Seplat energy

Powering Nigeria for the future

Seplat Energy Plc
Annual Report and Accounts 2022

About us

Seplat Energy is Nigeria's leading independent energy company, dedicated to supplying a young and growing population with a diverse range of energy products that will power Nigeria's future prosperity.

Driving a just and affordable energy transition

As Nigeria's energy champion, we want to drive our nation's transition to sustainable and affordable energy, harnessing its power to improve lives by transforming the economy of Africa's largest country.

Achieving a just and affordable transition is our priority. We recognise that Nigeria will remain dependent on oil revenues until its economy diversifies and other sectors prosper. This diversification will be driven by the transition from small-scale diesel and petrol generation to large-scale gas-to-power grid energy that will improve efficiency, drive cost reductions and allow new businesses to emerge and contribute to national prosperity and the wellbeing of Nigeria's people.

In time, we will lead Nigeria towards the most sustainable forms of energy, which will harness its abundant sunlight, wind and the power of its rivers for the benefit of its people and the natural world.

Our ambition is simple but bold: to supply sustainable energy that will drive economic growth, create a stronger society and provide opportunities for all Nigerians to live healthy and prosperous lives.

seplatenergy.com

Driven by our purpose

Deliver sustainable energy solutions for society.

Nigeria's economic development is hampered by poor access to reliable and affordable energy, especially in rural areas that are beyond the reach of gas and power infrastructure. The country's dependence on imported fuel creates a drain on economic resources as hard-earned currency leaves Nigeria to keep millions of small-scale, inefficient and polluting generators powering homes and businesses.

By providing accessible, reliable and sustainable energy, fuelled by Nigeria's abundant gas and renewable resources, we will drive Nigeria's social and economic prosperity now and in the future.

Highlights 2022

Cash generation was strong as high oil prices offset lower production in 2022, which was affected mainly by the impacts of oil theft and downtime on our major export routes, notably the Trans Forcados.

Financial performance

Despite a challenging year for the Nigerian oil and gas industry, high oil prices supported our robust financial performance, with revenues up 29.8% and strong cash generation that fortified the balance sheet.

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Revenue

$951.8m

2022	$951.8m
2021	$733.2m
2020	$530.5m

Cash at bank

$404.3m

2022	$404.3m
2021	$324.5m
2020	$225.1m

Production cost/boe

$10.3/boe

2022	10.3
2021	9.9
2020	8.9

Adjusted EBITDA*

$416.9m

2021	$416.9m
2020	$371.8m
2019	$265.8m

Operating cash flow

$571.2m

2022	$571.2m
2021	$376.8m
2020	$329.4m

Net debt

$365.9m

2022	$365.9m
2021	$426.1m
2020	$439.7m

Dividend Per Share

USc15/sh

2022	15
2021	10
2020	10

* Adjusted for non-cash items including impairments, fair value adjustments, abandonment, and exchange loss.

Operational performance

Volumes of exported oil were lower than the previous year because of downtime on the Forcados export route in the third quarter of the year.

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Number of wells drilled

13

2022	13
2021	8
2020	9

Liquids production

24,735 bopd

2022	24,735
2021	29,091
2020	33,714

2P Reserves

438 MMboe

2022	438
2021	457
2020	499

Gas production

112.3 MMScfd

2022	112.3
2021	107.9
2020	101

Carbon intensity from operated assets (kg/boe)

23.9

2022	23.9
2021	36.6
2020	39.9

Production uptime

63%

2022	63%
2021	75%
2020	83%

Lost Time Injury Frequency (LTIF)

0.12

2022	0.12
2021	0
2020	0

Delivering energy transition

Read how Seplat Energy executes its strategy to lead Nigeria's energy transition through development of its gas business and, in time, renewable energies and power.

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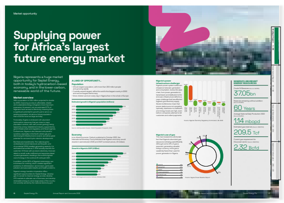
Governance and risk management drive performance



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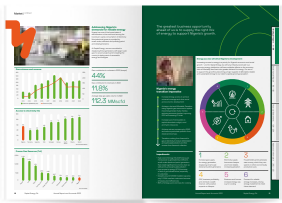

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Our strategy is enabled by strong corporate governance and risk management, and built upon the values of safety, integrity, partnership, ambition and agility.

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2

Rising to challenges

Higher global oil prices offset the impact of prolonged outages at Nigeria's key Forcados export route, which affected Seplat Energy's oil exports in the third quarter of 2022. However, the long-awaited Amukpe-Escravos Pipeline finally came onstream to provide an alternative export route for our key assets.

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3

Nigeria's leading independent energy provider

In 2022, against a challenging environment of oil theft and outages on our export routes, we averaged 24,735 barrels of liquids a day for export and 112.3 MMscfd of processed natural gas for domestic power generation.

Proudly Nigerian

Seplat Energy's oil generated foreign currency income of $1.2 billion for Nigeria in 2022. From this, we paid $177 million royalties and a further $84 million in taxes and levies. Our contributions supported Nigeria's economy, including its healthcare and educational systems and the creation of essential infrastructure.

At times, our gas powered up to 30% of Nigeria's domestic grid in 2022 and by increasing gas production we can help to reduce Nigeria's dependence on small-scale, costly and polluting generators. In addition, we spent $10.8 million supporting our host communities, focusing on jobs and business opportunities, security, medical and other assistance during the Covid-19 pandemic.

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 our independent joint venture ANOH Gas Processing Company is building a 300 MMscfd gas processing plant.

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 2023.

As at 1 January 2023, Seplat Energy's 2P gas reserve was 1,343 Bscf.

Oil

Seplat Energy's oil portfolio contributed 56% of Group volumes in 2022 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 2023, our 2P liquids reserves totalled 206.4 million barrels.

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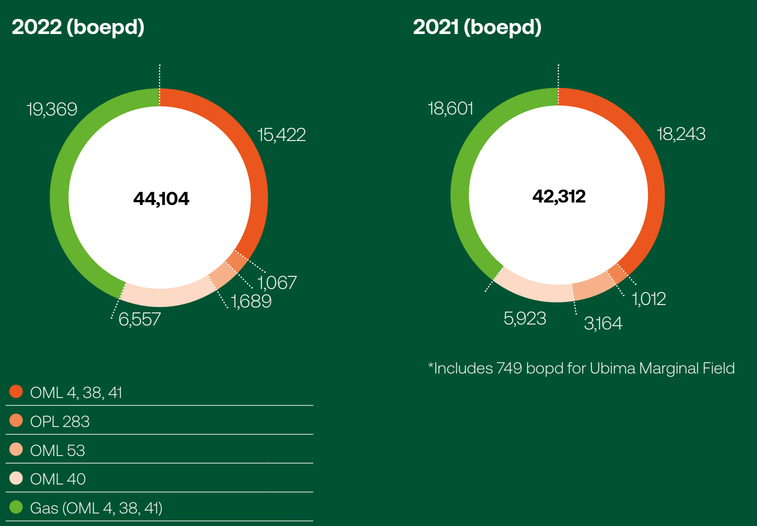
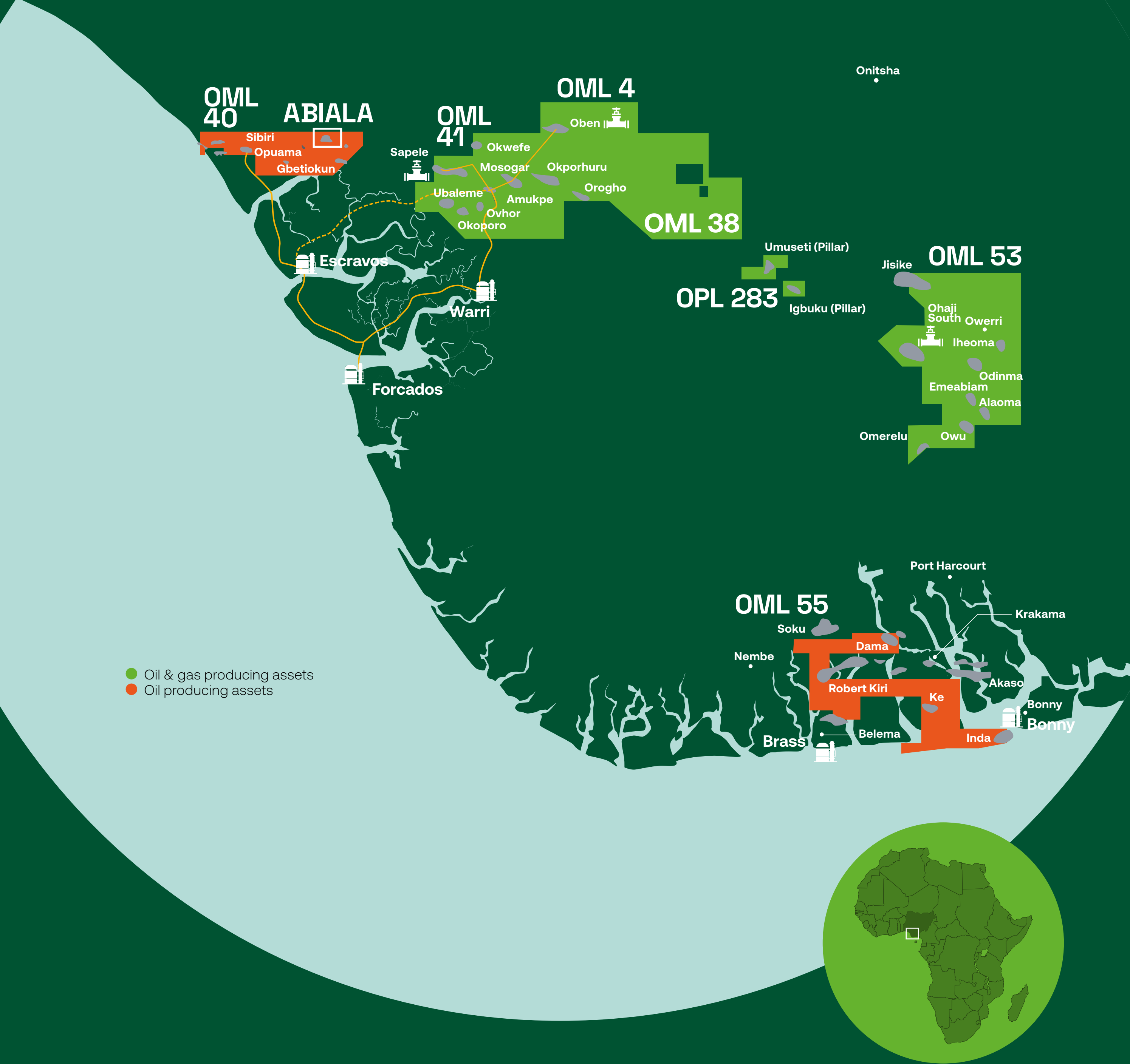
Seplat Energy's oil and gas production





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.

Oil and gas blocks in the Niger Delta (4 operated directly)

8

Proportion of Nigeria's electricity grid powered by our gas

30%

Staff

500+

Generated in revenue share for Nigeria in 2022

$922m

Production in 2022 (24,735 bopd oil, 19,369 boepd gas)

44,104boepd

Paid in dividends to shareholders since 2013

$476m

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.

Enhancing our portfolio

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.

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

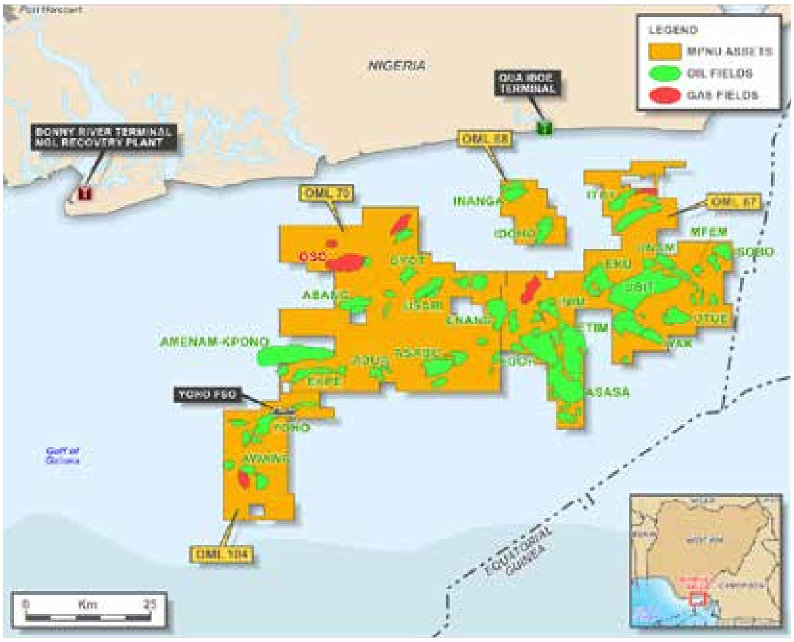
2,910 Bscf

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.

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 2023, 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

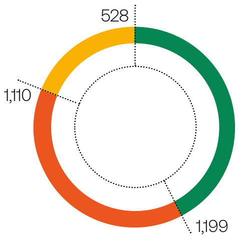
Adding these MPNU assets and their dedicated infrastructure will significantly increase our scale in the Nigerian energy industry, diversifying the business in favour of offshore assets with more secure export routes. Our existing onshore business, from which our Western Assets (OML 4, 38, and 41) produce 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 2022 volume of 44.1 kboepd. 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

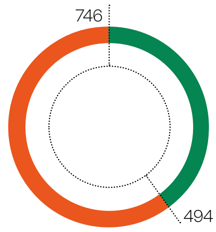
Oso Area

2,309 Bscf + 528 Bscf 2P (gross)



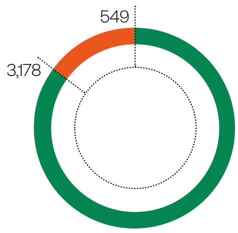
Yoho Area

1,240 Bscf (gross)



EAP Area

3,727 Bscf (gross)



- Associated Gas
- Non-Associated Gas
- 2P Reserves

Mr. Basil Omiyi, CON
Independent Non-Executive Chairman

Nigeria's leading energy provider

We take pride in our unwavering commitment to corporate governance best practices, which not only bolsters our credibility in international capital markets but also enables us to secure funding for investments in Nigeria.

Distinguished Shareholders

It is with great pleasure that I warmly welcome you all to the 10th Annual General Meeting (AGM) of Seplat Energy PLC. On behalf of the Board of Directors, I present the Annual Report for the year 2022, along with our separate Sustainability Report and our inaugural Climate Risk and Resilience Report. These documents collectively offer a comprehensive overview of our accomplishments, and this AGM provides an excellent opportunity for our Executive Team to respond to any queries you may have regarding our past performance and the prospects of our Company.

This is my first AGM as Chairman of the Board, having been appointed to succeed our co-founder Chairman, Dr. A.B.C. Orjiako, who retired after the 9th Annual General Meeting held on 18th May 2022. I would like to take a moment to acknowledge my predecessor, who steered Seplat Energy to new heights during his tenure. Despite the economic downturns, production stoppages, and the pandemic, Seplat Energy PLC has emerged as a robust and internationally acclaimed energy producer, with listings on the Nigerian Exchange and London Stock Exchange.

We take pride in our unwavering commitment to corporate governance best practices, which not only bolsters our credibility in international capital markets but also enables us to secure funding for investments in Nigeria. We have also demonstrated our capacity to generate substantial cash flows, which support future investments and allow us to provide cash returns to our esteemed shareholders.

It is our strength that empowered us, a Nigerian company, to consider acquiring a much larger entity, Mobil Producing Nigeria Unlimited (MPNU), from the global energy giant, ExxonMobil, in February 2022. This strength is also evident in my recommendation for your consideration and approval today of a final dividend of US 2.5 cents per share, including a special dividend of US 5 cents per share, bringing our total dividend for the year to US 15 cents per share, which is our highest-ever pay-out.

The global business environment

As an oil producer, our profitability is closely aligned with the price of oil and the health of the global economy. Although economic activities continued to improve on the back of wider vaccination coverage, and robust labour market outcomes, there were many challenges including monetary policy tightening, the global impact of Covid-19, energy price hikes, and supply chain disruptions caused by the Russia-Ukraine conflict and consequent sanctions against Russia, particularly in the energy sector.

According to estimates from the International Monetary Fund (IMF), the global economy grew at an estimated rate of 3.4% in 2022, 2.7ppt lower than the 6.1% growth recorded in 2021. In Nigeria, data from the National Bureau of Statistics (NBS) showed economic growth remained sturdy, at 3.1% in 2022, only slightly lower than the 3.4% growth achieved in 2021.

In the global energy market, the first half of the year saw global demand recovery, oil supply challenges, and the Ukraine crisis, all of which increased the price of Brent crude by 47.6% in that period. By the second half of 2022, monetary policy tightening, fears of recession across major commodity importers, and release of strategic reserves by the United States dampened sentiments, leading to a 25.2% decline in Brent crude price in the last six months of the year. Across the year, the average Brent crude price was $99.8/bbl, 41.7% higher than 2021's average price of $70.44/bbl.

The persistent recovery in oil prices was reflected in our financial performance for 2022 as investors remained bullish on the E&P sector. Seplat's share price in the UK appreciated by 25.6% to close the year at 105p while the share price in Nigeria grew by 69.2% to close at ₦1,100.

Business performance in 2022

Our operational and financial performance in 2022 reflects the opposing forces acting on our revenues. Although oil prices were significantly higher, we were unable to enjoy the full benefits of this because of serious problems with the third-party infrastructure through which we export our oil to buyers, as you will read in this year's review of operations. As a result of these problems, our average working interest production declined by 7.5% to 44,104boepd, made up of 24,735bopd of liquids and gas production of 112MMscfd (19,369boepd).

Our oil business started the year on a strong footing, with working interest production of 29,078bopd and 30,338bopd in Q1-2022 and Q2-2022 respectively. However, in the third quarter, production was impacted negatively by evacuation problems at the Forcados Oil Terminal (FOT), during which time the terminal was unavailable for 78 consecutive days. Thankfully, the much-delayed launch of the Amukpe-Escravos Pipeline (AEP) provided some relief as we were able to flow c.10,100bopd (working interest production) during the period.

The AEP is now a major export route for our largest assets at OMLs 4, 38 and 41. As a result, our reliance on the Trans Forcados Pipeline and FOT is significantly lower, reducing risks of downtime while providing a solid base for stronger export volumes and revenues.

Our gas business remained strong through the year, and we made good progress with the construction of the ANOH Gas Processing Plant, which now awaits the completion of third-party infrastructure before it can commence operations, projected for the final quarter of 2023. The positive impact of renegotiated Gas Sales Agreements (GSAs) in H2-2022 provided healthy support for revenue growth and profitability and we continue to focus on increasing capacity utilisation at our Oben Gas Processing Plant.

Financial Performance and Dividend

Total revenue rose by 29.8% to $951.8million while profit before tax rose by 15.3% to $204.4million. With the healthy financial performance and solid cash position, the Board has recommended a special dividend of US 5 cents per share to be paid to shareholders, in addition to the final quarterly dividend of US 2.5 cents per share. This brings total dividend for the year to US 15 cents per share. Upon approval, payments will be made on or around 16 May 2023 to shareholders whose names appear in the Company's Register at the close of business on 18 April 2023.

Update on Proposed Acquisition of MPNU

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 $1.283billion, plus up to $300million contingent consideration, subject to adjustments at closing.

On 8 August 2022, we announced that His Excellency President Muhammadu Buhari, in his capacity as Honourable Minister of Petroleum Resources, had consented to the proposed acquisition. We continue to work with all relevant stakeholders to obtain the necessary approvals to achieve completion.

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 with a track record of safe operations.

Progress in Sustainability and ESG Reporting

In 2021, the Company changed its name from "Seplat Petroleum Development Company Plc" to "Seplat Energy Plc", reflecting the Board's ambition to diversify our business model beyond oil and gas and prepare it for a leadership role in Nigeria's energy transition. We defined our purpose as to 'Deliver sustainable energy solutions for society', with a vision to 'Transform lives through energy'. These simple statements embody our commitment to put sustainability at the heart of our operations and to use our resources to address energy poverty in Nigeria, where half the population has little or no access to electricity.

"We defined our purpose as to 'Deliver sustainable energy solutions for society', with a vision to 'Transform lives through energy'. These simple statements embody our commitment to put sustainability at the heart of our operations and to use our resources to address energy poverty in Nigeria, where half the population has little or no access to electricity."

Over the past 12 months, we have taken significant steps towards fulfilling our new purpose and vision. We are scaling up our Midstream Gas business to increase the amount of natural gas we supply towards powering Nigeria's electricity grid thereby displacing diesel use in power generation, while our New Energy business has been tasked with developing power and renewable energy. At the same time, we have strengthened our approach to understanding and evaluating climate risk, which we have re-designated as a key risk to our business.

We have adopted a new Board-approved Climate Change Policy and have advanced a major component of our decarbonisation strategy: eliminating routine flaring by the end of 2024 through our Flares Out initiative, which is six years ahead of Nigerian regulatory requirements and the World Bank's initiative to achieve Zero Routine Flaring by 2030.

These steps form part of a transition plan that will align our business strategy with the overarching goal of the Paris Agreement to limit mean global temperature rise to well below 2°C and contribute to supporting Nigeria's pathway to achieving carbon neutrality by 2060. This plan is subject to evaluation, approval and oversight of our Board and Management teams and is underpinned by actionable, specific initiatives for decarbonising our operations and increasing the overall sustainability of our business model.

In accordance with guidance provided by the Taskforce on Climate-related Financial Disclosures, and as required under the terms of our listing on the London Stock Exchange, I am pleased to tell you that we have published our first Climate Risk and Resilience Report, which is a separate and comprehensive document that outlines our approach to climate change risk. The document is available on our website (www.seplatenergy.com).

In it, you will read that in January 2023, we carried out a scenario analysis to stress-test the resilience of our portfolio under the three scenarios developed by the International Energy Agency (IEA) and published in its 2022 World Energy Outlook (WEO 2022). These scenarios are:

1. Net-Zero Emissions by 2050 Scenario (NZE)
2. Announced Pledges Scenario (APS)
3. Stated Policies Scenario (STEPS)

Based on our stress tests, I am delighted to report that our oil production portfolio is shown to be resilient under all three scenarios, including the most challenging NZE scenario, in which the net present value (NPV) of our assets is estimated to be 4% higher than our internal Business Plan estimates, which assume a flat $60 price of oil. Under APS the calculated NPV is 48% higher and under STEPS it is 66% higher. I urge you to read the full Climate Risk and Resilience Report to see our detailed assumptions and analysis.

Board changes

In line with our mandate to deliver best-in-class corporate governance for the business, we continue to appoint new directors and refresh the Board composition. In March 2022, we announced the resignation of Mr. Austin Avuru from the Board. Subsequently, we announced the retirements of the former Board Chairman, Dr. A.B.C Orjiako as well as a former Executive Director, Mr. Effiong Okon in May 2022, and June 2022 respectively. Lastly, in July 2022, we announced the retirement from the board of Ms. Arunma Oteh, OON who was an Independent Non-Executive Director, effective 31st December 2022.

As part of efforts to refresh the board, we also announced the appointment of several board members. In May 2022, Mrs. Bashirat Odunewu was appointed as an Independent Non-Executive Director while Mr. Kazeem Raimi and Mr. Ernest Ebi were both appointed as Non-Executive Directors.

In May 2022, I was appointed as Seplat's first Independent Non-Executive Chairman, while Dr. Charles Okeahalam was appointed as Senior Independent Non-Executive Director. Further appointments were made in June as we announced the appointment of Mr. Samson Ezugworie as the Company's Chief Operating Officer (COO) as well as an Executive Director on the Board. Recently, we announced the appointment of Ms. Koosum Kalyan as an Independent Non-Executive Director effective 28th February 2023.

The need for strong Corporate Governance

Effective corporate governance is crucial for the seamless operation of any organisation, particularly one seeking to attract global investors and foster growth and job creation in the local economy. Investors place a high premium on strong corporate governance just as they do for strong and sound business performance. Seplat Energy's investors have previously expressed dissatisfaction with certain governance practices, notably related-party transactions. You may recall Bloomberg's publication of last year that reported that Seplat Energy had spent more than $450 million on such transactions over the previous 12 years. As of the time of that report, Seplat was already far ahead in the journey of eliminating all related party transactions, and this has mostly been accomplished.

As the Independent Chairman, my vision for Seplat Energy is to be a model company, an example of excellence and respectability, inspiring other Nigerian companies to achieve similar levels of success on the global business stage.

I, and all my colleagues on the Board, have full confidence in our Executive and Management teams' ability to deliver on the Company's purpose, vision and strategic objectives as well as our transformational projects and transactions. I thank you, our shareholders, for your continued support and together, I am confident that we will continue to deliver sustainable energy to society and transform lives through energy.

Basil Omiyi, CON
Independent Non-Executive Chairman

Our purpose:
To deliver sustainable energy solutions for society

With the continent's largest economy and by far its largest population, Nigeria is Africa's flagship – a dynamic and 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 to make Nigeria a global economic power.

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.*

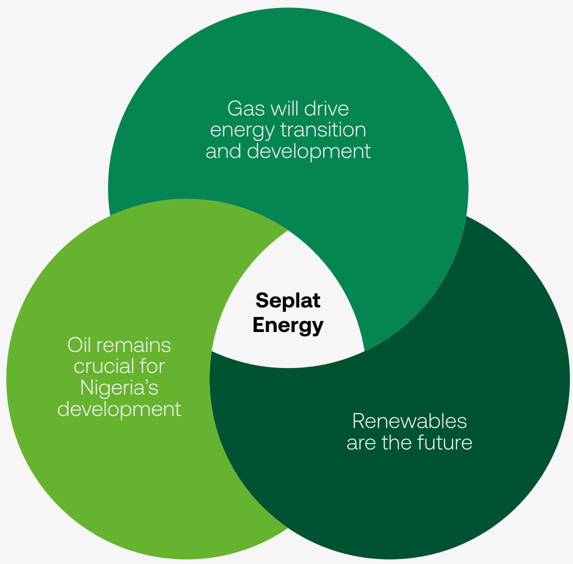
In 2022 we built upon that plan and began to execute on our strategy, which is guided by the belief that the greatest business opportunity we have is to supply the right mix of energy to support Nigeria's growth. In doing so, we must also look to reduce global CO_2 emissions, enter the renewable energy 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 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 in the future, 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 provide cleaner, lower-cost energy 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



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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

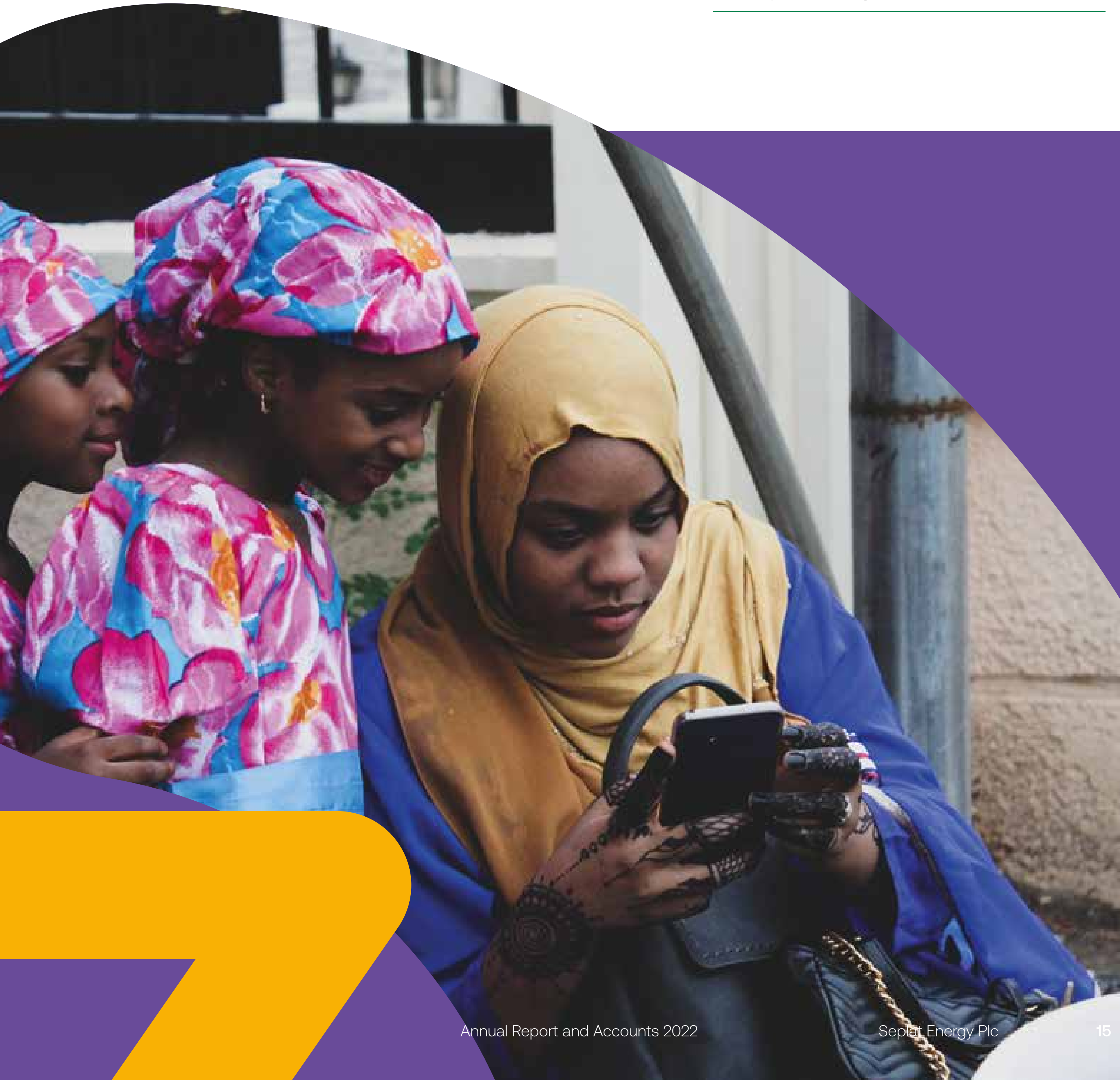
Safety
We will prioritise safety, which is a matter of both individual and collective responsibility.

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.



Supplying power for Africa's largest future energy market

Nigeria represents a huge market opportunity for Seplat Energy, both in today's hydrocarbon-based economy, and in the lower-carbon, renewable world of the future.

Market overview

With a population of 200 million projected to double by 2050, improving access to affordable, reliable and sustainable energy is Nigeria's most important imperative. At present, only an estimated 57% of Nigerians have access to electricity, meaning there is significant potential for growth just to serve our existing population, let alone a future population that could be twice as large as today.

Fortunately, Nigeria is endowed with abundant hydrocarbon resources that are close to major population centres, with well-proven geology being tapped by a long-established industry, supported by good infrastructure and regulatory and fiscal regimes. Furthermore, Nigeria is also blessed with plentiful sunshine, especially in the North where gas and electrical grid infrastructure is scarce, as well as great potential for wind and hydro-electric development.

But there are impediments. The national grid is undeveloped, power blackouts are frequent, and of a potential 12GW installed generating capacity, it is estimated that as little as 2-3GW actually reaches the customer. Of those with access to electricity, most are reliant on small-scale, inefficient and expensive diesel or petrol generators, resulting in the world's highest cost of energy in the world at 49 cents per kWh.

In addition, some 80% of Nigeria's total energy use is biomass for cooking, which creates significant problems of deforestation, land erosion, particulate pollution and associated deaths and health problems.

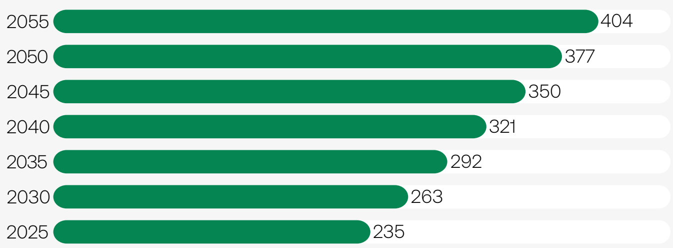
Nigeria's energy transition imperative offers significant opportunities for Seplat Energy: develop gas-to-power to improve energy access; develop LPG markets to alleviate use of biomass; and develop renewable energy to serve large areas of the country not currently served by the national electricity grid.

A LAND OF OPPORTUNITY...

Population

- Africa's largest population, with more than 200 million people and growing rapidly
- Currently seventh largest, will be the world's third largest country in 2050 and second largest democracy
- More children are born every day in Nigeria than in the whole of Europe

Estimated growth in Nigeria's population (millions)

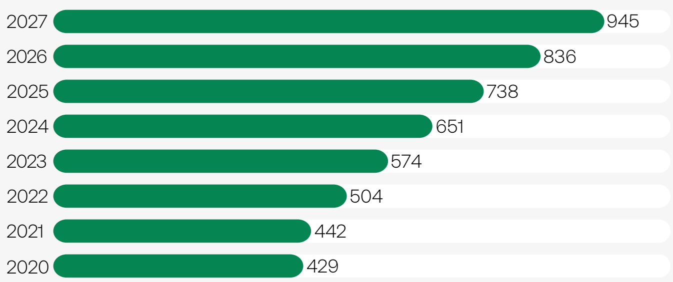


Source: UN Population Division, World Population Prospects, 2022

Economy

In its *World Economic Outlook*, published in October 2022, the International Monetary Fund predicted that Nigeria's economy would double in size between 2020 and 2027 (constant prices, US dollars).

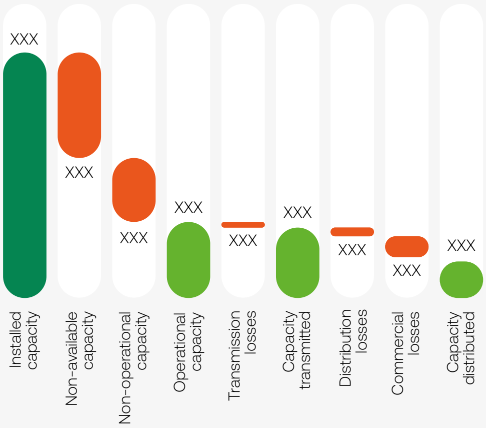
Growth in Nigeria's GDP (US$bn)



Source: IMF Regional Economic Outlook, October 2022

Nigeria's power infrastructure challenge

Nigeria's power system suffers an imbalance between generation and consumption. Across the value chain, from power generation to transmission and distribution to the end user, infrastructure deficit is a major challenge that has affected Nigeria's grid electricity supply. Severe bottlenecks mean that power stations are not operating optimally, distribution is inefficient and energy losses are high, even before companies attempt to bill customers and collect payments.

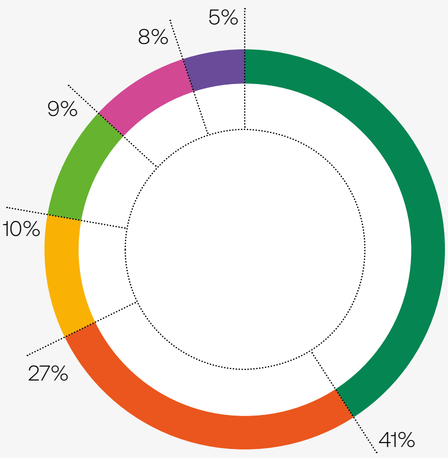


Source: USAID, NERC, Nigerian Power Baseline Report

Nigeria's use of gas

The chart reveals the unfortunate fact that Nigeria's abundant gas resource is not being used efficiently. Although some 41% of gas is exported, generating valuable foreign currency, more gas is wastefully flared than used for power generation in Nigeria.

Exports	41%
Reinjection	27%
Flared	10%
Power generation	9%
Producer use	8%
Industry	5%



Source: Nigeria Power Baseline Report

NIGERIA'S ABUNDANT ENERGY RESOURCES

Crude Oil Reserves (Source: NUPRC)

37.05bn

Reserves remaining without addition (Source: NUPRC)

60 Years

Average National Daily Production 2022 (Source: NUPRC)

1.14 mbopd

Estimated gas reserves (Source: NMDPRA)

209.5 Tcf

Current gas requirement for the power sector (Source: NMDPRA)

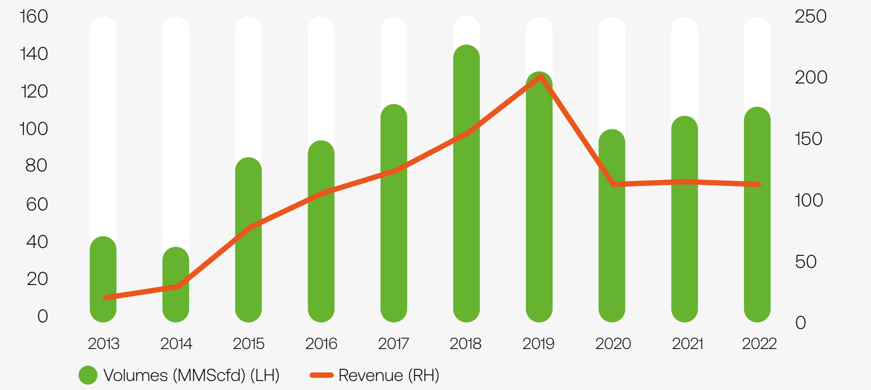
2.32 Bcfd

Addressing Nigeria's demands for reliable energy

Nigeria has one of the lowest rates of electrification in the world and among the lowest per capita consumption of electricity. Most electrical power is provided by small-scale, inefficient and polluting petrol and diesel generators.

At Seplat Energy, we are committed to displacing these generators with large-scale gas-to-power projects and to leading the country's deployment of renewable energy technologies.

Gas volumes and revenue



Gas contribution to volumes in 2022 (boepd)

44%

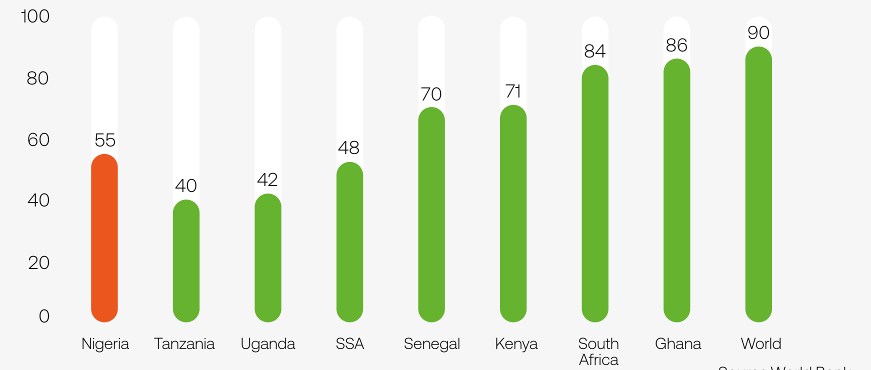
Gas contribution to revenues in 2022

11.8%

Average daily gas sales volume in 2022

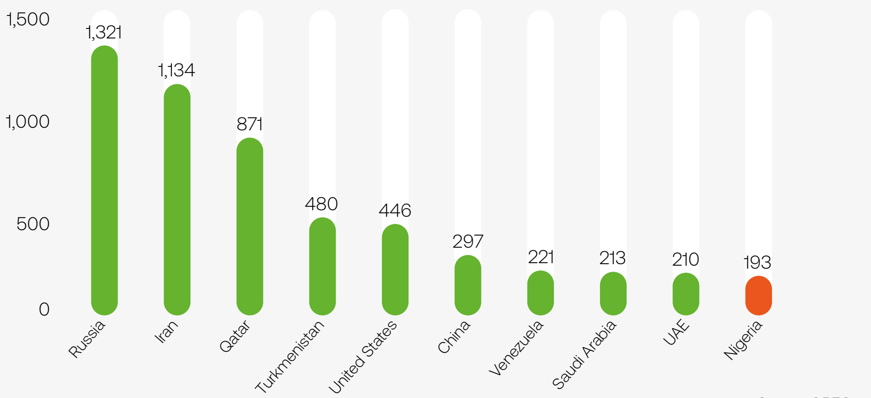
112.3 MMscfd

Access to electricity (%)



Source:World Bank

Proven Gas Reserves (Tcf)



Source:OPEC

The greatest business opportunity ahead of us is to supply the right mix of energy to support Nigeria's growth.

Nigeria's energy transition imperative

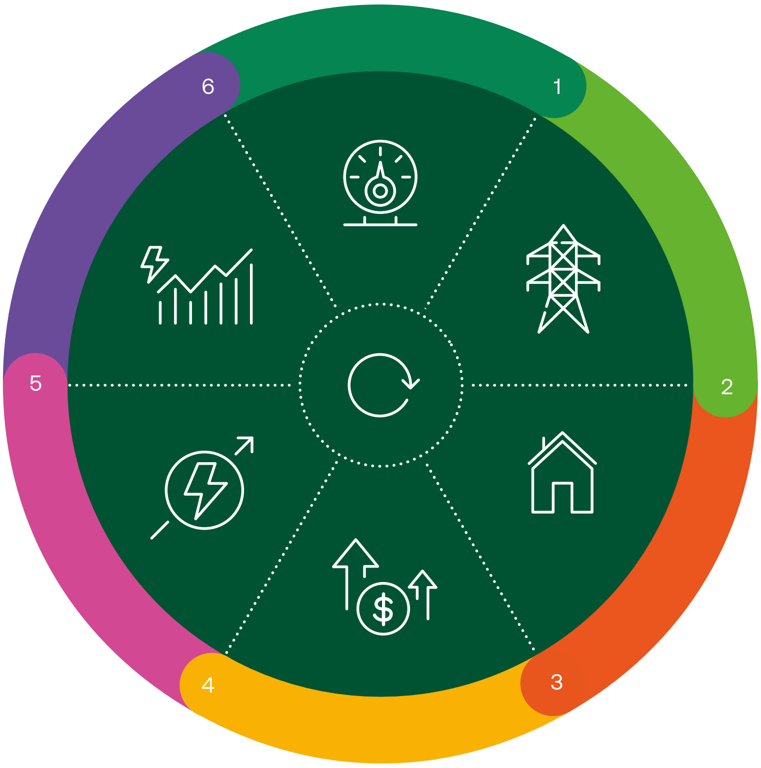
1. Increase energy access to achieve universal coverage and drive social and economic development
2. Achieve a *Just and Affordable Transition* using Nigeria's gas resources to replace imported generator fuels, thereby reducing economic burden, improving GDP and reversing FX drain
3. Increase use of renewables to exploit abundant sunlight, wind and hydro resources
4. Achieve net zero emissions by 2060 and reduce particulate pollution from diesel and biomass
5. Transition cooking from firewood to gas or electricity, to reduce deforestation and particulate pollution and free women from firewood collection

Impediments

- High cost of energy (74c/kWh) because most power is generated by inefficient, small-scale diesel and petrol generators that create significant economic drain as well as CO_2 and particulate pollution
- Low access to energy (57%) because of lack of grid infrastructure, especially in rural areas
- Despite around 12.5GW installed capacity, only 2-3GW reaches customers because of losses and inefficiencies
- 80% of energy use is biomass for cooking

Energy access will drive Nigeria's development

Increasing access to energy is a priority for Nigeria's economic and social growth – and for Seplat Energy. As with any infrastructure build-out, improving energy distribution will have multiplier effects on the economy that will inevitably feed back into greater demand for energy. Our aim is to support this growth by becoming a major supplier of affordable, reliable and sustainable energy to our nation's rapidly growing population.



1 Increase gas supply for energy generation, displacing small-scale diesel and petrol generators

2 Electricity supply becomes cheaper and more reliable, increasing adoption

3 Householders and businesses save money, which they can spend on other economically productive uses

4 GDP, business profitability and domestic wealth improve, with positive impacts on lifespan

5 Business and homes increase energy use, e.g. for cooling

6 Demand for reliable energy increases, driving energy investment to meet future demand

Roger Thompson Brown
Chief Executive Officer

Supplying Nigeria's energy needs

Despite lower volumes resulting from significant disruption to major export routes, Seplat Energy's financial performance was stronger than last year because of higher oil prices.

How would you characterise the year for Seplat Energy?

Two factors beyond our control had a major impact on our operating and financial performance during the year. Events in Ukraine drove global energy prices to unprecedented levels, and our average realised price was nearly $102 per barrel, up 44% on 2021. This helped to offset the decline in production particularly in Quarter 3 due to higher than expected interruptions to third-party export pipelines and terminals across our portfolio.

As a result, although our average daily volume was 44,104 boepd, our revenues rose nearly 30% to $952 million. It is easy to see that this could have been significantly better, but for the problems on the export routes.

With higher costs in 2022, EBITDA was impacted, up 12% to $417 million, and obviously, cost control will be a major focus for us in 2023. So financially we performed well, and I believe we will do better in 2023, even though the oil price has settled down at a lower level.

Routes to market were a major challenge in 2022, what are you doing to diversify?

The high oil price encouraged an increase in theft to levels that were very damaging to the Nigerian economy, and to oil producers such as Seplat Energy because of shut-ins caused by the theft. There were third-party infrastructure problems on our major routes from OMLs 4, 38, 41, and from OML 40, as well as our smaller assets in the east. The Forcados Oil Terminal (FOT) was unavailable for 146 days in the year, and the Trans Escravos Pipeline (TEP), which evacuates oil from OML 40, was unavailable for 135 days.

Thankfully, the Amukpe-Escravos Pipeline, came onstream in July 2022 after many months of delays and it was vital in the second half of the year, during which time we exported 1.6 million barrels through it. It is now our main and most reliable export route from our major assets at OMLs 4, 38 and 41, and going into 2023 we have continued to export large volumes through it in preference to the Trans Forcados Pipeline. We are looking at an additional export route for those assets through the Warri Refinery Jetty, so we will be able to use any or all of three routes to get our oil to market in future. We are also looking at alternative routes from OML 40, where the partners are looking at the potential for using barges in the short term, but focusing on completing the pipeline from Gbetiokun to Adagbassa, from which we can then tie into an existing route to the coast.

All these initiatives will help to diversify our export routes and thereby improve revenue assurance for our existing business, but the main diversification will come when we are able to complete the proposed acquisition of MPNU, which will add a much larger offshore asset base from which we will be able to export more securely.

What progress did you make with the proposed acquisition of MPNU and how will this transform the business?

The proposed transaction will significantly increase the scale of the business and diversify Seplat Energy to the extent that we will have a significant offshore business to complement our existing onshore business. We announced it in late February 2022, and we are still awaiting final approvals from government authorities.

"The Amukpe-Escravos Pipeline was vital in the second half of the year, during which time we exported 1.6 million barrels through it. It is now our main and most reliable export route from our major assets at OMLs 4, 38 and 41."

The President, His Excellency President Muhammadu Buhari, in his capacity as the Honourable Minister of Petroleum Resources, gave his approval in August, 2022 but we still await final approvals for it to go ahead. The Sales & Purchase Agreement (SPA)we signed remains valid and we are working towards a successful resolution that will confirm that our proposed acquisition can be completed, enabling us to work with the assets' partner, NNPC Limited, to develop them for Nigeria's benefit as a whole.

The impact of acquiring MPNU from Exxon Mobil Corporation will be very significant, not just for Seplat but for Nigeria's energy industry. It will create an even more robust indigenous Nigerian energy champion of considerable scale, enabling the company to attract further foreign investment into Nigeria to develop the assets we are acquiring, particularly the gas resource which is currently underutilised. A major advantage we have is that we have a dual listing on both the Nigerian Exchange and the London Stock Exchange, operating to globally acknowledged best practices in our financial reporting. Furthermore, both exchanges are driving improvements in environmental performance and ESG reporting, so all stakeholders can be assured that these assets will be managed with global levels of regulatory oversight, combined with high standards of operating performance and safety for which both Exxon and Seplat have strong reputations. This will give us a significant edge when it comes to raising the finance necessary to develop MPNU to its fullest potential.

We're very excited about the prospect of taking these assets on and developing them for the benefit of Nigeria, particularly the large undeveloped gas resource that needs to be unlocked and commercialised so it can help to drive Nigeria's energy transition in the coming years.

How else will Seplat Energy's gas business evolve?

Gas is Nigeria's natural transition fuel, and we plan to further develop our gas business so that Nigerians may transition from expensive and wasteful diesel and petrol generators to much cleaner, larger-scale gas-fired power generation.

Aside from the gas resource that will form part of MPNU, we have a thriving gas business that will increase in scale over the next year or two. At our existing Oben plant, we've been focusing on increasing capacity and processing gas for third-party providers, for which we can generate a good stream of revenues, as well as lowering unit costs. As we highlight in our operating review, we signed three new gas sales agreements (GSAs) for a combined offtake of 86 MMscfd and these bring us up to a total of eight GSAs to provide nearly 400 MMscfd of gas.

Our joint venture 300 MMscfd ANOH Gas Processing Plant is close to completion, waiting for the completion of two key government owned pipelines that will connect the plant to centres of gas demand around the southern regions of Nigeria.

Our government partners have assured us that the pipelines will be completed by the mid-year and after adding some contingency for delays, we expect to begin providing gas before the end of 2023. ANOH is a strategically important project for Nigeria, and it will add significant processing capacity to our portfolio, generating income from wet gas sales from our OML 53 asset to the plant, as well as a stream of dividends from the joint venture plant itself.

Our Sapele Gas Processing Plant is also under construction at 60% completion, and this will provide a further 85 MMscfd capacity and produce gas that meets export specifications. What's more, we have installed associated gas compressors at Sapele, to capture gas that would otherwise be flared, as part of our commitment to end routine flaring by the end of 2024.

Beyond our existing Midstream Gas business, we are looking at ways to combine gas with power generation, including from renewables, and in the longer term look to develop new lines of business for gas, such as bottled gas for domestic or automotive use.

An important project for 2023 will be to advance plans to separate the gas business from the Upstream, to create a standalone unit that could potentially unlock value for Seplat under the terms of the new Petroleum Industry Act.

What progress did you make on sustainability in 2022?

We made good progress in the area of sustainability this year and this is evidenced by our standalone Sustainability Report, which details all our key initiatives in this area, as well as our first Climate Risk and Resilience Report, which we have published according to the guidelines of the Taskforce on Climate-related Financial Disclosures. Both documents should be read alongside this Annual Report.

We have begun to publish carbon intensity figures, which showed a 35% drop in 2022, and implemented a reliable carbon accounting system that highlighted the fact that we have previously overreported our carbon emissions, so they have now been restated this year. We made good progress reducing flared gas and I am confident we will eliminate all routine flaring by 2024. This is part of our commitment to become carbon neutral by 2050 and achieve net zero status as an energy company.

> "Our philosophy is not to settle for being merely "responsible" but to hold ourselves to the highest standards, determined to leave a better legacy for future generations by putting sustainability considerations at the heart of our decision-making."

We have set sustainability-related KPIs for the business and they now make up 15% of KPIs in the corporate scorecard – 25% if you include safety – and achieving these KPIs is a factor in deciding levels of executive and staff remuneration.

The improvements you can see in our sustainability reporting have resulted from improvements in our sustainability efforts across Seplat Energy and this is because we have embedded sustainability in our corporate strategy rather than treating it as a separate corporate goal. Sustainability is core to our ambition to Build a sustainable business and Deliver Energy Transition. Within those overarching strategic ambitions, we have identified more than 20 key initiatives for the business that are related to what we would describe as sustainability, whether it is increasing energy access, ending gas flares or developing policies for biodiversity and water management.

Our philosophy is not to settle for being merely "responsible" but to hold ourselves to the highest standards, determined to leave a better legacy for future generations by putting sustainability considerations at the heart of our decision-making. To that end, early in March 2023 we introduced four sustainability-related policies to guide our actions and decision making, and these are our Sustainability and ESG Policy, our Climate Change Policy, a Child and Forced Labour Policy and our Human Rights Policy.

What is the outlook for Seplat Energy in 2023 and beyond?

I think 2023 will be an exciting year for Seplat Energy, in which a lot of different initiatives will help to drive value for shareholders.

Firstly, we are operating our major asset with a much more reliable export route in the Amukpe-Escravos Pipeline, and this is demonstrably allowing us to export higher volumes in the time it has been in operation, so this underpins our current guidance of 45-55 kboepd for the year.

That guidance doesn't include any contribution from ANOH yet, and we have perhaps been conservative in guiding investors to expect first gas in the final quarter of the year, but I am optimistic this can be achieved. Once onstream, it will boost cash flow in the ways I have already mentioned, through wet gas sales and dividends.

We will also look at ways to unlock value from the separation of the gas business into a standalone unit, and look for more value uplift from conversion of our assets to the PIA regime.

We spudded 13 wells in 2022 and completed 11 which will deliver a strong contribution to our volumes this year. We will also begin to develop the Abiala marginal field, following our farm-in last year, and I'm excited about the Sibiri prospect, which has been showing some very promising results in appraisals we have conducted this year.

Above all, I remain confident our proposed acquisition of MPNU will complete, enabling us to create a much larger company that will truly become an energy champion for Nigeria and help to drive its energy transition by unlocking its gas resources and commercialising them for the national benefit. We will be a driving force in this transition, helping to wean the country of its wasteful reliance on imported generators which result in Nigeria having some of the highest electricity prices in the world. By lowering the cost of power, this will accelerate the delivery of increased energy access for those who don't have electricity at present. We are already looking at power generation and renewable energy and hope to make investment decisions by the end of this year, so I hope to have positive news a year from now on all these initiatives.

We are a growing company, fully committed to driving energy transition in Nigeria and increasing value for all our stakeholders. I am very confident in our outlook for 2023.

Roger Thompson Brown
Chief Executive Officer

New Energy

As part of Seplat Energy's drive to become a leading supplier of lower-carbon and renewable energy, we are exploring ways to expand into these new and exciting markets. The first and most obvious option is to provide more gas for Nigeria's power sector, to reduce the country's reliance on imported diesel fuel, which is highly carbon intensive and a drain on the nation's wealth. We will also look at hybrid systems where we install solar or other renewable technology alongside gas, which will provide baseload power at all times.

A strategy for sustainable growth

In 2022, 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**.

ENABLED BY STRONG GOVERNANCE

Build a Sustainable Business

Drive social development

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

Progress

- In line with PIA requirements, we have established a Host Communities Development Trust and, working with our communities, will allocate 3% of our total budget to invest in social and community projects
- Grown CSR initiatives year on year that focus on education, health, youth development and empowerment
- In 2023, we plan to equip hospitals and schools in our communities with reliable power

Risk overview

Working with other industry players in the Niger Delta, we continued to put pressure on 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 & reporting

Minimise our impact on local and global environments, drive improvements where possible, commit to global standards and transparently report our progress.

Progress

- Implementing roadmap to eliminate all routine flaring by 2024
- Deployment of the Noobyia GHG Management Tool to track emissions and improve on our GHG reporting
- First TCFD report, embarked on programme to address its recommendations
- Seplat received ISO 55001 certification
- Commenced ISO 14001 accreditation
- Signatory to the United Nations Global Compact initiative, since 2021

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 2022 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

Manage our finances prudently, pay our share of taxes and royalties, service debt, invest for the future, and return dividends to shareholders.

Progress

- Ended 2022 with $404 million cash at bank, $366 million net debt, well within covenants
- $140 million deposits for acquisitions (MPNU and Abiala)
- Net debt/EBITDA of 0.88x
- Paid $177 million in royalties and $57 million in taxes to government
- Seplat has paid steady dividends to shareholders over the past few years, and has paid $476 million dividends

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.

UNDERPINNED BY: **INTEGRITY** **PARTNERSHIP**

SAFETY

Overall strategic results:

Increase access to energy — **Reduce emissions** → **Transform the economy**

Deliver Energy Transition

Upstream

Develop our Upstream business by 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.

Progress
- Sibiri appraisal delivered promising results
- Farm-in to Abiala marginal field
- Alternative evacuation from OMLs 4, 38 and 41, the AEP route operational in July
- Improved uptime and losses
- Developing other export routes
- Higher availability of Oben and Amukpe compressors reduce from AEP AG gas flared by 18% and 40% respectively
- 13 wells delivered in 2022

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

Development of Nigeria's gas resources to accelerate the replacement of diesel and biomass and support economic growth through the supply of reliable, low cost energy. Gas-to-power provides baseload electricity to support renewables.

Progress
- Signed GSAs with three new customers for combined 86 MMscfd offtake
- Achieved 95% mechanical completion of the AGPC Plant
- 60% project completion for the 85 MMscfd Sapele Gas Plant
- AG compressors installed and will capture otherwise flared gas to processing and sell
- Plan to unlock value by spinning out gas business in line with PIA provisions

Risk overview
We continued to align our business to the new strategy that was announced in mid-2021, 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 focus on portfolio expansion strategy to diversify our current portfolio, through integrated long-term planning for the gas and future power and renewables business. The completion of the ANOH Gas Processing Plant will establish Seplat Energy as major player in the midstream gas business.

New Energy

Achieve a world-class capability in renewable energies, through the development or acquisition of new skillsets that open up new and profitable markets.

Progress
- Finalised Power & New Energy Investment Plan, identifying opportunities for FID consideration in 2023
- Pursuing carbon offset possibilities on a wide range of emission reduction activities in various global carbon markets

Risk overview
We developed a long-term business plan for the New Energy Business. These initiatives will drive long-term 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.

AMBITION **AGILITY**

SAFETY

Generating value for all our stakeholders

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.

Inputs, resources and relationships

Unified and motivated workforce

500+

talented employees

Operational expertise

83%

of production is under Seplat's control

Strong financial management and access to capital

$790m

Cash at bank and undrawn facilities

Effective HSSE and risk management

0.12

LTIF

Good corporate governance

91%

Corporate Governance Rating System (2022 recertification by CBI and NGX)

Social investment

$10.8m

for community development projects in 2022

Our competitive advantages

Industry expertise

We are Nigeria's leading independent oil and gas producer, with a long track record of successful operations in the Niger Delta. We deploy and develop this expertise every day for the benefit of all stakeholders.

Strong relationships

We are a trusted partner to the Nigerian Government and other operators in the region. Our ANOH gas processing plant project is classed as strategically important for Nigeria, for which we are a leading supplier of gas for domestic power.

Low-cost production

We focus on maximising output for the lowest cost possible and this enables us to maximise profitability even at low oil prices.

Strong cash generation

Our prudent approach to investment and low cost base drive strong cash generation to repay debt, invest for the future and pay dividends. This gives us the strength to tap capital markets when needed, as evidenced by recent and successful refinancings of debt.

Outputs we delivered in 2022

For our shareholders

- Capital growth
- Dividends

NSE **75.1%** LSE **35.0%**

Total Shareholder Return in 2022

For government

- Royalty and tax revenue
- Foreign and local capital investments

Payments and production entitlement to government reported in 2022 **$1.2b**

For Nigeria

- Infrastructure development
- Multiplier effects from improved gas-to-power supply

Proportion of Nigeria's current power generation that can be underpinned by our gas production **1/3**

For our host communities

- Economic empowerment
- Healthcare and education

Teachers trained and Youths empowered following completion of skills acquisition programme in 2022 **292**

For our employees

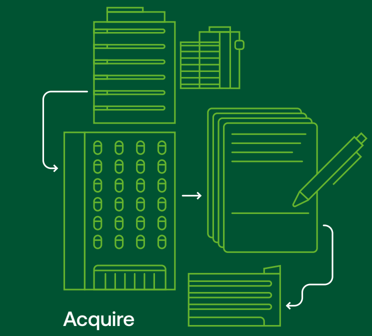
- Training and development
- Shares awarded

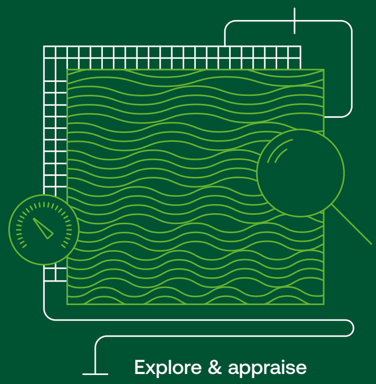
Hours of employee training in 2022 **14,412**

Reduced GHG emissions

- Scope 1 and 2 emissions reduction targets set

Reduction in carbon intensity **-35%**





Our expertise

Acquire
When completed, the proposed acquisition of MPNU, announced in February 2022, will be transformational for Seplat Energy, more than doubling our reserves and nearly trebling our production.

Explore & appraise
Appraisal drilling of Sibiri-2 reached TD on 23 February, with initial results indicating significant uplift in mid-case Oil-In-Place volumes. The preliminary results align with the high side of pre-appraisal Oil-In-Place evaluation.

Develop
We completed 13 new wells in 2022, recognising our need for continuous development of our assets to ensure future streams of oil and gas that will drive profitable cash flow.

Produce, process & sell
We aim to maximise production of oil and reduce pipeline losses wherever possible, if necessary by developing our own infrastructure. Our joint venture ANOH gas processing plant will increase our contribution to energy production in Nigeria, with economic benefits for the country and its people.

New energy
Seplat Energy will be at the centre of Nigeria's energy transition. We will focus 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.

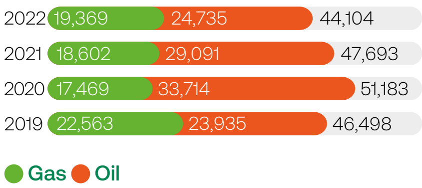
We will enter the power market in appropriate and profitable roles, identifying and serving commercial and domestic markets that are neglected by the status quo and offering innovative energy solutions.

Measuring our progress

Key performance indicator | **Definition and relevance**

Net working interest production (boepd)

44,104

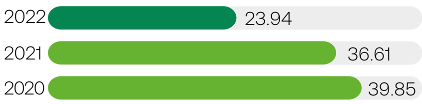


Our share of oil and gas produced during the year proportionate to our working interest in each producing block. Volumes expressed are as measured at our facilities, prior to any reconciliation losses.

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

Carbon intensity (kg/boe)

23.94



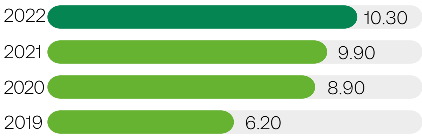
2020 is the baseline year

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)

$10.3/boe



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 and 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)

$275m

Our earnings before the deduction of interest and tax expenses.

Relevance
An indicator of our earnings ability and cash generation.

Lost Time Injury Frequency

0.12

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 and gas industry.

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.

Strategic pillars
1 — Drive social development
2 — Focus on environmental care and reporting
3 — Maximise returns for all stakeholders
4 — Upstream
5 — Midstream gas
6 — New Energy

Our strategy
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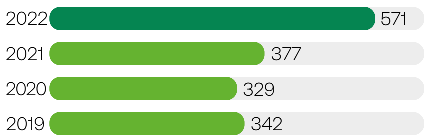
Progress and outlook	Risk management	
We delivered average W.I. oil and gas production of 44,104 kboepd, nearly 8% lower than 2021 because of oil theft and problems with our export routes resulting in a downtime of 37%. Average reconciliation losses arising from use of third-party infrastructure were 10.7%. Liquids accounted for 24,735 kbopd, or 56% of boepd volumes. **Outlook** Production guidance on a average working interest production is set at 45-55 kboepd for 2023. We expect production uptime to improve now that the Amukpe-Escravos export route is fully operational.	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** Below expectations **Links to strategic pillars** 1 2 3 4 5 6 **Linked to remuneration?** Yes (See page 125)
Carbon emissions at 2022 improved from 36.6 kg/boe in 2021 to 23.9 kg/boe, a 34.7% decrease on 2021. The change represents an improvement in efficiency due to improvements in performance of the AG compressor in Oben and Amukpe, alongside regular asset integrity checks and other facility improvement activities. **Outlook** We have committed to being carbon neutral in 2050, ending routine flares by the end of 2024 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** In line with expectations **Links to strategic pillars** 3 4 5 **Linked to remuneration?** Yes (See page 125)
Operational expenditure per unit of production increased by 4.4% year on year to $10.3 per boe as a result of lower production in 2022 impacted by prolonged periods of shut-in at the Forcados oil terminal. An excess storage charge on use of the Escravos terminal, and the higher cost of crude handling on the AEP, when compared to the TFP were other factors. **Outlook** We remain focused on cost control. Whilst increases in certain cost components are expected to increase year on year there are areas where downwards pressure can be applied with the objective of achieving a stable unit cost.	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** Above expectation **Links to strategic pillars** 3 4 5 **Linked to remuneration?** No
EBIT increased to $274.7 million in 2022 and reflects the rise in oil price realisations year on year. G&A costs were 72% higher year on year at $137.4 million because of global inflationary trends, including travel and training costs, and the upward adjustments to staff salaries and emoluments to reflect the true cost of living, and one-off increased spending on professional and consulting fees associated with growth strategies. **Outlook** Improved oil production levels, tight cost control and anticipated growth in gas production at OMLs 4, 38 and 41 will ensure robust earnings potential in the future. Development of hydrocarbon resources in OML 40 and OML. 53 will also enhance our future earnings profile.	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 is analysing hedging strategies to help mitigate exposure to oil price volatility.	**Progress** In line with expectations **Links to strategic pillars** 3 4 5 **Linked to remuneration?** Yes (See page 125)
After achieving 31 million hours with zero LTI recorded over the last four years, a non-operating incident was recorded in October and Lost Time Injury Frequency (LTIF) was 0.12 in 2022. **Outlook** In 2023, efforts will continue to minimise the frequency of lost time incidents in all areas of operations. The Company will continue to ensure high HSE standards are met and assess opportunities to constantly improve its HSE systems and protocols.	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. The Company closely monitors its HSE performance and is constantly evaluating ways to improve its performance.	**Progress** In line with expectations **Links to strategic pillars** 1 2 3 4 5 **Linked to remuneration?** Yes (See page 125)

Tracking our performance

Key performance indicator	Definition and relevance

Cash flow from operations (million)

$571m



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)

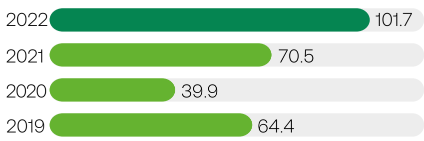
$163m

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

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

Realised oil price ($/bbl)

$101.7/bbl

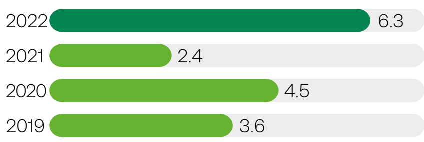


The average oil price per barrel we sold during the year.

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

Staff turnover (%)

6.3%



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.

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.

Strategic pillars
1 — **Drive social development**
2 — **Focus on environmental care and reporting**
3 — **Maximise returns for all stakeholders**
4 — **Upstream**
5 — **Midstream gas**
6 — **New Energy**

Our strategy
Page 24

Progress and outlook	Risk management	
Our operating cash flow of $571.2 million was driven by higher oil prices during the year. **Outlook** Strong underlying wellhead oil production capacity and anticipated future growth in gas production will ensure continued robust cash flow generation. Development of the Sibiri and Abiala fields together with gas production from OML 53 and OPL 283 will also significantly augment future cash flow potential.	Careful financial management and high levels of operating efficiency allow the Company to ensure positive cash generation from its operating activities.	**Progress** In line with expectations **Links to strategic pillars** 1 2 3 4 5 6 **Linked to remuneration?** Yes (See page 121)
Capital expenditures in the period were $163.3 million, comprising $94 million drilling costs and $64 million related to associated facilities development and engineering costs. **Outlook** Capex for 2023 is expected to be $160 million, and we plan to drill 18 new wells across our operated and non-operated assets. We will continue to invest in our gas development projects and complete ongoing capital projects. 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 strong balance sheet.	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** In line with expectations **Links to strategic pillars** 2 3 4 5 6 **Linked to remuneration?** Yes (See page 121)
Oil prices increased in 2022 as the impact of Russia's invasion of Ukraine hit global energy prices. The Brent spot price began the year at around $79/bbl reaching a high of $139/bbl in March to close at $86/bbl. The average realised oil price achieved by the Group in 2022 was $101.7/bbl. Seplat'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 2022 was 7.5 MMbbls, and the H1 2023 program consists of dated Brent put options of 3.0 MMbbls at an average premium of $1.07/bbl. **Outlook** Oil prices are expected to remain subject to global economic and geopolitical activity. We have historically sold most of our oil under the Forcados blend, which has generally received a premium to the Brent market price. With the Amukpe-Escravos export route now available, we expect to sell a significant amount at the Escravos Oil Terminal, where prices also receive a premium to Brent.	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** Above expectations **Links to strategic pillars** 1 2 3 4 5 6 **Linked to remuneration?** No
We have continued to improve our employment policies, practices and employee value proposition to attract, motivate and retain talented employees. Staff turnover was only 6.3% in 2022, despite increased migration of talents which was experienced globally during the year in view. **Outlook** 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** In line with expectations **Links to strategic pillars** 1 2 3 4 5 6 **Linked to remuneration?** Yes (See page 121)

Protecting our business

Strong and effective risk management is central to how we run our business and enables the delivery of our strategy.

Bello Rabiu
Chairman, Risk Management and HSSE Committee

Managing risk and protecting our business

Risk management is an integral part of all business activities of Seplat Energy. The Company's Risk Management Policy is focused on: the identification of existing risks and future risks that might be encountered while pursuing its strategy, corporate objectives, and annual business plans; quantifying their possible impacts on the business; and developing measures that can be implemented to mitigate the identified risks so that Seplat Energy can continue to operate safely and effectively. Seplat Energy recognises that risk management is a continuous journey of improvement and not a destination and will continue to develop its risk management processes to ensure the Company is fully equipped to deal with the constantly evolving operating and business environment of the Energy sector.

Our risk management system

The Company's risk management system is based on guidelines provided in ISO 31000, the international standard for risk management. The system is built on a top-down and bottom-up approach, with the Board of Directors (Board) determining the appropriate risk appetite necessary to achieve the Company's corporate objectives, while our Business Units identify and mitigate risks at the unit and asset levels.

The Risk Management and HSSE Committee assists the Board in overseeing the Company's risk management framework and the risk/reward strategy as determined by the Board. The Committee ensures that the Company has an adequate risk management system in place to manage the diverse and changing risks and opportunities faced by the Company as it creates value for shareholders.

Our risk management framework

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

Board of Directors
Company strategy | Risk appetite | Strategic risks oversight

Risk Management and HSSE Committee of the Board
- Approves and updates risk management policy and system
- Defines risk appetite
- Oversees and monitors enterprise risks

Executive Management
Delivery of Company strategy | Identify key risks against the achievement of strategy | Proffer and deploy actions and controls to address key risks | Monitor enterprise risks

Risk Management Team
Coordinates enterprise risk management activities | Articulates and updates risk management policy and system | Risk identification, assessment, quantification and rating | Risk reporting and monitoring | Enterprise risk register and dashboard | 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

It meets at least four times a year to analyse and evaluate the Company's key risk profiles, proposed mitigation strategies, mitigation actions taken by management, and any residual risk exposures. The meetings are attended by Executive Directors who have accountability for ensuring that risk identification is comprehensive and proposing mitigating measures that are effective in achieving the desired objectives. Reports on the Company's corporate risk register, key risk exposures in the business operations, and reviews of its risk management systems are compiled and presented to the Board of Directors.

While key risks and associated risk appetites are determined at the top, the business units and functional managers are accountable for the respective risks within their areas. The Company's enterprise risk management (ERM) system, coordinated by the Head, Enterprise Risk Management and overseen by the Board Risk Management and HSSE Committee, supports risk management across the business and functions.

The Company's ERM system includes robust risk identification, assessment, reporting, and monitoring mechanisms and approaches that include maintenance of both enterprise and functional/operational levels risk registers, risk dashboards, mitigation actions monitoring/tracking, and risk reporting.

In a bid to continually embed risk management across the business and functions, the Company utilises specially appointed and trained Risk Champions to ensure common methodology, language, and approach in the way risks are managed across the business.

The Internal Audit unit undertakes periodic audits of the 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 2022

Our risk landscape remained largely stable concerning existing exposures noted in our last update in 2021, although we recorded a few noteworthy changes detailed in this report. As the global Covid-19 pandemic receded during 2022, we experienced a decrease in infection rate across the Company's operations, with zero positive tests returned in the final quarter. Following global and local trends, we adopted a de-escalation strategy that aligns with the directives of Nigeria's Federal Government.

We continued to align our business to the new strategy that was announced in mid-2021, advancing the development of the Pillar 2 Midstream Gas business and making the necessary decisions to realise the spin-off of the gas business from the Pillar 1 Upstream business. Also, the Power & New Energy team developed a long-term business plan for the Pillar 3 Power & New Energy Business. Both initiatives will drive long-term 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.

> "During the year, Seplat Energy took the opportunity to review its strategy and align it with the imperatives of the energy transition agenda."

We achieved the ISO 55001:2014 Standard (Asset Management System) certification, becoming the first energy company in Africa to achieve this remarkable feat. ISO 55001 is the international standard that helps organisations to manage their assets and optimise asset lifetime value. The certification will deliver benefits both now and in the future by helping to improve the Company's bottom line, reduce risks across the organisation, improve asset performance, and ultimately improve investors' confidence in how Seplat Energy manages its assets. The ISO 55001:2014 standard is a holistic business improvement tool that applies to many organisations in many different sectors.

On project delivery, we commissioned the Amukpe-Escravos Pipeline in July, which helped to increase export volumes significantly in the final months of the year, compared to Q3 when our usual export routes were severely impaired, significantly impacting output for the year. In addition, the Sapele AG compressor project was completed, which will contribute to a reduction in our routine gas flares.

We continue to focus on completing the ANOH Gas Processing Plant and the Sapele Gas Plant upgrade. These are strategic projects essential for Seplat Energy to demonstrate its commitment to Nigeria's energy transition and to reduce emissions through our Flares Out programme.

As the Russia-Ukraine crisis continues to disrupt global energy markets, we see a surge in prices across a broader set of energy-related commodities. The benchmark price of oil (Brent) continued to remain high, closing the year above $80/bbl and peaking at $139/bbl in March 2022. However, as we look ahead, we continue to focus on the matters we can control, drive down capital and operating costs and drive-up efficiencies.

Overall, in 2022, the Committee analysed and evaluated the various key risk exposures for the Company. In doing so, the Corporate Risk Register was reviewed, and the risk reports were presented by management. These reports detail the key risks, the potential impact of the risks, and the likelihood of occurrence. Mitigating strategies were comprehensively considered, including but not limited to those related to climate-related risks, export line breaches and crude evacuation, stability in the Niger Delta, oil price volatility, and strategic project delivery. Other risks considered are Government and JV relations management, liquidity, geopolitical, environmental, market, contractual, and litigation risks. The status and effectiveness of mitigation actions were reviewed, and any residual gaps or follow-up actions were identified. Key performance indicators as well as other risk indicators and trends were monitored. Key risks requiring risk tolerance considerations and strategic actions were presented to and debated by the Board.

The Committee reviewed the risk management systems including the risk dashboard and assessment tables. In line with keeping the risk management framework dynamic and up-to-date with current realities, a review of the Company's Enterprise Risk Management framework was conducted by an independent consultant (Ernst & Young), to ensure the continued effectiveness of the framework. The Committee also gave further consideration to the achievements made by the Risk Champions appointed with a view to unifying risk management approaches and embedding risk culture across the organisation.

High-profile risks and uncertainties

Highlighted below are the high-profile risks that the Company dealt with in 2022 and will continue to monitor going into 2023.

1

Climate-Related Risks

An important focus in 2022 has been to oversee the upgrading of climate-related risk as a key (or principal) risk within our risk management framework. We recognise that as an oil and gas producer operating in the Niger Delta, our business faces significant risks from climate change. By implementing best practices, our processes for identifying and assessing climate-related risks are built on our increasing awareness of the nature of these risks. Between May and July 2022, the Enterprise Risk Management team led a series of risk workshops to carry out a fundamental reassessment of the Company's approach to climate-related risk.

The workshops brought together a multi-disciplinary team to:

a) identify and assess the risks under each of the categories recommended by the Task Force on Climate-related Financial Disclosures (TCFD);

b) assign a risk rating to each of the categories of risk using the Seplat 5x5 Risk Assessment framework; and

c) consider how these risks can be managed and mitigated.

In running the risk assessment, climate-related risks were considered under two broad headings: physical risk and transition risk.

Physical risk can be divided into two types: acute risks from increased severity of extreme weather events such as storms and floods and increased incidence of wildfires and other climate-related emergencies; and chronic risks from changes in precipitation patterns, extreme variability in weather, rising temperatures, rising sea levels and increased incidence and intensity of droughts.

Transition risk, the actual and potential impacts of risks associated with the energy transition on our business, strategy, and financial planning, are generally considered under four headings suggested by the TCFD: Policy and Legal, Technology, Market, and Reputation. This is the approach we have taken in carrying out our climate risk assessment.

The key measures identified as necessary to manage and mitigate climate-related risk reflect the core elements of our overall corporate strategy: decarbonising our operations and diversifying our business into lower-carbon and renewable energy products. The physical and transition risks we have identified, our assessment of their impacts on the Company, actions being taken to mitigate these risks, as well as full details of the company's climate change agenda can be found in our Sustainability Report and our Climate Risk and Resilience Report.

2

Niger Delta stability/extended production shut-in due to third-party infrastructure downtime, and geo-political risk

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. 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 2022, the business recorded zero occurrences of militancy activities, similar to the previous year 2021. Accordingly, the Trans Forcados export system (a major export route for Seplat) remained operational throughout the year. The Company, working with other industry players in the region, continued to put pressure on the government to find a lasting solution to Niger Delta restiveness; also, the current security measures put in place by the facility operator, consolidated with the government's strategy of dialogue with stakeholders in the region seems to be working.

Concerning extended production shut-ins, efforts aimed at mitigating the risk proved successful with the second major export line, AEP, coming on stream during the second half of the year. In addition to the Forcados and AEP export systems in the West, we developed a production plan that proved successful with various activities that enhanced production capacity, resulting in production delivery within the limits of the communicated market guidance. We continue to progress commercial arrangements for additional crude evacuation from our main assets both in the East and in the West.

3

Low oil price environment

Seplat Energy's operating results are highly dependent on the prices of crude oil, and natural gas. 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. Seplat's risk management strategy is to protect itself against adverse oil price movements through our oil price hedging policy, which targets hedging ca. six months in advance via out-of-the-money puts (i.e., "disaster protection insurance"). During the year, the volume of put protection was 7.5 MMbbls at an average strike price of $56/bbl. Our long-term natural gas contracts have escalation clauses that protect us against a severe price decline.

4

Geo-political risk

During 2022, we recorded no incidents resulting from geo-political activities such as terrorism and secessionist agitation. As a mitigation strategy, we continued to monitor Niger Delta geo-political developments and issued regular reports to management, partnering with security stakeholders in the sharing of intelligence regarding security. Also, concerning changes in regulation and policies, we kept a strong focus on understanding the impact of the new PIA (Petroleum Industry Act), especially as it touches on the inclusion of impacted communities, which well could serve as a driver for community agitation from our immediate host communities. Accordingly, we are participating in all ongoing engagements with stakeholders including community leadership for a better understanding of the PIA mechanism.

> "...we continued to monitor Niger Delta geo-political developments and issued regular reports to management, partnering with security stakeholders in the sharing of intelligence regarding security."

5

Infectious Diseases Outbreak (COVID-19).

At the onset of Q1 2022, we ramped up return to offices at 75% (with adequate rotation plans) across all Nigerian office locations, given the successful deployment of vaccines, as well as other non-pharmaceutical measures and testing, put in place to manage the pandemic. However, towards the close of the first quarter, return to offices was ramped up to 100% across all Seplat's Nigerian office locations. Suspension of testing was also introduced for vaccinated office-based employees only. Our leadership, through the COVIMOG framework and in collaboration with Human Resources and Operations teams, continued to sustain the business and observed all recommended preventive measures advised by both the NCDC, the PSC, and State Governments.

During Q2 and Q3 2022, we continued to encourage employees to comply with prevention and control protocols. This included the presentation of evidence of full vaccination status or negative Rapid Antigen Test as a requirement for access to the office building as well as pre-embarkation testing for field-based personnel. During Q4 2022, a de-escalation of Covid-19 management notice was issued. The use of face masks and other facial coverings was no longer mandatory. Given the unpredictable nature of the Covid-19 pandemic and the evolving variants, we continued to monitor key indices and take appropriate steps aimed at ensuring a safe work environment for all employees. Overall, we remained in a controlled situation to manage the Covid-19 pandemic throughout the year.

6

JV receivable and future cash call funding

Seplat Energy has the Nigerian government as a Joint Venture (JV) partner in significant parts of its business. Cash call funding from government partners has historically been poor, resulting in a buildup of legacy cash call receivables over time. In 2022, the government JV partners continued to remain current in paying cash calls. However, the risk of cash calls sliding back to the pre-2019 practice of late payments is still there.
To mitigate this exposure, we continue to manage our JV relationships very closely and actively engage the respective government partners on timely payment of cash calls.

> “...we continue to manage our JV relationships very closely and actively engage the respective government partners on timely payment of cash calls.”

7

Liquidity risk

The combination of the AEP, Trans-Forcados Pipeline up time, and the oil price 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; and ensuring there are sufficient cash resources to meet operational needs. Our cash flow projections take into consideration the Company's debts and covenant compliance. Surplus cash held is invested in interest-bearing current accounts, time deposits, and money market deposits.

Conclusion

In conclusion, despite the challenges and uncertainties posed by the Covid-19 pandemic, we demonstrated resilience and commitment to delivering our 2022 work programme, while proactively monitoring and managing production costs across our operations, to reap the benefit of the oil price recovery and remain competitive. On project delivery, we made tremendous progress in key projects such as operationalising the Amukpe-Escravos Pipeline, the completion of the AGPC gas plant, and the acceleration of the Sapele Gas Plant upgrade. These projects are critical for the ability to evacuate production from our core assets, demonstrate leadership in the ESG space by eliminating routine flares, and ensure near-term growth. Accordingly, we continued to focus on strengthening our approach and credibility on climate related-risks and broader sustainability imperatives, as well as introducing a system for quantifying our greenhouse gas emissions.

Overall, the Committee is satisfied that the Company has a robust Risk Management System that serves to ensure the integrity of business processes, decisions, and activities going into the future. The Company's HSSE Management System is also mature and reliable and has continued to deliver good HSSE performance year after year.

Bello Rabiu
Chairman, Risk Management and HSSE Committee

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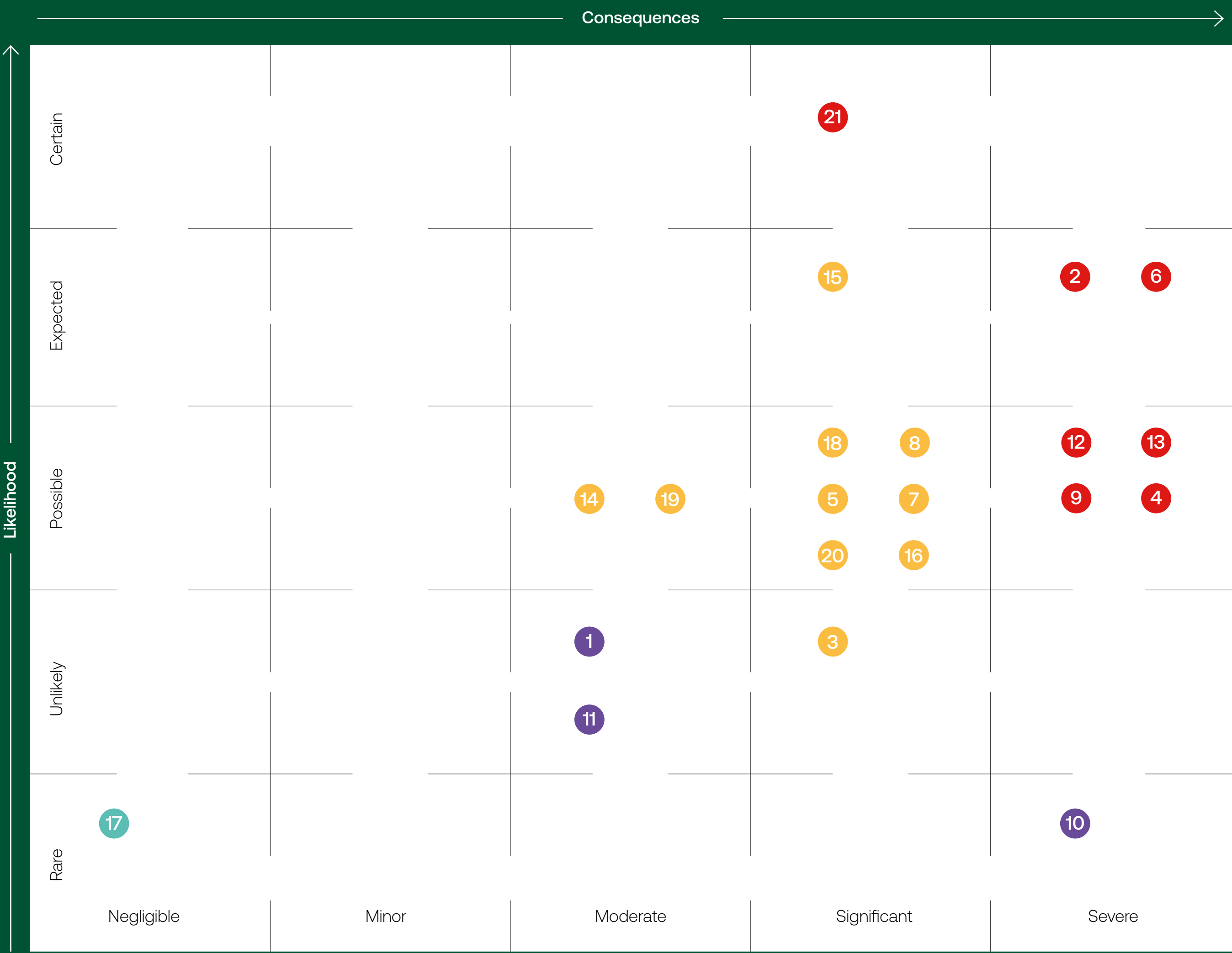
Mapping our risk

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	Assessment	Trend
1. Infectious diseases outbreak in Seplat (Covid-19)	Medium	↓
2. Niger Delta Militancy/third party interference	Very high	↔
3. Portfolio concentration risk	High	↓
4. Sustaining E&A programme	Very high	↔
5. Oil price volatility	High	↔
6. Merger & acquisition (M&A) risk	Very high	↔
7. Stakeholder management relationships	High	↔
8. HSSE risks	High	↔
9. Availability of capital	Very high	↓
10. Liquidity	Medium	↔

Topic	Assessment	Trend
11. Changes to fiscal and tax status	Medium	↓
12. Bribery and corruption risk	Very high	↔
13. Fraudulent activity risk	Very high	↔
14. Field operations and project deliverability	High	↓
15. Geo-political risk	High	↔
16. Cost control risk	High	↔
17. Foreign exchange risk	Low	↓
18. Information security risk	High	↔
19. New Energy and gas market risk	High	↔
20. Corporate governance and compliance risk	High	↑
21. Climate-related risk	Very high	↔

Monitoring and mitigating risks

Operational risks

Definition	Mitigation	Links	Trends
Field operations and project deliverability 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.	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.	**KPI/Performance metric** • Net working interest production • Operating costs per boe **Strategic pillars** 3/4/5 **Assessment** High	Decreasing. 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, consolidate performance across the board, maximise production, maintain a strong balance sheet, and strategically position the Company for future growth.
Third-party infrastructure downtime An over-reliance on third party operated transportation infrastructure can expose the Company to extended period of production being shut-in.	Amukpe to Escravos pipeline (AEP) project was completed and commissioned in the third quarter 2022 to complement the Trans Forcados Pipeline. Continue to explore export via barging as a back-up option in extreme cases. FEED completed and outcome prepared for presentation to JV Partners to pave way for Contracting Strategy concurrence for Engineering, Procurement, Installation and Commissioning (EPIC) of Amukpe LTF Upgrade.	**KPI/Performance metric** • Net working interest production • Days downtime • EBIT **Strategic pillars** 3/4/5 **Assessment** Very high	Steady. The Forcados export system recorded significant downtime towards the close of the year – however, the AEP coming onstream in July 2022 provided adequate evacuation support for the business and helped enhance bottom-line liquidity. Risk trend is kept at steady with the AEP availability in the event of an outage of the TFP.
HSSE risks 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.	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.	**KPI/Performance metric** • HSE scorecards • LTIR • TRIR **Strategic pillars** 1/2/3/4/5 **Assessment** High	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.

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

Strategic pillars

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

Our strategy
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Definition	Mitigation	Links	Trends
Climate-related risks The Task Force on Climate-related Financial Disclosures (TCFD) divided climate-related risks into two major categories: (1) risks related to the transition to a lower-carbon economy and (2) risks related to the physical impacts of climate change.	The Company has identified a number of projects to reduce or eliminate gas flaring, as outlined in our Flares Out roadmap; projects include (i) delivery of the LPG projects at Sapele and Oben, (ii) Installation of booster compressors, and (iii) 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.	**KPI/Performance metric** • HSE scorecards • LTIR • TRIR **Strategic pillars** 1/2/3/4/5/6 **Assessment** Very high	Steady. The risk trend is being kept at steady following the company's focus and commitment to deliver key projects towards reducing and or eliminating gas flaring as spelt out under the "gas flares out road map". Additionally, the company has developed climate change and sustainability/ ESG policies, as well as developed an inaugural TCFD report (Climate risk and Resilience).
Infectious diseases outbreak in Seplat (e.g. Covid-19) Risk of an index case manifesting in Seplat offices or field locations. This leads to an unsuccessful initial control of index case (probably resulting in communal spread of the disease in the Seplat community as a result of late detection of secondary contact cases which may have had close contacts with Index case or close contacts from other external primary sources). Risk also covers supply chain disruptions emanating from the pandemic i.e. the extent to which the disease will have an impact on all key projects of the company (Including ANOH) as designed in the work programme (impacting the supply chain and major contractors scheduled to deliver in a few months).	The Company's leadership through the COVIMOG (monitoring and response team) continued to sustain the company business and observed all recommended preventive measures advised by both the Presidential Task Force (PTF) and State Governments. Over 90% of employees were fully vaccinated via a concerted Industry (OPTS) support, while PCR test remained mandatory for everyone carrying out activities in the various areas of the Company's operation and Travel Advisory updates were shared with staff. Provision continued to remain in place for targeted tests of personnel in all locations as required. Follow up treatment of positive cases continued to be managed and funded by the company. Also, as facilitated by the Lagos State Government, the Covid-19 booster dose vaccines are now readily available in Government Health Centres, and the Company plans to keep on liaising with appropriate bodies in the industry to facilitate this process. Manage press/publicity and communication to avoid mis-communication/ wrong press.	**KPI/Performance metric** • HSE scorecards • LTIR • TRIR **Strategic pillars** 1/3/4/5 **Assessment** Medium	Decreasing. The Company remained in a controlled situation to manage the Covid-19 pandemic throughout the year via the oversight coordination of the strategic management vehicle called COVIMOG.
Sustaining Exploration and Appraisal (E&A) programme Exploration and appraisal activities carry significant levels of sub-surface risk. Sustained E&A drilling failure will impact the Company's ability to organically replace reserves and production.	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.	**KPI/Performance metric** • Reserve replacement **Strategic pillars** 4 **Assessment** Very high	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

Definition	Mitigation	Links	Trends
Niger Delta stability and security 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.	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.	**KPI/Performance metric** • LTIR • TRIR • Security incidents • Operating cash flow **Strategic pillars** 1/2/3/4/5 **Assessment** Very high	Steady. Efforts by the Government and industry pressure groups, aimed at enhancing security in the region seems to be paying off as the business recorded zero occurrence in militancy activities, similar to the previous year 2021. We will continue our monitoring and vigilance.
Stakeholder management relationships 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.	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. Corporate governance, transparency and proactiveness in dealings with regulators and JV partners.	**KPI/Performance metric** • Net working interest production • LTIR • TRIR • Host community incidences **Strategic pillars** 1/2/3/4/5 **Assessment** High	Steady. We continue to enjoy good working relations with our stakeholders.
Geo-political risk Nigeria has at times in its history faced political uncertainties and threats such as terrorism aimed at destabilising and undermining the orderly and effective rule of central government.	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.	**KPI/Performance metric** • Occurrences of civil unrest and terrorism **Strategic pillars** 1/2/3/4/5 **Assessment** High	Steady. During the year 2022, the Company recorded no incidents resultant from geo-political activities such as 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.

Strategic pillars
1 — Drive social development
2 — Focus on environmental care and reporting
3 — Maximise returns for all stakeholders
4 — Upstream
5 — Midstream gas
6 — New Energy

Our strategy
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Financial risks

Definition	Mitigation	Links	Trends
Oil price volatility Oil prices have exhibited a history of volatility and can fluctuate sharply in line with external factors.	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.	**KPI/Performance metric** • Realised oil price • Operating cash flow **Strategic pillars** 3/4 **Assessment** High	Steady. In the year 2022, we kept focus of 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.
Changes to tax status and legislation If the tax regime/legislation under which the Company operates its assets were to change, profitability may be impacted.	Perform evaluation of business plan and performance metrics exclusive of tax benefits. Project economics were determined on maximum tax basis to mitigate the impact of the now expired pioneer tax status. Impact assessment of potential tax legislation monitored at the Board level.	**KPI/Performance metric** • Effective tax rate • Tax status **Strategic pillars** 3 **Assessment** Medium	Decreasing. The company is participating in all ongoing engagement with stakeholders including community leadership for a better understanding of the PIA mechanism.
Availability of capital 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 cash calls by JV partners impacts activities and liquidity.	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.	**KPI/Performance metric** • JV receivables • CAPEX • New M&A activities **Strategic pillars** 3/4/5/6 **Assessment** Very high	Decreasing. JV partners continues to remain current in paying cash calls.
Cost control risk 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.	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.	**KPI/Performance metric** • Operating cost per boe • EBIT • CAPEX • Well costs **Strategic pillars** 3/4/5 **Assessment** High	Steady. Cost discipline remains a key focus of the business.

Financial risks

Definition	Mitigation	Links	Trends
Liquidity Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.	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.	**KPI/Performance metric** • Operating cash flow • CAPEX **Strategic pillars** 3 **Assessment** Medium	Steady. 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.
Foreign exchange risk 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 has options to manage its foreign exchange exposure including financial hedge instruments such as forward exchange contracts.	**KPI/Performance metric** • Operating cash flow • CAPEX **Strategic pillars** 3 **Assessment** Low	Decreasing. Historically, the Company holds the majority of its cash and cash equivalent in US dollars. Gas contracts are indexed in US dollars.

Strategic risks

Definition	Mitigation	Links	Trends
Portfolio concentration risk 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.	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.	**KPI/Performance metric** • Successful execution of new acquisition and farm-in opportunities. **Strategic pillars** 3/4/5/6 **Assessment** High	Decreasing. The company strategic direction is targeted at accessing oil and gas reserves and resources to support growth in Pillar 5 (midstream) and Pillar 6 (new energy)

Strategic pillars
1 — Drive social development
2 — Focus on environmental care and reporting
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Strategic risks

Definition	Mitigation	Links	Trends
Merger & Acquisition (M&A) risk 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 a to highly competitive landscape.	New business development unit is always looking for the right opportunities for Seplat. Decision review board (DRB) process is in place to ensure deals are properly vetted and adequate due diligence done on new opportunities. The DRB ensures the commercial, structural, KYC and integration risks are fully considered and addressed with mitigation plan approved and in place prior to deal closing.	**KPI/Performance metric** • Successful execution of new acquisition and farm-in opportunities **Strategic pillars** 3/4/5/6 **Assessment** Very high	Steady. Excom process in place to vet opportunities and deals. Risk trend steady following ongoing strategy to acquire more strategic assets. M&A landscape remains competitive.
Bribery and corruption risk Bribery and corruption presents a risk throughout the global oil and gas industry and represents an ongoing risk to any oil and gas company.	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.	**KPI/Performance metric** • Whistle blowing reports; • Number of disciplinary cases **Strategic pillars** 3 **Assessment** Very high	Decreasing. 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.
Fraudulent activity risk Fraudulent activity presents a risk throughout the global energy industry and represents an ongoing risk to any energy company.	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.	**KPI/Performance metric** • Number of reported cases **Strategic pillars** 3 **Assessment** Very high	Steady. Risk is kept at very high and the Company continues to maintain a zero tolerance policy.
Information security risk 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.	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 ISO 27001. IT business continuity plan is in place for quick deployment.	**KPI/Performance metric** • Information security identification and containment reports **Strategic pillars** 3 **Assessment** High	Steady. While cyber security continues to hold international attention, there has not been material IT breach on our operations. However, the reduced state of the work from home policy has resulted in a steady trend of the risk, giving the greater number of employees working externally.

Operating review

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 in 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.

Samson Ezugworie
Chief Operations Officer

Upstream business performance

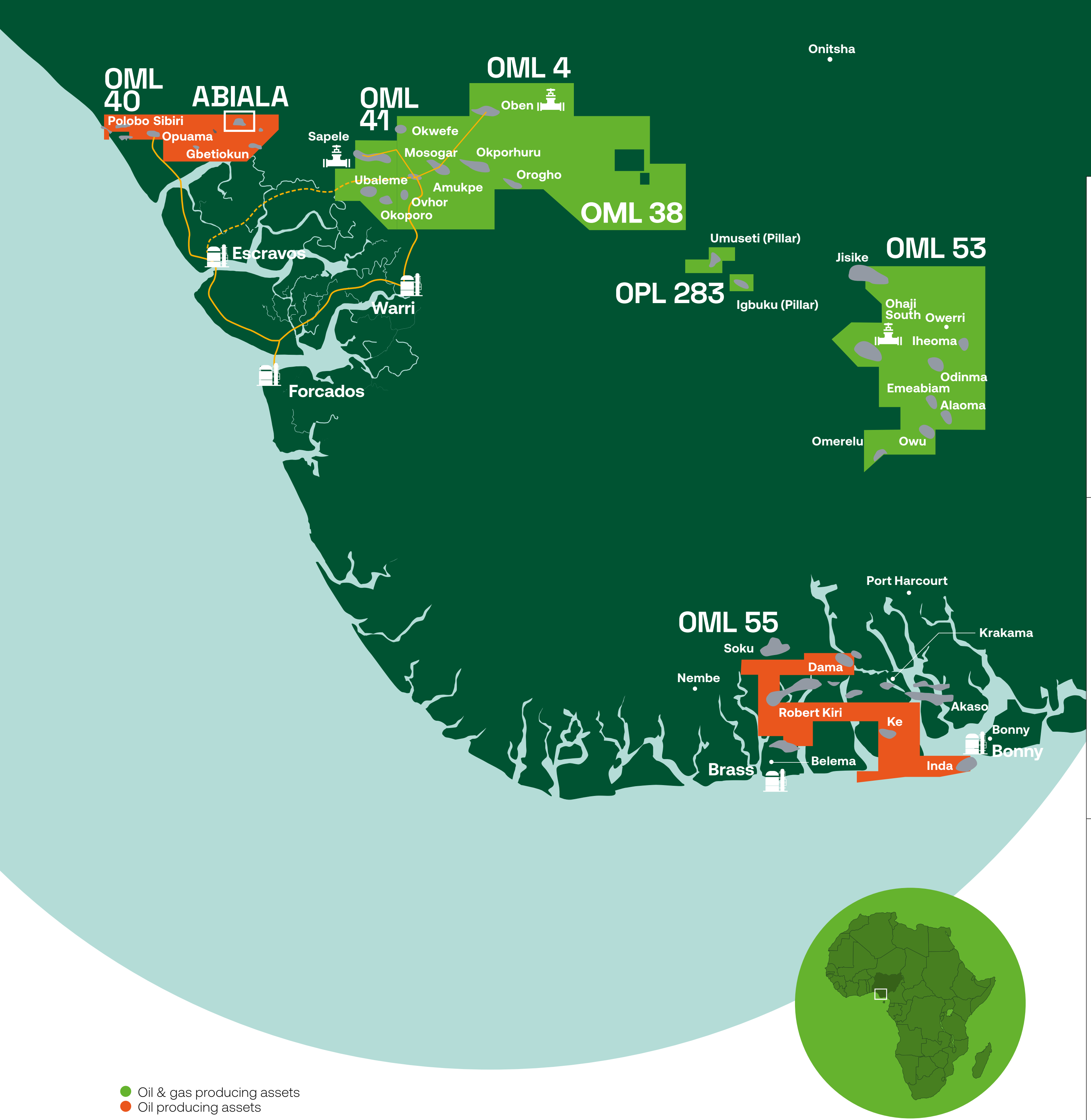
Reserves and resources

2P Reserves

The Group's audited 2P reserves, as assessed independently by Ryder Scott Company, L.P., decreased by 19 MMboe from 457 MMboe at the end of 2021 to 438 MMboe at the end of 2022. The change is mostly due to production of 9 MMbbls of liquids and 41.0 Bscf of gas (7 MMboe). The divestment of Ubima, the discovery at Sibiri, and reclassifications and revisions of previous estimates makes up the difference.

		2P reserves at 31/12/2022			2P reserves at 31/12/2021		
		Liquids	Gas	Total[3]	Liquids	Gas	Total
	Seplat %	MMbbl	Bscf	MMboe	MMbbl	Bscf	MMboe
OMLs 4, 38 & 41	45%	138	629	246	144	651	256
OPL 283	40%	4	61	15	5	68	17
OML 53	40%	39	653	152	39	660	153
OML 55	Fin. interest	3	–	3	4	–	4
OML 40[1]	45%	22	–	22	25	–	25
Ubima[2]	82%	–	–	–	2	–	2
Total		**206**	**1,343**	**438**	**219**	**1,379**	**457**

1. 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%.
2. Eland had an 82% working interest in the Ubima marginal field before divestment in 2022.
3. 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 6.7% from 75 MMboe to 70 MMboe, comprising 43 MMbbls of oil and condensate and 159 Bscf of natural gas. The decrease in 2C gas resources (boe) is mostly due to revisions in Emebiam, Owu and Oben fields.

Consequently, the Group's working interest 2P reserves and 2C resources stood at 507.5 MMboe as of 31 December 2022, comprising 248.5 MMbbls oil and condensate and 1,502.2 Bscf of natural gas (259 MMBoe).

		2C resources at 31/12/2022			2C resources at 31/12/2021		
		Liquids[1]	Gas	Total	Liquids	Gas	Total
	Seplat %	MMbbl	Bscf	MMboe	MMbbl	Bscf	MMboe
OMLs 4, 38 & 41	45%	31	124	52	28	162	56
OPL 283	40%	7	24	11	4	21	8
OML 53	40%	3	11	5	4	14	6
OML 40	45%	2	0	2	3	0	3
Ubima	82%	–	–	–	2	0	2
Total		**43**	**159**	**70**	**41**	**197**	**75**

1. Abiala has not been included in 2C resources because the farm in agreement had not been concluded at the time of closure of the reserves audit.

Production

Full-year total working interest production for 2022 was 16.2 MMboe. Within this, liquids production was 9.3 MMbbls, down 26.6% year-on-year, and gas production was 6.9 MMBoe (40.4 Bscf), up 4.1% year-on-year. In addition, the Group recorded a total downtime of 37%, primarily because of problems with third-party export infrastructure.

Working interest production

Liquids production for all assets was affected by evacuation issues during the year, particularly in Q3 on the Forcados export route, and this led to total deferred liquid volumes of 4.7 MMbbls for 2022.

For OMLs 4, 38, and 41, which rely on the Forcados route, the Forcados Terminal (FOT) was unavailable for 146 days in 2022 (including 78 consecutive days in Q3 2022). The force majeure declared on the Trans Forcados pipeline (TFP) and other deferments due to maintenance activities impacted crude production. The situation would have been more acute had we not successfully operationalised the Amukpe to Escravos Pipeline (AEP) in the third quarter.

A total of 1.6 MMbbls or 10.1 kbopd (working interest) was exported through the AEP from July 2022, when the pipeline became operational. As expected, there was an improvement in performance from the fourth quarter, with 90% of our liquids evacuated through the AEP in December 2022, enabling an exit rate for the year of 53 kboepd across the Group.

Similarly, pipeline unavailability impacted production at OML 40. After a 39-day outage of the Forcados Oil Terminal (FOT) and Trans Escravos Pipeline (TEP) in the fourth quarter (135 days outage for the full year), production resumed, and evacuation commenced in November 2022.

For OML 53, with production of around 1,000 bopd (gross) from the Jisike field being shut-in since February 2022, we could only evacuate an average of about 3,000 bopd from Ohaji to the Waltersmith Refinery.

		2022 WI production			2021 WI Production		
		Liquids	Gas	Total	Liquids	Gas	Total
	Seplat %	bopd	MMscfd	boepd	bopd	MMscfd	boepd
OMLs 4, 38 and 41	45%	15,422	112.3	34,791	18,243	107.9	36,844
OPL 283	40%	1,067	–	1,067	1,012	–	1,012
OML 53	40%	1,689	–	1,689	3,164	–	3,164
OML 40	45%	6,557	–	6,557	5,923	–	5,923
Ubima		–	–	–	749	–	749
Total		**24,735**	**112.3**	**44,104**	**29,091**	**107.9**	**47,693**

1. 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.
2. Gas conversion factor of 5.8 boe per scf.
3. Following the decision to exit from the Ubima asset in April 2022, volumes from the marginal field have not been reported in 2022.
4. Volumes stated are subject to reconciliation and will differ from sales volumes within the period.

Working interest production by quarter

		Q1 2022			Q2 2022		
		Liquids	Gas	Total	Liquids	Gas	Total
	Seplat %	kbopd	MMscfd	kboepd	kbopd	MMscfd	kboepd
OMLs 4, 38 and 41	45%	17.7	107.4	36.2	17.1	127.9	39.2
OML 40	45%	7.4	–	7.4	10.1	–	10.1
OML 53	40%	2.7	–	2.7	1.6	–	1.6
OPL 283	40%	1.3	–	1.3	1.5	–	1.5
Total		**29.1**	**107.4**	**47.6**	**30.3**	**127.9**	**52.4**
Third party deferment MMbbls				0.7			0.5

		Q3 2022			Q4 2022		
		Liquids	Gas	Total	Liquids	Gas	Total
	Seplat %	kbopd	MMscfd	kboepd	kbopd	MMscfd	kboepd
OMLs 4, 38 & 41	45%	9.5	103.1	27.2	17.5	111.0	37.5
OML 40	45%	1.6	–	1.6	7.3	–	7.4
OML 53	40%	1.1	–	1.1	1.3	–	1.4
OPL 283	40%	0.3	–	0.3	1.1	–	1.1
Total		**12.5**	**103.1**	**30.3**	**27.2**	**111.0**	**46.4**
Third party deferment MMbbls				2.2			1.3

Divestment of Ubima marginal field

Wester Ord Oil and Gas Nigeria Ltd. (WON), a wholly owned subsidiary of the Company, agreed in Q1 2022 with the J.V. partner All Grace Energy Ltd. (AGEL) to divest WON's rights in the Ubima Marginal Field for a consideration of $55.0 million. Under the agreement, the Company has received a total of $19.5 million, with $18.6 million received in 2022 and $0.9 million received in January 2023.

As a result, Ubima's production has been removed from the Group's daily average output and WON has derecognised assets and liabilities in H1 2022, including Ubima's current reserves of approximately 2 MMbbls.

Farm-in to Abiala marginal field

Following the 2020 marginal field bid round in Nigeria, Naphta Global E&P Ltd. (Naphta) was awarded 100% equity in the Abiala marginal field carved out of OML 40 by the NUPRC. The marginal field contains 2C gross oil resources of approximately 40 MMbbls.

Elcrest (45% owned by Seplat Energy) has entered into an agreement with Naphta for a 95% equity farm-in to the Abiala marginal field, while Naphta will have a 5% carried interest. Elcrest will also assume the role of Operator and Technical & Financial Partner in the Elcrest/Naphta Joint Venture. The partners executed Heads of Agreement with a signature bonus of $12 million paid to NUPRC. The transaction represents a consolidation of the Company's strategic position on the OML 40 block. It provides an early monetisation opportunity using existing OML 40 facilities, subject to agreement with NEPL (NNPC E&P Limited, formerly NPDC), which operates the OML 40 asset.

"The transaction represents a consolidation of the Company's strategic position on the OML 40 block. It provides an early monetisation opportunity using existing OML 40 facilities, subject to agreement with NEPL (NNPC E&P Limited, formerly NPDC), which operates the OML 40 asset."

In developing the field, Elcrest is targeting first oil by the end of Q2 2023 and plans to focus on low-cost development with early monetisation opportunities that leverage existing contractual positions to accelerate the field's development. Seplat Energy will also explore optimising its tax position to the extent possible under the new PIA.

Drilling activities

The drilling programme for 2022 spudded 13 wells and successfully delivered 11 wells below budgeted costs. An additional two wells (ANOH-03 and ANOH-04) were spudded by SPDC in 2022 but will not be completed until 2023 due to delays in the gas plant on-stream date.

In OML 4, 38 and 41, we spudded and delivered four wells: the Amukpe-5ST2, Oben-52, Oben-53 and Ethiope-02 wells, which are expected to produce a combined gross rate of c.5,000 bopd and c.3.1 MMscfd of gas.

In OML 53, we spudded three wells and delivered one well: the Owu-02 appraisal well was spudded and completed. The OHS-08 was completed in January 2023 and the OHS-07 expected to be completed later in Q1 2023. The expected peak production from OHS-07 and OHS-08 is c.3,500 bopd.

In OML 40, we spudded and delivered six wells: the Opuama-12, Opuama-13, Opuama-14, Opuama-15, Opuama-16 wells and Sibiri-1. The Opuama wells have commenced production, with gross combined production of c.9,000 bopd.

Total expected peak production for the production wells spudded in 2022 is expected to be c.17,500 bopd of oil and c.3.1 MMscfd of gas or working interest: c.7,700 bopd and 1.4 MMscfd.

In OML 40, the Sibiri oil discovery is being appraised by two wells. The Sibiri-1 discovery well was drilled in Q1 2022 and as reported in our 2021 full-year results last year, encountered eight oil-bearing reservoirs with 353 ft of gross oil pay and 229 ft of net pay. The post discovery Oil In-Place was estimated in the range 24-34-94 million barrels.

Appraisal drilling of Sibiri-2, with the objectives of testing the eastern and south-western flanks, commenced on 30 January 2023 and reached TD on 23 February, with initial results indicating significant uplift in mid-case Oil-In-Place volumes. In the eastern flank, four oil bearing reservoirs with 68 ft of gross oil and 48 ft net pay were encountered. In the south-western flank, nine oil bearing reservoirs with an initial estimate of 292 ft of gross oil and 180 ft net pay, including two new pay zones, were encountered. These preliminary results are in line with the high side of pre-appraisal Oil In-Place evaluation. Further well data acquisition is ongoing and subsequent technical studies are required to confirm the initial results.

The extended well testing (EWT) of Sibiri-1 commenced on 21 February 2023 via a 6km flow line to the OML40 Opuama facilities. Testing and evaluation of crude properties is ongoing.

The Field Development Plan is on schedule to be completed in Q4 2023, leading to the Final Investment Decision for the full field development soon after. Development drilling is anticipated in Q1 2024 with expected peak production of 5,000-6,000 barrels of oil per day in 2024/25.

Export infrastructure diversification

We continue to pursue alternative crude oil evacuation options for production at all assets, to increase our export flexibility and reduce over-reliance on any one third-party operated export system. In line with this objective, we successfully commenced evacuation through the AEP export route during the third quarter of 2022. Crude oil production from OMLs 4, 38 and 41 is now sent via the Trans Forcados Pipeline (TFP) and AEP, with significant volumes now flowing through the latter. For a third export route, we intend to establish regular exports of 10,000 bopd (gross) through the Warri Refinery jetty, from which it will be sold FOB to our off-taker at the jetty. We intend to keep this option available for the foreseeable future.

All three export routes will provide significant flexibility and ensure we have adequate redundancy in evacuation routes, significantly reducing downtime to promote higher levels of revenue assurance and profitability.

For OML 53, we have engaged with our J.V. partner NUIMS (formerly NAPIMS) and the NUPRC to operationalise an alternative evacuation option of trucking for the Jisike and Ohaji South fields in OML 53, and we will commence a pilot test when approvals are secured.

At OML 40, the partners are exploring the potential of barging operations to evacuate liquids from the Gbetiokun fields to the LEC floating storage and offloading facility (FSO) to mitigate the impact of increasing FOT/TEP unavailability.

Towards a permanent solution, the partners have begun constructing a pipeline from Gbetiokun to Adagbassa to replace the more expensive barging operation that we currently run. The 30cm x 30km pipeline will take produced crude from the Gbetiokun field in OML 40 to the Adagbassa manifold, from where the pipeline will tie into the existing 36km Opuama-Otumara export pipeline.

"In line with the provisions of the PIA, we believe the Midstream Gas business could achieve a higher value when operated as a separate, standalone unit, independent of our Upstream business. This will unlock new value for the Company and increase returns for stakeholders."

Midstream Gas business performance

Seplat is a leading supplier of processed natural gas to the expanding Nigerian domestic market. Working interest gas volumes for the period averaged 112.3 MMscfd (2021: 107.9 MMscfd), a contribution of 44% of the Group's total production volume on a boe basis. Our gas business was affected by the outages on the TFP because of the limited liquid handling capacity for condensate produced alongside the gas.

Gas contracts and pricing

During the period, we signed short-term gas sales agreements (GSAs) with three new customers, for a combined offtake of 86 MMscfd. As a result, Seplat now has a total of eight GSAs for the supply of 396 MMscfd of gas.

In addition, we concluded price renegotiation with customers during the second quarter, and following the DGDO gas pricing revision in August 2021, the average gas price achieved was \$2.82/Mscf (2021: \$2.85/Mscf), which is weighted against volumes supplied to each customer in the period. The gas sold under the new GSAs (mentioned above) at more favourable terms offset the impact of the lower gas prices realised at the first half of the year.

Midstream Gas business separation from Upstream

The decision to convert to the PIA regime considered the implications for our Midstream Gas business. In line with the provisions of the PIA, we believe the Midstream Gas business could achieve a higher value when operated as a separate, standalone unit, independent of our Upstream business. This will unlock new value for the Company and increase returns for stakeholders. An implementation roadmap for the spin-out opportunity has been developed and the process is expected to take 12 to 18 months, subject to regulatory approval and stakeholder engagement.

Additional third-party volumes

We are focused on developing third-party gas resource opportunities that can utilise the remaining processing capacity at Oben. Securing additional volumes from counterparties will secure long-term supplies of raw natural gas from which we can maximise the plant's utilisation and generate tolling revenues. We progressed discussions with targeted third-party gas producers during the year and are finalising contracting to facilitate a tripartite gas development workshop with three producers.

ANOH Gas Processing Plant

To date, the IJV (AGPC) has achieved 95% overall mechanical project completion at the gas plant site, and we expect the plant to be mechanically complete in Q2 2023. Our government partner, NGIC, is delivering the pipelines that will take the gas from ANOH to the demand centres, namely the 23km spur line and the Obiafu-Obrikom-Oben (OB3) pipeline.

The OB3 pipeline has been affected by the collapsing of the HDD wall in a section of the river crossing. Experts from the UK have been brought in to 'grout' the section and grouting will commence in March with the drilling and pipe installation to commence thereafter. NGIC has confirmed that they expect the pipeline to be complete before the end of Q2 2023.

Line pipes for the 23km spur line are in country and project completion is almost 70%, with the revised completion date communicated by NGIC as 30 June 2023.

Despite estimated completion for the pipeline infrastructure being Q2 2023, we have further risked the completion dates and have moved the first gas to the final quarter of 2023. Once completed, ANOH will deliver two income streams for Seplat Energy: from OML 53's wet gas sales to the plant, and from dividends returned to Seplat Energy from the joint venture ANOH Gas Processing Company, which will operate the plant.

The upstream development, including the drilling of six production wells, will be delivered by the upstream unit operator SPDC. We expect the drilling of ANOH-03 and ANOH-04 by SPDC to be completed in Q2 2023.

Sapele Gas Plant

Work continues on the new Sapele Gas Plant, with project progress at 60%. Upon completion, the processing capacity will be 85 MMscfd. The upgraded facility will produce gas that meets export specifications, and the LPG processing unit module will enhance the economics of the plant and reduce routine gas flaring. During this period, we accelerated the installation of A.G. Compressors to reach mechanical completion, and we have commenced commissioning activities to meet our target to end routine flares by the end of 2024.

New Energy business

At our Capital Markets Day in 2021, we announced our intention to invest in opportunities that will capture more value across the entire energy value chain, including renewable energy generation, on a medium to large scale.

We have completed evaluation studies and finalised a ten-year integrated Gas and New Energy Investment Plan. Near-term opportunities we have identified in gas-to-power and solar energy will be subject to technical and business evaluation assessments, environment and social impact assessments, and project licensing, and we expect to move to FID before the end of 2023. The key investment opportunities being considered include selective entry to off-grid power generation using gas-fired generation integrated with solar. Natural gas will be the mainstay of our energy transition programme and this in turn will ensure the sustainability and financial viability of the renewables programme. We are also pursuing carbon offset possibilities on a wide range of emission reduction activities in various global carbon markets. The identified opportunities have considered advancement in technology, availability of resources within Nigeria and feasibility of execution.

Reducing our emissions towards Net Zero

Our primary commitment is to reduce our GHG emissions resulting from its direct operations. In addition, we have established a broad set of investment activities designed to reduce emissions from its operated facilities and offset residual emissions.

Our Flares Out project, which forms part of our commitment to achieving Net Zero by 2050, is on schedule to reach our target of ending routine flares by the end of 2024. In 2022, improvements in performance of the AG compressor in Oben and Amukpe, alongside regular asset integrity checks and other facility improvement activities, were effective and AG flare volume was reduced by 18.2% at Oben (5.7 MMscfd against 6.97 MMscfd in 2021) and by 39.9% at Amukpe (1.1 MMscfd against 1.83 MMscfd in 2021).

The Sapele Gas Plant (AG solution) with installed capacity of 40 MMscfd achieved mechanical completion in December. The AG solution is expected to process c.26 MMscfd and will make a significant contribution to flared gas utilisation, reducing emissions and carbon intensity. In addition, we acquired an LDAR system at our Oben Gas Plant and trained 40 employees on use of the technology, which has enabled detection of invisible leaks and allowed our in-house O&M team to act promptly.

Our diesel replacement programme seeks to increase the use of gas, a less carbon intensive fuel for power generation and where feasible, solar power is also being considered. We are piloting solar at our Amukpe warehouse to power equipment on site and plan to power the security outposts located around our operations using solar energy in 2023.

We have committed $11.5 million in 2023 towards projects that will end routine flares in our operations, including $10.8 million towards installing gas compression facilities at the flow stations in Amukpe, Oben and Sapele, and $0.7 million towards incineration at the Amukpe flow station.

Upon completion of these projects, we expect to improve our gas handling capacity and reduce flares by c.30 MMscfd in 2023 and c.20 MMscfd in 2024, which will in turn monetise flare gas in line with our corporate strategy and the national flare gas commercialisation initiative. In addition, we have committed $1 million towards planting trees across Nigeria as part of afforestation efforts that will capture residual emissions. Our focus in 2023 will be on mobilising community stakeholders and completing land acquisition to enable the commencement of tree planting in Imo, Edo and Abuja.

“…we have committed $1 million towards planting trees across Nigeria as part of afforestation efforts that will capture residual emissions.”

Focus on asset integrity

At the core of our operations is a focus on asset integrity, process safety management and maintenance culture to ensure and improve our facilities' safety, reliability, and availability. This focus also promotes higher revenue assurance and contributes to our cost savings initiatives. Our goal, through various asset integrity initiatives, is expected to reduce deferment by c.120 kbbl annually and end routine flares, increasing revenue assurance and profitability in line with our defined strategic priorities.

Projects completed in the period included the Oben Gas Plant life extension project to restore health to the plant's old modules and extend life by a minimum of 15 years, and the sectional re-routing of 5.1km x 10" Sapele to Amukpe trunkline to reduce the risk of pipeline failure on a heavily encroached right of way and extend the life span of the pipeline.

Seplat Energy was awarded the ISO 55001 Asset Management certification and is now subject to annual surveillance audits in April 2023 and 2024 and a recertification audit in April 2025 in line with ISO 55001 three-yearly certification renewal cycle. These audits will test how we can effectively sustain and continually improve our asset management system. In addition, the tests will encourage a continuous improvement drive in all our asset management processes to ensure that our asset management system remains aligned with the ISO 55001 standard in readiness for all future surveillance/recertification audits. Improving asset management systems will enable us to operate our assets more effectively and at higher rates of return.

HSE performance

Our HSE Policy conforms with the ISO 45001 and ISO 14001 standards and is supported by our HSE Management System, which assures adherence to local regulations, industry standards, and international best practices.

Promoting healthy practices

During the year, we provided comprehensive health services and access to all employees.

- Employees were challenged to be more health conscious and proactively take steps towards a healthy lifestyle, through health campaigns in all facilities.
- A Health Ambassador initiative was launched, and campaign material was shared with all staff in all locations.
- The Covid-19 pandemic was de-escalated in Q4 2022 following successful management that resulted in no fatalities or disruption to Seplat operations, with the positivity rate dropping from 0.68% in Q3 to zero in Q4 2022.

Safe operations and prevention of major incidents

During the year, a technical safety audit was performed for assurance of our processes.

- We strengthened our Incident Management System significantly with the implementation of the Emergency Response, Crisis Management & Business Continuity Plans.
- We intensified our HSE awareness campaign through the implementation of a core HSE programme that includes training of first responders (CNA Class A Spill Response) with newly recruited spill responders and the IMS 300 training.
- Operationalisation of HSE framework roadmap, and risk-based HSE improvement programme.

Environmental care

During the year, we focused on determining and assessing the environmental effects of our actions, we continued to be dedicated to environmental sustainability and protection.

- Four fields – Ethiope, Ovhor, Okporhuru and Orogho – underwent first-season Environmental Evaluation Studies (EES) to assess ongoing operational impacts and EIA Studies for potential impacts of the new projects.
- To maintain environmentally sound operations, we sustained our Environmental Compliance Monitoring Programme to assure compliance with statutory environmental limits.
- We achieved a 10.3% reduction of GHG emissions through ongoing flares-out efforts, including improved asset integrity and better uptime of gas compressors.
- We automated the calculation of GHG emissions through use of the Noobyia GHG emission accounting system.
- We prepared Seplat Energy's Environmental Policy and developed the Environmental Management System Manual to commence the ISO 14001 certification process.
- Prepared and submitted 12 EMPs to NUPRC/NMDPRA in compliance and operationalisation PIA.

Health and Safety – 2022 performance review:

	2019	2020	2021	2022
Fatalities (employee and contractor)	0	0	0	0
Lost Time Injury Frequency ('LTIF')	0.00	0.00	0.00	0.12

Incidents Trend: 2019-2022

2022 performance review

Staff and contractors completed a total of 8.6 million hours in the period, and there were 93 HSE incidents in total, compared to 88 in 2021.

After achieving 31 million hours with zero LTI recorded over the last four years, a non-operating incident was recorded in October when a third-party contractor fractured his right leg while crossing the road during a community awareness campaign. The contributing factors to the incident were determined, and lessons learned have been adopted to prevent such accidents and expand the scope of safety beyond our operations.

During 2022 we updated our environmental policy and EMS manual in line with the ISO 14001 standard, as well as relevant local, national, and international regulations, and industry best practice.

Throughout our activities, we took proactive measures to protect biodiversity and groundwater, and zero groundwater contamination was maintained.

During an internal process review, it was discovered that data pertaining to emissions sources contained discrepancies caused by an inadequate accounting system. Therefore, we launched a new GHG Emissions Accounting System and recalculated historical GHG emissions data. This exercise revealed a 49% overestimation of our GHG emissions for 2020 and 43% for 2021; the restated figures are 1.4 and 1.2 million tonnes CO_2 equivalent, respectively.

The Scope 1 and 2 emissions recorded for 2022 were 0.7 million tonnes CO_2 equivalent, resulting in a carbon intensity of 23.9kg/boe (2021: 36.6kg/boe), slightly above the upstream industry carbon intensity average of 18.9kg/boe (Source: Oil & Gas Climate Initiative).

Environment – 2022 performance review:

KPI	2019	2020	2021	2022
Flaring – million standard cubic feet (MMscf)	8,910	15,313	12,780	7,835
Volume of oil spilled through own operations ('000 tonnes)	0.001	0.0091	0.0000086	0.00000043
Volume of oil spilled through sabotage ('000 tonnes)	0.0001	0.0037	0.000027	0.0000010
Groundwater contamination	nil	nil	nil	nil
Freshwater consumption (MMbbls)	0.19	0.19	0.196	N/A
Total greenhouse gas emissions (MM tonnes CO_2 equivalent)				
Scope 1+2*	n/a	1.42	1.27	0.73
Scope 3	n/a	0.01	0.002	0.009

* Scope 1+2 emissions have been restated for 2020 and 2021. LRQA Group (a leading global assurance provider) has independently verified the new GHG accounting system. The same standards and methodologies in previous years were applied – API and IPPC.

Outlook

Seplat Energy's long-term outlook is positive, with the AEP now operating as expected and the ANOH Gas Processing Plant due to come onstream in the final quarter of this year. Full-year production guidance for 2023 is set at 45,000 to 55,000 boepd on a working interest basis. This guidance does not include any expected contribution from MPNU or ANOH.

Capital expenditure for 2023 is expected to be around $160 million, and we plan to drill 18 new wells across our operated and non-operated assets as follows:

- OMLs 4, 38 and 41: Eight wells (Three oil wells, three gas wells, one water disposal well and one exploration well);
- OML 53: One oil well;
- OML 40: Five wells (Four oil wells and one appraisal well; Abiala: Development of one workover and one oil well);
- ANOH: Two gas wells.

The 2023 drilling programme will address production decline and, along with the completion of maintenance activities, will support long-term production levels from the assets. Facilities and engineering projects will focus on completing an upgraded integrated gas processing facility at Sapele. The year under review showed the importance of the sustainability of our evacuation options, and we will prioritise alternative route projects in 2023.

Achieving our ESG performance targets is a primary focus for 2023, and in our climate strategy, where we have committed to being carbon neutral in 2050, ending routine flares by the end of 2024 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. In addition, we plan to contribute to the growth of our communities by equipping hospitals and schools with reliable power and, in return, progress our goal to increase access to energy while developing our power and renewable capabilities on socially important projects.

Samson Ezugworie
Chief Operations Officer

Emeka Onwuka
Chief Financial Officer

Financial review

We will continue to closely monitor the performances of the oil price, 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.

Revenue

Revenue from oil and gas sales in 2022 was ₦403.9 billion, $951.8 million, a 29.8% increase from the ₦293.6 billion, $733.2 million achieved in 2021.

Crude oil revenue was 35.7% higher than for the same period in the previous year at ₦356.2 billion, $839.3 million (2021: ₦247.7 billion, $618. 4 million), reflecting higher average realised oil prices of ₦43,158/bbl, $101.7/bbl. for the period (2021: ₦28,334/bbl $70.5/bbl). The increase is attributable to the impact of the conflict in Ukraine on global energy prices and the steady post-pandemic recovery in global oil demand, particularly in China and the United States. The total volume of crude lifted in the period was 8.3 MMbbls, 6.8% lower than the 8.9 MMbbls lifted in 2021. The lower volumes lifted in 2022 resulted from a drop in production output, especially in the third quarter, because of the prolonged unavailability of the export terminals. However, significant improvements were made in Q4 2022 as we began to evacuate the bulk of our crude through the newly operational Amukpe-Escravos underground pipeline. The average reconciliation loss factor for the Group was 10.7%.

Gas sales revenue declined marginally by 2.1% to close the year at ₦47.7 billion, $112.5 million (2021: ₦45.9 billion, $114.8 million) because of weaker average realised gas prices following price reviews conducted in the second quarter of the year, down 1.1% to ₦1,197 /Mscf, $2.82/Mscf (2021: ₦1,141/Mscf, $2.85/ Mscf). Nevertheless, gas sales volumes improved despite the effect of oil evacuation curtailments and increased 4.1% to 41.0 Bscf, compared to 39.4 Bscf in 2021.

Gross profit

Gross profit increased by 63.0% to ₦197.2 billion, $464.7 million (2021: ₦114.2 billion, $285.2 million) and benefited from higher realised oil prices.

Non-production costs consisted primarily of ₦76.7 billion, $180.8 million in royalties, which was higher compared to ₦51.9 billion, $129.8 million in 2021 because of higher oil prices, and DD&A of ₦54.6 billion, $128.7 million, which was lower compared to ₦56.5 billion, $141.1 million in 2021, reflecting lower depletion of reserves because of decreased production compared to the prior year.

Direct operating costs, which include crude-handling fees, barging/trucking, operation and maintenance costs, amounted to ₦70.5 billion, $166.1 million in 2022, 3.1% lower than the ₦68.9 billion, $172.1 million incurred in 2021. However, on a cost-per-barrel equivalent basis, production opex was ₦4,371/ boe, $10.3/boe, 4.4% higher than the $9.9/boe incurred in

2021, primarily because of the effect of lower produced volumes, an excess storage charge on use of the Escravos terminal, and the higher cost of crude handling on the AEP, when compared to the TFP.

Operating profit

The operating profit for the period was ₦116.6 billion, $274.7 million, an increase of 9.6%, compared to ₦100.4 billion, $250.7 million in 2021.

The Group recognised a financial asset impairment charge of ₦2.9 billion, $6.4 million related to the ageing of some government receivables, which is expected to reverse once recoveries are secured. Included in other income was a ₦5.6 billion, $13.1 million loss on disposal for the sale of the Ubima field. In addition, there was an overlift charge of ₦11.5 billion, $27.2 million, representing 263 kbbl. and a ₦0.5 billion, $1.1 million loss on foreign exchange, principally due to the translation of Naira, Pounds and Euro-denominated monetary assets and liabilities.

General and administrative expenses of ₦58.3 billion, $137.4 million were 71.5% higher than the 2021 costs of ₦32.1 billion, $80.1 million. The increase was driven by the impact of global inflationary trends on expenses, including travel and training costs (activities having increased following the relaxation of travel restrictions), increased spending on professional and consulting fees associated with business growth strategies and the upward adjustments to staff salaries and emoluments to reflect the true cost of living. The bulk of the staff costs are denominated and paid in Naira but translated in the financial statements at the NAFEX currency exchange rate, which does not reflect fully the macroeconomic reality of the strength of the Naira against the US dollar. A correction downwards in the exchange rate will lower the USD reported costs accordingly.

After adjusting for non-cash items, which include impairment and exchange losses, the EBITDA of ₦176.9 billion, $416.9 million, equates to a margin of 43.8% for the period (2021: ₦148.9 billion, $371.8 million; 50.7%).

Taxation

The income tax expense of ₦42.3 billion, $99.7 million includes a current tax charge (cash tax) of ₦28.7 billion, $67.7 million and a deferred tax charge of ₦14 billion, $32.0 million. The deferred tax charge is driven by the unwinding of previously unutilised capital allowances and movements in underlift/overlift in the current year. The effective tax rate for the period was 49 % (2021: 34%). The higher tax this year resulted from higher taxable profit due to higher oil prices.

Effective tax rate analysis	Income tax expense			Tax rate	
Profit before tax ($'million)	Current	Deferred	Total	ETR (Effective Tax Rate)	Current Tax Rate
204.4	67.7	32.0	99.7	49%	33%

Net result

The profit before tax was 15.2% higher at ₦86.7 billion, $204.4 million (2021: ₦71 billion, $177.3 million). The profit for the year was $ 104.7 million (2021: ₦46.93 billion, $117.2 million) with a resultant basic earnings per share of ₦46.68, $0.11 in 2022, compared to ₦96.11, $0.24 per share in 2021.

Cash flows from operating activities

Cash generated from operations in 2022 was ₦242.4 billion, $571.2 million, 51.6% higher than ₦150.9 billion, $376.8 million generated in 2021. Net cash flows from operating activities were 41.6% higher at ₦211.0 million, $497.3 million (2021: ₦141.1 billion, $352.3 million) after accounting for tax paid of ₦24.4 billion, $57.5 million (2021: ₦5.2 billion, $13.0 million) and a hedging premium of ₦4.4 billion, $10.3 million (2021: ₦3.6 billion, $9.0 million). The Group continued to record improvements in the recovery of receivables from the major JV partner and, in 2022, received ₦116 billion, $259 million towards the settlement of cash calls. As a result, the major JV receivable balance now stands at ₦40. 7 billion, $91 million (2021: ₦34.6 billion, $83.9 million); these are mainly cash calls owed within the last 60 days and are expected to be settled within Q1 2023. As of February 2023 we have received more than ₦31 billion, $70 million as part settlement of the 2022 outstanding amounts.

Cash flows from investing activities

Net capital expenditure of $163.3 million included $94 million invested in drilling and $64 million in oil and gas engineering projects.

Deposits for investment of $140.3 million include a $128.3 million (which is refundable) deposit for the proposed acquisition announced in February 2022 of Mobil Producing Nigeria Unlimited and the $12.0 million farm-in fee for the Abiala marginal field carved out of OML 40.

The Group received total proceeds of $10.8 million in the period under the revised OML 55 commercial arrangement with BelemaOil for the monetisation of 298.4 kbbls of crude oil. In 2022, recovery was affected by sabotage along the Nembe Creek Trunk Line and the Trans Niger Pipeline, with theft factors ranging from 30% to 90%.

Cash flows from financing activities

The Company paid ₦24.9 billion, $58.8 million dividends to shareholders in the period. Other financing charges of ₦5.3 billion, $12.5 million reflect the commitment fee and other transaction costs on the Group's facilities, and ₦26.9 billion, $63.3 million reflects interest paid on loans and borrowings.

Liquidity

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

Net debt reconciliation at 31 December 2022	$ million	Coupon	Maturity
Senior notes*	666.8	7.75%	April 2026
Westport RBL*	8.2	SOFR rate+8%	March 2026
Off-take facility*	95.2	SOFR rate+10.5%	April 2027
Total borrowings	770.2		
Cash and cash equivalents (exclusive of restricted cash)	404.3		
Net debt	365.9		

* including amortised interest.

Seplat Energy ended the year with gross debt of ₦344.4 billion, $770.2 million (with maturities in 2026 and 2027) and cash at bank of ₦180.8 billion, $404.3 million, leaving net debt at ₦163.6 billion, $365.9 million. The restricted cash balance of ₦10.7 billion, $23.9 million includes ₦3.6 billion, $8.0 million and ₦5.6 billion, $12.5 million set aside in the stamping reserve and debt service reserve accounts for the revolving credit facility; in addition to ₦0.4 billion, $0.8 million and ₦0.4 billion, $1 million for rent deposit and unclaimed dividend, respectively. A garnishee order of $1.6 million, ₦0.7 billion is included in the restricted cash balance as at the end of the reporting period. We monitor the gearing ratio with the objective to maintain a net debt to gearing ratio of 20%-40%. The ratio for 2022 was 17% (2021: 21%).

Refinancing of the $350 million revolving credit facility (RCF)

On 30 September 2022, Seplat Energy Plc refinanced its existing $350 million revolving credit facility due in December 2023 with a new three-year $350 million revolving credit facility due in June 2025. 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 existing $650million bond is refinanced. The RCF carries an 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 – Escravos Pipeline is stabilised at an average working interest production of at least 15,000 bopd over a period of 45 consecutive days, which was achieved on 1 February 2023. The pricing is in line with the current RCF pricing, although it reflects a change in the base rate from LIBOR to SOFR plus the applicable credit adjustment spread.

Final and Special Dividend

The Board has recommended a final dividend of ₦10.3 per share, US2.5 cents per share for the financial year 2022 and following a review of Seplat's operational, liquidity and financial position post refinancing, the Board has decided to declare an additional special dividend of ₦22.36 per share, US5.0 cents per share, to be paid after shareholders' approval at the Annual General Meeting, which will be held on 10 May 2023. This brings the total dividend declared for 2022 to ₦67.07 per share, US15 cents per share (2021: ₦41.19 per share, US10 cents per share). The payment of the special dividend reflects the Board's confidence in the future of the business and is underpinned by a strong balance sheet.

"Our aim has always been to maintain a healthy balance sheet, focusing on cash generation first and foremost so we can build up a large reserve for future deployment and protect ourselves against global activity downturns."

Hedging

Oil put options	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Volume hedged (MMbbls)	2.0	2.0	2.0	1.5	1.5	1.5
Price hedged ($/bbl.)	52.5	55	57.5	65	50	50

Seplat'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 2022 was 7.5 MMbbls, and the current programme for 2023 consists of dated Brent put options of 3.0 MMbbls at an average premium of ₦454/bbl, $1.07/bbl. Additional barrels are expected to be hedged for 2023 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.

Conversion to PIA fiscal regime

The Petroleum Industry Bill was signed into law on 16 August 2021 and provides for the voluntary conversion of existing prospecting licences and mining leases to the terms of the PIA within 18 months, i.e., February 2023 or at the expiration of such licences and leases.

In October 2022, following the Group's review of the fiscal provisions of the PIA, Seplat West Limited (OMLs 4, 38 & 41) and Seplat East Onshore Limited (OML 53) together with their respective joint venture partners (NEPL and NNPCL) made provisional applications to NUPRC "the Commission" for the voluntary conversion of operated Oil Mining Leases according to section 92 and 93 of the PIA in October 2022. NEPL, the operator of OML 40, together with Elcrest, also made a conversion application.

The pursuit of conversion was based on our assessment of the new PIA fiscal terms, specifically the improved oil and gas royalty structure and rates, tax system and introduction of production-based allowance, all of which resulted in an overall net favourable position for Seplat Energy.

In fulfilment of section 92 (4) – (6) of the PIA, Seplat executed the conversion contract on 15 February 2023, which confers on applicants the right but not an obligation to complete the conversion to the PIA. The contract includes a longstop date of 30 April 2023 (or any later date agreed by the Commission), by which time key regulations and guidelines are expected to be issued by the Commission, and all conversion conditions have either been satisfied by the applicant or waived ("effective date"). Ministerial approval of the conversion of OMLs/OPLs to PMLs/PPLs will remain subject to meeting all Conditions Precedent.

Seplat continues to monitor the regulatory landscape ahead of 30 April and reserves the right to withdraw or amend the application following when the full scope of the PIA's impact on its assets is assessed.

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 (stable); (ii) S&P B (stable) and (ii) Fitch B- (stable).

The Group's substantial exposure to the Nigerian operating environment led to a downgrade by Fitch and Moody's, in November 2022 and February 2023 respectively, as both agencies downgraded the Sovereign. Fitch downgraded Seplat Energy Plc's Long-Term Issuer Default Rating (IDR) and senior unsecured rating to 'B-' from 'B', and Moody's downgraded the ratings to Caa1 from B3.

Outlook

Our financial strategy will driven by the preservation and flexibility required to realise the value of our asset base. We will continue to closely monitor the performances of the oil price, 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.

Emeka Onwuka
Chief Financial Officer

Maintaining good relationships with all our stakeholders

Stakeholder	Engagement method	
Workforce 88% Response rate to employee engagement surveys	• We rolled out a Company-wide engagement survey to feel the general pulse of the organisation. The survey was designed to examine the connection employees feel with their work, team and the Company, and the factors that influence it. • We held focused group sessions with all teams to further contextualise the report from the engagement survey with the aim to localise solutions to further improve overall engagement. • We maintain a constructive and ongoing dialogue with our staff through regular employee-led forums, CEO town halls and Q&A sessions, as well as the group intranet, social media channels, webinars and face-to-face meetings.	• The CEO hosted quarterly town hall events, which included open Q&A sessions throughout the year, as well as small group discussions, and took feedback through an anonymous survey and the Vault app. • We held quarterly Joint Consultative Committee (JCC) meetings. JCC is a platform used to discuss and address all staff welfare issues, and also share knowledge on the Company's business performance.
Shareholders and investors 337 Number of meetings held in the year	• The Chairman, Chief Executive Officer, Chief Financial Officer, Vice President of Finance and Head of Investor Relations each met regularly with investors over the course of the year. A variety of topics were discussed with the investors and their views were conveyed to the Board. • Throughout the year, the CEO met virtually or in person with investors to discuss strategy and business performance, after the full year results and half year results.	• The CFO hosted regular meetings with lending banks and bondholders as part of our funding and refinancing discussion. • The Chairman hosted a virtual Annual General Meeting which was also attended by the Directors.
Nigerian Government and partners 95% cost recovery from partners	• In line with the JOA provisions, statutory meetings were held with partners (i.e., SUBCOM, TECOM and OPCOM). In addition, monthly review meetings were held with partners at the frontline levels and the CEO engaged the partner leadership at the Quarterly Management Review (QMR) sessions. • Annual engagement with NUPRC (formerly DPR) to present yearly work programme/budget and biannual operations review meetings.	• Quarterly contract/performance reviews with NCDMB and submission of Project Performance Reports and other statutory reports.
Suppliers and contractors 1,500 vendors attended the Seplat Vendor Forum, 50% more than 2021	• Engagements held via virtual sessions and some onsite workshops. • There were two major supplier engagements held in the year. • Annual Seplat Energy Vendors' forum held physically at two Locations (Lagos and Sapele) in November 2022 themed 'The New Normal: Sustainability, Digital Transformation and Energy Transition'.	• In addition to the above, the Company held Contract Performance Reviews (CPR) with strategic contractors to sustain relationships and ensure an enabling environment to deliver on business goals.
Host communities 113 potentially disruptive incidents averted	The Base Manager and Community Relations Team held several seminars with various groups as follows: • Petroleum Industry Act 2021 (PIA) implementation related engagement with the CDC Forums, host community leaders, traditional rulers, government ministries to address various concerns and the PIA implementation expectations and GMOU transition. • Freedom to Operate (FTO) related discussions to enable vendors to carry out various operation activities and projects without hindrance. • Project pre-bid and kick-off meetings to discuss project details, ensure all parties' readiness, health and safety and community benefits are fulfilled and general management of all stakeholders and for a hitch-free implementation phase.	• Planned/ad hoc meetings to seek communities' views and inputs during drilling/project planning, mobilisation, commencement of certain contracting processes as well as demobilisation activities. • For land acquisition including negotiation, document execution and crops and land compensation payment discussions. • Grievance and conflict management meetings to address concerns and threats from communities and other local communities-based stakeholders. • Capacity building, educational assistance, and community infrastructural development.

Seplat Energy's continuing success depends on many different stakeholders, including employees, suppliers and local communities. We recognise the importance of regular engagement with all our stakeholder groups and adopt the most appropriate channels for each.

Key messages		Our response
• Calibration and reward system • Compensation and benefit reviews • Future of Work • Job security • Consequence management • Uniform application of policies and procedures • Women's representation in top management		• We provided an Employee Assistance Program that supports the overall mental wellbeing of employees. • Increased D&I focus, held Company-wide diversity and inclusion awareness sessions to upskill managers on key diversity metrics. • Company-wide Standardised Competence Assessment roll-out. • 100% implementation of the 2022 Training Plan. • Roll-out of FoW project and initiated implementation of recommendations – one day work-from-home pilot launched. • Operationalised the Aberdeen Learning Centre. • We established a crèche within our premises to ensure that parents of young babies have access to quality childcare while at work. • We awarded recognition bonuses through the year to frontline colleagues to further embed excellence across the Company.
• Leadership transition • Energy transition and net zero targets • ESG performance • M&A opportunities • Capital allocation	• 2021 full year results and 2022 quarterly operational and financial performance. • Board independence and other Governance matters. • Project delivery.	• We continue a programme of regular engagement with investors, analysts, lenders and others, providing updates on our performance. We also take their feedback.
• Demonstrate compliance with regulatory requirements, licence conditions and Joint Operating Agreement (JOA). • Maintenance of a harmonious relationship with partners and regulators to ensure business objectives are met. • Drive an efficient cost recovery process. • Ensure adequate funding for capital projects e.g. ANOH Gas Processing Plant, Sapele Gas Plant, Alternative evacuation	routes and intentional environmentally focused projects. • Both parties harmoniously agreeing on strategic social investments for the communities with the resulting Freedom to Operate (FTO). • Drive awareness of Nigerian content across Seplat Energy operations in order to support development of local talent and capacity.	• We continue to drive 100% compliance with all statutory regulations to ensure business continuity. • We strive to maintain a cordial relationship with our partners and regulators to ensure the Company's business objectives are met. • We support the operations of the business to enable optimal value creation for all critical stakeholders of the business – our investors, partners, government, communities and employees.
• Vendor capability • Performance reviews • Improved tendering process • Brand and corporate vision • Digital transformation • Strategic relationships	• Supplier engagement and development • Sustainability • Compliance with regulatory/statutory requirements	• We are in constant dialogue with our suppliers and contractors to define expectations and to ensure mutually acceptable terms and conditions for continued partnership in a sustainable way.
• Employment opportunities. • Improvement in benefits for certain category of community employees. • Increasing contracting and procurement opportunities for community indigene vendors. • Addressing disagreements among community representatives. • Annual contributions to the applicable host communities' development trust funds for OMLs, 4, 38 and 41. • Impact of projects on communities. • Community content. • Opportunities for community employment. • Land acquisition and adequate benefits.	• Peaceful coexistence of communities. • Respect for community constitution. • Respect for surviving GMoU provisions/terms. • Explanation of Seplat processes and standards including industry standards, regulatory requirements, statutory obligations. • Explanation of Seplat governance processes. • Recruitment, contracting and procurement and community development projects plan. • Conflict prevention and peace building.	• We will continue to proactively engage with the stakeholders in our communities and focus our activities on content from community discussions. • We will continue to promote our grievances management and peace building workshops and implement sustainable youth programmes and community development projects. • We plan to apply ISO 26000:2010 standards from 2023 in support of our commitment to operating in a socially responsible way.

Governance Report

Governance overview

Board attendance

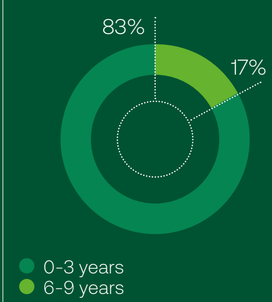
S/N	Name	Designation	No. of meetings in the year	No. of times in attendance
1.	A.B.C. Orjiako[1]	Chairman until 18 May 2022	8	8
2.	Basil Omiyi, CON[1]	Senior Independent Non-Executive Director/Chairman	11	11
3.	Roger Brown	Chief Executive Officer	11	11
4.	Emeka Onwuka	Chief Financial Officer	11	11
5.	Austin Avuru[2]	Non-Executive Director	4	0
6.	Effiong Okon[3]	Operations Director	8	8
7.	Samson Ezugworie[3]	Chief Operating Officer	3	3
8.	Olivier Langavant	Non-Executive Director	11	11
9.	Nathalie Delapalme	Non-Executive Director	11	11
10.	Charles Okeahalam	Independent Non-Executive Director/Senior Independent Non-Executive Director	11	11
11.	Arunma Oteh, OON[4]	Independent Non-Executive Director	11	11
12.	Fabian Ajogwu, SAN, OFR	Independent Non-Executive Director	11	11
13.	Bello Rabiu	Independent Non-Executive Director	11	11
14.	Emma FitzGerald	Independent Non-Executive Director	11	11
15.	Bashirat Odunewu[5]	Independent Non-Executive Director	3	3
16.	Kazeem Raimi[5]	Non-Executive Director	3	3
17.	Ernest Ebi, MFR[5]	Non-Executive Director	3	3

1. On 18 May 2022, Dr. A.B.C Orjiako retired as Chairman and Director of the Board while Mr. Basil Omiyi, CON was immediately elected as the Chairman of the Board.
2. On 1 March 2022, Mr. Austin Avuru formally retired as a Director from the Board after he was recused from Board meetings following his declaration of conflict.
3. On 1 July 2022, Mr Effiong Okon retired as the Operations Director of the Board and took up a new role as the Director, New Energy while Mr. Samson Ezugworie joined the Board as the Chief Operating Officer.
4. On 31 December 2022, Ms. Arunma Oteh, OON resigned from the Board as an Independent Non-Executive Director.
5. On 18 May 2022, Mrs Bashirat Odunewu joined the Board as an Independent Non-Executive Director while Mr. Ernest Ebi, MFR and Mr. Kazeem Raimi joined the Board as Non-Executive Directors.

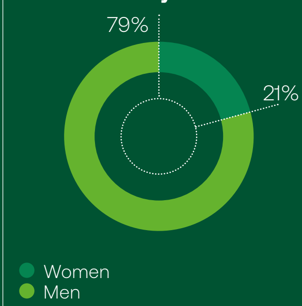
Board experience

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.

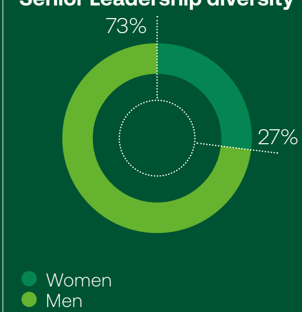
Independent Director tenure



Board diversity



Senior Leadership diversity



Board refreshment
Following a review of the Board composition in light of the Group's goals and needs, two Independent Non-Executive Directors joined the Seplat Energy Board and four Directors retired in 2022.

Read more
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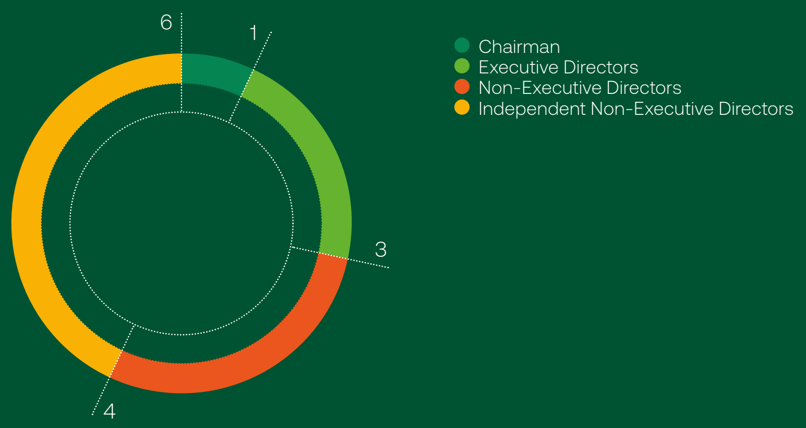
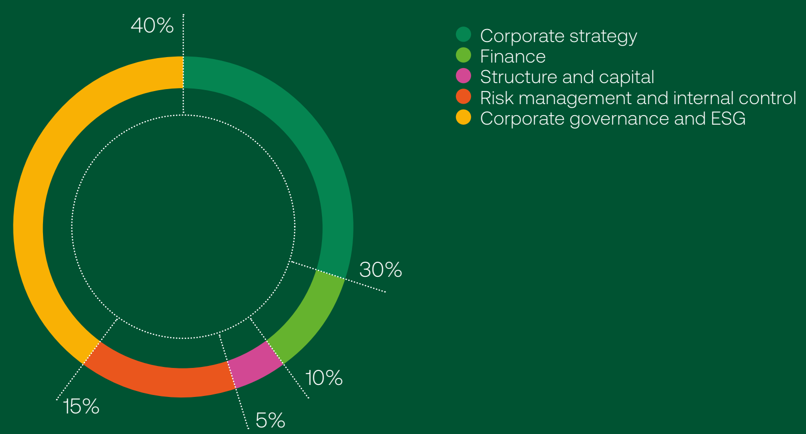
Board composition as at 1 March 2023



Board meetings and main subjects discussed in 2022



Board Focus for 2022
The Board focused on the following major topics in the 2022 Financial Year:

- Successful Transition of a New Board Chairman
- Board composition and committee restructuring
- Project financing and Refinancing
- M&A and divestments including MPNU Acquisition, Abiala Farm-in and Ubima Exit
- ESG and Net-Zero roadmap implementation

Read more
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Board Priorities for 2023
Some of the key Board priorities for 2023 include:

- Board Succession Planning and Board refreshment
- Risk Management and Sustainability
- New Energy business
- Midstream business spin-out
- Net Zero roadmap implementation

Mr. Basil Omiyi, CON
Chairman

Implementing Succession Program and Just Transition through Corporate Governance

Dear Shareholders

It is with great pleasure that I present to you the Corporate Governance report for the financial year ending 31 December 2022.

One of the promises made by Seplat at the launch of the Company's Initial Public Offering (IPO) in 2014, was to institutionalize sound corporate governance as the bedrock of the corporate existence of our Company. The Board believes that a strong corporate governance practice is essential to the achievement of the Company's strategy, and in transforming our Company into an energy Company that is truly independent of thought and that abides by the best in class corporate governance practice.

As a dual listed company, Seplat continues to be bound by applicable corporate governance laws and regulations both in Nigeria and in the United Kingdom. These laws and regulations include but are not limited to, the Companies and Allied Matters Act, 2020 as amended ('CAMA'), the Financial Reporting Council of Nigeria ("FRCN")'s Nigerian Code of Corporate Governance, 2018 ("NCCG"), the Securities & Exchange Commission ('SEC') Code of Corporate Governance for Public Companies in Nigeria (the 'Nigerian Code'), the Nigerian Stock Exchange ('NSE') Rulebook, the United Kingdom ("UK") Corporate Governance Code, 2018 (the 'UK Code'), UK Listing Rules ('LRs') and the Market Abuse Regulations (UK MAR), 2016 as amended by the Market Abuse Exit Regulations 2019 ('MAR').

I am happy to report on behalf of the Board that the Company and the Board continues to abide by these principles of corporate governance as well as the governance policies put in place by the Board, in the running of the affairs of the Company.

The 2022 Financial Year commenced with a global resolve of businesses to return back to work following almost two (2) years of disruptions to life and business by the Coronavirus (Covid-19) pandemic. As an agile, adaptive, and resilient organization, our Company was able to quickly transition back to working from the office. However, the Company put in place a framework which provided work flexibility for employees in recognition of the mobility occasioned by the Covid-19 pandemic.

In February 2022, the Company announced that it had entered into an agreement to acquire the entire share capital of Mobil Producing Nigeria Unlimited ("MPNU") from Exxon Mobil Corporation, Delaware ("ExxonMobil") (the "Transaction"). The Completion of the Transaction is subject to Ministerial Consent and other required regulatory approvals. The execution of the Share Purchase Agreement with ExxonMobil was a major signaling of the Company's commitment to – creating one of the largest independent energy companies on both the Nigerian and London Stock Exchanges, bolstering the Company's ability to drive increased growth, profitability and overall stakeholder prosperity, and partnering with the Federal Government to bring these strategically important national assets fully into Nigerian ownership alongside Nigerian National Petroleum Corporation (NNPC) Limited. Upon Completion of the Transaction, the development of MPNU's gas resources will support both the Seplat and Federal Government's objective to achieve a pragmatic, progressive and just energy transition for Nigeria.

"Roadmap to building an enduring Independent Energy Company."

Board Succession

As a Board, succession planning is a priority. Our approach to succession planning is not that of a box ticking exercise or a 'nice to have.' The Board considers succession planning as an integral part of effective board governance which is intrinsically tied to the implementation of the Company's strategy and effective management of attendant risks peculiar to the environment in which our Company operates. The Board takes cognisance of the need to have the right people around the table at such a crucial time in the corporate existence of our Company, to ensure increased and sustainable value creation for all stakeholders.

A Structured Board Succession Program

The Board takes cognisance of the need to implement a structured succession program that ensures diversity, alignment with the Company's purpose, strategy, culture, talent development, and operational resilience.

Our Board Succession Policy provides for selection criteria which accounts for current and future needs of the Company and its stakeholders, and that promotes diversity of thought. We recognize that a diverse board is better prepared for challenges that could arise and enables the Seplat Board in its ability to leverage different perspectives and think outside of the box; as opposed to a homogeneous board, which is likely to miss out on crucial elements of expertise and experience.

When considering candidates, the following qualities and competency elements are of prime importance to us – candidates who have proven experience in leading large, complex, international organisations. Such candidates would have had – significant experience in cost leadership; ability to balance the transformational changes that Seplat needs to make against the timing of these changes, particularly as the Company implements its energy transition objectives; demonstration of ability to implement the Company's climate change agenda; and an understanding of the energy market.

Board Exits in 2022

In the year under review, our Board continued the implementation of its succession program which commenced as far back 2019. On 2 March 2022, the Board announced the resignation of Mr. Austin Avuru, a Non-Executive Director ("NED") from the Board of Company with effect from 1 March 2022. On behalf of the Board, I sincerely thank Mr. Avuru for his founding role and immense contributions to Seplat.

As announced on 17 November 2021, Dr. A.B.C. Orjiako retired as Chairman of the Board at the conclusion of the Company's Annual General Meeting (AGM) on 18 May 2022. Dr. A.B.C. Orjiako led the Board in transforming Seplat into a globally respected energy Company, instilling best practice corporate governance, and several successful acquisitions. He was also one of the driving forces behind Seplat Energy becoming the first Nigerian corporate to be dual listed on both the Nigerian Exchange and the Main Board of the London Stock Exchange in 2014. On behalf of the Board, I would like to thank Dr A.B.C. Orjiako for his immense contribution as Chair of Seplat since inception.

Effective 31 December 2022, Ms. Arunma Oteh OON, an Independent Non-Executive Director ("INED") retired from the Board. On behalf of the Board, I would like to thank Ms. Oteh for her immense contributions, strategic drive and the wealth of experience she brought to the Board especially about positioning Seplat Energy as a pacesetter in the global energy transition agenda.

On behalf of the Board, Management and Staff, we wish these Directors great success in their future endeavours.

New Directors in 2022

It is indeed with great pleasure that we welcome Mrs. Bashirat Odunewu as an Independent Non-Executive Director (INED). Mrs. Odunewu is a Banking and financial expert with about thirty (30) years' experience in the Finance and Banking Industry. Up till June 2021, she served as a C-Suite executive, corporate banking (Energy, Natural Resources & Infrastructure), at First Bank Nigeria Ltd, prior to which she was the line executive for their international banking group where she supervised CEOs of the subsidiaries of First Bank in six (6) African countries as well as the Bank's Representative office in China and served as a board member for several of them.

I would also like to welcome Mr. Kazeem Raimi and Mr. Ernest Ebi, MFR (both of whom joined the Board as Non-Executive Directors). Mr. Raimi is a nominee of Platform Petroleum Limited replacing Mr. Austin Avuru on the Board, while Mr. Ebi is a Shebah Petroleum Development Company Limited (BVI) nominee, replacing Dr. A.B.C Orjiako on the Board. Their appointment on the Board of Seplat is in line with the provisions of the Company's Memorandum and Articles of Association.

Mr. Raimi is presently the Executive Director, Commercial for Platform Petroleum Limited. Mr. Raimi, who was previously with Seplat Energy as General Manager Commercial, was charged with the responsibility of driving commercial, economics, valuation, planning and treasury activities across the entire organisation. He also served previously as Manager, Corporate Planning and Economics at Seplat Energy. Mr. Raimi has extensive experience in project economics and risk analysis having been Lead Petroleum Economics and Commercial Advisor at Addax Petroleum Nigeria, where he also served in different capacities. Prior to this, Mr. Raimi served as Treasury Manager at Cadbury Nigeria Plc and Finance Analyst at Citibank Nigeria Limited.

Mr. Ebi is an executive whose vast experience in the banking and finance industry spans over four (4) decades. From June 1999 to June 2009, he was appointed as a Deputy Governor at the Central Bank of Nigeria, Nigeria's apex bank, where he covered policy and corporate services portfolios. Prior to this, Mr. Ebi held several executive positions in the banking industry in Nigeria and the United States of America. He was the Deputy Managing Director of Diamond Bank Limited, where he led the bank's financial services marketing strategy & initiatives for new business development amongst others. Mr. Ebi served as the Board Chairman of Fidelity Bank Plc (2016–2020) and AIICO Pension Managers (2010-2021) and currently serves as an Independent Director on the Board of Dangote Cement Plc., Julius Berger Nigeria Plc., Coronation Capital Limited, and Coronation Asset Management Limited.

The Board is equally pleased to welcome Mr. Samson (Sam) Chibogwu Ezugworie as the new Chief Operating Officer (COO) and Executive Director on the Board of the Company. Mr. Ezugworie, who joined the Board on 1 July 2022, comes with over thirty (30) years extensive industry experience. The last twenty (25) years were with Royal Dutch Shell in Nigeria and Overseas. Mr. Ezugworie has built a strong reputation as a business/safety/ethical leader and integrator. Prior to joining Seplat Energy, Mr. Ezugworie delivered exceptional business performance as Manager Geosolutions, Manager, Land Asset and General Manager Development & Subsurface for Shell Companies in Nigeria. He also served as a Director in Shell Exploration & Production Africa Limited (SEPA), Shell Petroleum Development Company of Nigeria Limited (SPDC) and Shell Nigeria Business Operations Limited (SNBO).

"This transformational Transaction which will see Seplat's oil and gas infrastructure increase to about ten (10) times larger than its current assets, with a higher degree of complexity and operational risk, a quadruple increase in investment capital and similar increase in deployed manpower."

We also welcome the newest addition to the Board as an Independent Non-Executive Director, Ms. Koosum Kalyan, who joined the Board on 28 February 2023. Ms. Kalyan is a businesswoman and economist whose career began in the Electricity Commission in Melbourne Australia as an economist. She subsequently joined Shell South Africa as an economist and became a member of the Shell Global Scenario Planning Team after which she embarked on her expatriate posting to Shell International London for nine (9) years. The scope of her work included projects in Nigeria, Gabon, Mozambique, Tanzania; etc. Ms. Kalyan has a proven track record of operating across the African continent and her experience spans over decades and cuts across the oil and gas industry as well as the wider energy industry. The Board eagerly looks forward to the enormous contribution she will make towards the Company's growth plans for achieving global success.

Succession Look Ahead

The significant attrition in the membership of the Board that occurred in the Financial Year 2021 and 2022, has put the Board's experience of the Company's historical knowledge, operational dynamics and the challenges associated with the environment in which the Company operates, at a very low level. The Independent Non-Executive Directors (INEDs) currently have an average tenure of 3.3 years; the Non-Executive Directors an average of 2.3 years; and the Executive Directors an average of 4.3 years. The levels of experience are only this high as they benefit from the longer experience (8.8 years each) of the Chairman, Mr. Basil Omiyi and the Senior Independent Non-Executive Director (SINED), Dr. Charles Okeahalam. Indeed, without the experience of these two (2) Directors, the average years on the Board for INEDs is 1.6 years.

We consider this level of experience for the Seplat Board to be too low to undertake the major tasks associated with the major business framework and organizational transformation that will be necessitated by the planned onboarding of MPNU from ExxonMobil. This transformational Transaction which will see Seplat's oil and gas infrastructure increase to about ten (10) times larger than its current assets, with a higher degree of complexity and operational risk, a quadruple increase in investment capital and similar increase in deployed manpower. The onboarding of MPNU requires Seplat Energy to create the crucial initial strategy and the major investment program for the new entity.

The Board after extensive deliberations, agreed that it is in the overall best interest of the Company and its Shareholders to maintain the current full board strength and experience for the onboarding of the new acquisition, by allowing two (2) of its Directors a short extension beyond the best practice period of nine (9) years, and to be considered to be Independent Directors.

The Board therefore proposes an additional period of no longer than twelve (12) months for the SINED Dr. Okeahalam, and eighteen (18) months for the Board Chairman, Mr. Omiyi (beyond the best practice date of June 2023). This additional period covers the phase during which the Board will be, transitioning the business from Exxon to Seplat, building a management structure to manage what was MPNU, work on a new partnership relationship with NNPC Limited, as well as manage all the risks inherent in the transfer of such a major and complex corporate entity to Seplat.

The Board is aware that the principal regulatory consideration with the above decision is – *to what extent can the two (2) Directors still be considered independent of thought at Board meetings.* In considering the above, the Board agreed that it had not seen evidence of Dr. Okeahalam or Mr. Omiyi being less independent than previously experienced. The Board considers Dr. Okeahalam and Mr. Omiyi to be independent in character, in judgment and accordingly be free from such relationships or circumstances with the Company, its management, or substantial shareholders as may, or appear to, impair their ability to make independent judgment. The Board, mindful that Seplat Energy Plc is a listed company in both Nigeria and the UK, has considered legal and best practice requirements in both countries. In doing so, it seeks to comply with the requirements of the codes of corporate governance and explain the reason for any divergence. The Board believes it is in the overall business interest of Shareholders that the proposed extension of tenure, being definitive and time-bound to within eighteen (18) months, be implemented.

Highlights of some Key Activities

In furtherance of the Company's strategic framework which is to – Build A Sustainable Business (through social development, focus on environmental care, maximize returns) and Deliver Transition (by increasing access to energy, reducing emissions, and transforming the economy through its Pillars 1 – 3 Upstream, Midstream Gas, and New Energy), the Board engaged extensively with Management in the Financial Year under review, through the various Board Committees. Specifically, the Board facilitated an intensive two (2) day Board and Management Sessions with the theme: "Moving from Strategy Formulation to Implementation & Delivery." Key highlights of the Sessions included – (i) Analysing Our External Environment & Business Premise (which was externally facilitated by the Oxford Institute for Energy Studies); (ii) Deliver Transition – New Energy; Midstream; Upstream (Gas to Power Generation & Renewables); (iii) Midstream (Gas Business Restructure, Gas Midstream Expansion & Distribution); (iv) Upstream (Business Plan Insights from Pillar 1, the Role of Exploration, Development and Monetization of Reserves, Crude Export and losses, Cost Trajectory & Management, Efficient Project Delivery); (v) Petroleum Industry Act (PIA): 5 Year Business Plan Valuation and Insights; (vi) Delivering Our Business in a Sustainable Way (externally facilitated by the University of Edinburgh); and (vii) People & Capabilities (externally facilitated by Korn Ferry).

On 17 May 2022, the Company launched its *"Tree4Life"* initiative as part of its commitment to addressing the effects of climate change and to signal the Company's support of the Federal Government's commitment on net-zero carbon emissions by 2060. Tree for Life initiative is essentially a commitment by SEPLAT to embark on an ambitious endeavor to plant five (5) million trees in five years, starting with the five states of Edo, Delta, Imo and two Northern states. Some of the dignitaries that graced the launch of the initiative were, Minister of State Petroleum Resources, Chief Timipre Sylva, Minister of State Environment, Sharon Ikeazor, Chairman of NNPC Limited board, Senator Margret Okadigbo.

In the financial year under review, our Company successfully obtained the ISO 55001:2014 Standard Asset Management System certification, becoming the first energy company in Africa to achieve this remarkable feat. ISO 55001 is the international standard that helps organisations to manage their assets and optimize asset lifetime value effectively.

In line with the culture of continuous learning, particularly as it relates to corporate governance, the Board had a joint Board training session on Share Dealing and Disclosure Obligations which was facilitated by the Nigerian Exchange Limited, represented by Ms. Tinuade Awe (CEO, NGX Regulation Limited). Highlights of the session included – (i) Understanding Corporate Disclosures; (ii) Disclosure Obligation on Share Dealing and Ownership; (iii) Restriction on Share Dealing Transactions; (iv) Case Studies and Discussions. The Board is grateful to the NGX for their insights on the expectations of the Company and obligations of the Directors in complying with the listing and disclosures rules.

The Board also had series of engagements with key shareholders and institutional investors in the course of the financial year under review, where updates were provided regarding the Company's strategic objectives, energy transition and the overall governance of the Company.

In the course of the Financial Year under review, the Company received a number of awards which attests to the Company's commitment to upholding the highest standards of corporate governance.

Other governance activities of the Company, including Board actions for the Financial Year 2022 and other key governance issues relating to the Company in the early part of the Financial Year 2023 are as contained in this governance section of the Annual Report.

I would like to specially thank our shareholders for their commitment and support in ensuring good governance of the Company through the years. I thank all past and present members of the Board. I also thank Management and Staff for all their hard work in implementing the Company's transformational objectives. Seplat has overcome great challenges over the years and the Company is well positioned for the actualization of its transformational objectives.

Together, we will continue to deliver sustainable energy for society and transform lives through energy.

Mr. Basil Omiyi, CON
Chairman

Effective leadership

Independent Non-Executive Chairman

Mr. Basil Omiyi, CON
Chairman, Independent Non-Executive Director

The Seplat Energy Board consists of highly experienced professionals and business experts with profound 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.

- **Mr. Basil Omiyi, CON** – Independent Non-Executive Chairman
- **Roger Thompson Brown** – Chief Executive Officer; Executive Director
- **Emeka Onwuka** – Chief Financial Officer; Executive Director
- **Charles Okeahalam** – Senior Independent Non-Executive Director
- **Nathalie Delapalme** – Non-Executive Director
- **Olivier de Langavant** – Non-Executive Director
- **Fabian Ajogwu, SAN, OFR** – Independent Non-Executive Director
- **Bello Rabiu** – Independent Non-Executive Director
- **Emma FitzGerald** – Independent Non-Executive Director
- **Bashirat Odunewu** – Independent Non-Executive Director
- **Kazeem Raimi** – Non-Executive Director
- **Ernest Ebi, MFR** – Non-Executive Director
- **Samson Ezugworie** – Chief Operations Officer
- **Koosum Kalyan** – Independent Non-Executive Director

Biography

Mr. Omiyi spent most of his career at the Royal Dutch Shell Group where he held various technical leadership roles in Nigeria as well as in the UK and the Netherlands. As Nigeria Country Production Director, he managed capacity of over 1.4 million barrels per day oil and circa 2 billion standard cubic feet per day of gas from about 100 plants in the Niger Delta.

He was subsequently appointed Managing Director of the Shell Petroleum Development Company of Nigeria Ltd in 2004, becoming the first indigenous Managing Director of an international oil company in Nigeria. He later became the Chairman of Royal Dutch Shell Companies in Nigeria until his retirement in 2009.

In 2011, Mr. Omiyi was awarded the Nigerian National Honour of Commander of the Order of the Niger (CON) in recognition of his pioneering role in Oil and Gas Industry leadership in Nigeria.

Mr. Omiyi is Chairman of Stanbic IBTC Holding Plc, and of TAF Nigeria Homes Ltd. He has held several oil and gas leadership positions in his esteemed career including: Chairman, Upstream Industry Group – OPTS (Oil Producers Trade Section, Lagos Chambers of Commerce & Industry), from 2007 to 2010; Chairman of the Oil & Gas Commission of the Nigerian Economic Summit Group (NESG) 2005 to 2010; Board Member, Nigerian Extractive Industry Transparency Initiative (NEITI) 2007 to 2010; Chairman, Shell Closed Pension Fund Administrator Limited, 2004 to 2010; and President Nigeria-Netherlands Chamber of Commerce, 2008 to 2010..

Mr. Omiyi studied at the University of Ibadan where he obtained a B.Sc. degree in Chemistry in 1969 and a Post-graduate Diploma in Petroleum Technology in 1970, after which he joined the then Shell-BP Petroleum Ltd in 1970 as a Wellsite Petroleum Engineer.

Experience

Mr. Omiyi has extensive insight into and experience in the global oil and gas industry and combines a detailed knowledge and understanding of the Nigerian oil and gas sector with senior management expertise gained in a large-scale multi-national organisation.

Date of appointment
- As Independent Chairman 18 May 2022
- As Independent NED 1 March 2013

Board meetings attended
- 11/11

Committee membership
- Not applicable

Independent
- Yes

Mr. Roger Thompson Brown
Chief Executive Officer

Biography

Mr. Brown joined what was then Seplat Petroleum Development Company as Chief Financial Officer in 2013. With a background in finance, he is a qualified Chartered Accountant with the Institute of Chartered Accountants of Scotland and also a member of Association of National Accountants of Nigeria.

Mr. Brown has more than 25 years' experience in the financial sector, primarily focused on emerging markets, with extensive experience in structuring energy and infrastructure transactions on the African continent. Prior to joining the Company, he held the position of Managing Director of Oil and Gas EMEA for Standard Bank Group.

Following the retirement of the founding CEO, Mr. Brown was appointed CEO and assumed the role on 1 August 2020.

Since becoming CEO, has led the Company's rebranding as Seplat Energy, reflecting its new strategic direction as a provider of diverse and more sustainable energy solutions for Nigeria.

Experience

Mr. Brown has extensive financial, accounting, M&A, debt and equity capital markets experience in the emerging markets space, and in particular the African oil and gas sector. He advised on some of the largest and highest-profile transactions that occurred in Nigeria the years before he joined Seplat.

Date of appointment
- As Chief Financial Officer and Executive Director on 22 July 2013
- As Chief Executive Officer on 1 August 2020

Board meetings attended
- 11/11

Committee membership
- Not applicable

Independent
- Not applicable

Mr. Emeka Onwuka, OON
Chief Financial Officer; Executive Director

Biography

Mr. Emeka Onwuka has more than 30 years' experience in the financial services sector in the Sub-Saharan Africa region. He was the former Group Managing Director & CEO of Diamond Bank Plc and former Chairman Board of Directors, Enterprise Bank Limited. Emeka was a Partner at Andersen Tax Nigeria until his appointment in Seplat.

Emeka received his B.Sc. in Political Science from the University of Nigeria, Nsukka and holds an MBA from the University of Benin. He is a Chartered Accountant, a Fellow of the Institute of Chartered Accountants of Nigeria, a Fellow of Chartered Institute of Taxation of Nigeria, and a Fellow of the Institute of Directors Nigeria (FIoD). He has attended executive programs at the Lagos Business School, Wharton Business School, and Harvard Business School.

He holds the Nigerian National Honour of Officer of the Order of the Niger (OON).

Experience

Mr. Onwuka brought to Seplat his extensive board experience as non-executive Director at several companies in the financial sector in Nigeria and West Africa including Chairman of the Board of FMDQ Securities Exchange Limited, FMDQ Holdings Limited, and Bharti Airtel Nigeria and formerly First Atlantic Bank Ghana.

Mr. Onwuka began his professional career with Arthur Andersen Nigeria in 1988 as a Staff Assistant and left in 1992 as a Senior Consultant, providing accounting, audit, tax, business advisory and strategic services to companies in banking, oil and gas, manufacturing, and general commerce.

At Diamond Bank, he successfully manoeuvered the bank through the industry-wide consolidation and recapitalisation challenges of 2004/2005 through private placements, listing on the Nigerian Stock Exchange and the acquisition of Lion Bank Plc. He also expanded the bank into the West African sub region from Benin Republic to Senegal, Ivory Coast and Togo. He concluded a strategic partnership in 2007 with Actis and launched in 2008 a GDR offering on the London Stock Exchange (LSE).

Date of appointment
- As Chief Financial Officer and Executive Director on 3 August 2020

Board meetings attended
- 11/11

Committee membership
- Not applicable

Independent
- Not applicable

Mr. Samson Ezugworie
Chief Operations Officer, Executive Director

Biography

Mr. Ezugworie was appointed to the Board of Seplat Energy on 1 July 2022. He comes with more than 30 years extensive industry experience, building a strong reputation as a business, safety, ethical leader, and integrator.

Prior to joining Seplat Energy, Mr. Ezugworie was the General Manager, Development and Subsurface, with Royal Dutch Shell, where he worked in Nigeria and abroad for 25 years. He also served as a Director at Shell Exploration & Production Africa Limited (SEPA), the Shell Petroleum Development Company of Nigeria Limited (SPDC) and Shell Nigeria Business Operations Limited (SNBO).

Mr. Ezugworie holds a bachelor's degree in Geology from University of Nigeria, Nsukka.

Experience

Mr. Ezugworie has been a Fellow of Nigerian Association of Petroleum Explorationists (NAPE) for more than 25 years, serving the association in different capacities including: Chairman, Port Harcourt chapter; Member of NAPE advisory board in 2016/2017; NAPE Elections Committee and NAPE@40 organising committee, among others.

He believes in inspiring staff and is a strong advocate for continuous improvement and work simplification to drive organisational efficiency and productivity, whilst leveraging digitisation and technology as key enablers.

Date of appointment
- 1 July 2022

Board meetings attended
- 3/3

Committee membership
- Risk Management & HSE Committee (Member)

Independent
- Not applicable

Non-Executive Directors

Dr. Charles Okeahalam
Senior Independent Non-Executive Director

Biography
Dr. Okeahalam is a co-founder and Chairman of AGH Group, a private equity and diversified investment holding company with assets in several African countries. Prior to co-founding AGH Group in 2002, he was a professor of corporate finance and banking at the University of the Witwatersrand in Johannesburg. His other roles have included advising a number of African central banks and government ministries, the World Bank and the United Nations.

He has held Board positions in several companies including ABSA, South African Airways, Sun International and is a former Non-Executive Chairman of Heritage Bank Limited, Nigeria and Non-Executive Chairman of the Nigeria Mortgage Refinance Company.

Dr. Okeahalam is a distinguished economist and has received several awards including a Senior Fellowship of the Bank of England for his work primarily on econometric analysis of financial systems in Africa. He is currently a Visiting Professor of Practice at the London School of Economics and Political Science (LSE). Charles is involved in philanthropy and currently serves as the Chairman of the Board of Directors of AMREF Health Africa.

Experience
Dr. Okeahalam brings extensive corporate finance, banking and capital markets expertise and experience to the Board. He was appointed the Senior Independent Non-Executive Director on the Board of Seplat Energy Plc on 18th May 2022.

Date of appointment
- 1 March 2013 – Independent Non-Executive Director
- 18 May 2022 – Senior Independent Non-Executive Director

Board meetings attended
- 11/11

Committee membership
- Board Finance & Audit Committee (Chairman)
- Energy Transition Committee (Member)
- Remuneration Committee (Member)
- Nomination & Governance Committee (Member)

Independent
- Yes

Mr. Olivier Cleret De Langavant
Non-Executive Director

Biography
Mr. Olivier Cleret de Langavant has been CEO of Maurel & Prom since 1 November 2019.

Before that position, he served in various capacities within the Total Group which he joined in 1981. He started as a Reservoir Engineer, holding positions in France, Congo, the United States and Colombia, before being appointed Senior Vice President, Operations in the Netherlands. Mr. De Langavant was then Deputy Managing Director of Total E&P Angola from 1998 to 2002, during which time he was heavily involved in the early development phase of the deepwater Girassol field. Following this post, he was appointed Managing Director of Total E&P Myanmar. In 2005, Mr. de Langavant returned to Angola as Managing Director of Total E&P Angola, a position he held until 2009. Upon leaving Angola in 2009, Mr. de Langavant was appointed Senior Vice President, Finance, Economics & Information Systems of Total's Exploration Production (E&P) branch. Mr. de Langavant holds an engineering degree from the National School of Mines of Paris (1978).

Experience
In March 2011, Mr. de Langavant took up the position of Senior Vice President E&P Strategy, Business Development and R&D, which he held until February 2015. In March 2015, he was appointed Senior Vice President, Asia Pacific. Mr. de Langavant became a member of the Total Group Management Committee (thereafter Performance Group Committee) in January 2012.

Date of appointment
- 28 January 2020

Board meetings attended
- 11/11

Committee membership
- Statutory Audit Committee (Member)

Independent
- No

Mr. Kazeem Raimi
Non-Executive Director

Biography
Mr. Raimi is a nominee of Platform Petroleum Limited, replacing Mr. Austin Avuru who stepped down from the Board of Seplat Energy on 1 March 2022. Mr. Raimi is presently the Executive Director, Commercial for Platform Petroleum Limited. Previously with Seplat Energy as General Manager, Commercial, Mr. Raimi was charged with the responsibility for driving commercial, economics, valuation, planning and treasury activities across the entire organisation. He also served previously as Manager, Corporate Planning and Economics at Seplat Energy.

Experience
Mr. Raimi has extensive experience in project economics and risk analysis having been Lead Petroleum Economics and Commercial Advisor at Addax Petroleum where he also served in different capacities in Nigeria and at the Head Office in Switzerland. He had significant involvement in commercial and economic evaluations of new ventures, farm-in and company acquisition opportunities with a thorough appreciation of tax, fiscal issues and project economics especially as they relate to Nigeria, Gabon, Iraq and Cameroon. Prior to this, Mr. Raimi served as Treasury Manager at Cadbury Nigeria Plc and Audit Finance Analyst at Citibank Nigeria Limited. In addition to his role at Platform Petroleum Limited, Mr. Raimi also serves as a Non-Executive Director at PNG Gas Limited, Egbaoma Gas Processing Company Limited and Ase River Transport Company Limited.

Mr. Raimi 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 has undertaken several courses including the Certificate of Management Excellence at Harvard Business School.

Date of appointment
- 18 May 2022

Board meetings attended
- 3/3

Committee membership
- Energy Transition Committee (Member)
- Sustainability Committee (Member)

Independent
- No

Mr. Ernest Ebi, MFR
Non-Executive Director

Biography
Mr. Ebi is a nominee of Shebah Petroleum Development Company Limited (BVI), replacing Dr. A.B.C Orjiako who stepped down from the Board of Seplat Energy on 18 May 2022. Mr. Ebi is a seasoned professional whose experience in the banking and finance industry spans more than four decades.

He served as Deputy Governor of the Central Bank of Nigeria, Nigeria's Reserve Bank from June 1999 to June 2009, where he covered the Policy and Corporate Services Directorates. Prior to this, Mr. Ebi held several executive positions in the banking industry in Nigeria and the USA. He was the Deputy Managing Director of Diamond Bank Ltd, where he led the bank's financial services marketing strategy and initiatives for new business development. In 1995, he was appointed by the Central Bank of Nigeria and the Nigeria Deposit Insurance Corporation as the Managing Director & CEO of New Nigerian Bank Plc. During his time at New Nigerian Bank Plc., he was responsible for the development and implementation of a turnaround plan for the bank and contributed significantly to the recovery of a large portfolio of non-performing risk assets.

Mr. Ebi has also held senior positions at the International Merchant Bank, as the Assistant General Manager (credit & marketing department) and Assistant. General Manager (Loan Review & Audit). Mr. Ebi served as the Board Chairman of Fidelity Bank Plc (2016-2020) and AIICO Pension Managers (2010-2021) and currently serves as an Independent Director on the Board of Dangote Cement Plc., Julius Berger Nigeria Plc., Coronation Capital Ltd, and Coronation Asset Management Ltd etc.

Experience
Mr. Ebi is a Fellow, Chartered Institute of Bankers, and a Fellow of the Institute of Directors Nigeria. He has undertaken several leadership courses in Harvard Business and Kennedy Schools, Oxford Said Business School and Columbia University. He was awarded the National Honour of Member of the Order of the Federal Republic (MFR) by the Federal Government of Nigeria in 2007 in recognition of his meritorious service.

Date of appointment
- 18 May 2022

Board meetings attended
- 3/3

Committee membership
- Risk Management & HSE Committee (Member)
- Sustainability Committee (Member)

Independent
- No

Madame Nathalie Delapalme
Non-Executive Director

Biography
Madame Delapalme has been a Non-Executive Director of Maurel et Prom since 2011 and acted as an alternate to Maurel et Prom's nominee, Michel Hochard, from 30 June 2014, until 18 July 2019, when she was appointed a Non-Executive Director on the Board of Seplat.

Experience
Madame Delapalme brings more than 35 years' experience in public and global affairs with a strong focus on development and governance challenges, specifically in Africa. Between 1988 and 2010, she served as advisor to the Finance and Budgetary Commission of the French senate, as advisor for Africa and Development to various Foreign French Ministers, and as Inspector General of Finances at the French Ministry of Economy and Finance. Since 2010, she has been an Executive Director of the Mo Ibrahim Foundation, which focuses on governance in Africa. Over the last 15 years, she has served as Non-Executive Director of the Boards of various companies, non-profit organisations, and think-tanks, operating in, or focusing on Africa.

Date of appointment
- 18 July 2019

Board meetings attended
- 11/11

Committee membership
- Sustainability Committee (Chairman)
- Risk Management & HSSE Committee (Member)

Independent
- No

Prof. Fabian Ajogwu, SAN, OFR
Independent Non-Executive Director

Biography
Prof. Ajogwu is a Senior Advocate of Nigeria with Kenna Partners, and Lagos Business School Professor of Corporate Governance. He is an Alumnus of the Said Business School of Oxford University, and the Lagos Business School. He holds a Doctorate in Law from University of Aberdeen, Scotland, an MBA from the IESE Business School, Barcelona, and law degrees from the University of Nigeria and the University of Lagos.

Professor Ajogwu is the Founder of the Society for Corporate Governance Nigeria, a Fellow of the Nigerian Institute of Chartered Arbitrators, Fellow of the African Leadership Initiative West Africa, Henry Crown Global Leadership of the Aspen Institute, Fellow of the AIFA Reading Society, and Fellow of the Society for Art Collection. He is a member of the International Council for Commercial Arbitration, London Court of International Arbitration, the Oxford Philosophical Society, and the Royal Institute of Philosophy.

Experience
Professor Ajogwu assisted the Securities & Exchange Commission in drafting Nigeria's pioneer Code of Corporate Governance in 2003. He chaired the Nigerian Communications Commission Committee on Corporate Governance for the Telecommunications sector in 2014. He served on the Financial Reporting Council of Nigeria Committee on the 2018 National Code of Corporate Governance. He is President of the Nigerian Institute of Chartered Arbitrators. He chairs the Body of Senior Advocates of Nigeria Committee on Continuing Legal Education and is the author of '*Corporate Governance in Nigeria*', '*Corporate Governance & Group Dynamics*', '*Petroleum Law & Sustainable Development*', and '*Mergers & Acquisitions in Nigeria*'. In 2022, he was awarded the National Honour of Officer of the Order of the Federal Republic (OFR).

Date of appointment
- 9 July 2021

Board meetings attended
- 11/11

Committee membership
- Energy Transition Committee (Chairman)
- Nomination & Governance Committee (Chairman)
- Board Finance & Audit Committee (Member)
- Remuneration Committee (Member)

Independent
- Yes

Independent Non-Executive Directors

Mr. Bello Rabiu
Independent Non-Executive Director

Biography

Mr. Rabiu is Founder and Chief Executive Officer of Dankiri Farms and Commodities Limited, prior to which he had an extensive career in the Nigerian oil industry.

He spent 28 years with the NNPC, from which he retired in July 2019, when he was Chief Operating Officer/Group Executive Director, Upstream Business Unit. Prior to his appointment as COO/GED Upstream, Mr. Rabiu held dual positions of Group General Manager, Corporate Planning & Strategy Division and Senior Technical Assistant to Group Managing Director, NNPC. He was also the General Manager, Competitive Analysis Department of the same Division from September 2010 to 11 August 2015. He was at various times between 1991 and 2005 a planning officer and Pioneer Head, Material Management, Frontier Exploration Services at the National Petroleum Investment Management Services (NAPIMS) Division of NNPC.

Mr. Rabiu holds a Bachelor's and Master's Degrees in Mathematical Statistics from Ahmadu Bello University Zaria, Nigeria and a Master's Degree in Petroleum Engineering from Imperial College, London, United Kingdom. He attended many career advancements courses in Nigeria and abroad including the prestigious Wharton Executive Development Program from the University of Pennsylvania in Philadelphia, USA and Leading Global Business Program from Harvard Business School, Boston, USA.

Experience

Mr. Rabiu has an extensive knowledge of the exploration and production industry in Nigeria, combining commercial and financial knowledge with operational expertise. This broad experience was particularly valuable in his work on the development of the 2016 Nigerian Government's approved upstream Joint Venture funding scheme. He was also responsible for the implementation of the Seven Critical Gas Development Projects, an offshoot of Nigerian Gas Master Plan aimed at using gas for Nigeria's industrialisation, economic growth and development, where significant consideration had to be given to strategic intent, fiscal rules and commerciality of supply.

Date of appointment
- 9 July 2021

Board meetings attended
- 11/11

Committee membership
- Risk Management & HSSE Committee (Chairman)
- Energy Transition Committee (Member)
- Remuneration Committee (Member)
- Sustainability Committee (Member)

Independent
- Yes

Dr. Emma FitzGerald
Independent Non-Executive Director

Biography

Dr. FitzGerald is a seasoned executive in the energy and water industries, with hands-on experience in transformation through her many years of working at Shell, ranging from building its lubricants business in China to running its global retail network. From 2007 to 2010, she was accountable for Shell's downstream strategy and played a key role in reshaping Shell's renewables strategy, including the creation of Raizen, a game-changing biofuels JV with Cosan in Brazil.

From 2013 to 2018 she ran gas distribution for National Grid and water and waste networks at Severn Trent, successfully positioned both as sustainability thought leaders in their respective industries. Most recently, Dr. FitzGerald served as CEO of Puma Energy International, a global energy company owned by Trafigura and Sonangol, which is focused on high potential developing markets in Africa, Asia and Central America. In 2020 she set up Puma's Future Energies division to play a critical role in helping customers and communities find the right energy solutions to support the energy transition.

Experience

Over the last 10 years she has served on various Boards in executive and non-executive capacities and currently sits on the following Boards: UPM Kymmene, an international paper and biomaterials business focused on innovating for a future beyond fossil fuels; Newmont Corporation, the world's largest gold miner and the recognised industry leader in execution of principled environmental, social and governance practices; and Graphene Manufacturing Group a clean technology company developing the next generation of batteries. She is also Co-Chair of the WEF Global Future Council for Energy Transition.

Date of appointment
- 1 August 2021

Board meetings attended
- 11/11

Committee membership
- Remuneration Committee (Chairman)
- Energy Transition Committee (Member)
- Board Finance & Audit Committee (Member)

Independent
- Yes

Mrs. Bashirat Odunewu
Independent Non-Executive Director

Biography

Mrs. Odunewu is a banking and finance expert with 30 years' experience in the sector. Up to June 2021, she served as a C-Suite executive, corporate banking (Energy, Natural Resources & Infrastructure), at First Bank Nigeria Ltd, prior to which she was the line executive for their international banking group where she supervised CEOs of the subsidiaries of First Bank in six African countries, as well as the Bank's representative office in China, and she served as a Board member for several of these units.

She is a business development veteran, well versed in business strategy with more than 10 years' hands-on experience at C-suite and executive management level, an alumnus of Imperial College London and the University of Manchester. Mrs. Odunewu is a Chartered Accountant (FCA) and a certified member of the Chartered Institute of Arbitrators-UK. She is also a member of various professional associations including the Chartered Institute of Bankers Nigeria and the Institute of Directors.

Mrs. Odunewu currently serves as an INED on the Board of Leadway Holdings and as a Non-Executive Director (NED) on the Boards of some African Subsidiary Banks of First Bank Nigeria. She is also a member of the Board of Directors for the Franco-Nigeria Chamber of Commerce and Industry, where she serves as the Treasurer.

Experience

Mrs. Odunewu has experience spanning audit and accounting, corporate and commercial banking, investment banking and treasury in various financial institutions. She has specialised in oil and gas financing projects and led notable successful syndications for acquisitions and development.

Date of appointment
- 18 May 2022

Board meetings attended
- 3/3

Committee membership
- Risk Management & HSE Committee (Member)
- Nomination & Governance Committee (Member)
- Board Finance & Audit Committee (Member)
- Statutory Audit Committee (Member)

Independent
- Yes

Ms. Koosum Kalyan
Independent Non-Executive Director

Biography

Ms. Koosum Kalyan is a South African businesswoman and economist whose career began in the Electricity Commission in Melbourne Australia as an economist. She subsequently joined Shell South Africa as an economist and became a member of the Shell Global Scenario Planning Team after which she embarked on her expatriate posting to Shell International London for nine years. The scope of her work included projects in Nigeria, Gabon, Mozambique, Tanzania; etc. Ms. Kalyan assisted governments in transforming its energy policies and in joining the Extractive Industries Transparency Initiative during her tenure at Shell and also assisted in digitising government institutions.

She has served on the Boards of several prestigious companies where she expertly contributed her wealth of knowledge to the progress of these companies and was recently appointed the Chairperson of Control Risk for Southern Africa.

Experience

Ms. Kalyan has a B. Com Law degree and a degree in Economics from the University of Durban Westville. She has also completed the Senior Executive Management Program at London Business School and a Leadership Management Program at Shell Leadership Institute.

Date of appointment
- 28 February 2023

Board meetings attended
- n/a

Committee membership
- Board Finance & Audit Committee
- Nomination & Governance Committee
- Sustainability Committee

Independent
- Yes

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 as a Company with dual listing under both the Nigerian Exchange and the London Stock Exchange, is subject to several listing and governance provisions. Some of the key provisions that applied to Seplat for the year ended 31 December 2022, are the Companies and Allied Matters Act 2020 ('CAMA'), the Nigerian Securities Exchange Commissions' Rules and Regulations on Code of Corporate Governance for Public Companies (2011) as amended ("SEC Code"), the Nigerian Code of Corporate Governance 2018 ("NCCG"), UK Listing Rules ('LRs'), the UK Market Abuse Regulation ('UK MAR'), the UK Corporate Governance Code as updated and published by the Financial Reporting Council (FRC) in July 2018 (UK Code).

In line with the requirements of these Laws, rules and regulations, the Board of Seplat, as the highest governing body in Seplat, is aware of its overall responsibility in providing oversight of the performance and affairs of the Company on behalf of the shareholders and all stakeholders.

The Company has a Board of Directors consisting of fourteen (14) 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 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 are 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 did obtain independent professional advice in the financial year under review.

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 ('S.I.D') 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 Project Apollo including review and approval of the transaction documents;
- Consideration and review of reports from all the Board Committees on quarterly basis;
- Consideration and Approval of the proposal for the incorporation of a subsidiary company;
- Review and approval of the 2021 Full Year Financial Results and the Quarterly Financial Results for 2022;
- Consideration and approval of Final and Quarterly Interim dividend payments to the Shareholders;
- Received presentation on the Company's Reserves summary;
- Held Executive Sessions with all the Directors; and separate sessions with the INEDs;
- Considered and approved the appointment of the following Directors to the Board: (a) Ernest Ebi, MFR (NED); (b) Mrs. Bashirat Odunewu (INED); (c) Mr. Kazeem Raimi (NED); and (d) Mr. Samson Ezugworie (COO);
- Received and accepted the resignation letter of Mr. Avuru (NED) and Ms. Arunma Oteh (INED) from the Board;
- Successfully transitioned the Board from an NED Chairman (Dr. A. B. C. Orjiako) to an INED Chairman (Mr. Basil Omiyi, CON) and appointed Dr. Charles Okeahalam as the Senior INED;
- Appointed Prof. Ajogwu, SAN as the Chair of the Energy Transition Committee; Mr. Rabiu as the Chair of the Risk Management & HSE Committee. Following the resignation of Ms. Oteh from the Board effective 31 December 2022, Prof. Ajogwu, SAN, OFR was appointed as the Chair of the Nominations & Governance Committee;
- Consideration and approval of the documents for the 2022 Annual General Meeting of the Company and successfully held the AGM on 18 May 2022;
- Reviewed and approved the change of names of two Committees to: (a) Board Finance & Audit Committee; and (b) Statutory Audit Committee;

- Consideration and approval of the 2023 budget and work programme by the Board;
- Training session on Share Dealing and Disclosure obligations by the Directors was delivered by the Nigerian Exchange Limited;
- Successful Energy Summit held in October 2022 and the launch of the SEPLAT Tree for Life project;
- OML 55 – Recovery of Belemaoil Investment.

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 (formerly known as the Finance 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 renamed the former "Finance Committee" to the "Board Finance and Audit Committee" to reflect the Committee's role of overseeing the Internal Audit Function and External Audit. Consequently, the "Audit Committee" of the Company which was established in line with the provisions of the Nigerian Companies and Allied Matters Act is now referred to as the "Statutory Audit Committee". In line with the updated nomenclatures, the Terms of Reference of both committees were updated and approved by the Board.

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 and two (2) Non-Executive Directors who are elected at every AGM to sit on the Statutory Audit Committee in line with Sections 404(2) & (3) of CAMA 2020.

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, and these Terms of Reference are available for review by the public. 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 NCCG 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:

1. Board Structure and Composition;
2. Strategy and Planning;
3. Board Operations and Effectiveness;
4. Measuring and Monitoring of Performance;
5. Risk Management and Compliance;
6. Corporate Citizenship (Social, Ethics & Environment); and
7. Transparency and Disclosure.

Other core element aspects considered by Ernst & Young Nigeria in its Board Effectiveness review using the four (4) "P"s were –

- **Purpose: what the Board focuses on** (i.e., Company's Purpose, Board Role, Strategy and Risk Alignment, Sustainability/ESG/Human Capital Management oversight, Corporate Governance Review;
- **People: who sits at the table** (i.e., Board Leadership Roles and Succession, Board Succession Planning, Individual Director Contribution and Peer Review;
- **Process & Structure: how work gets done** (i.e., In person and virtual meetings, Agendas and Charters, Committee Structure, Information Flow, Meeting materials); and
- **Partnership: culture and relationship** (i.e., Board Leadership Coaching, Board Relationship with Management, Board Inclusion, and Stakeholder relations).

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 which require the attention of the Board prior to the convening of next quarterly Board meeting arise.

The Board held eleven (11) meetings during the 2022 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, with 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.

Dates of 2022 Board meetings are as follows:

1. 27 January 2022;
2. 11 February 2022;
3. 24 February 2022;
4. 25 February 2022;
5. 17 March 2022;
6. 12 April 2022;
7. 27 April 2022;
8. 18 May 2022;
9. 27 July 2022;
10. 12 September 2022; and
11. 25 October 2022.

S/N	Name	Designation	No. of meetings in the year	No. of times in attendance
1.	Basil Omiyi	Chairman	11	11
2.	ABC Orjiako[1]	(Retired) Chairman	11	8
3.	Roger Brown	Chief Executive Officer	11	11
4.	Emeka Onwuka	Chief Financial Officer	11	11
5.	Samson Ezugworie[2]	Chief Operations Officer	11	3
6.	Effiong Okon[1]	Executive Director, Operations	11	9
7.	Austin Avuru[1] (Recused from Board Meetings following his Declaration of Conflict)	Non-Executive Director	11	–
8.	Olivier De Langavant	Non-Executive Director	11	11
9.	Nathalie Delapalme	Non-Executive Director	11	11
10.	Charles Okeahalam	Independent Non-Executive Director	11	11
11.	Arunma Oteh, OON[1]	Independent Non-Executive Director	11	11
12.	Fabian Ajogwu, SAN, OFR	Independent Non-Executive Director	11	11
13.	Bello Rabiu	Independent Non-Executive Director	11	11
14.	Emma FitzGerald	Independent Non-Executive Director	11	11
15.	Ernest Ebi, MFR[2]	Non-Executive Director	11	4
16	Bashirat Odunewu[2]	Independent Non-Executive Director	11	4
17.	Kazeem Raimi[2]	Non-Executive Director	11	4
18.	Koosum Kalyan[3]	Independent Non-Executive Director	–	–

1. ABC Orjiako retired from the Board in May 2022; Effiong Okon, Austin Avuru, and Arunma Oteh, OON voluntarily resigned from the Board in July 2022, March 2022 and December 2022 respectively.
2. Samson Ezugworie joined the Board in July 2022 as Chief Operations Officer; Ernest Ebi, MFR and Kazeem Raimi joined in May 2022 as Non-Executive Directors while Bashirat Odunewu also joined in May 2022 as Independent Non-Executive Director.
3. Koosum Kalyan joined the Board on 28 February 2023 as an Independent Non-Executive Director.

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 Code of Conduct outlines the company's values and ethical principles, including integrity, accountability, respect, and transparency. The company regularly reviews and updates its Code of Conduct to ensure it reflects the company's values and evolving best practices. The company also has other corporate governance policies covering anti-bribery and corruption, anti-fraud policy, related party transactions, conflicts of interest, share dealing, whistleblowing, diversity and inclusion, community relations, risk management, electronic information, and communication systems etc, details of which are discussed later in this governance section.

The Board has also adopted the UK Market Abuse Regulation ('UK MAR') which replaced the Model Code for Directors' dealings. The UK MAR 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 Article 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 practice. The Board Succession Policy which 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 successor which is 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.

The fundamental principles of the appointment process include evaluation of the balance of skills, knowledge and experience on the Board, leadership needs of the Company and ability of the candidate to fulfil his/her duties and obligations as a Director. 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 believes in and provides continuous training and development opportunities for its Directors to equip them with required skills to effectively discharge their duties.

Retirement of the Board Chairman

On 17th November 2021 Dr. A.B.C. Orjiako decided to step down as Chairman of the Board, after twelve (12) years of meritorious service, after the 2022 Annual General Meeting (AGM) in May 2022. On 18th May 2022, he formally stepped down from the Board as the Chairman and a NED and was replaced by Mr. Basil Omiyi, CON as the new INED Chairman while Mr. Ernest Ebi, MFR was appointed as his nominee (Founding Shareholder) on the Board. As Chairman of the Group, Dr. Orjiako led the transformation of Seplat into a globally respected energy Company. Notable achievements include instilling best practice corporate governance, and significant growth through several successful acquisitions. He was also the driving force behind Seplat Energy becoming the first and only Nigerian energy company to dual list on both the Nigerian Exchange and the Main Board of the London Stock Exchange in 2014.

The Board is deeply grateful to Dr. Orjiako for his immense contribution as Chairman of the Board of Seplat Energy since inception and will miss the depth of his oil and gas expertise which he has garnered over the decades, the wealth of his global perspective in addressing industry issues, his uncanny foresight in designing strategies to address budding issues of climate change and reduction of footprint in carbon emissions, his unparalleled versatility in human relations and stakeholder management, and inspirational leadership.

Board Corporate Governance Training

In October 2022, the Board held a Corporate Governance training session on Share Dealing and Disclosure Obligations for Directors and PDMRs as part of its continuing corporate governance knowledge development. The refresher training was curated by the Nigerian Exchange Limited ("NGX") while the session was facilitated by the Chief Executive Officer of NGX Regulation Limited in person of Mrs. Tinuade Awe.

Topics covered during the Session included – Understanding Corporate Disclosures; Share Dealing Disclosure Regulatory Requirements; Disclosure Obligation on Share Dealing and Ownership; Restriction on Share Dealing Transactions; and Case studies.

Appointment of Mr. Basil Omiyi, CON as the New Board Chairman on 18 May 2022

Mr. Omiyi spent most of his career years at the Royal Dutch Shell Group where he held various technical leadership roles in Nigeria as well as in the UK and the Netherlands. On return to Nigeria in 1992, Mr. Omiyi held many leadership roles as Production Manager, Director of External Relations and Environment and later Country Production Director. As Country Production Director, Mr. Omiyi managed installed production capacity of over 1.4 million barrels per day oil and circa 2 billion standard cubic feet per day of gas from about 100 plants across the Niger Delta. He was subsequently appointed the Managing Director of The Shell Petroleum Development Company of Nigeria Ltd in 2004 thus becoming the first indigenous Managing Director of an International Oil Company in Nigeria and later in addition, became the Chairman of Royal Dutch Shell Companies in Nigeria until his retirement in 2009.

Mr. Omiyi is also currently the Chairman of Stanbic IBTC Holding Plc, and TAF Nigeria Homes Ltd. He has held several Oil and Gas leadership positions in his esteemed career including Chairman, Upstream Industry Group-OPTS (Oil Producers Trade Section, Lagos Chambers of Commerce & Industry) 2007-2010. Chairman of the Energy Sector of NEPAD Business Group, Nigeria, and Board Member NEPAD Business Group, Nigeria 2005-2010, Chairman, of the Oil & Gas Commission of the Nigerian Economic Summit Group (NESG) 2005-2010, Board Member, Nigerian Extractive Industry Transparency Initiative – NEITI, 2007-2010, Chairman; Shell Closed Pension Fund Administrator Limited, 2004-2010 and President Nigeria-Netherlands Chamber of Commerce, 2008-2010.

He is a Fellow of many professional bodies, including The Petroleum Institute, UK, FEI, The Nigerian Mining and Geoscience Society, FNMGS, The Nigeran Association of Petroleum Explorationist, FNAPE, and The Chartered Institute of Arbitrators of Nigeria, FCIArb. Mr. Omiyi was awarded with National Honour of Commander of the Order of the Niger, CON in 2011 in recognition of his pioneering role in Oil and Gas Industry leadership in Nigeria.

Mr. Basil Omiyi studied at the University of Ibadan from 1965 to 1970 where he obtained a Bachelor of Science degree in Chemistry in 1969 and a Post-graduate Diploma in Petroleum Technology in 1970 after which he joined the then Shell-BP Petroleum Ltd in 1970 as a Wellsite Petroleum Engineer.

Experience: Mr. Omiyi has extensive insight into and experience in the global oil and gas industry and in particular brings a detailed knowledge and understanding of the Nigerian oil and gas sector together with senior management expertise gained in a large-scale multinational organisation.

Rotation of Directors

In accordance with the provisions of Section 285 of CAMA 2020, 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 Directors, all other Directors are appointed for a fixed term and are eligible for re-appointment upon expiration of their term.

In the last twelve (12) months, the Board went through a few changes with a view to strengthening its capabilities in terms of injecting fresh perspective and promoting diversity. The following two (2) Independent Non-Executive Directors, who have stayed longest in office, retired during the last AGM and were duly re-elected: (1) Mr. Basil Omiyi, CON; and (2) Dr. Charles Okeahalam.

In the year under review, the Board presented for the approval of the shareholders, the appointment of: (a) Prof. Fabian Ajogwu, SAN, OFR (NED); (b) Mr. Bello Rabiu (INED); (c) Dr. Emma FitzGerald (INED); (d) Mrs. Bashirat Odunewu (INED); (e) Mr. Ernest Ebi, MFR (NED); and (f) Mr. Kazeem Raimi (NED) on the Board of the Company.

The Board also appointed the following Directors as representatives on the Statutory Audit Committee: (a) Ms. Arunma Oteh, OON (Board Rep); and (b) Mr. Olivier Cleret De Langavant. Thereafter, Ms. Oteh was replaced by Mrs. Bashirat Odunewu on the Statutory Audit Committee. The two Directors (Board Representatives) Mr. Langavant and Mrs.Odunewu served alongside the three (3) shareholders' representatives who were elected at the last AGM: Chief Anthony Idigbe S.A.N., Mrs. Hauwa Umar; and Sir Sunday Nwosu.

Appointment of Chief Operations Officer

The Board is pleased to formally introduce Mr. Samson Ezugworie as the newly appointed Chief Operations Officer of the Company. Mr. Ezugworie was appointed to the Board of Seplat Energy on the 1st of July 2022. He comes with over 30 years extensive industry experience, building a strong reputation as a business, safety, ethical leader, and integrator. Prior to joining Seplat Energy, Mr. Ezugworie was the General Manager 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 has been an active member of Nigerian Association of Petroleum Explorationists (NAPE) for 25 years and served the association in different capacities. He was the Port Harcourt chapter chairman for 5 years. A member of 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 University of Nigeria, Nsukka.

Appointment of Two (2) Non-Executive Directors and One (1) Independent Non-Executive Director

The Board is equally pleased to formally introduce Mr. Ernest Ebi, MFR and Mr. Kazeem Raimi as newly appointed Non-Executive Directors, and Mrs. Bashirat Odunewu as a newly appointed Independent Non-Executive Director of the Company, with effect from May 18, 2022.

Mr. Ernest Ebi, MFR is a nominee of Shebah Petroleum Development Company Limited (BVI) replacing Dr. A.B.C Orjiako who stepped down from the Board of Seplat Energy on 18th May 2022 after the Annual General Meeting. Mr. Ebi is an executive whose vast experience in the banking and finance industry spans over four (4) decades. From June 1999 to June 2009, he was appointed as a Deputy Governor at the Central Bank of Nigeria, where he covered policy and corporate services portfolios. Prior to this, Mr. Ebi held several executive positions in the banking industry in Nigeria and the United States of America. He was the Deputy Managing Director in Diamond Bank Ltd where he led the bank's financial services marketing strategy & initiatives for new business development amongst others. In 1995, he was appointed by the Central Bank of Nigeria and the Nigeria Deposit Insurance Corporation as the Managing Director & CEO of New Nigerian Bank Plc. During his time at New Nigerian Bank Plc., he was responsible for the development and implementation of a credible turn-around plan for the bank and contributed significantly to the recovery of a huge portfolio of non-performing risk assets. Mr. Ebi has also held senior positions at the International Merchant Bank, as the Assistant General Manager (credit & marketing department) and Assistant General Manager (Loan Review & Audit). Mr. Ebi served as the Board Chairman of Fidelity Bank Plc (2016-2020) and AIICO Pension Managers (2010-2021) and currently serves as an Independent Director on the Board of Dangote Cement Plc., Julius Berger Nigeria Plc., Coronation Capital Ltd, and Coronation Asset Management Ltd. Mr. Ebi is also a Fellow, Chartered Institute of Bankers, FCIB and Fellow, Institute of Directors Nigeria (F.IOD). Mr Ebi has a very distinguished career within the Banking and financial services industry and has undertaken several leadership courses in Harvard Business School and Oxford Said Business School. He was awarded the National Honour of Member of the Order of the Federal Republic (MFR) by the Federal Government of Nigeria in 2007 in recognition of his meritorious service.

Mr. Kazeem Raimi is a nominee of Platform Petroleum Limited replacing Mr. Austin Avuru who stepped down from the Board of Seplat Energy on 1st March 2022. Mr. Raimi is presently the Executive Director, Commercial for Platform Petroleum Limited. Previously with Seplat Energy as General Manager, Commercial, Mr. Raimi was charged with the responsibility for driving commercial, economics, valuation, planning and treasury activities across the entire organisation. He also served previously as Manager, Corporate Planning and Economics at Seplat Energy. Mr. Raimi has extensive experience in project economics and risk analysis having been Lead Petroleum Economics and Commercial Advisor at Addax Petroleum Nigeria where he also served in different capacities. Prior to this, Mr. Raimi served as Treasury Manager at Cadbury Nigeria Plc and Finance Analyst at Citibank Nigeria Limited. He had significant involvement in commercial and economic evaluations of new ventures, farm-in and company acquisition opportunities with a thorough appreciation of tax, fiscal issues and project economics especially as they relate to Nigeria, Gabon, Iraq and Cameroon. In addition to his role at Platform Petroleum Limited, Mr. Raimi also serves as a Non-Executive Director at PNG Gas Limited and Ase River Transport Company Limited. Mr. Raimi 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 has undertaken several courses in Harvard Business School.

Mrs. Bashirat Odunewu is a Banking and financial expert with about 30 years' experience in the Finance and Banking Industry. Up till June 2021, she served as C-Suite executive, corporate banking (Energy, Natural Resources & Infrastructure), at First Bank Nigeria Ltd, prior to which she was the line executive for their international banking group where she supervised CEOs of the subsidiaries of First Bank in 6 African countries as well as the Bank's Representative office in China and served as a board member for several of them. She is a business development veteran, well versed in business strategy with over 10 years hands-on experience at C-suite Executive Management level, an alumnus of Imperial College (University of London) and University of Manchester. Mrs. Odunewu is a Chartered accountant (FCA) and a certified member of the Chartered Institute of Arbitrators-UK (MCIArb). She is also a member of various 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 board of Leadway Holdings and Non-Executive Director (NED) on the Boards of some African Subsidiary Banks of First Bank Nigeria. She is also a member of the Board of Directors for the Franco-Nigeria Chamber of Commerce and Industry where she serves as the Treasurer. Mrs. Odunewu has experience spanning audit/accounting, corporate & commercial banking, Investment banking and treasury in various financial institutions. She has specialized in Oil and Gas financing projects and led notable successful syndications for acquisitions and development. She has been the recipient of several Merit Awards in the organizations she has worked in recognition of her stellar performance. Mrs. Odunewu is passionate about supporting younger ones towards fulfilling their aspirations and is a mentor/sponsor to many in this regard.

The Seplat Board is indeed privileged to have Mr. Ezugworie, Mr. Ebi, Mr. Raimi and Mrs. Odunewu on board and look forward to their contributions towards the continued success of the Board and the Company.

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 26 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 24 and 25 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 32 to 43 of this report.

In compliance with CAMA and the NCCG, 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 four Independent Non-Executive Directors. Details of the Board Finance and Audit Committee and Statutory Audit Committees' memberships and activities are given in their respective reports, on pages 86 and 119. 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 environment matters. Details of the Committee's membership and activities are given in its report on page 95.

Remuneration

In compliance with the Nigerian Code of Corporate Governance 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 84. Details of how Seplat'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 page 111.

Seplat stated at the time of the IPO that remuneration for certain Non-Executive Directors may include performance-related elements and certain Executive Directors' service contracts may include an initial fixed term of more than one year. 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 page 108 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.

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. On 25 March 2014, the Company entered into a Relationship Agreement with its founding shareholders (who are represented on the Board) to regulate their degree of control over the Company so that the rights of minority shareholders and the independence of the Board are protected. All other shareholders are given equal access to information and no shareholder is given preferential treatment.

Communication with Shareholders

Seplat values effective communication with its shareholders. As a matter of practice and based on regulatory requirements, the Company reports formally to shareholders four (4) times a year with the announcement of quarterly and full-year results as well as providing disclosure on material changes to the business as and when required. However, with the SEC requirement for Public companies to elect whether to file their fourth (4th) Quarter report, the Company elected to file its Annual Audited Financial Statement within the regulatory stipulated period. The full-year Annual Report and Accounts are issued to shareholders and are published on the Company's website. Results presentations are also made available on the Company's website together with webcast replays of the live presentations.

Due to the COVID-19 pandemic, Seplat obtained approval from the Corporate Affairs Commission and held its ninth(9th) Annual General Meeting (AGM) on 18 May 2022 in Lagos, Nigeria by proxy ONLY. This was in accordance with the Guidelines on Holding of AGM of Public Companies taking advantage of Section 254 of the Companies and Allied Matters Act (CAMA) 2020 using proxies. The 2022 AGM was attended by 18 shareholders in person while 224shareholders were represented by proxies. The business transacted at the meeting was based on CAMA requirements and as such, diverged in some respects from that common to UK companies. The Company's AGM affords shareholders present the opportunity to discuss matters regarding the Company's business with the Chairman, the Committee Chairmen, and individual Directors. The AGM also provides the opportunity for shareholders and Board representatives to be elected to sit on the Statutory Audit Committee, as required by CAMA.

The notice of the 2023 AGM was sent to shareholders with this Annual Report and Accounts and it is intended that the best practice for AGMs as detailed in the Nigerian Code and the UK Code will be followed.

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. The primary contact is through the Executive Directors.

The Board members are available to attend meetings if requested specifically by shareholders.

Engagement with existing and potential shareholders regarding business strategy and performance is coordinated by the Company's Investor Relations Team. The Head of Investor Relations reports directly to the Chief Financial Officer. Matters regarding the general administration of shareholdings are coordinated by the Company Secretary.

The Company conducts an active investor relations programme with institutional investors and analysts. This includes participation at conferences, both within and outside Nigeria, where a few one-on-one meetings and group presentations are made, including the organisation of investor roadshows in key financial centres.

Regular analysis of Seplat's shareholder register and major movements, together with market feedback, trading analysis and peer performance, are communicated to the Board via the Chief Financial Officer and the Head of Investor Relations.

The Board welcomes enquiries from shareholders, encourages attendance at the Company's AGM and participation in its results presentations and webcasts. The Board further encourages shareholders to subscribe to receiving news alerts via the subscription service on the Company's website.

Host Community Engagement

Sustainable community development remains a priority and we have continued to work collaboratively with our local partners to foster positive social and economic development.

Following the mandate of the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) to implement the Petroleum Industry Act ("PIA") 2021, the Company implemented the roadmap developed for transitioning all community programmes to the PIA from the GMoU regime. This includes engagement of all Community stakeholders, setting up of the Board of Trustees to manage the Host Communities Development Trusts in our Western and Eastern Assets, and the setup of the Management and Advisory Committees for the proper application of the capital fund set aside for the development of the host communities. Members of Senior Management met with leaders of the host communities, visited community events and projects in areas of operations. Additionally, Directors met with Ministers and Governors in the respective states where the Company operates, as well as other key government officials during the financial year under review.

The Company continued its regular and effective stakeholder engagement with the host communities, and also carried out various CSR programmes within these communities. These CSR programmes included the provision of scholarships that were beneficial to indigent students, financial empowerment for the youths of the communities through skill acquisitions and trainings as well as empowerment of teachers within these communities. The Company, to show its commitment to sustainability, made provisions for cleaner energy sources such as solar to supply electricity in these communities.

Employee Engagement

The Company has over the years established a Joint Consultative Council ("JCC") which comprises of Senior Management and representatives of SEPLAT employees drawn from across the various business units of the Company. The JCC, which is headed by the Director Corporate Services, meets at least once every quarter to update employee representatives on key management decisions regarding the Company and to address issues which are of concern to employees. Deliberations, suggestions, and recommendations made during such meetings are cascaded to the employees. Recommendations which require approval are cascaded to the Senior Leadership Team headed by the CEO and to the Board, where necessary.

The Company also facilitated (4) four town hall interactive sessions, where the CEO updated all employees of happenings and developments within the organization (including Company's quarterly performance).

Disclosure of Information

As a company listed on both the Premium Board of the NSE and on the Main market of the LSE, Seplat 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. The Executive Directors are ultimately responsible for the approval of Company announcements and ensuring that such documents comply with relevant legal and regulatory requirements.

Corporate Governance Framework and Other Governance Initiatives

The Board places 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 "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, Health, Safety & Environment and Sustainability. The Company collaborates with its regulators (NGX, SEC, FRCN, CAC, LSE and FCA) as at 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.

Environment, Social and Governance (ESG)/ Sustainability.

The Company will publish a separate Sustainability Report and its first Climate Risk and Resilience Report, which will include the disclosures recommended by the Task Force on Climate-related Financial Disclosures (TCFD). These reports will describe our commitment to the environment and our approach to managing climate risk and represent disclosure of initiatives within our corporate strategy to build a sustainable business and deliver energy transition. In addition, the Corporate Scorecard for 2022 was tied to climate-related and other sustainability KPIs, which were expressly linked to executive pay. ESG accounted for 15% of KPIs and 10% for safety in the year under review. Our primary commitment is to reduce our GHG emissions resulting from direct operations. In addition, we have established a broad set of investment activities designed to reduce emissions from our operated facilities and offset residual emissions. Seplat's Flares Out project, which forms part of our commitment to achieving Net Zero by 2050, is on schedule to reach the target of ending routine flares by the end of 2024.

ISO 55001 Certificate issued to Seplat Energy Plc

In the year under review, Seplat Energy Plc was formally issued the ISO 55001 Certification. As announced to the market in the H1 2022 Financial Reports, this is indeed a milestone achievement and another first of many "firsts" for Seplat as she becomes the first African E&P Company to become ISO 55001 certified. ISO 55001 certification is a life-long journey and not just a sprint. As required by the Standard, Seplat will, going forward, be subjected to annual surveillance audits in April 2023 and 2024 as well as a recertification audit in April 2025 in line with the ISO 55001 3-year certification renewal cycle. These audits will test how the company will effectively sustain and continually improve its asset management system in accordance with the Standard. The company will continue to drive improvement in all its asset management processes to ensure that it remains aligned with the ISO 55001 Standard in readiness for all future surveillance/ recertification audits.

Seplat Energy Wins Highest Net Asset Ratio Award at The Pearl Award 2022

Seplat Energy Plc emerged as winner of the prestigious 'Highest Net Asset Ratio' award at The Pearl Award 2022. The Return on Net Assets (RONA) ratio compares a firm's net income with its assets and helps investors to determine how well the company is generating profit from its assets. The higher a firm's earnings relative to its assets, the more effectively the company is deploying those assets. The Board of Governors of the PEARL Awards Nigeria congratulated Seplat Energy Plc for emerging as winner in the Market Excellence Awards Category for companies quoted on the Stock Market.

Seplat Energy Excels at SPE NAICE 2022, Wins Awards

The 45th edition of the Society of Petroleum Engineers (SPE) Nigeria Annual International Conference and Exhibition (NAICE) which held at the Eko Hotel and Suites Lagos State from August 1 to 3, 2022, was a remarkable outing for Seplat Energy as the company took centre stage in not only the conference participation, but also in the exhibitions.

Seplat Energy won a total of four awards: Best Indigenous Exhibitor for Outstanding Display of Creativity and Technical Excellence; 2nd Overall Best Exhibitor; Sponsor Award; and Special Industry Recognition Award at the conference. The coveted awards which crowned the hard work put in by the SEPLAT team, were presented to the company during the conference proper and at the closing ceremony held on Wednesday, 3rd August 2022.

Best Exhibiting Indigenous E&P Player at NAPE AICE 2022

The 40th Nigerian Association of Petroleum Explorationists' Annual International Conference and Exhibition (NAPE AICE 2022) which held at the Eko Hotel and Suites Lagos State from November 13 to 17, 2022, was a remarkable outing for Seplat Energy as the company led discussions at the conference proper as well as displayed excellence at the exhibitions.

Seplat Energy, once again, won the Best Exhibiting Indigenous E&P Award at the NAPE AICE 2022. The company sponsored the event in the Titanium category, and also got an award in appreciation of its contributions to the success of the conference.

The theme of the Conference and Exhibition was "Global Energy Transition and the Future of the Oil and Gas Industry: Evolving Regulations, Emerging Concepts & Opportunities."

2nd Edition of Educational Roundtable and STEP Award Ceremony

Last year, Seplat Energy held the second edition of the Seplat JV Education Roundtable and the Seplat Teachers Empowerment Programme (STEP) Certificate Award Ceremony on Thursday, 17th March, 2022 in Benin, Edo State.

A total of 220 participants comprising 214 teachers and 6 Chief Inspectors of Education in Edo and Delta States were awarded certificates under the initiative, which is aimed at improving the standard of education in Nigeria especially Seplat Energy's host states and communities.

Over the years, Seplat Energy has made significant impacts with critical initiatives focused on providing quality education for states of its operations and the country. To consolidate its achievements on Sustainability Development Goal 4 for inclusive and equitable quality education, the Company introduced STEP, a customized training programme for secondary school teachers. STEP is a three-month intensive training programme that equips teachers with tools to teach STEAM (Science, Technology, Engineering, Arts and Mathematics).

To commemorate the certificate presentation ceremony held on March 17, 2022, Seplat Energy hosted The Seplat JV Education Roundtable themed: Harnessing the Role of Technology In Nigeria's Education Sector.

The STEP Certificate Awards Ceremony took place in Benin City, Edo State, alongside the Seplat Education Roundtable, which had educational experts and professionals in a highly engaging panel session. The keynote speaker for the day was Prof. Fabian Ajogwu, SAN, OFR, an Independent Non-Executive Director at Seplat Energy.

C4C Entrepreneurship Initiative Graduates 16 Fellows

On the 11th of February 2022, Seplat Energy Plc in partnership with Conversations for Change (C4C) graduated 16 Fellows from the duo's entrepreneurship programme.

The 2021 batch of Fellows were equipped to begin their business empires, which are expected to grow and flourish as well as provide support to not just them and their families, but also for communities, countries and indeed the world.

C4C is a non-profit organisation with a major objective of empowering young people to participate more effectively in all relevant areas of development.

Seplat Energy's partnership with C4C is one of many steps taken by the company towards realizing the United Nations' Sustainable Development Goal 1, which is poverty eradication.

The vision of this initiative is to create a world where young people/ minds are inspired, motivated and empowered to find their niche in society and use their skills and talents in improving their societies/ countries and indeed their world.

Seplat 'TREE4LIFE' Initiative

As part of efforts to ensure reforestation, reduce biodiversity loss, boost food security and support the global net-zero emission agenda, Seplat Energy, Nigeria's foremost indigenous energy company, launched a unique sustainability campaign tagged "Seplat Tree 4Life" last year.

On May 17th, 2022, Seplat Energy Plc formally launched its "Seplat Tree4Life" initiative in a special event attended by critical stakeholders.

Seplat Energy had in 2021 October, at its Seplat Energy Summit, unveiled its energy transition plan and its commitment to the tree planting initiative.

"This event for us is a promise kept," said ABC Orjiako, Chairman as at 18th May 2022, 'Seplat Energy Plc, which is driving the country's energy transition towards cleaner, more reliable energy that is accessible. Tree planting aims to encourage reforestation. Seplat thrives on sustainability through environmental, social and governance (ESG)," "For us in SEPLAT, we do believe that we must align with the Paris Agreement of net-zero carbon. Net-zero carbon is not net zero fossil fuel," Orjiako added.

Roger Brown, CEO of Seplat Energy, affirmed that the Company targets 1 million trees annually in the next five (5) years, which will amount to 5 million trees. Initially, Seplat focuses on five states: Edo, Imo, Delta and two other states in Northern Nigeria. Seventy-five per cent would be economic trees.

11th Edition of Seplat Energy Pearls Quiz

Seplat Energy Plc successfully concluded the 11th edition of the Seplat JV PEARLs Quiz, which is one of its signature educational Corporate Social Responsibility initiatives. Green Park Academy, Edo State emerged winner from among 130 participating schools and bagged the coveted prize of Ten Million Naira (N10m) for a project and One Hundred thousand Naira (N100,000) scholarship for each of its three partaking students.

The grand finale of the programme, which was held in Benin City, Edo State, had in attendance secondary schools from Edo and Delta States, government officials, traditional rulers, various communities from both States, media, management of the NNPC Exploration and Production Limited (NEPL), staff, management and board members of Seplat Energy, among others.

Deeper Life High School, Warri, Delta State; and The University of Benin Demonstration Secondary School emerged the second and third place winners respectively. A total of N18.675m was awarded to the three winning schools and their participating students.

Deeper Life High school was awarded a Five Million Naira (N5m) project and Seventy-Five thousand Naira (N75,000) scholarship each for its three partaking students. UNIBEN Demonstration Secondary school was given a prize of Three Million Naira (N3m) project award and fifty thousand naira (N50,000) scholarship for each of its three partaking students.

Health & Safety: Covid-19 Monitoring

The COVID-19 protocol was de-escalated in Q4 2022 after successful management resulted in zero deaths or disruption to Seplat's operations, and the positive rate dropped from 0.68% in Q3 to 0.00% in Q4 2022.

The De-escalation protocol is as follows:

- The use of face masks and other facial coverings are no longer mandatory on site, offices and living quarters
- Discontinuation of temperature monitoring at all locations
- Lateral flow test shall no longer to be used except when there is a manifestation of COVID-19 symptoms

Corporate Governance Recertification and Conflict Declarations

As part of Seplat's continuous corporate governance awareness campaign in 2022, the Company carried out its annual corporate governance online recertification exercise for all employees including contract staff. The Company also conducted its annual Conflict of Interest/Affirmation of Independence declarations for Directors and all Employees.

Board Corporate Governance Training

In October 2022, the Board held a Corporate Governance training session on Share Dealing and Disclosure Obligations for Directors and PDMRs as part of its continuing corporate governance knowledge development. The refresher training was curated by the Nigerian Exchange Limited ("NGX") while the session was facilitated by the Chief Executive Officer of NGX Regulation Limited in person of Mrs Tinuade Awe.

Topics covered during the Session included – Understanding Corporate Disclosures; Share Dealing Disclosure Regulatory Requirements; Disclosure Obligation on Share Dealing and Ownership; Restriction on Share Dealing Transactions; and Case studies.

Integrity Week/Code of Business Conduct Workshop

In line with the culture of paying close attention to ethical issues, the Board was represented by the Chairman and the CEO at the Integrity Week/Code of Business Conduct Workshop facilitated by the Business Integrity, Legal and Company Secretariat teams. The Board addressed employees on the need to desist from all forms of unethical behaviour (including fraudulent activities) and to always speak up on observed non-compliance with law, governance policies and unethical behaviours. Thereafter all employees made their annual commitment to abide by the tenants of the Code of Business Conduct by signing their Personal Commitment Form.

Employees were also reminded that they may elect to make a report anonymously by making use of the Seplat/KPMG Ethics Line which includes dedicated whistleblowing hotlines – 0800 444 1234 (Toll Free) or KPMG's toll-free number: 0800 123 5762 / 0800 123 5276. Employees could also report their concerns by sending an email to speakup@seplatenergy.com or kpmgethicsline@ng.kpmg.com. The facilitators also demonstrated to employees that all previously reported cases were treated with utmost confidentiality. To further encourage anonymity, the Company recently introduced the Vault App, which grants employees real-time access to the Senior Leadership Team, particularly the CEO to air their views, make valuable suggestions and come up with innovative ideas that would move the Company forward.

Bullying and Harassment Training

The Company also held several Bullying and Harassment awareness sessions with individual business units and directorates to underscore the importance of maintaining a friendly workplace environment for all employees.

Diversity & Inclusion: 1st Anniversary of the Seplat Women Awesome Network (SWAN)

As part of its sustainable development strategy, Seplat Energy Plc remains committed to the achievement of United Nations Sustainable Development Goal 5 (UNSDG). This commitment has been actualized by the 2021 launch of the Seplat Women Awesome Network (SWAN) and appointment of Mrs. Edith Onwuchekwa (Director Legal/Company Secretary) as the Gender Diversity Champion.

In its first year of existence, SWAN has become the gender equality vehicle to help Seplat and its stakeholders to design, implement and develop programs to promote gender equality, balance, and enhance inclusivity in the company and the energy sector value chain.

During the year, SWAN spearheaded several initiatives and programs to achieve the stated objectives. These include the deployment of a Diversity and Inclusion Policy, launch of the Swan Mentoring program, training and upskilling of members, update of facilities across operational locations to be gender considerate, participation with, and collaboration with like groups (such as the Women in Energy Network, etc).

In the coming year, SWAN will continue to collaborate and focus on initiatives that create an enabling environment for the engagement, retention, and empowerment of talented female employees, and also bridge the "women in energy" gap. SWAN will also benchmark against global best practice and will collaborate with like groups to achieve its objectives and the UNSDG 5.

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.

Corporate Governance Rating System (CGRS) Recertification

The Company participated in the Corporate Governance Rating System ("CGRS") recertification exercise in 2021. The CGRS is a joint initiative between Nigerian Exchange Limited and the Convention on Business Integrity ("CBi") developed to rate the corporate governance and integrity practices of all companies listed on The Exchange. The Board is pleased to inform the Shareholders that following the recertification exercise, Seplat obtained a score of 91.21% (valid for 3 years) from the recertification exercise after the aggregation of scores across the three (3) stages of the CGRS which is above the 70% certification pass mark. The three (3) segment assessment process included:

1) Board Charter.

2) Code of Business Conduct Policy.

3) Code of Business Conduct.

4) Board Succession Policy.

5) Board Representation Policy for IJVs & Other Arrangements.

6) Anti-Bribery and Corruption Policy.

7) Anti-Fraud Policy.

8) Gifts and Hospitality Policy.

9) Bullying & Harassment Policy.

10) Community Relations Policy.

11) Investors Complaint Management Policy.

12) Conflict of Interest Policy for Directors & Employees.

13) Corporate Communications Policy.

14) Electronic Information & Communication Systems Policy.

15) Inside Information Policy.

16) Political and Charitable Contributions Policy.

17) Related Party Transactions Policy and Guideline

18) Risk Management Policy.

19) Share Dealing Policy.

20) Whistleblowing Policy.

21) Market Sounding Policy.

22) Diversity & Inclusion Policy.

1) Board Charter

The Board has adopted a Board Charter which has been updated to align its provisions with the requirements of the NCCG 2018, SEC Code of Corporate Governance, UK Code of Corporate Governance 2018 as well as other applicable listing rules and international best practice. The Board Charter sets out the responsibilities of the Board; the establishment of the Board Committees with clear delegated responsibilities; the matters reserved for the exclusive approval of the Board; and the conduct of Board proceedings. The Board Charter stipulates the following – the separate and distinct duties of the Board Chairman and the CEO, appendage of Sample Appointment Letter of the Board of Directors, inclusion of the role of the Non-Executive Directors ("NEDs") and the Independent Non-Executive Directors (INEDs), the role of the Company Secretary; the respective Terms of Reference for all the Board Committees and Matters Reserved for the Board.

2) Code of Business Conduct Policy

The Code of Business Conduct Policy establishes that the Company shall have a Code of Business Conduct that states the general business principles and commitments of the Company to its stakeholders, sets out the values that guide the Company's conduct, legitimate and strategic expectations of its employees in their everyday decision making and with stakeholders. The Policy also requires the Code to explain and give guidance on the behavioural, attitudinal, and emulative roles of the Directors, Senior Management, and employees. The Code is to provide guidance to questions or concerns, steps to take and additional resources and support on other topics and policies. The Policy also provides for the role of the Board, senior managers, managers, and employees. It also requires suppliers, contractors, consultants, business partners and third parties to apply the standards equivalent to that of the Company towards their employees, subcontractors, and suppliers.

3) Code of Business Conduct

The Board has adopted a Code of Business Conduct (CoBC), which outlines the ethical framework under which Seplat conducts business – with the highest standards of ethics, accountability, and transparency. The CoBC has been designed into an easy-to-read format and is an implied contract between the Company and its employees, contract staff and business partners to conduct business with the highest ethical standards. The Board has reviewed and restructured the COBC to provide for the following – (i) The Code (which summarises the principles and values by which the Company conducts its business); (ii) The Charge (which requires directors, employees and contractors to embrace the enshrined ethical values of the Code); (iii) Personal Commitment Statement (which models a top-down commitment to professional business and ethical standards from directors, to employees and contractors and which everyone is expected to subscribe to by appending their signatures); (iv) The Code of Business Conduct Policy (which states the principles and values that the Code should embody, including guidance notes) (v) The Code's Practice Guide; and (vi) Frequently Asked Questions ("FAQs"), which states examples of dilemmas that could arise in the course of carrying out work for and on behalf of Seplat. The reviews carried out are all in line with the NCCG,UK principles and recommended practices.

4) Board Succession Policy

The Board has adopted a Board Succession Policy which sets out the parameters for developing and implementing a succession planning programme for Directors of SEPLAT and ensures that a framework is in place for an effective and orderly succession of Directors that will result in the collective knowledge, skills and experience in place for the Board to effectively govern SEPLAT. The Policy stipulates criteria for selection of succession candidates as well as competencies that such candidate must possess. The Policy provides Guidelines for Implementing the Succession Planning Programme as well as Procedure for Executing a Board Succession Plan. The Policy which requires the Nominations 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 is tied to the Company's overall performance management and career communication.

5) Board Representation Policy for Incorporated Joint Ventures (IJVs) & Other Arrangements

The Board has adopted a Board Representation Policy which stipulates principles and defines the parameters within which the SEPLAT IJV Directors will execute their duties and represent SEPLAT on the IJV Boards. The Policy states the qualities, competencies, and skill which a candidate nominated to such IJV Boards must possess as well as the roles and responsibilities of such IJV representative (including responsibilities prior to, during and after IJV Board meetings).

6) Anti-Bribery and Corruption Policy

The Board has adopted an Anti-Bribery and Corruption Policy which is updated from time to time. The Policy demonstrates Seplat's zero tolerance and commitment to the eradication of bribery and corruption. It prohibits payment or receipt of facilitation payments, misappropriation, 'kickbacks and blackmail/extortion. It also sets the parameters under which Directors and employees may give or receive gifts and hospitality, deal with public officials, and make political and charitable donations. The Policy includes reporting, documentation, and whistleblowing provisions as well as provisions regarding the Company's zero tolerance and disciplinary action for any violation.

7) Anti-Fraud Policy

The Board has adopted an Anti-Fraud Policy which provides Seplat stakeholders with relevant guidance on how to recognise and deal with fraud, the responsibilities of employees, directors and third parties in upholding Seplat's position regarding fraud and misconduct, mechanisms for prevention, detection and response to possible fraud and misconduct in Seplat's operations; and how to foster a culture of integrity and transparency, thereby enhancing anti-fraud culture within Seplat. The Policy covers transactions conducted by Seplat, with Seplat or on behalf of Seplat and states the responsibilities of each stakeholder. The Policy states potential indicators of fraud, protection of whistleblowers, fraud risk management strategy, reporting of fraud to law enforcement agency(-ies) and applicable consequence management following investigation findings.

8) Gifts and Hospitality Policy

The Board has adopted a Gifts and Hospitality Policy which establishes acceptable exchange of items of value, conditions under which gifts, hospitality and associated expenses may be made, received, offered, incurred, or reimbursed in compliance with Seplat's related policies and international best practices. The Policy, which serves as part of the implementation strategy for the Anti-Bribery and Corruption Policy and other related corporate governance policies, applies to all Seplat employees, directors, business partners and other stakeholders. The Policy also sets out Guidelines on accepting or offering gifts/hospitality as well as acceptable gifts to Host Communities.

9) Bullying and Harassment Policy
The Board has adopted a Bullying and Harassment Policy which sets parameters within which the Company will deal with all forms of bullying and harassment within the workplace, reinforces Company's commitment to diversity, inclusion and mutual respect, create a platform for rewarding conduct that aligns with Company's value for diversity and outlines zero tolerance approach to addressing all acts of bullying and harassment. The Policy applies to all employees as well as third parties dealing with Seplat staff. The Policy stipulates examples of behaviour that could amount to bullying and harassment, implications of bullying and harassment, procedure for making complaints and disciplinary action.

10) Community Relations Policy
The Board has adopted a Community Relations Policy which demonstrates Seplat's value for the communities in which it operates, and the Company's commitment to developing the communities through capacity building, business opportunities, employment, academic scholarships, charitable donations, awareness creation, etc. The details of Seplat's CSR activities are contained in the CSR section of this report.

11) Investors' Complaint Management Policy
The Company established a Complaint Management Policy pursuant to the Rules of the Nigerian SEC released on 16 February 2015 and the subsequent directive of the NSE to all listed companies in Nigeria. The Policy outlines the procedures established by Seplat to address the complaints and other communications received by its shareholders and the public in relation to specific matters. The Policy is available on the "Corporate governance policies" page of the Company's website.

12) Conflict of Interest Policy for Directors and Employees
The Board has adopted a Conflict of Interest policy for Directors and employees. This Policy applies to Seplat Directors, shareholder representatives on our statutory Audit Committee and employees. The Policy clearly sets out the legally imposed duties of the Board, its members, and employees, along with some ethical requirements adopted by the Company. Particular attention is given to conflicts involving Independent Directors to ensure compliance with both the letter and spirit of corporate governance regulations on such Directors. The Policy outlines a clear disclosure, review, and documentation process for all conflicts of interest involving a Director, beginning with a yearly declaration to the Company for the consideration of a dedicated conflict of interest review panel. During the year under review, all members of the Board and employees participated in the annual declaration of conflict of interest or affirmation of independence as applicable. This policy has been further reviewed to include special requirements on Independent Directors as provided in the SEC code of corporate governance, NCCG and UK Code of 2018.

13) Corporate Communications Policy
The Board has adopted a Corporate Communications Policy which establishes guidelines for communication with current and potential stakeholders, guarantees accurate and effective communication of Company's perspective on all issues, ensures compliance with all relevant regulatory requirements and best practice standards and guidelines governing corporate communication. The Policy sets out modalities for both internal and external communications, Company's Authorised Media Spokespersons, preparation and release of regulatory announcements, social media/internet communication.

14) Electronic Information & Communications Systems Policy
The Board has adopted an Electronic Information & Communications Systems Policy which demonstrates Seplat's commitment to responsible, secure, and efficient use of communication systems, such as the internet, electronic mail, social media, intellectual property, etc.

15) Inside Information Policy
The Board has adopted an Inside Information Policy. The Policy clearly defines what constitutes 'inside information' and sets a clear process for the confidential preservation of such information. It also prohibits Seplat Directors, employees, contract staff, business partners and their connected persons from using inside information to deal in Seplat shares or securities or those of another public company. The Policy was updated in the financial year under review.

16) Political and Charitable Contributions Policy
The Board has adopted a Political and Charitable Contributions Policy. The Policy prohibits Directors, employees, contract staff and business partners from making political donations or engaging in other political activities on behalf of Seplat. It also sets the standard and processes for making charitable donations to lawfully constituted charitable organisations, in line with the Corporate Social Responsibility ('CSR') initiatives of the Company.

17) Related Party Transactions Policy and Guidelines
The Company has adopted a Related Party Transactions policy which sets out the policy statement, stringent disclosure requirements as well as the review and decision-making process for such transactions. The policy also sets out the special requirements on Interested Person Transaction as well as transfer pricing guidelines. The Related Party Transactions Policy and Guidelines is a live document that is revised from time to time to reflect changes in both the Nigerian and the UK laws and regulations. The Policy was updated by the Board in the financial year under review.

18) Risk Management Policy
The Board has adopted a Risk Management Policy which is updated from time to time. Risk Management Policy demonstrates Seplat's commitment to the enterprise risk management and reporting system that ensures efficient identification of operational, financial, health, safety and environmental risks, and risk eradication and management. This Policy was updated in the financial year under review.

19) Share Dealing Policy
The Board has adopted a Share Dealing Policy which is updated from time to time. The Policy demonstrates Seplat's commitment to trading securities in compliance with the requirements of the NGX Amended Listing Rules ('ALR'), the Nigerian Code, the UK Listing Rules and UK Market Abuse Regulation ('UK MAR'). The Share Dealing Policy reflects the Company's dual participation in the Nigerian Exchange and London Stock Exchange and highlights the Company's respective obligations under both Nigerian and UK listing regulations. The Share Dealing Policy sets the parameters under which Directors and employees of Seplat and its subsidiaries, and their connected persons, must deal with the Company's shares, securities and inside information. This policy was reviewed by the Board in the financial year under review.

20) Whistleblowing Policy
The Board has adopted a Whistleblowing Policy which is updated from time to time. In addition to this Policy, whistleblowing provisions are entrenched in all Seplat corporate governance policies. The Company has a dedicated whistleblowing hotline for employees and other stakeholders to confidentially report unlawful and unethical conduct involving the Company, its Directors, or employees. The Company's whistleblowing system comprises an internal and an external channel, which are operated concurrently. The internal

whistleblowing channel is managed by the Company's Business Integrity Unit, reporting directly to the CEO, while the external whistleblowing channel is managed by KPMG. The Business Integrity Unit and KPMG ensure that all reports are kept confidential and appropriately investigated and resolved.

21) Market Sounding Policy

The Board has adopted a Market Sounding Policy which sets out guidelines that ensures that the Company and disclosing market participant ("DMP") acting on the Company's behalf complies with the provisions of UK MAR when conducting market soundings. The Policy stipulates procedures to be followed before conducting market soundings, procedure to be followed during market sounding process and specific information to be provided and requested where a market sounding involves or would not involve the disclosure of inside information.

22) Diversity & Inclusion Policy

The Board adopted a Diversity & Inclusion Policy on the 27th of October 2021. This Policy which applies to all directors, employees and business partners of the Company, prohibits the Company from engaging in any form of discrimination based on gender, race, religion or disability. The Policy also makes it mandatory for the Company to ensure there is gender equality at all times and that gender gaps are promptly closed. The Policy further mandates the Human Resource Team to ensure diversity during recruitments without sacrificing the criteria of aptitude and ability.

Declaration of Compliance

In compliance with Section 14.4(b) of the NGX ALR, following specific enquiry, all Directors acted in compliance with the NGX ALR and Seplat's Share Dealing Policy in respect of their securities transactions during the financial year ending 31 December 2022.

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.

Signed by:

Basil Omiyi, CON
Chairman

Edith Onwuchekwa
Director, Legal/Company Secretary

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

Remuneration Committee report

Dr. Emma FitzGerald[3]
Chairman of the Remuneration Committee

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Remuneration Committee meetings in 2022

2022 Members	21 Jan	23 Feb	5 Apr	8 Apr	18 Apr	20 Jul	8 Sep	18 Oct	22 Nov	16 Dec	
Emma FitzGerald[1], Chairman	●	●	●	●	●	●	●	●	●	●	10/10
Basil Omiyi[2], Member	●	●	●	●	●	–	–	–	–	–	5/5
Charles Okeahalam (S.I.D.)[3], Member	●	●	●	●	●	●	●	●	●	●	10/10
Fabian Ajogwu[1], Member	●	●	●	●	●	●	●	●	●	●	10/10
Bello Rabiu[4], Member	–	–	–	–	–	●	●	●	●	●	5/5

1. Independent Non-Executive Director.
2. Basil Omiyi ceased to be a member of the Committee on 18 May 2022, when he was appointed as an Independent Board Chairman. He attended all five Committee meetings during his membership.
3. Charles Okeahalam became the Senior Independent Non-Executive Director (S.I.D.) on 18 May 2022 following the appointment of former S.I.D. Basil Omiyi as the Independent Board Chairman.
4. Bello Rabiu (independent Non-Executive Director), became a member of the Committee on 20 July 2022. He attended all five Committee meetings from the date of his membership of the Committee.

The Remuneration Committee is a standing committee of the Board and is comprised wholly of Independent Non-Executive Directors in compliance with the Nigerian Code and the UK Code. Dr. Emma FitzGerald became the Chairman of the Committee from 1 December 2021. You will see below details of the terms of reference for the Remuneration Committee and a summary of the activities carried out during the year.

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 102 to 103 of this Annual Report and Accounts. In the interest of transparency, no Director by reason of being a member of the Committee 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.

In accordance with its terms of reference, the Remuneration Committee assists the Board in:

- Determining the framework for the remuneration of the Chairman, Chief Executive Officer, Executive Directors and members of senior management, including without limitation, the schemes of performance-based incentives (including share incentive plans), awards, and pension arrangements and benefits for the Executive Directors and senior management.
- Ensuring that contractual terms and payments in respect of dismissal, loss of office or termination (whether for misconduct or otherwise) are fair and not excessive to the individual.
- Providing appropriate input on Directors' remuneration for the Company's Annual Report and Accounts.
- Preparing necessary remuneration procedures and policies in compliance with the Nigerian Code, UK Code and other applicable laws and regulations, and in consideration of remuneration trends in the oil and gas industry in the area where Seplat operates.
- Reviewing remuneration and related matters to ensure that they are consistent with corporate governance best practice.
- Reviewing up-to-date information about remuneration in other companies in the oil and gas sector with the aid of qualified consultants.
- Overseeing any major changes in employee benefits structures throughout Seplat.
- Designing the policy for authorising claims for expenses from Executive and Non-Executive Directors.
- Regularly reviewing the ongoing appropriateness and relevance of the Company's remuneration policy.

Highlights of business carried out by the Remuneration Committee during the year include:

- Review of the bonus outturn against the corporate and individual Performance targets ("scorecards") for the 2021 financial year.
- Setting the 2022 Annual Bonus Performance targets ("scorecards") for the CEO; CFO; Board executives and senior management. These targets are cascaded throughout the Company to ensure alignment.
- Review of treatment of Long Term Incentive Plans (LTIPS) for Persons Discharging Managerial Responsibilities (PDMRS) and restricted persons during restricted periods.
- Review of Dr. A.B.C. Orjiako's Consultancy Services Agreement for the period 1 January 2022-30 June 2022 and 1 July 2022-31 December 2022.
- Review of the 2019 LTIP outcomes to determine formulaic outcome, consider if discretion applicable and approve vesting levels.
- Review and approval of the 2022 LTIP Schedule and Targets.
- Review of the implementation of the 2022 LTIP, including framework for measuring LTIP underpin.
- Review of exit remuneration for Dr. A.B.C. Orjiako based on remuneration policy for Directors.
- Setting of Performance targets for Executive Directors in relation to performance related salary increases including personalized strategic objectives to be applied for the new COO and other Executives Directors to trigger the 2023 performance related salary increase.
- Review of Executive Directors compensation to determine preferred approach to payment of benefits to Executive Directors in relation to allowances.
- Determination of the preferred approach for Operationalisation of the 2023 LTIP to reduce dilution, approve the qualification towards LTIP awards for new joiners and new eligible persons (including consideration of settling below Board LTIP awards in cash or shares.
- Review of the proposed changes to the redundancy/severance framework based on industry standards.
- Consideration of the application of malus and clawback in relation to LTIP in line with the Remuneration policy.
- Review of key executive remuneration trends in 2022 AGM season, market trends from major industry peers, i.e., UK-listed Exploration and Production ("E&P") companies, and Company's performance against the LTIP performance conditions for in-flight awards.
- Review of 2023 pay levels proposed Cost of Living Adjustment (COLA) and merit performance based increase for FY 23 to ensure pay levels remain competitive.
- Consideration of proposal from remuneration consultant and CEO on the currency of payment of Non-Executive Directors (NEDs)' fees from GB Pounds Sterling (GBP) to United States Dollars (USD), based on Company's functional currency is in USD, financial disclosures is in USD, the Executive Directors as well as the Independent Board Chairman are paid in USD.
- Review and approve the revised contract for the new Independent Chairman and Senior Independent Non-Executive Director (S.I.D.).

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.

Emma FitzGerald

Dr. Emma FitzGerald
Chairman of the Remuneration Committee

Board Finance & Audit Committee Report

Dr. Charles Okeahalam[1]
Chairman of the Board Finance & Audit Committee

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Board Finance & Audit Committee Report meetings in 2022

2022 Members	23 Feb	20 Apr	6 Jul	12 Jul	19 Jul	18 Oct	22 Nov	
Dr. Charles Okeahalam[1], Chairman	●	●	●	●	●	●	●	7/7
Ms. Arunma Oteh, OON[1], Member	●	●	●	●	●	●	–	6/7
Mr. Bello Rabiu[1,2], Member	●	●	–	–	–	–	–	2/2
Fabian Ajogwu, SAN, OFR[1], Member	●	●	●	●	●	●	●	7/7
Dr. Emma FitzGerald[1], Member	●	●	●	●	●	●	●	7/7
Mrs. Bashirat Odunewu[1,2], Member	–	–	●	●	●	●	●	5/5

1. Independent Non-Executive Director.
2. Mrs. Bashirat Odunewu was appointed to the Board as an Independent Non-Executive Director on 18 May 2022. Mrs. Odunewu joined the Board Finance & Audit Committee on 18 May 2022 and replaced Mr. Bello Rabiu on the Committee.

Dr. Charles Okeahalam, Ms. Arunma Oteh, OON and Mrs. Bashirat Odunewu have recent and relevant financial experience, as highlighted in the profile of Directors on page 68.

In the financial year ended 31 December 2022, the Committee held seven meetings, dates and attendance records for which can be seen in the table above.

I am pleased to make this report to Seplat shareholders on the activities of the Board Finance & Audit Committee, which I trust you will find to be of interest.

The Committee updated its nomenclature to the "Board Finance & Audit Committee" to reflect its role of overseeing the Internal Audit Function and External Audit. The Board Finance & 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. You will see below the details of the terms of reference for the Board Finance & Audit Committee. During the year, the Committee focused on strategies to bolster the Company's financial performance amidst an extremely challenging operating environment. We remained steadfast in our resolve to explore and execute viable solutions to each operational and financial challenge. The details of our activities are contained below.

I shall be available at the AGM of the Company to be held on 10 May 2023 or I can be contacted via the Company Secretary.

The Board Finance & Audit Committee in the financial year ended 2022 consisted of five members, all of whom were Independent Non-Executive Directors.

The Committee meets at least four times a year, and its meetings are attended by appropriate senior management of the Company, including the Chief Financial Officer, the Chief Operating Officer, the Vice President, Finance, the Head of Internal Audit, and the Head of Business Integrity.

The Board Finance and Audit Committee assists the Board in:

- monitoring the integrity of financial statements and any formal announcements relating to its financial performance, reviewing any significant financial reporting judgements contained in them;
- reviewing the Company's financial controls and financial risk management systems;
- overseeing financial strategy, policy and treasury matters;
- reviewing and approving major capital expenditures;
- making recommendations to the Board for presentation to the shareholders for approval at the AGM in relation to the appointment, reappointment and removal of the external auditor; and approving the remuneration and terms of engagement of the external auditor;
- reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process;
- developing and implementing policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm; and reporting to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken;
- monitoring and reviewing the effectiveness of the Company's internal audit function and its activities;
- providing advice on whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy; and
- overseeing and evaluating the effectiveness of (and compliance with) the Company's corporate governance policies (including without limitation: share dealing, inside information disclosure, conflicts of interest, related-party transactions and whistleblowing).

The Committee's activities during 2022

The Committee met seven times in 2022. In compliance with the Committee's terms of reference, it considered the following:

Financial statements: the Committee reviewed 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:

- the oil and gas reserve estimates;
- revenue recognition;
- fraud and management override of controls;
- impact of new accounting standards and regulations;
- impact of the fair value adjustments on oil hedges;
- impairments on the oil and gas assets;
- OML 55;
- areas that required significant estimation, judgement or uncertainty;
- compliance with financial reporting and governance standards;
- the basis for the going concern assessment;
- Company's compliance with OPEC quotas and deferments across all assets;
- NEPL and NUIMS receivables; and
- the impact of third-party deferments and losses on revenue.

Strengthening the Company's statement of financial position: the Committee worked closely with Management to explore the immediate and long-term strategies for improving the Company's statement of financial position.

Seplat Revolving Credit Facility ("RCF"): The $350 million Seplat RCF was refinanced on 30 September 2022 and is currently undrawn. The refinancing brings the facility back to its original $350million amount, extending its maturity to June 2025 with an automatic maturity extension until December 2026 once the Bond (due April 2026) is successfully refinanced. The structure and margins remain unchanged albeit with the Secured Overnight Financing Rate ("SOFR") replacing the discontinued London Inter Bank Offer Rate ("LIBOR") as the base rate. The facility is provided by 11 lenders (8 international and 3 Nigerian banks).

The Company's position of established financial strength ensures the Company is properly positioned to fund acquisition and growth opportunities.

Cash flow analyses: The minimum cash position was established and reviewed as adequate during the period.

Alternative export routes: the Committee reviewed Management updates on the evacuation challenges and noted the success in operationalising the Amukpe-Escravos Pipeline which contributed to production volumes and alleviated the downtime experienced on the Forcados Terminal.

Cost management: the Committee reviewed the continuous efforts by Management to efficiently manage costs. General and administrative costs were higher than prior year and considered increases in staff benefits and emoluments due to the impacts of inflation in 2022. In addition, costs reflect the full return to pre-Covid levels activity.

Oil hedging: the Committee reviewed the implementation of the existing oil hedging strategy and ensured that appropriate levels of revenue protection were considered at the same time as ensuring that the risk and costs of hedging were manageable.

Budgets: the Committee reviewed 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 Naira devaluation were considered as a part of the process.

Deferred tax: the Committee reviewed the appropriateness of deferred tax charges in the year.

Internal and external audit: the Committee reviewed and made recommendations on the internal and external audit plans and the underlying activities and monitored the extent and timing of remediation by Management.

Internal controls and Risk Management: the Committee reviewed the business risks including the management and mitigation of financial risks and the timeline for remediation.

The Committee reviewed the effectiveness of the Corporate Business Integrity Unit, as well as reports made through the whistleblowing system and efforts to resolve them.

Interim and Final Dividend: the Committee considered and recommended the interim and a final dividend payment of 2.5 cents. Interim dividend payable post Q1, Q2, Q3 and final dividend payable post AGM. Also, a Special dividend of 5 cents was recommended as an addition to the final dividend in view of the Company's strong performance in 2022 and this will be payable alongside the final dividend post AGM.

The Committee carefully monitored the Company's liquidity position and ensured Management's compliance with the business plans.

The Committee as part of its efforts in strengthening the corporate governance policies under its purview, reviewed, and recommended the updated Share Dealing Policy and Inside Information Policy to the Board for approval.

The significant issues considered by the Committee in relation to the financial statements were:

Impairment: the Committee reviewed the impairment tests performed by management which was also an area of focus for the external auditor.

Update on Acquired rigs: Following the acquisition of four (4) drilling rigs from Cardinal Drilling Services Limited, the Committee reviewed and considered the additional benefit from the acquired rigs and continues to monitor the value of the rigs to the business.

The Committee reviewed the investments made in the year which include the deposit for the Mobil Producing Nigeria Unlimited ("MPNU") acquisition and consideration paid for the Abiala farm-in.

Eland:
Eland RBL and Subordinated Financing: The Eland RBL ($110million, fully drawn from three banks) and the subordinated off taker financing ($50million, $11million drawn from an affiliate of Shell) remain in place. The Committee continues to monitor these facilities.

Eland (Ubima JV Settlement): A settlement agreement was reached with Wester Ord Oil and Gas Limited (a 100% subsidiary of Eland) and the JV Partner All Grace Energy Limited ("AGEL") on the Ubima field to relinquish the rights of Wester Ord Oil and Gas Nigeria Limited at a consideration and settlement sum of $55million. Following the execution of the settlement agreements and transfer of rights to AGEL, Wester Ord derecognised both assets and liabilities. The Committee continues to monitor receipts in line with the settlement agreements.

AGPC Financing: Due to the project delays on the construction of the OB3 pipeline and connecting spur line, AGPC has sought and obtained certain waivers to allow drawdowns to continue, including: (i) an extension to the principal repayment moratorium period from March 2023 until December 2023 for Naira loans and from March 2023 to March 2024 for USD loans; and (ii) an extension to the completion longstop date from December 2022 to December 2023, while also agreeing to completion milestones.

Investor Relations: The major announcement in the financial year was the signing of the Share Sales and Purchase Agreement for the MPNU acquisition. The completion of the MPNU acquisition remains a focus for the Committee.

Internal Audit

In 2022, the Board Finance & Audit 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 organisational structure, key management inputs, and past audits. The execution of the audit plan was monitored by the Committee through quarterly reports received from the Head of Internal Audit on the internal audit activities. Ernst & Young (EY) supported the internal audit team under a manpower call-off contract to provide resources as required in delivering the Internal Audit plan.

The Head of Internal Audit reports directly to the Board through the Chairman of the Committee with an administrative reporting line to the CFO. The Internal Audit function, therefore, has direct access to the Committee and its main 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 2022, the internal audit strategy emphasised greater focus on operational areas of capital spend for 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:

- IT and Cyber Security Posture of the Group
- Well Delivery Process Efficiency
- Joint Venture Compliance – Non-Operated Ventures
- Treasury Function Effectiveness
- Resourcing and Talent Management Practices
- Community Relations Management
- Asset Management System – ISO 55001:2014.

The results of the internal audit findings were considered by the Committee at the majority of the 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 also had interaction with the Head of Internal Audit without Management present. An external assessment of the internal audit function was completed in the year under review by KPMG.

External Audit

The objectiveness and independence of the external auditor are taken seriously by the Company, and this is reviewed each year prior to commencement of the audit process. The Committee has a policy of ensuring that the external auditor's independence is maintained by minimising the provision of non-audit services and this is monitored closely throughout the year.

The statutory audit fees earned by the external auditor for the audit services can be found in Note 10 to the financial statements.

Prior to commencement of the audit, the Committee meets with the external auditor to review the audit plan and reports. This is to ensure that the Committee has a thorough understanding of the higher risk areas so as to ensure that there are no material misstatements in the financial statements.

The Committee has reviewed the external auditor's performance and independence taking into account input from Management as well as interaction 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 information, 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 2023 AGM. PwC was first appointed on May 28 2020. The Company complies with the Nigerian and United Kingdom corporate governance regulations. This 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

Nominations and Governance Committee report

Prof. Fabian Ajogwu, SAN, OFR

6

Nominations and Governance Committee meetings in 2022

2022 Members	1 Jan	29 Mar	5 Apr	25 Apr	20 Jul	20 Oct	
Ms. Arunma Oteh, Chairman*	●	●	●	●	●	●	6/6
Mr. Basil Omiyi, CON, Member**	●	●	●	●	–	–	4/4
Dr. Charles Okeahalam, Member**	●	●	●	●	●	●	6/6
Mrs. Bashirat Odunewu, Member	–	–	–	–	●	●	2/2
Fabian Ajogwu, SAN, OFR, Member/Chairman*	●	●	●	●	●	●	6/6

* Ms. Arunma Oteh OON, retired from the Board on the 31 December 2022 and Prof. Fabian Ajogwu, SAN, OFR became the Committee Chairman effective 1 January 2023.

** Mr. Basil Omiyi, CON left the Committee upon his appointment as the Board Chairman on 18 May 2022 while Dr. Charles Okeahalam was appointed the Senior Independent Non-Executive Director and Mrs. Bashirat Odunewu joined the committee on the same day (18 May 2022).

In the financial year ended 31 December 2022, the Committee held six meetings. The dates and attendance records for all the meetings are reflected in the table above.

The Company went through significant changes both at the Board and Committee levels. At the Board level, Dr. A. B. C. Orjiako retired as Chairman from the Board on 18 May 2022 and was succeeded by Mr. Basil Omiyi, CON as the new Independent Board Chairman of SEPLAT. Mr. Austin Avuru also resigned from the Board as a Non-Executive Director effective 1 March 2022.

On 18th May 2022, Dr. Orjiako and Mr. Avuru were both replaced on the Board by the nominees of Shebah Petroleum and Platform Group respectively, Mr. Ernest Ebi, MFR and Mr. Kazeem Raimi, as Non-Executive Directors, while Mrs. Bashirat Odunewu joined the Board as an Independent Non-Executive Director. These appointments were approved by the shareholders at the Company's Annual General Meeting (AGM) held on 18 May 2022. Following the appointment of Mr. Omiyi as the Board Chairman, Dr. Charles Okeahalam was appointed the Senior Independent Non-Executive Director on the Board of the Company.

At the Committee level, Mr. Omiyi was replaced on by Mrs. Odunewu. In the Financial Year under review, the Board received and accepted the notice of Ms. Arunma Oteh, OON to step down from the Board effective 31 December 2022. Prof. Fabian Ajogwu, SAN, OFR was appointed as the new Committee Chairman effective 1 January 2023.

In the Financial Year under review, the Committee received the final report on the Company's Change Management Program with the following major highlights: (a) Completion of Phase 1 of the Program which focused on the effective operations and technical interfaces; resulting in the empowerment of the Asset Team, embedding of the Asset-Led organisational structure through workshops at Senior Leadership Team (SLT) level and below; and (ii) Completion of Phase 2 of the Program which focused on the implementation of the Change Management (including facilitation of engagement between SLT and employees) resulting in key decisions and actions required for the actualisation of the objectives of the Program; review of related guidelines and policies to ensure adherence with the new organisational structure, and documentation of decisions made by the Company; and communication of the Change Management Project messaging and milestone achievements within the Company.

In the discharge of its responsibility for the year, the Committee also considered the Employment Policy which focused on the recruitment, progression and promotion processes for Staff within the Company and the Committee's oversight role regarding hires and promotions of staff from GL3 and above. In the discharge of its oversight role and responsibilities under the Nigerian Code of Corporate Governance (NCCG) provisions, the Committee received and considered the final report from the 2021 Board Evaluation Performance exercise carried out by Korn Ferry. The review was focused on the core effectiveness of the Board premised on the following: (i) Board Size; (ii) Board Composition (Skills, Expertise, Diversity)(iii) Board Independence; (iv) Individual Director Contribution; (v) Company Purpose/Board Role; (vi) Strategy setting; (vii) Risk Oversight; (viii) Sustainability/ESG; (ix) Succession Planning; (x) Investor relations / Capital Markets; (x) Board Charters; (xi) Corporate Governance framework; (xii) Committee Structure; (xiii) Annual Board Calendar; (xiv) Meeting materials; (xv) Secretariat Function; (xvi) Board Culture and Dynamics; (xvii) Board Relationship with Management; (xviii) Broader Stakeholder Relations; (xix) Onboarding and Offboarding; and (xx) Board learning.

The findings from the review were thereafter grouped across five core areas: (i) People – who sits at the table; (ii) Purpose – what the Board focuses on; (iii) Process & Structure – how the work gets done; (iv) Partnership – culture and relationship; and (v) Board leadership. A progressive improvement roadmap for the Seplat Board was also presented with recommendations put forward based on the findings.

Other activities of the Committee for the financial year ending 31 December 2022 are outlined below. I shall be available at the Annual General Meeting ("AGM") of the Company to be held on 10 May 2023 for further clarifications or I can be contacted through the Company Secretary.

Prof. Fabian Ajogwu, SAN, OFR
Chairman of the Nominations and Governance Committee

All the members of the Nominations & Governance Committee are Independent Non-Executive Directors. The Committee meets at least four times a year. When required, the meetings of the Committee are attended by other members of the Board such as the Chief Executive Officer, members of the Senior Management Team including the Director Legal/Company Secretary and Director Corporate Services. External consultants also attend some of these meetings only upon invitation by the Committee Chairman.

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 any other applicable rules, as appropriate. The Committee, in collaboration with the Sustainability Committee, also ensures that Seplat complies with all the requirements under the Nigerian and UK Codes of Corporate Governance including environment, social and governance reporting. The Committee assists the Board in fulfilling its responsibilities with respect to the following:

- nomination of Board and/or Board Committee members and oversight of governance matters of Seplat.
- Board and/or Board Committee composition, evaluating the performance of Directors and making recommendations on the addition or replacement of Executive and Non-Executive Directors and the Chairman of the Board.
- oversight of Seplat management's implementation of its human capital development policies and procedures and Seplat management's recommendations for the recruitment, promotion, training, development, succession planning or disciplinary measures affecting the Chief Executive Officer, Executive Directors, General Managers and above for Seplat and any of its subsidiaries.
- overseeing the implementation of Seplat's Code of Business Conduct, reporting any lapses and recommending appropriate review to the Board from time to time.
- promoting, modelling, institutionalising, and maintaining sound ethical culture and good corporate citizenship (Sections 24.1 & 24.2 of the NCCG).
- advising the Board on modalities of strengthening the Company's corporate governance and compliance ethos, to achieve Seplat's continued survival and prosperity (Section 11.2.1 of the NCCG); and
- achieving the corporate strategy of the Company.

Other responsibilities in corporate governance are:

- Review compliance with all applicable laws, corporate governance codes, listing rules, and regulations (the 'legislations') and its implementation by the Company.
- Review developments in corporate governance generally and advise the Board periodically with respect to significant developments in the law and practice of corporate governance and recommend the approach to be taken by the Company in relation to such corporate governance standards.
- At the request of the Board, review and approve material corporate governance information of the Company to be made public or made available to public entities.
- Periodically review all Board-related policies and recommend to the Board such changes as it considers appropriate. The Committee shall also monitor adherence to the Code of Business Conduct, ensuring that breaches are appropriately dealt with.
- Review and approve items that should be published in the Company's Annual Report relating to the activities of the Committee.
- Assess whether the Board has access to all the information it requires from management.
- Assess, from time to time, whether additional information, including third-party evaluations, is desirable.
- Meet from time to time without management representatives to consider ethical, governance and compliance issues or, at the request of the Board, to consider other issues referred to it by the Board.
- Consider any other matter properly referred to the Committee by the Board, a Director, or the management of the Company, for review or recommendation to the Board.
- Meet separately with senior management, employees or independent advisors, as deemed necessary by the Committee.
- Review or make recommendations to the Board in respect of the adoption, administration or amendment of the Company's policies including the Code of Business Conduct or conflict of interest policies.
- At the request of the Board and/or the respective Board Committees, provide guidance on the Company's arrangements for its employees to raise concerns in confidence about possible improprieties in matters other than financial reporting.
- Advise the Board and the respective Board Committees on the Company's procedures for detecting and responding to fraud, including bribery, as well as arrangements in place for regulatory and statutory compliance.
- Periodically review the effectiveness of the Company's governance and compliance practices and any relevant governance and compliance issues, such as ethics, culture, integrity, transparency, including opportunities for improving the governance and compliance framework, compliance with all applicable legislations and make recommendations to the Board as appropriate with respect to any changes to the Company's governance and compliance practices; and
- Coordinate with the Sustainability Committee in providing in the corporate governance section of the Company's Annual Report, highlights of the Company's activities, standards and compliance in relation to matters of general environmental, social and governance (ESG) initiatives (Section 28.2(l) of NCCG).

Highlights of the business carried out by the Nominations and Governance Committee during the year include:

- Finalisation of the 2021 Board Evaluation Performance exercise carried out by Korn Ferry, a global organisational consulting firm, reviewed the final report from the exercise and adopted the recommendations from the report.
- Following the notice of retirement received from the past Board Chairman, commenced, and completed the search for potential candidate as an INED through an external consultant which led to the appointment of Mrs. Bashirat Odunewu as an INED on the Board in May 2022.
- Board succession was implemented with the retirement of two Founding Directors and their replacement by their respective nominees in the persons of Mr. Ernest Ebi, MFR (Non-Executive Director) and Mr. Kazeem Raimi (Non-Executive Director).
- There was change in Board/Executive Management Team with Mr. Effiong Okon stepping down from the Board as the Operations Directors and taking up a new role as the Director, New Energy while Mr. Samson Ezugworie joined the Board as the Chief Operations Officers effective 1st July 2022.
- Received the final report on the Change Management Program which was led by the CEO and supported by the Change Management Consultant/Expert.
- Held an Executive Session with the Senior Leadership Team on Talent Pool Management Framework across the organisation.
- Reviewed the implementation of confidentiality across the organisation through several corporate governance policies.
- Quarterly review of the Company's HR Dashboard which highlighted the following key updates: (i) new hires and departures from the organisation including resignations; (ii) total number of males & females employees; (iii) maintenance of a healthy workforce; (iv) staff turnover compared to the global average annual rate; (v) corporate activities within the period were also highlighted.
- Held Executive Sessions to consider Management proposals on promotions and recruitment from Grade 1 to grade 3 cadres.
- Considered the Employment Policy that covers recruitment, progression, and promotion processes for all employees within the organisation and the oversight role played by the Committee.
- Reviewed the outcome of the SEPLAT People's Voice survey across the entire organisation, the plan developed to close the concerns highlighted in the survey and carry out special interventions were necessary.
- Reviewed the updates to some Corporate Governance Policies such as the Share Dealing Policy, Inside Information Policy, etc. which was considered and approved at the Board level.
- 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.

Diversity at Seplat

As an Organisation, Seplat recognises 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 during the year under review, has embedded recruitment processes for increase in the diversity segment for female employees, events such as the Break the bias challenge and unconscious bias training sessions were held across the organisation. The Diversity and Inclusion framework and policy was adopted by the Board, and the Company marked the completion and launch of the crèche. In the Financial Year under review, a Companywide engagement on Diversity and Inclusion (D & I) implantation strategies was carried out through a survey in various diversity focus groups. The Diversity and Inclusion Policy applies to all Directors, employees, and business partners, including their respective recruitment, engagement, remuneration, evaluation, and promotion. The Diversity ad 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 launched the 'Seplat Women Awesome Network' ('SWAN') under the Seplat Gender Diversity programme on the 18th of October 2021. 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 Board decisions. There are currently four female Directors on the Board: (a) Madame Nathalie Delapalme; (b) Dr. Emma FitzGerald (c) Mrs. Bashirat Odunewu; and (d) Ms. Koosum Kalyan.

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 will 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 workforce within the Company while policies have been put in place that will support the growth of this number over time at all levels in the organisation without compromising competence and meritocracy in any way. The Company will continue to drive this campaign progressively.

Energy Transition Committee Report

Prof. Fabian Ajogwu, SAN, OFR

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Energy Transition Committee meetings in 2022

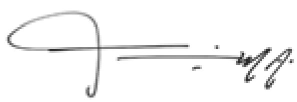
2022 Members	18 Jan	24 Feb*	13 Apr	14 July	12 Oct	
Basil Omiyi[1], Chairman[1]	●	●	●	–	–	3/3
Fabian Ajogwu, Chairman[2]	–	–	–	●	●	2/2
Charles Okeahalam, Member	●	●	●	●	●	5/5
Arunma Oteh[3], Member	●	●	●	●	●	5/5
Bello Rabiu, Member	●	●	●	●	●	5/5
Emma Fitzgerald, Member	●	●	●	●	●	5/5
Kazeem Raimi[4], Member	–	–	–	●	●	2/2

1. Mr Basil Omiyi, CON, was the former Senior Independent Non-Executive Director on the Board and Chairman of the Committee; he resigned from the Committee upon his appointment as Chairman of the Board in May 2022.
2. Prof. Fabian Ajogwu, SAN, OFR, was appointed as Chairman of the Committee in May 2022.
3. Ms Arunma Oteh, OON resigned from the Board effective 31st December 2022.
4. Mr Kazeem Raimi joined the Board as a Non-Executive Director in May 2022.

* Combined meeting

The Committee held four meetings and one combined meeting with the Risk Management and HSSE Committee in the financial year ended 31 December 2022. The dates, attendance, and new membership records are as shown in the table and Notes 1 to 4 above.

I am pleased to present to you the Energy Transition Committee Report for the 2022 financial year. In line with the new strategic direction of the Company, as approved by the Board, the name of the Committee was changed to the "Energy Transition Committee" in July 2021. Following this change, the Board revised the Committee's Terms of Reference to highlight the upstream, midstream spin-off, and gas business growth plan to enable the Committee to incorporate the gas business under the "Power & New Energy" portfolio in tandem with the New Energy/Energy Transition Agenda and initiatives of the Company. The revised Terms of Reference were approved by the Board in April 2022. Accordingly, the Committee, in addition to helping the Company successfully navigate the dynamic landscape of the gas market and to position the gas business as a robust stand-alone midstream business will also assist the Board in the oversight and deployment of the Company's Energy Transition Agenda and the conceptual energy transition roadmap. I plan to be available at the AGM of the Company to be held on 10 May 2023 to interact with shareholders, or I can be contacted via the Company Secretary.



Fabian Ajogwu, SAN, OFR
Chairman of the Energy Transition Committee
Independent Non-Executive Director

The Energy Transition Committee, in the fiscal year under review, was comprised of six Independent Non-Executive Directors who have strong leadership experience in the Nigerian and International Gas industry as well as in-depth knowledge of finance. Mr. Basil Omiyi resigned as Chairman of the Committee in May 2022 upon his appointment as the Chairman of the Board whilst Ms. Arunma Oteh resigned from the Board effective 31 December 2022. Mr. Kazeem Raimi joined the Committee as a Non-Executive Director in May 2022. Details of the revised terms of reference for the Energy Transition Committee and a summary of the activities carried out during the financial year is shown below.

In accordance with its terms of reference, the Energy Transition Committee is established to:

1. Assist the Board in the oversight of and the deployment of the Company's:
   - Energy Transition Agenda based on step-by-step plans using gas as a bridge towards clean energy;
   - Decarbonisation pathway to achieving the Company's Greenhouse Gas ("GHG") emissions reduction target;
   - Energy transition roadmap providing guidance on the implementation and assessment of the benefits, risks and cost of the transition to the Company;
   - Renewable Energy development and integration into the overall energy management strategy of the Company; and
   - Gas business growth plan which includes guidance on the framework in the spin-off of the traditional upstream into a sustainable midstream value chain.
2. Assist the Board in:
   - The periodic review of the long-term strategic Gas Expansion Master Plan for the Company that is consistent with the vision of the Company and a framework for implementing the plan;
   - The oversight of the Company's successful transition from the Upstream Gas into the Midstream value chain;
   - Reviewing issues as they arise in major ongoing midstream investments in the Assa-North Ohaji-South ("ANOH") especially given its non-operated status;
   - The review of Seplat Energy investment portfolio and opportunities in cleaner energy;
   - The formulation and implementation of the New Energy Business Model to amongst others:
     - Define and develop the New Energy business model and solutions to the Company's decarbonisation challenge and consolidate all initiatives aimed at reducing Seplat's emissions footprint into a Greenhouse Gas ('GHG') Energy Management Plan ("GHG – EMP");
     - Implement the Seplat Energy Transition Agenda including the GHG – EMP to achieve net zero emissions;
     - Expand the gas business beyond the core E&P into different gas-related business lines integrated with the New Energy Business Model;
     - Drive decarbonisation initiatives and assess the potential for investments in renewable and other forms of New Energy;
     - Collaborate on the Environment, Social & Governance ("ESG") initiatives undertaken by the Company to synergise activities relating to GHG reduction targets;
     - Transition to clean energy via a low-risk investment in Renewable Energy projects;
   - supervising the implementation of the energy transition roadmap by maturing the strategic choices approved by the Board to actualise the short-, mid- and long-term energy opportunities;
   - developing and implementing action plans that outline a series of concrete activities and actions that directly support the core goals and functions of the energy transition and new energy initiatives;
   - receiving and considering reports relating to the Midstream and Energy Transition initiatives, including gas prospects, commercial activities, and legislative updates; and
   - overseeing other activities related to the Midstream Gas processing and expansion business of Seplat as the Board may approve from time to time.

Gas business lines:

Key Committee activities related to the Gas business lines include:

- **Gas sales volume:** In the course of the financial year, the Committee paid close attention to gas sales volumes in the light of ongoing 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, gas demand grew to 350 MMscfd with the addition of new customers including Transcorp Power and Gas Hub. Accordingly, the market maintains a positive outlook with observed appetite for increased gas demand by identified prospective customers, whilst the Company will evaluate options for drilling more gas wells to meet the growing demand.
- **Collection of outstanding debt:** The Committee also monitored the collection of outstanding debts from the Company's customers. Cash collection for the year under review amounts to $71 million (gross) whilst the overdue receivables (after impairment) stands at $16.079 million. The Company has made efforts to de-risk receivables from gas sales by tightening the payment terms via the implementation of a prepayment system for gas supply as a means of resolving the liquidity challenges with power customers.
- **Gas-to-power:** The power sector is the major customer for gas in Nigeria and therefore the Company will remain exposed to the power sector. The "Partial Securitization of Gas Contracts" framework pursuant to the Nigerian Electricity Regulatory Commission ("NERC") Order 319/2022 took effect in the course of the year for implementing the payment waterfall framework for settling invoices for gas supplied to power generation companies in the country. The Committee observed positive reports of significant improvement in payment of invoices within the period. The Company will continue to monitor developments in this space along with the industry perspective in order to form an opinion on the efficacy of the framework or offer recommendations for improvement.
- **Petroleum Industry Act (PIA).** The Committee paid close attention to the proposals for the conversion of the Company's licences to the new PIA terms and the implementation of the upstream – midstream spin-off with formal recommendations in connection therewith made to the Board in the course of the year. Analysis has shown an incremental value addition to the Company's business overall from the conversion to the PIA regime. Further steps taken to implement the Company's compliance with the PIA include: submission of Decommissioning and Environmental Management Plans for the operated assets; (b) setting up the Host Community Development Trust; and (c) completing the delineation of all of the Company's acreages in line with the conversion regulation and relinquishment obligation pursuant to the regulations. The Company will continue interfacing with the regulatory agencies to achieve successful closure of this objective.

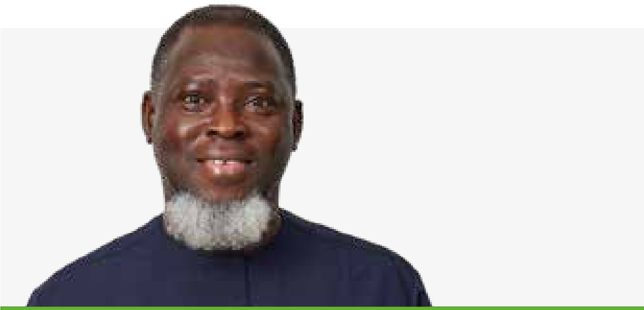
- **Sapele Integrated Gas Plant project.** The Committee continued to monitor progress on the project which remains on course to achieve First Gas delivery by Q2 2024.
- **Diversification of customer base and markets:** The Committee continued to pay attention to the drive for accelerating third-party gas opportunities and will continue to oversee the efforts to formalise the opportunities with the prospects that have been identified to date to backfill some of the dwindling reserves. The Committee took note of the commencement of gas supply to certain customers within the off-grid market in line with the Company's strategy as well as other candidates that have been identified and being evaluated for sign-off in the coming year. The Committee considered updates on the persistent low-pressure issues within the Gas Transportation Network which continues to impede gas delivery to some customers and has increased the inventory of unallocated gas to customers for invoicing. The Committee continues to pay attention to the efforts underway within the industry to investigate these issues and proffer a sustainable solution.
- **Development of gas growth opportunities:** Liquefied Petroleum Gas ("LPG") projects: The Committee considered ongoing initiatives being designed to position the Company for entry into the LPG space vis-à-vis the projected capacity growth for the country estimated to reach five million MT by 2030 in line with the government's gas expansion programme. The Committee will continue to monitor efforts and initiatives being considered to ensure that the Company is optimally positioned to harness the market in line with the current projections.
- **Opportunities in the Gas Downstream Sector:** The Committee observed reports highlighting persistent challenges of generation and distribution within the power sector and noted the inherent opportunities to underpin the transition of the Company from a core E&P company into a fully integrated power company. The Committee will continue to monitor the prospects already identified for closing the gap which include farming into Marginal Fields, acquiring Third Party Gas assets and closing M&A opportunities when available.
- **Transition to Renewable Energy:** In line with the Company's new strategic direction, the Committee has maintained oversight of the emerging framework for the Company's energy transition agenda and initiatives. The Committee will continue to monitor progress on the Energy Transition initiatives/10-year Business Investment Plan to accelerate the implementation of the Pillars 2 and 3 under the energy transition agenda.

ANOH Project:

the Project remains on track to achieve mechanical completion by Q4 2022. Key highlights of deliberations and activities relating to the ANOH Project ("Project") carried out by the Energy Transition Committee during the year include:

- Funding: engagements with the lending syndicate were successfully completed to obtain waivers towards completing the third drawdown on the debt facility in the course of the year. ANOH Gas Processing Company Limited ("AGPC") also finalised documentation and submitted the application for the tax credit under the Nigerian Road Investment Tax Credit Scheme ("RITC") for the cost of the 16km Assa-Ohoba-Obosima road project;
- Resourcing: Hands-on training/field attachments at the Oben Gas Plant for the technical Graduate Trainees (GTs") were completed in December 2021; GTs were subsequently deployed to the project site to participate in the installation and commissioning work.
- Stakeholder management/community relations: The implementation of the ANOH Global Memorandum of Understanding ("GMOU") commenced in January 2022 and is ongoing. Funding to the host and impacted communities provided under the GMOU was utilised primarily to connect the communities to the national grid. The Committee also continues to monitor the progress of work with contractors engaged to undertake road construction projects to the communities to ensure accelerated progress following the initial setbacks due to heavy rains/escalating cost of diesel and construction materials.
- Gas Evacuation Pipelines. The Committee continues to pay close attention to the progress of the dry gas export pipelines, i.e. the Obiafu-Obrikom-Oben (OB3) and spur line particularly on the River Niger crossing. Timely completion of the Spur Line remains the greatest risk to the achievement of the ANOH gas project schedule. The AGPC Project team, Nigerian Gas Company Limited ("NGC") and the Contractor continue to collaborate to ensure completion of the spur line by end of Q1 2023 in accordance with the schedule.
- Contracts and commercial: The Committee also considered progress made with the respective contract packages required for the Project completion. All contracts relating to Gas process modules, rotating equipment/compression and detailed engineering design have been completed whilst significant progress was recorded for the outstanding element of the civils, shipping and MEIC contract packages. Progress on commercial agreements was also recorded as follows:
  - Engagements with the SPDC progressing on the draft heads of terms concerning possible gas supply to the NLNG;
  - Progressed discussions with Indorama for gas supply after the completion of economic valuation on net back Urea pricing;
  - Successfully concluded review and obtained approval on the second side letter to the Wet Gas SPA to extend the Conditions Precedent Longstop Date to preserve the validity of the GSPA;
  - Collaborating with the Seplat team to review the Gas (Well Production) Balancing Agreement to highlight and address potential impact on AGPC operations and proffering solutions.
- Project Risks. The Committee continues to pay keen attention to the security updates from the project site and environment due to the "no-work" rule observed on Mondays, occasionally extended to other days of the week, which negatively impact productivity. The AGPC team continues to collaborate with government security forces, other operators and community leaders on intelligence gathering, monitoring the security situation, and adopting proactive measures necessary for safe operations.
- The Project attained six million man-hours without Lost Time Injury (LTI), as of September 2022. In order to further heighten focus on safety, monthly review of minor HSE incidents commenced alongside review of major incidents to ensure that lessons are widely communicated where necessary to reduce the risk of minor incidents snowballing into major incidents.

Risk Management and HSSE Committee report



Mr. Bello Rabiu

5

Risk Management and HSSE Committee meetings in 2022

2022 Members	18 Jan	24 Feb	13 Apr	13 July	12 Oct	
Basil Omiyi[3], Chairman*	●	●	●	–	–	3/3
Bello Rabiu[3], Chairman (successor)*	●	●	●	●	●	5/5
Madame Nathalie Delapalme[2], Member*	●	●	●	●	●	5/5
Ernest Ebi[2], Member*	–	–	–	●	●	2/2
Bashirat Odunewu[3], Member*	–	–	–	●	●	2/2
Effiong Okon[1], Operations Director/Member*	●	●	●	●	–	4/4
Samson Ezugworie[1], COO/Member*	–	–	–	●	●	2/2

1. Executive Director.
2. Non-Executive Director.
3. Independent Non-Executive Director.

* In 2022, the membership of the Committee was refreshed as follows: (i) Basil Omiyi served as the Chairman of the Committee until 18 May 2022 when he was appointed as the Independent Non-Executive Chairman of the Board. Following this appointment, Basil Omiyi ceased to be a member of the Committee; (ii) On 18 May 2022, Bello Rabiu assumed the role of Chairman of the Committee; (iii) On 18 May 2022, Ernest Ebi and Bashirat Odunewu were appointed to the Board and the Committee as Non-Executive Director and Independent Non-Executive Director, respectively; and (iii) On 1 July 2022, Samson Ezugworie was appointed as the Chief Operating Officer ("COO") and took over from Effiong Okon as the Executive Director/Member of the Committee.

In the financial year ended 31 December 2022, the Committee held five meetings. The dates and attendance records for all the meetings can be seen in the table above.

The Board assigned its oversight responsibilities for risk management to the Risk Management & HSSE Committee. In line with the Securities & Exchange Commission ('SEC') Code of Corporate Governance, the Nigerian Code of Corporate Governance 2018 and the UK Corporate Governance Code 2018, the role of this Committee is to assist the Board in overseeing and conducting a robust assessment of the Company's risk management processes and key business risks, including the risk appetite, risk profile and risk-reward strategies for the Company and other risk parameters determined by the Board. It also reviews the adequacy and effectiveness of risk management and controls, has the oversight of the Company's process for the identification of significant risks across its business operations and the adequacy of prevention, detection and reporting mechanisms. The Committee also carries out a periodic review of changes in the domestic and global economic and business environment, including trends and other factors which are relevant to the Company's risk profile.

During 2022, the Board refreshed the membership of the Committee, as reflected in the notes to the table above. I would like to thank the members who exited for their invaluable contributions to the achievements of the Committee and extend a warm welcome to the new Committee members.

The Committee is pleased to report that in 2022, Seplat Energy was awarded the ISO 55001:2014 AMS Certification covering OMLs 4, 38 and 41. This Certification is another significant first for Seplat, as the first E&P company in Africa to become ISO 55001 certified. This achievement is a testament to the strong efforts of the Board and Management to ensure a strong HSE culture and operational efficiency at Seplat. Plans are already underway to extend the ISO Certification to other assets of the Company.

Another significant achievement for the Company was its successful de-escalation of COVID-19 with no fatalities or disruption to operations. This achievement is indicative of the strong Covid-19 management system which the Company deployed from the start of the pandemic to date, with diligent oversight by the Committee. After the Company commenced full office resumption on 17 January 2022, its Covid-19 positivity rates progressively reduced throughout 2022 until achieving the rate of 0.00% in October 2022.

During the year under review, a key strategic focus for the Committee was to ensure that the Company sustained an optimal production performance in the light of the crude evacuation challenges arising from the downtime and crude losses/thefts on major export routes. The Committee is pleased to report that the Amukpe-Escravos Pipeline came onstream in July 2022, which served as an alternative evacuation route for the Company and provided a significant uplift to the Company's 2022 production performance despite the challenging operating environment and insecurity in Nigeria.

The strong HSE performance of Seplat and its subsidiaries is also noteworthy. During the year, Seplat achieved over 30 million manhours without LTI, while the Assa-North Ohaji-South ("ANOH") Gas Project and the OML 40 operations also recorded remarkable milestones in terms of LTI-Free manhours. Since the unfortunate spill incidents in 2020, the OML 40 operations has maintained a strong HSE management system and has continued to record successful operations without LTI.

The details of these achievements and other activities of the Risk Management and HSSE Committee are summarised below.

I shall be available at the AGM of the Company to be held on 10 May 2023 to discuss with shareholders, or I can be contacted via the Company Secretary.

Bello Rabiu
Chairman, Risk Management and HSSE Committee (Independent Non-Executive Director).

During the year, the Committee welcomed three new appointees to the Board and the Committee, namely: Mr. Ernest Ebi, Mrs. Bashirat Odunewu and Mr. Samson Ezugworie. The introduction of the new Directors was conducted in line with best practice and added new insight and expertise to the oversight activities of the Committee.

The Risk Management and HSSE Committee meets at least four times a year, but met five times in 2022, as indicated in the table above. The Committee held an ad hoc meeting on 24 February 2022 together with the Energy Transition Committee, in order to conduct a detailed investment and progress review on the Sapele Integrated Gas Plant Project.

The meetings of the Committee are attended by appropriate members of the 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 & Sustainability. 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. Specialists with appropriate technical expertise are invited to attend and present to meetings of the Committee, as and when required.

The terms of reference of the Risk Management and HSSE Committee are to assist the Board to:

- review and recommend for approval of the Board, the risk management policies and framework, as well as assist the Board in its oversight of the risk management strategy;
- review the adequacy and effectiveness of risk management and controls in the Company;
- receive reports from, review with, and provide feedback to, Senior Management on the categories of risk that Seplat faces, including credit, market and operational risk, the exposures in each category, significant concentrations within those risk categories, the metrics used to monitor the exposures and Management's views on the acceptable and appropriate levels of those risk exposures;
- evaluate the adequacy of the Risk Management function; and review the adequacy and frequency of risk reporting to the Board;
- review Seplat's credit, market, liquidity and operational risk management frameworks, including significant policies, processes and systems that Senior Management uses to manage risk exposures, as well as risk measurement methodologies and approaches to stress testing;
- exercise oversight over the processes for the identification and assessment of significant and emerging risks across Seplat and the adequacy of prevention, detection and reporting mechanisms;
- review the Company's level of compliance with applicable laws and regulatory requirements including those that may impact Seplat's risk profile; and the procedures and controls for any new businesses acquired or developed by Seplat;
- periodically review relevant changes in the economic and business environment, including emerging trends, management procedures, controls for risk associated with new business and other factors relevant to Seplat's risk profile and those trends which may threaten Seplat's business model, key strategies, future performance, solvency and liquidity and make recommendations to the Boards as appropriate;
- receive information from the Chief Executive Officer, Chief Operating Officer, Technical Director, General Managers of Assets, Head of Enterprise Risk Management, Director, Legal/ Company Secretary, others from Senior Management, Seplat's independent auditors, regulators and outside experts as appropriate regarding matters related to risk management;
- in consultation with the Audit Committee, review and discuss with Senior Management, at least annually: (a) the key guidelines and policies governing Seplat's significant processes for risk assessment and risk management; and (b) Seplat's major financial risk exposures and the steps Senior Management has taken to monitor and control such exposures;
- review the Company's policies and procedures for detecting fraud and prevention of bribery including review of the Company's whistleblowing policy and procedures;
- evaluate the effectiveness of Seplat's policies and systems for identifying and managing environmental, health and safety risks within its operations;
- assess the policies and systems within Seplat for ensuring compliance with environmental, health and safety regulatory requirements; and perform other activities related to these terms of reference and as requested by the Board; and
- review and recommend for approval of the Board, at least annually, the Company's Information Technology (IT) data governance framework to ensure that IT data risks are adequately mitigated, and relevant assets are managed effectively. The framework may include: (a) Development of IT strategy and policy; (b) Proactive monitoring and management of cyber threats and attacks as well as adverse social media incidents; (c) Management of risks relating to third-party and outsourced IT service providers; (d) Assessment of value delivered to the Company through investments in IT; and (e) Periodic independent assurance on the effectiveness of the Company's IT arrangements.

Highlights of the business carried out by the Committee during the year are as follows:

- Quarterly review of the Enterprise Risk Register which contained identified risks across all assets and reflected the pre-mitigation outlook (i.e., the position of risks before implementing mitigations); the post-mitigation outlook (i.e., the position of risks after measuring the impact of completed mitigations); and the residual risk outlook (i.e., the lowest position of risks after all identified mitigations were implemented). Close attention was paid to the proper classification of risks, the recognition of national and globally emerging risks, and the progress made in completing mitigation actions within the Company. As part of staying abreast of globally emerging risks, the Committee approved for the risks of Cyber-security to be added to the Enterprise Risk Register for close monitoring and effective mitigation. In addition, the Risk Management framework and Internal Controls Policy was updated in line with improvement areas identified during the ISO 55001 Certification exercise, and (following the Committee's recommendation) the updated Policy was approved by the Board on 27 July 2022;
- Detailed review of the alternative crude evacuation solutions to be deployed across all assets of the Company, in order to mitigate against production challenges and crude losses occurring from the major export terminals/lines. The first alternative crude evacuation solution was the Amukpe-Escravos pipeline, which came onstream in July 2022 and yielded significant uplift to the production performance of the Company;
- Consideration of (and support for) the Company's conditional Application for the Voluntary Conversion of OMLs 4, 38, 51 and 53 to the regime of the Petroleum Industry Act ("PIA"). This Application will be reviewed on a quarterly basis in line with emerging PIA subsidiary regulations (including the proposed Conversion Regulation), in order to ensure alignment with the Company's assumptions for opting for voluntary conversion;
- Review of the 2022 Operations Plan and the quarterly review of the Company's performance against the plan; review of the Company's performance on new oil/gas wells and capital and brownfield projects; updates on the outages from major evacuation pipelines and viable options for mitigating against these outages through alternative evacuation solutions from the Western and Eastern regions of the Company's operations; update on asset integrity and process safety management, Midstream Gas business, non-operated ventures, crude oil theft/losses, deployment of technology for proactive asset integrity management; progress on the Roadmap for Ending Routine Flares; review of the Company's operating cost as benchmarked against other operators in Nigeria; review of the Company's strategy and response plan to security threats around its operational areas;
- Quarterly review of the Covid-19 management system for operations continuity, and the prevention and management of Covid-19 spread in Seplat operations and locations, including updates on testing rates and positivity rates. The Company successfully de-escalated Covid-19 positivity rates with no interruption to operations since the onset of the pandemic. A Covid-19 Management/Vaccination Policy was developed and integrated across the Company. Full office resumption commenced on 17 January 2022 and was sustained throughout the year with strong vaccination rates and progressively reducing positivity rates. The Company achieved a positivity rate of 0.00% throughout the last quarter of 2022;
- Review of the 2022 Corporate HSE Business Plan; quarterly updates on the Company's HSE performance with highlights on LTI-free manhours achieved for the period, incident review panel sessions, campaign to embed Seplat Energy's mandatory safety rules amongst personnel, etc. During the year, HSE activities focused on the optimal management of Covid-19 and other infectious diseases (including health awareness and the fitness-to-work process) as well as strengthening the management system around road traffic accidents, emergency and crisis management, and HSE core processes (MS Manual, Confined Space and LOTO Audit). The Company also focused on completing the clean-up of previously impacted sites, and obtained the requisite environmental permits and studies. The Committee is pleased to report that Seplat Energy achieved 30.5 million manhours without LTI as at 30 September 2022. Unfortunately, due to an incident involving a third party that occurred on 13 October 2022 during an anti-encroachment campaign in Sapele, the Company's LTI-free record has been reset and stands at 1,891,928 manhours as at 31 December 2022. The Company has thoroughly investigated the incident and integrated the lessons learned across all levels of the business (including strengthening the HSE management system involving third parties);
- Quarterly review of the HSE programme for OML 40 operations was deployed by the incorporated joint venture company, Elcrest Exploration and Production Company Limited ("Elcrest"), including the clean-up activities for spill sites. These clean-up activities progressed well in collaboration with the impacted host communities and the relevant government agencies. There continues to be improvement in the HSE management system of Elcrest, and the Committee is pleased to report that Elcrest has achieved 5.3 million manhours without LTI as at 31 December 2022. In 2023, Elcrest will continue with the roadmap towards achieving the ISO 14001:2015 and ISO 45001:2018 Certifications;
- Quarterly review of the risk management and HSE performance on the ANOH Gas Project. The ANOH project has continued to maintain a strong HSE record and has achieved seven million manhours without LTI as at 31 December 2022. The ANOH incorporated joint venture company (ANOH Gas Processing Company Limited – "AGPC") will begin the ISO 45001 and 14001 Certification process in 2023; and
- Quarterly review of the legal risk dashboard and litigation matrix, which highlight the movements in contingent liability, key legal risks, and high-profile litigation within the Company.

Sustainability Committee report

Madame Nathalie Delapalme

4

Sustainability Committee meetings in 2022

2022 Members	21 Jan	19 Apr	19 July	18 Oct	
Madame Nathalie Delapalme, Chairman	●	●	●	●	4/4
Prof. Fabian Ajogwu, SAN, OFR[1], Member	●	●	–	–	2/2
Mr. Bello Rabiu, Member	●	●	●	●	4/4
Ms. Arunma Oteh, OON[2], Member	–	●	●	●	3/4
Mr. Kazeem Raimi[3], Member	–	–	●	●	2/2
Mr. Ernest Ebi, MFR[3], Member	–	–	●	●	2/2

1. On 18 May 2022, Prof. Fabian Ajogwu, SAN, OFR resigned from the Committee upon appointment as Chairman of Energy Transition Committee.
2. Effective 31 December 2022, Ms. Arunma Oteh, OON resigned from the Board and the Committee.
3. On 18 May 2022, Mr. Kazeem Raimi and Mr. Ernest Ebi, MFR were appointed to the Board and joined the Committee immediately.

In the financial year ended 31 December 2022, the Committee held four (4) meetings. The dates and attendance records for all the meetings can be seen in the table above.

The Sustainability Committee maintains oversight of SEPLAT's ESG goals, the development and implementation of the Company's Community Relations Policy and CSR initiatives as well as the review of key issues which impact community relations especially with the host oil and gas producing communities. The Committee in the past year continued to place a strategic focus on ESG and sustainability and on the implementation of sustainable practices within the society such as gas flare out, renewable energies, tree planting and also invested its efforts in driving a culture of sustainability within the Company. The committee is keen to ensure both a balanced commitment and interaction between the three components of the ESG policy – Environment, Social and Governance

In order to ensure the sustainability of the environment and the continuance of sustainable practices within the Company, the Board through the Sustainability Committee continued to monitor the regulatory space on ESG and Sustainability and ensured the implementation of regulatory and recommended sustainability practices within the Company. In 2022, the Company published its 2021 Sustainability Report in compliance with the Rules of the Nigerian Exchange.

To further demonstrate its commitment to sustainability, the Company completed in the past year its subscription to the UN Global Compact Initiative, a voluntary initiative to implement and align strategies, carry out business operations with universal sustainability principles on human rights, environment, anti-corruption, labour, etc. and take decisive steps that will progress shared objectives to support UN goals.

Seplat in 2022, continued to ensure the alignment of its CSR and Community Relations strategies with the Global Sustainable Development Goals. Being a Company committed to creating value for its stakeholders, Seplat implemented various CSR programmes that helped thousands of people achieve better living standards, access quality education, healthier lives, and social and economic opportunities while driving positive business outcomes.

The Committee was also committed to undertaking several social investment activities within the host and neighbouring communities which contributed greatly to enhance the lives these communities' inhabitants. Aiming also to provide better access to clean energy to the communities is a key component for the Committee.

The Committee continued to provide advisories to the Board on broader societal related matters which may impact Seplat's reputation, brand management and successful business operations.

The Committee is proud to restate the Company's commitment to GHG emission reduction and monitors closely the road to gas flare out. To further protect the environment, the Company successfully launched the Tree for Life Project in May 2022, thus reiterating, and effectively implementing, its commitment to protect its environment.

You will see below details of the activities carried out during the year. Further details on the Company's sustainability activities during 2022 are also contained in the sustainability report.

I shall be available at the AGM of the Company to be held on 10 May 2023 to engage with shareholders, or I can be contacted via the Company Secretary.

Madame Nathalie Delapalme
Chairman of the Sustainability Committee
(Non-Executive Director)

During the year under review, the Sustainability Committee comprised of six (6) Non-Executive Directors, three (3) of whom are Independent, though two members left the Committee before the end of the year. The Committee met four times in 2022, and when required, the meetings were attended by the Retired Chairman as well as appropriate Senior Management of the Company (such as the Chief Executive Officer; Chief Operations Officer; Director, Legal/Company Secretary; Director, External Affairs & Sustainability and the Director, New Energy). External advisers also attended upon invitation by the Committee Chairman for specific matters.

The Sustainability Committee assists the Board to:

- develop policies/strategies that relate to ESG in the Company and ensure compliance with these policies/strategies, in order to ensure its operations remain efficient, socially responsible, and environmentally compliant;
- review the draft Annual Sustainability Report prepared by Management for submission to the Board for its approval and publication in the Annual Reports and Accounts and subsequent filing with the Nigerian Exchange Limited on or before 30 March each year;
- ensure the Company is socially responsible by monitoring compliance with good labour practices, protection of human rights, diversity and inclusion, gender equality and youth empowerment;
- develop and monitor the implementation of policies/strategies that promote good and sustainable relationships between the Company and its stakeholders including communities, investors, employees, customers, etc.
- conduct periodic review of the Company's system of operations and its impact on the environment to ensure there is minimum, to the extent possible, any adverse impact on the environment and that its operations are in line with global best practices;
- ensure that there is recognition by all within the Group of the impact of its activities upon all stakeholders including shareholders, customers, suppliers, employees and the wider community and environment and that those activities are regulated such that, consistent with sustainable business and development, they are conducted in a socially responsible manner and have a positive impact on communities;
- oversee the development of strategy and implementation of Seplat's Community Relations Policy, CSR programmes, Corporate Branding efforts and policies on all key areas of CSR including standards of business conduct, ethics, charitable activities, community initiatives while ensuring that Seplat maintains a co-operative relationship with relevant environmental, health and safety agencies (public and private) as well as with community representatives;
- ensure that the Company's Code of Business Conduct provides greater coverage on ESG issues (Environmental – waste & pollution, resource depletion, greenhouse gas emission, etc.; Social – local communities, health & safety, employee relations & diversity etc.; and Governance – corruption & bribery, donations, etc.) and oversee its implementation across the Company;
- agree a programme of specific CSR activities and more ESG related initiatives and focus for each financial year, supported by appropriate targets and key performance indicators;
- develop a comprehensive ESG policy/strategy and monitor its total compliance by all parties with respect to protecting the sanctity of the environment;
- propose innovative approaches to tackling ESG issues including developing a carbon offset initiative, etc;
- oversee and ensure compliance with the CSR Policies and review performance against agreed targets;
- have full responsibility for advising the Board on all ESG matters in relation to the activities and operations of Seplat and ensure that the Company reports on the basis of best practice including impact reporting;
- oversee and monitor implementation of the Global Memorandum of Understanding (GMoU) between Seplat and host communities towards ensuring that equity and fairness is promoted in the distribution of CSR related initiative amongst the various communities and that the programmes/activities impact the lives of all host community indigenes positively;
- ensure that other communities who are impacted by Seplat's operations though not necessarily designated "host communities" are given due regard in allocation of CSR initiatives as may be necessary;
- assess the performance of Seplat with regard to the impact of its CSR decisions and actions upon employees, communities and other third parties. It shall also assess the impact of such decisions and actions on the reputation of the Group;
- assess the impact of Seplat's operations on stakeholders particularly the communities in which Seplat operates;
- evaluate and oversee on an ongoing basis, the quality and integrity of any reporting to shareholders and external stakeholders concerning community relations issues;
- review periodically the policies and practices that relate to the relations between the Company and its employees to ensure that such policies and practices promote business sustainability;
- review the results of any independent audits of the Group's performance in regard to community relations matters, review any strategies and action plans developed by management in response to issues raised and, where appropriate make recommendations to the Board concerning the same; and
- review and oversee other related matters and topics in relation to sustainability as may be assigned to it by the Board from time to time.

Highlights of business carried out by the Sustainability Committee during the year include:

1. Successfully completed Seplat's subscription to the United Nations Global Compact Initiative, a voluntary initiative based on CEO commitments to implement universal sustainability principles and to take steps to support United Nations' goals.
2. Successfully deployed the Seplat WWG Eco-17 tracker pro platform designed to monitor and report on ESG within the Company in order to strengthen Seplat's commitment to ESG.
3. Successfully submitted the 2021 Sustainability Report to the Exchange in compliance with the NGX Directive to all listed companies to submit and publish their sustainability reports before March of every year.
4. Ensured the continuous effective monitoring and decrease in the release of greenhouse gas emission due to the Company's operations in the community.
5. Successfully held the Seplat ESG Day which highlighted members of the Board and senior Management enlightening staff on the importance of ESG as well as ESG monitoring and reporting.
6. Successfully launched the Tree for Life Project in Abuja with many notable personalities in Nigeria in attendance.
7. Ensured the maintenance of the Company's social licence to operate within the communities through series of effective stakeholder engagements and successfully empowered members of the communities through relevant skill acquisition and training.
8. Continued GMOU implementation and Partnership management with the Community through sustainable community development – infrastructure development projects, relationship management and support of the operations of the Company.
9. Successfully commenced the implementation of the Petroleum Industry Act 2021 in relation to the set-up of the Host Community Trusts which include successfully obtaining the approval of the NUPRC to set up the Trusts for the Assets and engaging extensively community members in the selection of members of the Board of Trustees.
10. Successfully deployed the Seplat Teachers Empowerment Programme (STEP) with 214 teachers in participation and the implementation of the 2022 edition of the Seplat Education Round Table discussions.
11. Successfully awarded sixty (60) new scholarships and maintained the 380 existing scholarships which is open to all Nigerian students.
12. Successfully commenced the SEPLAT JV Pearls Quiz which includes cash prizes to the winning school, set-up of e-libraries for the winning school and gifting of school buses to the winning schools.
13. Successfully deployed the Seplat Eye Can See programme for community with about 2,908 persons being screened, 94 surgeries performed, and 2,537 reading glasses issued to patients.

Remuneration Committee Chairman's Annual Statement

Dr. Emma FitzGerald
Remuneration Committee Chairman

Dear Shareholder,

On behalf of the Remuneration Committee ("the Committee"), I am pleased to present the Directors' Remuneration Report for the year ended 31 December 2022."

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. It also sets out how we intend to implement our Remuneration Policy in 2023. An advisory resolution to approve this statement and the Annual Report on Remuneration will be put to shareholders at the 2023 Annual General Meeting (AGM).

Corporate performance highlights

Based on Seplat's strong financial performance in 2022, the Board recommended a final dividend of US 2.5 cents per share for the financial year 2022, and following a review of the Company's operational, liquidity and financial position post refinancing, an additional special dividend of US 5.0 cents per share was declared, to be paid after shareholders' approval at the Annual General Meeting, which will be held on 10 May 2023. This brings the full-year dividend to US15 cents, despite the significant disrupted production experienced during the year. Other financial highlights include:

- Revenue growth of 30% to $952 million
- Adjusted EBITDA growth of 12% to $417 million
- Strong full year cash generation of $571 million
- Strong balance sheet with $404 million cash at bank and net debt of $366 million.

Despite the production challenges impacted by outages of key infrastructure predominantly in Q3 total production for FY 22 was 16.2 MMboe. Other operational highlights include:

- Use of Amukpe-Escravos pipeline.
- Completed 13 wells including two wells for the ANOH Gas processing plant.
- ANOH Gas processing Plan 95% complete.
- Impressive safety culture maintained – Lost Time Injury Frequency Rate (LTIFR) for FY 22 is 0.12.

The Company continues to pursue the Ministerial consent received on 08 August 2022 for the Mobil Producing Nigeria Unlimited ("MPNU") acquisition and we remain focused on concluding the transaction. In addition, the Company is implementing its roadmap to net zero and have made encouraging progress with a 35% reduction in emission intensity last year. The major reduction target in carbon emissions is routine flaring which we are on track to eliminate by the end of 2024.

The key areas of 2022 performance and 2021 comparative performance are set out below:

	2022	2021
Profit before tax ($ million)	204	177
Oil production volume (bopd)	24,735	29,091
Gas production (MMscfd)	112	108
2P Reserves (MMboe)	438	457
Lost time incident frequency	0.12	nil

Remuneration outcomes for the 2022 financial year

Our remuneration policy is closely aligned to our strategy, the market, and shareholder interests. The Committee calibrated the 2022 corporate scorecard around targets linked to production, operational efficiency, technical growth projects, financial, health and safety and environmental, social and governance ("ESG"). The 2020 Long-Term Incentive Plan (LTIP) award measured our success in maintaining operational and technical excellence and delivering long-term relative shareholder value.

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 established that the Company overall had performed between on-target and maximum. The 2022 annual bonus outcomes were 65% of maximum for the CEO, CFO and Operations Director. The bonus levels are slightly lower than those for 2021, reflecting the challenging environment we operated in 2022.

The determination of the corporate scorecard is cascaded through the organisation, and is used not only 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 reflective of the Company's underlying performance and therefore no discretion was exercised in relation to the annual bonus outcome.

The 2020 LTIP awards, for which the performance period ended on 31 December 2022, will vest on 30 April 2023. I am pleased to announce that the Company performed between the median and upper quartile of the Total Shareholder Return (TSR) comparator group, leading to a vesting outcome of 45.4% prior to the application of the Operational and Technical scorecard underpin. The Remuneration Committee assessed the historical bonus outturns over the three financial years in line with the underpin and determined that the percentage of operational and technical measures that had achieved threshold level of performance or above was in excess of 80% and as such, there would be no downwards adjustment to the formulaic TSR outcome. Therefore, the overall 2020 LTIP vesting level was 45.4%. The Committee felt that this achievement combined with the annual bonus outturn is appropriate considering the overall business performance and therefore no discretion was exercised in relation to the LTIP.

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.

Main Remuneration Committee actions and decisions in 2022

We set out below the key Remuneration Committee actions and decisions in 2022:

- Review of the bonus outturn against the corporate and individual performance targets "scorecards" for the 2021 financial year.
- Review the Total Shareholder Return ("TSR") performance of the Company relative to the constituents of its comparator group and the Operational and Technical scorecard underpin to determine the performance outcome for the 2019 LTIP Awards.
- Setting the 2022 Annual Bonus Performance targets "scorecards" for the CEO, CFO, Operations Director, COO, and senior management. These targets are cascaded throughout the Company to ensure alignment.
- Review of the implementation of the 2022 LTIP and approval of the 2022 LTIP Schedule and Targets, including review of the framework for measuring the LTIP underpin.
- Review of Dr. A.B.C Orjiako's contractual exit payment and Consultancy Service Agreement fees.
- Set fees for a newly appointed independent Non-Executive Chairman and recruitment remuneration for the COO. The Committee follows a rigorous process when determining Director pay, considering market levels of pay, remuneration practices within the Group, the nature of operations and the contribution of the role and skills and experience of the individual. On appointment, the Chair's fee was set considerably lower than that of his predecessor, and the COO's salary was set at a lower level than that of the Former Operations Director.
- Review and approve the revised contract for the new Independent Chairman and Senior Independent Non-Executive Director (S.I.D.).
- Review of pay benchmark exercise for Directors, Executive Management and the wider workforce.
- Review of key executive remuneration trends for the 2022 AGM season as well as the trends from major industry peers.
- 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.
- Determination of the preferred approach for Operationalisation of the 2023 LTIP to reduce dilution, approve the qualification towards LTIP awards for new joiners and new eligible persons (including consideration of settling below Board LTIP awards in cash or shares).
- Consideration of Nigerian Pay and Governance Update which considered changes in statutory laws and requirements.
- 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.

Non-Executive Director changes

During 2022, there were some changes in the Non-Executive Directors' composition of the Board. Dr. A.B.C Orjiako, retired as Chairman from the Board of the Company after the 2022 Annual General Meeting (AGM) on 18 May 2022. Following the retirement of Dr. Orjiako from the Board, Mr. Basil Omiyi was appointed as the Company's new independent Non-Executive Chairman, effective the same day, after thorough assessment of internal and external candidates. The appointment was approved after a unanimous vote by all Directors of Seplat Energy at the 2022 AGM, in compliance with stipulated regulations.

Following stepping down as a Non-Executive Director, the Company retained the services of Dr. Orjiako on a Consultancy Service Agreement, through Amaze Limited ("the consultant company"), to take up alternative responsibilities with specific and essential external stakeholder engagements, particularly in respect of the acquisition of the entire share capital of Mobil Producing Nigeria Unlimited ("MPNU"), which continued beyond his Board retirement date. As announced on 23 March 2023, the Consultancy Service Agreement was suspended on 13 February 2023 as unanimously approved by the Board of Directors, following repeated warnings about breaches of a material nature. The Contract was then terminated with immediate effect on 23 March 2023. This course of action was necessary to protect the Company and its Shareholders, Directors, and Officers from potential and increasing liability arising from the conduct of the Consultants, Dr. Orjiako and Amaze Limited.

Dr. Charles Okeahalam succeeded Mr. Basil Omiyi as the Senior Independent Non-Executive Director of the Company's Board from 18 May 2022, and Ms. Arunma Oteh, an Independent Non-Executive Director of the Company's Board, retired from the Board with effect from 31 December 2022.

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-Executives are disclosed later in this report.

Full details of any payments made in 2023, if any, to Directors who left the Board will be set out in the Directors' remuneration report for 2023.

Remuneration Policy

During 2020 and early 2021, the Remuneration Committee conducted a full review of the current Remuneration Policy, which was subsequently approved at our 2021 AGM with 100% support. The policy operated as intended during 2022. The Committee is of the view that the current remuneration framework remains fit for purpose, therefore there are no proposed changes to the operation of the Policy for 2023.

In line with the three-year lifecycle, a new Policy will be put forward to a binding shareholder vote at the 2024 AGM. The Committee, alongside management, will be working on the design of this new Policy in 2023 and we will consult with shareholders to gather feedback on the proposals later this year.

Operation of the remuneration policy in 2023

- The Committee reviewed current salary and fees for the Executive and Non-Executive Directors and determined that the CFO and Non-Executive Directors should receive a 4% salary or fee increase (which are below the UK and Nigerian wider workforce salary increases of 10% and 15% respectively).
- On promotion to CEO in August 2020, Roger Brown's salary was set below the targeted policy level while he became established in the role. Given the CEO's strong performance over the year, the Committee awarded the CEO a 15% salary increase, comprising 4% cost-of-living adjustment (COLA) and 11% performance-related adjustment to move his salary closer to the Company's targeted market positioning. The total increase does not exceed that of a strong performer in the wider Nigerian workforce. The Remuneration Committee intends to provide an additional adjustment to the CEO's salary in FY24 in excess of US$ inflation to honour the commitment to align to the salary level of the previous CEO subject to sustained

individual and corporate performance over FY23. Furthermore, the MPNU integration and the resultant change in the scope and scale of the role may necessitate a further review of the remuneration of the CEO to reflect this change in circumstances and ensure that remuneration continues to support the evolving business strategy.

- Similarly to the CEO, on appointment to the role, the salary of the COO was set slightly below the targeted policy level, with the intention to move the COO's salary closer to the Company's targeted market positioning subject to his continued strong performance. As such, the Committee determined that the COO would also receive a 15% salary increase, comprising 4% cost-of-living adjustment (COLA) and 11% performance-related adjustment to move his salary closer to the Company's targeted market positioning and reflect his strong performance in his role to date, with the intention to provide an additional adjustment to the COO's salary in FY24 in excess of US$ inflation to honour the commitment to align to the salary level of the previous Operations Director, subject to sustained individual and corporate performance over FY23. The total increase does not exceed that of a strong performer in the wider Nigerian workforce.
- Fees for the appointed Independent Chairman of the Board were reviewed, and the Committee has determined that a 4% increase to fees will apply, in line with Non-Executive Directors.
- 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 six pillars and safety element underpinning the Company's updated strategy.
- LTIP awards will be granted in 2023 which 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.
- Overall total remuneration opportunity will be kept under review, alongside remuneration arrangements for the wider workforce.

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.

The Company operates an extensive range of mechanisms and instruments for workforce engagement which cover all employee populations, including a Joint Consulting Committee (JCC), workshops on the Company's remuneration philosophy, the HR quarterly dashboard, visiting employees, Seplat's Voice survey and the whistleblowing policy. Please see page 118 for details of actions undertaken in 2022. In addition, we run regular virtual town hall sessions where colleagues can raise questions and discuss business issues, providing feedback on subjects including remuneration.

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 development of all 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 2022 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 15% with targeted above market increases for selected roles. The Committee is proud that 78 of our colleagues received 2022 LTIP awards, which represents around 16% of our current 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. 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. Details of the shareholder voting outcomes in respect of the remuneration policy and Remuneration Report are presented on page 102. 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 via the Director, Corporate Services, Charles Gbandi, 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 three sections:

- the Annual Statement by the Remuneration Committee Chair (pages 101 to 103);
- the At a Glance section (pages 104 to 109);
- the Annual Report on Remuneration which sets out payments made to the Directors and details the link between Company performance and remuneration for the 2022 financial year (pages 110 to 118).

Dr. Emma FitzGerald
Remuneration Committee Chairman
(Independent Non-Executive Director)

At a glance

Introduction
In this section, we highlight the performance and remuneration outcomes for the 2022 financial year, how the remuneration policy will be implemented in 2023 and the wider employee context.

2022 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 2022 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)	2022	918	322	156	1,396	895	753	1,648	3,044
	2021	850	192	145	1,187	918	941	1,859	3,046
Emeka Onwuka (CFO)	2022	719	201	122	1,042	467	n/a	467	1,510
	2021	705	68	120	893	508	n/a	508	1,401
Samson Ezugworie (COO)[6]	2022	312	114	53	479	203	n/a	203	682
	2021	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Effiong Okon (Former OD)[7]	2022	367	94	62	523	238	663	901	1,424
	2021	719	81	122	922	518	1,031	1,549	2,471

1. Salaries for Executive Directors are set in USD – 2022 salaries were $918,000 for the CEO inclusive of residency allowance, $719,143 for the CFO, $623,321 for the COO and $733,319 for Effiong Okon, all inclusive of housing and 13th month allowances. For the CEO's service as CFO during 2020, the average 2020 USD: GBP exchange rate of $1.284 has been used where applicable.
2. The taxable benefits for each Executive Director comprise those which are quantifiable. Benefits in 2022 include insurance, which was to the value of $42,978.13, $26,935.67, $27,463.85 and $22,355.50 are for the CEO, CFO, COO and Effiong Okon, 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 2020 LTIP awards vesting in May 2023 is shown in 2022 as the performance period ended on 31 December 2022. The estimated value of these awards uses a 2022 Q4 average share price of $1.15; the actual value will be updated in the 2023 Directors' remuneration report when the awards vest on 1 May 2023. For 2019 LTIP that vested in 2022 and was reported in 2021 report, amount has been trued up to reflect value as at actual vesting date.
6. The COO joined the Company on 1 July 2022 and all values stated here refer to his six-months' period of employment in 2022.
7. Effiong Okon was an Executive Director until 30 June 2022 and values shown here are representative of all earnings and awards until 30 June 2022.

Further detail regarding the disclosures in the table above is presented in the Annual Report on Remuneration on page 110.

Variable pay outcomes for 2022
We set out below a summary of the 2022 annual bonus performance outcomes, together with details of the determination of the vesting of the 2020 LTIP, whose performance period ended on 31 December 2022. Further detail is set out in the Annual Report on Remuneration on page 104.

2022 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 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 65% of maximum. The bonus levels represent a performance moderation from 2021, as in the scorecard.

2020 LTIP awards vesting
The 2020 LTIP awards vest on 1 May 2023. However, the performance period for these awards ended on 31 December 2022 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.

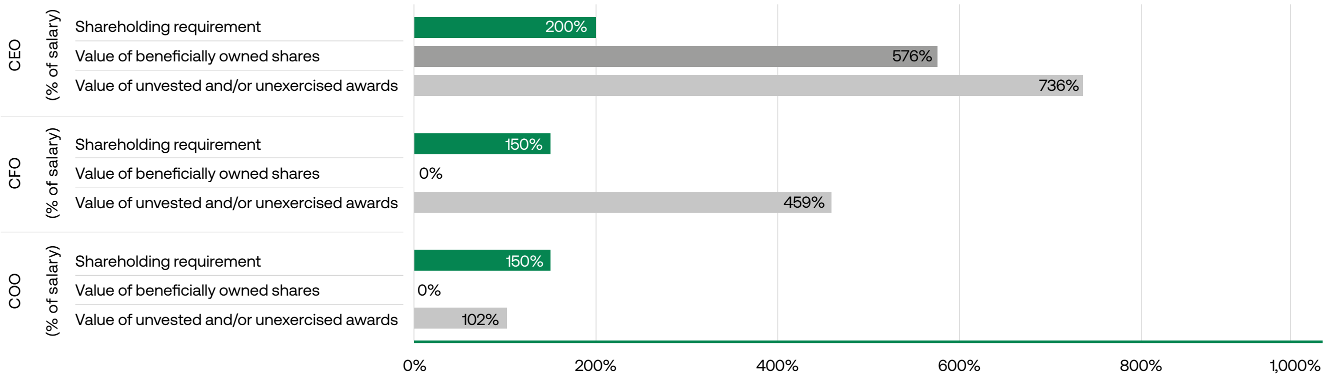
The Company's TSR was positioned between the median and upper quartile of the TSR comparator group, leading to a vesting outcome of 45.4% for the TSR element, prior to application of the underpin. The Remuneration Committee assessed the achievement of the Operational and Technical objectives across 2020, 2021 and 2022 in line with the underpin. The percentage of operational and technical measures that had achieved threshold level of performance or above was in excess of 80% and as such, no downwards adjustment was made to the level of vesting from the relative TSR element. Therefore, the overall 2020 LTIP vesting level was 45.4%.

TSR performance (Seplat Vs Comparator Group)				Operational and technical scorecard underpin	
Seplat TSR growth	Median TSR (25% vesting)	Upper quartile TSR (100% vesting)	Vesting under TSR condition	Vesting reduction due to the operational and technical performance	Overall LTIP vesting
15.0%	7.6%	34.9%	45.4%	0%	45.4%

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 $1.23 as at 31 December 2022 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

The chart below illustrates how the 2022 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 2022. 2022 remuneration is broadly at the on-target opportunity due to the annual bonus paying out between on-target and maximum, whereas the value of the 2020 LTIP was below on-target as a result of the vesting at 45.4%.

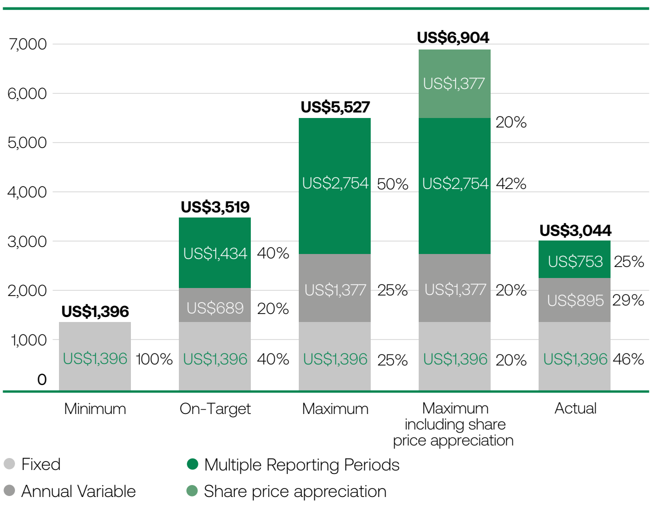
Actual CEO pay versus total shareholder return ("TSR")

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.

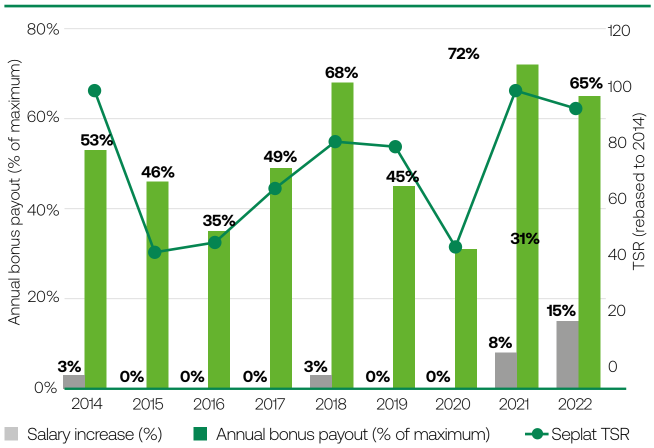
On promotion to CEO in August 2020, Roger Brown's salary was set below the targeted policy level while he became established in the role. Given the CEO's strong performance over the past 17 months, the Committee awarded him an 8% salary increase in 2022, in line with the Nigerian wider workforce to recognise this and begin to move his salary closer to the Company's targeted market positioning.

Annual bonus resulted in 65% of maximum payout, reflecting corporate performance and industry conditions throughout 2022. 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 2022

Our Directors' remuneration policy applies for three years starting from 20 May 2021, when it was approved by shareholders with 100% of votes in favour, and can be found in full in the 2020 Annual Report and Accounts on our website (www.seplatenergy.com/investors/results-centre).

Our principles of remuneration

The remuneration policy aims to align the interests of the Executive Directors, senior managers, and employees to the long-term interests of shareholders and aims to 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 guiding principles behind the setting and implementation of our remuneration policy are as follows:

Principle	Explanation
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	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.
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.
Aligned	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.

We set out below a summary of the Directors' remuneration policy, its operation in 2022 and planned implementation for 2023.

Element	2022 operation	2023 Implementation
Base salary	The Executive Director base salaries in 2022 were: • CEO[1]: $918,000 • CFO: $719,143 • COO[2]: $623,321 1. The CEO's base salary includes a residency allowance, whereas the CFO's and COO's base salaries include Housing and 13th month allowances, in line with local market practice. On promotion to CEO in August 2020, Roger Brown's salary was set below the targeted policy level while he became established in the role. Given the CEO's strong performance over the year, the Committee awarded the CEO a 15% salary increase in line with the Nigerian wider workforce to recognise this and to move his salary closer to the Company's targeted market positioning. 2. On appointment as COO in July 2022, Sam Ezugwuorie's salary was set below the targeted policy level with the intention to keep it under review based on key performance criteria. Given his strong performance, the Committee awarded the COO a 15% salary increase in line with the Nigerian wider workforce to recognise this and align his salary closer to the Company's targeted market positioning.	From 1 January 2023, Executive Director base salaries will be: • CEO: $1,055,700 (15% increase) • CFO: $747,909 (4% increase) • COO: $716,820 (15% increase)
Benefits	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.	
Pensions	Pensions contributions align with the wider Nigerian workforce, at 17%, and will remain unchanged.	
Annual Bonus	No change to the maximum opportunity as % of base salary, as follows: • CEO: 150% • CFO: 100% • COO: 100%	

<table>
<tr><th>Element</th><th>2022 operation</th><th>2023 Implementation</th></tr>
<tr><td>Long Term Incentive Plan</td><td colspan="2">No change to the LTIP maximum opportunity as % of base salary, as follows:
• CEO: 300% (250% of salary subject to relative TSR prior to Absolute TSR multiplier)
• CFO: 240% (200% of salary subject to relative TSR prior to Absolute TSR multiplier)
• Former Operations Director: 240% (200% of salary subject to relative TSR prior to Absolute TSR multiplier)
LTIP maximum opportunity in 2023 will be maintained for the CEO, CFO & COO.
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 clawback will continue to apply to LTIP awards.
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 e.g. 250% of salary for the CEO. 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% if the Company's Absolute TSR increases by 100% or more and this TSR increase is at least 10% above the oil price increase over the performance period. The maximum opportunity for the CEO is therefore 250% x (1 + 20%) = 300% of salary, as set out above.
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 downwards 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 requirement:
• CEO: 200% of base salary
• Other Executive Directors: 150% of base salary
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>
<tr><td>Non-Executive Director fees[1]</td><td>Non-Executive fees as at 1 January 2022 were:
• Chairman: $833,333
• Non-Executive Director Fees: $165,405
• Senior Independent Director: $233,865
• Committee Chairmanship: $45,856
• Finance Committee Chairmanship[2]: $61,141
• Committee membership: $30,570</td><td>From 1 January 2023, Non-Executive Director fees will be:
• Chairman: $866,667
• Non-Executive Director Fees: $172,022
• Senior Independent Director: $243,220
• Committee Chairmanship: $47,690
• Finance Committee Chairmanship[2]: $63,586
• Committee membership: $31,793</td></tr>
</table>

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.

Our remuneration policy continues to support our updated business strategy

In line with our remuneration principles, the Committee continues to manage incentive plans for the Executive Directors such that they are closely linked to the business success and execution of our strategy, as approved in 2021, as outlined below:

Safety	Build a sustainable business / Deliver Energy Transition	Annual Bonus	LTIP
	Build a sustainable business: • Drive social development • Focus on environmental care • Maximise returns **Deliver Energy Transition:** • Upstream • Midstream gas • New Energy	Seplat has a newly established business strategy, with six key strategic priorities, under the two categories: "build a sustainable business" and "deliver energy transition", plus a key focus on safety. These priorities are reflected in the structure of the corporate scorecard, and corporate objectives set within these strategic priorities. Each year the number of corporate scorecard objectives against each priority and their weighting may vary. 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 consistent execution of the targets set under the annual bonus should deliver shareholder value, demonstrating that Seplat is a high performing oil & gas company – a shareholder stock of choice, within our sector and region. To align with this, we grant 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. 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 receive no payout. Outcomes are further aligned to the Shareholder experience through the implementation of an Absolute TSR performance measure. This strategic three- to five-year reward structure is further underpinned by the need to sustain good quality operations.

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 106). The policy is cascaded throughout the organisation as shown in the wider workforce section opposite. 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. 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. The Committee also has discretion to override formulaic outcomes to ensure that any payments are reflective of the underlying performance. 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 expectations of its key stakeholders in relation to the remuneration outcomes. The Company provides an illustration of the potential levels of remuneration receivable by the Executive Directors under several performance scenarios in this report. 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 continued appropriateness of the remuneration policy to ensure that the structure and performance metrics remain aligned to the strategic objectives and long-term value creation. 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. Alignment of our incentives structure to strategy is illustrated in this report.

The Wider Workforce

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.

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. Detailed description is provided on pages 82.

4. Talent development

We support our employee development with individually tailored training programmes. We provide educational assistance and subscriptions to various professional bodies.

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	Board	Senior management (grades 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**	25%	25%	n/a	n/a
All employees	**Annual bonus – Cash**	75%	75%	40-75%	Up to 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 2022. 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 not be representative of our business, statistically significant and provide little or no insight to investors. We will reassess whether to include this disclosure in future years.

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 2022 financial year, on a receivable basis in accordance with the policy as approved by shareholders. Comparative figures for the 2021 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)	2022	918	322	156	1,396	895	753	1,648	3,044
	2021	850	192	145	1,187	918	941	1,859	3,046
Emeka Onwuka (CFO)	2022	719	201	122	1,042	467	n/a	467	1,510
	2021	705	68	120	893	508	n/a	508	1,401
Samson Ezugworie (COO)[6]	2022	312	114	53	479	203	n/a	203	682
	2021	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Effiong Okon (Former OD)[7]	2022	367	94	62	523	238	663	901	1,424
	2021	719	81	122	922	518	1,031	1,549	2,471

1. Salaries for Executive Directors are set in USD – 2022 salaries were $918,000 for the CEO inclusive of residency allowance, $719,143 for the CFO, $623,321 for the COO and $733,319 for Effiong Okon, all inclusive of Housing and 13th month allowances.
2. The taxable benefits for each Executive Director comprise those which are quantifiable. Benefits in 2022 include insurance, which was to the value of $42,978.13, $26,935.67, $27,463.85 and $22,355.50 are for the CEO, CFO, COO and Effiong Okon, 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 2020 LTIP awards vesting in May 2023 is shown in 2022 as the performance period ended on 31 December 2022. The estimated value of these awards uses a 2022 Q4 average share price of $1.15; the actual value will be updated in the 2023 Directors' remuneration report when the awards vest on 1 May 2023.. For 2019 LTIP that vested in 2022 and was reported in 2021 report, amount has been trued up to reflect value as at actual vesting date.
6. The COO joined the company on 1 July 2022 and all values stated here refer to his six-months' period of employment in 2022.
7. Effiong Okon was an Executive Director until 30 June 2022 and values shown here are representative of all earnings and awards until 30 June 2022.

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	2022 Fees[1] ($'000)	2021 Fees[2] ($'000)	Role
A.B.C. Orjiako[3]	467	1,099	Board Chairman until 18 May 2022
Basil Omiyi, CON[4]	734	525	Independent Board Chairman; Senior Independent Non-Executive Director Chairman, Energy Transition Committee and Risk Management & HSSE Committee Member, Remuneration Committee member, Nominations & Governance Committee
Charles Okeahalam[5]	464	308	Senior Independent Non-Executive Director Chairman, Board Finance & Audit Committee Member, Remuneration Committee, Nominations & Governance Committee and Energy Transition Committee
Nathalie Delapalme	242	232	Non-Executive Director Chairman, Sustainability Committee Member, Risk Management & HSSE Committee
Olivier de Langavant	165	163	Non-Executive Director Member, Statutory Audit Committee
Arunma Oteh, OON[3]	303	278	Independent Non-Executive Director Chairman, Nominations & Governance Committee Member, Board Finance & Audit Committee, Energy Transition Committee and Sustainability Committee
Prof. Fabian Ajogwu, SAN, OFR[6]	297	119	Independent Non-Executive Director Chairman, Energy Transition Committee Member, Remuneration Committee, Nominations & Governance Committee and Board Finance & Audit Committee
Bello Rabiu[6]	297	142	Independent Non-Executive Director Chairman, Risk Management & HSSE Committee Member, Remuneration Committee, Energy Transition Committee and Sustainability Committee
Emma FitzGerald[6]	272	107	Independent Non-Executive Director Chairman, Remuneration Committee Member, Board Finance & Audit Committee and Energy Transition Committee
Kazeem Raimi[7]	143	–	Non-Executive Director Member, Energy Transition Committee and Sustainability Committee
Ernest Ebi, MFR[7]	143	–	Non-Executive Director Member, Risk Management & HSSE Committee and Sustainability Committee
Bashirat Odunewu[7]	162	–	Independent Non-Executive Director Member, Risk Management & HSSE Committee, Board Finance & Audit Committee, Statutory Audit Committee and Nominations & Governance Committee

1. The above capture the gross pay in line with the Director's letter of appointment i.e. before withholding tax is withheld.
2. Fees receivable in GBP have been converted to USD, using the applicable conversion rate for the year ($1.376).
3. During 2022, A.B.C. Orjiako and Arunma Oteh retired from the Board with effect from 18 May 2022 and 31 December 2022, respectively.
4. Basil Omiyi was appointed as Board Chairman with effect from 18 May 2022; he was Senior Independent Director prior to this.
5. Charles Okeahalam was appointed Senior Independent Director with effect from 18 May 2022.
6. Fabian Ajogwu, SAN, Bello Rabiu and Emma FitzGerald were appointed to the Board with effect from 6 July 2021, 6 July 2021 and 1 August 2021, respectively.
7. During 2022, Ernest Ebi, Kazeem Raimi and Bashirat Odunewu all joined the Board as Non-Executive Directors on 18 May 2022.

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%-50% of maximum)	Target to Maximum (50%-99% of maximum)	Maximum (100% of maximum)	Resulting level of award
Safety	10%	LTIFR (Lost Time Injury Frequency Rate)		✓			4.1% (out of 10%)
ESG	15%	Environment				✓	15% (out of 15%)
		Social				✓	
		Governance				✓	
Financial performance	20%	Profitability		✓			15% (out of 20%)
		Liquidity				✓	
		Cash generation				✓	
Upstream	30%	Liquids production			✓		19.1% (out of 30%)
		Drilling capex				✓	
		Operational efficiency		✓			
		Strategic target			✓		
Midstream Gas	20%	Net gas sales		✓			6.9% (out of 20%)
		Gas plant completion		✓			
New Energy	5%	Renewables energy road map				✓	5% (out of 5%)
Total:							**65.1% (out of 100%)**

In respect of the 2022 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 not to 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 ($'000)	Achieved (% of max)	Bonus earned ($'000)	Achieved (% of max)	Bonus earned ($'000)
65% out of 100%	$895	65% out of 100%	$467	65% out of 100%	$203

* Mr. Samson Ezugworie's 2022 annual bonus earned disclosed in the table is based on his time as an Executive Director.

In line with policy, 25% of the Executive Directors' bonus will be deferred into shares and will be released two years after the end of the performance period, subject to continued employment.

Long-term incentives vesting in 2023

The 2020 LTIP awards made to the CEO on 1 May 2020 vest on 1 May 2023; however, the performance period for these awards ended on 31 December 2022. The performance condition for these awards is relative TSR measured against a bespoke group of E&P companies, 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, leading to a vesting outcome of 45.4% for the TSR element. The Remuneration Committee assessed the historical bonus outturns over the three financial years in line with the underpin and determined that the level of vesting from the relative TSR element should be retained. Therefore, the overall 2020 LTIP vesting level was 45.4%.

TSR performance (Seplat vs. Comparator Group)				Operational and technical scorecard underpin	
Seplat TSR growth	Median TSR (25% vesting)	Upper quartile TSR (100% vesting)	Vesting under TSR condition	Vesting reduction due to the operational and technical performance	Overall LTIP vesting
15.0%	7.6%	34.9%	45.4%	0%	45.4%

The Committee felt that this achievement, combined with the downward adjustment resulting from the application of the underpin, warranted the 45.4% vesting and therefore no discretion was exercised in relation to the 2020 LTIP.

The following table presents the number of 2020 LTIP awards that will vest in May 2023, based on the assessment of the performance conditions and the resulting value of awards on vesting for each Executive Director.

Role	Number of 2020 LTIP awards granted	Number of 2020 LTIP awards vesting in May 2023	Value of vested awards ($)	Value attributable to share price growth
Roger Brown (CEO)	1,275,885	579,251	753,026	nil

1. Based on Q4 2022 average share price of $1.15 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 and as such, did not exercise any discretion to change the outcomes of the 2020 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.

2021 Long-term incentives

The table below sets out the details of the long-term incentive awards in respect of the 2021 financial year. Whilst these were disclosed in last year’s DRR, given that they were granted in 2022, we have repeated this disclosure for completeness. The grant of these awards was delayed for Executive Directors because of the Company having been subject to dealing restrictions until the recent announcement of the agreement to acquire the entire share capital of Mobil Producing Nigeria Unlimited. The awards were granted on 10 March 2022. 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 2023.

	Relative TSR measure							Absolute TSR measure
Role	Type of award	Basis on which award made	Face value of award ($)	Number of shares awarded	Face value of award subject to Relative TSR measure	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 growth of 100% or above plus at least 10% outperformance of oil price
Roger Brown (CEO)	Nil-cost options	Annual	2,550,000	2,193,586	2,125,000	25%	100%	Relative TSR vesting increased by 20%
Effiong Okon (former Operations Director)	Conditional shares	Annual	1,725,456	1,484,288	1,437,880			
Emeka Onwuka (CFO)	Conditional shares	Annual	1,692,100	1,455,595	1,410,083			

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 grant date for non-restricted LTIP participants in November 2021.

2022 long-term incentives

The table below sets out the details of the long-term incentive awards in respect of the 2022 financial year. The awards were granted on 30 May 2022. 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 2024.

	Relative TSR measure						Absolute TSR measure	
Role	Type of award	Basis on which award made	Face value of award ($)	Number of shares awarded	Face value of award subject to Relative TSR measure	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 growth of 100% or above plus at least 10% outperformance of oil price
Roger Brown (CEO)	Nil-cost options	Annual	2,754,000	1,733,345	2,295,000			
Effiong Okon (former Operations Director)	Conditional shares	Annual	1,725,943	1,086,294	1,438,286	25%	100%	Relative TSR vesting increased by 20%
Emeka Onwuka (CFO)	Conditional shares	Annual	1,759,965	1,107,707	1,466,638			

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.

The comparator group used for assessing relative TSR for the 2022 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, Indus Gas Ltd, Jadestone, Kosmos Energy, Pantheon Resources, Parex Resources, Phoenix Global Resources plc, Serica Energy, Total Gabon and Tullow Oil.

2020 Deferred Annual Bonus shares awards

The table below sets out the details of the 2020 Deferred Annual Bonus share awards that were intended to be granted in the 2021 financial year. Whilst these were disclosed in last year's DRR, given that they were granted in 2022, we have repeated this disclosure for completeness. The grant of these awards was delayed because of the Company having been subject to dealing restrictions until the recent announcement of the agreement to acquire the entire share capital of Mobil Producing Nigeria Unlimited. The awards were granted on 10 March 2022.

No further performance conditions will apply, other than continued employment and the normal vesting date of the Award will be 31 December 2022 (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 ($'000)	Performance conditions
CEO	Nil-cost options	Annual	83,182	74	
Former Operations Director	Conditional shares	Annual	62,522	56	Continued employment
CFO	Conditional shares	Annual	26,864	24	

The share price used to calculate the face value of awards was 31 December 2020 of US$0.89.

2021 Deferred Annual Bonus shares awards

The table below sets out the details of the 2021 Deferred Annual Bonus share awards that were granted on 10 March 2022. No further performance conditions will apply, other than continued employment and the normal vesting date of the Award will be 31 December 2023 (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 ($'000)	Performance conditions
Roger Brown (CEO)	Nil-cost options	Annual	207,813	229	
Emeka Onwuka (CFO)	Conditional shares	Annual	114,915	127	Continued employment
Effiong Okon (former OD)	Conditional shares	Annual	117,180	129	

The share price used to calculate the face value of awards was 31 December 2021 of US$1.104.

Sign-on Share Award

Sign-on share award was granted to the Chief Operations Officer of the Company on 4 August 2022, as set out in his employment contract. No performance conditions will apply, other than continued employment. The award would vest in two equal instalments on the COO's first and second anniversary in the Company's employment (i.e. 1 July 2023 and 1 July 2024).

Role	Type of award	Basis on which award made	Number of Shares Awarded	Face value of award ($'000)	Vesting conditions
Samson Ezugwuorie (Chief Operations Officer)	Nil-cost options	Sign-on	514,575	700	Continued employment

Payments to past Directors

In line with the 2020 LTIP vesting, 752,505 shares will vest to Austin Avuru (former CEO) on 1 May 2023. No other payments were made to past Directors during the 2022 financial year.

Payments for loss of office

Dr. A.B.C. Orjiako and Ms. Arunma Oteh retired from the Board during the year and any exit payments were made in line with their letters of appointment. Dr. Orjiako was entitled to a 12-month notice period upon stepping down from the Board prior to his contractual termination date of the 2023 AGM, in line with the remuneration policy. As such, he received a payment of $1.12m, the value of his gross annual fee. No further payments were made to the Chairman in relation to the early termination of his contract in accordance with corporate governance best practice and the shareholder approved remuneration policy.

Mr. Effiong Okon also stepped down from the Board, but retains employment as a Director in the Company.

Following stepping down from the Board, the Company retained the services of Dr. Orjiako, through Amaze Limited ("the consultant company"), to take up alternative responsibilities with specific and essential external stakeholder engagements, particularly in respect of the acquisition of the entire share capital of Mobil Producing Nigeria Unlimited ("MPNU"), which continued beyond his board retirement date. Under this Consultancy Service Agreement, a monthly retainer of $330,000 per month, starting from the 01 July 2022 to 30 June 2023, was agreed for this support. The Committee also determined that under the Consultancy Service Agreement, a performance-related sum, equivalent to up to 0.35% of the total acquisition price, would be payable to the consultant company upon satisfaction of relevant performance targets on the MPNU transaction. As set out in the Committee Chair's letter, the Consultancy Service Agreement was subsequently suspended on 13 February 2023 and terminated on 23 March 2023. Under the Consultancy Service Agreement, Dr. Orjiako received total payments of $2.64million, $1.98million of which were in relation to services during 2022. All payments will be honoured to the date of termination but there will be no further payments or notice payments made to Dr Orjiako. As such, the performance-related sum will not be awarded to Dr. Orjiako.

Full details of any payments made in 2023 to Directors who left the Board, if any, will be set out in the Directors' remuneration report for 2023.

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 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 2022.

	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 31/12/2022
Roger Brown (CEO)	200%	4,296,463	5,202,816	207,183	83,182	1312%	Yes	9,789,644
Emeka Onwuka (CFO)	150%	0	2,541,889	141,779	0	459%	Yes	2,683,668
Samson Ezugworie (COO)	150%	0	–	514,575	0	102%	No	514,575
Effiong Okon (Former Operations Director)	150%	0	3,715,412	179,702	1,409,261	890%	Yes	5,304,375

1. Beneficial interests include shares held directly or indirectly by connected persons.
2. 2020, 2021 and 2022 LTIP awards.
3. 2020 and 2021 Deferred Bonus shares.
4. Shares held by Stanbic IBTC Trustee Limited/Seplat LTIP which vested but are unexercised.
5. Shareholding requirement has to be met by 21 May 2026 (five years post current policy approval). 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 $1.23 on 31 December 2022 was used.

Details of the current Non-Executive Directors' interests in shares as at 31 December 2022 are set out below:

Director	Shared held as at 31 December 2022
Basil Omiyi	495,238
Charles Okeahalam	699,990
Nathalie Delapalme	0
Olivier de Langavant	0
Arunma Oteh	0
Emma FitzGerald	0
Fabian Ajogwu	0
Bello Rabiu	20,000
Ernest Ebi	50,000
Kazeem Raimi	0
Bashirat Odunewu	0

1. Beneficial interests include shares held directly or indirectly by connected persons.

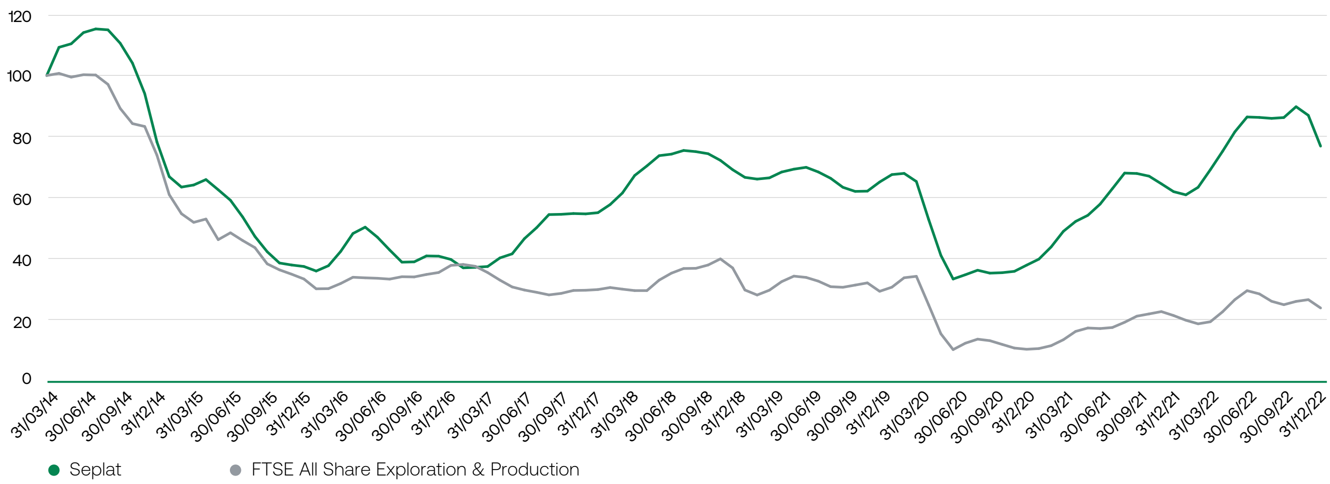
Between 31 December 2022 and 28 February 2023, vested shares for Roger Brown and Emeka Onwuka increased by vested 2020 DB shares to 4,379,645 and 26,864 respectively.

Comparison of overall performance and pay

The graph below shows the value of $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 9 April 2014 to 31 December 2022.

TSR (rebased to 100 at 9 April 2014)[1]



Source: Datastream

1. In line with the methodology used for LTIP performance assessment, TSR was calculated using a three-month average.

CEO historical remuneration

The table below sets out the total remuneration delivered to the CEO between 2014 and 2022 valued using the methodology applied to the single total figure of remuneration.

	Roger Brown			Austin Avuru						
CEO	2022	2021	2020[3]	2020[3]	2019	2018	2017	2016	2015	2014
Total single figure ($'000)[1]	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)	65%	72%	310%	31%	45%	68%	49%	35%	46%	53%
LTIP vesting level achieved (% of maximum opportunity)	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 2021 to 2022, 2020 to 2021 and 2019 to 2020, alongside the change for the average of employees within the Company:

	2021 to 2022			2020 to 2021			2019 to 2020		
	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)	8%	10%	-3%	16%	-57%	230%	14%	263%	-9%
Emeka Onwuka (CFO)	2%	74%	-8%	140%	-41%	446%	n/a	n/a	n/a
Samson Ezugworie (COO)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
A.B.C. Orjiako	-58%	n/a	n/a	0%	n/a	n/a	0%	n/a	n/a
Basil Omiyi	40%	n/a	n/a	0%	n/a	n/a	0%	n/a	n/a
Charles Okeahalam	51%	n/a	n/a	0%	n/a	n/a	0%	n/a	n/a
Nathalie Delapalme	4%	n/a	n/a	0%	n/a	n/a	0%	n/a	n/a
Olivier de Langavant	2%	n/a	n/a	0%	n/a	n/a	0%	n/a	n/a
Arunma Oteh	9%	n/a	n/a	0%	n/a	n/a	0%	n/a	n/a
Fabian Ajogwu	149%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Bello Rabiu	109%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Emma FitzGerald	155%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Kazeem Raimi	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Ernest Ebi	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Bashirat Odunewu	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Average of Employees[2]	**8%**	**8%**	**-12%**	**23%**	**-8%**	**77%**	**8%**	**34%**	**-2%**

1. 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 and GBP for the other Non-Executive Directors where the increase is based on actual fees paid per annum even where individuals have joined the Company mid-year.
2. Average employee 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.
3. Non-Executives leaving and joining in the year (Kazeem Raimi, Ernest Ebi and Bashirat Odunewu) have been excluded on the basis that their percentage increases are not representative.

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	2022 ($m)	2021 ($m)	% change
Overall spend on pay[1]	59.8	60	(0.3%)
Distributions to shareholders (dividends)[2]	58.8	73	(19.5%)

1. Calculated by converting 2020 and 2021 figures (from Naira) at the relevant year's average NGN: USD exchange rate and excludes LTIP.
2. For 2020 this includes an interim dividend paid in December 2020 and a final dividend paid in May 2021. For 2021 this includes quarterly dividends with the Q4 dividend due to be paid in May 2022.

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.

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.

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	

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	1 June 2017	Initial Fixed term to 2020 AGM	6 months	6 months	6 months' fees if not re-elected or retired.
Charles Okeahalam	1 June 2017	Initial Fixed term to 2020 AGM	6 months	6 months	6 months' fees if not re-elected or retired.
Nathalie Delapalme	18 July 2019	Initial Fixed term to 2023 AGM	6 months	6 months	6 months' fees if not re-elected or retired.
Olivier de Langavant	28 January 2020	Continuous Term	6 months	6 months	6 months' fees if removed or retired.
Emma FitzGerald	1 August 2021	Fixed Term of three years to 2025 AGM	6 months	6 months	6 months' fees if not re-elected or retired.
Bello Rabiu	6 July 2021	Fixed Term of three years to 2025 AGM	6 months	6 months	6 months' fees if not re-elected or retired.
Fabian Ajogwu	6 July 2021	Fixed Term of three years to 2025 AGM	6 months	6 months	6 months' fees if not re-elected or retired.
Ernest Ebi	18 May 2022	Fixed Term of three years to 2025 AGM	6 months	6 months	6 months' fees if not re-elected or retired.
Kazeem Raimi	18 May 2022	Fixed Term of three years to 2025 AGM	6 months	6 months	6 months' fees if not re-elected or retired.
Bashirat Odunewuu	18 May 2022	Fixed Term of three years to 2025 AGM	6 months	6 months	6 months' fees if not re-elected or retired.

Composition and terms of reference of the Remuneration Committee

The members of Seplat's Remuneration Committee are as follows:

- Emma FitzGerald (Chairman)
- Basil Omiyi, CON (until 18 May 2022)
- Charles Okeahalam
- Fabian Ajogwu, SAN, OFR
- Bello Rabiu

On the basis that Mr. Basil Omiyi assumed the position as Board Chairman in May 2022, he was replaced on the Committee by Mr. Bello Rabiu. 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 GM 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 following AGM on 19 May 2022, the Company received a 97.52% vote in favour of the remuneration report.

Dr Emma FitzGerald[1]
Chairman of the Remuneration Committee

1. Independent Non-Executive Director

Statutory Audit Committee report

Chief Anthony Idigbe, SAN Ph.D (Osgoode)

4

Statutory Audit Committee meetings in 2022

2022 Members	23 Feb	20 Apr	19 July	20 Oct	
Chief Anthony Idigbe SAN Ph.D. (Osgoode), Chairman and Shareholder member	●	●	●	●	4/4
Sir Sunday N. Nwosu, KSS Shareholder member	●	●	●	●	4/4
Mrs. Hauwa Umar, Shareholder member	●	●	●	●	4/4
Mr. Olivier De Langavant, Director member	●	●	●	●	4/4
Ms. Arunma Oteh, OON[1&2], Director member	●	●	–	–	2/2
Mrs. Bashirat Odunewu[1&2], Director Member	–	–	●	●	2/2

1. Independent Non-Executive Director.
2. Mrs. Bashirat Odunewu was appointed to the Board as an Independent Non-Executive Director on 18 May, 2022. Mrs. Odunewu joined the Statutory Audit Committee on 18 May, 2022, and replaced Ms. Arunma Oteh on the Committee. Two of the Statutory Audit Committee meetings took place before this change.

In the financial year ended 31 December 2022, the Committee held four meetings, dates and attendance records for which can be seen in the table below.

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 2022 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 matters, in conjunction with the external auditor, and we are satisfied with the response of management in dealing with such matters;
- 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 implementation of the Company's corporate governance framework;
- review of the 2022 external audit plan and the 2023 internal audit plan, including an assessment of the external auditors' independence; and
- review of the proposed 2023 budget and work programme.

Chief Anthony Idigbe, SAN Ph.D. (Osgoode)
Chairman of the Statutory Audit Committee
FRC/2015/NBA/00000010414

Report of the Directors

The Directors are pleased to present to the shareholders of the Company their report with the audited financial statements for the year ended 31 December 2022.

Principal activity

The Company is principally engaged in oil and gas exploration and production.

Operating results

	₦ million		$'000	
	2022	2021	2022	2021
Revenue	403,913	293,631	951,795	733,188
Operating profit(loss)	116,589	100,401	274,740	250,688
Profit before taxation (loss)	86,730	71,028	204,376	177,345
Profit for the year (loss)	44,433	46,931	104,706	117,176

Dividend

During the year, the Directors recommended and paid to members quarterly interim dividends of US2.5 cents 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 US2.5 cents per share and a special dividend of US5.0 cents per share. The final dividend is subject to approval of shareholders, at the AGM which will be held on 10 May 2023.

Unclaimed dividend

The total amount outstanding as at 31 December 2022 is US$1,055,308.75 and ₦559,512,420.73. 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.

Shareholder engagement

At the Company's 2022 Annual General Meeting held in May, resolutions 5(b)(i) and 5(b)(ii), concerning the re-election of Directors, were passed with the necessary majorities (79.51% and 79.18%, respectively), however, Resolution 5(b)(i) received 20.49% of votes against and Resolution 5(b)(ii) received 20.82% of votes against the resolution. Therefore, the Board is required by Provision 1.D.4 of the 2018 U.K. Code of Corporate Governance, which Seplat Energy has voluntarily adopted, to provide an update on the views received from shareholders.

In response, the Chairman proactively undertook a series of meetings with leading shareholders to assure them of the Company's ongoing commitment to achieving high standards of corporate governance, noting that recent developments included the transition to an independent Chairman and the addition of new Board members, including an independent Director, ensuring that half of the Board is independent.

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 every year. 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 reappointment/retirement by rotation.

The Directors who are eligible for reappointment this year are Madame Nathalie Delapalme and Mr. Bello Rabiu.

Board changes

Dr. A.B.C Orjiako stepped down as Chairman and from the Board of Directors of Seplat Energy Plc in May 2022. As Chairman of the Group since 2009, Dr. Orjiako led the transformation of Seplat into a globally respected energy company. Notable achievements include instilling best practice corporate governance, and significant growth through several successful acquisitions. He was also the driving force behind Seplat Energy becoming the first and only Nigerian corporate to dual list on the Nigerian Exchange and the Main Board of the London Stock Exchange in 2014.

The Board of Seplat Energy Plc is pleased to announce that Mr. Basil Omiyi, CON, was appointed Independent Non-Executive Chairman, effective 18 May 2022. His appointment followed a thorough assessment of internal and external candidates and was approved after a unanimous vote by all the Directors of Seplat Energy, in compliance with the Companies and Allied Matters Act in Nigeria ("CAMA").

Mr. Basil Omiyi has been a member of Seplat Energy's Board of Directors since March 2013 and as the Senior Independent Non-Executive Director from 1 February 2021. During this period, he chaired the Company's Energy Transition and Risk Management & HSSE Committees and sat on the Remuneration, and Nomination & Governance Committees.

Mr. Omiyi has extensive insight into and experience in the global oil and gas industry and in particular brings a detailed knowledge and understanding of the Nigerian oil and gas sector together with senior management expertise gained in a large-scale multi-national organisation. Further details of his biography and experience can be found on page 66.

With Mr. Omiyi's appointment as the new Board Chairman, Dr. Charles Okeahalam was appointed the Senior Independent Non-Executive Director effective 18 May 2022. Dr. Okeahalam joined the Board in March 2013 as an Independent Non-Executive Director and is Chairman of Seplat Energy's Board Finance & Audit Committee, a member of the Energy Transition, Remuneration, and Nomination & Governance Committees. Further details of his biography and experience can be found on page 68.

The Board of Seplat Energy is also pleased to welcome Mrs. Bashirat Odunewu (Independent Non-Executive Director), Mr. Ernest Ebi, MFR (Non-Executive Director) and Mr. Kazeem Raimi (Non-Executive Director) whose appointments became effective on 18 May 2022. They bring vast knowledge of business in the energy sector, finance and commercials. Seplat Energy looks forward to the immense contribution they will make towards its continuing global success. Further details of their biographies and experience can be found on page 69.

The Board of Seplat Energy is also pleased to welcome Mr. Samson Ezugworie, whose appointment as an Executive Director and Chief Operating Officer was effective 1 July 2022. Mr. Ezugworie has more than 30 years' industry experience and a strong reputation as a business, safety, ethical leader, and integrator. Prior to joining Seplat Energy, Mr. Ezugworie was the General Manager 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. Further details of his biography and experience can be found on page 67.

The Co-founder and former Chief Executive Officer of Seplat Energy Plc., Mr. Austin Avuru, resigned as a Non-Executive Director of Seplat Energy on 1 March 2022.

Mr. Effiong Okon retired from the Board in July 2022. He assumed a new position as the Director, New Energy to lead the New Energy Directorate of the Company in July 2022, to significantly accelerate the development of the New Energy business and advance the Company's agenda on energy transition.

Ms. Arunma Oteh, OON also retired from the Board in December 2022. Ms. Oteh joined the Board in October 2020 as an Independent Non-Executive Director.

During their respective tenures on the Board of Seplat Energy, the Directors diligently served the Board and made significant contributions towards the growth of the Company.

The appointment and removal or reappointment of Directors is governed by its Articles of Association and the Companies and Allied Matters Act, 2020. It also sets out the powers of Directors.

Corporate Governance

The Board of Directors is committed to sound corporate governance and ensures that the Company complies with Nigerian and UK corporate governance regulations as well as international best practice. The Board ensures compliance with the Code of Corporate Governance issued by the Securities and Exchange Commission, the Nigerian Code of Corporate Governance 2018, issued by the Financial Reporting Council of Nigeria and the UK Corporate Governance Code 2018, issued by the UK Financial Reporting Council.

The Board is responsible for keeping proper accounting records with reasonable accuracy. It is also responsible for safeguarding the assets of the Company through prevention and detection of fraud and other irregularities. In order to carry out its responsibilities, the Board has established six Board Committees and the Statutory Audit Committee and has delegated aspects of its responsibilities to them. All seven Committees have terms of reference that guide their members in the execution of their duties, and these terms of reference are available for review by the public. All the Committees present a report to the Board with recommendations on the matters within their purview.

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 21	31 Dec 22		28 Feb 23	
	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	3,224,702	4,296,463	0.73%	4,379,645	0.74%
Samson Ezugworie	n/a	n/a	0.00%	0	0.00%
Bello Rabiu*	n/a	20,000	0.00%	20,000	0.00%
Emeka Onwuka	0	0	0.00%	26,864	0.00%
Oliver De Langavant	0	0	0.00%	0	0.00%
Charles Okeahalam	495,238	699,990	0.12%	699,990	0.12%
Basil Omiyi	495,238	495,238	0.08%	495,238	0.08%
Nathalie Delapalme	0	0	0.00%	0	0.00%
Arunma Oteh	0	0	0.00%	0	0.00%
Emma Fitzgerald	0	0	0.00%	0	0.00%
Kazeem Raimi	n/a	n/a	n/a	0	0.00%
Bashirat Odunewu	n/a	n/a	n/a	0	0.00%
Ernest Ebi	n/a	50,000	0.00%	50,000	0.01%
Fabian Ajogwu	0	0	0.00%	0	0.00%
Total	**4,215,178**	**5,561,690**	**0.93%**	**5,671,737**	**0.96%**

*shares are indirectly held; no other director holds shares indirectly

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 2022 for the purpose of section 303 of the Companies and Allied Matters Act, 2020. These have been disclosed in Note 38.

Substantial interest in shares

At 31 December 2022, 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	52,628,483	8.94
Professional Support Limited	47,929,438	8.15
Allan Gray Investment Management	33,822,817	7.51

Free Float

With a free float of 30% as at 31 December 2022, 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.

Compliance with regulations

For the 2022 financial year, the Group did not incur any penalties from its regulators.

Shareholding analysis

The distribution of shareholders at 31 December 2022 is as stated below:

Share range	Number of shareholders	% of shareholders	Total shares	% of shareholding
1-10,000	3,365	91.69	1,613,647	0.27
10,001-50,000	166	4.52	4,174,019	0.71
50,001-100,000	45	1.23	3,439,663	0.58
100,001-500,000	60	1.63	13,034,927	2.22
500,001-1,000,000	9	0.25	6,067,583	1.03
1,000,001-5,000,000	19	0.52	44,379,459	7.54
5,000,001-10,000,000	5	0.14	36,295,426	6.17
100,000,001-500,000,0001*	1	0.03	479,439,837	81.48
Total	**3,670**	**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	–		(411,555,439)	588,444,561	cancellation

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 2022. 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 18 May 2022, the Company cancelled 411,555,439 unissued shares.

Donations and sponsorships

The following donations were made by the Group during the year (2021: N167,269,305.33, $432,861.12)

Beneficiary	NG₦	$
Africa Oil Week	10,480,738.03	24,697.17
Centre for Black African Arts and Civilisation	1,721,350.81	4,056.25
Conversations for Change	16,711,735.80	39,380.11
Energy Institute	1,909,665.00	4,500.00
Falcon Golf Development Company	4,080,340.25	9,615.05
Lawyers in Oil and Gas	1,708,768.24	4,026.60
Nigeria Annual International Conference and Exhibition	12,751,130.69	30,047.20
Nigerian Association of Petroleum Explorationists	11,494,125.11	27,085.15
Nigerian Gas Association	11,457,990.00	27,000.00
Offshore Technology Conference	11,192,279.21	26,373.87
Others	12,797,677.08	30,156.88
Oxford Institute for Energy Studies	27,847,371.59	65,620.50
Pillar Oil	448,329.93	1,056.46
Scholarship recipients	14,441,656.11	34,030.81
The Energy 2050 Summit	3,242,611.17	7,641.00
The Wharton School of the University of Pennsylvania	4,243,700.00	10,000.00
World Energy Capital Assembly	2,594,088.94	6,112.80
Total	**149,123,557.95**	**351,399.86**

Employment and employees

Employee involvement and training: The Company continues to observe industrial relations practices such as the Joint Consultative Committee and briefing employees on developments in the Company during the year under review. Various incentive schemes for staff were maintained during the year, while regular training courses were carried out for employees. Educational assistance is also provided to members of staff and different cadres of staff were assisted with payment of subscriptions to various professional bodies.

Health, safety and welfare of employees: The Company continues to enforce strict health and safety rules and practices at the work environment which are reviewed and tested regularly. The Company provides appropriate HSE training to all staff and Personal Protective Equipment ("PPE") where necessary. The Company also provides free medical care for its employees and their families through designated hospitals and clinics. Fire-prevention and fire-fighting equipment is installed in strategic locations within the Company's premises. The Company operates Group life insurance cover for the benefit of its employees. It also complies with the requirements of the Pension Reform Act, 2004 regarding its employees.

Employment of disabled or physically challenged persons: The Company has a policy of fair consideration of job applications by disabled persons having regard to their abilities and aptitude. The Company's policy prohibits discrimination of disabled persons in the recruitment, training and career development of its employees. As at the end of the reporting period, the Group has no disabled persons in employment.

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 reappointment of PwC as the Company's auditor and for authorisation to the Board of Directors to fix the auditor's remuneration.

By Order of the Board

Edith Onwuchekwa
FRC/2013/NBA/00000003660
Company Secretary
Seplat Energy Plc
16A Temple Road, Ikoyi, Lagos, Nigeria
28 February 2023

Statement of Directors' Responsibilities

For the year ended 31 December 2022

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
28 February 2023

R.T. Brown
Chief Executive Officer
FRC/2014/PRO/
DIR/003/00000017939

28 February 2023

Statutory Audit Committee report

For the year ended 31 December 2022

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 2022 as follows:

- The scope and plan of the audit for the year ended 31 December 2022 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 during the statutory audit and that the scope of their work was not restricted in any way.

Chief Anthony Idigbe, SAN Ph.D. (Osgoode)
Chairman, Statutory Audit Committee
FRC/2015/NBA/00000010414
28 February 2023

Statutory Audit Committee Members

Chief Anthony Idigbe SAN Ph.D. (Osgoode)	Shareholder Member
Sir Sunday N. Nwosu, KSS	Shareholder Member
Mrs. Hauwa Umar	Shareholder Member
Mr. Olivier De Langavant	Non-Executive Director
Mrs. Bashirat Odunewu	Independent Non-Executive Director

Statement of Corporate Responsibility for financial reports

For the year ended 31 December 2022

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 2022 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 2022.
- 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 Auditor 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 2022.
- That we have disclosed to the Company's Auditor and the Audit Committee the following information:
  - There are no significant deficiencies in the design or operation of the Company's internal control that 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 employees that could have any significant role in the Company's internal controls.
- 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
28 February 2023

E. Onwuka
FRC/2020/PRO/
ICAN/006/00000020861
Chief Financial Officer
28 February 2023

Financial Statements

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 2022, 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 Act.

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 2022;
- the consolidated and separate statements of financial position as at 31 December 2022;
- 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 significant 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 the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

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 developed reserves estimated in the CPR are produced.

The group's upstream oil and gas properties net balance was NGN736 billion ($1.646 billion) as of 31 December 2022, and related depletion expense was NGN51 billion ($119 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 NGN205 billion ($459 million) as of 31 December 2022.

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.

How our audit addressed the key audit matter

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 company.
- 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 Competent Person's Report 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.

PricewaterhouseCoopers Chartered Accountants, Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria

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, 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 2022 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 2022 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.

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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.

PricewaterhouseCoopers Chartered Accountants, Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria

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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 branches not visited by us;

iii. the company's statements of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

For: PricewaterhouseCoopers
Chartered Accountants
Lagos, Nigeria
Engagement Partner: Pedro Omontuemhen
FRC/2013/ICAN/00000000739

PricewaterhouseCoopers Chartered Accountants, Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2022

	Notes	31 Dec 2022 ₦ million	31 Dec 2021 ₦ million	31 Dec 2022 $'000	31 Dec 2021 $'000
Revenue from contracts with customers	7	403,913	293,631	951,795	733,188
Cost of sales	8	(206,696)	(179,414)	(487,059)	(447,999)
Gross profit		**197,217**	**114,217**	**464,736**	**285,189**
Other income	9	(15,302)	8,056	(36,054)	20,118
General and administrative expenses	10	(58,299)	(32,074)	(137,385)	(80,090)
Impairment loss on financial assets	11.1	(2,730)	(9,035)	(6,432)	(22,561)
Impairment loss on non-financial assets	11.2	–	(6,216)	–	(15,521)
Impairment reversal on non-financial assets	11.2	–	29,900	–	74,659
Fair value loss	12	(4,297)	(4,447)	(10,125)	(11,106)
Operating profit/(loss)		**116,589**	**100,401**	**274,740**	**250,688**
Finance income	13	491	126	1,157	314
Finance cost	13	(28,916)	(30,516)	(68,141)	(76,197)
Finance cost-net		**(28,425)**	**(30,390)**	**(66,984)**	**(75,883)**
Share of profit from joint venture accounted for using the equity method		(1,434)	1,017	(3,380)	2,540
Profit/(loss) before taxation	**21**	**86,730**	**71,028**	**204,376**	**177,345**
Income tax expense		(42,297)	(24,097)	(99,670)	(60,169)
Profit/(loss) for the year	**14**	**44,433**	**46,931**	**104,706**	**117,176**
Attributable to:					
Equity holders of the parent		26,483	56,786	62,407	141,784
Non-controlling interests		17,950	(9,855)	42,299	(24,608)
		44,433	**46,931**	**104,706**	**117,176**
Earnings/(loss) per share for the year					
Basic earnings/(loss) per share ₦/$	36	45.00	97.63	0.11	0.24
Diluted earnings/(loss) per share ₦/$	36	45.00	97.16	0.11	0.24

Notes 1 to 41 on pages 145-217 are an integral part of these financial statements.

	Notes	31 Dec 2022 ₦ million	31 Dec 2021 ₦ million	31 Dec 2022 $'000	31 Dec 2021 $'000
Profit/(loss) for the year		**44,433**	**46,931**	**104,706**	**117,176**
Other comprehensive income:					
Items that may be reclassified to profit or loss:					
Foreign currency translation difference		61,666	54,059	689	941
Items that will not be reclassified to profit or loss:					
Remeasurement gain on defined benefit obligations		825	157	1,944	391
Deferred tax credit on remeasurement gain		(379)	(133)	(892)	(333)
Other comprehensive income/(loss) for the year (net of tax)		62,112	54,083	1,741	999
Total comprehensive income/(loss) for the year		**106,545**	**101,014**	**106,447**	**118,175**
Attributable to:					
Equity holders of the parent		88,595	110,869	64,148	142,783
Non-controlling interests		17,950	(9,855)	42,299	(24,608)
		106,545	**101,014**	**106,447**	**118,175**

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 2022

	Notes	31 Dec 2022 ₦ million	31 Dec 2021 ₦ million	31 Dec 2022 $'000	31 Dec 2021 $'000
Assets					
Non-current assets					
Oil & gas properties	16	741,339	660,745	1,657,993	1,604,025
Other property, plant and equipment	16	12,419	11,228	27,775	27,255
Right-of-use assets	18	1,974	3,050	4,415	7,404
Intangible assets	19	55,630	54,045	124,415	131,200
Other asset	17	45,478	46,363	101,711	112,551
Investment accounted for using equity accounting	21	99,219	92,795	221,902	225,270
Prepayments	20	25,703	27,512	57,486	66,788
Deferred tax asset	14	205,107	128,539	458,718	312,041
Total non-current assets		**1,186,869**	**1,024,277**	**2,654,415**	**2,486,534**
Current assets					
Inventories	22	24,774	30,878	55,406	74,957
Trade and other receivables	23	174,127	105,274	389,431	255,557
Prepayments	20	556	711	1,242	1,726
Derivative financial instruments	25	481	–	1,075	–
Contract assets	24	3,313	1,679	7,408	4,076
Restricted cash	26.2	10,706	6,603	23,944	16,029
Cash and cash equivalents	26	**180,786**	**133,667**	**404,336**	**324,490**
Total current assets		**394,743**	**278,812**	**882,842**	**676,835**
Total assets		1,581,612	1,303,089	3,537,257	3,163,369
Equity and Liabilities					
Equity					
Issued share capital	27	297	296	1,864	1,862
Share premium	27	91,317	90,383	522,227	520,138
Share based payment reserve	27	5,936	4,914	24,893	22,190
Treasury shares	27	(2,025)	(2,025)	(4,915)	(4,915)
Capital contribution	28	5,932	5,932	40,000	40,000
Retained earnings		241,386	239,429	1,189,697	1,185,082
Foreign currency translation reserve	29	447,014	385,348	2,622	1,933
Non-controlling interest	**21**	**(2,963)**	**(20,913)**	**(16,505)**	**(58,804)**
Total shareholders' equity		786,894	703,364	1,759,883	1,707,486
Non-current liabilities					
Interest bearing loans and borrowings	30	311,149	290,803	695,881	705,953
Lease Liabilities	31	–	198	–	481
Provision for decommissioning obligation	32	86,670	63,709	193,836	154,659
Deferred tax liabilities	14	126,664	42,732	283,282	103,736
Defined benefit plan	**33**	**2,878**	**4,181**	**6,437**	**10,149**
Total non-current liabilities		527,361	401,623	1,179,436	974,978
Current liabilities					
Interest bearing loans and borrowings	30	33,232	24,988	74,322	60,661
Lease Liabilities	31	1,800	1,273	4,025	3,090
Derivative financial instruments	25	1,435	1,543	3,210	3,745
Trade and other payables	34	205,622	151,204	459,869	367,058
Current tax liabilities	14	25,268	19,094	56,512	46,351
Total current liabilities		**267,357**	**198,102**	**597,938**	**480,905**
Total liabilities		**794,718**	**599,725**	**1,777,374**	**1,455,883**
Total shareholders' equity and liabilities		**1,581,612**	**1,303,089**	**3,537,257**	**3,163,369**

Notes 1 to 41 on pages 139-219 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 2022 were authorised for issue in accordance with a resolution of the Directors on 28 February 2023 and were signed on its behalf by:

B. Omiyi
FRC/2016/IODN/00000014093
Chairman
28 February 2023

R.T. Brown
FRC/2014/PRO/DIR/003/00000017939
Chief Executive Officer
28 February 2023

E. Onwuka
FRC/2020/PRO/ICAN/006/00000020861
Chief Financial Officer
28 February 2023

Consolidated statement of changes in equity

For the year ended 31 December 2022

	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 2021	293	86,917	7,174	–	5,932	211,790	331,289	(11,058)	632,337
Profit/(loss) for the year	–	–	–	–	–	56,786	-	(9,855)	46,931
Other comprehensive income	–	–	–	–	–	24	54,059	–	54,083
Total comprehensive (loss)/profit for the year	**–**	**–**	**–**	**–**	**–**	**56,810**	**54,059**	**(9,855)**	**101,014**
Transactions with owners in their capacity as owners:									
Unclaimed dividend forfeited						206	–	–	206
Dividends paid	–	–	–	–	–	(29,377)	–	–	(29,377)
Share based payments (Note 27)	–	–	1,209	–	–	–	–	–	1,209
Vested shares (Note 27)	3	3,466	(3,469)	–	–	–	–	–	–
Shares repurchased	–	–	–	(2,025)					(2,025)
Total	3	3,466	(2,260)	(2,025)	–	(29,171)	–	–	(29,987)
At 31 December 2021	**296**	**90,383**	**4,914**	**(2,025)**	**5,932**	**239,429**	**385,348**	**(20,913)**	**703,364**
At 1 January 2022	**296**	**90,383**	**4,914**	**(2,025)**	**5,932**	**239,429**	**385,348**	**(20,913)**	**703,364**
Profit/(loss) for the year	–	–	–	–	–	26,483	–	17,950	44,433
Other comprehensive income	–	–	–	–	–	446	61,666	–	62,112
Total comprehensive income/ (loss) for the year	**–**	**–**	**–**	**–**	**–**	**26,929**	**61,666**	**17,950**	**106,545**
Transactions with owners in their capacity as owners:									
Unclaimed dividend forfeited	–	–	–	–	–	–	–	–	–
Dividend paid	–	–	–	–	–	(24,972)	–	–	(24,972)
Share based payments (Note 27)	–	–	3,474	–	–	–	–	–	3,474
Vested shares (Note 27)	1	934	(2,452)	–	–	–	–	–	(1,517)
Shares re-purchased (Note 27)	–	–	–	–	–	–	–	–	–
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 41 on pages 139-219 are an integral part of these financial statements.

	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 2021	1,855	511,723	27,592	–	40,000	1,116,079	992	(34,196)	1,664,045
Profit/(loss) for the year	–	–	–	–	–	141,784	–	(24,608)	117,176
Other comprehensive income	–	–	–	–	–	58	941	–	999
Total comprehensive income/(loss) for the year	**–**	**–**	**–**	**–**	**–**	**141,842**	**941**	**(24,608)**	**118,175**
Transactions with owners in their capacity as owners:									
Unclaimed dividend forfeited	–	–	–	–	–	515	–	–	515
Dividend paid	–	–	–	–	–	(73,354)	–	–	(73,354)
Share based payments (Note 27)	–	–	3,020	–	–	–	–	–	3,020
Vested shares (Note 27)	7	8,415	(8,422)	–	–	–	–	–	–
Shares re-purchased (Note 27)	–	–	–	(4,915)	–	–	–	–	(4,915)
Total	**7**	**8,415**	**(5,402)**	**(4,915)**	**–**	**(72,839)**	**–**	**–**	**(74,734)**
At 31 December 2021	**1,862**	**520,138**	**22,190**	**(4,915)**	**40,000**	**1,185,082**	**1,933**	**(58,804)**	**1,707,486**
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:									
Unclaimed dividend forfeited	–	–	–	–	–	–	–	–	–
Dividend paid	–	–	–	–	–	(58,844)	–	–	(58,844)
Share based payments (Note 27)	–	–	8,188	–	–	–	–	–	8,188
Vested shares (Note 27)	2	2,089	(5,485)	–	–	–	–	–	(3,394)
Shares re-purchased (Note 27)	–	–	–	–	–	–	–	–	–
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**

Notes 1 to 41 on pages 139-219 are an integral part of these financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2022

	Notes	31 Dec 2022 ₦ million	31 Dec 2021 ₦ million	31 Dec 2022 $'000	31 Dec 2021 $'000
Cash flows from operating activities					
Cash generated from operations	15	242,400	150,901	571,206	376,787
Tax paid	14	(24,415)	(5,203)	(57,532)	(12,993)
Defined benefits paid	33	–	–	–	–
Contribution to plan assets	33	(2,015)	(1,000)	(4,507)	(2,497)
Hedge premium paid	12	(4,360)	(3,608)	(10,275)	(9,010)
Net cash inflows from operating activities		**211,610**	**141,090**	**498,892**	352,287
Cash flows from investing activities					
Payment for acquisition of oil and gas properties	16	(67,338)	(54,618)	(158,678)	(136,381)
Payment for acquisition of other property, plant and equipment	16	(1,973)	(13,415)	(4,649)	(33,498)
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	7,884	–	18,578	–
Proceeds from disposal of other property plant and equipment	16.3.1	8	–	19	–
Rent prepaid		–	(272)	–	(679)
Receipts from other asset	17	4,600	1,961	10,840	4,897
Interest received	13	491	126	1,157	314
Restricted cash	26.3	(3,359)	7,029	(7,915)	17,552
Net cash outflows from investing activities		**(122,146)**	**(59,189)**	**(280,948)**	(147,795)
Cash flows from financing activities					
Repayments of loans and borrowings	30	–	(240,291)	–	(600,000)
Proceeds from loans and borrowings	30	–	268,725	–	671,000
Shares purchased for employees*	27	–	(2,025)	–	(4,915)
Dividends paid	37	(24,972)	(29,377)	(58,844)	(73,354)
Interest paid on lease liability	31	(161)	(212)	(380)	(530)
Lease payments – principal portion	31	(836)	(1,135)	(1,970)	(3,363)
Payments for other financing charges**	30	(5,325)	(8,154)	(12,547)	(20,360)
Interest paid on loans and borrowings	30	(26,857)	(27,728)	(63,287)	(69,236)
Net cash outflows from financing activities		**(58,151)**	**(40,197)**	**(137,028)**	(100,758)
Net increase in cash and cash equivalents		31,313	41,704	80,914	103,734
Cash and cash equivalents at beginning of the year		133,667	85,554	324,490	225,137
Effects of exchange rate changes on cash and cash equivalents		15,806	6,409	(1,068)	(4,381)
Cash and cash equivalents at end of the year	26	**180,786**	**133,667**	**404,336**	324,490

Shares purchased for employees of $4.9 million, ₦2.03 billion represent shares purchased in the open market for employees of the Group.

**Other financing charges of $12.5 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).

Notes 1 to 41 on pages 139-219 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 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, SPDC, TOTAL and AGIP, a 45% participating interest in OML 4, OML 38 and OML 41 located in Nigeria.

In 2013, 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 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.

On 12 December 2014, 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 12 December 2014, the Group also incorporated a new subsidiary, Seplat East Swamp Company Limited with the principal activity of oil and gas exploration and production.

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 16 January 2018, the Group incorporated a subsidiary, Seplat West Limited ('Seplat West'). Seplat West was incorporated to manage the producing assets of Seplat Energy Plc.

In 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.

In order to fund the development of the ANOH gas processing plant, on 13 August 2018, the Group entered into a shareholder's 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 4.1.v) 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.

1. Corporate structure and business continued

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.

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 and 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 Gas Company Limited	12 December 2014	Nigeria	99.9%	Oil and gas exploration and production and gas processing	Direct
Seplat East Onshore Limited	12 December 2014	Nigeria	99.9%	Oil and gas exploration and production	Direct
Seplat East Swamp Company Limited	12 December 2014	Nigeria	99.9%	Oil and gas exploration and production	Direct
Seplat West Limited	16 January 2018	Nigeria	99.9%	Oil and 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 and gas exploration and production	Indirect
Elcrest Exploration and Production Nigeria Limited	6 January 2011	Nigeria	45%	Oil and 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 and gas exploration and production	Direct
MSP Energy Limited	27 March 2013	Nigeria	100%	Oil and gas exploration and production	Direct
Turnkey Drilling Services Limited	5 July 2022	Nigeria	100%	Drilling services	Direct

2. Significant changes in the current reporting period

The following significant changes occurred during the reporting period ended 31 December 2022:

- During the year, Seplat Energy Offshore Limited was incorporated on 7 February 2022. The percentage ownership of the Company is 100%.
- The Group made a deposit of $128.3 million, ₦57.4 billion to Exxon Mobil Corporation, Delaware as part of the consideration to acquire the entire share capital of Mobil Producing Nigeria Unlimited. The completion of the transaction is subject to ministerial consent and other required regulatory approvals.
- On 22 April 2022, the Company announced the appointment of three new Directors as Independent Non-Executive Directors of Seplat Energy Plc, resumption took effect on 18 May 2022. The three new Directors are Mrs. Bashirat Odunewu, Mr. Kazeem Raimi and Mr. Ernest Ebi, MFR.
- The Group signed a contract with Solewant Nigeria Limited in 2013 for the provision of coating services on line pipes. Solewant proceeded to subcontract the service to Adamac Pipes and Coating Services. Over the course of the contract between Solewant and Adamac, financial discords arose. The line pipes are currently being held by Adamac pending ongoing litigations. Due to these pending litigations and rising concerns over recoverability of the pipes, Seplat made a $3.6 million, ₦1.5 billion (30%) impairment on the Line pipes in 2020 and have decided to impair the balance of $8.5 million, ₦3.6 billion in the current reporting period.
- 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. The percentage ownership of the Company is 100%.

- On 1 August 2022, the Group announced the commercial launch of Amukpe-Escravos Pipeline. The pipeline will offer a more secured and reliable export route for liquids from Seplat Energy's major assets OML 4, 38 and 41.
- On 30 September 2022, the Group refinanced its existing $350 million revolving credit facility due in December 2023 with a new three-year $350 million Revolving Credit Facility (RCF) due in June 2025. The RCF also includes an automatic maturity extension until December 2026 once a refinancing of the existing $650 million bond due in April 2026 is implemented.

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 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 2022 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 and historical cost convention, except for financial instruments measured at fair value on initial recognition, derivative financial instruments, 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 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.

3.3 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 2022. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

a) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

In accordance with the transitional provisions, the Group applies the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application) and has not restated its comparative information.

b) Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'Day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the consolidated financial statements of the Group as there were no contingent assets, liabilities and contingent liabilities within the scope of these amendments arisen during the period.

c) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no impact on the consolidated financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

d) IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the consolidated financial statements of the Group as it is not a first-time adopter.

3. Summary of significant accounting policies continued

3.3 New and amended standards adopted by the Group continued

e) IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

These amendments had no impact on the consolidated financial statements of the Group.

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:

- IFRS 17 Insurance Contracts – Effective for annual periods beginning on or after 1 January 2023
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current – Effective for annual periods beginning on or after 1 January 2024
- Amendments to IAS 8 Accounting Policies and Accounting Estimates: Definition of Accounting Estimates – Effective date for annual periods beginning on or after 1 January 2023
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 – Effective date for annual periods beginning on or after 1 January 2023
- Amendments regarding deferred tax on leases and decommissioning obligations – Effective date for annual periods beginning on or after 1 January 2023
- IFRS 16 amended for lease liability measurement in sale and leaseback – Effective date for annual periods beginning on or after January 2024.

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 2022. 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 a majority of 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 unrealized 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.

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; and
- 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. Summary of significant accounting policies continued

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 dollar.

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 underway 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.

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.

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 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 overlifter 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, 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.

3. Summary of significant accounting policies continued

3.8 Revenue recognition (IFRS 15) continued

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 a 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 buyer called 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.

3.9 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 proved developed 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 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. Summary of significant accounting policies continued

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.

3.16 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 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.

3.18 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 steering committee which assesses the financial performance and position of the Group and makes strategic decisions. The steering committee, which has been identified as the chief operating decision maker, consists of the Chief Financial Officer, the Vice President (Finance), the Director (New Energy) and the Financial Reporting Manager. See further details in Note 6.

3.19 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 2022 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, NEPL receivables, NNPC receivables, other receivables, 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, NNPC 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, 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 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 2022 was nil (2021: nil).

The Group seeks to recover amounts it 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.

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.

3.20 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 after initial recognition.

3.21 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.

3.22 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.

3. Summary of significant accounting policies continued

3.22 Post-employment benefits continued
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; and
- Net interest cost.

3.23 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.

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.

3.24 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.

3.25 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. Uncertainty 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 are 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.

3.26 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.

3.27 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.

3. Summary of significant accounting policies continued

3.27 Share based payments continued

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. Lease liabilities

In 2018, the Group entered into a lease agreement for its new head office building. The lease contract contains an option to purchase and right of first refusal upon an option of sales during the initial non-cancellable lease term of five (5) years.

In determining the lease liability/right-of-use assets, management considered all fact and circumstances that create an economic incentive to exercise the purchase option. Potential future cash outflow of $45 million, which represents the purchase price, has not been included in the lease liability because the Group is not reasonably certain that the purchase option will be exercised. This assessment will be reviewed if a significant event or a significant change in circumstances occurs which affects the initial assessment and that is within the control of the management.

iv. 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 ₦40.4 billion (2021: ₦29 billion). See Note 47 for the applicable translation rates.

v. 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.

vi. 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.

vii. 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.

viii. 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 steering committee which assesses the financial performance and position of the Group and makes strategic decisions. The steering committee, which has been identified as being the chief operating decision maker, consists of the chief financial officer, the Vice President (Finance), the Director (New Energy) and the financial reporting manager. 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.

4. Significant accounting judgements estimates and assumptions continued

4.2 Estimates and assumptions continued

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.

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 OML 4, 38 and 41, OML 56, OML 53, OML 40 and OML 17. 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 past 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 basis 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 takes into account 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 Recognised financial assets and liabilities not denominated in US dollars.	Cash flow forecasting 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.	Ageing analysis 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 2022, the Group entered into an economic crude oil hedge contract with an average strike price of ₦22,357 ($50/bbl.) for three million barrels at an average premium price of ₦478 ($1.1 /bbl.) was agreed at the contract dates.

These contracts, which will commence on 1 January 2023, 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 three million barrels will be settled on a deferred basis. An unrealised fair value gain of ₦64 million, $150,000 have been recognised in 2022. The termination date is 31 March and 30 June 2023 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 2022							
Crude oil hedges volume (bbl.)	2,000,000	1,000,000	–	–	3,000,000	1,435	3,210
						1,435	**3,210**

	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 2021							
Crude oil hedges volume (bbl.)	2,000,000	1,000,000	-	-	3,000,000	1,543	3,745
						1,543	**3,745**

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 2022 ₦ million	Effect on other components of equity before tax 2022 ₦ million	Effect on profit before tax 2021 ₦ million	Effect on other components of equity before tax 2021 ₦ million
+10%	144	–	154	–
-10%	(144)	–	(154)	–

Increase/decrease in market inputs	Effect on profit before tax 2022 $'000	Effect on other components of equity before tax 2022 $'000	Effect on profit before tax 2021 $'000	Effect on other components of equity before tax 2021 $'000
+10%	321	–	375	–
-10%	(321)	–	(375)	–

5. Financial risk management continued

5.1.1 Market Risk 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 2022 ₦ million	Effect on other components of equity before tax 2022 ₦ million	Effect on profit before tax 2021 ₦ million	Effect on other components of equity before tax 2021 ₦ million
+10%	35,619	–	24,765	–
-10%	(35,619)	–	(24,765)	–

Increase/decrease in crude oil prices	Effect on profit before tax 2022 $'000	Effect on other components of equity before tax 2022 $'000	Effect on profit before tax 2021 $'000	Effect on other components of equity before tax 2021 $'000
+10%	83,934	–	61,838	–
-10%	(83,934)	–	(61,838)	–

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 2021 ₦ million	Effect on other components of equity before tax 2021 ₦ million	Effect on profit before tax 2020 ₦ million	Effect on other components of equity before tax 2020 ₦ million
+10%	4,772	–	4,598	–
-10%	(4,772)	–	(4,598)	–

Increase/decrease in gas price	Effect on profit before tax 2021 $'000	Effect on other components of equity before tax 2021 $'000	Effect on profit before tax 2020 $'000	Effect on other components of equity before tax 2020 $'000
+10%	11,245	–	11,481	–
-10%	(11,245)	–	(11,481)	–

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.

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Corporate loan	**8,176**	**48,828**	**3,655**	**118,535**

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 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)	–

Increase/decrease in interest rate	Effect on profit before tax 2021 ₦ million	Effect on other components of equity before tax 2021 ₦ million	Effect on profit before tax 2021 $'000	Effect on other components of equity before tax 2021 $'000
+1%	49	–	119	–
-1%	(49)	–	(119)	–

5. Financial risk management continued

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:

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Financial assets				
Cash and bank balances	154,907	114,773	346,447	278,622
Trade and other receivables	692	580	1,547	1,408
Contract assets	3,312	1,669	7,408	4,050
	158,911	**117,022**	**355,402**	**284,080**
Financial liabilities				
Trade and other payables	(182,961)	(102,823)	(409,189)	(249,612)
Net exposure to foreign exchange risk	**(24,050)**	**14,199**	**(53,787)**	**34,468**

The following table demonstrates the carrying value of monetary assets and liabilities exposed to foreign exchange risks for Pound exposures at the reporting date:

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Financial assets				
Cash and bank balances	1,342	900	3,001	2,186
Trade and other receivables	4,157	35,863	9,297	87,062
	5,499	**36,763**	**12,298**	**89,248**
Financial liabilities				
Trade and other payables	–	–	–	–
Net exposure to foreign exchange risk	**5,499**	**36,763**	**12,298**	**89,248**

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 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)	–

Increase/decrease in foreign exchange risk	Effect on profit before tax 2021 ₦ million	Effect on other components of equity before tax 2021 ₦ million	Effect on profit before tax 2021 $'000	Effect on other components of equity before tax 2021 $'000
+5%	(677)	–	(1,641)	–
-5%	748	–	1,814	–

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 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	–

Increase/decrease in foreign exchange risk	Effect on profit before tax 2021 ₦ million	Effect on other components of equity before tax 2021 ₦ million	Effect on profit before tax 2021 $'000	Effect on other components of equity before tax 2021 $'000
+5%	(1,751)	–	(4,250)	–
-5%	1,935	–	4,697	–

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., NNPC 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 and 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 Nigerian National Petroleum Corporation Exploration Limited (NEPL) and Nigerian National Petroleum Corporation (NNPC).

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 has six types of financial assets that are subject to IFRS 9's expected credit loss model. 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:

- Nigerian National Petroleum Corporation Exploration Limited (NEPL) receivables
- Trade receivables
- Contract assets
- Other receivables
- Cash and bank balances

Reconciliation of impairment on financial assets

	Notes	₦'million	$'000
As at 1 January 2022		**30,908**	**75,032**
Decrease in provision for Nigerian National Petroleum Corporation Exploration Limited (NEPL) receivables	23.2	(3,700)	(8,720)
Decrease in provision for Nigerian National Petroleum Corporation (NNPC) 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 – Crestar	23.4	5,076	11,961
Increase in contract asset	24	170	402
Impairment charge to the profit or loss		**2,730**	**6,432**
Exchange difference			
As at 31 December 2022		**33,638**	**81,464**

	Notes	₦'million	$'000
As at 1 January 2021		**17,689**	**52,471**
Increase in provision for Nigerian National Petroleum Corporation Exploration Limited (NEPL) receivables	23.2	1,848	4,614
Increase in provision for Nigerian National Petroleum Corporation (NNPC) receivables	23.3	108	270
Increase in provision for trade receivables	23.1	7,079	17,676
Increase in provision for cash and bank balances: short term fixed deposits	26	–	–
Increase in provision of other receivables	23.4	–	–
Increase in contract asset	24	–	1
Impairment charge to the profit or loss		**9,035**	**22,561**
Exchange difference		4,184	–
As at 31 December 2021		**30,908**	**75,032**

The parameters used to determine impairment for NEPL receivables, NNPC 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	Nigerian National Petroleum Corporation (NNPC) 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 4.11%, 4.32%, and 3.90%, 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 respectively is 4.11%, 4.32%, and 3.90%, 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 4.11%, 4.32% and 3.90% 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 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	20%, 50%, and 30%, was used as the weights for the base, upturn and downturn ECL modelling scenarios respectively.	20%, 50%, and 30%, was used as the weights for the base, upturn and downturn ECL modelling scenarios respectively.	20%, 50%, and 30%, of historical GDP growth rate observations fall within acceptable bounds, periods of boom and periods of downturn respectively.	20%, 50% and 30%, 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. Nigerian National Petroleum Corporation Exploration Limited (NEPL) receivables

NEPL receivables represent the outstanding cash calls due to Seplat from its joint venture partner, Nigerian Petroleum Development Company. 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

5.1.3 Credit risk continued

There was no write-off during the year (2021: Nil). (See details in Note 23.2).

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 2021

	Stage 1 12-month ECL ₦'million	Stage 2 Lifetime ECL ₦'million	Stage 3 Lifetime ECL ₦'million	Total ₦'million
Gross Exposure at Default (EAD)	–	39,514	–	39,514
Loss allowance	–	(4,943)	–	(4,943)
Net Exposure at Default (EAD)	**–**	**34,571**	**–**	**34,571**

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**

31 December 2021

	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Gross Exposure at Default (EAD)	–	95,924	–	95,924
Loss allowance	–	(12,000)	–	(12,000)
Net Exposure at Default (EAD)	**–**	**83,924**	**–**	**83,924**

ii. Nigerian National Petroleum Corporation (NNPC) receivables

NNPC receivables represent the outstanding cash calls due to Seplat from its Joint Operating Arrangement (JOA) partner, Nigerian National Petroleum Corporation. 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 NNPC 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 2022 and 31 December 2021.

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**

31 December 2021

	Stage 1 12-month ECL ₦'million	Stage 2 Lifetime ECL ₦'million	Stage 3 Lifetime ECL ₦'million	Total ₦'million
Gross Exposure at Default (EAD)	–	8,269	2,550	10,819
Loss allowance	–	(80)	(585)	(665)
Net Exposure at Default (EAD)	**–**	**8,189**	**1,965**	**10,154**

31 December 2021

	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Gross Exposure at Default (EAD)	–	20,075	6,190	26,265
Loss allowance	–	(195)	(1,420)	(1,615)
Net Exposure at Default (EAD)	**–**	**19,880**	**4,770**	**24,650**

iii. Trade receivables (Gerugu 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 2022 and 31 December 2021 are as follows:

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 2021

	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	–	20,206	386	2,775	2,264	8,665	34,296
Expected loss rate	2%	2%	39%	39%	70%	70%	
Lifetime ECL (Note 23.1)	–	(326)	(167)	(1,069)	(1,578)	(5,244)	(8,384)
Total	**–**	**19,880**	**219**	**1,706**	**686**	**3,421**	**25,912**

31 December 2022

	Current $'000	1-30 days $'000	31-60 days $'000n	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**

31 December 2021

	Current $'000	1-30 days $'000	31-60 days $'000n	61-90 days $'000	91-120 days $'000	Above 120 days $'000	Total $'000
Gross carrying amount	–	49,052	936	6,737	5,496	21,035	83,256
Expected loss rate	2%	2%	39%	39%	70%	70%	
Lifetime ECL (Note 23.1)	–	(792)	(405)	(2,595)	(3,831)	(12,729)	(20,352)
Total	**–**	**48,260**	**531**	**4,142**	**1,665**	**8,306**	**62,904**

iv. Trade receivables (Mercuria)

The impairment of trade receivables (Mercuria) 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 2022 was nil.

5. Financial risk management continued

5.1.3 Credit risk continued

v. Trade receivables (Pillar)

The impairment of trade receivables (Pillar) 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 2021 and 31 December 2020 are as follows:

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	435	3,912	–	34	34	323	4,738
Expected loss rate	5%	5%	5%	6%	6%	100%	
Lifetime ECL (Note 23.1)	(23)	(202)	–	(2)	(2)	(323)	(552)
Total	**412**	**3,710**	**–**	**32**	**32**	**–**	**4,186**

31 December 2021

	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		–	11	–	–	391	402
Expected loss rate	3%	4%	4%	17%	100%	100%	
Lifetime ECL (Note 23.1)	–	–	–	–	–	(391)	(391)
Total	**–**	**–**	**11**	**–**	**–**	**–**	**11**

31 December 2022

	Current $'000	1-30 days $'000	31-60 days $'000n	61-90 days $'000	91-120 days $'000	Above 120 days $'000	Total $'000
Gross carrying amount	972	8,750	–	76	76	722	10,595
Expected loss rate	5%	5%	5%	6%	6%	100%	
Lifetime ECL (Note 23.1)	(51)	(453)	–	(4)	(4)	(722)	(1,235)
Total	**921**	**8,297**	**–**	**71**	**71**	**–**	**9,361**

31 December 2021

	Current $'000	1-30 days $'000	31-60 days $'000n	61-90 days $'000	91-120 days $'000	Above 120 days $'000	Total $'000
Gross carrying amount	–	–	26	–	–	948	974
Expected loss rate	3%	4%	4%	17%	100%	100%	
Lifetime ECL (Note 23.1)	–	–	(1)	–	–	(948)	(949)
Total	**–**	**–**	**25**	**–**	**–**	**–**	**25**

vi. 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 during a particular period. The expected loss rates as at 31 December 2022 and 2021 is shown below:

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**

31 December 2021

	Current $'000	1-30 days $'000	31-60 days $'000n	61-90 days $'000	91-120 days $'000	Above 120 days $'000	Total $'000
Gross carrying amount	1,679	–	–	–	–	–	1,679
Expected loss rate	0.03%	0.05%	0.1%	0.2%	0.2%	5.29%	
Lifetime ECL (Note 23.1)	–	–	–	–	–	–	–
Total	**1,679**	**–**	**–**	**–**	**–**	**–**	**1,679**

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	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**

31 December 2021

	Current $'000	1-30 days $'000	31-60 days $'000n	61-90 days $'000	91-120 days $'000	Above 120 days $'000	Total $'000
Gross carrying amount	4,077	–	–	–	–	–	4,077
Expected loss rate	0.03%	0.05%	0.1%	0.2%	0.2%	5.29%	
Lifetime ECL (Note 23.1)	(1)	–	–	–	–	–	–
Total	**4,076**	**–**	**–**	**–**	**–**	**–**	**4,076**

vii. 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 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	–	–	(18,668)	(18,668)
Exchange difference	–	–	(6,944)	(6,944)
Net Exposure at Default (EAD)	**–**	**–**	**21,752**	**21,752**

31 December 2021

	Stage 1 12-month ECL ₦'million	Stage 2 Lifetime ECL ₦'million	Stage 3 Lifetime ECL ₦'million	Total ₦'million
Gross Exposure at Default (EAD)	–	–	23,473	23,473
Loss allowance	–	–	(15,303)	(15,303)
Exchange difference	**–**	**–**	**(3,365)**	**(3,365)**
Net Exposure at Default (EAD)	**–**	**–**	**4,805**	**4,805**

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**

31 December 2021

	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Gross Exposure at Default (EAD)	–	–	53,208	53,208
Loss allowance	–	–	(45,319)	(45,319)
Net Exposure at Default (EAD)	**–**	**–**	**7,889**	**7,889**

5. Financial risk management continued

5.1.3 Credit risk continued

viii. 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 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 2021

	Stage 1 12-month ECL ₦'million	Stage 2 Lifetime ECL ₦'million	Stage 3 Lifetime ECL ₦'million	Total ₦'million
Gross Exposure at Default (EAD)	29,182	–	–	29,182
Loss allowance	(101)	–	–	(101)
Net Exposure at Default (EAD)	**29,081**	**–**	**–**	**29,081**

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**

31 December 2021

	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Gross Exposure at Default (EAD)	70,842	–	–	70,842
Loss allowance	(246)	–	–	(246)
Net Exposure at Default (EAD)	**70,596**	**–**	**–**	**70,596**

Other cash and bank balances

The group assessed the other cash and bank balances to determine their expected credit losses. Based on this assessment, they identified the expected credit loss to be nil as at 31 December 2022 (2021: 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:

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Non-rated	–	–	–	–
BBB-	13,543	24,903	30,289	60,455
A	415	134	926	326
A+	121,513	94,973	271,774	230,557
AA-	24,513	10,274	54,824	24,941
AA+	–	–	–	–
AAA-	–	10,087	–	24,486
AAA	31,618		70,713	
	191,602	140,371	428,526	340,765
Allowance for impairment recognised during the year (Note 26)	(110)	(101)	(246)	(246)
Net cash and cash bank balances	**191,492**	140,270	**428,280**	**340,519**

c) Maximum exposure to credit risk – financial instruments subject to impairment

The Group estimated the expected credit loss on NEPL receivables, NNPC 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, NNPC and short-term fixed deposits) are graded under the standard monitoring credit grade (rated B- under Standard & 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 & 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 dominated in foreign currencies and other movements; and
- Financial assets derecognised during the period and write-off of receivables and allowances related to assets.

The following tables explain the changes in the loss allowance between the beginning and end of the annual period due to these factors:

Nigerian National Petroleum Corporation Exploration (NEPL) receivables

Nigerian Petroleum Development Company (NPDC) receivables

	Stage 1 12-month ECL ₦ million	Stage 2 Lifetime ECL ₦ million	Stage 3 Lifetime ECL ₦ million	Purchased credit-impaired ₦ million	Total ₦ million
Loss allowance as at 1 January 2022	–	4,943	–	–	4,943
Movements with profit or loss impact	(3,700)	–	–	–	(3,700)
New financial assets originated or purchased	–	–	–	–	–
Total net profit or loss charge during the period	(3,700)	–	–	–	(3,700)
Exchange difference	3,700	(3,476)	–	–	224
Loss allowance as at 31 December 2022	**–**	**1,467**	**–**	**–**	**1,467**

	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Purchased credit-impaired $'000	Total $'000
Loss allowance as at 1 January 2022	–	12,000	–	–	12,000
Movements with profit or loss impact	(8,720)	–	–	–	(8,720)
New financial assets originated or purchased	–	–	–	–	–
Total net profit or loss charge during the period	(8,720)	–	–	–	(8,720)
Loss allowance as at 31 December 2022	**(8,720)**	**12,000**	**–**	**–**	**3,280**

Nigerian National Petroleum Corporation (NNPC) receivables

	Stage 1 12-month ECL ₦ million	Stage 2 Lifetime ECL ₦ million	Stage 3 Lifetime ECL ₦ million	Purchased credit-impaired ₦ million	Total ₦ million
Loss allowance as at 1 January 2022	–	80	585	–	665
Movements with profit or loss impact	–	(325)	–	–	(325)
New financial assets originated or purchased	–	–	–	–	–
Total net profit or loss charge during the period	–	(325)	–	–	(325)
Exchange difference	–	625	(585)	–	40
Loss allowance as at 31 December 2022	**–**	**380**	**–**	**–**	**380**

	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Purchased credit-impaired $'000	Total $'000
Loss allowance as at 1 January 2022	–	195	1,420	–	1,615
Movements with profit or loss impact	–	(766)	–	–	(766)
New financial assets originated or purchased	–	–	–	–	–
Total net profit or loss charge during the period	–	(766)	–	–	(766)
Loss allowance as at 31 December 2022	**–**	**(571)**	**–**	**–**	**849**

5. Financial risk management continued

5.1.3 Credit risk continued

Other receivables

	Stage 1 12-month ECL ₦ million	Stage 2 Lifetime ECL ₦ million	Stage 3 Lifetime ECL ₦ million	Purchased credit-impaired ₦ million	Total ₦ million
Loss allowance as at 1 January 2022	–	–	18,668	–	18,668
Movements with profit or loss impact	–	–	5,076	–	5,076
Changes in PDs/LGDs/EADs	–	–	–	–	–
Transfer to Stage 3	–	–	–	–	–
Total net profit or loss charge during the period	–	–	5,076	–	5,076
Other movements with no profit or loss impact					
Exchange difference	–	–	6,944	–	6,944
Loss allowance as at 31 December 2022	**–**	**–**	**25,612**	**–**	**25,612**

	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Purchased credit-impaired $'000	Total $'000
Loss allowance as at 1 January 2022	–	–	45,319	–	45,319
Movements with profit or loss impact	–	–	11,961	–	11,961
Changes in PDs/LGDs/EADs	–	–	–	–	–
Transfer to Stage 3	–	–	–	–	–
Total net profit or loss charge during the period	–	–	11,961	–	11,961
Loss allowance as at 31 December 2022	**–**	**–**	**57,280**	**–**	**57,280**

Short–term fixed deposit

	Stage 1 12-month ECL ₦ million	Stage 2 Lifetime ECL ₦ million	Stage 3 Lifetime ECL ₦ million	Purchased credit-impaired ₦ million	Total ₦ million
Loss allowance as at 1 January 2022	101	–	–	–	101
Movements with profit or loss impact	–	–	–	–	–
New financial assets originated or purchased	–	–	–	–	–
Total net profit or loss charge during the period	101	–	–	–	101
Other movements with no profit or loss impact					
Exchange difference	9	–	–	–	9
Loss allowance as at 31 December 2022	**110**	**–**	**–**	**–**	**110**

	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Purchased credit-impaired $'000	Total $'000
Loss allowance as at 1 January 2022	246	–	–	–	246
Movements with profit or loss impact	–	–	–	–	–
New financial assets originated or purchased	–	–	–	–	–
Total net profit or loss charge during the period	246	–	–	–	246
Other movements with no profit or loss impact					
Exchange difference	**–**	**–**	**–**	**–**	**–**
Loss allowance as at 31 December 2022	**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 cashflows recoverable

The table below demonstrates the sensitivity of the Group's profit before tax to a 20% change in the expected cashflows from financial assets, with all other variables held constant:

	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%	334	–	747	–
-20%	(334)	–	(747)	–

	Effect on profit before tax 2021 ₦ million	Effect on other components of equity before tax 2021 ₦ million	Effect on profit before tax 2021 $'000	Effect on other components of equity before tax 2021 $'000
Increase/decrease in estimated cash flows				
+20%	148	–	371	–
-20%	(148)	–	(371)	–

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 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	–

	Effect on profit before tax 2021 ₦ million	Effect on other components of equity before tax 2021 ₦ million	Effect on profit before tax 2021 $'000	Effect on other components of equity before tax 2021 $'000
Increase/decrease in Loss Given Default				
+10%	(717)	–	(1,800)	–
-10%	717	–	1,800	–

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 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	–

	Effect on profit before tax 2021 ₦ million	Effect on other components of equity before tax 2021 ₦ million	Effect on profit before tax 2021 $'000	Effect on other components of equity before tax 2021 $'000
Increase/decrease in probability of default				
+10%	(679)	–	(1,704)	–
-10%	679	–	1,704	–

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 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	–

	Effect on profit before tax 2021 ₦ million	Effect on other components of equity before tax 2021 ₦ million	Effect on profit before tax 2021 $'000	Effect on other components of equity before tax 2021 $'000
Increase/decrease in forward looking macroeconomic indicators				
+10%	(19)	–	(48)	–
-10%	19	–	48	–

5. Financial risk management continued

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 year ₦ 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 ₦ million	1 – 2 year ₦ million	2 – 3 years ₦ million	3 – 5 years ₦ million	Total ₦ million
31 December 2021						
Non-derivatives						
Fixed interest rate borrowings						
Senior notes	7.75%	20,751	20,751	20,751	298,881	361,134
Variable interest rate borrowings						
Citibank, N.A., London Branch	8.00% + USD LIBOR	1,298	4,390	6,456	7,650	19,794
Nedbank Limited London	8.00% + USD LIBOR	1,324	4,481	6,590	7,810	20,205
Stanbic IBTC Bank Plc	8.00% + USD LIBOR	757	2,561	3,766	4,463	11,547
The Standard Bank of South Africa Limited	8.00% + USD LIBOR	338	1,143	1,681	1,992	5,154
RMB International (Mauritius) Limited	10.5% + USD LIBOR	486	924	876	4,422	6,708
Total variable interest borrowings		4,203	13,499	19,369	26,337	63,408
Other non-derivatives						
Trade and other payables**		151,204	–	–	–	151,204
Lease liability		1,950	66	28	–	2,044
		153,154	66	28	–	153,248
Total		178,108	34,316	40,148	325,218	577,790

	Effective interest rate %	Less than 1 year ₦ million	1 – 2 year ₦ million	2 – 3 years ₦ million	3 – 5 years ₦ million	Total ₦ million
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**

	Effective interest rate %	Less than 1 year ₦ million	1 – 2 year ₦ million	2 – 3 years ₦ million	3 – 5 years ₦ million	Total ₦ million
31 December 2021						
Non-derivatives						
Fixed interest rate borrowings						
Senior notes	7.75%	50,375	50,375	50,375	725,563	876,688
Variable interest rate borrowings						
Citibank, N.A., London Branch	8.00% + USD LIBOR	3,150	10,656	15,672	18,572	48,050
Nedbank Limited London	8.00% + USD LIBOR	3,215	10,878	15,998	18,959	49,050
Stanbic IBTC Bank Plc	8.00% + USD LIBOR	1,837	6,216	9,142	10,834	28,029
The Standard Bank of South Africa Limited	8.00% + USD LIBOR	820	2,775	4,081	4,836	12,512
RMB International (Mauritius) Limited	10.5% + USD LIBOR	1,179	2,243	2,126	10,734	16,282
Total variable interest borrowings		10,201	32,768	47,019	63,935	153,923
Other non-derivatives						
Trade and other payables**		367,058	–	–	–	367,058
Lease liability		4,733	160	67	–	4,960
		371,791	160	67	–	372,018
Total		432,367	83,303	97,461	789,498	1,402,629

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	
	2022 ₦ million	2021 ₦ million	2022 ₦ million	2021 ₦ million
Financial assets at amortised cost				
Trade and other receivables*	102,085	78,869	102,085	78,869
Contract assets	3,313	1,679	3,313	1,679
Cash and cash equivalents	180,786	133,667	180,786	133,667
	286,184	**214,215**	**286,184**	**214,215**
Financial liabilities at amortised cost				
Interest bearing loans and borrowings	344,381	315,791	331,384	307,447
Trade and other payables	178,128	136,619	178,128	136,619
	522,509	**452,410**	**509,512**	**444,066**
Financial liabilities at fair value				
Derivative financial instruments (Note 25)	(1,435)	(1,543)	(1,435)	(1,543)
	(1,435)	**(1,543)**	**(1,435)**	**(1,543)**

	Carrying amount		Fair value	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Financial assets at amortised cost				
Trade and other receivables*	228,312	191,463	228,312	191,463
Contract assets	7,408	4,076	7,408	4,076
Cash and cash equivalents	404,336	324,490	404,336	324,490
	640,056	**520,029**	**640,056**	**520,029**
Financial liabilities at amortised cost				
Interest bearing loans and borrowings	770,203	766,614	741,137	746,358
Trade and other payables	398,380	331,655	398,380	331,655
	1,168,583	**1,098,269**	**1,139,517**	**1,078,013**
Financial liabilities at fair value				
Derivative financial instruments (Note 25)	(3,210)	(3,745)	(3,210)	(3,745)
	(3,210)	**(3,745)**	**(3,210)**	**(3,745)**

*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 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	–

31 Dec 2021	Level 1 ₦ million	Level 2 ₦ million	Level 3 ₦ million	Level 1 $'000	Level 2 $'000	Level 3 $'000
Financial liabilities:						
Derivative financial instruments	–	1,543	–	–	3,735	–

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 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	–

31 Dec 2021	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	–	307,447	–	–	746,358	–

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 and 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.

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Interest bearing loans and borrowings	344,381	315,791	770,203	766,614
Lease liabilities	1,800	1,471	4,025	3,571
Less: cash and cash equivalents	(180,786)	(133,667)	(404,336)	(324,490)
Net debt	165,395	183,595	369,892	445,695
Total equity	786,894	703,364	1,759,883	1,707,486
Total capital	952,289	886,959	2,129,775	2,153,181
Net debt (net debt/total capital) ratio	17%	21%	17%	21%

During the year, the Group's strategy which was unchanged from 2021, was to maintain a net debt gearing ratio of 20% 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 its 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 6-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 2022, revenue from the gas segment of the business constituted 12% (2021: 16%) 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

	2022 ₦'million	2021 ₦'million	2022 $'000	2021 $'000
Oil	31,204	26,251	73,524	65,539
Gas	13,229	20,680	31,182	51,637
Total profit/(loss) for the year	**44,433**	**46,931**	**104,706**	**117,176**

Oil

	2022 ₦'million	2021 ₦'million	2022 $'000	2021 $'000
Revenue from contracts with customers				
Crude oil sales (Note 7)	356,192	247,651	839,344	618,377
Operating profit before depreciation, amortisation and impairment	145,014	146,036	341,719	364,637
Depreciation, amortisation and impairment	(54,610)	(68,388)	(128,684)	(170,762)
Operating profit/loss)	**90,404**	**77,648**	**213,035**	**193,875**
Finance income (Note 13)	491	126	1,157	314
Finance costs (Note 13)	(28,916)	(30,516)	(68,141)	(76,197)
Profit/(loss) before taxation	**61,979**	**47,258**	**146,051**	**117,992**
Income tax (expense)/credit (Note 14)	(30,775)	(21,007)	(72,527)	(52,453)
Profit/(loss) for the year	**31,204**	**26,251**	**73,524**	**65,539**

Gas

	2022 ₦'million	2021 ₦'million	2022 $'000	2021 $'000
Revenue from contracts with customer				
Gas sales	47,721	45,980	112,451	114,811
Operating profit before depreciation, amortisation and impairment	27,269	23,776	64,258	59,368
Depreciation and amortisation	(1,084)	(1,023)	(2,553)	(2,555)
Operating profit	**26,185**	**22,753**	**61,705**	**56,813**
Share of profit from joint venture accounted for using equity accounting	(1,434)	1,017	(3,380)	2,540
Profit before taxation	24,751	23,770	58,325	59,353
Taxation	(11,522)	(3,090)	(27,143)	(7,716)
Profit for the year	**13,229**	**20,680**	**31,182**	**51,637**

During the reporting period, impairment losses recognised in the oil segment relate to trade receivables (Pillar, Pan Ocean, Oghareki and Summit) NEPL, NNPC and other receivables. Impairment losses recognised in the gas segment relates to Geregu Power, Sapele Power and NGMC. See Note 11 for further details.

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.

	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 contracts 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 contracts with customers	**356,192**	**47,721**	**403,913**	**839,344**	**112,451**	**951,795**

	2021 Oil ₦'million	2021 Gas ₦'million	2021 Total ₦'million	2021 Oil $'000	2021 Gas $'000	2021 Total $'000
Geographical markets						
The Bahamas	68,425	–	68,425	170,855	–	134,307
Nigeria	5,499	45,980	51,479	13,730	114,811	128,541
Italy	7,798	–	7,798	19,471	–	19,471
Switzerland	157,128	–	157,128	392,345	–	392,345
Barbados	8,801	–	8,801	21,976	–	21,976
Revenue from contracts with customers	**247,651**	**45,980**	**293,631**	**618,377**	**114,811**	**733,188**
Timing of revenue recognition						
At a point in time	247,651	–	247,651	618,377	–	618,377
Over time	–	45,980	45,980	–	114,811	114,811
Revenue from contracts with customers	**247,651**	**45,980**	**293,631**	**618,377**	**114,811**	**733,188**

The Group's transactions with its major customer, Mercuria, constitutes more than 60% ($539.9 million, ₦229.1 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 ($112 million, ₦47.7 billion) accounted for the total revenue from the gas segment.

6.1.2 Impairment (losses)/reversal on financial assets by reportable segments

	2022 Oil ₦'million	2022 Gas ₦'million	2022 Total ₦'million	2021 Oil ₦'million	2021 Gas ₦'million	2021 Total ₦'million
Impairment losses recognised during the year	(2,727)	(3)	(2,730)	5,960	3,075	9,035
	(2,727)	**(3)**	**(2,730)**	**5,960**	**3,075**	**9,035**

	2022 Oil $'000	2022 Gas $'000	2022 Total $'000	2021 Oil $'000	2021 Gas $'000	2021 Total $'000
Impairment losses recognised during the year	(6,425)	(7)	(6,432)	14,883	7,678	22,561
	(6,425)	**(7)**	**(6,432)**	**14,883**	**7,678**	**22,561**

6.1.3 Impairment/(reversal of) losses on non-financial assets by reportable segments

	2022 Oil ₦'million	2022 Gas ₦'million	2022 Total ₦'million	2021 Oil ₦'million	2021 Gas ₦'million	2021 Total ₦'million
Impairment losses recognised during the year	–	–	–	(23,684)	–	(23,684)
	–	**–**	**–**	**(23,684)**	**–**	**(23,684)**

	2022 Oil $'000	2022 Gas $'000	2022 Total $'000	2021 Oil $'000	2021 Gas $'000	2021 Total $'000
Impairment losses recognised during the year	–	–	–	(59,138)	–	(59,138)
	–	**–**	**–**	**(59,138)**	**–**	**(59,138)**

6. Segment reporting continued

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 2022	1,279,802	301,810	1,581,612	2,862,263	674,994	3,537,257
31 December 2021	1,393,987	209,549	1,603,536	3,384,033	508,701	3,892,734

6.3 Segment liabilities

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 2022	654,939	139,779	794,718	1,464,761	312,613	1,777,374
31 December 2021	690,623	209,549	900,172	1,676,547	508,701	2,185,248

7. Revenue from contracts with customers

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Crude oil sales	356,192	247,651	839,344	618,377
Gas sales	47,721	45,980	112,451	114,811
	403,913	**293,631**	**951,795**	**733,188**

The major off-takers for crude oil are Mercuria and Shell West. The major off-takers for gas are Geregu Power, Sapele Power, Nigerian Gas Marketing Company and Azura.

8. Cost of sales

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Royalties	76,712	51,997	180,765	129,836
Depletion, depreciation and amortisation (Note 16.4)	54,610	56,503	128,684	141,086
Crude handling fees	20,984	21,009	49,447	52,457
Nigeria Export Supervision Scheme (NESS) fee	419	250	987	624
Barging and Trucking	5,203	4,702	12,262	11,741
Niger Delta Development Commission Levy	4,561	1,741	10,748	4,346
Operational & maintenance expenses	44,207	43,212	104,166	107,909
	206,696	**179,414**	**487,059**	**447,999**

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 $5.2 million, ₦2.2 billion (2021: $14.1 million ₦5.6 billion) and inventory write down of $8.5 million, ₦3.6 billion on Solewant line pipes (2021: nil).

Barging and Trucking costs relates to costs on the OML 40 Gbetiokun field and OML 17 Ubima field respectively under Eland Group.

9. Other (loss)/income

	2022 ₦ million	2021 ₦'million	2022 $'000	2021 $'000
Underlift	(11,547)	5,587	(27,209)	13,950
Loss on foreign exchange	(454)	(1,755)	(1,068)	(4,381)
Gains on disposal of property, plant & equipment	(5,548)	–	(13,073)	–
Crude hedging income	(8)	–	(18)	–
Provision no longer required	–	2,147	–	5,362
Tariffs	1,638	2,077	3,861	5,187
Tariffs	617	–	1,453	–
	(15,302)	**8,056**	**(36,054)**	**20,118**

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.

Provision no longer required in the prior year relates to the reversal of decommissioning obligation no longer required for Eland operations.

Tariffs which is a form of crude handling fee, relate to income generated from the use of the Group's pipeline.

Others represents other income, joint venture billing interest and joint venture billing finance fees.

10. General and administrative expenses

	2022 ₦ million	2021 ₦'million	2022 $'000	2021 $'000
Depreciation (Note 16.2)	1,735	2,003	4,092	5,000
Depreciation of right-of-use assets (Note 18)	2,297	1,870	5,413	4,670
Auditor's remuneration	424	392	999	980
Professional and consulting fees	14,305	4,915	33,708	12,274
Directors' emoluments (executive)	875	897	2,062	2,240
Directors' emoluments (non-executive)	2,677	1,844	6,308	4,604
Loss on disposal of other property, plant and equipment – (Note 16.3.1)	–	89	–	222
Donations	13	173	30	433
Employee benefits (Note 10.1)	23,192	17,268	54,654	43,116
Flights and other travel costs	4,256	1,992	10,031	4,977
Rentals and other general expenses	8,525	631	20,088	1,574
	58,299	**32,074**	**137,385**	**80,090**

Directors' emoluments have been split between Executive and Non-Executive Directors.

Flights and other travel costs increases were driven by higher travel and training costs following the relaxation of travel restrictions.

Rentals and other general expenses consist of training fees, software license and maintenance fees.

10.1 Employee benefits – Salaries and employee related costs include the following:

	2022 ₦ million	2021 ₦'million	2022 $'000	2021 $'000
Short term employee benefits:				
Basic salary	12,317	10,262	29,025	25,623
Housing allowances	1,441	1,763	3,394	4,403
Other allowances	3,931	2,652	9,265	6,621
Post-employment benefits:				
Defined contribution expenses	1,329	943	3,132	2,354
Defined benefit expenses (Note 34.2)	700	439	1,650	1,095
Other employee benefits:				
Share based payment expenses (Note 28.2)	3,474	1,209	8,188	3,020
	23,192	**17,268**	**54,654**	**43,116**

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	414,000	2022
Seplat Energy Plc	Project Apollo (Reporting accountant)	PwC Nigeria	394,555	2022

10.3 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*, Stephen.T. Philips*	Ryder Scott Petroleum Consultants	Reserve valuation
2	Chidiebere Orji (FRC/2021/004/00000022718)	Logic Professional Service (FRC/2020/00000013617)	Actuarial valuation service
3	Reuben Temerigha*, (FRC/2023/PRO/DIR/003/866111)	Westend Diamond Nigeria Limited	Drilling rigs valuation

11. Impairment loss

	2022 ₦ million	2021 ₦'million	2022 $'000	2021 $'000
Impairment losses on financial assets-net (Note 11.1)	2,730	9,035	6,432	22,561
Impairment loss on non-financial assets (Note 11.2)	–	6,216	–	15,521
Reversal of impairment on non-financial asset (Note 11.2)	–	(29,900)	–	(74,659)
	2,730	**(14,649)**	**6,432**	**(36,577)**

11.1 Impairment losses/(reversal) on financial assets – net

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Impairment losses/(reversal) on:				
NNPC receivables	(325)	108	(766)	270
NEPL receivables	(3,700)	1,848	(8,720)	4,614
Trade receivables (Geregu Power, Sapele Power and NGMC)	1,383	7,006	3,259	17,493
Receivables from joint venture (ANOH)	126	–	296	–
Contract asset	170	–	402	1
Other trade receivables	5,076	73	11,961	183
	2,730	**9,035**	**6,432**	**22,561**
Exchange difference	–	–	–	–
Total impairment loss allowance	**2,730**	**9,035**	**6,432**	**22,561**

11.2 Impairment loss/(reversal) on non-financial assets:

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Impairment loss on non-financial assets (Plant & Machinery)	–	6,027	–	15,049
Impairment loss on non-financial assets (OML 17)	–	189	–	472
Reversal of impairment on non-financial asset (OML 40)	–	(29,900)	–	(74,659)
	–	**(23,684)**	**–**	**(59,138)**

During the period, the Group recognised no impairment loss on non-financial assets (2021: ₦6.03 million, ($15.05 million).

12. Fair value gain/(loss)

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Realised fair value losses on crude oil hedges	(4,360)	(3,608)	(10,275)	(9,010)
Unrealised fair value gain/(loss)	63	(839)	150	(2,096)
	(4,297)	**(4,447)**	**(10,125)**	**(11,106)**

Fair value loss on derivatives represents changes in the fair value of hedging receivables charged to profit or loss

13. Finance income/(cost)

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Finance income				
Interest income	**491**	**126**	**1,157**	**314**
Finance cost				
Interest on bank loans (Note 30)	(27,761)	(29,765)	(65,418)	(74,322)
Interest on lease liabilities (Note 31)	(161)	(212)	(380)	(530)
Unwinding of discount on provision for decommissioning (Note 32)	(994)	(539)	(2,343)	(1,345)
	(28,916)	(30,516)	(68,141)	(76,197)
Finance (cost) – net	**(28,425)**	**(30,390)**	**(66,984)**	**(75,883)**

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 7.52% (2021: 7.72%). The amount capitalised during the year is ₦5.9 billion ($14 million), (2021: ₦5 billion, $12.5 million).

14. Taxation

The major components of income tax expense for the years ended 31 December 2022 and 2021 are:

Income tax expense

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Current tax:				
Current tax expense on profit for the year	24,481	12,317	57,689	30,755
Education tax	4,022	2,603	9,478	6,500
NASENI Levy	221	139	518	346
Police Levy	3	2	8	**5**
Total current tax	**28,727**	**15,061**	**67,693**	**37,606**
Deferred tax:				
Deferred tax expense in profit or loss (Note 14.3)	13,570	9,036	31,977	22,563
Total tax expense in statement of profit or loss	42,297	24,097	99,670	60,169
Deferred tax recognised in other comprehensive income (Note 14.3)	379	133	892	333
Total tax charge for the period	**42,676**	**24,230**	**100,562**	**60,502**
Effective tax rate	**49%**	**34%**	**49%**	**34%**

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 2022 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 49% (2021: 34%).

A reconciliation between income tax expense and accounting profit before income tax multiplied by the applicable statutory tax rate is as follows:

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Profit before taxation	86,730	71,028	204,376	177,345
Tax rate of 85% and 30%	73,721	60,374	173,720	150,743
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Income not subject to tax	(25,349)	(14,649)	(59,733)	(36,579)
Expenses not deductible for tax purposes	(76,309)	100,349	(179,817)	250,570
Impact of unutilised tax losses	65,989	(124,721)	155,496	(311,416)
Education tax	4,022	2,603	9,478	6,500
NASENI levy	220	139	518	346
Police levy	3	2	8	5
Total tax charge in statement of profit or loss	**42,297**	**24,097**	**99,670**	**60,169**

14.2 Current tax liabilities

The movement in the current tax liabilities is as follows:

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
As at 1 January	19,094	8,261	46,351	21,739
Tax charge	28,727	15,061	67,693	37,606
Tax paid	(24,415)	(5,203)	(57,532)	(12,994)
Exchange difference	1,862	975	–	–
As at 31 December	**25,268**	**19,094**	**56,512**	**46,351**

14.3 Deferred tax

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Balance as at 1 January 2022 ₦ million	(Charged)/ credited to profit or loss ₦ million	Charged to other comprehensive income ₦ million	Exchange difference ₦ million	Balance as at 31 Dec 2022 ₦ million
Deferred tax assets (Note 14.4)	128,539	62,624	(379)	14,323	205,107
Deferred tax liabilities (Note 14.5)	(42,732)	(76,194)	–	(7,738)	(126,664)
	85,807	**(13,570)**	**(379)**	**6,585**	**78,443**

	Balance at 1 January 2022 $'000	(Charged)/ credited to profit or loss $'000	Charged to other comprehensive income $'000	Balance at 31 December 2022 $'000
Deferred tax assets (Note 14.4)	312,041	147,569	(892)	458,718
Deferred tax liabilities (Note 14.5)	(103,736)	(179,546)	–	(283,282)
	208,305	**(31,977)**	**(892)**	**175,436**

In line with IAS 12, the Group elected to offset the deferred tax assets against the deferred tax liabilities arising from similar transactions.

14. Taxation continued

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 2022 ₦ million	(Charged)/ credited to profit or loss ₦ million	Credited to other comprehensive income ₦ million	Exchange difference ₦ million	Balance at 31 December 2022 ₦ million
Tax losses	12,686	(3,634)	–	889	9,941
Other cumulative timing differences:					
Accelerated capital deduction	50,421	39,281	–	6,416	96,118
Other temporary differences:					
Provision for abandonment	8,216	3,525	–	891	12,632
Provision for gratuity	7,629	2,730	–	799	11,158
Provision for defined benefit	3,554	(703)	(379)	245	2,717
Unrealised foreign exchange loss	7,056	3,759	–	804	11,619
Overlift	8,432	13,493	–	1,445	23,370
Impairment provision on trade and other receivables	30,547	4,017	–	2,825	37,389
Leases	–	155	–	8	163
	128,539	**62,244**	**(379)**	**14,322**	**205,107**

	Balance at 1 January 2022 $'000	(Charged)/ credited to profit or loss $'000	Credited to other comprehensive income $'000	Balance at 31 December 2022 $'000
Tax losses	30,797	(8,563)	–	22,234
Other cumulative timing differences:				
Accelerated capital deduction	122,401	92,564	–	214,965
Other temporary differences:				
Provision for abandonment	19,944	8,307	–	28,251
Provision for gratuity	18,519	6,434	–	24,953
Provision for defined benefit	8,627	(1,657)	(892)	6,078
Unrealised foreign exchange loss	17,128	8,857	–	25,985
Overlift	20,470	31,796	–	52,266
Impairment provision on trade and other receivables	74,155	9,466	–	83,621
Leases	–	365	–	365
	312,041	**147,569**	**(892)**	**458,718**

*Other temporary differences include provision for defined benefit, provision for Abandonment, share equity reserve.

During the year, the Group elected to offset the deferred tax assets against the deferred tax liabilities arising from similar transactions in line with IAS 12. This led to a deferred tax reclassification of $729 million, ₦300 billion from the deferred tax liabilities to the deferred tax assets as at 1 January 2022.

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 at 1 January 2022 ₦ million	Charged/ (credited) to profit or loss ₦ million	Exchange difference ₦ million	Balance at 31 December 2022 ₦ million
Other cumulative timing differences:				
Property, plant & equipment	(35,570)	(71,365)	(6,866)	(113,801)
Leases	(1,408)	1,305	(50)	(154)
Underlift	(5,753)	1,548	(410)	(4,615)
Unrealised foreign exchange loss	–	(7,682)	(412)	(8,094)
Effect of exchange difference	(42,732)	(76,194)	(7,738)	(126,664)
	(42,732)	**(76,194)**	**(7,738)**	**(126,664)**

	Balance at 1 January 2022 $'000	Charged/ (credited) to profit or loss $'000	Balance at 31 December 2022 $'000
Other cumulative timing differences:			
Property, plant and equipment	(86,350)	(168,165)	(254,515)
Leases	(3,419)	3,075	(344)
Underlift	(13,967)	3,647	(10,320)
Unrealised foreign exchange gain	–	(18,103)	(18,103)
Effect of exchange differences	(103,736)	(179,546)	(283,282)
	(103,736)	**(179,546)**	**(283,282)**

During the period, the Group elected to offset $729 million, ₦300 billion from the deferred tax liabilities to the deferred tax assets as at 1 January 2022 in line with IAS 12. The net impact of the reclassification remains unchanged in the consolidated statement of financial position.

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.

15. Computation of cash generated from operations

	Notes	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Profit before tax		**86,730**	**71,028**	**204,376**	**177,345**
Adjusted for:					
Depletion, depreciation and amortisation	16.4	56,345	58,506	132,776	146,086
Depreciation of right-of-use asset	18	2,297	1,870	5,413	4,670
Impairment losses on financial assets	11.1	2,730	9,035	6,432	22,561
Impairment losses on non-financial assets	11.2	–	6,216	–	15,521
Reversal of impairment loss on non-financial assets	11.2	–	(29,900)	–	(74,659)
Loss on disposal of oil and gas asset	16.3	5,548	–	13,073	–
Loss on disposal of other property, plant & equipment	16.3	8	89	18	222
Interest income	13	(491)	(126)	(1,157)	(314)
Interest expense on bank loans	30	27,761	29,765	65,418	74,322
Interest on lease liabilities	31	161	212	380	530
Unwinding of discount on provision for decommissioning	32	994	539	2,343	1,345
Unrealised fair value (gain)/loss on derivatives financial instrument	12	(63)	839	(150)	2,096
Realised fair value loss on derivatives	12	4,360	3,608	10,275	9,010
Unrealised foreign exchange (gain)/loss	9	454	1,755	1,068	4,381
Share based payment expenses	27.4	3,474	1,209	8,188	3,020
Defined benefit expenses		700	439	1,650	1,095
Share of loss/(profit) in joint venture	21.3	1,434	(1,017)	3,380	(2,540)
Changes in working capital: (excluding the effects of exchange differences)					
Trade and other receivables		(293)	(8,302)	(691)	(20,729)
Inventories		8,297	(155)	19,551	(387)
Prepayments		4,153	(1,252)	9,786	(3,126)
Contract assets		(1,585)	837	(3,734)	2,090
Trade and other payables		39,386	9,499	91,187	23,718
Contract liabilities		–	(3,793)	–	(9,470)
Net cash from operating activities		**242,400**	**150,901**	**571,206**	**376,787**

16. Property, plant and equipment

16.1 Oil and gas properties

Cost	Production and field facilities ₦ million	Assets under construction ₦ million	Exploration and evaluation assets ₦ million	Total ₦ million
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
Impairment loss	–	–	–	–
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**

Cost	Production and field facilities ₦ million	Assets under construction ₦ million	Exploration and evaluation assets ₦ million	Total ₦ million
At 1 January 2021	741,974	107,129	22,367	871,470
Additions	25,028	28,955	635	54,618
Transfer	28,888	(28,888)	–	–
Changes in decommissioning obligation (Note 32)	(3,727)	–	–	(3,727)
Interest capitalised (Note 30.1)	–	4,995	–	4,995
Exchange differences	63,781	9,146	1,899	74,826
At 31 December 2021	**855,944**	**121,337**	**24,901**	**1,002,182**
Depreciation				
At 1 January 2021	**261,995**	**–**	**–**	**261,995**
Charge for the year	55,832	–	–	55,832
Exchange difference	23,610	–	–	23,610
At 31 December 2021	**341,437**	**–**	**–**	**341,437**
NBV				
At 31 December 2021	**514,507**	**121,337**	**24,901**	**660,745**

Cost	Production and field facilities $'000	Assets under construction $'000	Exploration and evaluation assets $'000	Total $'000
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**	**–**	**–**	**–**
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**

Cost				
At 1 January 2021	**1,952,564**	**281,919**	**58,865**	**2,293,348**
Additions	62,497	72,299	1,585	136,381
Transfer	72,133	(72,133)	–	–
Changes in decommissioning obligation (Note 32)	(9,305)	–	–	(9,305)
Interest capitalised (Note 30.1)	–	12,473	–	12,473
At 31 December 2021	**2,077,889**	**294,558**	**60,450**	**2,432,897**
Depreciation				
At 1 January 2021	**689,460**	**–**	**–**	**689,460**
Charge for the year	139,412	–	–	139,412
Exchange difference				
At 31 December 2021	**828,872**	**–**	**–**	**828,872**
NBV				
At 31 December 2021	**1,249,017**	**294,558**	**60,450**	**1,604,025**

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 7.52% (2021: 7.72%) 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 ₦5.9 billion, 2021: ₦14.01 billion (2022: $14.3 million, 2021: $12.5 million). There was no oil and gas property pledged as security during the reporting period.

Impairment testing

There was no impairment loss recorded for OML 4, 38, 41, OML 53 and OML 56 during the year ended. (2021: nil).

16. Property, plant and equipment continued

16.2 Other property, plant and equipment

Cost	Plant & machinery ₦ million	Motor vehicles ₦ million	Office furniture & IT equipment ₦ million	Leasehold improvements ₦ million	Land ₦ million	Building ₦ million	Total ₦ million
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**

Cost	Plant & machinery ₦ million	Motor vehicles ₦ million	Office furniture & IT equipment ₦ million	Leasehold improvements ₦ million	Land ₦ million	Building ₦ million	Total ₦ million
At 1 January 2021	1,950	5,150	8,413	2,142	25	1,478	18,888
Additions	13,045	135	204	32	–	–	13,416
Disposals	–	(1,838)	–	–	–	–	(1,838)
Exchange differences	536	384	691	181	3	125	1,920
At 31 December 2021	**15,531**	**3,831**	**9,038**	**2,355**	**28**	**1,603**	**32,386**
Depreciation							
At 1 January 2021	1,861	3,414	6,605	1,592	–	86	13,558
Charge for the year	74	694	991	181	–	63	2,003
Impairment loss	6,199	–	–	–	–	–	6,199
Disposals	–	(1,749)	–	–	–	–	(1,749)
Exchange differences	159	257	584	139	–	8	1,147
At 31 December 2021	**8,293**	**2,616**	**8,180**	**1,912**	**–**	**157**	**21,158**
NBV							
At 31 December 2021	**7,238**	**1,215**	**858**	**443**	**28**	**1,446**	**11,228**

Cost	Plant & machinery $'000	Motor vehicles $'000	Office furniture & IT equipment $'000	Leasehold improvements $'000	Land $'000	Building $'000	Total $'000
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
Disposals	–	(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**

Cost	Plant & machinery $'000	Motor vehicles $'000	Office furniture & IT equipment $'000	Leasehold improvements $'000	Land $'000	Building $'000	Total $'000
At 1 January 2021	5,131	13,552	21,431	5,638	68	3,891	49,711
Additions	32,573	336	510	79	–	–	33,498
Disposals	–	(4,589)	–	–	–	–	(4,589)
At 31 December 2021	**37,704**	**9,299**	**21,941**	**5,717**	**68**	**3,891**	**78,620**
Depreciation							
At 1 January 2021	4,899	8,986	17,384	4,190	–	224	35,683
Charge for the year	184	1,732	2,474	452	–	158	5,000
Impairment loss	15,049	–	–	–	–	–	15,049
Disposals	–	(4,367)	–	–	–	–	(4,367)
At 31 December 2021	**20,132**	**6,351**	**19,858**	**4,642**	**–**	**382**	**51,365**
NBV							
At 31 December 2021	**17,572**	**2,948**	**2,083**	**1,075**	**68**	**3,509**	**27,255**

During the year, the Group performed a valuation on the drilling rigs acquired in 2021.

The recoverable amount of $47 million as at 31 December 2022 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 ($47 million) was higher than the carrying value ($18.35 million). Hence, there was no impairment loss recorded in profit or loss.

It is categorised under level 2 of the fair value hierarchy.

16.3 Loss on disposal

16.3.1 Loss on disposal of other property, plant and equipment

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Proceeds from disposal of assets	8	–	19	–
Less net book value of disposed assets	(16)	(89)	(37)	(222)
	(8)	**(89)**	**(18)**	**(222)**

16.3.2 Loss on disposal of oil and gas assets

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'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)**	**–**

16.3.2 Loss on disposal of oil and gas assets

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Oil and gas properties (Note 16.1)	46,997	55,832	118,812	139,412
Amortisation of intangible asset (Note 19)	7,613	671	9,872	1,674
Charged to cost of sales	**54,610**	**56,503**	**128,684**	**141,086**
Other property, plant and equipment charged to general and administrative expense (Note 16.2)	1,735	2,003	4,092	5,000
Right of use assets (Note 18)	2,297	1,870	5,413	4,670
Total depletion, depreciation and amortisation	**58,642**	**60,376**	**138,189**	**150,756**

17. Other asset

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Fair value at the beginning of the year	46,363	44,630	112,551	117,448
Receipts from crude oil lifted	(4,600)	(1,961)	(10,840)	(4,897)
Exchange differences	3,715	3,694	–	–
Fair value at the end of the year	**45,478**	**46,363**	**101,711**	**112,551**

Other assets represents the Group's rights to receive the discharge sum of ₦85 billion, 2021: ₦61 billion ($190 million, 2021: $199 million) 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 (2021: $112.6 million).

A further increase/(decrease) in the discount rate of 15% would result in the following:

Percentage	Fair value $'000	Impact on profit or loss $'000
+2%	137,823	(4,589)
-2%	147,327	4,916

18. Right of use asset

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
As at 1 January	3,050	3,965	7,404	10,435
Additions during the year	1,084	656	2,424	1,639
Less: depreciation for the period	(2,297)	(1,870)	(5,413)	(4,670)
Exchange difference	137	299	–	–
As at 31 December	**1,974**	**3,050**	**4,415**	**7,404**

In 2018, the Group entered into a lease agreement for an office building in Lagos. The non-cancellable period of the lease is five years commencing on 1 January 2019 and ending on 31 December 2023. 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 addition during the year relates to Elcrest – Office rent, barges and leases of vessels and UK ledger balance transfers.

19. Intangible assets

Cost	Licence ₦ million	Total ₦ million	Licence $'000	Total $'000
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**
Charge for the year				
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**

Cost				
At 1 January 2021	**55,751**	**55,751**	**146,713**	**146,713**
Exchange difference	4,684	4,684	–	–
At 31 December 2021	**60,435**	**60,435**	**146,713**	**146,713**
Amortisation and impairment				
At 1 January 2021	33,450	33,450	88,026	88,026
– Impairment	189	189	472	472
– Impairment reversal	(29,900)	(29,900)	(74,659)	(74,659)
– Amortisation	671	671	1,674	1,674
Exchange difference	1,980	1,980	–	–
At 31 December 2021	**6,390**	**6,390**	**15,513**	**15,513**
NBV				
At 31 December 2021	**54,045**	**54,045**	**131,200**	**131,200**

License relates to costs paid in connection with the renewal of a right for exploration of an oil mining lease field.

There was no impairment loss recorded for OML 40 and OML 17 during the year ended 2022 (2021: nil and $0.5 million).

As at 31 December 2022, the market capitalisation of the Group was above the book value of its intangible assets. In addition, there has been a slight increase in oil price and development activities around the world, as well as the subtle adjustment to current economic activities compared to the prior year which has led to an increase in the value of oil and gas assets.

20. Prepayments

Non-current	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Advances to suppliers	25,703	27,512	57,486	66,788
	25,703	**27,512**	**57,486**	**66,788**
Current				
Rent	184	84	412	204
Other prepayments	372	627	830	1,522
	556	711	1,242	1,726
	26,259	**28,223**	**58,728**	**68,514**

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 of ₦0.45 billion, $1.06 million (2021: ₦631 million ($1.6 million)) was recognised within general and administrative expenses for these leases. The Group's future cash outflows from short-term lease commitments at the end of the reporting period are ₦184 million, $412 thousand (2021: ₦184 million, $449 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 ₦25.7 billion, $57.5million, (2021: ₦27.5 billion, $66.8 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.

21. Interest in other entities

21.1 Material subsidiaries
The Group's principal subsidiaries as at 31 December 2022 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 2022 ₦'million	As at 31 Dec 2022 $'000	As at 31 Dec 2021 ₦'million	As at 31 Dec 2021 $'000
Current assets	65,158	145,722	11,600	28,161
Current liabilities	(320,653)	(735,104)	(289,360)	(717,060)
Current net liabilities	**(255,495)**	**(589,382)**	**(277,760)**	**(688,899)**
Non-current assets	271,432	607,062	246,878	599,320
Non-current liabilities	(21,324)	(47,689)	(7,142)	(17,338)
Non-current net assets	**250,108**	**559,373**	**239,736**	**581,982**
Net liabilities	(5,387)	(30,009)	(38,024)	(106,917)
Accumulated NCI at 55%	**(2,963)**	**(16,505)**	**(20,913)**	**(58,804)**

21.2.2 Statement of profit or loss and other comprehensive income

	As at 31 Dec 2022 ₦'million	As at 31 Dec 2022 $'000	As at 31 Dec 2021 ₦'million	As at 31 Dec 2021 $'000
Revenue	69,128	162,897	53,788	134,307
Cost of sales	(65,680)	(154,772)	(52,828)	(131,911)
Operating expenses	(471)	(1,109)	(6,450)	(16,105)
Finance income/(cost)	(2,289)	(2,378)	(12,428)	(31,032)
Profit/(loss) before Tax	**688**	**1,622**	**(17,918)**	**(44,741)**
Tax credit	31,949	75,286	–	–
Profit/(loss) for the year	**32,637**	**76,908**	**(17,918)**	**(44,741)**
Total comprehensive income/(loss)	19,216	76,908	(17,918)	(44,741)

21. Interest in other entities continued

21.2.3 Statement of cash flows

	As at 31 Dec 2022 ₦'million	As at 31 Dec 2022 $'000	As at 31 Dec 2021 ₦'million	As at 31 Dec 2021 $'000
Operating activities	283,728	668,587	26,267	65,589
Investing activities	(31,105)	(69,565)	(25,834)	(64,507)
Financing activities	(250,780)	(560,867)	4,152	10,367

21.3 Investment accounted for using equity accounting method

	As at 31 Dec 2022 ₦ million	As at 31 Dec 2021 ₦ million	As at 31 Dec 2022 $'000	As at 31 Dec 2021 $'000
Investment in joint venture (note 21.3.1)	99,219	92,795	221,902	225,270
	99,219	**92,795**	**221,902**	**225,270**

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.

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 2022 %	As at 31 Dec 2021 %	As at 31 Dec 2022 ₦'million	As at 31 Dec 2021 ₦'million	As at 31 Dec 2022 $'000	As at 30 Dec 2021 $'000
ANOH Gas Processing Company Limited	Nigeria	50	50	99,219	92,795	221,902	225,270

21.3.1.1 Summarised statement of financial position of ANOH

	As at 31 Dec 2022 ₦'million	As at 31 Dec 2022 $'000	As at 31 Dec 2021 ₦'million	As at 31 Dec 2021 $'000
Current assets:				
Cash and bank balances	4,260	9,528	15,980	38,793
Other current assets	6,240	13,955	48,662	118,131
Total current assets	10,500	23,483	64,642	156,924
Non-current assets	263,935	590,286	221,976	538,869
Total assets	**274,435**	**613,769**	**286,618**	**695,793**
Current liabilities:				
Financial liabilities (excluding trade payables)	(72,046)	(161,128)	(37,492)	(91,017)
Other current liabilities	(3,951)	(8,837)	(72,846)	(176,840)
Total liabilities	(75,997)	(169,965)	(110,338)	(267,857)
Net assets	**198,438**	**443,804**	**176,280**	**427,936**
Reconciliation to carrying amounts:				
Opening net assets	176,280	427,936	160,624	422,856
(Loss)/profit for the period	(2,869)	(6,760)	2,035	5,080
Additional contribution	10,118	22,628	–	–
Exchange difference	14,909	–	13,621	–
Closing net assets	**198,438**	**443,804**	**176,280**	**427,936**
Group's share (%)	50%	50%	50%	50%
Group's share of net asset	99,219	221,902	88,140	213,968
Remeasurement of retained interest	–	–	4,655	11,302
Carrying amount	**99,219**	**221,902**	**92,795**	**225,270**

21.3.1.2 Summarised statement of profit or loss and other comprehensive income of ANOH

	As at 31 Dec 2022 ₦'million	As at 31 Dec 2022 $'000	As at 31 Dec 2021 ₦'million	As at 31 Dec 2021 $'000
General and administrative expenses	(3,193)	(7,525)	(56)	(141)
Depreciation and amortisation	(315)	(743)	(193)	(483)
Other income	2	5	916	2,287
Finance income	640	1,509	911	2,275
Finance cost	–	–	(28)	(70)
(Loss)/profit before taxation	(2,866)	(6,754)	1,550	3,868
Taxation	(2)	(6)	485	1,212
(Loss)/profit for the period	(2,868)	(6,760)	2,035	5,080
Group's share (%)	50%	50%	50%	50%
Group's share of (loss)/profit for the period	(1,434)	(3,380)	1,017	2,540

21.3.1.3 Investment in joint venture

	As at 31 Dec 2022 ₦'million	As at 31 Dec 2022 $'000	As at 31 Dec 2021 ₦'million	As at 31 Dec 2021 $'000
Opening balance	92,795	225,270	84,639	222,730
Movement during the year	5	12	–	–
Exchange difference	7,853	–	7,139	–
Share of (loss)/profit from joint venture accounted for using the equity method	(1,434)	(3,380)	1,017	2,540
	99,219	221,902	92,795	225,270

21.3.2 Investment in associate

Elandale Nigeria Limited is an associate acquired on the business combination. Elandale was incorporated in Nigeria on 17 January 2019. Elandale is an unquoted investment and valued based on fixed asset investment. The Group indirectly owns 40% ownership interest and voting rights in Elandale. The investment was written-off during the year because Elandale is not trading, does not have sufficient funds to repay the investment and have no discardable future income stream. The associate is deemed to be immaterial, as a result, financial information is not provided.

22. Inventories

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Tubulars, casings and wellheads	**24,774**	**30,878**	**55,406**	**74,957**

Inventory represents the value of tubulars, casings and wellheads. The inventory is carried at the lower of cost and net realisable value. Inventory charged to profit or loss and included in cost of sales during the year is ₦3.5 billion, $7.9 million (2021: ₦1.7 billion, $4.1 million). There was an inventory write down of $8.5 million, ₦3.6 billion on Solewant line pipes (2021: nil).

23. Trade and other receivables

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Trade receivables (Note 23.1)	19,480	25,923	43,571	62,929
Nigerian National Petroleum Corporation Exploration Limited (NEPL) (Note 23.2)	40,386	34,571	90,322	83,924
Nigerian National Petroleum Corporation Limited (NNPC) receivables (Note 23.3)	15,411	10,154	34,467	24,650
Underlift	7,018	20,657	15,696	50,147
Other receivables (Note 23.4)	21,752	2,964	48,644	7,194
Advances to suppliers	7,657	5,746	17,123	13,947
Receivables from ANOH (Note 23.5)	5,056	5,259	11,308	12,766
Advances for new business (Note 23.6)	57,367	–	128,300	–
	174,127	**105,274**	**389,431**	**255,557**

23.1 Trade receivables

Included in trade receivables is an amount due from Geregu Power of $19.5 million, ₦8.7 billion (2021: $17.1 million, ₦7 billion), Waltersmith $12.8 million, ₦5.7 billion (Dec 2021: nil) Sapele Power $6.1 million, ₦2.7 billion (2021: $5.9million, ₦2.4 billion) and Nigerian Gas Marketing Company $0.4 million, ₦0.2 billion (2021: $7.3 million, ₦3 billion) totalling $38.7 million, ₦17.3 billion (Dec 2021: $30.3 million, ₦12.5 billion) with respect to the sale of gas. Also included in trade receivables is nil (Dec 2021: $7.4 million, ₦3.1 billion), nil (Dec 2021: $28.1 million, ₦11.6 billion), and $3.8 million, ₦1.7 billion (Dec 2021: nil) due from Mercuria, Shell Western, and MSN Energy respectively for sale of crude and $26 million, ₦11.4 billion, (Dec 2021: $18.4 million, ₦7.6 billion) for crude injectors.

Reconciliation of trade receivables

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Balance as at 1 January	34,698	22,358	84,230	58,000
Additions during the year	368,983	234,149	825,226	584,666
Receipts for the year	(357,032)	(223,645)	(841,325)	(558,436)
Exchange difference	(16,187)	1,836	–	–
Gross carrying amount	30,462	34,698	68,131	84,230
Less: impairment allowance	(10,982)	(8,775)	(24,560)	(21,301)
Balance as at 31 December	**19,480**	**25,923**	**43,571**	**62,929**

Reconciliation of impairment allowance trade receivables

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Loss allowance as at 1 January	8,775	1,195	21,301	3,625
Increase in loss allowance during the period	1,383	7,079	3,259	17,676
Exchange difference	824	501	–	–
Loss allowance as at 31 December	**10,982**	**8,775**	**24,560**	**21,301**

23.2 NEPL receivables

The outstanding cash calls due to Seplat from its JOA partner, NEPL is ₦40.4 billion (Dec 2021: ₦34.6 billion) $90.3 million (Dec 2021: $83.9million).

Reconciliation of NEPL receivables

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Balance as at 1 January	39,514	43,776	95,924	114,439
Additions during the year	115,181	86,732	257,600	216,567
Receipts for the year	(110,303)	(94,147)	(259,922)	(235,082)
Exchange difference	(2,539)	3,153	–	–
Gross carrying amount	41,853	39,514	93,602	95,924
Less: impairment allowance	(1,467)	(4,943)	(3,280)	(12,000)
Balance as at 31 December	**40,386**	**34,571**	**90,322**	**83,924**

Reconciliation of impairment allowance on NEPL receivables

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Loss allowance as at 1 January	4,943	619	12,000	7,386
Increase in loss allowance during the period	(3,700)	1,848	(8,720)	4,614
Exchange difference	224	2,476	–	–
Loss allowance as at 31 December	**1,467**	**4,943**	**3,280**	**12,000**

23.3 NNPC receivables

Reconciliation of NNPC receivables

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Balance as at 1 January	10,819	11,910	26,265	31,221
Additions during the year	29,249	10,793	65,416	26,950
Receipts for the year	(23,920)	(12,778)	(56,365)	(31,906)
Exchange difference	(357)	894	–	–
Gross carrying amount	15,791	10,819	35,316	26,265
Less: impairment allowance	(380)	(665)	(849)	(1,615)
Balance as at 31 December	**15,411**	**10,154**	**34,467**	**24,650**

Reconciliation of impairment allowance on NNPC receivables

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Loss allowance as at 1 January	665	479	1,615	1,345
(Decrease)/increase in loss allowance during the period	(325)	108	(766)	270
Exchange difference	40	78	–	–
Loss allowance as at 31 December	**380**	**665**	**849**	**1,615**

23.4 Other receivables

Reconciliation of other receivables

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Balance as at 1 January	21,632	19,713	52,513	48,070
Additions during the year	43,326	21,708	96,897	54,205
Receipts for the year	(18,454)	(19,929)	(43,486)	(49,762)
Exchange difference	861	140	–	–
Gross carrying amount	47,364	21,632	105,924	52,513
Less: impairment allowance	(25,612)	(18,668)	(57,280)	(45,319)
Balance as at 31 December	**21,752**	**2,964**	**48,644**	**7,194**

Reconciliation of impairment allowance on other receivables

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Loss allowance as at 1 January	18,668	15,303	45,319	45,319
Increase in loss allowance during the period	5,076	–	11,961	–
Exchange difference	1,868	3,365	–	–
Loss allowance as at 31 December	**25,612**	**18,668**	**57,280**	**45,319**

23.5 Receivables from Joint Venture (ANOH)

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Balance as at 1 January	5,259	4,926	12,766	12,963
Additions during the year	610	134	1,364	326
Receipts for the year	(1,072)	(215)	(2,526)	(523)
Exchange difference	391	414	–	–
Gross carrying amount	5,188	5,259	11,604	12,766
Less: impairment allowance	(132)	–	(296)	–
Balance as at 31 December	**5,056**	**5,259**	**11,308**	**12,766**

Reconciliation of impairment allowance on receivables from joint venture (ANOH)

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Loss allowance as at 1 January	–	–	–	–
Increase in loss allowance during the period	126	–	296	–
Exchange difference	7	–	–	–
Loss allowance as at 31 December	**132**	**–**	**296**	**–**

23.6 Advances for New Business

Advances for new business include deposit for investment of $128.3 million, ₦57.4 billion towards the acquisition of the entire share capital of Mobil Producing Nigeria Unlimited from Exxon Mobil Corporation, Delaware.

24. Contract assets

Reconciliation of impairment allowance on receivables from joint venture (ANOH)

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Revenue on gas sales (Note 24.1)	3,493	1,679	7,811	4,076
Impairment loss on contract asset	(180)	–	(403)	–
	3,313	**1,679**	**7,408**	**4,076**

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 and NGMC for the delivery of gas supplies which the three companies has 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 crystallises. The right to the unbilled receivables is recognised as a contract asset. At the point where the final billing certificate is obtained from Geregu Power, Sapele Power, Azura and NGMC 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:

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Balance as at 1 January	1,679	2,343	4,076	6,167
Addition during the year	38,216	44,849	90,054	111,987
Receipts for the year	(36,631)	(45,662)	(86,319)	(114,017)
Price adjustments	–	(24)	–	(60)
Exchange difference	229	173	–	–
Impairment	(180)	–	(403)	(1)
Balance as at 31 December	**3,313**	**1,679**	**7,408**	**4,076**

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..

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Crude oil options	(1,435)	1,543	(3,210)	3,745
Additions	481	–	1,075	–
	(954)	**1,543**	**(2,135)**	**3,745**

In 2021, the Group entered an economic crude oil hedge contracts with an average strike price of ₦22,141, $54/bbl (2020: ₦12,903, $34/bbl) for 3 million barrels (2020: 5 million barrels) at a cost of ₦1.8 billion, $4.3 million (2020: ₦2.9 billion, $7.65 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.

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Cash on hand	30	5,916	66	14,361
Short-term fixed deposits	22,906	29,040	51,229	70,498
Cash at bank	157,960	98,812	353,287	239,877
Gross cash and cash equivalent	**180,896**	**133,768**	**404,582**	**324,736**
Loss allowance	(110)	(101)	(246)	(246)
Net cash and cash equivalents	**180,786**	**133,667**	**404,336**	**324,490**

26.1 Reconciliation of impairment allowance on cash and cash equivalents

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Loss allowance as at 1 January	101	93	246	246
Loss allowance as at 31 December	**9**	**8**	**–**	**–**
	110	**101**	**246**	**246**

26.2 Restricted cash

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Restricted cash	10,706	6,603	23,944	16,029
	10,706	**6,603**	**23,944**	**16,029**

26.3 Movement in restricted cash

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
(Decrease)/Increase in restricted cash	(3,359)	7,029	(7,915)	17,552
	(3,359)	**7,029**	**(7,915)**	**17,552**

Included in the restricted cash balance is $8 million, ₦3.6 billion and $12.5 million, ₦5.6 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 $0.8 million, ₦0.3 billion, and $1 million, ₦0.5 billion for rent deposit, and unclaimed dividend respectively.

A garnishee order of $1.6 million, ₦0.7 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

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Authorised Ordinary Share capital				
588,444,561 issued shares denominated in Naira of 50 kobo per share	500	500	3,335	3,335
Issued and fully paid				
588,444,561 (2021: 584,035,845) issued shares denominated in Naira of 50 kobo per share	297	296	1,864	1,862

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 2021	584,035,845	296	90,383	4,914	(2,025)	93,568
Share based payments	–	–	–	3,474	–	3,474
Vested shares	4,719,809	2	2,450	(2,452)	–	–
PAYE tax withheld on vested shares	(311,093)	(1)	(1,516)	–	–	(1,517)
Closing balance as at 31 December 2022	**588,444,561**	**297**	**91,317**	**5,936**	**(2,025)**	**95,525**

	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 2022	584,035,845	1,862	520,138	22,190	(4,915)	539,275
Share based payments	–	–	–	8,188	–	8,188
Vested shares	4,719,809	5	5,480	(5,485)	–	–
Shares re-purchased	(311,093)	(3)	(3,391)	–	–	(3,394)
Closing balance as at 31 December 2022	**588,444,561**	**1,864**	**522,227**	**24,893**	**(4,915)**	**544,069**

27. Share capital continued

27.3 Share Premium

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Share premium	**91,317**	**90,383**	**522,227**	**520,138**

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 4,719,809 shares vested with a fair value of $5.49 million. The excess of $5.48 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 2022, the Group had awarded 94,038,312 shares (2021: 73,966,540 shares) 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 (2021 LTIP Scheme and 2022 LTIP Scheme) awarded during the reporting period. During the reporting period, 7,821,418 shares had vested out of which 3,101,609 shares were forfeited in relation to participants whose employment was terminated during the vesting period. The average forfeiture rate due to failure to meet non-market vesting condition is 16.19% while the average due to staff exit is 24.36%. The impact of applying the forfeiture rate of 25% on existing LTIP awards which are yet to vest will result in a reduction of share-based compensation expense for the year by $3,531,176. The number of shares that eventually vested during the year after the forfeiture and conditions above is 4,719,809 (Dec 2021: 5,736,761 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 2019 bonus (paid in 2020) has been deferred into shares and would be released in 2022 subject to continued employment over the vesting period. 2020 deferred bonus was approved by the Board and vested in 2022. 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 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:

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Expense arising from equity-settled share-based payment transactions	**3,474**	**1,209**	**8,188**	**3,020**

There were no cancellations to the awards in 2022. 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
Global Bonus Offer	4 November 2015	9 April 2014	9 April 2015	Fully	6,472,138
Non-Executive Shares	4 November 2015	9 April 2014	9 April 2015	Fully	793,650
2014 Deferred Bonus	14 December 2015	14 December 2015	21 April 2017	Fully	212,701
2014 Long term incentive Plan	14 December 2015	14 December 2015	9 April 2017	Fully	2,173,259
2015 Long term incentive Plan	31 December 2015	14 December 2015	21 April 2018	Fully	5,287,354
2015 Deferred Bonus	21 April 2016	21 April 2016	20 April 2018	Fully	247,610
2016 Long term incentive Plan	22 December 2016	22 December 2016	21 December 2019	Fully	10,294,300
2016 Deferred Bonus	24 November 2017	24 November 2017	20 April 2019	Fully	278,191
2017 Long term incentive Plan	24 November 2017	24 November 2017	20 April 2020	Fully	7,938,589
2017 Deferred Bonus	2 May 2018	2 May 2018	31 December 2019	Fully	193,830
2018 Long term incentive Plan	2 May 2018	2 May 2018	2 May 2021	Fully	6,936,599
2018 Deferred Bonus	2 May 2019	2 May 2019	31 December 2020	Fully	341,069
2019 Long term incentive Plan	2 May 2019	2 May 2019	2 May 2022	Partially	7,648,850
2019 Deferred Bonus	30 Apr 2020	30 Apr 2020	31 Dec 2021	Fully	214,499
2020 Long term incentive Plan	30 Apr 2020	30 Apr 2020	1 May 2023	Partially	10,828,156
2020 Long term incentive Plan	2 Dec 2020	2 Dec 2020	2 Dec 2023	Partially	1,110,057
2021 Long term incentive Plan	2 November 2021	2 November 2021	2 November 2024	Partially	12,995,688
2021 Long term incentive Plan – Executives	10 March 2022	10 March 2022	2 November 2024	Partially	5,133,469
2020 Deferred Bonus	10 March 2022	10 March 2022	31 December 2022	Fully	172,586
2022 Long term incentive Plan	30 May 2022	30 May 2022	30 May 2025	Partially	13,811,252
2021 Deferred Bonus	10 March 2022	10 March 2022	31 December 2023	Partially	439,908
COO Sign on Bonus	4 August 2022	4 August 2022	1 July 2024	Partially	514,575
					94,038,312

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 2022.

Share award scheme (all awards)	2022 Number	2022 WAEP ₦	2021 Number	2021 WAEP ₦
Outstanding at 1 January	2,800,942	442	8,806,987	843
Granted during the year	25,036,212	442	1,145,053	415
Exercised during the year	(4,719,809)		(5,736,761)	
Forfeited during the year	(3,101,609)		(1,414,337)	
Outstanding at 31 December	**20,015,736**	**259**	**2,800,942**	**442**

Share award scheme (all awards)	2022 Number	2022 WAEP $	2021 Number	2021 WAEP $
Outstanding at 1 January	2,800,942	1.10	8,806,987	2.22
Granted during the year	25,036,212	1.10	1,145,053	1.04
Exercised during the year	(4,719,809)		(5,736,761)	
Forfeited during the year	(3,101,609)		(1,414,337)	
Outstanding at 31 December	**20,015,736**	**0.58**	**2,800,942**	**1.10**

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	2022 Number	2022 WAEP ₦	2021 Number	2021 WAEP ₦
Outstanding at 1 January	–	–	86,151	509
Granted during the year	479,564	541	128,348	415
Exercised during the year	(172,568)		(214,499)	
Outstanding at 31 December	**306,996**	**483**	**–**	**–**

27. Share capital continued

27.4 Employee share-based payment scheme continued

Deferred Bonus Scheme	2022 Number	2022 WAEP $	2021 Number	2021 WAEP $
Outstanding at 1 January	–	–	86,151	0.62
Granted during the year	479,564	1.21	128,348	1.04
Exercised during the year	(172,568)		(214,499)	
Outstanding at 31 December	**306,996**	**1.08**	**–**	**–**

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)	2022 Number	2022 WAEP ₦	2021 Number	2021 WAEP ₦
Outstanding at 1 January	2,800,942	492	8,720,836	509
Granted during the year	24,556,648	–	1,016,705	415
Exercised during the year	(4,547,241)		(5,522,262)	
Forfeited during the year	(3,101,740)		(1,414,337)	
Outstanding at 31 December	**19,708,740**	**322**	**2,800,942**	**442**

Long-Term Incentive Plan (LTIP)	2022 Number	2022 WAEP $	2021 Number	2021 WAEP $
Outstanding at 1 January	2,800,942	1.10	8,720,836	1.34
Granted during the year	24,556,648	–	1,016,705	1.04
Exercised during the year	(4,547,241)		(5,522,262)	
Forfeited during the year	(3,101,740)		(1,414,337)	
Outstanding at 31 December	**19,708,740**	**0.72**	**2,800,942**	**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 2022 range from 0.8 to 2.3 years (2021: 0.2 to 2.7 years).

The weighted average fair value of awards granted during the year range from ₦170 to ₦581 (2021: ₦415 to ₦442.32), $0.38 to $1.30 (2021: $1.04 to $1.10).

The fair value at grant date 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:

	2020 LTIP	2020 LTIP	2021 LTIP	2021 LTIP execs	2022 LTIP
Dividend yield (%)					
Expected volatility (%)	0.00%	0.00%	0.00%	0.00%	0.00%
Risk–free interest rate (%)	43%	43%	51.68%	59.29%	59.86%
Expected life of share options	0.44%	0.44%	0.31%	2.17%	2.53%
Share price at grant date ($)	3.00	3.00	3.00	2.64%	3.00
Share price at grant date (₦)	0.38	0.51	0.66	1.12	1.18
Model used	135.38	193.48	264.32	465.74	489.76
Model used	Monte Carlo	Monte Carlo	Monte Carlo	Monte Carlo	Monte Carlo

27.5 Treasury shares

This relates to Share buy-back programme for Group'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 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.

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'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 bearings loans and borrowings

Below is the reconciliation of interest bearing loans and borrowings for 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	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**

Below is the reconciliation of interest bearing loans and borrowings for 2021:

	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 2021	**35,518**	**229,880**	**265,398**	**93,468**	**604,947**	**698,415**
Addition	268,725	–	268,725	671,000	–	671,000
Interest accrued	29,765	–	29,765	74,322	–	74,322
Interest capitalised	4,995	–	4,995	12,473	–	12,473
Principal repayment	(240,291)	–	(240,291)	(600,000)	–	(600,000)
Interest repayment	(27,728)	–	(27,728)	(69,236)	–	(69,236)
Other financing charges	(8,154)	–	(8,154)	(20,360)	–	(20,360)
Transfers	(40,451)	40,451	–	(101,006)	101,006	–
Exchange differences	**2,609**	**20,472**	**23,081**	**–**	**–**	**–**
Carrying amount as at 31 December 2021	**24,988**	**290,803**	**315,791**	**60,661**	**705,953**	**766,614**

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

	2022 ₦'million	2021 ₦'million	2022 $'000	2021 $'000
Senior loan notes	298,133	266,963	666,768	648,079
Revolving loan facilities	3,655	–	8,176	–
Reserve based lending (RBL) facility	42,593	48,828	95,259	118,535
	344,381	**315,791**	**770,203**	**766,614**

$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 revolving credit facility for general corporate purposes, and to pay transaction fees and expenses. The amortised cost for the senior notes as at the reporting period is $666.77 million, ₦298.13 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.

30. Interest bearing loans and borrowings continued

30.2 Amortised cost of borrowings continued

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 31st 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 4th 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 $11 million, ₦4.7 billion using an effective interest rate of 12.17%. The interest paid was determined using SOFR rate + 8 % on the last business day of the reporting period.

On 17th 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 $95.3 million, ₦42.6 billion (Dec 2021: $108.8 million), 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 6-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 $8.2 million, ₦3.7 billion although the principal is $11 million.

$350 million Revolving credit facility – September 2022

Seplat Energy Plc successfully refinanced its existing $350million revolving credit facility due in December 2023 with a new three-year $350 million revolving credit facility 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 stabilized 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 IBOR related exposure by currency and nature of financial instruments as at December 2022.

31 December 2022	2022 USD SOFR ₦ million	2021 USD LIBOR ₦ million	2022 USD SOFR $'000	2021 USD LIBOR $'000
Non-derivative financial liabilities	344,381	315,791	770,203	766,614
Interest bearing loans and borrowings	**344,381**	**315,791**	**770,203**	**766,614**

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 variable interest borrowings		**–**	**344,737**	**344,737**	**–**	**771,000**	**771,000**

31 December 2021	Interest	Current ₦ million	Non-current ₦ million	Total ₦ million	Current $'000	Non-current $'000	Total $'000
Fixed interest rate							
Senior notes:	7.75%	–	267,755	267,755	–	650,000	650,000
Variable interest rate borrowings							
The Mauritius Commercial Bank Ltd	8.00% + USD LIBOR	–	15,818	15,818	–	38,400	38,400
The Stanbic IBTC Bank Plc	8.00% + USD LIBOR	–	16,148	16,148	–	39,200	39,200
The Standard Bank of South Africa Limited	8.00% + USD LIBOR	–	9,227	9,227	–	22,400	22,400
First City Monument Bank Limited	8.00% + USD LIBOR	–	4,119	4,119	–	10,000	10,000
Shell Western Supply and Trading Limited	10.5% + USD LIBOR	–	4,531	4,531	–	11,000	11,000
		–	317,598	317,598	–	771,000	771,000

31. Lease liabilities

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
As at 1 January				
Additions during the year	1,084	384	2,424	960
Payments during the year	(997)	(1,347)	(2,350)	(3,893)
Interest on lease liabilities	161	212	380	530
Exchange difference	81	(48)	–	–
As at 31 December	**1,800**	**1,471**	**4,025**	**3,571**

In 2018, the Group entered into a lease agreement for an office building in Lagos. The non-cancellable period of the lease is 5 years commencing on 1 January 2019 and ending on 31 December 2023. 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 Group's lease liability as at 31 December 2022 is split into current and non-current portions as follows::

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Current	1,800	1,273	4,025	3,090
Non-current	–	198	–	481
	1,800	**1,471**	**4,025**	**3,571**

The following amounts are recognised in profit or loss:

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Depreciation expense of right-of-use assets	2,297	1,870	5,413	4,670
Interest expense on lease liabilities	161	212	380	530
	2,458	**2,082**	**5,793**	**5,200**

The following shows the impact of the lease on cash flow:

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Depreciation expense of right-of-use assets	2,297	1,870	5,413	4,670
Interest expense on lease liabilities	161	212	380	530
Net cash flows from operating activities	**2,458**	**2,082**	**5,793**	**5,200**
Lease payments	(997)	(1,347)	(2,350)	(3,893)
Net cash flows from financing activities	**(997)**	**(1,347)**	**(2,350)**	**(3,893)**

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 ₦1 billion, $2.4 million, (2021: ₦1.14 billion, $3.4 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	
	2022 ₦ million	2022 $'000	2021 ₦ million	2021 $'000
Depreciation	885	2,086	725	1,810
Interest payment	(1,156)	(2,723)	(946)	(2,363)
	(271)	**(637)**	**(221)**	**(553)**

	Effect on net assets		Effect on net assets	
	2022 ₦ million	2022 $'000	2021 ₦ million	2021 $'000
Depreciation	12,885	30,268	10,463	27,631
Interest payment	(13,440)	(31,671)	(10,939)	(28,912)
	(555)	**(1,403)**	**(476)**	**(1,281)**

32. Provision for decommissioning obligation

	₦ 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**
At 1 January 2021	61,795	162,619
Unwinding of discount due to passage of time	539	1,345
Change in estimate	(3,727)	(9,305)
Exchange difference	5,102	–
At 31 December 2021	**63,709**	**154,659**

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. Management engaged a third party to assist with an estimate of the expenditure to be incurred. The estimate for 2022 were done by Ryder Scott 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	
	2022	2021
Seplat West Limited:		
OML 4	2027 – 2037	2027 – 2037
OML 38	2027 – 2034	2027 – 2034
OML 41	2037	2037
Newton Energy Limited (OPL 283)	2037 – 2044	2037 – 2044
Seplat East Onshore Ltd (OML 53)	2028 – 2054	2028 – 2054
Elcrest (OML 40)	2031	2031
Ubima (OML 17)	–	2032

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 Pension Fund Administrators 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 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 five years 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 2022 was ₦2.9 billion ($6.4 million), (2021: ₦4.2 billion, $10.1 million).

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 statement of financial position

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Defined benefit obligation	7,011	6,442	15,680	15,638
Fair value of plan assets	(4,133)	(2,261)	(9,243)	(5,489)
	2,878	**4,181**	**6,437**	**10,149**

iii. Amount recognised in profit or loss

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Current service cost	964	838	2,158	2,092
Interest cost on defined benefit obligation	864	421	1,932	1,051
Plan amendment	26	–	58	–
	1,854	**1,259**	**4,148**	**3,143**
Return on plan assets	(298)	(128)	(666)	(319)
	1,556	**1,131**	**3,482**	**2,824**

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:

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Charged to profit or loss	660	439	1,556	1,095
Charged to receivables	896	692	1,926	1,729
Balance as at 31 December	**1,556**	**1,131**	**3,482**	**2,824**

iv. Remeasurement (gains)/losses in other comprehensive income

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Remeasurement losses/(gains) due to changes in financial and demographic assumptions	(299)	(953)	(705)	(2,380)
Remeasurement (gains)/losses due to experience adjustment	(629)	503	(1,483)	1,255
Remeasurement gain on plan assets	104	103	244	256
	(824)	(347)	(1,944)	(869)
Deferred tax credit/(expense) on remeasurement losses	379	296	892	739
Balance as at 31 December	**(445)**	**(51)**	**(1,052)**	**(130)**

33. Employee benefit obligation continued

33.2 Defined benefit plan continued

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:

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Charged to other comprehensive income	379	133	892	333
Charged to receivables	–	163	–	406
Deferred tax on remeasurement losses	**379**	**296**	**892**	**739**

vi. Changes in the present value of the defined benefit obligation are as follows:

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Defined benefit obligation as at 1 January	6,442	5,304	15,638	13,958
Current service cost	965	838	1,571	2,092
Interest cost on benefit obligation	864	421	1,345	1,051
Remeasurement losses due to changes in financial and demographic assumptions	(299)	(953)	(669)	(2,380)
Remeasurement gains due to experience adjustment	(629)	503	(1,407)	1,255
Benefits paid by the employer	–	–	–	–
Benefits from the fund	(357)	(135)	(798)	(338)
Exchange differences	25	464	–	–
Defined benefit obligation at 31 December	**7,011**	**6,442**	**15,680**	**15,638**

vii. The changes in the fair value of plan assets is as follows:

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Balance as at 1 January	(2,261)	(1,241)	(5,489)	(3,267)
Employer contribution	(2,015)	(1,000)	(4,507)	(2,497)
Return on plan assets	(298)	(128)	(666)	(319)
Benefits paid from fund	357	135	992	338
Remeasurement loss on plan assets	104	103	427	256
Exchange differences	(20)	(130)	–	
Balance as at 31 December	**(4,133)**	**(2,261)**		**–**
			(9,243)	**(5,489)**

The net liability disclosed above relates to funded plans as follows:

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Present value of funded obligations	7,011	6,442	15,680	15,638
Fair value of plan assets	(4,133)	(2,261)	(9,243)	(5,489)
Deficit of funded plans	**2,878**	**4,181**	**6,437**	**10,149**

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:

			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**

	2021			2021		
	Quoted ₦ million	Not quoted ₦ million	Total ₦ million	Quoted $'000	Not quoted $'000	Total $'000
Equity Instrument	73	–	73	177	–	177
Treasury bills and money market	1,164	–	1,164	2,816	–	2,816
Bonds	440	–	440	1,068	–	1,068
Cash at bank	–	589	589	–	1,431	1,431
Payables	–	(5)	(5)	–	(12)	(12)
Receivables	–	–	–	–	9	9
Total plan asset as at 31 December	**1,677**	**584**	**2,261**	**4,061**	**1,428**	**5,489**

viii. The principal assumptions used in determining defined benefit obligations for the Group's plans are shown below:

	2022 %	2021 %
Discount rate	15	13.5
Average future pay increase	13	12
Average future rate of inflation	13	12

a. Mortality in service

	Number of deaths in year out of 10,000 lives	
Sample age	2022	2021
25	1	1
30	29	29
35	60	60
40	99	99
45	90	90

Withdrawal from service

	Rates	
Age band	2022	2021
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 2022	7,011	(6,395)	7,719	7,759	(6,351)	7,016	(7,006)
31 December 2021	6,442	(603)	698	733	(642)	3	(4)

		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 2022	15,680	(15,069)	18,189	18,284	(14,966)	16,533	(16,509)
31 December 2021	16,086	(1,506)	1,743	1,830	(1,603)	7	(10)

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.

33. Employee benefit obligation continued

33.2 Defined benefit plan continued

The expected maturity analysis of the undiscounted defined benefit plan obligation is as follows:

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Within the next 12 months (next annual reporting period)	421	368	942	919
Between 2 and 5 years	3,202	2,015	7,161	5,031
Between 6 and 10 years	11,423	8,400	25.547	20,975
Beyond 10 years	178,775	143,328	399,828	357,891
	193,821	**154,111**	**433,478**	**384,816**

The weighted average liability duration for the Plan is 12.17 years (2021: 13.96 years). The longest weighted duration for Nigerian Government bond as at 31 December 2022 was about 6.65 years (2021: 7.11 years) with a gross redemption yield of about 15% (2021: 13.28%).

a) Risk exposure
Through its defined benefit pension plans, the Group is exposed to several risks. The most significant of which are detailed below:

b) 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.

c) 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.

d) 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.

e) Asset volatility
The Group holds a significant proportion of its plan assets in equities, which are expected to outperform corporate bonds in the long term while providing volatility and risk in the short term.

Details of the Actuary is shown below:

Name of signer	Name of firm	FRC number	Services rendered
Ganiu Shefiu	Logic Professional Services	FRC/2017/NAS/0000001754	Actuary valuation services

34. Trade and other payables

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Trade payable	48,582	49,607	108,654	120,426
Accruals and other payables	96,112	67,630	214,953	164,175
NDDC levy	2,685	5,283	6,004	12,826
Royalties payable	30,749	14,100	68,769	34,228
Overlift payable	27,494	14,584	61,489	35,403
	205,622	**151,204**	**459,869**	**367,058**

Included in accruals and other payables are field accruals of $106.1 million, ₦38 billion (2021: $83.5 million, ₦ 34.4 billion) and other vendor payables of $38.1 million, ₦26.5 billion (Dec 2021: $15.6 million, ₦6.4 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. Contract liabilities

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
	–	–	–	–

35.1 Reconciliation of contract liabilities

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Opening balance	–	3,599	–	9,470
Recognised as revenue during the year	–	(3,599)	–	(9,470)
Exchange difference	–	–	–	–
	–	**–**	**–**	**–**

Contract liabilities represents take or pay volumes contracted with Azura for 2022 which has been utilized. In line with the contract, Azura can make a demand on the makeup gas but only after they have taken and paid for the take or pay quantity for the respective year. The contract liability is accrued for two years after which the ability to take the makeup gas expires and any outstanding balances are recognised as revenue from contracts with customers..

36. 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.

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Profit/(loss) attributable to Equity holders of the parent	26,483	56,786	62,407	141,784
Loss attributable to non-controlling interests	17,950	(9,855)	42,299	(24,608)
Profit/(loss) for the year	**44,433**	**46,931**	**104,706**	**117,176**
	Shares '000	Shares '000	Shares '000	Shares '000
Weighted average number of Ordinary Shares in issue	1	2,801	1	2,801
Outstanding share-based payments (shares)	588,446	581,646	588,446	581,646
Weighted average number of Ordinary Shares adjusted for the effect of dilution	**588,447**	**584,447**	**588,447**	**584,447**
Basic (loss)/earnings per share for the period	₦	₦	$	$
Basic earnings/(loss) per share	45.00	97.63	0.11	0.24
Diluted earnings/(loss) per share	45.00	97.16	0.11	0.24
Profit/(loss) used in determining basic/diluted earnings per share	**26,483**	**56,786**	**62,407**	**141,784**

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.

37. Dividends paid and proposed

As at 31 December 2022, the final proposed dividend for the Group is ₦11.18, $0.025 (2021: ₦10.3, $0.025) per share and the proposed Special Dividend is ₦22.36, $0.05 per share (2021: nil).

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Cash dividends on Ordinary Shares declared and paid:				
Dividend for 2022: ₦42.60 ($0.10) per share 588,444,561 shares in issue (2021: ₦50 ($0.13)) per share, 584,035,845 shares in issue)	24,972	29,377	58,844	73,354
Proposed dividend on Ordinary Shares:				
Final proposed dividend for the year 2022: ₦11.18 ($0.025) (2021: ₦10.3 ($0.025)) per share	6,553	6,016	14,655	14,601
Special proposed dividend for the year 2022: ₦22.36 ($0.05) (2021: nil) per share	13,106	0	29,270	0

During the year, ₦32.2 billion, $44.1 million of dividend was paid at ₦54.70, $0.070 per share as final dividend for 2022. As at 31 March 2022, ₦10.47 billion, $14.7 million was paid at ₦17.79, $0.02 per share for 2022 Q1; As at 30 June 2022, ₦10.62 billion, $14.7 million was paid at ₦18.05, $0.02 per share for 2022 Q2; As at 30 September 2022, ₦11.10 billion, $ 14.7 million was paid at ₦18.86, $0.02 per share for 2022 Q3. Final and Special 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 2022 Annual General Meeting. The tax effect of dividend paid during the year was $4.3 million (₦5.6 billion).

38. 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'): Dr. A.B.C. Orjiako 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 $916.5 thousand, ₦409.8 million (2021: $1.1 million, ₦0.45 billion). Payables amounted to nil in the current period.

Amaze Limited: Dr. A.B.C. Orjiako 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 $1,457 thousand, ₦651.3 million.

ii. Entities controlled by key management personnel (Contracts <$1 million in 2022)

Abbeycourt Trading Company Limited: Dr. A.B.C. Orjiako is a director and shareholder. The Company provides diesel supplies to Seplat in respect of Seplat's rig operations. This amounted to nil during the period (2021: $222 thousand, ₦88.9 million). Receivables amounted to nil (2021: $6, ₦2,649).

Stage leasing (Ndosumili Ventures Limited): A subsidiary of Platform Petroleum Limited. The company provides transportation services to Seplat. This amounted to nil (2021: $278 thousand, ₦111.3 million). Payables amounted to nil in the current period (2021: $3.2 thousand, ₦1.3 million).

iii. 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 $53.7 thousand, ₦24 million.

39. Information relating to employees

39.1 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:

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Salaries and other short-term employee benefits	1,943	1,560	4,579	3,895
Post-employment benefits	190	179	448	447
Share based payment expenses	692	483	1,632	1,207
	2,825	**2,222**	**6,659**	**5,549**

39.2 Chairman and Directors' emoluments

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Chairman (Non-Executive)	412	403	971	1,007
Chief Executive Officer	500	475	1,177	1,186
Executive Directors	508	727	1,196	1,815
Non-Executive Directors	1,006	1,346	2,371	3,361
Total	**2,426**	**2,951**	**5,715**	**7,369**

39.3 Highest paid Director

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Highest paid Director	**500**	**475**	**1,177**	**1,186**

Emoluments are inclusive of income taxes.

39.4 Number of Directors

The number of Directors (excluding the Chairman) whose emoluments fell within the following ranges was:

	2022 Number	2021 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**

	2022 Number	2021 Number
Zero – $65,000	–	–
$65,001 – $378,000	–	–
$378,001 – $516,000	–	–
Above $516,000	3	3
	3	**3**

39.5 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:

	2022 Number	2021 Number
₦1,989,650 – ₦4,897,600	25	16
₦4,897,601– ₦9,795,200	115	134
₦9,795,201 – ₦14,692,800	197	180
Above ₦14,692,800	259	202
	596	**532**

	2022 Number	2021 Number
$6,500 – $16,000	25	16
$16,001 – $32,000	115	134
$32,001 – $48,000	197	180
Above $48,000	259	202
	596	**532**

39.6 Number of persons employed during the year

The average number of persons (excluding Directors) in employment during the year was as follows:

	2022 Number	2021 Number
Senior management	36	31
Managers	163	136
Senior staff	312	245
Junior staff	85	120
	596	**532**

39.7 Employee cost

Seplat's staff costs (excluding pension contribution) in respect of the above employees amounted to the following:

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Salaries & wages	12.686	13,021	29,894	32,512
	12,686	**13,021**	**29,894**	**32,512**

40. Commitments and contingencies

40.1 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 2022 is ₦5.1 billion, $11.45 million (2021: ₦7.9 billion, $19.2 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 2022 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 are a range of possible outcomes, which may be higher or lower than the management's estimate of accrued expenditure. It is estimated that around $10,233,128 (2021: $10,810,495) of possible expenditure currently remains under dispute..

41. Events after the reporting period

There was no event after the reporting period which could have a material effect on the disclosures and the financial position of the Group as at 31 December 2022 and on its profit or loss and other comprehensive income for the period ended.

Statement of value added

For the year ended 31 December 2022

	2022 ₦ million	%	2021 ₦ million	%	2022 $'000	%	2021 $'000	%
Revenue from contracts with customers	403,913		293,631		951,795		733,188	
Other income (net)	(15,302)		8,056		(36,054)		20,118	
Finance income	491		126		1,157		314	
Cost of goods and other services:								
Local	(116,351)		(74,697)		(274,171)		(186,526)	
Foreign	(77,568)		(49,798)		(182,780)		(124,350)	
Valued added	**195,183**	100%	177,318	100%	**459,947**	100%	442,744	100%

Applied as follows:

	2022 ₦ million	%	2021 ₦ million	%	2022 ₦ million	%	2021 ₦ million	%
To employees:								
– as salaries and labour related expenses	23,192	12%	17,268	10%	54,654	12%	43,116	10%
To external providers of capital:								
– as interest	28,916	15%	30,516	17%	68,141	15%	76,197	17%
To government:								
– as Group taxes	28,727	15%	15,061	8%	67,693	15%	37,606	8%
Retained for the Group's future:								
– for asset replacement, depreciation, depletion and amortisation	56,345	29%	58,506	33%	132,776	29%	146,086	33%
Deferred tax (charges)/credit	13,570	7%	9,036	5%	31,977	7%	22,563	5%
Profit/(loss) for the year	44,433	23%	46,931	27%	104,706	23%	117,176	27%
Valued added	**195,183**	**100%**	**177,318**	**100%**	**459,947**	**100%**	**442,744**	**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 2022

	2022 ₦ million	2021 ₦ million	2020 ₦ million	2019 ₦ million	2018 ₦ million
Revenue from contracts with customers	403,913	293,631	190,922	214,157	228,391
Profit/(loss) before tax	86,730	71,028	(28,872)	93,955	80,615
Income tax (expense)/credit	(42,297)	(24,097)	(1,840)	(8,939)	(35,748)
Profit/(loss) for the year	**44,433**	**46,931**	**(30,712)**	**85,016**	**44,867**

	2022 ₦ million	2021 ₦ million	2020 ₦ million	2019 ₦ million	2018 ₦ million
Capital employed:					
Issued share capital	297	296	293	289	286
Share premium	91,317	90,383	86,917	84,045	82,080
Share based payment reserve	5,936	4,914	7,174	8,194	7,298
Treasury shares	(2,025)	(2,025)	–	–	–
Capital contribution	5,932	5,932	5,932	5,932	5,932
Retained earnings	241,386	239,429	211,790	259,690	192,723
Foreign currency translation reserve	447,014	385,348	331,289	202,910	203,153
Non-controlling interest	(2,963)	(20,913)	(11,058)	(7,252)	–
Total equity	**786,894**	**703,364**	**632,337**	**553,808**	**491,472**
Represented by:					
Non-current assets	1,186,869	1,324,724	1,083,683	717,664	502,512
Current assets	394,743	278,812	227,154	286,569	264,159
Non-current liabilities	(527,361)	(702,070)	(499,349)	(258,903)	(184,808)
Current liabilities	(267,357)	(198,102)	(179,151)	(191,522)	(90,391)
Net assets	**786,894**	**703,364**	**632,337**	**553,808**	**491,472**

	2022 $'000	2021 $'000	2020 $'000	2019 $'000	2018 $'000
Revenue from contracts with customers	951,795	733,188	530,467	697,777	746,140
Profit/(loss) before tax	204,376	177,345	(80,209)	306,133	263,364
Income tax (expense)/credit	(99,670)	(60,169)	(5,113)	(29,125)	(116,788)
Profit/(loss) for the year	**104,706**	**117,176**	**(85,322)**	**277,008**	**146,576**

	2022 $'000	2021 $'000	2020 $'000	2019 $'000	2018 $'000
Capital employed:					
Issued share capital	1,864	1,862	1,855	1,845	1,834
Share premium	522,227	520,138	511,723	503,742	497,457
Share based payment reserve	24,893	22,190	27,592	30,426	27,499
Treasury shares	(4,915)	(4,915)	–	–	–
Capital contribution	40,000	40,000	40,000	40,000	40,000
Retained earnings	1,189,697	1,185,082	1,116,079	1,249,156	1,030,954
Foreign currency translation reserve	2,622	1,933	992	2,391	3,141
Non-controlling interest	(16,505)	(58,804)	(34,196)	(23,621)	–
Total equity	**1,759,883**	**1,707,486**	**1,664,045**	**1,803,939**	**1,600,885**
Represented by:					
Non-current assets	2,654,415	3,215,899	2,851,803	2,337,670	1,639,843
Current assets	882,842	676,835	597,770	933,440	860,455
Non-current liabilities	(1,179,436)	(1,704,343)	(1,314,076)	(843,322)	(601,976)
Current liabilities	(597,938)	(480,905)	(471,452)	(623,849)	(294,437)
Net assets	**1,759,883**	**1,707,486**	**1,664,045**	**1,803,939**	**1,600,885**

42. Estimated quantities of proved plus probable reserves

	Oil & NGLs MMbbls	Natural Gas Bscf	Oil Equivalent MMboe
At 31 December 2021	219.25	1,379.44	457.07
Revisions of previous estimates	(3.5)	4.3	(2.8)
Discoveries and extensions	0.0	0.0	0.0
Production	(9.3)	(40.4)	(16.2)
At 31 December 2022	206.4	1,343.3	438.07

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 OML40. 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.

43. Capitalised costs related to oil producing activities

	2022 ₦ million	2021 ₦ million	2022 ₦ million	2021 ₦ million
Capitalised costs:				
Unproved properties	–	24,901	–	60,450
Proved properties	1,199,570	977,281	2,682,821	2,372,447
Total capitalised costs	1,199,570	1,002,182	2,682,821	2,432,897
Accumulated depreciation	(458,231)	(341,437)	(1,024,828)	(828,872)
Net capitalised costs	**741,339**	**660,745**	**1,657,993**	**1,604,025**

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.

44. Concessions

The original, expired and unexpired terms of concessions granted to the Group as at 31 December 2022 are:

		Original	Term in years expired	Unexpired
Seplat West Limited	OML 4, 38 and 41	38	22	16
Newton	OML 56	16	12	4
Seplat East Swamp	OML 53	30	24	6
Seplat Swamp	OML 55	30	24	6
Elcrest	OML 40	18.8	3	15.8

45. Results of operations for oil producing activities

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Revenue from contracts with customers	356,192	247,651	839,344	618,377
Other income – net	(15,302)	8,056	(36,054)	20,118
Production and administrative expenses	(221,571)	(167,313)	(522,123)	(417,789)
Impairment (losses)/reversal	(2,730)	13,626	(6,432)	34,024
Depreciation and amortisation	(54,610)	(54,762)	(128,684)	(136,738)
Profit before taxation	**61,979**	**47,258**	**146,051**	**117,992**
Taxation	(30,775)	(21,007)	(72,527)	(52,453)
Profit for the year	**31,204**	**26,251**	**73,524**	**65,539**

46. Reclassification

Certain comparative figures have been reclassified in line with the current year's presentation.

47. 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 2022 ₦/$	31 December 2021 ₦/$
Property, plant & equipment – opening balances	Historical rate	Historical	Historical
Property, plant & equipment – additions	Average rate	424.37	400.48
Property, plant & equipment – closing balances	Closing rate	447.13	411.93
Current assets	Closing rate	447.13	411.93
Current liabilities	Closing rate	447.13	411.93
Equity	Historical rate	Historical	Historical
Income and Expenses:	Overall Average rate	424.37	400.48

Separate financial statements

Separate financial statements
Separate Statement of financial position
For the year ended 31 December 2022

	Notes	31 Dec 2022 ₦ million	31 Dec 2021 ₦ million	31 Dec 2022 $'000	31 Dec 2021 $'000
Other loss					
General and administrative expenses	8	(1,273)	(4)	(2,998)	(10)
Impairment losses on financial assets	9	(18,606)	(6,228)	(43,853)	(15,538)
Operating loss	10	360	(372)	878	(930)
Finance income		(19,519)	(6,604)	(45,973)	(16,478)
Loss before taxation	11	412	131	971	327
Income tax expense		(19,107)	(6,473)	(45,002)	(16,151)
Loss for the year	14	–	–	–	–
Other comprehensive income/(loss):		(19,107)	(6,473)	(45,002)	(16,151)
Items that may be reclassified to profit or loss:					
Foreign currency translation difference		58,412	197,801	–	–
Other comprehensive income/(loss) for the year		58,412	197,801	–	–
Total comprehensive income/(loss) for the year		**39,305**	**191,328**	**(45,002)**	**(16,151)**
Basic loss per share ₦/($)	24	(32.47)	(12.98)	(0.08)	(0.03)
Diluted loss per share ₦/($)	24	(32.47)	(12.92)	(0.08)	(0.03)

See note 5.1 for details regarding the restatement as a result of an error.

Notes 1 to 30 on pages 228-254 are an integral part of these financial statements.

Separate financial statements
Separate statement of financial position
As at 31 December 2022

	Notes	31 Dec 2022 ₦ million	Restated 31 Dec 2021 ₦ million	Restated 1 Jan 2021 ₦ million	31 Dec 2022 $'000	Restated 31 Dec 2021 $'000	Restated 1 Jan 2021 $'000
ASSETS							
Non-current assets							
Property, plant and equipment	14	680	274	304	1,519	664	799
Investment in subsidiaries	16	871,000	798,795	797,685	1,947,980	1,940,388	1,937,691
Investment in Joint ventures	17	93,904	86,512	79,806	210,016	210,016	210,016
Total non-current assets		**965,584**	**885,581**	**877,795**	**2,159,515**	**2,151,068**	**2,148,506**
Current assets							
Trade and other receivables	18	722,340	520,040	501	1,615,501	1,262,448	1,320
Prepayments	15	97	54	2	218	131	5
Cash and cash equivalents	19	64,913	75,450	61,950	145,185	183,162	163,024
Restricted cash	19	4,321	3,307	10,671	9,664	8,028	28,081
Total current assets		**791,671**	**598,851**	**73,124**	**1,770,568**	**1,453,769**	**192,430**
Total assets		**1,757,255**	**1,484,432**	**950,919**	**3,930,083**	**3,604,837**	**2,340,936**
EQUITY AND LIABILITIES							
Equity							
Issued share capital	20	297	296	293	1,864	1,862	1,855
Share premium	20	91,317	90,383	86,917	522,227	520,138	511,723
Share based payment reserve	20	6,108	4,914	7,174	24,893	22,190	27,592
Treasury shares	20	(2,025)	(2,025)	–	(4,915)	(4,915)	–
Capital contribution	21	5,932	5,932	5,932	40,000	40,000	40,000
Retained earnings		176,136	220,215	255,859	1,037,830	1,141,676	1,230,666
Foreign currency translation reserve	22	447,429	388,690	393,687	–	–	–
Total shareholders' equity		**725,194**	**708,405**	**749,862**	**1,621,899**	**1,720,951**	**1,811,836**
Current liabilities							
Trade and other payables	23	1,032,061	776,027	201,057	2,308,184	1,883,885	529,100
Total liabilities		**1,032,061**	**776,027**	**201,057**	**2,308,184**	**1,883,885**	**529,100**
Total shareholders' equity and liabilities		**1,757,255**	**1,484,432**	**950,919**	**3,930,083**	**3,604,836**	**2,340,936**

See Note 5.1 for details regarding the restatement as a result of an error.

Notes 1 to 30 on pages 228-254 are an integral part of these financial statements.

The financial statements of Seplat Energy Plc for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Directors on 28 February 2023 and were signed on its behalf by:

B. Omiyi
FRC/2016/IODN/00000014093
Chairman
28 February 2023

R.T. Brown
FRC/2014/PRO/DIR/003/00000017939
Chief Executive Officer
28 February 2023

E. Onwuka
FRC/2020/PRO/ICAN/006/00000020861
Chief Financial Officer
28 February 2023

Separate financial statements
Statement of changes in equity
As at 31 December 2022

	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 2021	293	86,917	7,174	–	5,932	254,070	191,216	545,602
Correction of prior period error	–	–	–	–	–	1,789	–	1,789
Balance at 1 January (Restated)	293	86,917	7,174	–	5,932	255,859	191,216	547,391
Loss for the year	**–**	**–**	**–**	**–**	**–**	**(6,473)**	**–**	**(6,473)**
Other comprehensive loss	–	–	–	–	–	–	197,801	197,801
Total comprehensive loss for the year	–	–	–	–	–	(6,473)	197,801	191,328
Transactions with owners in their capacity as owners:								
Unclaimed dividend forfeited	–	–	–	–	–	206	–	206
Dividends paid	–	–	–	–	–	(29,377)	–	(29,377)
Share-based payments (Note 20)	–	–	1,209	–	–	–	–	1,209
Vested shares (Note 20)	3	3,466	(3,469)	–	–	–	–	–
Shares repurchased (Note 20)	–	–	–	(2,025)	–	–	–	(2,025)
Total	3	3,466	(2,260)	(2,025)	–	(29,171)	–	(29,987)
At 31 December 2021 (Restated)	**296**	**90,383**	**4,914**	**(2,025)**	**5,932**	**220,215**	**389,017**	**708,732**
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**
Dividend paid	–	–	–	–	–	(24,972)	–	(24,972)
Share-based payments (Note 21)	–	–	263	–	–	–	–	263
Additional investment in subsidiaries – Share-based payment (Note 20)	–	–	3,384	–	–	–	–	3,384
Vested shares (Note 20)	1	934	(2,453)	–	–	–	–	(1,518)
Total	1	934	1,194	–	–	(24,972)	–	(22,843)
At 31 December 2022 (Restated)	**297**	**91,317**	**6,108**	**(2,025)**	**5,932**	**176,136**	**447,429**	**725,194**

See Note 5.1 for details regarding the restatement as a result of an error.

Notes 1 to 30 on pages 228-254 are an integral part of these financial statements.

Statement of changes in equity | continued

As at 31 December 2021

	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 2021	1,855	511,723	27,592	–	40,000	1,225,958	1,807,128
Correction of prior period error	–	–	–	–	–	4,708	4,708
Balance at 1 January 2021 (Restated)	**1,855**	**511,723**	**27,592**	**–**	**40,000**	**1,230,666**	**1,811,836**
Loss for the year	–	–	–	–	–	(16,151)	(16,151)
Other comprehensive loss	–	–	–	–	–	–	–
Total comprehensive loss for the year	–	–	–	–	–	(16,151)	(16,151)
Transactions with owners in their capacity as owners:							
Unclaimed dividend forfeited	–	–	–	–	–	515	515
Dividends paid	–	–	–	–	–	(73,354)	(73,354)
Share-based payments (Note 20)	–	–	3,020	–	–	–	3,020
Vested shares (Note 20)	7	8,415	(8,422)	–	–	–	–
Shares repurchased (Note 20)	–	–	–	(4,915)	–	–	(4,915)
Total	7	8,415	(5,402)	(4,915)	–	(72,839)	(74,734)
At 31 December 2021 (Restated)	**1,862**	**520,138**	**22,190**	**(4,915)**	**40,000**	**1,141,676**	**1,720,951**
At 1 January 2022	**1,862**	**520,138**	**22,190**	**(4,915)**	**40,000**	**1,141,676**	**1,720,951**
Loss for the year							
Other comprehensive income	–	–	–	–	–	(45,002)	(45,002)
Total comprehensive loss	–	–	–	–	–	–	–
for the year	–	–	–	–	–	(45,002)	(45,002)
Transactions with owners in their capacity as owners:							
Dividend paid	–	–	–	–	–	(58,844)	(58,844)
Share-based payments (Note 20)	–	–	619	–	–	–	619
Additional investment in subsidiaries – Share-based payment (Note 20)	–	–	7,569	–	–	–	7,569
Vested shares (Note 20)	2	2,089	(5,485)	–	–	–	(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**

See Note 5.1 for details regarding the restatement as a result of an error.

Notes 1 to 30 on pages 228-254 are an integral part of these financial statements.

Separate financial statements
Statement of cash flows
For the year ended 31 December 2022

	Notes	31 Dec 2022 ₦ million	31 Dec 2021 ₦ million	31 Dec 2022 $'000	31 Dec 2021 $'000
Cash flows from operating activities					
Cash generated from operations	13	68,557	32,310	161,544	78,122
Net cash inflows from operating activities		**68,557**	**32,310**	**161,544**	**78,122**
Cash flows from investing activities					
Deposit for investment	18	(57,367)	–	(128,300)	–
Payment for acquisition of other property, plant and equipment	14	(475)	(34)	(1,122)	(85)
Interest received	11	412	131	971	327
Investment in subsidiary	16	(3,222)	–	(7,592)	–
Restricted cash	19.2	(694)	8,260	(1,636)	20,053
Net cash (outflows)/inflows from investing activities		**(61,346)**	**8,357**	**(137,679)**	**20,295**
Cash flows from financing activities					
Shares purchased for employees*	20	–	(2,025)	–	(4,915)
Dividends paid	25	(24,972)	(29,377)	(58,844)	(73,354)
Net cash outflows from financing activities		**(24,972)**	**(31,402)**	**(58,844)**	**(78,269)**
Net (decrease)/increase in cash and cash equivalents		(17,761)	9,265	(34,979)	20,148
Cash and cash equivalents at beginning of the year		77,728	61,950	183,162	163,024
Effects of exchange rate changes on cash and cash equivalents		4,946	4,235	(2,998)	(10)
Cash and cash equivalents at end of the year		**64,913**	**75,450**	**145,185**	**183,162**

*Included in restricted cash, is a balance of $8 million (N3.6 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).

A garnishee order of $1.6 million, ₦0.7 billion is included in the restricted cash balance as at the end of the reporting period.

*Shares purchased for employees of nil (2021: $4.9 million, ₦2.02 billion) represent shares purchased in the open market for employees of the Company.

Notes 1 to 30 on pages 228-254 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 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 2022:

- During the period, Seplat Energy Offshore Limited was incorporated on 7 February 2022. The percentage ownership of the Company is 100%.
- On 22 April 2022, the Company announced the appointment of three new Directors as Independent Non-Executive Directors of Seplat Energy Plc, resumption took effect on 18 May 2022. The three new Directors are Mrs. Bashirat Odunewu, Mr. Kazeem Raimi and Ernest Ebi, MFR.
- On 7 July 2022, the Company 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. The percentage ownership of the Company is 100%.

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 2022 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 12 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 2022. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

c) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

In accordance with the transitional provisions, the Company applies the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application) and has not restated its comparative information.

d) Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'Day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the separate financial statements of the Company as there were no contingent assets, liabilities and contingent liabilities within the scope of these amendments arisen during the period.

e) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no impact on the separate financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

f) IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

These amendments had no impact on separate financial statements of the Company as there were no modifications of the Company's financial instruments during the period.

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 Company's interim financial statements are disclosed below. The Company 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:

- IFRS 17 Insurance Contracts – Effective for annual periods beginning on or after 1 January 2023
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current – Effective for annual periods beginning on or after 1 January 2024
- Amendments to IAS 8 Accounting Policies and Accounting Estimates: Definition of Accounting Estimates – Effective date for annual periods beginning on or after 1 January 2023
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 – Effective date for annual periods beginning on or after 1 January 2023
- Amendments regarding deferred tax on leases and decommissioning obligations – Effective date for annual periods beginning on or after 1 January 2023.
- IFRS 16 amended for lease liability measurement in sale and leaseback – Effective date for annual periods beginning on or after January 2024.

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 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.

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 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 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
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.

3.8 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.

3.9 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.

3.10 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.

3.11 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.

3.12 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 cash flow 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 2022 satisfy the conditions for classification at amortised cost under IFRS 9 except for derivatives which are reclassified at fair value through profit or loss.

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 2022 was nil, (2021: 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.

3.13 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.

3.14 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 ordinary 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.

3.15 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.

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.

3.16 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.

3.17 Income taxation

iv. 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.

v. 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.

vi. 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.

3.18 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).

vii. 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.

viii. 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 21.4.

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.

ix. 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. IAS 8 – Accounting policies, changes in accounting estimates and errors

Certain comparative amounts in the statement of profit and loss and other comprehensive income have been restated, as a result of the correction of a prior period error.

5.1 Correction of errors

The Company has made a number of share-based awards under incentive plans since its IPO in 2014. The shares are granted to the employees of both the parent and subsidiary companies. During the prior periods, share-based payments relating to employees in other subsidiaries were previously recognised in the books of the parent company as share-based expenses rather than investment in subsidiaries. The error has been corrected by restating each of the affected financial statement line items for the period 2020 and 2021 by reclassifying share-based payments for the prior period from retained earnings to investment in subsidiaries.

Impact on equity (increase/(decrease) in equity)

	Restated 31 Dec 2021 ₦ million	Restated 1 Jan 2021 ₦ million	Restated 31 Dec 2021 $'000	Restated Jan 2021 $'000
Investment in subsidiaries	1,110	1,938	2,697	4,708
Total assets	**1,110**	**1,938**	**2,697**	**4,708**
Impact on equity	**1,110**	**1,938**	**2,697**	**4,708**

Impact on statement of profit or loss (increase/(decrease) in profit)

	Restated 31 Dec 2021 ₦ million	Restated 31 Dec 2021 $'000
General and administrative expenses	1,110	2,697
Impact on equity	**1,110**	**2,697**

6. Financial risk management

6.1 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. Recognised financial assets and liabilities not denominated in US dollars.	Cash flow forecasting. Sensitivity analysis.	Match and settle foreign denominated cash inflows with foreign denominated cash outflows.
Credit risk	Intercompany receivables, cash and cash equivalents.	Ageing analysis. 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.

6.1.1 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:

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Financial assets				
Cash and cash equivalents	48,121	63,146	107,622	153,294
Trade and other receivables	710	415	1,587	1,009
	48,831	**63,561**	**109,209**	**154,303**
Financial liabilities				
Trade and other payables	(12,066)	(96)	(26,986)	(234)
Net exposure to foreign exchange risk	**36,765**	**63,465**	**82,223**	**154,069**

The following table demonstrates the carrying value of monetary assets and liabilities exposed to foreign exchange risks for pound exposures at the reporting date:

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Financial assets				
Cash and cash equivalents	628	270	1,404	656
Trade and other receivables	2,685	–	6,006	–
	3,313	270	7,410	656

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 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%	(3,342)	–	(7,475)	–
-10%	4,085	–	9,136	–

Increase/decrease in foreign exchange risk	Effect on profit before tax 2021 ₦ million	Effect on other components of equity before tax 2021 ₦ million	Effect on profit before tax 2021 $'000	Effect on other components of equity before tax 2021 $'000
+5%	(3,022)	–	(7,337)	–
-5%	3,340	–	8,109	–

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%	(301)	–	(674)	–
-10%	368	–	823	–

Increase/decrease in foreign exchange risk	Effect on profit before tax 2021 ₦ million	Effect on other components of equity before tax 2021 ₦ million	Effect on profit before tax 2021 $'000	Effect on other components of equity before tax 2021 $'000
+5%	(13)	–	(31)	–
-5%	14	–	35	–

6.1.2 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.

f) 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:

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Trade and other receivables (Gross)	722,339	520,423	1,615,501	1,263,378
Cash and cash equivalent (Gross)	69,312	75,450	155,016	183,162
Gross amount	**791,651**	**595,873**	**1,770,517**	**1,446,540**
Impairment reversal /(charge) of receivables	23	(383)	52	(930)
Net amount	**791,674**	**595,490**	**1,770,569**	**1,445,610**

g) 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 2022		383	930
Decrease in provision for Intercompany receivables	18.2	(395)	(930)
Increase in provision for ANOH receivables	18.4	22	52
Exchange difference		13	–
Impairment charge to the profit or loss		(360)	(878)
As at 31 December 2022		23	52

	Notes	₦'million	$'000
As at 1 January 2021		–	–
Increase in provision for Intercompany receivables	19.2	372	930
Exchange difference		11	–
As at 31 December 2021		383	930

6. Financial risk management continued

6.1.2 Credit risk continued

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 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 PD for base case, downturn and upturn is 4.11%, 4.32% and 3.90% respectively for Stage 1 and Stage 2. The PD for Stage 3 is 100%.
Loss Given Default (LGD)	The EAD is the maximum exposure of the receivable to credit risk.	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 historical inflation and Brent oil price were used.	The EAD is the maximum exposure of the short-term fixed deposits to credit risk.
Macroeconomic indicators	20%, 50%, and 30%, was used as the weights for the base, upturn and downturn ECL modelling scenarios respectively.	The historical gross domestic product (GDP) growth rate in Nigeria and crude oil price were used.
Probability weightings	43%, 26% and 31% of historical GDP growth rate observations fall within acceptable bounds, periods of boom and periods of downturn respectively.	20%, 50% and 30% 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.

x. 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 2022.

xi. 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 2022 (2021: 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:

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Non-rated	–	–	–	–
BBB-	13,543	24,802	30,289	60,210
A	233	47	522	113
A+	40,554	46,241	90,704	112,255
AA-	11,787	4,053	26,362	9,839
AA+	–	–	–	–
AAA-	–	3,614	–	8,773
AAA	3,192	–	7,139	–
Net cash and cash equivalents	**69,309**	**78,757**	**155,016**	**191,190**
Allowance for impairment during the year	(75)	–	(167)	–
Net cash and cash equivalents	**69,234**	**78,757**	**154,849**	**191,190**

xii. Intercompany receivables

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**

31 December 2021

	Stage 1 12-month ECL ₦'million	Stage 2 Lifetime ECL ₦'million	Stage 3 Lifetime ECL ₦'million	Total ₦'million
Gross Exposure at Default (EAD)	519,017	–	–	519,017
Loss allowance	(383)	–	–	(383)
Net Exposure at Default (EAD)	**518,634**	**–**	**–**	**518,634**

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**

31 December 2021

	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Gross Exposure at Default (EAD)	1,259,963	–	–	1,259,963
Loss allowance	(930)	–	–	(930)
Net Exposure at Default (EAD)	**1,259,033**	**–**	**–**	**1,259,033**

xiii. Receivables from ANOH

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)	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**

h) 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.

i) 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.

j) Estimation uncertainty in measuring impairment loss

The table below 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.

6. Financial risk management continued

6.1.2 Credit risk continued

xiv. Expected cash flow recoverable

The table below demonstrates the sensitivity of the Company's profit before tax to a 20% change in the expected cash flows from financial assets, with all other variables held constant:

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)	–

xv. 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 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 probabilities of default, with all other variables held constant

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 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	–

6.1.3 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 2022.

	Effective interest rate %	Less than 1 year ₦ million	1 – 2 year ₦ million	2 – 3 years ₦ million	3 – 5 years ₦ million	Total ₦ million
31 December 2022						
Trade and other payables		1,032,061	–	–	–	1,032,061
Total		1,032,061	–	–	–	1,032,061

	Effective interest rate %	Less than 1 year $'000	1 – 2 year $'000	2 – 3 years $'000	3 – 5 years $'000	Total $'000
31 December 2022						
Trade and other payables		2,308,184	–	–	–	2,308,184
Total		2,308,184	–	–	–	2,308,184

6.1.4 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	2022 ₦ million	2021 ₦ million	2022 ₦ million	2021 ₦ million
Financial assets at amortised cost				
Trade and other receivables	722,340	520,040	722,340	520,040
Cash and cash equivalents	64,913	75,450	64,913	75,450
	787,253	595,490	787,253	595,490
Financial liabilities at amortised cost				
Trade and other payables	1,032,061	776,027	1,032,061	776,027
	1,032,061	776,027	1,032,061	776,027

	Carrying amount		Fair value	
Name of entity	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Financial assets at amortised cost				
Financial assets at amortised cost				
Trade and other receivables	1,615,501	1,262,448	1,615,501	1,262,448
Cash and cash equivalents	145,185	183,162	145,185	183,162
	1,760,686	1,445,610	1,760,686	1,445,610
Financial liabilities at amortised cost				
Trade and other payables	2,308,184	1,883,885	2,308,184	1,883,885
	2,308,184	1,883,885	2,308,184	1,883,885

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.

6.1.5 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.

6.2 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.

	2022 ₦ million	2021 ₦'million	2022 $'000	2021 $'000
Trade and other payables	1,032,061	776,027	2,308,184	1,883,885
Less: cash and cash equivalents	(64,913)	(75,450)	(145,185)	(183,162)
Net debt	967,148	700,577	2,162,999	1,700,723
Total equity	725,194	705,864	1,621,899	1,713,547
Total capital	1,692,342	1,406,441	3,784,898	3,414,270
Net debt (net debt/total capital) ratio	**57%**	**50%**	**57%**	**50%**

Capital includes share capital, share premium, capital contribution and all other equity reserves.

7. Segment reporting

The Company have no operating or reportable segment.

8. Other loss

	2022 ₦ million	2021 ₦'million	2022 $'000	2021 $'000
Unrealised foreign exchange loss	(1,273)	(4)	(2,998)	(10)
	(1,273)	**(4)**	**(2,998)**	**(10)**

9. General and administrative expenses

	2022 ₦ million	Restated 2021 ₦'million	2022 $'000	Restated 2021 $'000
Depreciation (Note 15)	112	88	266	220
Professional and consulting fees	11,558	1,733	27,236	4,326
Directors' emoluments (non-executive)	2,054	1,844	4,842	4,604
Employee benefits (Note 10.1)	821	130	1,934	324
Flights and other travel costs	1,015	421	2,392	1,046
Other general expenses	3,046	2,012	7,183	5,018
	18,606	**6,228**	**43,853**	**15,538**

Seplat Energy Plc Executive Directors' emoluments for 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.

9.1 Salaries and employee related costs include the following:

	2022 ₦ million	Restated 2021 ₦'million	2022 $'000	Restated 2021 $'000
Basic salary	377	–	889	–
Other allowances	181	–	426	–
Share-based payment expenses (Note 21.4)	263	130	619	324
	821	**130**	**1,934**	**324**

10. Impairment reversal/(losses) on financial assets

	2022 ₦ million	2021 ₦'million	2022 $'000	2021 $'000
Impairment (reversal)/loss on financial assets – net (Note 10.1)	(360)	372	(878)	930
Total impairment loss allowance	**(360)**	**372**	**(878)**	**930**

10.1 Impairment reversal/(losses) on financial assets – net

	2022 ₦ million	2021 ₦'million	2022 $'000	2021 $'000
Impairment reversal/(losses) on:				
Receivables from ANOH	22	–	52	–
Intercompany receivables	(395)	372	(930)	930
Exchange differences	13		–	–
	(360)	**372**	**(878)**	**930**

11. Finance income

	2022 ₦ million	2021 ₦'million	2022 $'000	2021 $'000
Interest income	412	131	971	327
Finance income	**412**	**131**	**971**	**327**

Finance income represents interest on short-term fixed deposits.

12. 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.

	2022 ₦ million	2021 ₦'million	2022 $'000	2021 $'000
Unutilised capital allowance	523	29	1,170	70
Unrealised foreign exchange	1,438	684	3,215	1,661
Share-based payment	–	1,010	–	2,453
Tax losses	–	2,827	–	6,862
Impairment loss of intercompany receivables	–	115	–	279
Unrecognised deferred tax asset	**1,961**	**4,665**	**4,385**	**11,325**

13. Computation of cash generated from operations

	Notes	2022 ₦ million	Restated 2021 ₦'million	2022 $'000	Restated 2021 $'000
Loss before tax		(19,107)	(6,473)	(45,002)	(16,151)
Adjusted for:					
Depreciation on property, plant and equipment	9	112	88	266	220
Interest income	11	(412)	(131)	(971)	(327)
Impairment (loss)/gain on financial assets	10	(360)	372	(878)	930
Unrealised foreign exchange loss	8	1,273	4	2,998	10
Share based payment expenses	9.1	263	130	619	324
Changes in working capital: (excluding the effects of exchange differences)					
Trade and other receivables		(93,234)	(519,705)	(219,700)	(1,261,543)
Prepayments		(37)	(52)	(87)	(126)
Trade and other payables		180,059	558,077	424,299	1,354,785
Net cash from operating activities		**68,557**	**32,310**	**161,544**	**78,122**

14. Property, plant and equipment

Cost	Plant & machinery ₦ million	Motor vehicle ₦ million	Office Furniture & IT equipment ₦ million	Leasehold improvements ₦ million	Total ₦ million
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					
At 1 January 2021	16	289	–	–	305
Additions	–	34	–	–	34
Exchange difference	1	26	–	–	27
At 31 December 2021	**17**	**349**	**–**	**–**	**366**
Depreciation					
At 1 January 2021	1	–	–	–	1
Charge for the year	3	85	–	–	88
Exchange difference	1	2	–	–	3
At 31 December 2021	**5**	**87**	**–**	**–**	**92**
NBV					
At 31 December 2021	**12**	**262**	**–**	**–**	**274**

14. Property, plant and equipment continued

Cost	Plant & machinery $'000	Motor vehicle $'000	Office Furniture & IT equipment $'000	Leasehold improvements $'000	Total $'000
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**

Cost					
At 1 January 2021	41	761	–	–	802
Additions	–	85	–	–	85
At 31 December 2021	**41**	**846**	**–**	**–**	**887**
Depreciation					
At 1 January 2021	**3**	**–**	**–**	**–**	**3**
Charge for the year	8	212	–	–	220
At 31 December 2021	**11**	**212**	**–**	**–**	**223**
NBV					
At 31 December 2021	**30**	**634**	**–**	**–**	**664**

15. Prepayments

Current	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Short-term prepayments	97	54	218	131
	97	**54**	**218**	**131**

15.1 Short term prepayments

Included in short term prepayment are prepaid service charge expenses for health insurance and motor insurance premium.

16. Investment in subsidiaries

	2022 ₦ million	Restated 31 Dec 2021 ₦ million	Restated 1 Jan 2021 ₦ million	2022 $'000	Restated 31 Dec 2021 $'000	Restated 1 Jan 2021 $'000
Newton Energy Limited	425	391	391	950	950	950
Seplat Energy UK Limited	23	21	21	50	50	50
Seplat East Onshore Limited	470	247	145	1,052	600	353
Seplat East Swamp Company Limited	14	13	13	32	32	32
Seplat Gas Company Limited	14	13	13	32	32	32
Eland Oil and Gas Limited	218,058	200,891	200,891	487,683	487,683	487,683
Seplat West Limited	651,986	597,219	596,211	1,458,157	1,451,041	1,448,591
Turnkey Drilling Limited	10	–	–	23	–	–
	871,000	**798,795**	**797,685**	**1,947,980**	**1,940,388**	**1,937,691**

16.1 Interest in other entities

Name of entity	Country of incorporation & place of business	Percentage of ownership interest As at 31 Dec 2022 %	Percentage of ownership interest Restated As at 31 Dec 2021 %	Carrying amount As at 31 Dec 2022 ₦'million	Carrying amount Restated As at 31 Dec 2021 ₦'million	Carrying amount Restated 1 Jan 2021 ₦'million	Carrying amount As at 31 Dec 2022 $'000	Carrying amount Restated As at 31 Dec 2021 $'000	Carrying amount Restated 1 Jan 2021 $'000
Newton Energy Limited	Nigeria	99.9	99.9	425	391	391	950	950	950
Seplat Energy UK Limited	United Kingdom	100	100	22	21	21	50	50	50
Seplat East Onshore Limited	Nigeria	99.9	99.9	470	247	145	1,052	600	353
Seplat East Swamp Company Limited	Nigeria	99.9	99.9	14	13	13	32	32	32
Seplat Gas Company Limited	Nigeria	99.9	99.9	14	13	13	32	32	32
Eland Oil and Gas Limited	United Kingdom	100	100	218,058	200,891	200,891	487,683	487,683	487,683
Seplat West Limited	Nigeria	99.9	99.9	651,986	597,219	596,211	1,458,157	1,444,204	1,448,591
Turnkey Drilling Limited	Nigeria	100	–	10	–	–	23	–	–

16.2 Reconciliation of investment in subsidiary

	20221 ₦ 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**

	Restated 31 Dec 2021 ₦ million	Restated 1 Jan 2021 ₦ million	Restated 31 Dec 2021 $'000	Restated 1 Jan 2021 $'000
At 1 January 2021	797,685	593,425	1,937,691	1,932,983
Correction of prior period error	1,110	1,938	2,697	4,708
Additional investment in subsidiary	–	–	–	–
Exchange difference	–	202,322	–	–
At 31 December 2021	**798,795**	**797,685**	**1,940,388**	**1,937,691**

17. Investment in Joint ventures

	31 December 2022 ₦ million	31 December 2021 ₦ million	31 December 2022 $'000	31 December 2021 $'000
Cost	93,904	86,512	210,016	210,016

17.1 Reconciliation of investment in joint venture

	31 December 2022 ₦ million	31 December 2021 ₦ million	31 December 2022 $'000	31 December 2021 $'000
As 1 January	86,512	79,806	210,016	210,016
Exchange difference	7,392	6,706	–	–
At 31 December	93,904	86,512	210,016	210,016

Name of entity	Country of incorporation and place of business	Percentage of ownership interest As at 31 Dec 2022 %	Percentage of ownership interest As at 31 Dec 2021 %	Carrying amount As at 31 Dec 2022 ₦'million	Carrying amount As at 31 Dec 2021 ₦'million	Carrying amount As at 31 Dec 2022 $'000	Carrying amount As at 31 Dec 2021 $'000
ANOH Gas Processing Company Limited	Nigeria	**50**	**50**	**93,904**	**86,512**	**210,016**	**210,016**

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18. Trade and other receivables

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Advances to suppliers	4,995	–	11,172	–
Advance for New Business	57,367	–	128,300	–
Intercompany receivables	658,639	518,634	1,473,033	1,259,033
Receivables from Joint Venture (ANOH)	871	974	1,947	2,365
Other receivables	468	432	1,049	1,050
	722,340	**520,040**	**1,615,501**	**1,262,448**

Advances for new business include deposits of $128.3 million, ₦57.2 billion towards the acquisition of the entire share capital of Mobil Producing Nigeria Unlimited from Exxon Mobil Corporation, Delaware.

18.1 Reconciliation of intercompany receivables

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Balance as at 1 January	519,017	313	1,259,963	824
Additions during the year	95,270	546,838	213,070	1,365,457
Receipts for the year	–	(42,578)	–	(106,318)
Exchange difference	44,352	14,444	–	–
Gross carrying amount	658,639	519,017	1,473,033	1,259,963
Less: impairment allowance	–	(383)	–	(930)
Balance as at 31 December	**658,639**	**518,634**	**1,473,033**	**1,259,033**

18.2 Reconciliation of impairment allowance on intercompany receivables

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Loss allowance as at 1 January	383	–	930	–
(Decrease)/Increase in loss allowance during the period	(395)	372	(930)	930
Exchange difference	12	11	–	–
Loss allowance as at 31 December	**–**	**383**	**–**	**930**

18.3 Reconciliation of receivables from joint venture (ANOH)

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Balance as at 1 January	974	178	2,365	469
Additions during the year	–	781	–	1,896
Receipts for the year	(164)	–	(366)	–
Exchange difference	84	15	–	–
Gross carrying amount	894	974	1,999	2,365
Less: impairment allowance	(23)	–	(52)	–
Balance as at 31 December	**871**	**974**	**1,947**	**2,365**

18.4 Reconciliation of impairment allowance on receivables from joint venture (ANOH)

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Loss allowance as at 1 January	–	–	–	–
Increase in loss allowance during the period	22	–	52	–
Exchange difference	1	–	–	–
Loss allowance as at 31 December	**23**	**–**	**52**	**–**

19. 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.

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Short-term fixed deposits	22,637	29,041	50,628	70,499
Cash at bank	42,350	46,409	94,724	112,663
Gross cash and cash equivalent	64,987	75,450	145,352	183,162
Loss allowance	(74)	–	(167)	–
Net Cash and cash equivalents	**64,913**	**75,450**	**145,185**	**183,162**

19.1 Restricted cash

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Restricted cash	4,321	3,307	9,664	8,028
	4,321	**3,307**	**9,664**	**8,028**

19.2 Movement in restricted cash

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Increase/(decrease) in restricted cash	694	(8,260)	1,636	(20,053)
	694	**(8,260)**	**1,636**	**(20,053)**

Included in restricted cash, is a balance of $8 million (N3.6 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).

A garnishee order of $1.6 million, ₦0.7 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 Company.

20. Share capital

20.1 Authorised and issued share capital

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Authorised Ordinary Share capital				
588,444,561 Ordinary Shares denominated in Naira of 50 kobo per share	500	500	3,335	3,335
Issued and fully paid				
588,444,561 (2021: 584,035,845) issued shares denominated in Naira of 50 kobo per share	**297**	**296**	**1,864**	**1,862**

Fully paid Ordinary Shares carry one vote per share and the right to dividends. There were no restrictions on the Company's share capital.

20.2 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 2022	584,035,845	296	90,383	4,914	(2,025)	93,568
Share based payments	–	–	–	263	–	263
Additional investment in subsidiary – Share-based payment	–	–	–	3,384	–	3,384
Vested shares	4,719,809	2	2,450	(2,452)	–	–
PAYE tax withheld on vested shares	(311,093)	(1)	(1,516)	–	–	(1,517)
Closing balance as at 31 December 2022	**588,444,561**	**297**	**91,317**	**6,108**	**(2,025)**	**95,697**

	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 2022	584,035,845	1,862	520,138	22,190	(4,915)	539,275
Share based payments	–	–	–	619	–	619
Additional investment in subsidiary – Share-based payment	–	–	–	7,569	–	7,569
Vested shares	4,719,809	5	5,480	(5,485)	–	–
PAYE tax withheld on vested shares	(311,093)	(3)	(3,391)	–	–	(3,394)
Closing balance as at 31 December 2022	**588,444,561**	**1,864**	**522,227**	**24,893**	**(4,915)**	**544,069**

Shares repurchased for employees during the year of nil (2021: $4.9 million) 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. Share capital continued

20.3 Share Premium

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Share premium	**91,317**	**90,383**	**522,227**	**520,138**

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 4,719,809 shares vested with a fair value of $5.49 million. The excess of $5.48 million above the nominal value of Ordinary Shares have been recognised in share premium.

20.4 Employee share-based payment scheme

As at 31 December 2022, the company had awarded 94,038,312 shares (2021: 73,966,540 shares) to certain employees and senior executives in line with its share-based incentive scheme. Included in the share-based incentive schemes is one additional scheme (2022 LTIP Scheme) awarded during the reporting period. During the reporting period, 7,821,418 shares had vested out of which 3,101,609 shares were forfeited in relation to participants whose employment was terminated during the vesting period. The average forfeiture rate due to failure to meet non-market vesting condition is 16.19% while the average due to staff exit is 24.36%. The impact of applying the forfeiture rate of 25% on existing LTIP awards which are yet to vest will result in a reduction of share-based compensation expense for the year by $3,531,176. The number of shares that eventually vested during the year after the forfeiture and conditions above is 4,719,809 (Dec 2021: 5,736,761) shares were vested.

xvi. 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 2019 bonus (paid in 2020) has been deferred into shares and would be released in 2022 subject to continued employment over the vesting period. 2020 deferred bonus was approved by the Board and vested in 2022. 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.

xvii. Share-based payment expenses

The expense recognised for employee services received during the year is shown in the following table:

	2022 ₦ million	Restated 2021 ₦'million	2022 $'000	Restated 2021 $'000
Expense arising from equity-settled share-based payment transactions	**263**	**130**	**619**	**324**

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:

	2022 ₦ million	Restated 2021 ₦'million	2022 $'000	Restated 2021 $'000
Additional investment in subsidiaries – Share-based payment (Note 16.2)	**3,385**	**1,110**	**7,569**	**2,696**

There were no cancellations to the awards in 2022. 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
Global Bonus Offer	4 November 2015	9 April 2014	9 April 2015	Fully	6,472,138
Non-Executive Shares	4 November 2015	9 April 2014	9 April 2015	Fully	793,650
2014 Deferred Bonus	14 December 2015	14 December 2015	21 April 2017	Fully	212,701
2014 Long Term Incentive Plan	14 December 2015	14 December 2015	09 April 2017	Fully	2,173,259
2015 Long Term Incentive Plan	31 December 2015	14 December 2015	21 April 2018	Fully	5,287,354
2015 Deferred Bonus	21 April 2016	21 April 2016	20 April 2018	Fully	247,610
2016 Long Term Incentive Plan	22 December 2016	22 December 2016	21 December 2019	Fully	10,294,300
2016 Deferred Bonus	24 November 2017	24 November 2017	20 April 2019	Fully	278,191
2017 Long Term Incentive Plan	24 November 2017	24 November 2017	20 April 2020	Fully	7,938,589
2017 Deferred Bonus	2 May 2018	2 May 2018	31 December 2019	Fully	193,830
2018 Long Term Incentive Plan	2 May 2018	2 May 2018	2 May 2021	Fully	6,936,599
2018 Deferred Bonus	2 May 2019	2 May 2019	31 December 2020	Fully	341,069
2019 Long Term Incentive Plan	2 May 2019	2 May 2019	2 May 2022	Partially	7,648,850
2019 Deferred Bonus	30 Apr 2020	30 Apr 2020	31 Dec 2021	Fully	214,499
2020 Long Term Incentive Plan	30 Apr 2020	30 Apr 2020	1 May 2023	Partially	10,828,156
2020 Long Term Incentive Plan	2 Dec 2020	2 Dec 2020	2 Dec 2023	Partially	1,110,057
2021 Long Term Incentive Plan	2 November 2021	2 November 2021	2 November 2024	Partially	12,995,688
2021 Long Term Incentive Plan – Executives	10 March 2022	10 March 2022	2 November 2024	Partially	5,133,469
2020 Deferred Bonus	10 March 2022	10 March 2022	31 December 2022	Fully	172,586
2022 Long Term Incentive Plan	30 May 2022	30 May 2022	30 May 2025	Partially	13,811,252
2021 Deferred Bonus	10 March 2022	10 March 2022	31 December 2023	Partially	439,908
COO Sign on Bonus	4 August 2022	4 August 2022	1 July 2024	Partially	514,575
					94,038,312

xviii. 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 2022.

Share award scheme (all awards)	2022 Number	2022 WAEP ₦	2021 Number	2021 WAEP ₦
Outstanding at 1 January	2,800,942	442	8,806,987	843
Granted during the year	25,036,212	442	1,145,053	415
Exercise during the year	(4,719,809)		(5,736,761)	
Forfeited during the year	(3,101,609)		(1,414,337)	
Outstanding at 31 December	**20,015,736**	**259**	**2,800,942**	**442**

Share award scheme (all awards)	2022 Number	2022 WAEP \$	2021 Number	2021 WAEP \$
Outstanding at 1 January	2,800,942	1.10	8,806,987	2.22
Granted during the year	25,036,212	1.10	1,145,053	1.04
Exercised during the year	(4,719,809)		(5,736,761)	
Forfeited during the year	(3,101,609)		(1,414,337)	
Outstanding at 31 December	**20,015,736**	**0.58**	**2,800,942**	**1.10**

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	2022 Number	2022 WAEP ₦	2021 Number	2021 WAEP ₦
Outstanding at 1 January	–	–	86,151	509
Granted during the year	479,564	541	128,348	415
Exercised during the year	(172,568)		(214,499)	–
Outstanding at 31 December	**306,996**	**483**	**–**	**–**

Deferred Bonus Scheme	2022 Number	2022 WAEP \$	2021 Number	2021 WAEP \$
Outstanding at 1 January	–	–	86,151	0.62
Granted during the year	479,564	1.21	128,348	1.04
Exercised during the year	(172,568)		(214,499)	–
Forfeited during the year	–		–	–
Outstanding at 31 December	**306,996**	**1.08**	**–**	**–**

20. Share capital continued

20.4 Employee share-based payment scheme continued

xviii. Determination of Share awards outstanding continued

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)	2022 Number	2022 WAEP ₦	2021 Number	2021 WAEP ₦
Outstanding at 1 January	2,800,942	492	8,720,836	509
Granted during the year	24,556,648	–	1,016,705	415
Exercised during the year	(4,547,241)		(5,522,262)	
Forfeited during the year	(3,101,740)		(1,414,337)	
Outstanding at 31 December	**19,708,740**	**322**	**2,800,942**	**442**

Long term incentive Plan (LTIP)	2022 Number	2022 WAEP $	2021 Number	2021 WAEP $
Outstanding at 1 January	2,800,942	1.10	8,720,836	1.34
Granted during the year	24,556,648		1,016,705	1.04
Exercised during the year	(4,547,241)		(5,522,262)	
Forfeited during the year	(3,101,740)		(1,414,337)	
Outstanding at 31 December	**19,708,740**	**0.72**	**2,800,942**	**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 2022 range from 0.8 to 2.3 years (2021: 0.2 to 2.7 years).

The weighted average fair value of awards granted during the year range from ₦170 to ₦581 (2021: ₦415 to ₦442.32), $0.38 to $1.30 (2021: $1.04 to $1.10).

The fair value at grant date is independently determined using the Monte Carlo Model which takes into account the exercise price, the term of the option, 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 option and the correlations and volatilities of the peer 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.

xix. 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:

	2019 LTIP	2020 LTIP	2021 LTIP	2021 LTIP-Execs	2022 LTIP
Weighted average fair values at the measurement date					
Dividend yield (%)	0.00%	0.00%	0.00%	0.00%	0.00%
Expected volatility (%)	35%	43%	51.68%	59.29%	59.86%
Risk–free interest rate (%)	0.76%	0.44%	0.31%	2.17%	2.53%
Expected life of share options	3.00	3.00	3.00	2.64%	3.00
Share price at grant date ($)	1.7	0.51	0.66	1.12	1.18
Share price at grant date (₦)	521.9	193.48	264.32	465.74	489.76
Model used	Monte Carlo	Monte Carlo	Monte Carlo	Monte Carlo	Monte Carlo

20.5 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.

21. 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.

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Capital contribution	**5,932**	**5,932**	**40,000**	**40,000**

22. 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.

23. Trade and other payables

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Trade payable	13,103	–	29,304	–
Accruals and other payables	246	756	545	1,838
Intercompany payable	1,018,712	775,271	2,278,335	1,882,047
	1,032,061	**776,027**	**2,308,184**	**1,883,885**

24. 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.

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Loss for the year	(19,107)	(7,552)	(45,002)	(18,847)
	Shares '000	Shares '000	Shares '000	Shares '000
Weighted average number of Ordinary Shares in issue	588,446	581,646	588,446	581,646
Outstanding share-based payment (shares)	1	2,801	1	2,801
Weighted average number of Ordinary Shares adjusted for the effect of dilution	588,447	584,447	588,447	584,447
	₦	₦	$	$
Basic loss per share	(32.47)	(12.98)	(0.08)	(0.03)
Diluted loss per share	(32.47)	(12.92)	(0.08)	(0.03)

The shares were weighted for the proportion of the number of months they were in issue during the reporting period.

25. Dividends paid and proposed

As at 31 December 2022, the final proposed dividend for the Company is ₦11.18, $0.025 (2021: ₦10.3, $0.025) per share and the proposed Special Dividend is ₦22.36, $0.05 per share (2021: nil).

	2022 ₦ million	2021 ₦ million	2022 $'000	2021 $'000
Cash dividends on Ordinary Shares declared and paid:				
Dividend for 2022: ₦42.60 ($0.10) per share 588,444,561 shares in issue (2021: ₦50 ($0.13) per share, 584,035,845 shares in issue)	24,972	29,377	58,844	73,354
Proposed dividend on Ordinary Shares:				
Final proposed dividend for the year 2022: ₦11.18 ($0.025) (2021: ₦10.3 ($0.025) per share	6,553	6,016	14,655	14,601
Special proposed dividend for the year 2022:				
₦22.36 ($0.05) (2021: nil) per share	13,106	0	29,270	0

During the year, ₦32.2 billion, $44.1 million of dividend was paid at ₦54.70, $0.070 per share as final dividend for 2022. As at 31 March 2022, ₦10.47 billion, $ 14.7 million was paid at ₦17.79, $0.02 per share for 2022 Q1; As at 30 June 2022, ₦ 10.62 billion, $ 14.7 million was paid at ₦18.05, $0.02 per share for 2022 Q2; As at 30 September 2022, ₦ 11.10 billion, $ 14.7 million was paid at ₦18.86, $0.02 per share for 2022 Q3. Final and Special 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 2022 Annual General Meeting. The tax effect of dividend paid during the year was $4.3 million (₦5.6 billion).

26. 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 8.20% 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'):

Dr. A.B.C. Orjiako 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 $916.5 thousand, ₦409.8 million (2021: $1.1 million, ₦0.45 billion). Payables amounted to nil in the current period.

27. Information relating to employees

27.1 Number of directors

The number of Directors whose emoluments fell within the following ranges was:

	2022 Number	2021 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**

	2022 Number	2021 Number
Zero – $65,000	–	–
$65,001 – $378,000	–	–
$378,001 – $516,000	–	–
Above $516,000	3	3
	3	**3**

27.2 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:

	2022 Number	2021 Number
₦1,989,650 – ₦4,897,600	25	16
₦4,897,601– ₦9,795,200	101	118
₦9,795,201 – ₦14,692,800	153	140
Above ₦14,692,800	252	201
	531	**475**

	2022 Number	2021 Number
$6,500 – $16,000	25	16
$16,001 – $32,000	101	118
$32,001 – $48,000	153	140
Above $48,000	252	201
	531	**475**

27.3 Number of persons employed during the year

The average number of persons (excluding Directors) in employment during the year was as follows:

	2022 Number	2021 Number
Senior management	35	30
Managers	155	128
Senior staff	297	237
Junior staff	44	80
	531	**475**

28. Commitments and contingencies

28.1 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 2022 is ₦5.5 billion, $1.22 million (2021: ₦7.9 billion, $19.2 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.

29. Events after the reporting period

There was no event after the reporting period which could have a material effect on the disclosures and the financial position of the Company as at 31 December 2022 and on its profit or loss and other comprehensive income for the period ended.

Statement of value added

For the year ended 31 December 2022

	2022 ₦ million	%	Restated 2021 ₦ million	%	20221 $'000	%	Restated 2021 $'000	%
Other loss	(1,273)		(4)		(2,998)		(10)	
Finance income	412		131		971		327	
Cost of goods and other services:								
Local	(9,212)		(6,382)		(21,834)		(15,924)	
Foreign	(6,141)		–		(14,556)		–	
Valued added	**(16,214)**	**100%**	**(6,225)**	**100%**	**(38,417)**	**100%**	**(15,607)**	**100%**

Applied as follows:

	2022 ₦ million	%	Restated 2021 ₦ million	%	2022 $'000	%	Restated 2021 $'000	%
To employees: – as salaries and labour related expenses	821	(5%)	1,209	(19%)	1,934	(5%)	3,020	(19%)
To government: – as company taxes	1,961	(12%)	–	–	4,385	(11%)	–	–
Retained for the Company's future: – For asset replacement, depreciation, depletion & amortisation	112	(1%)	88	(1%)	266	(1%)	220	(1%)
Loss for the year	(19,107)	118%	(7,552)	120%	(45,002)	117%	(18,847)	120%
Valued added	**(16,214)**	**100%**	**(6,255)**	**100%**	**(38,417)**	**100%**	**(15,607)**	**100%**

The value added represents the additional wealth which the Company 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.

	2022 ₦ million	Restated 2021 ₦ million	Restated 2020 ₦ million	2019 ₦ million	2018 ₦ million
Revenue from contracts with customers	–	–	–	200,733	217,174
(Loss)/profit before taxation	(19,107)	(6,473)	(7,160)	79,613	85,429
Income tax expense	–	–	–	(13,484)	(35,748)
(Loss)/profit for the year	(19,107)	(6,473)	(7,160)	66,129	49,681

	2022 ₦ million	2021 ₦ million	2020 ₦ million	2019 ₦ million	2018 ₦ million
Capital employed:					
Issued share capital	297	296	293	289	286
Share premium	91,317	90,383	86,917	84,045	82,080
Share based payment reserve	6,108	4,914	7,174	8,194	7,298
Treasury shares	(2,025)	(2,025)	–	–	–
Capital contribution	5,932	5,932	5,932	5,932	5,932
Retained earnings	176,136	220,215	255,859	282,228	234,148
Foreign translation reserve	447,429	388,690	393,687	196,535	196,552
Total equity	**725,194**	**708,405**	**749,862**	**577,223**	**526,296**
Represented by:					
Non-current assets	965,584	885,581	877,795	518,366	328,870
Current assets	791,671	598,851	73,124	539,423	514,131
Non-current liabilities	–	–	–	(233,715)	(173,276)
Current liabilities	(1,032,061)	(776,027)	(201,057)	(246,851)	(143,429)
Net assets	**725,194**	**708,405**	**749,862**	**577,223**	**526,296**

	2022 $'000	Restated 2021 $'000	2020 $'000	2019 $'000	2018 $'000
Revenue from contracts with customers	–	–	–	654,037	709,493
(Loss)/profit before taxation	(45,002)	(16,151)	(19,897)	259,411	279,093
Income tax expense	–	–	–	(43,934)	(116,788)
(Loss)/profit for the year	(45,002)	(16,151)	(19,897)	215,477	162,305

	2022 $'000	Restated 2021 $'000	2020 $'000	2019 $'000	2018 $'000
Capital employed:					
Issued share capital	1,864	1,862	1,855	1,845	1,834
Share premium	522,227	520,138	511,723	503,742	497,457
Share based payment reserve	24,893	22,190	27,592	30,426	27,499
Treasury shares	(4,915)	(4,915)			
Capital contribution	40,000	40,000	40,000	40,000	40,000
Retained earnings	1,037,830	1,141,677	1,230,666	1,304,197	1,147,526
Total equity	**1,621,899**	**1,720,952**	**1,811,836**	**1,880,210**	**1,714,316**
Represented by:					
Non-current assets	2,159,515	2,151,068	2,148,506	1,688,491	1,071,233
Current assets	1,770,568	1,453,769	192,430	1,757,082	1,674,694
Non-current liabilities	–	–	–	(761,285)	(564,416)
Current liabilities	(2,308,184)	(1,883,885)	(529,100)	(804,078)	(467,195)
Net assets	**1,621,899**	**1,720,952**	**1,811,836**	**1,880,210**	**1,714,316**

30. 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 2022 ₦/$	31 December 2021 ₦/$
Property, plant & equipment – opening balances	Historical rate	Historical	Historical
Property, plant & equipment – additions	Average rate	424.37	400.48
Property, plant & equipment – closing balances	Closing rate	447.13	411.93
Current assets	Closing rate	447.13	411.93
Current liabilities	Closing rate	447.13	411.93
Equity	Historical rate	Historical	Historical
Income and Expenses:	Overall Average rate	424.37	400.48

Additional information

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 2022

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 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 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 obtaining 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), company income tax (CIT) and education tax.

Other transaction taxes such as Withholding taxes (WHT), Value-added taxes (VAT), Personal income taxes (PIT), etc. are not included in this report.

Company 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 company 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

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 2022, there were no such reportable payments made by Seplat to government that were above the materiality threshold as determined below.

Materiality

For each payment type, total payments below £87,649 (€100,000, $106,099) whether made as a single payment or as a series of related payments, to a government agency are excluded from this Report.

Reporting currency

Payments in this report have been disclosed in US dollars. Where actual payments have been recorded in a currency other than US dollars, they have been translated using the annual average exchange rate.

Government and expense report (in USD)

	Production Entitlement	Royalties	Fees	Taxes	Total
GOVERNMENTS					
Nigerian National Petroleum Corporation Limited	8,845,730	–	–	–	8,845,730
Nigerian National Petroleum Corporation Exploration and Production Limited	913,551,182	–	–		913,551,182
Department of Petroleum Resources	–	176,985,383	8,040,626	–	185,026,009
Nigeria Export Supervision Scheme	–	–	225,634	–	225,634
Niger Delta Development Commission	–	–	12,210,276	–	12,210,276
Nigerian Content Development and Monitoring Board	–	–	5,978,001	–	5,978,001
Federal Inland Revenue Service	–	–	–	57,114,068	57,114,068
Total	**922,396,912**	**176,985,383**	**26,454,537**	**57,114,068**	**1,182,950,900**

Project and expense report (in USD)

	Production Entitlement	Royalties	Fees	Taxes	Total
PROJECTS					
Gas revenue	137,440,433	–	–	–	137,440,433
OML 4, 38 and 41	532,678,221	110,236,401	22,723,600	46,491,837	712,130,059
OML 40	243,432,528	47,328,688	210,179	–	290,971,395
OML 53	8,845,730	18,562,911	3,520,653	5,676,128	36,605,422
OML 56	–	857,383	105	4,946,103	5,803,591
Total	**922,396,912**	**176,985,383**	**26,454,537**	**57,114,068**	**1,182,950,900**

Notice of 10th Annual General Meeting of Seplat Energy Plc

NOTICE IS HEREBY GIVEN that the 10th Annual General Meeting of SEPLAT Energy Plc (the "Company") will be held virtually via https://www.seplatenergy.com/agm-2023/ on Wednesday, 10 May 2023 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 2022, 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 2022.
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. Samson Ezugworie as an Executive Director of the Company; and
      ii. Ms. Koosum Kalyan as an Independent Non-Executive Director of the Company.
   b. To re-elect the following Directors who are eligible for retirement by rotation:
      i. Madame Nathalie Delapalme (Non-Executive Director); and
      ii. Mr. Bello Rabiu (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 2022[3].

That, the Board be and is hereby authorised to take all necessary steps to give effect to the above resolutions.

Copies of the Annual Report and Accounts for Seplat Energy Plc for the financial year ended 31 December 2022 will be mailed to the shareholders and will be 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 31 March 2023

1 The profiles of the Directors are set out on pages 66 to 71.
2 The remuneration of the managers of the Company is set out on page 104.
3 The Remuneration section of the Directors' Remuneration Report is set out on page 110.

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 2022 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 ishttps://www.seplatenergy.com/agm-2023/

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 18th April 2023 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 16 May 2023, to shareholders whose names appear in the Company's Register of Members at the close of business on 18 April 2023.

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. ELECTRONIC ANNUAL REPORT:
In order to improve efficiency and delivery of the Annual Reports, shareholders who wish to receive the Annual Report of Seplat Energy Plc in an electronic format should kindly provide their email addresses to the Registrars for processing. In addition, Annual Reports are available online for viewing and download from the Company's website at www.seplatenergy.com.

9. 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 3 May 2023) or by email at AGMQuestions@seplatenergy.com.

10. LIVE STREAMING OF THE AGM:
The Meeting will be streamed live online to enable shareholders and other stakeholders who may not be able to attend physically 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.

Unclaimed dividend list

S/No	Beneficiary
1	FORTUNE PROPERTIES LTD
2	MAJARO AKINWALE, & ADEBUKUNOLA
3	ANYABUIKE NKECHI
4	ANYANWU CHINEDU
5	UMEGE CHUKWUKA
6	EZIKE VINCENT
7	AKPOTOBOR GODSPOWER
8	AGHAHON OTASOWE
9	JEGBEFUME RUFUS
10	ONAIWU MATTHEW
11	TEDEYE OMAJUWA
12	ABOMAH SAMUEL
13	AKINOLA KAYODE
14	TIEMI PETER
15	IKPADE ANSELEM
16	OGBEIDE AUGUSTINE
17	UBUANE EHIMUAN
18	OLLEY JOSEPH
19	ODIA ALICE
20	OKONORHO AUGUSTINE
21	OBUKOHWO VICTOR
22	AKANDE MUSTAPHA
23	EGWARE EMMANUEL
24	OLOKOR SUNDAY
25	IDAMADUDU RANDOL
26	ESIRI JOHN
27	OGHOR BRYTE
28	OJO MOYOSORE
29	AKHIGBE CHARLES
30	ADEOSUN OLAYINKA
31	CONNAL STUART
32	JONATHAN STEVEN
33	ODUNGIDE IMA
34	CHKUKWUWIKE IBINI
35	EDUM HARRISON
36	EYEWUOMA TAIYE
37	DAODU ADEOLA
38	AGBASIERE JAMES
39	OLAYIWOLA WASIU
40	AIGBOKHAI EMMANUEL
41	ODIGIE ANTHONY
42	EMENIKE ADA
43	OKOLI NWAMAKA
44	AMCON/ORJIAKO AMBROISE,
45	EFAPOKIRE ROSE
46	OLAOFE TOLANI
47	SKENE EDWARD
48	ALAKWE FAUSTINUS
49	AGWUIBE ANTHONY
50	EBINUM JOSEPH
51	LAWSON EDOMWONYI
52	EDEWOR OMONEFE
53	IWEZE ENUOMA
54	UKARIWO NKPA
55	IRORO OROBOSA
56	OSAWE OSAYANDE
57	NWULU DANIEL
58	AGUSIOBO IKECHUKWU
59	UKPAKA ADANNA
60	NDUBUEZE MADUABUCHI,
61	NWANWENE EMMANUEL
62	MUJAPERUO SANDRA
63	OKO PATRICK
64	OZOEMENA ESEROGHENE
65	AMADI TERRY
66	OGBUIYI ONYEBUCHI
67	IBI-ADE ITOTOI
68	UMOH UDEMEOBONG
69	IBRAHIM HAKEEM
70	OKOYE CHIKAODILI
71	IKUENOBE ONOMEN
72	ONODJE VICTOR
73	KOSUOWEI EREBEBE
74	OKEYODE OLUSEGUN
75	ENYENDU CHIGOZIE
76	CHUKA-UMEH OBIAGELI
77	AKAMADU MATTHEW
78	TAIWO YETUNDE
79	OVRAITI OGHRNOVO
80	MACAULAY EDUJIE
81	UZOKWE CHUKA
82	ADERIBIGBE ADELEKE
83	NWOSEH EMMNAUEL
84	OKAFOR UCHENNA
85	EZEOKE FRANCIS
86	KPOHRAROR HOPE,
87	OKABEKWA FABIAN
88	OBIOR PETER
89	AKPERE SAMSON
90	ONUBOGU ADAEZE
91	ICHA ESTHER
92	MOLUNO VIVIAN
93	AKINJARE EMMANUEL
94	BAMISHILE-RICHARDS BEATRICE
95	OBOMINURU OGHENEOVO
96	ODU KENNETH
97	BAKARE EMMANUEL
98	IDIAGHE SUNDAY
99	OGODO ONORIODE
100	EDIKE BRIGHT
101	OKPARANTA SAMUEL
102	IMONITIE CHRISTOPHER
103	OKOGBE BOLAJI
104	OSUNKWO EBERE
105	AGBAZA CHURCHILL
106	UDI ERNEST
107	ORJI MADUABUCHI
108	AITIEMWEN OSAGIARO
109	FASHIKU ADEMOLA
110	OMOROGA ADENIKE
111	AIBANGBEE ROLAND
112	IBEAWUCHI CHIOMA
113	AGBASIERE IZUU
114	AKEH MICHAEL
115	OKWAGBE HARRISON
116	JOBI-STEVENS AKIN
117	OSULALA PRINCE
118	OYELAKIN MOTUNRAYO
119	OKHOMINA SUNDAY
120	YEGBEBURU MATTHEW
121	OJEWVE PETER
122	ETHUAKHOR FIDELIS
123	ALOHAN CAMILLA
124	OTOKHAGUA VERONICA
125	SULEIMAN TIJANI
126	IGBERAESE OKORUWA
127	ALAKWE OBINNA
128	ONI OMOTAYO
129	AZIA MONDAY
130	OFURHIE ERHOMU
131	ATARE SUNDAY
132	AMAECHI NGOZI
133	OMOROGBE OSAZUWA
134	MASOJE ANTHONY
135	OBODOZIE ONYEKA
136	ANYANWU CHIBUEZE
137	OLUYOH GODWIN
138	ASUELIME KIKE
139	EWHRUDJAKPOR OBIKU
140	UZOMA KELECHI
141	IGWE EZIJE
142	NWAMBA OLIVE
143	GOB-AGUNDU UCHE
144	OKORO DANIEL
145	OTOKHINE EMMANUEL
146	ONWUNYI LOTANNA
147	OZUMBA FRANK
148	ENEDUWE ONYEKA
149	SAM KINANEE
150	ADEMOLA ENIOLA
151	AKPURU CHIDINMA
152	ODELEYE MICHAEL
153	HARRY RACHEL
154	LAWAL FATAI
155	OVUAKPORAYE REUBEN
156	WANOGHO-ONUNKETE ENI
157	OGOLO LANCASTER
158	IBENEGBU CHINELO
159	IGBOKEI STEPHANIE
160	ANIRAH ONOME
161	OHALETE CHIAMAKA
162	KONYEBAGU CHIKEZE
163	OKOLIE CHIZOBA
164	COLLINS TEMISA
165	EJIEJI EMENIKE
166	EBELEDIKE ODERA
167	UGOCHUKWU ONYEKACHI
168	OROGUN OROMENA
169	BROWN, ROGER
170	CHINDA JEFF
171	LOTUS CAPITAL LIMITED -
172	SANGUDI GENEVIEVE
173	OBIAGELI OKEREKE
174	ODUSOTE OKUNOLA
175	SEPLAT STAFF COOP
176	KASIM FAUZIYYAH KIKELOMO
177	OLANREWAJU FILANI OLADAPO
178	AJUMOGOBIA AWUNEBA SOTONYE
179	INSURANCE INVESTMENTS FUND
180	SANKORE SECURITIES LIMITED
181	ROBERT MBONU
182	NISL INVESTMENT NOMINEE
183	VISTA INVESTMENT PROPERTY LIMITED -
184	MOURAD BASSEL

S/No	Beneficiary
185	PASADENA ENERGY CORPORATION (FUTUREVIEW) -
186	BALOGUN TOLULOPE,
187	OGBECHIE GABRIEL, IFEANYI
188	ADAMS BODE, THOMAS
189	ONWUKA COLLINS, CHIKA
190	STERLING REGISTRARS LTD
191	CSL NOMINEE ACCOUNT 'CX'
192	SARUMI TUNDE, KABIR
193	ONUOHA CHUKWUEMEKA, (ENGR.)
194	EZENMA CHUKWUKA, COSMAS
195	OHUABUNWA NNAMDI, GODFREY
196	ITAUMA MERCY, ETEAKAMBA
197	JINADU WASIU, OLABISI
198	KRAGHA CHRISTOPHER, OGHENERUME
199	OKELEYE ISRAEL, AYODAMOPE
200	OKELEYE ENOCH, ANJOLA-OLUWA
201	OKELEYE RACHAEL, OREOLUWA
202	SMITH BUKOLA,
203	OLUGBOSUN ARIYO, AYO
204	SHODEKE OMOLARA, DORCAS
205	OMOGIAFO OWEN, DIANA
206	BISAMI NIGERIA LTD - ACCOUNT 2
207	ABIRU HABEEB, ADEWALE (HON. JUSTICE)
208	OTSEMOBOR ENETOMHE,
209	ADEBAYO RAHEEM, ADEWALE
210	BANKOLE OLUMUYIWA, JACOB
211	BANKOLE JOSEPH, OLUMAYOKUN ADEFOLARIN
212	OYEDELE NURAT, ADENIKE EJIDE
213	OYEDELE ABDULAZEEZ, ADEMOLA TAIWO
214	LAWAL MORUF, OLANREWAJU
215	LAWAL TIMILEHIN, ANU-OLUWAPO
216	EZEOCHA CHISOMAGA, IHEDIOHANMA
217	MAKANJUOLA OLADAYO, ABDUL YEKINI
218	AKINTUNDE MARY, ADEOLA
219	SANNI ABIODUN, CHRISTIANA
220	CHUKWU JULIET, NNENNA
221	AJANI TUNDE, OLUWOLE
222	SHITTU SULAIMON, AYINLA
223	RUFAI ADEMOLA, ELIAS
224	MR & MRS IKPONMWOSA, JAMES ODIASE
225	ORIVOH VICTOR (ALLEGED DECEASED PHC/2052/2022),
226	OGINNI JOSHUA, OLUWOLE
227	AGWUNCHA IFEYINWA, EVELYN
228	FOLAYAN OLUWAROTIMI, CHRISTOPHER
229	YUSUF NURUDEEN,
230	AKINSANYA LATEEF, AYINDE (ALLEGED DECEASED)
231	NZEJI AHAMEFULE, DOMINC
232	OKOH PETER, KNIGHT
233	MULTRACTS INVESTMENT LTD
234	OKELEYE ADENIKE, ELIZABETH
235	ADESINA OLALEKAN, OLADEPO
236	NORTH WEST PETROLEUM & GAS LTD
237	EKANEM SAMPSON, EKANEM
238	AKINJIDE ABAYOMI,
239	OMOTOYE ADEWALE,
240	MADUKO FIDELIS, OGBOGU
241	ADEOYE OLUBUNMI, BABATUNDE
242	ADEYEMI ADEKUNLE,
243	EDDO MARK,
244	OGUNTOYE OLUWATOPE, LAWRENCE
245	AZEEZ SULAIMAN, AKINADE
246	OLUGBOSUN BANJI,
247	OFOHA IKENNA, KENNETH
248	MORADEYO DAVID, ADEMOLA
249	FRANCIS OLAMIDE, LOLA ABOSEDE
250	NGWUOCHA CHIKE, CHARLES
251	DAWODU OMOLARA, ADIAT
252	AIYEBIWO OLUBUNMI, MOTUNRAYO
253	LAWAL NOJEEM, OLAWALE
254	AUGUSTINE ESTHER, FUNKE
255	OLAGUNJU GABRIEL ADEWALE
256	MOT OLAYIWOLA, TOBUN
257	HAMZA RIDHWAN, BOLADALE
258	ADEAKIN FOLAYEMI, DIDANLOLA
259	AKINOLA OLUWASEUN,
260	ERINOLA MATTHEW, KOLAWOLE AKEEM
261	MOTOLATOB NIG. LIMITED
262	OFFOR KINGSLEY, ONYEMAENCHI
263	D-BEST ACHIEVERS SHAREHOLDERS ASS
264	EDEVBIE DAVID,
265	ALABI DAMILARE,
266	IHEANACHO STEPHEN, CHINONSO
267	SOYE BRIGGS,
268	AHMAD SALIHIJO, BILIKISU
269	AJAO ADEFUNSHO, ADEYI
270	OBADEMI JOSHUA, OLUYEMI
271	OGUNDEJI MOSES, AYODELE
272	SAKA KOLAWOLE, ADAMS
273	OPATOLA JOSEPH, OGUNDEYI
274	AJAO JOHNNY, ADELAKUN
275	OBAYOMI IDOWU,
276	ADEGBITE ISAAC, ADEREMI
277	FAWOLE TAIWO, GANIYU
278	ABIMBOLA OLUBUNMI, EUNICE
279	SALAMI OLASUNKANMI, TIRIMISIYO
280	ADEDOYIN ADEKIITE, OLUTOYIN
281	NNAMDI JOHN, OKONKWO
282	ODUSOTE OLATUNBOSUN, ANIKE
283	OBARINDE ISAAC, OBATOSHO
284	KUMOEI LIMITED
285	NJOKU CHRISTIAN, CHINONYEREM
286	OBATAYO JOHN, OLUWAFEMI
287	ODUNUGA SAMIAT, ADEBANKE
288	EKE CHIBUZOR, EMMANUEL
289	AKHIGBE OKHIRIA, TOM
290	UMEH IFY,
291	BELLO ADISA, SULE
292	ADEYEMO TITI, LATIFAT
293	OKOH EMMANUEL, ODE
294	SALAU MOHAMMED, ADEBANJO
295	OMOLE DEBORAH, MORADEKE
296	EVBOTA HARRIET, ADEKUNBI
297	OVIAWE NOSAMUDIANA, ABIGAIL
298	OKAFOR RUTH, ESOHE
299	CORNERSTONE STAFF COOPERATIVE SOCIETY
300	AWOBIMPE KAYODE, CAMALDEEN K
301	EKWELI EMMANUEL, CHUKWUNYEAKA
302	IMEH GODWIN, GBOTA
303	AROLEOWO GANIAT, ABIODUN
304	DARA ADEOLUWA, EMMANUEL
305	CHIKEKA VIVIAN, ADANMA
306	HARMONY SECURITIES LIMITED - A/C 1
307	AKINOLA OLUDOTUN, OLUFEMI
308	ADETIBA ADEREMI, AKABA
309	OSILEYEOLUGBENGA AFOLABI,
310	SOWEMIMO BASIRU, SOLA
311	EMORDI NJIDEKA, YVONNE
312	BELLO KOKO, MOHAMMED ATP
313	UDEAGWU FIDELIS, CHUKWUETALU
314	EZEANI IGNATIUS, MAJESTY
315	OLUWASEUN OMOTOSHO,
316	ARIGBABOWO ENIOLA,
317	ARIGBABOWO OLUWATOSIN,
318	OLATUNDUN RASHEED, OLABISI
319	OGUNSOLA ADEDAYO, OLUWASEGUN
320	OKOYE NNENNA, CHIOMA
321	EKPEKI OMOWHARE, WILLIAM
322	NNAMNO C, NWOSU
323	OKON EMMANUEL, E.
324	MUNADAS MULTI CONCEPT LIMITED
325	OYEWOLE ISAIAH, OLUWATOSIN
326	OLAJIDE OLUKAYODE,
327	OLOYEDE OLADAPO, OLUWAMAYOWA
328	ABOLUDE OLANIKE, OMOYIOLA
329	IKOTUN OLALEKAN, KAYODE
330	ODU CYRIL,
331	OLIVE COURT CHARITY FOUNDATION
332	EGBUCHELEM NNAMDI, JACOB
333	ODUGBEMI REGINA, AITUAJE
334	JIMOH AUGUSTINE, A & JIMOH IYABO O
335	OLAOFE ABAYOMI, OLADIPO
336	OMOLE ABRAHAM, OLAMILEKAN
337	OWOPETU OLUFEMI,
338	OLAYEYE RAOLAT, TOLANI
339	OKAFOR EMMANUEL, NKWACHUKWU
340	NWANKWO NELSON, IFEANYICHUKWU
341	ECOMARK INVESTMENT LIMITED
342	ALLISON-OGURU EDMUND, ANIENKEDIGIRI
343	ADEPOJU IBITOMI, MOWANUOLA
344	MPAMAUGO SAMUEL, CHINENYE
345	ONOKURHEFE BENSON, IRHIKEVWIE
346	OSUOHA A, CHIMA
347	BATULA ADISA, BOONYAMIN ALHAJI
348	SAGOE KWEKU-MENSAH, OLAKUNLE
349	SHOFOLAHAN SUNDAY, O.
350	ONOKURHEFE BENSON, IRHIKEVWIE
351	OHIFUEMEH OLAYINKA, ANUOLUWAPO

S/No	Beneficiary
352	UKPONG UKPONG, S.
353	SIMAN LARAI,
354	EKE CHIKAMSO, NWAYINMA
355	IJOMA FIDELIS.OPIA.ODILI,
356	EKE CHIDIUTO, CHIDERA
357	ERUVBETINE PREM, ENAEME
358	ONYIA UCHENNA, CHINYERE
359	DUROJAIYE ANTHONIA, OLAIDE
360	SULEIMAN ABDULLAHI,
361	SALAMI YUSUFU, BISI
362	AJAERO KINGSLEY, UCHECHUKWU
363	ANYA EUGENE, UCHECHUKWU
364	AMADI CHIMA, EMEKA
365	ATURAMU TOLULOPE,
366	ARTHUR STEVEN ASSET MGT LTD
367	AFINJU TAIWO, ANUOLUWA
368	MADUFORO GOLDEN, CLEMENT
369	AKINJOBI TEMITOPE, ANUOLUWAPO
370	JOHNSON ADEOLA,
371	AKINSANYA FOLASHADE, OMOLAYO
372	PROF CHRIS EKONG FOUNDATION
373	ONWUJI JOHN, CHUKWUEMEKA
374	EKE KELECHI, PASCHAL
375	AIBONI SAM, AMAIZE
376	KASIM JOTHAM, TIWATOPE
377	KASIM JOSHUA, TIWATAYO
378	ABOD-REUBENS NIG LTD
379	ABIODUN-JOHNSON ISEOLUWA, OMOLAJA
380	MADUFORO GOLDEN, C.
381	OKPARA CHUKWUMAIHE, G.
382	THOMAS AKINBAYO, OLAWALE
383	THOMAS AKINBAYO, OLAWALE
384	NWABUEZE KINSLEY, KENECHUKWU
385	DOKUBO IGONIBO, WILFRED
386	OREFUWA OLUWAGBENGA, GABRIEL
387	UCHENYI UZOAMAKA, UCHECHI
388	EKONG EBONG, UDO
389	OHERI ELLOHO, FORTUNE
390	AREMU JOSEPHINE, MOJISOLA
391	OKUNRIBIDO OLADIPUPO, OLUFOLARANMI
392	ISAIAH ROSELINE, NGOZI
393	OREFUWA TEMITOPE, M
394	ONAKPOVHIE ONAGITE, EMMANUEL
395	AFOLABI OLORODE TRUST (FBN TRUSTEES)
396	TWO EDGE PARTNERS GLOBAL LIMITED
397	OLOWU ABIODUN, ABODUNRIN
398	DAYO-OLAGUNJU OLUBUNMI, ONAJITE
399	UMOH OTOBONG, ISAIAH
400	DREAMBEAUTY VENTURES LIMITED
401	ODUME FESTUS, AZUBUIKE
402	ADUBA JUDE, AND SAMAILA SULEIMAN
403	EGBAGBE AUGUSTINE, SUNDAY
404	ADIO ADEMOLA, ALEXANDER
405	DOYINSOLA AFOLAYAN,
406	LAYADE OLUWABUSAYOMI,
407	GBADAMOSI MUDASHIRU, ATANDA

S/No	Beneficiary
408	UBOGU FELIX, NKWAONYE & OLUFUNMILAYO ITUN
409	OGUNLEYE AFOLARIN, AFOLABI
410	OLADOKE SUNDAY, ISAAC
411	SHOPEJU EFUNBOSEDE, AYOTUNDE
412	ONEKUTU EMMANUEL, AKAGU
413	ADEBAYO ADEDAYO, OLUWASEUN
414	ADELEKE ADEBAYO, ADETUNJI
415	OGUNMODEDE GABRIEL,
416	ONUOHA CHIDI, CHIKWENDU
417	OSAMO DARE, OLUWASEGUN
418	ROSGATE NIGERIA LIMITED
419	RIMDAP ABDUL, BIN
420	SALAMI ZACHAEUS, OTITOJU
421	SALIU FAUSAT, REMILEKUN
422	AKINSANYA,O.ADEYEMI &, BALOGUN,O.OLUFUNMI
423	MUSA SHITTU, ABOKI
424	ILESANMI OLUDOLAPO,
425	ISAIAH EMEKA, PHILIP
426	ISAIAH PRINCE, JOSHUA
427	OGUNLEYE OLABODE,
428	UBOSI CHRISTOPHER,
429	AWODERO MICHAEL, OLUSEGUN
430	ELEKEDE BABATUNDE, SULAY ENIOLA
431	ALUKWU CHIBUIKE,
432	QUADRI SULAIMON,
433	MOROCCO-CLARKE SUSAN, AYODELE
434	BALOGUN RAFIU, AND BEATRICE
435	FAGBAYIDE OLUKAYODE, OLUWOLE
436	AZEEZ RASAKI, KOLAWOLE
437	OKOLIE HUMPHREY, EZE
438	IZ-UDEANI MILLICENT, OGOR
439	MBC SECURITIES, NOMINEE OBUM
440	TURTON GABRIEL, ADEWUNMI
441	IHEGBU CHIDIEBERE, MACLAWRENCE
442	EYETSEMITAN TOJU, PHILIP
443	LUKMON OLADAYO, BULIAMEEN
444	OLUKOJU AYODEJI, ABAYOMI
445	NWABUIHE OLIVER, SIL
446	GARUBA SAIDU, KEWUYEMI
447	OHAEGBULAM NESHMET, CHIKE
448	AKANBI MOSES, ADENIYI
449	VICTOR EFFIOM, OROK
450	DENNI-FIBERESIMA DAMIEBI,
451	BANKOLE MOTUNRAYO,
452	PHILIP IKECHUKWU,
453	ONYIA EMEKA, JUDE
454	AZEEZ JIMOH, OGUNBANWO
455	EKEBI KENNETH, IDO
456	IBRAHIM DIKKO,
457	SHOKUNBI KHADIJAT, OLASUMBO
458	MOSURO YAKUBU, TITILAYO
459	EZEOKE GODSON, NEBECHI ODILI
460	OBAYEMI FEYISARA, JANET
461	OSHIN ADESEGUN,
462	AREMU RASHIDAT, KEHINDE
463	JINADU LAMIDI, OLANIRAN
464	TUEDOR FRANCIS,
465	ABDUL OLUWASOLA, HAMMED
466	UMEZE NZE, INNOCENT
467	ORAH CHINEDU, JEROME

S/No	Beneficiary
468	EKE THELMA, IJEOMA
469	IDRIS MUSA, ISA
470	ONU BERNARD, OKECHUKWU
471	OKWARA FRED, IKECHI
472	PATRICK AKINWUNTAN, MR & MRS
473	AGWUIBE NNEKA, ROSEYMARY D
474	RAIMI RAMONI, ADEMOLA
475	ABIODUN SYLVESTER, OLUSANMI
476	ONWELUZO UZOAMAKA, SOPHIA
477	AMADI CHARITY, CHIKWADOM
478	ASEDEKO HENRY, ABIODUN
479	OREFUWA BABATUNDE, ADEMOLA
480	OREFUWA OLUWASEYIFUNMI, D
481	ALAGBE ADEYINKA, (PRINCE)
482	AYODELE OLUSHOLA, OMOTAYO
483	OJUKOTOLA RAHAMON, OLUWOLE
484	LANIYAN JONATHAN, OLADEJO SUNDAY
485	JINADU MUSTAPHA, ISHOLA
486	AWE BABALOLA, BABAJIDE
487	ONYEBUAGU IJEOYIBO, JENNIFER
488	EHINMOWO AFOLABI, OLUSEGUN
489	SADA VICTOR, OGHOGHO MR
490	ADEOGUN ODUNLAMI, ABIODUN
491	ATRUISM VENTURES NIG. LTD
492	USMAN HAMMED, OLUWASHOLA
493	OSABUOHIEN KINGSLEY, OSARODION
494	ABRAHAM KEHINDE, P
495	ADESINA OLUWADARE, BABATUNDE
496	WASIU ADEWALE, AZEEZ
497	ODOZI UCHE,
498	ANIGIORO AMOS, OLADAPO
499	LAWAL MUFUTAU, ASHERU
500	UKONGA FLORENTINA, ADENIKE
501	ONI OMOTAYO, BASIRAT
502	MPAMAUGO EDITH, NWANWEREUCHE
503	CHUKWUDI PASCHAL, ONYEBUCHI
504	CHUKWUDI FRANCIS, CHIDERA
505	SHITTA-BEY OMOWUNMI,
506	AYANDA TITILAYO,
507	ERINFOLAMI SALEMSON, ADEMOLA TEMILOLUWA
508	ADU AYODELE,
509	SALAMI SULAIMON, ABIODUN
510	FATOLA JOSEPH, OLUFUNMILADE
511	DURU P., NGOZI
512	AKINBO OLAYIWOLA, ADIO
513	OMOLE JOSEPH, ADEDEJO
514	FAJOYE OGUNYEMI,
515	IGBASANMI BUKOLA, AKINRINBIDO
516	ILUFOYE OYELOLA, ALLI
517	AJUMOBI OLUYEMI, JOSEPH (EST OF)
518	FOWOWE MICHAEL, OLASUPO ABIOLA (ALLEGED DECEASED PHC/742L/2020)
519	ODUNSI TOLULOPE, JOSHUA
520	OLOWOOKERE ENIOLA, ABOSEDE
521	ADEFUYE MICHAEL, OLORUNTELE
522	NWAGBOM CONSTANTINA, ONYEKACHI
523	ERUVBETINE OBOR, ENAEME
524	IFEANYI OKEY, FESTUS

S/No	Beneficiary
525	IFEOBU MMELICHUKWU,
526	OKAFOR EMMANUEL, NKWACHUKWU MR & MRS
527	ASUELIME KIKELOMO,
528	JEGBEFUME OKOH, RUFUS
529	AKPOTOBOR GOD, SPOWER OMONIGHO
530	AKINOLA KAYODE, ADEFEMI
531	EWHRUDJAKPOR OBIKU,
532	NWOKOLO CHRISTOPHER, O. EZEKIEL
533	OWUMI ANTHONY, AGHOGHO
534	STERLING ASSURANCE NIGERIA LIMITED
535	OBISESAN OLUGBENGA,
536	KEYSTONE GLOBAL SYNERGY LTD
537	TEDEYE OMAJUWA, J.
538	ZAMBLERA MAURO,
539	ADEGBULUGBE OLUFEMI, ADELEYE
540	ADEBAYO RAMONI, AKANO
541	ONYENOBI IJEOMA,
542	VETIVA NOMINEES A/C OGE PETERS
543	ADEGOROYE MONISADE, OLUKEMI
544	ONITIRI ADESUNBO, ADENIJI DAVID
545	AKWIWU ADANNAYA, CHINEMEREM
546	NWACHUKWU OGBONNAYA, OBI
547	ONYEKWELU NNAEMEKA, CHIJINDU
548	AKINWUNMI OMOLAJA, ADISA
549	OBIERI CHUKWUEBUKA, OBIORA
550	OLOKPA FIDELIA,
551	OKELEYE DAMILOLA,
552	MR & MRS CHRISTOPHER, & ROSALIND OYENEKAN
553	AKANNI PIUS, KAYODE
554	EDE MODINAT, ADEDOYIN
555	OKPARA CHUKWUMAIHE,
556	ONYECHI IKECHUKWU, TAGBO
557	LATEEF YAHAYA, FUNSHO
558	NWOSU PEACE, CHIDI
559	ADESANYA OLUKAYODE, PATRICK
560	FOLAMI & ASSOCIATES
561	YINUSA RIDWAN, ADESHINA
562	OLAJOSAGBE JOHN, OLUBUNMI
563	INENEMO ABDULWAHAB, USMAN
564	ERINFOLAMI BOSERECALEB, IJAODOLATIOLUWA
565	RASAQ OLALEKAN, MUMUNI
566	ONYIA ISRAEL, CHUKWUKA
567	OBISESAN AKINWALE, TAIWO & JOY
568	AJADI YEKINNI, OLANREWAJU
569	JIMOH MOHAMMED, OLUWAFEMI
570	ENLIL INVESTMENT LTD
571	ODUNTAN OMOTAYO, MORENIKE
572	AYODEJI NURUDEEN,
573	CHUKWU EUCHARIA, NWAKAEGO
574	ADEBISI ADENIYI, ARAUNSI
575	AKANMI PIUS, KAYODE
576	AKINRINWALE OLUSEGUN, AMOBI
577	ANYANWU CHRISTOPHER, CHIBUZOR
578	OKOROAFOR IGNATIUS, EJILUGWU
579	ETIM EMMANUEL, EDET
580	EZENDIOKWERE BENJAMIN, J.E.
581	HAMILTON RACHAEL, OLUFUNKE
582	IGBRUDE MOSES, OKE

S/No	Beneficiary
583	NWAGURU CHRISTOPHER, OKECHUKWU
584	OPARA CLEMENT, ANAELE CHUKWUDI
585	OPURUM EMMANUEL, THOMAS
586	RABIU SULE, ADEYEMO
587	SHOFOLAHAN ANTHONIA, OLUWATOYIN
588	SHOFOLAHAN CHARLES, OLUSEGUN
589	SHOFOLAHAN FRANCISCA, BOLATITO
590	SHOFOLAHAN ELIZABETH, OLUBUKONLA
591	OGUNYEMI OLUSEGUN,
592	SANUSI ISMAIL, OLASUKANMI
593	OCHEI DENNIS, OSADEBAY
594	IHUOMA BENJAMIN, TOCHUKWU
595	ODUSOLA BABAJIDE,
596	ADEBAYO ADEBOLA, ADEREMI
597	EMMANUEL OLU, OMOLE
598	SALEMSON SHAREHOLDERS ASSOCIATION OF NIGERIA
599	TAJUDEEN TAIWO, JAMIU
600	ADENUGA OLUSOLA, ESTHER
601	NWOSU SUNDAY, NNAMDI
602	BALOGUN SIKIRU, BOLARINWA
603	ABDULAZEEZ AYOMIDE, ABDUSSALAAM
604	NWOKO EDWIN, ONUWA CHIKWEKWEM
605	FABUDAH SEGUN, RAPHAELS
606	ORAGWU ALUBA, I. & PETER O.
607	OGUNEKUN ADEBOYE, LAPEKUN O
608	OSOTA OBAFUNMILAYO, OLABOYE
609	DANJUMA KAMORUDEEN, AJAO
610	IOU INVESTMENT, ADVISERS LTD
611	ADENUGA OLUSOLA, ESTHER
612	ONIKOYI BABATUNDE, YEKEEN
613	GBADAMOSI MOJISOLA, MULIKAT ADEOLA
614	NWANKPA EJIKE, C.
615	ADEGBITE -, AYODELE SAMSON GBADEBO
616	OGUIKE-OLERU FABIAN, NNAMDI
617	LAIYENBI KASSIM, ADEWALE
618	NWACHUKWU JOHN, IFESINACHI
619	BUKO ADESHOLA, AKINLOLU
620	PEREIRA THEODORE, SHOBOWALE
621	ONWUKA LAZARUS, NNADOZIE
622	FALESE TEMITOPE,
623	VINSTAR CONSULTING
624	OJO STEPHEN, ADETUNJI
625	AJAYI RAMOTA, TOWOBOLA
626	AWONIYI OLUFEMI,
627	ADELANWA KUBURAT, AYOKA
628	AJAYI LATIFAT, DAMILOLA
629	ONYEBUCHI HYCIENTH, ONYEAHIALAM
630	DIKE EVA, CHIJIOKE
631	EKANEM EMA-EKOP, SAMPSON
632	OKODO IFEANYI, CORNELIUS
633	KUKU ABIMBOLA, ALAMI
634	OJIAKO CHIDINMA,
635	RIBIAX INVESTEMENT SERVICES LIMITED

S/No	Beneficiary
636	ONWULIRI CHUKWUEMEKA, ONYEMAUCHE
637	AYO-VAUGHAN DANIEL,
638	EJEMBI PATRICK, OKO
639	MUKAILA-LAWAL KENECHUKWU, LAURA
640	OLABODE OLUSEGUN, VICTOR
641	MBAEGBU INNOCENT, CHUKWUDI
642	ABURIME SYLVANUS, STEPHEN
643	BALOGUN MUSA, (ALHAJI)
644	ADEBAMIRO OLUWATOYIN, OLUBUNMI
645	OBIANYOR EMEKA, TOBENNA
646	NWOSU SYLVESTER, ETEKWUTE
647	ADENIRAN ADEKUNLE, AMOS
648	ADENIRAN ADEKUNLE, AMOS
649	OYEOKA JOY, NJIDEKA
650	ADEKUNLE MIKAIL, ODUNAYO
651	MBAEGBU INNOCENT, CHUKWUDI
652	RENCAP SECURITIES, NIG LTD-MM TRADING
653	NURUDEEN OLUSEGUN, OYELEYE
654	IWU GABRIEL, CHINEYE
655	OBIDIKE ANTHONY, IKECHUKWU
656	DENG ANDREW, JADEN
657	ADENRELE PHARID, ADEJUWON
658	BENEDICT ALBERT, AJIBOLA
659	ISIAKA MARZUQ, OLADIPUPO
660	SHOMORIN OLUWAKEMI, SEUN
661	ADENRELE AL-CUDUZ, ADEFOWOPE ABIODUN
662	EZECHUKWU AUGUSTINE, NNAEMEKA
663	ADENRELE SHERIFAT, ADEBOLA
664	OLABODE JEREMIAH,
665	CHRIS-ASOLUKA SOMACHI, CHIDUMEBI
666	BABATUNDE SAHEED-OLADIMEJI,
667	UCHENYI KESANDU, CHUKWUBUEZE E
668	WILLIAMS GRACE, NWAKEGO
669	TIJANI, ADIJATU-KUBURA, OLUWATOSIN
670	USIAPHRE PATRICK,
671	PATRICK UGOCHUKWU, NNAMDI
672	UGBALA CHIGOZIE, CHRISTIAN MONDALE
673	EZIKE RAPHAEL, EMEKA
674	OTOROLEHI-OKEZIE VICTORIA,
675	OBI OKEZIE, PRINCE
676	ASOBARA IFEYINWA, M.
677	KWAKPOVWE VERONICA,
678	AJUMOBI GRACE, OMONIYI
679	ORIOWO MARGARET, MAYOWA
680	OBIERI CHUKWUEBUKA, OBIORA
681	ADEBIYI BABAJIDE, ADESOLA
682	ADESOGAN SAMUEL, ADEDAYO
683	OLAJOSAGBE JOHN, OLUBUNMI
684	SALAMI JUSTIINA, SOBALOJU
685	ADEBAYO OLUWAFEMI, ABAYOMI
686	ADEBAYO ABOSEDE, JOSEPHINE
687	PATRICK CHINELO, FAVOUR
688	ISSA NIMOTA, BOLANLE
689	OSIKALU LUCIA, FUNMILAYO

S/No	Beneficiary
690	LAIYENBI KARIMO, MOPELOLA O
691	ADEFARASIN EMMANUEL, ADEMOLA
692	SHOBANDE COMFORT, OLUSHOLA
693	OYEBANJI GRACE, ABIMBOLA
694	ADEBIYI ADEOLA, KATE
695	USIAPHRE PATRICK, ONOME
696	OMONIYI KIKEYEMI, ELIZABET
697	SONIBARE WAHEED, AKANNI
698	ALAGA KOLAWOLE, MUFTAU
699	OTENIYA THERESA, OMOPONMILE
700	IYEIMO ILAMINA,
701	ABEJIDE KEHINDE, DAVID
702	ADESOLA SELIMOT, NIYIOLA
703	CHIALIKA FESTUS, SUNDAY
704	TIAMIYU MUSTAPHA, OLADELE
705	JIMOH-KUKU ISMAIL, OLANIRAN
706	BALOGUN OLUWATOYIN, OLUWABUNMI
707	AYALOGU OBIANUJU, JENNIFER
708	DUROJAIYE ADEDOYIN,
709	AKPORE GOODLUCK,
710	OLUSANYA OLUREMI, OLUKUNLE
711	NWAKANMA N, KINGSLEY
712	UMUKORO EMMANUEL, FRANKLIN
713	OJISUA MOYO,
714	IFABUA AHMED, OHIORENUWAN
715	AKIODE OLATUNJI,
716	SHODA ISIWAT, IYABODE
717	ABIOLA VICTORIA, ABOSEDE
718	OHADOMERE OSINACHI, EMMANUEL
719	DARAMOLA KOLAWOLE, DANIEL
720	ELF COOP OMESURU UMEJURU AKE
721	AREMU JOSHUA, O & JOSEPHINE REV & MRS
722	ABODERIN OLAJUMOKE,
723	OJOLOWO HAMMED, OLAYIWOLA
724	IBRAHIM ISSA, LEKAN
725	MACAULAY KAREEM, ABIODUN
726	TIJANI, SUKURAT, EBUDOLA
727	OLANIYAN RAMOTA, OLUWABUNMI
728	SAKARIYAHU SHUAIB, TOYIN
729	SAKA NUSIRAT, OMOBOLANLE
730	SURAKAT KAZEEM-IDOWU,
731	OKAFOR BLESSING, NKEONYERE
732	MACAULAY AYOKUNLE, OMOTOLA
733	AJAYI IBUKU, OLUWASEUN
734	IGWEZE FELIX, NNAEMEKA
735	ORENIYI TEMITOPE, LEKE
736	ADEBIYI OLUDARE, EMMANUEL
737	ABIDOYE TAOFIK, OWOLABI
738	AJIBOYE ADETAYO, OKUNOLA
739	BELLO ITOPA, PAUL
740	OLEKA JOHNBOSCO, CHIGOZIE
741	OLAJIGA OLUFEMI, AYODEJI
742	ANYIBUOFU CHRISTOPHER,
743	AKINOLA AKINMAYOWA, OLUWASEYI
744	OGINNI SUNDAY, PATRICK
745	ADEDOYIN ADEKIITE, OLUTOYIN
746	ADEGBITE CHRISTIANAH, ADEBUKOLA
747	AKANMU OLUWASEYI, OYEYEMI
748	OLALEYE OLAKUNLE, MICHAEL
749	OLASEHINDE FESTUS, OLUWASEUN
750	NYONG OKON, ABRAHAM
751	OLEKA SIXTUS, UCHE
752	MUHAMMED IBRAHIM,
753	MBA OKECHUKWU, MBANEFO
754	TAYO MOJISOLA, OLUFUNSO
755	ODEYEMI JOSHUA, OLALEKAN
756	MARAYESA OLUWADUROTIMI, OLUWASEUN
757	AMEGUNU VICTOR, RAYMOND
758	ARUM IFEANYICHUKWU, IGNATIUS
759	PREYE JERRY, NYENYE
760	ABIMBOLA ATINUKE, DEBORAH
761	ADEDOYIN ADENIKE, FLORENCE
762	ADEDOYIN PAUL, TIMILEHIN
763	AKANMU MARY, TEMILADE
764	ADEEKO RACHAEL, OLULAYO
765	AKENDE CLARA, TEMILADE
766	KAYODE OLUWASEUN, MARY
767	OLASEHINDE ADENIKE, KEMI
768	ADEDOYIN BUSOLA, ELIZABETH
769	BATHANNA STEPHEN, JALVA
770	BAKARE OLAYEMI, KAFILU
771	RAHMAN ADAM, TOLULOPE
772	SALAMI RASHEEDAT, ABOSEDE
773	LATINWO TOLANI,
774	AKINYERA OLUWASANMI, AKINTOYINBO
775	ALLI OLALEKAN, JAMIU
776	SHODEINDE OLUWATOBI, EMMANUEL
777	OKOAHABA INNOCENT, BOLUM
778	EZULIKE CHIKA, VICTORIA
779	NJEMANZE JULIET, CHINYERENGOZI
780	UMEOKORO IFEANYICHUKWU, JUDE
781	OKUNOLA IKEOLA, OLUWASEUN
782	IHEJIENE NGOZI, AUGUSTINA
783	JOWOSIMI ADEMOLU, MATTEW
784	JOWOSIMI OLUBUNMI, TEMITOPE
785	CHIDUME NWANNEAMAKA, JACINTA
786	ADENIRAN BABATUNDE, VICTOR (DR)
787	OPEGBUYI OKANLAWON, TAJUDEEN
788	IBRAHIM MURITALA, IYANDA
789	OGBE TASHEGBONE, KOKOGHO
790	ALPHA VC PREMIER PARTNERS
791	CELLCORE LTD
792	OSHINFADE BOLA, TAYO
793	OLUTOLA JOSHUA, OLUMIDE
794	DELANO OLUFISOYE,
795	OKPO UNO, EDET
796	ADEBOWALE ISLAMIAH, IDOWU
797	ADEJARE ABIDEEN, ABIODUN
798	ADEPOJU JAMIU, ALADE
799	BABATUNDE MOSES, SUNDAY
800	AJAYI ADENIYI, MUHIDEEN
801	ISIJOLA AYOKA, OLUWARANTI
802	OLADAPO LATIFAT, KEMI
803	OLASUPO SHITTU, KAZEEM
804	YUSUF RIDWAN, OLALEKAN
805	SANUSI ISMAIL, FOLAWIYO
806	EHUWA SUNDAY, VICTOR
807	IGHODARO KUDI, YEMI
808	NAJEEM SALAWA, OLUWAKEMI
809	ADEYEYE ADESHINA, TOSIN
810	LAWANSON GANIAT, OLAYEMI
811	TAJUDEEN KABIR, BANKOLE
812	MORGAN CAPITAL SEC-TRADED-STCK-AC
813	OGUNDARE AKINNIYI, MOSES
814	JOSEPH OLUWASEGUFUNMI, ELIZABETH
815	AMUDA FUNKE, IYABO
816	ADELEKE JUSTUS, ADEBANJO
817	TIJANI AJIMOTU, MONYENI
818	ALAYAKI FAKHTAH, OLAOLUWA
819	AGBOOLA FATIMAT, BINTU
820	AYODELE OLAJIDE, ABAYOMI
821	ALAYAKI FATIMAH, OLAMIDE
822	HASSAN FEYISAYO, AISHAT
823	TRUSTHOUSE INV. LTD.-TRADED-STOCK-A/C
824	BELLO AUGUSTINE, OLUSANYA
825	HASSAN TITILAYO, AZEEZAT
826	IBITOYE EMMANUEL, KOLAWOLE
827	OWOLABI ALONWONLE, NURUDEED ADEKUNLE
828	NURUDEEN ABOLORE, MODINAT
829	SARKI -, UMAR ALIA FEYISAYO ASAKE
830	ALATIRON NIGERIA LIMITED
831	OLAGBAJU NIMOTA, ADEPEJU
832	ADEUSI ILUYOMADE, STEPHEN
833	ALAYAKI IDOWU, MOSIDAT
834	ALAYAKI FAROUQ, OLAWALE
835	ALAYAKI FAHEEM, OLADIPUPO
836	DOAF GLOBAL SERVICES
837	EZULIKE CHIJIOKE, DENNIS
838	ALLI-BALOGUN AMINAT,
839	ADEDAPO FOLASHADE, AKINTOLA
840	SIMPSON ADETUNDE, OPEYEMI
841	AKINYEMI ABIOLA, ADEYINKA
842	OPE SAMUEL, ADENIYI
843	ONYEJI UCHE, LILIAN
844	OYESOLA FIYINFOLUWA, OYEBISI
845	ADEYEMI MOTUNRAYO, RAMOTA
846	AJANI RASHEED, OLALEKAN
847	NWOGU PRECIOUS, ONYEDIKACHI
848	EKWERIKE KENNEDY, OGBONNA
849	ODUSANYA OPE, ANIKE
850	EZEOKEKE AUGUSTUS, AMECHI CHUKWUDUM
851	AJAYI OLUSOJI,
852	UMEH MAXIMUS, IFESINACHI
853	BAMGBOSE ADERINOLA, ELIZABETH
854	ODELEYE OLUWASESAN, JAMES
855	OLUWAJEMISIN FAVOUR, OLUWASEUN
856	OLIYIDE TITILOLA,
857	RUNSEWE OLAOLUWA, OLUWOLE
858	BANJOKO ABIODUN, OLUBUSOLA
859	MORDI ANTHONIA, EKENE
860	MAJEKODUNMI ADEWUNMI, EDMUND
861	ONADEKO SAMUEL, IMOLEAYO
862	OJO ADELEKE, ISEOLUWA
863	IBRAHEEM MOSES, GBOLAHAN
864	ADELUOLA OLOYEDE, RILWAN
865	OGUNNIYI TUNBOSUN, OLUFEMI
866	HOUNTON CHRISTIANA,

S/No	Beneficiary
867	JIWUMETO ADEBISI, AJOKE
868	MUFUTAU OMOLOLA, BUKOLA
869	MAKINDE TOMIWA, MATTHEW
870	MAKINDE OLABISI, AINA
871	OLALEYE ADEYEMI, ELIJAH
872	ADISA GANIYU, DAMILARE
873	LAMINA SIKIRU, TAIWO
874	SIMPSON ADETUNDE, OPEYEMI
875	TAIRU TAIWO, KAMALIDEEN
876	OBAFEMI ADENIYI, ESURUOSO
877	MAKINDE ADEMOLA, STEPHEN KAYODE
878	DUROWAIYE IYABO, YETUNDE
879	OKUNROBO MARY, ABIEYUWA
880	WILLIAMS SERAH, QUEEN
881	WILLIAMS ESTHER, FOLASHADE
882	YUSSUF ZAINAB, ADESHINA
883	WILLIAMS RUTH, OLAMIDE
884	ISHAKU ISRAEL, MALLAM
885	KOLAWOLE YEKINNI, ALABI
886	OLADOSU ISLAMIYAT, ADETUTU
887	TAJUDEEN TINUBU, TEMILOLUWA
888	OMOTOLANI ADETOUN, LAIYENBI MUTIAT
889	ADESERI TOLUWANI, OLUFEMI
890	IYANIWURA MODINAT, KOFOWOROLA
891	BAKARE SHERIFAT,
892	AKINYEMI MONSURAT, MOPELOLA
893	ADENOLA BAMIDELE, ABAYOMI
894	ALIU GABRIEL, TOBA
895	BAYOKO EBI, REGINALD
896	LAWAL WAHAB, OLATUNJI
897	ODUMADE PETER, AFOLABI OLAREWAJU
898	GBADEGESIN SUNDAY, AJIBOLA
899	AIYEDENU EBUNOLUWA, OMOTAYO
900	AKINSANYA OLABISI, TOLU
901	ADEBOWALE AYISAT, ADEDOLAPO
902	ADELEKE IDRIS, OLAWUNMI
903	ADEYEMI KAFAYAT, TEMITOPE
904	AJAYI OMOLARA, SHOLA
905	AJIROBA TOFUNMI, BUSAYO
906	AKINYOMI JANET, OLA
907	LAWAL RISIKAT, JOKE
908	NOJEEM ISMAILA, SEGUN
909	OLATONA REBECCA, OPEYEMI
910	VICTOR &, BRIDGET DANIA
911	NWABUGHOGU BRIGHT,
912	JAIYE-GBENLE BOLUWATIFE,
913	OGUNNAIKE OLUBUKOLA, OMOLARA
914	REUBEN VICTORIA, KEHINDE
915	AKINLOTAN AYINDE, BABATUNDE
916	AJAYI OLATUNDE, ADEWUYI
917	BALOGUN SEKINAT, MOPELOLA
918	FALADE OLUMUYIWA, TEMITOPE
919	MARTINS TOYIN, TOLULOPE
920	NWOKEH OMENUKOR-AKU,
921	BANKOLE OLUWAKEMI, EKUNDAYO
922	IWU ELIZABETH, ADA
923	FOSUG NIG LTD
924	LAWAL LATEEFU, ATANDA
925	ODOI-OLUDEMILADE PAUL, NII PRINCE

S/No	Beneficiary
926	OGUJIUBA GRACE, IFEYINWA
927	DUROWAIYE ADEWUNMI, AFUSAT
928	OWOLABI TAWAKALITU,
929	ADENIYI OLATUNDE, OLADEJI
930	AJAO AJIBADE, OLADAPO
931	ONYEMAEKE CHINWENDU, MATILDA
932	CHUKWU NWAKAEGO, CHRISTANA
933	BELLO MUIBAT, AINA
934	ODUNTAN GANIYU, ADE
935	ONABANJO OLUROTIMI, OLUGBUYI
936	GBADERO MICHAEL, KAYODE
937	ADEFEHINTI OLUWAFOLAKEMI,
938	EKERE CHUKWUEMEKA, IHEANACHO
939	JOHNSON FRANCIS, IKWUE
940	KUYORO DANIEL, AYODEJI
941	SALAMI SILIFAT, ADEBOLA
942	ONUIGWE JOHNSON, CHIMA
943	NJOKU REMIGIUS, NWACHUKWU
944	DEKE OGENAGWE, VICTOR
945	ARUM JOHN, YMAR .C.M
946	ADEKOLA ABOSEDE, ADERONKE
947	OKWUADA SAMUEL, KESSINGTON
948	IDOWU BOLAJI, AFOLABI
949	EZEIGBO OBINALI, G
950	AKINBOLA PHILLIP, OLADIRAN
951	AKPOVBOVBO HELEN, OGHENEYOUWE
952	ODUNAIYA ABIOLA, OLUBUNMI
953	LAWAL FALILAT, OLAWUNMI
954	LAWAL BOSE, ADENIKE
955	LAWAL RASHEED, OLASUNKANMI
956	LAWAL RASAQ, OLANREWAJU
957	OYAKHILOME MOMODU, KABIR
958	AWONAIKE ESTHER, OLADUNNI
959	EFUWAPE JOSHUA, AFOLABI
960	AWONAIKE RACHAEL, MOSEBOLATAN
961	ADEBANJO ADENIKE, ADERONKE
962	OGUNKENU OLUSOLA, (MRS)
963	MOMOH DOYINSOLA, ABDULQUAYUM
964	TAIWO ADEMOLA, SIMEON
965	TITUS UCHE,
966	OKAFOR ANWULI,
967	FASASI ADEOLA, SARIYU
968	JAMES DANIEL, ONUCHE
969	ENIAFE MUJIDAT, TEMITOPE
970	ELLA VINCENT,
971	SALISU SHUIBU, RAKIYA
972	MUHAMMED ABDULLAHI, ADESHINA
973	SAVAGE ADEBUKOLA, ARIKE
974	OYELUDE BABATUNDE., S.
975	PESACH CAPITALS LIMITED
976	ADEDEJI NOSIRU, ADIGUN
977	ADEOYE DANIEL,
978	OYETIMEIN OLUWAPELUMI, MICHAEL
979	IMORU CLEMENT, AYODELE
980	ADELEKE ADEBISI, SHOLA
981	YUSUF BASHIR, AHMED
982	TAIWO ATINUKE, ADUKE
983	KAZEEM MUSINO, IYABO
984	MUKAILA KAFILAT, AJOKE
985	BENSON AYODELE, BABATUNDE

S/No	Beneficiary
986	BALOGUN ALAKE, LOLA
987	VINCENT CHRISTIE, OTUOSOROCHUKWU
988	OGUNDELE ADETUTU, OLUREMI
989	LAWAL ADEREMI, KOKUMO DUROJAIYE
990	EZEOKE ROSEMARY, AMARACHUKWU
991	PETERS ADENIKE, MODUPE
992	ADEYEGBE OLUWOLE,
993	UKPONG CHRISTIANA, LUCKY
994	ANTHONY EBERE, MERCYMERIT
995	OBA KAFILAT, MOJISOLA
996	POPOOLA FUNKE, ANIKE
997	ADEDUNMOLA ANDREW, ADEGBEMIRO
998	IGBINOVIA MARYANN, HUNONYEMESI
999	YARROW ALIMOT, SHADIAT
1000	AKINTUNDE MOHAMMED, SABITU
1001	AKOREDE MOROUNMUBO,
1002	DONNA OBASEKI-OGUNNAIKE, OLOHI
1003	OLADIJI OLAYIMIKA, OLUWAFEMI
1004	PETER TAIWO, RACHEAL
1005	FATUNBI RUTH, BOSEDE
1006	SHOTUNDE BABATUNDE, SUNDAY
1007	ERETAN OLUWOLE, RICHMOND
1008	OGBE DAVID,
1009	ADEGBITE WAHEED, BABATUNDE
1010	KAZEEM ABIBOLA, MUSILI
1011	OGUNBIYI YUSUF, GBENGA
1012	EZENWAJIAKU THEOPHILUS,
1013	FAJUSIGBE SONIA, ONOVUGHAKPO
1014	OCHOGU EMMANUEL, CHIBUEZE
1015	HAFSATU NASIRU, ABOKI
1016	ISIAKA YUSUFF, ORIYOMI
1017	ADENUGA OLUFEMI, S. TRUST ACCOUNT
1018	ONOKA NNENNA,
1019	LIASU TOYIN, RACHEAL
1020	OLUWOLE GABRIEL, AKANBI
1021	OMIPITAN OMOTAYO, JONAH
1022	OJUMU ROLAND,
1023	AJOSE-ADEOGUN OLUREMI, MAJEOLAGBE
1024	OLABISI ADEDAYO,
1025	ADELEYE ADEREMI,
1026	OKONORHO LIZ, OGHENEKEVWE
1027	ODUNGIDE IMA,
1028	NNAETO ONYINYE, UZOAMAKA
1029	ONWUNYI LOTANNA,
1030	OKOLI NWAMAKA, EBELECHUKWU
1031	ENI CHUKWUEMEKE, JOHNNIE
1032	IKUENOBE ONOMEN, ANASTASIA
1033	OBODOZIE CONSTANCE, ONYEKA
1034	JAMES EMMANUEL, EDET
1035	ADUNMO KEHINDE, MOSES
1036	JINADU RASAK, ADISA (ALHAJI)
1037	OYENUGA FOLASHADE, MARY
1038	ALIYU KAYAUKI, SGT ABBA ABUBAKAR
1039	KADIRI ABAYOMI, SHEWU
1040	FAMOUS AKEEM,

S/No	Beneficiary
1041	OGBUMMAH WOGWUGWU, THEOPHILUS U.
1042	OLABODE SHADIAT, OLABISI
1043	OLAYIWOLA MARIAM, OLAIDE
1044	SHITTA-BEY DHIKRULLAHI, OLAWALE
1045	YUSUFF FEMI, LATEEF
1046	OLABODE FELICIA, OLURANTI
1047	AJAYI ABAYOMI, BIMBOLA
1048	AINA BABATUNDE, OLASOJI
1049	FALORE OLUWASIKEMI, AYONITEMI
1050	AWEDA FELICIA, OLUWAKEMI
1051	GANIYU WASIU, AYINDE
1052	AKINYODE RAFIAT,
1053	EHUWA OLUWATOBI, BLESSING
1054	MURITALA IDAYAT, TEMITOPE
1055	AKINYODE OLAYINKA, SHAKIRAT
1056	OLANREWAJU KAZEEM, ADIO
1057	SAADU FALILAT, BOLANLE
1058	WASIU ADEWALE, AZEEZ
1059	OFFOZOR MATTHEW,
1060	AAYINDE RAHMON, ISIAKA
1061	JOSHUA SEUN, OSHUNOLALE
1062	LAWAL OLAYINKA, ISMAIL
1063	IGE YUSUF, AMUDA
1064	POPOOLA SHERIFAT, BOLA
1065	ADEDIRAN OKIKIADE, ISAAC
1066	SOFOWORA SHAMSONDEEN, AINA
1067	ABILAWON VICTORIA, IYANUOLUWA
1068	PAUL SUNDAY, KINGSLEY
1069	ETIKO ASIMIU, MONINUOLA
1070	WEWE MARY, IMADE
1071	IDUMA JOHN, JENNIFER
1072	AMANFO LILIAN, UGONNA
1073	OKETE PETER, OSUBU
1074	BABATUNDE ADEWUNMI, TAIBAT
1075	ADEYEYE SHAKIRAT, KIKELOMO
1076	RAMON ADIJAT, KUBURA
1077	ATOBATELE TAOREED, ABIODUN
1078	AIKHOMU WILLIAMS, EHIZOGIE
1079	AIKHOMU ANITA, OTIBHOR
1080	AIKHOMU EKANEM, BASSEY
1081	KAREEM OLADIMEJI, OLOLADE
1082	VETIVA TRUSTEES LIMITED-CLIENTS CSCS
1083	ONASANYA BAKIU, ADENIYI
1084	ADENIJI LATEEF, ADEJARE
1085	ONIWINDE OMOLARA, ADEBISI
1086	OJO JOSHUA, AKINDELE
1087	OWO FAUSAT, ABIODUN
1088	OLOTU OLUSOJI, OLABODE
1089	BARANGO KENNEDY, S.
1090	ADELE-AKINTAYO ADEROJU, WASILAT
1091	SHITTA MORUFAT, ABIOLA
1092	OKAFOR AUGUSTINE, AZUBUIKE
1093	LUFADEJU OLUGBENGA, ADERINOLA
1094	IBRAHIM IYANUOLUWA, DAVID
1095	AYIDA OMATSEYIN, AKENE
1096	ESTHER OMIKUNLE,
1097	ONYEBUCHI NNAEMEKA, CALEB
1098	OMOYA OLANREWAJU, AYOBAMI
1099	WOODGREEN GLOBAL RESOURCES LIMITED
1100	OTUONYE MERCY, NKECHI

S/No	Beneficiary
1101	BABALOLA ADEWALE,
1102	IKEKPOLOR GIBBS,
1103	FIDELIS EJIMAMU, OKEHIE
1104	IBRAHIM NANA, HAUWA
1105	AYODEJI OLAWALE, T
1106	HUSSAINI IBRAHIM,
1107	OKORIE RICHARD,
1108	YUSUF IBRAHEEM, MUHAMMAD
1109	ODE COMFORT, OLUWASEYI
1110	EKPE CYRIL, EZIEFULE & KARIN CHINYERE
1111	DIEKOLOLA LATEEF, KUNLE
1112	AJANI MUSA, ADEKOLA
1113	MEGGISON TITILOLA,
1114	YINUSA NOIMOT, OMOLOLA
1115	DAODU OLUGBENGA, ADEYEMI
1116	OGIDI ANTHONIA, OMOLOLA
1117	ATUWO DAVID, HYELHIRRA
1118	AGBEDE OLAYINKA, FOLAYEMI
1119	AHARANWA IKECHUKWU, BRIGHT
1120	ERUKAKPOMREN CHRISTOPHER, OKOTETE
1121	FAROMBI OLUSHOLA, ABIOLA
1122	OLOAPUPO RAHMAT, ADEOLA
1123	MUSTAPHA WASILAT, AYOBAMI
1124	KAREEM TAWA, JUMOKE
1125	ATTAH EMMANUEL, OGEBE
1126	OKORO IBEKWE, APOLLOS
1127	OGUNBESAN SHOLA, JAMIU
1128	OGHENERUKEVWE AKPORE,
1129	AREMU OLUSEGUN, ABIDEEN
1130	QADIR LATEEF, OLAMILEKAN
1131	ARM SECURITIES LTD/TROVE TECHNOLOGIES
1132	CHUKWUMA OFEBI,
1133	OTTIH CHIMAMANDA, CLAIRE
1134	KOLAWOLE IBRAHIM, INUMIDUN
1135	ORUADE OGHENEKOME,
1136	EZUGWU EMILIA, CHISOM
1137	EBELECHUKWU UBAKA,
1138	ARIKAWE OLUTAYO, MORADEKE
1139	KALU-ANYA CHRISTIAN,
1140	OBI EJIOFOR, ANTHONY
1141	ADEYEMI FUNSHO, ADEDIRAN
1142	OLUSOLA OLUSEYI, OLABIYI
1143	ZARMUNEN ANFISA, GOFWEN
1144	GOFWEN NENGAK,
1145	GOFWEN NENPINMWA,
1146	BAIYEWU OLUSEGUN (DR),
1147	ADEYINKA AJAYI,
1148	KRUKRUBO AYEBADOMO, IKIOMOYE
1149	ZARMUNEN ANFISA, GOFWEN
1150	EKANEM JOE, & CAROLINE
1151	SANYAOLU JONATHAN, AYO
1152	SOLID-ROCK SEC. & INV.- DEPOSIT ACCOUNT
1153	UCHENYI KESANDU, CHUKWUBUEZE
1154	OBISESAN AKINWALE, TAIWO
1155	OLADIPO ADEKOLA,
1156	MBAH ABRAHAM, CHIMA
1157	CHIKELU UGOADA, IFEYINWA
1158	ALAGBADA AYOMIKUN, SAMUEL
1159	IGUMBOR ISIOMA,

S/No	Beneficiary
1160	OLUWANISHOLA IBIRONKE, YETUNDE
1161	OLAYINKA OKE,
1162	SHARON INEM,
1163	AKANNI NURUDEEN, OLALEKA
1164	BALOGUN TAIBAT, ADENIKE
1165	TOMORI OLANREWAJU, AKINWALE
1166	AWUJOOLA ADEDEJI, SAMUEL
1167	ERHIEYOVWE UGOCHI, GLORIA
1168	MUNDADEN GEO, MATHEW
1169	AKINKUNMI AKINYINKA, OLUGBENGA
1170	OLOPADE KHADIJAT, TOLULOPE
1171	ABRAHAM-MEZIE SABINA, UGOCHI
1172	IMIERE EDWIN, OLATUNJI
1173	GOFWEN BLESSING, RITJI
1174	FALUTA KEHINDE, FLORENCE
1175	AGBARA OKEZIE,
1176	G-TERA GLORIOUS INVESTMENT NIG LTD
1177	ADEYEMI BENJAMIN, OLAMIDE
1178	ONABULE OLATAYO,
1179	DIAMOND OMAAMENE,
1180	OGUNKOYA JANET, YETUNDE
1181	MAINSTREET TRUST./UNITED CAP. WFW FUND-T
1182	OHANEKE INNOCENT,
1183	DIAMOND SECURITIES, LIMITED
1184	MENSA JOHN, KWAME
1185	OLOYEDE BABATUNDE, OLUYEMI
1186	OLOYEDE ADEBOLA, OLUWAKEMI
1187	LAYONU ABIODUN,
1188	ADENIJI JAMES, ADEKUNLE
1189	JOSEPH OPUFOU,
1190	EMMANUEL ATAMAKO,
1191	HASSAN UMAR,
1192	ADEOYE COMFORT, OYEYEMI
1193	ADEOYE SOLOMON, ABIOLA
1194	ADEWOLA OYENIKE, ABEKE
1195	AKINSOTO OLUWATAYO, OLAWALE
1196	KOLAWOLE OMOWUMI, MARY
1197	LANA OLUSEYI, JOHN
1198	OGUNBIYI ESTHER,
1199	OLAYIWOLA PAUL, GBEMIGA
1200	OLOWONIYI ADE-DAVID,
1201	OLUMUYIWA BUKOLA, ABOSEDE
1202	ADELAKUN JOSEPH, ADEGBILE
1203	ADEYEMO COMFORT, MORAWO
1204	SANYAOLU JONATHAN, AYOMITUNDE
1205	DARAMOLA MICHAEL, AYODEJI
1206	OYEBAMIJI TOLA, ELIZABETH
1207	ADEBOLU OLUDAPO, DADA
1208	ADESINA MORENIKE, ADETUTU
1209	AYOADE ADESOLA, EMMANUEL
1210	IBIYEMI ESTHER, OMOYENI
1211	IBIYEMI SAMUEL, OLUWOLE KOLAWOLE
1212	OGUNRINDE RUTH, FOLASADE
1213	OLADAPO MONI, ABIODUN
1214	OLUJIMI AJENIKE, BILIKISU
1215	TELLA DORCAS, ADENIKE
1216	OLUMUYIWA SAMSON, OLUSEGUN
1217	OLADOYIN OLUMIDE, OLAMILEKAN
1218	ONIFADE KEHINDE, BOLANLE
1219	ONIFADE TAIWO, OLUFEMI

S/No	Beneficiary
1220	RAHEEM ADEBAYO, ADEWALE
1221	UBIAGBA DICKSON, ISAH
1222	ADELAKUN DAMILOLA, EMMANUEL
1223	KOLADE YETUNDE,
1224	ADEGBOLA VICTORIA, OMORINSOLA
1225	ADENIYI TITILOPE, FATIMO
1226	AKANDE JANET, OLATUNDUN
1227	ATAKENU ABIMBOLA, ABOSEDE
1228	IBIYEMI EMMANUEL, TAIWO
1229	IJAYEKUNLE TOBI, EMMANUEL
1230	IYIOLA ISAAC, AKINYODE
1231	LAWAL OLATUNDE,
1232	ODUNIYI TEMITOPE, KAMORU
1233	OGUNJINMI ALICE, IYABO
1234	OLADAPO TINUOLA, DOLAPO
1235	AWOS YETUNDE, STELLA
1236	ODEYEMI VICTOR, OYEBOWALE
1237	OROLEYE NAJEEM, TAIWO
1238	ILESANMI FRANCIS, A.O
1239	OLADAPO AKINOLA, OLADOTUN
1240	AJAGBE CHRISTIANAH, OLUFUNMILOLA
1241	ADEGBOLA OLUWATOSIN,
1242	OLAOPA ADEOLA, ABIGAEL
1243	OGUNRINDE OLUWASEYI,
1244	ALAGBE OLANREWAJU, SEYI
1245	ONASANYA BENNETT, ADESINA
1246	DARAMOLA BAMIDELE, OLUYEMISI
1247	OGUNLOLA AGBOOLA, DAVID
1248	AKINTAYO RUTH, ADUKE
1249	OLADAPO MODUPE, LOVE
1250	OLOWONIYI CECILIA, AINA
1251	NWACHUKWU JESSICA, JENNIFER
1252	UJU ADAKU, UGOCHI
1253	FEESE MEMBER HEMBADOON
1254	JAIYE-GBENLE AKOREDE, NASIR
1255	BABAFEMI AKINLADE,
1256	OKOH APARI,
1257	ONANUBI KEHINDE, SAMSON
1258	MARGARET OLAGUNJU,
1259	AJUONU JOLLY, EZIDINMA
1260	CHIDERA OBIDEJE,
1261	IMOLEOLU OLUSOLA,
1262	SOLAR OLAYEMI,
1263	OMOBOLANLE ADEKANYE,
1264	YUSUFF MUSTAPHA,
1265	UCHEMEFUNA RAPULUCHUKWU,
1266	INEH-DUMBI, MICHAEL, IKECHUKWU
1267	BANJOKO ABIMBOLA, MARTINS
1268	OLUWADARAFUNMI EGBEYEMI,
1269	KEMAKOLAM CHIMEZIE,
1270	VICTORIA OLAREWAJU,
1271	GBIRI KIKELOMO, WURAOLA
1272	OTUBANJO VICTOR, OLUWASEUN
1273	OKENIYI OLAMIDE, DANIEL
1274	ANDERSON EDOM, CHUKWUDAALU BRIGHT
1275	OKENIYI OMOBOLANLE, RACHEL
1276	ARABA AZEEZ, OLUWAGBENGA
1277	IRAWO IDRIS, ALANI
1278	UCHE CHINYERE, NNEDINMA
1279	MORDI OHUNENE, HASSANAT
1280	JUDITH ADEWOYE,
1281	AFOLAYAN OLUWATOSIN, AYOTUNDE
1282	OPEOLUWA ADEKUNLE,
1283	OGBUAGU CHINASA, JOY
1284	EZEANI UCHENNA, PAUL
1285	OKWOLI PETER, IDOKO
1286	EKELE OBASI,
1287	OLUKAYODE &, TEMITOPE EDUN
1288	OLAIYA SAMUEL, B.
1289	FARIYIKE OLUGBENGA, BABAFEMI
1290	AYODEJI ADEWOYE,
1291	CONFIDENCE ANTHONY,
1292	NIMI JACK,
1293	NWANDEI CHUKWUEMEKE,
1294	IRO SAMUEL, CHUKWUEBUKA
1295	TOPMOST SECURITIES LTD.TRADED-STOCK-A/C
1296	SALAMI OYENMWEN,
1297	BALOGUN SALIU, ADEJUMOBI
1298	OGUNDARE JUMOKE,
1299	STEWARD ASSET MANAGEMENT LIMITD
1300	AYANFE MIRACLE,
1301	JIMOH SAMUEL, ADEMOLA
1302	ORASO TIMOTHY, ENOHO
1303	ESTATE OF, JONES OBAFEMI OBADIAH
1304	AKINWANDE LANRE, OBALOWO
1305	ORINGO ADESOLA, MICHAEL
1306	SAMUEL OPARA,
1307	OGEDEGBE SOLOMON,
1308	MODIBBO HUSEINA, TUKUR
1309	CHUKWUEMEKA OKECHUKWU,
1310	BAMIDELE OBADEMOWO,
1311	NURUDEEN OLUFEMI, SHERIFF
1312	ALUKO ADETOKUNBO, AYODEJI
1313	I-ONE E-PORTFOLIO A/C - 007
1314	TOMAYO IRETI, BERIDA
1315	MAKINDE JOEL, TAIWO
1316	SOEZE RITA, OGECHI
1317	OYENEYE KUNLE,
1318	FATOSIN OLUWAMAYOKUN, SAMUEL
1319	BABATUNDE ISAAC, ADEOYE
1320	GWOM PETER, KANANG
1321	OTULANA KOLADE, ADETAYO
1322	MONDAY ODJODU,
1323	LIJADU EBUNOLUWA, DAVID
1324	MOJISOLA JAIYE-GBENLE,
1325	OLANIYAN OLUWAFIKAYO, DEBORAH
1326	LEGUNSEN TOLULOPE,
1327	LASISI OLUWASEYI, SADIQ
1328	SONUBI ABIOLA,
1329	COKER BARNABAS,
1330	OLUGBABI DOTUN, ISAAC
1331	SHEDRACK AYARO,
1332	IBE EVELYN, DOGWA
1333	OLAYIWOLA MUHAMMED, OLAJIDE
1334	JUBRIL FAUSAT, OLAJUMOKE
1335	EZE AMAKA, BLESSING
1336	ONUKWUSI EMEKA, KERRY
1337	OSENI RASHIDAT,
1338	OSINAIKE KEHINDE, SIDIKAT
1339	AKANDE OLUWATOBI, SUNDAY
1340	KOLADE OLUFEMI, TAIWO
1341	SHITTU AHMID, ADEMOLA
1342	USMAN SADIQ,
1343	SHITTU BOLANLE, KAFAYAT
1344	AKANDE ELIZABETH, OLUWATIMILEHIN
1345	OGBONNIA CHINWE, GIDEON
1346	AKINTUNDE OLUWASINA, IMOLE
1347	SOYEMI IBIJOKE, IDAYAT
1348	YEWANDE UTOH,
1349	IKPE ESURU, RUTH
1350	MMENI ONYEKACHI, ANTHONY
1351	OLD SHOREHAM INVESTMENT MGT LTD
1352	AKINDE NAHEEMOT, ENIOLA
1353	ISHOLA BABATUNDE, AYINLA
1354	OMOTOSHO SULAIMON, AKINADE
1355	ADEBANJO MUSIBAU, OLALEKAN
1356	ADEBAYO MICHEAL, ADELEKE
1357	LATO FAITH, OGHOGHO
1358	UKUSTEMUYA VERONICA, OVOKE
1359	ADEOLA WAHAB, OLAWUYIN
1360	OLAFADEHAN OLULEKE, MOFOLAJU
1361	AKINPELU PRINCE, AKINBIYI
1362	SEGUN ADEWALE, OLADELE
1363	AKINBODE TOBILOBA, DERICK
1364	AKINBODE UYODHUKA, PRECIOUS
1365	AKINBODE FOLAJIMI, DERICK
1366	ADENOLA LANRE, SEGUN
1367	OMOLE RACHAEL, FUNMILAYO
1368	NOFIU SANNI, OLUWAROTIMI
1369	KIEREAMA MARY, OBIEKORTOMA
1370	NOFIU MAYOWA, EMMANUEL
1371	OLATUNJI GRACE, FUNMILADE
1372	UGORJI ONYEMA, EHIME
1373	OYEWO ESTHER, OLUYEMISI
1374	ABAH KINGSLEY, ADEJOH
1375	OROIBI ERIBUSAYO, ADESOLA
1376	IREIN BENJAMIN, OLUFEMI
1377	AKINLEYE TUNDE, ADENIRAN
1378	SAMUEL DAMILOLA, ADEOTI
1379	OLATUNJI BAMIDELE, MUSA
1380	SODEINDE LAWRENCE, TEMILOLUWA
1381	ATUEYI CHIBUIKEM,
1382	JESUMUYIWA BENJAMIN, YOMI
1383	UMAR HAUWA, SULE
1384	NWOKEDI QUEEN, ESEOGHENE
1385	OLUWAROTIMI AKINTOMIDE,
1386	GLADYS ONATU,
1387	TEMITAYO ARATUNDE,
1388	ADESINA AKIN,
1389	NWOSU-IHEME NJIDEKA, KENECHUKWU
1390	EFOSA ERHABOR,
1391	OBI-UCHENDU UGO, AUSTIN
1392	AKINLUA MODUPE, TEMITAYO
1393	ARM SECURITIES, LTD/TROVE TECHNOLOGIES
1394	OGBONNAYA NDUKA, EKEGHE
1395	JAGUN OLANIKE,
1396	IBIRONKE OLUMUYIWA,
1397	ODUNMORAYO OLALEKAN, MATTHEW

S/No	Beneficiary
1398	OSARUMWENSE DENNIS, KEHINDE
1399	ABALUNAM GABRIEL, CHIBUZOR
1400	ONYEJI LAURA, NNEKA
1401	MUHAMMED GARBA,
1402	ATILOLUWA OLAJIDE,
1403	ARM SECURITIES, LTD/TROVE TECHNOLOGIES
1404	DIAMOND SECURITIES, LIMITED
1405	VICTOR EDEM,
1406	MICHAEL OLUSEGUN,
1407	ABAYOMI OYEWUMI,
1408	MUSA RABE,
1409	OLADAPO OLUWADARE,
1410	ORISADAHUNSI EKUNDAYO, MOROUNDUPE
1411	ORISADAHUNSI TEMITOPE, ATINUKE
1412	ORISADAHUNSI OLUSEYI, OLAYENI
1413	OSUNRINDE MARGARET, OMOTOLA
1414	OLUKANMI OLUFOLAKE, OLUBANKE
1415	EMMANUEL OBI,
1416	OLOLOPETER LTD
1417	OYETAYO OLADAYO,
1418	OYEDIRAN OLANIPEKUN,
1419	AJAYI KEHINDE, A
1420	OBINNA ANYANWU,
1421	OBAROGHEDO GEORGE, EWEMADE
1422	OSEGBE XAVIER,
1423	BAMIGBOYE OLUWADARE, OLAYIWOLA
1424	OZOEMENA ESEROGHENE, TEMITOMI
1425	BOBADE EDWARD, OLADAPO
1426	NNABUIFE OBIABUCHI, ALISIGWE
1427	EZIKE VINCENT, CHIDI
1428	AKUBUE BENEDICTH, NGANWUCHU
1429	DELANO OLAJUMOKE, OLABISI
1430	DELANO MOFETOLUWA, ERINAYO
1431	DELANO BOLUWADURO, TOLUWALEKE
1432	DELANO MOBOLURIN, OLUWABUSOLA
1433	ISIJOLA SAMUEL, OLUSAYO
1434	UDOH DAVID, UDEMEOBONG
1435	OLAITAN OLUWAFEMI, S
1436	SEGUN AFOLABI,
1437	ADIMMADU MARIUS, EMEKA (DR)
1438	OGUNLADE ADESOJI, OLUJIMI
1439	MADUEGBUNA SAMUEL, OKWUDILI
1440	UBA TRUSTEES/ACAP CANARYGROWTH FUND TRAD
1441	AGBE PAUL, DADA
1442	EZENWEINYINYA CHUKWUEMEKA, NZUBECHUK
1443	TALABI TOLULOPE, OLUKAYODE
1444	OLUWASHINA ADENIHUN,
1445	CHIDIEBUBE AMAECHI,
1446	NNADOZIE EDMUND, CHIBUEZE
1447	OSAKUNI CHIDIMMA, ANASTASIA
1448	MICHAEL BANJOKO,
1449	EGWUATU JENNIFER, UZOMA
1450	NWAGHODOH UGOCHUKWU, ALEX
1451	VICTOR ESAN,
1452	UMAR BASHIR,
1453	BRAIBI HORSFALL,
1454	SAMAILA ISHAQ, ALHAJI
1455	IBEKWE OSITA, CHIMEZIE
1456	AMOO AKINKUNMI, ADESINA
1457	Rufai Abubakar, Ahmed
1458	ODUNAIYA OLUWATOSIN, OBATUNDE
1459	AL-UMARU OIL AND GAS LIMITED
1460	OREYE ALPHONSUS, JEGBEFUME
1461	IME ASANGANSI,
1462	OJO SAMUEL, ADEDAYO
1463	OGUNLEYE-JOHNSON BABATUNDE,
1464	OBULE EMMANUEL, EKENE
1465	SULAIMAN ADEEYO,
1466	OLUWAKEMI RACHEL, OLUSINA
1467	EKWUNIFE CHIKA, MENAD
1468	DAVID GBINDA, KHOBE
1469	UKPA AJAUKPA,
1470	KENNEDY-ECHETEBU CHINNY, EUGENIA
1471	IKEKPOLOR GIBBS, ALUYA
1472	OSIBERU ABIODUN, OLADIPUPO
1473	OMUOJINE EMMANUEL, NDUDI
1474	OLUSOLA AINA,
1475	TUOYO TEMISANREN,
1476	AKHIGBE OSAGIE, SAMUEL
1477	ESSIEN PETER,
1478	ODUNAYE OYEWALE, SUNDAY
1479	ALIU TOSIN, SULAIMON
1480	SAMUEL AKOSILE,
1481	OGUNSOLA DAVID, ADEGBOYEGA
1482	OGENE ESHOKHENAME, TEMITOPE
1483	UCHENDU JAMES, CHIMEREMEZE
1484	ABURIME JOAN, PRECIOUS
1485	DAUDA RAHEEM, ADEKUNLE
1486	MAKINDE ABIODUN, JOSEPH
1487	SMART BENICE, EFE
1488	URHUDE ERNEST, OGAGA OGHENE
1489	OLAFUSI MICHAEL, OLALEKAN
1490	LINUS NDINEZE,
1491	WILLIAMS ADEBAYO, JOHN
1492	ENILOLOBO DAVID, ABAYOMI
1493	OLUWAGBENGA ADEWALE, PEDRO
1494	AYOADE HAMMED, ADEKOLA
1495	PAULINE UBONG,
1496	MARYANN AMORIGHOYE, ATSEYINKU
1497	OLABODE RAHMON, KOLAWOLE
1498	WARHE EJUKONEMU,
1499	NATHANIEL IBIFURO,
1500	UGWUODO EMENIKE, DIKENNAYA
1501	IGBASANMI JOHN, OLATOMIDE ESTATE OF
1502	FATIMA AJI,
1503	TUKUR AMINU, MUHAMMAD
1504	OYEKOLAWA FATUSIN,
1505	CHUKWUEMEKA FRIDAY, DENNIS
1506	UCHECHUKWU ARIOLU,
1507	OKI PAUL, A
1508	GODSEND ADAGHA,
1509	OKUSIPE OLUTOMISIN, OMOLOLU
1510	BARIBOR KENNETH, DUUKORI
1511	AKINWUSI ABIODUN, ABISOLA
1512	CHUKWUMA IROZURU,
1513	MAKINDE ADESOYE, EMMANUEL
1514	DIBIA FELIX, ACHULIKE
1515	KOMBOL DAMIAN, DOOYUM
1516	EBE MICHAEL, ETOK
1517	ZAWIYA SAMINU, RABIU
1518	OSAZEMEN OLUWATOYIN, AGHATISE
1519	MONICA IRENOSEN, UDUKU
1520	HANAFI YUSUF,
1521	AKIOSI-OJOH ESTHER, OLASUNKANMI
1522	OKONKWO JULIANA, NWEGO (MRS)
1523	INUWA ABBAS, YAHAYA
1524	OLOGUN OLUWADAMILOLA, OLAKUNLE
1525	NNOAHAM LINDA, UZOMA
1526	YAKUBU SULEIMAN,
1527	OKEGBOLA OLUWOLE, GABRIEL
1528	FOLUSHO OYEYEMI, AJALA
1529	CHIDI IHUOMA, KELECHI
1530	ABDULLAHI SALISU,
1531	EKPO EBEREANIE, ABRAHAM
1532	TANIMOWO TAIWO, OLADIPUPO
1533	AWOLOLA OLUWAFUNMILOLA, ABIDEMI
1534	OLUWATOSIN OSANYINTUYI,
1535	ONYEGBADO CYNTHIA, NNEKA
1536	OJEMAKINDE OLUWATOMI,
1537	BOBBOI RABIATU, AHMED
1538	MOJUETAN EYITEMI, NED
1539	OLANREWAJU OLUWATOYIN, OMOLADE
1540	CHAPEL HILL NOMINEES
1541	ABASS AHMED, ABIOLA IDOWU
1542	OKPARA EMEKA, INNOCENT
1543	KHALED BAZ,
1544	IKWUAGWU IKEMEFULA,
1545	IMRANA LABARAN, ABDULLAHI
1546	LUKMAN OLORUNTOYIN, GIWA
1547	BOLLARD HOMES & PROPERTIES INTL LTD
1548	MOMODU OSIRIAME,
1549	OBI JOY, NNEKA
1550	UCHECHUKWU MKPUMA,
1551	OLANIYAN OLUWAFEMI, SAMUEL
1552	OLUMIDE UTHMAN, AWONIRAN
1553	OLALEKAN AJAJA,
1554	STANLEY CHIDOZIE, UBA
1555	BUSUYI JOSHUA, AKINDELE
1556	AYODEJI ADETUNJI,
1557	NWOSU MICHAEL, OBINNA OMOTAYO
1558	AFOLABI ABIMBOLA, OYINDAMOLA
1559	KELVIN OBIOMA, ONYEBUEKE
1560	ADEYINKA TAYO, ANTHONY
1561	RISKHEDGE ANALYTICS LIMITED MARGIN
1562	HENRY ADETUNJI,
1563	OLOTU EMMANUEL, AYODEJI
1564	YUSUFF ABDULRAHMAN, ADEBISI
1565	OLANIYI ODERINDE,
1566	ISRAEL NWAJI, NWAFOR
1567	GODWIN WAYIMA, STEPHEN
1568	OGWUMIKE ONYEMAECHI, JOHN
1569	ABANEME CHINYERE, KEYNA

S/No	Beneficiary
1570	CHINOSA MISHAEL,
1571	IFEANYI KELVIN, ONUOHA
1572	SEUN ADELAJA, OKUDE
1573	MGBEAHURIKE CHIDIEBERE, MODESTUS
1574	ADEDUGBE MOJISOLA, OLUSOLA
1575	NNIL COMMERCIAL COY LTD
1576	OLALEKE OLUWASEGUN, FOLARANMI
1577	UZOMA HARRY, DUNKWU
1578	AMOLEGBE OLUWADAMILOLA, FATIMA
1579	IKHIONOTSE HARRIET, IZUAGIE
1580	UMEONISO OSAH,
1581	ABBA KYARI, BULAMA
1582	ONOTASA SHADRACH, UCHOHWO
1583	ADEBOYEJO ADEYEMI, MICHAEL
1584	GEORGE ACHIKANU,
1585	SAMUEL ONWUMECHIRI,
1586	MAYOKUN ADEMOLA, ADEKOLA
1587	AROGUNDADE KOLAPO, SEHINDEMI
1588	INFOWARE LIMITED
1589	IGBINOSA COLLINS, MARK
1590	MARY ULOMA, ONYEKACHI
1591	ASHIMI OMOSHALEWA, OLUWADAMILOLA
1592	PRINCE NYABIS, BITRUS
1593	REBACABIM GLOBAL INVESTMENTS LTD
1594	BIALA ADEMOLA, ABAYOMI
1595	OBIUWEVBI LUCKY, IGHO
1596	ADEDOYIN MOBOLUWADURO, DANIEL
1597	KELECHI ROY, OHAEGBULAM
1598	OVIRORO GOLD, IGHOGHENE
1599	MANUCHIMSO CHARLES, AKANINWOR
1600	IMHANGUEZEJIE JOHN, EHIS
1601	OVEDHE ISAIAH, ARUE
1602	OKECHUKWU JONNWAKALO,
1603	CHIBUEZE KENECHUKWU, NNABUEZE
1604	ELUE CHUKWUFUMNANYA, ASSUMPTA
1605	CHIMA IGNATIUS, EBERE
1606	DANIEL EFIOK, DANIEL
1607	DAVID YAKUBU, LAI
1608	GBOLAHAN SUNDAY, KOLAWOLE
1609	SOLEBO ABIODUN, ABOLAJI
1610	WAHAB ADEMOLA, SULU
1611	NNEWUIHE CHIDOZIE, NELSON
1612	SEDENU MAX, OYAKHILOMEN
1613	FRANCA IKO, ANDREW
1614	CHISOM VICTOR, NWISU
1615	BABALOLA OLUSOLA, AKEEB
1616	MUKAILA ADISA, BALOGUN
1617	AKANDE OLUSOLA, BABATUNDE
1618	UMAR SHERIFF, ADEKUNLE
1619	ALI ADAM, MUHAMMED
1620	OKPAKO OGBA,
1621	NWOSU EUGENE, AZUBIKE
1622	ODOCHA EZE, CHINWOKE
1623	OSHIOKHAI ADOLPHUS, OMONOKHUA
1624	CHUKWUEBUKA OBINNA, ONYEJE
1625	BERNARD IKECHUKWU, OSAMOR
1626	AWONAYA EMMANUEL, ABIODUN
1627	FADIPE OPE, OLUWA OLAITAN
1628	AHMED PATIENCE, MERCY
1629	AKANEME KALANENE, JUDITH
1630	Oni Omoniyi,
1631	NONSO IFEKA,
1632	MBAKWE MARCUS, NNAMA
1633	MARY AKINYEDE, ADERONKE
1634	BLESSING CHIOMA, EZEUDU
1635	KUBA JULIUS, EBO
1636	TOYE DELE, OLAWOYE
1637	ADEBISI JOHNSON, AWONUGBA
1638	ADEKANYE NOAH, ADEGBOYEGA
1639	MAMMAN ANGBASHIM, JATAU
1640	OLADIPO SMITH,
1641	EKEOGU PRECIOUS, HABIBA
1642	NGUTOR ANYAM,
1643	YUSSUF WAHAB, SHOLA
1644	BABALOLA ADEBUKOLA,
1645	OLADAPO ALAGBE,
1646	SHUAIBU HAUWAU, KULU
1647	SANUSI SAMUEL, ADESOLA
1648	SAMUEL UADE,
1649	TINA UREGWU, UPAH
1650	OTUNBA GAFAR, OLAREWAJU
1651	OLAMIDE CLEMENT, AKINYEMI
1652	AKINOSO HALIMAH, OYEBOLA
1653	MADUKA MICHAEL, KENEYAHWEH
1654	OLUNLOYO ISMAIL, OLADIMEJI
1655	BUSOLA BAYO, OJO
1656	OGUNNAIKE OLASUNKANMI, ADEWALE
1657	VICTOR OVIE, LAWAL
1658	OLUYEMI MOREMI, LAWALDAKI
1659	OLISA NNADILI,
1660	EMMANUEL PEREKEME,
1661	AYOMIDE FATAI, AKANDE
1662	AGBOJO ANTHONY,
1663	DANIELS AICHEMS,
1664	EMELA-JACOBS OLUWABUNMI, OLATEJU
1665	OGBODO VICTORIA, ONYINYE
1666	AKHIGBE ITUA,
1667	SAKA ABDULGANIYU, A
1668	ADEBOYE BENSON-ATP
1669	ADETUYIBI ATINUKE, OLABISI
1670	KENNETH EZUGU,
1671	IGE OLAOLUWA, TOSIN
1672	GIDEON SOROCHI, NWUZI
1673	FOM ZAKKA,
1674	UKASHA HASHIM, MUSA
1675	DE-BENTLY INVESTMENT CO-OPERATIVE SOCIETY
1676	NJONMIH ANTHONY, JATONG
1677	SUCCESS EZIUZO,
1678	OKOROFOR CHINONYEREM, DEBORAH
1679	OWEN ONOHOMHEN, RAYHAMEN
1680	TAWAKALITU BISOLA, ODUBIYI
1681	ALUMUKU PATRICK, TOR
1682	ADELAJA TEMITAYO, SUNKANMI
1683	VICTOR AJUA,
1684	DELANO OLADEINDE, OLADAPO
1685	ECHOJONES FARM LTD
1686	MICHAEL SUNDAY, ABITOGUN
1687	IKEBELI LOUIS, AREKHAME
1688	DELA ANIWA,
1689	EZIKE VICTOR, ELOCHUKWU
1690	OLAPO OLADEJI, KOLAWOLE
1691	ITHUNOKHA DANIEL,
1692	OLUWABUKUNMI FOLARIN, OGUNJINMI
1693	ABUBAKAR HARUNA,
1694	OSOSANYA OLUYOMI, TOLULOPE
1695	ABDULAHMEED OLADIMEJI, AJIBOLA
1696	IKUFORIJI ADEYOOYE, TAHHIR
1697	VICTOR IFEANYI, UDEOGU
1698	ALAYE OGAN, EVELYN OMARIOGHAE
1699	OLUWASEGUN ABRAHAM, ATOYEBI
1700	EKPU SANDRA, ESEOSE
1701	RUKAYAT OLATANWA, BUSARI
1702	ABDUL ADENIYI, AFOLABI
1703	BASSEY OTU, ESSIEN
1704	EQUAK ODUDU, SAMSON
1705	LAWRENCE SUNDAY, IBOK
1706	ADEGBAYIKE EMAMNUEL, OLUSEGUN
1707	IDORENYIN EDEM-NSE,
1708	AKWUE TOCHUKWU, ANTHONY
1709	ONWUDIWE CHIKE, TERRENCE
1710	ONYEKWERE OKPO,
1711	AKINLOYE AYORINDE, BANKOLE
1712	CHIOMA SYLVIA, INYAMA
1713	TOMIDE TEMIDAYO, OLORUNTOBA
1714	NNENNA EMMANUELLA, KINGSLEY
1715	SHADRACH PROMISE, OJEMIRE
1716	PAUL OLUWAKAYODE, ERINLE
1717	ABDUMALIK NB, YUNUSA
1718	COMPASS INVESTMENT & SECURITIES LTD
1719	PETER OLAJIDE, OLOLUO
1720	PACIFIC TRUST LIMITED
1721	DULKEBE AMALE, DIMAS
1722	IDIONG ASUQUO, ESSIEN
1723	OYEDEJI OLUWASEGUN, ABIODUN
1724	ALIYU ABDULLAHI, MUSTAFA
1725	GYANG SELE, LAWRENCE
1726	AKOREDE TAOFEEK, AKANFE
1727	DORATHY NKECHI, OBAH
1728	MOLTEN TRUST LTD
1729	OKORO JAMES, NCHONWA
1730	JULIET KANENG, GYANG
1731	ROSEMARY CHIDIMMA, OGBONNA
1732	IMAOBONG NNAH, ETUKUDO
1733	ANCHORIA ASSET MGT LTD RESEARCH
1734	QUARRATULAYN O, ZAFARAN
1735	OLUWATOBI JOSHUA, KEHINDE
1736	ABDULMAJEED ABDULLAHI,
1737	JAMES BURA, MAMZA
1738	ETIMBUK THOMPSON, UDOM
1739	FALAYAJO ABIOLA,
1740	MUHAMMAD GBODOTI, USMAN
1741	OLUWASEKUN SONIA, AKINBIYI
1742	OLAYINKA SIKIRULAHI, ADEGOKE

S/No	Beneficiary
1743	OLOLADE QUADRI, OWOLABI
1744	IBRAHIM ADAMU,
1745	FAFIOLU OLUWATOYIN, REGINA
1746	TAIWO UZOAMAKA, TAIWO
1747	ADUNREKE SAMUEL, ROTIMI
1748	KOLA OSHALUSI,
1749	TOCHUKWU JAMES, UZODIMMA
1750	BABATUNDE ADEMOLA, ADEBISI
1751	OLUWATOYIN OSOGU,
1752	PETER OLAMIDE, FOLAGBADE
1753	BOLUWATIFE OPEOLUWA, AREBISOLA
1754	ALIYU BELLO, MUHAMMAD
1755	STEPHEN UWAGBAE, IZOSE
1756	ANTHONY GODWIN, ANYASO
1757	KEVIN NWAUDO, OGARANYAMARC
1758	SOREMI EMMANUEL, OLUSEGUN
1759	IKECHUKWU VICTOR, MADUBUIKE
1760	IDRIS BALA,
1761	THEOPHILUS MADUABUCHI, EMEM
1762	SANI ABDULLAHI, KONTONGS
1763	IBUKUNOLUWA DEBORAH, AMOS
1764	STEPHEN OLANREWAJU, OLAPADE
1765	QUEEN ESTHER, EBERE OKEREKE
1766	OLATUNDE JEREMIAH, ODEDIRAN
1767	BASHIR MUHAMMAD, SALIHU
1768	NTIA OKOKON, IME
1769	CHIKA PETER, WICHE
1770	MUHAMMAD NAGUTO, IBRAHIM
1771	ERIFEVIEME OGHES, SAMUEL WELLINGTON
1772	OKAFOR HENRY, NKEAKAMAKONAM
1773	KOLAWOLE OLUGBENGA, G
1774	SUCCESS IBINYE, SOKARI
1775	AJAYI SUNDAY, JOSEPH
1776	AGBELUSI JUMOKE, ENIOLUWAFE
1777	AKINLOLU MICHAEL, FANIRAN
1778	MARVELLOUS GLADYS, AYANSIJI
1779	IVIE ODION, OKOKPUJIE
1780	YAHKAT BARSHEP,
1781	HOMTO ZAIDA, DOKPESI
1782	ROLAND OKERE,
1783	GODWILL EMERIKE, CHIKE
1784	PETER CHINONSO, EZE
1785	TAMUNO-OPUBO DANIEL, DICK
1786	CLINTON CHIBUZOR, AGOH
1787	AMARACHI BENEDICT, ONWUSUKWU
1788	NNABUK NNABUK, AKPAN
1789	OLAJESU FAVOUR, ADESHINA
1790	ABUBAKAR SHOLADOYE, BELLO
1791	DEBORAH MORENIKEJI, AMIDA
1792	OSAGIE OMOTEKHALE,
1793	ENIOLA OLAITAN, MORONFOLU
1794	IKE OGBONNA, OSMOND
1795	EMMANUEL ANTHONY, OGAR
1796	CASIMIR AIDELOJE, IDELE
1797	ANYANWU VICTOR, OSONDU
1798	ADEDAMOLA ADEDAPO, KIKIOWO
1799	HUSSEINI ABDULRAHMAN, DAUDA
1800	JAJI BABATUNDE, RAHMAN
1801	OLAREWAJU AUGUSTINA, YEMI
1802	OLUCHI OLIVIA, NJOKU

S/No	Beneficiary
1803	EFETURI JUNIOR, ANUKPEYIBO
1804	MAJOROH OGHENERUGBA,
1805	JESUMUYIWA HANNAH, MOSEBOLATAN
1806	ENYAMUKE UFUOMA,
1807	LAWRENCE ILOABUCHI, ATTAH
1808	OLUWASEUN OLABAMIDELE, FADUMIYE
1809	AKINLOSOTU OMOLARA, IBUKUN
1810	KAYODE RICHARD, AFOLABI
1811	JANEFRANCES OBIAJULU,
1812	ADEDAYO ADETUNJI,
1813	PATIENCE ADAORA, OBILOR
1814	GARBA SALIHU, JIBRIN
1815	KELECHI AKUNNA, ALOGBA
1816	OKONKWO EUGENE, IKE
1817	HASSAN ABDULKARIM, TIJANI
1818	EMMANUEL IJENAMAKA, OYIYE OGBE
1819	LOIS OGOCHUKWU, ALEXANDER
1820	MOHAMMED MUHAMMAD,
1821	SOTUBO BOLA, OLU ABAYOMI
1822	OLADIJO OLUWATOSIN, PATRICK
1823	NWAGBO CHINENYE,
1824	GREGORY OSHIOBUGHIE, IRUE
1825	PAUL BENEDICTA, CHIKA MAUREEN
1826	MEDANI NGOZI, OBIAGELI
1827	OLUSEYI AJALA,
1828	VITUS CHISOM, ANYIKWA
1829	ALFA GRACE, OJOCHOGU
1830	OBOMANU FELIX, GAMALIEL
1831	MOSES ENAJEWE,
1832	NEW NIGERIA DEVELOPMENT COMPANY LTD
1833	ARMIM/IKIMC - MAIN
1834	ARMIM/OKOROC MAIN
1835	AGBAJE HAKEEM, OLATUNDE
1836	OGOCHUKWU NOBLE, OBASI
1837	EVERISTUS ALIOBAJI, UGOCHUKWU
1838	IYO ALALI,
1839	MODUPE MARILYN, OLATAYO
1840	WISDOM CHIJIOKE, AKAZUA
1841	CHIDERA ESTHER, UKAEGBU
1842	ABODUNRIN OLANIYI, MICHAEL
1843	ABDULAZIZ HAUWAKULU, JOY
1844	OMOBUDE ERIC, OZIEGBE
1845	WOFIKAH ADAVIRUKU,
1846	AGBAI FRANCIS, TOUNDIDE
1847	KUKU GBADE, SIKIRU
1848	UBAS NOMINEE
1849	COMMELIN VALERIE, KHAZALA
1850	AWIYA CYNTHIA, OLUWATOYIN
1851	AMEH DANIEL, OCHE
1852	ODEYEMI TOLUTOPE, BENJAMIN
1853	ANGI TITUS, GIDEON
1854	OKEKE NGOZI, ANITA
1855	KOUASSI DASILVEIRA,
1856	ALUKO OLAOLUWA, ADEDAYO
1857	CHIAGOZIEM JOY, ANURIKA
1858	BANKOLE KEMI, BOSE
1859	PRINCESS FAVOURED, ADEBE
1860	KARZEEM CAPITAL MANAGEMENT LIMITED
1861	AGHAGBON FRANCA, EBERECHI

S/No	Beneficiary
1862	ORIOLA MOBOLAJI,
1863	TOSIN FEMI, MAKINDE
1864	ALLI ADEDAYO, ADEKUNLE
1865	ABDUS-SHAKUR UMORU,
1866	AMAKA NDUKWU,
1867	TIMOTHY ORASO,
1868	OKON TIMOTHY, EFFIONG
1869	ARIYO AYODELE, AKOLADELE
1870	IBRAHIM OLAITAN, KAZEEM
1871	BARAKAT MOTUNRAYO, ABIOYE
1872	OKUNOLA OLANREWAJU, ABIMBOLA
1873	PRECIOUS KENNEDY,
1874	ROFIU KOLAWOLE, SHAKIRU
1875	ZIGWAI AUGUSTINE, FANDA
1876	MAGAJI MOHAMMED,
1877	HAFSAT UMAR,
1878	OLUWAKEMI LATIFAT, ADEKANMI
1879	BIYUNGBO AKINTUNDE, JAMES
1880	NWOBODO IKECHUKWU, CHINEDU
1881	OLARENWAJU -, OLADEJI OLUWADAMILARE
1882	NURUDEEN BADRU,
1883	ISHOLA SIMON, ADEWUYI & MARIAN ADEWEMIMO
1884	OGUNLEWE OLAYIWOLA, OLUGBOSI
1885	KAYODE TEMITAYO, OLUFEMI
1886	KAYODE SEUN,
1887	OLADIPO OLUYEMISI, GBEMISOLA
1888	OLUSOLA AKANJI, KAYODE
1889	OLADEINDE OLUBUKOLA, OMOLARA
1890	OKPAGBA ZION,
1891	ONAGHISE PAUL, O
1892	OBED EBIYE, STANLEY

Board of Directors

Basil Omiyi, CON	Chairman	Nigerian
Roger Brown	Chief Executive Officer	British
Emeka Onwuka	Chief Financial Officer/ Executive Director	Nigerian
Samuel Ezugworie	Chief Operating Officer/ Executive Director	Nigerian
Kazeem Raimi	Non-Executive Director	Nigerian
Olivier De Langavant	Non-Executive Director	French
Nathalie Delapalme	Non-Executive Director	French
Ernest Ebi, MFR	Non-Executive Director	Nigerian
Charles Okeahalam	Senior Independent Non-Executive Director	Nigerian
Bashirat Odunewu	Independent Non-Executive Director	Nigerian
Fabian Ajogwu, SAN, OFR	Independent Non-Executive Director	Nigerian
Bello Rabiu	Independent Non-Executive Director	Nigerian
Koosam Kalyan	Independent Non-Executive Director	South African
Emma Fitzgerald	Independent Non-Executive Director	British

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

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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
Anaka Ezeoke & Co
Ashurt LLP
Bracewell (UK) LLP
Fidelis Oditah & Co.
Mas Tax & Legal
Olaniwun Ajayi 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

Glossary of terms

AEPS
Amukpe Escravos Pipeline System

AG
Associated Gas

AGPC
ANOH Gas Processing Company

ALR
Amended Listing Rules

ANOH
Assa North Ohaji South

BTU
British Thermal Unit

CAMA
Companies and Allied Matters Act

CBI
Convention on Business Integrity

CBN
Central Bank of Nigeria

CGRS
Corporate Governance Rating System

DD&A
Depreciation, Depletion & Amortization

DSO
Domestic Supply Obligation

E&A
Exploration and Appraisal

EBIT
Earnings Before Interest Tax

EPF
Early Production Facility

EPS
Earnings Per Share

ERGP
Economic Recovery & Growth Plan

ERM
Enterprise Risk Management

ESIA
Environmental Social Impact Assessment

FID
Final Investment Decision

FTSE
Financial Times Stock Exchange Index

GDP
Gross Domestic Product

GGFR
Global Gas Flaring Reduction

GHDI
Global Human Development Initiative

GMOU
Global Memorandum of Understanding

GMP
Gas Master Plan

GSA
Gas Supply Agreement

GTL
Gas To Liquids

GW
Giga Watt

IEFX
Investors, Exporters Foreign Exchange window

IOC
International Oil Company

IOGP
International Association of Oil & Gas Producers

IPP
Independent Power Plants

ISO
International Standards Organisation

KPI
Key Performance Indicator

KWH
KiloWatt Hour

LNG
Liquefied Natural Gas

LPS
Loss Per Share

LTF
Liquid Treatment Facility

LTIF
Lost Time Incident Frequency

LTIP
Long Term Incentive Plan

MCP
Multiple Currency Practices

MOPU
Mobile Offshore Production Unit

NAPIMS
National Petroleum Investment Management Service

NBS
National Bureau of Statistics

NED
Non Executive Director

NGC
Nigerian Gas Company

NGMC
Nigerian Gas Marketing Company

NGMP
Nigeria Gas Master Plan

NGO
Non Governmental Organisation

NGPTC
Nigerian Gas Processing and Transportation Company

NIIMP
Nigerian Integrated Infrastructure Master Plan

NNPC
Nigerian National Petroleum Company

NOGICD
Nigeria Oil and Gas Industry Content Development

NPC
National Population Commission

NPDC
Nigerian Petroleum Development Company

O&G
Oil & Gas

OB3
Obiafu-Obrikom-Oben gas pipeline

OPEC
Organisation of Petroleum Exporting Countries

PIB
Petroleum Industry Bill

PIFB
Petroleum Industry Fiscal Bill

PIGB
Petroleum Industry Governance Bill

PPP
Public Private Partnership

PSC
Production Sharing Contracts

RCF
Revolving Credit Facility

SDG
Sustainable Development Goals

SEC
Securities Exchange Commission

SID
Senior Independent Director

SPDC
Shell Petroleum Development Company

TRIR
Total Recordable Incident Rate

TSR
Total Shareholder Return

WEF
World Economic Forum

WRPC
Warri Refinery Petrochemical Company

Forward-looking statements

This document 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.

Find out more

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