to minimize Scope 1 and 2 greenhouse gas emissions and improve overall energy efficiency.

We are currently working on a number of projects that are expected to be completed by 2024 at its Sapele AG, Oben AG, Jisike, and Amukpe facilities. The company's overall goal is to eliminate routine flaring across all its assets. However, due to delays in the delivery of the Oben LPG Flares Solution and the Ohaji South AG Compression solution projects in 2024, the company has had to extend the goal to 2H 2025. These delays were caused by procurement setbacks related to essential equipment, which impacted project timelines.

## Advancing our LDAR Program
In 2023, we conducted baseline management of fugitive emissions at our Amukpe and Sapele facilities. We successfully identified and remediated all the leaks at our Amukpe facility. Our goal is to extend this baseline fugitive emissions assessment to cover all other facilities we operate and identify any emissions, promptly remediating any issues found. We have designed our LDAR program to align with the guidelines set forth by the Nigerian Upstream Petroleum Regulatory Commission (NUPRC).

During 2023, we submitted our annual baseline GHG emission leak detection and repair program to the NUPRC. Notably, we saved 25,000 $tCO_2e$ by repairing identified fugitive leaks at the Oben Gas Plant.

Our objective for 2024 is to fully comply with the revised NUPRC regulations on GHG emissions. This entails completing baseline measurements across all facilities we operate, including the Oben Flow Station and new Gas Plant.

## Progress on carbon credit initiative
The Ohaji Gas Flare Reduction Project has been strategically prioritized and successfully pre-screened to determine its eligibility for earning carbon offsets/credits under the European Union Fuel Quality Directive (EU-FQD) – German Market. The project is expected to reduce upstream emissions (UER) by approximately 152,000 $tCO_2e$, which is substantial in terms of environmental impact. Currently, an independent third-party auditor is validating the Project Design Document (PDD). The timeline for progressing to the next phase in the project development cycle, which is the registration of the UER in the carbon registry for trading, depends on further iterations by the validator on the project design document to mitigate any financial additionality risks.

## Solar generation at Amukpe warehouse
As part of our sustainability efforts, we have launched a pilot project to integrate solar power into our Amukpe Warehouse infrastructure. The installation for the warehouse has been completed, marking a significant milestone towards reducing our dependence on traditional energy sources. Once operational, the solar setup will replace 133 KVA of diesel generation, leading to cost savings and environmental conservation. Although these projects may be smaller in scale, they emphasize our overarching commitment to reducing our operational footprint and adopting renewable energy solutions.

## Water and waste management

We will finalise our water and waste management strategy in 2024 to adhere to industry-leading standards and address potential environmental, social, and economic water risks.

**Our short and medium term priorities**

- Conclude water and waste management strategy for operated assets by end of 2024
- Meter all water sources in the operated assets to achieve 100% coverage by 2026

## Water resource management

Water usage is currently being estimated until the installation of fourteen water meters is completed. As of 2023, three water meters have been installed at the FLBs and warehouses. Seplat operates in the Niger Delta which is a region with low water stress. Based on the Water Stress Index, Seplat's assets are not identified as high-risk, and the company is committed to effectively managing its water resources across all its operations. Seplat does not use hydraulic fracturing in its operations.

To assess the environmental impacts of its produced water management practices, Seplat has implemented a comprehensive Produced Water Strategy that takes a holistic approach. For OMLs 4, 38 & 41. the strategy involves thoroughly evaluating system efficiencies. The process begins with treating the production at the Amukpe liquid treatment facility (LTF) to remove water content, with a specific focus on meeting the Escravos terminal's requirement of 0.5% BS&W. Any volumes that do not meet this requirement are directed to the Forcados Terminal, where the terminal operator manages additional water handling procedures before the crude is lifted. The water removed at the LTF point is further treated to spec before injection into water disposal wells. As a result of this process, OML 4, 38, 41 and 53 has zero discharge of produced water and hydrocarbons. For OML 53, the produced water originating from Jisike is handled by the terminal operator, while that from Ohaji is managed by the Waltersmith refinery. The produced water from the Umuseti Production Facility (OPL 283) currently undergoes primary treatment in a series of API skimmers and water clarifier before being routed to a water retention pond, beside the pit flare, where it then evaporates naturally. Produced water from OML 40 undergoes treatment at a 6,000 bwpd dewatering facility in Opuama and a 5,000 bwpd capacity Produced Water Treatment Unit in Gbetiokun. Any remaining produced water is then exported to the terminal for further management using the LACT unit.

## Waste Management

Although we delegate waste disposal responsibilities to accredited third-party contractors, we hold ourselves accountable for the waste generated by our operations. We closely monitor the quantity and composition of waste produced at each facility, and have recently reviewed and updated our waste management plan to better understand waste generation throughout our value chain.

With regards to drilling waste, we track the volume of waste generated and the amount of liquids produced. To comply with regulatory mandates, liquid waste undergoes treatment and testing by an accredited laboratory before disposal. Representatives from the NUPRC oversee and ensure strict adherence to regulatory standards throughout this process. We also monitor the practices of our third-party service providers to ensure they align with these standards.

| | Unit | FY 2023 |
|---|---|---|
| **Total water consumed** | **$m^3$** | **14,070.4** |
| OMLs 4, 38 & 41 | $m^3$ | 12,162.5 |
| OML 53 | $m^3$ | 1,907.8 |
| OPL 283 | $m^3$ | na |
| OML 40 | $m^3$ | na |
| **Volume of produced water** | **$m^3$** | **198,943.9** |
| OMLs 4, 38 & 41 | $m^3$ | 146,995.3 |
| OML 53 | $m^3$ | 3,824.2 |
| OPL 283 | $m^3$ | 5,381.6 |
| OML 40 | $m^3$ | 42,742.9 |
| **Percentage discharged (produced water)** | **%** | |
| OMLs 4, 38 & 41 | % | – |
| OML 53 | % | – |
| OPL 283 | % | 100.0 |
| OML 40 | % | 32.0 |
| AGPC | % | – |
| **Percentage injected (produced water)** | **%** | |
| OMLs 4, 38 & 41 | % | 314.5 |
| OML 53 | % | – |
| OPL 283 | % | – |
| OML 40 | % | – |
| **Percentage recyled (produced water)** | **%** | **–** |
| **Hydrocarbon content in discharged water** | **%** | |
| OMLs 4, 38 & 41 | % | – |
| OML 53 | % | – |
| OPL 283 | % | 0.2 |
| OML 40 | % | – |
| **Number and duration of non-technical delays** | **Days** | |
| OMLs 4, 38 & 41 | Days | – |
| OML 53 | Days | – |
| OPL 283 | Days | – |
| OML 40 | Days | 2.7 |

For Seplat-operated assets, we had zero days of disruptions due to non-technical delays. However, in OML 40, community contractors voiced their concerns in 2 separate incidents over outstanding invoices awaiting settlement by the operator, leading to a disruption lasting up to 2.7 days. Following engagement, the issues were successfully resolved, and production resumed as usual.

"N/A" indicates data is currently unavailable. We are working to improve our data recording procedures and will include this information in future reports.

| | Unit | FY 2023 |
|---|---|---|
| Non-hazardous waste | Tonnes | 264 |
| Non Hazardous (compost) Waste | Tonnes | 190 |
| Non Hazardous (mixed recyclables) Waste | Tonnes | 74 |
| Hazardous Waste* | Tonnes | 86 |

Our waste data is aggregated from well sites and production facilities in our Western and Eastern operations and excludes waste from our corporate offices
Non Hazardous (compost) waste: Biodegradable consisting of food and garden waste
Non Hazardous (mixed recyclables) waste: Non biodegradable waste comprising of plastics, paper, cardboard, glass and metal waste
Hazardous waste includes waste oil, oil contaminated waste and waste chemicals

## Biodiversity

We have enhanced our biodiversity approach and committed to preserving the land, water and ecosystem surrounding our operations.

**Our medium term priorities**

- Establish Biodiversity Action Plan Priorities for conservation action by 2024
  — Protect and enhance biodiversity in Seplat-operated areas.
  — Minimize disruption to wildlife populations
- Implement reforestation programme
  — Seplat Tree4life- commencement of pilot phase.

## Environmental Policy and Management Framework

In 2023, Seplat introduced a Biodiversity Policy to create a strong framework for integrating biodiversity preservation and enhancement into its overall business strategy. This policy fits seamlessly into Seplat's Environmental Management System and aligns with established principles governing biodiversity and conservation management.

## Environmental Impact Assessment and Management

Seplat always conducts an Environmental Impact Assessment (EIA) or Environmental Evaluation Study (EES) during the site planning phase of new projects as well as for ongoing operations. An Environmental Management Plan (EMP) is developed to mitigate the risks and potential impacts identified by the assessment or study. Our EMS system is designed in a way that empowers and involves all employees and contractors, making every individual accountable for its implementation. The content of our EMS plays a vital role in guiding the risk assessment of our operations and projects.

To ensure that all production operations conducted by Seplat within a 5km radius of its proven reserves do not have any negative impact on endangered species, we conduct an Environmental Justification. Comprehensive surveys and impact assessments are conducted before commencing any work for probable reserves. In cases where potential impacts on endangered species are identified, we take proactive measures to mitigate these impacts, ensuring responsible and sustainable operations.

## Site Planning and Conservation Measures

Seplat operates primarily onshore, where no areas are designated as critical habitats, high biodiversity zones, or conservation areas. However, the Ovhor field is a swamp area, and in line with our commitment to responsible environmental practices, we have restricted our activities to wellheads and flow lines that transport the production to onshore facilities. We conduct ecological assessments and evaluations as an integral part of site planning for both new projects and ongoing operations.

## Biodiversity Study and Conservation Partnerships

Seplat Energy PLC is a registered member of the Nigerian Conservation Foundation, which is a leading environmental conservation organization. The company has hired independent certified consultants to conduct a biodiversity study. This study will assess predetermined environments to identify the abundance of biodiversity, and an action plan will be developed based on the findings.

## Tree 4 life programme

Afforestation is essential for promoting biodiversity conservation, and we are committed to doing our part. Through our sustainability initiative, the pilot phase of this project will begin in 2024, with the aim of significantly increasing annual carbon sequestration. These trees will be planted in various states across Nigeria, helping to create a healthier, more sustainable environment for generations to come. We will communicate our long term tree planting targets after the pilot phase has been concluded.

## Compliance and Regulatory Adherence

Seplat has developed policies and procedures that are based on National Environmental Legislation Standards, UNGC, Paris Agreement, as well as the environmental principles of ISO numbers 14001 and 45001. Our Environmental Management System (EMS) follows the recommendations of ISO 14001 and covers all operations within Seplat. These policies and procedures are applicable across all assets operated by Seplat. Within our EMS, we address various environmental aspects, including air emissions, hazardous chemical usage, waste generation and management, discharges into water bodies, and other relevant areas. Seplat fully complies with the Nigerian Ministry of Environment, NOSDRA, and NUPRC Regulatory system and adheres to the requirements of its Permitting, Licensing, and Consent regimes. We diligently record processes and report emissions data in alignment with the regulators.

**0**

Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume impacting shorelines with ESI rankings 8-10, and volume recovered

**100%**

Percentage of (1) proved and (2) probable reserves in or near indigenous land

Seplat's reserves are situated in regions recognised as indigenous land, and none of Seplat's net or proved reserves are located in or near areas of active conflict.

Similarly, none of Seplat's net or proved reserves are situated in or near areas with protected conservation status or habitats of endangered species.

# Caring for our people partners and communities

**UN SDGs:**


**Goal:** Deliver robust social development

Our business benefits from a diverse, talented and motivated workforce. We aim to treat all those who work for us with respect and to develop their skills. We believe this approach helps us to identify, manage and mitigate risks to our business. We contribute to the social and economic development of Nigeria and aim to create shared value through strong partnerships and meaningful stakeholder engagement.

## Social performance metrics

| | Unit | FY 2023 |
|---|---|---|
| **TRIR (per million man hours)** | **Rates** | |
| OMLs 4, 38 & 41 | Rates | 0.2 |
| OML 53 | Rates | 3.0 |
| OPL 283 | Rates | – |
| OML 40 | Rates | – |
| Offices | Rates | – |
| **Fatality** | Number | **–** |
| **NMFR (per million man hours)** | Rates | |
| OMLs 4, 38 & 41 | Rates | 0.3 |
| OML 53 | Rates | 2.0 |
| OPL 283 | Rates | – |
| OML 40 | Rates | 0.5 |
| Offices | Rates | 1.0 |
| **HSE Training** | **Hours** | **5,868** |
| **Process Safety Event (PSE) rates for LOPC of greater consequence (Tier 1 count per million man hours)** | **rates** | **0.2** |
| **Women as a percentage of workforce** | **%** | **24.0** |
| **Women in senior management** | **%** | **18.0** |
| **Trainings on unconscious bias** | **Hours/employee** | **6.0** |
| **Security personnel that received formal training in the human rights policies of the organisation** | **%** | **100** |
| **Local community engagement (operations)** | **%** | **100** |

Our reporting boundaries are detailed on page 12.
Host communities are the 3 Nigerian states in which our assets are located – Edo, Delta and Imo.

# ISO 26000

Seplat has achieved the ISO 26000 endorsement. This recognition has intensified our commitment to create value in the communities we operate through high-impact corporate social initiatives.

## Employee health, safety and security

Our health and safety programme is central to preventing fatalities, severe injuries and process safety incidents.

**Our short and medium term priorities**

- Achieve zero serious injuries in the workplace
- Maintain zero lost time incidents
- Zero occurrence of Tier 1 & 2 oil and chemical spills
- Increase the reporting of near-miss incidents.

## Health, Safety, and Emergency Response Training

Seplat ensures its employees, contractors, and short-term service personnel receive health, safety, and emergency response training. The nature and extent of this training varies depending on the individual's role, regulatory requirements, risk associated with the job, and the specific tasks involved. Seplat provides tailored training to meet the unique needs of different groups, including onshore teams and office staff. The HSE team at Seplat oversees all staff's periodic HSE training and manages the training protocols. In 2023, Seplat recorded an average of approximately 5,868 hours of Health, Safety, and Emergency Response training for its employees. To enhance incident investigation and prevention, we conducted incident management training sessions using the Tripod Beta methodology for 42 participants at the Lagos and Sapele locations. Additionally, Process Safety Management Training was conducted for Operations, Engineering, Maintenance, Wells, and HSE Team members to prevent process-related incidents, with 63 participants. Finally, we also conducted training for 80 participants on the use of plate_number_1 during the year.

## Health & Safety Performance

In the energy industry, ensuring the health and safety of the workforce is of utmost importance. Seplat realizes the crucial significance of its onshore facilities and support network to its business and all stakeholders involved, and we are committed to maintaining and enhancing its health and safety performance, demonstrated by its excellent safety record. This approach will be extended to any additional assets that we acquire. Our HSE Policy further evidences our unwavering dedication to health and safety. Seplat fosters a safety culture, with responsible personnel assigned at all relevant levels.

We express our deep sadness for the tragic incident on the Majestic rig, which capsized while transiting to our operations. Although this incident is not shown in our HSE statistics, we take it seriously. Seplat has conducted several reviews to prevent such incidents from happening in the future, and we will continue to work with our contractors and supply chain to prioritize safety.

## Critical incident risk management

Process safety is a pivotal factor in guaranteeing our operations' reliability, safety, and sustainability. We mitigate risks of spills and leaks by integrating design features that prioritize safety in new facilities and through meticulous maintenance in existing ones. Additionally, we enhance our spill response capability by providing comprehensive training to our personnel.

Our Company is committed to achieving ISO 45001 and 14001 standards certifications, globally recognised benchmarks for occupational health and safety and environmental management systems. This commitment demonstrates our dedication to maintaining top-tier safety and environmental performance. The expansion of scope to encompass all operated assets has prompted an adjustment to the target for achieving full compliance with EMS ISO 14001, which is now set for 2026.

### Targets — Critical incident risk management

| | |
|---|---|
| Environmental Management Systems (ISO 14001 standards) certification<br>– OML 4,38 & 41 by 2025;<br>– OML 53 by 2026 | Achieve |
| Asset Management Systems (ISO 55001 standards) certification<br>– OML 53 by 2026 | Achieve |
| Occupational Health and Safety Management Systems certification (ISO 45001 standards)<br>– OML 53 by 2024 | Achieve |

## Prioritising process safety management

While our primary objective is to avoid Process Safety Events altogether, our teams are well-prepared with the requisite training and authority to respond swiftly and effectively if such an incident occurs.

## Environmental Incident Reporting and Compliance

In compliance with the stipulations of our specific environmental Permit, Seplat must report any instance involving the unpermitted release of hydrocarbons and chemicals into the environment. Such incidents are promptly reported to the Regulators (NUPRC, NOSDRA, and Ministry of Environment) within twenty-four hours of their identification, utilising a Notification form. In 2023, we recorded fifteen reports due to unintentional releases of hydrocarbons and chemicals into the environment; however, only one of the spills was Tier 2, according to API 754 (process safety).

## Risk Management and Regulatory Compliance

Within our Operations Management System (OMS) framework, Seplat has implemented various control systems to identify and mitigate catastrophic and tail-end risks. Our commitment to risk identification and control is unwavering, especially in cases where there is a potential for significant accidents. Seplat has established an Incident Review Panel (IRP) to address these concerns comprehensively. The management of Occupational Health and Safety Risk aligns with the Seplat Risk Management Policy, supported by a range of procedures that outline specific risk management processes such as HAZOP (Hazard and Operability Study), HAZID (Hazard Identification), LOPA (Layer of Protection Analysis), and the Control of Work. Throughout the lifecycle of our assets, Seplat adheres rigorously to all regulatory requirements.

## Diversity targets

| | |
|---|---|
| **Women within the overall workforce by 2030** | 30% |
| **Women on the board by 2030** | 40% |
| **Women in senior management by 2030** | 25% |

## A focus on diversity and inclusion

At Seplat, we believe that diversity and inclusion are essential factors for business growth and success, and we are committed to promoting gender equality. We actively encourage female employees to enhance their skills and expand their networks through workshops, seminars, and sponsorship for industry conferences. We have implemented various targeted initiatives to identify and support high-potential female employees in succession planning. We also provide training and upskilling initiatives for all our employees.

In 2023, we had four women in our Senior Leadership Team. Our goal is to achieve a minimum of 25% female representation in Senior management and 30% across the company by 2030. Our women's network, SWAN, is crucial in empowering female employees and addressing gender disparities in the energy sector. SWAN organizes events throughout the year, including International Women's Day celebrations and conferences with organizations like WIMBIZ, creating a supportive and inclusive environment for women at Seplat. We have recently collaborated with organizations such as the Women in Energy Network to prioritize gender sensitivity by revamping our facilities across operational sites.

## Social investment programmes

**Total in 2023** $10.1m

| | |
|---|---|
| Healthcare | 18% |
| Education | 29% |
| Economic empowerment and capacity building | 15% |
| Infrastructure | 38% |

## Human rights and community relations

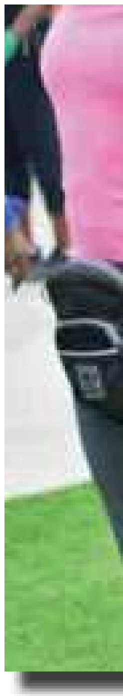
We are committed to providing energy access, enhancing healthcare, improving education, and bolstering the economy of the communities in which we operate. We believe in cultivating and maintaining transparent relationships with our communities, ensuring that our business and operational plans seamlessly integrate social performance. Our corporate social responsibility and community relations programs are designed to provide job skills and benefits to the areas we operate in. We ensure our contracts adhere to our standards and collaborate with contractors to mitigate risks and impacts. We empower our employees to reach their full potential and attract talented individuals to join our business. We prioritize maintaining a robust operational culture that fosters a safe and secure working environment. We are dedicated to upholding human rights across our operations and work closely with our partners and communities through our dedicated teams to raise awareness and maintain standards.

## Community Engagement and Support

Seplat places great importance on collaborating and supporting the communities where we operate. We have various initiatives that aim to support these local communities, highlighted in our sustainability report and the social section of our website. As a Nigerian operator, Seplat understands the importance of adhering to high operational and governance standards expected in our industry. We are committed to upholding these standards while engaging with our communities. We strive to make positive contributions to our stakeholders and communities whenever possible. Seplat has implemented various engagement processes and due diligence practices to ensure effective collaboration with stakeholders, including these local communities.

## Transition to PIA community engagement model

We are working diligently to ensure that Seplat fully complies with the PIA and anchor regulations. We have replaced the previous community engagement model with the one prescribed by the PIA, and Seplat has established 4 Host Communities Development Trusts (HCDTs) and their management committees in accordance with the PIA's requirements. Our new community engagement model follows the structure in the PIA, and we have established clear lines of accountability. We are fully committed to community development and our adherence to the PIA regulations.



## Community engagement

| | |
|---|---|
| **Potential operation disruption dispute averted** | 26 |
| **Mediation/arbitration efforts** | 10 |
| **Training Environmental scanning/ heads off/early warning** | 24 |
| **Peaceful community awards** | 13 |

| | |
|---|---|
| **Teachers trained** | 358 |
| **Undergraduate scholarships** | 460 |
| **Youths in empowerment programme** | 110 |
| **Eye surgeries performed** | 429 |
| **Renewable energy generated for host communities schools and hospitals (KVA)** | 44 |

Our social programs are comprehensively outlined in our Sustainability Report.

## Social programme achievements

In 2023, we made substantial progress by installing solar panels, granting 100% renewable energy access to five (5) schools and three (3) hospitals, advancing our goal of increasing energy access while enhancing our capabilities in the power and renewable energy sectors. In 2024, we plan to provide additional host community hospitals and schools with reliable renewable power. These initiatives underscore our commitment to sustainability, social responsibility, and creating long-term value for all stakeholders.

## Local communities' stakeholders' engagement and relationship management activities

At Seplat Energy, we believe in building strong and transparent relationships with the communities in which we operate. We prioritize fairness, dialogue, cooperation, and shared development with local communities. We engage in continuous dialogue with community members, starting from the project's initiation and continuing throughout the operation and decommissioning phases. This helps us prevent community-induced deferment or operational disruptions. Our engagement activities include proactive dialogue, project kick-off meetings, town hall sessions, project monitoring/inspection, decommissioning meetings, land acquisition discussions, and open forums.

## Conflict Resolution and Peacebuilding Mechanism

Our Company's approach to managing grievances involves identifying complaints and taking appropriate actions that align with our objectives to address the needs of our local communities. We have a dedicated team responsible for grievance management and conflict resolution, and we also engage a trustworthy and impartial third-party mediator to assist in resolving any disputes. Intra-community conflicts and land disputes are often resolved with the help of traditional rulers. At the same time, state governments provide valuable support in addressing boundary disputes and claims related to multiple ownership of wellheads.

## Supply chain management

At Seplat, we are unwavering in our commitment to responsible and sustainable supply chain management. We diligently analyse our sphere of influence through our dedicated function to identify risks and opportunities within our supply chain. Seplat strives to set the benchmark for end-to-end supply chain management. Our goal to achieve higher cost margins is within our value-based responsibilities. We are equally committed to enhancing the capabilities of local contractors and suppliers by elevating them to our standards, thereby increasing their revenue generation potential and effectively managing their performance.

Our due diligence process for all engagements with third-party vendors is comprehensive. We use a standardized technical evaluation criteria template covering various aspects, including regulatory compliance, financials, technical expertise, and historical performance in HSE. In 2023, we expanded our criteria to include ESG standards and performance, which has improved our screening process to identify risks early. Depending on the contract, we may conduct audits of vendor operational practices to ensure they align with our standards.

## Vendor engagement programmes

**The Annual Vendors' Forum** is a crucial event where the Company and industry updates are shared with vendors. It also reiterates the expectations, standards, and performance criteria. Additionally, vendor feedback is collected during this forum.

**The Contractor Empowerment Program** aims to develop the capacity and capabilities of the contractors. This helps to boost local economic development and enables cost savings for the business by procuring vendors locally.

## SCM ESG training targets

| | |
|---|---|
| **Category specialists and contract holders trained by 2024** | 100% |
| **Strategic vendors trained by 2024** | 100% |
| **Core vendors trained by 2025** | 100% |


# Living by the strictest governance standards

| | |
|---|---|
| **UN SDGs:** | 3 GOOD HEALTH AND WELL-BEING; 7 AFFORDABLE AND CLEAN ENERGY; 8 DECENT WORK AND ECONOMIC GROWTH; 13 CLIMATE ACTION |
| **Link to strategy:** | 1/2/3/4/5/6 |
| **Stakeholder group:** | Customers, Government and regulators, Host communities, JV partners, Shareholders and providers of capital, Suppliers and contractors, Workforce |
| **Goal:** | Deliver leading corporate governance |

Aligning sustainability with consistently robust stakeholder returns requires the application of high standards of governance and accountability.

Setting and maintaining high ethical standards across our operation base, and with those we work with, is integral to how we conduct our business. This approach helps us identify and manage risk and protect our licence to operate and our reputation.

## Governance performance metrics

| | Unit | FY 2023 |
|---|---|---|
| Ethics and compliance trainings | Hours/employee | 3.5 |
| Regulatory updates sessions | Number/year | 4.0 |
| Operations assessed for unethical behaviour | % | 100 |
| Workforce who have received anti-corruption training | % | 95 |

## Governance Framework for Compliance and Transparency

We have established a comprehensive governance framework incorporating codes, policies, and procedures to facilitate fair and transparent operations while ensuring compliance with all relevant laws and regulations.

## Business ethics and transparency

At Seplat, ethical principles are essential to our success. To ensure that we maintain the highest standards of conduct, we have established a code of conduct that guides our business management and behaviour. We train our employees to help them understand our values and adhere to our ethical and business conduct standards. We encourage an environment where employees can voice concerns regarding any violations of our policies or standards.

## Legal Compliance and Governance Framework

Seplat is committed to being a responsible and sustainable corporate entity, emphasising legal compliance and transparency. This applies to all aspects of the organisation, especially regarding anti-competitive behaviour, corruption, and competition. To achieve these goals, Seplat has developed a comprehensive governance framework encompassing codes, policies, and procedures promoting fair and transparent practices, ensuring compliance with all relevant laws and regulations. The Code of Conduct is the cornerstone of this framework, which outlines the expected behaviour of Seplat's employees, contractors, and third parties representing the company. The Code of Conduct underscores the importance of adhering to all legal requirements and upholding the highest ethical standards. Importantly, this Code of Conduct applies to Seplat's projects' lifecycle, spanning planning, operation, and decommissioning phases.

To maintain a zero-tolerance stance toward bribery and corruption, Seplat has instituted an anti-bribery and corruption policy as an integral part of its business practices. We are committed to upholding leading anti-bribery and corruption practices. We systematically identify, analyse, and manage bribery and corruption risks in all our business operations. Additionally, the organisation has established a whistleblowing procedure accessible to all employees, consultants, contractors, and other stakeholders. These elements demonstrate Seplat's commitment to conducting business with integrity and compliance with ethical and legal standards.

## Environmental Compliance and energy transition

Seplat is committed to following all regulatory requirements. As an oil and gas company, we recognize our crucial role in leading the transition towards a lower carbon economy. To support the goal of achieving Paris' net-zero target by 2050, we remain dedicated to contributing our part. Our governance structure serves as the foundation for our environmental compliance procedures. It encompasses compliance with all environmental laws and regulations, including our specific ecological and regulatory obligations. Our system is routinely updated to ensure seamless compliance with evolving regulatory frameworks. This reflects our commitment to responsible and sustainable practices.

# Governance Report

# Governance overview

### Board attendance

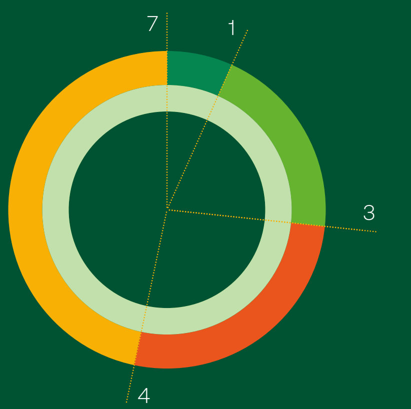
| S/N | Name | Designation | No. of meetings in the year | No. of times in attendance |
|---|---|---|---|---|
| 1. | Basil Omiyi, CON | Chairman | 9 | 9 |
| 2. | Roger Brown[1] | Chief Executive Officer | 9 | 7 |
| 3. | Samson Ezugworie | Chief Operations Officer | 9 | 9 |
| 4. | Emeka Onwuka | Chief Financial Officer | 9 | 9 |
| 5. | Charles Okeahalam | Senior Independent Non-Executive Director | 9 | 9 |
| 6. | Olivier Langavant | Non-Executive Director | 9 | 7 |
| 7. | Ernest Ebi, MFR | Non-Executive Director | 9 | 9 |
| 8. | Kazeem Raimi | Non-Executive Director | 9 | 9 |
| 9. | Nathalie Delapalme | Non-Executive Director | 9 | 8 |
| 10. | Bello Rabiu | Independent Non-Executive Director | 9 | 9 |
| 11. | Emma FitzGerald | Independent Non-Executive Director | 9 | 9 |
| 12. | Bashirat Odunewu | Independent Non-Executive Director | 9 | 9 |
| 13. | Koosum Kalyan[2] | Independent Non-Executive Director | 6 | 6 |
| 14. | Christopher Okeke[3] | Independent Non-Executive Director | – | – |
| 15. | Udoma Udo Udoma[3] | Independent Non-Executive Director | – | – |
| 16. | Fabian Ajogwu, SAN[4] | Independent Non-Executive Director | 6 | 5 |

1 The absence of Roger Brown from the two board meetings was due to actions initiated by a group of shareholders.
2 On 28 February 2023, Ms. Koosum Kalyan joined the Board as an Independent Non-Executive Director.
3 On 1 December 2023, Mr. Christopher Okeke and Mr. Udoma Udo Udoma joined the Board as Independent Non-Executive Directors. No Board meeting was held after their appointment on 1 December 2023.
4 Prof. Fabian Ajogwu, SAN resigned from the Board on 27 April 2023

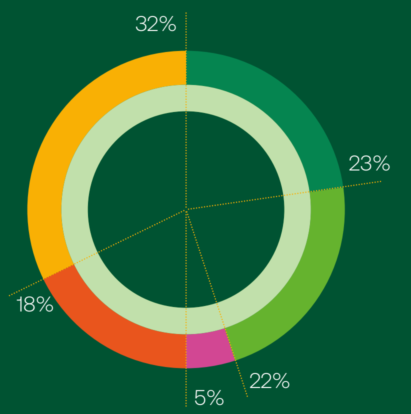
### Board experience


1. Senior executive experience including international experience exposed to a range of political, cultural, regulatory and business environment.
2. Experience as a Board member or member of a governance body.
3. Experience related to health, safety, environment, sustainability or social responsibility.
4. Senior executive or equivalent experience in financial accounting and reporting, corporate finance, risk and internal controls.
5. Experience in capital management strategies, including capital partnerships, debt financing and capital raisings.
6. Experience in oil and gas industry with knowledge of markets, competitors, operational issues, technology and regulatory concerns.
7. Track record of developing and implementing successful business strategies including assets or business portfolio.

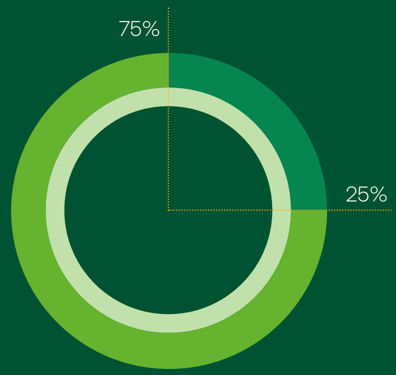
## Board composition as at 1 March 2024




## Board meetings and main subjects discussed in 2023




## Independent Director tenure




**Board Highlights for 2023**

The Board focused on the following major topics in the 2023 Financial Year:

- Board Succession and Board Refreshment.
- Executive & Management Succession.
- Increase in core dividend from 10 cents to 12 cents.
- Risk Management.
- Shareholder Actions and Corporate Governance.
- Seplat's ESG and Sustainability Roadmap.
- New Energy Business.
- Implementation of Net-Zero Roadmap.
- Mid-Stream Business Restructure.
- MPNU Acquisition.

**Read more**
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**Board Priorities for 2024**

Some of the key Board priorities for 2024 would include:

- Board Chairman Transition.
- Board Committee Restructuring.
- ESG and Sustainability.
- Enhancing the Company's New Energy Business.
- Diversity, Equality, and Inclusion Targets.
- Management Succession Plan.
- MPNU Completion and Integration.

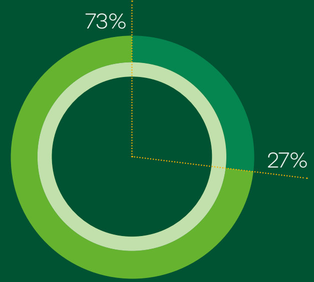
# Effective leadership

The Seplat Energy Board consists of highly experienced professionals and business experts with deep understanding of the dynamics of the oil and gas industry at both local and international levels.

**Our Board of Directors**

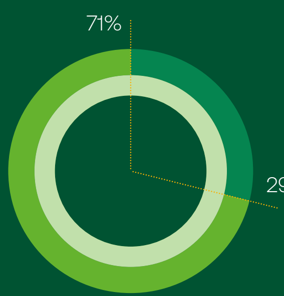
Our Board members have the appropriate balance of skills and diversity of experience which cuts across geology, engineering, law, business management, accounting and finance as applies to the energy industry.

**Board diversity**




- Women
- Men

**Senior Leadership diversity**




- Women
- Men

**Full Biographies of all Directors are available on** seplatenergy.com

**Mr. Basil Omiyi, CON**
Chairman, Independent Non-Executive Director

**Date of appointment**

| | |
|---|---|
| • As Independent Chairman | 18 May 2022 |
| • As Independent NED | 1 March 2013 |
| **Board meetings attended** | 9/9 |
| **Independent** | Yes |
| **Retired** | 31 March 2024 |

Mr Omiyi spent most of his career at the Royal Dutch Shell Group, holding technical leadership roles in Nigeria, the U.K., and the Netherlands. Returning to Nigeria in 1992, he held various leadership positions, including Production Manager and Country Production Director, overseeing significant oil and gas production capacity across the Niger Delta. In 2004, he became the first indigenous Managing Director of an International Oil Company in Nigeria, also serving as Chairman of Royal Dutch Shell Companies in Nigeria until his retirement in 2009. Mr Omiyi chairs Stanbic IBTC Holding Plc and T.A.F. Nigeria Homes Ltd. Throughout his career, he chaired numerous oil and gas organisations and served on several boards. He is a Fellow of esteemed professional bodies and was awarded the National Honour of Commander of the Order of the Niger in 2011.

Mr. Basil Omiyi graduated from the University of Ibadan with a Bachelor of Science in Chemistry and a Post-graduate Diploma in Petroleum Technology. With extensive experience in the global oil and gas industry, he possesses in-depth knowledge of the Nigerian sector and senior management expertise from multinational corporations.

**Committee membership**

N/A

**Mr. Udoma Udo Udoma**
Independent Non-Executive Director, Chairman

**Date of appointment**

| | |
|---|---|
| • Independent Non-Executive Director | 1 December 2023 |
| • Independent Chairman | 1 April 2024 |
| **Board meetings attended** | N/A |
| **Independent** | Yes |

Mr. Udoma, an accomplished lawyer and seasoned board administrator, holds a B.A. (Law) and B.C.L. from St. Catherine's College, Oxford, England, and was admitted to the Nigerian Bar in 1978. He founded the Law Firm Udo-Udoma & Belo Osagie in 1983, specialising in Nigerian investment laws, particularly in the petroleum, energy, and natural resources sectors. He advised on company law, mergers, acquisitions, and financing. Mr. Udoma chaired U.A.C. Nigeria Plc and Union Bank Plc and served on boards like Unilever Nigeria Plc and Linkage Assurance Plc. He chaired the Corporate Affairs Commission and the Nigerian Securities & Exchange Commission. He served as Special Adviser to the Minister of Petroleum, and served as Minister of Budget and national Planning and was elected to the Nigerian Senate twice. Currently, he is Pro-Chancellor of Akwa Ibom State University, Nigeria.

**Committee Membership until 31 March 2024**

Nomination and Governance Committee (Member)
Sustainability Committee (Member)
Board Finance and Audit Committee (Member)

**Mr. Roger Thompson Brown**
Chief Executive Officer

**Date of appointment**

| | |
|---|---|
| • As Chief Financial Officer and Executive Director | 20 May 2013 |
| • As Chief Executive Officer | 1 August 2020 |
| **Board meetings attended** | 7/9 |
| **Independent** | N/A |

Mr. Brown joined Seplat as CFO in 2013, with a finance background and certification as a Chartered Accountant with the Institute of Chartered Accountants of Scotland and a member of the Association of National Accountants of Nigeria. With over 25 years in finance, he specialized in emerging markets, notably structuring energy and infrastructure deals in Africa. Previously, he served as Managing Director of Oil and Gas EMEA at Standard Bank Group. Following Mr Avuru's retirement, Mr Brown assumed the CEO role on August 1, 2020. He has extensive experience in financial markets, M&A, and capital raising, particularly within Africa's oil and gas sector, advising on significant transactions in Nigeria.

**Committee membership**
N/A

**Mr. Samson Ezugworie**
Chief Operations Officer/
Executive Director

**Date of appointment**

| | |
|---|---|
| • Chief Operations Officer & Executive Director | 1 July 2022 |
| **Board meetings attended** | 9/9 |
| **Independent** | N/A |

Mr. Ezugworie was appointed to the Board of Seplat Energy on July 1 2022. He has over 30 years of extensive industry experience, building a solid reputation as a business, safety, ethical leader, and integrator. Before joining Seplat Energy, Mr. Ezugworie was the General Manager of Development and Subsurface with Royal Dutch Shell, where he worked in Nigeria and Overseas for 25 years. He also served as a Director in Shell Exploration & Production Africa Limited (SEPA), The Shell Petroleum Development Company of Nigeria Limited (SPDC) and Shell Nigeria Business Operations Limited (SNBO) whilst on this Job. Mr. Ezugworie is a Fellow and has been an active member of the Nigerian Association of Petroleum Explorationists (NAPE) for 30 years and has served the association in different capacities. He was the Port Harcourt chapter chairman for five years. A member of the NAPE advisory board in 2016/2017, Elections committee and NAPE @40 organising committees, among others. Mr. Ezugworie holds a bachelor's degree in Geology from the University of Nigeria, Nsukka.

**Committee membership**
Risk Management & H.S.E. Committee (Member)

**Mr. Emeka Onwuka, OON**
Chief Financial Officer;
Executive Director

**Date of appointment**

| | |
|---|---|
| • As Chief Financial Officer and Executive Director | 3 August 2020 |
| **Board meetings attended** | 9/9 |
| **Independent** | N/A |

With over 34 years in Sub-Saharan Africa's financial sector, Mr Emeka Onwuka, former Group Managing Director and C.E.O. of Diamond Bank Plc, brings vast expertise. He chaired Enterprise Bank Limited's Board and served as a Partner at Andersen Tax Nigeria before joining Seplat. Holding a B.Sc. in Political Science from the University of Nigeria, Nsukka, and an M.B.A. from the University of Benin (1987), he is a Chartered Accountant and Fellow of several professional bodies, including the Institute of Chartered Accountants of Nigeria. His executive education includes programs at Lagos Business School, Wharton, and Harvard Business School. Recognised with the Nigerian National Honour, Officer of the Order of the Niger (O.O.N.), Mr. Onwuka's board roles span companies like FMDQ Securities Exchange Limited and Bharti Airtel Nigeria. Starting at Arthur Andersen Nigeria in 1988, he advanced to Senior Consultant by 1992, offering diverse services to various sectors. At Diamond Bank, he navigated industry consolidation, led expansions across West Africa, and executed strategic partnerships and listings, including on the London Stock Exchange (L.S.E.).

**Committee membership**
N/A

**Eleanor Adaralegbe**
Executive Director

**Date of appointment**

| | |
|---|---|
| • Executive Director | 1 May 2024 |
| **Board meetings attended** | N/A |
| **Independent** | N/A |

Eleanor, who joined Seplat in February 2015, brings over three decades of diverse experience spanning the oil and gas and professional services sectors. She held impactful roles in Ernst & Young, ConocoPhillips, Ocean Energy (a Devon Energy subsidiary), and Addax Petroleum. Prior to her appointment as CFO Designate in July 2023, Eleanor served as VP of Finance at Seplat Energy PLC. In her tenure at Seplat Energy, she oversaw Finance, Tax, and Supply Chain Management functions, chaired the contracts tender board, and served as a Director on the Board of Elcrest. Eleanor, a Chartered Accountant and Fellow of the Institute of Chartered Accountants of Nigeria, holds a Mathematics Degree from the University of Nigeria, Nsukka, an MSc in Global Finance from City University of London (now Bayes Business School), and is an alumnus of Harvard Business School. Throughout her career, Eleanor has demonstrated exceptional skills in managing stakeholders within Nigeria's energy sector and fostering strong relationships with the global investor community.

**Committee membership**
N/A

**Dr. Charles Okeahalam**
Senior Independent
Non-Executive Director

**Date of appointment**

| | |
|---|---|
| • Independent Non-Executive Director | 1 March 2013 |
| • Senior Independent Non-Executive Director | 18 May 2022 |
| **Board meetings attended** | 9/9 |
| **Independent** | Yes |
| **Retired** | 31 March 2024 |

Dr Okeahalam, co-founder and Chairman of A.G.H. Group a private equity and diversified investment holding company with assets across Africa. Formerly a professor at the University of the Witwatersrand, he advised African central banks, ministries, the World Bank, and the United Nations. With board roles in ABSA, South African Airways, Sun International, and past chairmanships in Heritage Bank Limited and the Nigeria Mortgage Refinance Company, he's a recognised economist honoured with a Bank of England Senior Fellowship for his econometric analysis of African financial systems. He shares his expertise as a Visiting Professor of Practice at the London School of Economics and Political Science (L.S.E.). Actively engaged in philanthropy, he chairs the board of AMREF Health Africa. His appointment as Senior Independent Non-Executive Director on the SEPLAT Energy Plc Board in 2022 underscores his vast knowledge of corporate finance, banking, and capital markets.

**Committee membership**
Board Finance & Audit Committee (Chairman)
Energy Transition Committee (Member)
Remuneration Committee (Member)
Nominations & Governance Committee (Member)

**Mr. Olivier Cleret De Langavant**
Non-Executive Director

**Date of appointment**

| | |
|---|---|
| • Non-Executive Director | 28 January 2020 |
| **Board meetings attended** | 7/9 |
| **Independent** | Not Applicable (Maurel & Prom Nominee) |

Mr Olivier Cleret de Langavant assumed the C.E.O. role at Maurel & Prom in November 2019. Before this, he spent over three decades at Total Group, starting as a Reservoir Engineer in 1981. His tenure saw him hold various roles globally, including Senior Vice President in the Netherlands and Managing Director positions in Angola and Myanmar. Notably, he played a crucial role in developing the deepwater Girassol field in Angola. Later, he served as Senior Vice President overseeing Finance, Economics, and Information Systems within Total's Exploration Production branch. From 2011 to 2015, he led E&P Strategy, Business Development, and R&D, followed by a role as Senior Vice President for Asia Pacific. He also served on the Total Group Management Committee. Mr. de Langavant holds an engineering degree from the National School of Mines of Paris (1978).

**Committee membership**
Risk Management & HSSE Committee (Member)

**Madame Nathalie Delapalme**
Non-Executive Director

**Date of appointment**

| | |
|---|---|
| • Non-Executive Director | 18 July 2019 |
| **Board meetings attended** | 8/9 |
| **Independent** | No |

Madame Delapalme has been a non-executive director on the Board of Directors of Maurel et Prom since 2011 and chair of its E.S.G. Committee. As such, she acted as an alternate to Maurel et Prom's nominee, Michel Hochard, from June 30, 2014, until July 18, 2019, when she was appointed a Non-Executive Director on the Board of Seplat. From 1988-1995, then from 1997-2002, she served as an advisor to the Finance and Budgetary Commission of the French Senate, where she audited public policies. She was Advisor for Africa and Development to various Foreign French Ministers from 1995-1997 and again from 2002-2007. She then served as Inspector General of Finances at the French Ministry of Economy and Finance from 2007-2010. She joined the Mo Ibrahim Foundation, which focuses on governance in Africa, in 2010 and is currently its C.E.O. Over the last 15 years, she has served or is still serving, as a non-executive on the boards of various companies, non-profit organisations, and think tanks operating in or focusing on Africa. She graduated from Sciences-Po Paris/ Section Public Service – Eco III and holds a D.E.A. in Applied Economics( Development). Madame Delapalme brings over 35 years of experience in public and global affairs with a strong focus on development and governance challenges, specifically in Africa.

**Committee membership**
Sustainability Committee (Chairman)
Energy Transition Committee (Member)

**Dr Emma FitzGerald**
Independent
Non-Executive Director

**Date of appointment**

| | |
|---|---|
| • Independent Non-Executive Director | 1 August 2021 |
| **Board meetings attended** | 9/9 |
| **Independent** | Yes |

Dr FitzGerald is a seasoned Energy and water executive with extensive experience at Shell, where she led the lubricants business in China and managed the Global Retail network. As Head of Shell's Downstream strategy from 2007 to 2010, she played a key role in reshaping Shell's renewables strategy, notably establishing the Raizen biofuels J.V. in Brazil. Later, she served as C.E.O. of Puma Energy International, focusing on energy markets in Africa, Asia, and Central America. In 2020, she established Puma's Future Energies division to facilitate the energy transition. With a track record of leadership in sustainability, she led gas distribution and water and waste networks for National Grid and Severn Trent. Currently on the board of Newmont Corporation, she champions principled environmental, social, and governance practices. She is the Co-Chair of the World Economic Forum Global Futures Council for Energy Transition and mentors clean tech startups while coaching senior executives

**Committee membership**
Remuneration Committee (Chairman)
Energy Transition Committee (Member)
Board Finance & Audit Committee (Member)

**Mr. Ernest Ebi**
Non-Executive Director

**Date of appointment**

| | |
|---|---|
| • Non-Executive Director | 18 May 2022 |
| **Board meetings attended** | 9/9 |
| **Independent** | Not applicable (Shebah Petroleum Nominee) |

Mr. Ebi is a seasoned professional whose vast experience in the banking and finance industry spans over four decades. He oversaw Policy and Corporate Services as Deputy Governor of the Central Bank of Nigeria from June 1999 to June 2009. Before this, he held executive roles in Nigerian and American banking sectors, notably as Deputy Managing Director at Diamond Bank Ltd. He was appointed Managing Director & C.E.O. of New Nigerian Bank Plc. in 1995, where he successfully executed a turnaround plan and recovered a significant portfolio of non-performing assets. With senior positions at International Merchant Bank, he chaired Fidelity Bank Plc and AIICO Pension Managers. He is an Independent Director on several boards, including Dangote Cement Plc. and Julius Berger Nigeria Plc. A Fellow of the Chartered Institute of Bankers and Institute of Directors Nigeria, Mr Ebi has completed leadership courses at prestigious institutions and was honoured with the National Honour of Member of the Order of the Federal Republic (M.F.R.) in 2007.

**Committee membership**
Energy Transition Committee (Member)
Sustainability Committee (Member)

**Mrs. Bashirat Odunewu**
Independent
Non-Executive Director

**Date of appointment**

| | |
|---|---|
| • Independent Non-Executive Director | 18 May 2022 |
| **Board meetings attended** | 9/9 |
| **Independent** | Yes |

Mrs Odunewu is a Banking and financial expert with about 30 years of experience in the Finance and Banking Industry. Until June 2021, she served as a C-Suite executive in corporate banking (Energy, Natural Resources, Infrastructure) at First Bank Nigeria Ltd. Previously, she oversaw the international banking group, supervising C.E.O.s of subsidiaries in six African countries and the Bank's Representative office in China. With over ten years at the C-suite level, she is skilled in business strategy, an alumnus of Imperial College (University of London) and the University of Manchester. A Chartered Accountant (F.C.A.) and certified member of the Chartered Institute of Arbitrators-UK (MCIArb), she is also affiliated with reputable professional associations, including the Chartered Institute of Bankers Nigeria (CIBN) and Institute of Directors (IoD). Mrs. Odunewu currently serves as an INED on the boards of Leadway Holdings and Barloworld Ltd (J.S.E. Listed). She chairs F.B.N. Bank Senegal and is a member of the Franco-Nigeria Chamber of Commerce and Industry's Board of Directors. Her expertise spans audit/accounting, corporate and commercial banking, investment banking, and treasury, particularly in Oil and Gas financing projects. Recognised for stellar performance, she mentors and sponsors younger professionals to achieve their aspirations.

**Committee membership**
Energy Transition Committee (Chairman)
Nomination & Governance Committee (Member)
Board Finance & Audit Committee (Member)
Statutory Audit Committee (Member)

**Mr. Bello Rabiu**
Independent
Non-Executive Director

**Date of appointment**

| | |
|---|---|
| • Independent Non-Executive Director | 9 July 2021 |
| **Board meetings attended** | 9/9 |
| **Independent** | Yes |

Mr Bello Rabiu, Founder and C.E.O. of Dankiri Farms and Commodities Limited, holds Bachelor's and Master's Degrees in Mathematical Statistics from Ahmadu Bello University, Nigeria, and a Master's in Petroleum Engineering from The Imperial College, London, UK. He completed career advancement courses at Wharton and Harvard Business School. Retiring from the Nigerian National Petroleum Corporation (NNPC) in July 2019 after 28 years, he served as COO/GED Upstream, overseeing NNPC's upstream businesses. His prior roles at NNPC included group general manager and senior technical assistant to the group managing director. His tenure saw achievements like restoring confidence in Nigeria's upstream joint ventures and spearheading critical domestic gas development projects. With a balanced knowledge of Nigeria's Exploration and production industry, he blends commercial and operational expertise, which is crucial for strategic initiatives like the Nigerian Gas Master Plan. Under his leadership, national oil production increased to 2.3mbpd by 2019, reflecting his impact on Nigeria's energy sector.

**Committee membership**
Nomination & Governance Committee (Chairman)
Risk Management & HSSE Committee (Chairman)
Remuneration Committee (Member)
Board Finance & Audit Committee (Member)

**Mr. Kazeem Raimi**
Non-Executive Director

**Date of appointment**

| | |
|---|---|
| • Non-Executive Director | 18 May 2022 |
| **Board meetings attended** | 9/9 |
| **Independent** | Not applicable (Platform Petroleum Nominee) |

Mr Raimi, currently the Executive Director of Commercial at Platform Petroleum Limited, previously held roles at Seplat Energy, where he served as General Manager, Commercial and Manager, Corporate Planning and Economics. With extensive experience in project economics, commercial negotiation, and operations, he was the Lead Petroleum Economics and Commercial Advisor at Addax Petroleum, handling ventures in Nigeria, Switzerland, Gabon, Iraq, and Cameroon. Earlier, he worked as a Treasury Manager at Cadbury Nigeria Plc and Audit Finance Analyst at Citibank Nigeria Limited. Mr Raimi, a Non-Executive Director at PNG Gas Limited, Egbaoma Gas Processing Company Limited, and Ase River Transport Company Limited, holds a First-Class Honors in Economics from the University of Ibadan, an MSc in Oil and Gas Economics from the University of Dundee, and completed courses including the Certificate of Management Excellence at Harvard Business School.

**Committee membership**
Risk Management & HSSE Committee (Member)
Statutory Audit Committee (Member)

### Ms. Koosum Kalyan
Independent
Non-Executive Director

**Date of appointment**

| | |
|---|---|
| • Independent Non-Executive Director | 28 February 2023 |
| **Board meetings attended** | 6/6 |
| **Independent** | Yes |

Ms Koosum Kalyan, a South African businesswoman and economist, started her career at the Electricity Commission in Melbourne, Australia. She then joined Shell South Africa as an economist, later becoming a member of the Shell Global Scenario Planning Team. During her nine-year posting at Shell International London, she worked on projects across Nigeria, Gabon, Mozambique, and Tanzania, assisting governments in energy policy transformation and joining the Extractive Industries Transparency Initiative. Ms. Kalyan has served on several prestigious company boards and was recently appointed Chairperson of Control Risk for Southern Africa. She holds a B. Com Law and Economics from the University of Durban Westville. She has completed executive programs at London Business School and Shell Leadership Institute, enhancing her expertise in leadership and management.

**Committee membership**

Remuneration Committee (Member)
Risk Management & HSSE Committee (Member)
Sustainability Committee (Member)

### Mr. Babs Omotowa
Independent
Non-Executive Director

**Date of appointment**

| | |
|---|---|
| • Independent Non-Executive Director | 1 April 2024 |
| **Board meetings attended** | N/A |
| **Independent** | Yes |

Mr. Babs Omotowa is a prominent figure in the global Energy industry with over 26 years of experience in leadership, commercial, strategy, and operational roles across Europe, Africa, the U.S.A., Asia, and the Middle East. He holds a B.Sc. in Industrial Chemistry, a Master's Degree in Business Administration specialising in Operations Research and Supply Chain Management, and an Honorary Doctor of Science. He has attended leadership programs at Harvard, INSEAD, and IMD. Mr. Omotowa is the Global President of the Chartered Institute of Procurement and Supply, based in London, UK, with over 100,000 members globally. Formerly, he served as Managing Director/C.E.O. of Nigeria L.N.G. Limited for nearly five years and held roles such as Vice-President at Shell Sub-Saharan Africa and Director at Shell Petroleum Development Company. He currently serves as Chairman of the Advisory Board of Montserrado Oil and Gas B.V., Independent Director on the Boards of Pearlhill Technology U.S.A., Stanbic IBTC Holding Plc, and C.A.P. Plc, and Founding President of the Nigerian University of Technology and Management.

**Committee membership**

N/A

### Mr. Christopher John Okeke
Independent
Non-Executive Director

**Date of appointment**

| | |
|---|---|
| • Independent Non-Executive Director | 1 December 2023 |
| **Board meetings attended** | N/A |
| **Independent** | Yes |

Mr. Okeke, a Nigerian Corporate Commercial lawyer and diplomat with agribusiness interests, obtained his L.L.M. from Georgetown Law School in 1979 and was admitted to the Nigerian Bar in 1980. He co-founded Ajumogobia & Okeke, a prominent Nigerian commercial law firm, serving as managing partner until his retirement in 2009. Specialising in Project Financing and Privatisation, he represented investors and banks extensively. With extensive board experience, he served as nominee director for international companies like Philip Morris, including as chairman. He chaired boards such as A.R.M. Pension Managers (P.F.A.) Limited. From 2017 to 2020, he served as Nigeria's Ambassador to Brazil, Bolivia, and Paraguay and has been an Honorary Legal Adviser to successive British High Commissioners since 1989. Additionally, he acted as Legal Advisor to various foreign embassies in Nigeria, counselling on consular and commercial issues, and represented international development agencies like DFID, the British Council, and the IFC.

**Committee membership**

Remuneration Committee (Member)

# Corporate governance report

The Board of Directors of Seplat Energy Plc. (the "Board") regards Corporate Governance as fundamental to the success of the Company and continues to ensure that the principles of good governance are applied in all the Company's dealings. The Board implemented a tone-from-the-top approach that emphasizes the need to act in accordance with the highest standards of corporate governance.

Seplat Energy as a Company with dual listing under both the Nigerian Exchange Limited (NGX) and the London Stock Exchange (LSE), is subject to several listing and governance provisions. Some of the key provisions that applied to Seplat Energy for the year ended 31 December 2023 are the Companies and Allied Matters Act 2020 ('CAMA'), the Nigerian Securities Exchange Commission's Rules and Regulations on Code of Corporate Governance for Public Companies (2011) as amended ("SEC Code"), the Nigerian Code of Corporate Governance 2018 ("Nigerian Code"), UK Listing Rules ('LRs'), the UK Market Abuse Regulation ('UK MAR'), the UK Corporate Governance Code 2018 (UK Code).

In line with the requirements of these Laws, rules, and regulations, the Board of Seplat Energy, as the highest governing body in Seplat Energy, is aware of its overall responsibility to provide oversight of the performance and affairs of the Company on behalf of the shareholders and all stakeholders.

The Company at the end of the year under review, had a Board of Directors consisting of fifteen (15) members. The Directors have diverse backgrounds, experiences, and expertise, which they brought to bear in the discharge of their duties in the financial year under review. The Board equally has the appropriate mix of Executive, Non-Executive, and Independent Non-Executive Directors. The majority of the Seplat Energy Board are Non-Executive Directors, most of whom are Independent Non-Executive Directors. The Board regards corporate governance as a critical factor in the achievement of the Company's objectives and has therefore put in place and adopted appropriate charters, policies, and processes for the day-to-day running of the Company.

## Board Processes

### Scope and Authority

In line with relevant codes of corporate governance and regulations, the Board is responsible for ensuring compliance with all applicable laws, rules, and regulations. In discharging this responsibility, the Board is supported by the Company Secretariat, Compliance, and Legal Unit headed by the Director Legal/Company Secretary. Additionally, the Board is supported by key members of the Senior Leadership Team and management as required from time to time. To aid the Directors' effective participation and making of informed decisions at Board and Committee meetings, all Board and Board Committee papers are circulated to each Director in advance of their meetings using the Board pad software that is designed for that purpose. Formal minutes of Board and all Committee meetings are taken by the Company Secretariat team and are reviewed, discussed by the Board prior to approval, and adopted at the subsequent Board and Committee meetings. The Company Secretary also advises and provides guidance to the Board in the discharge of its obligations as stipulated in the applicable Nigerian and UK laws, codes, rules, and regulations. Members of the Board are aware of their right to obtain independent professional advice at the Company's expense and in the year under review, the Directors sought independent professional advice on the following from independent professionals: (i) Independent Board Effectiveness/Corporate Governance Evaluation – Ernst & Young; (ii) Corporate Governance issues raised by Shareholders – Udo Udoma & Belo-Osagie; (iii) Independent Due Diligence on Shareholdings – KPMG; (iv) Executive Board Search – Russell Reynolds Associates.

The roles and responsibilities of the Chairman and the CEO are clearly separated and are outlined in the Board Charter and in the appointment letters of the Chairman and the CEO. This role separation is monitored by the Senior Independent Non-Executive Director ('SINED') and is periodically assessed during Board evaluations.

The Board has adopted a comprehensive Board Charter that sets out the matters that are exclusively reserved for its approval. The matters that require exclusive approval of the Board are also captured in the Authority Matrix of the Company to ensure strict compliance by the Senior Leadership Team and management.

Some of the key matters the Board deliberated upon for the financial year under review include, but are not limited to the following:

- Review of the Annual Declaration of Conflict of Interest for the Directors;
- Consideration of Updates on MPNU Acquisition;
- Consideration and review of reports from all the Board Committees and Statutory Audit Committee on a quarterly basis;
- Consideration and Approval of Reports from the various Business Units – New Energy, Elcrest, AGPC, Eastern Assets and Western Assets;
- Review and approval of the 2022 Full Year Financial Results and the Quarterly Financial Results for 2023;
- Consideration and approval of Final and Quarterly Interim dividend payments to the Shareholders; Total Core Dividend increased from 10 cents to 12 cents;
- Received and considered presentations on Risk Management as well as Seplat Energy's ESG and Sustainability Road Map;
- Held Executive Sessions with all the Directors; and Management sessions with members of the Senior Leadership Team;
- Considered and approved the appointment of the following Directors to the Board: (a) Ms. Koosum Kalyan (INED) effective February 28, 2023; (b) Mr. Christopher John Okeke (INED) effective December 1, 2023; (c) Mr. Udoma Udo Udoma (INED) effective December 1, 2023; (d) Mr. Babs Omotowa (INED) effective April 1, 2024, and (e) Mrs. Eleanor Adaralegbe (CFO) effective May 1, 2024;
- Received and accepted the resignation letter of Professor Fabian Ajogwu, SAN (INED) from the Board;
- Restructured the membership and chairmanship of the Board Committees;
- Received and considered Legal updates on the court actions relating to Shareholder & Board matters. All actions instituted by shareholders against the Company were effectively managed and are close to determination;

- Considered and ensured the resolution of the issues raised in (i) the Letter received from the Ministry of Interior regarding the residency status of the CEO and (ii) the suit instituted by the Nigeria Immigration Service. The issues have been resolved and the suit was withdrawn and discontinued by the Nigeria Immigration Service;
- Consideration and approval of the 2024 budget and work programme by the Board;
- Termination of Consultancy Agreement between the Company's wholly-owned subsidiary and its co-founder, Dr. A.B.C Orjiako, acting through Amaze Limited;
- Board Succession and Board Refreshment including implementation of the forward-looking Board Succession Plan;
- Training session on ESG and Corporate Governance for the Board;
- Restructuring of Board membership/Seplat Energy representation in Seplat Energy subsidiaries/affiliates;
- Received and considered updates on Seplat Energy's new energy business, implementation of net-zero roadmap, and restructure of midstream business;
- Consideration and approval of Seplat Energy 10th Annual General Meeting (AGM) and 1st ever virtual AGM;
- Consideration and approval of Seplat Energy LTIP Funding.

To facilitate an efficient and effective discharge of its responsibilities, the Board has delegated specific aspects of its responsibilities to these six (6) Committees. These Board Committees are:

1. The Board Finance and Audit Committee.
2. The Remuneration Committee.
3. The Nomination and Governance Committee.
4. The Risk Management and HSSE Committee.
5. The Sustainability Committee.
6. The Energy Transition Committee.

The Board Finance and Audit Committee, which comprises only Independent Non-Executive Directors was constituted in 2013 in compliance with the UK Code's requirement for an audit committee.

The Statutory Audit Committee which was established at the 30 June 2014 Annual General Meeting ('AGM') consists of three (3) shareholder representatives who are elected at every AGM to sit on the Statutory Audit Committee in line with Sections 404(2) & (3) of CAMA 2020 and two (2) Non-Executive Directors.

All seven (7) Committees (including the Statutory Audit Committee) have their respective Terms of Reference that guide their members in the discharge of their assigned duties. All the Committees present a report to the Board, highlighting matters deliberated upon as well as each Committee's proposals/recommendations on matters within the remit of their respective Terms of Reference. The details of these seven (7) Committees are contained in the individual Committee reports in this governance section.

## Board Review and Evaluation

In line with the Nigerian Code and the UK Code, which prescribes the establishment of a formal and rigorous annual evaluation of the performance of the board, its committees, the chairman, individual directors and that the process should be externally facilitated by an independent external consultant at least once in three (3) years, the Board in the year under review, engaged the services of an independent external consultant, Ernst & Young Nigeria to carry out an evaluation of the Board for the financial year 2022. The independent consultant also carried out an assessment of the corporate governance practices within the Company.

In carrying out the evaluation, the following seven (7) key corporate governance areas were considered:

- Board Structure and Composition;
- Strategy;
- Board Operations;
- Relationship with Stakeholders;
- Board Risk Management Activities;
- Quality of the Board; and
- Transparency and Disclosure.

The approach of Ernst & Young Nigeria to the appraisal included a combination of desktop reviews, survey analysis, and interviews with Board members.

## Board Meetings

One of the principal ways in which the Board performs its oversight function and monitoring of the Company's performance is through Board meetings. In accordance with regulatory requirements, the Board meets at least once every quarter. However, additional meetings are scheduled as matters that require the attention of the Board, prior to the convening of the next quarterly Board meeting, arise.

The Board held nine (9) meetings during the 2023 financial year. The dates of the meetings and attendance of each Director at the meetings are as stated below. During the year under review, the Independent Non-Executive Directors held exclusive meetings, without the Executive Directors. In addition, the Chairman, and the Senior Independent Non-Executive Director each held different meetings with the Non-Executive Directors, in the absence of the Executive Directors. In compliance with the Nigerian Code and the UK Code, it is the policy and practice of Seplat that no Director is involved in any deliberation pertaining to his/her remuneration.

During the year under review, the Directors committed sufficient time to the Company in compliance with the Nigerian and UK Codes.

The dates of the 2023 Board meetings are as follows:

- 26 January 2023;
- 13 February 2023;
- 24 February 2023;
- 8 March 2023;
- 03 April 2023;
- 26 April 2023;
- 26 July 2023;
- 25/27 October 2023; and
- 31 October 2023.

**Attendance of the board meetings are shown on page** 110

## Board Policies and Insurance Cover

In addition to the Board Charter earlier mentioned, the company has a Code of Conduct that applies to all employees, including the CEO and the Board of Directors.

The company also has other policies on corporate governance and sustainability. As of the date of this Annual Report and Accounts, the Board has in place the following policies and practices on corporate governance:

1) **Board Charter**
2) **Code of Business Conduct Policy**
3) **Code of Business Conduct**
4) **Board Succession Policy**
5) **Board Representation Policy for Incorporated Joint Ventures (IJVs) & Other Arrangements**
6) **Anti-Bribery and Corruption Policy**
7) **Anti-Fraud Policy**
8) **Gifts and Hospitality Policy**
9) **Anti-Discrimination, Bullying and Harassment Policy**
10) **Community Relations Policy**
11) **Investors' Complaint Management Policy**
12) **Conflict of Interest Policy for Directors and Employees**
13) **Corporate Communications Policy**
14) **Electronic Information & Communications Systems Policy**
15) **Inside Information Policy**
16) **Political and Charitable Contributions Policy**
17) **Related Party Transactions Policy and Guidelines**
18) **Risk Management Policy**
19) **Share Dealing Policy**
20) **Whistleblowing Policy**
21) **Market Sounding Policy**
22) **Diversity & Inclusion Policy**

The following policies were adopted in 2023:

**23) Climate Change Policy**

Seplat recognizes the strategic significance of climate change and the energy transition for its business and Nigeria. The Company aims to play a pivotal role in driving Nigeria's transition toward cleaner, more reliable, and affordable energy. Seplat supports Nigeria's goal of achieving net-zero carbon emissions by 2060 and endorses the more ambitious target of limiting global warming to 1.5°C above pre-industrial levels, as agreed upon at COP26. Seplat's Climate Change Policy establishes a framework for efficiently managing its operations to support its climate change commitments in alignment with global best practices. The CEO is responsible for ensuring the effective implementation of this policy, which applies to all directors, employees, contractors, vendors, advisers, and persons working on behalf of Seplat. Seplat aims to achieve its climate change objectives by setting net emissions reduction targets, investing in lower-emission technologies, and supporting efficient operations. The Company also commits to transparent accounting and reporting for GHG emissions and aligning with global reporting standards.

**24) Child and Forced Labour**

Seplat prioritizes compliance with regulations and best practices, particularly concerning human rights and fundamental freedoms. The Company commits to respecting, promoting, and preventing child and forced labour in its operations and endeavours to ensure its business partners do the same. This commitment aligns with various international and national regulations and principles, including the ILO Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights, and Nigerian labour laws. The Company's Child and Forced Labour Policy, reinforced by its Code of Business Conduct and other relevant policies, provides the basis for its approach in this area. The CEO is responsible for ensuring the effective implementation of this policy. The Company has zero tolerance for forced labour, physical punishment, abuse, or involuntary servitude of any worker. Valid identification and proof of age are required before employment, and age documentation is properly documented for all employees.

**25) Sustainability and ESG Policy**

Seplat is committed to embedding sustainability in its operations and holding itself to the highest standards. The company aims to leave a better legacy for future generations by putting ESG considerations at the heart of its decision-making. Seplat is shaping its strategy and risk management processes to align with Nigeria's energy transition goals. The company recognizes the increasing complexity of the ESG landscape and is committed to transparency in reporting its sustainability and ESG performance. Seplat's Sustainability and ESG Policy aligns with international reporting standards and guidelines, including the GRI, UNGC, TCFD, and other applicable regulations. The CEO is responsible for ensuring the effective implementation of this policy, which applies to all directors, employees, contractors, vendors, advisers, and persons working on behalf of Seplat. The policy will be reviewed regularly and updated as required. Seplat aims to achieve its sustainability and ESG objectives by framing its approach with a set of principles, rigorously assessing its impact on society and the environment, and ensuring compliance with all applicable regulatory requirements.

Further details on the Company's Policies on Corporate Governance and Sustainability can be found on the Company's website www.seplatenergy.com.

The Board has also adopted the UK Market Abuse Regulation ('UK MAR') which governs the disclosure and control of inside information and the reporting of transactions by persons discharging managerial responsibilities ('PDMRs').

The Board is responsible for taking appropriate steps to ensure observance of the provisions of the UK MAR by the Directors. The Company is therefore committed to observing the UK MAR provisions as part of its commitment to good corporate governance practices.

The Company has arranged appropriate insurance cover for legal action against its Directors. This insurance covers losses and actions arising from matters involving a Director's failure to act in good faith and in the Company's best interest, failure to exercise powers for a proper purpose, failure to use skill reasonably, failure to comply with the law, etc. The Company regularly reviews this insurance coverage to ensure adequate protection of its Directors.

## Appointment, Development, and Evaluation of Directors

The Board has adopted a Board Succession Policy to guide the appointment of its Directors in accordance with corporate laws, corporate governance codes, regulations, and international best practices. The Board Succession Policy requires the Nomination and Governance Committee ("NomGovCo") to submit to the Board on a yearly basis a succession plan identifying key and critical positions, definitive designation of successors for such positions, articulation of specific development plans for identified successors which are tied to the Company's overall performance management and career communication. NomGovCo has overall responsibility for the Board appointment, induction, training, and evaluation processes, as well as changes to the Company Secretary and other senior management staff, all of which are subject to approval by the Board. In line with the provisions of the Board Succession Policy, Ms. Koosum Kalyan was appointed as an Independent Non-Executive Director on February 28, 2023, to fill the vacancy created with the stepping down of Ms. Arunma Oteh, OON on 31 December 2022. Ms. Kalyan's appointment was duly approved by the shareholders at the 10th Annual General Meeting of 10 May 2023.

To underpin the Company's transition and business transformation, the Board announced a Board Succession Forward Plan via Corporate Announcement on April 25, 2023 (RNS: 3575X) wherein it was announced that Mr. Basil Omiyi, CON, and Dr. Charles Okeahalam, will both retire from the Board before the May 2024 AGM and that the Company will embark on a recruitment process to run a search for the next Seplat Energy Chairman. In line with the announcement, the Company embarked on the recruitment process and on November 1, 2023, announced the appointment of three (3) INEDs – Mr. Christopher John Okeke and Mr. Udoma Udo Udoma both effective December 1, 2023 and Mr. Babs Omotowa effective April 1, 2024. Further details on the process adopted in the implementation of the Board Succession Forward Plan is as contained in the NomGovCo report on page 126.

In line with the provisions of CAMA which stipulates that the successor Chairman must already be a Director of the Company and should be voted in by simple majority votes of other directors, the Board at its meeting held on February 28, 2024, unanimously elected Mr. Udoma Udo Udoma as the Chairman of Seplat Energy, effective April 1, 2024.

Further to the Board Succession Plan, Mr. Basil Omiyi, CON, and Dr. Charles Okeahalam both retired from the Board on March 31, 2024, and Mr. Udoma Udo Udoma succeeded Mr. Basil Omiyi, CON as Chairman of Seplat Energy while Mr. Bello Rabiu succeeded Dr. Charles Okeahalam as Senior Independent Non-Executive Director. Mrs. Eleanor Adaralegbe will also succeed Mr. Emeka Onwuka, who is retiring from the Board, as Executive Director/Chief Financial Officer (CFO) effective May 2024. The profiles of all newly appointed directors can be found on the Company's website – www.seplatenergy.com.

The fundamental principles of the appointment process include an evaluation of the balance of skills, knowledge, and experience on the Board, the leadership needs of the Company, and the ability of the candidate to fulfil his/her duties and obligations as a Director. All appointments to the Board undergo a formal, rigorous and transparent process.

New Directors are required to attend an induction programme on the Company's business, their legal duties, and responsibilities as well as other information that would assist them in effectively discharging their duties. The Company also believes in and provides continuous training and development opportunities for its Directors to equip them with the required skills to effectively discharge their duties and to enable them to refresh their skills and knowledge. In furtherance of this, the Company organized induction programs for all newly appointed directors and held a Corporate Governance training for all Directors in the year under review.

From January 1 to May 9, 2023, the two Board Representatives – Mrs Bashirat Odunewu and Mr Olivier De Langavant served alongside the following three (3) shareholders' representatives elected at the 2022 AGM namely: Chief Anthony Idigbe S.A.N., Mrs. Hauwa Umar; and Sir Sunday Nwosu.

While from May 10, 2023, the two Board Representatives – Mrs Bashirat Odunewu and Mr Kazeem Raimi served alongside the following three (3) shareholders' representatives who were elected at the 2023 AGM namely: Mr. Abayomi Adeyemi, Mrs. Hauwa Umar, and Mr. Nornah Awoh.

## Rotation of Directors

In accordance with the provisions of Section 285 of CAMA, one-third of the Directors of the Company are required to retire from office. The Directors to retire every year shall be those who have been longest in office since their last election.

However, in accordance with Article 131 of the Company's Articles of Association, apart from the Executive Directors and Founding Shareholder Directors, all other Directors are eligible for retirement and re-election by rotation. In the year under review, Mr. Bello Rabiu and Madame Nathalie Delapalme were put up for re-election at the 2023 AGM and were duly re-elected by shareholders. At the 2024 AGM, the two (2) Directors, who have stayed longest in office since their last election/re-election and who would be presented for re-election are: (1) Dr. Emma FitzGerald; and (2) Mrs. Bashirat Odunewu.

## Accountability

Details of the Directors' responsibility for preparing the Company's financial statements and accounts, and a statement that they consider the financial statements and accounts, taken as a whole, to be fair, balanced, and understandable and to contain the information necessary for shareholders to assess the Company's position and performance, business model and strategy, are given on page 167 of this report. Seplat's business model and strategy for delivering the objectives of the Company and the assumptions underlying the Directors' assessment of the business as a going concern are given on pages 44 and 167 of this report, respectively.

The Board, during the financial year under review, carried out an assessment of the Company's risk management and internal controls systems, including financial, operational and compliance controls, and reviewed their effectiveness, details of which are given on pages 74 to 89 of this report.

In compliance with CAMA and the Nigerian Code, the Company has established a Statutory Audit Committee (mentioned earlier), and in compliance with the UK Code's requirement for an Audit Committee, the Board has established a Board Finance and Audit Committee comprising of Independent Non-Executive Directors. Details of the Board Finance and Audit Committee and Statutory Audit Committees' membership and activities are given in their respective reports, on pages 124 and 162. The Board has also established the Risk Management and HSSE Committee, which is responsible for reviewing on behalf of the Board, operational risk, health and safety, and environmental matters. Details of the Committee's membership and activities are given in its report on page 129.

## Remuneration

In compliance with the Nigerian Code and UK Code, the Board has established a Remuneration Committee solely comprising Independent Non-Executive Directors and was chaired by Dr. Emma FitzGerald for the financial year under review. Details of the Committee's membership and activities are given in its report on page 131. Details of how Seplat Energy's remuneration policy links remuneration to the achievement of the Company's strategy and the level of remuneration paid to each of the Directors during the financial year are outlined on pages 132 to 161.

In compliance with both the Nigerian Code and the UK Code, no Executive Director is a member of the Remuneration Committee, and no Director is involved in any deliberation of his/her remuneration. The Company's remuneration policy and practices are outlined on pages 132 to 161 of this report.

## Engaging with Our Stakeholders

The Board recognises the need to nurture successful relationships with our stakeholders to secure the Company's long-term goals. Through regular engagement, the Board is able to understand the views of all stakeholders and considers them in their decision-making process. Details are included on page 91 of this report.

## Protection of Shareholder Rights

The Board ensures that the statutory and general rights of shareholders are always protected. It further ensures that all shareholders are treated equally. All shareholders are given equal access to information and no shareholder is given preferential treatment.

## Disclosure of Information

As a company listed on both the Premium Board of the NGX and on the Main Market of the LSE, Seplat Energy strives to comply with the highest standards of disclosure. As a matter of practice, the Company simultaneously releases announcements through the relevant regulatory channels in both Nigeria and the UK. It also ensures that all announcements are available on the Company's website together with copies of its latest results, financial reports, and other relevant information. The Company has put in place relevant controls and processes for the management of inside information and approval of Company announcements thereby ensuring that such announcements comply with relevant legal and regulatory requirements.

## Corporate Governance Framework and Other Governance Initiatives

The Board places a high premium on corporate governance as a veritable tool for compliance risk management, ensuring the Company's sustainability, achievement of the Company's strategic objectives, and enhancement of shareholders' value. Consequently, the Board in fulfilment of its primary responsibility has put in place a corporate governance framework with a "tone from the top" approach to governance compliance. The Board regularly subjects itself to evaluations to determine its level of corporate governance compliance and takes remedial action to resolve any areas of potential or perceived non-compliance.

To foster an effective day-to-day implementation of our well-established corporate governance framework, the Company has put in place the following dedicated business units/directorates comprising of – Company Secretariat, Governance, Compliance, Legal, Internal Audit, Enterprise Risk Management, Business Integrity, and Health, Safety & Environment. The Company collaborates with its regulators (NGX, SEC, FRCN, CAC, LSE and FCA) when necessary to ensure the Company maintains its robust corporate governance framework and an effective compliance program. The Company frequently attends engagement sessions with its regulators.

## Corporate Governance Recertification and Conflict Declarations

As part of Seplat's continuous corporate governance awareness campaign, the Company carried out its annual corporate governance online recertification exercise for all employees. The Company also conducted its annual Conflict of Interest/Affirmation of Independence declarations for Directors and all Employees.

## Board Training

In October 2023, the Board attended a training session on Corporate Governance facilitated by IMD as part of its continuing corporate governance knowledge development and also received an ESG training session on the Sustainability and ESG communications landscape. The ESG training session was facilitated by Buchanan.

## Diversity & Inclusion

As an Organization, Seplat recognizes its Board and employees as one of its greatest assets and key stakeholders. The Company is therefore committed to promoting a diverse and inclusive workplace that will maximise value for its stakeholders and ensure the sustainable success of the Company. It is therefore the policy and practice of the Company to attract, recruit, and retain diverse and talented members of the Board, management, and workforce. The Company has put in place a Diversity and Inclusion Policy which applies to all Directors, employees, and business partners, including their respective recruitment, engagement, remuneration, evaluation, and promotion. The Diversity and Inclusion Policy applies in all countries and locations in which Seplat operates, except in jurisdictions where the Company has adopted a specific policy on Diversity & Inclusion.

As part of the Company's sustainability approach to business, Seplat has put in place the 'Seplat Women Awesome Network' ('SWAN') under the Seplat Gender Diversity programme. SWAN was created to spearhead the Company's contribution towards the achievement of UN Sustainable Development Goal 5, which is to achieve gender equality and empower all women and girls. SWAN has been pivotal to the design, implementation, and development of mainstream gender equality programs in the Company and the energy sector value chain.

The current Board consists of nationals from a variety of cultures within and outside Nigeria, who have diverse expertise in the local and international oil and gas industry and other business sectors. The Nominations and Governance Committee's consideration of candidates for directorship considers diversity of thought and gender. Diversity among Directors enriches deliberations and ensures that diverse views are leveraged in arriving at a collegiate Board and/or decisions. There are currently four (4) female Directors on the Board: (a) Ms. Nathalie Delapalme; (b) Dr. Emma FitzGerald (c) Mrs. Bashirat Odunewu; and (d) Ms. Koosum Kalyan. An additional female Director, Mrs. Eleanor Adaralegbe will join the Board effective 1st May 2024, and will succeed Mr. Emeka Onwuka as Chief Financial Officer when he steps down in May 2024.

Seplat's senior management team consists of men and women from diverse cultural backgrounds in Nigeria, who have varying skills and experience in the different sectors of the oil and gas industry. The Board is committed to continuous investment in diversity programs that would enrich its Board, Management, and employee composition. The Company is proud of the increasing number of females within the senior management team. Overall, females make up 25% of the population (almost 40% of the Board) within the Company while policies have been put in place to grow this number over time at all levels in the organization without compromising competence. The Company will continue to drive this campaign progressively.

## Regulatory Engagements

The Board, during the year, had engagements with its industry regulators to discuss and explain the steps taken by the Company to ensure compliance with the relevant provisions of applicable laws, codes, regulations, and sectorial guidelines.

### Declaration of Compliance
In compliance with the NGX ALR, following specific inquiry, all Directors acted in compliance with the NGX ALR and Seplat Energy's Share Dealing Policy in respect of their securities transactions during the financial year ending 31 December 2023.

### Directors' Declarations
None of the Directors have:

- ever been convicted of an offence resulting from dishonesty, fraud, or embezzlement;
- ever been declared bankrupt or sequestrated in any jurisdiction;
- at any time been a party to a scheme of arrangement or made any other form of compromise with their creditors;
- ever been found guilty in disciplinary proceedings by an employer or regulatory body, due to dishonest activities;
- ever been involved in any receiverships, compulsory liquidations, or creditors' voluntary liquidations;
- ever been barred from entry into a profession or occupation; or
- ever been convicted in any jurisdiction of any criminal offence or an offence under any Nigerian or UK legislation.

**Statement of Compliance with Nigerian Exchange Limited on Listing on the Premium Board**

In Compliance with Section 12.4 of the Rules of the Nigerian Exchange Limited on Listing on the Premium Board, we wish to state that the SEC Code of Corporate Governance for Public Companies in Nigeria, the Financial Reporting Council of Nigeria's Nigerian Code of Corporate Governance, 2018 and the UK Corporate Governance Code govern the operations of Seplat Energy Plc. We hereby confirm that to the best of our knowledge, Seplat is in compliance with the Codes.

Signed by:

**Basil Omiyi, CON**
Chairman

**Edith Onwuchekwa**
Director, Legal/Company Secretary

IFRS S1 IFRS S2

The Board of Seplat Energy holds the primary responsibility for overseeing and being accountable for the development and execution of Seplat Energy's sustainability and climate strategy. To facilitate effective oversight in these areas, Seplat Energy has established three Board Committees: the Sustainability Committee, the Risk Management & HSSE Committee, and the Energy Transition Committee. The Board Finance and Audit committee plays a role in ensuring compliance with corporate governance policies. These committees are crucial in monitoring and addressing sustainability and climate-related risks and opportunities within the organisation. In addition to these committees, Seplat Energy's corporate governance framework emphasises the importance of charters, policies, and processes specifically designed to manage sustainability, climate risks, and opportunities (listed on page 119).

The Board Charter outlines the Board's responsibilities, establishing Board Committees with delegated duties, matters requiring Board approval, procedures for conducting Board meetings, and the Terms of Reference for all Board Committees. These committees typically meet four times a year. The meetings are attended by key individuals, including the Committee chairmen and relevant Senior Management team members, such as the Chief Executive Officer, Chief Financial Officer, Chief Operations Officer, Director Legal/Company Secretary, External Affairs and Social Performance Director, Director Corporate Services and Director of New Energy. External advisers may also attend meetings upon the invitation of the Committee Chairman to address specific matters.

The Board has entrusted the day-to-day implementation of the strategic framework to the CEO, who is supported by the Senior Leadership Team (SLT). To facilitate the sustainable execution of Seplat's strategy, the CEO has established a Sustainability Management Committee (SMC). This committee's role is to assist both the leadership team and the board in ensuring the strategy's sustainable execution. The SMC is responsible for supervising the design and performance of activities to ensure the sustainable execution of Seplat Energy's strategy, and it strives to integrate these key focus areas throughout the organisation. Furthermore, the SMC is responsible for proposing Key Performance Indicators (KPIs) that measure the strategy's sustainable execution in the short, medium, and long term. In addition, the SMC plays a pivotal role in coordinating the reporting of sustainability and ESG (Environmental, Social, and Governance) performance, ensuring consistency and transparency. The SMC also manages periodic reporting to the SLT and the board.

The Board Sustainability Committee assesses and develops the necessary skills and competencies to oversee sustainability-related strategies. This evaluation is carried out in collaboration with the Senior Leadership Team (SLT), the SMC, and the Sustainability Committee. The assessment process involves various methods such as skills and competency assessments, gap analysis, and benchmarking against industry best practices and standards. Additionally, it includes the formulation of Skill Development Plans, participation in Collaborative Networks, fostering Continuous Learning, establishing Performance Metrics and Key Performance Indicators (KPIs), and engaging in Talent Recruitment and succession planning (working with the Nomination and Governance committee).

To ensure continuous alignment with evolving sustainability challenges, the committee regularly evaluates the skills and competencies of its members and the senior leadership team. This ongoing assessment helps identify emerging areas of expertise that may become essential. By systematically evaluating, enhancing, and consistently monitoring the skills and competencies required for effective sustainability oversight, the Board Sustainability Committee ensures that the Company is well-prepared to respond effectively to sustainability-related risks and opportunities.

Members of the Board Sustainability Committee are expected to possess a combination of the following skills, competencies, and experience to fulfil their responsibilities to the Board effectively: (a) A proven track record of practical stakeholder engagement skills, (b) Strong competence in sustainability advocacy, policy formulation, and strategic thinking, as well as financial reporting and disclosure (c) A deep understanding of the sustainability reporting environment (d) The ability to assess sustainability and climate-related risks effectively. The Company will identify relevant educational and training programs to keep the Board updated on new developments related to laws and regulations, evolving commercial, governance, sustainability, and climate-related risks that may impact the Board and the Company.

This also includes staying informed about emerging standards for sustainability-related financial disclosures and climate-related disclosures. All Directors will receive appropriate briefings on the Company's affairs and stay up-to-date with Corporate Governance materials published by relevant bodies.

Our Board Members possess significant and continually growing awareness and expertise in climate change and the energy transition, as reflected in their Board and SLT profiles. Furthermore, ESG awareness sessions are conducted throughout the year for the Board, SLT, and other employees to ensure that everyone remains well-informed and engaged in sustainability and ESG-related matters.

The Board, through the Board Committees, meets at least four times a year and receives quarterly updates from respective management teams on sustainability and climate-related issues. Information/updates are shared through In-person and virtual meetings, Agendas and Charters, Committee Structure, Information Flow, and Meeting materials.

To fulfil its duties effectively, the SMC convenes monthly before the SLT meetings and holds ad-hoc meetings as needed.

**Board level**

**Board of Directors**
Oversees and is accountable for sustainability and climate strategy development and execution

Monitor and address sustainability and climate-related risks and opportunities

**Energy Transition Committee**

Oversees Seplat's gas and energy transition strategy.

Focuses on the delivery of our approach to a highly material ESG issue, central to our sustainability strategy and our business strategy.

**Risk Management and HSSE Committee**

Oversees the identification, assessment, monitoring, and mitigating climate and other HSSE risks.

Holistically considers financial and non-financial/ESG risks

**Sustainability Committee**

Oversees our sustainability strategy, including climate change projects.

Liaises with other Board and management committees involved in the development and implementation of the ESG strategy.

**Board Finance and Audit Committee**

Oversees and evaluates the effectiveness and compliance with corporate governance policies.

**Management level**

**Sustainability Management Committee (SMC)**

SLT Members include the CEO (Chairman), COO, CFO, Directors responsible for HR, New Energy, Legal, Social Performance, and Strategy.

- Develop and implement our sustainability-related plans aligned with the corporate strategy to achieve goals and targets.

**Implementation level**

**Senior Management**
**Business segments and Corporate functions**

- Network of functional experts within the Group with topic accountability.
- Environment and sustainable operations, Social Performance, Corporate Governance.

1. Additional details regarding the roles of the board committees and activity in 2023 can be found in their respective committee reports.
2. Details of functional roles are on page 85.

# Board Finance & Audit Committee Report

**Dr. Charles Okeahalam**
Chairman of the Board Finance & Audit Committee

| 2023 Members | 21 Feb | 19 April | 19 July | 20 Oct | |
|---|---|---|---|---|---|
| Dr. Charles Okeahalam[1], Chairman | ● | ● | ● | ● | 4/4 |
| Dr. Emma FitzGerald[1], Member | ● | ● | ● | ● | 4/4 |
| Mrs. Bashirat Odunewu[1], Member | ● | ● | ● | ● | 4/4 |
| Prof. Fabian Ajogwu[1,2], SAN, Member | ● | ● | N/A | N/A | 2/2 |
| Ms. Koosum Kalyan, Member[1,2] | N/A | – | ● | N/A | 1/2 |
| Mr. Bello Rabiu, Member[1,2] | N/A | N/A | N/A | ● | 1/1 |

1. Independent Non-Executive Director.
2. Ms. Koosum Kalyan was appointed to the Board as an Independent Non-executive Director on 28 February 2023 and joined the Committee on 19 April 2023. Prof. Fabian Ajogwu resigned from the Board on 27 April 2023. Mr. Bello Rabiu joined the Board Finance & Audit Committee on 26 July 2023 and replaced Ms. Koosum Kalyan on the Committee.

Dr. Charles Okeahalam, and Mrs. Bashirat Odunewu have recent and relevant financial experience, as highlighted in the profile of Directors on pages 114 and 115.

Dear Shareholders,

I am pleased to make this report on the 2023 activities of the Board Finance and Audit Committee.

In the financial year ended 31 December 2023, the Committee held four meetings, dates, and attendance records for which can be seen in the table above.

The Board Finance and Audit Committee was constituted in 2013 in compliance with the UK Code's requirement for an audit committee and consists wholly of Independent Non-Executive Directors as listed above. The details of our activities are provided below.

The Committee meets at least four times a year, and its meetings are attended by appropriate senior management of the Company.

**The Committee's activities during 2023:**
Highlights of the business carried out by the Committee are as follows:

- Review of the report from the external auditors and management on the interim and annual financial statements and the accompanying public releases. In doing so, it considered the following amongst others: the oil and gas reserve estimates; revenue recognition; areas that required significant estimation, judgement or uncertainty; compliance with financial reporting and governance standards; the basis for the going concern assessment; Recoverability of financial interest in OML 55; NEPL and NUIMS receivables; and the impact of third-party deferments and losses on revenue.
- Worked closely with Management to explore the immediate and long-term strategies for strengthening the Company's statement of financial position.
- Review of Seplat's currency management including the impact of Foreign Exchange ("FX") Loss to the Company, how the losses were being mitigated and how FX risks would be managed in the future.
- Quarterly review of Seplat's Revolving Credit Facility ("RCF") and the Bond performance.
- Quarterly review of the Company's financial strength to ensure the Company is properly positioned to fund acquisition and growth opportunities.
- Quarterly review of the Company's liquidity position and forecasts to ensure the minimum cash positions were adequate during the period and sustainable for the coming periods in compliance with the business plans.
- Quarterly review of the continuous efforts by Management to efficiently manage costs.
- Quarterly review of the implementation of the existing oil hedging strategy whilst also ensuring that appropriate levels of revenue protection were considered, and the risk and costs of hedging were manageable.
- Quarterly review of the management and mitigation of financial risks and the timeline for remediation.
- Review of the annual budget in detail to ensure the assumptions were consistent with the business environment and appropriate growth targets. Oil price sensitivities, alternative export routes, cost reductions, impact of major acquisitions and impact of FX rates were considered as part of the process.
- Review of the appropriateness of deferred tax assets in the year.
- Review and recommendation of Interim and Final Dividend: The Committee considered the Company's strong cash position and business performance and recommended an increase in quarterly core dividends from US2.5 cents to US3 cents. Interim dividends of US3 cents payable post Q1, Q2, Q3 and final dividend payable post AGM.
- Review of the Petroleum Industry Act ("PIA") fiscal provisions including its impact analysis across all Seplat assets.
- Quarterly review of the effectiveness of the Business Integrity Unit, as well as reports made through the whistleblowing system and efforts to resolve them.
- Quarterly review of the two Eland third party debt facilities and AGPC financing.
- Quarterly monitoring of receipts due under the UBIMA JV settlement agreement. As at the end of FY 2023, a total sum of US$33.64million has been received from the settlement sum of US$55million.

**Internal Audit:** The Committee on behalf of the Board reviewed the audit plan drawn up with careful consideration of the risk environment and the strategic objectives of the Group, changes in the organizational structure, key management inputs, and past audits. The Committee monitored the execution of the audit plan through quarterly reports received from the Head of Internal Audit on the internal audit activities. The Head of Internal Audit reports directly to the Board through the Chairman of the Committee with regular direct engagement with the CEO and an administrative reporting line to the CFO. The Internal Audit function, therefore, has direct access to the Committee, and its primary responsibilities include:

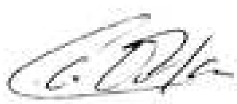
- evaluating the adequacy, reliability, and effectiveness of governance, risk management, and internal controls systems;
- evaluating the reliability and integrity of information and the means used to identify, measure, classify, and report on such information;
- evaluating the means of safeguarding assets and verifying the existence of such assets, as appropriate;
- evaluating the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on the organisation; and
- performing consulting and advisory services on new initiatives and matters related to governance, risk management, and internal controls as appropriate for the Company.

In 2023, the internal audit strategy emphasised greater focus on operational areas critical to the business, thereby providing assurance on the effectiveness of operational controls and achievement of the strategic objectives underpinning capital deployment. During the year, internal audit works performed include the review of the following areas:

- Third Party Contract Staff Audit
- Community Relations Audit
- Elcrest's well delivery Governance Process
- Local Content Audit
- NUIMS/Seplat JV Training Review
- Western Asset Operations Audit
- Eastern Asset Operations
- IT Communications Value for Money Audit
- Local Travel Expenses Review
- End of Routine Flare Program Review

The Committee considered the results of the internal audit findings at its meetings and the remedial plans were discussed with Management. As a quarterly activity, Internal Audit also conducted checkpoint remediation reviews to ensure that Management was effectively closing out identified control gaps from prior audit findings. The Committee monitored the independence, objectivity, and effectiveness of the internal audit team and interacted with the Head of Internal Audit without the presence of Management.

**External Audit:** Prior to commencement of the audit, the Committee met with the external auditor to review the audit plan to ensure that the Committee has a thorough understanding of the higher risk areas and guard against material misstatements in the financial statements. The Committee reviewed the external auditors' performance and independence and interacted with the external auditor without Management present. In making its assessment, the Committee focused on the robustness of the audit, the extent of investigation into the business and the quality and objectiveness of the audit team. Based on this, the Committee concluded that the audit process is operating effectively and has thus recommended to the Board that the current auditor, PwC Nigeria, be reappointed as external auditor at the 2024 AGM. PwC was first appointed on May 28, 2020.The Company complies with the Nigerian and United Kingdom corporate governance regulations which results in the audit partner being rotated every five years and the audit firm being put out to tender at least every ten years.



**Dr. Charles Okeahalam**
Chairman of the Board Finance & Audit Committee
(Senior Independent Non-Executive Director).

# Nominations & Governance Committee Report

**Mr. Bello Rabiu**
Chairman of the Nominations & Governance Committee

| 2023 Members | 18 Jan | 15 Feb | 17 Apr | 18 Jul | 18 Oct | 31 Oct | |
|---|---|---|---|---|---|---|---|
| Fabian Ajogwu, SAN -Chairman[1] | ● | ● | ● | N/A | N/A | N/A | 3/3 |
| Charles Okeahalam (S.I.D), Member[2] | ● | ● | ● | ● | ● | ● | 6/6 |
| Bello Rabiu, Chairman[3] | N/A | N/A | N/A | N/A | ● | ● | 2/2 |
| Bashirat Odunewu[4] | ● | ● | ● | ● | ● | ● | 6/6 |
| Koosum Kalyan[5] | N/A | N/A | - | ● | N/A | N/A | 1/2 |

1. Professor. Fabian Ajogwu, SAN (Independent Non-Executive Director), was the Committee Chairman until he resigned from the Board effective April 27, 2023.
2. Dr. Charles Okeahalam (Senior Independent Non-Executive Director “S.I.D”) chaired the Committee meeting of July 18, 2023, following the resignation of Professor Fabian Ajogwu, SAN from the Board on April 27, 2023.
3. Mr. Bello Rabiu (Independent Non-Executive Director), joined and became the Chairman of the Committee on July 26, 2023, following a review of the composition of the Committee.
4. Independent Non-Executive Director.
5. Ms. Koosum Kalyan (Independent Non-Executive Director) was appointed to the Board as an Independent Non-Executive Director on February 28, 2023, and she became a member of the Committee from April 17, 2023, till July 18, 2023.

The Nominations and Governance Committee is a standing committee of the Board. All members of the Nominations and Governance Committee are Independent Non-Executive Directors.

The Company went through significant changes both at the Board and Committee levels. At the Board level, Ms. Koosum Kalyan was, appointed as an Independent Non-Executive Director on February 28, 2023, to fill the vacancy created with the stepping down of Ms. Arunma Oteh, OON on December 31, 2022. Ms. Kalyan’s appointment was duly approved by the shareholders at the 10th Annual General Meeting of May 10, 2023.

On April 25, 2023, the Company announced that its Board of Directors’ Succession Forward Plan to underpin the transition and business transformation envisaged over a 12 months’ period, and that Mr. Basil Omiyi, CON and Dr. Charles Okeahalam, will both retire from the Board before the May 2024 Annual General Meeting, and that the recruitment process for the announced Board of Directors’ Succession Forward Plan was to be completed before the end of 2023, with the Chairman’s election to follow thereafter, as promised. In addition, the Board announced the stepping down of Professor Fabian Ajogwu SAN as an Independent Non-Executive Director.

To ensure full independence of the implementation of the announced Board Succession Forward Plan, and in order to fill the vacancy created by the stepping down of Professor Ajogwu SAN, the Committee constituted an Adhoc Committee which comprised all the Independent Non-Executive Directors of the Board (“Committee of INEDs”).

The Committee of INEDs identified, deliberated on, and established the following key issues, process(es) in the implementation of the Board of Directors’ Succession Forward Plan: (i) Identification of INED positions to be filled (i.e., 3 INEDs); (ii) Criteria for shortlisting potential candidates (which included candidates who have a deep understanding of Africa matters including culture, influence and stakeholder management in Nigeria); (iii) Identification of internationally reputable and independent executive search firms to be considered for the Board search (including criteria for the selection of the most qualified search firm to put in place an objective process for the Board search, and carrying out the Board search); (iv) Timelines for the engagement of the most qualified search firm; (v) Timelines for completion of the entire Board search; (vi) Timelines for shortlisting and interviewing of identified candidates; and (vii) Timelines for the appointment of the successful candidates to the Board.

Following critical evaluation of proposals received from identified independent search firms, Messrs. Russell Reynolds Associates (“RRA”) emerged as the most qualified search firm and was engaged to carry out the Board search. The actual search process included the following – (i) identification of a long list of prospective candidates of over 330 persons; (ii) assessment of the long list of candidates which resulted in the contact of over 35 prospective candidates using non-disclosure agreements to maintain confidentiality; (iii) informal engagement with prospective candidates following which a shortlist of 15 interested prospective candidates were presented to the Committee of INEDs for consideration; (iv) shortlisting of 8 candidates for the 1st phase of interviews with the Committee of INEDs; and (v) face-to-face interviews with 4 candidates for the 2nd phase of interviews. At the end of a rigorous process, Mr. Christopher Okeke and Mr. Udoma Udo Udoma were unanimously appointed by the Board, as Independent Non-Executive Directors effective December 1, 2023, and Mr. Babs Omotowa as Independent Non-Executive Directors effective April 1, 2024, respectively. The Committee also deliberated on, and presented for Board’s approval, the appointment of Mrs. Eleanor Adaralegbe as the Chief Financial Officer (CFO) Designate to succeed Mr. Emeka Onwuka, who will retire from the Board, in May 2024.

At the Committee level, Ms. Koosum Kalyan became a member of the Committee from April 17, 2023, till July 18, 2023. Prof. Fabian Ajogwu, SAN resigned from the Board effective April 27, 2023, and Dr. Charles Okeahalam (S.I.D) chaired the Committee meeting of July 18, 2023. Following the review of the Committee’s composition, Mr. Bello Rabiu became a member, and the Chairman of the Committee on 26 July 2023.

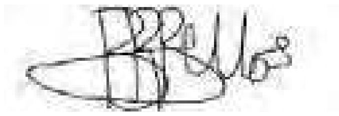
Other activities of the Committee for the financial year ending December 31, 2023, are outlined below. I shall be available at the Annual General Meeting (“AGM”) of the Company to be held on May 16, 2024, in Lagos, Nigeria for further clarifications and to speak with shareholders. If you are not able to meet me at this year’s AGM, I can be contacted through the Company Secretary.

The Committee of INEDs identified, deliberated on, and established the following key issues, process(es) in the implementation of the Board of Directors’ Succession Forward Plan: (i) Identification of INED positions to be filled (i.e., 3 INEDs); (ii) Criteria for shortlisting potential candidates; (which included candidates who have a deep understanding of Africa matters including culture, influence and stakeholder management in Nigeria); (iii) Identification of internationally reputable and independent executive search firms to be considered for the Board search (including criteria for the selection of the most qualified search firm to put in place an objective process for the Board search, and carrying out the Board search); (iv) Timelines for the engagement of the most qualified search firm; (v) Timelines for completion of the entire Board search; (vi) Timelines for shortlisting and interviewing of identified candidates; and (vii) Timelines for the appointment of the successful candidates to the Board.

The Committee in performing its duties as enshrined in its Terms of Reference, gives due consideration to all applicable laws and regulations, including but not limited to the provisions of the Nigerian Code of Corporate Governance ('NCCG'), the Securities and Exchange Commission's Code of Corporate Governance, the Nigerian Exchange Rules, the Listing Rules of the UK Listing Authority, the Disclosure Rules and Transparency Rules issued by the Financial Conduct Authority, the UK Corporate Governance Code ('UK Code'), and other applicable legislations. The Committee, in collaboration with other Committees, ensures that Seplat complies with the requirements under the Nigerian and UK Codes of Corporate Governance including environment, social and governance reporting. The terms of reference are available on the Company website www.seplatenergy.com

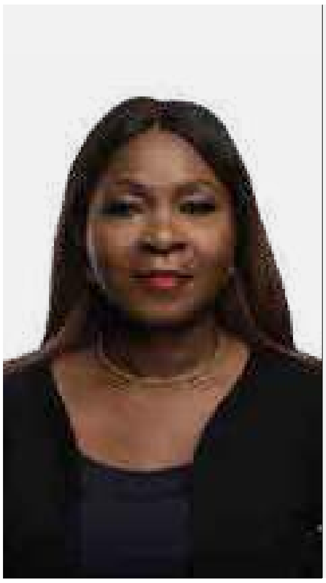
Highlights of other business carried out by the Committee during the 2023 Financial Year are as follows:

- Consideration of proposal for the engagement of Messrs. Ernst & Young Nigeria to facilitate the FY 2022 Board Evaluation and Corporate Governance evaluation. The engagement of EY was duly approved by the Board and the final evaluation report was adopted by the Board for implementation.
- Quarterly review of the Company's HR Dashboard which highlighted the following key updates: (i) headcount evolution (including new hires and departures from the organization); (ii) grade level spread; (iii) gender distribution trend; (iv) age distribution; (v) employees by location; (vi) 5 year retirement outlook; (vii) outcome of quarterly engagement with workforce through the joint consultative committee (JCC); (viii) staff turnover relative to the global average annual rate; (v) key issues within the human resources space and industry outlook.
- Review of Management's Senior Leadership Team (SLT) Succession Plan Framework which highlighted potential replacements for Executive Directors, SLT and other senior managers on Grade Levels 1 – 4.
- Held Executive Sessions to consider Management proposals on career progression and recruitments for management roles for Grade 1 to grade 3 cadres.
- In line with the recommendation from the Internal Audit, considered the memo on the Directors' compliance with the annual Conflict of Interest Declaration forms which was 100% compliant for the year.
- Considered Management's proposal to implement organizational re-alignment of the Chief Operations Officer's and the Technical Director's Directorates, which was duly approved by the Board.
- Review of the Learning (training) framework for the Company including the - strategy, focus areas, learning intervention process, execution and evaluation of trainings conducted against Board approved 2023 Budget.
- Review of the Close out status of the gaps identified from the 2022 employee survey "Seplat People's Voice.
- Received update on the ongoing diagnostics of the Company's culture through surveys and culture transformation workshop at Senior Leadership level, which is to form the basis for the design and implementation of roadmap for Company wide culture transformation.
- At the request of Remuneration Committee, the Committee reviewed the guiding principles to underpin the compensation and benefits policy.
- Reviewed the updates to some Corporate Governance Policies such as the – (i) Gifts & Hospitality Policy, (ii) Anti-Discrimination, Bullying and Harassment Policy; and (iii) Anti-Bribery and Corruption ("ABC") Policy.
- Held Executive Sessions on – (i) Independent Due Diligence on Shareholding of Founding Shareholders; (ii) Correspondence from Shareholders on Corporate Governance Actions; and (iii) Petitions Against Seplat by select shareholders association on alleged breach of Corporate Governance.



**Bello Rabiu**
Chairman of the Nominations & Governance Committee

# Energy Transition Committee Report



**Mrs Bashirat Odunewu**
Chair of the Energy Transition Committee

| 2023 Members | 15 Feb | 13 Apr | 19 April | 19 July | 19 Oct | |
|---|---|---|---|---|---|---|
| Prof Fabian Ajogwu, SAN, OFR[1], Chairman | ● | ● | N/A | N/A | N/A | 2/2 |
| Bashirat Odunewu, Chair[2] | N/A | N/A | N/A | ● | ● | 2/2 |
| Bello Rabiu, Member[3] | ● | ● | ● | N/A | N/A | 3/3 |
| Kazeem Raimi[4] | ● | ● | ● | N/A | N/A | 3/3 |
| Charles Okeahalam, Member | - | ● | - | ● | ● | 3/5 |
| Emma Fitzgerald, Member | ● | ● | ● | ● | ● | 5/5 |
| Nathalie Delapalme[5] | N/A | N/A | N/A | - | ● | 1/2 |
| Ernest Ebi[6] | N/A | N/A | N/A | ● | ● | 2/2 |

1. Prof. Fabian Ajogwu (SAN, OFR) was the Chairman of the Committee from May 2022 until his resignation from the Board in April 2023
2. Mrs Bashirat Odunewu was appointed as Chair of the Committee in July 2023
3. Mr Bello Rabiu left the Committee in July 2023;
4. Mr Kazeem Raimi left the Committee in July 2023
5. Mme Delapalme joined the Committee in July 2023;
6. Mr Ernest Ebi joined the Committee in July 2023

The Committee held four (4) meetings and one (1) special (ad-hoc) meeting in the financial year ended 31 December 2023. The dates, attendance, and new membership records are as shown in the table and Notes 1-6 above.

I am pleased to present to you the Energy Transition Committee Report for the 2023 financial year. In line with the new strategic direction of the Company, as approved by the Board, the Committee in the course of the year closely monitored the conceptualisation and implementation of the midstream business reorganisation and gas business growth plan in line with the revised Terms of Reference approved by the Board in April 2022. In accordance with the revised corporate strategy of the Company underpinning the New Energy/Energy Transition Agenda initiatives, activities under the Committee's supervision have been reclassified into the Pillar 2 (Midstream Gas Business) covering the existing gas business and the ANOH Gas Project development and Pillar 3 (New Energy) to assess various new midstream gas growth, power and renewables investment opportunities.

The revised strategic focus thus enables the Committee to successfully navigate the dynamic landscape of the gas market and to position the gas business as a robust stand-alone midstream business. It also assists the Board in the oversight and deployment of the Company's Energy Transition Agenda.

The Energy Transition Committee, in the fiscal year under review, was comprised of five (5) Independent Non-Executive Directors who have strong leadership experience in the Nigerian and International Gas industry as well as in-depth knowledge of finance. The revised terms of reference for the Energy Transition Committee can be accessed via www.seplatenergy.com whilst a summary of the activities carried out during the financial year is shown below.

A. Midstream Gas Business (Pillar 2): Highlights of Gas business carried out by the Energy Transition Committee during the year include:

i. Gas Sales Volume: In the course of the financial year, the Committee paid close attention to gas sales volume vis – a – vis legacy challenges with critical infrastructure such as low pressure in the gas transmission network and outages on the SPDC operated Forcados Oil Terminal. These challenges notwithstanding, the market maintains a positive outlook due to inquiries from potential offtakers as the Company intensifies business development efforts to reach other supply areas.

ii. Collection of Outstanding Debt: The Committee also monitored the collection of outstanding debts from the Company's customers.

iii. Gas – to – Grid Power Issue & Electricity Act of 2023: The enactment of the Electricity Act 2023 has generated interests from various state governments to invest in the grid infrastructure in dire need of overhauling, modernization and expansion. The team will continue to monitor the changes emerging in this area vis – a – vis the emerging opportunities for new business and investments.

iv. Third – Party Gas Prospects: The Committee continuously monitors the production forecast, and the underpinning gas reserves for the midstream gas business at the gas processing hubs in Sapele and Oben.

v. Gas Growth Opportunities (Pipeline, LNG, CNG, LPG, Downstream Supply): Growth opportunities are being progressed.

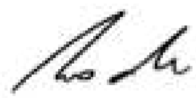
vi. Midstream Business Restructure: The Company has made significant progress on the implementation of the midstream gas business restructure which is targeted to be fully operational by Q4 2024.

vii. Sapele Integrated Gas Plant Project. Mechanical installation has been completed; preparations for commissioning are underway to support the First Gas of H1 2024 target.

B. Midstream Power Opportunities (Pillar 3): the Committee continues to pay close attention to the implementation of the various investment opportunities in power.

C. ANOH Project: the ANOH Project ("Project") achieved the full installation of the scope necessary for mechanical completion on the 29th of December 2023: Key highlights of deliberations and activities relating to Project conducted by the Committee during the year include:

- Funding: full drawdown on the debt facility was achieved in October 2023 which was instrumental to the achievement of the mechanical completion during the year. Discussions with lenders are underway to ensure additional funding as may be required;
- Gas Evacuation Pipelines. The Committee continues to monitor the progress of the Dry Gas Export Pipelines. The ANOH Project team continues to engage with the relevant stakeholders to ensure the pipeline would be available to support the gas plant commissioning.



**Mrs Bashirat Odunewu**
Chair of the Energy Transition Committee
Independent Non-Executive Director.

# Risk Management and HSSE Committee report

**Mr. Bello Rabiu**
Chairman, Risk Management and HSSE Committee

| 2023 Members | 19 Jan | 13 Apr | 13 July | 12 Oct | |
|---|---|---|---|---|---|
| Bello Rabiu[3], Chairman | ● | ● | ● | ● | 4/4 |
| Madame Nathalie Delapalme[2], Member* | ● | ● | ● | – | 3/3 |
| Ernest Ebi[2], Member* | ● | ● | ● | – | 3/3 |
| Bashirat Odunewu[3], Member* | ● | ● | ● | – | 3/3 |
| Samson Ezugworie[1], COO/Member | ● | ● | ● | ● | 4/4 |
| Olivier De Langavant[2], Member* | – | – | – | ● | 1/1 |
| Kazeem Raimi[2], Member* | – | – | – | ● | 1/1 |
| Koosum Kalyan[3], Member* | – | – | – | ● | 1/1 |

1. Executive Director.
2. Non-Executive Director.
3. Independent Non-Executive Director.
*On 26 July 2023, the Board refreshed the membership of the Committee by appointing Olivier De Langavant, Kazeem Raimi and Koosum Kalyan to replace Madame Nathalie Delapalme, Ernest Ebi and Bashirat Odunewu as members of the Committee.

Dear Shareholders,

It is my pleasure to present the 2023 Report of the Risk Management & HSSE Committee.

In the financial year ended 31 December 2023, the Committee held four meetings. The dates and attendance records for all the meetings can be seen in the table above. The table also reflects the changes to the Committee's membership, and I would like to thank the members who exited for their invaluable contributions to the achievements of the Committee while extending a warm welcome to the new Committee members.

The role of the Committee is to maintain oversight, on behalf of the Board, on the risk management and health, safety, security and environment ("HSSE") parameters of Seplat and its business environment. The Committee performs its role in line with the applicable Nigerian and UK governance regulations and best practice. This is done through a regular interface with Management and a detailed quarterly review of the domestic and international risk, operational, and HSSE landscape for the Company.

The Committee is honoured to have worked tirelessly with Management to ensure the delivery of the Company's operational targets and market guidance in a safe, sustainable and risk-efficient manner. The Committee's activities are summarised below and details on the related business achievements are contained under the relevant sections of this Annual Report.

The Committee remains determined in its resolution to ensure that Seplat remains at the frontier of operational excellence, safety and efficient risk management.

The meetings of the Committee are attended by the appropriate members of Senior Management, such as the Chief Executive Officer, Technical Director, Director New Energy, Director Legal/Company Secretary, General Manager HSE, Head of Enterprise Risk Management, General Manager Internal Audit, and Director of External Affairs & Social Performance. As indicated in the attendance table (above) and in line with the Nigerian Code of Corporate Governance, an Executive Director (i.e., the Chief Operating Officer) is a member of the Committee and therefore attends all Committee meetings. Other specialists with appropriate technical expertise are invited to attend and present to meetings of the Committee, as and when required by the Committee.

Highlights of the business carried out by the Committee during the year are as follows:

- Quarterly review of the Enterprise Risk Register showing risks across all assets, the top 10 critical risks facing Seplat, the risk mitigation outlooks. During the year, the Company's risk framework (including risk classifications) was extensively reviewed with a leading international consulting firm and was updated to reflect best practice. Details are contained in the Risk Management section of this Annual Report;
- Quarterly status review of the Company's conditional Application for the Voluntary Conversion of OMLs 4, 38, 41 and 53 to the regime of the Petroleum Industry Act ("PIA"). The key objective for the Committee was to keep abreast of the evolving PIA landscape and its subsidiary regulations, in order to ensure that the regulatory changes continued to align with the Company's assumptions for opting for voluntary conversion;
- Quarterly review of the Company's operational performance, including assessing performance against market guidance and corporate strategy. The review included performance on Production, Alternative Evacuation Solutions, Well-Delivery projects, Capital & Brown Field Projects, ANOH Gas Plant project, Asset Integrity and Process Safety Management (including technological deployments), Gas Business, Non-Operated Ventures, Crude Oil Theft/Losses, End of Routine Flares projects, and Security. Details on each of these matters are reported under the relevant sections of this Annual Report;
- Quarterly review of the HSE Management System and safety achievements across all Seplat assets, including the ANOH Gas Project and OML 40 operations. These achievements were measured against the 2023 Corporate HSE Business Plan and guidance was given to Management to strengthen the Company's performance. Details of the Company's HSE performance is reported under the Operational review section of this Annual Report;
- Quarterly review of the Legal Risk Dashboard and Litigation Matrix, which highlight the performance trends in contingent liability, key legal risks, and high-profile litigation involving the Company.

**Bello Rabiu**
Chairman, Risk Management and HSSE Committee
(Independent Non-Executive Director).

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# Sustainability Committee Report

**Madame Nathalie Delapalme**
Chairman of the Sustainability Committee

| 2023 Members | 19 Jan | 19 April | 19 July | 19 Oct | |
|---|---|---|---|---|---|
| Nathalie Delapalme, Chairman* | ● | ● | ● | ● | 4/4 |
| Bello Rabiu[2], Member** | ● | ● | ● | N/A | 3/3 |
| Kazeem Raimi, Member* | ● | ● | ● | N/A | 3/3 |
| Ernest Ebi, MFR, Member* | ● | ● | ● | ● | 4/4 |
| Koosum Kalyan[1]* | N/A | – | ● | ● | 2/3 |

1. Ms. Koosum Kalyan was appointed a Director on the Board on 28 February 2023 and a member of the Sustainability Committee.
2. Mr. Bello Rabiu left the Sustainability Committee in August 2023.

* Non-Executive Directors
** Independent Non-Executive Directors

Dear Shareholders,

It gives me great pleasure to present the Sustainability Committee Report for the year 2023 to you.

In the financial year ended 31 December 2023, the Committee held four (4) meetings. The dates and attendance records for all the meetings can be seen in the table above. During the year under review, the Committee welcomed Ms. Koosum Kalyan who had joined the Board on 28 February 2023 as an Independent Non-Executive Director, as its newest member.

Part of the responsibilities of the Sustainability Committee is to maintain an oversight role of the Company's ESG policy, which is firmly embedded within SEPLAT's strategy and governance structure. Also included is the implementation of the Company's Community Relations Policy and CSR initiatives as well as other activities that impacts community relations most especially with the host oil and gas producing communities. The Committee in the past year strategically focused and continued to monitor the progress of the following projects: (a) Inauguration of the Sustainability Management Committee to oversee the design and performance of activities that ensures the sustainable execution of key ESG initiatives underpinning SEPLAT's strategy, while providing the required management interface between the SLT and the Board on ESG matters (b) Tree For Life Project – ongoing implementation of the Phase 1 project at Oben, Edo State following engagement with both internal and external stakeholders including the JV Partners; (c) Registration of the Host Community Development Trusts in compliance with the Petroleum Industry Act 2021 (PIA) directive; (d) Net Zero Implementation Roadmap on track to achieve the end of routine flares by end of H2 2025.

You will see below details of the activities carried out during the year. Further details on the Company's sustainability activities during 2023 are also contained on pages 95 to 107.

I shall be available at the AGM of the Company to be held virtually on 16 May 2024 to engage with shareholders, or I can be contacted via the Company Secretary.

During the year under review, the Sustainability Committee consisted of five (5) members – two (2) Independent Non-Executive Directors and three (3) Non-Executive Directors. The Committee met four times in 2023, and when required, the meetings were attended by the appropriate Senior Management of the Company (such as the Chief Executive Officer; Chief Operations Officer; Director, Legal/Company Secretary; Director, External Affairs & Social Performance; and the Director, New Energy).

Highlights of business carried out by the Sustainability Committee during the year are as follows:

1. Successfully submitted the 2022 Sustainability Report to the Nigerian Exchange in compliance with the NGX directive to all listed companies to submit and publish their sustainability reports before end of March of every year.
2. Successfully inaugurated the Sustainability Management Committee to serve as the link between the SLT and the Board on ESG matters.
3. Quarterly review and monitoring of the Tree For Life Project – Implementation of the Pilot Phase 1 of the project in Oben, Edo State in collaboration with both internal and external stakeholders.
4. Quarterly review and monitoring of the Company's Corporate Social Initiatives which includes: (a) SEPLAT Youth Entrepreneurship Programme; (b) SEPLAT Innovators Programme (SIP); (c) Pearls Quiz and STEM Programme; (d) Eye Can See Programme across the Eastern and Western Assets; (e) Continued GMOU implementation and Partnership management with the Communities through sustainable community development/infrastructure projects, relationship management and support of the operations of the Company across the different facilities; (f) Registration of the SEPLAT Energy Foundation; etc.
5. Successfully completed the implementation of the Petroleum Industry Act 2021 (PIA) directive on the incorporation of Host Communities Development Trusts for all the Company's Assets (Western and Eastern Assets) with select community representatives as members of the Board of Trustees.
6. Successful review and approval of various ESG and Sustainability Policies, all of them being available on the Company's website.
7. Quarterly review of the implementation of the net zero roadmap on the end of routine gas flares.
8. Successfully held the 2023 ESG Day which was elaborately received and themed "Integrating Sustainability – Delivering shared values", highlighting members of the Board and Senior Management enlightening staff on the importance of ESG as well as ESG monitoring and reporting.

**Madame Nathalie Delapalme**
Chairman of the Sustainability Committee
(Non-Executive Director)

# Remuneration Committee report

**Emma FitzGerald**
Chair of the Remuneration Committee

| 2023 Members | 15 Feb | 18 Apr | 13 Jul | 18 Sept | 12 Oct | 11 Dec | |
|---|---|---|---|---|---|---|---|
| Emma FitzGerald[1], Chair | ● | ● | ● | ● | ● | ● | 6/6 |
| Charles Okeahalam(S.I.D), Member[1] | ● | ● | - | - | ● | ● | 4/6 |
| Bello Rabiu, Member[1] | ● | ● | ● | ● | ● | ● | 6/6 |
| Fabian Ajogwu SAN, Member[3] | ● | ● | N/A | N/A | N/A | N/A | 2/2 |
| Koosum Kalyan, Member[2] | N/A | N/A | N/A | ● | ● | ● | 3/3 |

1. Ms. Koosum Kalyan was appointed a Director on the Board on 28 February 2023 and a member of the Sustainability Committee.
2. Mr. Bello Rabiu left the Sustainability Committee in August 2023.

The Remuneration Committee is a standing committee of the Board and is comprised of Independent Non-Executive Directors in compliance with the Nigerian Code and the UK Code. Details of the terms of reference for the Remuneration Committee and a summary of the activities carried out during the year are set out below.

The Remuneration Committee is established to ensure that remuneration arrangements for Seplat's Chairman, Executive Directors, Non-Executive Directors, and senior management support the strategic aims of the business and enable the recruitment, motivation and retention of relevant skilled personnel while satisfying the expectations of shareholders. Details of the Company's remuneration policy are outlined on pages 132 to 161 of the 2023 Annual Report and Accounts. No Director is involved in any decisions relating to his/her own remuneration.

All members of the Remuneration Committee are Independent Non-Executive Directors in order to preserve the transparency and integrity of remuneration processes. The Remuneration Committee meets at least four times a year, and, when required, the meetings are attended by appropriate senior management of the Company (such as the Chief Executive Officer and Director Corporate Services who is in charge of Human Resources), and external advisers upon invitation.

When proposing remuneration to the Board, the Committee ensures that:

- the remuneration for Executive Directors is appropriately balanced between fixed and variable pay elements, which may include annual bonus and equity-based awards;
- Executive Directors do not receive any sitting allowances or fees that may be payable to Non-Executive Directors;
- the remuneration of Non-Executive Directors is determined by the Chairman and the Executive Directors; and
- no Director or manager is involved in any decisions as to his/her own remuneration.

The Committees terms of reference are available on the Company website www.seplatenergy.com

Highlights of business carried out by the Remuneration Committee during the year are included in the Director's Remuneration Report on page 133.

The Committee will continue to be mindful of the concerns of shareholders and other stakeholders and welcomes shareholder feedback on any issue related to executive remuneration. In the first instance, please contact our Director Corporate Services.

**Dr. Emma FitzGerald**
Chairman of the Remuneration Committee

# Directors' remuneration report

The Remuneration Report sets out the work of the Committee during the year and provides context for the decisions taken considering the Company's performance, and the implementation of our current Remuneration Policy for the year ended 31 December 2023.

As our shareholder-approved Remuneration Policy reaches the end of its three-year expiration period at the 2024 AGM, this report also sets out our proposed 2024 Remuneration Policy and how we intend to implement it for 2024. Shareholders will vote to approve the Remuneration Section of the Directors' Remuneration Report, including the forward-looking proposed Remuneration Policy, at the 2024 AGM, which requires majority support from shareholders to become operational.

## Corporate performance highlights

The Business continued to operate effectively throughout 2023, achieving strong financial results despite facing 18% reduction in the average realised oil price. Seplat's strong set of operational and financial outcomes in 2023 have resulted in the continued improvement in the share price performance for investors, enabled us to declare total interim dividends of $0.09 per share, and propose final dividend of $0.03 per share and a special dividend of $0.03 per share, both to be approved by shareholders at the AGM. The core dividend of $0.12 per share represents a 20% increase on 2022's core dividend per share.

Financial highlights also include:

- Revenue growth of 11.5% to $1,061.3 million.
- Cash generated from operations of $520 million, funding capex of $184 million and enhanced shareholder returns.
- Net debt reduced to $306 million, signifying a 16.5% reduction in net debt at year end 2023, with debt-to-EBITDA ratio of 0.68.
- Strengthened Balance sheet with 11.4% increase in year-end cash at bank of $450 million, excluding $128.3 million MPNU deposit.

Despite the constraints occasioned by key infrastructural challenges to production, the Business achieved average production of 47,758 boepd, representing a 8.3% increase from 2022 and within original guidance. Other operational highlights include:

- Independently audited 2P reserves up 9% to 478 mmboe, as at year-end 2023.
- Completed 14 wells in 2023, in line with our revised well program.
- Mechanical completion of the ANOH Gas processing plant. Seplat's first gas guidance of Q3 2024 is unchanged.
- Impressive safety culture maintained with more than 8.7 million hours without Lost Time Injury (LTI).

The Company continues to pursue several key growth events, such as the Sibiri and Abiala developments in OML40, the ANOH Gas Project and remains confident to conclude the transformational acquisition of Mobil Producing Nigeria Unlimited (MPNU) in 2024. The Company's target to eliminate routine flaring has been extended to the second half of 2025, remaining in line with its roadmap to net zero. The key areas of 2023 performance and 2022 comparative results are set out below:

| | 2023 | 2022 |
|---|---|---|
| Revenue (US$ million) | 1,061 | 952 |
| Profit (loss) before tax (US$ million) | 191.2 | 204.4 |
| Oil production volume (bopd) | 28,087 | 24,735 |
| Gas production (average daily rate, MMscfd) | 114.1 | 112.3 |
| 2P Reserves (Mmboe) | 478 | 438 |
| Lost time incident frequency rate ('LTIF rate') | 0 | 0.12 |

## Remuneration outcomes for the 2023 financial year

Our Remuneration Policy remains closely aligned to our business strategy, the market, and shareholder interests. The Committee calibrated the 2023 corporate scorecard around targets linked to the six pillars and safety element underpinning the Company's updated strategy. The 2021 LTIP award measured our success in delivering long-term absolute and relative shareholder value and maintaining operational and technical excellence over the three-year performance period to 31 December 2023. The diagram below sets out the year end process taken by the Committee to determine the final incentive outcomes.

1. Assess performance against targets
2. Review outcomes with management and other committees to ensure holistic reflection of performance
3. Consider outcomes in the context of the wider workforce and environment
4. Use judgement to reflect whether discretion is required, considering the market and shareholder interests

The Committee reviewed the Company's performance against the bonus scorecard and determined that the Company overall had performed between on-target and maximum. The 2023 annual bonus outcome was 76% of maximum for the CEO, CFO and COO. The bonus outcome is higher than that for 2022 which was 65% of maximum, reflecting the Company's strong financial position and excellent operational performance in 2023. The CEO demonstrated exceptional leadership through a year of significant personal challenge and business transformation. The Committee determined that this should also be recognised over and above the strong business performance, and therefore, deemed it appropriate to utilise the shareholder approved maximum bonus opportunity of 200% of salary for the CEO in 2023. The annual bonus opportunity level for the CFO and COO remains at 100% of salary, as disclosed as the intended opportunity level in last year's remuneration report, with an adjustment to the COO's opportunity level for the three-month period of increased responsibilities, as set out below.

The determination of the corporate scorecard is cascaded through the organisation; therefore, it is not only used for the Executive Directors, but also for the bonuses of senior and middle management. The Committee is cognisant of the impact on the wider workforce when determining outcomes using the process laid out above. The Committee considered the level of scorecard achievement of 76% to be reflective of the Company's underlying performance and therefore no judgement was exercised in relation to the annual bonus outcome from the formulaic outturn from the scorecard.

The 2021 LTIP awards, for which the performance period ended on 31 December 2023, will vest in 2024. This LTIP award is the first to incorporate an Absolute TSR element. I am pleased to announce that the Company performed above the upper quartile of the TSR comparator group, outperformed oil price growth by at least 10% and achieved absolute TSR above 100%, leading to a formulaic vesting outcome of 100% of maximum, prior to the assessment of the broad underpin of the qualitative review of the Company's operations. The Remuneration Committee conducted their qualitative review of Seplat's operations in line with the LTIP underpin, and determined that Company's operations to be effective and reflective of the underlying performance over the three-year period ended 31 December 2023, so no downward-discretion was applied to the formulaic outcomes. Therefore, the overall 2021 LTIP vesting level is 100% of maximum.

The grant of the 2021 LTIP Award was delayed, because of share dealing restrictions with respect to the MPNU deal. Considering the nature of the delay, the Committee deemed it appropriate to adjust the vesting date for the 2021 LTIP to 10 May 2024 to reflect the vesting date which would have applied had the grant not been delayed due to the dealing restrictions. However, the performance period for all awards remains unchanged, measuring performance over the three-year period to 31 December 2023. This has been applied to all LTIP participants.

Awards granted to Executive Directors are subject to a two-year post vesting holding period, whereas for all other participants 60% of these awards will be released immediately, with the remaining 40% being released in equal instalments after a one and two-year holding period.

### Chief Operating Officer temporary increase in responsibilities

As announced on 10 March 2023, the CEO, Roger Brown, temporarily stopped participating in the running of the Company, delegating authority to the COO, Mr. Samson Ezugworie, to act as CEO during the period he was required to step back from his executive duties. As such, the COO's responsibilities were temporarily increased over a period of about 3 months and the Committee determined that an incremental payment of $90,531 was appropriate, being the differential between the COO's monthly base salary payments and the monthly base salary payment of the CEO over the 3-month period of expanded responsibility. In addition, the Committee determined that the COO's bonus opportunity on the additional base payment would match the CEO's bonus opportunity in a typical year of 150% for the said period. Full details of the COO's remuneration in 2023 are set out in the single total figure table on page 136.

### Main Remuneration Committee actions and decisions in 2023

We set out below the key Remuneration Committee actions and decisions in 2023:

- Review of the bonus outturn against the corporate and individual Performance targets ("scorecards") for the 2022 financial year.
- Setting the 2023 Annual Performance Bonus targets ("scorecards") for the CEO, CFO, COO and senior management. These targets are cascaded throughout the company to ensure alignment.
- Assess the 2020 Long Term Incentive Plan (LTIP) outcomes to determine the formulaic outcome, consider if discretion is applicable and approve final vesting levels.
- Implementation of Currency Changes to Non-Executive Director (NED) fees from GB Pounds Sterling (GBP) to United States Dollars (USD), based on the Company's functional currency being in USD.
- Review and approval of the 2023 LTIP Schedule and Targets, including review of the framework for measuring the LTIP underpin.
- Setting of Performance targets for Executive Directors in relation to performance related salary increases, including personalized strategic objectives to be applied to other Executives to trigger the 2024 performance related salary increase.
- Quarterly review of Company's performance against 2023 Corporate Scorecards.
- Review of the performance of in-flight LTIP awards.
- Review of the Directors' Remuneration Policy in line with corporate governance best practice, changes to the Company's business strategy, including the potential impact of the MPNU transaction, the need to attract, retain and motivate executives, market practice and investor sentiment. This has resulted in some proposed changes to the Remuneration Policy, for approval at the 2024 Annual General Meeting on 16th May 2024, and a summary of proposed changes for 2024 is set out in a subsequent section. A wider scope of the remuneration policy review will be carried out upon completion of the MPNU Deal.
- Review of key executive remuneration trends in 2023 AGM season, market trends from major industry peers.
- Determine how to appropriately remunerate the COO for his temporary increase in responsibilities.
- Review of pay benchmark exercise outcomes for directors, executive management, and the wider workforce.
- Considered and presented for Board approval, cost-of-living adjustment ("COLA") and increase on salary and fees for directors, executive management, and the wider workforce, to cater for inflation.
- Review of the Remuneration Committee effectiveness in line with best practice, compliance with the 2018 UK Corporate Governance Code, the 2018 Nigerian Code of Corporate Governance and the shareholder approved Remuneration Policy.
- Determine applicable fees for exiting and incoming Chairman and Senior Non-executive Director, in line with existing remuneration policy, corporate guidelines and governance requirement. Details of all exit payments and fees for the exiting and incoming Directors will be set out in the Company's 2024 Annual Report and Accounts.

### Non-Executive Director changes

During 2023, there were some changes in the non-executive directors' composition of the Board. Following the exit of Ms. Arunma Oteh on 31 December 2022 as noted in the 2022 Remuneration report. Ms. Koosum Kalyan was appointed to the Board on 28 February 2023. Professor Fabian Ajogwu, SAN, OFR resigned from the Board of the Company as a Non-executive Director on 27 April 2023.

Mr. Basil Omiyi, CON and Dr. Charles Okeahalam will step down from the Board on the 31 March 2024. In view of this and in accordance with the Board Succession Strategy announced in the 2022 Annual Report and by Corporate Announcement on the 25 April 2023 (RNS: 3575X), the Company embarked on a global recruitment process, led by Russell Reynolds, to ensure compliance with the Companies and Allied Matters Act of Nigeria ("CAMA") and Seplat's Memorandum and Articles. Subsequently, the Board approved and announced the appointment of Mr. Christopher John Okeke, Mr. Udoma Udo Udoma, CON and Mr. Babs Omotowa as Independent Non-Executive Directors of the Company. Mr. Okeke and Mr. Udoma joined the Seplat Board from 1 December 2023, while Mr. Babs Omotowa will be joining the Board on 1 April 2024.

Non-Executive Director fees on appointment are set in line with the shareholder approved Remuneration Policy, and any exit payments were made in line with the respective letters of appointment. Full details of remuneration for joining and departing Non-Executive Directors are disclosed later in this report. Full details of any payments made in 2024, if any, to Directors who left the Board will be determined in line with shareholder-approved policy and set out in the Directors' Remuneration Report for 2024.

### Remuneration policy review

During 2023 and early 2024, the Remuneration Committee conducted a full review of the current Remuneration Policy, as it comes to the end of its three-year cycle. The review considered the current policy's alignment to strategy, market best practice, and compliance with the Nigerian and UK corporate governance codes. The Committee determined that structurally, the policy remains broadly fit for purpose, but some amendments are proposed to the policy at this time, to ensure that it can continue to effectively retain and motivate executives to drive value creation over and beyond the three-year policy timeframe.

The proposed revisions seek to provide flexibility in future, particularly in the context of the impending closure of the acquisition of MPNU and transformation of the business. The Committee, however, acknowledges that there is likely to be a significant impact on the business strategy if the MPNU transaction completes; as such, a further review of the Remuneration Policy will be conducted following the outcome of the deal to ensure that it continues to align to the future strategy and is appropriate for the enlarged business at that point. If further changes to the Policy and its structure are required at that time, shareholders will be asked to approve these changes at a General Meeting. This will include a shareholder engagement process in the vent that a significant level of change is proposed.

The proposed changes to the Remuneration Policy to be voted on by shareholders at the 2024 AGM are as follows:

- Remove the 10% limit on salary increases to give greater flexibility for adjustments to salary to reflect the change in scope and responsibilities over time.
- Increase in the maximum long-term incentive plan opportunity from 300% of salary to 450% of salary, for implementation in exceptional circumstances only. Exceptional circumstances could include instances where the Business wants to incentivise Executives towards a successful transition of the business or significant transaction, or for recruitment or retention purposes. The Remuneration Committee will provide full disclosure if the exceptional maximum is used.
- Minor policy wording revisions to clarify various provisions, such as:
  - circumstances in which the maximum 200% of annual bonus opportunity under the Policy limits could apply (currently the normal bonus opportunity in operation is 150% of salary);
  - clarification on cessation arrangements for share awards in instances where the Participant is employed in Nigeria and ceases to be in employment by reason of reaching the compulsory retirement at age, in which case, no proration shall apply.
  - clarification of flexibility of performance measures within the policy; and
  - additional Non-Executive Director fees that may apply.

The proposed new Remuneration Policy is included in this report and will be put to shareholder vote at the AGM in 2024.

## Proposed operation of the Remuneration Policy in 2024

- The Committee reviewed the current salary and fees for the Executive and determined that Executive Directors should receive a 3.5% base salary or fee increase as a cost-of-living adjustment (which are below the UK and Nigerian wider workforce salary increases of 8.5% and 34% respectively).
- Similar cost of living adjustment of 3.5% was also determined on the fees for the Chairman and non-executive directors. A summary of the reviewed fees, including incoming Chairman fees, are included in this report.
- On appointment to the role, the COO's salary was set below the targeted level, with the intention to review it closer to the Company's targeted market positioning, subject to his continued strong performance. In addition, the COO will take on an expanded role when the Technical Director retires in April 2024. To honour this commitment as noted in the FY 2022 Remuneration report and considering his sustained strong performance in his role to date and upcoming increase in responsibilities, the Committee determined an additional performance-related adjustment of 7% was appropriate to align his salary level to the target level.
- The bonus will be operated in line with the Remuneration Policy. Awards of up to 150% of salary for the CEO and 100% for the CFO and the COO will be made. The performance conditions will reflect the pillars and safety element underpinning the Company's strategy.
- The Committee intends to grant Executive Directors 2024 LTIP award of 300%, 240% and 240% for the CEO, CFO and COO, respectively. The Committee however retains the discretion to apply a top-up award to the 2024 LTIP Award of no more than 150%, 120% and 120% of salary for the CEO, CFO and COO respectively, if the MPNU Deal is completed before Q3 2024. Similar increases may be made to 2024 grants for all individuals who are eligible for an LTIP. The rationale for these increases is to appropriately incentivise Executives and Senior Management to ensure the success of the business post MPNU transaction, which will be critical for the future of Seplat.
- LTIP awards will vest over three years subject to relative and absolute TSR performance and a broad underpin, operated as a qualitative review of Seplat's operations. This will ensure a close alignment of payouts for participants with the long-term interests of shareholders. A summary of the award levels, performance targets and weightings are set out in this report.
- Fees for Incoming Chairman and Senior Independent Non-executive Director will be operated in line with the Remuneration Policy.

## Wider workforce

The robust performance of the Company would not have been possible without developing all our people which includes significant formal training, full support, and incentives to perform to the best of their abilities. We recognise that it is also critical for our employees to feel valued as well as to be paid fairly. During the Remuneration Policy review process, we reviewed wider workforce remuneration policy.

The Company operates an extensive range of mechanisms and instruments for workforce engagement which cover all employee populations, including a Joint Consulting Committee, regular communication on critical business events, periodic townhall engagement, focus employee group sessions on living Seplat values, a workshop on remuneration philosophy, the HR quarterly dashboard, visiting employees, Seplat People's Voice (SPV) survey and the whistleblowing policy. In addition, we also ran virtual town hall sessions where colleagues had the opportunity to raise questions and discuss business issues, providing feedback on subjects including remuneration. This full suite of mechanisms was utilised during 2023 to ensure that robust employee engagement was maintained, as the company withstood a range of external attacks. We also communicated to our wider workforce the succession planning for the Chief Finance Officer role in view of the incumbent's mandatory retirement in 2024.

We are committed to providing an inclusive workplace, encouraging, and welcoming diversity with a zero tolerance of harassment and discrimination. Although we don't publish gender pay data, as we have far fewer than 250 employees in the UK, our internal audits have shown that there are no equal pay concerns, with no difference between the pay of men and women doing the same job. Our colleague engagement levels show that people enjoy working at Seplat, but high retention, particularly in more senior roles, means the pace of change is slower than we would like. As a result of this, we have initiatives to support the women at Seplat and ensure their development into senior roles, particularly in the technical area.

The Committee considers wider employee pay as context for the decisions it makes, which has been particularly important in 2023 considering the challenging cost of living environment. The Committee is aware of the wider macroeconomic environment in the territories it operates, in particular the impact of high inflation. I am therefore pleased that we have continued to invest in our reward offering for the wider workforce through an average Nigerian workforce salary increase of 34% with targeted above market increases for selected roles. The Committee is also happy that 81 of our colleagues received 2023 LTIP awards, which represents around 16% of our workforce.

## Engagement with shareholders

The Committee takes the views of shareholders seriously and these views are considered in shaping Remuneration Policy and practice. If any shareholders wish to discuss the Company's remuneration arrangements, the Remuneration Committee Chair would be happy to meet with you. The Board and investor relations team manage and develop Seplat's external relationships with current and prospective investors and the Company regularly monitors shareholder reaction and commentary regarding its remuneration practices.

The Board and senior management team of the Company are also available to discuss any issues with shareholders before the Annual General Meeting. Additionally, the Board maintains a dialogue with investors outside the AGM to foster mutual understanding of objectives and to gain a balanced view of key issues and concerns of shareholders.

## Summary

I hope that you find the information in this report helpful, and I look forward to your support at the Company's AGM. I am always happy to hear from the Company's shareholders and you can contact me through the Company Secretary if you have any questions on this report or more generally in relation to the Company's remuneration.

Finally, I want to recognise that the Company's performance would not be possible without the continued commitment, resilience and flexibility shown by our employees. To all colleagues – thank you for your hard work and commitment to making Seplat Energy the robust business it remains today.

## Notes

This report has been prepared taking into account the principles of Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended, the provisions of the UK Corporate Governance Code (the 'Code') and the Listing Rules.

As Seplat is a Nigerian registered company, this report has also been prepared considering the disclosure requirements under Nigerian law, and specifically the Companies and Allied Matters Act ('CAMA'). These rules, consistent with the UK regulations, require the remuneration of all Directors, other than the Chief Executive Officer, to be approved by shareholders at the AGM.

The report consists of four sections:

- the Annual Statement by the Remuneration Committee Chair (pages 132 to 135);
- the At a Glance section (pages 136 to 140);
- the proposed Remuneration Policy; and
- the Annual Report on Remuneration which sets out payments made to the Directors and details the link between Company performance and remuneration for the 2023 financial year (pages 154 to 161).

IFRS S1 IFRS S2

The Remuneration Committee plays a vital role in ensuring that our remuneration policy aligns with the successful execution of our strategy. In line with this commitment, remuneration for directors, senior management and the wider workforce is intricately tied to achieving company objectives which includes progressively building sustainability in the business and achieving our energy transition goals. The Remuneration Committee, overseen by the Board, set and reviews the Corporate Scorecard that covers our strategy execution in detail. This scorecard incorporates specific climate-related Key Performance Indicators (KPIs) designed to measure and incentivise progress in line with our sustainability objectives. Further information on KPIs related to our GHG emissions can be found on page 52.

In 2023, 27.5% of the KPIs on our Corporate Scorecard were dedicated to sustainability targets, which included a 5% component to achieving three key milestones related to Seplat's end-of-routine flaring program and the Company fully achieved all the key milestones on the program. The total outturn of the scorecard impacted Executive director's performance bonus pay-out, demonstrating that Seplat clearly links executives' pay to achieving sustainability goals.

Similarly, sustainability goals are integrated into the Company's corporate scorecard for 2024, and this includes components dedicated to achieving pivotal milestones in Seplat's end-of-routine flaring program at our field locations in Sapele, Oben, and Ohaji-South. Social targets, encompassing community development projects and employee engagement have a 7.5% weighting on the corporate scorecard, while safety targets contribute 10%. This proactive strategy emphasizes our dedication to aligning financial incentives with our sustainability agenda, ensuring the Company's leadership is actively invested and accountable for realizing our environmental objectives.

# At a glance

## Introduction
In this section, we highlight the performance and remuneration outcomes for the 2023 financial year, how the remuneration policy will be implemented in 2024 and the wider employee context.

## 2023 single total figure of remuneration
The table below sets out the single total figure of remuneration and breakdown for each Executive Director in respect of the 2023 financial year.

| Executive Directors | Period | Salary[1] $'000 | Benefits[2] $'000 | Pension[3] $'000 | Total fixed pay $'000 | Bonus[4] $'000 | LTIP[5] $'000 | Total variable pay $'000 | Total $'000 |
|---|---|---|---|---|---|---|---|---|---|
| Roger Brown (CEO) | 2023 | 1,056 | 455 | 179 | 1,691 | 1,605 | 3,751 | 5,356 | 7,046 |
| | 2022 | 918 | 322 | 156 | 1,396 | 895 | 841 | 1,736 | 3,132 |
| Emeka Onwuka (CFO) | 2023 | 748 | 173 | 127 | 1,049 | 568 | 2,489 | 3,057 | 4,106 |
| | 2022 | 719 | 178 | 122 | 1,019 | 467 | n/a | 467 | 1,487 |
| Samson Ezugworie[6] (COO) | 2023 | 807 | 179 | 137 | 1,124 | 648 | n/a | 648 | 1,772 |
| | 2022 | 312 | 114 | 53 | 479 | 203 | n/a | 203 | 682 |

1. Salaries for Executive Directors are set in USD – 2023 salaries were $1,055,700 (inclusive of residency allowance) for the CEO, $747,909 for the CFO and $807,352 for the COO, all inclusive of housing and 13th month allowances and the Acting up allowance paid to the COO during the period of expanded responsibility.
2. The taxable benefits for each Executive Director comprise those which are quantifiable. Benefits in 2023 include insurance, which was to the value of $44,012, $19,320.32, and $38,715.43 are for the CEO, CFO and COO respectively. Note that the insurance benefit is not taxable in Nigeria.
3. Pension contributions are provided as a cash supplement/contribution to retirement savings account.
4. Bonus relates to the year it was earned and includes the deferred proportion of the award.
5. The value of the 2021 LTIP awards vesting in 2024 is shown in 2023 as the performance period ended on 31 December 2023. The estimated value of these awards uses a 2023 Q4 average share price of $1.56; the actual value will be updated in the 2024 Directors' Remuneration Report when the awards vest on 10 May 2024. For 2020 LTIP that vested in 2023 and was reported in 2022 report, amount has been trued up to reflect value as at actual vesting date.
6. The COO joined the company on 01 July 2022 and all values stated for 2022 relates to his 6-months' period of employment in 2022. The 2023 value is inclusive of acting allowance he received for the temporary period of increased responsibilities.

Further detail regarding the disclosures in the table above is presented in the Annual Report on Remuneration on page 154.

## Variable pay outcomes for 2023
We set out below a summary of the 2023 annual bonus performance outcomes, together with details of the determination of the vesting of the 2021 LTIP, whose performance period ended on 31 December 2023. Further details are set out in the Annual Report on Remuneration on page 156.

## 2023 annual bonus performance assessment
The Committee calibrated the Executive Directors' bonus scorecard around targets linked to production, operational efficiency, technical growth projects, financial, health and safety and environmental, social and governance ("ESG"). The Committee also reviewed the Company's performance against the bonus scorecard and established that the Company overall had performed between on-target and maximum such that all Executive Directors achieved 76% of maximum. The bonus outcome represents a performance uplift from 2022, reflecting improved corporate performance throughout the scorecard.

The CEO has demonstrated exceptional leadership through a year of challenge and transformation, resulting in this strong performance and therefore, the Committee deemed it appropriate to utilise the shareholder approved maximum bonus opportunity of 200% of salary for the CEO in 2023. As set out in the Chair's letter, the COO's annual bonus opportunity was also increased from 100% to 150% of salary during the three-month period of increased responsibility. The CFO's annual bonus opportunity remains at 100% of salary, as set out in last year's remuneration report.

## 2021 LTIP awards vesting
The 2021 LTIP awards are due to vest in 2024; however, the performance period for these awards ended on 31 December 2023 and an estimate of their value is therefore included in the single figure table above, which will be restated in next year's Annual Report on Remuneration when the share price at vesting is known.

The Company's TSR was positioned above the upper quartile of the TSR comparator group, and the Company outperformed oil price growth by at least 10% and achieved absolute TSR above 100% leading to a vesting outcome of 100%, prior to the assessment of the broad underpin of the qualitative review of the Company's operations. The Remuneration Committee performed a qualitative review of the Company's operations across 2021, 2022 and 2023 in line with the broad underpin and determined that Company's operations to be effective and reflective of the underlying performance over the three-year period ended 31 December 2023, so no downward-discretion was applied to the formulaic outcomes. Therefore, the overall 2021 LTIP vesting level was 100% of the maximum award.

| TSR performance (Seplat Vs Comparator Group) | | | | TSR performance (absolute) | Operational and technical scorecard underpin | |
|---|---|---|---|---|---|---|
| Seplat TSR growth | Median TSR (25% vesting) | Upper quartile TSR (100% vesting) | Vesting of Base Award based on relative TSR performance | Multiplier for absolute TSR performance and performance versus share price growth | Vesting reduction due to the qualitative review of the Company's operations | Overall LTIP vesting |
| 178.8% | 67.5% | 156.4% | 100% | 1.2 | 0% | 100% |

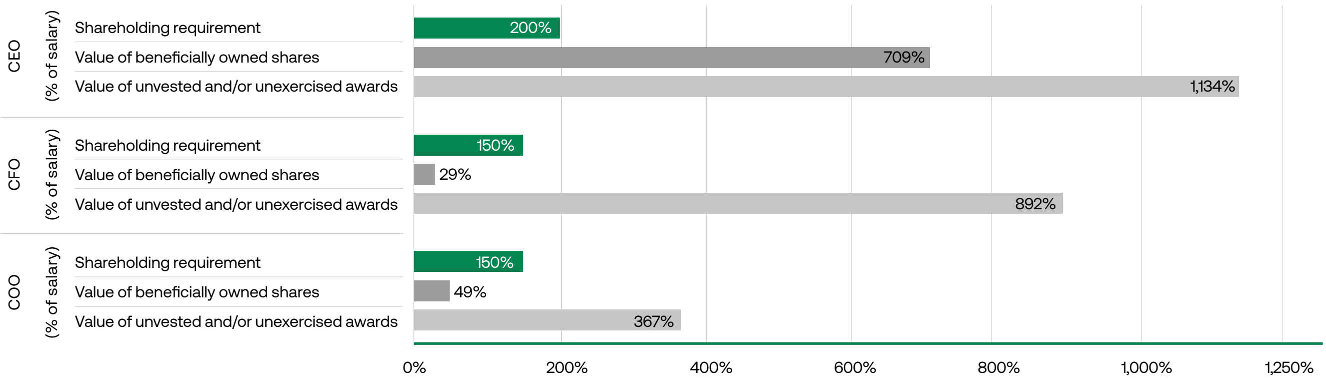
The grant of the 2021 LTIP award was delayed, occasioned by share dealing restrictions with respect to the Mobil Producing Nigeria Unlimited (MPNU) deal. Considering the nature of the delay, the Committee deemed it appropriate to adjust the vesting date for the 2021 LTIP to 10 May 2024 to reflect the vesting date, had the grant not been delayed due to the dealing restrictions. The performance period continues to be the three-year period to 31 December 2023. This has been applied to all LTIP participants.

## Summary of application of discretion

In summary, the Committee is satisfied that the formulaic outcomes described above are a fair reflection of the performance of management over the respective performance periods, and in the context of the wider business performance. Therefore, no discretion has been applied to the variable pay outcomes.

## Executive Director shareholdings

We set out below how our Executive Directors' shareholdings compare to the requirements of our policy as at the year end. A share price of $1.55 as at 29 December 2023 has been used. In addition, we provide the pre-tax value of the Executive Directors' unvested or unexercised equity awards.




## Remuneration alignment to performance

The following analysis compares the CEO's pay against his remuneration opportunity and Company performance.

## Actual pay versus opportunity for CEO

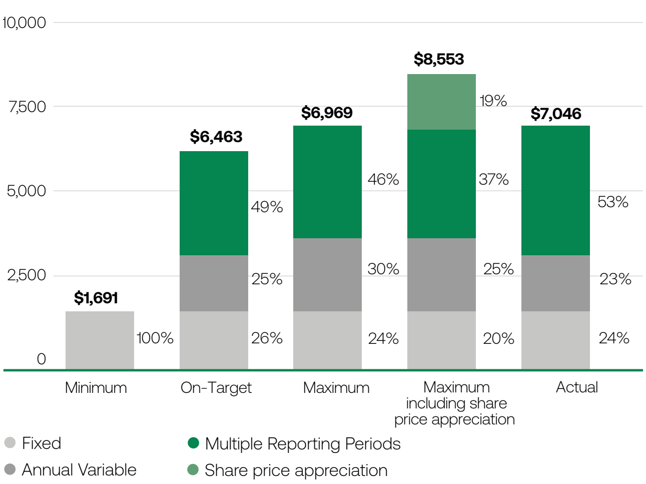
The chart below illustrates how the 2023 total single figure of remuneration for the CEO compares to minimum, on-target and maximum opportunity in accordance with the remuneration policy that applied in 2023. 2023 remuneration is slightly above the maximum opportunity due to the annual bonus paying out between on-target and maximum and the value of the 2021 LTIP being at maximum as a result of the vesting at 100%, alongside share price growth over the LTIP vesting period.

## Actual CEO pay versus total shareholder return ('TSR')

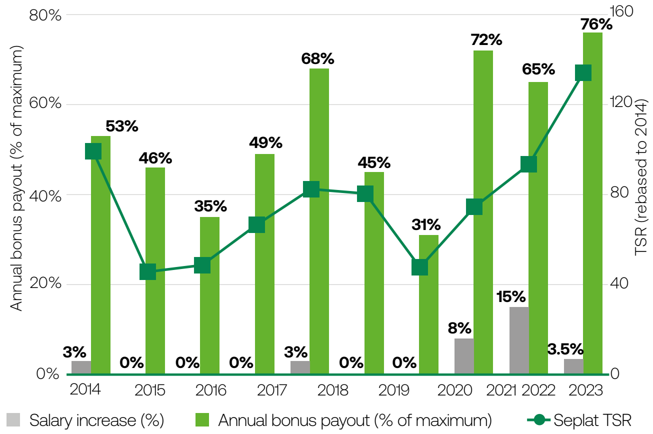
The Company feels it is critical that CEO pay reflects the returns delivered to shareholders, where TSR is the core performance measure chosen to reflect shareholder experience.

The CEO was awarded a 15% salary increase in 2023, in line with the Company's targeted market positioning. The 2023 Annual bonus resulted in 76% of maximum payout, reflecting corporate performance and industry conditions throughout 2023. Seplat remains one of the sector's stocks of choice by continuing to perform between the median and upper quartile TSR. This is illustrated in the chart below.

### CEO (US$'000)




### CEO pay vs. TSR performance



## Implementation of remuneration policy for 2023

The Directors’ Remuneration Policy was reviewed early 2024, in line with corporate governance best practice, changes to the Company’s business strategy, including the potential impact of the MPNU transaction, the need to attract, retain and motivate executives, market practice and investor sentiment. We set out below a summary of the Directors’ remuneration policy operation in 2023, and the planned implementation of the revised Remuneration Policy for 2024.

<table>
<tr><th>Element</th><th>2023 operation</th><th>2024 Implementation</th></tr>
<tr><td rowspan="2">Base salary</td><td>The Executive Director base salaries in 2023 were:<br>• CEO[1]: US$1,055,700<br>• CFO: US$747,909<br>• COO: US$716,820</td><td>From 1 January 2024, Executive Director base salaries will be:<br>• CEO: US$1,092,650 (being 3.5% COLA only)<br>• CFO: US$774,086 (being 3.5% COLA only)<br>• COO: US$792,086 (being 3.5% COLA & 7% performance-based)</td></tr>
<tr><td colspan="2">1 The CEO’s base salary includes a dual residency allowance, whereas the CFO’s and COO’s base salaries include Housing & 13th month allowances, in line with local market practice.</td></tr>
<tr><td>Benefits</td><td colspan="2">On the basis that benefits are dependent on the working location and are either in the form of a cash allowance or the actual benefit itself, no changes have been made to executive director benefits.</td></tr>
<tr><td>Pensions</td><td colspan="2">Pensions contributions align with the wider Nigerian workforce, at 17%, and will remain unchanged.</td></tr>
<tr><td>Annual Bonus</td><td colspan="2">No change to the maximum opportunity as % of base salary, as follows:<br>• CEO: 150%<br>• CFO: 100%<br>• COO: 100%<br><br>25% of the Executive Directors’ bonus will be deferred into shares and will be released two years following the end of the performance year in respect of which the Award was made, subject to continued employment. The performance conditions will reflect the six pillars and safety element underpinning the company’s updated strategy.<br><br>The Committee is of the opinion that given the commercial sensitivity arising in relation to the detailed targets used for the annual bonus, disclosing precise targets for the bonus plan in advance would not be in the best interests of shareholders. The performance measures, achievement against targets and the value of awards made will be published at the end of the performance period, so shareholders can assess the basis for any pay-outs under the annual bonus.</td></tr>
<tr><td rowspan="2">Long Term Incentive Plan</td><td>LTIP maximum opportunity in 2023, as % of base salary, was as follows:<br>• CEO: 300% (250% of salary subject to relative TSR prior to Absolute TSR multiplier)<br>• CFO: 240% (200% of salary subject to relative TSR prior to Absolute TSR multiplier)<br>• COO: 240% (200% of salary subject to relative TSR prior to Absolute TSR multiplier)</td><td>LTIP maximum opportunity in 2024, as % of base salary, is planned as follows, only in the event the MPNU transaction completes before 2024 Q3.<br>• CEO: 450% (375% of salary subject to relative TSR prior to Absolute TSR multiplier)<br>• CFO: 360% (300% of salary subject to relative TSR prior to Absolute TSR multiplier)<br>• COO: 360% (300% of salary subject to relative TSR prior to Absolute TSR multiplier)<br><br>If the MPNU transaction is not completed before 2024 Q3, opportunity levels will continue in line with those provided in 2023.</td></tr>
<tr><td colspan="2">All awards will vest subject to performance measures (and the Executive Director’s continued employment) at the date of vesting after three years and are then subject to a two-year holding period. Malus and Claw-back will continue to apply to LTIP awards.<br><br>The percentage of LTIP awards that will be subject to Relative TSR performance against a bespoke group of E&P companies is shown in brackets above. 25% of this element of the award will vest for median performance rising on a straight-line basis to 100% vesting for upper quartile. The level of vesting achieved under the relative TSR element may be increased by a further 20% (to the maximum opportunity level) if the Company’s Absolute TSR is 100% or more and this TSR is at least 10% above the oil price increase over the performance period. The maximum opportunity for the CEO in 2024 is therefore 375% x (1 + 20%) = 450% of salary, as set out above.<br><br>The primary TSR measures will be moderated by a broad underpin, operated as a qualitative review of Seplat’s operations by the Remuneration Committee at the end of the vesting period, with the application of downward-discretion, where appropriate. In addition, to ensure that remuneration outcomes are not unreasonable the Remuneration Committee will review any share price windfall gains at the end of the vesting period, and make any discretionary adjustments, as required, in line with market best practice.</td></tr>
<tr><td>Shareholding requirement</td><td colspan="2">Executive Directors are given five years from the date of the policy implementation or date of appointment, if later, to satisfy the following shareholding requirements:<br>• CEO: 200% of base salary<br>• Other Executive Directors: 150% of base salary<br><br>The Committee determined that the shareholding requirement would continue to apply for one year post cessation of employment for the Executive Directors and at 50% of the requirement between one- and two-years post-cessation.</td></tr>
</table>

| Element | 2023 operation | 2024 Implementation |
|---|---|---|
| **Non-Executive Director fees**[1] | Non-Executive fees as at 1 January 2023 were:<br>• Chairman: US$ 866,667<br>• Non-executive Director Fees: US$172,022<br>• Senior Independent Director: US$243,220<br>• Committee Chairmanship: US$47,690<br>• Finance Committee Chairmanship2: US$63,586<br>• Committee membership: US$31,793 | From 1 January 2024, Non-Executive Director fees will be:<br>• Chairman: US$ 897,003 (being 3.5% COLA only)<br>• Non-executive Director Fees: US$ 178,043 (being 3.5% COLA<br>• Senior Independent Director: US$251,732 (being 3.5% COLA only)<br>• Committee Chairmanship: US$49,359 (being 3.5% COLA only)<br>• Finance Committee Chairmanship2: US$65,812 (being 3.5% COLA only)<br>• Committee membership: US$ 32,906 (being 3.5% COLA only) |

1 Non-Executive Directors are paid a base fee and additional fees for chairmanship / membership of Committees and Senior Independent Directorship. In special circumstances, additional Director fees can be paid for Board commissioned specific longer-term activities led by the Director. All fees are shown on a gross basis i.e. before withholding tax.
2 Only applicable if the Finance Committee chairperson also holds additional responsibilities such as membership on other board committees.

It is the Committee's intention that commitments made in line with its current remuneration policy and policies prior to Admission will be honoured.

## The Wider Workforce

The General Remuneration Policy (the General Policy) is applicable to all employees and senior managers of the Company and is directed towards the recurrent generation of value for the Company, the alignment of the interests of the employees and shareholders with prudent risk management.

Seplat's general policy aims to attract, engage, motivate, and retain talent to execute our business strategy in a sustainable manner, over short-, mid- and long-term goals. Given the competitive talent landscape, our philosophy is reinforced to provide a competitive and affordable reward proposition, while differentiating pay by relevant performance indicators. To achieve optimal attraction, retention and motivation, the Company benchmarks its remuneration on a regular basis to maintain a competitive edge in the pay market.

This general policy is crafted to promote proper management and oversight of remuneration in the Company. It establishes performance as a basis for employee reward, while considering the diversity of our employees across all our operations, full regulatory and legislative compliance where we operate and local pay market uniqueness to ensure we build an organisation for today and the future, based on the following values:

- creating long-term value for shareholders;
- drive pay-for-performance-culture for both short- and long-term rewards;
- achieving results through prudent and responsible risk-taking;
- attracting and retaining the best professionals;
- ensuring internal equity and external competitiveness;
- promoting equal pay and opportunities for men and women; and
- ensuring the transparency of the remuneration model.

The General Policy takes into account obligatory compliance with the legal requirements applicable within our industry, and assesses risks, benefits and compliance of rewards in alignment with best market practices. As such, the guiding principles aligns remuneration with the Group's business strategy and its long-term objectives, organisational culture, values, and interests.

## Employee value proposition

### 1. Competitive total reward

Our policy is to provide industry competitive benefits and various incentive schemes to retain and attract high performing employees, carrying out market benchmarking annually to ensure this.

### 2. Employee engagement

Seplat holds regular meetings of the Employee Forum and conducts an annual online survey to gather employee views on a range of matters. Transparency and communication is maintained across all levels including shareholders and stakeholders.

### 3. Workforce policies

Seplat operates a number of policies which apply to both our Directors and employees including diversity, conflict of interests and share dealing.

### 4. Talent development

We support our employees' development via various learning initiatives that align with employees' career goals and succession decisions such as individually tailored training programmes, educational assistance, subscriptions to various professional bodies and necessary expenditure for key learning.

### 5. People Management

We continue to manage our people well for long-term sustainable result through active intrapreneurial engagement with line managers.

## Reward structure cascade

The table below illustrates the cascade of our reward structure from Executive Directors to the wider employee population. As shown below, senior management and key employees participate in the LTIP and annual bonus schemes. Additionally, pension contribution levels are consistent for all employee levels.

| | | Employee level – % of salary | | | |
|---|---|---|---|---|---|
| Number of participants | Element of pay | CEO | Executive Directors | Senior Management (SG 1-4) | Other key employees |
| Executive Directors, Senior Management, Other key employees | **LTIP** | 300% | 240% | 60-180% | 30-42% |
| Executive Directors | **Annual bonus – Deferred shares** | 37.5% | 25% | n/a | n/a |
| All employees | **Annual bonus – Cash** | 112.5% | 75% | 40-75% | 15-30% |
| All employees | **Pension** | 17% | 17% | 17% in Nigeria | 17% in Nigeria |
| All employees | **Benefits** | All employees | | | |
| All employees | **Salary** | All employees | | | |

## Employee engagement

The Remuneration Committee oversees the compensation of the Chairman, Executive Directors, and senior management, having regard to remuneration trends across the Company. The Remuneration Committee and management are committed to fair pay practices across the organisation. The Company operates an extensive range of mechanisms and instruments for workforce engagement which cover all employee populations, including a Joint Consulting Committee.

In addition, when setting the remuneration policy and making decisions on remuneration, the Committee references several factors including the general workforce pay structure, workforce policies, talent development needs and wider stakeholder impact.

## Gender pay gap and CEO pay ratio

The Committee considered disclosing the CEO pay ratio and the Company's gender pay gap for 2023. However, given the Company's main operations are based in Nigeria whilst the UK workforce consists of significantly fewer than 50 employees, the results would neither be representative of our business nor statistically significant, with little to no insight to investors. We will reassess whether to include this disclosure in future years.

# Directors' Remuneration Policy

## Introduction

As we reach the end of the three-year cycle of our Remuneration Policy, the Remuneration Committee has conducted a review of the previous Directors' Remuneration Policy and the changes to its operation adopted in 2021.

The section sets out our new Directors' Remuneration Policy (the 'Policy'), which fundamentally continues our existing policy principles with some key proposed changes, which are discussed below. These changes are required to ensure that the remuneration policy remains flexible and aligned with the company's strategy. The new Policy will be put to a shareholder vote at the Annual General Meeting on 16th May 2024 and, if approved, will apply to payments made after that date and will replace the existing remuneration policy in its entirety. It is intended that the new Remuneration Policy will apply for three years from commencement, unless the Remuneration Committee decides that it is appropriate to put a new Remuneration Policy to vote before this date.

The Committee also acknowledges that there is likely to be a significant impact on the business strategy if the MPNU transaction completes; as such, a further review of the Remuneration Policy will be conducted following the outcome of the deal to ensure that it continues to align to the future strategy and is appropriate for the enlarged business at that point. If further changes to the Policy and its structure are required at that time, shareholders will be asked to approve these changes at a General Meeting. This will include a shareholder engagement process if a significant level of change is proposed.

The table below sets out the proposed changes to our Remuneration Policy:

| Element of remuneration | Proposed changes |
|---|---|
| **Base salary** | • Remove the 10% limit on salary increases to give greater flexibility for adjustments to salary to reflect future changes in scope and responsibilities. |
| **Pension** | • No changes proposed. |
| **Benefits** | • No changes proposed. |
| **Annual bonus** | • Clarify circumstances in which the maximum 200% of annual bonus opportunity under the Policy limits could apply – The maximum bonus opportunity shall apply only in exceptional circumstances where the Company desires to incentivise the Executives towards a successful completion of transformational business objectives, or for retention purposes." |
| **LTIP** | • Increase in the maximum long-term incentive plan opportunity from 300% of salary to 450% of salary, for implementation in exceptional circumstances only. Exceptional circumstances could include instances where the Business wants to incentivise Executives towards a successful transition of the business or significant transaction, or for recruitment or retention purposes. The Remuneration Committee will provide full disclosure in the event that the exceptional maximum is used.<br>• Clarity on cessation arrangements for vesting of share awards in instances where the Participant is employed in Nigeria and ceases to be in employment by reason of reaching the compulsory retirement age; in such case, no time-proration shall apply on vesting of awards. |
| **Malus and Claw-back provisions** | • No changes proposed. |
| **Shareholding Guidelines** | • No changes proposed. |
| **Non-Executive Director fees** | • Flexibility to award extraordinary NED fees for additional board-specific responsibilities which are not Committee functions. Such fees shall be set in a manner that reflects the complexity and time commitment of the roles/ responsibilities. |

## Policy summary

The Company's aim is to attract, retain and motivate the best talent to help execute the business strategy successfully and ensure long-term value creation for shareholders in the current challenging environment for the oil and gas industry. Overall remuneration levels have been set at a level that is considered by the Committee to be appropriate for the size, nature, and aspirations of the business, having taken specialist, independent advice where necessary, in order to ensure that the policies and remuneration structure are appropriate for the listed company environment.

## Our remuneration philosophy and principles of remuneration

The Policy aims to attract, motivate, and retain talent to execute our business strategy in a sustainable manner over the long term, align the interests of the Executive Directors, senior managers, and employees to the long-term interests of shareholders and support a high-performance culture with appropriate reward for superior performance without creating incentives that will encourage excessive risk taking or unsustainable Company performance.

The Policy aims to reflect out remuneration philosophy, which is to:

- provide a competitive, affordable reward proposition, differentiating pay by relevant performance indicators;
- achieve optimal attraction, retention and motivation via regular market benchmarking of rewards; and
- establish performance as a basis for employee reward.

The guiding principles behind the setting and implementation of our remuneration policy are as follows:

| Principle | Explanation |
|---|---|
| **Aligned** | Contributes to the Company's business strategy and to the achievement of its objectives, values, interests, value creation and long-term sustainability.<br><br>There should be suitable provision of equity awards over the longer term, focusing the Executive Directors on delivering the business strategy, allowing them to build a meaningful holding in the Company to further align their interests with those of shareholders |
| **Balanced** | There should be an appropriate balance between fixed and performance-related elements of the remuneration package. |
| **Competitive** | Remuneration packages should be competitive, considering the level of remuneration paid in respect of comparable positions in similar companies within the industry. |
| **Equitable** | Fair pay, based on the relative value of the jobs and other appropriate criteria that reflect compliance with applicable regulations, and corporate culture and values.<br><br>There should be an appropriate level of gearing in the package to ensure that Executive Directors receive an appropriate proportion of the value created for shareholders whilst reflecting pay and conditions throughout the remainder of the Group, where the Company operates and where it is listed. |
| **Inclusive** | Gender-neutral, reflecting equal remuneration for the same duties or duties of equal value, and does not differentiate or discriminate based on gender. |
| **Risk-weighted** | Remuneration should not raise environmental, social or governance risks by inadvertently motivating irresponsible behaviour. More generally, the overall remuneration policy should not encourage inappropriate operational risk. |
| **Transparent** | Clear, comprehensible, and simple enough to facilitate understanding of the different components of remuneration, while clearly distinguishing between fixed remuneration and variable remuneration. |

## How our remuneration structure supports the business strategy

In line with our remuneration principles, the Committee will manage incentive plans for the Executive Directors such that they are closely linked to the business success, as outlined below:

| | | |
|---|---|---|
| **Build a Sustainable Business – Support increased access to energy to drive social development** | Drive social development.<br>Focus on environmental care and reporting.<br>Maximise returns for all stakeholders. | **Annual Bonus**<br>The Committee, on behalf of the Board, oversees the corporate performance scorecard development and assessment, ensuring that it reflects the company's strategic framework and incorporates the business imperatives required to drive its execution.<br>Whilst many scorecard elements are financial and operational at the Executive Director level, they do contain several quality targets around Health & Safety and Environment, Social and Governance (ESG), designed to ensure we deliver the longer-term goals as a responsible and sustainable company.<br>This scorecard is devolved down into the management line with an increasing emphasis on the quality and technical component elements needed to sustain corporate progress. The content of the annual scorecard has evolved to mitigate short-term pressures and exploit short-term opportunities – all aligned to deliver the longer-term strategic objectives. |
| **Deliver Energy Transition – Generate consistent and profitable long-term cash flow to support growth of gas and renewables opportunities by developing our upstream business** | Generate consistent and profitable long-term cash flow by developing our Upstream business.<br>Create long-term, highly visible revenue streams by developing Nigeria's gas resources.<br>Develop our gas-to-power business segment and achieve a world-class capability in renewable energies. | |
| **Deliver shareholder value** | Share price growth and dividends (TSR) | **LTIP**<br>Our overall strategic goal is to be a high performing oil & gas company – a shareholder stock of choice, within our sector and region. To achieve this, we align Executive Director equity awards with the fortunes of the shareholders through a relative TSR measure – based on performance against comparable oil & gas companies – seeking to attain regular upper quartile results.<br>If we achieve median positioning or above over a three-year cycle, management are well rewarded in that year; if we fall below the median position, management share the financial disappointment. In addition, an absolute TSR multiplier kicks in if Seplat's TSR outperforms oil price growth by at least 10%. These ensure Executives are appropriately incentivised to implement the new Strategy, encompassing M&A activity and renewable priorities, whilst providing outcomes aligned to the Shareholder experience through the implementation of an Absolute TSR performance measure.<br>This strategic three to five-year reward structure is further underpinned by the need to sustain good quality operations, as measured by a qualitative review of Seplat's operations by the Remuneration Committee at the end of the vesting period, with the application of downward-discretion, where appropriate. |
| | Alignment to shareholder interests | **Shareholding requirement**<br>Success will deliver growing management share-ownership with extended retention periods, claw-back in case of misstatement, ability to override formulaic outcomes if they are out of line with corporate performance and sizable personal retained shareholdings.<br>This is all working towards aligning the Company's executive leadership with the interests of shareholders. |

In addition to supporting strategy, the policy also aligns with the six factors under provision 40 of the UK Corporate Governance Code, as set out below:

| Factor | Description | How the remuneration policy is aligned |
|---|---|---|
| **Clarity** | Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce. | Our Directors' Remuneration Policy is based on the remuneration principles (see page 142) which are aligned with strategic priorities.<br>The policy is cascaded throughout the organisation as shown on page 148.<br>The Company promotes meaningful engagement with its key stakeholders, including shareholders (via Annual Report / AGM / investor events where the remuneration structure and main pay-related decisions made in the year are communicated) and workforce (via annual engagement). |
| **Simplicity** | Remuneration structures should avoid complexity and their rationale and operation should be easy to understand. | The remuneration structure is based on a simple principle of maximising the long-term shareholder value. Key metrics are chosen to fulfil this objective by encouraging strong operational and financial performance.<br>We are constantly seeking feedback on the remuneration structure and are reviewing ways in which it could be simplified. |
| **Risk** | Remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated. | The Remuneration Committee constantly monitors potential risks arising from the operation of the remuneration arrangements. We closely monitor compensation arrangements provided to joiners and leavers, including senior management, to ensure that any payments are appropriate and aligned with the remuneration policy.<br>The Committee also has discretion to override formulaic outcomes to ensure that any payments are reflective of the underlying performance.<br>Post-vesting holding period and post-cessation shareholding requirement apply to Executive Directors. |
| **Predictability** | The range of possible values of rewards to individual Directors and any other limits or discretions should be identified and explained at the time of approving the policy. | The Remuneration Committee actively manages the expectations of its key stakeholders in relation to the remuneration outcomes. The Company provides in its Annual Report an illustration of the potential levels of remuneration receivable by the Executive Directors under various performance scenarios.<br>As set out on page 146, the Committee has discretion to override formulaic outcomes of the incentives to ensure alignment with the underlying performance. |
| **Proportionality** | The link between individual awards, the delivery of strategy and the long-term performance of the Company should be clear. Outcomes should not reward poor performance. | The Committee annually reviews the appropriateness of the remuneration policy to ensure that the structure and performance metrics remain aligned to the strategic objectives and long-term value creation.<br>As set out on page 147, the Committee has discretion to override formulaic outcomes of the incentives to ensure alignment with the underlying performance. |
| **Alignment to culture** | Incentive schemes should drive behaviours consistent with company purpose, values and strategy. | The Board reviewed culture in 2019 and the Committee is comfortable that incentive schemes operate in line with the key values of the organisation.<br>Alignment of our incentives structure to strategy is illustrated on page 156. |

## Remuneration Policy in Practice

To deliver upper quartile performance against our oil and gas contemporaries, making Seplat the investor's sector choice, we need to attract and retain highly experienced individuals. This applies not just at the executive level, but also within the senior management cadre. This is a recruitment and selection function led by the Nomination and Establishment Committee at the highest level, through the CEO, and into senior management levels. To attract and retain the top talent within the industry, we will be paying median to upper quartile packages. We accept that this requires strong performance delivery and hence expect to set challenging performance targets.

Our Directors' Remuneration Policy which, once approved, will apply for three years starting from 16th May 2024, is outlined below.

## Base Salary[1]

**Purpose and link to strategy**

Provides a base level of remuneration to support recruitment and retention of Executive Directors with the necessary experience and expertise to deliver the Group's strategy. Set to reflect the role, the nature of operations and the contribution, skills and experience of the individual.

**Operation**

An Executive Director's base salary is set on appointment and is aimed at providing a competitive base salary relative to an appropriate benchmark. When determining an appropriate level of salary, the Committee considers:

- remuneration practices within the Group;
- the general performance of the Group;
- salaries within the ranges paid by the companies in the comparator group used for remuneration benchmarking[1]; and
- the economic environment.

It is reviewed annually (effective from 1 January each year) or when there is a change in position or responsibility.

Any subsequent salary increases will consider factors such as:

- the performance of the individual;
- pay and conditions throughout the Company;
- inflation/cost of living in jurisdictions where Executive Directors reside; and
- the levels of base salary for similar positions with comparable status, responsibility and skills, in organisations of broadly similar size and complexity in the E&P sector.

**Opportunity**

Over the policy period, base salaries for current Executive Directors will be set at a competitive level within the comparator group and will increase in line with the increase for the general workforce in the Company other than in exceptional circumstances or when there is a change in role or responsibility.

New promotes or recruits to the Board may on occasion have their salaries set below the targeted policy level while they become established in their role. In such cases salary increases may be higher than the increase for the general workforce of the Company until the target market positioning is achieved.

The Company will set out in the section headed implementation of remuneration policy in the following financial year the salaries for that year for each of the Executive Directors (see page 138).

**Performance metrics**

N/A

**Changes from previous policy**

See table on page 141.

## Benefits[2]

**Purpose and link to strategy**

Provides a level of benefits consistent with local market practice to support individuals in carrying out their roles.

**Operation**

Benefits provided to the Executive Directors are dependent on their working location.

Benefits can be provided either in the form of a cash allowance or as the actual benefit itself.

The Committee recognises the need to maintain suitable flexibility in the determination of benefits that ensures it can support the objective of attracting and retaining personnel. This may include tax equalization on incentive plans to ensure that executives are not double taxed.

**Opportunity**

The maximum opportunity for benefits is defined by the nature of the benefit itself and the cost of providing it. As the cost of providing such benefits is dependent on market rates and other factors, there is no formal maximum monetary value.

**Performance metrics**

N/A

**Changes from previous policy**

None

## Pension

**Purpose and link to strategy**

Provides a competitive level of retirement benefit.

**Operation**

Employer retirement funding is determined as a percentage of gross basic salary, up to a maximum limit of 17%. This may be provided either as a contribution into a personal pension fund or as a cash supplement.

**Opportunity**

A maximum pension contribution of 17% of salary.

The Company will set out in the section headed implementation of remuneration policy in the following financial year the pension contributions for that year for each of the Executive Directors (see page 138).

**Performance metrics**

N/A

**Changes from previous policy**

None

1 Salaries are set compared to a peer group of international oil and gas companies.
2 Benefits may include Life Assurance, Employee Compensation Scheme, Personal Accident Assurance, Housing costs, Long Term Disability Assurance, Private Healthcare, Gym/Club Membership, Car and driver, Phone Allowance / Mobile Phone, Children's Education allowance, Rest and Recreation allowance, Residence Allowance and In country allowance.

Annual Performance Bonus

**Purpose and link to strategy**

Provides a significant incentive to the Executive Directors linked to achievement in delivering goals that are closely aligned with the Company's strategy (by including performance conditions around both financial and quality targets) and the creation of value for shareholders. It, particularly, supports the Company's objectives allowing the setting of annual targets based on the Company's' strategic objectives at that time, meaning that performance conditions will change to mitigate short-term pressures and exploit short-term opportunities – all aligned to deliver the longer-term objective.

**Operation**

The Committee will determine the maximum annual participation in the annual bonus for each year, which will not exceed 200% of salary.

75% of any bonus earned will be paid in cash at the end of year one.

The remaining 25% of any bonus earned will be deferred into shares (under the rules of the LTIP) and paid at the end of year three.

The Company operates an annual bonus scorecard of performance metrics, incorporating the Company's KPIs as well as individual performance targets.

Details of the performance conditions and their level of satisfaction for the year being reported will be set out in the Annual Report on Remuneration.

The Committee retains discretion to make adjustments to the amount of annual bonus payable resulting from the application of the performance measures if it believes that the outcomes are not a fair and accurate reflection of corporate performance.

The Committee may award dividend equivalents on deferred share awards to the extent that these vests based on dividends paid between grant and vesting.

**Opportunity**

The normal maximum opportunity in operation for any Executive is 150% of base salary, while the maximum bonus opportunity is 200% of base salary.

The maximum bonus opportunity of 200% of salary shall apply only in exceptional circumstances where the Company wishes to incentivise the Executives towards the successful completion of transformational business objectives, or for retention purposes.

Percentage of bonus maximum earned for levels of performance:

- Threshold – 30%
- Target – 50%
- Maximum – 100%

**Performance metrics**

The Company operates an annual bonus scorecard of performance metrics, incorporating the Company's KPIs around financial, strategic, and operational / technical conditions as well as individual performance targets.

The Committee is of the opinion that given the commercial sensitivity arising in relation to the detailed financial targets used for the annual bonus, disclosing precise targets for the performance bonus plan in-advance would not be in shareholder interests. The performance measures, achievement against targets and the value of awards made will be published at the end of the performance periods so shareholders can assess the basis for any pay-outs under the annual bonus.

The deferred bonus shares are awarded under the Deferred Bonus Plan and so will be subject to the Malus and Claw-back provisions contained within its rules.

**Changes from previous policy**

See table on page 141.

Long Term Incentive Plan

**Purpose and link to strategy**
Awards are designed to incentivise the Executive Directors to maximise total shareholder return by successfully delivering the Company's objectives and to share in the resulting increase in total shareholder value. If targets are reached, Executive Directors are well rewarded – however if we fail, management share the financial disappointment.

**Operation**
Awards are made annually to Executive Directors. The number of share awards to be granted under the LTIP will be calculated based on the average share price over the 5 days preceding the date of grant. The awards will vest at the end of a three-year period subject to:

- the Executive Director's continued employment at the date of vesting; and
- satisfaction of the performance conditions.

To the extent that awards vest, the awards will be subject to a further two-year holding period.

The Committee retains discretion to adjust the amount of LTIP vesting payable resulting from the application of the performance measures if it believes that the outcomes are not a fair and accurate reflection of performance.

The Committee may award dividend equivalents on awards to the extent that these vests based on dividends paid between grant and release.

The Committee may scale down individual award or vesting based on individual performance in the preceding year.

**Opportunity**
Ordinary maximum value of 300% of salary p.a. based on the market value at the date of award set in accordance with the rules of the Plan.

Exceptional maximum of 450% of salary.

Exceptional circumstances could include instances where the Committee wishes to incentivise Executives towards a successful transition of the business or significant transaction, or for recruitment or retention purposes. The Remuneration Committee will provide full disclosure if the exceptional maximum is used.

There is no requirement to make this level of award every year.

**Performance metrics**
The committee will determine the performance measures, weightings, and targets for the LTIP awards on an annual basis.

Details of the performance conditions and respective vesting levels for awards made in the year will be set out in the Annual Report on Remuneration or an RNS announcement at the time of grant and for future awards in the statement of implementation of remuneration policy in the future financial year.

The LTIP contains Malus and Claw-back provisions.

**Changes from previous policy**
See table on page 141.

Shareholding requirement

**Purpose and link to strategy**
Long-term alignment with shareholders' interest.

**Operation**
To ensure that Executive Directors' interests are aligned with those of shareholders over a longer time horizon the Committee operates formal shareholder guidelines to encourage long-term share ownership by the Executive Directors.

**Opportunity**
CEO: 200% of annual base salary

Other Executive Directors: 150% of annual base salary

Executive Directors will be given five years from the date of the previous (2018) policy implementation, or date of appointment if later, to satisfy the shareholding requirement.

The shareholding requirement continues to apply for one year post cessation of employment for the Executive Directors and at 50% of the requirement between for an additional year.

**Performance metrics**
N/A

**Changes from previous policy**
None

Our Non-executive Director remuneration policy which, once approved, will apply for three years starting from 16th May 2024, is outlined below.

Non-executive Director Fees

| | |
|---|---|
| **Purpose and link to strategy**<br>Provides a level of fees to support recruitment and retention of Non-Executive Directors with the necessary experience to advise and assist with establishing and monitoring the Group's strategic objectives. | |
| **Operation**<br>The Board as a whole is responsible for setting the remuneration of the Non-Executive Directors.<br>Non-Executive Directors are paid a base fee and additional fees for chairmanship/membership of Committees/Senior Independent Directorship, or additional board-specific roles/responsibilities. Such fees shall be set in a manner that reflects the complexity and time commitment of the roles/ responsibilities.<br>Fees are reviewed annually based on equivalent roles in UK listed companies taking account of the Company's location and sector. Non-Executive Directors do not participate in any variable remuneration plans but may be eligible to receive benefits and corporate arrangements such as travel and security, considered on a case-by-case basis. | **Opportunity**<br>In general, the level of fee increase for the Non-Executive Directors will be set taking account of any change in responsibility and will consider the general rise in salaries across the workforce. Fees for additional Board responsibilities shall be set in a manner that reflects the complexity and time commitment of the roles/ responsibilities.<br>The Company will pay reasonable expenses incurred by the Chairman and Non-Executive Directors. |
| **Performance metrics**<br>N/A | **Changes from previous policy**<br>See table on page 141. |

It is the Committee's intention that commitments made in line with its current and previous remuneration policies and policies prior to Admission be honoured. The Committee is satisfied that its approach to the Directors' remuneration is designed to promote the long-term success of the Company.

## Performance Measures

Please see the 'How our remuneration structure supports the business strategy' section for information on why the LTIP performance measures have been chosen and how the annual bonus scorecard will be determined by the Committee each year.

## Discretion

The Committee retains discretion, consistent with market practice, in a few regards to the operation and administration of the Annual Bonus and LTIP (the LTIP being operated in general terms according to the rules). These include, but are not limited to, the following:

- the participants;
- the timing of an award;
- the size of an award;
- the determination of vesting and/or payout;
- discretion required when dealing with a change of control or restructuring of the Group;
- determination of the treatment of leavers based on the rules of the plan and the appropriate treatment chosen;
- adjustments required in certain circumstances (e.g. rights issues, corporate restructuring events and special dividends); and
- the annual review of performance measures and weighting for the Annual Bonus and LTIP.

These discretions, which in certain circumstances can be operated in both an upward and downward manner, are consistent with market practice and are necessary for the proper and fair operation of the plans so that they achieve their original purpose. The Committee retains discretion to make adjustments to the amount of incentives payable (following approval of this policy) resulting from the application of the performance measures if it believes that the outcomes are not a fair and accurate reflection of performance. It is the Committee's policy that there should be no element of reward for failure and any upward discretion will only be applied in exceptional circumstances.

## Differences in policy from the wider employee population

The Group aims to provide a remuneration package for all employees that is market competitive and operates the same core structure as for the Executive Directors. The Executive Directors' annual scorecard is devolved down into the management line with an increasing emphasis on the quality and technical component elements needed to sustain corporate progress.

The Company continues to cascade the LTIP to management grades below Executive Directors, ensuring a consistent reward framework. The Group also operates variable pay plans on a discretionary basis, with pension provision offered to all Executives and employees.

## Recruitment policy

The Company's principle is that the remuneration of any recruit will be assessed in line with the same principles as for the Executive Directors, as set out in the remuneration policy table on page 142. The Committee is mindful that it wishes to avoid paying more than it considers necessary to attract candidates of the appropriate calibre and experience needed for the role in the market in which the Company competes. As a result, the Committee will have regard to guidelines and shareholder sentiment regarding one-off or enhanced short-term or long-term incentive payments made on recruitment and the appropriateness of any performance measures associated with an award.

The Company's detailed policy when setting remuneration for the appointment of new Directors is summarised in the table below:

| Element of remuneration | Recruitment policy |
|---|---|
| **Salary** | Salary will be set in line with the policy for existing Executive Directors. New promotes and recruits to the Board may on occasion have their salaries set below the targeted policy level while they become established in their role. In such cases, salary increases may be higher than the increase for the general workforce of the Company until the target market positioning is achieved. |
| **Benefits** | The standard benefits package (depending on the local market) will apply. |
| **Pension** | The maximum employer contribution will be set in line with the Company's policy for existing Executive Directors which is also aligned with the wider workforce. |
| **Annual Bonus** | Maximum annual participation will be set in line with the Company's policy for existing Executive Directors and will not exceed 200% of salary. |
| **LTIP** | Maximum annual participation will be set in line with the Company's policy for existing Executive Directors and will not exceed 300% of salary, or 450% in exceptional circumstances. |
| **Maximum variable pay (incentive opportunity)** | In the year of recruitment, the maximum variable pay will be 650% of salary. For the avoidance of doubt this excludes the value of any "Buy Out" of incentives forfeited on cessation of previous employment. |
| **Sign-on compensation** | The Committee's policy is not to provide sign-on compensation. |
| **"Buy Out"' Of incentives forfeited on cessation of employment** | The Committee's policy is not to provide buy outs as a matter of course.<br>However, should the Committee determine that the individual circumstances of recruitment justified the provision of a Buy Out, the equivalent value of any incentives that will be forfeited on cessation of an Executive Director's previous employment will be calculated considering the following:<br>• the proportion of the performance period completed on the date of the Executive Director's cessation of employment;<br>• the performance conditions attached to the vesting of these incentives and the likelihood of them being satisfied; and<br>• any other terms and conditions having a material effect on their value ('lapsed value').<br>The Committee may then award up to the same expected value as the lapsed value, where possible, under the Company's incentive plans. To the extent that it was not possible or practical to provide the Buy Out within the terms of the Company's existing incentive plans, a bespoke arrangement would be used. |
| **Relocation** | In instances where the new Executive Director is relocated from one work-base to another, the Company will provide ongoing compensation to reflect the cost of relocation for the executive in cases where they are expected to spend significant time away from their country of domicile.<br>The level of the relocation package will be assessed on a case-by-case basis but will take into consideration any cost-of-living differences and/or any other benefits/allowances which are standard market practice in the host location. |
| **Internal Promotions to / within the Board** | The Committee's policy is to align internal promotions to the Board with the remuneration policy from the date of promotion. However, new promotes to the Board may on occasion have their salaries set below the targeted policy level while they become established in their role. In such cases, salary increases may be higher than the increase for other Executive Directors until the target market positioning is achieved. In exceptional circumstances, where contractual benefits are forfeited on promotion, an equivalent cash payment can be made to compensate for the value of contractual arrangements foregone. Any such payment will be made at the Remuneration Committee's discretion on a fair and reasonable basis |
| **New Non-executive Directors** | The policy which applies to current Non-Executive Fees is adopted in setting fees for newly appointed Non-Executive Directors. |

## Contract and letter of appointment

The Committee's policy for setting notice periods is that a 12-month period will apply for Executive Directors unless the Committee determines otherwise.

The Non-Executive Directors of the Company do not have service contracts; they are appointed by letters of appointment which are kept at Seplat's registered office along with Executive Director service contracts.

| Executive Directors | Date of service contract | Nature of contract | Notice period from Company | Notice period from Director | Compensation provisions for early termination |
|---|---|---|---|---|---|
| Roger Brown | 20 May 2013 | Rolling | 12 months | 12 months | Payment in-lieu-of-notice equal to 12 months' salary and benefits, including any payments accrued at the date of termination. |
| Emeka Onwuka | 3 August 2020 | Rolling | 12 months | 12 months | |
| Samson Ezugworie | 01 July 2022 | Rolling | 12 months | 12 months | |

As required by Nigerian law, the Company follows the provisions set out in its Memorandum and Articles of Association and annually places one-third of its Independent Non-Executive Directors for re-election.

| Non-Executive Directors | Date of letter of appointment | Nature of contract | Notice period from Company | Notice period from Director | Compensation provisions for early termination |
|---|---|---|---|---|---|
| Basil Omiyi, CON | 1 June 2017 | Initial Term to 2020 AGM | 6 months | 6 months | 6 months' fees if not re-elected or retired. |
| Charles Okeahalam | 1 June 2017 | Initial Term to 2020 AGM | 6 months | 6 months | 6 months' fees if not re-elected or retired. |
| Nathalie Delapalme | 18 July 2019 | Initial Term to 2023 AGM | 6 months | 6 months | 6 months' fees if not re-elected or retired. |
| Olivier Cleret de Langavant | 28 January 2020 | Continuous Term | 6 months | 6 months | 6 months' fees, if removed or retired. |
| Emma FitzGerald | 1 August 2021 | Initial Term to 2025 AGM | 6 months | 6 months | 6 months' fees if not re-elected or retired. |
| Bello Rabiu | 9 July 2021 | Initial Term to 2025 AGM | 6 months | 6 months | 6 months' fees if not re-elected or retired. |
| Ernest Ebi, MFR | 18 May 2022 | Initial Term to 2025 AGM | 6 months | 6 months | 6 months' fees if not re-elected or retired. |
| Kazeem Raimi | 18 May 2022 | Initial Term to 2025 AGM | 6 months | 6 months | 6 months' fees if not re-elected or retired. |
| Bashirat Odunewu | 18 May 2022 | Initial Term to 2025 AGM | 6 months | 6 months | 6 months' fees if not re-elected or retired. |
| Koosum Kalyan | 28 February 2023 | Initial Term to 2026 AGM | 6 months | 6 months | 6 months' fees if not re-elected or retired. |
| Udoma Udo Udoma, CON | 1 December 2023 | Initial Term to 2027 AGM | 6 months | 6 months | 6 months' fees if not re-elected or retired. |
| Christopher Okeke | 1 December 2023 | Initial Term to 2027 AGM | 6 months | 6 months | 6 months' fees if not re-elected or retired. |

Note that the term 'fees' for compensation provisions for early termination relates to Non-executive Director fees, any additional fees received for additional responsibilities such as Senior Independent Director, chairmanship of Committees and membership of Committees and any benefits or corporate arrangements.

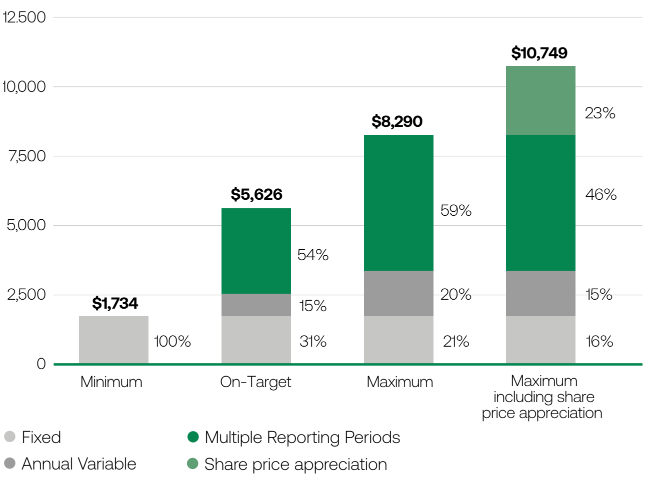
## Illustrations of the application of the remuneration policy

The charts below illustrate the remuneration that would be paid to each of the Executive Directors, based on salaries at the start of financial year 2024, under four different performance scenarios: (i) Minimum; (ii) On-target; (iii) Maximum; and (iv) Maximum plus 50% share price appreciation over three years on the LTIP. The elements of remuneration have been categorized into three components: (i) Fixed; (ii) Annual Variable; and (iii) Multiple

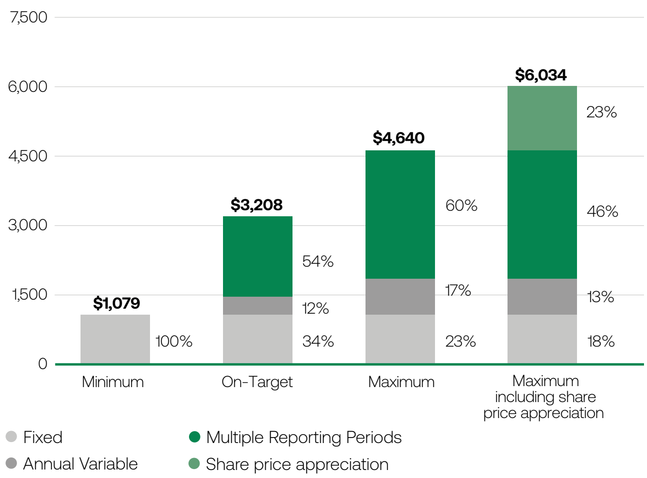
| Element | Description | Minimum | On-target | Maximum |
|---|---|---|---|---|
| Fixed | Salary, benefits, and pension | Included | Included | Included |
| Annual Variable | Annual bonus (including deferred shares) | No annual variable | 50% of Maximum | 100% of maximum bonus |
| Multiple Reporting Periods | Award under the Long-Term Incentive Plan | No multiple year variable | 62.5%[1] of the maximum award | 100% of the maximum award |

1 On-target % pay-out is calculated as the mid-point between threshold vesting of 25% (for threshold performance) and the maximum vesting of 100% (for maximum performance).

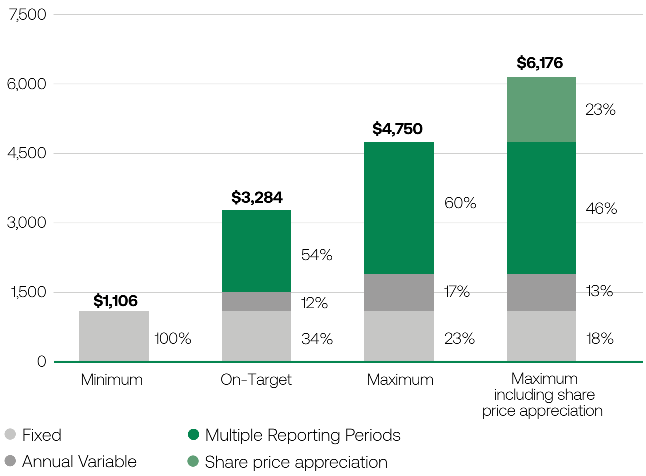
### Chief Executive Officer (US$'000)




### Chief Financial Officer (US$'000)



## Chief Operations Officer (US$'000)




The following table sets out the key aspects of policy used to populate the charts above.

| Role | 2024 salary[1] (US$'000) | Benefits | Annual Bonus (% salary) | LTIP (% salary)[2] | Pension (% salary) |
|---|---|---|---|---|---|
| CEO | 1,093 | 455 | 150% | 450% | 17% |
| CFO | 774 | 174 | 100% | 360% | 17% |
| COO | 792 | 174 | 100% | 360% | 17% |

1 In line with the 2024 Implementation as noted in the At-A-Glance section
2 LTIP Opportunity is premised on the completion of the MPNU deal before Q3 2024.

In accordance with the regulations, dividend equivalents have not been added to deferred share bonus and LTIP share awards.

## Payment for loss of office policy for Executive Directors

When determining any loss of office payment for a departing individual the Committee will always seek to minimize the cost to the Company whilst seeking to reflect the circumstances in place at the time. The Committee retains overriding discretion to make loss of office payments appropriate to the circumstances and applying the overriding principle that there should be no element of reward for failure.

Under Nigerian law, any payment for loss of office to Directors must be approved by shareholders at the AGM. The table on the following page sets out, for each element of total remuneration, the Company's policy on payment for loss of office in respect of the Executive Directors and any discretion available to the Committee. In any year where a Director has received payment for loss of office, the Company will ask shareholders to vote on that payment on a retrospective basis.

| Remuneration Element | Treatment on cessation of employment | | |
|---|---|---|---|
| **Salary** | In the event of termination by the Company, there will be no compensation for loss of office due to misconduct or normal resignation. In other circumstances, Executive Directors may be entitled to receive compensation for loss of office which will be a maximum of 12 months salary.<br><br>Salary will be paid over the notice period. The Company has discretion to make a lump sum payment on termination of the salary payable during the notice period. In all cases the Company will seek to mitigate any payments due. | | |
| **Benefits** | Benefits will normally be provided over the notice period. The Company has discretion to make a lump sum payment on termination equal to the value of the benefits payable during the notice period. In all cases the Company will seek to mitigate any payments due. | | |
| **Pension** | Company pension contributions will normally be provided over the notice period. The Company has discretion to make a lump sum payment on termination equal to the value of the Company pension contributions, or equivalents, during the notice period. In all cases the Company will seek to mitigate any payments due. | | |
| **Annual Bonus** | **Good leaver reason**<br>Performance conditions will be measured at the normal measurement date. The bonus will normally be pro-rated for the period worked during the financial year and paid entirely in cash. | **Other reason**<br>No bonus payable for year of cessation. | **Discretion**<br>The Committee has the following elements of discretion:<br>• to determine whether an executive will be eligible to receive a bonus in respect of a preceding financial year, which is yet to be awarded. The Committee's policy is generally that any unawarded bonus in respect of a preceding financial year will be forfeited. |
| **Annual Bonus (deferred shares)** | **Good leaver reason**<br>All subsisting deferred share awards will vest in full on the normal vesting dates. | **Other reason**<br>Lapse of any unvested deferred share awards. | **Discretion**<br>The Committee has the following elements of discretion:<br>• to determine that an executive is a good leaver;<br>• whether to pro-rate the maximum number of shares to the time from the date of award to the date of cessation. The Committee's policy is generally to not pro-rate to time. The Committee will determine whether to pro-rate based on the circumstances of the Executive Director's departure; and<br>• whether to deliver awards at the time of cessation or at the normal vesting date. The Committee's policy is to deliver awards at the normal vesting date. |

| Remuneration Element | Treatment on cessation of employment | | |
|---|---|---|---|
| **LTIP** | **Good leaver reason**<br>Pro-rated to time and performance in respect of each subsisting LTIP award with awards vesting on the normal vesting dates.<br><br>The exception to this is where the Participant is employed in Nigeria and ceases to be in employment by reason of reaching the compulsory retirement at age, in which case, no proration shall apply | **Other reason**<br>Lapse of any unvested LTIP awards. | **Discretion**<br>The Committee has the following elements of discretion:<br>• to determine that an executive is a good leaver;<br>• to measure performance (or any other condition) over the original performance period or at the date of cessation;<br>• whether to pro-rate the maximum number of shares to the time from the date of award to the date of cessation (rounded up to the nearest month). The Committee's policy is generally to pro-rate to time; and<br>• whether to deliver awards at the time of cessation or normal vesting date. The Committee's policy is to deliver awards at the normal vesting date. |
| **Other contractual obligations** | Compensation for forfeited remuneration:<br>• On termination, any "buy out" awards would normally lapse.<br>• Other benefits e.g. relocation allowances, international mobility benefits and expenses:<br>• These will depend on what has been agreed on the appointment. The Committee would not expect any or all these elements of pay to form part of any termination arrangement.<br>• The Committee has discretion to make payments in respect of these elements of remuneration, provided the termination is not as a result of poor performance. | | |

A good leaver reason is defined as cessation in the following circumstances:

- death;
- ill-health;
- redundancy;
- injury or disability;
- retirement with the consent of the Company;
- employing company ceasing to be a Group company;
- transfer of employment to a company which is not a Group company; and
- at the discretion of the Committee (as described above).

Cessation of employment in circumstances other than for 'good leaver' reasons is classified as cessation for 'other reasons' as set out in the table above.

## Change of control

The Committee's policy on the payment and vesting of incentives on a change of control is summarised below:

| Name of Incentive plan | Change of control | Discretion |
|---|---|---|
| **Annual Bonus (cash)** | Performance conditions will be measured at the date of the change of control. The bonus will normally be pro-rated to the date of the change of control. | The Committee retains discretion to continue the operation to the end of the bonus year.<br><br>The Committee will only waive pro-rating in exceptional circumstances where it views the change of control as an event which has provided a material enhanced value to shareholders which will be fully explained to shareholders. In all cases the performance conditions must be satisfied. |
| **Annual Bonus (deferred shares)** | Subsisting deferred share awards will vest on a change of control. | The Committee retains the discretion to pro-rate to time. |
| **LTIP** | The number of shares subject to subsisting LTIP awards on a change of control will be pro-rated to time and performance. | The Committee has discretion:<br>• to determine whether to pro-rate the award to time. The Committee will only waive pro-rating in exceptional circumstances where it views the change of control as an event which has provided a material enhanced value to shareholders which will be fully explained to shareholders. In all cases the performance conditions must be satisfied; and<br>• to determine to pay cash in lieu of shares. |

## Malus and Claw-back

Malus provisions apply to the Annual bonus and LTIP. Malus is the reduction of a payout or the number of shares under an award (including to zero) as a result of the occurrence of one or more circumstances as set out below.

Claw-back is the recovery of cash payments made or vested share awards because of the occurrence of one or more circumstances as set out below. Claw-back may apply to all or part of a participant's payment under the LTIP or annual bonus and may be effected, among other means, by requiring the transfer of shares, payment of cash or reduction of awards or bonuses.

The Malus and Claw-back trigger events are set out below:

- discovery of a material misstatement resulting in an adjustment in the audited accounts of the Group or any Group company.
- the assessment of any performance condition, or condition in respect of a payment or award under the annual bonus or LTIP, that was based on error, inaccurate or misleading information.
- the discovery that any information used to determine the annual bonus or the LTIP award was based on error, inaccurate or misleading information.
- action or conduct of a participant which amounts to fraud or gross misconduct.
- event or behaviour of a participant leading to the censure of a Group company by a regulatory authority or have had a significant detrimental impact on the reputation of any Group company, provided that the Board is satisfied that the relevant participant was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to the participant.
- a material failure or risk management; and
- corporate failure (to the extent the Group company believes such a trigger would be broader than those already in use).

The following table sets out the periods during which Malus and Claw-back may be effected by the Committee:

| | Annual Bonus | Long Term Incentive Plan ("LTIP") |
|---|---|---|
| Malus | At any time prior to the payment / vesting date of deferred shares. | At any time prior to the vesting date. |
| Claw-back | Two years from the date of payment of cash bonus or vesting of the deferred share element. | Five years from the date of grant. |

## Statement of conditions elsewhere in the Company

The Committee, along with setting the remuneration packages of the Executive Directors, also has purview over the reward arrangements of the Senior Management Team, which consists of 32 additional employees. The Committee did not specifically take employee views into consideration when setting Policy.

When considering the salary movements on a year-on-year basis for the Senior Management Team, the Committee will take account of salary increases across the general employee base. Executive Director annual bonus targets are also devolved down into the management line with an increasing emphasis on the quality and technical component elements needed to sustain corporate progress. In addition, the Company continues to cascade the LTIP to management grades below Executive Directors, ensuring a consistent reward framework, as set out in more detail in the At A Glance section on page 140.

## Consideration of shareholder views

The Committee takes the views of shareholders seriously and these views are considered in shaping remuneration policy and practice. Shareholder views are considered when evaluating and setting remuneration strategy. If any shareholders wish to discuss the company's remuneration arrangements, the Remuneration Committee Chairman would be happy to meet with you.

# Annual Report on Remuneration

## Single total figure of remuneration

### Executive Directors

The table below sets out the single total figure of remuneration and breakdown for each Executive Director in respect of the 2023 financial year, on a receivable basis in accordance with the policy as approved by shareholders. Comparative figures for the 2022 financial year have also been provided.

| Executive Directors | Period | Salary[1] $'000 | Benefits[2] $'000 | Pension[3] $'000 | Total fixed pay $'000 | Bonus[4] $'000 | LTIP[5] $'000 | Total variable pay $'000 | Total $'000 |
|---|---|---|---|---|---|---|---|---|---|
| Roger Brown (CEO) | 2023 | 1,056 | 455 | 179 | 1,691 | 1,605 | 3,751 | 5,356 | 7,046 |
| | 2022 | 918 | 322 | 156 | 1,396 | 895 | 841 | 1,736 | 3,132 |
| Emeka Onwuka (CFO) | 2023 | 748 | 173 | 127 | 1,049 | 568 | 2,489 | 3,057 | 4,106 |
| | 2022 | 719 | 178 | 122 | 1,019 | 467 | n/a | 467 | 1,487 |
| Samson Ezugworie[6] (COO) | 2023 | 807 | 179 | 137 | 1,124 | 648 | n/a | 648 | 1,772 |
| | 2022 | 312 | 114 | 53 | 479 | 203 | n/a | 203 | 682 |

1. Salaries for Executive Directors are set in USD – 2023 salaries were $1,055,700 (inclusive of residency allowance) for the CEO, $747,909 for the CFO and $807,352 for the COO, all inclusive of housing and 13th month allowances and the Acting up allowance paid to the COO during the period of expanded responsibility.
2. The taxable benefits for each Executive Director comprise those which are quantifiable. Benefits in 2023 include insurance, which was to the value of $44,012, $19,320.32, and $38,715.43 are for the CEO, CFO and COO respectively. Note that the insurance benefit is not taxable in Nigeria.
3. Pension contributions are provided as a cash supplement/contribution to retirement savings account.
4. Bonus relates to the year it was earned and includes the deferred proportion of the award.
5. The value of the 2021 LTIP awards vesting in 2024 is shown in 2023 as the performance period ended on 31 December 2023. The estimated value of these awards uses a 2023 Q4 average share price of $1.56; the actual value will be updated in the 2024 Directors' Remuneration Report when the awards vest on 10 May 2024. For 2020 LTIP that vested in 2023 and was reported in 2022 report, amount has been trued up to reflect value as at actual vesting date.
6. The COO joined the company on 01 July 2022 and all values stated for 2022 relates to his 6-months' period of employment in 2022. The 2023 value is inclusive of acting allowance he received for the temporary period of increased responsibilities.

### Non-Executive Directors

The table below sets out the single total figure of remuneration and breakdown for each Non-Executive Director that served during 2022 on a paid basis in accordance with the policy as approved by shareholders.

| Name | 2023 Fees[1] (US$'000) | 2022 Fees (US$'000) | Role |
|---|---|---|---|
| Basil Omiyi, CON[2] | 867 | 734 | Independent Board Chairman. |
| Charles Okeahalam[3] | 574 | 464 | Senior Independent Non-executive Director<br>Chairman, Finance Committee<br>Member, Remuneration Committee, Nominations & Governance Committee and Energy Transition Committee |
| Nathalie Delapalme[4] | 252 | 242 | Non-executive Director<br>Chairman, Sustainability Committee<br>Member, Risk Management & HSSE Committee (until June 2023), Member, Energy Transition Committee (from July 2023) |
| Olivier Cleret de Langavant[4] | 185 | 165 | Non-executive Director<br>Member, Statutory Audit Committee (until June 2023)<br>Member, Risk Management & HSSE Committee (from July 2023) |
| Fabian Ajogwu, SAN, OFR[5] | 110 | 297 | Independent Non-executive Director (until April 2023)<br>Chairman, Energy Transition Committee<br>Member, Remuneration Committee, Nominations & Governance Committee and Finance Committee |
| Bello Rabiu[4] | 322 | 297 | Independent Non-executive Director<br>Chairman, Risk Management & HSSE Committee, Nominations & Governance Committee (from July 2023)<br>Member, Remuneration Committee, Energy Transition Committee and Sustainability Committee (until June 2023)<br>Member, Remuneration Committee and Finance Committee (from July 2023) |
| Emma FitzGerald | 283 | 272 | Independent Non-executive Director<br>Chairman, Remuneration Committee<br>Member, Finance Committee and Energy Transition Committee |
| Kazeem Raimi[4,6] | 222 | 143 | Non-executive Director<br>Member, Energy Transition Committee and Sustainability Committee (until June 2023)<br>Member, Risk Management & HSSE Committee and Statutory Audit Committee (from July 2023) |
| Ernest Ebi, MFR[4,6] | 236 | 143 | Non-executive Director<br>Member, Risk Management & HSSE Committee and Sustainability Committee (until June 2023)<br>Member, Energy Transition Committee and Sustainability Committee (from July 2023) |
| Bashirat Odunewu[4,6] | 274 | 162 | Independent Non-executive Director<br>Chairman, Energy Transition Committee (from July 2023)<br>Member, Risk Management & HSSE Committee, Nominations & Governance Committee, Finance Committee and Statutory Audit Committee (until June 2023)<br>Member, Nominations & Governance Committee, Finance Committee and Statutory Audit Committee (from July 2023) |
| Koosum Kalyan[4,7] | 223 | n/a | Independent Non-executive Director<br>Member, Nominations & Governance Committee, Finance Committee and Sustainability Committee (until June 2023)<br>Member, Risk Management & HSSE Committee, Remuneration Committee and Sustainability Committee (from July 2023) |
| Udoma Udo Udoma, CON[7] | 14 | n/a | Independent Non-executive Director |
| Christopher Okeke[7] | 14 | n/a | Independent Non-executive Director |

1. The above captures the gross pay in line with the director's letter of appointment i.e. before withholding tax is withheld.
2. Basil Omiy CON was appointed as Board Chairman with effect from 18 May 2022.
3. Charles Okeahalam was appointed Senior Independent Director with effect from 18 May 2022.
4. Committee memberships for Nathalie Delapalme, Olivier Cleret de Langavant, Bello Rabiu, Kazeem Raimi, Ernest Ebi, MFR, Bashirat Odunewu and Koosum Kalyan were reviewed during the year.
5. Prof. Fabian Ajogwu, SAN, OFR resigned from the Board on 27 April 2023.
6. Kazeem Raimi, Ernest Ebi, MFR and Bashirat Odunewu all joined the Board on 18 May 2022
7. During 2023, Koosum Kalyan, Udoma Udo Udoma, CON and Christopher Okeke were appointed to the Board with effect from 28 February 2023, 01 December 2023 and 01 December 2023, respectively.

## Additional information regarding single figure table

The Committee considers that the performance conditions for all incentives are suitably demanding, having regard to the business strategy, shareholder expectations, the cyclical nature of the markets in which the Group operates and external advice. To the extent that any performance condition is not met, the relevant part of the award will lapse. There is no retesting of performance.

## Annual Performance Incentive

Seplat promotes a culture of high performance and uses a scorecard to assess the annual bonus outcome. The company performance scorecard is reviewed annually to ensure strong alignment with Company strategic priorities, prevailing market practice and the operating environment. The Committee calibrated the Executive Directors' scorecard around targets linked to production, operational efficiency, technical growth projects, financial, health and safety and environmental, social and governance ("ESG").

## Achievement of Corporate Performance Conditions

The achievement against the targets described above is set out in the table below, illustrating that overall, the annual bonus reward level for Executive Directors was between on-target (50% maximum) and maximum:

| | | | Performance achieved against targets | | | | |
|---|---|---|---|---|---|---|---|
| Performance measure | Total weighting | Specific | Below threshold (30% of maximum) | Threshold to Target (30%-49% of maximum) | Target to Maximum (50%-99% of maximum) | Maximum (100% of maximum) | Resulting level of award |
| Safety | 10% | Lost Time Injury Frequency Rate | | | | ✓ | 10% (out of 10%) |
| ESG | 15% | Environment | | | | ✓ | 16.25% (out of 17.5%) |
| | | Social Development | | | | ✓ | |
| | | Governance & People | | | | | |
| Financial performance | 20% | Profitability | | | ✓ | | 15.2% (out of 20%) |
| | | Cash Generation | | | ✓ | | |
| | | Cost Leadership | | | ✓ | | |
| Upstream | 30% | Liquids Production | | ✓ | | | 12.9% (out of 27.5%) |
| | | Gas Production | | | ✓ | | |
| | | Wells Delivery | | ✓ | | | |
| | | Operational Efficiency | | | ✓ | | |
| Midstream Gas | 20% | Gas Project Milestone delivery | | | ✓ | | 19.5% (out of 20%) |
| | | Gas Plant Completion | | | | ✓ | |
| New Energy | 5% | Renewables energy road map | | | ✓ | | 2.5% (out of 5%) |
| Total: | | | | | | | 76% (out of 100%) |

In respect of the 2023 financial year, the bonus awards payable to Executive Directors were approved by the Committee having reviewed the Company's underlying performance, such that it was comfortable to not exercise discretion in relation to the formulaic outcomes set out below. The resulting bonus figures are included in the single figure table.

## Annual bonus pay-out

The table below sets out the annual bonus earned for the year:

| Mr. Roger Brown (CEO) | | Mr. Emeka Onwuka (CFO) | | Mr. Samson Ezugworie (COO)* | |
|---|---|---|---|---|---|
| Achieved (% of max) | Bonus earned (US$'000) | Achieved (% of max) | Bonus earned (US$'000) | Achieved (% of max) | Bonus earned (US$'000) |
| 76% out of 100% | $1,604 | 76% out of 100% | $568 | 76% out of 100% | $648 |

* The COO received a bonus uplift for the 3-month temporary period of expanded responsibility.

In line with policy, 25% of the Executive Directors' bonuses will be deferred into shares and will be released 2 years after the end of the performance period, subject to continued employment.

## Long-term Incentives vesting in 2024

The 2021 LTIP awards made to the CEO and CFO on 10 March 2022 will vest on 10 May 2024; however, the three-year performance period for these awards ended on 31 December 2023. The performance conditions for the 2021 LTIP is relative TSR measured against a bespoke group of E&P companies and absolute TSR including reference to oil price growth, underpinned by operational and technical bonus scorecard targets.

The Company's TSR was positioned between the median and upper quartile of the TSR comparator group, and the Company outperformed oil price growth by at least 10% and achieved absolute TSR above 100% leading to a vesting outcome of 100%, prior to the assessment of the broad underpin of the qualitative review of the Company's operations. The Remuneration Committee conducted their qualitative review of Seplat's operations in line with the LTIP underpin, and determined that and determined the Company's operations to be effective and reflective of the underlying performance over the three-year period ended 31 December 2023, so no downward-discretion was applied to the formulaic outcomes. Therefore, the overall 2021 LTIP vesting level is 100% of maximum.

| TSR performance (Seplat Vs Comparator Group) | | | | TSR performance (absolute) | Operational and technical scorecard underpin | |
|---|---|---|---|---|---|---|
| Seplat TSR growth | Median TSR (25% vesting) | Upper quartile TSR (100% vesting) | Vesting of Base Award based on relative TSR performance | Multiplier for absolute TSR performance & performance versus share price growth | Vesting reduction due to operational & technical performance | Overall LTIP vesting |
| 178.8% | 67.5% | 156.4% | 100% | 1.2 | 0% | 100% |

The grant of the 2021 LTIP award was delayed because of share dealing restrictions with respect to the Mobil Producing Nigeria Unlimited (MPNU) deal. Considering the nature of the delay, the Committee deemed it appropriate to adjust the vesting date for the 2021 LTIP to 10 May 2024 to reflect the vesting date, had the grant not been delayed due to the dealing restrictions. This has been applied to all LTIP participants.

The following table presents the number of 2021 LTIP awards that will vest, based on the assessment of the performance conditions and the resulting value of awards on vesting for each Executive Director.

| Role | Number of 2021 LTIP awards granted | Number of 2021 LTIP awards vesting in May 2024 | Value of vested awards (US$'000)[1] | Value attributable to share price growth |
|---|---|---|---|---|
| Roger Brown (CEO) | 2,193,586 | 2,193,586 | 3,751 | 1,009 |
| Emeka Onwuka (CFO) | 1,455,595 | 1,455,595 | 2,489 | 670 |

1. Based on Q4 2023 average share price of $1.56 and includes dividend equivalents.

The Committee was comfortable that the vesting value and value attributable to share price growth was commensurate with the underlying performance over the three-year period and as such, did not exercise any discretion to change the outcomes of the 2021 LTIP.

## Summary of application of discretion

In summary, the Committee is satisfied that the formulaic outcomes described above are a fair reflection of the performance of management in the year in the context of the wider business performance. Therefore, no discretion has been applied to the variable pay outcomes.

## 2023 Long-term incentives

The table below sets out the details of the long-term incentive awards in respect of the 2023 financial year. The awards were granted on 16 May 2023. The shares are due to vest on 16 May 2026 and vesting will be determined according to the achievement of performance conditions that will be tested at the end of the three-year performance period on 31 December 2025.

| | | | | | | Relative TSR measure | | Absolute TSR measure |
|---|---|---|---|---|---|---|---|---|
| Role | Type of award | Basis on which award made | Face value of award (US$) | Number of shares awarded | Face value of award subject to Relative TSR measure (US$) | Percentage of Relative TSR vesting at threshold performance (median performance) | Maximum percentage of face value of Relative TSR element that could vest (upper quartile performance) | TSR of 100% or above plus at least 10% outperformance of oil price |
| Roger Brown (CEO) | Nil-cost options | Annual | 3,383,653 | 2,779,181 | 2,819,711 | 25% | 100% | Result of vesting from Relative TSR measure increased by 20% |
| Emeka Onwuka (CFO) | Conditional shares | Annual | 1,917,715 | 1,575,125 | 1,598,096 | | | |
| Samson Ezugworie (COO) | Conditional shares | Annual | 1,837,999 | 1,509,650 | 1,531,666 | | | |

The level of vesting outcome under the primary performance conditions (above) will be moderated by a broad underpin, operated as a qualitative review of Seplat's operations by the Remuneration Committee at the end of the vesting period, with the application of downward-discretion, where appropriate.

In line with the Company's operation of policy, the share price used to calculate the number of shares awarded was the five-day average share price prior to the date on which the LTIP Awards were granted. There is straight-line vesting between the threshold and maximum in relation to the Relative TSR measure, whereas the Absolute TSR measure uplift to award only vests if the target is met. Vesting will be 0% where Relative TSR performance is below threshold.

The comparator group to be used for assessing relative TSR for the 2023 awards consists of the following companies: Africa Oil, Capricorn Energy, Centrica, Diversified Gas & Oil, DNO, Energean Oil & Gas, Enquest, Frontera Energy, Genel Energy, Gran Tierra Energy, Gulf Keystone Petroleum Ltd, Harbour Energy, Ithaca Energy plc, Indus Gas Ltd, Jadestone, Kosmos Energy, Pantheon Resources, Parex Resources, Serica Energy, Total Gabon and Tullow Oil.

## 2022 Deferred Annual Bonus share awards

The table below sets out the details of the 2022 Deferred Annual Bonus share awards that were granted on 16 May 2023. No further performance conditions will apply, other than continued employment, except in the case of normal retirement in Nigeria, in which case the service condition is waived. The normal vesting date of the Award will be 31 December 2024 (two years following the end of the performance year in respect of which the Award is made).

| Role | Type of award | Basis on which award made | Deferred Bonus Shares | Face value of award (US$'000)[1] | Performance conditions |
|---|---|---|---|---|---|
| Roger Brown (CEO) | Nil-cost options | Annual | 182,142 | 239 | Continued employment |
| Emeka Onwuka (CFO) | Conditional shares | Annual | 94,124 | 125 | |
| Samson Ezugworie (COO) | Conditional shares | Annual | 41,224 | 54 | |

1 The share price used to calculate the face value of awards was 31 December 2022 of US$1.313.

## Sign-on Share Award

A sign-on share award was granted to the Chief Operations Officer of the Company on 04 August 2022, as set out in his employment contract. No performance conditions will apply, other than continued employment. The first tranche vested on 01 July 2023 and the second tranche is due to vest on 01 July 2024.

| Role | Type of award | Basis on which award made | Number of Shares Awarded | Number of Shares Vested as at 31 Dec 2023 | Number of Shares to vest in 2024 | Vesting conditions |
|---|---|---|---|---|---|---|
| Samson Ezugwuorie (COO) | Conditional shares | Sign-on | 514,575 | 257,288 | 257,287 | Continued employment |

## Payments to past Directors

Full details of any payments made in 2024 to Directors who left the Board, if any, will be set out in the Directors' Remuneration Report for 2024.

## Payments for loss of office

Prof. Fabian Ajogwu, SAN, OFR resigned from the Board the during the year. Ms Arunma Oteh who retired from the Board 31 December 2022 received a payment of $151,521.96, being 6-month total fees, in line with the remuneration policy.

## Fees retained for external non-executive directorships

Executive Directors may hold positions in other companies as Non-Executive Directors and retain the fees.

## Statement of Executive Directors' shareholdings

The table below sets out the number of shares of the Company in which current Directors had a beneficial interest and details of long-term incentive interests as at 31 December 2023.

| Director | Shares required to be held % of salary | Beneficially Owned[1] | Share plan Interests subject to performance conditions[2] | Share plan Interests not subject to performance conditions[3] | Vested but unexercised share plan interests[4] | Actual shareholding (% of salary) | Shareholding requirement met[5] | Total interests held as at 31 December 2023 |
|---|---|---|---|---|---|---|---|---|
| Roger Brown (CEO) | 200% | 4,831,379 | 6,706,112 | 440,958 | 579,251 | 1844% | Yes | 19,464,435 |
| Emeka Onwuka (CFO) | 150% | 141,779 | 4,117,014 | 186,803 | 0 | 892% | Yes | 6,890,674 |
| Samson Ezugworie (COO) | 150% | 257,288 | 1,509,650 | 403,025 | 0 | 367% | Yes | 3,363,443 |

1 Beneficial interests include shares held directly or indirectly by connected persons.
2 2021, 2022 & 2023 LTIP awards, which are yet to vest as at 31 December 2023.
3 2022& 2023 Deferred & sign on Bonus shares.
4 2020 LTIP Shares held by Stanbic IBTC Trustee Limited/Seplat LTIP which vested but are unexercised.
5 The total of beneficially owned shares, interests not subject to performance conditions and vested but unexercised interests are included in the calculation and the share price of $1.55 on 29 December 2023 was used.

## Statement of Non-executive Directors' shareholdings

Details of the current Non-Executive Directors' interests in shares as at 31 December 2023 are set out below:

| Director | Shared Held as at 31 December 2023 |
|---|---|
| Basil Omiyi, CON | 495,238 |
| Charles Okeahalam | 700,000 |
| Nathalie Delapalme | 0 |
| Olivier Cleret de Langavant | 0 |
| Emma FitzGerald | 0 |
| Bello Rabiu | 20,000 |
| Ernest Ebi, MFR | 50,000 |
| Kazeem Raimi | 0 |
| Bashirat Odunewu | 0 |
| Koosum Kalyan | 0 |
| Christopher Okeke | 0 |
| Udoma Udo Udoma, CON | 0 |

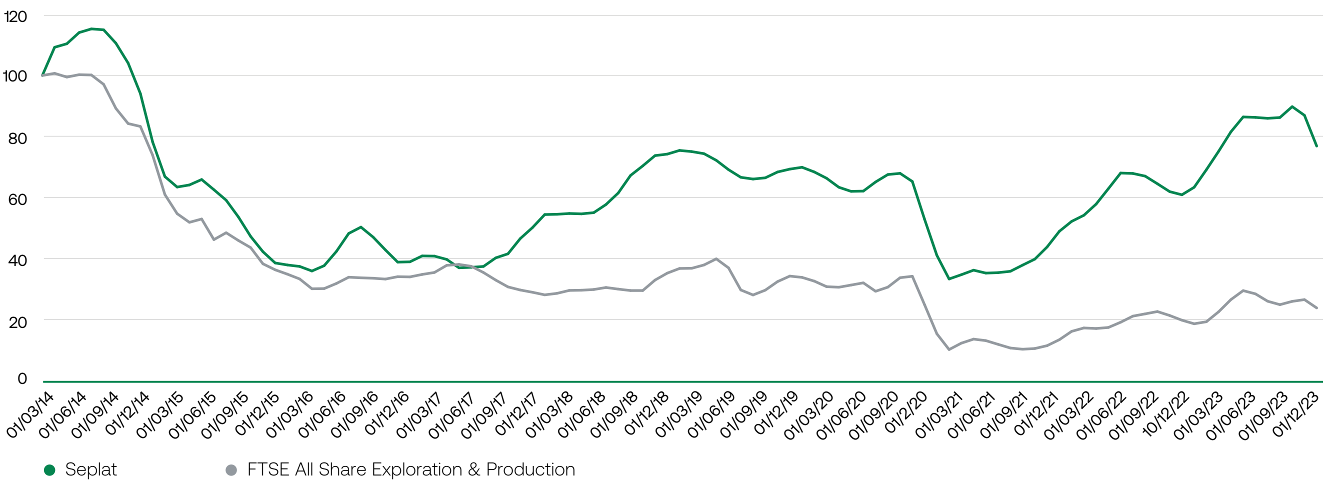
There have been no changes in the interests of any director between 31 December 2023 and 29 February 2024.

## Comparison of overall performance and pay

The graph below shows the value of US$100 invested in the Company's shares since listing compared to the median of the FTSE All Share Exploration & Production companies. The graph shows the Total Shareholder Return generated by both the movement in share value and the reinvestment over the same period of dividend income.

The Committee considers that the FTSE All Share Exploration & Production companies are an appropriate comparator group as it contains a number of the UK companies that are constituents of Seplat's TSR comparator group. This graph has been calculated in accordance with the Regulations. It should be noted that the Company began trading conditionally on the London Stock Exchange on 9 April 2014 and therefore only has a listed share price for the period of 09 April 2014 to 31 December 2023.

### TSR (rebased to 100 at 9 April 2014)[1]




Source: Datastream. In line with the methodology used for LTIP performance assessment, TSR was calculated using a three-month average TSR (rebased to 100 at 9 April 2014).

## CEO historical remuneration

The table below sets out the total remuneration delivered to the CEO between 2014 and 2023 valued using the methodology applied to the single total figure of remuneration.

| | | | | Roger Brown | | | | | | | Austin Avuru |
|---|---|---|---|---|---|---|---|---|---|---|---|
| CEO | 2023 | 2022 | 2021 | 2020 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Total single figure (US$'000)[1] | 7,046 | 3,044 | 3,046 | 836 | 2,717 | 3,954 | 5,158 | 4,987 | 3,143 | 3,004 | 2,866 |
| Annual bonus payment level achieved (% of maximum opportunity) | 76% | 65% | 72% | 310% | 31% | 45% | 68% | 49% | 35% | 46% | 53% |
| LTIP vesting level achieved (% of maximum opportunity) | 100% | 45% | 69% | 87% | 87% | 81% | 75% | 100% | 97% | N/A[2] | N/A[2] |

1 Includes vesting in relation to the one-off Global Offer Bonus award in 2014 and 2015.
2 No LTIP awards vested in 2014 and 2015 – vesting of the first LTIP awards (awarded in 2014) occurred in 2017 (however the performance period for these awards ended on 31 December 2016 so it is included in the 2016 column). There were no equity-based arrangements operating prior to listing.
3 Mr. Austin Avuru retired as CEO on 31 July 2020. Mr. Roger Brown was appointed to the Board as his successor on 1 August 2020, transitioning from his role as CFO. The Single Figure details above for Roger Brown include amounts paid in relation to his role as CEO only.

## Change in the Directors' remuneration compared with employees.

The table below shows the percentage change in the current Executive Director and Non-Executive Director total remuneration from 2022 to 2023, 2021 to 2022, 2020 to 2021, and 2019 to 2020, alongside the change for the average of employees within the Company:

| | 2022 to 2023 | | | 2021 to 2022 | | | 2020 to 2021 | | | 2019 to 2020 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Director | Salary / fees | Taxable benefits | Short-term variable pay | Salary / fees | Taxable benefits | Short-term variable pay | Salary / fees | Taxable benefits | Short-term variable pay | Salary / fees | Taxable benefits | Short-term variable pay |
| Roger Brown (CEO) | 15% | 42% | 79% | 8% | 10% | -3% | 16% | -57% | 230% | 14% | 263% | -9% |
| Emeka Onwuka (CFO) | 4% | 2% | 22% | 2% | 74% | -8% | 140% | -41% | 446% | n/a | n/a | n/a |
| Samson Ezugworie (COO)[1] | 159% | 62% | 220% | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Basil Omiyi, CON[2] | 18% | n/a | n/a | 40% | n/a | n/a | 0% | n/a | n/a | 0% | n/a | n/a |
| Charles Okeahalam[2] | 24% | n/a | n/a | 51% | n/a | n/a | 0% | n/a | n/a | 0% | n/a | n/a |
| Nathalie Delapalme | 4% | n/a | n/a | 4% | n/a | n/a | 0% | n/a | n/a | 0% | n/a | n/a |
| Olivier Cleret de Langavant[3] | 12% | n/a | n/a | 2% | n/a | n/a | 0% | n/a | n/a | 0% | n/a | n/a |
| Fabian Ajogwu, SAN, OFR | -63% | n/a | n/a | 149% | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Bello Rabiu[3] | 8% | n/a | n/a | 109% | n/a | n/a | n/a | n/a | n/a | 0% | n/a | n/a |
| Emma FitzGerald | 4% | n/a | n/a | 155% | n/a | n/a | n/a | n/a | n/a | 0% | n/a | n/a |
| Kazeem Raimi[2,3] | 55% | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Ernest Ebi, MFR[2,3] | 65% | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Bashirat Odunewu[2,3] | 69% | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Koosum Kalyan[4] | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Udoma Udo Udoma, CON[4] | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Christopher Okeke[4] | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Average Employees'[5] | 15% | 15% | 33% | 8% | 8% | -12% | 23% | -8% | 77% | 8% | 34% | -2% |

The Directors' year-on-year change has been expressed in a currency in which their pay has been set i.e. USD for the Executive Directors based on the single figure of remuneration, USD for the Chairman, USD for Non-executive Directors in 2023, and GBP up to 2022.

1 Samson Ezugworie joined the Company in July 2022, so remuneration compares 6-month values in 2022 to 12-month values in 2023.
2 Basil Omiyi, CON, Charles Okeahalam, Kazeem Raimi, Ernest Ebi, MFR and Bashirat Odunewu commenced their new appointments in May 2022, so change in remuneration compares 8-month values in 2022 to 12-month values in 2023.
3 Olivier Cleret de Langavant, Bello Rabiu, Kazeem Raimi, Ernest Ebi, MFR, and Bashirat Odunewu commenced additional Committee responsibilities in 2023.
4 Non-Executives joining the year – Kosum Kaylan, Udoma Udo Udoma, CON & Christopher Okeke – have been excluded on the basis that their percentage increases are not representative.
5 Average employees pay year-on-year change is expressed in Naira as a significant majority of employees are paid in Naira. The numbers are provided for all employees of Seplat. The large change in average value of benefits provided to all employees is due to an increase in the eligibility of individuals for certain benefits at lower grades.

## Relative importance of the spend on pay

The table below sets out the overall spend on pay for all employees compared with the dividends distributed to shareholders:

| Significant contributions | 2023 ($m) | 2022 ($m) | % change |
|---|---|---|---|
| Overall spend on pay | 58.2 | 54.7 | 6.5% |
| Distributions to shareholders (dividends) | 98.8 | 58.8 | 67.9% |

## Statement of implementation of policy in following year

Please see At-A-Glance section.

## Service agreements and letters of appointment

The Committee's policy is that a 12-month notice period will apply for Executive Directors unless the Committee determines otherwise.

| Executive Directors | Date of service contract | Nature of contract | Notice period from Company | Notice period from Director | Compensation provisions for early termination |
|---|---|---|---|---|---|
| Roger Brown | 20 May 2013 | Rolling | 12 months | 12 months | Payment in lieu of notice equal to 12 months' salary and benefits, including any payments accrued at the date of termination. |
| Emeka Onwuka | 3 August 2020 | Rolling | 12 months | 12 months | |
| Samson Ezugwuorie | 1 July 2022 | Rolling | 12 months | 12 months | |

The Non-Executive Directors of the Company do not have service contracts. The Non-Executive Directors are appointed by letters of appointment, which are kept at Seplat's registered office along with Executive Director service contracts. As required by Nigerian law, the Company follows the provisions set out in its Memorandum and Articles of Association and annually places one-third of its Independent Non-Executive Directors for re-election.

| Non-Executive Directors | Date of letter of appointment | Nature of contract | Notice period from Company | Notice period from Director | Compensation provisions for early termination |
|---|---|---|---|---|---|
| Basil Omiyi, CON | 1 June 2017 | Initial Term to 2020 AGM | 6 months | 6 months | 6 months' fees if not re-elected or retired |
| Charles Okeahalam | 1 June 2017 | Initial Term to 2020 AGM | 6 months | 6 months | 6 months' fees if not re-elected or retired |
| Nathalie Delapalme | 18 July 2019 | Initial Term to 2023 AGM | 6 months | 6 months | 6 months' fees if not re-elected or retired |
| Olivier Cleret de Langavant | 28 January 2020 | Continuous Term | 6 months | 6 months | 6 months' fees if removed or retired |
| Emma FitzGerald | 1 August 2021 | Initial Term to 2025 AGM | 6 months | 6 months | 6 months' fees if not re-elected or retired |
| Bello Rabiu | 9 July 2021 | Initial Term to 2025 AGM | 6 months | 6 months | 6 months' fees if not re-elected or retired |
| Ernest Ebi, MFR | 18 May 2022 | Initial Term to 2025 AGM | 6 months | 6 months | 6 months' fees if not re-elected or retired |
| Kazeem Raimi | 18 May 2022 | Initial Term to 2025 AGM | 6 months | 6 months | 6 months' fees if not re-elected or retired |
| Bashirat Odunewu | 18 May 2022 | Initial Term to 2025 AGM | 6 months | 6 months | 6 months' fees if not re-elected or retired |
| Koosum Kalyan | 28 February 2023 | Initial Term to 2026 AGM | 6 months | 6 months | 6 months' fees if not re-elected or retired |
| Udoma Udo Udoma, CON | 1 December 2023 | Initial Term to 2027 AGM | 6 months | 6 months | 6 months' fees if not re-elected or retired |
| Christopher Okeke | 1 December 2023 | Initial Term to 2027 AGM | 6 months | 6 months | 6 months' fees if not re-elected or retired |

## Current Board Composition and terms of reference of the Remuneration Committee

The members of Seplat's Board Remuneration Committee are as follows:

- Emma FitzGerald (Chairperson)
- Charles Okeahalam (until 31 March 2024)
- Bello Rabiu
- Koosum Kalyan (from July 2023)
- John Christopher Okeke (from 01 January 2024)

The Board has delegated to the Committee, under agreed terms of reference, responsibility for the remuneration policy and for determining specific packages for the Executive Directors, the Chairman and other members of the senior management team. The terms of reference for the Committee are available on the Company's website, www.seplatenergy.com, and from the Company Secretary at the registered office.

The Committee receives assistance from the Director, Corporate Services, who attends meetings by invitation. The Executive Directors attend by invitation on occasions, except when issues relating to their own remuneration are being discussed. The Committee met five times during the financial year.

## Advisers to the Remuneration Committee

The Committee continues to engage the services of PricewaterhouseCoopers LLP ('PwC') as independent remuneration adviser. Other services received by the Company from PwC during the financial year included those in relation to Audit services. During the financial year, PwC UK supported the Committee on aspects of the remuneration policy for Executive Directors, Chairman and members of the Executive Team. The Committee is satisfied that advice received from PwC UK during the year was objective and independent.

PwC UK is a member of the Remuneration Consultants Group and the voluntary code of conduct of that body is designed to ensure objective and independent advice is given to remuneration committees.

## Shareholder voting at General Meeting

At the AGM held on 21 May 2021, the Company received a vote of 100% in favour of its remuneration policy and the remuneration report which were part of the same resolution. At the AGM on 10 May 2023, the Company received a 100% vote in favour of the remuneration report.

**Dr. Emma FitzGerald**
Chairperson of the Remuneration Committee
and Independent Non-Executive Director.

# Statutory Audit Committee report

**Mr. Abayomi Adeyemi**
Chairman of the Statutory Audit Committee

| 2023 Members | 21 Feb | 19 April | 21 July | 19 Oct | |
|---|---|---|---|---|---|
| Mr. Abayomi Adeyemi[1]<br>Shareholder Member<br>Chairman from 21 July 2023 | N/A | N/A | ● | ● | 2/2 |
| Mrs. Hauwa Umar[1], Shareholder Member | ● | ● | ● | ● | 4/4 |
| Mr. Nornah Awoh[1], Shareholder Member | N/A | N/A | ● | ● | 2/2 |
| Chief Anthony Idigbe SAN Ph.D[1]. (Osgoode),<br>Shareholder Member<br>Chairman to 10 May 2023 | ● | ● | N/A | N/A | 2/2 |
| Sir Sunday N. Nwosu, KSS[1],<br>Shareholder Member | ● | ● | N/A | N/A | 2/2 |
| Mrs. Bashirat Odunewu[1&2], Director Member | ● | ● | ● | ● | 4/4 |
| Mr. Olivier De Langavant[1], Director Member | ● | – | N/A | N/A | 1/2 |
| Mr. Kazeem Raimi[1], Director Member | N/A | N/A | ● | ● | 2/2 |

1. At the 10 May 2023 AGM, Mr. Abayomi Adeyemi, Mrs. Hauwa Umar, Mr. Nornah Awoh, Mrs. Bashirat Odunewu and Mr. Kazeem Raimi were elected as members of the Statutory Audit Committee. Consequently, Chief Anthony Idigbe, Sir. Sunny Nwosu and Mr. Olivier De Langavant were no longer members of the Statutory Audit Committee from that date. Two of the Audit Committee meetings took place before the 10 May 2023 change.
2. Independent Non-Executive Director.

In the financial year ended 31 December 2023, the Committee held four meetings, dates and attendance records for which can be seen in the table above.

In compliance with Section 404(7) of the Companies and Allied Matters Act 2020 ('CAMA'), we the members of the Statutory Audit Committee have reviewed the financial statements of the Company for the year ended 31 December 2023 and reports thereon, and confirm as follows:

- the accounting and reporting policies of the Company are in compliance with legal requirements and agreed ethical practices;
- the scope and planning of audit requirement were, in our opinion, adequate and compliant with legal requirements and best practice;
- we have reviewed the findings on management letter, in conjunction with the external auditor, and we are satisfied with the response of management in dealing with such findings;
- the Company's systems of accounting and internal controls are in compliance with legal requirements and best practice; and we have, in response to these matters, made the required recommendations to the auditors of the Company.

In addition to the foregoing, we the members of the Statutory Audit Committee conducted the following business during the year:

- review of the 2023 external audit plan and the 2024 internal audit plan, including an assessment of the external auditors' independence; and
- review of the proposed 2024 budget and work programme.

**Mr. Abayomi Adeyemi, FCA, CFA**
Chairman of the Statutory Audit Committee
FRC/2014/CISN/00000005607

# Report of the Directors

The Directors are pleased to present to the shareholders of the Company their report, including the strategic report on page 44 to page 56, governance report on page 110 to page 172, with the audited financial statements for the year ended 31 December 2023.

## Principal activity

The Company is principally engaged in oil and gas exploration and production.

## Operating results

| | ₦ million | | $'000 | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Revenue | 696,867 | 403,913 | 1,061,271 | 951,795 |
| Operating profit(loss) | 163,730 | 116,589 | 531,996 | 274,740 |
| Profit before taxation (loss) | 125,541 | 86,730 | 249,360 | 204,376 |
| Profit for the year (loss) | 81,331 | 44,433 | 191,201 | 104,706 |

## Dividend

During the year, the Directors recommended and paid to members quarterly interim dividends of US3cents per share, declared in April, July and October in line with our normal dividend distribution timetable. In addition to this, the Board of Seplat is recommending a final dividend of US3.0 cents per share and a special dividend of US3.0cents per share. The final dividend is subject to approval of shareholders, at the AGM which will be held on 16 May 2024 in Lagos, Nigeria.

## Unclaimed dividend

The total amount outstanding as at 31 December 2023 is $719,372.33 and ₦636,531,168.82. A list of shareholders and corresponding unclaimed dividends is available on the Company's website: www.seplatenergy.com

## Changes in property, plant and equipment

Movements in property, plant and equipment and significant additions thereto are shown in Note 16 to the financial statements.

## Rotation of Directors

In accordance with the provisions of Section 285 of the Companies and Allied Matters Act, 2020, one third of the Directors of the Company shall retire from office. The Directors to retire every year shall be those who have been longest in office since their last election.

However, in accordance with Article 131 of the Company's Articles of Association, the Executive Directors and any Director appointed by a Founder Shareholder shall not be subject to retirement by rotation or taken into consideration in determining the number of Directors to retire each year. Apart from the Executive Directors and Directors appointed by the Founder Shareholders, all other Directors are appointed for fixed terms and are eligible for re-appointment/ retirement by rotation.

The Directors who are eligible for re-appointment this year are Dr. Emma FitzGerald and Mrs. Bashirat Odunewu.

## Directors' Interest in Shares

In accordance with Section 301 of the Companies and Allied Matters Act, 2020, the interests of the Directors (and of persons connected with them) in the share capital of the Company (all of which are beneficial unless otherwise stated) are as follows:

| | 31 Dec 22 | 31 Dec 23 | | 29 Feb 24 | |
|---|---|---|---|---|---|
| | No. of Ordinary Shares | No. of Ordinary Shares | As a percentage of Ordinary Shares in issue | No. of Ordinary Shares | As a percentage of Ordinary Shares in issue |
| Roger Brown | 4,296,433 | 4,831,379 | 0.82% | 4,831,379 | 0.82% |
| Samson Ezugworie | 0 | 257,288 | 0.04% | 257,288 | 0.04% |
| Bello Rabiu | 20,000 | 20,000 | 0.00% | 20,000 | 0.00% |
| Emeka Onwuka | 0 | 141,779 | 0.02% | 141,779 | 0.02% |
| Oliver De Langavant | 0 | 0 | 0.00% | 0 | 0.00% |
| Charles Okeahalam | 699,990 | 700,000 | 0.12% | 700,000 | 0.12% |
| Basil Omiyi | 495,238 | 495,238 | 0.08% | 495,238 | 0.08% |
| Nathalie Delapalme | 0 | 0 | 0.00% | 0 | 0.00% |
| Emma Fitzgerald | 0 | 0 | 0.00% | 0 | 0.00% |
| Kazeem Raimi | 0 | 0 | 0.00% | 0 | 0.00% |
| Bashirat Odunewu | 0 | 0 | 0.00% | 0 | 0.00% |
| Ernest Ebi | 50,000 | 50,000 | 0.01% | 50,000 | 0.01% |
| Fabian Ajogwu | 0 | 0 | 0.00% | 0 | 0.00% |
| Koosum Kalyan | n/a | n/a | 0.00% | 0 | 0.00% |
| Christopher Okeke | n/a | n/a | 0.00% | 0 | 0.00% |
| Udoma Udo Udoma | n/a | n/a | 0.00% | 0 | 0.00% |
| **Total** | **5,561,661** | **6,495,684** | **1.10%** | **6,495,684** | **1.10%** |

## Directors' Interest in Contracts

The former Chairman and a Non-Executive Director have disclosable indirect interest in contracts with which the Company was involved at 31 December 2023 for the purpose of section 303 of the Companies and Allied Matters Act, 2020. These have been disclosed in Note 37.

## Substantial Interest in Shares

At 31 December 2023, the following shareholders held more than 5.0% of the issued share capital of the Company:

| Shareholder | Number of holdings | % |
|---|---|---|
| M&P Group | 120,400,000 | 20.46 |
| Petrolin Group | 81,015,319 | 13.77 |
| Sustainable Capital | 56,110,463 | 9.54 |
| Professional support | 47,929,438 | 8.15 |
| Allan Gray Investment Management | 44,191,518 | 7.51 |

## Free Float

With a free float of 28.9% as at 31 December 2023, Seplat Energy PLC is compliant with the Nigerian Exchange's free float requirements for companies listed on the Premium Board.

## Share dealing policy

We confirm that to the best of our knowledge that there has been compliance with the Company's Share Dealing Policy during the period.

## Shareholding analysis

The distribution of shareholders at 31 December 2023 is as stated below:

| Share range | Number of shareholders | % of shareholders | Total shares | % of shareholding |
|---|---|---|---|---|
| 1-10,000 | 3,969 | 92.65 | 1,795,656 | 0.31 |
| 10,001-50,000 | 173 | 4.04 | 4,244,849 | 0.72 |
| 50,001-100,000 | 42 | 0.98 | 3,093,500 | 0.53 |
| 100,001-500,000 | 60 | 1.40 | 13,766,590 | 2.34 |
| 500,001-1,000,000 | 14 | 0.33 | 9,780,278 | 1.66 |
| 1,000,001-5,000,000 | 21 | 0.49 | 54,762,272 | 9.31 |
| 5,000,001-10,000,000 | 4 | 0.09 | 25,984,215 | 4.42 |
| 100,000,001-500,000,0001* | 1 | 0.02 | 475,017,201 | 80.72 |
| **Total** | **4,284** | **100.00** | **588,444,561** | **100.00** |

* Includes shares held by Computer Share on the London Stock Exchange

## Share Capital History

| Year | Authorised increase | Cumulative | Issued increase/ cancelled | Cumulative | Consideration |
|---|---|---|---|---|---|
| Jun-09 | – | 100,000,000 | 100,000,000 | 100,000,000 | cash |
| Mar-13 | 100,000,000 | 200,000,000 | 100,000,000 | 200,000,000 | stock split from N1.00 to 50k |
| Jul-13 | 200,000,000 | 400,000,000 | 200,000,000 | 400,000,000 | bonus (1 for 2) |
| Aug-13 | 600,000,000 | 1,000,000,000 | 153,310,313 | 553,310,313 | cash |
| Dec-14 | – | 1,000,000,000 | – | 553,310,313 | No change |
| Dec-15 | – | 1,000,000,000 | 10,134,248 | 563,444,561 | staff share scheme |
| Dec-16 | – | 1,000,000,000 | – | 563,444,561 | No change |
| Dec-17 | – | 1,000,000,000 | – | 563,444,561 | No change |
| Feb-18 | – | 1,000,000,000 | 25,000,000 | 588,444,561 | staff share scheme |
| Dec-19 | - | 1,000,000,000 | - | 588,444,561 | No change |
| Dec-20 | - | 1,000,000,000 | - | 588,444,561 | No change |
| Dec-21 | - | 1,000,000,000 | - | 588,444,561 | No change |
| Dec-22 | - | 1,000,000,000 | (411,555,439) | 588,444,561 | Cancellation* |
| Dec-23 | - | - | - | 588,444,561 | No change |

* By virtue of s.124, CAMA 2020 and Regulation 13, Companies Regulations 2021, CAC mandated companies with unissued shares to issue all unissued/unallotted shares not later than 31 December 2023. The consequence of non-compliance is that any unissued share capital at the relevant date will not be recognised as forming part of the share capital of the company until it is issued or reduced through the share capital reduction process. In compliance with the above directive and having obtained Shareholders' approval at the AGM held on 18th May 2022, the Company cancelled 411,555,439 unissued shares.

## Donations and sponsorships

The following donations were made by the Group during the year (2022: N149,123,558, $351,400)

| Beneficiary | NG₦ | $ |
|---|---|---|
| African Oil Week | 21,956,566 | 33,438 |
| Business Day Ceos Awards | 3,204,601 | 4,880 |
| Ceo Forum Sponsorship | 3,202,864 | 4,878 |
| Chartered Institute Of Personnel Management Of Nigeria | 784,807 | 1,195 |
| Commonwealth Enterprise And Investment Council | 8,485,629 | 12,923 |
| Conversations For Change Entrepreneurship Programme | 10,576,333 | 16,107 |
| Daniel Ogechi Akujobi Memorial Foundation | 660,846 | 1,006 |
| Energy Sustainability Conference | 1,065,345 | 1,622 |
| Hrm (King) Edmund Daukoro Book Launch | 1,763,050 | 2,685 |
| International Energy Week | 4,619,539 | 7,035 |
| Marcelle Ruth Cancer Centre | 1,982,5345 | 3,019 |
| National Engineering Conference | 705,222 | 1,074 |
| Nepl/Seplat Academic Scholarship | 14,999,162 | 22,843 |
| Nigeria Cup Golf Tournament | 784,807 | 1,195 |
| Nigeria International Energy Summit | 19,698,900 | 30,000 |
| Nigerian Association Of Petroleum Explorationists | 4,238,191 | 6,455 |
| Nigerian Gas Association | 138,877,245 | 211,500 |
| Nigerian Oil And Gas Opportunity Fair | 640,989 | 976 |
| Nuims/Seplat Academic Scholarship | 15,725,619 | 23,949 |
| Orodje Of Okpe Golf Tournament | 4,625,912 | 7,045 |
| Others | 27,078,771 | 41,239 |
| Oxford Institute For Energy Studies | 43,850,408 | 66,781 |
| Postprimary Scholarhip Awards | 33,533,994 | 51,070 |
| Seplat Cares | 3,788,988 | 5,770 |
| Seplat Energy Contribution To National Development | 2,954,835 | 4,500 |
| Seplat Energy Golf Championship | 7,292,958 | 11,107 |
| Sustainability Enterprise And Responsibility Awards | 1,065,345 | 1,622 |
| The Guild Of Corporate Online Publishers | 780,715 | 1,189 |
| The Nigerian Exchange Group | 2,026,171 | 3,086 |
| Un Global Compact Conference | 2,216,126 | 3,375 |
| Walk With Us Cancer Foundation | 1,945,422 | 2,963 |
| Women Leadership Lecture | 1,282,008 | 1,952 |
| World Energy Capital Assembly | 5,642,701 | 8,593 |
| **Total** | **392,056,600** | **597,074** |

## Auditor

The auditor, PricewaterhouseCoopers ("PwC"), has indicated its willingness to continue in office in accordance with Section 401(2) of the Companies and Allied Matters Act, 2020. A resolution will be proposed at the AGM for the re-appointment of PwC as the Company's auditor and for authorisation to the Board of Directors to fix the auditors' remuneration.

By Order of the Board

**Edith Onwuchekwa**
FRC/2013/NBA/00000003660
Company Secretary
Seplat Energy Plc
16A Temple Road, Ikoyi, Lagos, Nigeria
29 February 2024

# Statement of Directors' Responsibilities

## For the year ended 31 December 2023

The Companies and Allied Matters Act, 2020, requires the Directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the Group at the end of the year and of its profit or loss. The responsibilities include ensuring that the Group:

1) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and comply with the requirements of the Companies and Allied Matters Act, 2020;

2) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

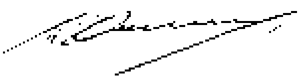
3) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates and are consistently applied.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS), the requirements of the Companies and Allied Matters Act, 2020 and Financial Reporting Council of Nigeria Act, No. 6, 2011.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Group and of its financial performance and cash flows for the year. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Group will not remain a going concern for at least 12 months from the date of this statement.

Signed on behalf of the Directors by:



**B. Omiyi**
Chairman
FRC/2016/IODN/00000014093
29 February 2024

**R.T. Brown**
Chief Executive Officer
FRC/2014/PRO/
DIR/003/00000017939
29 February 2024

# Statutory Audit Committee report

## For the year ended 31 December 2023

To the members of Seplat Energy Plc:

In accordance with the provisions of Section 404 (7) of the Companies and Allied Matters Act, 2020, members of the Audit Committee of Seplat Energy Plc hereby report on the financial statements of the Group for the year ended 31 December 2023 as follows:

- The scope and plan of the audit for the year ended 31 December 2023 were adequate;
- We have reviewed the financial statements and are satisfied with the explanations and comments obtained;
- We have reviewed the external auditors' management letter for the year and are satisfied with the management's responses and that management has taken appropriate steps to address the issues raised by the Auditors;
- We are of the opinion that the accounting and reporting policies of the Company are in accordance with legal requirements and ethical practices.

The external Auditors confirmed having received full co-operation from the Company's management in the course of the statutory audit and that the scope of their work was not restricted in any way.

**Mr. Abayomi Adeyemi**
Chairman, Statutory Audit Committee
FRC/2014/CISN/ 00000005607
29 February 2024

**Statutory Audit Committee Members**

| | |
|---|---|
| Mr. Abayomi Adeyemi | Chairman / Shareholder Member |
| Mrs. Hauwa Umar | Shareholder Member |
| Mr. Nornah Awoh | Shareholder Member |
| Mrs. Bashirat Odunewu | Independent Non-Executive Director |
| Mr. Kazeem Raimi | Non-Executive Director |

# Statement of Corporate Responsibility for financial reports

## For the year ended 31 December 2023

In line with the provision of S.405 of CAMA 2020, we have reviewed the audited financial statements of the Group for the year ended 31 December 2023 and based on our knowledge confirm as follows:

- The audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading.
- The audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for, the period ended 31 December 2023.
- The Company's internal controls has been designed to ensure that all material information included relating to the Company and its subsidiaries is received and provided to the Auditors in the course of the Audit.
- The Company's internal controls were evaluated within ninety days of the financial reporting date and are effective as of 31 December 2023.
- That we have disclosed to the Company's Auditor's and the Audit Committee the following information:
  - There are no significant deficiencies in the design or operation of the Company's internal control which could adversely affect the Company's ability to record, process, summarise and report financial data, and have discussed with the auditors any weaknesses in internal controls observed in the cause of the Audit.
  - There is no fraud involving management or other employ needs which could have any significant role in the Company's internal control.
- There are no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of this audit, including any corrective actions with regard to any observed deficiencies and material weaknesses.

**R.T. Brown**
FRC/2014/PRO/
DIR/003/00000017939
Chief Executive Officer
29 February 2024

**E. Onwuka**
FRC/2020/PRO/
ICAN/006/00000020861
Chief Financial Officer
29 February 2024

# Management's Annual Assessment of, and Report on, Seplat Energy Plc's Internal Control over Financial Reporting

## For the year ended 31 December 2023

To comply with the provisions of Section 1.3 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, we hereby make the following statements regarding the Internal Controls of Seplat Energy Plc for the year ended 31 December 2023:

i. Seplat Energy Plc's management is responsible for establishing and maintaining a system of internal control over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.

ii. Seplat Energy Plc's management used the Committee of Sponsoring Organization of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the entity's ICFR;

iii. Seplat Energy Plc's management has assessed that the entity's ICFR as of the end of 31 December 2023 is effective. Material weaknesses identified that were fully remediated include:

   1) Generation of audit logs by external consultants which was remediated an automated audit log is now sent directly to relevant user profiles within the organization for review and other assigned action.

   2) No review of failed login attempts which was remediated through the deployment of Splunk monitoring tool

   3) Active accounts for exited Admin staff were remediated through the creation of a new administrative account as opposed to using default accounts

iv. Seplat Energy Plc's external auditor Messrs PricewaterhouseCoopers that audited the financial statements, included in the annual report, has issued an attestation report on management's assessment of the entity's internal control over financial reporting.

   The attestation report of Messrs PricewaterhouseCoopers that audited its financial statements will be filed as part of Seplat Energy Plc's annual report.

**B. Omiyi**
Chairman
FRC/2016/IODN/00000014093
29 February 2024

**R.T. Brown**
Chief Executive Officer
FRC/2014/PRO/
DIR/003/00000017939
29 February 2024

# Certification of management's assessment on internal control over financial reporting

## For the year ended 31 December 2023

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, I hereby make the following statements regarding the Internal Controls of Seplat Energy Plc for the year ended 31 December 2023.

I, Roger Brown, certify that:

a) I have reviewed this management assessment on internal control over financial reporting of Seplat Energy Plc;

b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;

d) The entity's other certifying officer and I:

   1) are responsible for establishing and maintaining internal controls;

   2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   4) have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

e) The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors (or persons performing the equivalent functions):

   1) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and

   2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.

f) The entity's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

**R.T. Brown**
Chief Executive Officer
FRC/2014/PRO/DIR/003/00000017939
29 February 2024

# Certification of management’s assessment on internal control over financial reporting

## For the year ended 31 December 2023

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, I hereby make the following statements regarding the Internal Controls of Seplat Energy Plc for the year ended 31 December 2023.

I, Emeka Onwuka, certify that:

a) I have reviewed this Management assessment on internal control over financial reporting of Seplat Energy Plc;

b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;

d) The entity’s other certifying officer and I:

   1) are responsible for establishing and maintaining internal controls;

   2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   4) have evaluated the effectiveness of the entity’s internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

e) The entity’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity’s auditors and the audit committee of the entity’s board of directors (or persons performing the equivalent functions):

   1) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity’s ability to record, process, summarize and report financial information; and

   2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity’s internal control system.

f) The entity’s other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

**E. Onwuka**
Chief Financial Officer
FRC/2020/PRO/ICAN/006/00000020861
29 February 2024

# Financial Statements

# *Independent auditor's report*

To the Members of Seplat Energy Plc

## *Report on the audit of the consolidated and separate financial statements*

### *Our opinion*

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Seplat Energy Plc ("the company") and its subsidiaries (together "the group") as at 31 December 2023, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

**What we have audited**

Seplat Energy Plc's consolidated and separate financial statements comprise:

- the consolidated and separate statements of profit or loss and other comprehensive income for the year ended 31 December 2023;
- the consolidated and separate statements of financial position as at 31 December 2023;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of material accounting policies

### *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence**

We are independent of the group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

*PricewaterhouseCoopers Chartered Accountants, Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria*

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>

**The impact of crude oil and gas reserves on oil and gas properties (Depletion, Depreciation, and Amortisation- DD&A) and recognition of deferred tax assets**

This is considered a key audit matter due to the significant judgement made by management through the use of experts, when determining the proved and probable oil and gas reserves contained in the Competent Person's Report (CPR). The oil and gas reserves are used in determining the extent of depletion of oil and gas properties, and in determining the expected future cash flows to assess the realisability of the group's deferred tax assets.

(a) Depletion of all capitalised costs of proved oil and gas properties (included in DD&A) are expensed using the unit-of-production method as the proved reserves estimated in the CPR are produced.

The group's upstream oil and gas properties net balance was NGN1,465 billion ($1.629 billion) as of 31 December 2023, and related depletion expense was NGN98 billion ($150 million).

(b) The expected future cash flows of oil and gas properties are a fundamental input in the group's assessment of the probability that taxable profits will be available against which deductible temporary differences or unused tax losses or credits can be utilised. This assessment is required for the recognition of deferred tax assets.

The group's deferred tax asset balance was NGN262 billion ($291 million) as of 31 December 2023.

The accounting policies, estimates, and disclosures are set out in Notes 3.9, 4.1.ii, 14.4, and 16.1.

This was considered a key audit matter in the consolidated financial statements only.

</td><td>

Our procedures were as follows:

- We evaluated the competence, independence, and objectivity of management's experts. We understood their methods and evaluated the relevance and reasonableness of the assumptions used by them in determining the proved and probable oil and gas reserves. This includes evaluating the reasonableness of the assumptions to current and past performance of the group.
- We recalculated the unit-of-production rate to determine the depletion expense included in the DD&A of the group's cash generating units.
- We checked the inputs to the cash flow forecast and agreed this to the CPR which shows the estimates of reserves, future production, and income, from the independent consultant. All significant assumptions relating to revenue (future crude and gas prices, crude and gas volumes), royalty, operating expenses and levies have been assessed for reasonableness by comparing with publicly available information and benchmarking against actual performance in the current year.
- We estimated the future taxable profits based on the cash flow projections and used it to assess the recoverability of the deferred tax asset recognised.
- We evaluated the adequacy of the disclosures in the group's financial statements.

</td></tr>
</table>

## *Other information*

The directors are responsible for the other information. The other information comprises Operating review, Financial review, General information, Report of the Directors, Statement of Director's Responsibilities, Statutory Audit Committee Report, Statement of Corporate Responsibility for Financial Reports, Management's Annual Assessment of, and Report on, Seplat Energy Plc's Internal Control over Financial Reporting, Certification of management's assessment on internal control over financial reporting, Statement of Value Added, Five-Year Financial Summary and Supplementary Financial Information but does not include the consolidated and separate financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the other sections of the Seplat Energy Plc 2023 Annual Report, which are expected to be made available to us after that date.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other sections of the Seplat Energy Plc 2023 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## *Responsibilities of the directors and those charged with governance for the consolidated and separate financial statements*

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## *Auditor's responsibilities for the audit of the consolidated and separate financial statements*

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## *Report on other legal and regulatory requirements*

The Companies and Allied Matters Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) the company has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from locations not visited by us;

iii) the company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

In accordance with the requirements of the Financial Reporting Council, we performed a limited assurance engagement and reported on management's assessment of Seplat Energy Plc's internal control over financial reporting as of 31 December 2023. The work performed was done in accordance with FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting issued by the Financial Reporting Council of Nigeria, and we have issued an unqualified opinion in our report dated 29 February 2024.


Pedro Omontuemhen

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

29 February 2024

Engagement Partner: Pedro Omontuemhen
FRC/2013/ICAN/00000000739

# *Independent practitioner's report*

To the Members of Seplat Energy Plc

## *Report on an assurance engagement performed by an independent practitioner to report on management's assessment of controls over financial reporting*

### *Our opinion*

In our opinion, nothing has come to our attention that the internal control procedures over financial reporting put in place by management of Seplat Energy Plc ("the company's") are not adequate as of 31 December 2023 based on the SEC Guidance on Implementation of Section 60 – 63 of The Investments and Securities Act 2007 issued by The Securities and Exchange Commission.

**What we have performed**

We have performed an assurance engagement on Seplat Energy Plc's internal control over financial reporting as of 31 December 2023, based on FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria. The company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying management's assessment of, and report on, Seplat Energy Plc's internal control over financial reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our assurance engagement.

### *Basis for opinion*

We conducted our assurance engagement in accordance with the Guidance, which requires that we plan and perform the assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement. As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

### *Definition and Limitations of Internal Control over Financial Reporting*

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## *Other matter*

We also have audited, in accordance with the International Standards on Auditing, the consolidated and separate financial statements of Seplat Energy Plc and our report dated 29 February 2024 expressed an unqualified opinion.


For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

29 February 2024

Engagement Partner: Pedro Omontuemhen
FRC/2013/ICAN/00000000739

## Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2023

| | Notes | 31 Dec 2023 ₦ million | 31 Dec 2022 ₦ million | 31 Dec 2023 $'000 | 31 Dec 2022 $'000 |
|---|---|---|---|---|---|
| Revenue from contracts with customers | 7 | 696,867 | 403,913 | 1,061,271 | 951,795 |
| Cost of sales | 8 | (347,534) | (206,696) | (529,275) | (487,059) |
| **Gross profit** | | **349,333** | **197,217** | **531,996** | **464,736** |
| Other loss | 9 | (80,066) | (15,302) | (121,930) | (36,054) |
| General and administrative expenses | 10 | (94,282) | (58,299) | (143,564) | (137,385) |
| Impairment loss on financial assets | 11 | (8,310) | (2,730) | (12,656) | (6,432) |
| Fair value loss | 12 | (2,946) | (4,297) | (4,486) | (10,125) |
| **Operating profit** | | **163,729** | **116,589** | **249,360** | **274,740** |
| Finance income | 13 | 6,277 | 491 | 9,559 | 1,157 |
| Finance cost | 13 | (45,438) | (28,916) | (69,199) | (68,141) |
| **Finance cost – net** | | **(39,161)** | **(28,425)** | **(59,640)** | **(66,984)** |
| Share of profit/(loss) from joint venture accounted for using the equity method | 21 | 972 | (1,434) | 1,481 | (3,380) |
| **Profit before taxation** | | **125,540** | **86,730** | **191,201** | **204,376** |
| Income tax expense | 14 | (44,210) | (42,297) | (67,329) | (99,670) |
| **Profit for the year** | | 81,330 | 44,433 | 123,872 | 104,706 |
| | | | | | |
| **Attributable to:** | | | | | |
| Equity holders of the parent | | 54,577 | 26,483 | 83,130 | 62,407 |
| Non-controlling interests | | 26,753 | 17,950 | 40,742 | 42,299 |
| | | **81,330** | **44,433** | **123,872** | **104,706** |
| | | | | | |
| **Earnings per share for the year** | | | | | |
| Basic earnings per share ₦/$ | 35 | 92.75 | 45.00 | 0.14 | 0.11 |
| Diluted earnings per share ₦/$ | 35 | 92.75 | 45.00 | 0.14 | 0.11 |

Notes 1 to 42 on pages 196 to 254 are an integral part of these financial statements.

| | Notes | 31 Dec 2023 ₦ million | 31 Dec 2022 ₦ million | 31 Dec 2023 $'000 | 31 Dec 2022 $'000 |
|---|---|---|---|---|---|
| **Profit for the year** | | **81,330** | **44,433** | **123,872** | **104,706** |
| **Other comprehensive income:** | | | | | |
| Items that may be reclassified to profit or loss (net of tax): | | | | | |
| Foreign currency translation difference | | 804,113 | 61,666 | 194 | 689 |
| Items that will not be reclassified to profit or loss: | | | | | |
| Remeasurement (loss)/gain on defined benefit obligations | 33 | (555) | 825 | (845) | 1,944 |
| Deferred tax credit/(expense) on remeasurement gain | 14 | 183 | (379) | 279 | (892) |
| Other comprehensive income/(loss) for the year | | 803,741 | 62,112 | (372) | 1,741 |
| **Total comprehensive income for the year (net of tax)** | | **885,071** | **106,545** | **123,500** | **106,447** |
| | | | | | |
| **Attributable to:** | | | | | |
| Equity holders of the parent | | 858,318 | 88,595 | 82,758 | 64,148 |
| Non-controlling interests | | 26,753 | 17,950 | 40,742 | 42,299 |
| | | **885,071** | **106,545** | **123,500** | **106,447** |

The above year end consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

# Consolidated statement of financial position

As at 31 December 2023

| | Notes | 31 Dec 2023 ₦ million | *31 Dec 2022 ₦ million | 31 Dec 2023 $'000 | *31 Dec 2022 $'000 |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| **Non current assets** | | | | | |
| Oil & gas properties | 16 | 1,465,354 | 741,339 | 1,629,271 | 1,657,993 |
| Other property, plant and equipment | 16 | 25,744 | 12,419 | 28,624 | 27,775 |
| Right-of-use assets | 18 | 1,946 | 1,974 | 2,164 | 4,415 |
| Intangible assets | 19 | 106,583 | 55,630 | 118,506 | 124,415 |
| Other asset | 17 | 91,478 | 45,478 | 101,711 | 101,711 |
| Equity-accounted investment | 21 | 200,937 | 99,219 | 223,414 | 221,902 |
| Prepayments | 20 | 37,978 | 25,703 | 42,227 | 57,486 |
| Deferred tax asset | 14 | 261,529 | 113,475 | 290,784 | 253,785 |
| **Total non current assets** | | **2,191,549** | **1,095,237** | **2,436,701** | **2,449,482** |
| **Current assets** | | | | | |
| Inventories | 22 | 47,154 | 24,774 | 52,428 | 55,406 |
| Trade and other receivables | 23 | 368,898 | 174,127 | 410,165 | 389,431 |
| Prepayments | 20 | 9,477 | 556 | 10,536 | 1,242 |
| Derivative financial instruments | 25 | – | 481 | – | 1,075 |
| Contract assets | 24 | 7,240 | 3,313 | 8,049 | 7,408 |
| Restricted cash | 26.2 | 24,311 | 10,706 | 27,031 | 23,944 |
| Cash and cash equivalents | 26 | 404,825 | 180,786 | 450,109 | 404,336 |
| **Total current assets** | | **861,905** | **394,743** | **958,318** | **882,842** |
| **Total assets** | | **3,053,454** | **1,489,980** | **3,395,019** | **3,332,324** |
| **Equity and liabilities** | | | | | |
| **Equity** | | | | | |
| Issued share capital | 27 | 297 | 297 | 1,864 | 1,864 |
| Share premium | 27 | 90,138 | 91,317 | 520,431 | 522,227 |
| Share based payment reserve | 27 | 12,255 | 5,936 | 34,515 | 24,893 |
| Treasury shares | 27 | (1,612) | (2,025) | (4,286) | (4,915) |
| Capital contribution | 28 | 5,932 | 5,932 | 40,000 | 40,000 |
| Retained earnings | | 230,708 | 241,386 | 1,173,450 | 1,189,697 |
| Foreign currency translation reserve | 29 | 1,251,127 | 447,014 | 2,816 | 2,622 |
| Non-controlling interest | 21 | 23,790 | (2,963) | 24,237 | (16,505) |
| **Total shareholders' equity** | | **1,612,635** | **786,894** | **1,793,027** | **1,759,883** |
| **Non current liabilities** | | | | | |
| Interest bearing loans and borrowings | 30 | 599,434 | 311,149 | 666,487 | 695,881 |
| Provision for decommissioning obligation | 32 | 117,489 | 86,670 | 130,631 | 193,836 |
| Deferred tax liabilities | 14 | 88,381 | 35,032 | 98,267 | 78,349 |
| Defined benefit plan | 33 | 1,810 | 2,878 | 2,013 | 6,437 |
| **Total non current liabilities** | | **807,114** | **435,729** | **897,398** | **974,503** |
| **Current liabilities** | | | | | |
| Interest bearing loans and borrowings | 30 | 80,265 | 33,232 | 89,244 | 74,322 |
| Lease liabilities | 31 | 1,207 | 1,800 | 1,342 | 4,025 |
| Derivative financial instruments | 25 | 1,444 | 1,435 | 1,606 | 3,210 |
| Trade and other payables | 34 | 480,136 | 205,622 | 533,845 | 459,869 |
| Current tax liabilities | 14 | 70,653 | 25,268 | 78,557 | 56,512 |
| **Total current liabilities** | | **633,705** | **267,357** | **704,594** | **597,938** |
| **Total liabilities** | | **1,440,819** | **703,086** | **1,601,992** | **1,572,441** |
| **Total shareholders' equity and liabilities** | | **3,053,454** | **1,489,980** | **3,395,019** | **3,332,324** |

*The deferred tax assets and liabilities for the comparative period were reclassified to align with the current year presentation. See note 14.8 for details.

Notes 1 to 42 on pages 196 to 254 are an integral part of these financial statements.

The financial statements of Seplat Energy Plc and its subsidiaries (The Group) for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Directors on 29 February 2024 and were signed on its behalf by

**B. Omiyi**
FRC/2016/IODN/00000014093
Chairman
29 February 2024

**R.T. Brown**
FRC/2014/PRO/DIR/003/00000017939
Chief Executive Officer
29 February 2024

**E. Onwuka**
FRC/2020/PRO/ICAN/006/00000020861
Chief Financial Officer
29 February 2024

# Consolidated statement of changes in equity

As at 31 December 2023

| | Issued share capital ₦ million | Share premium ₦ million | Share based payment reserve ₦ million | Treasury shares ₦ million | Capital contribution ₦ million | Retained earnings ₦ million | Foreign currency translation reserve ₦ million | Non-controlling interest ₦ million | Total equity ₦ million |
|---|---|---|---|---|---|---|---|---|---|
| **At 1 January 2023** | **297** | **91,317** | **5,936** | **(2,025)** | **5,932** | **241,386** | **447,014** | **(2,963)** | **786,894** |
| Profit for the year | – | – | – | – | – | 54,577 | – | 26,753 | 81,330 |
| Other comprehensive income | – | – | – | – | – | (372) | 804,113 | – | 803,741 |
| **Total comprehensive income for the year** | **–** | **–** | **–** | **–** | **–** | **54,205** | **804,113** | **26,753** | **885,071** |
| **Transactions with owners in their capacity as owners:** | | | | | | | | | |
| Dividend paid | – | – | – | – | – | (64,883) | – | – | (64,883) |
| Share based payments (Note 27.2) | – | – | 7,717 | – | – | – | – | – | 7,717 |
| Vested shares (Note 27.2) | 3 | 1,395 | (1,398) | – | – | – | – | – | – |
| Issued vested shares (Note 27.2) | (3) | (1,395) | – | 1,398 | – | – | – | – | – |
| PAYE tax withheld on vested shares | – | (1,179) | – | – | – | – | – | – | (1,179) |
| Shares re-purchased | – | – | – | (985) | – | – | – | – | (985) |
| **Total** | **–** | **(1,179)** | **6,319** | **413** | **–** | **(64,883)** | **–** | **–** | **(59,330)** |
| **At 31 December 2023** | **297** | **90,138** | **12,255** | **(1,612)** | **5,932** | **230,708** | **1,251,127** | **23,790** | **1,612,635** |
| | | | | | | | | | |
| **At 1 January 2022** | **296** | **90,383** | **4,914** | **(2,025)** | **5,932** | **239,429** | **385,348** | **(20,913)** | **703,364** |
| Profit for the year | – | – | – | – | – | 26,483 | – | 17,950 | 44,433 |
| Other comprehensive income | – | – | – | – | – | 446 | 61,666 | – | 62,112 |
| **Total comprehensive income for the year** | **–** | **–** | **–** | **–** | **–** | **26,929** | **61,666** | **17,950** | **106,545** |
| **Transactions with owners in their capacity as owners:** | | | | | | | | | |
| Dividend paid | – | – | – | – | – | (24,972) | – | – | (24,972) |
| Share based payments (Note 27.2) | – | – | 3,474 | – | – | – | – | – | 3,474 |
| Vested shares (Note 27.2) | 2 | 2,450 | (2,452) | – | – | – | – | – | (1,517) |
| PAYE tax withheld on vested shares | (1) | (1,516) | – | – | – | – | – | – | (1,517) |
| **Total** | **1** | **934** | **1,022** | **–** | **–** | **(24,972)** | **–** | **–** | **(23,015)** |
| **At 31 December 2022** | **297** | **91,317** | **5,936** | **(2,025)** | **5,932** | **241,386** | **447,014** | **(2,963)** | **786,894** |

Notes 1 to 42 on pages 196 to 254 are an integral part of these financial statements.

# Consolidated statement of changes in equity

As at 31 December 2023 continued

| | Issued share capital $'000 | Share premium $'000 | Share based payment reserve $'000 | Treasury shares $'000 | Capital contribution $'000 | Retained earnings $'000 | Foreign Currency Translation Reserve $'000 | Non-controlling interest $'000 | Total equity $'000 |
|---|---|---|---|---|---|---|---|---|---|
| **At 1 January 2023** | **1,864** | **522,227** | **24,893** | **(4,915)** | **40,000** | **1,189,697** | **2,622** | **(16,505)** | **1,759,883** |
| Profit for the year | – | – | – | – | – | 83,128 | – | 40,742 | 123,870 |
| Other comprehensive income | – | – | – | – | – | (564) | 194 | – | (370) |
| **Total comprehensive income for the year** | **–** | **–** | **–** | **–** | **–** | **82,564** | **194** | **40,742** | **123,500** |
| **Transactions with owners in their capacity as owners:** | | | | | | | | | |
| Dividend paid | – | – | – | – | – | (98,811) | – | – | (98,811) |
| Share based payments (Note 27.4) | – | – | 11,751 | – | – | – | – | – | 11,751 |
| Vested shares (Note 27) | 5 | 2,124 | (2,129) | – | – | – | – | – | – |
| Issued vested shares (Note 27.2) | (5) | (2,124) | – | 2,129 | – | – | – | – | – |
| PAYE tax withheld on vested shares | – | (1,796) | – | – | – | – | – | – | (1,796) |
| Share repurchased | – | – | – | (1,500) | – | – | – | – | (1,500) |
| **Total** | **–** | **(1,796)** | **9,622** | **629** | **–** | **(98,811)** | **–** | **–** | **(90,356)** |
| **At 31 December 2023** | **1,864** | **520,431** | **34,515** | **(4,286)** | **40,000** | **1,173,450** | **2,816** | **24,237** | **1,793,027** |
| | | | | | | | | | |
| **At 1 January 2022** | **1,862** | **520,138** | **22,190** | **(4,915)** | **40,000** | **1,185,082** | **1,933** | **(58,804)** | **1,707,486** |
| Profit for the year | – | – | – | – | – | 62,407 | – | 42,299 | 104,706 |
| Other comprehensive income | – | – | – | – | – | 1,052 | 689 | – | 1,741 |
| **Total comprehensive income for the year** | **–** | **–** | **–** | **–** | **–** | **63,459** | **689** | **42,299** | **106,447** |
| **Transactions with owners in their capacity as owners:** | | | | | | | | | |
| Dividend paid | – | – | – | – | – | (58,844) | – | – | (58,844) |
| Share based payments (Note 27.2) | – | – | 8,188 | – | – | – | – | – | 8,188 |
| Vested shares (Note 27.2) | 5 | 5,480 | (5,485) | – | – | – | – | – | (3,394) |
| PAYE tax withheld on vested shares | (3) | (3,391) | – | – | – | – | – | – | – |
| **Total** | **2** | **2,089** | **2,703** | **–** | **–** | **(58,844)** | **–** | **–** | **(54,050)** |
| **At 31 December 2022** | **1,864** | **522,227** | **24,893** | **(4,915)** | **40,000** | **1,189,697** | **2,622** | **(16,505)** | **1,759,883** |

# Consolidated statement of cash flows
For the year ended 31 December 2023

| | Notes | 31 Dec 2023 ₦ million | 31 Dec 2022 ₦ million | 31 Dec 2023 $'000 | 31 Dec 2022 $'000 |
|---|---|---|---|---|---|
| **Cash flows from operating activities** | | | | | |
| Cash generated from operations | 15 | 340,570 | 243,917 | 519,864 | 574,600 |
| Tax paid | 14 | (40,767) | (24,415) | (62,085) | (57,532) |
| PAYE tax on vested shares paid | | (1,179) | (1,517) | (1,796) | (3,394) |
| Contribution to plan assets | 33 | (3,000) | (2,015) | (5,529) | (4,507) |
| Hedge premium paid | 12 | (3,533) | (4,360) | (5,380) | (10,275) |
| **Net cash inflows from operating activities** | | **292,091** | **211,610** | **445,074** | **498,892** |
| **Cash flows from investing activities** | | | | | |
| Payment for acquisition of oil and gas properties | 16 | (117,539) | (67,338) | (179,002) | (158,678) |
| Payment for acquisition of other property, plant and equipment | 16 | (3,238) | (1,973) | (4,931) | (4,649) |
| Payment for Abiala investment | 19 | – | (5,092) | – | (12,000) |
| Deposit for investment | 23.6 | – | (57,367) | – | (128,300) |
| Proceeds from the disposal of oil and gas properties*** | 16.3.2 | 9,889 | 7,884 | 15,060 | 18,578 |
| Proceeds from disposal of other property, plant and equipment | 16.3.1 | – | 8 | – | 19 |
| Receipts from other asset**** | 17 | – | 4,600 | – | 10,840 |
| Interest received | 13 | 6,277 | 491 | 9,559 | 1,157 |
| Restricted cash | 26.3 | (2,027) | (3,359) | (3,087) | (7,915) |
| **Net cash outflows from investing activities** | | **(106,638)** | **(122,146)** | **(162,401)** | **(280,948)** |
| **Cash flows from financing activities** | | | | | |
| Repayments of loans and borrowings | 30 | 6,277 | – | (22,000) | – |
| Shares purchased for employees* | 27 | (1,179) | – | (1,500) | – |
| Dividends paid | 36 | (64,883) | (24,972) | (98,811) | (58,844) |
| Interest paid on lease liability | 31 | (35) | (161) | (54) | (380) |
| Lease payments – principal portion | 31 | (2,988) | (836) | (4,551) | (1,970) |
| Payments for other financing charges** | 30 | (5,343) | (5,325) | (8,137) | (12,547) |
| Interest paid on loans and borrowings | 30 | (40,455) | (26,857) | (61,610) | (63,287) |
| **Net cash outflows from financing activities** | | **(108,606)** | **(58,151)** | **(196,663)** | **(137,028)** |
| Net increase in cash and cash equivalents | | 76,847 | 31,313 | 86,010 | 80,914 |
| Cash and cash equivalents at beginning of the year | | 180,786 | 133,667 | 404,336 | 324,490 |
| Effects of exchange rate changes on cash and cash equivalents | | 147,192 | 15,806 | (40,237) | (1,068) |
| **Cash and cash equivalents at end of the year** | 26 | **404,825** | **180,786** | **450,109** | **404,336** |

* Shares purchased for employees of $1.5 million, ₦1.2 billion represent shares purchased for the Company's LTIP scheme.

** Other financing charges of $8.1 million, ₦5.3 billion relate to commitment fees and other transaction costs incurred on interest bearing loans and borrowings ($350 million Revolving Credit Facility, $110 million Reserved Based Lending Facility and $50 million Junior Facility).

*** This relates to oil and gas assets disposed in the prior year, however the cash proceeds were received during the year. The agreed disposed amount was recognised within receivables in prior year.

**** Receipt from Other asset relates to proceeds from the financial interest in OML 55.

Notes 1 to 42 on pages 196 to 254 are an integral part of these financial statements.

## 1. Corporate structure and business

Seplat Energy Plc (formerly called Seplat Petroleum Development Company Plc, hereinafter referred to as 'Seplat' or the 'Company'), the parent of the Group, was incorporated on 17 June 2009 as a private limited liability company and re-registered as a public company on 3 October 2014, under the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004. The Company commenced operations on 1 August 2010. The Company is principally engaged in oil and gas exploration and production and gas processing activities. The Company's registered and domiciled address is: 16a Temple Road (Olu Holloway), Ikoyi, Lagos, Nigeria.

The Company acquired, in pursuant to an agreement for assignment dated 31 January 2010 between the Company, SPDC, TOTAL and AGIP, a 45% participating interest in OML 4, OML 38 and OML 41 located in Nigeria.

On 7 November 2010, Newton Energy Limited ('Newton Energy'), an entity previously beneficially owned by the same shareholders as Seplat, became a subsidiary of the Company. On 1 June 2013, Newton Energy acquired from Pillar Oil Limited ('Pillar Oil') a 40% Participant interest in producing assets: the Umuseti/Igbuku marginal field area located within OPL 283 (the 'Umuseti/Igbuku Fields').

On 27 March 2013, the Group incorporated a subsidiary, MSP Energy Limited. The Company was incorporated for oil and gas exploration and production.

On 11 December 2013, the Group incorporated a new subsidiary, Seplat East Swamp Company Limited with the principal activity of oil and gas exploration and production.

On 11 December 2013, Seplat Gas Company Limited ('Seplat Gas') was incorporated as a private limited liability company to engage in oil and gas exploration and production and gas processing.

On 21 August 2014, the Group incorporated a new subsidiary, Seplat Energy UK Limited (formerly called Seplat Petroleum Development UK Limited). The subsidiary provides technical, liaison and administrative support services relating to oil and gas exploration activities.

In 2015, the Group purchased a 40% participating interest in OML 53, onshore northeastern Niger Delta (Seplat East Onshore Limited), from Chevron Nigeria Ltd for $259.4 million.

On the 20 January 2017, the Group incorporated a new subsidiary, ANOH Gas Processing Company Limited. The principal activity of the Company is the processing of gas from OML 53 using the ANOH gas processing plant.

On 16 January 2018, the Group incorporated a subsidiary, Seplat West Limited ('Seplat West'). Seplat West was incorporated to manage the producing assets of Seplat Plc.

To fund the development of the ANOH gas processing plant, on 13 August 2018, the Group entered into a shareholders' agreement with Nigerian Gas Processing and Transportation Company (NGPTC). Funding is to be provided by both parties in equal proportion representing their ownership share and will be used to subscribe for the ordinary shares in ANOH. The agreement was effective on 18 April 2019, which was the date the Corporate Affairs Commission (CAC) approval was received. Given the change in ownership structure as at 31 December 2019, the Group no longer exercises control and has deconsolidated ANOH in the consolidated financial statements. However, its retained interest qualifies as a joint arrangement and has been recognised accordingly as investment in joint venture.

On 31 December 2019, Seplat Energy Plc, acquired 100% of Eland Oil and Gas Plc's issued and yet to be issued ordinary shares. Eland is an independent oil and gas company that holds interest in subsidiaries and joint ventures that are into production, development and exploration in West Africa, particularly the Niger Delta region of Nigeria.

On acquisition of Eland Oil and Gas Plc (Eland), the Group acquired indirect interest in existing subsidiaries of Eland.

Eland Oil & Gas (Nigeria) Limited, is a subsidiary acquired through the purchase of Eland and is into exploration and production of oil and gas.

Westport Oil Limited, which was also acquired through purchase of Eland is a financing company.

Elcrest Exploration and Production Company Limited (Elcrest) who became an indirect subsidiary of the Group purchased a 45% interest in OML 40 in 2012. Elcrest is a Joint Venture between Eland Oil and Gas (Nigeria) Limited (45%) and Starcrest Nigeria Energy Limited (55%). It has been consolidated because Eland is deemed to have power over the relevant activities of Elcrest to affect variable returns from Elcrest at the date of acquisition by the Group (see details in Note 4.1v). The principal activity of Elcrest is exploration and production of oil and gas.

Wester Ord Oil & Gas (Nigeria) Limited, who also became an indirect subsidiary of the Group acquired a 40% stake in a licence, Ubima, in 2014 via a joint operations agreement. The principal activity of Wester Ord Oil & Gas (Nigeria) Limited is exploration and production of oil and gas.

Other entities acquired through the purchase of Eland are Tarland Oil Holdings Limited (a holding company), Brineland Petroleum Limited (dormant company) and Destination Natural Resources Limited (dormant company).

On 1 January 2020, Seplat Energy Plc transferred its 45% participating interest in OML 4, OML 38 and OML 41 ('transferred assets') to Seplat West Limited. As a result, Seplat ceased to be a party to the Joint Operating Agreement in respect of the transferred assets and became a holding company. Seplat West Limited became a party to the Joint Operating Agreement in respect of the transferred assets and assumed its rights and obligations.

On 20 May 2021, following a special resolution by the Board in view of the Company's strategy of transitioning into an energy company promoting renewable energy, sustainability and new energy, the name of the Company was changed from Seplat Petroleum Development Company Plc to Seplat Energy Plc under the Companies and Allied Matters Act 2020.

On 7 February 2022, the Group incorporated a subsidiary, Seplat Energy Offshore Limited. The Company was incorporated for oil and gas exploration and production.

On 5 July 2022, the Group incorporated a subsidiary, Turnkey Drilling Services Limited. The Company was incorporated for the purpose of drilling chemicals, material supply, directional drilling, drilling support services and exploration services.

On 26 April 2023, Seplat Gas Company Limited was changed to Seplat Midstream Company Limited. This subsidiary was incorporated to engage in oil and gas exploration and production and gas processing. The company is yet commence operations.

On 14 June 2023, the Group entered into a joint venture agreement with Pol Gas Limited which birthed Pine Gas Processing Limited. Both parties subscribed to equal proportion of ordinary shares. The Company was incorporated for processing natural gas, storage, marketing, transportation, trading, supply and distribution of natural gas and petroleum products derived from natural gas. The Company is yet to commence operations.

The Company together with its subsidiaries as shown below are collectively referred to as the Group.

| Subsidiary | Date of incorporation | Country of incorporation and place of business | Percentage holding | Principal activities | Nature of holding |
|---|---|---|---|---|---|
| Newton Energy Limited | 1 June 2013 | Nigeria | 99.9% | Oil & gas exploration and production | Direct |
| Seplat Energy UK Limited | 21 August 2014 | United Kingdom | 100% | Technical, liaison and administrative support services relating to oil & gas exploration and production | Direct |
| Seplat East Onshore Limited | 12 December 2014 | Nigeria | 99.9% | Oil & gas exploration and production | Direct |
| Seplat East Swamp Company Limited | 11 December 2013 | Nigeria | 99.9% | Oil & gas exploration and production | Direct |
| Seplat West Limited | 16 January 2018 | Nigeria | 99.9% | Oil & gas exploration and production | Direct |
| Eland Oil & Gas Limited | 28 August 2009 | United Kingdom | 100% | Holding company | Direct |
| Eland Oil & Gas (Nigeria) Limited | 11 August 2010 | Nigeria | 100% | Oil & gas exploration and production | Indirect |
| Elcrest Exploration and Production Nigeria Limited | 6 January 2011 | Nigeria | 45% | Oil & gas exploration and production | Indirect |
| Westport Oil Limited | 8 August 2011 | Jersey | 100% | Financing | Indirect |
| Tarland Oil Holdings Limited | 16 July 2014 | Jersey | 100% | Holding company | Indirect |
| Brineland Petroleum Limited | 18 February 2013 | Nigeria | 49% | Dormant | Indirect |
| Wester Ord Oil & Gas (Nigeria) Limited | 18 July 2014 | Nigeria | 100% | Oil and Gas Exploration and Production | Indirect |
| Wester Ord Oil and Gas Limited | 16 July 2014 | Jersey | 100% | Holding company | Indirect |
| Destination Natural Resources Limited | - | Dubai | 70% | Dormant | Indirect |
| Seplat Energy Offshore Limited | 7 February 2022 | Nigeria | 100% | Oil & gas exploration and production | Direct |
| MSP Energy Limited | 27 March 2013 | Nigeria | 100% | Oil & gas exploration and production | Direct |
| Turnkey Drilling Services Limited | 5 July 2022 | Nigeria | 100% | Drilling services | Direct |
| Seplat Midstream Company Limited | 11 December 2013 | Nigeria | 99.9% | Oil & gas exploration and production and gas processing | Direct |

## 2. Significant changes in the current reporting period

The following significant changes occurred during the reporting period ended 31 December 2023:

- On 23 March 2023, Seplat Energy Plc announced the termination with immediate effect of the Consultancy Agreement between the Company's wholly owned subsidiary and its co-founder, Dr. A.B.C Orjiako, acting through Amaze Limited.

## 3. Summary of material accounting policies

### 3.1 Introduction to summary of material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these consolidated financial statements. These accounting policies have been applied to all the periods presented, unless otherwise stated. The Consolidated financial statements are for the Group consisting of Seplat Energy Plc and its subsidiaries.

### 3.2 Basis of preparation

The consolidated financial statements of the Group for the year ended 31 December 2023 have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRIC). The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). Additional information required by National regulations is included where appropriate.

The financial statements comprise the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes to the financial statements.

The financial statements have been prepared under the going concern and historical cost convention, except for financial instruments measured at fair value on initial recognition, derivative financial instruments, defined benefit plans – plan assets and other assets (OML 55) measured at fair value. The financial statements are presented in Nigerian Naira and United States Dollars, and all values are rounded to the nearest million (₦ million) and thousand ($'000) respectively, except when otherwise indicated.

Nothing has come to the attention of the Directors to indicate that the Group will not remain a going concern for at least 12 months from the date of these financial statements.

The accounting policies adopted are consistent with those of the previous financial year end, except for the adoption of new and amended standard which are set out below.

## 3. Summary of material accounting policies continued

### 3.3 New and amended standards adopted by the Group

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

#### a) IFRS 17 Insurance Contract

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- a specific adaptation for contracts with direct participation features (the variable fee approach);
- a simplified approach (the premium allocation approach) mainly for short-duration contracts;

The amendments had no impact on the Group's consolidated financial statements.

The amendments listed above did not have any impact on the amounts recognised in prior periods and the current period. The amendments are not expected to significantly affect future periods.

#### b) Definition of Accounting Estimates – Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

The amendments listed above did not have any impact on the amounts recognised in prior periods and the current period. The amendments are not expected to significantly affect future periods.

#### c) Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments may impact the accounting policy disclosures of entities. Determining whether accounting policies are material or not requires use of judgement. The amendment has been applied as required in the Group's consolidated financial statements for the period ended.

#### d) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12 Income Taxes. The amendments narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

The Group had previously accounted for such transactions consistent with the new requirements, in which case the Group will not be affected by the amendments.

#### e) International Tax Reform-Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- a mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

The amendments listed above did not have any impact on the amounts recognised in prior periods and the current period. The amendments are not expected to significantly affect future periods.

## 3.4 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. Details of these new standards and interpretations are set out below:

### a) Amendments to IAS 1 Classification of Liabilities as Current or Non current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or Non current.

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as Non current and the entity's right to defer settlement is contingent on compliance with future covenants within 12 months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

### b) Amendments to IFRS 16: Lease liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

### c) Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

## 3.5 Basis of consolidation

### i. Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control.

The consolidated financial information comprises the financial statements of the Company and its subsidiaries as at 31 December 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Subsidiaries are consolidated from the date on which control is obtained by the Group and are deconsolidated from the date control ceases.

Generally, there is a presumption that most of the voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement(s) with the other vote holders of the investee;
- rights arising from other contractual arrangements;
- the Group's voting rights and potential voting rights;

### ii. Change in the ownership interest of subsidiary

The acquisition method of accounting is used to account for business combinations by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

Intercompany transaction balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

## 3. Summary of material accounting policies continued

### iii. Disposal of subsidiary

Where the Group disposes a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary;
- derecognises the carrying amount of any non-controlling interests;
- derecognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

### iv. Joint arrangements

Under IFRS 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Interest in the joint venture is accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position. All other joint arrangements of the Group are joint operations.

### v. Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investment in associates is accounted for using the equity method of accounting (see (vi) below) after initially being recognised at cost.

### vi. Equity method

Under the equity method of accounting, the Group's investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of loss in an equity accounting investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other party.

Unrealised gains on transactions between the Group and its associate and joint venture are eliminated to the extent of the Group's interest in the entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees are changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments is tested for impairment in accordance with the policy described in Note 3.14.

### vii. Changes in ownership interest

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Group.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

### viii. Accounting for loss of control

When the Group ceases to consolidate a subsidiary because of a joint control, it does the following:

- deconsolidates the assets (including goodwill), liabilities and non-controlling interest (including attributable other comprehensive income) of the former subsidiary from the consolidated financial position;
- any retained interest (including amounts owed by and to the former subsidiary) in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or a joint venture;
- any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings if required by other IFRSs;
- the resulting gain or loss, on loss of control, is recognised together with the profit or loss from the discontinued operation for the period before the loss of control;
- the gain or loss on disposal will comprise of the gain or loss attributable to the portion disposed of and the gain or loss on remeasurement of the portion retained. The latter is disclosed separately in the notes to the financial statements.

If the ownership interest in a joint venture is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

### ix. Non-controlling interests
The Group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis.

### x. Goodwill
Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

## 3.6 Functional and presentation currency
Items included in the financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which the subsidiaries operate ('the functional currency'), which is the US Dollar except the UK subsidiary which is the Great Britain Pound. The consolidated financial statements are presented in Nigerian Naira and the US Dollars.

The Group has chosen to show both presentation currencies and this is allowable by the regulator.

### i. Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end are generally recognised in profit or loss. They are deferred in equity if attributable to net investment in foreign operations.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss or other comprehensive income depending on where fair value gain or loss is reported.

### ii. Group companies
The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the reporting date; and
- income and expenses for statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and all resulting exchange differences are recognised in other comprehensive income.

On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

## 3.7 Oil and gas accounting
### i. Pre-licensing costs
Pre-licence costs are expensed in the period in which they are incurred.

### ii. Exploration licence cost
Exploration licence costs are capitalised within intangible assets. Licence costs paid in connection with a right to explore in an existing exploration area are capitalised and amortised on a straight-line basis over the life.

Licence costs are reviewed at each reporting date to confirm that there is no indication that the carrying amount exceeds the recoverable amount. This review includes confirming that exploration drilling is still under way or firmly planned, or that it has been determined, or work is under way to determine that the discovery is economically viable based on a range of technical and commercial considerations and sufficient progress is being made to establish development plans and timing. If no future activity is planned or the licence has been relinquished or has expired, the carrying value of the licence is written off through profit or loss. The exploration licence costs are initially recognised at cost and subsequently amortised on a straight line based on the economic life. They are subsequently carried at cost less accumulated amortisation and impairment losses. The amortisation rate for the intangible asset is 5% with useful life of 20 years.

### iii. Acquisition of producing assets
Upon acquisition of producing assets which do not constitute a business combination, the Group identifies and recognises the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in IAS 38 Intangible Assets) and liabilities assumed. The purchase price paid for the group of assets is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase.

### iv. Exploration and evaluation expenditures
Geological and geophysical exploration costs are charged to profit or loss as incurred.

Exploration and evaluation expenditures incurred by the entity are accumulated separately for each area of interest. Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure, but do not include general overheads or administrative expenditure that is not directly related to a particular area of interest. Each area of interest is limited to a size related to a known or probable hydrocarbon resource capable of supporting an oil operation.

## 3. Summary of material accounting policies continued

Costs directly associated with an exploration well, exploratory stratigraphic test well and delineation wells are temporarily suspended (capitalised) until the drilling of the well is complete and the results have been evaluated. These costs include employee remuneration, materials and fuel used, rig costs, delay rentals and payments made to contractors. If hydrocarbons ('proved reserves') are not found, the exploration expenditure is written off as a dry hole and charged to profit or loss. If hydrocarbons are found, the costs continue to be capitalised.

Suspended exploration and evaluation expenditure in relation to each area of interest is carried forward as an asset provided that one of the following conditions is met:

- the costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively, by its sale;
- exploration and/or evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves; and
- active and significant operations in, or in relation to, the area of interest.

Exploration and/or evaluation expenditures which fail to meet at least one of the conditions outlined above are written off. In the event that an area is subsequently abandoned or exploration activities do not lead to the discovery of proved or probable reserves, or if the Directors consider the expenditure to be of no value, any accumulated costs carried forward relating to the specified areas of interest are written off in the year in which the decision is made. While an area of interest is in the development phase, amortisation of development costs is not charged pending the commencement of production.

Exploration and evaluation costs are transferred from the exploration and/or evaluation phase to the development phase upon commitment to a commercial development.

#### v. Development expenditures

Development expenditure incurred by the Group is accumulated separately for each area of interest in which economically recoverable reserves have been identified to the satisfaction of the Directors. Such expenditure comprises net direct costs and, in the same manner as for exploration and evaluation expenditure, an appropriate portion of related overhead expenditure directly related to the development property. All expenditure incurred prior to the commencement of commercial levels of production from each development property is carried forward to the extent to which recoupment is expected to be derived from the sale of production from the relevant development property.

### 3.8 Revenue recognition (IFRS 15)

IFRS 15 uses a five-step model for recognising revenue to depict transfer of goods or services. The model distinguishes between promises to a customer that are satisfied at a point in time and those that are satisfied over time.

It is the Group's policy to recognise revenue from a contract when it has been approved by both parties, rights have been clearly identified, payment terms have been defined, the contract has commercial substance, and collectability has been ascertained as probable. Collectability of a customer's payments is ascertained based on the customer's historical records, guarantees provided, the customer's industry and advance payments made if any.

Revenue is recognised when control of goods sold has been transferred. Control of an asset refers to the ability to direct the use of and obtain substantially all of the remaining benefits (potential cash inflows or savings in cash outflows) associated with the asset. For crude oil, this occurs when the crude products are lifted by the customer (buyer) Free on Board at the Group's loading facility. Revenue from the sale of oil is recognised at a point in time when performance obligation is satisfied. For gas sales, revenue is recognised when the product passes through the custody transfer point to the customer. Revenue from the sale of gas is recognised over time using the practical expedient of the right to invoice.

The surplus or deficit of the product sold during the period over the Group's share of production is termed as an overlift or underlift. With regard to underlifts, if the over-lifter does not meet the definition of a customer or the settlement of the transaction is non-monetary, a receivable and other income is recognised. Initially, when an overlift occurs, cost of sale is debited, and a corresponding liability is accrued. Overlifts and underlifts are initially measured at the market price of oil at the date of lifting, consistent with the measurement of the sale and purchase. Subsequently, they are remeasured at the current market value. The change arising from this remeasurement is included in the profit or loss as other income/expenses – net.

#### Definition of a customer

A customer is a party that has contracted with the Group to obtain crude oil or gas products in exchange for a consideration, rather than to share in the risks and benefits that result from sale. The Group has entered into collaborative arrangements with its joint arrangement partners to share in the production of oil. Collaborative arrangements with its joint arrangement partners to share in the production of oil are accounted for differently from arrangements with customers as collaborators share in the risks and benefits of the transaction, and therefore, do not meet the definition of customers. Revenue arising from these arrangements are recognised separately in other income.

#### Contract enforceability and termination clauses

It is the Group's policy to assess that the defined criteria for establishing contracts that entail enforceable rights and obligations are met. The criteria provide that the contract has been approved by both parties, rights have been clearly identified, payment terms have been defined, (mostly within 30 days) the contract has commercial substance, and collectability has been ascertained as probable. Revenue is not recognised for contracts that do not create enforceable rights and obligations to parties in a contract. The Group also does not recognise revenue for contracts that do not meet the revenue recognition criteria. In such cases where consideration is received it recognises a contract liability and only recognises revenue when the contract is terminated.

The Group may also have the unilateral rights to terminate an unperformed contract without compensating the other party. This could occur where the Group has not yet transferred any promised goods or services to the customer and the Group has not yet received, and is not yet entitled to receive, any consideration in exchange for promised goods or services.

**Identification of performance obligation**
At inception, the Group assesses the goods or services promised in the contract with a customer to identify as a performance obligation, each promise to transfer to the customer either a distinct good or series of distinct goods. The number of identified performance obligations in a contract will depend on the number of promises made to the customer. The delivery of barrels of crude oil or units of gas are usually the only performance obligation included in oil and gas contract with no additional contractual promises. Additional performance obligations may arise from future contracts with the Group and its customers.

The identification of performance obligations is a crucial part in determining the amount of consideration recognised as revenue. This is due to the fact that revenue is only recognised at the point where the performance obligation is fulfilled, Management has therefore developed adequate measures to ensure that all contractual promises are appropriately considered and accounted for accordingly.

Transaction price is the amount allocated to the performance obligations identified in the contract. It represents the amount of revenue recognised as those performance obligations are satisfied. Complexities may arise where a contract includes variable consideration, significant financing component or consideration payable to a customer.

Variable consideration not within the Group's control is estimated at the point of revenue recognition and reassessed periodically. The estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. As a practical expedient, where the Group has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date, the Group may recognise revenue in the amount to which it has a right to invoice.

Significant financing component (SFC) assessment is carried out (using a discount rate that reflects the amount charged in a separate financing transaction with the customer and also considering the Group's incremental borrowing rate) on contracts that have a repayment period of more than 12 months.

As a practical expedient, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between when it transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

Instances when SFC assessment may be carried out include where the Group receives advance payment for agreed volumes of crude oil or receives take or pay deficiency payment on gas sales. Take or pay gas sales contract ideally provides that the customer must sometimes pay for gas even when not delivered to the customer. The customer, in future contract years, takes delivery of the product without further payment. The portion of advance payments that represents significant financing component will be recognised as interest expense.

Consideration payable to a customer is accounted for as a reduction of the transaction price unless the payment to the customer is in exchange for distinct goods or services that the customer transfers to the Group.

**Breakage**
The Group enters into take or pay contracts for sale of gas where the buyer may not ultimately exercise all of their rights to the gas. The take or pay quantity not taken is paid for by the buyer. This is known as the take or pay deficiency payment.. The Group assesses if there is a reasonable assurance that it will be entitled to a breakage amount. Where it establishes that a reasonable assurance exists, it recognises the expected breakage amount as revenue in proportion to the pattern of rights exercised by the customer. However, where the Group is not reasonably assured of a breakage amount, it would only recognise the expected breakage amount as revenue when the likelihood of the customer exercising its remaining rights becomes remote.

**Contract modification and contract combination**
Contract modifications relate to a change in the price and/or scope of an approved contract. Where there is a contract modification, the Group assesses if the modification will create a new contract or change the existing enforceable rights and obligations of the parties to the original contract. Contract modifications are treated as new contracts when the performance obligations are separately identifiable and transaction price reflects the standalone selling price of the crude oil or the gas to be sold. Revenue is adjusted prospectively when the crude oil or gas transferred is separately identifiable and the price does not reflect the standalone selling price. Conversely, if there are remaining performance obligations which are not separately identifiable, revenue will be recognised on a cumulative catch-up basis when crude oil or gas is transferred.

The Group combines contracts entered into at near the same time (less than 12 months) as one contract if they are entered into with the same or related party customer, the performance obligations are the same for the contracts and the price of one contract depends on the other contract.

**Portfolio expedients**
As a practical expedient, the Group may apply the requirements of IFRS 15 to a portfolio of contracts (or performance obligations) with similar characteristics if it expects that the effect on the financial statements would not be materially different from applying IFRS to individual contracts within that portfolio.

**Contract assets and liabilities**
The Group recognises contract assets for unbilled revenue from crude oil and gas sales. The Group recognises contract liability for consideration received for which performance obligation has not been met.

**Disaggregation of revenue from contract with customers**
The Group derives revenue from two types of products, oil and gas. The Group has determined that the disaggregation of revenue based on the criteria of type of products meets the disaggregation of revenue disclosure requirement of IFRS 15.

It depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. See further details in Note 6.1.1.

## 3. Summary of material accounting policies continued

### 3.9 Property, plant and equipment

Oil and gas properties and other plant and equipment are stated at cost, less accumulated depreciation, and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of any decommissioning obligation and, for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Expenditure on major maintenance refits or repairs comprises the cost of replacement assets or parts of assets, inspection costs and overhaul costs. Where an asset or part of an asset that was separately depreciated and is now written off is replaced and it is probable that future economic benefits associated with the item will flow to the entity, the expenditure is capitalised. Inspection costs associated with major maintenance programmes are capitalised and amortised over the period to the next inspection. Overhaul costs for major maintenance programmes are capitalised as incurred as long as these costs increase the efficiency of the unit or extend the useful life of the asset. All other maintenance costs are expensed as incurred.

#### Depreciation

Production and field facilities are depreciated on a unit-of-production basis over the estimated total proved reserves. In determining depreciation, depletion and amortisation for production and field facilities, Management applies judgement based on current information to avoid front loading or over depreciation of the reserves. The computation of the depletion rate factors the estimate for future development cost for the proved undeveloped reserves. Gas plant is depreciated on a straight-line basis over its useful lives. Assets under construction are not depreciated. Other property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Depreciation commences when an asset is available for use. The depreciation rate for each class is as follows:

| | |
|---|---|
| Plant and machinery | 10%-20% |
| Gas plant | 4% |
| Motor vehicles | 25%-30% |
| Office furniture and IT equipment | 10%-33.33% |
| Buildings | 4% |
| Land | - |
| Leasehold improvements | Over the unexpired portion of the lease |

The expected useful lives and residual values of property, plant and equipment are reviewed on an annual basis and, if necessary, changes in useful lives are accounted for prospectively.

Gains or losses on disposal of property, plant and equipment are determined as the difference between disposal proceeds and carrying amount of the disposed assets. These gains or losses are included in the statement of profit or loss.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

### 3.10 Right-of-use assets

The Group recognises right-of-use assets at the commencement date of a lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets include the amount of lease liabilities recognised, initial direct costs incurred, decommissioning costs (if any), and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis (2-5 years) over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

#### Short-term leases and leases of low value

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (i.e. low-value assets). Low-value assets are assets with lease amount of less than $5,000 when new. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

### 3.11 Lease liabilities

At the commencement date of a lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The weighted average incremental borrowing rate for the Group is 7.56%. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. The lease term refers to the contractual period of a lease.

The Group has elected to exclude non-lease components in calculating lease liabilities and instead treat the related costs as an expense in the statement of profit or loss.

### 3.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. These costs may arise from specific borrowings used for the purpose of financing the construction of a qualifying asset, and those that arise from general borrowings that would have been avoided if the expenditure on the qualifying asset had not been made. The general borrowing costs attributable to an asset's construction is calculated by reference to the weighted average cost of general borrowings that are outstanding during the period.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit or loss in the period in which they are incurred.

### 3.13 Finance income and costs

#### Finance income

Finance income is recognised in the statement of profit or loss as it accrues using the effective interest rate (EIR), which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the amortised cost of the financial instrument. The determination of finance income takes into account all contractual terms of the financial instrument as well as any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate (EIR), but not future credit losses.

#### Finance cost

Finance costs includes borrowing costs, interest expense calculated using the effective interest rate method, finance charges in respect of lease liabilities, the unwinding of the effect of discounting provisions, and the amortisation of discounts and premiums on debt instruments that are liabilities.

The Group applies the IBOR reform Phase 2 amendments which allows as a practical expedient for changes to the basis for determining contractual cash flows to be treated as changes to a floating rate of interest, provided certain conditions are met. The conditions include that the change is necessary as a direct consequence of IBOR reform and that the transition takes place on an economically equivalent basis.

### 3.14 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently. Other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. This should be at a level not higher than an operating segment.

If any such indication of impairment exists or when annual impairment testing for an asset group is required, the entity makes an estimate of its recoverable amount. Such indicators include changes in the Group's business plans, changes in commodity prices, evidence of physical damage and, for oil and gas properties, significant downward revisions of estimated recoverable volumes or increases in estimated future development expenditure.

The recoverable amount is the higher of an asset's fair value less costs of disposal (FVLCD) and value in use (VIU). The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets, in which case, the asset is tested as part of a larger cash-generating unit to which it belongs. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

In calculating VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset/CGU. In determining FVLCD, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

#### Impairment – exploration and evaluation assets

Exploration and evaluation assets are tested for impairment once commercial reserves are found before they are transferred to oil and gas assets, or whenever facts and circumstances indicate impairment. An impairment loss is recognised for the amount by which the exploration and evaluation assets' carrying amount exceeds their recoverable amount. The recoverable amount is the higher of the exploration and evaluation assets' fair value less costs to sell and their value in use.

#### Impairment – proved oil and gas production properties

Proven oil and gas properties are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

### 3.15 Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows comprise cash at banks and at hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

## 3. Summary of material accounting policies continued

### 3.16 Inventories
Inventories represent the value of tubulars, casings, spares and wellheads. These are stated at the lower of cost and net realisable value. Cost is determined using the invoice value and all other directly attributable costs to bringing the inventory to the point of use determined on a first in first out basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated cost necessary to make the sale.

### 3.17 Contract asset
Contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due. The impairment of contract assets is measured, presented and disclosed on the same basis as financial assets that are within the scope of IFRS 9.

### 3.18 Other asset
The Group's interest in the oil and gas reserves of OML 55 has been classified as other asset. On initial recognition, it is measured at the fair value of future recoverable oil and gas reserves. Subsequently, the other asset is recognised at fair value through profit or loss.

### 3.19 Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors has appointed a Senior leadership team to assesses the financial performance and position of the Group and makes strategic decisions. The Senior leadership team comprise of Chief Executive Officer; Chief Financial Officer; Chief Operating Officer; Chief Financial Officer (Designate); Director New Energy; Technical Director; Managing Director, Seplat West; Managing Director, Seplat East; Managing Director, Elcrest Exploration and Production Limited; Director Legal; Director, Corporate Services; Director, External Affairs and Social Performance, Managing Director, ANOH Gas Processing Company (AGPC) ; Director, Strategy, Planning and Business Development. See further details in Note 6.

### 3.20 Financial instruments
IFRS 9 provides guidance on the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 Financial Instruments: Disclosures.

#### a) Classification and measurement

**Financial assets**
It is the Group's policy to initially recognise financial asset at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss which are expensed in profit or loss.

Classification and subsequent measurement are dependent on the Group's business model for managing the asset and the cash flow characteristics of the asset. On this basis, the Group may classify its financial instruments at amortised cost, fair value through profit or loss and at fair value through other comprehensive income.

All the Group's financial assets as at 31 December 2023 satisfy the conditions for classification at amortised cost under IFRS 9 except for derivatives which are classified at fair value through profit or loss.

The Group's financial assets include trade receivables, NNPC Exploration and Production Limited (NEPL) receivables, NNPC Upstream Investment Management Services (NUIMS) receivables, other receivables, other asset, cash and bank balances and derivatives. They are included in current assets, except for maturities greater than 12 months after the reporting date. Interest income from these assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in finance income/cost.

**Financial liabilities**
Financial liabilities of the Group are classified and measured at fair value on initial recognition and subsequently at amortised cost net of directly attributable transaction costs, except for derivatives which are classified and subsequently recognised at fair value through profit or loss.

Fair value gains or losses for financial liabilities designated at fair value through profit or loss are accounted for in profit or loss except for the amount of change that is attributable to changes in the Group's own credit risk which is presented in other comprehensive income. The remaining amount of change in the fair value of the liability is presented in profit or loss. The Group's financial liabilities include trade and other payables and interest bearing loans and borrowings.

### b) Impairment of financial assets

Recognition of impairment provisions under IFRS 9 is based on the expected credit loss (ECL) model. The ECL model is applicable to financial assets classified at amortised cost and contract assets under IFRS 15 Revenue from Contracts with Customers. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date, about past events, current conditions and forecasts of future economic conditions.

The Group applies the simplified approach or the three-stage general approach to determine impairment of receivables depending on their respective nature. The simplified approach is applied for trade receivables and contract assets while the general approach is applied to NEPL receivables, NUIMS receivables, other receivables and cash and bank balances.

The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables. This involves determining the expected loss rates using a provision matrix that is based on the Group's historical default rates observed over the expected life of the receivable and adjusted forward-looking estimates. This is then applied to the gross carrying amount of the receivable to arrive at the loss allowance for the period.

The three-stage approach assesses impairment based on changes in credit risk since initial recognition using the past due criterion and other qualitative indicators such as increase in political concerns or other macroeconomic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance.

Financial assets classified as stage 1 have their ECL measured as a proportion of their lifetime ECL that results from possible default events that can occur within one year, while assets in stage 2 or 3 have their ECL measured on a lifetime basis.

Under the three-stage approach, the ECL is determined by projecting the probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each ageing bucket and for each individual exposure. The PD is based on default rates determined by external rating agencies for the counterparties. The LGD is determined based on management's estimate of expected cash recoveries after considering the historical pattern of the receivable, and it assesses the portion of the outstanding receivable that is deemed to be irrecoverable at the reporting period. The EAD is the total amount of outstanding receivable at the reporting period. These three components are multiplied together and adjusted for forward-looking information, which includes the gross domestic product (GDP) in Nigeria and crude oil prices, to arrive at an ECL which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the related financial assets and the amount of the loss is recognised in profit or loss.

### c) Significant increase in credit risk and default definition

The Group assesses the credit risk of its financial assets based on the information obtained during periodic review of publicly available information, industry trends and payment records. Based on the analysis of the information provided, the Group identifies the assets that require close monitoring.

Furthermore, financial assets that have been identified to be more than 30 days past due on contractual payments are assessed to have experienced significant increase in credit risk. These assets are grouped as part of Stage 2 financial assets where the three-stage approach is applied.

In line with the Group's credit risk management practices, a financial asset is defined to be in default when contractual payments have not been received at least 90 days after the contractual payment period. Subsequent to default, the Group carries out active recovery strategies to recover all outstanding payments due on receivables. Where the Group determines that there are no realistic prospects of recovery, the financial asset and any related loss allowance is written off either partially or in full.

### d) Write-off policy

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include:

- ceasing enforcement activity; and
- where the Group's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

The Group may write off financial assets that are still subject to enforcement activity. The outstanding contractual amounts of such assets written off during the year ended 31 December 2023 was nil (2022: nil).

The Group seeks to recover amounts it's legally owed in full, but which have been partially written off due to no reasonable expectation of full recovery.

### e) Derecognition

**Financial assets**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and the transfer qualifies for derecognition. Gains or losses on derecognition of financial assets are recognised as finance income/cost.

## 3. Summary of material accounting policies continued

**Financial liabilities**

The Group derecognises a financial liability when it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised immediately in the statement of profit or loss.

In the context of IBOR reform, the Group's assessment of whether a change to an amortised cost financial instrument is substantial, is made after applying the practical expedient introduced by IBOR reform Phase 2. This requires the transition from an IBOR to an RFR to be treated as a change to a floating interest rate, as described in Note 3.13 above.

### f) Modification

When the contractual cash flows of a financial instrument are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial instrument, the Group recalculates the gross carrying amount of the financial instrument and recognises a modification gain or loss immediately within finance income/(cost) – net at the date of the modification. The gross carrying amount of the financial instrument is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial instrument's original effective interest rate.

### g) Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when and only when there is legally enforceable right to offset the recognised amount, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The legally enforceable right is not contingent on future events and is enforceable in the normal course of business, and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### h) Derivatives

The Group uses derivative financial instruments such as forward exchange contracts to hedge its foreign exchange risks as well as put options to hedge against its oil price risk. However, such contracts are not accounted for as designated hedges. Derivatives are initially recognised at fair value on the date a derivative contract is entered and subsequently remeasured to their fair value at the end of each reporting period. Any gains or losses arising from changes in the fair value of derivatives are recognised within operating profit in the statement of profit or loss for the period. An analysis of the fair value of derivatives is provided in Note 5, Financial risk management.

The Group accounts for financial assets with embedded derivatives (hybrid instruments) in their entirety on the basis of its contractual cash flow features and the business model within which they are held, thereby eliminating the complexity of bifurcation for financial assets. For financial liabilities, hybrid instruments are bifurcated into hosts and embedded features.

In these cases, the Group measures the host contract at amortised cost and the embedded features is measured at fair value through profit or loss.

For the purpose of the maturity analysis, embedded derivatives included in hybrid financial instruments are not separated. The hybrid instrument, in its entirety, is included in the maturity analysis for non-derivative financial liabilities.

### i) Fair value of financial instruments

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When available, the Group measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, the Group establishes fair value using valuation techniques. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, and discounted cash flow analysis. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Group, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments.

Inputs to valuation techniques reasonably represent market expectations and measure the risk-return factors inherent in the financial instrument. The Group calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price – i.e., the fair value of the consideration given or received. However, in some cases, the fair value of a financial instrument on initial recognition may be different to its transaction price. If such fair value is evidenced by comparison with other observable current market transactions in the same instrument (without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets, then the difference is recognised in the income statement on initial recognition of the instrument. In other cases, the difference is not recognised in the income statement immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred, or sold, or the fair value becomes observable.

### 3.21 Share capital

On issue of ordinary shares, any consideration received net of any directly attributable transaction costs is included in equity. Share issue costs net of tax are charged to the share premium account. Issued share capital has been translated at the exchange rate prevailing at the date of the transaction and is not retranslated after initial recognition.

### 3.22 Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium.

## 3.23 Earnings per share and dividends

### Basic EPS

Basic earnings per share is calculated on the Group's profit or loss after taxation attributable to the parent entity and on the basis of weighted average of issued and fully paid ordinary shares at the end of the year.

### Diluted EPS

Diluted EPS is calculated by dividing the profit or loss after taxation attributable to the parent entity by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares (after adjusting for outstanding share awards arising from the share based payment scheme) into ordinary shares.

### Dividends

Dividends on ordinary shares are recognised as a liability in the period in which they are approved.

## 3.24 Post-employment benefits

### Defined contribution scheme

The Group contributes to a defined contribution scheme for its employees in compliance with the provisions of the Pension Reform Act 2014. The scheme is fully funded and is managed by licensed Pension Fund Administrators. Membership of the scheme is automatic upon commencement of duties at the Group. The Group's contributions to the defined contribution scheme are charged to the statement of profit and loss account in the year to which they relate.

The employer contributes 17% while the employee contributes 3% of the qualifying employee's salary.

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment. The Group operates a defined contribution plan and it is accounted for based on IAS 19 Employee benefits.

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Under defined contribution plans the entity's legal or constructive obligation is limited to the amount that it agrees to contribute to the fund.

Thus, the amount of the post-employment benefits received by the employee is determined by the amount of contributions paid by an entity (and perhaps also the employee) to a post-employment benefit plan or to an insurance company, together with investment returns arising from the contributions. In consequence, actuarial risk (that benefits will be less than expected) and investment risk (that assets invested will be insufficient to meet expected benefits) fall, in substance, on the employee.

### Defined benefit scheme

The Group operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The Group also provides certain additional post-employment benefits to employees. These benefits are unfunded.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method and calculated annually by independent actuaries. The liability or asset recognised in the statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using government bonds.

Remeasurements gains and losses, arising from changes in financial and demographic assumptions and experience adjustments, are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- the date of the plan amendment or curtailment; and
- the date that the Group recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit obligation and the fair value of the plan assets.

The Group recognises the following changes in the net defined benefit obligation under employee benefit expenses in general and administrative expenses:

- Service costs comprises current service costs, past-service costs, gains and losses on curtailments and non-routine settlements.
- Net interest cost.

## 3.25 Provisions

Provisions are recognised when:

i) the Group has a present legal or constructive obligation as a result of past events;

ii) it is probable that an outflow of economic resources will be required to settle the obligation as a whole; and

iii) the amount can be reliably estimated.

Provisions are not recognised for future operating losses. In measuring the provision:

- risks and uncertainties are taken into account;
- the provisions are discounted (where the effects of the time value of money is considered to be material) using a pre-tax rate that is reflective of current market assessments of the time value of money and the risk specific to the liability;
- when discounting is used, the increase of the provision over time is recognised as interest expense;
- future events such as changes in law and technology, are taken into account where there is subjective audit evidence that they will occur; and
- gains from expected disposal of assets are not taken into account, even if the expected disposal is closely linked to the event giving rise to the provision.

## 3. Summary of material accounting policies continued

**Decommissioning**

Liabilities for decommissioning costs are recognised as a result of the constructive obligation of past practice in the oil and gas industry, when it is probable that an outflow of economic resources will be required to settle the liability and a reliable estimate can be made. The estimated costs, based on current requirements, technology and price levels, prevailing at the reporting date, are computed based on the latest assumptions as to the scope and method of abandonment.

Provisions are measured at the present value of management's best estimates of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost. The corresponding amount is capitalised as part of the oil and gas properties and is amortised on a unit-of-production basis as part of the depreciation, depletion and amortisation.

If the change in estimate results in an increase in the decommissioning provision and, therefore, an addition to the carrying value of the asset, the Group considers whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment in accordance with IAS 36. If, for mature fields, the revised oil and gas assets net of decommissioning provisions exceed the recoverable value, that portion of the increase is charged directly to expense.

### 3.26 Contingencies

A contingent asset or contingent liability is a possible asset or obligation that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events. The assessment of the existence of the contingencies will involve management judgement regarding the outcome of future events.

### 3.27 Income taxation

**i. Current income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

**ii. Deferred tax**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**iii. Over income tax treatments**

The Group examines where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. It considers each uncertain tax treatment separately or together as a group, depending on which approach better predicts the resolution of the uncertainty. The factors it considers include:

- how it prepares and supports the tax treatment; and
- the approach that it expects the tax authority to take during an examination.

If the Group concludes that it is probable that the tax authority will accept an uncertain tax treatment that has been taken or is expected to be taken on a tax return, it determines the accounting for income taxes consistently with that tax treatment. If it concludes that it is not probable that the treatment will be accepted, it reflects the effect of the uncertainty in its income tax accounting in the period in which that determination is made (for example, by recognising an additional tax liability or applying a higher tax rate).

The Group measures the impact of the uncertainty using methods that best predicts the resolution of the uncertainty. The Group uses the most likely method where there are two possible outcomes, and the expected value method when there is a range of possible outcomes.

The Group assumes that the tax authority with the right to examine and challenge tax treatments will examine those treatments and have full knowledge of all related information. As a result, it does not consider detection risk in the recognition and measurement of uncertain tax treatments. The Group applies consistent judgements and estimates on current and deferred taxes. Changes in tax laws or the presence of new tax information by the tax authority is treated as a change in estimate in line with IAS 8 Accounting policies, changes in accounting estimates and errors.

Judgements and estimates made to recognise and measure the effect of uncertain tax treatments are reassessed whenever circumstances change or when there is new information that affects those judgements. New information might include actions by the tax authority, evidence that the tax authority has taken a particular position in connection with a similar item, or the expiry of the tax authority's right to examine a particular tax treatment. The absence of any comment from the tax authority is unlikely to be, in isolation, a change in circumstances or new information that would lead to a change in estimate.

### 3.28 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity; and
- acquisition-date fair value of any previous equity interest in the acquired entity,

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

### 3.29 Share based payments

Employees (including senior executives) of the Group receive remuneration in the form of share based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

#### Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised in employee benefits expense together with a corresponding increase in equity (share based payment reserve), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date and for fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award provided the original terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss. The dilutive effect of outstanding awards is reflected as additional share dilution in the computation of diluted earnings per share.

## 4. Significant accounting judgements estimates and assumptions

The preparation of the Group's consolidated historical financial information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### 4.1 Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated historical financial information:

#### i. OMLs 4, 38 and 41

OMLs 4, 38 and 41 are grouped together as a cash-generating unit for the purpose of impairment testing. These three OMLs are grouped together because they each cannot independently generate cash flows. They currently operate as a single block sharing resources for generating cash flows. Crude oil and gas sold to third parties from these OMLs are invoiced when the Group has an unconditional right to receive payment.

#### ii. Deferred tax asset

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable.

#### iii. Foreign currency translation reserve

The Group has used the CBN rate to translate its Dollar currency to its Naira presentation currency. Management has determined that this rate is available for immediate delivery. If the rate was 10% higher or lower, revenue in Naira would have increased/decreased by ₦69.6 billion (2022: ₦40.4 billion). See Note 47 for the applicable translation rates.

#### iv. Consolidation of Elcrest

On acquisition of 100% shares of Eland Oil and Gas Plc, the Group acquired indirect holdings in Elcrest Exploration and Production (Nigeria) Limited. Although the Group has an indirect holding of 45% in Elcrest, Elcrest has been consolidated as a subsidiary for the following basis:

- Eland Oil and Gas Plc has controlling power over Elcrest due to its representation on the board of Elcrest, and clauses contained in the Share Charge agreement and loan agreement which gives Eland the right to control 100% of the voting rights of shareholders.
- Eland Oil and Gas Plc is exposed to variable returns from the activities of Elcrest through dividends and interests.
- Eland Oil and Gas Plc has the power to affect the amount of returns from Elcrest through its right to direct the activities of Elcrest and its exposure to returns.

#### v. Revenue recognition

**Performance obligations**

The judgements applied in determining what constitutes a performance obligation will impact when control is likely to pass and therefore when revenue is recognised i.e. over time or at a point in time. The Group has determined that only one performance obligation exists in oil contracts which is the delivery of crude oil to specified ports. Revenue is therefore recognised at a point in time.

For gas contracts, the performance obligation is satisfied through the delivery of a series of distinct goods. Revenue is recognised over time in this situation as gas customers simultaneously receive and consume the benefits provided by the Group's performance. The Group has elected to apply the 'right to invoice' practical expedient in determining revenue from its gas contracts. The right to invoice is a measure of progress that allows the Group to recognise revenue based on amounts invoiced to the customer. Judgement has been applied in evaluating that the Group's right to consideration corresponds directly with the value transferred to the customer and is therefore eligible to apply this practical expedient.

**Significant financing component**

The Group has entered into an advance payment contract with Mercuria for future crude oil to be delivered. The Group has considered whether the contract contains a financing component and whether that financing component is significant to the contract, including both of the following:

a) the difference, if any, between the amount of promised consideration and cash selling price; and

b) the combined effect of both the following;

- The expected length of time between when the Group transfers the crude to Mercuria and when payment for the crude is received; and
- The prevailing interest rate in the relevant market.

The advance period is greater than 12 months. In addition, the interest expense accrued on the advance is based on a comparable market rate. Interest expense has therefore been included as part of finance cost.

**Transactions with Joint Operating Arrangement (JOA) partners**

The treatment of underlift and overlift transactions is judgemental and requires a consideration of all the facts and circumstances including the purpose of the arrangement and transaction. The transaction between the Group and its JOA partners involves sharing in the production of crude oil, and for which the settlement of the transaction is non-monetary. The JOA partners have been assessed to be partners not customers. Therefore, shortfalls or excesses below or above the Group's share of production are recognised in other income/ (expenses) – net.

### vi. Exploration and evaluation assets

The accounting for exploration and evaluation (E&E) assets require management to make certain judgements and assumptions, including whether exploratory wells have discovered economically recoverable quantities of reserves. Designations are sometimes revised as new information becomes available. If an exploratory well encounters hydrocarbon, but further appraisal activity is required in order to conclude whether the hydrocarbons are economically recoverable, the well costs remain capitalised as long as sufficient progress is being made in assessing the economic and operating viability of the well. Criteria used in making this determination include evaluation of the reservoir characteristics and hydrocarbon properties, expected additional development activities, commercial evaluation and regulatory matters. The concept of 'sufficient progress' is an area of judgement, and it is possible to have exploratory costs remain capitalised for several years while additional drilling is performed or the Group seeks government, regulatory or partner approval of development plans.

### vii. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Directors has appointed a Senior leadership team to assesses the financial performance and position of the Group and makes strategic decisions. The Senior leadership team consist of Chief Executive Officer; Chief Financial Officer; Chief Operating Officer; Chief Financial Officer (Designate); Director New Energy; Technical Director; Managing Director, Seplat West; Managing Director, Seplat East; Managing Director, Elcrest Exploration and Production Limited; Director Legal; Director, Corporate Services; Director, External Affairs and Social Performance, Managing Director, ANOH Gas Processing Company (AGPC) ; Director, Strategy, Planning and Business Development. See further details in Note 6.

## 4.2 Estimates and assumptions

The key assumptions concerning the future and the other key source of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The following are some of the estimates and assumptions made:

### i. Defined benefit plans

The cost of the defined benefit retirement plan and the present value of the retirement obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and changes in inflation rates.

Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers market yield on federal government bonds in currencies consistent with the currencies of the post-employment benefit obligation and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

The rates of mortality assumed for employees are the rates published in 67/70 ultimate tables, published jointly by the Institute and Faculty of Actuaries in the UK.

### ii. Oil and gas reserves

Proved oil and gas reserves are used in the units of production calculation for depletion as well as the determination of the timing of well closure for estimating decommissioning liabilities and impairment analysis. There are numerous uncertainties inherent in estimating oil and gas reserves. Assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may ultimately result in the reserves being restated.

### iii. Share based payment reserve

Estimating fair value for share based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share award or appreciation right, volatility and dividend yield and making assumptions about them. The Group measures the fair value of equity-settled transactions with employees at the grant date. The assumptions and models used for estimating fair value for share based payment transactions are disclosed in Note 27.4.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Such estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### iv. Provision for decommissioning obligations

Provisions for environmental clean-up and remediation costs associated with the Group's drilling operations are based on current constructions, technology, price levels and expected plans for remediation. Actual costs and cash outflows can differ from estimates because of changes in public expectations, prices, discovery and analysis of site conditions and changes in clean-up technology.

## 4. Significant accounting judgements estimates and assumptions continued

### v. Property, plant and equipment

The Group assesses its property, plant and equipment, including exploration and evaluation assets, for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable, or at least at every reporting date.

If there are low oil prices or natural gas prices during an extended period, the Group may need to recognise significant impairment charges. The assessment for impairment entails comparing the carrying value of the cash-generating unit with its recoverable amount, that is, higher of fair value less cost to dispose and value in use. Value in use is usually determined on the basis of discounted estimated future net cash flows. Determination as to whether and how much an asset is impaired involves management estimates on highly uncertain matters such as future commodity prices, the effects of inflation on operating expenses, discount rates, production profiles and the outlook for regional market supply-and-demand conditions for crude oil and natural gas.

During the year, the Group carried out an impairment assessment on OMLs 4, 38 and 41, OML 56, OML 53, and OML 40. The Group used the higher of the fair value less cost to dispose and the value in use in determining the recoverable amount of the cash-generating unit. In determining the value, the Group uses a forecast of the annual net cash flows over the life of proved plus probable reserves, production rates, oil and gas prices, future costs (excluding (a) future restructurings to which the entity is not yet committed; or (b) improving or enhancing the asset's performance) and other relevant assumptions based on the year-end Competent Persons Report (CPR). The pre-tax future cash flows are adjusted for risks specific to the forecast and discounted using a pre-tax discount rate which reflects both current market assessment of the time value of money and risks specific to the asset.

Management considers whether a reasonable possible change in one of the main assumptions will cause an impairment and believes otherwise (see Note 16.1).

### vi. Useful life of other property, plant and equipment

The Group recognises depreciation on other property, plant and equipment on a straight-line basis in order to write off the cost of the asset over its expected useful life. The economic life of an asset is determined based on existing wear and tear, economic and technical ageing, legal and other limits on the use of the asset, and obsolescence. If some of these factors were to deteriorate materially, impairing the ability of the asset to generate future cash flow, the Group may accelerate depreciation charges to reflect the remaining useful life of the asset or record an impairment loss.

### vii. Income taxes

The Group is subject to income taxes by the Nigerian tax authority, which does not require significant judgement in terms of provision for income taxes, but a certain level of judgement is required for recognition of deferred tax assets. Management is required to assess the ability of the Group to generate future taxable economic earnings that will be used to recover all deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. The estimates are based on the future cash flow from operations taking into consideration the oil and gas prices, volumes produced, operational and capital expenditure.

### viii. Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default, expected loss rates and maximum contractual period. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's history, existing market conditions as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 5.1.3.

### ix. Intangible assets

The contract based intangible assets (licence) were acquired as part of a business combination. They are recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line bases over their estimated useful lives which is also the economic life of the asset. The fair value of contract based intangible assets is estimated using the multi period excess earnings method. This requires a forecast of revenue and all cost projections throughout the useful life of the intangible assets. A contributory asset charge that reflects the return on assets is also determined and applied to the revenue but subtracted from the operating cash flows to derive the pre-tax cash flow. The post-tax cash flows are then obtained by deducting out the tax using the effective tax rate.

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC considers both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest bearing borrowings the Group is obliged to service.

## 5. Financial risk management

### 5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks such as market risk (including foreign exchange risk, interest rate risk and commodity price risk), credit risk and liquidity risk. The Group's risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the treasury department under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

| Risk | Exposure arising from | Measurement | Management |
|---|---|---|---|
| Market risk – foreign exchange | Future commercial transactions<br>Recognised financial assets and liabilities not denominated in US Dollars | Cash flow forecasting<br>Sensitivity analysis | Match and settle foreign denominated cash inflows with foreign denominated cash outflows |
| Market risk – interest rate | Interest bearing loans and borrowings at variable rate | Sensitivity analysis | Review refinancing opportunities |
| Market risk – commodity prices | Future sales transactions | Sensitivity analysis | Oil price hedges |
| Credit risk | Cash and bank balances, trade receivables and derivative financial instruments | Aging analysis<br>Credit ratings | Diversification of bank deposits. |
| Liquidity risk | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities |

#### 5.1.1 Market risk

Market risk is the risk of loss that may arise from changes in market factors such as foreign exchange rates, interest rates and commodity prices.

**i. Commodity price risk**

The Group is exposed to the risk of fluctuations on crude oil prices. The uncertainty around the rate at which oil prices increase or decline led to the Group's decision to enter into an option contract to insure the Group's revenue against adverse oil price movements.

**Crude hedge**

During the last quarter of 2023, the Group entered into an economic crude oil hedge contract with an average strike price of ₦52,892 ($60/bbl.) for 3 million barrels at an average premium price of ₦2,556 ($2.9 /bbl.) was agreed at the contract dates.

These contracts, which will commence on 1 January 2024, are expected to reduce the volatility attributable to price fluctuations of oil. The Group did not pre-pay any premium in the current year but the premium for 3 million barrels will be settled on a deferred basis. An unrealised fair value gain of ₦586 million, $894 thousand has been recognised in 2023.

The termination date is 31 March and 30 June 2024 respectively. Hedging the price volatility of forecast oil sales is in accordance with the risk management strategy of the Group.

The maturity of the crude oil hedge contracts the Group holds is shown in the table below:

| | Less than 6 months | 6 to 9 months | 10 to 12 months | Above 12 months | Total | Fair value ₦ million | Fair value $'000 |
|---|---|---|---|---|---|---|---|
| **As at 31 December 2023** | | | | | | | |
| Crude oil hedges Volume (bbl.) | 3,000,000 | – | – | – | 3,000,000 | 1,444 | 1,606 |
| | | | | | | **1,444** | **1,606** |

| | Less than 6 months | 6 to 9 months | 10 to 12 months | Above 12 months | Total | Fair value ₦ million | Fair value $'000 |
|---|---|---|---|---|---|---|---|
| **As at 31 December 2022** | | | | | | | |
| Crude oil hedges Volume (bbl.) | 2,000,000 | 1,000,000 | – | – | 3,000,000 | 1,435 | 3,210 |
| | | | | | | **1,435** | **3,210** |

The following table summarises the impact of the commodity options on the Group's profit before tax due to a 10% change in market inputs, with all other variables held constant:

| Increase/decrease in market inputs | Effect on profit before tax 2023 ₦ million | Effect on other components of equity before tax 2023 ₦ million | Effect on profit before tax 2022 ₦ million | Effect on other components of equity before tax 2022 ₦ million |
|---|---|---|---|---|
| +10% | 142 | – | 144 | – |
| -10% | (142) | – | (144) | – |

| Increase/decrease in market inputs | Effect on profit before tax 2023 $'000 | Effect on other components of equity before tax 2023 $'000 | Effect on profit before tax 2022 $'000 | Effect on other components of equity before tax 2022 $'000 |
|---|---|---|---|---|
| +10% | 161 | – | 321 | – |
| -10% | (161) | – | (321) | – |

## 5. Financial risk management continued

The Group may be exposed to business risks from fluctuations in the future prices of crude oil and gas. The following table summarises the impact on the Group's profit before tax of a 10% change in crude oil prices, with all other variables held constant:

| Increase/decrease in crude oil prices | Effect on profit before tax 2023 ₦ million | Effect on other components of equity before tax 2023 ₦ million | Effect on profit before tax 2022 ₦ million | Effect on other components of equity before tax 2022 ₦ million |
|---|---|---|---|---|
| +10% | 61,587 | – | 35,619 | – |
| -10% | (61,587) | – | (35,619) | – |

| Increase/decrease in crude oil prices | Effect on profit before tax 2023 $'000 | Effect on other components of equity before tax 2023 $'000 | Effect on profit before tax 2022 $'000 | Effect on other components of equity before tax 2022 $'000 |
|---|---|---|---|---|
| +10% | 93,791 | – | 83,934 | – |
| -10% | (93,791) | – | (83,934) | – |

The following table summarises the impact on the Group's profit before tax of a 10% change in gas prices, with all other variables held constant:

| Increase/decrease in gas price | Effect on profit before tax 2023 ₦ million | Effect on other components of equity before tax 2023 ₦ million | Effect on profit before tax 2022 ₦ million | Effect on other components of equity before tax 2022 ₦ million |
|---|---|---|---|---|
| +10% | 8,100 | – | 4,772 | – |
| -10% | (8,100) | – | (4,772) | – |

| Increase/decrease in gas price | Effect on profit before tax 2023 $'000 | Effect on other components of equity before tax 2023 $'000 | Effect on profit before tax 2022 $'000 | Effect on other components of equity before tax 2022 $'000 |
|---|---|---|---|---|
| +10% | 12,336 | – | 11,245 | – |
| -10% | (12,336) | – | (11,245) | – |

### ii. Cash flow and fair value interest rate risk

The Group's exposure to interest rate risk relates primarily to interest bearing loans and borrowings. The Group has both variable and fixed interest rate borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and short-term fixed deposit held at variable rates. Fixed rate borrowings only give rise to interest rate risk if measured at fair value. The Group's borrowings are not measured at fair value and are denominated in US Dollars. The Group is exposed to cash flow interest rate risk on short-term deposits to the extent that the significant increases and reductions in market interest rates would result in a decrease in the interest earned by the Group.

The contractual re-pricing date of the interest bearing loans and borrowings is between 3-6 months. The exposure of the Group's variable interest bearing loans and borrowings at the end of the reporting period is shown below.

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Corporate loan | 9,179 | 8,176 | 10,206 | 3,655 |

The following table demonstrates the sensitivity of the Group's profit before tax to changes in SOFR rate, with all other variables held constant.

| Increase/decrease in interest rate | Effect on profit before tax 2023 ₦ million | Effect on other components of equity before tax 2023 ₦ million | Effect on profit before tax 2023 $'000 | Effect on other components of equity before tax 2023 $'000 |
|---|---|---|---|---|
| +2% | 184 | – | 204 | – |
| -2% | (184) | – | (204) | – |

| Increase/decrease in interest rate | Effect on profit before tax 2022 ₦ million | Effect on other components of equity before tax 2022 ₦ million | Effect on profit before tax 2022 $'000 | Effect on other components of equity before tax 2022 $'000 |
|---|---|---|---|---|
| +2% | 73 | – | 164 | – |
| -2% | (73) | – | (164) | – |

### 5.1.2 Foreign exchange risk

The Group has transactional currency exposures that arise from sales or purchases in currencies other than the respective functional currency. The Group is exposed to exchange rate risk to the extent that balances and transactions are denominated in a currency other than the US Dollar.

The Group holds most of its cash and bank balances in US Dollar. However, the Group maintains deposits in Naira in order to fund ongoing general and administrative activities and other expenditure incurred in this currency. Other monetary assets and liabilities which give rise to foreign exchange risk include trade and other receivables, trade and other payables. The following table demonstrates the carrying value of monetary assets and liabilities exposed to foreign exchange risks for Naira exposures at the reporting date:

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Cash and bank balances | 47,539 | 154,907 | 52,857 | 346,447 |
| Trade and other receivables | 85,746 | 692 | 95,338 | 1,547 |
| Contract assets | 7,239 | 3,313 | 8,049 | 7,408 |
| Restricted cash | 1,155 | 1,111 | 1,310 | 2,484 |
| | **141,679** | **160,023** | **157,554** | **357,886** |
| **Financial liabilities** | | | | |
| Trade and other payables | (85,604) | (182,961) | (95,180) | (409,189) |
| **Net exposure to foreign exchange risk** | **56,075** | **(22,938)** | **62,374** | **(51,303)** |

The following table demonstrates the carrying value of monetary assets and liabilities exposed to foreign exchange risks for Pound exposures at the reporting date:

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Cash and bank balances | 1,564 | 1,342 | 1,739 | 3,001 |
| Trade and other receivables | 13 | 4,157 | 14 | 9,297 |
| | **1,577** | **5,499** | **1,753** | **12,298** |
| **Financial liabilities** | | | | |
| Trade and other payables | – | – | – | – |
| **Net exposure to foreign exchange risk** | **1,577** | **5,499** | **1,753** | **12,298** |

Sensitivity to foreign exchange risk is based on the Group's net exposure to foreign exchange risk due to Naira and Pound denominated balances. If the Naira strengthens or weakens by the following thresholds, the impact is as shown in the table below:

| Increase/decrease in foreign exchange risk | Effect on profit before tax 2023 ₦ million | Effect on other components of equity before tax 2023 ₦ million | Effect on profit before tax 2023 $'000 | Effect on other components of equity before tax 2023 $'000 |
|---|---|---|---|---|
| +10% | (5,100) | – | (5,670) | – |
| -10% | 6,233 | – | 6,930 | – |

| Increase/decrease in foreign exchange risk | Effect on profit before tax 2022 ₦ million | Effect on other components of equity before tax 2022 ₦ million | Effect on profit before tax 2022 $'000 | Effect on other components of equity before tax 2022 $'000 |
|---|---|---|---|---|
| +10% | 2,186 | – | 4,890 | – |
| -10% | (2,672) | – | (5,796) | – |

If the Pounds strengthens or weakens by the following thresholds, the impact is as shown in the table below:

| Increase/decrease in foreign exchange risk | Effect on profit before tax 2023 ₦ million | Effect on other components of equity before tax 2023 ₦ million | Effect on profit before tax 2023 $'000 | Effect on other components of equity before tax 2023 $'000 |
|---|---|---|---|---|
| +10% | (143) | – | (159) | – |
| -10% | 175 | – | 195 | – |

| Increase/decrease in foreign exchange risk | Effect on profit before tax 2022 ₦ million | Effect on other components of equity before tax 2022 ₦ million | Effect on profit before tax 2022 $'000 | Effect on other components of equity before tax 2022 $'000 |
|---|---|---|---|---|
| +10% | (500) | – | (1,118) | – |
| -10% | 611 | – | 1,366 | – |

## 5. Financial risk management continued

### 5.1.3 Credit risk

Credit risk refers to the risk of a counterparty defaulting on its contractual obligations resulting in financial loss to the Group. Credit risk arises from cash and bank balances as well as credit exposures to customers (i.e., Mercuria, Shell western, Pillar, Azura, Geregu Power, Sapele Power and Nigerian Gas Marketing Company (NGMC) receivables), and other parties (i.e., NUIMS receivables, NEPL receivables and other receivables).

**a) Risk management**

The Group is exposed to credit risk from its sale of crude oil to Mercuria and Shell western. There is a 30-day payment term after Bill of Lading date in the off-take agreement with Mercuria (OMLs 4, 38 &41) which expired in December 2022. The Group also has an off-take agreement with Shell Western Supply and Trading Limited which expires in September 2023. The Group is exposed to further credit risk from outstanding cash calls from NEPL and NUIMS.

In addition, the Group is exposed to credit risk in relation to the sale of gas to its customers.

The credit risk on cash and bank balances is managed through the diversification of banks in which the balances are held. The risk is limited because the majority of deposits are with banks that have an acceptable credit rating assigned by an international credit agency. The Group's maximum exposure to credit risk due to default of the counterparty is equal to the carrying value of its financial assets.

**b) Impairment of financial assets**

The Group financial assets that are subject to IFRS 9's expected credit loss model are listed below.

- JV partners receivables
- Trade receivables
- Contract assets
- Other receivables
- Cash and bank balances

Contract assets are also subject to the expected credit loss model, even though they are not financial assets, as they have substantially the same credit risk characteristics as trade receivables. The impairment of receivables is disclosed in the table below.

**Reconciliation of impairment on financial assets**

| | Notes | ₦ million | $'000 |
|---|---|---|---|
| **As at 1 January 2023** | | **33,638** | **81,464** |
| Increase in provision NEPL receivables | 23.2 | 1,228 | 1,870 |
| Decrease in provision for NUIMS receivables | 23.3 | 229 | 349 |
| Increase in provision for trade receivables | 23.1 | 2,140 | 3,259 |
| Increase in receivables from joint venture (ANOH) | 23.5 | 3,768 | 5,738 |
| Increase in provision of other receivables | 23.4 | 868 | 1,322 |
| Increase in contract asset | 24 | 77 | 118 |
| **Impairment charge from the profit or loss** | | **8,330** | **12,656** |
| Exchange difference | | – | – |
| **As at 31 December 2023** | | **41,969** | **94,120** |

| | Notes | ₦ million | $'000 |
|---|---|---|---|
| **As at 1 January 2022** | | **30,908** | **75,032** |
| Decrease in provision for NEPL receivables | 23.2 | (3,700) | (8,720) |
| Decrease in provision for NUIMS receivables | 23.3 | (325) | (766) |
| Increase in provision for trade receivables | 23.1 | 1,383 | 3,259 |
| Increase in provision for cash and bank balances: short-term fixed deposits | 26 | – | – |
| Increase in receivables from joint venture (ANOH) | 23.5 | 126 | 296 |
| Increase in provision of other receivables | 23.4 | 5,076 | 11,961 |
| Increase in contract asset | 24 | 170 | 402 |
| **Impairment charge from the profit or loss** | | **2,730** | **6,432** |
| Exchange difference | | – | – |
| **As at 31 December 2022** | | **33,638** | **81,464** |

The parameters used to determine impairment for NEPL receivables, NUIMS receivables, other receivables and short-term fixed deposits are shown below. For all receivables presented in the table, the respective 12-month Probability of Default (PD) equate the lifetime PD for stage 2 as the maximum contractual period over which the Group is exposed to credit risk arising from the receivables is less than 12 months.

| | Nigerian National Petroleum Corporation Exploration Limited (NEPL) receivables | NNPC Upstream Investment Management Services (NUIMS) receivables | Other receivables | Short term fixed deposits |
|---|---|---|---|---|
| **Probability of Default (PD)** | The 12-month sovereign cumulative PD for base case, downturn and upturn respectively is 5.1%, 5.59% and 4.76%, for stage 1 and stage 2. The PD for stage 3 is 100%. | The 12-month sovereign cumulative PD for base case, downturn and upturn 5.1%, 5.59% and 4.76%, for stage 1 and stage 2. The PD for stage 3 is 100%. | The PD for stage 3 is 100%. | The PD for base case, downturn and upturn is 5.1%, 5.59% and 4.76%, respectively for stage 1 and stage 2. The PD for stage 3 is 100%. |
| **Loss Given Default (LGD)** | The 12-month LGD and lifetime LGD were determined using Moody's recovery rate and mapped based on the priority rating of the receivable, for emerging economies. | The 12-month LGD and lifetime LGD were determined using Moody's recovery rate and mapped based on the priority rating of the receivable, for emerging economies. | The 12-month LGD and lifetime LGD were determined using Management's estimate of expected cash recoveries. The Management's estimates is based on historical pattern of recoveries. | The 12-month LGD and lifetime LGD were determined using the average recovery rate for Moody's senior unsecured corporate bonds for emerging economies. |
| **Exposure at default (EAD)** | The EAD is the maximum exposure of the receivable to credit risk. | The EAD is the maximum exposure of the receivable to credit risk. | The EAD is the maximum exposure of the receivable to credit risk. | The EAD is the maximum exposure of the short-term fixed deposits to credit risk. |
| **Macroeconomic indicators** | The historical inflation and Brent oil price were used. | The historical inflation and Brent oil price were used. | The historical gross domestic product (GDP) growth rate in Nigeria and crude oil price were used. | The historical gross domestic product (GDP) growth rate in Nigeria and crude oil price were used. |
| **Probability weightings** | 23%, 38% and 39%, was used as the weights for the base, upturn and downturn ECL modelling scenarios respectively. | 23%, 38% and 39%, was used as the weights for the base, upturn and downturn ECL modelling scenarios respectively. | 23%, 38% and 39%, of historical GDP growth rate observations fall within acceptable bounds, periods of boom and periods of downturn respectively. | 23%, 38% and 39%, of historical GDP growth rate observations fall within acceptable bounds, periods of boom and periods of downturn respectively. |

The Group considers both quantitative and qualitative indicators in classifying its receivables into the relevant stages for impairment calculation as shown below:

- Stage 1: This stage includes financial assets that are less than 30 days past due (Performing).
- Stage 2: This stage includes financial assets that have been assessed to have experienced a significant increase in credit risk using the days past due criteria (i.e. the outstanding receivables amounts are more than 30 days past due but less than 90 days past due) and other qualitative indicators such as the increase in political risk concerns or other macroeconomic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance.
- Stage 3: This stage includes financial assets that have been assessed as being in default (i.e., receivables that are more than 90 days past due) or that have a clear indication that the imposition of financial or legal penalties and/or sanctions will make the full recovery of indebtedness highly improbable.

**i. NEPL receivables**

NEPL receivables represent the outstanding cash calls due to Seplat from its Joint venture partner, Nigerian National Petroleum Corporation Exploration Limited. The Group applies the IFRS 9 general model for measuring expected credit losses (ECL). This requires a three-stage approach in recognising the expected loss allowance for NEPL receivables.

The ECL recognised for the period is a probability-weighted estimate of credit losses discounted at the effective interest rate of the financial asset. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The ECL was calculated based on actual credit loss experience from 2014, which is the date the Group initially became a party to the contract. The following analysis provides further detail about the calculation of ECLs related to these assets. The Group considers the model and the assumptions used in calculating these ECLs as key sources of estimation uncertainty.

## 5. Financial risk management continued

There was no write-off during the year (2022: nil) (see details in Note 23.2).

| 31 December 2023 | Stage 1 12-month ECL ₦ million | Stage 2 Lifetime ECL ₦ million | Stage 3 Lifetime ECL ₦ million | Total ₦ million |
|---|---|---|---|---|
| Gross Exposure at Default (EAD) | – | 116,421 | – | 116,421 |
| Loss allowance | – | (4,367) | – | (4,367) |
| **Net Exposure at Default (EAD)** | **–** | **112,054** | **–** | **112,054** |

| 31 December 2022 | Stage 1 12-month ECL ₦ million | Stage 2 Lifetime ECL ₦ million | Stage 3 Lifetime ECL ₦ million | Total ₦ million |
|---|---|---|---|---|
| Gross Exposure at Default (EAD) | – | 41,853 | – | 41,853 |
| Loss allowance | – | (1,467) | – | (1,467) |
| **Net Exposure at Default (EAD)** | **–** | **40,386** | **–** | **40,386** |

| 31 December 2023 | Stage 1 12-month ECL $'000 | Stage 2 Lifetime ECL $'000 | Stage 3 Lifetime ECL $'000 | Total $'000 |
|---|---|---|---|---|
| Gross Exposure at Default (EAD) | – | 129,444 | – | 129,444 |
| Loss allowance | – | (4,856) | – | (4,856) |
| **Net Exposure at Default (EAD)** | **–** | **124,588** | **–** | **124,588** |

| 31 December 2022 | Stage 1 12-month ECL $'000 | Stage 2 Lifetime ECL $'000 | Stage 3 Lifetime ECL $'000 | Total $'000 |
|---|---|---|---|---|
| Gross Exposure at Default (EAD) | – | 93,602 | – | 93,602 |
| Loss allowance | – | (3,280) | – | (3,280) |
| **Net Exposure at Default (EAD)** | **–** | **90,322** | **–** | **90,322** |

### ii. NUIMS receivables

NUIMS receivables represent the outstanding cash calls due to Seplat from its Joint Operating Agreement (JOA) partner, NNPC Upstream Investment Management Services. The Group applies the general model for measuring expected credit losses (ECL) which uses a three-stage approach in recognising the expected loss allowance for NUIMS receivables.

The ECL was calculated based on actual credit loss experience from 2016, which is the date the Group initially became a party to the contract. The following analysis provides further detail about the calculation of ECLs related to these assets. The Group considers the model and the assumptions used in calculating these ECLs as key sources of estimation uncertainty. The tables below show the expected credit losses for the year ended 31 December 2023 and 31 December 2022.

| 31 December 2023 | Stage 1 12-month ECL ₦ million | Stage 2 Lifetime ECL ₦ million | Stage 3 Lifetime ECL ₦ million | Total ₦ million |
|---|---|---|---|---|
| Gross Exposure at Default (EAD) | – | 19,099 | – | 19,099 |
| Loss allowance | – | (684) | – | (684) |
| **Net Exposure at Default (EAD)** | **–** | **18,415** | **–** | **18,415** |

| 31 December 2023 | Stage 1 12-month ECL $'000 | Stage 2 Lifetime ECL $'000 | Stage 3 Lifetime ECL $'000 | Total $'000 |
|---|---|---|---|---|
| Gross Exposure at Default (EAD) | – | 21,236 | – | 21,236 |
| Loss allowance | – | (761) | – | (761) |
| **Net Exposure at Default (EAD)** | **–** | **20,475** | **–** | **20,475** |

| 31 December 2022 | Stage 1 12-month ECL ₦ million | Stage 2 Lifetime ECL ₦ million | Stage 3 Lifetime ECL ₦ million | Total ₦ million |
|---|---|---|---|---|
| Gross Exposure at Default (EAD) | - | 15,791 | - | 15,791 |
| Loss allowance | - | (380) | - | (380) |
| **Net Exposure at Default (EAD)** | **-** | **15,411** | **-** | **15,411** |

| 31 December 2022 | Stage 1 12-month ECL $'000 | Stage 2 Lifetime ECL $'000 | Stage 3 Lifetime ECL $'000 | Total $'000 |
|---|---|---|---|---|
| Gross Exposure at Default (EAD) | – | 35,316 | – | 35,316 |
| Loss allowance | – | (849) | – | (849) |
| **Net Exposure at Default (EAD)** | **–** | **34,467** | **–** | **34,467** |

### iii. Trade receivables (Geregu Power, Sapele Power, Nigerian Gas Marketing Company, Pan ocean, Oghareki and Summit)

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

The impairment of trade receivables (Gerugu Power, Sapele Power, NGMC, Pan Ocean, Oghareki and Summit) was estimated by applying the provision matrix. The expected loss rate was calculated as the percentage of the receivable that is deemed uncollectible during a particular period. The expected loss rates as at 31 December 2023 and 31 December 2022 are as follows:

| 31 December 2023 | Current ₦ million | 1-30 days ₦ million | 31-60 days ₦ million | 61-90 days ₦ million | 91-120 days ₦ million | Above 120 days ₦ million | Total ₦ million |
|---|---|---|---|---|---|---|---|
| Gross carrying amount | 4,573 | 286 | 248 | 256 | 256 | 213 | 5,832 |
| Expected loss rate | 4% | 4% | 4% | 83% | 83% | 93% | |
| Lifetime ECL (Note 23.1) | (168) | (11) | (10) | (212) | (212) | (198) | (811) |
| **Total** | **4,405** | **275** | **238** | **44** | **44** | **15** | **5,021** |

| 31 December 2022 | Current ₦ million | 1-30 days ₦ million | 31-60 days ₦ million | 61-90 days ₦ million | 91-120 days ₦ million | Above 120 days ₦ million | Total ₦ million |
|---|---|---|---|---|---|---|---|
| Gross carrying amount | 112 | 1,030 | 176 | 488 | 488 | 23,430 | 25,724 |
| Expected loss rate | 12% | 12% | 13% | 29% | 29% | 87% | |
| Lifetime ECL (Note 23.1) | (14) | (128) | (23) | (143) | (143) | (9,980) | (10,430) |
| **Total** | **98** | **903** | **153** | **345** | **345** | **13,450** | **15,294** |

| 31 December 2023 | Current $'000 | 1-30 days $'000 | 31-60 days $'000 | 61-90 days $'000 | 91-120 days $'000 | Above 120 days $'000 | Total $'000 |
|---|---|---|---|---|---|---|---|
| Gross carrying amount | 6,980 | 437 | 378 | 390 | 390 | 325 | 8,900 |
| Expected loss rate | 4% | 4% | 4% | 42% | 42% | 93% | |
| Lifetime ECL (Note 23.1) | (257) | (16) | (15) | (162) | (162) | (303) | (915) |
| **Total** | **6,723** | **421** | **363** | **228** | **228** | **22** | **7,985** |

| 31 December 2022 | Current $'000 | 1-30 days $'000 | 31-60 days $'000 | 61-90 days $'000 | 91-120 days $'000 | Above 120 days $'000 | Total $'000 |
|---|---|---|---|---|---|---|---|
| Gross carrying amount | 250 | 2,307 | 395 | 1,092 | 1,092 | 52,400 | 57,536 |
| Expected loss rate | 12% | 12% | 13% | 29% | 29% | 87% | |
| Lifetime ECL (Note 23.1) | (31) | (286) | (51) | (319) | (319) | (22,318) | (23,325) |
| **Total** | **219** | **2,021** | **344** | **773** | **773** | **30,081** | **34,211** |

### iv. Trade receivables

The impairment of trade receivables was estimated by applying the provision matrix. The expected loss rate was calculated as the percentage of the receivable that is deemed uncollectible during a particular period. The expected credit loss as at 31 December 2023 was $170.9 thousand, ₦150.7 million.

### v. Contract assets

The expected credit losses on contract assets was estimated by applying the provision matrix. The expected loss rate was calculated as the percentage of the receivable that is deemed uncollectible during a particular period. The expected loss rates as at 31 December 2023 and 2022 is shown below:

| 31 December 2023 | Current ₦ million | 1-30 days ₦ million | 31-60 days ₦ million | 61-90 days ₦ million | 91-120 days ₦ million | Above 120 days ₦ million | Total ₦ million |
|---|---|---|---|---|---|---|---|
| Gross carrying amount | 7,496 | – | – | – | – | – | 7,496 |
| Expected loss rate | 3.42% | 3.94% | 3.94% | 4.29% | 4.29% | 88.61% | – |
| Lifetime ECL (Note 24) | (256) | – | – | – | – | – | (256) |
| **Total** | **7,240** | **–** | **–** | **–** | **–** | **–** | **7,240** |

| 31 December 2022 | Current ₦ million | 1-30 days ₦ million | 31-60 days ₦ million | 61-90 days ₦ million | 91-120 days ₦ million | Above 120 days ₦ million | Total ₦ million |
|---|---|---|---|---|---|---|---|
| Gross carrying amount | 3,493 | – | – | – | – | – | 3,493 |
| Expected loss rate | 0.05% | 0.05% | 0.1% | 0.2% | 0.2% | 5.29% | |
| Lifetime ECL (Note 24) | (180) | – | – | – | – | – | (180) |
| **Total** | **3,313** | **–** | **–** | **–** | **–** | **–** | **3,313** |

## 5. Financial risk management continued

| 31 December 2023 | Current $'000 | 1-30 days $'000 | 31-60 days $'000 | 61-90 days $'000 | 91-120 days $'000 | Above 120 days $'000 | Total $'000 |
|---|---|---|---|---|---|---|---|
| Gross carrying amount | 8,334 | – | – | – | – | – | 8,334 |
| Expected loss rate | 3.42% | 3.94% | 3.94% | 4.29% | 4.29% | 88.61% | |
| Lifetime ECL (Note 24) | (285) | – | – | – | – | – | (285) |
| **Total** | **8,049** | **–** | **–** | **–** | **–** | **–** | **8,049** |

| 31 December 2022 | Current $'000 | 1-30 days $'000 | 31-60 days $'000 | 61-90 days $'000 | 91-120 days $'000 | Above 120 days $'000 | Total $'000 |
|---|---|---|---|---|---|---|---|
| Gross carrying amount | 7,811 | – | – | – | – | – | 7,811 |
| Expected loss rate | 0.05% | 0.05% | 0.1% | 0.2% | 0.2% | 5.29% | |
| Lifetime ECL (Note 24) | (403) | – | – | – | – | – | (403) |
| **Total** | **7,408** | **–** | **–** | **–** | **–** | **–** | **7,408** |

### vi. Other receivables

Other receivables are amounts outside the usual operating activities of the Group. Included in other receivables is a receivable amount on an investment that is no longer being pursued. The Group applied the general approach in estimating the expected credit loss.

| 31 December 2023 | Stage 1 12-month ECL ₦ million | Stage 2 Lifetime ECL ₦ million | Stage 3 Lifetime ECL ₦ million | Total ₦ million |
|---|---|---|---|---|
| Gross Exposure at Default (EAD) | – | – | 74,727 | 74,727 |
| Loss allowance | – | – | (48,564) | (48,564) |
| **Net Exposure at Default (EAD)** | **–** | **–** | **26,163** | **26,163** |

| 31 December 2022 | Stage 1 12-month ECL ₦ million | Stage 2 Lifetime ECL ₦ million | Stage 3 Lifetime ECL ₦ million | Total ₦ million |
|---|---|---|---|---|
| Gross Exposure at Default (EAD) | – | – | 47,364 | 47,364 |
| Loss allowance | – | – | (25,612) | (25,612) |
| **Net Exposure at Default (EAD)** | **–** | **–** | **21,752** | **21,752** |

| 31 December 2023 | Stage 1 12-month ECL $'000 | Stage 2 Lifetime ECL $'000 | Stage 3 Lifetime ECL $'000 | Total $'000 |
|---|---|---|---|---|
| Gross Exposure at Default (EAD) | – | – | 83,086 | 83,086 |
| Loss allowance | – | – | (53,996) | (53,996) |
| **Net Exposure at Default (EAD)** | **–** | **–** | **29,090** | **29,090** |

| 31 December 2022 | Stage 1 12-month ECL $'000 | Stage 2 Lifetime ECL $'000 | Stage 3 Lifetime ECL $'000 | Total $'000 |
|---|---|---|---|---|
| Gross Exposure at Default (EAD) | – | – | 105,924 | 105,924 |
| Loss allowance | – | – | (57,280) | (57,280) |
| **Net Exposure at Default (EAD)** | **–** | **–** | **48,644** | **48,644** |

### vii. Cash and cash equivalent

**Short-term fixed deposits**

The Group applies the IFRS 9 general model for measuring expected credit losses (ECL) which uses a three-stage approach in recognising the expected loss allowance for cash and cash equivalents. The ECL was calculated as the probability weighted estimate of the credit losses expected to occur over the contractual period of the facility after considering macroeconomic indicators.

| 31 December 2023 | Stage 1 12-month ECL ₦ million | Stage 2 Lifetime ECL ₦ million | Stage 3 Lifetime ECL ₦ million | Total ₦ million |
|---|---|---|---|---|
| Gross Exposure at Default (EAD) | 90,693 | – | – | 90,693 |
| Loss allowance | (221) | – | – | (221) |
| **Net Exposure at Default (EAD)** | **90,472** | **–** | **–** | **90,472** |

| 31 December 2022 | Stage 1 12-month ECL ₦ million | Stage 2 Lifetime ECL ₦ million | Stage 3 Lifetime ECL ₦ million | Total ₦ million |
|---|---|---|---|---|
| Gross Exposure at Default (EAD) | 22,906 | – | – | 22,906 |
| Loss allowance | (110) | – | – | (110) |
| **Net Exposure at Default (EAD)** | **22,796** | **–** | **–** | **22,796** |

| 31 December 2023 | Stage 1 12-month ECL $'000 | Stage 2 Lifetime ECL $'000 | Stage 3 Lifetime ECL $'000 | Total $'000 |
|---|---|---|---|---|
| Gross Exposure at Default (EAD) | 101,636 | – | – | 101,636 |
| Loss allowance | (246) | – | – | (246) |
| **Net Exposure at Default (EAD)** | **101,390** | **–** | **–** | **101,390** |

| 31 December 2022 | Stage 1 12-month ECL $'000 | Stage 2 Lifetime ECL $'000 | Stage 3 Lifetime ECL $'000 | Total $'000 |
|---|---|---|---|---|
| Gross Exposure at Default (EAD) | 51,229 | – | – | 51,229 |
| Loss allowance | (246) | – | – | (246) |
| **Net Exposure at Default (EAD)** | **50,983** | **–** | **–** | **50,983** |

**Other cash, bank balances and restricted cash**

The Group assessed the other cash, bank and restricted cash balances to determine their expected credit losses. Based on the assessment performed, the expected credit loss figures were insignificant and not recognised due to materiality as at 31 December 2023 (2022: nil). The assets are assessed to be in stage 1.

**Credit quality of cash and bank balances (including restricted cash)**

The credit quality of the Group's cash and bank balances are assessed on the basis of external credit ratings (Fitch national long-term ratings) as shown below cash and bank balances are all in Stage 1 based on the ECL assessment:

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| BBB- | 28,674 | 13,543 | 31,882 | 30,289 |
| A | 944 | 415 | 1,050 | 926 |
| A+ | 302,533 | 121,513 | 336,375 | 271,774 |
| AA- | 33,295 | 24,513 | 37,019 | 54,824 |
| AAA | 63,911 | 31,618 | 71,060 | 70,713 |
| | **429,353** | **191,602** | **477,386** | **428,526** |
| Allowance for impairment recognised during the year (Note 26) | (217) | (110) | (246) | (246) |
| **Net cash and cash bank balances** | **429,136** | **191,492** | **477,140** | **428,280** |

**c) Maximum exposure to credit risk – financial instruments subject to impairment**

The Group estimated the expected credit loss on NEPL receivables, NUIMS receivables and short-term fixed deposits by applying the general model. The gross carrying amount of financial assets represents the Group's maximum exposure to credit risks on these assets.

All financial assets impaired using the General model (NEPL, NUIMS and short-term fixed deposits) are graded under the standard monitoring credit grade (rated B- under Standard and Poor's unmodified ratings) and are classified under Stage 1, except for the other receivables which are graded under the investment grade (rated AA under Standard and Poor's unmodified ratings) and classified in Stage 2 and Stage 3.

**d) Roll forward movement in loss allowance**

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- transfers between Stage 1 and Stage 2 or Stage 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit impaired in the period, and the consequent 'step up' (or 'step down') between 12-month and lifetime ECL;
- additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments derecognised in the period;
- impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;
- discount unwind within ECL due to passage of time, as ECL is measured on a present value basis;
- foreign exchange retranslation for assets denominated in foreign currencies and other movements; and
- financial assets derecognised during the period and write-off of receivables and allowances related to assets.

## 5. Financial risk management continued

The following tables explain the changes in the loss allowance between the beginning and end of the annual period due to these factors:

**NEPL receivables**

| | Stage 1<br>12-month ECL<br>₦ million | Stage 2<br>Lifetime ECL<br>₦ million | Stage 3<br>Lifetime ECL<br>₦ million | Purchased credit-impaired<br>₦ million | Total<br>₦ million |
|---|---|---|---|---|---|
| Loss allowance as at 1 January 2023 | – | 1,467 | – | – | 1,467 |
| Movements in profit due to increase in receivables | 1,228 | – | – | – | 1,228 |
| Exchange difference | (1,228) | 2,900 | – | – | 1,672 |
| **Loss allowance as at 31 December 2023** | **–** | **4,367** | **–** | **–** | **4,367** |

| | Stage 1<br>12-month ECL<br>$'000 | Stage 2<br>Lifetime ECL<br>$'000 | Stage 3<br>Lifetime ECL<br>$'000 | Purchased credit-impaired<br>$'000 | Total<br>$'000 |
|---|---|---|---|---|---|
| Loss allowance as at 1 January 2023 | – | 3,280 | – | – | 3,280 |
| Movements with profit or loss impact | 1,870 | – | – | – | 1,870 |
| **Loss allowances as at 31 December 2023** | **1,870** | **3,280** | **–** | **–** | **5,150** |

**NUIMS receivables**

| | Stage 1<br>12-month ECL<br>₦ million | Stage 2<br>Lifetime ECL<br>₦ million | Stage 3<br>Lifetime ECL<br>₦ million | Purchased credit-impaired<br>₦ million | Total<br>₦ million |
|---|---|---|---|---|---|
| Loss allowance as at 1 January 2023 | – | 380 | – | – | 380 |
| Movements in profit due to increase in receivables | – | 229 | – | – | 229 |
| Exchange difference | – | 75 | – | – | 75 |
| **Loss allowance as at 31 December 2023** | **–** | **684** | **–** | **–** | **684** |

| | Stage 1<br>12-month ECL<br>$'000 | Stage 2<br>Lifetime ECL<br>$'000 | Stage 3<br>Lifetime ECL<br>$'000 | Purchased credit-impaired<br>$'000 | Total<br>$'000 |
|---|---|---|---|---|---|
| Loss allowance as at 1 January 2023 | – | 849 | – | – | 849 |
| Movements with profit or loss impact | – | 349 | – | – | 349 |
| **Loss allowance as at 31 December 2023** | **–** | **1,198** | **–** | **–** | **1,198** |

**Other receivables**

| | Stage 1<br>12-month ECL<br>₦ million | Stage 2<br>Lifetime ECL<br>₦ million | Stage 3<br>Lifetime ECL<br>₦ million | Purchased credit-impaired<br>₦ million | Total<br>₦ million |
|---|---|---|---|---|---|
| Loss allowance as at 1 January 2023 | – | – | 18,668 | – | 18,668 |
| Movements with profit or loss impact | – | – | 889 | – | 889 |
| Exchange difference | – | – | 29,896 | – | 29,896 |
| **Loss allowance as at 31 December 2023** | **–** | **–** | **48,564** | **–** | **48,564** |

| | Stage 1<br>12-month ECL<br>$'000 | Stage 2<br>Lifetime ECL<br>$'000 | Stage 3<br>Lifetime ECL<br>$'000 | Purchased credit-impaired<br>$'000 | Total<br>$'000 |
|---|---|---|---|---|---|
| Loss allowance as at 1 January 2023 | – | – | 57,280 | – | 57,280 |
| Movements with profit or loss impact | – | – | 1,354 | – | 1,354 |
| **Loss allowance as at 31 December 2023** | **–** | **–** | **58,634** | **–** | **58,634** |

**Short-term fixed deposit**

| | Stage 1<br>12-month ECL<br>₦ million | Stage 2<br>Lifetime ECL<br>₦ million | Stage 3<br>Lifetime ECL<br>₦ million | Purchased credit-impaired<br>₦ million | Total<br>₦ million |
|---|---|---|---|---|---|
| Loss allowance as at 1 January 2023 | 110 | – | – | – | 110 |
| Exchange difference | 111 | – | – | – | 111 |
| **Loss allowance as at 31 December 2023** | **221** | **–** | **–** | **–** | **221** |

| | Stage 1<br>12-month ECL<br>$'000 | Stage 2<br>Lifetime ECL<br>$'000 | Stage 3<br>Lifetime ECL<br>$'000 | Purchased credit-impaired<br>$'000 | Total<br>$'000 |
|---|---|---|---|---|---|
| Loss allowance as at 1 January 2023 | 246 | – | – | – | 246 |
| **Loss allowance as at 31 December 2023** | **246** | **–** | **–** | **–** | **246** |

#### e) Estimation uncertainty in measuring impairment loss

The table below shows information on the sensitivity of the carrying amounts of the Group's financial assets to the methods, assumptions and estimates used in calculating impairment losses on those financial assets at the end of the reporting period. These methods, assumptions and estimates have a significant risk of causing material adjustments to the carrying amounts of the Group's financial assets.

#### i. Expected cash flows recoverable

The table below demonstrates the sensitivity of the Group's profit before tax to a 20% change in the expected cash flows from financial assets, with all other variables held constant:

| | Effect on profit before tax 2023 ₦ million | Effect on other components of equity before tax 2023 ₦ million | Effect on profit before tax 2023 $'000 | Effect on other components of equity before tax 2023 $'000 |
|---|---|---|---|---|
| **Increase/decrease in estimated cash flows** | | | | |
| +20% | (7,990) | – | (9,064) | – |
| -20% | 7,990 | – | 9,064 | – |

| | Effect on profit before tax 2022 ₦ million | Effect on other components of equity before tax 2022 ₦ million | Effect on profit before tax 2022 $'000 | Effect on other components of equity before tax 2022 $'000 |
|---|---|---|---|---|
| **Increase/decrease in estimated cash flows** | | | | |
| +20% | (4,053) | – | (9,064) | – |
| -20% | 4,053 | – | 9,064 | – |

#### ii. Significant unobservable inputs

The table below demonstrates the sensitivity of the Group's profit before tax to movements in the loss given default (LGD) for financial assets, with all other variables held constant:

| | Effect on profit before tax 2023 ₦ million | Effect on other components of equity before tax 2023 ₦ million | Effect on profit before tax 2023 $'000 | Effect on other components of equity before tax 2023 $'000 |
|---|---|---|---|---|
| **Increase/decrease in loss given default** | | | | |
| +10% | (104) | – | (158) | – |
| -10% | 104 | – | 158 | – |

| | Effect on profit before tax 2022 ₦ million | Effect on other components of equity before tax 2022 ₦ million | Effect on profit before tax 2022 $'000 | Effect on other components of equity before tax 2022 $'000 |
|---|---|---|---|---|
| **Increase/decrease in loss given default** | | | | |
| +10% | (383) | – | (902) | – |
| -10% | (383) | – | (902) | – |

The table below demonstrates the sensitivity of the Group's profit before tax to movements in probabilities of default, with all other variables held constant:

| | Effect on profit before tax 2023 ₦ million | Effect on other components of equity before tax 2023 ₦ million | Effect on profit before tax 2023 $'000 | Effect on other components of equity before tax 2023 $'000 |
|---|---|---|---|---|
| **Increase/decrease in probability of default** | | | | |
| +10% | (109) | – | (166) | – |
| -10% | 109 | – | 166 | – |

| | Effect on profit before tax 2022 ₦ million | Effect on other components of equity before tax 2022 ₦ million | Effect on profit before tax 2022 $'000 | Effect on other components of equity before tax 2022 $'000 |
|---|---|---|---|---|
| **Increase/decrease in probability of default** | | | | |
| +10% | (361) | – | (852) | – |
| -10% | 361 | – | 852 | – |

## 5. Financial risk management continued

The table below demonstrates the sensitivity of the Group's profit before tax to movements in the forward-looking macroeconomic indicators, with all other variables held constant:

| | Effect on profit before tax 2023 ₦ million | Effect on other components of equity before tax 2023 ₦ million | Effect on profit before tax 2023 $'000 | Effect on other components of equity before tax 2023 $'000 |
|---|---|---|---|---|
| **Increase/decrease in forward-looking macroeconomic indicators** | | | | |
| +10% | (37) | – | (57) | – |
| -10% | 37 | – | 57 | – |

| | Effect on profit before tax 2022 ₦ million | Effect on other components of equity before tax 2022 ₦ million | Effect on profit before tax 2022 $'000 | Effect on other components of equity before tax 2022 $'000 |
|---|---|---|---|---|
| **Increase/decrease in forward-looking macroeconomic indicators** | | | | |
| +10% | (107) | – | (252) | – |
| -10% | 107 | – | 252 | – |

### 5.1.4 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by ensuring that sufficient funds are available to meet its commitments as they fall due.

The Group uses both long-term and short-term cash flow projections to monitor funding requirements for activities and to ensure there are sufficient cash resources to meet operational needs. Cash flow projections take into consideration the Group's debt financing plans and covenant compliance. Surplus cash held is transferred to the treasury department which invests in interest bearing current accounts and time deposits.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed maturity periods. The table has been drawn based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the Group can be required to pay.

| | Effective interest rate % | Less than 1 year ₦ million | 1 – 2 years ₦ million | 2 – 3 years ₦ million | 3 – 5 years ₦ million | Total ₦ million |
|---|---|---|---|---|---|---|
| **31 December 2023** | | | | | | |
| **Non-derivatives** | | | | | | |
| **Fixed interest rate borrowings** | | | | | | |
| Senior notes | 7.75% | **45,838** | **45,306** | **607,259** | | **698,403** |
| **Variable interest rate borrowings** | | | | | | |
| The Mauritius Commercial Bank Ltd | 8.00% + SOFR | 15,426 | 13,782 | 3,688 | – | 32,897 |
| The Stanbic IBTC Bank Plc | 8.00% + SOFR | 15,749 | 14,068 | 3,764 | – | 33,581 |
| The Standard Bank of South Africa Limited | 8.00% + SOFR | 8,999 | 8,039 | 2,150 | – | 19,189 |
| First City Monument Bank Limited | 8.00% + SOFR | 4,018 | 3,589 | 960 | – | 8,566 |
| Shell Western Supply and Trading Limited | 10.5% + SOFR | 1,595 | 1,590 | 1,590 | 10,685 | 15,460 |
| **Total variable interest borrowings** | | **572,968** | **86,374** | **619,411** | **10,685** | **1,289,438** |
| **Other non-derivatives** | | | | | | |
| Trade and other payables** | | 480,136 | – | – | – | 480,136 |
| Lease liability | | 1,207 | – | – | – | 1,207 |
| | | **481,343** | **–** | **–** | **–** | **481,343** |
| **Total** | | **521,130** | **87,129** | **58,088** | **618,321** | **1,290,669** |

** Trade and other payables (exclude non-financial liabilities such as provisions, taxes, pension and other non-contractual payables).

| | Effective interest rate % | Less than 1 year ₦ million | 1 – 2 years ₦ million | 2 – 3 years ₦ million | 3 – 5 years ₦ million | Total ₦ million |
|---|---|---|---|---|---|---|
| **31 December 2022** | | | | | | |
| **Non-derivatives** | | | | | | |
| **Fixed interest rate borrowings** | | | | | | |
| Senior notes | 7.75% | **11,575** | **22,837** | **22,900** | **324,921** | **382,233** |
| Variable interest rate borrowings | | | | | | |
| The Mauritius Commercial Bank Ltd | 8.00% + SOFR | 5,446 | 7,523 | 6,777 | 1,823 | 21,569 |
| The Stanbic IBTC Bank Plc | 8.00% + SOFR | 5,560 | 7,679 | 6,918 | 1,860 | 22,017 |
| The Standard Bank of South Africa Limited | 8.00% + SOFR | 3,177 | 4,389 | 3,953 | 1,063 | 12,582 |
| First City Monument Bank Limited | 8.00% + SOFR | 1,418 | 1,959 | 1,765 | 475 | 5,617 |
| Shell Western Supply and Trading Limited | 10.5% + SOFR | 1,206 | 1,134 | 1,058 | 4,082 | 7,481 |
| **Total variable interest borrowings** | | **16,808** | **22,684** | **20,471** | **9,303** | **69,266** |
| **Other non-derivatives** | | | | | | |
| Trade and other payables** | | 205,622 | – | – | – | 205,622 |
| Lease liability | | 1,800 | (30) | 30 | – | 1,800 |
| | | **207,422** | **(30)** | **30** | **–** | **207,422** |
| **Total** | | **235,805** | **45,490** | **43,401** | **334,224** | **658,920** |

| | Effective interest rate % | Less than 1 year $'000 | 1 – 2 years $'000 | 2 – 3 years $'000 | 3 – 5 years $'000 | Total $'000 |
|---|---|---|---|---|---|---|
| **31 December 2023** | | | | | | |
| **Non-derivatives** | | | | | | |
| **Fixed interest rate borrowings** | | | | | | |
| Senior notes | 7.75% | **50,375** | **50,375** | **675,188** | | **775,938** |
| **Variable interest rate borrowings** | | | | | | |
| The Mauritius Commercial Bank Ltd | 8.00% + SOFR | 17,153 | 15,323 | 4,099 | – | 36,575 |
| The Stanbic IBTC Bank Plc | 8.00% + SOFR | 17,511 | 15,642 | 4,185 | – | 37,338 |
| The Standard Bank of South Africa Limited | 8.00% + SOFR | 10,006 | 8,938 | 2,391 | – | 21,335 |
| First City Monument Bank Limited | 8.00% + SOFR | 4,467 | 3,990 | 1,067 | – | 9,524 |
| Shell Western Supply and Trading Limited | 10.5% + SOFR | 1,773 | 1,768 | 1,768 | 11,881 | 17,190 |
| **Total variable interest borrowings** | | **50,910** | **45,661** | **13,510** | **11,881** | **121,962** |
| **Other non-derivatives** | | | | | | |
| Trade and other payables** | | 533,845 | – | – | – | 533,845 |
| Lease liability | | 1,342 | – | – | – | 1,342 |
| | | **535,187** | **–** | **–** | **–** | **535,187** |
| **Total** | | **636,472** | **96,036** | **688,698** | **11,881** | **1,433,087** |

| | Effective interest rate % | Less than 1 year $'000 | 1 – 2 years $'000 | 2 – 3 years $'000 | 3 – 5 years $'000 | Total $'000 |
|---|---|---|---|---|---|---|
| **31 December 2022** | | | | | | |
| **Non-derivatives** | | | | | | |
| **Fixed interest rate borrowings** | | | | | | |
| Senior notes | 7.75% | **25,887** | **51,075** | **51,215** | **726,682** | **854,859** |
| **Variable interest rate borrowings** | | | | | | |
| The Mauritius Commercial Bank Ltd | 8.00% + SOFR | 12,181 | 16,825 | 15,156 | 4,076 | 48,238 |
| The Stanbic IBTC Bank Plc | 8.00% + SOFR | 12,434 | 17,176 | 15,472 | 4,161 | 49,243 |
| The Standard Bank of South Africa Limited | 8.00% + SOFR | 7,105 | 9,815 | 8,841 | 2,378 | 28,139 |
| First City Monument Bank Limited | 8.00% + SOFR | 3,172 | 4,382 | 3,947 | 1,062 | 12,563 |
| Shell Western Supply and Trading Limited | 10.5% + SOFR | 2,695 | 2,536 | 2,368 | 9,130 | 16,729 |
| **Total variable interest borrowings** | | **37,587** | **50,734** | **45,784** | **20,807** | **154,912** |
| **Other non-derivatives** | | | | | | |
| Trade and other payables** | | 459,869 | – | – | – | 459,869 |
| Lease liability | | 4,025 | (67) | 67 | – | 4,025 |
| | | **463,894** | **(67)** | **67** | **–** | **463,894** |
| **Total** | | **527,368** | **101,742** | **97,066** | **747,489** | **1,473,665** |

* Derivative liability of $1.6 million, ₦1.4 billion (2022: $3.2 million, ₦1.4 billion) are expected to be settled within the next 12 months. Hence, it would be classified under less than one year for the purpose of liquidity and maturity analysis.

** Trade and other payables (exclude non-financial liabilities such as provisions, taxes, pension and other non-contractual payables).

## 5. Financial risk management continued

### 5.1.5 Fair value measurements

Set out below is a comparison by category of carrying amounts and fair value of all financial instruments:

| | Carrying amount | | Fair value | |
|---|---|---|---|---|
| | 2023 ₦ million | 2022 ₦ million | 2023 ₦ million | 2022 ₦ million |
| **Financial assets at amortised cost** | | | | |
| Trade and other receivables* | 249,938 | 102,085 | 249,938 | 102,085 |
| Contract assets | 7,240 | 3,313 | 7,240 | 3,313 |
| Cash and cash equivalents | 404,825 | 180,786 | 404,825 | 180,786 |
| | **622,003** | **286,184** | **662,003** | **286,184** |
| **Financial liabilities at amortised cost** | | | | |
| Interest bearing loans and borrowings | 679,367 | 344,381 | 688,438 | 331,384 |
| Trade and other payables** | 349,997 | 178,128 | 349,997 | 178,128 |
| | **1,029,364** | **522,509** | **1,038,435** | **509,512** |
| **Financial liabilities at fair value** | | | | |
| Derivative financial instruments (Note 25) | (1,444) | (1,435) | (1,444) | (1,435) |
| | **(1,444)** | **(1,435)** | **(1,444)** | **(1,435)** |

| | Carrying amount | | Fair value | |
|---|---|---|---|---|
| | 2023 $'000 | 2022 $'000 | 2023 $'000 | 2022 $'000 |
| **Financial assets at amortised cost** | | | | |
| Trade and other receivables* | 277,898 | 228,312 | 277,898 | 228,312 |
| Contract assets | 8,049 | 7,408 | 8,049 | 7,408 |
| Cash and cash equivalents | 450,109 | 404,336 | 450,109 | 404,336 |
| | **736,056** | **640,056** | **736,056** | **640,056** |
| **Financial liabilities at amortised cost** | | | | |
| Interest bearing loans and borrowings | 755,362 | 770,203 | 765,447 | 741,137 |
| Trade and other payables** | 389,149 | 398,380 | 389,149 | 398,380 |
| | **1,144,511** | **1,168,583** | **1,154,596** | **1,139,517** |
| **Financial liabilities at fair value** | | | | |
| Derivative financial instruments (Note 25) | (1,606) | (3,210) | (1,606) | (3,210) |
| | **(1,606)** | **(3,210)** | **(1,606)** | **(3,210)** |

* Trade and other receivables exclude Geregu Power, Sapele Power and NGMC VAT receivables, cash advances and advance payments. In determining the fair value of the interest bearing loans and borrowings, non-performance risks of the Group as at year end were assessed to be insignificant.

** Trade and other payables (excluding non-financial liabilities such as provisions, taxes, pension and other non-contractual payables), trade and other receivables (excluding prepayments), contract assets and cash and bank balances are financial instruments whose carrying amounts as per the financial statements approximate their fair values. This is mainly due to their short-term nature.

### 5.1.6 Fair value hierarchy

As at the reporting period, the Group had classified its financial instruments into the three levels prescribed under the accounting standards. There were no transfers of financial instruments between fair value hierarchy levels during the year.

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair value of the financial instruments is included at the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**Recurring fair value measurements**
**Financial liability**

| 31 Dec 2023 | Level 1 ₦ million | Level 2 ₦ million | Level 3 ₦ million | Level 1 $'000 | Level 2 $'000 | Level 3 $'000 |
|---|---|---|---|---|---|---|
| **Financial liabilities:** | | | | | | |
| Derivative financial instruments | – | 1,444 | – | – | 1,606 | – |

| 31 Dec 2022 | Level 1 ₦ million | Level 2 ₦ million | Level 3 ₦ million | Level 1 $'000 | Level 2 $'000 | Level 3 $'000 |
|---|---|---|---|---|---|---|
| **Financial liabilities:** | | | | | | |
| Derivative financial instruments | – | 1,435 | – | – | 3,210 | – |

The fair value of the Group's derivative financial instruments has been determined using a proprietary pricing model that uses marked to market valuation. The valuation represents the mid-market value and the actual close-out costs of trades involved. The market inputs to the model are derived from observable sources. Other inputs are unobservable but are estimated based on the market inputs or by using other pricing models. The derivative financial instruments are in level 2.

| 31 Dec 2023 | Level 1 ₦ million | Level 2 ₦ million | Level 3 ₦ million | Level 1 $'000 | Level 2 $'000 | Level 3 $'000 |
|---|---|---|---|---|---|---|
| **Financial liabilities:** | | | | | | |
| Interest bearing loans and borrowings | – | 657,973 | – | – | 731,575 | – |

| 31 Dec 2022 | Level 1 ₦ million | Level 2 ₦ million | Level 3 ₦ million | Level 1 $'000 | Level 2 $'000 | Level 3 $'000 |
|---|---|---|---|---|---|---|
| **Financial liabilities:** | | | | | | |
| Interest bearing loans and borrowings | – | 331,384 | – | – | 741,137 | – |

The fair value of the Group's interest bearing loans and borrowings is determined by using discounted cash flow models that use market interest rates as at the end of the period. The interest bearing loans and borrowings are in level 2.

**The valuation process**

The finance & planning team of the Group performs the valuations of financial and non-financial assets required for financial reporting purposes, including level 3 fair values. This team reports directly to the General Manager (GM) Commercial who reports to the Chief Financial Officer (CFO) and the Audit Committee (AC). Discussions of valuation processes and results are held between the GM and the valuation team at least once every quarter, in line with the Group's quarterly reporting periods.

### 5.1.7 Capital management

**Risk management**

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, to maintain optimal capital structure and reduce cost of capital. Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio, net debt divided by total capital. Net debt is calculated as total borrowings less cash and bank balances.

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Interest bearing loans and borrowings | 679,699 | 344,381 | 755,731 | 770,203 |
| Lease liabilities | 1,207 | 1,800 | 1,342 | 4,025 |
| Less: cash and cash equivalents | (404,825) | (180,786) | (450,109) | (404,336) |
| **Net debt** | **276,081** | **165,395** | **306,964** | **369,892** |
| Total equity | 1,612,635 | 786,894 | 1,793,027 | 1,759,883 |
| **Total capital** | **1,888,716** | **952,289** | **2,099,991** | **2,129,775** |
| Net debt (net debt/total capital) ratio | 15% | 17% | 15% | 17% |

During the year, the Group's strategy which was unchanged from 2022, was to maintain a net debt gearing ratio of 15% to 40%. Capital includes share capital, share premiums, capital contribution and all other equity reserves.

As the Group continuously reviews its funding and maturity profile, it continues to monitor the market in ensuring that it's well positioned for any refinancing and or buy back opportunities for the current debt facilities.

### Loan covenants

Under the terms of the major borrowing facilities, the Group is required to comply with the following financial covenants:

- Total net financial indebtedness to annualised EBITDA is not to be greater than 3:1.
- The sources of funds exceed the relevant expenditures in each semi-annual period within the 18 months shown in the Group's liquidity plan.
- The minimum production levels stipulated for each six-month period must be achieved.
- The Cash Adjusted Debt Service Cover Ratio should equal to or greater than 1.20 to 1 for each Calculation Period through to the applicable Termination Date.

The Group has complied with these covenants throughout the reporting periods.

## 6. Segment reporting

Business segments are based on the Group's internal organisation and management reporting structure. The Group's business segments are the two core businesses: Oil and Gas. The Oil segment deals with the exploration, development and production of crude oil while the Gas segment deals with the production and processing of gas. These two reportable segments make up the total operations of the Group.

For the year ended 31 December 2023, revenue from the gas segment of the business constituted 12% (2022: 12%) of the Group's revenue. Management is committed to continued growth of the gas segment of the business, including through increased investment to establish additional offices, create a separate gas business operational management team and procure the required infrastructure for this segment of the business. The gas business is positioned separately within the Group and reports directly to the (chief operating decision maker). As the gas business segment's revenues, results and cash flows are largely independent of other business units within the Group, it is regarded as a separate segment.

The result is two reporting segments, Oil and Gas. There were no intersegment sales during the reporting periods under consideration, therefore all revenue was from external customers.

Amounts relating to the gas segment are determined using the gas cost centres, with the exception of depreciation. Depreciation relating to the gas segment is determined by applying a percentage which reflects the proportion of the Net Book Value of oil and gas properties that relates to gas investment costs (i.e., cost for the gas processing facilities).

The Group accounting policies are also applied in the segment reports.

### 6.1 Segment profit disclosure

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Oil | 75,925 | 31,204 | 115,628 | 73,524 |
| Gas | 5,413 | 13,229 | 8,244 | 31,182 |
| **Total profit for the year** | **81,338** | **44,433** | **123,872** | **104,706** |

| Oil | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Revenue from contract with customers | | | | |
| Crude oil sales (Note 7) | 615,866 | 356,192 | 937,913 | 839,344 |
| Operating profit before depreciation, amortisation and impairment | 265,994 | 145,014 | 405,089 | 341,719 |
| Depreciation, amortisation and impairment | (107,272) | (54,610) | (163,368) | (128,684) |
| **Operating profit** | **158,722** | **90,404** | **241,722** | **213,035** |
| Finance income (Note 13) | 6,277 | 491 | 9,559 | 1,157 |
| Finance costs (Note 13) | (45,438) | (28,916) | (69,199) | (68,141) |
| Profit before taxation | 119,560 | 61,979 | 182,082 | 146,051 |
| Income tax expense (Note 14) | (43,636) | (30,775) | (66,453) | (72,527) |
| **Profit for the year** | **75,925** | **31,204** | **115,628** | **73,524** |

| Gas | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Revenue from contract with customers | | | | |
| Gas sales (Note 7) | 81,001 | 47,721 | 123,358 | 112,451 |
| Operating profit before depreciation, amortisation and impairment | 9,661 | 27,269 | 14,714 | 64,258 |
| Depreciation, amortisation and impairment | (4,646) | (1,084) | (7,075) | (2,553) |
| **Operating profit** | **5,016** | **26,185** | **7,638** | **61,705** |
| Share of profit from joint venture accounted for using equity accounting | 972 | (1,434) | 1,481 | (3,380) |
| Profit/(loss) before taxation | 5,988 | 24,751 | 9,119 | 58,325 |
| Income tax (expense)/credit (Note 14) | (574) | (11,522) | (876) | (27,143) |
| **Profit for the year** | **5,413** | **13,229** | **8,244** | **31,182** |

During the reporting period, impairment losses recognised in the oil segment relate to trade receivables and other receivables (Pillar, Pan Ocean, Oghareki, Summit, NEPL and NUIMS). Impairment losses recognised in the gas segment relates to Geregu Power, Sapele Power and NGMC. See Note 11 for further details. In addition, the Gas segment suffered foreign exchange losses arising from devaluation and therefore 2023 operating profit has been impacted by volatility in Naira exchange to the USD.

#### 6.1.1 Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of commodities at a point in time or over time and from different geographical regions.

| | 2023 Oil ₦ million | 2023 Gas ₦ million | 2023 Total ₦ million | 2023 Oil $'000 | 2023 Gas $'000 | 2023 Total $'000 |
|---|---|---|---|---|---|---|
| **Geographical markets** | | | | | | |
| The Bahamas | 217,017 | – | 217,017 | 330,499 | – | 330,499 |
| Nigeria | 53,612 | 81,001 | 134,613 | 81,647 | 123,358 | 205,005 |
| Italy | 2,932 | – | 2,932 | 4,465 | – | 4,465 |
| Switzerland | 191,178 | – | 190,178 | 291,148 | – | 291,148 |
| Barbados | 22,201 | – | 22,201 | 33,811 | – | 33,811 |
| England | 128,926 | – | 128,926 | 196,343 | – | 196,343 |
| **Revenue from contract with customers** | **615,866** | **81,001** | **696,867** | **937,913** | **123,358** | **1,061,271** |
| **Timing of revenue recognition** | | | | | | |
| At a point in time | 615,866 | – | 615,866 | 937,913 | – | 937,913 |
| Over time | – | 80,001 | 80,001 | – | 123,358 | 123,358 |
| **Revenue from contract with customers** | **615,866** | **80,001** | **696,867** | **937,913** | **123,358** | **1,061,271** |

| | 2022 Oil ₦ million | 2022 Gas ₦ million | 2022 Total ₦ million | 2022 Oil $'000 | 2022 Gas $'000 | 2022 Total $'000 |
|---|---|---|---|---|---|---|
| **Geographical markets** | | | | | | |
| The Bahamas | 69,128 | – | 69,128 | 162,897 | – | 162,897 |
| Nigeria | 45,067 | 47,721 | 92,788 | 106,197 | 112,451 | 218,648 |
| Italy | 791 | – | 791 | 1,863 | – | 1,863 |
| Switzerland | 229,119 | – | 229,119 | 539,903 | – | 539,903 |
| Barbados | 12,087 | – | 12,087 | 28,484 | – | 28,484 |
| **Revenue from contract with customers** | **356,192** | **47,721** | **403,913** | **839,344** | **112,451** | **951,795** |
| **Timing of revenue recognition** | | | | | | |
| At a point in time | 356,192 | – | 356,192 | 839,344 | – | 839,344 |
| Over time | – | 47,721 | 47,721 | – | 112,451 | 112,451 |
| **Revenue from contract with customers** | **356,192** | **47,721** | **403,913** | **839,344** | **112,451** | **951,795** |

The Group's transactions with its major customer, Mercuria, constitutes more than 30% ($291.1 million, ₦191.2 billion) of the total revenue from the oil segment and the Group as a whole. Also, the Group's transactions with Geregu Power, Sapele Power, NGMC and Azura ($123 million, ₦81 billion) accounted for most of the revenue from gas segment.

#### 6.1.2 Impairment (losses)/reversal on financial assets by reportable segments

| | 2023 Oil ₦ million | 2023 Gas ₦ million | 2023 Total ₦ million | 2022 Oil ₦ million | 2022 Gas ₦ million | 2022 Total ₦ million |
|---|---|---|---|---|---|---|
| Impairment (losses)/reversal recognised during the year | (5,341) | (2,969) | (8,310) | (2,727) | (3) | (2,730) |
| | **(5,341)** | **(2,969)** | **(8,310)** | **(2,727)** | **(3)** | **(2,730)** |

| | 2023 Oil $'000 | 2023 Gas $'000 | 2023 Total $'000 | 2022 Oil $'000 | 2022 Gas $'000 | 2022 Total $'000 |
|---|---|---|---|---|---|---|
| Impairment (losses)/reversal recognised during the year | (8,134) | (4,522) | (12,656) | (6,425) | (7) | (6,432) |
| | **(8,134)** | **(4,522)** | **(12,656)** | **(6,425)** | **(7)** | **(6,432)** |

### 6.2 Segment assets

Segment assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the reporting segment and the physical location of the asset. The Group had no Non current assets domiciled outside Nigeria.

| Total segment assets | Oil ₦ million | Gas ₦ million | Total ₦ million | Oil $'000 | Gas $'000 | Total $'000 |
|---|---|---|---|---|---|---|
| 31 December 2023 | 2,458,176 | 595,278 | 3,053,454 | 2,733,153 | 661,866 | 3,395,019 |
| 31 December 2022 | 1,188,170 | 301,810 | 1,489,980 | 2,862,263 | 674,994 | 3,537,257 |

Segment liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

| Total segment liabilities | Oil ₦ million | Gas ₦ million | Total ₦ million | Oil $'000 | Gas $'000 | Total $'000 |
|---|---|---|---|---|---|---|
| 31 December 2023 | 1,069,025 | 371,794 | 1,440,819 | 1,188,609 | 413,383 | 1,601,992 |
| 31 December 2022 | 563,307 | 139,779 | 703,086 | 1,464,761 | 312,613 | 1,777,374 |

## 7. Revenue from contracts with customers

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Crude oil sales | 615,866 | 356,192 | 937,913 | 839,344 |
| Gas sales | 81,001 | 47,721 | 123,358 | 112,451 |
| | **696,867** | **403,913** | **1,061,271** | **951,795** |

The major off-takers for crude oil are Mercuria, Shell West and Chevron. The major off-takers for gas are Geregu Power, Sapele Power, Nigerian Gas Marketing Company and Azura.

## 8. Cost of sales

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Royalties | 120,408 | 76,712 | 183,372 | 180,765 |
| Depletion, depreciation and amortisation* | 98,224 | 54,610 | 149,587 | 128,684 |
| Crude handling fees | 43,807 | 20,984 | 66,714 | 49,447 |
| Nigeria Export Supervision Scheme (NESS) fee | 705 | 419 | 1,074 | 987 |
| Barging and Trucking | 14,793 | 5,203 | 22,529 | 12,262 |
| Niger Delta Development Commission Levy | 8,578 | 4,561 | 13,064 | 10,748 |
| Operational & maintenance expenses | 61,019 | 44,207 | 92,935 | 104,166 |
| | **347,534** | **206,696** | **529,275** | **487,059** |

* The increase in depletion, depreciation and amortisation is due to higher production in 2023 and a change in estimated future development cost arising from the change in the estimate of the proved undeveloped reserves.

Operational & maintenance expenses relates mainly to maintenance costs, warehouse operations expenses, security expenses, community expenses, clean-up costs, fuel supplies and catering services. Also included in operational and maintenance expenses is gas flare penalty of $11.6 million, ₦7.6 billion (2022: $5.2 million, ₦2.2 billion). There are no write down of inventories on Solewant line pipes during the reporting period (2022: $8.5 million, ₦3.6 billion).

Barging and Trucking costs relates to costs on the OML 40 Gbetiokun field and OML 17 Ubima field respectively.

## 9. Other (loss)/income

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Overlift | (64,944) | (11,547) | (98,904) | (27,209) |
| Loss on foreign exchange | (18,040) | (454) | (27,470) | (1,068) |
| Loss on disposal of oil and gas asset – Note 16.3.2 | – | (5,548) | – | (13,073) |
| Loss on disposal of property, plant and equipment – (Note 16.3.1) | – | (8) | – | (18) |
| Tariffs | 2,547 | 1,638 | 3,879 | 3,861 |
| Others | 371 | 617 | 565 | 1,453 |
| | **(80,066)** | **(15,302)** | **(121,930)** | **(36,054)** |

(Overlifts)/Underlifts are (surplus)/shortfalls of crude lifted (above)/below the share of production. It may exist when the crude oil lifted by the Group during the period is (more)/less than its ownership share of production. The (surplus)/shortfall is initially measured at the market price of oil at the date of lifting and recognised as other (loss)/income. At each reporting period, the (surplus)/shortfall is remeasured at the current market value. The resulting change, as a result of the remeasurement, is also recognised in profit or loss as other (loss)/income.

Loss on foreign exchange are principally due to the translation of Naira, Pounds and Euro denominated monetary assets and liabilities.

Loss on disposal of oil and gas asset relates to the loss on the sale of Ubima field in 2022.

Tariffs which is a form of crude handling fee, relate to income generated from the use of the Group's pipeline by others.

Others represents other income, joint venture billing interest and joint venture billing finance fees.

## 10. General and administrative expenses

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Depreciation (Note 16.2) | 2,679 | 1,735 | 4,081 | 4,092 |
| Depreciation of right-of-use assets (Note 18) | 2,705 | 2,297 | 4,119 | 5,413 |
| Auditor's remuneration | 630 | 424 | 959 | 999 |
| Professional and consulting fees | 30,023 | 14,305 | 45,721 | 33,708 |
| Directors' emoluments (Executive) | 2,076 | 875 | 3,162 | 2,062 |
| Directors' emoluments (Non-Executive) | 2,493 | 2,677 | 3,797 | 6,308 |
| Donations | 392 | 162 | 597 | 381 |
| Employee benefits (Note 10.1) | 38,206 | 23,192 | 58,183 | 54,654 |
| Flights and other travel costs | 5,142 | 4,256 | 7,820 | 10,031 |
| Other general expenses* | 9,936 | 8,376 | 15,125 | 19,737 |
| | **94,282** | **58,299** | **143,564** | **137,385** |

* Other general expenses include guest house rent of $0.31 million, ₦204 million (2022: $1.1 million, ₦449 million) of which the entity had adopted IFRS 16 recognition exemption for short-term leases. Also contained in other general expenses is security expenses of $1.1 million, ₦722 million (2022: $1.05 million, ₦ 443 million), dues and subscription of $0.73 million, ₦479 million (2022: $0.79, ₦337 million), IT expenses of $0.41 million, ₦269 million (2022: $1.68 million, ₦713 million), Contract labour expenses of $5.5 million, ₦3.6 billion (2022: $9.7 million, ₦ 4.1 billion) among others.

Directors' emoluments have been split between Executive and Non-Executive Directors.

Professional and consulting fees increase in 2023 was mainly due to professional fees associated with the litigation costs in response to the unprecedented and intense period of minority shareholder actions through the Courts and some costs associated with the MPNU transaction.

Employee benefits is higher than prior year due to increases in share based payment associated with employee Long Term Incentive Scheme. Executive Directors' emoluments include accruals on bonus in current period but were not included in prior period. Overall costs on executive remain flat when compared with prior period. Non-Executive Directors' cost are lower than prior period due to the inclusion of the consultancy contracts in 2022 cost.

### 10.1 Employee benefits – Salaries and employee related costs include the following:

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| **Short term employee benefits:** | | | | |
| Basic salary | 19,325 | 12,317 | 29,431 | 29,025 |
| Housing allowances | 2,045 | 1,440 | 3,113 | 3,394 |
| Other allowances | 5,540 | 3,074 | 8,437 | 7,433 |
| **Post-employment benefits:** | | | | |
| Defined contribution expenses | 2,200 | 1,329 | 3,351 | 3,132 |
| Defined benefit expenses (Note 33.2) | 1,379 | 1,556 | 2,100 | 3,482 |
| **Other employee benefits:** | | | | |
| Share based payment expenses (Note 27.4) | 7,717 | 3,475 | 11,751 | 8,188 |
| | **38,206** | **23,192** | **58,183** | **54,654** |

Other allowances relate to staff bonus, car allowances and relocation expenses.

### 10.2 Below are details of non-audit services provided by the auditors:

| Entity | Service | PwC office | Fees ($) | Year |
|---|---|---|---|---|
| Seplat Energy Plc | Remuneration committee advice | PwC UK | 363,825 | 2023 |
| Seplat Energy Plc | Tax return advisory | PwC UK | 32,562 | 2023 |

Below are details of assurance service providers to the Group during the year:

| S/N | Name of Signer | Name of firm | Service rendered |
|---|---|---|---|
| 1 | Tosin Famurewa*<br>Philip .N. Jankowski* | Ryder Scott Company | Reserve valuation |
| 2 | Chidiebere Orji<br>(FRC/2021/004/00000022718) | Logic Professional Service<br>(FRC/2020/00000013617) | Actuarial valuation service |
| 3 | Reuben Temerigha<br>(FRC/2023/PRO/DIR/003/866111) | Westend Diamond Nigeria Limited | Drilling rigs valuation |

* The signers and firms do not have FRCN numbers.

## 11. Impairment loss

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Impairment losses on financial assets – net (Note 11.1) | 8,310 | 2,730 | 12,656 | 6,432 |
| | **8,310** | **2,730** | **12,656** | **6,432** |

### 11.1 Impairment losses/(reversal) on financial assets – net

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| **Impairment losses/(reversal) on:** | | | | |
| NUIMS receivables | 229 | (325) | 349 | (766) |
| NEPL receivables | 1,228 | (3,700) | 1,870 | (8,720) |
| Trade receivables (Geregu Power, Sapele Power and NGMC) | 2,140 | 1,383 | 3,259 | 3,259 |
| Receivables from joint venture (ANOH) | 3,768 | 126 | 5,738 | 296 |
| Contract asset | 56 | 170 | 86 | 402 |
| Other trade receivables | 889 | 5,076 | 1,354 | 11,961 |
| **Total impairment loss allowance** | **8,310** | **2,730** | **12,656** | **6,432** |

## 12. Fair value gain/(loss)

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Hedge premium expenses | (3,533) | (4,360) | (5,380) | (10,275) |
| Fair value gain | 587 | 63 | 894 | 150 |
| | **(2,946)** | **(4,297)** | **(4,486)** | **(10,125)** |

Fair value loss on derivatives represents changes in the fair value of hedging receivables charged to profit or loss.

## 13. Finance income/(cost)

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| **Finance income** | | | | |
| **Interest income** | **6,277** | **491** | **9,559** | **1,157** |
| **Finance cost** | | | | |
| Interest on debt factoring | (391) | – | (595) | – |
| Interest on bank loans (Note 30)* | (40,067) | (27,761) | (61,019) | (65,418) |
| Interest on lease liabilities (Note 31) | (35) | (161) | (54) | (380) |
| Unwinding of discount on provision for decommissioning (Note 32) | (4,945) | (994) | (7,531) | (2,343) |
| | **(45,438)** | **(28,916)** | **(69,199)** | **(68,141)** |
| **Finance (cost) – net** | **(39,161)** | **(28,425)** | **(59,640)** | **(66,984)** |

* The interest on bank loan includes other financial charges (commitment fee) of ₦5.1 billion, $7.7 million.

Finance income represents interest on short-term fixed deposits.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's general borrowings denominated in Dollars during the year, in this case 7.56% (2022: 7.52%). The amount capitalised during the year is ₦10.7 billion, $16.3 million (2022: ₦5.9 billion, $14 million).

## 14. Taxation

The major components of income tax expense for the years ended 31 December 2023 and 2022 are:

**Income tax expense**

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| **Current tax:** | | | | |
| Current tax expense on profit for the year | 45,949 | 24,481 | 69,977 | 57,689 |
| Education tax | 8,968 | 4,022 | 13,658 | 9,478 |
| NASENI levy | 321 | 221 | 489 | 518 |
| Police levy | 4 | 3 | 6 | 8 |
| **Total current tax** | **55,242** | **28,727** | **84,130** | **67,693** |
| **Deferred tax:** | | | | |
| Deferred tax expense in profit or loss (Note 14.3) | (11,032) | 13,570 | (16,801) | 31,977 |
| Total tax expense in statement of profit or loss | 44,210 | 42,297 | 67,329 | 99,670 |
| Deferred tax recognised in other comprehensive income (Note 14.3) | (183) | 379 | (279) | 892 |
| **Total tax charge for the period** | **44,027** | **42,676** | **67,050** | **100,562** |
| Effective tax rate | 35% | 49% | 35% | 49% |

### 14.1 Reconciliation of effective tax rate

The Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated annual tax rate used for the year ended 31 December 2023 is 85% for crude oil activities and 30% for gas activities. As at 31 December 2022, the applicable tax rate was 85% and 30% respectively.

The effective tax rate for the period was 35% (2022: 49%).

A reconciliation between income tax expense and accounting profit before income tax multiplied by the applicable statutory tax rate is as follows:

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Profit before taxation | 125,540 | 86,730 | 191,201 | 204,376 |
| Tax rates of 85% and 30% | 91,418 | 73,721 | 139,222 | 173,720 |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income: | | | | |
| Income not subject to tax | (57,423) | (25,349) | (87,450) | (59,733) |
| Expenses not deductible for tax purposes | 922 | (76,309) | 1,404 | (179,817) |
| Impact of unutilised tax losses | – | 65,989 | – | 155,496 |
| Education tax | 8,968 | 4,022 | 13,658 | 9,478 |
| NASENI levy | 321 | 220 | 489 | 518 |
| Police levy | 4 | 3 | 6 | 8 |
| **Total tax charge in statement of profit or loss** | **44,210** | **42,297** | **67,329** | **99,670** |

### 14.2 Current tax liabilities

The movement in the current tax liabilities is as follows:

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| As at 1 January | 25,268 | 19,094 | 56,512 | 46,351 |
| Tax charge | 55,242 | 28,727 | 84,130 | 67,693 |
| Tax paid | (40,767) | (24,415) | (62,085) | (57,532) |
| Exchange difference | 30,910 | 1,862 | – | – |
| **As at 31 December** | **70,653** | **25,268** | **78,557** | **56,512** |

## 14. Taxation continued

### 14.3 Deferred tax

The analysis of deferred tax assets and deferred tax liabilities is as follows:

| | Balance as at 31 Dec 2022 ₦ million | (Charged)/ credited to profit or loss ₦ million | Impact of net off ₦ million | Charged to other comprehensive income ₦ million | Exchange difference ₦ million | Balance as at 31 Dec 2023 ₦ million |
|---|---|---|---|---|---|---|
| Deferred tax assets (Note 14.4) | 113,475 | 24,295 | – | – | 123,759 | 261,529 |
| Deferred tax liabilities (Note 14.5) | (35,032) | (13,262) | – | 183 | (40,270) | (88,381) |
| | **78,443** | **11,033** | **–** | **183** | **83,489** | **173,148** |

| | Balance as at 31 Dec 2022 $'000 | (Charged)/ credited to profit or loss $'000 | Impact of net off $'000 | Charged to other comprehensive income $'000 | Balance as at 31 Dec 2023 $'000 |
|---|---|---|---|---|---|
| Deferred tax assets (Note 14.4) | 253,785 | 36,999 | – | – | 290,784 |
| Deferred tax liabilities (Note 14.5) | (78,349) | (20,197) | – | 279 | (98,267) |
| | **175,436** | **16,802** | **–** | **279** | **192,517** |

### 14.4 Deferred tax assets

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable.

| | Balance at 1 January 2023 ₦ million | (Charged)/ credited to profit or loss ₦ million | Charged to other comprehensive income ₦ million | Exchange difference ₦ million | Balance at 31 December 2023 ₦ million |
|---|---|---|---|---|---|
| Tax losses | 9,942 | (14,600) | – | 4,658 | – |
| Other cumulative timing differences: | | | | | |
| Accelerated capital deduction | 96,125 | 35,236 | – | 110,253 | 241,614 |
| Other temporary differences: | | | | | |
| Provision for abandonment | 7,872 | 7,652 | – | 10,791 | 26,315 |
| Provision for gratuity | – | 562 | – | 208 | 771 |
| Provision for defined benefit | – | 843 | – | 313 | 1,155 |
| Unrealised foreign exchange loss | (2,176) | 12,266 | – | 2,336 | 12,424 |
| Underlift | (4,615) | 4,294 | – | 320 | – |
| Overlift | 2,079 | 49,111 | – | 20,259 | 71,450 |
| Impairment provision on trade and other receivables | 19,087 | (24,386) | – | 10,290 | 4,991 |
| Property, plant and equipment | (12,444) | (34,783) | – | (25,447) | (72,674) |
| Leases | (2,394) | (14,383) | – | (7,738) | (24,515) |
| | **113,475** | **24,295** | **–** | **126,245** | **261,529** |

| | Balance at 1 January 2023 $'000 | (Charged)/ credited to profit or loss $'000 | Charged to other comprehensive income $'000 | Balance at 31 December 2023 $'000 |
|---|---|---|---|---|
| Tax losses | 22,235 | (22,235) | – | – |
| Other cumulative timing differences: | | | | |
| Accelerated capital deduction | 214,980 | 53,661 | – | 268,641 |
| Other temporary differences: | | | | |
| Provision for abandonment | 17,606 | 11,653 | – | 29,258 |
| Provision for gratuity | – | 857 | – | 858 |
| Provision for defined benefit | – | 1,284 | – | 1,284 |
| Unrealised foreign exchange loss | (4,867) | 18,681 | – | 13,813 |
| Underlift | (10,321) | 10,320 | | |
| Overlift | 4,650 | 74,792 | – | 79,441 |
| Impairment provision on trade and other receivables | 42,687 | (37,138) | – | 5,549 |
| Leases | (5,354) | (21,904) | – | (27,258) |
| Property, plant and equipment | (27,831) | (52,972) | – | (80,803) |
| | **253,785** | **36,999** | **–** | **290,784** |

* Other temporary differences include provision for defined benefit, provision for abandonment, share equity reserve.

## 14.5 Deferred tax liabilities

Deferred tax liabilities are recognised for amounts of income taxes payable in future periods in respect of taxable temporary differences.

| | Balance as at 1 January 2023 ₦ million | Charged / (credited) to profit or loss ₦ million | Charged to other comprehensive income ₦ million | Exchange difference ₦ million | Balance at 31 December 2023 ₦ million |
|---|---|---|---|---|---|
| Other cumulative timing differences: | | | | | |
| Property, plant and equipment | (101,357) | (67,249) | – | (127,382) | (295,988) |
| Provision for abandonment | 4,760 | (4,197) | – | 3,263 | 3,826 |
| Provision for defined benefit | 2,711 | (353) | – | 2,612 | 4,971 |
| Share based payment plan | 11,157 | 5,532 | – | 13,331 | 30,020 |
| Overlift | 21,290 | (2,669) | – | 20,548 | 39,169 |
| Expected credit loss | 18,303 | 48,777 | – | 36,546 | 103,626 |
| Unrealised foreign exchange loss | 13,641 | 9,284 | – | 17,232 | 40,331 |
| Defined benefits | (5,538) | (1,660) | – | (6,216) | (13,414) |
| Hedging gain | – | (730) | – | (270) | (999) |
| Deferred tax liabilities on defined benefit remeasurement | – | – | (183) | 434 | 251 |
| | **(35,032)** | **(13,262)** | **(183)** | **(39,784)** | **(88,381)** |

| | Balance at 1 January 2023 \$'000 | Charged/ (credited) to profit or loss \$'000 | Charged to other comprehensive income \$'000 | Balance at 31 December 2023 \$'000 |
|---|---|---|---|---|
| Other cumulative timing differences: | | | | |
| Provision for abandonment | 10,645 | (6,391) | – | 4,254 |
| Provision for defined benefit | 6,064 | (537) | – | 5,527 |
| Share based payment plan | 24,953 | 8,425 | – | 33,378 |
| Unrealised foreign exchange loss | 30,852 | 13,990 | – | 44,843 |
| Overlift | 47,615 | (4,065) | – | 43,550 |
| Expected credit loss | 40,934 | 74,284 | – | 115,218 |
| Property, plant and equipment | (226,684) | (102,414) | – | (329,098) |
| Defined benefits | (12,385) | (2,528) | – | (14,914) |
| Hedging gain | – | (1,111) | – | (1,111) |
| Deferred tax liabilities on defined benefit remeasurement | – | – | 279 | 279 |
| Unrealised forex | (343) | 150 | – | (193) |
| | **(78,349)** | **(20,197)** | **279** | **(98,267)** |

## 14.6 Unrecognised deferred tax assets

There were no temporary differences associated with investments in the Group's subsidiaries for which a deferred tax asset would have been recognised in the periods presented.

## 14.7 Unrecognised deferred tax liabilities

There were no temporary differences associated with investments in the Group's subsidiaries for which a deferred tax liability would have been recognised in the periods presented.

## 14.8 Reclassification of deferred taxes

The Group reclassified its prior year deferred tax closing balance by netting off deferred tax assets and deferred tax liabilities within each of the entities comprising the Group. In line with IAS 12, the entities hold a legally enforceable right to offset current tax assets against current tax liabilities. There is no impact on the income statement, statement of changes in equity, opening balance of equity and the statement of cash flow.

| Balance Sheet – extract | 31 December 2022 ₦ million | Reclass ₦ million | 31 December 2022 ₦ million |
|---|---|---|---|
| Deferred tax asset | 205,107 | 91,632 | 113,475 |
| Deferred tax liabilities | (126,664) | (91,632) | (35,032) |

| Balance Sheet – extract | 31 December 2022 \$'000 | Reclass \$'000 | 31 December 2022 \$'000 |
|---|---|---|---|
| Deferred tax asset | 458,718 | (204,933) | 253,785 |
| Deferred tax liabilities | (283,282) | 204,933 | (78,349) |

## 15. Computation of cash generated from operations

| | Notes | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|---|
| **Profit before tax** | | **125,540** | **86,730** | **191,201** | **204,376** |
| Adjusted for: | | | | | |
| Depletion, depreciation, and amortisation | 16.4 | 107,186 | 56,345 | 163,235 | 132,776 |
| Depreciation of right-of-use asset | 18 | 2,705 | 2,297 | 4,119 | 5,413 |
| Impairment losses on financial assets | 11.1 | 8,310 | 2,730 | 12,656 | 6,432 |
| Loss on disposal of oil and gas asset | 16.3 | – | 5,548 | – | 13,073 |
| Loss on disposal of other property, plant and equipment | 16.3 | – | 8 | – | 18 |
| Interest income | 13 | (6,277) | (491) | (9,559) | (1,157) |
| Interest expense on bank loans | 30 | 40,067 | 27,761 | 61,019 | 65,418 |
| Interest on debt factoring | 13 | (391) | – | 595 | – |
| Interest on lease liabilities | 31 | 35 | 161 | 54 | 380 |
| Unwinding of discount on provision for decommissioning | 32 | 4,945 | 994 | 7,531 | 2,343 |
| Unrealised fair value (gain)/loss on derivatives financial instrument | 12 | (587) | (63) | (894) | (150) |
| Realised fair value loss on derivatives* | 12 | 3,772 | 4,360 | 5,745 | 10,275 |
| Unrealised foreign exchange (gain)/loss | 9 | 18,038 | 454 | 27,470 | 1,068 |
| Share based payment expenses | 27.4 | 7,716 | 3,474 | 11,751 | 8,188 |
| Defined benefit expenses | 33.2 | 1,379 | 700 | 2,100 | 1,650 |
| Share of loss/(profit) in joint venture | 21.3 | (972) | 1,434 | (1,481) | 3,380 |
| Changes in working capital: (excluding the effects of exchange differences) | | | | | |
| Trade and other receivables | | (32,127) | (293) | (48,928) | (691) |
| Inventories | | 1,955 | 8,297 | 2,978 | 19,551 |
| Prepayments | | 3,917 | 4,153 | 5,965 | 9,786 |
| Contract assets | | (498) | (1,585) | (759) | (3,734) |
| Trade and other payables | | 55,857 | 40,903 | 85,066 | 94,581 |
| **Net cash from operating activities** | | **340,570** | **243,917** | **519,864** | **574,600** |

* Realised fair value loss on derivatives relates to premium accrued of $0.4 million, ₦240 million (see Note 25) and hedge premium expenses of $5.4 million, ₦3.5 billion (see Note 12) for the period.

## 16. Property, plant and equipment

### 16.1 Oil and gas properties

| | Production and field facilities ₦ million | Assets under construction ₦ million | Exploration and evaluation assets ₦ million | Total ₦ million |
|---|---|---|---|---|
| **Cost** | | | | |
| **At 1 January 2023** | **994,075** | **177,013** | **27,029** | **1,198,117** |
| Additions | 25,867 | 91,671 | – | 117,539 |
| Transfer* | 42,280 | (42,280) | – | – |
| Changes in decommissioning obligation (Note 32) | (46,448) | – | – | (46,448) |
| Interest capitalised (Note 30.1) | – | 10,675 | – | 10,675 |
| Reclassification | (4,355) | 4,355 | – | – |
| Reclassification from intangible assets | – | 17,431 | – | 17,431 |
| Exchange differences | 1,011,898 | 209,305 | 27,339 | 1,248,542 |
| **At 31 December 2023** | **2,023,318** | **468,170** | **54,368** | **2,545,856** |
| **Depreciation** | | | | |
| **At 1 January 2023** | **456,778** | **–** | **–** | **456,778** |
| Charge for the year | 98,224 | – | – | 98,224 |
| Reclassification from intangible assets (Note 19) | – | 19,833 | – | 19,833 |
| Exchange differences | 498,336 | 7,331 | – | 505,667 |
| **At 31 December 2023** | **1,053,338** | **27,164** | **–** | **1,080,502** |
| **NBV** | | | | |
| **At 31 December 2023** | **969,980** | **441,006** | **54,368** | **1,465,354** |
| | | | | |
| **Cost** | | | | |
| **At 1 January 2022** | **855,944** | **121,337** | **24,901** | **1,002,182** |
| Additions | 28,386 | 38,952 | – | 67,338 |
| Transfer* | 11,127 | (11,127) | – | – |
| Changes in decommissioning obligation (Note 32) | 15,631 | – | – | 15,631 |
| Interest capitalised (Note 30.1) | – | 5,943 | – | 5,943 |
| Reclassification | 29,993 | 9,232 | – | 39,225 |
| Disposals | (23,457) | – | – | (23,457) |
| Exchange differences | 76,451 | 12,675 | 2,128 | 91,254 |
| **At 31 December 2022** | **994,075** | **177,013** | **27,029** | **1,198,117** |
| **Depreciation** | | | | |
| **At 1 January 2022** | **341,437** | **–** | **–** | **341,437** |
| Charge for the year | 50,421 | – | – | 50,421 |
| Reclassification | 34,136 | – | – | 34,136 |
| Disposals | (2,778) | – | – | (2,778) |
| Exchange differences | 33,562 | – | – | 33,562 |
| **At 31 December 2022** | **456,778** | **–** | **–** | **456,778** |
| **NBV** | | | | |
| **At 31 December 2022** | **537,297** | **177,013** | **27,029** | **741,339** |

* Transfers within the Oil and Gas assets relates to completed projects, previously under development moved to production and field facilities.

## 16. Property, plant and equipment continued

| | Production and field facilities $'000 | Assets under construction $'000 | Exploration and evaluation assets $'000 | Total $'000 |
|---|---|---|---|---|
| **Cost** | | | | |
| **At 1 January 2023** | **2,223,236** | **395,886** | **60,450** | **2,679,572** |
| Additions | 39,393 | 139,609 | – | 179,002 |
| Transfer* | 64,389 | (64,389) | – | – |
| Changes in decommissioning obligation (Note 32) | (70,736) | – | – | (70,736) |
| Interest capitalised (Note 30.1) | – | 16,256 | – | 16,256 |
| Reclassifications | (6,632) | 6,632 | – | – |
| Reclassification from intangible assets (Note 19) | – | 26,546 | – | 25,546 |
| **At 31 December 2023** | **2,249,650** | **520,540** | **60,450** | **2,830,640** |
| **Depreciation** | | | | |
| **At 1 January 2023** | **1,021,579** | **–** | **–** | **1,021,579** |
| Charge for the year | 149,587 | – | – | 149,587 |
| Reclassification from intangible assets | – | 30,203 | – | 30,203 |
| **At 31 December 2023** | **1,171,166** | **30,203** | **–** | **1,201,369** |
| **NBV** | | | | |
| **At 31 December 2023** | **1,078,484** | **490,337** | **60,450** | **1,629,271** |
| **Cost** | | | | |
| **At 1 January 2022** | **2,077,889** | **294,558** | **60,450** | **2,432,897** |
| Additions | 66,890 | 91,788 | – | 158,678 |
| Transfer* | 26,220 | (26,220) | – | – |
| Changes in decommissioning obligation (Note 32) | 36,834 | – | – | 36,834 |
| Interest capitalised (Note 30.1) | – | 14,005 | – | 14,005 |
| Reclassification | 70,677 | 21,755 | – | 92,432 |
| Disposals | (55,274) | – | – | (55,274) |
| **At 31 December 2022** | **2,223,236** | **395,886** | **60,450** | **2,679,572** |
| **Depreciation** | | | | |
| **At 1 January 2022** | **828,872** | **–** | **–** | **828,872** |
| Charge for the year | 118,813 | – | – | 118,813 |
| Impairment loss | – | – | – | – |
| Reclassification | 80,440 | – | – | 80,440 |
| Disposals | (6,546) | – | – | (6,546) |
| **At 31 December 2022** | **1,021,579** | **–** | **–** | **1,021,579** |
| **NBV** | | | | |
| **At 31 December 2022** | **1,201,657** | **395,886** | **60,450** | **1,657,993** |

* Transfers within the Oil and Gas assets relates to completed projects, previously under development moved to production and field facilities.

Assets under construction represent costs capitalised in connection with the development of the Group's oil fields and other property, plant and equipment not yet ready for their intended use. Some of which are qualifying assets that take a substantial period to get ready for its intended use. A capitalisation rate of 7.56% (2022: 7.52%) has been determined and applied to the Group's general borrowing to determine the borrowing cost capitalised as part of the qualifying assets.

Borrowing costs capitalised during the year amounted to ₦10.7 billion, $16.3 million (2022: ₦5.9 billion, $14.3 million). There was no oil and gas property pledged as security during the reporting period.

### Impairment testing

There was no impairment loss recorded for OMLs 4, 38, 41: OML 53, OML 40 and OML 56 during the year ended (2022: nil).

## 16.2 Other property, plant and equipment

| | Plant & machinery ₦ million | Motor vehicles ₦ million | Office furniture & IT equipment ₦ million | Leasehold improvements ₦ million | Land ₦ million | Building ₦ million | Total ₦ million |
|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | |
| **At 1 January 2023** | **17,294** | **4,324** | **10,567** | **2,771** | **30** | **1,740** | **36,726** |
| Additions | 412 | 800 | 1,740 | 286 | – | – | 3,238 |
| Disposals | – | (491) | – | – | – | – | (491) |
| Exchange differences | 17,645 | 4,487 | 11,331 | 2,907 | 30 | 1,759 | 38,159 |
| **At 31 December 2023** | **35,351** | **9,120** | **23,638** | **5,964** | **60** | **3,499** | **77,632** |
| **Depreciation** | | | | | | | |
| **At 1 January 2023** | **9,062** | **3,189** | **9,524** | **2,288** | **–** | **242** | **24,305** |
| Charge for the year | 81 | 941 | 1,266 | 287 | – | 104 | 2,679 |
| Disposals | – | (491) | – | – | – | – | (491) |
| Exchange differences | 9,197 | 3,393 | 10,102 | 2,420 | – | 283 | 25,394 |
| **At 31 December 2023** | **18,340** | **7,032** | **20,892** | **4,995** | **–** | **629** | **51,888** |
| **NBV** | | | | | | | |
| **At 31 December 2023** | **17,011** | **2,088** | **2,746** | **969** | **60** | **2,870** | **25,744** |
| | | | | | | | |
| **Cost** | | | | | | | |
| **At 1 January 2022** | **15,531** | **3,831** | **9,038** | **2,355** | **28** | **1,603** | **32,386** |
| Additions | 413 | 634 | 723 | 203 | – | – | 1,973 |
| Disposals | – | (477) | (6) | – | – | – | (483) |
| Exchange differences | 1,350 | 336 | 812 | 213 | 2 | 137 | 2,850 |
| **At 31 December 2022** | **17,294** | **4,324** | **10,567** | **2,771** | **30** | **1,740** | **36,726** |
| **Depreciation** | | | | | | | |
| **At 1 January 2022** | **8,293** | **2,616** | **8,180** | **1,912** | **–** | **157** | **21,158** |
| Charge for the year | 57 | 794 | 617 | 201 | – | 66 | 1,735 |
| Disposals | – | (462) | (4) | – | – | – | (466) |
| Exchange differences | 712 | 242 | 732 | 175 | – | 19 | 1,880 |
| **At 31 December 2022** | **9,062** | **3,189** | **9,524** | **2,288** | **–** | **242** | **24,307** |
| **NBV** | | | | | | | |
| **At 31 December 2022** | **8,232** | **1,135** | **1,043** | **483** | **30** | **1,498** | **12,419** |

| | Plant & machinery $'000 | Motor vehicles $'000 | Office furniture & IT equipment $'000 | Leasehold improvements $'000 | Land $'000 | Building $'000 | Total $'000 |
|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | |
| **At 1 January 2023** | **38,678** | **9,669** | **23,632** | **6,196** | **68** | **3,890** | **82,133** |
| Additions | 628 | 1,217 | 2,650 | 436 | – | – | 4,931 |
| Disposals | – | (747) | – | – | – | – | (747) |
| **At 31 December 2023** | **39,306** | **10,139** | **26,282** | **6,632** | **68** | **3,890** | **86,317** |
| **Depreciation** | | | | | | | |
| **At 1 January 2023** | **20,268** | **7,133** | **21,301** | **5,116** | **–** | **541** | **54,359** |
| Charge for the year | 125 | 1,432 | 1,928 | 438 | – | 158 | 4,081 |
| Disposal | – | (747) | – | – | – | – | (747) |
| **At 31 December 2023** | **20,393** | **7,818** | **23,229** | **5,554** | **–** | **699** | **57,693** |
| **NBV** | | | | | | | |
| **At 31 December 2023** | **18,913** | **2,321** | **3,053** | **1,078** | **68** | **3,191** | **28,624** |

| | Plant & machinery $'000 | Motor vehicles $'000 | Office furniture & IT equipment $'000 | Leasehold improvements $'000 | Land $'000 | Building $'000 | Total $'000 |
|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | |
| **At 1 January 2022** | **37,704** | **9,299** | **21,941** | **5,717** | **68** | **3,891** | **78,620** |
| Additions | 974 | 1,493 | 1,704 | 478 | – | – | 4,649 |
| Disposals | – | (1,123) | (13) | – | – | – | (1,136) |
| **At 31 December 2022** | **38,678** | **9,669** | **23,632** | **6,196** | **68** | **3,891** | **82,133** |
| **Depreciation** | | | | | | | |
| **At 1 January 2022** | **20,132** | **6,351** | **19,858** | **4,642** | **–** | **382** | **51,365** |
| Charge for the year | 136 | 1,871 | 1,453 | 473 | – | 159 | 4,092 |
| Disposal | – | (1,089) | (10) | – | – | – | (1,099) |
| **At 31 December 2022** | **20,268** | **7,133** | **21,301** | **5,116** | **–** | **541** | **54,358** |
| **NBV** | | | | | | | |
| **At 31 December 2022** | **18,410** | **2,536** | **2,331** | **1,080** | **68** | **3,350** | **27,775** |

## 16. Property, plant and equipment continued

During the year, the Group performed a valuation on the drilling rigs acquired in 2021.

The recoverable amount as at 31 December 2023 has been determined based on the fair value less cost to dispose using the services of Westend Diamond Nigeria Limited, an independent valuer.

The fair value was determined using the current asset value of the rigs. This was based on inspection of the components, recent sales of similar assets and price adjustment for damaged components based on industry knowledge and the Valuer's experience in rig acceptance services and testing rig condition surveys.

The recoverable amount was higher than the carrying value. Hence, there was no impairment loss recorded in profit or loss. It is categorised under level 2 of the fair value hierarchy.

Gas plant as stated under Note 3.9 is recognised under oil and gas properties.

### 16.3 Loss on disposal

#### 16.3.1 Loss on disposal of other property, plant and equipment

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Proceeds from disposal of assets | – | 8 | – | 19 |
| Less net book value of disposed assets | – | (16) | – | (37) |
| | | **(8)** | **–** | **(18)** |

#### 16.3.2 Loss on disposal of oil and gas assets

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Proceeds from disposal of assets | – | 7,884 | – | 18,578 |
| Less net book value of disposed assets | – | (13,432) | – | (31,651) |
| | **–** | **(5,548)** | **–** | **(13,073)** |

### 16.4 Depletion, depreciation and amortisation

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Oil and gas properties (Note 16.1) | 98,224 | 50,421 | 149,587 | 118,813 |
| Amortisation of intangible asset (Note 19) | 6,282 | 4,189 | 9,567 | 9,872 |
| **Charged to cost of sales** | **104,506** | **54,610** | **159,154** | **128,684** |
| Other property, plant and equipment charged to general and administrative expense (Note 16.2) | 2,679 | 1,735 | 4,081 | 4,092 |
| Right-of-use assets (Note 18) | 2,705 | 2,297 | 4,119 | 5,413 |
| **Total depletion, depreciation and amortisation** | **109,890** | **58,642** | **167,354** | **138,189** |

During the period, Seplat Energy Plc ('Seplat') elected to switch from depreciating its production and field assets over the estimated proved developed reserves to depreciating over the total proved reserves (1P). This is based on management's assessment of its consumption of reserves. Management considers the use of total proved reserves in determining the applicable depletion rate as a fair reflection of the pattern in which future economic benefits are consumed.

This constitutes a change in accounting estimates as the entity has not changed its accounting policy of depreciating on a unit-of-production basis but has only changed its estimation technique and in line with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, this is accounted for on a prospective basis. See Note 3.9.

As required when using 1P in the UOP computation, the entity factored in the future development costs (FDC) required to develop the proved undeveloped reserves.

## 17. Other assets

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Fair value at the beginning of the year | 45,478 | 46,363 | 101,711 | 112,551 |
| Receipts from crude oil lifted | – | (4,600) | – | (10,840) |
| Exchange differences | 46,000 | 3,715 | – | – |
| **Fair value at the end of the year** | **91,478** | **45,478** | **101,711** | **101,711** |

Other assets represent the Group's rights to receive the discharge sum of $190 million, ₦170.88 million (2022: $190 million, ₦85 billion), from the crude oil reserves of OML 55. The asset is measured at fair value through profit or loss (FVTPL) and receipts from crude oil lifted reduce the value of the asset. At each reporting date, the fair value of the discharge sum is determined using the income approach in line with IFRS 13 Fair Value Measurement (discounted cash flow). This asset is categorised within Level 3 of the fair value hierarchy amounting to $142.4 million (2022: $142.4 million).

A further increase/(decrease) in the discount rate of 15% used in the model would result in the following:

| Percentage | Fair value $'000 | Impact on profit or loss $'000 |
|---|---|---|
| +2% | 119,530 | (5,719) |
| -2% | 131,482 | 6,232 |

## 18. Right-of-use assets

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| **Cost** | | | | |
| **As at 1 January** | **8,166** | **7,082** | **20,941** | **18,517** |
| Additions during the year (Note 31) | 1,227 | 1,084 | 1,868 | 2,424 |
| Exchange difference | 11,120 | – | – | – |
| **As at 31 December** | **20,514** | **8,166** | **22,809** | **20,941** |
| **Depreciation** | | | | |
| **As at 1 January** | **6,192** | **4,032** | **16,526** | **11,113** |
| Charge for the year | 2,705 | 2,297 | 4,119 | 5,413 |
| Exchange difference | 9,670 | (137) | – | – |
| **As at 31 December** | **18,568** | **6,192** | **20,645** | **16,526** |
| **NBV** | | | | |
| **As at 31 December** | **1,946** | **1,974** | **2,164** | **4,415** |

In 2023, the Group entered into a lease extension agreement for an office building in Lagos. The non-cancellable period of the lease is five years commencing on 1 January 2024 and ending on 31 December 2028. However, the Group has an option of either extending the lease period on terms to be mutually agreed by parties to the lease on the expiration of the current term or purchase the property. The payment relating to the new office building in Lagos has been recognised under prepayment and will be reclassified to right-of-use assets upon commencement of the lease.

There is no restriction on any of the leased assets.

The addition during the year relates to the Abuja office leases.

## 19. Intangible assets

| | Licence ₦ million | Total ₦ million | Licence $'000 | Total $'000 |
|---|---|---|---|---|
| **Cost** | | | | |
| **At 1 January 2023** | **70,588** | **70,588** | **157,868** | **157,868** |
| Reclassification to Oil and Gas Property | (17,431) | (17,431) | (26,546) | (26,546) |
| Exchange difference | 64,953 | 64,953 | – | – |
| **At 31 December 2023** | **118,110** | **118,110** | **131,322** | **131,322** |
| **Amortisation** | | | | |
| **At 1 January 2023** | **14,958** | **14,958** | **33,453** | **33,453** |
| Reclassification to Oil and Gas Property | (19,833) | (19,833) | (30,204) | (30,204) |
| Amortisation charge | 6,282 | 6,282 | 9,567 | 9,567 |
| Exchange difference | 10,120 | 10,120 | – | – |
| **At 31 December 2023** | **11,527** | **11,527** | **12,816** | **12,816** |
| **NBV** | | | | |
| **At 31 December 2023** | **106,583** | **106,583** | **118,506** | **118,506** |
| | | | | |
| **Cost** | | | | |
| **At 1 January 2022** | **60,435** | **60,435** | **146,713** | **146,713** |
| Additions | 5,092 | 5,093 | 12,000 | 12,000 |
| Reclassification | (359) | (359) | (845) | (845) |
| Exchange difference | 5,420 | 5,420 | – | – |
| **At 31 December 2022** | **70,588** | **70,588** | **157,868** | **157,868** |
| **Amortisation** | | | | |
| **At 1 January 2022** | **6,390** | **6,390** | **15,513** | **15,513** |
| Reclassification | 3,424 | 3,424 | 8,068 | 8,068 |
| Amortisation | 4,189 | 4,189 | 9,872 | 9,872 |
| Exchange difference | 955 | 955 | – | – |
| **At 31 December 2022** | **14,958** | **14,958** | **33,453** | **33,453** |
| **NBV** | | | | |
| **At 31 December 2022** | **55,630** | **55,630** | **124,415** | **124,415** |

Licence relates to costs incurred in connection with the renewal of a right for exploration of an oil mining lease field. The remaining amortisation period on the licences is 15 years.

## 20. Prepayments

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| **Non current** | | | | |
| Advances to suppliers | 37,978 | 25,703 | 42,227 | 57,486 |
| | 37,978 | 25,703 | 42,227 | 57,486 |
| **Current** | | | | |
| Rent | 4,797 | 184 | 5,334 | 412 |
| Other prepayments | 4,679 | 372 | 5,202 | 830 |
| | 9,476 | 556 | 10,536 | 1,242 |
| **Total prepayment** | **47,454** | **26,259** | **52,763** | **58,728** |

### 20.1 Rent

Rent relates to short-term leases of residential buildings, car parks and office buildings with contractual lease term of less than or equal to 12 months. At the end of the reporting period, rental expense $0.31 million, ₦279 million (2022: $1.1 million, ₦449 million) was recognised within general and administrative expenses for these leases. The Group's payment for short-term lease commitments at the end of the reporting period are ₦4.7 billion, $5.3 million (2022: ₦184 million, $412 thousand).

### 20.2 Advances to suppliers

Advances to suppliers relate to a milestone payment made to finance the construction of the Amukpe Escravos Pipeline Project and other related facilities. Recoveries would be made after the completion of the pipeline. At the end of the reporting period, the total prepaid amount is ₦37.2 billion, $42.2 million, (2022: ₦25.7 billion, $57.5 million).

### 20.3 Other prepayments

Included in other prepayments are prepaid service charge expenses for office buildings, health insurance, software licence maintenance, motor insurance premium and crude oil handling fees. These prepaid expenses are short term in nature.

## 21. Interest in other entities

### 21.1 Material subsidiaries

The Group's principal subsidiaries as at 31 December 2023 are set in Note 1. Unless otherwise stated, their share capital consists solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business. The Group exercised significant judgement in consolidating Elcrest. Please see Note 4.1 for details. Also, there were no significant restrictions on any of the entities.

### 21.2 Non-controlling interest (NCI)

Summarised financial information in respect of Elcrest Exploration and Production Nigeria Limited which has a material non-controlling interest is set out below.

The information disclosed reflects amounts presented in the financial statements of the subsidiary amended to reflect fair value adjustments made by the Group, and modifications for differences in accounting policy during the business combination.

#### 21.2.1 Statement of financial position

| | As at 31 Dec 2023 ₦ million | As at 31 Dec 2022 ₦ million | As at 31 Dec 2023 $'000 | As at 31 Dec 2022 $'000 |
|---|---|---|---|---|
| Current assets | 207,373 | 65,158 | 222,142 | 145,722 |
| Current liabilities | (679,436) | (320,653) | (751,040) | (735,104) |
| **Current net liabilities** | **(472,063)** | **(255,495)** | **(528,898)** | **(589,382)** |
| Non current asset | 564,185 | 271,432 | 627,298 | 607,062 |
| Non current liabilities | (48,867) | (21,324) | (54,333) | (47,689) |
| **Non current net assets** | **515,318** | **250,108** | **572,965** | **559,373** |
| Net assets/(liabilities) | 43,255 | (5387) | 44,067 | (30,009) |
| **Accumulated NCI at 55%** | **23,790** | **(2,963)** | **24,237** | **(16,505)** |

#### 21.2.2 Statement of profit or loss and other comprehensive income

| | As at 31 Dec 2023 ₦ million | As at 31 Dec 2022 ₦ million | As at 31 Dec 2023 $'000 | As at 31 Dec 2022 $'000 |
|---|---|---|---|---|
| Revenue | 217,016 | 69,128 | 330,499 | 162,897 |
| Cost of sales | (132,217) | (65,680) | (201,357) | (154,772) |
| Operating expenses | (42,577) | (471) | (64,840) | (1,109) |
| Finance income/(cost) | (1,247) | (2,289) | (1,899) | (2,378) |
| **Profit before tax** | **40,975** | **688** | **62,403** | **1,622** |
| Tax credit | 7,667 | 31,949 | 11,674 | 75,286 |
| **Profit for the year** | **48,642** | **32,637** | **74,077** | **76,908** |
| **Total comprehensive income** | **48,642** | **19,216** | **74,077** | **76,908** |

#### 21.2.3 Statement of cash flows

| | As at 31 Dec 2023 ₦ million | As at 31 Dec 2022 ₦ million | As at 31 Dec 2023 $'000 | As at 31 Dec 2022 $'000 |
|---|---|---|---|---|
| Operating activities | 316,760 | 283,728 | 482,403 | 668,587 |
| Investing activities | (3,556) | (31,105) | (3,954) | (69,565) |
| Financing activities | (460,589) | (250,780) | (512,113) | (560,867) |

### 21.3 Equity-accounted investment

| | As at 31 Dec 2023 ₦ million | As at 31 Dec 2022 ₦ million | As at 31 Dec 2023 $'000 | As at 31 Dec 2022 $'000 |
|---|---|---|---|---|
| Investment in joint venture (Note 21.3.1) | 200,909 | 99,219 | 223,383 | 221,902 |
| Investment in joint venture (Pine Gas)* | 28 | – | 31 | – |
| | **200,937** | **99,219** | **223,414** | **221,902** |

* The amount recognised as investment in Pine Gas relates to incorporation cost and other legal fees.

#### 21.3.1 Interest in joint ventures

The revised shareholders agreement between the Group and Nigerian Gas Processing and Transportation Company (NGPTC) requires both parties to have equal shareholding in ANOH. With the change in the ownership structure, the Group has reassessed its retained interest in ANOH and determined that it has joint control. The Group's interest in ANOH is accounted for in the consolidated financial statements using the equity method because the Group interest in ANOH (Joint venture) is assessed to be a joint venture.

During the year, the Group entered into a joint venture agreement with Pol Gas Limited which birthed Pine Gas Processing Limited. The Company was incorporated for processing natural gas, storage, marketing, transportation, trading, supply and distribution of natural gas and petroleum products derived from natural gas. Both parties subscribed to equal proportion of ordinary shares. The Company is yet to commence operations as at the reporting date.

## 21. Interest in other entities continued

Set below is the information on the material joint venture of the Group, ANOH. The Company has share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also its principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held. The Company is a private entity hence no quoted price is available.

As at the reporting period, the Group had no capital commitment neither had it incurred any contingent liabilities jointly with its joint venture partner.

| | | Percentage of ownership interest | | Carrying amount | | | |
|---|---|---|---|---|---|---|---|
| Name of entity | Country of incorporation and place of business | As at 31 Dec 2023 % | As at 31 Dec 2022 % | As at 31 Dec 2023 ₦ million | As at 31 Dec 2022 ₦ million | As at 31 Dec 2023 $'000 | As at 30 Dec 2022 $'000 |
| ANOH Gas Processing Company Limited | Nigeria | 50 | 50 | 200,909 | 99,219 | 223,383 | 221,902 |
| Pine Gas Processing Limited | Nigeria | 50 | – | 28 | – | 31 | – |

#### 21.3.1.1 Summarised statement of financial position of ANOH

| | As at 31 Dec 2023 ₦ million | As at 31 Dec 2022 ₦ million | As at 31 Dec 2023 $'000 | As at 31 Dec 2022 $'000 |
|---|---|---|---|---|
| Current assets: | | | | |
| Cash and bank balances | 40,443 | 4,260 | 44,967 | 9,528 |
| Other current assets | 193 | 6,240 | 215 | 13,955 |
| Total current assets | 40,636 | 10,500 | 45,182 | 23,483 |
| Non current assets | 618,996 | 263,935 | 688,240 | 590,286 |
| **Total assets** | **659,632** | **274,435** | **733,422** | **613,769** |
| Current liabilities: | | | | |
| Other current liabilities | (7,554) | (3,951) | (8,399) | (8,837) |
| Non current liabilities | | | | |
| Financial liabilities (excluding trade payables) | (250,260) | (72,046) | (278,257) | (161,128) |
| Total liabilities | (257,814) | (75,997) | (286,656) | (169,965) |
| **Net assets** | **401,818** | **198,438** | **446,766** | **443,804** |
| Reconciliation to carrying amounts: | | | | |
| Opening net assets | 198,438 | 176,280 | 443,804 | 427,936 |
| Profit/(loss) for the period | 1,945 | (2,869) | 2,962 | (6,760) |
| Additional contribution | – | 10,118 | – | 22,628 |
| Exchange difference | 193,459 | 14,909 | – | – |
| **Closing net assets** | **401,818** | **198,438** | **446,766** | **443,804** |
| Group's share (%) | 50% | 50% | 50% | 50% |
| Group's share of net asset | 200,909 | 99,219 | 223,383 | 221,902 |
| Remeasurement of retained interest | – | – | – | – |
| **Carrying amount** | **200,909** | **99,219** | **223,383** | **221,902** |

#### 21.3.1.2 Summarised statement of profit or loss and other comprehensive income of ANOH

| | 31 Dec 2023 ₦ million | 31 Dec 2022 ₦ million | 31 Dec 2023 $'000 | 31 Dec 2022 $'000 |
|---|---|---|---|---|
| General and administrative expenses | (753) | (3,193) | (1,147) | (7,525) |
| Depreciation and amortisation | (842) | (315) | (1,283) | (743) |
| Other income | 2,399 | 2 | 3,654 | 5 |
| Finance income | 1,190 | 640 | 1,813 | 1,509 |
| Profit/(loss) before taxation | 1,994 | (2,866) | 3,037 | (6,754) |
| Taxation | (49) | (2) | (75) | (6) |
| Profit/(loss) for the period | 1,945 | (2,868) | 2,962 | (6,760) |
| Group's share (%) | 50% | 50% | 50% | 50% |
| Group's share of profit/(loss) for the period | 972 | (1,434) | 1,481 | (3,380) |

#### 21.3.1.3 Investment in joint venture

| | 31 Dec 2023 ₦ million | 31 Dec 2022 ₦ million | 31 Dec 2023 $'000 | 31 Dec 2022 $'000 |
|---|---|---|---|---|
| Opening balance | 99,219 | 92,795 | 221,902 | 225,270 |
| Movement during the year | – | 5 | – | 12 |
| Exchange difference | 100,718 | 7,853 | – | – |
| Share of profit/(loss) from joint venture accounted for using the equity method | 972 | (1,434) | 1,481 | (3,380) |
| | **200,909** | **99,219** | **223,383** | **221,902** |

## 22. Inventories

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Tubulars, casings and wellheads | 47,154 | 24,774 | 52,428 | 55,406 |

Inventory represents the value of tubulars, casings and wellheads. The inventory is carried at the lower of cost and net realisable value. There is no Inventory charged to profit or loss and included in cost of sales during the year (2022: ₦3.5 billion, $7.9 million). There is no inventory write down during the year on Solewant line pipes (2022: $8.5 million, ₦3.6 billion).

## 23. Trade and other receivables

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Trade receivables (Note 23.1) | 92,741 | 19,480 | 103,117 | 43,571 |
| NEPL receivables (Note 23.2) | 112,054 | 40,386 | 124,588 | 90,322 |
| NUIMS receivables (Note 23.3) | 18,415 | 15,411 | 20,475 | 34,467 |
| Underlift | – | 7,018 | – | 15,696 |
| Other receivables (Note 23.4) | 24,163 | 21,752 | 29,090 | 48,644 |
| Advances to suppliers-others | 3,568 | 7,657 | 3,967 | 17,123 |
| Receivables from ANOH (Note 23.5) | 565 | 5,056 | 628 | 11,308 |
| Advances for new business (Note 23.6) | 115,392 | 57,367 | 128,300 | 128,300 |
| | **368,898** | **174,127** | **410,165** | **389,431** |

### 23.1 Trade receivables

Included in trade receivables is an amount due from Geregu Power of $13 million, ₦11.7 billion (2022: $19.5 million, ₦8.7 billion), Sapele Power $6.1 million, ₦5.5 billion (2022: $6.1 million, ₦2.7 billion), MSN Energy $3.6 million, ₦3.3 billion (2022: $3.8 million, ₦1.7 billion) and Nigerian Gas Marketing Company $1.4 million, ₦1.2 billion (2022: $0.4 million, ₦0.2 billion) totalling $24.1 million, ₦21.7 billion (Dec 2022: $29.8 million, ₦10.3 billion) with respect to the sale of gas.

Also included in trade receivables are receivables due from Pillar of $6.4 million, ₦5.9 billion (Dec 2022: nil), Mercuria of $4.6 million, ₦4.2 billion (Dec 2022: nil), Shell Western of $70.3 million, ₦63.2 billion (Dec 2022: nil) and Waltersmith of $12.2 million, ₦11 billion (Dec 2022: $12.8 million, ₦5.7 billion) for sale of crude and $2.2 million, ₦1.9 billion (Dec 2022: $26 million, ₦11.4 billion) for others.

#### Reconciliation of trade receivables

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Balance as at 1 January | 30,462 | 34,698 | 68,131 | 84,230 |
| Additions during the year | 913,583 | 368,983 | 1,015,777 | 825,226 |
| Receipts for the year | (619,033) | (357,032) | (942,737) | (841,325) |
| Exchange difference | (217,141) | (16,187) | (21,232) | – |
| Gross carrying amount | 107,871 | 30,462 | 119,939 | 68,131 |
| Less: impairment allowance | (15,130) | (10,982) | (16,822) | (24,560) |
| **Balance as at 31 December** | **92,741** | **19,480** | **103,117** | **43,571** |

#### Reconciliation of impairment allowance on trade receivables

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Loss allowance as at 1 January | 10,982 | 8,775 | 24,560 | 21,301 |
| Increase in loss allowance during the period | 2,140 | 1,383 | 3,259 | 3,259 |
| Foreign exchange revaluation impact | (7,221) | – | (10,997) | – |
| Exchange difference | 9,229 | 824 | – | – |
| **Loss allowance as at 31 December** | **15,130** | **10,982** | **16,822** | **24,560** |

### 23.2 NEPL receivables

The outstanding cash calls due to Seplat from its JOA partner, NEPL is ₦112.1 billion (Dec 2022: ₦40.4 billion), $124.6 million (Dec 2022: $90.3 million).

#### Reconciliation of NEPL receivables

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Balance as at 1 January | 41,853 | 39,514 | 93,602 | 95,924 |
| Additions during the year | 309,094 | 115,181 | 343,670 | 257,600 |
| Receipts for the year | (207,716) | (110,303) | (316,334) | (259,922) |
| Exchange difference | (26,811) | (2,539) | 8,506 | – |
| Gross carrying amount | 116,421 | 41,853 | 129,444 | 93,602 |
| Less: impairment allowance | (4,367) | (1,467) | (4,856) | (3,280) |
| **Balance as at 31 December** | **112,054** | **40,386** | **124,588** | **90,322** |

## 23. Trade and other receivables continued

### Reconciliation of impairment allowance on NEPL receivables

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Loss allowance as at 1 January | 1,467 | 4,943 | 3,280 | 12,000 |
| (Decrease)/Increase in loss allowance during the period | 1,228 | (3,700) | 1,870 | (8,720) |
| Foreign exchange revaluation impact | – | – | (294) | – |
| Exchange difference | 1,672 | 224 | – | – |
| **Loss allowance as at 31 December** | **4,367** | **1,467** | **4,856** | **3,280** |

### 23.3 NUIMS receivables

### Reconciliation of NUIMS receivables

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Balance as at 1 January | 15,791 | 10,819 | 35,316 | 26,265 |
| Additions during the year | 34,604 | 29,249 | 38,475 | 65,416 |
| Receipts for the year | (26,574) | (23,920) | (40,470) | (56,365) |
| Exchange difference | (4,722) | (357) | (12,085) | – |
| Gross carrying amount | 19,099 | 15,791 | 21,236 | 35,316 |
| Less: impairment allowance | (684) | (380) | (761) | (849) |
| **Balance as at 31 December** | **18,415** | **15,411** | **20,475** | **34,467** |

### Reconciliation of impairment allowance on NUIMS receivables

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Loss allowance as at 1 January | 380 | 665 | 849 | 1,615 |
| (Decrease)/increase in loss allowance during the period | 229 | (325) | 348 | (766) |
| Foreign exchange revaluation impact | (286) | – | (436) | – |
| Exchange difference | 361 | 40 | – | – |
| **Loss allowance as at 31 December** | **684** | **380** | **761** | **849** |

### 23.4 Other receivables

### Reconciliation of other receivables

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Balance as at 1 January | 47,364 | 21,632 | 105,924 | 52,513 |
| Additions during the year | 11,617 | 43,326 | 12,916 | 96,897 |
| Receipts for the year | (16,986) | (18,454) | (25,868) | (43,486) |
| Exchange difference | 32,732 | 861 | (9,886) | – |
| Gross carrying amount | 74,727 | 47,364 | 83,086 | 105,924 |
| Less: impairment allowance | (48,564) | (25,612) | (53,996) | (57,280) |
| **Balance as at 31 December** | **26,163** | **21,752** | **29,090** | **48,644** |

Other receivables include sundry receivables, WHT receivables, staff receivables, NGC VAT receivables, and Oghareki CHC receivables. WHT receivables of $0.9 million, ₦0.8 billion (2022: $1.6 million, ₦0.7 billion) and NGC VAT receivables of $2.8 million, ₦2.5 billion (2022: $2.6 million, ₦1.2 billion) were not assessed for impairment as these are non-financial assets.

### Reconciliation of impairment allowance on other receivables

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Loss allowance as at 1 January | 25,612 | 18,668 | 57,280 | 45,319 |
| Increase in loss allowance during the period | 868 | 5,076 | 1,322 | 11,961 |
| Foreign exchange revaluation impact | (3,025) | – | (4,606) | – |
| Exchange difference | 25,109 | 1,868 | – | – |
| **Loss allowance as at 31 December** | **48,564** | **25,612** | **53,996** | **57,280** |

### 23.5 Receivables from Joint Venture (ANOH)

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Balance as at 1 January | 5,188 | 5,259 | 11,604 | 12,766 |
| Additions during the year | 1,242 | 610 | 1,381 | 1,364 |
| Receipts for the year | (917) | (1,072) | (1,396) | (2,526) |
| Exchange difference | 479 | 391 | (4,927) | – |
| Gross carrying amount | 5,992 | 5,188 | 6,662 | 11,604 |
| Less: impairment allowance | (5,427) | (132) | (6,034) | (296) |
| **Balance as at 31 December** | **565** | **5,056** | **628** | **11,308** |

ANOH receivable of $31.98 million due from ANOH has been fully provided for and currently has a nil effect on trade and other receivable.

**Reconciliation of impairment allowance on receivables from joint venture (ANOH)**

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Loss allowance as at 1 January | 132 | – | 296 | – |
| Increase in loss allowance during the period | 3,768 | 126 | 5,738 | 296 |
| Exchange difference | 1,527 | 7 | – | – |
| **Loss allowance as at 31 December** | **5,427** | **132** | **6,034** | **296** |

### 23.6 Advances for new business

Advances for new business include deposit for investment of $128.3 million, ₦115.4 billion towards the acquisition of the entire share capital of Mobil Producing Nigeria Unlimited from Exxon Mobil Corporation, Delaware.

## 24. Contract assets

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Revenue on gas sales (Note 24.1) | 7,496 | 3,493 | 8,334 | 7,811 |
| Impairment loss on contract asset | (256) | (180) | (285) | (403) |
| | **7,240** | **3,313** | **8,049** | **7,408** |

A contract asset is an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer. The Group has recognised an asset in relation to a contract with Geregu Power, Sapele Power, Azura, NGMC, Transcorp Power, MSN Energy and Asherxino Limited for the delivery of gas supplies which these customers have received but which has not been invoiced as at the end of the reporting period.

The terms of payments relating to the contract is between 30-45 days from the invoice date. However, invoices are raised after delivery between 14-21 days when the receivable amount has been established and the right to the receivables crystalises. The right to the unbilled receivables is recognised as a contract asset. At the point where the gas receipt certificates are obtained from the customers (Geregu Power, Sapele Power, Azura and NGMC) upon volumes reconciliations with offtakers authorising the quantities, this will be reclassified from contract assets to trade receivables.

### 24.1 Reconciliation of contract assets

The movement in the Group's contract assets is as detailed below:

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Balance as at 1 January | 3,493 | 1,679 | 7,811 | 4,076 |
| Addition during the year | 104,819 | 38,216 | 159,631 | 90,054 |
| Amount billed during the year | (104,476) | (36,631) | (159,108) | (86,319) |
| Exchange difference | 3,660 | 229 | – | – |
| Impairment | (256) | (180) | (285) | (403) |
| **Balance as at 31 December** | **7,240** | **3,313** | **8,049** | **7,408** |

## 25. Derivative financial instruments

The Group uses its derivatives for economic hedging purposes and not as speculative investments. Derivatives are measured at fair value through profit or loss. They are presented as current liability to the extent they are expected to be settled within 12 months after the reporting period.

The fair value has been determined using a proprietary pricing model which generates results from inputs. The market inputs to the model are derived from observable sources. Other inputs are unobservable but are estimated based on the market inputs or by using other pricing models.

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Opening balance | (954) | (941) | (2,135) | (2,285) |
| Realised fair value (Note 12) | 1,402 | 1,425 | 2,135 | 3,360 |
| Premium accrued | (240) | – | (365) | – |
| Unrealised fair value (Note 12) | (815) | (1,362) | (1,241) | (3,210) |
| Exchange difference | (838) | (76) | – | – |
| | **(1,444)** | **(954)** | **(1,606)** | **(2,135)** |

In 2023, the Group entered into economic crude oil hedge contracts with an average strike price of ₦52,892, $60/bbl (2022: ₦22,357, $50/bbl) for 3 million barrels (2022: 3 million barrels) at a cost of ₦2.6 billion, $2.9 million (2022: ₦1.7 billion, $3.8 million).

## 26. Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise of cash at bank, cash on hand and short-term deposits with a maturity of three months or less.

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Cash on hand | – | 30 | – | 66 |
| Short-term fixed deposits | 91,411 | 22,906 | 101,636 | 51,229 |
| Cash at bank | 313,635 | 157,960 | 348,719 | 353,287 |
| **Gross cash and cash equivalent** | **405,046** | **180,896** | **450,355** | **404,582** |
| Loss allowance | (221) | (110) | (246) | (246) |
| **Net cash and cash equivalents** | **404,825** | **180,786** | **450,109** | **404,336** |
| Restricted cash | 24,311 | 10,706 | 27,031 | 23,944 |
| **Cash and cash equivalents balance** | **429,136** | **191,492** | **477,140** | **428,280** |

### 26.1 Reconciliation of impairment allowance on cash and cash equivalents

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Loss allowance as at 1 January | 110 | 101 | 246 | 246 |
| Exchange difference | 111 | 9 | – | – |
| **Loss allowance as at 31 December** | **221** | **110** | **246** | **246** |

### 26.2 Restricted cash

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Restricted cash | 24,311 | 10,706 | 27,031 | 23,944 |
| | **24,311** | **10,706** | **27,031** | **23,944** |

### 26.3 Movement in restricted cash

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Decrease/(Increase) in restricted cash | 2,027 | (3,359) | 3,087 | (7,915) |
| Exchange Difference | 11,578 | (744) | – | – |
| | **13,605** | **(4,103)** | **3,087** | **(7,915)** |

Included in the restricted cash balance is $8 million, ₦7.2 billion and $17.5 million, ₦15.8 billion set aside in the stamping reserve account and debt service reserve account respectively for the revolving credit facility. The amount is to be used for the settlement of all fees and costs payable for the purposes of stamping and registering the Security Documents at the stamp duties office and at the Corporate Affairs Commission (CAC).

Also included in the restricted cash balance is $0.6 million, ₦0.6 billion for unclaimed dividend.

A garnishee order of $0.8 million, ₦0.8 billion is included in the restricted cash balance as at the end of the reporting period.

These amounts are subject to legal restrictions and are therefore not available for general use by the Group.

## 27. Share capital

### 27.1 Authorised and issued share capital

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| **Authorised ordinary share capital** | | | | |
| 588,444,561 issued shares denominated in Naira of 50 kobo per share | 297 | 297 | 1,864 | 1,864 |
| **Issued and fully paid** | | | | |
| 588,444,561 (2022: 588,444,561) issued shares denominated in Naira of 50 kobo per share | 297 | 297 | 1,864 | 1,864 |

Fully paid ordinary shares carry one vote per share and the right to dividends. There were no restrictions on the Group's share capital.

### 27.2 Movement in share capital and other reserves

| | Number of shares | Issued share capital ₦ million | Share premium ₦ million | Share based payment reserve ₦ million | Treasury shares ₦ million | Total ₦ million |
|---|---|---|---|---|---|---|
| **Opening balance as at 1 January 2023** | **588,444,561** | **297** | **91,317** | **5,936** | **(2,025)** | **95,525** |
| Additions to share based during the period | – | – | – | 12,245 | – | 12,245 |
| Vested shares during the year | 4,709,289 | 3 | 1,395 | (1,398) | – | – |
| Forfeited shares | – | – | – | (1,906) | – | (1,906) |
| PAYE tax withheld on vested shares | – | – | (1,179) | – | – | (1,179) |
| Impact of forfeiture rate assumption | – | – | – | (2,622) | – | (2,622) |
| Issued vested shares | (4,709,289) | (3) | (1,395) | – | 1,398 | – |
| Share repurchased | – | – | – | – | (985) | (985) |
| **Closing balance as at 31 December 2023** | **588,444,561** | **297** | **90,138** | **12,255** | **(1,612)** | **101,078** |

| | Number of shares | Issued share capital $'000 | Share premium $'000 | Share based payment reserve $'000 | Treasury shares $'000 | Total $'000 |
|---|---|---|---|---|---|---|
| **Opening balance as at 1 January 2023** | **588,444,561** | **1,864** | **522,227** | **24,893** | **(4,915)** | **544,069** |
| Additions to share based during the period | – | – | – | 18,649 | – | 18,649 |
| Vested shares during the year | 4,709,289 | 5 | 2,124 | (2,129) | – | – |
| Forfeited shares | – | – | – | (2,903) | – | (2,903) |
| PAYE tax withheld on vested shares | – | – | (1,796) | – | – | (1,796) |
| Impact of forfeiture rate assumption | – | – | – | (3,994) | – | (3,994) |
| Issued vested shares | (4,709,289) | (5) | (2,124) | – | 2,129 | – |
| Share repurchased | – | – | – | – | (1,500) | (1,500) |
| **Closing balance as at 31 December 2023** | **588,444,561** | **1,864** | **520,431** | **34,515** | **(4,286)** | **552,524** |

### 27.3 Share premium

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Share premium | 90,138 | 91,317 | 520,431 | 522,227 |

Section 120.2 of Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 requires that where a Company issue shares at premium (i.e., above the par value), the value of the premium should be transferred to share premium.

During the year, an additional 4,709,289 shares vested with a fair value of $2.13 million. The excess of $2.12 million above the nominal value of ordinary shares have been recognised in share premium.

### 27.4 Employee share based payment scheme

As at 31 December 2023, the Group had 56,047,932 shares which are yet to fully vest. These shares have been assigned to certain employees and senior executives in line with its share based incentive scheme. Included in the share based incentive schemes is two additional schemes (2023 LTIP scheme and 2022 Deferred bonus scheme) awarded during the reporting period. During the reporting period, 12,312,845 shares had vested out of which 7,603,556 shares were forfeited in relation to participants who could not meet the vesting conditions during the period. The average forfeiture rate due to failure to meet non-market vesting condition is 13.21% while the average due to staff exit is 14.35%. The impact of applying the forfeiture rate of 27.56% on existing LTIP awards which are yet to vest will result in a reduction of share based compensation expense for the year by $3,994,475. The number of shares that eventually vested during the year after the forfeiture and conditions above is 4,709,289 (Dec 2022: 4,719,809 shares were vested).

#### i. Description of the awards valued

The Group has made a number of share based awards under incentive plans since its IPO in 2014: IPO-related grants to Executive and Non-Executive Directors, 2018/2020 deferred bonus awards and 2020 Long Term Incentive Plan (LTIP) awards. Shares under these incentive plans were awarded at the IPO in April 2014, 2015, 2016, 2017, 2018 and 2020 conditional on the Nigerian Stock Exchange (NSE) approving the share delivery mechanism proposed by the Group. A number of these awards have fully vested.

**Seplat Deferred Bonus Award**

25% of each Executive Director's 2022 bonus (paid in 2023) has been deferred into shares and would be released in 2024 subject to continued employment over the vesting period. 2021 deferred bonus was approved by the Board and vested in 2023. No performance criteria are attached to this award. As a result, the fair value of these awards is determined as agreed on recognition.

## 27. Share capital continued

**Long Term Incentive Plan (LTIP) awards**

Under the LTIP Plan, shares are granted to management staff of the organisation at the end of every year. The shares were granted to the employees at no cost. The shares vest (after three years) based on the following conditions:

- 25% vesting for median relative TSR performance rising to 100% for upper quartile performance on a straight-line basis.
- Relative TSR vesting reduced by 75% if 60% and below of operational and technical bonus metrics are achieved, with 35% reduction if 70% of operational and technical bonus metrics are achieved and no reduction for 80% or above achievement.
- The Group outperforms the median TSR performance level with the LTIP exploration and production comparator group.

The LTIP awards have been approved by the NSE.

### ii. Share based payment expenses

The expense recognised for employee services received during the year is shown in the following table:

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Expense arising from equity-settled share based payment transactions | 7,717 | 3,474 | 11,751 | 8,188 |

There were no cancellations to the awards in 2023. The share awards granted to Executive Directors and confirmed employees which are yet to vest are summarised below:

| Scheme | Deemed grant date | Start of service period | End of service period | Vesting status | Number of awards |
|---|---|---|---|---|---|
| 2021 Long Term Incentive Plan | 2-Nov-21 | 2-Nov-21 | 2-Nov-24 | Partially | 12,995,688 |
| 2021 Long Term Incentive Plan – Executives | 10-Mar-22 | 10-Mar-22 | 2-Nov-24 | Partially | 5,133,469 |
| 2022 Long Term Incentive Plan | 30-May-22 | 30-May-22 | 30-May-25 | Partially | 13,811,252 |
| 2022 Deferred Bonus | 16-May-23 | 16-May-23 | 31-Dec-24 | Partially | 318,490 |
| COO Sign on Bonus | 4-Aug-22 | 4-Aug-22 | 1-Jul-24 | Partially | 514,575 |
| 2023 Long Term Incentive Plan | 16-May-23 | 16-May-23 | 16-May-26 | Partially | 23,274,458 |
| | | | | | **56,047,932** |

### iii. Determination of share awards outstanding

Share awards used in the calculation of diluted earnings per shares are based on the outstanding shares granted as at 31 December 2023, however these shares were repurchased from the existing shareholders.

| Share award scheme (all awards) | 2023 Number | 2023 WAEP ₦ | 2022 Number | 2022 WAEP ₦ |
|---|---|---|---|---|
| Outstanding at 1 January | 20,015,736 | 442 | 2,800,942 | 442 |
| Granted during the year | 17,831,904 | 827 | 25,036,212 | 442 |
| Exercised during the year | (4,709,289) | 840 | (4,719,809) | – |
| Forfeited during the year | (7,603,556) | 568 | (3,101,609) | – |
| **Outstanding at 31 December** | **25,534,795** | **669** | **20,015,736** | **442** |

| Share award scheme (all awards) | 2023 Number | 2023 WAEP $ | 2022 Number | 2022 WAEP $ |
|---|---|---|---|---|
| Outstanding at 1 January | 20,015,736 | 1.10 | 2,800,942 | 1.10 |
| Granted during the year | 17,831,904 | 1.28 | 25,036,212 | 1.10 |
| Exercised during the year | (4,709,289) | 1.30 | (4,719,809) | – |
| Forfeited during the year | (7,603,556) | 0.88 | (3,101,609) | – |
| **Outstanding at 31 December** | **25,534,795** | **1.14** | **20,015,736** | **1.1** |

The following table illustrates the number and weighted average exercise prices (WAEP) of and movements in deferred bonus scheme and Long Term Incentive Plan during the year for each available scheme.

| Deferred Bonus Scheme | 2023 Number | 2023 WAEP ₦ | 2022 Number | 2022 WAEP ₦ |
|---|---|---|---|---|
| Outstanding at 1 January | 306,996 | 541 | – | – |
| Granted during the year | 634,962 | 782 | 479,564 | 541 |
| Exercised during the year | (439,908) | 711 | (172,568) | – |
| **Outstanding at 31 December** | **502,050** | **678** | **306,996** | **541** |

| Deferred Bonus Scheme | 2023 Number | 2023 WAEP $ | 2022 Number | 2022 WAEP $ |
|---|---|---|---|---|
| Outstanding at 1 January | 306,996 | 1.27 | – | – |
| Granted during the year | 634,962 | 1.21 | 479,564 | 1.27 |
| Exercised during the year | (439,908) | 1.1 | (172,568) | – |
| **Outstanding at 31 December** | **502,050** | **1.19** | **306,996** | **1.27** |

The fair value of the modified options was determined using the same models and principles as described in the table below on the inputs to the models used for the scheme.

| Long Term Incentive Plan (LTIP) | 2023 Number | 2023 WAEP ₦ | 2022 Number | 2022 WAEP ₦ |
|---|---|---|---|---|
| Outstanding at 1 January | 19,708,740 | 492 | 2,800,942 | 492 |
| Granted during the year | 17,196,942 | 581 | 24,556,648 | – |
| Exercised during the year | (4,269,381) | 568 | (4,547,241) | – |
| Forfeited during the year | (7,603,556) | 568 | (3,101,740) | – |
| **Outstanding at 31 December** | **25,032,745** | **553** | **19,708,740** | **492** |

| Long Term Incentive Plan (LTIP) | 2023 Number | 2023 WAEP $ | 2022 Number | 2022 WAEP $ |
|---|---|---|---|---|
| Outstanding at 1 January | 19,708,740 | 1.10 | 2,800,942 | 1.10 |
| Granted during the year | 17,196,942 | 0.9 | 24,556,648 | – |
| Exercised during the year | (4,269,381) | 0.88 | (4,547,241) | – |
| Forfeited during the year | (7,603,556) | 0.88 | (3,101,740) | – |
| **Outstanding at 31 December** | **25,032,745** | **0.94** | **19,708,740** | **1.10** |

The shares are granted to the employees at no cost. The weighted average remaining contractual life for the share awards outstanding as at 31 December 2023 range from 0.8 to 2.4 years (2022: 0.8 to 2.3 years).

The weighted average fair value of awards granted during the year range from ₦332 to ₦1,286 (2022: ₦170 to ₦581), $0.37 to $1.43 (2022: $0.38 to $1.30).

The Long Term Incentive Plan is independently determined using the Monte Carlo valuation method which takes into account, the term of the award, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the award and the correlations and volatilities of peer group companies.

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

**iv. Inputs to the models**

The following table lists the inputs to the models used for the share awards outstanding in the respective plans for the year ended 31 December 2023:

| | 2021 LTIP | 2021 LTIP-Execs | 2022 LTIP | 2023 LTIP |
|---|---|---|---|---|
| **Weighted average fair values at the measurement date** | | | | |
| Dividend yield (%) | 0.00% | 0.00% | 0.00% | 0.00% |
| Expected volatility (%) | 51.68% | 59.29% | 59.86% | 42.08% |
| Risk-free interest rate (%) | 0.31% | 2.17% | 2.53% | 4.16% |
| Expected life of share options | 3.00 | 2.64 | 3.00 | 3.00 |
| Share price at grant date ($) | 0.66 | 1.12 | 1.18 | 1 |
| Share price at grant date (₦) | 264.32 | 415.84 | 415.07 | 460.7 |
| Model used | Monte Carlo | Monte Carlo | Monte Carlo | Monte Carlo |

### 27.5 Treasury shares

This relates to shares purchased from the market to fund the Group's Long Term Incentive Plan. The programme commenced from 1 March 2021 and is held by the Trustees under the Trust for the benefit of the Group's employee beneficiaries covered under the Trust.

## 28. Capital contribution

This represents M&P additional cash contribution to the Group. In accordance with the Shareholders' Agreement, the amount was used by the Group for working capital as was required at the commencement of operations.

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Capital contribution | 5,932 | 5,932 | 40,000 | 40,000 |

## 29. Foreign currency translation reserve

Cumulative foreign exchange differences arising from translation of the Group's results and financial position into the presentation currency and from the translation of foreign subsidiary is recognised in foreign currency translation reserve.

## 30. Interest bearing loans and borrowings

### 30.1 Reconciliation of interest bearing loans and borrowings

Below is the reconciliation on interest bearing loans and borrowings for 2023:

| | Borrowings due within 1 year ₦ million | Borrowings due above 1 year ₦ million | Total ₦ million | Borrowings due within 1 year $'000 | Borrowings due above 1 year $'000 | Total $'000 |
|---|---|---|---|---|---|---|
| **Balance as at 1 January 2023** | **33,232** | **311,149** | **344,381** | **74,322** | **695,881** | **770,203** |
| Interest accrued | 35,015 | – | 35,015 | 53,325 | – | 53,325 |
| Interest capitalised | 10,675 | – | 10,675 | 16,256 | – | 16,256 |
| Other financing charges (commitment fees) | 5,052 | – | 5,052 | 7,694 | – | 7,694 |
| Principal repayment | (14,446) | – | (14,446) | (22,000) | – | (22,000) |
| Interest repayment | (40,455) | – | (40,455) | (61,610) | – | (61,610) |
| Other financing charges | (5,343) | – | (5,343) | (8,137) | – | (8,137) |
| Transfers | 19,301 | (19,301) | – | 29,394 | (29,394) | – |
| Exchange differences | 37,234 | 307,586 | 344,820 | – | – | – |
| **Carrying amount as at 31 December 2023** | **80,265** | **599,434** | **679,699** | **89,244** | **666,487** | **755,731** |

Interest bearing loans and borrowings is made up of ₦679 billion, $755.3 million, relating to EIR interest bearing loans and ₦325.6 million, $0.4 million relating to accrued commitment fees on the undrawn $350 million Revolving Credit Facility (RCF).

Below is the reconciliation on interest bearing loans and borrowings 2022:

| | Borrowings due within 1 year ₦ million | Borrowings due above 1 year ₦ million | Total ₦ million | Borrowings due within 1 year $'000 | Borrowings due above 1 year $'000 | Total $'000 |
|---|---|---|---|---|---|---|
| **Balance as at 1 January 2022** | **24,988** | **290,803** | **315,791** | **60,661** | **705,953** | **766,614** |
| Interest accrued | 27,761 | – | 27,761 | 65,418 | – | 65,418 |
| Interest capitalised (Note 16.1) | 5,943 | – | 5,943 | 14,005 | – | 14,005 |
| Interest repayment | (26,857) | – | (26,857) | (63,287) | – | (63,287) |
| Other financing charges | (5,325) | – | (5,325) | (12,547) | – | (12,547) |
| Transfers | 4,274 | (4,274) | – | 10,072 | (10,072) | – |
| Exchange differences | 2,448 | 24,620 | 27,068 | – | – | – |
| **Carrying amount as at 31 December 2022** | **33,232** | **311,149** | **344,381** | **74,322** | **695,881** | **770,203** |

Other financing charges include term loan arrangement and commitment fees, annual bank charges, technical bank fee, agency fee and analytical services in connection with annual service charge. These costs do not form an integral part of the effective interest rate. As a result, they are not included in the measurement of the interest bearing loan.

### 30.2 Amortised cost of borrowings

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Senior loan notes | 588,351 | 298,133 | 654,164 | 666,768 |
| Revolving loan facilities | 9,197 | 3,655 | 10,206 | 8,176 |
| Reserve based lending (RBL) facility | 81,838 | 42,593 | 90,992 | 95,259 |
| | **679,367** | **344,381** | **755,362** | **770,203** |

**$650 million Senior notes – April 2021**

In March 2021, the Group offered 7.75% senior notes with an aggregate principal of $650 million due in April 2026. The notes, which were priced on 25 March and closed on 1 April 2021, were issued by the Group in March 2021 and guaranteed by certain of its subsidiaries.

The gross proceeds of the notes were used to redeem the existing $350 million 9.25% senior notes due in 2023, to repay in full drawings of $250 million under the existing $350 million RCF for general corporate purposes, and to pay transaction fees and expenses. The amortised cost for the senior notes as at the reporting period is $654.16 million, ₦576.67 billion although the principal is $650 million.

**$110 million Senior reserve-based lending (RBL) facility – March 2021**

The Group through its subsidiary Westport on 28 November 2018 entered into a five-year loan agreement with interest payable semi-annually. The RBL facility has an initial contractual interest rate of 8% + USD LIBOR as at half year (8.30%) and a final settlement date of April 2026.

The RBL is secured against the Group's producing assets in OML 40 via the Group's shares in Elcrest, and by way of a debenture which creates a charge over certain assets of the Group, including its bank accounts.

The available facility is capped at the lower of the available commitments and the borrowing base. The current borrowing base is more than $100 million, with the available commitments at $100 million. The commitments were scheduled to reduce to $87.5 million on 31 March 2021. The first reduction in the commitments occurred on 31 December 2019 in line with the commitment reduction schedule contained within the Facility Agreement. This resulted in the available commitments reducing from $125.0 million to $122.5 million, with a further reduction to $100.0 million as at December 2020.

The RBL has a maturity of five years, the repayments of principal are due on a semi-annual basis so that the outstanding balance of the RBL will not exceed the lower of (a) the borrowing base amount and (b) the total commitments. Interest rate payable under the RBL is USD SOFR plus 8%, as long as more than 50% of the available facility is drawn. This has been amended over time.

On 4 February 2020 Westport drew down a further $10 million increasing the debt utilised under the RBL from $90 million to $100 million.

The interest rate of the facility is variable. The interest accrued at the reporting period is $13.2 million, ₦8.7 billion using an effective interest rate of 13.35%. The interest paid was determined using SOFR rate + 8 % on the last business day of the reporting period.

On 17 March 2021, Westport signed an amendment and restatement agreement regarding the RBL. As part of the new agreement, the debt utilised and interest rate remain unchanged at $100 million and 8% + USD LIBOR respectively, however, the maturity date was extended by either five years after the effective date of the loan (March 2026) or by the reserves tail date (expected to be March 2025). Due to the modification of the original agreement and based on the facts and circumstances, it was determined that the loan modifications were substantial. Therefore, the existing facility was derecognised, and a new liability was recognised, and the present value of the loan commitment was moved to long-term liabilities (borrowings due above 1 year).

On 24 May 2021 Westport drew down a further $10 million increasing the debt utilised under the RBL from $100 million to $110 million. The amortised cost for this as at the reporting period is $91 million, ₦80.2 billion (Dec 2022: $95.3 million, ₦42.6 billion), although the principal is $110 million.

**$50 million Reserved based lending (RBL) facility – July 2021**
In July 2021, the Group raised a $50 million offtake line to the Reserved Based Lending Facility. The Facility has a six-year tenor, maturing in 2027. As of the period under review, $11 million has been drawn on this facility. The amortised cost for this as at the reporting period is $10.2 million, ₦9 billion although the principal is $11 million.

**$350 million Revolving credit facility – September 2022**
Seplat Energy Plc successfully refinanced its existing $350 million RCF due in December 2023 with a new three-year $350 million RCF due in June 2025 (the 'RCF'). The RCF includes an automatic maturity extension until December 2026 once a refinancing of the existing $650 million bond due in April 2026 is implemented. The RCF is scheduled to reduce from July 2024, with such date automatically extended to July 2025 once the refinancing of the existing $650 million bond is implemented. The RCF carries initial interest of 6% over the base rate (SOFR plus applicable credit adjustment spread) with the margin reducing to 5% after production flowing through the Amukpe-to-Escravos pipeline is stabilised at an average working interest production of at least 15,000 bpd over a 45 consecutive day period. The pricing is in line with the existing RCF pricing, although it reflects a change in the base rate from LIBOR to SOFR plus the applicable credit adjustment spread.

## 30.3 Outstanding principal exposures

The table below provides an overview of related exposure by currency and nature of financial instruments as at December 2023.

| 31 December 2023 | 2023 USD SOFR ₦ million | 2022 USD SOFR ₦ million | 2023 USD SOFR $'000 | 2022 USD SOFR $'000 |
|---|---|---|---|---|
| **Non-derivative financial liabilities** | | | | |
| Interest bearing loans – Fixed | 584,605 | 290,635 | 650,000 | 650,000 |
| Interest bearing loans – Variable | 89,040 | 54,012 | 99,000 | 121,000 |
| | **673,645** | **344,737** | **749,000** | **771,000** |

The table below shows the analysis of the principal outstanding showing the lenders of the facility as at the year end:

| 31 December 2023 | Interest | Current ₦ million | Non-current ₦ million | Total ₦ million | Current $'000 | Non-current $'000 | Total $'000 |
|---|---|---|---|---|---|---|---|
| Fixed interest rate | | | | | | | |
| **Fixed interest rate borrowings** | | | | | | | |
| Senior notes | 7.75% | – | 584,605 | 584,605 | – | 650,000 | 650,000 |
| **Variable interest rate borrowings** | | | | | | | |
| The Mauritius Commercial Bank Ltd | 8.00% + SOFR | – | 27,629 | 27,629 | – | 30,720 | 30,720 |
| The Stanbic IBTC Bank Plc | 8.00% + SOFR | – | 28,205 | 28,205 | – | 31,360 | 31,360 |
| The Standard Bank of South Africa Limited | 8.00% + SOFR | – | 16,117 | 16,117 | – | 17,920 | 17,920 |
| First City Monument Bank Limited | 8.00% + SOFR | – | 7,195 | 7,195 | – | 8,000 | 8,000 |
| Shell Western Supply and Trading Limited | 10.5% + SOFR | – | 9,893 | 9,893 | – | 11,000 | 11,000 |
| **Total interest borrowings** | | **–** | **673,645** | **673,645** | **–** | **749,000** | **749,000** |

| 31 December 2022 | Interest | Current ₦ million | Non-current ₦ million | Total ₦ million | Current $'000 | Non-current $'000 | Total $'000 |
|---|---|---|---|---|---|---|---|
| Fixed interest rate | | | | | | | |
| **Fixed interest rate borrowings** | | | | | | | |
| Senior notes | 7.75% | – | 290,635 | 290,635 | – | 650,000 | 650,000 |
| **Variable interest rate borrowings** | | | | | | | |
| The Mauritius Commercial Bank Ltd | 8.00% + SOFR | – | 17,170 | 17,170 | – | 38,400 | 38,400 |
| The Stanbic IBTC Bank Plc | 8.00% + SOFR | – | 17,527 | 17,527 | – | 39,200 | 39,200 |
| The Standard Bank of South Africa Limited | 8.00% + SOFR | – | 10,016 | 10,016 | – | 22,400 | 22,400 |
| First City Monument Bank Limited | 8.00% + SOFR | – | 4,471 | 4,471 | – | 10,000 | 10,000 |
| Shell Western Supply and Trading Limited | 10.5% + SOFR | – | 4,918 | 4,918 | – | 11,000 | 11,000 |
| **Total interest borrowings** | | **–** | **344,737** | **344,737** | **–** | **771,000** | **771,000** |

## 31. Lease liabilities

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| As at 1 January | 1,800 | 1,471 | 4,025 | 3,571 |
| Additions during the year (Note 18) | 1,227 | 1,084 | 1,868 | 2,424 |
| Payments during the year | (3,023) | (997) | (4,605) | (2,350) |
| Interest on lease liabilities | 35 | 161 | 54 | 380 |
| Exchange difference | 1,168 | 81 | – | – |
| **As at 31 December** | **1,207** | **1,800** | **1,342** | **4,025** |

In 2023, the Group entered into a lease extension agreement for an office building in Lagos. The non-cancellable period of the lease is five years commencing on 1 January 2024 and ending on 31 December 2028. However, the Group has an option of either extending the lease period on terms to be mutually agreed by parties to the lease on the expiration of the current term or purchase the property (see Note 18 for more detail).

The Group's lease liability as at 31 December 2023 is split into current and Non current portions as follows:

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Current | 1,207 | 1,800 | 1,342 | 4,025 |
| | **1,207** | **1,800** | **1,342** | **4,025** |

The following amount are recognised in profit or loss:

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Depreciation expense of right-of-use assets | 2,705 | 2,297 | 4,119 | 5,413 |
| Interest expense on lease liabilities | 35 | 161 | 54 | 380 |
| | **2,740** | **2,458** | **4,173** | **5,793** |

The following are the impact of the lease on cash flow:

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Depreciation expense of right-of-use assets | 2,705 | 2,297 | 4,119 | 5,413 |
| Interest expense on lease liabilities | 35 | 161 | 54 | 380 |
| **Net cash flows from operating activities** | **2,740** | **2,458** | **4,173** | **5,793** |
| Lease payments | (3,023) | (997) | (4,605) | (2,350) |
| **Net cash flows impact from leases** | **(3,023)** | **(997)** | **(4,605)** | **(2,350)** |

The Group's lease payments for drilling rigs are classified as variable lease payments. The variability arises because the lease payments are linked to the use of the underlying assets. These variable lease payments are therefore excluded from the measurement of the lease liabilities. At the end of the reporting period, there was no rental expense recognised within cost of sales for these leases. The expected future cash outflows arising from variable lease payments is estimated at ₦13.4 billion, $20.4 million (2022: ₦1 billion, $2.4 million).

The following tables summarise the impact that exercising the purchase option would have had on the profit before tax and net assets of the Group:

| | Effect on profit before tax | | Effect on profit before tax | |
|---|---|---|---|---|
| | 2023 ₦ million | 2023 $'000 | 2022 ₦ million | 2022 $'000 |
| Depreciation | 1,281 | 2,230 | 1,952 | 2,086 |
| Interest payment | (1,673) | (2,911) | (2,547) | (2,723) |
| | **(391)** | **(681)** | **(596)** | **(637)** |

| | Effect on net assets | | Effect on net assets | |
|---|---|---|---|---|
| | 2023 ₦ million | 2023 $'000 | 2022 ₦ million | 2022 $'000 |
| Depreciation | 17,572 | 32,130 | 29,781 | 30,268 |
| Interest payment | (18,386) | (33,619) | (31,162) | (31,671) |
| | **(814)** | **(1,489)** | **(1,380)** | **(1,403)** |

## 32. Provision for decommissioning obligations

| | ₦ million | $'000 |
|---|---|---|
| **At 1 January 2023** | **86,671** | **193,836** |
| Unwinding of discount due to passage of time | 4,945 | 7,531 |
| Change in estimate | (46,448) | (70,736) |
| Exchange difference | 72,322 | – |
| **At 31 December 2023** | **117,489** | **130,631** |

| | ₦ million | $'000 |
|---|---|---|
| **At 1 January 2022** | **63,709** | **154,659** |
| Unwinding of discount due to passage of time | 994 | 2,343 |
| Change in estimate | 15,631 | 36,834 |
| Exchange difference | 6,336 | – |
| **At 31 December 2022** | **86,670** | **193,836** |

The Group makes full provision for the future cost of decommissioning oil production facilities on a discounted basis at the commencement of production. This relates to the removal of assets as well as their associated restoration costs. This obligation is recorded in the period in which the liability meets the definition of a "probable future sacrifice of economic benefits arising from a present obligation", and in which it can be reasonably measured.

The provision represents the present value of estimated future expenditure to be incurred as highlighted in the table below which is the current expectation as to when the producing facilities are expected to cease operations. The estimate for 2023 were computed by Management using the estimated future expenditure for all the OMLs based on current assumptions of the economic environment which management believes to be a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to consider any material changes to the assumptions. However, actual decommissioning costs will ultimately depend upon future market prices for necessary decommissioning works required that will reflect market conditions at the relevant time.

Furthermore, the timing of decommissioning is likely to depend on when the fields cease to produce at economically viable rates.

| | Current estimated life span of reserves | |
|---|---|---|
| | 2023 | 2022 |
| Seplat West Limited: | | |
| OML 4 | 2041 | 2027–2037 |
| OML 38 | 2030-2045 | 2027–2034 |
| OML 41 | 2038-2041 | 2037 |
| Newton Energy Limited (OPL 283) | 2034-2047 | 2037-2044 |
| Seplat East Onshore Ltd (OML 53) | 2030-2053 | 2028–2054 |
| Elcrest (OML 40) | 2033 | 2031 |

## 33. Employee benefit obligation

### 33.1 Defined contribution plan

The Group contributes to a funded defined contribution retirement benefit scheme for its employees in compliance with the provisions of the Pension Reform Act 2014. A defined contribution plan is a pension plan under which the Group pays fixed contributions to an approved Pension Fund Administrator ('PFA') – a separate entity. The assets of the scheme are managed by various PFAs patronised by employees of the Group. The Group's contributions are charged to the profit and loss account in the year to which they relate.

### 33.2 Defined benefit plan

#### i. Investment management strategy and policy

The Group operates a partly funded defined benefit pension plan in Nigeria under the regulation of National Pension Commission. The plan provides benefits to all the employees (excluding Directors holding salaried employment in the Group) who have been employed by the Group for a continuous period of six months and whose employment have been confirmed. The employee's entitlement to the accrued benefits occurs on retirement from the Group. The level of benefits provided on severance depends on members' length of service and salary at retirement age.

The overall investment philosophy of the defined benefit plan fund is to ensure safety, optimum returns and liquidity in line with the regulation and guidelines of the Pension Reform Act 2014 or guidelines that may be issued from time to time by National Pension Commission.

Plan assets are held in trust. Responsibility for supervision of the plan assets (including investment decisions and contributions schedules) lies jointly with the trustees and the pension fund managers. The trustees are made up of members of the Group's senior management appointed by the Chief Executive Officer. The Group does not have an investment strategy of matching match plan assets with the defined obligations as they fall due, however, the Group has an obligation to settle shortfalls in the plan asset upon annual actuarial valuations.

The provision for the defined benefit plan is based on an independent actuarial valuation performed by Logic Professional Services (LPS) using the projected unit credit method. The provision is adjusted for inflation, interest rate risks, changes in salary and changes in the life expectancy for the beneficiaries.

The amount payable as at 31 December 2023 was ₦1.8 billion, $2 million (2022: ₦2.9 billion, $6.4 million).

The Group does not have any funding arrangement or policy that impacts future contributions to the plan assets.

## 33. Employee benefit obligation continued

The following tables summarise the components of net defined benefit expense recognised in the statement of profit or loss and other comprehensive income and in the statement of financial position for the respective plans:

### ii. Liability recognised in the financial position

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Defined benefit obligation | 9,110 | 7,011 | 10,129 | 15,680 |
| Fair value of plan assets | (7,299) | (4,133) | (8,116) | (9,243) |
| | **1,810** | **2,878** | **2,013** | **6,437** |

### iii. Amount recognised in profit or loss

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Current service cost | 1,022 | 964 | 1,557 | 2,158 |
| Interest cost on defined benefit obligation | 1,020 | 864 | 1,553 | 1,932 |
| Plan amendment | – | 26 | – | 58 |
| | **2,042** | **1,854** | **3,110** | **4,148** |
| Return on plan assets | (663) | (298) | (1,010) | (666) |
| | **1,379** | **1,556** | **2,100** | **3,482** |

The Group recognises a part of its defined benefit expenses in profit or loss and recharges the other part to its joint operations partners; this is recognised as a receivable from the partners. Below is the breakdown:

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Charged to profit or loss | 621 | 660 | 945 | 1,556 |
| Charged to receivables | 758 | 896 | 1,155 | 1,926 |
| **Balance as at 31 December** | **1,379** | **1,556** | **2,100** | **3,482** |

### iv. Remeasurement (gains)/losses in other comprehensive income

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Remeasurement gains due to changes in financial and demographic assumptions | 109 | (299) | 166 | (705) |
| Remeasurement (gains)/losses due to experience adjustment | 477 | (629) | 726 | (1,483) |
| Remeasurement gain on plan assets | (31) | 104 | (47) | 244 |
| | **555** | **(825)** | **845** | **(1,944)** |
| Deferred tax expense on remeasurement losses | (183) | 379 | (279) | 892 |
| **Balance as at 31 December** | **372** | **(446)** | **566** | **(1,052)** |

Below is the breakdown of remeasurement losses recognised in other comprehensive income:

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Credited to other comprehensive income | 555 | (825) | 845 | (1,944) |
| **Remeasurement losses due to changes in financial and demographic assumptions** | **555** | **(825)** | **845** | **(1,944)** |

### v. Deferred tax (expense)/credit on remeasurement (gains)/losses

The Group recognises deferred tax (credit on a part of the remeasurement (gain)/losses in other comprehensive income/(loss). Below is the breakdown:

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Charged to other comprehensive income | (183) | 379 | (279) | 892 |
| **Deferred tax on remeasurement losses** | **(183)** | **379** | **(279)** | **892** |

### vi. Changes in the present value of the defined benefit obligation are as follows:

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Defined benefit obligation as at 1 January | 7,011 | 6,442 | 15,680 | 15,638 |
| Current service cost | 1,022 | 965 | 1,557 | 1,571 |
| Interest cost on benefit obligation | 1,020 | 864 | 1,553 | 1,345 |
| Remeasurement loss/(gain) due to changes in financial and demographic assumptions | 108 | (299) | 164 | (669) |
| Remeasurement loss/(gain) due to experience adjustments | 477 | (629) | 726 | (1,407) |
| Benefits from the fund | (528) | (357) | (804) | (798) |
| Exchange differences | – | 25 | (8,747) | – |
| **Defined benefit obligation at 31 December** | **9,110** | **7,011** | **10,129** | **15,680** |

### vii. The changes in the fair value of plan assets is as follows:

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Balance as at 1 January | (4,133) | (2,261) | (9,243) | (5,489) |
| Employer contribution | (3,000) | (2,015) | (5,529) | (4,507) |
| Return on plan assets | (663) | (298) | (1,010) | (666) |
| Benefits paid from fund | 528 | 357 | 804 | 992 |
| Remeasurement gain/(loss) on plan assets | (31) | 104 | (47) | 427 |
| Exchange differences | – | (20) | 6,910 | – |
| **Balance as at 31 December** | **(7,299)** | **(4,133)** | **(8,116)** | **(9,243)** |

The net liability disclosed above relates to funded plans as follows:

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Present value of funded obligations | 9,110 | 7,011 | 10,129 | 15,680 |
| Fair value of plan assets | (7,299) | (4,133) | (8,116) | (9,243) |
| **Deficit of funded plans** | **1,810** | **2,878** | **2,013** | **6,437** |

The fair value of the plan asset of the Group at the end of the reporting period was determined using the market values of the comprising assets as shown below:

| | 2023 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Quoted ₦ million | Not quoted ₦ million | Total ₦ million | Quoted $'000 | Not quoted $'000 | Total $'000 |
| Equity Instrument | 325 | – | 325 | 362 | – | 362 |
| FGN Bonds | 3,450 | – | 3,450 | 3,836 | – | 3,836 |
| Treasury Bills Fair Value | 269 | – | 269 | 299 | – | 299 |
| Corporate Bonds | 82 | – | 82 | 91 | – | 91 |
| Money Market Instruments | 2,897 | – | 2,897 | 3,221 | – | 3,221 |
| Real Estate | – | 145 | 145 | – | 161 | 161 |
| Cash at bank | – | 143 | 143 | – | 159 | 159 |
| Payables | – | (15) | (15) | – | (16) | (16) |
| Receivables | – | 2 | 2 | – | 3 | 3 |
| **Total plan asset as at 31 December** | **7,023** | **276** | **7,299** | **7,809** | **307** | **8,116** |

| | 2022 | | | 2022 | | |
|---|---|---|---|---|---|---|
| | Quoted ₦ million | Not quoted ₦ million | Total ₦ million | Quoted $'000 | Not quoted $'000 | Total $'000 |
| Equity Instrument | 97 | – | 97 | 217 | – | 217 |
| Treasury bills and money market | 1,519 | – | 1,519 | 3,397 | – | 3,397 |
| Infrastructure Fund | 72 | – | 72 | 161 | – | 161 |
| Bonds | 356 | – | 356 | 796 | – | 796 |
| Cash at bank | – | 2,095 | 2,095 | – | 4,685 | 4,685 |
| Payables | – | (6) | (6) | – | (13) | (13) |
| Receivables | – | – | – | – | – | – |
| **Total plan asset as at 31 December** | **2,044** | **2,089** | **4,133** | **4,571** | **4,672** | **9,243** |

### viii. The principal assumptions used in determining defined benefit obligations for the Group's plans are shown below:

| | 2023 % | 2022 % |
|---|---|---|
| Discount rate | 17 | 15 |
| Average future pay increase | 15 | 13 |
| Average future rate of inflation | 14 | 13 |

#### a) Mortality in service

| | Number of deaths in year out of 10,000 lives | |
|---|---|---|
| Sample age | 2023 | 2022 |
| 25 | 7 | 1 |
| 30 | 7 | 29 |
| 35 | 9 | 60 |
| 40 | 14 | 99 |
| 45 | 26 | 90 |

## 33. Employee benefit obligation continued

**Withdrawal from service**

| | Rates | |
|---|---|---|
| Age band | 2023 | 2022 |
| Less than or equal to 30 | 1.0% | 1.0% |
| 31 – 39 | 1.5% | 1.5% |
| 40 – 44 | 1.5% | 1.5% |
| 45 – 55 | 1.0% | 1.0% |
| 56 – 60 | 0.0% | 0.0% |

**A quantitative sensitivity analysis for significant assumption is as shown below:**

| | | Discount rate | | Salary increases | | Mortality | |
|---|---|---|---|---|---|---|---|
| Assumptions | Base | 1% increase ₦ million | 1% decrease ₦ million | 1% increase ₦ million | 1% decrease ₦ million | 1% increase ₦ million | 1% decrease ₦ million |
| Sensitivity Level: Impact on the net defined benefit obligation | | | | | | | |
| **31 December 2023** | **9,110** | **(8,350)** | **9,976** | **10,028** | **(8,295)** | **9,116** | **(9,104)** |
| 31 December 2022 | 7,011 | (6,395) | 7,719 | 7,759 | (6,351) | 7,016 | (7,006) |

| | | Discount rate | | Salary increases | | Mortality | |
|---|---|---|---|---|---|---|---|
| Assumptions | Base | 1% increase $'000 | 1% decrease $'000 | 1% increase $'000 | 1% decrease $'000 | 1% increase $'000 | 1% decrease $'000 |
| Sensitivity Level: Impact on the net defined benefit obligation | | | | | | | |
| **31 December 2023** | **10,129** | **(12,716)** | **15,193** | **15,272** | **(12,633)** | **13,883** | **(13,865)** |
| 31 December 2022 | 15,680 | (15,069) | 18,189 | 18,284 | (14,966) | 16,533 | (16,509) |

The sensitivity analyses above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The methods and assumptions used in preparing the sensitivity analysis did not change compared to prior period.

The sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated.

The expected maturity analysis of the undiscounted defined benefit plan obligation is as follows:

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Within the next 12 months (next annual reporting period) | 383 | 421 | 426 | 942 |
| Between 2 and 5 years | 4,149 | 3,202 | 4,613 | 7,161 |
| Between 6 and 10 years | 18,967 | 11,423 | 21,089 | 25,547 |
| Beyond 10 years | 298,862 | 178,775 | 332,293 | 399,828 |
| | **322,361** | **193,821** | **358,421** | **433,478** |

The weighted average liability duration for the Plan is 11.52 years (2022: 12.17 years). The longest weighted duration for Nigerian Government bond as at 31 December 2023 was about 6.57 years (2022: 6.65 years) with a gross redemption yield of about 16% (2022: 15%).

## Risk exposure

Through its defined benefit pension plans, the Group is exposed to several risks.

The most significant of which are detailed below:

**a) Liquidity risk**
The plan liabilities are not fully funded and as a result, there is a risk that the Group may not have the required cash flow to fund future defined benefit obligations as they fall due.

**b) Inflation risk**
This is the risk of an unexpected significant rise/fall of market interest rates. A rise leads to a fall in long-term asset values and a rise in liability values.

**c) Life expectancy**
The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant, where inflationary increases result in higher sensitivity to changes in life expectancy.

**d) Asset volatility**
The Group holds a significant proportion of its plan assets in fixed income securities and money market instruments, with limited exposure to equities.

Details of the Actuary is shown below:

| Name of signer | Name of firm | FRC number | Services rendered |
|---|---|---|---|
| Chidiebere Orji | Logic Professional Services | FRC/2021/004/00000022718 | Actuary valuation services |

## 34. Trade and other payables

| | 2023<br>₦ million | 2022<br>₦ million | 2023<br>$'000 | 2022<br>$'000 |
|---|---|---|---|---|
| Trade payable | 109,046 | 48,582 | 121,244 | 108,654 |
| Accruals and other payables | 176,416 | 96,112 | 196,150 | 214,953 |
| NDDC levy | 6,897 | 2,685 | 7,669 | 6,004 |
| Royalties payable | 57,638 | 30,749 | 64,086 | 68,769 |
| Overlift payable | 130,139 | 27,494 | 144,696 | 61,489 |
| | **480,136** | **205,622** | **533,845** | **459,869** |

Included in accruals and other payables are field accruals of $80 million, ₦72 billion (2022: $106.1 million, ₦38 billion) and other vendor payables of $46.2 million, ₦41.6 billion (Dec 2022: $38.1 million, ₦26.5 billion). Royalties payable include accruals in respect of crude oil and gas production for which payment is outstanding at the end of the period.

Overlifts are excess crude lifted above the share of production. It may exist when the crude oil lifted by the Group during the period is above its ownership share of production. Overlifts are initially measured at the market price of oil at the date of lifting and recognised in profit or loss. At each reporting period, overlifts are remeasured at the current market value. The resulting change, as a result of the remeasurement, is also recognised in profit or loss and any amount unpaid at the end of the year is recognised in overlift payable.

## 35. Earnings/(Loss) per share EPS/(LPS)

### Basic

Basic EPS/(LPS) is calculated on the Group's profit after taxation attributable to the parent entity, which is based on the weighted average number of issued and fully paid ordinary shares at the end of the year.

### Diluted

Diluted EPS/(LPS) is calculated by dividing the profit after taxation attributable to the parent entity by the weighted average number of ordinary shares outstanding during the year plus all the dilutive potential ordinary shares (arising from outstanding share awards in the share based payment scheme) into ordinary shares.

| | 2023<br>₦ million | 2022<br>₦ million | 2023<br>$'000 | 2022<br>$'000 |
|---|---|---|---|---|
| Profit attributable to equity holders of the parent | 54,578 | 26,483 | 83,130 | 62,407 |
| Profit/(loss) attributable to non-controlling interests | 26,753 | 17,950 | 40,742 | 42,299 |
| **Profit for the year** | **81,331** | **44,433** | **123,872** | **104,706** |

| | Shares '000 | Shares '000 | Shares '000 | Shares '000 |
|---|---|---|---|---|
| Weighted average number of ordinary shares in issue | 588,446 | 588,446 | 588,446 | 588,446 |
| Outstanding share based payments (shares) | 1 | 1 | 1 | 1 |
| **Weighted average number of ordinary shares adjusted for the effect of dilution** | **588,447** | **588,447** | **588,447** | **588,447** |

| Basic earnings per share for the period | ₦ | ₦ | $ | $ |
|---|---|---|---|---|
| Basic earnings per share | 92.75 | 45.00 | 0.14 | 0.11 |
| Diluted earnings per share | 92.75 | 45.00 | 0.14 | 0.11 |
| **Profit used in determining basic/diluted earnings per share** | **54,578** | **26,483** | **83,130** | **62,407** |

The weighted average number of issued shares was calculated as a proportion of the number of months in which they were in issue during the reporting period.

## 36. Dividends paid and proposed

As at 31 December 2023, the final proposed dividend for the Group is ₦26.45, $0.03 (2022: ₦11.18, $0.025) per share and the proposed Special Dividend is ₦26.45, $0.03 per share (2022: ₦22.36, $0.05).

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| **Cash dividends on ordinary shares declared and paid:** | | | | |
| Dividend for 2023: ₦101.32 ($0.165) per share 588,444,561 shares in issue (2022: ₦42.60 ($0.10) per share 588,444,561 shares in issue) | 64,883 | 24,972 | 98,811 | 58,844 |
| **Proposed dividend on ordinary shares:** | | | | |
| Final proposed dividend for the year 2023: ₦26.45 ($0.03) (2022: ₦11.18 ($0.025)) per share | 15,562 | 6,553 | 17,653 | 14,655 |
| Special proposed dividend for the year 2023: ₦26.45 ($0.03) (2022: ₦22.36 ($0.05)) per share | 15,562 | 13,106 | 17,653 | 29,270 |

During the year, ₦6.8 billion, $14.7 million of dividend was paid at ₦11.55, $0.025 per share as final dividend for 2022, while ₦13.6 billion, $29.4 million of dividend was paid at ₦23.11, $0.05 per share as special dividend for 2022. As at 31 March 2023, ₦8.2 billion, $17.7 million was paid at ₦13.95, $0.03 per share for 2023 Q1; as at 30 June 2023, ₦13.4 billion, $17.7 million was paid at ₦22.80, $0.03 per share for 2023 Q2; as at 30 September 2023, ₦17.5 billion, $17.7 million was paid at ₦29.90, $0.03 per share for 2023 Q3. Final Naira dividend payments will be based on the Naira/Dollar rates on the date for determining the exchange rate. The payment is subject to shareholders' approval at the 2023 Annual General Meeting. The tax effect of dividend paid during the year was $9.2 million (₦6 billion).

## 37. Related party relationships and transactions

The Group is controlled by Seplat Energy Plc (the 'Parent Company'). The Parent Company is owned 6.43% either directly or by entities controlled by A.B.C Orjiako (SPDCL (BVI)) and members of his family. The remaining shares in the Parent Company are widely held.

The goods and services provided by the related parties are disclosed below.

### i. Shareholders of the Parent Company

**Shebah Petroleum Development Company Limited SPDCL (BVI):** The former Chairman of Seplat is a director and shareholder of SPDCL (BVI). The company provided consulting services to Seplat. Services provided to the Group during the period amounted to nil (2022: $916.5 thousand, ₦409.8 million). Payables amounted to nil in the current period.

**Amaze Limited:** The former Chairman of Seplat is a director and shareholder of Amaze Ltd. The company provided consulting services to Seplat. Services provided to the Group during the period amounted to $587.4 thousand, ₦528.3 million.

### ii. Entities controlled by Directors of the Company

**Ubosi Eleh and Company (controlled by Director Ernest Ebi):** The Company provided a leasehold property to Seplat. The amount during the period amounted to nil (2022: $53.7 thousand, ₦24 million).

## 38. Information relating to employees

### 38.1 Key management compensation

Key management includes executive and members of the leadership team. The compensation paid or payable to key management for employee services is shown below:

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Salaries and other short-term employee benefits | 3,055 | 1,943 | 4,653 | 4,579 |
| Post-employment benefits | 316 | 190 | 481 | 448 |
| Share based payment expenses | 2,557 | 692 | 3,895 | 1,632 |
| | **5,928** | **2,825** | **9,029** | **6,659** |

### 38.2 Chairman and Directors' emoluments

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Chairman (Non-Executive) | 569 | 412 | 867 | 971 |
| Chief Executive Officer | 746 | 500 | 1,137 | 1,177 |
| Executive Directors | 672 | 508 | 1,024 | 1,196 |
| Non-Executive Directors | 1,707 | 1,006 | 2,599 | 2,371 |
| **Total** | **3,694** | **2,426** | **5,626** | **5,715** |

### 38.3 Highest paid Director

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Highest paid Director | 746 | 500 | 1,137 | 1,177 |

Emoluments are inclusive of income taxes.

## 38. Information relating to employees continued

### 38.4 Number of Directors

The number of Directors (excluding the Chairman) whose emoluments fell within the following ranges was:

| | 2023 Number | 2022 Number |
|---|---|---|
| Zero – ₦19,896,500 | – | – |
| ₦19,896,501 – ₦115,705,800 | – | – |
| ₦115,705,801 – ₦157,947,600 | – | – |
| Above ₦157,947,600 | 3 | 3 |
| | **3** | **3** |

| | 2023 Number | 2022 Number |
|---|---|---|
| Zero – $65,000 | – | – |
| $65,001 – $378,000 | – | – |
| $378,001 – $516,000 | – | – |
| Above $516,000 | 3 | 3 |
| | **3** | **3** |

### 38.5 Employees

The number of employees (other than the Directors) whose duties were wholly or mainly discharged within Nigeria, and who earned over ₦1,989,500 ($6,500), received remuneration (excluding pension contributions) in the following ranges:

| | 2023 Number | 2022 Number |
|---|---|---|
| ₦1,989,650 – ₦4,897,600 | – | 25 |
| ₦4,897,601– ₦9,795,200 | 1 | 115 |
| ₦9,795,201 – ₦14,692,800 | 12 | 197 |
| Above ₦14,692,800 | 575 | 259 |
| | **588** | **596** |

| | 2023 Number | 2022 Number |
|---|---|---|
| $6,500 – $16,000 | – | 25 |
| $16,001 – $32,000 | 1 | 115 |
| $32,001 – $48,000 | 12 | 197 |
| Above $48,000 | 575 | 259 |
| | **588** | **596** |

### 38.6 Number of persons employed during the year

The average number of persons (excluding Directors) in employment during the year was as follows:

| | 2023 Number | 2022 Number |
|---|---|---|
| Senior management | 41 | 36 |
| Managers | 165 | 163 |
| Senior staff | 343 | 312 |
| Junior staff | 39 | 85 |
| | **588** | **596** |

### 38.7 Employee cost

Seplat's staff costs (excluding pension contribution) in respect of the above employees amounted to the following:

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Salaries & wages | 17,772 | 12,686 | 27,127 | 29,894 |
| | **17,772** | **12,686** | **27,127** | **29,894** |

## 39. Commitments and contingencies

### 39.1 Contingent liabilities

The Group is involved in a number of legal suits as defendant. The estimated value of the contingent liabilities for the year ended 31 December 2023 is ₦198 million, $0.22 million (2022: ₦559 million, $1.25 million). The contingent liability for the year is determined based on possible occurrences, though unlikely to occur. No provision has been made for this potential liability in these financial statements. Management and the Group's solicitors are of the opinion that the Group will suffer no loss from these claims.

Under the OML 40 Joint Operating Agreement (JOA), the Group is responsible for its share of expenditures incurred on OML 40 in respect of its participating interest, on the basis that the operator's estimated expenditures are reasonably incurred based on the approved work programme and budget. From time to time, management disputes such expenditures on the basis that they do not meet these criteria, and when this occurs management accrues at the period end for its best estimate of the amounts payable to the operator. Consequently, the amounts recognised as accruals as of 31 December.

2023 reflect management's best estimate of amounts that have been incurred in accordance with the JOA and that will ultimately be paid to settle its obligations in this regard.

However, management recognises there is a range of possible outcomes, which may be higher or lower than the management's estimate of accrued expenditure. It is estimated that around $5,384,235 (2022: $10,233,128) of possible expenditure currently remains under dispute.

Management considers the merits for these cost items which remain rejected to be very high, but in recognition of possible range of outcomes has included them in the contingent liability.

## 40. Events after the reporting period

### Official foreign exchange volatility

Post reporting date, the Nigerian official foreign exchange market has become significantly volatile, with the continuous devaluation of the Naira against other currencies.

This depreciation would impact the Naira-denominated monetary assets and liabilities of the Group through revaluation of monetary items as well as the Group's financial statements presented in Naira.

## 41. Reclassification

Certain comparative figures have been reclassified in line with the current year's presentation.

## 42. Exchange rates used in translating the accounts to Naira

The table below shows the exchange rates used in translating the accounts into Naira:

| | Basis | 31 December 2023 N/$ | 31 December 2022 N/$ |
|---|---|---|---|
| Property, plant and equipment – opening balances | Historical rate | Historical | Historical |
| Property, plant and equipment – additions | Average rate | 656.63 | 424.37 |
| Property, plant and equipment – closing balances | Closing rate | 899.39 | 447.13 |
| Current assets | Closing rate | 899.39 | 447.13 |
| Current liabilities | Closing rate | 899.39 | 447.13 |
| Equity | Historical rate | Historical | Historical |
| Income and expenses | Overall average rate | 656.63 | 424.37 |

## Statement of value added
For the year ended 31 December 2023

| | 2023 ₦ million | % | 2022 ₦ million | % | 2023 $'000 | % | 2022 $'000 | % |
|---|---|---|---|---|---|---|---|---|
| Revenue from contracts with customers | 696,867 | | 403,913 | | 1,061,271 | | 951,795 | |
| Other (loss)/income | (80,066) | | (15,302) | | (121,932) | | (36,054) | |
| Finance income | 6,277 | | 491 | | 9,559 | | 1,157 | |
| Cost of goods and other services: | | | | | | | | |
| Local | (187,807) | | (116,351) | | (286,009) | | (274,171) | |
| Foreign | (125,205) | | (77,568) | | (190,672) | | (182,780) | |
| **Valued added** | **310,066** | **100%** | **195,183** | **100%** | **472,217** | **100%** | **459,947** | **100%** |

**Applied as follows:**

| | 2023 ₦ million | % | 2022 ₦ million | % | 2023 $'000 | % | 2022 $'000 | % |
|---|---|---|---|---|---|---|---|---|
| **To employees:** as salaries and labour related expenses | 38,206 | 12% | 23,192 | 12% | 58,183 | 12% | 54,654 | 12% |
| **To external providers of capital:** as interest | 45,438 | 15% | 28,916 | 15% | 69,199 | 15% | 68,141 | 15% |
| **To Government:** as Group taxes | 55,242 | 18% | 28,727 | 15% | 84,130 | 18% | 67,693 | 15% |
| **Retained for the Group's future:** for asset replacement, depreciation, depletion & amortisation | 100,903 | 33% | 56,345 | 29% | 153,668 | 33% | 132,776 | 29% |
| Deferred tax (charges)/credit | (11,032) | (4%) | 13,570 | 7% | (16,801) | (4%) | 31,977 | 7% |
| Profit for the year | 81,309 | 26% | 44,433 | 23% | 123,838 | 26% | 104,706 | 23% |
| **Valued added** | **310,066** | **100%** | **195,183** | **100%** | **472,217** | **100%** | **459,947** | **100%** |

The value added represents the additional wealth which the Group has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth to employees, providers of finance, shareholders, government and that retained for the creation of future wealth.

# Five-year financial summary

As at 31 December 2023

| | 2023 ₦ million | 2022 ₦ million | 2021 ₦ million | 2020 ₦ million | 2019 ₦ million |
|---|---|---|---|---|---|
| Revenue from contracts with customers | 696,867 | 403,913 | 293,631 | 190,922 | 214,157 |
| Profit/(loss) before tax | 125,540 | 86,730 | 71,028 | (28,872) | 93,955 |
| Income tax expense | (44,210) | (42,297) | (24,097) | (1,840) | (8,939) |
| **Profit/(loss) for the year** | **81,330** | **44,433** | **46,931** | **(30,712)** | **85,016** |

| | 2023 ₦ million | 2022 ₦ million | 2021 ₦ million | 2020 ₦ million | 2019 ₦ million |
|---|---|---|---|---|---|
| **Capital employed:** | | | | | |
| Issued share capital | 297 | 297 | 296 | 293 | 289 |
| Share premium | 90,138 | 91,317 | 90,383 | 86,917 | 84,045 |
| Share based payment reserve | 12,255 | 5,936 | 4,914 | 7,174 | 8,194 |
| Treasury shares | (1,612) | (2,025) | (2,025) | – | – |
| Capital contribution | 5,932 | 5,932 | 5,932 | 5,932 | 5,932 |
| Retained earnings | 230,708 | 241,386 | 239,429 | 211,790 | 259,690 |
| Foreign currency translation reserve | 1,251,127 | 447,014 | 385,348 | 331,289 | 202,910 |
| Non-controlling interest | 23,790 | (2,963) | (20,913) | (11,058) | (7,252) |
| **Total equity** | **1,612,635** | **786,894** | **703,364** | **632,337** | **553,808** |
| **Represented by:** | | | | | |
| Non current assets | 2,191,549 | 1,095,237 | 1,324,724 | 1,083,683 | 717,664 |
| Current assets | 861,905 | 394,743 | 278,812 | 227,154 | 286,569 |
| Non current liabilities | (807,114) | (435,729) | (702,070) | (499,349) | (258,903) |
| Current liabilities | (633,705) | (267,357) | (198,102) | (179,151) | (191,522) |
| **Net assets** | **1,612,635** | **786,894** | **703,364** | **632,337** | **553,808** |

| | 2023 $'000 | 2022 $'000 | 2021 $'000 | 2020 $'000 | 2019 $'000 |
|---|---|---|---|---|---|
| Revenue from contracts with customers | 1,061,271 | 951,795 | 733,188 | 530,467 | 697,777 |
| Profit/(loss) before tax | 191,199 | 204,376 | 177,345 | (80,209) | 306,133 |
| Income tax (expense)/credit | (67,329) | (99,670) | (60,169) | (5,113) | (29,125) |
| **Profit/(loss) for the year** | **123,870** | **104,706** | **117,176** | **(85,322)** | **277,008** |

| | 2023 $'000 | 2022 $'000 | 2021 $'000 | 2020 $'000 | 2019 $'000 |
|---|---|---|---|---|---|
| **Capital employed:** | | | | | |
| Issued share capital | 1,864 | 1,864 | 1,862 | 1,855 | 1,845 |
| Share premium | 520,431 | 522,227 | 520,138 | 511,723 | 503,742 |
| Share based payment reserve | 34,515 | 24,893 | 22,190 | 27,592 | 30,426 |
| Treasury shares | (4,286) | (4,915) | (4,915) | – | – |
| Capital contribution | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| Retained earnings | 1,173,450 | 1,189,697 | 1,185,082 | 1,116,079 | 1,249,156 |
| Foreign currency translation reserve | 2,816 | 2,622 | 1,933 | 992 | 2,391 |
| Non-controlling interest | 24,237 | (16,505) | (58,804) | (34,196) | (23,621) |
| **Total equity** | **1,793,027** | **1,759,883** | **1,707,486** | **1,664,045** | **1,803,939** |
| **Represented by:** | | | | | |
| Non current assets | 2,436,701 | 2,449,482 | 3,215,899 | 2,851,803 | 2,337,670 |
| Current assets | 958,318 | 882,842 | 676,835 | 597,770 | 933,440 |
| Non current liabilities | (897,398) | (974,503) | (1,704,343) | (1,314,076) | (843,322) |
| Current liabilities | (704,594) | (597,938) | (480,905) | (471,452) | (623,849) |
| **Net assets** | **1,793,027** | **1,759,883** | **1,707,486** | **1,664,045** | **1,803,939** |

### i. Estimated quantities of proved plus probable reserves

| | Oil & NGLs MMbbls | Natural Gas Bscf | Oil Equivalent MMboe |
|---|---|---|---|
| At 31 December 2022 | 206.4 | 1,343.3 | 438.07 |
| Revisions of previous estimates | 26 | 144 | 50.8 |
| Discoveries and extensions | 0.0 | 0.0 | 0.0 |
| Acquisitions | 3.5 | 16.9 | 6.4 |
| Production | (10.3) | (41.6) | (17.4) |
| **At 31 December 2023** | **225.7** | **1,462.5** | **477.8** |

Reserves are those quantities of crude oil, natural gas and natural gas liquid that, upon analysis of geological and engineering data, appear with reasonable certainty to be recoverable in the future from known reservoirs under existing economic and operating conditions.

Elcrest holds a 45% participating interest in OML 40. Eland holds a 45% interest in Elcrest although has control until such point as Westport loan is fully repaid.

As additional information becomes available or conditions change, estimates are revised.

### ii. Capitalised costs related to oil producing activities

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Capitalised costs: | | | | |
| Proved properties | 2,545,856 | 1,199,570 | 2,830,640 | 2,682,821 |
| Total capitalised costs | 2,545,856 | 1,199,570 | 2,830,640 | 2,682,821 |
| Accumulated depreciation | (1,100,334) | (458,231) | (1,201,370) | (1,024,828) |
| **Net capitalised costs** | **1,465,354** | **741,339** | **1,629,271** | **1,657,993** |

Capitalised costs include the cost of equipment and facilities for oil producing activities. Unproved properties include capitalised costs for oil leaseholds under exploration, and uncompleted exploratory well costs, including exploratory wells under evaluation. Proved properties include capitalised costs for oil leaseholds holding proved reserves, development wells and related equipment and facilities (including uncompleted development well costs) and support equipment.

### iii. Concessions

The original, expired and unexpired terms of concessions granted to the Group as at 31 December 2023 are:

| | | Original | Term in years expired | Unexpired |
|---|---|---|---|---|
| Seplat West Limited | OML 4, 38 & 41 | 38 | 23 | 15 |
| Newton | OML 56 | 16 | 13 | 3 |
| Seplat East Onshore | OML 53 | 30 | 25 | 5 |
| Seplat East Swamp | OML 55 | 30 | 25 | 5 |
| Elcrest | OML 40 | 18.8 | 4 | 14.8 |

### iv. Results of operations for oil producing activities

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Revenue from contracts with customers | 615,866 | 356,192 | 937,913 | 839,344 |
| Other income – net | (80,065) | (15,302) | (121,930) | (36,054) |
| Production and administrative expenses | (295,818) | (221,571) | (447,946) | (522,123) |
| Impairment loss | (8,313) | (2,730) | (12,660) | (6,432) |
| Depreciation & amortisation | (112,819) | (54,610) | (171,814) | (128,684) |
| **Profit before taxation** | **118,851** | **61,979** | **183,563** | **146,051** |
| Taxation | (41,801) | (30,775) | (63,659) | (72,527) |
| **Profit for the year** | **77,050** | **31,204** | **119,904** | **73,524** |

# Separate Financial Statements

## Statement of profit or loss and other comprehensive income
For the year ended 31 December 2023

| | Notes | 31 Dec 2023 ₦ million | 31 Dec 2022 ₦ million | 31 Dec 2023 $'000 | 31 Dec 2022 $'000 |
|---|---|---|---|---|---|
| Other loss | 7 | (5,064) | (1,273) | (7,709) | (2,998) |
| General and administrative expenses | 8 | (39,498) | (18,606) | (60,152) | (43,853) |
| Impairment (charge)/reversal on financial assets | 9 | (3,602) | 360 | (5,485) | 878 |
| Operating loss | | (48,164) | (19,519) | (73,346) | (45,973) |
| Finance income | 10 | 5,350 | 412 | 8,147 | 971 |
| Loss before taxation | | (42,814) | (19,107) | (65,199) | (45,002) |
| Income tax expense | 11 | – | – | – | – |
| Loss for the year | | (42,814) | (19,107) | (65,199) | (45,002) |
| | | | | | |
| Items that may be reclassified to profit or loss: | | | | | |
| Foreign currency translation difference | | 695,770 | 58,412 | – | – |
| Other comprehensive income/(loss) for the year | | 695,770 | 58,412 | – | – |
| **Total comprehensive income/(loss) for the year** | | **652,956** | **39,305** | **(65,199)** | **(45,002)** |
| | | | | | |
| Basic loss per share ₦/ ($) | 23 | (72.76) | (32.47) | (0.11) | (0.08) |
| Diluted loss per share ₦/ ($) | 23 | (72.76) | (32.47) | (0.11) | (0.08) |

Notes 1 to 29 on pages 264 to 291 are an integral part of these financial statements.

# Separate Statement of financial position

For the year ended 31 December 2023

| | Notes | 31 Dec 2023 ₦ million | 31 Dec 2022 ₦ million | 31 Dec 2023 $'000 | 31 Dec 2022 $'000 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Property, plant and equipment | 13 | 980 | 680 | 1,089 | 1,519 |
| Investment in subsidiaries | 15 | 1,761,843 | 871,000 | 1,958,924 | 1,947,980 |
| Investment in Joint ventures | 16 | 188,887 | 93,904 | 210,016 | 210,016 |
| **Total non-current assets** | | **1,951,710** | **965,584** | **2,170,029** | **2,159,515** |
| **Current assets** | | | | | |
| Trade and other receivables | 17 | 1,512,473 | 722,340 | 1,681,660 | 1,615,501 |
| Prepayments | 14 | 362 | 97 | 402 | 218 |
| Cash and cash equivalents | 18 | 171,265 | 64,913 | 190,421 | 145,185 |
| Restricted cash | 18 | 8,572 | 4,321 | 9,531 | 9,664 |
| **Total current assets** | | **1,692,672** | **791,671** | **1,882,014** | **1,770,568** |
| **Total assets** | | **3,644,382** | **1,757,255** | **4,052,043** | **3,930,083** |
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity** | | | | | |
| Issued share capital | 19 | 297 | 297 | 1,864 | 1,864 |
| Share premium | 19 | 90,138 | 91,317 | 520,431 | 522,227 |
| Share based payment reserve | 19 | 12,425 | 6,108 | 34,515 | 24,893 |
| Treasury shares | 19 | (1,612) | (2,025) | (4,286) | (4,915) |
| Capital contribution | 20 | 5,932 | 5,932 | 40,000 | 40,000 |
| Retained earnings | | 68,439 | 176,136 | 873,820 | 1,037,830 |
| Foreign currency translation reserve | 21 | 1,143,200 | 447,429 | – | – |
| **Total shareholders' equity** | | **1,318,819** | **725,194** | **1,466,344** | **1,621,899** |
| **Current liabilities** | | | | | |
| Trade and other payables | 22 | 2,325,563 | 1,032,061 | 2,585,699 | 2,308,184 |
| **Total liabilities** | | **2,325,563** | **1,032,061** | **2,585,699** | **2,308,184** |
| **Total shareholders' equity and liabilities** | | **3,644,382** | **1,757,255** | **4,052,043** | **3,930,083** |

Notes 1 to 29 on pages 264 to 291 are an integral part of these financial statements.

The financial statements of Seplat Energy Plc for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Directors on 29 February 2024 and were signed on its behalf by:

**B. Omiyi**
FRC/2016/IODN/00000014093
Chairman
29 February 2024

**R.T. Brown**
FRC/2014/ANAN/00000017939
Chief Executive Officer
29 February 2024

**E. Onwuka**
FRC/2020/PRO/ICAN/006/00000020861
Chief Financial Officer
29 February 2024

# Statement of changes in equity
For the year ended 31 December 2023

| | Issued share capital ₦ million | Share premium ₦ million | Share-based payment reserve ₦ million | Treasury shares ₦ million | Capital contribution ₦ million | Retained earnings ₦ million | Foreign currency translation reserve ₦ million | Total Equity ₦ million |
|---|---|---|---|---|---|---|---|---|
| **At 1 January 2023** | 297 | 91,317 | 6,108 | (2,025) | 5,932 | 176,136 | 447,429 | 725,195 |
| Loss for the year | – | – | – | – | – | (42,814) | – | (42,814) |
| Other comprehensive income | – | – | – | – | – | – | 695,770 | 695,770 |
| Total comprehensive (loss)/income for the year | – | – | – | – | – | (42,814) | 695,770 | 652,956 |
| **Transactions with owners in their capacity as owners:** | | | | | | | | |
| Dividend paid | – | – | – | – | – | (64,883) | – | (64,883) |
| Share based payments (Note 19) | – | – | 530 | – | – | – | – | 530 |
| Additional investment in subsidiaries – Share-based payment (Note 19) | – | – | 7,186 | – | – | – | – | 7,186 |
| Vested shares (Note 19) | 3 | 1,395 | (1,398) | – | – | – | – | – |
| PAYE tax withheld on vested shares | – | (1,179) | – | – | – | – | – | (1,179) |
| Issued vested shares | (3) | (1,395) | – | 1,398 | – | – | – | – |
| Shares repurchased | – | – | – | (985) | | | | (985) |
| **Total** | **–** | **(1,179)** | **6,318** | **413** | **–** | **(64,883)** | **–** | **(59,331)** |
| **At 31 December 2023** | **297** | **90,138** | **12,426** | **(1,612)** | **5,932** | **68,439** | **1,143,199** | **1,318,819** |
| | | | | | | | | |
| **At 1 January 2022** | 296 | 90,383 | 4,914 | (2,025) | 5,932 | 220,215 | 389,017 | 708,732 |
| Loss for the year | – | – | – | – | – | (19,017) | – | (19,017) |
| Other comprehensive income | – | – | – | – | – | – | 58,412 | 58,412 |
| Total comprehensive (loss)/income for the year | – | – | – | – | – | (19,017) | 58,412 | 39,305 |
| Transactions with owners in their capacity as owners: | | | | | | | | |
| Dividend paid | – | – | – | – | – | (24,972) | – | (24,972) |
| Share based payments | | | | | | | | |
| (Note 19) | – | – | 263 | – | – | – | – | 263 |
| Additional investment in subsidiaries – Share-based payment (Note 19) | – | – | 3,384 | – | – | – | – | 3,384 |
| Vested shares (Note 19) | 2 | 2,450 | (2,452) | – | – | – | – | – |
| PAYE tax withheld on vested shares | (1) | (1,516) | – | – | – | – | – | (1,517) |
| **Total** | **1** | **934** | **1,195** | **–** | **–** | **(24,972)** | **–** | **(22,843)** |
| **Balance at 1 January 2022** | **297** | **91,317** | **6,109** | **(2,025)** | **5,932** | **176,136** | **447,429** | **725,194** |

Notes 1 to 29 on pages 264 to 291 are an integral part of these financial statements.

## Statement of changes in equity

For the year ended 31 December 2023 continued

| | Issued share capital $'000 | Share premium $'000 | Share-based payment reserve $'000 | Treasury shares $'000 | Capital contribution $'000 | Retained earnings $'000 | Total Equity $'000 |
|---|---|---|---|---|---|---|---|
| **At 1 January 2023** | 1,864 | 522,227 | 24,893 | (4,915) | 40,000 | 1,037,830 | 1,621,899 |
| Loss for the year | – | – | – | – | – | (65,199) | (65,199) |
| Other comprehensive income | – | – | – | – | – | – | – |
| Total comprehensive (loss)/income for the year | – | – | – | – | – | (65,199) | (65,199) |
| **Transactions with owners in their capacity as owners:** | | | | | | | |
| Dividend paid | – | – | | – | – | (98,811) | (98,811) |
| Share based payments (Note 19) | – | – | 807 | – | – | – | 807 |
| Additional investment in subsidiaries – Share-based payment (Note 19) | – | – | 10,944 | – | – | – | 10,944 |
| Vested shares (Note 19) | 5 | 2,124 | (2,129) | – | – | – | – |
| PAYE tax withheld on vested shares | – | (1,796) | – | – | – | – | (1,796) |
| Issued vested shares | (5) | (2,124) | – | 2,129 | – | – | – |
| Shares repurchased | – | – | – | (1,500) | – | – | (1,500) |
| **Total** | **–** | **(1,796)** | **9,622** | **629** | **–** | **(98,811)** | **(90,356)** |
| **At 31 December 2023** | **1,864** | **520,431** | **34,515** | **(4,286)** | **40,000** | **873,820** | **1,466,344** |
| | | | | | | | |
| **At 1 January 2022** | **1,862** | **520,138** | **22,190** | **(4,915)** | **40,000** | **1,141,676** | **1,720,951** |
| Loss for the year | – | – | – | – | – | (58,844) | (58,844) |
| Other comprehensive income | – | – | 619 | – | – | – | 619 |
| Total comprehensive (loss)/income for the year | – | – | 7,569 | – | – | – | 7,569 |
| Transactions with owners in their capacity as owners: | | | | – | – | – | – |
| Dividend paid | – | – | – | – | – | (58,844) | (58,844) |
| Share based payments (Note 19) | – | – | 619 | – | – | – | 619 |
| Additional investment in subsidiaries – Share based payment (Note 19) | – | – | 7,569 | – | – | – | 7,569 |
| Vested shares (Note 19) | 5 | 5,480 | (5,485) | – | – | – | – |
| PAYE tax withheld on vested shares | (3) | (3,391) | – | – | – | – | (3,394) |
| Total | 2 | 2,089 | 2,703 | – | – | (58,844) | (54,050) |
| **At 31 December 2022** | **1,864** | **522,227** | **24,893** | **(4,915)** | **40,000** | **1,037,830** | **1,621,899** |

Notes 1 to 29 on pages 264 to 291 are an integral part of these financial statements.

# Statement of cash flows
For the year ended 31 December 2023

| | Notes | 31 Dec 2023 ₦ million | 31 Dec 2022 ₦ million | 31 Dec 2023 $'000 | 31 Dec 2022 $'000 |
|---|---|---|---|---|---|
| **Cash flows from operating activities** | | | | | |
| Cash generated from operations | 12 | 96,532 | 70,073 | 147,014 | 164,935 |
| PAYE tax on vested shares paid | | (1,179) | (1,516) | (1,796) | (3,391) |
| **Net cash inflows from operating activities** | | **95,353** | **68,557** | **145,218** | **161,544** |
| **Cash flows from investing activities** | | | | | |
| Deposit for investment | 17 | – | (57,367) | – | (128,300) |
| Payment for acquisition of other property, plant and equipment | 13 | (10) | (475) | (15) | (1,122) |
| Interest received | 10 | 5,350 | 412 | 8,147 | 971 |
| Investment in Subsidiary | 15 | – | (3,222) | – | (7,592) |
| Restricted Cash | 18.2 | 87 | (694) | 133 | (1,636) |
| **Net cash inflow/(outflow) from investing activities** | | **5,427** | **(61,346)** | **8,265** | **(137,679)** |
| **Cash flows from financing activities** | | | | | |
| Shares purchased for employees* | 19 | (985) | – | (1,500) | – |
| Dividends paid | 24 | (64,883) | (24,972) | (98,811) | (58,844) |
| **Net cash outflows from financing activities** | | **(65,868)** | **(24,972)** | **(100,311)** | **(58,844)** |
| Net Increase / (decrease) in cash and cash equivalents | | 34,912 | (17,761) | 53,172 | (34,979) |
| Cash and cash equivalents at beginning of the year | | 64,913 | 77,728 | 145,185 | 183,162 |
| Effects of exchange rate changes on cash and cash equivalents | | 71,440 | 4,946 | (7,936) | (2,998) |
| **Cash and cash equivalents at end of the year** | | **171,265** | **64,913** | **190,421** | **145,185** |

* Included in restricted cash, is a balance of $8 million (N7.2 billion) set aside in the Stamping Reserve account for the revolving credit facility (RCF). The amount is to be used for the settlement of all fees and costs payable for the purposes of stamping and registering the Security Documents at the stamp duties office and at the Corporate Affairs Commission (CAC).

* Shares purchased for employees of $1.5 million, ₦0.99 billion (2022: nil) represent shares purchased in the open market for employees of the Company.

Notes 1 to 29 on pages 264 to 291 are an integral part of these financial statements.

## 1. Corporate information and business

Seplat Energy Plc (formerly called Seplat Petroleum Development Company Plc, hereafter referred to as 'Seplat' or the 'Company') was incorporated on 17 June 2009 as a private limited liability company and re-registered as a public company on 3 October 2014, under the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004. The Company commenced operations on 1 August 2010. The Company is principally engaged in oil and gas exploration.

The Company's registered and domiciled address is: 16a Temple Road (Olu Holloway), Ikoyi, Lagos, Nigeria.

The Company acquired, pursuant to an agreement for assignment dated 31 January 2010 between the Company, Shell Petroleum Development Company, TOTAL and AGIP, a 45% participating interest in the following producing assets:

OML 4, OML 38 and OML 41 located in Nigeria. The total purchase price for these assets was ₦104 billion ($340 million) paid at the completion of the acquisition on 31 July 2010 and a contingent payment of ₦10 billion ($33 million) payable 30 days after the second anniversary, 31 July 2012, if the average price per barrel of Brent Crude oil over the period from acquisition up to 31 July 2012 exceeds ₦24,560 ($80) per barrel. ₦110 billion ($358.6 million) was allocated to the producing assets including ₦5.7 billion ($18.6 million) as the fair value of the contingent consideration as calculated on acquisition date. The contingent consideration of ₦10 billion ($33 million) was paid on 22 October 2012.

On 1 January 2020, Seplat Energy Plc transferred its 45% participating interest in OML 4, OML 38 and OML 41 ("transferred assets") to Seplat West Limited. As a result, Seplat ceased to be a party to the Joint Operating Agreement in respect of the transferred assets and became a holding company. Seplat West Limited became a party to the Joint Operating Agreement in respect of the transferred assets and assumed its rights and obligations.

On 20 May 2021, following a special resolution by the Board in view of the Company's strategy of transitioning into an energy Company promoting renewable energy, sustainability, and new energy, the name of the Company was changed from Seplat Petroleum Development Company Plc to Seplat Energy Plc under the Companies and Allied Matters Act 2020.

## 2. Significant changes in the current accounting period

The following significant changes occurred during the reporting year ended 31 December 2023:

On 23 March 2023, Seplat Energy Plc announced the termination with immediate effect of the Consultancy Agreement between the Company's wholly owned subsidiary and its co-founder, Dr. A.B.C Orjiako, acting through Amaze Limited.

## 3. Summary of significant accounting policies

### 3.1 Introduction to summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These accounting policies have been applied to all the years presented, unless otherwise stated.

### 3.2 Basis of preparation

The financial statements for the year ended 31 December 2023 have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the IFRS Interpretations Committee (IFRS IC). The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). Additional information required by National regulations is included where appropriate.

The financial statements comprise the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes to the financial statements.

The financial statements have been prepared under the going concern assumption and historical cost convention, except for contingent liability and consideration, and defined benefit plans – plan assets measured at fair value. The financial statements are presented in Nigerian Naira and United States Dollars, and all values are rounded to the nearest million (₦'million) and thousand ($'000) respectively, except when otherwise indicated.

Nothing has come to the attention of the directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

### 3.3 New and amended standards adopted by the Company

The following standards and amendments became effective for annual periods beginning on or after 1 January 2023. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

#### a) IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The amendments had no impact on the Group's consolidated financial statements.

### Impact

For entities that will be adopting IFRS 9 together with IFRS 17, there will be profound changes in their IFRS financial statements. This will have a significant impact on data, systems and processes used to produce information for financial reporting purposes going forward. The new model is likely to have a significant impact on the profit and total equity of some insurance entities, resulting in increased volatility compared to previous models.

The amendments had no impact on the Group's consolidated financial statements for the period ended.

### b Definition of Accounting Estimates – Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

The amendments had no impact on the Group's consolidated financial statements for the period ended.

### c) Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

### Impact

The amendments may impact the accounting policy disclosures of entities. Determining whether accounting policies are material or not requires use of judgement. The amendment has been applied as required in the Group's consolidated financial statements for the period ended.

### d) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12 Income Taxes. The amendments narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments had no impact on the Group's consolidated financial statements.

### e) International Tax Reform-Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023. The amendments had no impact on the Group's consolidated financial statements.

## 3.4 Standards issued but not yet effective

### a) Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current.

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

### b) Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

## 3. Summary of significant accounting policies continued

### c) Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

### 3.5 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'), which is the US dollar. The financial statements are presented in Nigerian Naira and the US Dollars.

The Company has chosen to show both presentation currencies and this is allowable by the regulator.

#### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss or other comprehensive income depending on where fair value gain or loss is reported.

The results and financial position denominated in functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the reporting date.
- income and expenses for statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not – a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and all resulting exchange differences are recognised in other comprehensive income.

### 3.6 Joint arrangements

Under IFRS 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The company accounts for Interest in the joint venture at cost.

### 3.7 Investment in subsidiaries and joint venture

Investment in subsidiaries and joint venture are accounted for at cost in accordance with IAS 28.

### 3.8 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of any decommissioning obligation and, for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Expenditure on major maintenance refits or repairs comprises the cost of replacement assets or parts of assets, inspection costs and overhaul costs. Where an asset or part of an asset that was separately depreciated and is now written off is replaced and it is probable that future economic benefits associated with the item will flow to the entity, the expenditure is capitalised. Inspection costs associated with major maintenance programs are capitalised and amortised over the period to the next inspection. Overhaul costs for major maintenance programmes are capitalised as incurred as long as these costs increase the efficiency of the unit or extend the useful life of the asset. All other maintenance costs are expensed as incurred.

#### Depreciation

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Depreciation commences when an asset is available for use. The depreciation rate for each class is as follows:

| | |
|---|---|
| Plant and machinery | 20% |
| Motor vehicles | 25%-30% |
| Office furniture and IT equipment | 10%-33.33% |
| Building | 4% |
| Land | - |
| Intangible assets | 5% |
| Leasehold improvements | Over the unexpired portion of the lease |

The expected useful lives and residual values of property, plant and equipment are reviewed on an annual basis and, if necessary, changes in useful lives are accounted for prospectively.

Gains or losses on disposal of property, plant and equipment are determined as the difference between disposal proceeds and carrying amount of the disposed assets. These gains or losses are included in profit or loss.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

## 3.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. These costs may arise from; specific borrowings used for the purpose of financing the construction of a qualifying asset, and those that arise from general borrowings that would have been avoided if the expenditure on the qualifying asset had not been made. The general borrowing costs attributable to an asset's construction is calculated by reference to the weighted average cost of general borrowings that are outstanding during the period.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

## 3.10 Finance income and costs

### Finance income

Finance income is recognised in the statement of profit or loss as it accrues using the effective interest rate (EIR), which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the amortised cost of the financial instrument. The determination of finance income considers all contractual terms of the financial instrument as well as any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate (EIR), but not future credit losses.

### Finance cost

Finance costs includes borrowing costs, interest expense calculated using the effective interest rate method, finance charges in respect of lease liabilities, the unwinding of the effect of discounting provisions, and the amortisation of discounts and premiums on debt instruments that are liabilities.

## 3.11 Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently. Other non–financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. This should be at a level not higher than an operating segment.

If any such indication of impairment exists or when annual impairment testing for an asset group is required, the entity makes an estimate of its recoverable amount. Such indicators include changes in the Company's business plans, changes in commodity prices, evidence of physical damage and, for oil and gas properties, significant downward revisions of estimated recoverable volumes or increases in estimated future development expenditure.

The recoverable amount is the higher of an asset's fair value less costs of disposal ('FVLCD') and value in use ('VIU'). The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets, in which case, the asset is tested as part of a larger cash generating unit to which it belongs. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount.

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

In calculating VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset/CGU. In determining FVLCD, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

## 3.12 Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows comprise cash at banks and at hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

## 3.13 Financial instruments

IFRS 9 provides guidance on the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 Financial Instruments: Disclosures.

### a) Classification and measurement

**Financial assets**

It is the Company's policy to initially recognise financial assets at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss which are expensed in profit or loss.

Classification and subsequent measurement are dependent on the Company's business model for managing the asset and the cashflow characteristics of the asset. On this basis, the Company may classify its financial instruments at amortised cost, fair value through profit or loss and at fair value through other comprehensive income.

All the Company's financial assets as at 31 December 2023 satisfy the conditions for classification at amortised cost under IFRS 9 except for derivatives which are reclassified at fair value through profit or loss.

## 3. Summary of significant accounting policies continued

The Company's financial assets include intercompany receivables, other receivables, cash and cash equivalents. They are included in current assets, except for maturities greater than 12 months after the reporting date. Interest income from these assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in finance income/cost.

**Financial liabilities**
Financial liabilities of the Company are classified and measured at fair value on initial recognition and subsequently at amortised cost net of directly attributable transaction costs, except for derivatives which are classified and subsequently recognised at fair value through profit or loss.

Fair value gains or losses for financial liabilities designated at fair value through profit or loss are accounted for in profit or loss except for the amount of change that is attributable to changes in the Company's own credit risk which is presented in other comprehensive income. The remaining amount of change in the fair value of the liability is presented in profit or loss. The Company's financial liabilities include trade and other payables.

### b) Impairment of financial assets

Recognition of impairment provisions under IFRS 9 is based on the expected credit loss (ECL) model. The ECL model is applicable to financial assets classified at amortised cost and contract assets under IFRS 15: Revenue from Contracts with Customers. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date, about past events, current conditions and forecasts of future economic conditions.

The Company applies the simplified approach or the three-stage general approach to determine impairment of receivables depending on their respective nature.

The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables. This involves determining the expected loss rates using a provision matrix that is based on the Company's historical default rates observed over the expected life of the receivable and adjusted forward-looking estimates. This is then applied to the gross carrying amount of the receivable to arrive at the loss allowance for the period.

The three-stage approach assesses impairment based on changes in credit risk since initial recognition using the past due criterion and other qualitative indicators such as increase in political concerns or other macroeconomic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance. Financial assets classified as stage 1 have their ECL measured as a proportion of their lifetime ECL that results from possible default events that can occur within one year, while assets in stage 2 or 3 have their ECL measured on a lifetime basis.

Under the three-stage approach, the ECL is determined by projecting the probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each ageing bucket and for each individual exposure. The PD is based on default rates determined by external rating agencies for the counterparties. The LGD is determined based on management's estimate of expected cash recoveries after considering the historical pattern of the receivable, and it assesses the portion of the outstanding receivable that is deemed to be irrecoverable at the reporting period. The EAD is the total amount of outstanding receivable at the reporting period. These three components are multiplied together and adjusted for forward looking information, such as the gross domestic product (GDP) in Nigeria and crude oil prices, to arrive at an ECL which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the related financial assets and the amount of the loss is recognised in profit or loss.

### c) Significant increase in credit risk and default definition

The Company assesses the credit risk of its financial assets based on the information obtained during periodic review of publicly available information, industry trends and payment records. Based on the analysis of the information provided, the Company identifies the assets that require close monitoring.

Furthermore, financial assets that have been identified to be more than 30 days past due on contractual payments are assessed to have experienced significant increase in credit risk. These assets are grouped as part of Stage 2 financial assets where the three-stage approach is applied.

In line with the Company's credit risk management practices, a financial asset is defined to be in default when contractual payments have not been received at least 90 days after the contractual payment period. Subsequent to default, the Company carries out active recovery strategies to recover all outstanding payments due on receivables. Where the Company determines that there are no realistic prospects of recovery, the financial asset and any related loss allowance is written off either partially or in full.

### d) Write off policy

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include:

- ceasing enforcement activity and;
- where the Company's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

The Company may write-off financial assets that are still subject to enforcement activity. The outstanding contractual amounts of such assets written off during the year ended 31 December 2023 was nil, (2022: nil). The Company seeks to recover amounts it its legally owed in full but which have been partially written off due to no reasonable expectation of full recovery.

### e) Derecognition

**Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and the transfer qualifies for derecognition. Gains or losses on derecognition of financial assets are recognised as finance income/cost.

**Financial liabilities**

The Company derecognises a financial liability when it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised immediately in the statement of profit or loss.

### f) Modification

When the contractual cash flows of a financial instrument are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial instrument, the Company recalculates the gross carrying amount of the financial instrument and recognises a modification gain or loss immediately within finance income/(cost)-net at the date of the modification. The gross carrying amount of the financial instrument is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial instrument's original effective interest rate.

### g) Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when and only when there is legally enforceable right to offset the recognised amount, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The legally enforceable right is not contingent on future events and is enforceable in the normal course of business, and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### h) Fair value of financial instruments

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When available, the Company measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, the Company establishes fair value using valuation techniques. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, and discounted cash flow analysis. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Company, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments.

Inputs to valuation techniques reasonably represent market expectations and measure the risk-return factors inherent in the financial instrument. The Company calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price – i.e. the fair value of the consideration given or received. However, in some cases, the fair value of a financial instrument on initial recognition may be different to its transaction price. If such fair value is evidenced by comparison with other observable current market transactions in the same instrument (without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets, then the difference is recognised in the income statement on initial recognition of the instrument. In other cases, the difference is not recognised in the income statement immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.

## 3.14 Share capital

On issue of ordinary shares any consideration received net of any directly attributable transaction costs is included in equity. Issued share capital has been translated at the exchange rate prevailing at the date of the transaction and is not retranslated subsequent to initial recognition.

## 3.15 Earnings per share and dividends

### Basic EPS

Basic earnings per share is calculated on the Company's profit or loss after taxation and based on the weighted average of issued and fully paid ordinary shares at the end of the year.

### Diluted EPS

Diluted EPS is calculated by dividing the profit or loss after taxation by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares (after adjusting for outstanding share options arising from the share-based payment scheme) into ordinary shares.

### Dividend

Dividends on ordinary shares are recognised as a liability in the period in which they are approved.

## 3.16 Post-employment benefits

### Defined contribution scheme

The Company contributes to a defined contribution scheme for its employees in compliance with the provisions of the Pension Reform Act 2014. The scheme is fully funded and is managed by licensed Pension Fund Administrators. Membership of the scheme is automatic upon commencement of duties at the Company. The Company's contributions to the defined contribution scheme are charged to the profit and loss account in the year to which they relate.

## 3. Summary of significant accounting policies continued

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment. The Company operates a defined contribution plan, and it is accounted for based on IAS 19 Employee benefits.

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Under defined contribution plans the entity's legal or constructive obligation is limited to the amount that it agrees to contribute to the fund.

Thus, the amount of the post-employment benefits received by the employee is determined by the amount of contributions paid by an entity (and perhaps also the employee) to a post-employment benefit plan or to an insurance company, together with investment returns arising from the contributions. In consequence, actuarial risk (that benefits will be less than expected) and investment risk (that assets invested will be insufficient to meet expected benefits) fall, in substance, on the employee.

### 3.17 Provisions

Provisions are recognised when (i) the Company has a present legal or constructive obligation as a result of past events; (ii) it is probable that an outflow of economic resources will be required to settle the obligation as a whole; and (iii) the amount can be reliably estimated. Provisions are not recognised for future operating losses.

In measuring the provision:

- risks and uncertainties are taken into account;
- the provisions are discounted (where the effects of the time value of money is considered to be material) using a pre-tax rate that is reflective of current market assessments of the time value of money and the risk specific to the liability;
- when discounting is used, the increase of the provision over time is recognised as interest expense;
- future events such as changes in law and technology, are taken into account where there is subjective audit evidence that they will occur; and
- gains from expected disposal of assets are not taken into account, even if the expected disposal is closely linked to the event giving rise to the provision.
- Decommissioning

Liabilities for decommissioning costs are recognised as a result of the constructive obligation of past practice in the oil and gas industry, when it is probable that an outflow of economic resources will be required to settle the liability and a reliable estimate can be made. The estimated costs, based on current requirements, technology and price levels, prevailing at the reporting date, are computed based on the latest assumptions as to the scope and method of abandonment.

Provisions are measured at the present value of management's best estimates of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost. The corresponding amount is capitalised as part of the oil and gas properties and is amortised on a unit-of-production basis as part of the depreciation, depletion and amortisation charge. Any adjustment arising from the estimated cost of the restoration and abandonment cost is capitalised, while the charge arising from the accretion of the discount applied to the expected expenditure is treated as a component of finance costs.

If the change in estimate results in an increase in the decommissioning provision and, therefore, an addition to the carrying value of the asset, the Company considers whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment in accordance with IAS 36. If, for mature fields, the revised oil and gas assets net of decommissioning provisions exceed the recoverable value, that portion of the increase is charged directly to expense.

### 3.18 Income taxation

#### i. Current income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, based on amounts expected to be paid to the tax authorities.

#### ii. Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### iii. Uncertainty over income tax treatments

The Company examines where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. It considers each uncertain tax treatment separately, depending on which approach better predicts the resolution of the uncertainty. The factors it considers include:

- how it prepares and supports the tax treatment; and
- the approach that it expects the tax authority to take during an examination.

If the Company concludes that it is probable that the tax authority will accept an uncertain tax treatment that has been taken or is expected to be taken on a tax return, it determines the accounting for income taxes consistently with that tax treatment. If it concludes that it is not probable that the treatment will be accepted, it reflects the effect of the uncertainty in its income tax accounting in the period in which that determination is made (for example, by recognising an additional tax liability or applying a higher tax rate).

The Company measures the impact of the uncertainty using methods that best predicts the resolution of the uncertainty. The Company uses the most likely method where there are two possible outcomes, and the expected value method when there are a range of possible outcomes.

The Company assumes that the tax authority with the right to examine and challenge tax treatments will examine those treatments and have full knowledge of all related information. As a result, it does not consider detection risk in the recognition and measurement of uncertain tax treatments. The Company applies consistent judgements and estimates on current and deferred taxes. Changes in tax laws or the presence of new tax information by the tax authority is treated as a change in estimate in line with IAS 8 – Accounting policies, changes in accounting estimates and errors.

Judgements and estimates made to recognise and measure the effect of uncertain tax treatments are reassessed whenever circumstances change or when there is new information that affects those judgements. New information might include actions by the tax authority, evidence that the tax authority has taken a particular position in connection with a similar item, or the expiry of the tax authority's right to examine a particular tax treatment. The absence of any comment from the tax authority is unlikely to be, in isolation, a change in circumstances or new information that would lead to a change in estimate.

## 3.19 Share based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

### i. Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised in employee benefits expense together with a corresponding increase in equity (share-based payment reserve), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date and for fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss. The dilutive effect of outstanding awards is reflected as additional share dilution in the computation of diluted earnings per share.

## 4. Significant accounting judgements, estimates and assumptions

The preparation of the Company's historical financial information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### 4.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### i. Share-based payment reserve

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share award or appreciation right, volatility and dividend yield and making assumptions about them. The Company measures the fair value of equity-settled transactions with employees at the grant date. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 19.4.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Such estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### ii. Useful life of other property, plant and equipment

The Company recognises depreciation on other property, plant and equipment on a straight-line basis in order to write-off the cost of the asset over its expected useful life. The economic life of an asset is determined based on existing wear and tear, economic and technical ageing, legal and other limits on the use of the asset, and obsolescence. If some of these factors were to deteriorate materially, impairing the ability of the asset to generate future cash flow, the Company may accelerate depreciation charges to reflect the remaining useful life of the asset or record an impairment loss.

## 5. Financial risk management

### 5.1 Financial risk factors

The Company's activities expose it to a variety of financial risks such as market risk (foreign exchange risk), credit risk and liquidity risk. The Company's risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the treasury department under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, credit risk and investment of excess liquidity.

| Risk | Exposure arising from | Measurement | Management |
|---|---|---|---|
| Market risk – foreign exchange | Future commercial transactions<br>Recognised financial assets and liabilities not denominated in US dollars | Cash flow forecasting<br>Sensitivity analysis | Match and settle foreign denominated cash inflows with foreign denominated cash outflows. |
| Credit risk | Intercompany receivables, cash and cash equivalents. | Aging analysis<br>Credit ratings | Diversification of bank deposits and credit limits. |
| Liquidity risk | Trade and other payables | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities |

### 5.1.1 Foreign exchange risk

The Company has transactional currency exposures that arise from sales or purchases in currencies other than the respective functional currency. The Company is exposed to exchange rate risk to the extent that balances and transactions are denominated in a currency other than the US dollar.

The Company holds the majority of its bank balances equivalents in US dollar. However, the Company does maintain deposits in Naira in order to fund ongoing general and administrative activities and other expenditure incurred in this currency. Other monetary assets and liabilities which give rise to foreign exchange risk include trade and other receivables, trade and other payables.

The following table demonstrates the carrying value of monetary assets and liabilities (denominated in Naira) exposed to foreign exchange risks at the reporting date:

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Cash and cash equivalents | 153,478 | 48,121 | 170,646 | 107,622 |
| Trade and other receivables | 1,504 | 710 | 1,672 | 1,587 |
| | **154,982** | **48,831** | **172,318** | **109,209** |
| **Financial liabilities** | | | | |
| Trade and other payables | (599) | (12,066) | (666) | (26,986) |
| **Net exposure to foreign exchange risk** | **154,383** | **36,765** | **171,652** | **82,223** |

The following table demonstrates the carrying value of monetary assets and liabilities exposed to foreign exchange risks for pound exposures at the reporting date:

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Cash and cash equivalents | 1,175 | 628 | 1,306 | 1,404 |
| Trade and other receivables | – | 2,685 | – | 6,006 |
| | **1,175** | **3,313** | **1,306** | **7,410** |

Sensitivity to foreign exchange risk is based on the Company's net exposure to foreign exchange risk due to Naira and pound denominated balances. If the Naira strengthens or weakens by the following thresholds, the impact is as shown in the table below:

| Increase/decrease in foreign exchange risk | Effect on profit before tax 2023 ₦ million | Effect on other components of equity before tax 2023 ₦ million | Effect on profit before tax 2023 $'000 | Effect on other components of equity before tax 2022 $'000 |
|---|---|---|---|---|
| +10% | (14,035) | – | (15,605) | – |
| -10% | 17,154 | – | 19,072 | – |

| Increase/decrease in foreign exchange risk | Effect on profit before tax 2022 ₦ million | Effect on other components of equity before tax 2022 ₦ million | Effect on profit before tax 2022 $'000 | Effect on other components of equity before tax 2022 $'000 |
|---|---|---|---|---|
| +5% | (3,342) | – | (7,475) | – |
| -5% | 4,085 | – | 9,136 | – |

If the Pound strengthens or weakens by the following thresholds, the impact is as shown in the table below:

| Increase/decrease in foreign exchange risk | Effect on profit before tax 2023 ₦ million | Effect on other components of equity before tax 2023 ₦ million | Effect on profit before tax 2023 $'000 | Effect on other components of equity before tax 2022 $'000 |
|---|---|---|---|---|
| +10% | (107) | – | (119) | – |
| -10% | 131 | – | 145 | – |

| Increase/decrease in foreign exchange risk | Effect on profit before tax 2022 ₦ million | Effect on other components of equity before tax 2022 ₦ million | Effect on profit before tax 2022 $'000 | Effect on other components of equity before tax 2022 $'000 |
|---|---|---|---|---|
| +5% | (301) | – | (674) | – |
| -5% | 368 | – | 823 | – |

## 5. Financial risk management continued

### 5.1.2 Credit risk

Credit risk refers to the risk of a counterparty defaulting on its contractual obligations resulting in financial loss to the Company. Credit risk arises from cash and intercompany receivables.

#### a) Risk management

The credit risk on cash and cash equivalents is managed through the diversification of banks in which cash and cash equivalents are held. This risk on cash is limited because the majority of deposits are with banks that have an acceptable credit rating assigned by an international credit agency. The Company's maximum exposure to credit risk due to default of the counterparty is equal to the carrying value of its financial assets. The maximum exposure to credit risk as at the reporting date is:

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Trade and other receivables (Gross) | 1,512,862 | 722,339 | 1,682,096 | 1,615,501 |
| Cash and cash equivalent (Gross) | 179,218 | 69,312 | 199,265 | 155,016 |
| **Gross amount** | 1,692,080 | 791,651 | 1,881,361 | 1,770,517 |
| Impairment (charge)/reversal of receivables | (3,602) | 23 | (5,485) | 52 |
| **Net amount** | 1,688,478 | 791,674 | 1,875,876 | 1,770,569 |

For the year ended 31 December 2023

#### b) Impairment of financial assets

The Company has two types of financial assets that are subject to IFRS 9's expected credit loss model. The impairment of receivables is disclosed in the table below.

- Cash and cash equivalents
- Intercompany receivables

Reconciliation of impairment on financial assets;

| | Notes | ₦'million | $'000 |
|---|---|---|---|
| **As at 1 January 2023** | | 23 | 52 |
| Decrease in provision for Intercompany receivables | 17.2 | 3,602 | 5,485 |
| Exchange difference | | 13 | – |
| Impairment charge to the profit or loss | | 3,615 | 5,485 |
| **As at 31 December 2023** | | 3,638 | 5,537 |

| | Notes | ₦'million | $'000 |
|---|---|---|---|
| **As at 1 January 2022** | | 383 | 930 |
| Decrease in provision for Intercompany receivables | 17.2 | (395) | (930) |
| Increase in provision for ANOH receivables | 17.4 | 22 | 52 |
| Exchange difference | | 13 | – |
| Impairment charge to the profit or loss | | (360) | (878) |
| **As at 31 December 2022** | | 23 | 52 |

The parameters used to determine impairment for intercompany receivables are shown below. For all receivables presented in the table, the respective 12-month Probability of Default (PD) equate the Lifetime PD for stage 2 as the maximum contractual period over which the Company is exposed to credit risk arising from the receivables is less than 12 months.

| | Intercompany receivables | Short-term fixed deposits |
|---|---|---|
| Probability of Default (PD) | The 12-month sovereign cumulative PD for base case, downturn and upturn respectively is 5.1%, 5.59%, and 4.76%, for stage 1 and stage 2. The PD for stage 3 is 100%. | The PD for base case, downturn and upturn 5.1%, 5.59%, and 4.76% respectively for stage 1 and stage 2. The PD for stage 3 is 100%. |
| Loss Given Default (LGD) | The 12-month LGD and lifetime LGD were determined using Moody's recovery rate and mapped based on the priority rating of the receivable, for emerging economies. | The 12-month LGD and lifetime LGD were determined using the average recovery rate for Moody's senior unsecured corporate bonds for emerging economies. |
| Exposure at default (EAD) | The EAD is the maximum exposure of the receivable to credit risk. | The EAD is the maximum exposure of the short-term fixed deposits to credit risk. |
| Macroeconomic indicators | The historical inflation and Brent oil price were used. | The historical gross domestic product (GDP) growth rate in Nigeria and crude oil price were used. |
| Probability weightings | 23%, 38%, and 39%, was used as the weights for the base, upturn and downturn ECL modelling scenarios respectively. | 23%, 38% and 39% of historical GDP growth rate observations fall within acceptable bounds, periods of boom and periods of downturn respectively. |

The Company considers both quantitative and qualitative indicators in classifying its receivables into the relevant stages for impairment calculation.

Impairment of financial assets are recognised in three stages on an individual or collective basis as shown below:

- Stage 1: This stage includes financial assets that are less than 30 days past due (Performing).
- Stage 2: This stage includes financial assets that have been assessed to have experienced a significant increase in credit risk using the days past due criteria (i.e. the outstanding receivables amounts are more than 30 days past due but less than 90 days past due) and other qualitative indicators such as the increase in political risk concerns or other micro-economic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance.
- Stage 3: This stage includes financial assets that have been assessed as being in default (i.e. receivables that are more than 90 days past due) or that have a clear indication that the imposition of financial or legal penalties and/or sanctions will make the full recovery of indebtedness highly improbable.

**i. Cash and cash equivalent**

**Short term fixed deposits**

The Company applies the IFRS 9 general model for measuring expected credit losses (ECL) which uses a three-stage approach in recognising the expected loss allowance for cash and cash equivalents. The ECL was calculated as the probability weighted estimate of the credit losses expected to occur over the contractual period of the facility after considering macroeconomic indicators. Based on this assessment, they identified the expected credit loss to be nil as at 31 December 2023.

**ii. Other cash and cash equivalents**

The company assessed the other cash and cash equivalents to determine their expected credit losses. Based on this assessment, they identified the expected credit loss to be nil as at 31 December 2023 (2022: nil). The assets are assessed to be in stage 1.

**Credit quality of cash and cash equivalents (including restricted cash)**

The credit quality of the Company's cash and cash equivalents is assessed based on external credit ratings (Fitch national long-term ratings) as shown below:

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Non-rated | 127,367 | – | 141,614 | – |
| BBB- | 35,780 | 13,543 | 39,782 | 30,289 |
| A | 16,097 | 233 | 17,898 | 522 |
| A+ | 128 | 40,554 | 142 | 90,704 |
| AA- | – | 11,787 | – | 26,362 |
| AAA | 614 | 3,192 | 683 | 7,139 |
| **Net cash and cash equivalents** | **179,986** | **69,309** | **200,119** | **155,016** |
| Allowance for impairment during the year | (150) | (75) | (167) | (167) |
| **Net cash and cash equivalents** | **179,836** | **69,234** | **199,952** | **154,849** |

**iii. Intercompany receivables**

**31 December 2023**

| | Stage 1 12-month ECL ₦'million | Stage 2 Lifetime ECL ₦'million | Stage 3 Lifetime ECL ₦'million | Total ₦'million |
|---|---|---|---|---|
| Gross Exposure at Default (EAD) | 1,514,359 | – | – | 1,514,359 |
| Loss allowance | (4,933) | – | – | (4,933) |
| Net Exposure at Default (EAD) | 1,509,426 | – | – | 1,509,426 |

**31 December 2022**

| | Stage 1 12-month ECL ₦'million | Stage 2 Lifetime ECL ₦'million | Stage 3 Lifetime ECL ₦'million | Total ₦'million |
|---|---|---|---|---|
| Gross Exposure at Default (EAD) | 658,639 | – | – | 658,639 |
| Loss allowance | – | – | – | – |
| Net Exposure at Default (EAD) | 658,639 | – | – | 658,639 |

## 5. Financial risk management continued

**31 December 2023**

| | Stage 1 12-month ECL $'000 | Stage 2 Lifetime ECL $'000 | Stage 3 Lifetime ECL $'000 | Total $'000 |
|---|---|---|---|---|
| Gross Exposure at Default (EAD) | 1,683,756 | – | – | 1,683,756 |
| Loss allowance | (5,485) | – | – | (5,485) |
| Net Exposure at Default (EAD) | 1,678,271 | – | – | 1,678,271 |

**31 December 2022**

| | Stage 1 12-month ECL $'000 | Stage 2 Lifetime ECL $'000 | Stage 3 Lifetime ECL $'000 | Total $'000 |
|---|---|---|---|---|
| Gross Exposure at Default (EAD) | 1,473,033 | – | – | 1,473,033 |
| Loss allowance | – | – | – | – |
| Net Exposure at Default (EAD) | 1,473,033 | – | – | 1,473,033 |

### iv. Receivables from ANOH

**31 December 2023**

| | Stage 1 12-month ECL ₦'million | Stage 2 Lifetime ECL ₦'million | Stage 3 Lifetime ECL ₦'million | Total ₦'million |
|---|---|---|---|---|
| Gross Exposure at Default (EAD) | 830 | – | – | 830 |
| Loss allowance | (47) | – | – | (47) |
| Net Exposure at Default (EAD) | 783 | – | – | 783 |

**31 December 2023**

| | Stage 1 12-month ECL ₦'million | Stage 2 Lifetime ECL ₦'million | Stage 3 Lifetime ECL ₦'million | Total ₦'million |
|---|---|---|---|---|
| Gross Exposure at Default (EAD) | 975 | – | – | 975 |
| Loss allowance | (52) | – | – | (52) |
| Net Exposure at Default (EAD) | 923 | – | – | 923 |

**31 December 2022**

| | Stage 1 12-month ECL $'000 | Stage 2 Lifetime ECL $'000 | Stage 3 Lifetime ECL $'000 | Total $'000 |
|---|---|---|---|---|
| Gross Exposure at Default (EAD) | 894 | – | – | 894 |
| Loss allowance | (23) | – | – | (23) |
| Net Exposure at Default (EAD) | 871 | – | – | 871 |

**31 December 2022**

| | Stage 1 12-month ECL $'000 | Stage 2 Lifetime ECL $'000 | Stage 3 Lifetime ECL $'000 | Total $'000 |
|---|---|---|---|---|
| Gross Exposure at Default (EAD) | 1,999 | – | – | 1,999 |
| Loss allowance | (52) | – | – | (52) |
| Net Exposure at Default (EAD) | 1,947 | – | – | 1,947 |

### c) Maximum exposure to credit risk – financial instruments subject to impairment

The Company estimated the expected credit loss on Intercompany receivables and fixed deposits by applying the general model. The gross carrying amount of financial assets represents the Company's maximum exposure to credit risks on these assets.

All financial assets impaired using the General model (Intercompany and Fixed deposits) are graded under the standard monitoring credit grade (rated B under Standard and Poor's unmodified ratings) and are classified under Stage 1.

### d) Roll forward movement in loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments derecognised in the period;
- Discount unwind within ECL due to passage of time, as ECL is measured on a present value basis;
- Foreign exchange retranslation for assets dominated in foreign currencies and other movements; and Financial assets derecognised during the period and write-off of receivables and allowances related to assets.

### e) Estimation uncertainty in measuring impairment loss

The table overleaf shows information on the sensitivity of the carrying amounts of the Company's financial assets to the methods, assumptions and estimates used in calculating impairment losses on those financial assets at the end of the reporting period. These methods, assumptions and estimates have a significant risk of causing material adjustments to the carrying amounts of the Company's financial assets.

**i. Expected cashflow recoverable**

The table below demonstrates the sensitivity of the Company's profit before tax to a 20% change in the expected cashflows from financial assets, with all other variables held constant:

| Increase/decrease in estimated cash flows | Effect on profit before tax 2023 ₦ million | Effect on other components of equity before tax 2023 ₦ million | Effect on profit before tax 2023 $'000 | Effect on other components of equity before tax 2023 $'000 |
|---|---|---|---|---|
| +20% | (3,754) | – | (4,174) | – |
| -20% | 3,754 | – | 4,174 | – |

| Increase/decrease in estimated cash flows | Effect on profit before tax 2022 ₦ million | Effect on other components of equity before tax 2022 ₦ million | Effect on profit before tax 2022 $'000 | Effect on other components of equity before tax 2022 $'000 |
|---|---|---|---|---|
| +20% | 38 | – | 85 | – |
| -20% | (38) | – | (85) | – |

**ii. Significant unobservable inputs**

The table below demonstrates the sensitivity of the Company's profit before tax to movements in the probability of default (PD) and loss given default (LGD) for financial assets, with all other variables held constant:

| Increase/decrease in loss given default | Effect on profit before tax 2023 ₦ million | Effect on other components of equity before tax 2023 ₦ million | Effect on profit before tax 2023 $'000 | Effect on other components of equity before tax 2023 $'000 |
|---|---|---|---|---|
| +10% | (172) | – | (262) | – |
| -10% | 172 | – | 262 | – |

| Increase/decrease in loss given default | Effect on profit before tax 2022 ₦ million | Effect on other components of equity before tax 2022 ₦ million | Effect on profit before tax 2022 $'000 | Effect on other components of equity before tax 2022 $'000 |
|---|---|---|---|---|
| +10% | (56) | – | (132) | – |
| -10% | 56 | – | 132 | – |

The table below demonstrates the sensitivity of the Company's profit before tax to movements in the forward-looking macroeconomic indicators, with all other variables held constant:

| Increase/decrease in probability of default | Effect on profit before tax 2023 ₦ million | Effect on other components of equity before tax 2023 ₦ million | Effect on profit before tax 2023 $'000 | Effect on other components of equity before tax 2023 $'000 |
|---|---|---|---|---|
| +10% | (139) | – | (212) | – |
| -10% | 139 | – | 212 | – |

| Increase/decrease in probability of default | Effect on profit before tax 2022 ₦ million | Effect on other components of equity before tax 2022 ₦ million | Effect on profit before tax 2022 $'000 | Effect on other components of equity before tax 2022 $'000 |
|---|---|---|---|---|
| +10% | (35) | – | (82) | – |
| -10% | 35 | – | 82 | – |

The table below demonstrates the sensitivity of the Company's profit before tax to movements in the forward-looking macroeconomic indicators, with all other variables held constant:

| Increase/decrease in forward looking macroeconomic indicators | Effect on profit before tax 2023 ₦ million | Effect on other components of equity before tax 2023 ₦ million | Effect on profit before tax 2023 $'000 | Effect on other components of equity before tax 2023 $'000 |
|---|---|---|---|---|
| +10% | (149) | – | (227) | – |
| -10% | 149 | – | 227 | – |

## 5. Financial risk management continued

| Increase/decrease in forward looking macroeconomic indicators | Effect on profit before tax 2022 ₦ million | Effect on other components of equity before tax 2022 ₦ million | Effect on profit before tax 2022 $'000 | Effect on other components of equity before tax 2022 $'000 |
|---|---|---|---|---|
| +10% | (41) | – | (97) | – |
| -10% | 41 | – | 97 | – |

### 5.1.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by ensuring that enough funds are available to meet its commitments as they fall due.

The Company uses both long-term and short-term cash flow projections to monitor funding requirements for activities and to ensure there are enough cash resources to meet operational needs. Cash flow projections take into consideration the Company's debt financing plans and covenant compliance. Surplus cash held is transferred to the treasury department which invests in interest bearing current accounts and time deposits.

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed maturity periods. The table has been drawn based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the Company can be required to pay.

The table below represents the trade and other payable for 2023.

| | Effective interest rate % | Less than 1 year ₦ million | 1 – 2 year ₦ million | 2 – 3 years ₦ million | 3 – 5 years ₦ million | Total ₦ million |
|---|---|---|---|---|---|---|
| **31 December 2023** | | | | | | |
| Trade and other payables | | 2,325,563 | – | – | – | 2,325,563 |
| **Total** | | **2,325,563** | **–** | **–** | **–** | **2,325,563** |

| | Effective interest rate % | Less than 1 year $'000 | 1 – 2 year $'000 | 2 – 3 years $'000 | 3 – 5 years $'000 | Total $'000 |
|---|---|---|---|---|---|---|
| **31 December 2023** | | | | | | |
| Trade and other payables | | 2,585,699 | – | – | – | 2,585,699 |
| **Total** | | **2,585,699** | **–** | **–** | **–** | **2,585,699** |

### 5.1.4 Fair value measurements

Set out below is a comparison by category of carrying amounts and fair value of all financial instruments:

| | Carrying amount | | Fair value | |
|---|---|---|---|---|
| Name of entity | 2023 ₦ million | 2022 ₦ million | 2023 ₦ million | 2022 ₦ million |
| **Financial assets at amortised cost** | | | | |
| Trade and other receivables | 1,512,474 | 722,340 | 1,512,473 | 722,340 |
| Cash and cash equivalents | 171,265 | 64,913 | 171,265 | 64,913 |
| | **1,683,738** | **787,253** | **1,683,738** | **787,253** |
| **Financial liabilities at amortised cost** | | | | |
| Trade and other payables | 2,325,563 | 1,032,061 | 2,325,563 | 1,032,061 |
| | **2,3245,563** | **1,032,061** | **2,3245,563** | **1,032,061** |

| | Carrying amount | | Fair value | |
|---|---|---|---|---|
| Name of entity | 2023 $'000 | 2022 $'000 | 2023 $'000 | 2022 $'000 |
| **Financial assets at amortised cost** | | | | |
| Trade and other receivables | 1,681,660 | 1,615,501 | 1,681,660 | 1,615,501 |
| Cash and cash equivalents | 190,421 | 145,185 | 190,421 | 145,185 |
| | **1,872,081** | **1,760,686** | **1,872,081** | **1,760,686** |
| Financial liabilities at amortised cost | | | | |
| Trade and other payables | 2,585,699 | 2,308,184 | 2,585,699 | 2,308,184 |
| | **2,585,699** | **2,308,184** | **2,585,699** | **2,308,184** |

Trade and other payables (exclude non-financial liabilities such as provisions, taxes, pension and other non-contractual payables), trade and other receivables (excluding prepayments) and cash and cash equivalents are financial instruments whose carrying amounts as per the financial statements approximate their fair values. This is mainly due to their short-term nature.

#### 5.1.5 Fair Value Hierarchy

As at the reporting period, the Company had classified its financial instruments into the three levels prescribed under the accounting standards. These are all recurring fair value measurements. There were no transfers of financial instruments between fair value hierarchy levels during the year.

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair value of the financial instruments is included at the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying amounts of the financial instruments are the same as their fair values.

### 5.2 Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, to maintain optimal capital structure and reduce cost of capital. Consistent with others in the industry, the Company monitors capital based on the following gearing ratio, net debt divided by total capital. Net debt is calculated as trade and other payables less cash and cash equivalents.

| | 2023 ₦ million | 2022 ₦'million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Trade and other payables | 2,325,563 | 1,032,061 | 2,585,699 | 2,308,184 |
| Less: cash and cash equivalents | (171,265) | (64,913) | (190,421) | (145,185) |
| Net debt | 2,154,298 | 967,148 | 2,395,278 | 2,162,999 |
| Total equity | 1,318,819 | 725,194 | 1,466,344 | 1,621,899 |
| Total capital | 3,473,117 | 1,692,342 | 3,861,622 | 3,784,898 |
| **Net debt (net debt/total capital) ratio** | **62%** | **57%** | **62%** | **57%** |

Capital includes share capital, share premium, capital contribution and all other equity reserves.

## 6. Segment reporting

The Company have no operating or reportable segment.

## 7. Other loss

| | 2023 ₦ million | 2022 ₦'million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Unrealised foreign exchange loss | (5,064) | (1,273) | (7,709) | (2,998) |
| | **(5,064)** | **(1,273)** | **(7,709)** | **(2,998)** |

## 8. General and administrative expenses

| | 2023 ₦ million | 2022 ₦'million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Depreciation (Note 13) | 291 | 112 | 444 | 266 |
| Professional and consulting fees | 26,537 | 11,558 | 40,414 | 27,236 |
| Auditor's remuneration | 7 | – | 11 | – |
| Directors' emoluments (executive) | 175 | – | 267 | – |
| Directors' emoluments (non-executive) | 2,493 | 2,054 | 3,797 | 4,842 |
| Employee benefits (Note 8.1) | 1,650 | 821 | 2,511 | 1,934 |
| Flights and other travel costs | 2,325 | 1,015 | 3,540 | 2,392 |
| Other general expenses | 6,020 | 3,046 | 9,168 | 7,183 |
| | **39,498** | **18,606** | **60,152** | **43,853** |

Seplat Energy Plc Executive Directors' emoluments are borne by the other subsidiaries. Other general expenses relate to costs such as office maintenance costs, telecommunication costs, logistics costs and others. Professional and consulting fees increase is as a result of strategy related consultancy services and legal fees.

### 8.1 Salaries and employee related costs include the following:

| | 2023 ₦ million | 2022 ₦'million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Basic salary | 972 | 377 | 1,481 | 889 |
| Other allowances | 148 | 181 | 223 | 426 |
| Share-based payment expenses (Note 21.4) | 530 | 263 | 807 | 619 |
| | **1,650** | **821** | **2,511** | **1,934** |

## 9. Impairment reversal/(losses) on financial assets

| | 2023 ₦ million | 2022 ₦'million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Impairment loss(reversal) on financial assets – net (Note 9.1) | 3,602 | (360) | 5,485 | (878) |
| **Total impairment loss allowance** | **3,602** | **(360)** | **5,485** | **(878)** |

### 9.1 Impairment reversal/(losses) on financial assets – net

| | 2023 ₦ million | 2022 ₦'million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| **Impairment reversal/(losses) on:** | | | | |
| Receivables from ANOH | – | 22 | – | 52 |
| Intercompany receivables | 3,602 | (395) | 5,485 | (930) |
| Exchange differences | – | 13 | – | – |
| | **3,602** | **(360)** | **5,485** | **(878)** |

## 10. Finance income

| | 2023 ₦ million | 2022 ₦'million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Interest income | 5,350 | 412 | 8,147 | 971 |
| **Finance income** | **5,350** | **412** | **8,147** | **971** |

Finance income represents interest on short-term fixed deposits.

## 11. Taxation

Deferred tax assets have not been recognised in respect of the following items because of the uncertainty around the availability of future taxable profits against which the Company can use the benefits therefrom.

| | 2023 ₦ million | 2022 ₦'million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Unutilised capital allowance | 1,052 | 523 | 1,170 | 1,170 |
| Unrealised foreign exchange | 2,892 | 1,438 | 3,216 | 3,215 |
| Unrecognised deferred tax asset | **3,944** | **1,961** | **4,385** | **4,385** |

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for the entity's jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge for the period is nil.

## 12. Computation of cash generated from operations

| | Notes | 2023 ₦ million | 2022 ₦'million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|---|
| Loss before tax | | (42,814) | (19,107) | (65,199) | (45,002) |
| **Adjusted for:** | | | | | |
| Depreciation on property, plant and equipment | 8 | 292 | 112 | 444 | 266 |
| Interest income | 10 | (5,350) | (412) | (8,147) | (971) |
| Impairment gain/(loss) on financial assets | 9 | 3,602 | (360) | 5,485 | (878) |
| Unrealised foreign exchange loss | 7 | (5,062) | 1,273 | (7,709) | 2,998 |
| Share based payment expenses | 8.1 | 530 | 263 | 807 | 619 |
| Changes in working capital: (excluding the effects of exchange differences) | | | | | |
| Trade and other receivables | | (47,044) | (93,234) | (71,644) | (219,700) |
| Prepayments | | (121) | (37) | (184) | (87) |
| Trade and other payables | | 192,499 | 181,575 | 293,160 | 427,690 |
| **Net cash from operating activities** | | **96,532** | **70,073** | **147,014** | **164,935** |

## 13. Property, plant and equipment

| Cost | Plant & machinery ₦ million | Motor vehicle ₦ million | Office Furniture & IT equipment ₦ million | Leasehold improvements ₦ million | Total ₦ million |
|---|---|---|---|---|---|
| **At 1 January 2023** | 18 | 601 | 83 | 196 | 898 |
| Additions | – | 7 | 3 | – | 10 |
| Reclassification | – | 145 | – | (145) | – |
| Exchange difference | 19 | 662 | 85 | 146 | 912 |
| **At 31 December 2023** | **37** | **1,415** | **171** | **197** | **1,820** |
| **Depreciation** | | | | | |
| **At 1 January 2023** | 9 | 194 | 14 | 1 | 218 |
| Charge for the year | 5 | 186 | 97 | 3 | 291 |
| Exchange difference | 11 | 268 | 49 | 3 | 331 |
| **At 31 December 2023** | **25** | **648** | **160** | **7** | **840** |
| **NBV** | | | | | |
| **At 31 December 2023** | **12** | **767** | **11** | **190** | **980** |
| **Cost** | | | | | |
| **At 1 January 2022** | 17 | 349 | – | – | 366 |
| Additions | – | 211 | 78 | 186 | 475 |
| Exchange difference | 1 | 41 | 5 | 10 | 57 |
| **At 31 December 2022** | **18** | **601** | **83** | **196** | **898** |
| **Depreciation** | | | | | |
| **At 1 January 2022** | 5 | 87 | – | – | 92 |
| Charge for the year | 3 | 95 | 13 | 1 | 112 |
| Exchange difference | 1 | 12 | 1 | – | 14 |
| **At 31 December 2022** | **9** | **194** | **14** | **1** | **218** |
| **NBV** | | | | | |
| **At 31 December 2022** | **9** | **407** | **69** | **195** | **680** |

| Cost | Plant & machinery $'000 | Motor vehicle $'000 | Office Furniture & IT equipment $'000 | Leasehold improvements $'000 | Total $'000 |
|---|---|---|---|---|---|
| **At 1 January 2023** | 41 | 1,342 | 185 | 439 | 2,007 |
| Additions | – | 10 | 5 | – | 15 |
| Reclassification | – | 221 | – | (221) | – |
| **At 31 December 2023** | **41** | **1,573** | **190** | **219** | **2,022** |
| **Depreciation** | | | | | |
| **At 1 January 2023** | 19 | 437 | 30 | 3 | 489 |
| Charge for the year | 8 | 283 | 147 | 5 | 444 |
| **At 31 December 2023** | **27** | **720** | **178** | **8** | **933** |
| **NBV** | | | | | |
| **At 31 December 2023** | **14** | **853** | **12** | **210** | **1,089** |
| Cost | | | | | |
| **At 1 January 2022** | 41 | 845 | – | – | 886 |
| Additions | – | 498 | 185 | 439 | 1,122 |
| **At 31 December 2022** | **41** | **1,343** | **185** | **439** | **2,008** |
| **Depreciation** | | | | | |
| **At 1 January 2022** | 11 | 212 | – | – | 223 |
| Charge for the year | 8 | 225 | 30 | 3 | 266 |
| **At 31 December 2022** | **19** | **437** | **30** | **3** | **489** |
| **NBV** | | | | | |
| **At 31 December 2022** | **22** | **906** | **155** | **436** | **1,519** |

## 14. Prepayments

| Current | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Short-term prepayments | 362 | 97 | 402 | 218 |
| | **362** | **97** | **402** | **218** |

### 14.1 Short term prepayments

Included in short term prepayment are prepaid service charge expenses for health insurance and motor insurance premium.

## 15. Investment in subsidiaries

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Newton Energy Limited | 855 | 425 | 950 | 950 |
| Seplat Energy UK Limited | 45 | 23 | 50 | 50 |
| Seplat East Onshore Limited | 1,446 | 470 | 1,608 | 1,052 |
| Seplat East Swamp Company Limited | 29 | 14 | 32 | 32 |
| Seplat Gas Company Limited | 29 | 14 | 32 | 32 |
| Eland Oil and Gas Limited | 438,619 | 218,058 | 487,683 | 487,683 |
| Seplat West Limited | 1,320,778 | 651,986 | 1,468,521 | 1,458,157 |
| Turnkey Drilling Limited | 21 | 10 | 23 | 23 |
| Seplat Energy Offshore Limited | 22 | – | 24 | – |
| | **1,761,843** | **871,000** | **1,958,923** | **1,947,980** |

### 15.1 Interest in subsidiaries

| | | As at 31 Dec 2023 | As at 31 Dec 2022 | As at 31 Dec 2023 | As at 31 Dec 2022 | As at 31 Dec 2023 | As at 31 Dec 2022 |
|---|---|---|---|---|---|---|---|
| | | Percentage of ownership interest | | Carrying amount | | | |
| Name of entity | Country of incorporation & place of business | % | % | ₦'million | ₦'million | $'000 | $'000 |
| Newton Energy Limited | Nigeria | 99.9 | 99.9 | 855 | 425 | 950 | 950 |
| Seplat Energy UK Limited | United Kingdom | 100 | 100 | 45 | 22 | 50 | 50 |
| Seplat East Onshore Limited | Nigeria | 99.9 | 99.9 | 1,446 | 470 | 1,608 | 1,052 |
| Seplat East Swamp Company Limited | Nigeria | 99.9 | 99.9 | 29 | 14 | 32 | 32 |
| Seplat Gas Company Limited | Nigeria | 99.9 | 99.9 | 29 | 14 | 32 | 32 |
| Eland Oil and Gas Limited | United Kingdom | 100 | 100 | 438,619 | 218,058 | 487,683 | 487,683 |
| Seplat West Limited | Nigeria | 99.9 | 99.9 | 1,320,778 | 651,986 | 1,468,521 | 1,458,157 |
| Turnkey Drilling Limited | Nigeria | 100 | 100 | 21 | 10 | 23 | 23 |
| Seplat Energy Offshore Limited | Nigeria | 100 | – | 22 | – | 24 | |

### 15.2 Reconciliation of investment in subsidiary

| | 2023 ₦ million | 2023 $'000 |
|---|---|---|
| **At 1 January 2023** | 871,000 | 1,947,980 |
| Additional investment in subsidiaries – East Onshore | 365 | 556 |
| Additional investment in subsidiary – Seplat West Limited | 6,805 | 10,364 |
| Additional investment in subsidiary Seplat Energy Offshore | 16 | 24 |
| Exchange difference | 883,656 | – |
| **At 31 December 2023** | **1,761,843** | **1,958,924** |

| | 2022 ₦ million | 2022 $'000 |
|---|---|---|
| **At 1 January 2022** | 798,795 | 1,940,388 |
| Additional investment in subsidiaries – Share-based payment | 3,385 | 7,569 |
| Additional investment in subsidiary (Turnkey) | 10 | 23 |
| Exchange difference | 68,810 | – |
| **At 31 December 2022** | **871,000** | **1,947,980** |

## 16. Investment in Joint ventures

| | 31 December 2023 ₦ million | 31 December 2022 ₦ million | 31 December 2023 $'000 | 31 December 2022 $'000 |
|---|---|---|---|---|
| Cost | 188,887 | 93,904 | 210,016 | 210,016 |

### 16.1 Reconciliation of investment in joint venture

| | 31 December 2023 ₦ million | 31 December 2022 ₦ million | 31 December 2023 $'000 | 31 December 2022 $'000 |
|---|---|---|---|---|
| **As 1 January** | 93,904 | 86,512 | 210,016 | 210,016 |
| Exchange difference | 94,983 | 7,392 | – | – |
| **At 31 December** | **188,887** | **93,904** | **210,016** | **210,016** |

| | | Percentage of ownership interest | | Carrying amount | | | |
|---|---|---|---|---|---|---|---|
| | | As at 31 Dec 2023 | As at 31 Dec 2022 | As at 31 Dec 2023 | As at 31 Dec 2022 | As at 31 Dec 2023 | As at 31 Dec 2022 |
| Name of entity | Country of incorporation and place of business | % | % | ₦'million | ₦'million | $'000 | $'000 |
| ANOH Gas Processing Company Limited | Nigeria | **50** | **50** | **185,136** | **93,904** | **210,016** | **210,016** |

## 17. Trade and other receivables

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Advances to suppliers | 423 | 4,995 | 470 | 11,172 |
| Advance for New Business* | – | 57,367 | – | 128,300 |
| Intercompany receivables | 1,509,426 | 658,639 | 1,678,271 | 1,473,033 |
| Receivables from Joint Venture (ANOH) | 783 | 871 | 871 | 1,947 |
| Other receivables** | 1,841 | 468 | 2,048 | 1,049 |
| | **1,512,473** | **722,340** | **1,681,660** | **1,615,501** |

* Advances for new business include deposits of nil (2022: $128.3 million, ₦57.2 billion) towards the acquisition of the entire share capital of Mobil Producing Nigeria Unlimited from Exxon Mobil Corporation, Delaware. During the reporting period, the advances for new business balance was reclassified from Seplat Plc to Seplat Onshore.

** Other receivables include Withholding tax receivable of $12 thousand, ₦11 million (2022: $526 thousand, ₦235 million).

### 17.1 Intercompany receivables breakdown

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Seplat West Limited | 1,265,018 | 593,318 | 1,406,524 | 1,326,948 |
| Newton Energy Limited | 15,483 | 12,354 | 17,215 | 27,629 |
| Seplat Petroleum Development Company UK | – | 2,685 | – | 6,006 |
| Seplat East Limited | 98,970 | 40,142 | 110,041 | 89,776 |
| AHOH Gas Limited | 16,982 | 8,493 | 18,882 | 18,994 |
| Elcrest E&P Nigeria Limited | 791 | 846 | 879 | 1,891 |
| Seplat Energy Offshore Limited | 115,392 | – | 128,300 | – |
| Seplat East Swamp Company Limited | 164 | 21 | 182 | 46 |
| Seplat Gas Limited | 4 | 3 | 5 | 6 |
| Seplat Energy | 9 | – | 10 | – |
| Eland Oil and Gas Limited | 1,546 | 777 | 1,718 | 1,738 |
| **Balance as at 31 December** | **1,514,359** | **658,639** | **1,683,756** | **1,473,033** |

### 17.2 Reconciliation of intercompany receivables

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Balance as at 1 January | 658,639 | 519,017 | 1,473,033 | 1,259,963 |
| Additions during the year | 370,781 | 95,270 | 412,256 | 213,070 |
| Exchange difference | 484,939 | 44,352 | (201,534) | – |
| **Gross carrying amount** | **1,514,359** | **658,639** | **1,683,756** | **1,473,033** |
| Less: impairment allowance | (4,933) | – | (5,485) | – |
| **Balance as at 31 December** | **1,509,426** | **658,639** | **1,678,271** | **1,473,033** |

## 17. Trade and other receivables continued

### 17.3 Reconciliation of impairment allowance on intercompany receivables

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Loss allowance as at 1 January | – | 383 | – | 930 |
| Increase(Decrease)/ in loss allowance during the period | 3,602 | (395) | 5,485 | (930) |
| Exchange difference | 1,331 | 12 | – | – |
| **Loss allowance as at 31 December** | **4,933** | **–** | **5,485** | **–** |

### 17.4 Reconciliation of receivables from joint venture (ANOH)

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Balance as at 1 January | 894 | 974 | 1,999 | 2,365 |
| Additions during the year | 1,108 | – | 1,232 | – |
| Receipts for the year | (1,255) | (164) | (1,396) | (366) |
| Exchange difference | 83 | 84 | (912) | – |
| **Gross carrying amount** | **830** | **894** | **923** | **1,999** |
| Less: impairment allowance | (47) | (23) | (52) | (52) |
| **Balance as at 31 December** | **783** | **871** | **871** | **1,947** |

### 17.5 Reconciliation of impairment allowance on receivables from joint venture (ANOH)

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Loss allowance as at 1 January | 23 | – | 52 | – |
| Increase in loss allowance during the period | – | 22 | – | 52 |
| Exchange difference | 24 | 1 | – | – |
| **Loss allowance as at 31 December** | **47** | **23** | **52** | **52** |

## 18. Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise of cash at bank, cash on hand and short-term deposits with a maturity of three months or less.

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Cash on hand | – | – | – | – |
| Short term fixed deposits | 90,457 | 22,637 | 100,575 | 50,628 |
| Cash at bank | 80,957 | 42,350 | 90,013 | 94,724 |
| **Gross cash and cash equivalent** | **171,414** | **64,987** | **190,588** | **145,352** |
| Loss allowance | (149) | (74) | (167) | (167) |
| **Net Cash and cash equivalents** | **171,265** | **64,913** | **190,421** | **145,185** |

### 18.1 Restricted cash

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Restricted cash | 8,572 | 4,321 | 9,531 | 9,664 |
| | **8,572** | **4,321** | **9,531** | **9,664** |

### 18.2 Movement in restricted cash

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| (Decrease)/Increase in restricted cash | (87) | 694 | (133) | 1,636 |
| | **(87)** | **694** | **(133)** | **1,636** |

Restricted cash includes a balance of $9.5 million (N8.5 billion) set aside in the Stamping Reserve account for the revolving credit facility (RCF). The amount is to be used for the settlement of all fees and costs payable for the purposes of stamping and registering the Security Documents at the stamp duties office and at the Corporate Affairs Commission (CAC).

These amounts are subject to legal restrictions and are therefore not available for general use by the Company.

## 19. Share capital

### 19.1 Authorised and issued share capital

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| **Authorised Ordinary Share capital** | | | | |
| 588,444,561 ordinary shares denominated in Naira of 50 kobo per share | 297 | 297 | 1,864 | 1,864 |
| **Issued and fully paid** | | | | |
| 588,444,561 (2022: 588,444,561) issued shares denominated in Naira of 50 kobo per share | 297 | 297 | 1,864 | 1,864 |

Fully paid ordinary shares carry one vote per share and the right to dividends. There were no restrictions on the Company's share capital.

### 19.2 Movement in share capital and other reserves

| | Number of shares | Issued share capital ₦'million | Share premium ₦'million | Share-based payment reserve ₦'million | Treasury shares ₦'million | Total ₦'million |
|---|---|---|---|---|---|---|
| Opening balance as at 1 January 2023 | 588,444,561 | 297 | 91,317 | 6,108 | (2,025) | 95,697 |
| Share based payments | – | – | – | 530 | – | 530 |
| Additional investment in subsidiary share based payment | – | – | – | 7,186 | – | 7,186 |
| Vested shares during the year | 4,709,289 | 3 | 1,395 | (1,398) | – | – |
| PAYE tax withheld on vested shares | – | – | (1,179) | – | – | (1,179) |
| Share re-purchased | (4,709,289) | (3) | (1,395) | – | (1,398) | – |
| Additions to treasury shares | – | – | – | – | (985) | (985) |
| **Closing balance as at 31 December 2023** | **588,444,561** | **297** | **90,138** | **12,425** | **(1,612)** | **101,249** |

| | Number of shares | Issued share capital $'000 | Share premium $'000 | Share-based payment reserve $'000 | Treasury shares $'000 | Total $'000 |
|---|---|---|---|---|---|---|
| Opening balance as at 1 January 2023 | 588,444,561 | 1,864 | 522,227 | 24,893 | (4,915) | 544,069 |
| Share based payments | – | – | – | 807 | – | 807 |
| Additional investment in subsidiary share based payment | – | – | – | 10,944 | – | 10,944 |
| Vested shares during the year | 4,709,289 | 5 | 2,124 | (2,129) | – | – |
| PAYE tax withheld on vested shares | – | – | (1,796) | – | – | (1,796) |
| Share re-purchased | (4,709,289) | (5) | (2,124) | – | 2,129 | – |
| Additions to treasury shares | – | – | – | – | (1,500) | (1,500) |
| **Closing balance as at 31 December 2023** | **588,444,561** | **1,864** | **520,431** | **34,515** | **(6,415)** | **552,524** |

Shares repurchased for employees during the year of $1.5 million, ₦1.3 billion (2022: nil) relates to share buy-back programme for Company's Long-Term Incentive Plan. The programme commenced from 1 March 2021 and are held by the Trustees under the Trust for the benefit of the Company's employee beneficiaries covered under the Trust.

### 19.3 Share Premium

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Share premium | 90,138 | 91,317 | 520,431 | 522,227 |

Section 120.2 of Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 requires that where a Company issues shares at premium (i.e., above the par value), the value of the premium should be transferred to share premium.

During the year, an additional 4,709,289 shares vested with a fair value of $2.13 million. The excess of $2.12 million above the nominal value of ordinary shares have been recognised in share premium.

### 19.4 Employee share-based payment scheme

As at 31 December 2023, the Company had 56,047,932 shares which are yet to fully vest. These shares have been assigned to certain employees and senior executives in line with its share-based incentive scheme. Included in the share-based incentive schemes is two additional schemes (2023 LTIP scheme and 2022 Deferred bonus scheme) awarded during the reporting period. During the reporting period, 12,312,845 shares had vested out of which 7,603,556 shares were forfeited in relation to participants who could not meet the vesting conditions during the period. The average forfeiture rate due to failure to meet non-market vesting condition is 13.21% while the average due to staff exit is 14.35%. The impact of applying the forfeiture rate of 27.56% on existing LTIP awards which are yet to vest will result in a reduction of share-based compensation expense for the year by $3,994,475. The number of shares that eventually vested during the year after the forfeiture and conditions above is 4,709,289 (Dec 2022: 4,719,809 shares were vested).

## 19. Share capital continued

### i. Description of the awards valued

The Company has made a number of share-based awards under incentive plans since its IPO in 2014: IPO-related grants to Executive and Non-Executive Directors, 2018/2020 deferred bonus awards and 2020 Long-term Incentive plan ('LTIP) awards. Shares under these incentive plans were awarded at the IPO in April 2014, 2015, 2016, 2017,2018 and 2020 conditional on the Nigerian Stock Exchange ('NSE') approving the share delivery mechanism proposed by the Company. A number of these awards have fully vested.

**Seplat Deferred Bonus Award**

25% of each Executive Director's 2022 bonus (paid in 2023) has been deferred into shares and would be released in 2024 subject to continued employment over the vesting period. 2021 deferred bonus was approved by the Board and vested in 2023. No performance criteria are attached to this award. As a result, the fair value of these awards is calculated using a Black Scholes model.

**Long Term Incentive Plan (LTIP) awards**

Under the LTIP Plan, shares are granted to management staff of the organisation at the end of every year. The shares were granted to the employees at no cost. The shares vest (after 3 years) based on the following conditions.

- 25% vesting for median relative TSR performance rising to 100% for upper quartile performance on a straight-line basis.
- Relative TSR vesting reduced by 75% if 60% and below of operational and technical bonus metrics are achieved, with 35% reduction if 70% of operational and technical bonus metrics are achieved and no reduction for 80% or above achievement.
- If the Company outperforms the median TSR performance level with the LTIP exploration and production comparator group.

The LTIP awards have been approved by the NSE.

### ii. Share based payment expenses

The expense recognised for employee services received during the year is shown in the following table:

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Expense arising from equity-settled share-based payment transactions | 530 | 263 | 807 | 619 |

The asset arising as a result of share-based payment expenses incurred on employees of subsidiaries during the year is shown in the following table:

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Additional investment in subsidiaries – Share-based payment (Note 15.2) | 7,186 | 3,385 | 10,944 | 7,569 |

There were no cancellations to the awards in 2023. The share awards granted to Executive Directors and confirmed employees are summarised below::

| Scheme | Deemed grant date | Start of service period | End of service period | Vesting status | Number of awards |
|---|---|---|---|---|---|
| 2021 Long term incentive Plan | 2-Nov-21 | 2-Nov-21 | 2-Nov-24 | Partially | 12,995,688 |
| 2021 Long term incentive Plan – Executives | 10-Mar-22 | 10-Mar-22 | 2-Nov-24 | Partially | 5,133,469 |
| 2022 Long term incentive Plan | 30-May-22 | 30-May-22 | 30-May-25 | Partially | 13,811,252 |
| 2022 Deferred Bonus | 16-May-23 | 16-May-23 | 31-Dec-24 | Partially | 318,490 |
| COO Sign on Bonus | 4-Aug-22 | 4-Aug-22 | 1-Jul-24 | Partially | 514,575 |
| 2023 Long term incentive Plan | 16-May-23 | 16-May-23 | 16-May-26 | Partially | 23,274,458 |
| | | | | | **56,047,932** |

### iii. Determination of Share awards outstanding

Share awards used in the calculation of diluted earnings per shares are based on the outstanding shares as at 31 December 2023.

| Share award scheme (all awards) | 2023 Number | 2023 WAEP ₦ | 2022 Number | 2022 WAEP ₦ |
|---|---|---|---|---|
| Outstanding at 1 January | 20,015,736 | 442 | 2,800,942 | 442 |
| Granted during the year | 17,831,904 | 827 | 25,036,212 | 442 |
| Exercise during the year | (4,709,289) | 840 | (4,719,809) | |
| Forfeited during the year | (7,603,556) | 568 | (3,101,609) | |
| **Outstanding at 31 December** | **25,534,795** | **669** | **20,015,736** | **442** |

| Share award scheme (all awards) | 2023 Number | 2023 WAEP $ | 2022 Number | 2022 WAEP $ |
|---|---|---|---|---|
| Outstanding at 1 January | 20,015,736 | 1.10 | 2,800,942 | 1.10 |
| Granted during the year | 17,831,904 | 1.28 | 25,036,212 | 1.10 |
| Exercised during the year | (4,709,289) | 1.30 | (4,719,809) | |
| Forfeited during the year | (7,603,556) | 0.88 | (3,101,609) | |
| **Outstanding at 31 December** | **25,534,795** | **1.14** | **20,015,736** | **1.1** |

The following table illustrates the number and weighted average exercise prices ('WAEP') of and movements in deferred bonus scheme and long-term incentive plan during the year for each available scheme.

| Deferred Bonus Scheme | 2023 Number | 2023 WAEP ₦ | 2022 Number | 2022 WAEP ₦ |
|---|---|---|---|---|
| Outstanding at 1 January | 306,996 | 541 | – | – |
| Granted during the year | 634,962 | 782 | 479,564 | 541 |
| Exercised during the year | (439,908) | 711 | (172,568) | |
| **Outstanding at 31 December** | **502,050** | **678** | **306,996** | **541** |

| Deferred Bonus Scheme | 2023 Number | 2023 WAEP $ | 2022 Number | 2022 WAEP $ |
|---|---|---|---|---|
| Outstanding at 1 January | 306,996 | 1.27 | – | – |
| Granted during the year | 634,962 | 1.21 | 479,564 | 1.27 |
| Exercised during the year | (439,908) | 1.1 | (172,568) | |
| **Outstanding at 31 December** | **502,050** | **1.19** | **306,996** | **1.27** |

The fair value of the modified options was determined using the same models and principles as described in the table below on the inputs to the models used for the scheme.

| Long term incentive Plan (LTIP) | 2023 Number | 2023 WAEP ₦ | 2022 Number | 2022 WAEP ₦ |
|---|---|---|---|---|
| Outstanding at 1 January | 19,708,740 | 492 | 2,800,942 | 492 |
| Granted during the year | 17,196,942 | 581 | 24,556,648 | – |
| Exercised during the year | (4,269,381) | 568 | (4,547,241) | – |
| Forfeited during the year | (7,603,556) | 568 | (3,101,740) | – |
| **Outstanding at 31 December** | **24,032,745** | **553** | **19,708,740** | **492** |

| Long term incentive Plan (LTIP) | 2023 Number | 2023 WAEP $ | 2022 Number | 2022 WAEP $ |
|---|---|---|---|---|
| Outstanding at 1 January | 19,708,740 | 1.10 | 2,800,942 | 1.10 |
| Granted during the year | 17,196,942 | 0.9 | 24,556,648 | – |
| Exercised during the year | (4,269,381) | 0.88 | (4,547,241) | – |
| Forfeited during the year | (7,603,556) | 0.88 | (3,101,740) | – |
| **Outstanding at 31 December** | **24,032,745** | **0.94** | **19,708,740** | **1.10** |

The shares are granted to the employees at no cost. The weighted average remaining contractual life for the share awards outstanding as at 31 December 2023 range from 0.8 to 2.4 years (2022: 0.8 to 2.3 years).

The weighted average fair value of awards granted during the year range from ₦332 to ₦1,286 (2022: ₦170 to ₦581), $0.37 to $1.43 (2022: $0.38 to $1.30).

The Long-term incentive plan is independently determined using the Monte Carlo valuation method which takes into account, the term of the award, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the award and the correlations and volatilities of peer group companies.

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

### iv. Inputs to the models

The following table lists the inputs to the models used for the share awards outstanding in the respective plans for the year ended 31 December 2022:

| Weighted average fair values at the measurement date | 2021 LTIP | 2021 LTIP-Execs | 2022 LTIP | 2023 LTIP |
|---|---|---|---|---|
| Dividend yield (%) | 0.00% | 0.00% | 0.00% | 0.00% |
| Expected volatility (%) | 51.68% | 59.29% | 59.86% | 42.08% |
| Risk-free interest rate (%) | 0.31% | 2.17% | 2.53% | 4.16% |
| Expected life of share options | 3.00 | 2.64% | 3.00 | 3.00 |
| Share price at grant date ($) | 0.66 | 1.12 | 1.18 | 1 |
| Share price at grant date (₦) | 264.32 | 415.84 | 415.07 | 460.7 |
| Model used | Monte Carlo | Monte Carlo | Monte Carlo | Monte Carlo |

## 19.5 Treasury shares

This relates to Share buy-back programme for Company's Long-Term Incentive Plan. The programme commenced from 1 March 2021 and are held by the Trustees under the Trust for the benefit of the Company's employee beneficiaries covered under the Trust.

## 20. Capital contribution

In accordance with the Shareholders' Agreement, the amount was used by the Company for working capital as was required at the commencement of operations.

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Capital contribution | 5,932 | 5,932 | 40,000 | 40,000 |

## 21. Foreign currency translation reserve

Cumulative exchange difference arising from translation of the Company's results and financial position into the presentation currency and from translation of foreign subsidiary is taken to foreign currency translation reserve through other comprehensive income.

## 22. Trade and other payables

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Trade payable | 1,064 | 13,103 | 1,183 | 29,304 |
| Accruals and other payables | 2,119 | 246 | 2,352 | 545 |
| Intercompany payable | 2,322,380 | 1,018,712 | 2,582,164 | 2,278,335 |
| | **2,325,563** | **1,032,061** | **2,585,699** | **2,308,184** |

### 22.1 Intercompany payables breakdown

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Seplat West Limited | 2,027,560 | 879,997 | 2,254,364 | 1,968,101 |
| Seplat Petroleum Development Company UK | 1,211 | 881 | 1,347 | 1,971 |
| Newton Energy Limited | 64,072 | 25,862 | 71,239 | 57,841 |
| Seplat East Onshore Limited | 172,272 | 84,689 | 191,543 | 189,406 |
| Seplat East Swamp Company Limited | 54,858 | 27,273 | 60,994 | 60,994 |
| Turnkey Drilling Services Limited | 10 | 10 | 11 | 23 |
| Seplat Energy Offshore Limited | 10 | – | 11 | – |
| Eland Oil and Gas Limited | 2,387 | – | 2,654 | – |
| | **2,322,380** | **1,018,712** | **2,582,164** | **2,278,335** |

## 23. Loss per share (LPS)

### Basic

Basic LPS is calculated on the Company's profit after taxation attributable to the company and based on weighted average number of issued and fully paid ordinary shares at the end of the year.

### Diluted

Diluted LPS is calculated by dividing the profit after taxation attributable to the company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares (arising from outstanding share awards in the share-based payment scheme) into ordinary shares..

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| Loss for the year | (42,814) | (19,107) | (65,199) | (45,002) |
| | Shares '000 | Shares '000 | Shares '000 | Shares '000 |
| Weighted average number of ordinary shares in issue | 588,446 | 588,446 | 588,446 | 588,446 |
| Outstanding share-based payment (shares) | 1 | 1 | 1 | 1 |
| Weighted average number of ordinary shares adjusted for the effect of dilution | 588,447 | 584,447 | 588,447 | 584,447 |
| | ₦ | ₦ | $ | $ |
| Basic loss per share | (72.76) | (32.47) | (0.11) | (0.08) |
| Diluted loss per share | (72.76) | (32.47) | (0.11) | (0.08) |

The shares were weighted for the proportion of the number of months they were in issue during the reporting period.

## 24. Dividends paid and proposed

As at 31 December 2023, the final proposed dividend for the Company is ₦26.45, $0.03, (2022: ₦11.18, $0.025) per share.

| | 2023 ₦ million | 2022 ₦ million | 2023 $'000 | 2022 $'000 |
|---|---|---|---|---|
| **Cash dividends on ordinary shares declared and paid:** | | | | |
| Dividend for 2023: ₦101.32 ($0.165) per share 588,444,561 shares in issue (2022: ₦42.60 ($0.10) per share 588,444,561 shares in issue) | 64,736 | 24,972 | 98,811 | 58,844 |
| **Proposed dividend on ordinary shares:** | | | | |
| Final proposed dividend for the year 2023: ₦26.45 ($0.03) (2022: ₦11.18 ($0.025)) per share | 15,562 | 6,553 | 17,653 | 14,655 |
| Special proposed dividend for the year 2023: ₦26.45 ($0.03) (2022: ₦22.36 ($0.05)) per share | 15,562 | 13,106 | 17,653 | 29,270 |

During the year, ₦6.8 billion, $14.7 million of dividend was paid at ₦11.55, $0.025 per share as final dividend for 2022, while ₦13.6 billion, $29.4 million of dividend was paid at ₦23.11, $0.05 per share as special dividend for 2022. As at 31 March 2023, ₦8.2 billion, $ 17.7 million was paid at ₦13.95, $0.03 per share for 2023 Q1; As at 30 June 2023, ₦ 13.4 billion, $ 17.7 million was paid at ₦22.80, $0.03 per share for 2023 Q2; As at 30 September 2023, ₦ 17.5 billion, $ 17.7 million was paid at ₦29.90, $0.03 per share for 2023 Q3. Final Naira dividend payments will be based on the Naira/Dollar rates on the date for determining the exchange rate. The payment is subject to shareholders' approval at the 2023 Annual General Meeting. The tax effect of dividend paid during the year was $9.2 million (₦6 billion).

## 25. Related party relationships and transactions

The Company is owned 6.43% either directly or by entities controlled by A.B.C Orjiako (SPDCL(BVI)) and members of his family and 12.19% either directly or by entities controlled by Austin Avuru (Professional Support Limited and Platform Petroleum Limited). The remaining shares in the parent Company are widely held.

The goods and services provided by the related parties are disclosed below. The outstanding balances payable to/receivable from related parties are unsecured and are payable/receivable in cash.

### 26.1 Shareholders of the parent company

**Shebah Petroleum Development Company Limited SPDCL ('BVI')::**

The Chairman of Seplat (ABC Orjiakor) is a director and shareholder of SPDCL (BVI). The company provided consulting services to Seplat. Services provided to the Company during the period amounted to nil (2022: $916.5 thousand, ₦409.8 million). Payables amounted to nil in the current period.

## 26. Information relating to employees

### 26.1 Number of directors

The number of Directors whose emoluments fell within the following ranges was:

| | 2023 number | 2022 number |
|---|---|---|
| ₦19,896,501 – ₦115,705,800 | – | – |
| ₦115,705,801 – ₦157,947,600 | – | – |
| Above ₦157,947,600 | 3 | 3 |
| | **3** | **3** |

| | 2023 number | 2022 number |
|---|---|---|
| $65,001 – $378,000 | – | – |
| $378,001 – $516,000 | – | – |
| Above $516,000 | 3 | 3 |
| | **3** | **3** |

## 26. Information relating to employees continued

### 26.2 Employees

The number of employees (other than the Directors) whose duties were wholly or mainly discharged within Nigeria, and who earned over ₦1,989,500 ($6,500), received remuneration (excluding pension contributions) in the following ranges:

| | 2023 number | 2022 number |
|---|---|---|
| ₦1,989,650 – ₦4,897,600 | – | 25 |
| ₦4,897,601– ₦9,795,200 | 1 | 101 |
| ₦9,795,201 – ₦14,692,800 | 8 | 153 |
| Above ₦14,692,800 | 423 | 252 |
| | **432** | **531** |

| | 2023 number | 2022 number |
|---|---|---|
| $6,500 – $16,000 | – | 25 |
| $16,001 – $32,000 | 1 | 101 |
| $32,001 – $48,000 | 8 | 153 |
| Above $48,000 | 423 | 252 |
| | **432** | **531** |

### 26.3 Number of persons employed during the year

The average number of persons (excluding Directors) in employment during the year was as follows:

| | 2023 number | 2022 number |
|---|---|---|
| Senior management | 27 | 35 |
| Managers | 116 | 155 |
| Senior staff | 261 | 297 |
| Junior staff | 28 | 44 |
| | **432** | **531** |

## 27. Commitments and contingencies

### 27.1 Contingent liabilities

The Company is involved in a number of legal suits as defendant. The estimated value of the contingent liabilities for the year ended 31 December 2023 is nil (2022: ₦5.5 billion, $1.22 million). The contingent liability for the year is determined based on possible occurrences, though unlikely to occur. No provision has been made for this potential liability in these financial statements. Management and the Company's solicitors are of the opinion that the Company will suffer no loss from these claims.

Management considers the merits for these cost items to remain rejected to be very high, but in recognition of possible range of outcomes has included them in the contingent liability.

## 28. Events after the reporting period

### Official foreign exchange volatility

Post reporting date, the Nigerian official foreign exchange market has become significantly volatile, with the continuous devaluation of the Naira against other currencies.

This depreciation would impact the Naira-denominated monetary assets and liabilities of the Company through revaluation of monetary items as well the Company's financial statements presented in Naira.

## 29. Exchange rates used in translating the accounts to Naira

The table below shows the exchange rates used in translating the accounts into Naira

| | Basis | 31 December 2023 N/$ | 31 December 2022 N/$ |
|---|---|---|---|
| Property, plant & equipment – opening balances | Historical rate | Historical | Historical |
| Property, plant & equipment – additions | Average rate | 656.63 | 424.37 |
| Property, plant & equipment – closing balances | Closing rate | 899.39 | 447.13 |
| Current assets | Closing rate | 899.39 | 447.13 |
| Current liabilities | Closing rate | 899.39 | 447.13 |
| Equity | Historical rate | Historical | Historical |
| Income and Expenses: | Overall Average rate | 656.63 | 424.37 |

## Statement of value added
For the year ended 31 December 2023

| | 2023 ₦ million | % | 2022 ₦ million | % | 2023 $'000 | % | 2022 $'000 | % |
|---|---|---|---|---|---|---|---|---|
| Other loss | (5,064) | | (1,273) | | (7,709) | | (2,998) | |
| Finance income | 5,350 | | 412 | | 8,147 | | 971 | |
| **Cost of goods and other services:** | | | | | | | | |
| Local | (22,330) | | (9,212) | | (34,978) | | (21,834) | |
| Foreign | (14,886) | | (6,141) | | (23,319) | | (14,556) | |
| **Value lost** | **(36,930)** | **100%** | **(16,214)** | **100%** | **(57,859)** | **100%** | **(38,417)** | **100%** |

**Applied as follows:**

| | 2023 ₦ million | % | 2022 ₦ million | % | 2023 $'000 | % | 2022 $'000 | % |
|---|---|---|---|---|---|---|---|---|
| To employees: – as salaries and labour related expenses | 1,650 | (4%) | 821 | (5%) | 2,511 | (4%) | 1,934 | (5%) |
| To government: – as company taxes | 3,944 | (11%) | 1,961 | (12%) | 4,385 | (8%) | 4,385 | (11%) |
| Retained for the Company's future:<br>– For asset replacement, depreciation, depletion & amortization | 291 | (1%) | 112 | (1%) | 444 | (1%) | 266 | (1%) |
| Loss for the year | (42,814) | 116% | (19,107) | 118% | (65,199) | 113% | (45,002) | 117% |
| **Value lost** | **(36,930)** | **100%** | **(16,214)** | **100%** | **(57,859)** | **100%** | **(38,417)** | **100%** |

The value lost represents the wealth utilized through the use of the Company's assets by its own and its employees' efforts. This statement shows the distribution of loss to employees, providers of finance, shareholders, government and that retained for the creation of future wealth.

# Supplementary financial information (unaudited)

As at 31 December 2023

| | 2023 ₦ million | 2022 ₦ million | Restated 2021 ₦ million | Restated 2020 ₦ million | 2019 ₦ million |
|---|---|---|---|---|---|
| Revenue from contracts with customers | – | – | – | – | 200,733 |
| (Loss)/profit before taxation | (42,814) | (19,107) | (6,473) | (7,160) | 79,613 |
| Income tax expense | – | – | – | – | (13,484) |
| **(Loss)/profit for the year** | **(42,814)** | **(19,107)** | **(6,473)** | **(7,160)** | **66,129** |

| | 2023 ₦ million | 2022 ₦ million | 2021 ₦ million | 2020 ₦ million | 2019 ₦ million |
|---|---|---|---|---|---|
| **Capital employed:** | | | | | |
| Issued share capital | 297 | 297 | 296 | 293 | 289 |
| Share premium | 90,138 | 91,317 | 90,383 | 86,917 | 84,045 |
| Share based payment reserve | 12,425 | 6,108 | 4,914 | 7,174 | 8,194 |
| Treasury shares | (1,612) | (2,025) | (2,025) | – | – |
| Capital contribution | 5,932 | 5,932 | 5,932 | 5,932 | 5,932 |
| Retained earnings | 68,439 | 176,136 | 220,215 | 255,859 | 282,228 |
| Foreign translation reserve | 1,143,200 | 447,429 | 388,690 | 393,687 | 196,535 |
| **Total equity** | **1,318,819** | **725,194** | **708,405** | **749,862** | **577,223** |
| **Represented by:** | | | | | |
| Non-current assets | 1,951,710 | 965,584 | 885,581 | 877,795 | 518,366 |
| Current assets | 1,692,672 | 791,671 | 598,851 | 73,124 | 539,423 |
| Non-current liabilities | – | – | – | – | (233,715) |
| Current liabilities | (2,325,563) | (1,032,061) | (776,027) | (201,057) | (246,851) |
| **Net assets** | **1,318,819** | **725,194** | **708,405** | **749,862** | **577,223** |

| | 2023 $'000 | 2022 $'000 | Restated 2021 $'000 | Restated 2020 $'000 | 2019 $'000 |
|---|---|---|---|---|---|
| Revenue from contracts with customers | – | – | – | – | 654,037 |
| (Loss)/profit before taxation | (65,199) | (45,002) | (16,151) | (19,897) | 259,411 |
| Income tax expense | – | – | – | – | (43,934) |
| **(Loss)/profit for the year** | **(65,199)** | **(45,002)** | **(16,151)** | **(19,897)** | **215,477** |

| | 2023 $'000 | 2022 $'000 | 2021 $'000 | 2020 $'000 | 2019 $'000 |
|---|---|---|---|---|---|
| **Capital employed:** | | | | | |
| Issued share capital | 1,864 | 1,864 | 1,862 | 1,855 | 1,845 |
| Share premium | 520,431 | 522,227 | 520,138 | 511,723 | 503,742 |
| Share based payment reserve | 34,515 | 24,893 | 22,190 | 27,592 | 30,426 |
| Treasury shares | (4,286) | (4,915) | (4,915) | | |
| Capital contribution | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| Retained earnings | 873,820 | 1,037,830 | 1,141,677 | 1,230,666 | 1,304,197 |
| **Total equity** | **1,466,344** | **1,621,899** | **1,720,952** | **1,811,836** | **1,880,210** |
| **Represented by:** | | | | | |
| Non-current assets | 2,170,029 | 2,159,515 | 2,151,068 | 2,148,506 | 1,688,491 |
| Current assets | 1,882,014 | 1,770,568 | 1,453,769 | 192,430 | 1,757,082 |
| Non-current liabilities | – | – | – | – | (761,285) |
| Current liabilities | (2,585,699) | (2,308,184) | (1,883,885) | (529,100) | (804,078) |
| **Net assets** | **1,466,344** | **1,621,899** | **1,720,952** | **1,811,836** | **1,880,210** |

# Additional Information

# Impact on the Accounting Policy Disclosures on the Adoption of ISSB Standards.

**1. Materiality and Definition of Boundaries for the Report**

a. Materiality

In the context of sustainability-related financial disclosures, information is material if omitting, misstating, or obscuring that information could reasonably be expected to influence decisions that primary users of general-purpose financial reports make on the basis of those reports, which include financial statements and sustainability-related financial disclosures and which provide information about entities within the Group.

To identify material information about a sustainability-related risk or opportunity, the Group applies, as the starting point, the requirements of the IFRS Sustainability Disclosure Standard that specifically applies to that sustainability-related risk or opportunity. In the absence of an IFRS Sustainability Disclosure Standard that specifically applies to a sustainability-related risk or opportunity, the Group applies the requirements of sources of guidance specified in paragraphs 57–58 of IFRS S1. Those sources specify information, including metrics, that may be relevant to a particular sustainability-related risk or opportunity, to a particular industry or in specified circumstances.

b. Definition of Boundaries for the Report

The sustainability-related financial disclosures as presented in this report, reflect the scope and boundaries for the same reporting entities as considered for the purpose of the Group's financial statements. The Group adopts the financial control approach for GHG related discourse.

**2. Going Concern**

In assessing the going concern basis for the preparation of the consolidated financial statements of the Group, the Directors consider the impact of climate change on the business model of the Group. This includes considerations for regulatory and global development around climate change and sustainability as they drive physical and transition risks amidst the energy transition plans of Seplat Energy.

**3. General Disclosures**

Climate-related considerations have been included in the accounting policies for the following general disclosures.

a. Forward looking information

b. Assumptions and estimates

c. Provisions

**4. Noncurrent assets.**

a. Useful life and Residual value – Climate-related matters may affect the value of an item of PP&E, its economic life and its residual value. Consequently, future developments such as the impact of climate change on technological, market, economic or legal environments are considered when assessing the residual values and useful economic lives of non-current assets especially those that are prone to exposures to physical and transition risks. Similarly, Climate consideration are made in decommissioning provisions of the Group.

**5. Impairments of assets and goodwill**

a. The Group considers its exposure to certain climate related physical and transition risks and opportunities which could affect its estimate of future cash flow projections applied for the determination of recoverable amount of its CGUs and impairment of assets.

**6. Financial Instruments**

a. In determining the values of financial asset, Directors consider if financial assets are positively or negatively affected by current and/or anticipated changes in the climate such as rising water levels, changing weather patterns, etc.

**7. Risk Management**

The Group is exposed to ESG and other emerging sustainability risks. The following items are examples of how these risks may impact the Group:

a. Increases in the frequency and severity of climatic events could impact customers' ability to pay amounts owed to the Group.

b. Action taken by governments, regulators such as the National Council on Climate Change (NCCC) and society more generally, to transition to a low-carbon economy, could impact the ability of our major customers and other customers to generate long-term returns in a sustainable way or lead to certain assets being stranded in the future.

c. Failure to comply with environmental and social legislation (emerging and current) may impact the ability of our major and other debtors to generate sustainable returns to make good, their indebtedness to the Group.

**8. Event after reporting date.**

a. In consideration for disclosures under Events after the Reporting Date, the Directors consider if there have been ESG or satiability specific regulatory or market developments that occur after the reporting date that represent adjusting events or non-adjusting events and reflect this consideration accordingly in line with IAS 10 – Events after the Reporting Date.

## Introduction

The following information is included to comply with the Disclosure and Transparency Rules of the Financial Conduct Authority in the United Kingdom and it is prepared in accordance with Directive 2013/34/EU (the EU Accounting Directive (2013)).

## BASIS FOR PREPARATION – REPORT ON PAYMENTS TO GOVERNMENTS FOR THE YEAR 2023

### Reporting entities

This Report includes payments to governments made by Seplat Energy Plc and its subsidiaries (Seplat). All payments to governments arise from operations within Nigeria.

### Activities

Payments made by Seplat to governments arising from activities involving the exploration, prospection, discovery, development and extraction of minerals, gas processing, oil and natural gas deposits or other materials (extractive activities) are disclosed in this Report. It excludes payments related to refining, natural gas liquefaction or gas-to-liquids activities. When payments cover both extractive and processing activities and cannot be split, the payments have been disclosed in full.

### Government

Government includes any national, regional or local authority of a country to which Seplat has made payment related to these regulations, and includes any department, agency or entity that is controlled by such authority.

### Project

Payments are reported at project level except for payments that are not attributable to a specific project, these are reported at entity level. A project is defined as operational activities which are governed by a single contract, license, lease, concession or similar legal agreement, and form the basis for payment to government. However, if multiple of agreements are substantially interconnected, this shall be considered as a project. Indicators of integration include, but are not limited to, geographic proximity, the use of shared infrastructure and common operational management.

### Payments

The information is reported under the following payment types.

**Production entitlements**

These represent the government's share of production in the reporting period arising from projects operated by Seplat. It comprises of crude oil and gas attributable to the Nigerian government by virtue of its participation as an equity holder in projects within its sovereign jurisdiction (Nigeria).

Production entitlements to the government are lifted independently by the relevant government agency.

**Royalties**

These are payments for the rights to extract oil and gas resources, typically at a set percentage of revenue less any deductions that may be taken.

**Licence fees, rental fees, entry fees and other considerations for licences and/or concessions**

These are fees and other sums paid as consideration for acquiring a license for gaining access to an area where extractive activities are performed. Administrative government fees that are not specifically related to the extractive sector, or to obtain access to extractive resources, are excluded. Also excluded are payments made in return for services provided by a government.

**Corporate taxes**

Corporate taxes are charges based on taxable profit which are payable to the government. Examples of corporate taxes in Nigeria include Petroleum Profit Tax (PPT), corporate income tax (CIT) and education tax.

Corporate income tax (CIT) is a tax imposed on profit of a company from all sources. Gas operations are liable to CIT.

Petroleum profit tax (PPT) is a tax applicable to upstream operations in the oil industry in lieu of corporate income tax. Oil operations such as oil mining, prospecting and exploration leases are liable to PPT.

Education tax is tax applicable to both oil and gas operations based on assessable profit. Assessable profit is the profit derived after deducting all the allowable expenses.

Other types of payments that are required to be disclosed in accordance with the Regulations are the following:

- Dividends
- Signature, discovery and production bonuses
- Infrastructure improvements

However, for the year ended 31 December 2023, there were no such reportable payments made by Seplat to government that were above the materiality threshold as determined below.

### Reporting currency

Table 1 provides information on payments made to government agencies denominated in the functional currency (USD), while Table 2 provides information on payments made to government agencies and additional disclosures required by NEITI, presented in the transaction currencies.

The information on payment to government agencies in both tables is equivalent except for the disclosure of oil and gas sales and production entitlement. The production entitlement presented in Table 1 relates to the entitlement of Seplat's government-owned Joint Venture partners, while the crude oil and gas sales values presented in Table 2 relate to Seplat's share of oil and gas production from its Joint Venture operations.

### Government and Expense Report (In USD)
Table 1

| Goverments | Production Entitlement | Royalties | Fees | Taxes | Total |
|---|---|---|---|---|---|
| Nigerian National Petroleum Corporation | 44,699,385 | – | – | – | 44,699,385 |
| NNPC Exploration and Production Limited | 1,097,880,753 | – | – | – | 1,097,880,753 |
| Nigerian Upstream Petroleum Regulatory Commission | – | 178,899,448 | 7,428,186 | – | 186,327,634 |
| Nigeria Export Supervision Scheme | – | – | 934,735 | – | 934,735 |
| Niger Delta Development Commission | – | – | 19,413,987 | – | 19,413,987 |
| Nigerian Content Development and Monitoring Board | – | – | 954,838 | – | 954,838 |
| Federal Inland Revenue Service | – | – | – | 62,020,769 | 62,020,769 |
| State Internal Revenue Service | – | – | – | 11,728,037 | 11,728,037 |
| **Total** | **1,142,580,138** | **178,899,448** | **28,731,746** | **73,748,806** | **1,423,960,138** |

### Project and Expense Report (In USD)

| Projects | Production Entitlement | Royalties | Fees | Taxes | Total |
|---|---|---|---|---|---|
| Gas revenue | 151,561,999 | – | – | 414,916 | 151,976,915 |
| OML 4, 38 and 41 | 564,818,132 | 103,115,279 | 22,975,523 | 54,960,925 | 745,869,859 |
| OML 40 | 381,500,622 | 56,451,563 | 136,232 | 167,726 | 438,256,142 |
| OML 53 | 44,699,385 | 17,448,362 | 5,619,992 | 14,914,605 | 82,682,344 |
| OML 56 | – | 1,884,244 | – | 3,290,634 | 5,174,879 |
| **Total** | **1,142,580,138** | **178,899,448** | **28,731,746** | **73,748,806** | **1,423,960,138** |

### Government Payment Report
Table 2

| S/N | Government Entity | Payment/ Revenue Type | Note Ref. | Company Record (Validated) USD | Company Record (Validated) NGN | Company Record (Validated) GBP |
|---|---|---|---|---|---|---|
| 1 | N/A | Crude Lifting & Fiscal Value | N7 | 937,912,878 | – | – |
| 2 | N/A | Gas Sales & Fiscal Value | N7 | 123,358,056 | – | – |
| 3 | DPR (NUPRC) | Royalty (Oil) | | 171,042,941 | – | – |
| 4 | DPR (NUPRC) | Royalty (Gas) | | – | 4,789,316,082 | – |
| 5 | DPR | Signature Bonus | | N/A | N/A | N/A |
| 6 | DPR | Gas Flare Penalty | | 6,650,554 | – | – |
| 7 | DPR | Concession Rental | | 641,400 | – | – |
| 8 | DPR | License Fees & Acreage Rental | | N/A | N/A | N/A |
| 9 | N/A | Crude Handling/Transportation Fees | | 50,892,633 | 9,253,376,016 | – |
| 10 | Tax Authority | Petroleum Profit Tax | | 42,781,490 | – | – |
| 11 | Tax Authority | Company Income Tax | | 9,582,843 | – | – |
| 12 | Tax Authority | Education Tax | | 9,656,436 | – | – |
| 13 | Tax Authority | Capital Gain Tax | | N/A | N/A | N/A |
| 14 | NDDC | Niger Delta Development Levy (3%) | | 8,152,058 | 5,978,624,100 | – |
| 15 | NCDMB | Nigerian Content Development & Monitoring Board (1%) | | 9,306 | 394,548,234 | 5,846 |
| 16 | Tax Authority | Value Added Tax | | 15,445,478 | 7,007,504,364 | – |
| 17 | Federal Ministry of Finance | Nigerian Export Supervision Scheme (NESS) Fees | | – | 549,597,669 | – |
| 18 | Tax Authority | Withholding Tax – FIRS | | 10,680,687 | 4,930,770,513 | – |
| 19 | Tax Authority | Withholding Tax – State | | 501,612 | – | – |
| 21 | Tax Authority | Pay as You Earn (PAYE) – State | | | 7,700,980,948 | |
| 22 | Ministry of Environment | Environmental Impact Assessment Payment | | – | 3,277,513 | – |
| 23 | Ministry of Environment | Environmental Monitoring & Evaluation Payment | | N/A | N/A | N/A |
| 24 | Ministry of Environment | Environmental Disaster Management Payment | | N/A | N/A | N/A |
| 25 | N/A | Social Expenditure | | 2,197,700 | – | – |
| 26 | N/A | Infrastructure Project Expenditures | | 179,002,000 | – | – |
| 27 | N/A | Investment Expenditures | | 4,931,000 | – | – |
| 28 | N/A | Cash Call | N23 | 150,680,000 | – | – |
| 29 | NNPC | Gas Income Shared With NNPC | | 151,561,999 | – | – |
| 30 | NNPC | Equity Oil | | 991,018,139 | – | – |
| **Total** | | | | **2,866,699,210** | **40,607,995,439** | **5,846** |

The above disclosures are in accordance with NEITI reporting requirements. N/A indicates payments not remitted directly to any Government body.

# Notice of 11th Annual General Meeting of Seplat Energy Plc

**NOTICE IS HEREBY GIVEN** that the 11th Annual General Meeting of Seplat Energy Plc (the "Company") will be held virtually on Thursday, 16 May 2024 at 11:00am to transact the following business:

Ordinary business:

1. To receive the Audited Financial Statements of the Company for the year ended 31 December 2023, together with the Reports of the Directors, Auditors and the Statutory Audit Committee thereon.
2. To declare a final dividend recommended by the Board of Directors of the Company in respect of the financial year ended 31 December 2023.
3. To re-appoint PriceWaterhouseCoopers ("PWC") as Auditors of the Company from the conclusion of this meeting until the conclusion of the next general meeting of the Company at which the Company's Annual Accounts are laid.
4. To authorise the Board of Directors of the Company to determine the Auditors' remuneration.
5. To elect/re-elect the following Directors[1] :
    a. To approve the appointment of the following Directors:
        i. Mr. Christopher Okeke as an Independent Non-Executive Director of the Company (please see note 8);
        ii. Mr. Udoma Udo Udoma as an Independent Non-Executive Director of the Company (please see note 8);
        iii. Mr. Babs Omotowa as an Independent Non-Executive Director of the Company; and
        iv. Mrs. Eleanor Adaralegbe as an Executive Director of the Company
    b. To re-elect the following Directors who are eligible for retirement by rotation:
        i. Dr. Emma FitzGerald (Independent Non-Executive Director); and
        ii. Mrs. Bashirat Odunewu (Independent Non-Executive Director).
6. To disclose the remuneration of managers of the Company[2].
7. To elect the shareholder representatives of the Statutory Audit Committee.

**Special Business:**

To consider and, if thought fit, to transact the following Special Business, which will be proposed and passed as an Ordinary Resolution:

8. To approve the Remuneration Section of the Directors' Remuneration Report set out in the Annual Report and Accounts for the year ended 31 December 2023 (including the forward-looking Remuneration Policy).[3]

That, the Board be and is hereby authorised to take all necessary steps to give effect to the above resolutions.

Electronic Copies of the Annual Report and Accounts for Seplat Energy Plc for the financial year ended 31 December 2023 will be emailed to the shareholders and available on the Company's website: www.seplatenergy.com. Printed versions can also be obtained by contacting DataMax Registrars in Nigeria at 2C Gbagada Expressway, by Beko Ransom Kuti Park, Gbagada, Lagos/+ 234 1 7120012; or Computershare in the UK on +44 (0) 370 703 6101.

BY ORDER OF THE BOARD.

**Mrs. Edith Onwuchekwa**
FRC/2013/NBA/00000003660

Company Secretary

Dated 1 April 2024

1 The profiles of the Directors are set out on pages 112 to 116.
2 The remuneration of the managers of the Company is set out on page 154.
3 The Remuneration section of the Directors' Remuneration Report (including the Directors' Remuneration Policy are set out on pages 132 to 161.

**Notes:**

**1. PROXY:**
A member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote in his/her/its place. A proxy need not be a member of the Company. For the appointment to be valid for the purposes of the meeting, the Company has made arrangements at its cost for the stamping of the duly completed proxy forms which must be deposited at the office of the Registrar, DataMax Registrars Limited, 2C Gbagada Express Way, by Beko Ransom Kuti Park, Gbagada, Lagos or at the head office of the Company, marked for the attention of the "Company Secretary" or by email to proxy@seplatenergy.com, not less than 48 hours before the time fixed for the meeting. For convenience purposes, a blank proxy form is attached to the 2023 Annual Report and Accounts, both of which are available at the Company's website: www.seplatenergy.com and at the Company's head office: 16a Temple Road (Olu Holloway), Ikoyi, Lagos.

**2. VIRTUAL MEETING LINK:**
Further to the signing into law of the Business Facilitation (Miscellaneous Provisions) Act 2022, which allows public companies to hold meetings electronically, this AGM will be held virtually. The virtual meeting link for the AGM is https://www.seplatenergy.com/agm-2024/

The virtual meeting link will also be available on the Company's website at www.seplatenergy.com

**3. CLOSURE OF REGISTER:**
The Register of Members and Transfer Books of the Company (Nigeria & UK) will be closed on April 29, 2024, in accordance with the provisions of section 114 of the Companies and Allied Matters Act, 2020, to enable the Registrars to prepare for the Annual General Meeting.

**4. PAYMENT OF DIVIDENDS:**
If the dividend recommended by the Directors is approved by members at the Annual General Meeting, the dividend will be paid on or around May 29, 2024, to shareholders whose names appear in the Company's Register of Members at the close of business on April 26, 2024.

**5. E-DIVIDEND MANDATE:**
Shareholders are kindly requested to advise DataMax Registrars Limited of their updated records and relevant bank accounts, by completing the e-mandate form. The e-mandate form can be downloaded from DataMax Registrars Limited's website at http://www.datamaxregistrars.com. The duly completed form(s) should be returned to DataMax Registrars Limited, at No. 2c Gbagada Expressway, by Beko Ransom Kuti Park, Gbagada Phase 1, Lagos.

**6. UNCLAIMED DIVIDEND:**
Shareholders are hereby informed that a number of dividends still remain unclaimed. The list of all unclaimed dividends will be circulated with the Annual Report and Financial Statements. Any member affected by this notice is advised to write to or call the office of the Company's Registrar, DataMax Registrars Limited, at No. 2c Gbagada Expressway, by Beko Ransom Kuti Park, Gbagada Phase 1, Lagos or through any of these numbers: 07064000751, 07064000752, 07064000758, 0700DATAMAX. The list of unclaimed dividends can be accessed at the Registrars' office or via the Company's website: www.seplatenergy.com.

**7. NOMINATION FOR THE STATUTORY AUDIT COMMITTEE:**
In accordance with section 404(3) of the Companies and Allied Matters Act 2020, the Statutory Audit Committee shall consist of five (5) members comprising two (2) Non-Executive Directors and three (3) representatives of the shareholders of the Company. Any shareholder may nominate a shareholder as a member of the Statutory Audit Committee. In accordance with 404(6) of the Companies and Allied Matters Act 2020, such nomination should be in writing and should reach the Company Secretary at least twenty-one (21) days before the Annual General Meeting and any nomination not received prior to the meeting as stipulated is invalid. The Companies and Allied Matters Act 2020 and the Nigerian Code of Corporate Governance 2018 stipulate that, members of the Audit Committee should be financially literate and at least one member must be a member of a professional accounting body in Nigeria established by the Act of the National Assembly and be knowledgeable in internal control processes.
Thus, a detailed Curriculum Vitae confirming the nominee's qualification should be submitted with each nomination to the Statutory Audit Committee.

**8. ELECTION OF DIRECTORS AGED 70 YEARS OR MORE**
In accordance with Section 282 of CAMA, a special notice is hereby given that Mr. Christopher Okeke attained the age of 70 years in January 2022 and will be presented for appointment as an Independent Non-Executive Director while Mr. Udoma Udo Udoma also attained the age of 70 years in February 2024 and will be presented for appointment as an Independent Non-Executive Director on the Board of the Company at the 11th Annual General Meeting.

**9. ELECTRONIC ANNUAL REPORT**
In order to improve efficiency and delivery of the Annual Report, shareholders who have registered their email addresses with the Registrars shall receive the Annual Report of Seplat Energy Plc in electronic format. Shareholders who have not provided their email addresses to the Registrars are advised to do so. In addition, Annual Reports are available online for viewing and download from the Company's website at www.seplatenergy.com.

**10. RIGHT OF MEMBERS TO ASK QUESTIONS:**
In line with Rule 19.12(c) of the Listing Rules of the Nigerian Exchange Limited, shareholders have a right to ask questions not only at the Annual General Meeting, but also in writing prior to the Meeting. Questions submitted prior to the Meeting should be addressed to the Company Secretary and must reach the head office of the Company no later than seven (7) days before the date of the Meeting (being 9 May 2024) or by email at AGMQuestions@seplatenergy.com.

**11. LIVE STREAMING OF THE AGM:**
The Meeting will be streamed live online to enable stakeholders to follow the proceedings. The link for the live streaming of the Meeting will be made available on the Company's website at www.seplatenergy.com and will be streamed live on the YouTube social media channel.

| S/No | Beneficiary |
|---|---|
| 1 | AAYINDE RAHMON ISIAKA |
| 2 | ABAH KINGSLEY ADEJOH |
| 3 | ABANEME CHINYERE KEYNA |
| 4 | ABASS AHMED ABIOLA IDOWU |
| 5 | ABAYOMI OYEWUMI |
| 6 | ABBA KYARI BULAMA |
| 7 | ABDUL ADENIYI AFOLABI |
| 8 | ABDUL OLUWASOLA HAMMED |
| 9 | ABDULAHMEED OLADIMEJI AJIBOLA |
| 10 | ABDULAZEEZ AYOMIDE ABDUSSALAAM |
| 11 | ABDULAZIZ HAUWAKULU JOY |
| 12 | ABDULHAKEEM SHEHU |
| 13 | ABDULHAKEEM SHEHU |
| 14 | ABDULKAREEM RUKAYAT ADUNNI |
| 15 | ABDULLAHI SALISU |
| 16 | ABDULMAJEED ABDULLAHI |
| 17 | ABDUMALIK NB YUNUSA |
| 18 | ABEJIDE KEHINDE DAVID |
| 19 | ABIDOYE TAOFIK OWOLABI |
| 20 | ABILAWON VICTORIA IYANUOLUWA |
| 21 | ABIMBOLA ATINUKE DEBORAH |
| 22 | ABIMBOLA OLUBUNMI EUNICE |
| 23 | ABIODUN SYLVESTER OLUSANMI |
| 24 | ABIOLA VICTORIA ABOSEDE |
| 25 | ABIOYE ISAAC OLUFEMI |
| 26 | ABIRU HABEEB ADEWALE (HON. JUSTICE) |
| 27 | ABODERIN OLAJUMOKE |
| 28 | ABOD-REUBENS NIG LTD |
| 29 | ABODUNRIN OLANIYI MICHAEL |
| 30 | ABODUNRIN OLANIYI MICHAEL |
| 31 | ABOLUDE OLANIKE OMOYIOLA |
| 32 | ABOMAH SAMUEL |
| 33 | ABRAHAM KEHINDE P |
| 34 | ABURIME JOAN PRECIOUS |
| 35 | ABURIME SYLVANUS STEPHEN |
| 36 | ADAM ABDULLAHI NUHU |
| 37 | ADAMS BODE THOMAS |
| 38 | ADANNA OGOCHUKWU MGBOJIKWE |
| 39 | ADAOBI UCHECHUKWU UMEH |
| 40 | ADEAKIN FOLAYEMI DIDANLOLA |
| 41 | ADEBAMIRO OLUWATOYIN OLUBUNMI |
| 42 | ADEBANJO ADENIKE ADERONKE |
| 43 | ADEBANJO MUSIBAU OLALEKAN |
| 44 | ADEBAYO ABOSEDE JOSEPHINE |
| 45 | ADEBAYO ADEBOLA ADEREMI |
| 46 | ADEBAYO ADEDAYO OLUWASEUN |
| 47 | ADEBAYO ALIMAT OMOBOLANLE |
| 48 | ADEBAYO FOLASADE ADENIKE |
| 49 | ADEBAYO MICHEAL ADELEKE |
| 50 | ADEBAYO MONSURAT FOLASADE |
| 51 | ADEBAYO RAHEEM ADEWALE |
| 52 | ADEBAYO RAMONI AKANO |
| 53 | ADEBESIN ISMAIL TOSIN |
| 54 | ADEBISI ADENIYI ARAUNSI |
| 55 | ADEBISI JOHNSON AWONUGBA |
| 56 | ADEBIYI ADEOLA KATE |
| 57 | ADEBIYI BABAJIDE ADESOLA |
| 58 | ADEBIYI OLUDARE EMMANUEL |
| 59 | ADEBOLU OLUDAPO DADA |
| 60 | ADEBOWALE AYISAT ADEDOLAPO |
| 61 | ADEBOWALE ISLAMIAH IDOWU |
| 62 | ADEBOYE BAMIDELE PHILLIP |
| 63 | ADEBOYE BENSON-ATP |
| 64 | ADEDAMOLA ADEDAPO KIKIOWO |
| 65 | ADEDAPO FOLASHADE AKINTOLA |
| 66 | ADEDAYO ADETUNJI |
| 67 | ADEDEJI NOSIRU ADIGUN |
| 68 | ADEDEJI OLALEKAN ISMAIL |
| 69 | ADEDIRAN OKIKIADE ISAAC |
| 70 | ADEDOYIN ADEKIITE OLUTOYIN |
| 71 | ADEDOYIN ADEKIITE OLUTOYIN |
| 72 | ADEDOYIN ADENIKE FLORENCE |
| 73 | ADEDOYIN BUSOLA ELIZABETH |
| 74 | ADEDOYIN PAUL TIMILEHIN |
| 75 | ADEDUGBE MOJISOLA OLUSOLA |
| 76 | ADEDUNMOLA ANDREW ADEGBEMIRO |
| 77 | ADEEKO RACHAEL OLULAYO |
| 78 | ADEFARASIN EMMANUEL ADEMOLA |
| 79 | ADEFEHINTI OLUWAFOLAKEMI |
| 80 | ADEFUSI OLANIYI SUNDAY |
| 81 | ADEGBAYIKE EMAMNUEL OLUSEGUN |
| 82 | ADEGBITE – AYODELE SAMSON GBADEBO |
| 83 | ADEGBITE CHRISTIANAH ADEBUKOLA |
| 84 | ADEGBITE ISAAC ADEREMI |
| 85 | ADEGBITE WAHEED BABATUNDE |
| 86 | ADEGBOLA OLUWATOSIN |
| 87 | ADEGBOLA VICTORIA OMORINSOLA |
| 88 | ADEGBULUGBE OLUFEMI ADELEYE |
| 89 | ADEJARE ABIDEEN ABIODUN |
| 90 | ADEJUMO TIMOTHY OLUBISI (DR) |
| 91 | ADEKANYE NOAH ADEGBOYEGA |
| 92 | ADEKOLA ABOSEDE ADERONKE |
| 93 | ADEKOYA TAIWO JOSHUA |
| 94 | ADEKUNLE MIKAIL ODUNAYO |
| 95 | ADEKUNLE SAMUEL ADEGOKE |
| 96 | ADELAJA TEMITAYO SUNKANMI |
| 97 | ADELAKUN DAMILOLA EMMANUEL |
| 98 | ADELAKUN JOSEPH ADEGBILE |
| 99 | ADELANWA KUBURAT AYOKA |
| 100 | ADELE-AKINTAYO ADEROJU WASILAT |
| 101 | ADELEKAN MORUF LANREWAJU |
| 102 | ADELEKE ADEBISI SHOLA |
| 103 | ADELEKE IDRIS OLAWUNMI |
| 104 | ADELEYE ADEREMI |
| 105 | ADELUOLA OLOYEDE RILWAN |
| 106 | ADEMOLA A ADEPOJU |
| 107 | ADEMOLA ENIOLA |
| 108 | ADENIJI JAMES ADEKUNLE |
| 109 | ADENIJI LATEEF ADEJARE |
| 110 | ADENIRAN ADEKUNLE AMOS |
| 111 | ADENIRAN ADEKUNLE AMOS |
| 112 | ADENIRAN BABATUNDE VICTOR (DR) |
| 113 | ADENIYI OLATUNDE OLADEJI |
| 114 | ADENIYI OLAYINKA ESTHER |
| 115 | ADENIYI TITILOPE FATIMO |
| 116 | ADENOLA BAMIDELE ABAYOMI |
| 117 | ADENOLA LANRE SEGUN |
| 118 | ADENRELE AL-CUDUZ ADEFOWOPE ABIODUN |
| 119 | ADENRELE SHERIFAT ADEBOLA |
| 120 | ADENUGA OLUFEMI S. TRUST ACCOUNT |
| 121 | ADEOGUN ODUNLAMI ABIODUN |
| 122 | ADEOLA WAHAB OLAWUYIN |
| 123 | ADEOSUN OLAYINKA |
| 124 | ADEOYE COMFORT OYEYEMI |
| 125 | ADEOYE DANIEL |
| 126 | ADEOYE OLUBUNMI BABATUNDE |
| 127 | ADEOYE OLUWAROTIMI T |
| 128 | ADEOYE SOLOMON ABIOLA |
| 129 | ADEPOJU IBITOMI MOWANUOLA |
| 130 | ADEPOJU JAMIU ALADE |
| 131 | ADERIBIGBE ADELEKE |
| 132 | ADERONBI SAHEED TUNDE |
| 133 | ADESANYA JUBRIL ADEKUNLE |
| 134 | ADESANYA OLUKAYODE PATRICK |
| 135 | ADESERI TOLUWANI OLUFEMI |
| 136 | ADESINA AKIN |
| 137 | ADESINA ALABI BABATUNDE DR |
| 138 | ADESINA OLALEKAN OLADEPO |
| 139 | ADESOGAN SAMUEL ADEDAYO |
| 140 | ADESOLA SELIMOT NIYIOLA |
| 141 | ADETAYO AYODEJI ANJORIN |
| 142 | ADETIBA ADEREMI AKABA |
| 143 | ADETIBA MAYEN MODUPEOLA |
| 144 | ADETUNJI AJANI BABAJIDE |
| 145 | ADETUNJI AJANI BABAJIDE |
| 146 | ADEUSI ILUYOMADE STEPHEN |
| 147 | ADEWOLA OYENIKE ABEKE |
| 148 | ADEWOLE LUKMAN ISHOLA |
| 149 | ADEYEGBE OLUWOLE |
| 150 | ADEYEMI ABAYOMI |
| 151 | ADEYEMI ADEKUNLE |
| 152 | ADEYEMI BENJAMIN OLAMIDE |
| 153 | ADEYEMI FUNSHO ADEDIRAN |
| 154 | ADEYEMI KAFAYAT TEMITOPE |
| 155 | ADEYEMI MOTUNRAYO RAMOTA |
| 156 | ADEYEMO COMFORT MORAWO |
| 157 | ADEYEMO OMOLOLA RUTH |
| 158 | ADEYEMO TITI LATIFAT |
| 159 | ADEYEYE ADESHINA TOSIN |
| 160 | ADEYEYE SHAKIRAT KIKELOMO |
| 161 | ADEYINKA AJAYI |
| 162 | ADIGUN BASHIRU MONYASHAU |
| 163 | ADIKIAPIRI SAMUEL ADESHINA |
| 164 | ADIO ADEMOLA ALEXANDER |
| 165 | ADONKIE AKPOS HARRISON |
| 166 | ADU AYODELE |
| 167 | ADUNMO KEHINDE MOSES |
| 168 | ADUNREKE SAMUEL ROTIMI |
| 169 | AFINJU TAIWO ANUOLUWA |
| 170 | AFOLABI ABIMBOLA OYINDAMOLA |
| 171 | AFOLABI LUKMON IYANDA |
| 172 | AFOLABI OLORODE TRUST( FBN TRUSTEES) |
| 173 | AGBAI FRANCIS TOUNDIDE |
| 174 | AGBAJE HAKEEM OLATUNDE |

| S/No | Beneficiary |
|---|---|
| 175 | AGBARA OKEZIE |
| 176 | AGBASIERE IZUU |
| 177 | AGBASIERE JAMES |
| 178 | AGBAZA CHURCHILL |
| 179 | AGBE PAUL DADA |
| 180 | AGBEDE OLAYINKA FOLAYEMI |
| 181 | AGBONIKA PHILIP |
| 182 | AGBOOLA OLUWAKEMI OMOTAYO |
| 183 | AGHAHON OTASOWE |
| 184 | AGUSIOBO IKECHUKWU |
| 185 | AGWUIBE ANTHONY |
| 186 | AGWUIBE NNEKA ROSEYMARY D |
| 187 | AGWUNCHA IFEYINWA EVELYN |
| 188 | AHMAD SALIHIJO BILIKISU |
| 189 | AHMED NASIRU |
| 190 | AHMED PATIENCE MERCY |
| 191 | AHONE EZEKIEL AIENDE |
| 192 | AIBANGBEE ROLAND |
| 193 | AIBONI SAM AMAIZE |
| 194 | AIGBOKHAI EMMANUEL |
| 195 | AIKHOMU ANITA OTIBHOR |
| 196 | AIKHOMU EKANEM BASSEY |
| 197 | AIKHOMU WILLIAMS EHIZOGIE |
| 198 | AISHA MUHAMMAD BALA |
| 199 | AITIEMWEN OSAGIARO |
| 200 | AIYEBIWO OLUBUNMI MOTUNRAYO |
| 201 | AIYEDENU EBUNOLUWA OMOTAYO |
| 202 | AIYEOLA AFOLABI AKINKUNMI |
| 203 | AJADI YEKINNI OLANREWAJU |
| 204 | AJAGBE CHRISTIANAH OLUFUNMILOLA |
| 205 | AJALA TUNDE ALBERT |
| 206 | AJANI KATHEERAH ADEWUMI |
| 207 | AJANI MUSA ADEKOLA |
| 208 | AJANI RASHEED OLALEKAN |
| 209 | AJANI SULAIMAN OYEWALE |
| 210 | AJANI TUNDE OLUWOLE |
| 211 | AJAO ADEFUNSHO ADEYI |
| 212 | AJAO AJIBADE OLADAPO |
| 213 | AJAO JOHNNY ADELAKUN |
| 214 | AJAYI ABAYOMI BIMBOLA |
| 215 | AJAYI ADENIYI MUHIDEEN |
| 216 | AJAYI ADEWALE KAYODE |
| 217 | AJAYI IBUKU OLUWASEUN |
| 218 | AJAYI LATIFAT DAMILOLA |
| 219 | AJAYI OMOLARA SHOLA |
| 220 | AJAYI RAMOTA TOWOBOLA |
| 221 | AJIBADE ADEDAPO OLUSEGUN |
| 222 | AJIBOYE ADETAYO OKUNOLA |
| 223 | AJIROBA TOFUNMI BUSAYO |
| 224 | AJOSE-ADEOGUN OLUREMI MAJEOLAGBE |
| 225 | AJUMOBI GRACE OMONIYI |
| 226 | AJUMOBI OLUYEMI JOSEPH (EST OF) |
| 227 | AJUMOGOBIA AWUNEBA SOTONYE |
| 228 | AJUONU JOLLY EZIDINMA |
| 229 | AKAMADU MATTHEW |
| 230 | AKANBI MOSES ADENIYI |
| 231 | AKANDE ELIZABETH OLUWATIMILEHIN |
| 232 | AKANDE JANET OLATUNDUN |
| 233 | AKANDE MUSTAPHA |
| 234 | AKANDE OLUSOLA BABATUNDE |
| 235 | AKANDE OLUWATOBI SUNDAY |
| 236 | AKANMI PIUS KAYODE |
| 237 | AKANMU MARY TEMILADE |
| 238 | AKANMU OLUWASEYI OYEYEMI |
| 239 | AKANNI PIUS KAYODE |
| 240 | AKANNI TEMITAYO EMMANUEL |
| 241 | AKEH MICHAEL |
| 242 | AKENDE CLARA TEMILADE |
| 243 | AKHIGBE CHARLES |
| 244 | AKHIGBE OKHIRIA TOM |
| 245 | AKIBOYE BABAJIDE AKIWANDE |
| 246 | AKINBO OLAYIWOLA ADIO |
| 247 | AKINBODE FOLAJIMI DERICK |
| 248 | AKINBODE TOBILOBA DERICK |
| 249 | AKINBODE UYODHUKA PRECIOUS |
| 250 | AKINBOLA PHILLIP OLADIRAN |
| 251 | AKINDE NAHEEMOT ENIOLA |
| 252 | AKINDURO RUTH OLABISI |
| 253 | AKINJARE EMMANUEL |
| 254 | AKINJIDE ABAYOMI |
| 255 | AKINJOBI TEMITOPE ANUOLUWAPO |
| 256 | AKINKUNMI AKINYINKA OLUGBENGA |
| 257 | AKINLEYE TUNDE ADENIRAN |
| 258 | AKINLOLU MICHAEL FANIRAN |
| 259 | AKINLOTAN AYINDE BABATUNDE |
| 260 | AKINLUA MODUPE TEMITAYO |
| 261 | AKINOLA AKINMAYOWA OLUWASEYI |
| 262 | AKINOLA KAYODE |
| 263 | AKINOLA KAYODE ADEFEMI |
| 264 | AKINOLA OLUDOTUN OLUFEMI |
| 265 | AKINOLA OLUWASEUN |
| 266 | AKINOSO HALIMAH OYEBOLA |
| 267 | AKINPELU MUDIRAT JUMOKE |
| 268 | AKINPELU PRINCE AKINBIYI |
| 269 | AKINRINWALE OLUSEGUN AMOBI |
| 270 | AKINSANYA FOLASHADE OMOLAYO |
| 271 | AKINSANYA OLABISI TOLU |
| 272 | AKINSANYAO.ADEYEMI & BALOGUNO.OLUFUNMI |
| 273 | AKINSOTO OLUWATAYO OLAWALE |
| 274 | AKINTAYO RUTH ADUKE |
| 275 | AKINTUNDE MARY ADEOLA |
| 276 | AKINTUNDE MOHAMMED SABITU |
| 277 | AKINTUNDE OLUWABUNMI OLUWAYEMISI |
| 278 | AKINTUNDE OLUWASINA IMOLE |
| 279 | AKINWUSI ABIODUN ABISOLA |
| 280 | AKINYELE OLUSOLA (ALLEGED DECEASED) |
| 281 | AKINYEMI ABIOLA ADEYINKA |
| 282 | AKINYEMI AKANNI IBUKUN |
| 283 | AKINYEMI MONSURAT MOPELOLA |
| 284 | AKINYERA OLUWASANMI AKINTOYINBO |
| 285 | AKINYODE OLAYINKA SHAKIRAT |
| 286 | AKINYODE RAFIAT |
| 287 | AKINYOMI JANET OLA |
| 288 | AKIOSI-OJOH ESTHER OLASUNKANMI |
| 289 | AKOREDE MOROUNMUBO |
| 290 | AKOREDE TAOFEEK AKANFE |
| 291 | AKPERE SAMSON |
| 292 | AKPOEZI LINA OKE ITIVE |
| 293 | AKPORE GOODLUCK |
| 294 | AKPOTOBOR GOD SPOWER OMONIGHO |
| 295 | AKPOTOBOR GODSPOWER |
| 296 | AKPOVBOVBO HELEN OGHENEYOUWE |
| 297 | AKPURU CHIDINMA |
| 298 | AKUAKO KALU |
| 299 | AKUBUE BENEDICTH NGANWUCHU |
| 300 | AKWIWU ADANNAYA CHINEMEREM |
| 301 | AKWUE TOCHUKWU ANTHONY |
| 302 | ALABI DAMILARE |
| 303 | ALABI MAHMOUD LAI |
| 304 | ALAGA KOLAWOLE MUFTAU |
| 305 | ALAGBE ADEYINKA (PRINCE) |
| 306 | ALAGBE OLANREWAJU SEYI |
| 307 | ALAGBE OYEBISI OLATUNDE |
| 308 | ALAKWE FAUSTINUS |
| 309 | ALAKWE OBINNA |
| 310 | ALATIRON NIGERIA LIMITED |
| 311 | ALAYAKI FAHEEM OLADIPUPO |
| 312 | ALAYAKI FAKHTAH OLAOLUWA |
| 313 | ALAYAKI FAROUQ OLAWALE |
| 314 | ALAYAKI FATIMAH OLAMIDE |
| 315 | ALAYAKI IDOWU MOSIDAT |
| 316 | ALAYE OGAN EVELYN OMARIOGHAE |
| 317 | ALEEM TITILAYO JOY |
| 318 | ALI ADAM MUHAMMED |
| 319 | ALIYU KAYAUKI SGT ABBA ABUBAKAR |
| 320 | ALLI ADEDAYO ADEKUNLE |
| 321 | ALLI OLALEKAN JAMIU |
| 322 | ALLI-BALOGUN AMINAT |
| 323 | ALLISON-OGURU EDMUND ANIENKEDIGIRI |
| 324 | ALOHAN CAMILLA |
| 325 | ALUKO ADETOKUNBO AYODEJI |
| 326 | ALUKWU CHIBUIKE |
| 327 | ALUMUKU PATRICK TOR |
| 328 | AMADI CHARITY CHIKWADOM |
| 329 | AMADI CHIMA EMEKA |
| 330 | AMADI TERRY |
| 331 | AMAECHI NGOZI |
| 332 | AMAKA NDUKWU |
| 333 | AMANFO LILIAN UGONNA |
| 334 | AMCON/ORJIAKO AMBROISE |
| 335 | AMEGUNU VICTOR RAYMOND |
| 336 | AMEH DANIEL OCHE |
| 337 | AMUDA FUNKE IYABO |
| 338 | AMUSAN RAPHAEL |
| 339 | ANARI IDEBA ANARI |
| 340 | ANAS MAHMUD AHMAD |
| 341 | ANCHORIA ASSET MGT LTD |
| 342 | ANIFOWOSE ADEWUNMI AINA |
| 343 | ANIGIORO AMOS OLADAPO |
| 344 | ANIRAH ONOME |
| 345 | ANTHONY EBERE MERCYMERIT |
| 346 | ANTHONY OKPORUA |
| 347 | ANYANWU CHIBUEZE |

| S/No | Beneficiary |
|---|---|
| 348 | ANYANWU CHINEDU |
| 349 | ANYANWU CHRISTOPHER CHIBUZOR |
| 350 | ANYIBUOFU CHRISTOPHER |
| 351 | APETE WAKILU OLAYINKA |
| 352 | ARABA AZEEZ OLUWAGBENGA |
| 353 | ARAGBADA OLUWAREMILEKUN OLUDAYO |
| 354 | AREMU JOSEPHINE MOJISOLA |
| 355 | AREMU JOSHUA O & JOSEPHINE REV & MRS |
| 356 | AREMU OLUSEGUN ABIDEEN |
| 357 | AREMU RASHIDAT KEHINDE |
| 358 | ARIGBABOWO ENIOLA |
| 359 | ARIGBABOWO OLUWATOSIN |
| 360 | ARIKAWE OLUTAYO MORADEKE |
| 361 | ARIYO AYODELE AKOLADELE |
| 362 | AROGUNDADE KOLAPO SEHINDEMI |
| 363 | AROLEOWO GANIAT ABIODUN |
| 364 | ARUM IFEANYICHUKWU IGNATIUS |
| 365 | ARUM JOHN YMAR .C.M |
| 366 | ASEDEKO HENRY ABIODUN |
| 367 | ASHIOFU ANTHONY IKE |
| 368 | ASINUGO CHINEDU GABRIEL |
| 369 | ASOBARA IFEYINWA M. |
| 370 | ASUELIME KIKE |
| 371 | ATAKENU ABIMBOLA ABOSEDE |
| 372 | ATARE SUNDAY |
| 373 | ATILOLUWA OLAJIDE |
| 374 | ATOBATELE TAOREED ABIODUN |
| 375 | ATTAH EMMANUEL OGEBE |
| 376 | ATUEYI CHIBUIKEM |
| 377 | ATURAMU TOLULOPE |
| 378 | ATUWO DAVID HYELHIRRA |
| 379 | AUGUSTINE ESTHER FUNKE |
| 380 | AWE BABALOLA BABAJIDE |
| 381 | AWEDA FELICIA OLUWAKEMI |
| 382 | AWOBIMPE KAYODE CAMALDEEN K |
| 383 | AWODERO MICHAEL OLUSEGUN |
| 384 | AWOLAJA ABIODUN AYODEJI |
| 385 | AWOLOLA OLUWAFUNMILOLA ABIDEMI |
| 386 | AWOLUDE ESTHER FUNMILAYO |
| 387 | AWONAIKE ESTHER OLADUNNI |
| 388 | AWONAIKE RACHAEL MOSEBOLATAN |
| 389 | AWONAYA EMMANUEL ABIODUN |
| 390 | AWONIYI OLUFEMI |
| 391 | AWOS YETUNDE STELLA |
| 392 | AYALOGU OBIANUJU JENNIFER |
| 393 | AYANDA TITILAYO |
| 394 | AYANFE MIRACLE |
| 395 | AYIDA OMATSEYIN AKENE |
| 396 | AYIHONGBE OLUTOYIN OLADAYO |
| 397 | AYINLA SHAKIRAT BOLANLE |
| 398 | AYOADE ADESOLA EMMANUEL |
| 399 | AYOADE HAMMED ADEKOLA |
| 400 | AYODAYISI IBIDUNNI MORAYO |
| 401 | AYODEJI ADEWOYE |
| 402 | AYODEJI BANKOLE SHOBOWALE |
| 403 | AYODEJI NURUDEEN |
| 404 | AYODEJI OLAWALE T |
| 405 | AYODELE OLAJIDE ABAYOMI |
| 406 | AYODELE OLUSHOLA OMOTAYO |
| 407 | AYOOLA GILBERT OLUFEMI |
| 408 | AYO-VAUGHAN DANIEL |
| 409 | AZEEZ JIMOH OGUNBANWO |
| 410 | AZEEZ RASAKI KOLAWOLE |
| 411 | AZEEZ SIKIRU OLAWALE |
| 412 | AZEEZ SULAIMAN AKINADE |
| 413 | AZEEZ SULEIMAN KOLA |
| 414 | AZEEZ YINUSA OMOTAYO |
| 415 | AZIA MONDAY |
| 416 | BABALOLA ADEBUKOLA |
| 417 | BABALOLA ADEWALE |
| 418 | BABALOLA BABATUNDE OLAKUNLE |
| 419 | BABALOLA MEDINAT ALAKE |
| 420 | BABATUNDE ADEWUNMI TAIBAT |
| 421 | BABATUNDE ISAAC ADEOYE |
| 422 | BABATUNDE MOSES SUNDAY |
| 423 | BABATUNDE OLUMIDE TUNWASE |
| 424 | BABATUNDE SAHEED-OLADIMEJI |
| 425 | BABATUNDE SOLIU AYINLA |
| 426 | BABAWALE OLUSEGUNO ODUNUGA |
| 427 | BAIYEWU OLUSEGUN(DR) |
| 428 | BAKARE EMMANUEL |
| 429 | BAKARE NURUDEEN TUNJI |
| 430 | BAKARE OLAYEMI KAFILU |
| 431 | BAKARE SHERIFAT |
| 432 | BAKARE TOHEEB BABATUNDE |
| 433 | BAKARE WALIYAT RONKE |
| 434 | BALOGUN ALAKE LOLA |
| 435 | BALOGUN MUSA (ALHAJI) |
| 436 | BALOGUN OLUWATOYIN OLUWABUNMI |
| 437 | BALOGUN SAIDAT TUNRAYO DAIRO |
| 438 | BALOGUN SALIU ADEJUMOBI |
| 439 | BALOGUN SARATA IYABO |
| 440 | BALOGUN SEKINAT MOPELOLA |
| 441 | BALOGUN SIKIRU BOLARINWA |
| 442 | BALOGUN TOLULOPE |
| 443 | BAMGBOSE ADERINOLA ELIZABETH |
| 444 | BAMIDELE OBADEMOWO |
| 445 | BAMISHILE OLUWASEUN DAMILOLA |
| 446 | BAMISHILE-RICHARDS BEATRICE |
| 447 | BANJOKO ABIMBOLA MARTINS |
| 448 | BANJOKO ABIODUN OLUBUSOLA |
| 449 | BANKOLE JOSEPH OLUMAYOKUN ADEFOLARIN |
| 450 | BANKOLE KEMI BOSE |
| 451 | BANKOLE MOTUNRAYO |
| 452 | BANKOLE OLUMUYIWA JACOB |
| 453 | BANKOLE OLUWAKEMI EKUNDAYO |
| 454 | BANKOLE SUNDAY OLANREWAJU |
| 455 | BARANGO KENNEDY S. |
| 456 | BARIBOR KENNETH DUUKORI |
| 457 | BASHIR MUHAMMAD SALIHU |
| 458 | BASHIR MUSBAU BABATUNDE |
| 459 | BATHANNA STEPHEN JALVA |
| 460 | BATULA ADISA BOONYAMIN ALHAJI |
| 461 | BAYOKO EBI REGINALD |
| 462 | BELLE OYINDENYEFA PEACE |
| 463 | BELLO ADISA SULE |
| 464 | BELLO AUGUSTINE OLUSANYA |
| 465 | BELLO BABATUNDE WALIULLAH |
| 466 | BELLO ITOPA PAUL |
| 467 | BELLO KOKO MOHAMMED ATP |
| 468 | BELLO MUIBAT AINA |
| 469 | BENEDICT ALBERT AJIBOLA |
| 470 | BERNARD IKECHUKWU OSAMOR |
| 471 | BIALA ADEMOLA ABAYOMI |
| 472 | BISAMI NIGERIA LTD – ACCOUNT 2 |
| 473 | BOLARINWA RASHIDAT ABOLANLE |
| 474 | BOLLARD HOMES & PROPERTIES INT L LTD |
| 475 | BRAIBI HORSFALL |
| 476 | BRIGGS SOBEREKON SUKI |
| 477 | BROWN ROGER |
| 478 | BUSOLA BAYO OJO |
| 479 | BUSUYI JOSHUA AKINDELE |
| 480 | CASIMIR AIDELOJE IDELE |
| 481 | CATHEDRAL CHURCH OF CHRIST |
| 482 | CELLCORE LTD |
| 483 | CHAPEL HILL NOMINEES |
| 484 | CHIAGOZIEM JOY ANURIKA |
| 485 | CHIALIKA FESTUS SUNDAY |
| 486 | CHIDERA ESTHER UKAEGBU |
| 487 | CHIDERA OBIDEJE |
| 488 | CHIDIEBUBE AMAECHI |
| 489 | CHIDUME NWANNEAMAKA JACINTA |
| 490 | CHIJIOKE P AJULUFOH |
| 491 | CHIKA PETER WICHE |
| 492 | CHIKEKA VIVIAN ADANMA |
| 493 | CHIKELU UGOADA IFEYINWA |
| 494 | CHIMA IGNATIUS EBERE |
| 495 | CHINDA JEFF |
| 496 | CHINOSA MISHAEL |
| 497 | CHIOKE IKECHUKWU PRIMUS |
| 498 | CHIOMA SYLVIA INYAMA |
| 499 | CHISOM VICTOR NWISU |
| 500 | CHIZOBA TOCHUKWU RITA |
| 501 | CHIZOMA CHELSLYN UNEGBU |
| 502 | CHKUKWUWIKE IBINI |
| 503 | CHRIS-ASOLUKA SOMACHI CHIDUMEBI |
| 504 | CHRISTIAN CHUKWUDI OKWARANOWAI |
| 505 | CHRISTIAN GODFREY AGWU |
| 506 | CHUKA-UMEH OBIAGELI |
| 507 | CHUKWU EUCHARIA NWAKAEGO |
| 508 | CHUKWU JULIET NNENNA |
| 509 | CHUKWU NWAKAEGO CHRISTANA |
| 510 | CHUKWUEBUKA OBINNA ONYEJE |
| 511 | CHUKWUEMEKA OKECHUKWU |
| 512 | CHUKWUMA IROZURU |
| 513 | CLINTON CHIBUZOR AGOH |
| 514 | COKER BARNABAS |
| 515 | COKER OLUWOLE OLUTOLA |
| 516 | COLLINS TEMISA |
| 517 | COMMELIN VALERIE KHAZALA |
| 518 | CONNAL STUART |
| 519 | CORNERSTONE STAFF COOPERATIVE SOCIETY |
| 520 | CSL NOMINEE ACCOUNT CX |
| 521 | DAHUNSI MUTHAIR ABIODUN |
| 522 | DAIRO SIKIRU ABOLARIN |

| S/No | Beneficiary |
|---|---|
| 523 | DANIEL ODEH ODEH |
| 524 | DANJUMA KAMORUDEEN AJAO |
| 525 | DARA ADEOLUWA EMMANUEL |
| 526 | DARAMOLA BAMIDELE OLUYEMISI |
| 527 | DARAMOLA MICHAEL AYODEJI |
| 528 | DARAMOLA OLUFUNKE TOLULOPE |
| 529 | DAUDA GODSTIME SALAMI |
| 530 | DAUDA RAHEEM ADEKUNLE |
| 531 | DAVID ADEOYE ADEDOKUN |
| 532 | DAVID OBIKA ARINZE OBIKA |
| 533 | DAVID OREVAOGHENE EMMANUEL |
| 534 | DAWODU OMOLARA ADIAT |
| 535 | DAYO-OLAGUNJU OLUBUNMI ONAJITE |
| 536 | D-BEST ACHIEVERS SHAREHOLDERS ASS |
| 537 | DEBORAH MORENIKEJI AMIDA |
| 538 | DEBORAH OMOBONIKE ADESOKAN |
| 539 | DEKE OGENAGWE VICTOR |
| 540 | DELA ANIWA |
| 541 | DELANO BOLUWADURO TOLUWALEKE |
| 542 | DELANO MOBOLURIN OLUWABUSOLA |
| 543 | DELANO MOFETOLUWA ERINAYO |
| 544 | DELANO OLADEINDE OLADAPO |
| 545 | DELANO OLAJUMOKE OLABISI |
| 546 | DELANO OLUFISOYE |
| 547 | DENG ANDREW JADEN |
| 548 | DENNI-FIBERESIMA DAMIEBI |
| 549 | DIAMOND OMAAMENE |
| 550 | DIAMOND SECURITIES LIMITED |
| 551 | DIAMOND SECURITIES LIMITED |
| 552 | DIAMOND SECURITIES LIMITED |
| 553 | DIBIA FELIX ACHULIKE |
| 554 | DIEKOLOLA LATEEF KUNLE |
| 555 | DIKE EVA CHIJIOKE |
| 556 | DOKUBO IGONIBO WILFRED |
| 557 | DOLAPO OLASEHINDE ILESANMI |
| 558 | DORATHY NKECHI OBAH |
| 559 | DOYINSOLA AFOLAYAN |
| 560 | DREAMBEAUTY VENTURES LIMITED |
| 561 | DULKEBE AMALE DIMAS |
| 562 | DUROJAIYE ADEDOYIN |
| 563 | DUROJAIYE ANTHONIA OLAIDE |
| 564 | DUROWAIYE ADEWUNMI AFUSAT |
| 565 | DUROWAIYE IYABO YETUNDE |
| 566 | DURU P. NGOZI |
| 567 | EBE MICHAEL ETOK |
| 568 | EBELE SHEILA IYIEGBU |
| 569 | EBELECHUKWU UBAKA |
| 570 | EBELEDIKE ODERA |
| 571 | EBENEZER OJODOMO AGADA |
| 572 | EBINUM JOSEPH |
| 573 | ECHOJONES FARM LTD |
| 574 | EDDO MARK |
| 575 | EDE MODINAT ADEDOYIN |
| 576 | EDEVBIE DAVID |
| 577 | EDEWOR OMONEFE |
| 578 | EDUM HARRISON |
| 579 | EFAPOKIRE ROSE |
| 580 | EFETURI JUNIOR ANUKPEYIBO |

| S/No | Beneficiary |
|---|---|
| 581 | EFOSA ERHABOR |
| 582 | EFUWAPE JOSHUA AFOLABI |
| 583 | EGBAGBE AUGUSTINE SUNDAY |
| 584 | EGBUCHELEM NNAMDI JACOB |
| 585 | EGWARE EMMANUEL |
| 586 | EGWUATU JENNIFER UZOMA |
| 587 | EHINMOWO AFOLABI OLUSEGUN |
| 588 | EHUWA OLUWATOBI BLESSING |
| 589 | EHUWA SUNDAY VICTOR |
| 590 | EJEMBI PATRICK OKO |
| 591 | EJIKEME PRINCELY NGOZIKA |
| 592 | EKANEM EMA-EKOP SAMPSON |
| 593 | EKANEM SAMPSON EKANEM |
| 594 | EKE CHIBUZOR EMMANUEL |
| 595 | EKE CHIDIUTO CHIDERA |
| 596 | EKE CHIKAMSO NWAYINMA |
| 597 | EKE KELECHI PASCHAL |
| 598 | EKE THELMA IJEOMA |
| 599 | EKEBI KENNETH IDO |
| 600 | EKERE CHUKWUEMEKA IHEANACHO |
| 601 | EKONG EBONG UDO |
| 602 | EKPE CYRIL EZIEFULE & KARIN CHINYERE |
| 603 | EKPEKI OMOWHARE WILLIAM |
| 604 | EKPU SANDRA ESEOSE |
| 605 | EKUKINAM GABRIELLE KOKOMA |
| 606 | EKWELI EMMANUEL CHUKWUNYEAKA |
| 607 | EKWERIKE KENNEDY OGBONNA |
| 608 | EKWUNIFE CHIKA MENAD |
| 609 | ELEKEDE BABATUNDE SULAY ENIOLA |
| 610 | ELF COOP OMESURU UMEJURU AKE |
| 611 | ELIJAH AKINBOWALE OYEFESO |
| 612 | ELLA VINCENT |
| 613 | ELUDOYIN AKIN |
| 614 | EMENIKE ADA |
| 615 | EMMANUEL AYOTOLA IFETOLA |
| 616 | EMMANUEL IJENAMAKA OYIYE OGBE |
| 617 | EMMANUEL PEREKEME |
| 618 | EMORI IKWA |
| 619 | ENEDUWE ONYEKA |
| 620 | ENIAFE MUJIDAT TEMITOPE |
| 621 | ENILOLOBO DAVID ABAYOMI |
| 622 | ENIOLA OLAITAN MORONFOLU |
| 623 | ENLIL INVESTMENT LTD |
| 624 | ENYAMUKE UFUOMA |
| 625 | ENYENDU CHIGOZIE |
| 626 | ERETAN OLUWOLE RICHMOND |
| 627 | ERHIEYOVWE UGOCHI GLORIA |
| 628 | ERIFEVIEME OGHES SAMUEL WELLINGTON |
| 629 | ERINFOLAMI BOSERECALEB IJAODOLATIOLUWA |
| 630 | ERINFOLAMI SALEMSON ADEMOLA TEMILOLUWA |
| 631 | ERINOLA MATTHEW KOLAWOLE AKEEM |
| 632 | ERUKAKPOMREN CHRISTOPHER OKOTETE |
| 633 | ESEIMOKUMO BIRIABEBE |
| 634 | ESIRI JOHN |

| S/No | Beneficiary |
|---|---|
| 635 | ESSIEN IDOREYIN YAKMFIOK |
| 636 | ESSIEN PETER |
| 637 | ESSIEN PETER SIMON |
| 638 | ESTATE OF JONES OBAFEMI OBADIAH |
| 639 | ESTHER OMIKUNLE |
| 640 | ETHUAKHOR FIDELIS |
| 641 | ETIKO ASIMIU MONINUOLA |
| 642 | ETIM EMMANUEL EDET |
| 643 | EVBOTA HARRIET ADEKUNBI |
| 644 | EWHRUDJAKPOR OBIKU |
| 645 | EWHRUDJAKPOR OBIKU |
| 646 | EXALTED CONCEPTS INTERNATIONAL |
| 647 | EYENOWO NTAKIME EZEKIEL |
| 648 | EYETSEMITAN TOJU PHILIP |
| 649 | EYEWUOMA TAIYE |
| 650 | EZE AMAKA BLESSING |
| 651 | EZEANI IGNATIUS MAJESTY |
| 652 | EZEANI UCHENNA PAUL |
| 653 | EZECHUKWU AUGUSTINE NNAEMEKA |
| 654 | EZEIGBO OBINALI G |
| 655 | EZENDIOKWERE BENJAMIN J.E. |
| 656 | EZENMA CHUKWUKA COSMAS |
| 657 | EZENWAJIAKU THEOPHILUS |
| 658 | EZENWEINYINYA CHUKWUEMEKA NZUBECHUK |
| 659 | EZEOCHA CHISOMAGA IHEDIOHANMA |
| 660 | EZEOKE FRANCIS |
| 661 | EZEOKE ROSEMARY AMARACHUKWU |
| 662 | EZEOKEKE AUGUSTUS AMECHI CHUKWUDUM |
| 663 | EZIKE RAPHAEL EMEKA |
| 664 | EZIKE VICTOR ELOCHUKWU |
| 665 | EZIKE VINCENT |
| 666 | EZUGWU EMILIA CHISOM |
| 667 | EZULIKE CHIJIOKE DENNIS |
| 668 | EZULIKE CHIKA VICTORIA |
| 669 | FABUDAH SEGUN RAPHAELS |
| 670 | FAFIOLU OLUWATOYIN REGINA |
| 671 | FAGBAYIDE OLUKAYODE OLUWOLE |
| 672 | FAITH OHENHEN |
| 673 | FAJOYE OGUNYEMI |
| 674 | FAJUSIGBE SONIA ONOVUGHAKPO |
| 675 | FALADE OLUMUYIWA TEMITOPE |
| 676 | FALANA EZEKIEL OLUSEGUN |
| 677 | FALESE TEMITOPE |
| 678 | FALORE OLUWASIKEMI AYONITEMI |
| 679 | FALUTA KEHINDE FLORENCE |
| 680 | FAMOUS AKEEM |
| 681 | FARIYIKE OLUGBENGA BABAFEMI |
| 682 | FAROMBI OLUSHOLA ABIOLA |
| 683 | FASASI ADEOLA SARIYU |
| 684 | FASHIKU ADEMOLA |
| 685 | FATAI OMOTAYO KOLAWOLE |
| 686 | FATIMA AJI |
| 687 | FATOLA JOSEPH OLUFUNMILADE |
| 688 | FATOSIN OLUWAMAYOKUN SAMUEL |
| 689 | FATUNBI RUTH BOSEDE |
| 690 | FAVOUR OGUNNIRANYE |

| S/No | Beneficiary |
|---|---|
| 691 | FAWOLE TAIWO GANIYU |
| 692 | FEESE MEMBER HEMBADOON |
| 693 | FEHINTOLA RASHEED AYINDE |
| 694 | FEJOKWU ANTHONY CHUKWUEMEKA |
| 695 | FIDELIS EJIMAMU OKEHIE |
| 696 | FILAFA EMMANUEL ELIJAH |
| 697 | FIN INSURANCE CO. LIMITED |
| 698 | FOLAMI & ASSOCIATES |
| 699 | FOLAYAN OLUWAROTIMI CHRISTOPHER |
| 700 | FOLUSHO OYEYEMI AJALA |
| 701 | FOWOWE MICHAEL OLASUPO ABIOLA (ALLEDGED DECEASED PHC/742L/2020) |
| 702 | FRANCIS INORU |
| 703 | FRANCIS OLAMIDE LOLA ABOSEDE |
| 704 | FRANCISCA EHIMEN |
| 705 | FRANK ALFRED AWEI |
| 706 | GANIYU WASIU AYINDE |
| 707 | GARUBA SAIDU KEWUYEMI |
| 708 | GBADAMOSI MOJISOLA MULIKAT ADEOLA |
| 709 | GBADAMOSI MUDASHIRU ATANDA |
| 710 | GBADEGESIN SUNDAY AJIBOLA |
| 711 | GBADERO MICHAEL KAYODE |
| 712 | GBIRI KIKELOMO WURAOLA |
| 713 | GBOLAHAN SUNDAY KOLAWOLE |
| 714 | GIDEON OGHENEONCHUKO ABUNUMA |
| 715 | GIDEON SOROCHI NWUZI |
| 716 | GLADYS ONATU |
| 717 | GOB-AGUNDU UCHE |
| 718 | GODSEND ADAGHA |
| 719 | GODWIN WAYIMA STEPHEN |
| 720 | GOFWEN BLESSING RITJI |
| 721 | GOFWEN NENGAK |
| 722 | GOFWEN NENPINMWA |
| 723 | GREGORY OSHIOBUGHIE IRUE |
| 724 | G-TERA GLORIOUS INVESTMENT NIG LTD |
| 725 | GWOM PETER KANANG |
| 726 | GYANG SELE LAWRENCE |
| 727 | HAFSATU NASIRU ABOKI |
| 728 | HAMILTON RACHAEL OLUFUNKE |
| 729 | HAMMED ADESINA AKEEM |
| 730 | HAMOD ARAFAT OLAYINKA |
| 731 | HAMZA RIDHWAN BOLADALE |
| 732 | HARMONY SECURITIES LIMITED – A/C 1 |
| 733 | HARRY RACHEL |
| 734 | HARRY SOIBIFAA DAKORU |
| 735 | HASSAN ABIODUN SARAFADEEN |
| 736 | HASSAN FEYISAYO AISHAT |
| 737 | HASSAN TITILAYO AZEEZAT |
| 738 | HENRY ADETUNJI |
| 739 | HENRY IGOCHE AMEH |
| 740 | HOUNTON CHRISTIANA |
| 741 | HUSSAINI IBRAHIM |
| 742 | HUSSEINI ABDULRAHMAN DAUDA |
| 743 | IBE EVELYN DOGWA |
| 744 | IBEAWUCHI CHIOMA |
| 745 | IBEKWE OSITA CHIMEZIE |
| 746 | IBENEGBU CHINELO |
| 747 | IBI-ADE ITOTOI |
| 748 | IBIRONKE OLUMUYIWA |
| 749 | IBITOYE EMMANUEL KOLAWOLE |
| 750 | IBIYEMI EMMANUEL TAIWO |
| 751 | IBIYEMI ESTHER OMOYENI |
| 752 | IBIYEMI SAMUEL OLUWOLE KOLAWOLE |
| 753 | IBRAHEEM MOSES GBOLAHAN |
| 754 | IBRAHIM ALIYU GALADIMA |
| 755 | IBRAHIM DIKKO |
| 756 | IBRAHIM HAKEEM |
| 757 | IBRAHIM ISSA LEKAN |
| 758 | IBRAHIM MURITALA IYANDA |
| 759 | IBRAHIM NANA HAUWA |
| 760 | IBUKUNOLUWA DEBORAH AMOS |
| 761 | IDAMADUDU RANDOL |
| 762 | IDIAGHE SUNDAY |
| 763 | IDIONG ASUQUO ESSIEN |
| 764 | IDOWU BOLAJI AFOLABI |
| 765 | IDRIS BALA |
| 766 | IDRIS MUSA ISA |
| 767 | IDRIS OLANREWAJU IBRAHEEM |
| 768 | IDUMA JOHN JENNIFER |
| 769 | IFEANYI KELVIN ONUOHA |
| 770 | IFECHUKWU EJIOFOR |
| 771 | IFEOBU MMELICHUKWU |
| 772 | IGBASANMI BUKOLA AKINRINBIDO |
| 773 | IGBASANMI JOHN OLATOMIDE ESTATE OF |
| 774 | IGBERAESE OKORUWA |
| 775 | IGBINOSA COLLINS MARK |
| 776 | IGBINOVIA MARYANN HUNONYEMESI |
| 777 | IGBOKEI STEPHANIE |
| 778 | IGBRUDE MOSES OKE |
| 779 | IGE YUSUF AMUDA |
| 780 | IGHODARO KUDI YEMI |
| 781 | IGUMBOR ISIOMA |
| 782 | IGWE EZIJE |
| 783 | IGWEZE FELIX NNAEMEKA |
| 784 | IHEANACHO STEPHEN CHINONSO |
| 785 | IHEGBU CHIDIEBERE MACLAWRENCE |
| 786 | IHEJIENE NGOZI AUGUSTINA |
| 787 | IHUOMA BENJAMIN TOCHUKWU |
| 788 | IJAYEKUNLE TOBI EMMANUEL |
| 789 | IJOMA FIDELIS.OPIA.ODILI |
| 790 | IKEBELI LOUIS AREKHAME |
| 791 | IKECHUKWU FRANK AYIKA |
| 792 | IKECHUKWU VICTOR MADUBUIKE |
| 793 | IKEKPOLOR GIBBS |
| 794 | IKEKPOLOR GIBBS ALUYA |
| 795 | IKHIONOTSE HARRIET IZUAGIE |
| 796 | IKOTUN OLALEKAN KAYODE |
| 797 | IKPADE ANSELEM |
| 798 | IKPE ESURU RUTH |
| 799 | IKUENOBE ONOMEN |
| 800 | IKUENOBE ONOMEN ANASTASIA |
| 801 | IKWUAGWU IKEMEFULA |
| 802 | ILESANMI OLUDOLAPO |
| 803 | ILUFOYE OYELOLA ALLI |
| 804 | IME ASANGANSI |
| 805 | IMEH GODWIN GBOTA |
| 806 | IMHANGUEZEJIE JOHN EHIS |
| 807 | IMIERE EDWIN OLATUNJI |
| 808 | IMOLEOLU OLUSOLA |
| 809 | IMONITIE CHRISTOPHER |
| 810 | IMORU CLEMENT AYODELE |
| 811 | INEH-DUMBI MICHAEL IKECHUKWU |
| 812 | INENEMO ABDULWAHAB USMAN |
| 813 | INFOWARE LIMITED |
| 814 | INUWA ABBAS YAHAYA |
| 815 | IOU INVESTMENT ADVISERS LTD |
| 816 | IREIN BENJAMIN OLUFEMI |
| 817 | IRO SAMUEL CHUKWUEBUKA |
| 818 | IRORO OROBOSA |
| 819 | ISAIAH EMEKA PHILIP |
| 820 | ISAIAH PRINCE JOSHUA |
| 821 | ISAIAH ROSELINE NGOZI |
| 822 | ISHAKU ISRAEL MALLAM |
| 823 | ISHOLA BABATUNDE AYINLA |
| 824 | ISIAKA MARZUQ OLADIPUPO |
| 825 | ISIAKA YUSUFF ORIYOMI |
| 826 | ISIJOLA AYOKA OLUWARANTI |
| 827 | ISIJOLA SAMUEL OLUSAYO |
| 828 | ISIKHUEMHEN FRANCIS |
| 829 | ISOKPAN OROBOSA |
| 830 | ISRAEL NWAJI NWAFOR |
| 831 | ISSA NIMOTA BOLANLE |
| 832 | ITAUMA MERCY ETEAKAMBA |
| 833 | ITHUNOKHA DANIEL |
| 834 | IVIE ODION OKOKPUJIE |
| 835 | IWU ELIZABETH ADA |
| 836 | IWU GABRIEL CHINEYE |
| 837 | IYANIWURA MODINAT KOFOWOROLA |
| 838 | IYEIMO ILAMINA |
| 839 | IYIOLA ISAAC AKINYODE |
| 840 | IYO ALALI |
| 841 | JAIYE-GBENLE AKOREDE NASIR |
| 842 | JAIYE-GBENLE BOLUWATIFE |
| 843 | JAIYEOLA OLUFEMI MUQTADIR |
| 844 | JAJI BABATUNDE RAHMAN |
| 845 | JAMES AMOS EMMANUEL |
| 846 | JAMES BURA MAMZA |
| 847 | JAMES DANIEL ONUCHE |
| 848 | JAMES EMMANUEL EDET |
| 849 | JEGBEFUME RUFUS |
| 850 | JELILI ADEKOLA AWESU |
| 851 | JESUMUYIWA BENJAMIN YOMI |
| 852 | JESUMUYIWA HANNAH MOSEBOLATAN |
| 853 | JIMOH AUGUSTINE A & JIMOH IYABO O |
| 854 | JIMOH NOIMOT OMOWUNMI |
| 855 | JIMOH-KUKU ISMAIL OLANIRAN |
| 856 | JINADU LAMIDI OLANIRAN |
| 857 | JINADU RASAK ADISA (ALHAJI) |
| 858 | JINADU WASIU OLABISI |
| 859 | JIWUMETO ADEBISI AJOKE |
| 860 | JOBI-STEVENS AKIN |
| 861 | JOHNSON ADEOLA |
| 862 | JOHNSON FRANCIS IKWUE |

# Unclaimed dividend list
continued

| S/No | Beneficiary |
|---|---|
| 863 | JOSEPH KOLAWOLE AKINWANDE |
| 864 | JOSEPH OLUWASEGUFUNMI ELIZABETH |
| 865 | JOSEPH OPUFOU |
| 866 | JOSEPHFABELURIN OLUWOLE |
| 867 | JOSHUA OLUWATOFUNMI OLORUNFEMI |
| 868 | JOSHUA SEUN OSHUNOLALE |
| 869 | JOWOSIMI ADEMOLU MATTEW |
| 870 | JOWOSIMI OLUBUNMI TEMITOPE |
| 871 | JOY OMONIGHO EGBEJALE |
| 872 | JUBRIL FAUSAT OLAJUMOKE |
| 873 | JUDITH ADEWOYE |
| 874 | JULIET KANENG GYANG |
| 875 | KADIRI ABAYOMI SHEWU |
| 876 | KAMILU BABATUNDE ADEBAYO |
| 877 | KANAKAPUDI PRASHANT SAMUEL |
| 878 | KAREEM ABIMBOLA |
| 879 | KAREEM OLADIMEJI OLOLADE |
| 880 | KAREEM TAWA JUMOKE |
| 881 | KASIM FAUZIYYAH KIKELOMO |
| 882 | KASIM JOSHUA TIWATAYO |
| 883 | KASIM JOTHAM TIWATOPE |
| 884 | KASUMU AMINAT FOLAKE |
| 885 | KASUMU SAHEED GBOLAHAN |
| 886 | KATIBI IBRAHEEM ADEOLA |
| 887 | KAYODE EZEKIEL OGUNSE |
| 888 | KAYODE OLUWASEUN MARY |
| 889 | KAYODE RICHARD AFOLABI |
| 890 | KAYODE SEUN |
| 891 | KAZEEM ABIBOLA MUSILI |
| 892 | KAZEEM MUSINO IYABO |
| 893 | KEHINDE SODIQ OYELADE |
| 894 | KELECHI AKUNNA ALOGBA |
| 895 | KELVIN OBIOMA ONYEBUEKE |
| 896 | KEMAKOLAM CHIMEZIE |
| 897 | KENNEDY-ECHETEBU CHINNY EUGENIA |
| 898 | KEVIN NWAUDO OGARANYAMARC |
| 899 | KEVIN SHEKWOAYE PHILIP DADA |
| 900 | KEVINDADA ELIANA ORITSEMISAN |
| 901 | KEVINDADA JADEN SHEKWONYA |
| 902 | KEYSTONE GLOBAL SYNERGY LTD |
| 903 | KIEREAMA MARY OBIEKORTOMA |
| 904 | KING ABBAABBA |
| 905 | KOLADE OLUFEMI TAIWO |
| 906 | KOLADE YETUNDE |
| 907 | KOLAWOLE IBRAHIM INUMIDUN |
| 908 | KOLAWOLE OMOWUMI MARY |
| 909 | KOLAWOLE YEKINNI ALABI |
| 910 | KOLEOSO KAZEEM ADEWALE |
| 911 | KOMBOL DAMIAN DOOYUM |
| 912 | KONYEBAGU CHIKEZE |
| 913 | KOSUOWEI EREBEBE |
| 914 | KPOHRAROR HOPE |
| 915 | KRUKRUBO AYEBADOMO IKIOMOYE |
| 916 | KUBA JULIUS EBO |
| 917 | KUKU ABIMBOLA ALAMI |
| 918 | KUKU GBADE SIKIRU |
| 919 | KUMOEI LIMITED |
| 920 | KURANGA LATEEF OLUBUNMI |
| 921 | KUYORO DANIEL AYODEJI |

| S/No | Beneficiary |
|---|---|
| 922 | KWAKPOVWE VERONICA |
| 923 | LAIYENBI KARIMO MOPELOLA O |
| 924 | LAIYENBI KASSIM ADEWALE |
| 925 | LAMINA SIKIRU TAIWO |
| 926 | LANA OLUSEYI JOHN |
| 927 | LANIYAN JONATHAN OLADEJO SUNDAY |
| 928 | LANLEHIN OLALEKAN BABATUNDE |
| 929 | LASISI OLUWASEYI SADIQ |
| 930 | LATEEF ISIAKA ADEYEMO |
| 931 | LATEEF YAHAYA FUNSHO |
| 932 | LATO FAITH OGHOGHO |
| 933 | LAWAL ADEREMI KOKUMO DUROJAIYE |
| 934 | LAWAL AKANBI KAFARU |
| 935 | LAWAL BOSE ADENIKE |
| 936 | LAWAL FALILAT OLAWUNMI |
| 937 | LAWAL FATAI |
| 938 | LAWAL LATEEFU ATANDA |
| 939 | LAWAL MORUF OLANREWAJU |
| 940 | LAWAL MUFUTAU ASHERU |
| 941 | LAWAL NOJEEM OLAWALE |
| 942 | LAWAL OLATUNDE |
| 943 | LAWAL OLAYINKA ISMAIL |
| 944 | LAWAL RASAQ OLANREWAJU |
| 945 | LAWAL RASHEED OLASUNKANMI |
| 946 | LAWAL RISIKAT JOKE |
| 947 | LAWAL SULAIMAN |
| 948 | LAWAL SURAJUDEEN OLUWAKEMI |
| 949 | LAWAL TIMILEHIN ANU-OLUWAPO |
| 950 | LAWAL WAHAB OLATUNJI |
| 951 | LAWAN ABUBAKAR |
| 952 | LAWANSON GANIAT OLAYEMI |
| 953 | LAWRENCE ILOABUCHI ATTAH |
| 954 | LAWRENCE KAMBAI JOSEPH |
| 955 | LAWSON EDOMWONYI |
| 956 | LAYADE OLUWABUSAYOMI |
| 957 | LAYONU ABIODUN |
| 958 | LEGUNSEN TOLULOPE |
| 959 | LEXX & SOPHY |
| 960 | LIASU TOYIN RACHEAL |
| 961 | LIJADU EBUNOLUWA DAVID |
| 962 | LINUS NDINEZE |
| 963 | LOTUS CAPITAL LIMITED – |
| 964 | LUFADEJU OLUGBENGA ADERINOLA |
| 965 | LUKMAN OLORUNTOYIN GIWA |
| 966 | LUKMON OLADAYO BULIAMEEN |
| 967 | MACAULAY AYOKUNLE OMOTOLA |
| 968 | MACAULAY EDUJIE |
| 969 | MACAULAY KAREEM ABIODUN |
| 970 | MADUFORO GOLDEN C. |
| 971 | MADUFORO GOLDEN CLEMENT |
| 972 | MADUKO FIDELIS OGBOGU |
| 973 | MAGAJI MOHAMMED |
| 974 | MAJARO AKINWALE & ADEBUKUNOLA |
| 975 | MAJEKODUNMI ADEWUNMI EDMUND |
| 976 | MAKANJUOLA OLADAYO ABDUL YEKINI |
| 977 | MAKINDE ABIODUN JOSEPH |
| 978 | MAKINDE ADEMOLA STEPHEN KAYODE |

| S/No | Beneficiary |
|---|---|
| 979 | MAKINDE ADESOYE EMMANUEL |
| 980 | MAKINDE OLABISI AINA |
| 981 | MAKINDE TOMIWA MATTHEW |
| 982 | MALIQ MUFUTAU OLAWALE |
| 983 | MAMMAN ANGBASHIM JATAU |
| 984 | MARAYESA OLUWADUROTIMI OLUWASEUN |
| 985 | MARGARET OLAGUNJU |
| 986 | MARGARETMARY MBUE OTU |
| 987 | MARTINS TOYIN TOLULOPE |
| 988 | MARVELLOUS GLADYS AYANSIJI |
| 989 | MARY AKINYEDE ADERONKE |
| 990 | MARY ANUOLUWAPO ARUBUOLA |
| 991 | MARY ANUOLUWAPO ARUBUOLA |
| 992 | MARY ULOMA ONYEKACHI |
| 993 | MASOJE ANTHONY |
| 994 | MAYALEEKE KAMORUDEEN ADE |
| 995 | MAYOKUN ADEMOLA ADEKOLA |
| 996 | MBAEGBU INNOCENT CHUKWUDI |
| 997 | MBAEGBU INNOCENT CHUKWUDI |
| 998 | MBAH ABRAHAM CHIMA |
| 999 | MBC SECURITIES NOMINEE OBUM |
| 1000 | MEDANI NGOZI OBIAGELI |
| 1001 | MEGGISON TITILOLA |
| 1002 | MENSA JOHN KWAME |
| 1003 | MGBEAHURIKE CHIDIEBERE MODESTUS |
| 1004 | MICHAEL BANJOKO |
| 1005 | MICHAEL EHIJEH |
| 1006 | MICHAEL OLUSEGUN |
| 1007 | MICHAEL SHIKHALSHABAB |
| 1008 | MICHAEL SUNDAY ABITOGUN |
| 1009 | MICHAELAKUBOH EKEREOBONG |
| 1010 | MODIBBO HUSEINA TUKUR |
| 1011 | MOJUETAN EYITEMI NED |
| 1012 | MOLUNO VIVIAN |
| 1013 | MOMODU OSIRIAME |
| 1014 | MOMOH DOYINSOLA ABDULQUAYUM |
| 1015 | MONDAY ODJODU |
| 1016 | MONICA IRENOSEN UDUKU |
| 1017 | MORADEYO DAVID ADEMOLA |
| 1018 | MORDI ANTHONIA EKENE |
| 1019 | MOROCCO-CLARKE SUSAN AYODELE |
| 1020 | MOSES ENAJEWE |
| 1021 | MOSURO YAKUBU TITILAYO |
| 1022 | MOT OLAYIWOLA TOBUN |
| 1023 | MOTOLATOB NIG. LIMITED |
| 1024 | MOTOTANI TETSUYA |
| 1025 | MPAMAUGO EDITH NWANWEREUCHE |
| 1026 | MPAMAUGO SAMUEL CHINENYE |
| 1027 | MR&MRS CHRISTOPHER & ROSALIND OYENEKAN |
| 1028 | MR&MRS IKPONMWOSA JAMES ODIASE |
| 1029 | MUFUTAU OMOLOLA BUKOLA |
| 1030 | MUHAMMED ABDULLAHI ADESHINA |
| 1031 | MUHAMMED GARBA |
| 1032 | MUHAMMED IBRAHIM |
| 1033 | MUIDEEN ABIODUN ADEBAYO |
| 1034 | MUJAPERUO SANDRA |

| S/No | Beneficiary |
|---|---|
| 1035 | MUKAILA KAFILAT AJOKE |
| 1036 | MUKAILA-LAWAL KENECHUKWU LAURA |
| 1037 | MULTRACTS INVESTMENT LTD |
| 1038 | MUNADAS MULTI CONCEPT LIMITED |
| 1039 | MUNDADEN GEO MATHEW |
| 1040 | MUNIR MUHAMMAD ABDULRAHMAN |
| 1041 | MURITALA IDAYAT TEMITOPE |
| 1042 | MUSA RABE |
| 1043 | MUSA SHITTU ABOKI |
| 1044 | MUSTAPHA HASFAT OLUWASOLA |
| 1045 | MUSTAPHA WASILAT AYOBAMI |
| 1046 | MUYIWA ADEWALE ALADEOKIN |
| 1047 | NAJEEM SALAWA OLUWAKEMI |
| 1048 | NANCY TORITSEJU DOGOOD |
| 1049 | NDEH-CHE FIDELIS |
| 1050 | NDUBUEZE MADUABUCHI |
| 1051 | NEMISINGHAN EBI OYABRA |
| 1052 | NGUTOR ANYAM |
| 1053 | NIMI JACK |
| 1054 | NISHIOKA SHU |
| 1055 | NISL INVESTMENT NOMINEE |
| 1056 | NJEMANZE JULIET CHINYERENGOZI |
| 1057 | NJOKU CHRISTIAN CHINONYEREM |
| 1058 | NJOKU REMIGIUS NWACHUKWU |
| 1059 | NJONMIH ANTHONY JATONG |
| 1060 | NNABUK NNABUK AKPAN |
| 1061 | NNADOZIE ANABA |
| 1062 | NNAETO ONYINYE UZOAMAKA |
| 1063 | NNAMDI JOHN OKONKWO |
| 1064 | NNAMNO C NWOSU |
| 1065 | NNANTA SOLOMON WORLU |
| 1066 | NNIL COMMERCIAL COY LTD |
| 1067 | NNOAHAM LINDA UZOMA |
| 1068 | NOFIU MAYOWA EMMANUEL |
| 1069 | NOFIU SANNI OLUWAROTIMI |
| 1070 | NOJEEM ISMAILA SEGUN |
| 1071 | NORTH WEST PETROLEUM & GAS LTD |
| 1072 | NTIA OKOKON IME |
| 1073 | NURUDEEN ABOLORE MODINAT |
| 1074 | NWABUEZE NSAKA |
| 1075 | NWABUEZE OBI-AZUKAEGO HENRY |
| 1076 | NWABUGHOGU BRIGHT |
| 1077 | NWABUIHE OLIVER SIL |
| 1078 | NWACHUKWU JESSICA JENNIFER |
| 1079 | NWACHUKWU JOHN IFESINACHI |
| 1080 | NWACHUKWU OGBONNAYA OBI |
| 1081 | NWAGBO CHINENYE |
| 1082 | NWAGBOM CONSTANTINA ONYEKACHI |
| 1083 | NWAGHODOH UGOCHUKWU ALEX |
| 1084 | NWAGURU CHRISTOPHER OKECHUKWU |
| 1085 | NWAKANMA N KINGSLEY |
| 1086 | NWAMBA OLIVE |
| 1087 | NWANDEI CHUKWUEMEKE |
| 1088 | NWANKPA EJIKE C. |
| 1089 | NWANWENE EMMANUEL |
| 1090 | NWIKWU NKECHI CYNTHIA |
| 1091 | NWOBODO IKECHUKWU CHINEDU |
| 1092 | NWOGU PRECIOUS ONYEDIKACHI |
| 1093 | NWOKEH OMENUKOR-AKU |
| 1094 | NWOKO EDWIN ONUWA CHIKWEKWEM |
| 1095 | NWOKOLO CHRISTOPHER O. EZEKIEL |
| 1096 | NWOSEH EMMNAUEL |
| 1097 | NWOSU MICHAEL OBINNA OMOTAYO |
| 1098 | NWOSU PEACE CHIDI |
| 1099 | NWOSU-IHEME NJIDEKA KENECHUKWU |
| 1100 | NWULU DANIEL |
| 1101 | NYONG OKON ABRAHAM |
| 1102 | NZEKWE PAULINUS IFESINACHI |
| 1103 | OBA KAFILAT MOJISOLA |
| 1104 | OBADEMI JOSHUA OLUYEMI |
| 1105 | OBAFEMI ADENIYI ESURUOSO |
| 1106 | OBARINDE ISAAC OBATOSHO |
| 1107 | OBAROGHEDO GEORGE EWEMADE |
| 1108 | OBASA DAVID ROTIMI |
| 1109 | OBATAYO JOHN OLUWAFEMI |
| 1110 | OBAYEMI FEYISARA JANET |
| 1111 | OBAYOMI IDOWU |
| 1112 | OBED EBIYE STANLEY |
| 1113 | OBI JOY NNEKA |
| 1114 | OBIANUJU CHARIS EKWEOGWU |
| 1115 | OBIANYOR EMEKA TOBENNA |
| 1116 | OBIDIKE ANTHONY IKECHUKWU |
| 1117 | OBIEGBU JAMES NGOZI |
| 1118 | OBIERI CHUKWUEBUKA OBIORA |
| 1119 | OBIERI CHUKWUEBUKA OBIORA |
| 1120 | OBINNA ANYANWU |
| 1121 | OBIOR PETER |
| 1122 | OBISESAN OLUGBENGA |
| 1123 | OBI-UCHENDU UGO AUSTIN |
| 1124 | OBIYO CHARITY UNINI |
| 1125 | OBODOZIE CONSTANCE ONYEKA |
| 1126 | OBODOZIE ONYEKA |
| 1127 | OBOMANU FELIX GAMALIEL |
| 1128 | OBOMINURU OGHENEOVO |
| 1129 | OBUKOHWO VICTOR |
| 1130 | OBULE EMMANUEL EKENE |
| 1131 | OCHEI DENNIS OSADEBAY |
| 1132 | OCHOGU EMMANUEL CHIBUEZE |
| 1133 | OCHOJE OTTEH ELIJAH |
| 1134 | ODE COMFORT OLUWASEYI |
| 1135 | ODELEYE MICHAEL |
| 1136 | ODELEYE OLUWASESAN JAMES |
| 1137 | ODEYEMI JOSHUA OLALEKAN |
| 1138 | ODEYEMI VICTOR OYEBOWALE |
| 1139 | ODIA ALICE |
| 1140 | ODIGIE ANTHONY |
| 1141 | ODILE CLEMENT IKEKPOLO |
| 1142 | ODOCHA EZE CHINWOKE |
| 1143 | ODOHISI ANDREW |
| 1144 | ODOI-OLUDEMILADE PAUL NII PRINCE |
| 1145 | ODOZI UCHE |
| 1146 | ODU CYRIL |
| 1147 | ODU KENNETH |
| 1148 | ODUFESO OLALEKAN KOLAWOLE |
| 1149 | ODUGBEMI REGINA AITUAJE |
| 1150 | ODUKALE ABIMBOLA ADEBOYE |
| 1151 | ODUMADE PETER AFOLABI OLAREWAJU |
| 1152 | ODUME FESTUS AZUBUIKE |
| 1153 | ODUNAIYA ABIOLA OLUBUNMI |
| 1154 | ODUNAIYA OLUWATOSIN OBATUNDE |
| 1155 | ODUNAYE OYEWALE SUNDAY |
| 1156 | ODUNGIDE IMA |
| 1157 | ODUNGIDE IMA |
| 1158 | ODUNIYI TEMITOPE KAMORU |
| 1159 | ODUNMORAYO OLALEKAN MATTHEW |
| 1160 | ODUNSI TOLULOPE JOSHUA |
| 1161 | ODUNTAN GANIYU ADE |
| 1162 | ODUNTAN OMOTAYO MORENIKE |
| 1163 | ODUNUGA SAMIAT ADEBANKE |
| 1164 | ODUSANYA OPE ANIKE |
| 1165 | ODUSOLA BABAJIDE |
| 1166 | ODUSOTE OLATUNBOSUN ANIKE |
| 1167 | OFFOR KINGSLEY ONYEMAENCHI |
| 1168 | OFFOZOR MATTHEW |
| 1169 | OFOHA IKENNA KENNETH |
| 1170 | OFUASE JOSEPHINE |
| 1171 | OFURHIE ERHOMU |
| 1172 | OGBE DAVID |
| 1173 | OGBE TASHEGBONE KOKOGHO |
| 1174 | OGBEIDE AUGUSTINE |
| 1175 | OGBUIYI ONYEBUCHI |
| 1176 | OGBUMMAH WOGWUGWU THEOPHILUS U. |
| 1177 | OGECHUKWU DOMENDU |
| 1178 | OGEDEGBE SOLOMON |
| 1179 | OGHENERUKEVWE AKPORE |
| 1180 | OGHOR BRYTE |
| 1181 | OGIDI ANTHONIA OMOLOLA |
| 1182 | OGINNI JOSHUA OLUWOLE |
| 1183 | OGINNI SUNDAY PATRICK |
| 1184 | OGOCHUKWU NOBLE OBASI |
| 1185 | OGODO ONORIODE |
| 1186 | OGOLO LANCASTER |
| 1187 | OGUIKE-OLERU FABIAN NNAMDI |
| 1188 | OGUJIUBA GRACE IFEYINWA |
| 1189 | OGUNBAMERU OLUMIDE SUNDAY |
| 1190 | OGUNBESAN SHOLA JAMIU |
| 1191 | OGUNBIYI ESTHER |
| 1192 | OGUNBIYI YUSUF GBENGA |
| 1193 | OGUNDARE AKINNIYI MOSES |
| 1194 | OGUNDARE JUMOKE |
| 1195 | OGUNDEJI MOSES AYODELE |
| 1196 | OGUNDELE ADETUTU OLUREMI |
| 1197 | OGUNEKUN ADEBOYE LAPEKUN O |
| 1198 | OGUNJINMI ALICE IYABO |
| 1199 | OGUNKENU OLUSOLA (MRS) |
| 1200 | OGUNKOYA JANET YETUNDE |
| 1201 | OGUNLADE ADESOJI OLUJIMI |
| 1202 | OGUNLEYE AFOLARIN AFOLABI |
| 1203 | OGUNLEYE OLABODE |
| 1204 | OGUNLEYE-JOHNSON BABATUNDE |
| 1205 | OGUNLOLA AGBOOLA DAVID |
| 1206 | OGUNMODEDE GABRIEL |

| S/No | Beneficiary |
|---|---|
| 1207 | OGUNNAIKE OLASUNKANMI ADEWALE |
| 1208 | OGUNNAIKE OLUBUKOLA OMOLARA |
| 1209 | OGUNNIYI TUNBOSUN OLUFEMI |
| 1210 | OGUNRINDE OLUWASEYI |
| 1211 | OGUNRINDE RUTH FOLASADE |
| 1212 | OGUNSIPE BENSON |
| 1213 | OGUNSOLA ADEDAYO OLUWASEGUN |
| 1214 | OGUNSOLA DAVID ADEGBOYEGA |
| 1215 | OGUNTOYE OLUWATOPE LAWRENCE |
| 1216 | OGUNWALE BUKUNMI BENJAMIN |
| 1217 | OGUNYEMI OLUSEGUN |
| 1218 | OGWUMIKE ONYEMAECHI JOHN |
| 1219 | OHAEGBULAM NESHMET CHIKE |
| 1220 | OHALETE CHIAMAKA |
| 1221 | OHIFUEMEH OLAYINKA ANUOLUWAPO |
| 1222 | OHUABUNWA NNAMDI GODFREY |
| 1223 | OJEMAKINDE OLUWATOMI |
| 1224 | OJEWVE PETER |
| 1225 | OJIAKA JUSTICE IKENNA/ MARGIN |
| 1226 | OJISUA MOYO |
| 1227 | OJO ADELEKE ISEOLUWA |
| 1228 | OJO MOYOSORE |
| 1229 | OJO OLAWALE OLUTOYIN |
| 1230 | OJO SAMUEL ADEDAYO |
| 1231 | OJO STEPHEN ADETUNJI |
| 1232 | OJOLOWO HAMMED OLAYIWOLA |
| 1233 | OJORA FUNMILAYO AJOKE |
| 1234 | OJUKOTOLA RAHAMON OLUWOLE |
| 1235 | OJUMU ROLAND |
| 1236 | OKABEKWA FABIAN |
| 1237 | OKAFOR ANWULI |
| 1238 | OKAFOR AUGUSTINE AZUBUIKE |
| 1239 | OKAFOR BLESSING NKEONYERE |
| 1240 | OKAFOR EMMANUEL NKWACHUKWU |
| 1241 | OKAFOR EMMANUEL NKWACHUKWU MR & MRS |
| 1242 | OKAFOR RUTH ESOHE |
| 1243 | OKAFOR UCHENNA |
| 1244 | OKECHUKWU JONNWAKALO |
| 1245 | OKEGBOLA OLUWOLE GABRIEL |
| 1246 | OKELEYE ADENIKE ELIZABETH |
| 1247 | OKELEYE DAMILOLA |
| 1248 | OKELEYE ENOCH ANJOLA-OLUWA |
| 1249 | OKELEYE ISRAEL AYODAMOPE |
| 1250 | OKELEYE RACHAEL OREOLUWA |
| 1251 | OKENIYI OLAMIDE DANIEL |
| 1252 | OKENIYI OMOBOLANLE RACHEL |
| 1253 | OKETE PETER OSUBU |
| 1254 | OKEYODE OLUSEGUN |
| 1255 | OKHOMINA SUNDAY |
| 1256 | OKI PAUL A |
| 1257 | OKO PATRICK |
| 1258 | OKOAHABA INNOCENT BOLUM |
| 1259 | OKODO IFEANYI CORNELIUS |
| 1260 | OKOGBE BOLAJI |
| 1261 | OKOH APARI |
| 1262 | OKOH PETER KNIGHT |
| 1263 | OKOLIE CHIZOBA |
| 1264 | OKON EMMANUEL E. |
| 1265 | OKONKWO EUGENE IKE |
| 1266 | OKONKWO JULIANA NWEGO (MRS) |
| 1267 | OKONORHO AUGUSTINE |
| 1268 | OKONORHO LIZ OGHENEKEVWE |
| 1269 | OKORIA TONBARA |
| 1270 | OKORIE RICHARD |
| 1271 | OKORO DANIEL |
| 1272 | OKORO IBEKWE APOLLOS |
| 1273 | OKORO JAMES NCHONWA |
| 1274 | OKOROAFOR IGNATIUS EJILUGWU |
| 1275 | OKOYE NNENNA CHIOMA |
| 1276 | OKPAGU VALENTINE CHISOLUE |
| 1277 | OKPAKO OGBA |
| 1278 | OKPARA CHUKWUMAIHE |
| 1279 | OKPARA CHUKWUMAIHE G. |
| 1280 | OKPARANTA SAMUEL |
| 1281 | OKPO UNO EDET |
| 1282 | OKUBOYEJO DAMILOLA AYOKUNLE |
| 1283 | OKUSIPE OLUTOMISIN OMOLOLU |
| 1284 | OKWAGBE HARRISON |
| 1285 | OKWOLI PETER IDOKO |
| 1286 | OKWUADA SAMUEL KESSINGTON |
| 1287 | OLABISI ADEDAYO |
| 1288 | OLABODE FELICIA OLURANTI |
| 1289 | OLABODE JEREMIAH |
| 1290 | OLABODE OLUSEGUN VICTOR |
| 1291 | OLABODE RAHMON KOLAWOLE |
| 1292 | OLABODE SHADIAT OLABISI |
| 1293 | OLADAPO AKINOLA OLADOTUN |
| 1294 | OLADAPO ALAGBE |
| 1295 | OLADAPO LATIFAT KEMI |
| 1296 | OLADAPO MODUPE LOVE |
| 1297 | OLADAPO MONI ABIODUN |
| 1298 | OLADAPO OLUWADARE |
| 1299 | OLADAPO TINUOLA DOLAPO |
| 1300 | OLADELE AYODEJI OGUNLANA |
| 1301 | OLADIPO OLUYEMISI GBEMISOLA |
| 1302 | OLADIPUPO FATIMO TOSIN |
| 1303 | OLADIPUPO SARAFADEEN |
| 1304 | OLADOKE SUNDAY ISAAC |
| 1305 | OLADOSU ISLAMIYAT ADETUTU |
| 1306 | OLADOYIN OLUMIDE OLAMILEKAN |
| 1307 | OLAFADEHAN OLULEKE MOFOLAJU |
| 1308 | OLAFUSI MICHAEL OLALEKAN |
| 1309 | OLAGBAJU BILIKISU OLOLADE |
| 1310 | OLAGUNJU GABRIEL ADEWALE |
| 1311 | OLAITAN OLUWAFEMI S |
| 1312 | OLAIYA SAMUEL B. |
| 1313 | OLAJESU FAVOUR ADESHINA |
| 1314 | OLAJIDE OLUKAYODE |
| 1315 | OLAJIGA OLUFEMI AYODEJI |
| 1316 | OLAJOSAGBE JOHN OLUBUNMI |
| 1317 | OLAJOSAGBE JOHN OLUBUNMI |
| 1318 | OLALEKAN AJAJA |
| 1319 | OLALEYE ABDULLAHI AKANBI |
| 1320 | OLALEYE ADEYEMI ELIJAH |
| 1321 | OLALEYE OLAKUNLE MICHAEL |
| 1322 | OLAMIDE CLEMENT AKINYEMI |
| 1323 | OLANIYAN OLUWAFEMI SAMUEL |
| 1324 | OLANIYAN RAMOTA OLUWABUNMI |
| 1325 | OLANIYI ODERINDE |
| 1326 | OLANREWAJU FILANI OLADAPO |
| 1327 | OLANREWAJU KAZEEM ADIO |
| 1328 | OLANREWAJU OLUWATOYIN OMOLADE |
| 1329 | OLAOFE TOLANI |
| 1330 | OLAOPA ADEOLA ABIGAEL |
| 1331 | OLAPADE KEHINDE ABDULAHI |
| 1332 | OLAPADE TAIWO NURUDEEN |
| 1333 | OLAREWAJU AUGUSTINA YEMI |
| 1334 | OLASEHINDE ADENIKE KEMI |
| 1335 | OLASEHINDE FESTUS OLUWASEUN |
| 1336 | OLASUPO SHITTU KAZEEM |
| 1337 | OLATONA REBECCA OPEYEMI |
| 1338 | OLATUNDE AJOKE IDOWU |
| 1339 | OLATUNDE JEREMIAH ODEDIRAN |
| 1340 | OLATUNDE OLATUNDE |
| 1341 | OLATUNDUN RASHEED OLABISI |
| 1342 | OLATUNJI AYODELE OLAMIDE |
| 1343 | OLATUNJI BAMIDELE MUSA |
| 1344 | OLATUNJI GRACE FUNMILADE |
| 1345 | OLAWALE FESTUS OMOLADE |
| 1346 | OLAWUNMI ADENOLA OLAWANDE |
| 1347 | OLAYEYE RAOLAT TOLANI |
| 1348 | OLAYIWOLA MARIAM OLAIDE |
| 1349 | OLAYIWOLA MONSURA MORENI |
| 1350 | OLAYIWOLA MUHAMMED OLAJIDE |
| 1351 | OLAYIWOLA PAUL GBEMIGA |
| 1352 | OLAYIWOLA WASIU |
| 1353 | OLD SHOREHAM INVESTMENT MGT LTD |
| 1354 | OLEKA JOHNBOSCO CHIGOZIE |
| 1355 | OLEKA SIXTUS UCHE |
| 1356 | OLISA NNADILI |
| 1357 | OLISEKWE PETER NWABUEZE |
| 1358 | OLIVE COURT CHARITY FOUNDATION |
| 1359 | OLIYIDE TITILOLA |
| 1360 | OLLEY JOSEPH |
| 1361 | OLOAPUPO RAHMAT ADEOLA |
| 1362 | OLOGUN OLUWADAMILOLA OLAKUNLE |
| 1363 | OLOKOR SUNDAY |
| 1364 | OLOKPA FIDELIA |
| 1365 | OLOLADE QUADRI OWOLABI |
| 1366 | OLOLOPETER LTD |
| 1367 | OLOPADE KHADIJAT TOLULOPE |
| 1368 | OLORUNKEMI JAMIU AROWOLO |
| 1369 | OLOTU OLUSOJI OLABODE |
| 1370 | OLOWOFELA OLABODE |
| 1371 | OLOWONIYI ADE-DAVID |
| 1372 | OLOWONIYI CECILIA AINA |
| 1373 | OLOWOOKERE ENIOLA ABOSEDE |
| 1374 | OLOWU ABIODUN ABODUNRIN |
| 1375 | OLOYEDE BABATUNDE OLUYEMI |
| 1376 | OLOYEDE OLADAPO OLUWAMAYOWA |
| 1377 | OLUBUNMI SAHEED OGUNFELA |
| 1378 | OLUCHI OLIVIA NJOKU |
| 1379 | OLUEBUBE OPARA |
| 1380 | OLUFEMI ADESHIN AKINWALE |

| S/No | Beneficiary |
|---|---|
| 1381 | OLUFUNMILOLA JAMES |
| 1382 | OLUGBABI DOTUN ISAAC |
| 1383 | OLUGBOSUN ARIYO AYO |
| 1384 | OLUGBOSUN BANJI |
| 1385 | OLUJIMI AJENIKE BILIKISU |
| 1386 | OLUKAYODE & TEMITOPE EDUN |
| 1387 | OLUMIDE ABIOLA FALANA |
| 1388 | OLUMIDE UTHMAN AWONIRAN |
| 1389 | OLUMUYIWA BUKOLA ABOSEDE |
| 1390 | OLUMUYIWA SAMSON OLUSEGUN |
| 1391 | OLUNLOYO ISMAIL OLADIMEJI |
| 1392 | OLUSANYA OLUREMI OLUKUNLE |
| 1393 | OLUSOLA AKANJI KAYODE |
| 1394 | OLUSOLA OLALEKAN O. |
| 1395 | OLUSOLA OLUSEYI OLABIYI |
| 1396 | OLUWADARAFUNMI EGBEYEMI |
| 1397 | OLUWAGBAMILA AKANJI MOSES |
| 1398 | OLUWAGBENGA ADEWALE PEDRO |
| 1399 | OLUWAJEMISIN FAVOUR OLUWASEUN |
| 1400 | OLUWAKEMI LATIFAT ADEKANMI |
| 1401 | OLUWAKEMI RACHEL OLUSINA |
| 1402 | OLUWANISHOLA IBIRONKE YETUNDE |
| 1403 | OLUWAROTIMI AKINTOMIDE |
| 1404 | OLUWASEGUN ABRAHAM ATOYEBI |
| 1405 | OLUWASEGUN EMMANUEL BALOGUN |
| 1406 | OLUWASEKUN SONIA AKINBIYI |
| 1407 | OLUWASEUN OLABAMIDELE FADUMIYE |
| 1408 | OLUWASEUN OMOTOSHO |
| 1409 | OLUWASEUN OYINDAMOLA ADEWOLU |
| 1410 | OLUWASHINA ADENIHUN |
| 1411 | OLUWATOBI JOSHUA KEHINDE |
| 1412 | OLUWATOSIN ABIDEMI ODUSOTE |
| 1413 | OLUWATOSIN MARTINS AGBENI |
| 1414 | OLUWATOSIN OSANYINTUYI |
| 1415 | OLUWATOYIN OSOGU |
| 1416 | OLUYEMI MOREMI LAWALDAKI |
| 1417 | OLUYOH GODWIN |
| 1418 | OMAGBEMI ORITSEWEYINMI |
| 1419 | OMALE EKOJONWA JOY |
| 1420 | OMIPITAN OMOTAYO JONAH |
| 1421 | OMOBOLANLE ADEKANYE |
| 1422 | OMODARA OLUWAKEMI VERONICA |
| 1423 | OMOFUMA IRENOSEN ADETOLA |
| 1424 | OMOGIAFO OWEN DIANA |
| 1425 | OMOLE ABRAHAM OLAMILEKAN |
| 1426 | OMOLE DEBORAH MORADEKE |
| 1427 | OMOLE JOSEPH ADEDEJO |
| 1428 | OMOLE RACHAEL FUNMILAYO |
| 1429 | OMONIPO ZIKIRUKAHI TAYE |
| 1430 | OMONIYI KIKEYEMI ELIZABET |
| 1431 | OMOROGBE OSAZUWA |
| 1432 | OMOTOLANI ADETOUN LAIYENBI MUTIAT |
| 1433 | OMOTOSHO SULAIMON AKINADE |
| 1434 | OMOTOYE ADEWALE |
| 1435 | OMOWANILE OLADAPO |
| 1436 | OMUOJINE EMMANUEL NDUDI |
| 1437 | ONABANJO OLUROTIMI OLUGBUYI |

| S/No | Beneficiary |
|---|---|
| 1438 | ONABULE OLATAYO |
| 1439 | ONADEKO SAMUEL IMOLEAYO |
| 1440 | ONAIWU MATTHEW |
| 1441 | ONANUBI KEHINDE SAMSON |
| 1442 | ONASANYA BAKIU ADENIYI |
| 1443 | ONASANYA BENNETT ADESINA |
| 1444 | ONEKUTU EMMANUEL AKAGU |
| 1445 | ONI OMOTAYO |
| 1446 | ONI OMOTAYO BASIRAT |
| 1447 | ONIFADE KEHINDE BOLANLE |
| 1448 | ONIFADE TAIWO OLUFEMI |
| 1449 | ONIGBANJO ADEBAYO |
| 1450 | ONIKOYI BABATUNDE YEKEEN |
| 1451 | ONIKOYI MONSURAT OLAIDE |
| 1452 | ONIKOYI NOAH YEKINI |
| 1453 | ONITIRI ADESUNBO ADENIJI DAVID |
| 1454 | ONIWINDE OMOLARA ADEBISI |
| 1455 | ONIYIROKUN ADENRELE OYETUNJI |
| 1456 | ONODJE VICTOR |
| 1457 | ONOKA NNENNA |
| 1458 | ONOKURHEFE BENSON IRHIKEVWIE |
| 1459 | ONOKURHEFE BENSON IRHIKEVWIE |
| 1460 | ONONIWU CHIGOZIE GILBERT |
| 1461 | ONORIODE PAUL EMERHANA |
| 1462 | ONOTASA SHADRACH UCHOHWO |
| 1463 | ONU BERNARD OKECHUKWU |
| 1464 | ONUBOGU ADAEZE |
| 1465 | ONUH SHADRACK HANNAH |
| 1466 | ONUIGWE JOHNSON CHIMA |
| 1467 | ONUKWUSI EMEKA KERRY |
| 1468 | ONUOHA CHIDI CHIKWENDU |
| 1469 | ONUOHA PERIPAUL OLUCHKWU |
| 1470 | ONWELUZO UZOAMAKA SOPHIA |
| 1471 | ONWUDIWE CHIKE TERRENCE |
| 1472 | ONWUKA LAZARUS NNADOZIE |
| 1473 | ONWULIRI CHUKWUEMEKA ONYEMAUCHE |
| 1474 | ONWUNYI LOTANNA |
| 1475 | ONWUNYI LOTANNA |
| 1476 | ONYEBUAGU IJEOYIBO JENNIFER |
| 1477 | ONYEBUCHI HYCIENTH ONYEAHIALAM |
| 1478 | ONYEBUCHI NNAEMEKA CALEB |
| 1479 | ONYECHI IKECHUKWU TAGBO |
| 1480 | ONYEGBADO CYNTHIA NNEKA |
| 1481 | ONYEJI LAURA NNEKA |
| 1482 | ONYEJI UCHE LILIAN |
| 1483 | ONYEKWELU NNAEMEKA CHIJINDU |
| 1484 | ONYEMAEKE CHINWENDU MATILDA |
| 1485 | ONYENOBI IJEOMA |
| 1486 | ONYIA EMEKA JUDE |
| 1487 | ONYIA ISRAEL CHUKWUKA |
| 1488 | ONYINYECHUKWU EGENTI |
| 1489 | OPARA CLEMENT ANAELE CHUKWUDI |
| 1490 | OPATOLA JOSEPH OGUNDEYI |
| 1491 | OPE SAMUEL ADENIYI |
| 1492 | OPEGBUYI OKANLAWON TAJUDEEN |
| 1493 | OPEOLUWA ADEKUNLE |
| 1494 | OPURUM EMMANUEL THOMAS |
| 1495 | ORAGWU ALUBA I. & PETER O. |
| 1496 | ORAH CHINEDU JEROME |

| S/No | Beneficiary |
|---|---|
| 1497 | ORASO TIMOTHY ENOHO |
| 1498 | OREFUWA BABATUNDE ADEMOLA |
| 1499 | OREFUWA OLUWAGBENGA GABRIEL |
| 1500 | OREFUWA OLUWASEYIFUNMI D |
| 1501 | OREFUWA TEMITOPE M |
| 1502 | ORENIYI TEMITOPE LEKE |
| 1503 | OREYE ALPHONSUS JEGBEFUME |
| 1504 | ORIBAMISE OJO STEPHEN |
| 1505 | ORINGO ADESOLA MICHAEL |
| 1506 | ORIOLA MOBOLAJI |
| 1507 | ORIOWO MARGARET MAYOWA |
| 1508 | ORISADAHUNSI EKUNDAYO MOROUNDUPE |
| 1509 | ORISADAHUNSI OLUSEYI OLAYENI |
| 1510 | ORISADAHUNSI TEMITOPE ATINUKE |
| 1511 | ORIVOH VICTOR (ALLEDGED DECEASED PHC/2052/2022) |
| 1512 | ORJI MADUABUCHI |
| 1513 | OROBOMENA FRANCISCO ANTHONY |
| 1514 | OROGUN OROMENA |
| 1515 | OROIBI ERIBUSAYO ADESOLA |
| 1516 | OROK VICTOR EFFIOM |
| 1517 | OROLEYE NAJEEM TAIWO |
| 1518 | OSABUOHIEN KINGSLEY OSARODION |
| 1519 | OSAGIE OMOTEKHALE |
| 1520 | OSAMO DARE OLUWASEGUN |
| 1521 | OSARUMWENSE DENNIS KEHINDE |
| 1522 | OSAWE OSAYANDE |
| 1523 | OSENI RASHIDAT |
| 1524 | OSHIN ADESEGUN |
| 1525 | OSHINFADE BOLA TAYO |
| 1526 | OSHIOKHAI ADOLPHUS OMONOKHUA |
| 1527 | OSIBERU ABIODUN OLADIPUPO |
| 1528 | OSIFO EMMANUEL OMOREGBE |
| 1529 | OSIKALU LUCIA FUNMILAYO |
| 1530 | OSILEYEOLUGBENGA AFOLABI |
| 1531 | OSINAIKE KEHINDE SIDIKAT |
| 1532 | OSOSANYA OLUYOMI TOLULOPE |
| 1533 | OSOTA OBAFUNMILAYO OLABOYE |
| 1534 | OSULALA PRINCE |
| 1535 | OSUNKWO EBERE |
| 1536 | OSUNRINDE MARGARET OMOTOLA |
| 1537 | OSUOHA A CHIMA |
| 1538 | OTENIYA THERESA OMOPONMILE |
| 1539 | OTOKHINE EMMANUEL |
| 1540 | OTOROLEHI-OKEZIE VICTORIA |
| 1541 | OTSEMOBOR ENETOMHE |
| 1542 | OTTIH CHIMAMANDA CLAIRE |
| 1543 | OTUBANJO VICTOR OLUWASEUN |
| 1544 | OTULANA KOLADE ADETAYO |
| 1545 | OTUNBA GAFAR OLAREWAJU |
| 1546 | OTUONYE MERCY NKECHI |
| 1547 | OVEDHE ISAIAH ARUE |
| 1548 | OVIAWE NOSAMUDIANA ABIGAIL |
| 1549 | OVRAITI OGHRNOVO |
| 1550 | OVUAKPORAYE REUBEN |
| 1551 | OWO FAUSAT ABIODUN |
| 1552 | OWOLABI ALONWONLE NURUDEED ADEKUNLE |

| S/No | Beneficiary |
|---|---|
| 1553 | OWOLABI TAWAKALITU |
| 1554 | OWOPETU OLUFEMI |
| 1555 | OWUMI ANTHONY AGHOGHO |
| 1556 | OYAFUNSO OLUGBENGA JOSEPH |
| 1557 | OYAKHILOME MOMODU KABIR |
| 1558 | OYEBAMIJI TOLA EIZABETH |
| 1559 | OYEBANJI GRACE ABIMBOLA |
| 1560 | OYEDEJI OLUWASEGUN ABIODUN |
| 1561 | OYEDELE ABDULAZEEZ ADEMOLA TAIWO |
| 1562 | OYEDELE NURAT ADENIKE EJIDE |
| 1563 | OYEDIRAN OLANIPEKUN |
| 1564 | OYEKOLAWA FATUSIN |
| 1565 | OYELAKIN MOTUNRAYO |
| 1566 | OYELEYE OLUSEGUN OYEDEJI |
| 1567 | OYELUDE BABATUNDE. S. |
| 1568 | OYENEYE KUNLE |
| 1569 | OYENUGA FOLASHADE MARY |
| 1570 | OYEOKA JOY NJIDEKA |
| 1571 | OYESOLA FIYINFOLUWA OYEBISI |
| 1572 | OYETIMEIN OLUWAPELUMI MICHAEL |
| 1573 | OYEWO ESTHER OLUYEMISI |
| 1574 | OYEWOLE ISAIAH OLUWATOSIN |
| 1575 | OYEYEMI MAYOWA OYEGBOLA |
| 1576 | OZOEMENA ESEROGHENE |
| 1577 | OZUMBA FRANK |
| 1578 | PASADENA ENERGY CORPORATION (FUTUREVIEW) – |
| 1579 | PATIENCE ADAORA OBILOR |
| 1580 | PATRICK AKINWUNTAN MR & MRS |
| 1581 | PATRICK CHINELO FAVOUR |
| 1582 | PATRICK UGOCHUKWU NNAMDI |
| 1583 | PAUL AGBANIMSHUYE ASHIBEL |
| 1584 | PAUL BENEDICTA CHIKA MAUREEN |
| 1585 | PAUL OLUWAKAYODE ERINLE |
| 1586 | PAUL SUNDAY KINGSLEY |
| 1587 | PAXON GOLD INDUSTRIAL COY LTD |
| 1588 | PEMI YETUNDE TEMITOPE |
| 1589 | PEREIRA THEODORE SHOBOWALE |
| 1590 | PESACH CAPITALS LIMITED |
| 1591 | PETER CHINONSO EZE |
| 1592 | PETER OLAJIDE OLOLUO |
| 1593 | PETER OLAMIDE FOLAGBADE |
| 1594 | PETER TAIWO RACHEAL |
| 1595 | PETERS ADENIKE MODUPE |
| 1596 | PHILIP IKECHUKWU |
| 1597 | POPOOLA FUNKE ANIKE |
| 1598 | POPOOLA SHERIFAT BOLA |
| 1599 | PRAISE GLOBAL VENTURES |
| 1600 | PRECIOUS KENNEDY |
| 1601 | PRINCE NYABIS BITRUS |
| 1602 | PRINCESS FAVOURED ADEBE |
| 1603 | PROF CHRIS EKONG FOUNDATION |
| 1604 | QUADRI SULAIMON |
| 1605 | QUEEN ESTHER EBERE OKEREKE |
| 1606 | RABIU SULE ADEYEMO |
| 1607 | RAFIU MODINAT MORENIKE |
| 1608 | RAHEEM ADEBAYO ADEWALE |
| 1609 | RAHMAN ADAM TOLULOPE |
| 1610 | RAIMI RAMONI ADEMOLA |
| 1611 | RALIYA UMAR ALKALERI |
| 1612 | RAMAT KOLAWOLE |

| S/No | Beneficiary |
|---|---|
| 1613 | RAMON ADIJAT KUBURA |
| 1614 | RASAQ OLALEKAN MUMUNI |
| 1615 | RASHEED RASAQ |
| 1616 | REBACABIM GLOBAL INVESTMENTS LTD |
| 1617 | RENCAP SECURITIES NIG LTD-MM TRADING |
| 1618 | REUBEN VICTORIA KEHINDE |
| 1619 | RIMDAP ABDUL BIN |
| 1620 | RITGAK MUDENA YILWATDA |
| 1621 | ROFIU KOLAWOLE SHAKIRU |
| 1622 | ROLAND OKERE |
| 1623 | ROSEMARY CHIDIMMA OGBONNA |
| 1624 | ROSGATE NIGERIA LIMITED |
| 1625 | RUFAI ABUBAKAR AHMED |
| 1626 | RUFAI ADEMOLA ELIAS |
| 1627 | RUKAYAT OLATANWA BUSARI |
| 1628 | RUNSEWE OLAOLUWA OLUWOLE |
| 1629 | RUTH ISHAYA |
| 1630 | SAADU FALILAT BOLANLE |
| 1631 | SADA VICTOR OGHOGHO MR |
| 1632 | SAGOE KWEKU-MENSAH OLAKUNLE |
| 1633 | SAKA ABDULGANIYU A |
| 1634 | SAKA KOLAWOLE ADAMS |
| 1635 | SAKA NUSIRAT OMOBOLANLE |
| 1636 | SAKA WAHEED ALAO |
| 1637 | SAKARIYAHU SHUAIB TOYIN |
| 1638 | SALAM AZEEZ ADEYEMI |
| 1639 | SALAMI ADEYANJU RAHEEM |
| 1640 | SALAMI BIMBO IYABO |
| 1641 | SALAMI IBRAHIM BABALOLA |
| 1642 | SALAMI JUSTIINA SOBALOJU |
| 1643 | SALAMI OLASUNKANMI TIRIMISIYO |
| 1644 | SALAMI OYENMWEN |
| 1645 | SALAMI RASHEEDAT ABOSEDE |
| 1646 | SALAMI SILIFAT ADEBOLA |
| 1647 | SALAMI SULAIMON ABIODUN |
| 1648 | SALAMI YUSUFU BISI |
| 1649 | SALAMI ZACHAEUS OTITOJU |
| 1650 | SALAU MOHAMMED ADEBANJO |
| 1651 | SALAUDEEN WASIU ADEWALE |
| 1652 | SALEH YELWA IBRAHIM |
| 1653 | SALEMSON SHAREHOLDERS ASSO OF NIGERIA |
| 1654 | SALISU SHUIBU RAKIYA |
| 1655 | SALIU FAUSAT REMILEKUN |
| 1656 | SAM KINANEE |
| 1657 | SAMUEL AKOSILE |
| 1658 | SAMUEL DAMILOLA ADEOTI |
| 1659 | SAMUEL OLAYINKA NIFEMI |
| 1660 | SAMUEL UADE |
| 1661 | SANGUDI GENEVIEVE |
| 1662 | SANNI ABIODUN CHRISTIANA |
| 1663 | SANUSI ISMAIL FOLAWIYO |
| 1664 | SANUSI ISMAIL OLASUKANMI |
| 1665 | SANYAOLU JONATHAN AYOMITUNDE |
| 1666 | SARKI – UMAR ALIA FEYISAYO ASAKE |
| 1667 | SARUMI TUNDE KABIR |
| 1668 | SAVAGE ADEBUKOLA ARIKE |
| 1669 | SAVAGE SPENCER AKINKUNMI |

| S/No | Beneficiary |
|---|---|
| 1670 | SEGUN ADEWALE OLADELE |
| 1671 | SEGUN AFOLABI |
| 1672 | SEUN ADELAJA OKUDE |
| 1673 | SHADRACH PROMISE OJEMIRE |
| 1674 | SHARON INEM |
| 1675 | SHEDRACK AYARO |
| 1676 | SHITTA MORUFAT ABIOLA |
| 1677 | SHITTA-BEY DHIKRULLAHI OLAWALE |
| 1678 | SHITTA-BEY OMOWUNMI |
| 1679 | SHITTU AHMID ADEMOLA |
| 1680 | SHITTU BOLANLE KAFAYAT |
| 1681 | SHITTU HAFSAT OMOLABAKE |
| 1682 | SHITTU SULAIMON AYINLA |
| 1683 | SHOBANDE COMFORT OLUSHOLA |
| 1684 | SHODEINDE OLUWATOBI EMMANUEL |
| 1685 | SHODEKE OMOLARA DORCAS |
| 1686 | SHOFOLAHAN ANTHONIA OLUWATOYIN |
| 1687 | SHOFOLAHAN CHARLES OLUSEGUN |
| 1688 | SHOFOLAHAN ELIZABETH OLUBUKONLA |
| 1689 | SHOFOLAHAN FRANCISCA BOLATITO |
| 1690 | SHOFOLAHAN SUNDAY O. |
| 1691 | SHOKUNBI KHADIJAT OLASUMBO |
| 1692 | SHOMORIN OLUWAKEMI SEUN |
| 1693 | SHOPEJU EFUNBOSEDE AYOTUNDE |
| 1694 | SHOTUNDE BABATUNDE SUNDAY |
| 1695 | SHUAIBU HAUWAU KULU |
| 1696 | SIMAN LARAI |
| 1697 | SIMPSON ADETUNDE OPEYEMI |
| 1698 | SIMPSON ADETUNDE OPEYEMI |
| 1699 | SKENE EDWARD |
| 1700 | SMART BENICE EFE |
| 1701 | SMITH BUKOLA |
| 1702 | SODUNKE MUAZ TEMITOPE |
| 1703 | SOEZE RITA OGECHI |
| 1704 | SOFOWORA SHAMSONDEEN AINA |
| 1705 | SOLAR OLAYEMI |
| 1706 | SOLEBO ABIODUN ABOLAJI |
| 1707 | SONIBARE WAHEED AKANNI |
| 1708 | SOREMI EMMANUEL OLUSEGUN |
| 1709 | SOTUBO BOLA OLU ABAYOMI |
| 1710 | SOWEMIMO BASIRU SOLA |
| 1711 | SOYE BRIGGS |
| 1712 | SOYEMI IBIJOKE IDAYAT |
| 1713 | STANDWELL OGAGA OKPROJOSEPH |
| 1714 | STANLEY CHIDOZIE UBA |
| 1715 | STEPHEN OJUKWU |
| 1716 | STEPHEN OLANREWAJU OLAPADE |
| 1717 | STERLING ASSURANCE NIGERIA LIMITED |
| 1718 | STERLING REGISTRARS LTD |
| 1719 | STEVE ENI EGBE |
| 1720 | STEWARD ASSET MANAGEMENT LIMITD |
| 1721 | STEWART LEROY OSASENAGA |
| 1722 | SUCCESS EZIUZO |
| 1723 | SUCCESS IBINYE SOKARI |
| 1724 | SULAIMAN ADEEYO |
| 1725 | SULE SALAMI SUBERU |

| S/No | Beneficiary |
|---|---|
| 1726 | SULEIMAN TIJANI |
| 1727 | SURAKAT KAZEEM-IDOWU |
| 1728 | TAIRU TAIWO KAMALIDEEN |
| 1729 | TAIWO ADEMOLA SIMEON |
| 1730 | TAIWO ODION IYARE |
| 1731 | TAIWO UZOAMAKA TAIWO |
| 1732 | TAIWO YETUNDE |
| 1733 | TAJUDEEN TAIWO JAMIU |
| 1734 | TAJUDEEN TINUBU TEMILOLUWA |
| 1735 | TALABI TOLULOPE OLUKAYODE |
| 1736 | TAMUNO-OPUBO DANIEL DICK |
| 1737 | TANIMOWO TAIWO OLADIPUPO |
| 1738 | TAWAKALITU BISOLA ODUBIYI |
| 1739 | TAYO MOJISOLA OLUFUNSO |
| 1740 | TAYO OLUGBOYEGA SUNDAY |
| 1741 | TEDEYE OMAJUWA |
| 1742 | TEDEYE OMAJUWA J. |
| 1743 | TELLA DORCAS ADENIKE |
| 1744 | TELLA DR SA |
| 1745 | TEMITAYO ARATUNDE |
| 1746 | TEMITOPE AYOOLA OLALEYE |
| 1747 | THEOPHILUS MADUABUCHI EMEM |
| 1748 | TIAMIYU BASIRAT KEHINDE |
| 1749 | TIAMIYU MUSTAPHA OLADELE |
| 1750 | TIEMI PETER |
| 1751 | TIJANI ADIJATU-KUBURA OLUWATOSIN |
| 1752 | TIJANI AJIMOTU MONYENI |
| 1753 | TIJANI SUKURAT EBUDOLA |
| 1754 | TIMILEHIN AKANNI AKINTUNDE |
| 1755 | TIMOTHY ORASO |
| 1756 | TINA UREGWU UPAH |
| 1757 | TITUS UCHE |
| 1758 | TOCHUKWU JAMES UZODIMMA |
| 1759 | TOMAYO IRETI BERIDA |
| 1760 | TOMIDE TEMIDAYO OLORUNTOBA |
| 1761 | TOMORI OLANREWAJU AKINWALE |
| 1762 | TONY ONWUJIARIRI |
| 1763 | TOPMOST SECURITIES LTD.TRADED-STOCK-A/C |
| 1764 | TOSIN FEMI MAKINDE |
| 1765 | TUEDOR FRANCIS |
| 1766 | TUKUR AMINU MUHAMMAD |
| 1767 | TWO EDGE PARTNERS GLOBAL LIMITED |
| 1768 | UBAS NOMINEE |
| 1769 | UBIAGBA DICKSON ISAH |
| 1770 | UBOGU FELIX NKWAONYE & OLUFUNMILAYO ITUN |
| 1771 | UBON INYANG EYOH |
| 1772 | UBUANE EHIMUAN |
| 1773 | UCHECHUKWU ARIOLU |
| 1774 | UCHECHUKWU MKPUMA |
| 1775 | UCHEMEFUNA RAPULUCHUKWU |
| 1776 | UCHENDU JAMES CHIMEREMEZE |
| 1777 | UCHENYI KESANDU CHUKWUBUEZE |
| 1778 | UCHENYI KESANDU CHUKWUBUEZE E |
| 1779 | UCHENYI UZOAMAKA UCHECHI |
| 1780 | UDEAGWU FIDELIS CHUKWUETALU |
| 1781 | UDI ERNEST |
| 1782 | UDOH DAVID UDEMEOBONG |

| S/No | Beneficiary |
|---|---|
| 1783 | UGOCHUKWU ONYEKACHI |
| 1784 | UGORJI ONYEMA EHIME |
| 1785 | UGWU CHINENYE EDITH |
| 1786 | UGWUODO EMENIKE DIKENNAYA |
| 1787 | UJU ADAKU UGOCHI |
| 1788 | UKARIWO NKPA |
| 1789 | UKONGA FLORENTINA ADENIKE |
| 1790 | UKPAKA ADANNA |
| 1791 | UKPONG CHRISTIANA LUCKY |
| 1792 | UKPONG UKPONG S. |
| 1793 | UMAR BABANI |
| 1794 | UMAR BASHIR |
| 1795 | UMAR GARBA MUHAMMAD |
| 1796 | UMEGE CHUKWUKA |
| 1797 | UMEH IFY |
| 1798 | UMEOKORO IFEANYICHUKWU JUDE |
| 1799 | UMEONISO OSAH |
| 1800 | UMEZE NZE INNOCENT |
| 1801 | UMOH OTOBONG ISAIAH |
| 1802 | UMOH UDEMEOBONG |
| 1803 | UMUKORO EMMANUEL FRANKLIN |
| 1804 | UNACHI KENNETH UGOCHI |
| 1805 | URHUDE ERNEST OGAGA OGHENE |
| 1806 | USIONYA OGHOGHO |
| 1807 | USMAN HAMMED OLUWASHOLA |
| 1808 | USMAN SADIQ |
| 1809 | UWABOR FRIDAY FREDRICK |
| 1810 | UZAMA OSARO HENRY MR |
| 1811 | UZOKWE CHUKA |
| 1812 | UZOMA KELECHI |
| 1813 | VETIVA TRUSTEES LIMITED-CLIENTS CSCS |
| 1814 | VICTOR & BRIDGET DANIA |
| 1815 | VICTOR AJUA |
| 1816 | VICTOR EDEM |
| 1817 | VICTOR EFFIOM OROK |
| 1818 | VICTOR ESAN |
| 1819 | VICTOR IFEANYI UDEOGU |
| 1820 | VICTOR OVIE LAWAL |
| 1821 | VICTORIA OLAREWAJU |
| 1822 | VINCENT CHRISTIE OTUOSOROCHUKWU |
| 1823 | VINSTAR CONSULTING |
| 1824 | VISTA INVESTMENT PROPERTY LIMITED |
| 1825 | VITUS CHISOM ANYIKWA |
| 1826 | WAHAB ADEMOLA SULU |
| 1827 | WANOGHO-ONUNKETE ENI |
| 1828 | WARHE EJUKONEMU |
| 1829 | WASIU ADEWALE AZEEZ |
| 1830 | WASIU ADEWALE AZEEZ |
| 1831 | WEWE MARY IMADE |
| 1832 | WILLIAMS ESTHER FOLASHADE |
| 1833 | WILLIAMS GRACE NWAKEGO |
| 1834 | WILLIAMS RUTH OLAMIDE |
| 1835 | WILLIAMS SERAH QUEEN |
| 1836 | WINNERTIMOTHY OLABAMIDELE BOLORUNDURO |
| 1837 | WISDOM CHIJIOKE AKAZUA |
| 1838 | WOFIKAH ADAVIRUKU |
| 1839 | WOODGREEN GLOBAL RESOURCES LIMITED |

| S/No | Beneficiary |
|---|---|
| 1840 | YAKUB ABIMBOLA OLAYIWOLA |
| 1841 | YAKUBU DANIEL YIMI |
| 1842 | YAKUBU SULEIMAN |
| 1843 | YARROW ALIMOT SHADIAT |
| 1844 | YEGBEBURU MATTHEW |
| 1845 | YEWANDE UTOH |
| 1846 | YINUSA RIDWAN ADESHINA |
| 1847 | YISA FALILAT ABIODUN |
| 1848 | YUSSUF ZAINAB ADESHINA |
| 1849 | YUSUF ABDURAZAQ BELLO |
| 1850 | YUSUF BASHIR AHMED |
| 1851 | YUSUF IBRAHEEM MUHAMMAD |
| 1852 | YUSUF NURUDEEN |
| 1853 | YUSUF RIDWAN OLALEKAN |
| 1854 | YUSUF SALAU |
| 1855 | YUSUFF ABDULRAHMAN ADEBISI |
| 1856 | YUSUFF FEMI LATEEF |
| 1857 | YUSUFF KABIR GBADEBO |
| 1858 | YUSUFF MUSTAPHA |
| 1859 | ZARMUNEN ANFISA GOFWEN |
| 1860 | ZAWIYA SAMINU RABIU |
| 1861 | ZIGWAI AUGUSTINE FANDA |

## Board of Directors at April 1, 2024

| | | |
|---|---|---|
| Udoma Udo Udoma | Independent Non-Executive Chairman | Nigerian |
| Roger Brown | Chief Executive Officer | British |
| Samson Ezugworie | Chief Operating Officer / Executive Director | Nigerian |
| Emeka Onwuka | Chief Financial Officer / Executive Director | Nigerian |
| Bello Rabiu | Senior Independent Non-Executive Director | Nigerian |
| Olivier De Langavant | Non-Executive Director | French |
| Ernest Ebi | Non-Executive Director | Nigerian |
| Kazeem Raimi | Non-Executive Director | Nigerian |
| Nathalie Delapalme | Non-Executive Director | French |
| Emma FitzGerald | Independent Non-Executive Director | British |
| Bashirat Odunewu | Independent Non-Executive Director | Nigerian |
| Koosum Kalyan | Independent Non-Executive Director | South African |
| Christopher Okeke | Independent Non-Executive Director | Nigerian |
| Babs Omotowa | Independent Non-Executive Director | Nigerian |

**Company Secretary**
Edith Onwuchekwa

**Registered office and business address of Directors**
16A Temple road (Olu Holloway)
Ikoyi
Lagos
Nigeria

**Registered number**
RC No. 824838

**FRC number**
FRC/2013/NBA/00000003660

**Auditor**
PricewaterhouseCoopers
Landmark Towers,
5b Water Corporation Road
Victoria Island,
Lagos
Nigeria

**Registrar**
DataMax Registrars Limited
2c Gbagada Expressway
Gbagada Phase 1
Lagos
Nigeria

**Solicitors**
Aelex
Allen & Overy LLP
Ama Etuwewe SAN & Co.
Anaka Ezeoke & Co
Ashurt LLP
Bracewell (UK) LLP
Banwo & Ighodalo
Dentons – ACAS Law
Fidelis Oditah & Co.
Gbenga Biobaku & Co.
Giwa Osagie & Co
Kenna Partners
Mas Tax & Legal
Matthew Burkaa & Co
Odujinrin & Adefulu
Olaniwun Ajayi LP
Olayinka Olajuwon & Co.
Pinheiro LP
Streamsowers & Kohn
Templars
Udo Udoma & Belo-Osagie
White & Case LLP
Wole Olanipekun

**Bankers**
Citibank, N.A.
Nedbank Limited
The Standard Bank of South Africa Limited
Stanbic IBTC Capital Limited
FirstRand Bank Limited
The Mauritius Commercial Bank Ltd.
J.P. Morgan Securities PLC
Standard Chartered Bank
Natixis
Zenith Bank PLC
United Bank for Africa PLC
First City Monument Bank Limited

# Glossary of terms

**AEP**
Amukpe Escravos Pipeline

**AG**
Associated Gas

**AGM**
Annual General Meeting

**AGPC**
ANOH Gas Processing Company

**ANOH**
Assa North Ohaji South

**BOE**
Barrels of Oil Equivalent

**BOPD**
Barrels of Oil Per Day

**BRAC**
Business Risk and Assurance Committee

**CBN**
Central Bank of Nigeria

**CNG**
Compressed Natural Gas

**CSPA**
Crude Sale and Purchase Agreement

**DD&A**
Depreciation, Depletion, & Amortisation

**DPP**
Deep Decarbonisation Project

**E&A**
Exploration and Appraisal

**EBIT**
Earnings Before Interest, & Tax

**EBITDA**
Earnings Before Interest, Tax, Depreciation & Amortisation

**EOT**
Escravos Oil Terminal

**EPS**
Earnings Per Share

**ERM**
Enterprise Risk Management

**ESG**
Environmental, Social, & Governance

**ETP**
Energy Transition Plan

**EU-FQD**
European Union Fuel Quality Directive

**EWT**
Extended Well Testing

**FDI**
Foreign Direct Investment

**FID**
Final Investment Decision

**FOT**
Forcados Oil Terminal

**FTSE**
Financial Times Stock Exchange Index

**FVAR**
Flare Valves Leak and Repair

**FX**
Foreign Exchange

**GDP**
Gross Domestic Product

**GHG**
Greenhouse Gas

**GMOU**
Global Memorandum of Understanding

**GRI**
Global Reporting Initiative

**GSA**
Gas Supply Agreement

**GW**
Giga Watt

**HCDT**
Host Community Development Trust

**I&E**
Investors & Exporters

**IFRS**
International Financial Reporting Standards

**IOC**
International Oil Company

**IPIECA**
International Petroleum Industry Environmental Conservation Association

**ISO**
International Standards Organisation

**JV**
Joint Venture

**KPI**
Key Performance Indicator

**LDAR**
Leak Detection and Repair

**LNG**
Liquefied Natural Gas

**LPG**
Liquefied Petroleum Gas

**LTF**
Liquid Treatment Facility

**LTIF**
Lost Time Incident Frequency

**LTIP**
Long Term Incentive Plan

**M&A**
Mergers & Acquisition

**MMBBLS**
Million Barrels

**MMSCFD**
Million Standard Cubic Feet per Day

**MPNU**
Mobil Producing Nigeria Unlimited

**NCCC**
National Council on Climate Change

**NDC**
Nationally Determined Contributions

**NMDPRA**
Nigerian Midstream and Downstream Petroleum Regulatory Authority

**NNPC**
Nigerian National Petroleum Company

**NOC**
National Oil Companies

**NSE**
Nigerian Stock Exchange

**NUPRC**
Nigerian Upstream Petroleum Regulatory Commission

**NZE**
Net Zero Emissions

**O&G**
Oil & Gas

**OB3**
Obiafu-Obrikom-Oben Gas Pipeline

**OML**
Oil Mining Licenses

**OPEC**
Organisation of Petroleum Exporting Countries

**OPL**
Oil Prospecting License

**PIA**
Petroleum Industry Act

**R&D**
Research & Development

**RCF**
Revolving Credit Facility

**SDG**
Sustainable Development Goals

**SPDC**
Shell Petroleum Development Company

**SPM**
Single Point Mooring

**STEPS**
Seplat Teachers Empowerment Programme

**TCFD**
Task Force on Climate-related Financial Disclosures

**TRIR**
Total Recordable Incident Rate

# Notes

### Forward-looking statement

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.

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**seplatenergy.com**


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