



6M 2023 RESULTS PRESENTATION

28 July 2023

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INTRODUCTION

ROGER BROWN
CHIEF EXECUTIVE OFFICER



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ROBUST FINANCIAL & OPERATIONAL RESULTS



6M23 performance, solid performance against a weaker macro backdrop

CORE QUARTERLY DIVIDEND

US 3.0 cents

20%

TOTAL PRODUCTION

9.2 MMboe

2%

REVENUE ⁽¹⁾

\$547m

4%

NET DEBT

\$380m

4%

6M HIGHLIGHTS

Shareholder focus

- Core dividend raised 20% to 12c (3c per quarter) with 3M23 results

Operational uptime improving YoY

- Reduced losses and benefit from additional export routes
- Notable progress on OB3 pipeline as we progress the ANOH gas project

Revenue: overlift obscures impact of lower oil prices

- Revenue benefitted from a total of 6.1 MMbbls oil lifted, modestly improved production, offset by lower realised oil prices
- Gas price realisations up following price renegotiations with customers

Cash generation benefitting from diversification of production offtake routes

- Modest Cash outflow YTD due to Naira devaluation, higher dividend, capex and debt principal repayments. Net debt at \$380m, TTM leverage of 1.2x

MPNU acquisition

- Extended SSPA in May

Management & Board update

- Eleanor Adaralegbe, currently VP Finance, appointed CFO-designate

(1) Includes revenue from production overlift of \$59.4m

NEW GOVERNMENT: NEW POLICY REGIME

The Tinubu-led administration has demonstrated readiness for business in the first two months

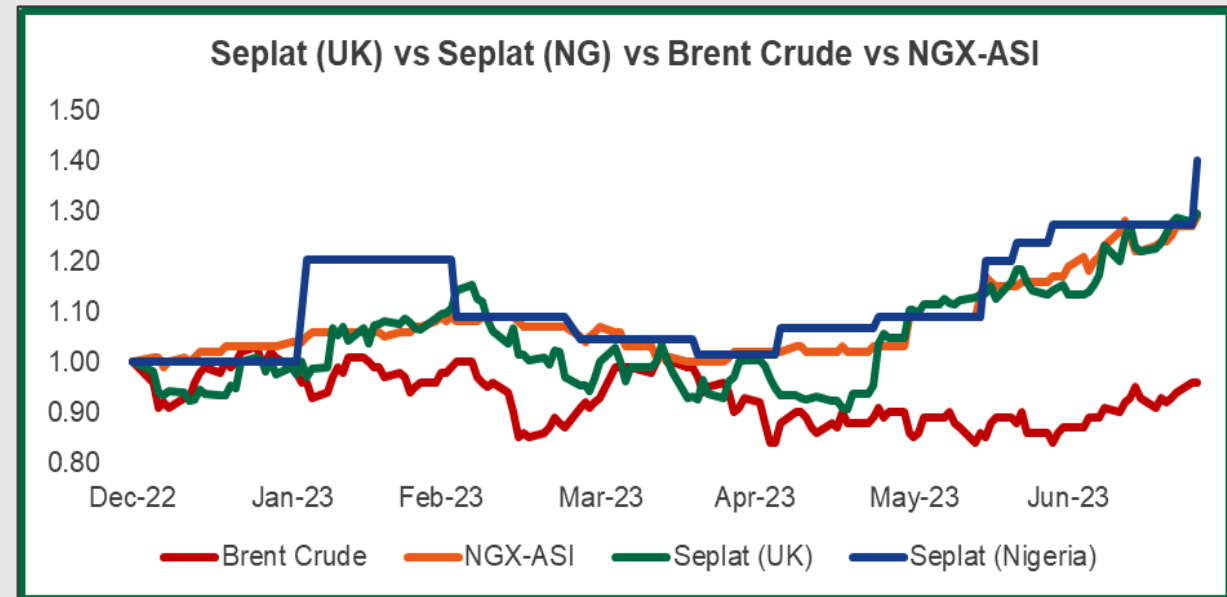
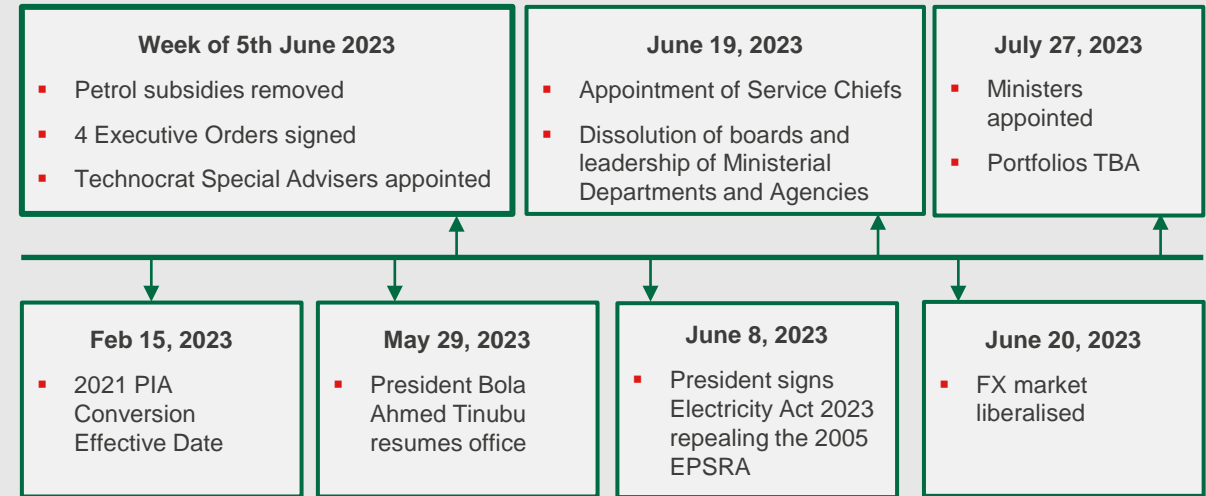


GOVERNMENT IS READY FOR BUSINESS

- “Bold” steps rapidly taken by new President Tinubu to attract investors:
 - Market oriented policy reforms expected to drive long term investment and competition
 - Fuel subsidy removal
 - FX market reforms
 - Four bills signed in two weeks, including Electricity Act
 - Executive orders to delay implementation of the finance act and other arbitrary taxes

- PIA implementation to unlock investment potential
 - Regulator is finalising the guidelines for the conversion
 - Long-stop period has been amended to 30 September 2023

- OPEC Quota- revision to 2024 & 2025 production baseline
 - Nigeria's production quota was adjusted downward to 1.38mbpd
 - Seplat does not anticipate any significant impact due to the presence of a reasonable head room in JV quota



OPERATING REVIEW

SAMSON EZUGWORIE
CHIEF OPERATING OFFICER

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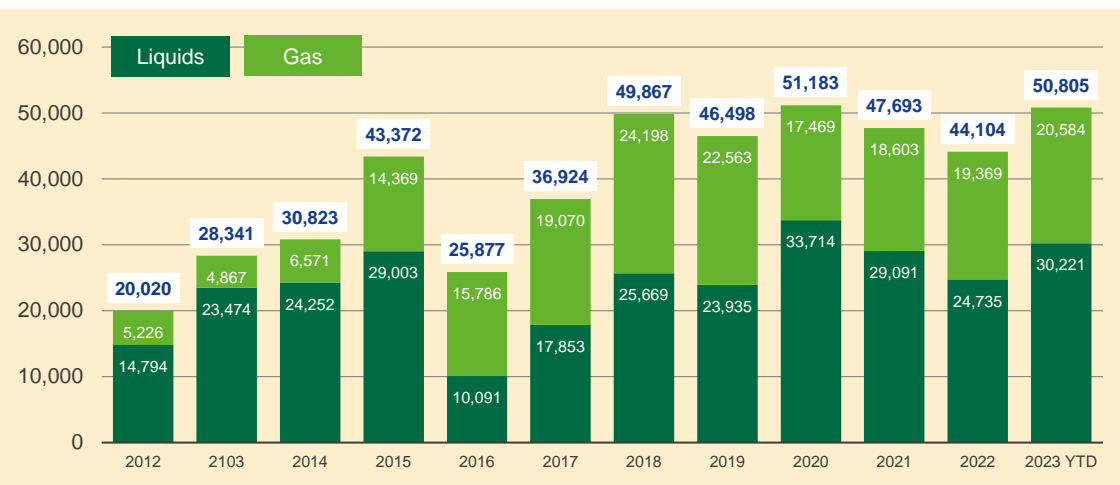


UPSTREAM: OPERATING PERFORMANCE

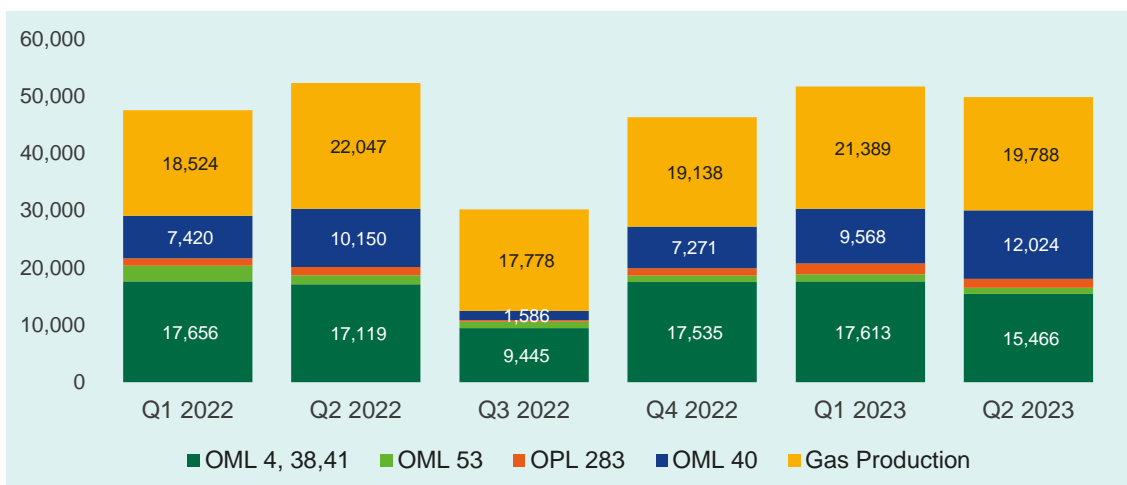


Production remains within 2023 guidance

Historic production 2012 - 2023 (boepd)



Net quarterly production by asset (boepd)



PRODUCTION

- 6M 2023 production of 50,805 boepd (5.5 MMbbls and 21.6 Bcf) supported by higher availability of FOT
 - AEP continued to provide an alternative evacuation solution, helping to de-risk our Western Asset production
 - AEP has delivered production of c.3.2 MMbbls, since it commenced operations July 2022
- Production opex of \$9.6/boe, up YOY on higher crude handling charges

ASSET PERFORMANCE ANALYSIS

- OML 4, 38, 41**
 - Liquids production declined during the period due to natural decline and delays to the on-stream timing of new wells
- OML 53**
 - Production continues to be impacted by unavailability of the TNP. Negotiations ongoing for an additional evacuation route through the Edo Refinery
- OML 40**
 - Production up 24.3% during the period, the increase supported by timely delivery of wells and higher production uptime
 - Sibiri extended well test ongoing, project remains on track for FID in 4Q 2023

SAFETY & EMISSIONS

- Zero Lost Time Incidents reported on operated assets in 6M 2023, cumulative 4.2m hours
- Carbon Emissions 26.3 kg CO₂/Boe, Sapele power on track to take gas in 3Q23

DRILLING PROGRAMME

Taking action to ensure delivery of 2023 well programme

DRILLING PROGRAMME UPDATE

- Completed 5 wells YTD. The new well stock has been supportive, especially at OML 40.
 - Opuama-17, producing c. 3,000 bopd.
 - GB-10, producing c.1,300 bopd
 - GB-4 W/O c. 2,200 bopd
 - Sibiri-2 well has been drilled to TD, Sibiri-1 EWT ongoing
 - Assa North-05
 - Drilling activities in Assa North-06 ongoing, expected to complete end of July.
- However, programme is somewhat behind plan, due to a combination of downhole challenges and mechanical issues on the rigs operating on our Western Asset.
- Recovery plan underway to deliver the new 2H23 well plan with below action plans:
 - 2 rigs currently operational on Western Assets, drilling wells Orogho-8 and Ovhor-21 which are behind plan, but expected to complete in 3Q
 - Plan to mobilise three additional rigs to the Western Asset, including the rigs currently active on OML40 and OML53
 - Restructuring of the drilling organisation implemented in July
 - Abiala wells deferred to 2024



Location	Initial Well Plan	YTD	Revised Well Plan	Notes
OML 4, 38, 41	8	0	8	3 oil 3 gas 1 water disposal 1 exploration
OML 53	1	0	1	Oil
OML 40	5	4	5	4 oil 1 appraisal
Abiala	2	0	0	1 workover 1 oil
ANOH	2	1	2	2 gas

MIDSTREAM GAS: INCREASE CAPACITY AND SALES



Delivering long-term visibility and stability of cash flows from gas sales and ANOH gas plant

Oben	ANOH	Sapele
<p><i>Improve revenues and cash generation by increasing capacity utilisation, including third-party gas suppliers</i></p>	<p><i>Deliver strong incremental cash flow through wet gas revenues and dividends from AGPC joint venture</i></p>	<p><i>Deliver incremental cash flow from gas sales and LPG, whilst also reducing flaring</i></p>
<ul style="list-style-type: none"> • 119.4 MMscfd average for H1 2023 (+1.4% YOY) • Average gas price of \$2.87/Mscf (+4% YOY) <ul style="list-style-type: none"> • Driven by upward price reviews to gas contracts • Executed GSA with bulk gas supplier for additional 50 MMscfd • Continuing focus on increasing capacity utilisation at Oben 	<ul style="list-style-type: none"> • Plant achieved 93% mechanical completion • The grouting process has been completed for the critical Island Section, OB3 line to be delivered by Q3 2023 • The spur line is expected to be delivered by Q3 2023 with the first 5.5km completed and work on the next 4.5k ongoing • Upstream unit operator drilling ahead on second planned well for 2023 	<ul style="list-style-type: none"> • 75% project completion • Upgrade increases capacity to 85 MMscfd and delivers export-standard gas • LPG processing module will open new markets for LPG products • Associated gas compressors installed and will capture otherwise flared gas for processing and sale
<p>Develop third-party gas resource</p>	<p>Mechanical completion in 2023</p>	<p>Plant commissioning in 2024</p>

FINANCIAL REVIEW

EMEKA ONWUKA
CHIEF FINANCIAL OFFICER



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FINANCIAL HIGHLIGHTS

Six months to 30 June 2023



TOTAL REVENUES

\$547.0m⁽¹⁾

(6M 22, \$527.0m)

4%

OIL PRICE

\$79.5/bbl

(6M 22, \$107.35)

26%

GAS PRICE

\$2.87 /Mscf

(6M 22, \$2.76m)

4%

UNIT OPEX

\$9.6/boe

(6M 22, \$8.1/boe)

18%

ADJUSTED EBITDA

\$235.8m

(6M 22, \$342.7m)

31%

Q2 2023 DIVIDEND

US 3.0 cents

(2Q 22, US 2.5 cents)

20%

CASH AT BANK

\$380.7m

(YE22, \$404.3m)

6%

NET DEBT

\$380.3m

(YE22, \$365.9m)

4%

CAPEX

\$88.8m

(6M 22, \$71.2m)

25%

(1) Includes revenue from production overlift of \$59.4 million

6M 2023 FINANCIAL RESULTS



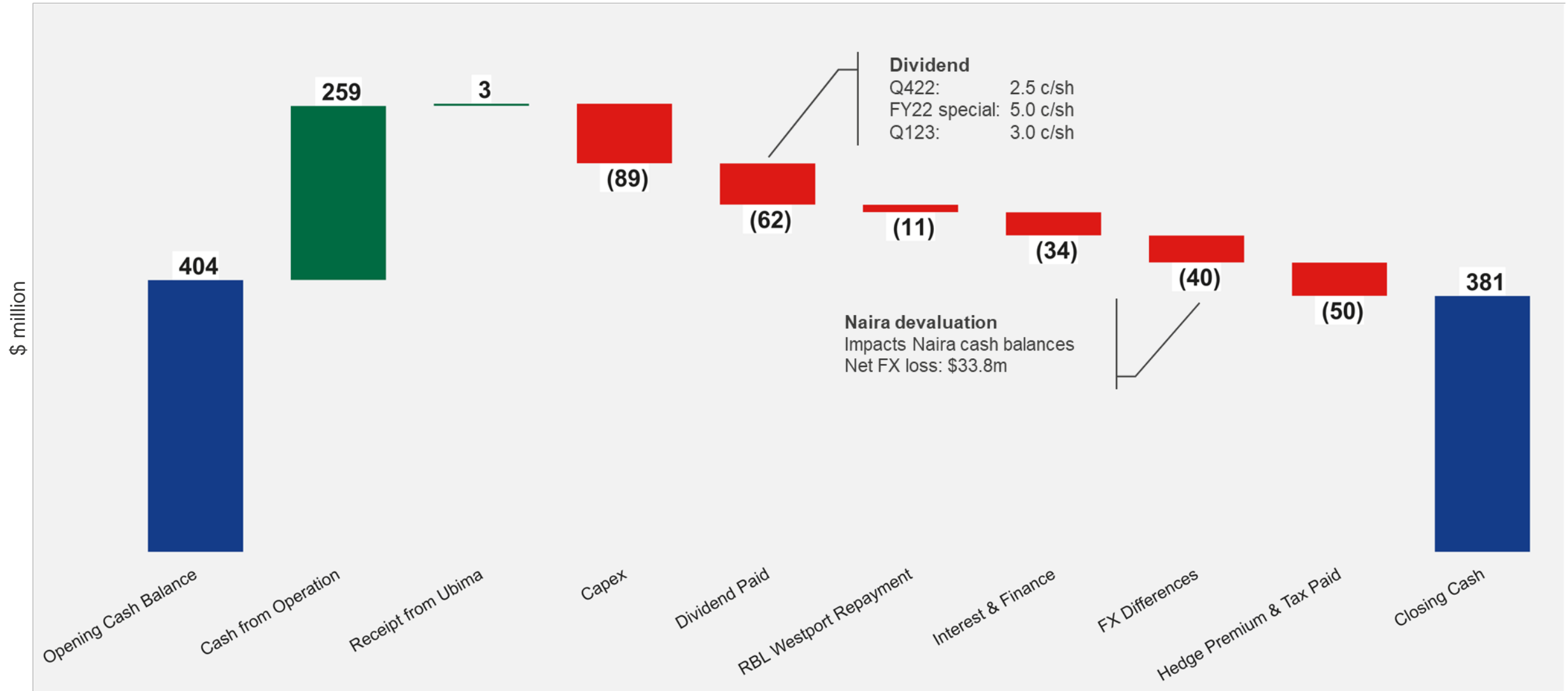
Modest revenue growth and steady profitability

\$ million	6M 2023	6M 2022	Change	Notes
Realised oil price (\$/bbl)	\$79.54	\$107.35	(25.9%)	▪ Price fell during the period due to policy normalisation across the globe
Oil revenue	483.3	469.2	3.0%	▪ Stronger evacuation in the period offset lower prices
Gas revenue	63.7	57.8	10.2%	▪ Higher gas production and higher realised price following upward price revisions
Total revenue	547.0	527.0	3.8%	
Cost of sales	(270.7)	(252.7)	7.1%	▪ Higher crude handling charge due to higher charges on AEP line
Gross profit	276.3	274.3	0.7%	▪ Gross margin of 50.5% (6M 2022: 52.1%)
G&A	(65.8)	(46.4)	42.0%	▪ Impact of unexpected legal expenses related to shareholder actions and professional fees associated with MPNU.
Underlift / (overlift)	(59.4)	42.7	(239%)	▪ Overlift representing 845 kbbls at the end of the period
Exchange rate gain/(loss)	(33.8)	5.9	(672.8%)	▪ Exchange rate losses on naira cash balances and payables due to naira devaluation
Operating profit	118.4	245.3	(51.7%)	▪ Operating margin of 21.6% (6M 2022: 46.5%)
Net finance costs	(33.0)	(35.7)	(7.5%)	▪ Effect of debt refinancing
Profit before tax	85.4	209.9	59.3%	
Tax expense	(2.8)	(126.6)	(97.8%)	▪ Lower tax rate due to deferred tax credits on Elcrest assets
Profit for the period	82.6	83.3	(0.8%)	▪ Impact of lower tax charge
Capital investment	88.7	71.3	24.6%	▪ 5 wells completed
Cash generated from operations	259.1	330.1	(21.5%)	

STRONG CASH GENERATION



Continuous strong cash generation during the period with \$259.1m net cash inflows generated from operations



IMPACTS OF NAIRA DEVALUATION

Naira devaluation results in a net FX loss on revalued assets & liabilities

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

Event

- On June 14, 2023, CBN unified the multiple exchange rate windows
 - The closing rate for June 2023 was adjusted to NGN753.01/US\$, a notable difference from the May 2023 rate of NGN461.28/US\$

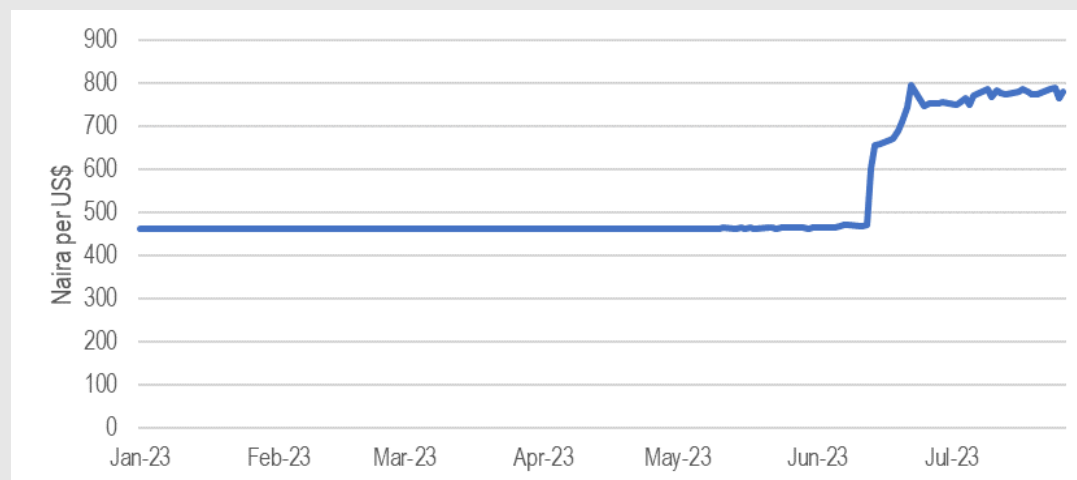
6M 23 impact on financials

- The impact on the Company was an FX net loss of \$33.8 million
 - Cash & bank balances incurred an FX loss of \$40.3 million
 - Net FX gain of \$6 million from trade receivables and payables movements

Forward look

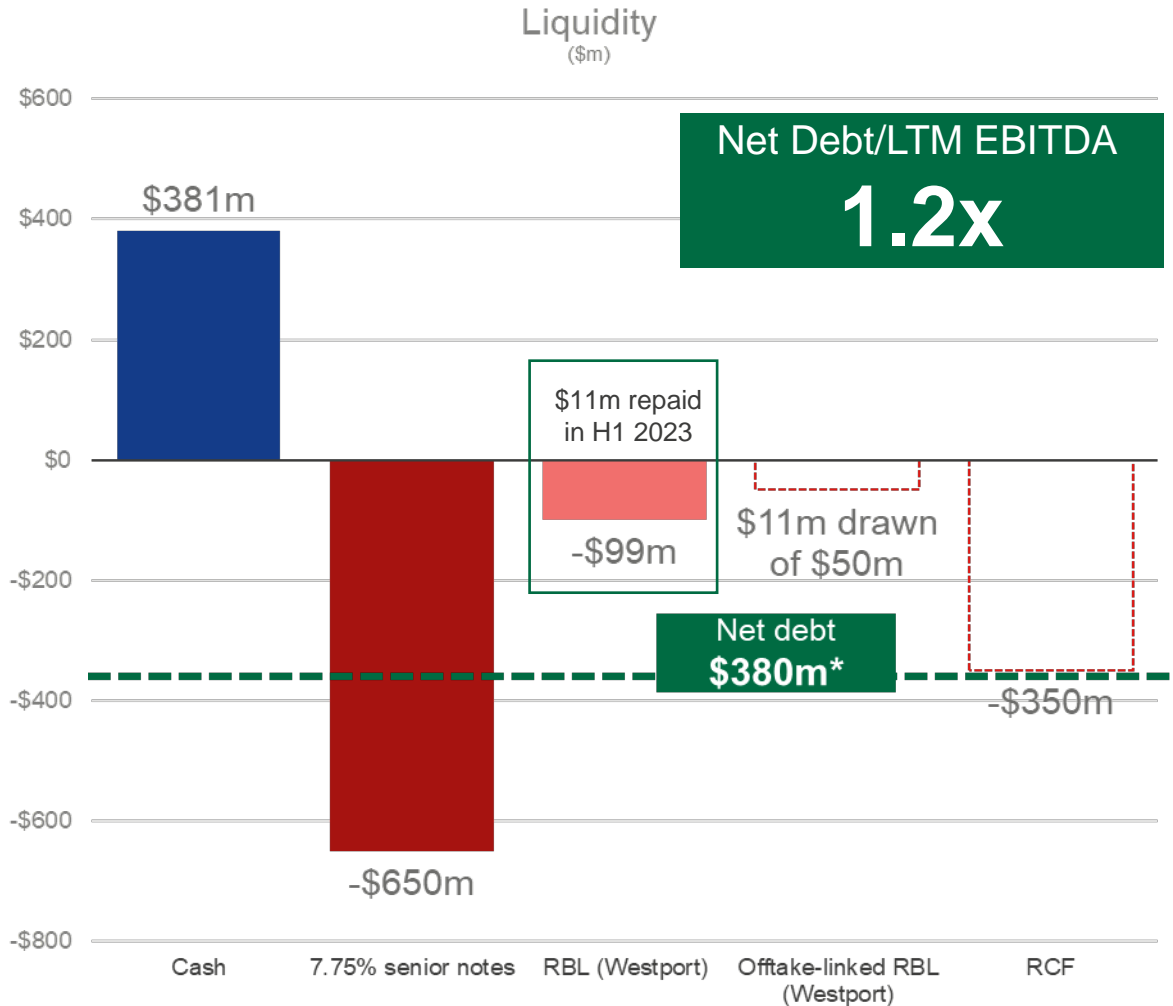
- Optimise contracts to align local currency related transactions settled in Naira

Average I&E Window Exchange Rate (NGN/USD)



ROBUST CAPITAL STRUCTURE

Conservative financial policies and strong cash generation underpin sound capital allocation to maximise returns



Approach to managing liquidity

- Target cash generated from operations to be at least 50% of revenues
- Maintain \$150m cash base to support year of operations if crude falls <\$40
- Sustain minimum current ratio of 1.2x – 2.0x to support liquidity objectives

Ratio	Seplat Energy	Industry average
Current ratio	1.5x	1.2x – 2.0x
Debt / capital	21%	37%
Net debt / EBITDA	1.2x	3.0x

*Adjusted with capitalised interest

OUTLOOK

ROGER BROWN
CHIEF EXECUTIVE OFFICER

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DELIVERY OF THE PLAN 2H2023

Priorities for 2H 2023

Operational

- Execute recovery plan to ensure delivery of remaining wells
- Continue to address natural decline and develop alternative export routes to improve revenue assurance

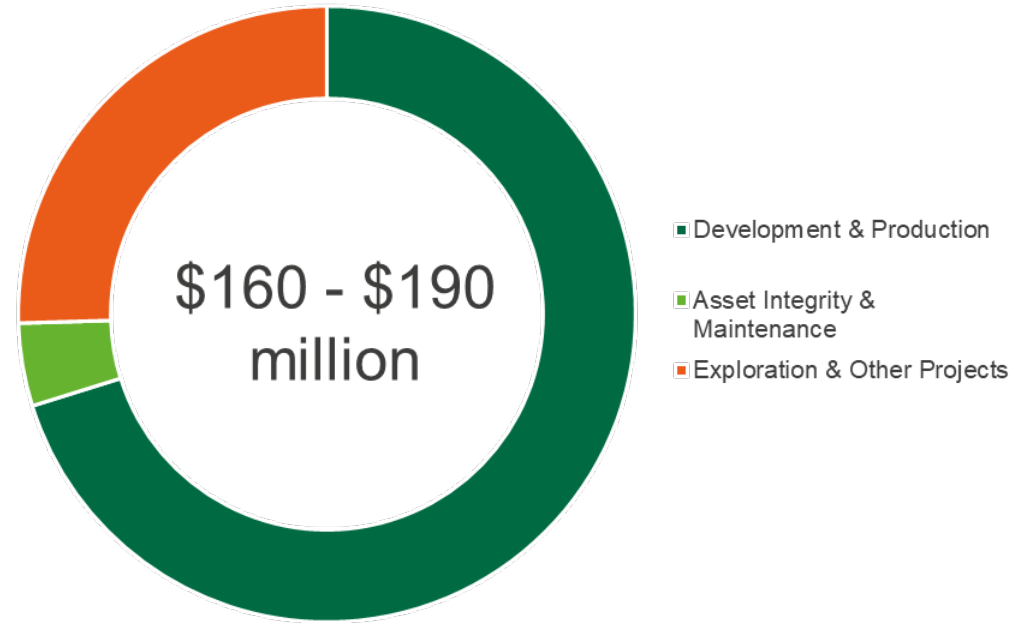
Growth

- Progress ANOH gas plant to mechanical completion
- Pursue approval for MPNU acquisition

Sustainability

- Mature New Energy project evaluation process towards FID
- Focus on *Flares Out* projects at Oben, Amukpe, Sapele, Jisike
- Deploy renewable power in community projects
 - 5.5KVA output solar power deployed to four schools and three hospitals

Capex guidance for FY23 – supporting our drilling plan



OUTLOOK & GUIDANCE 2H 2023

DELIVERING GUIDANCE

PRODUCTION

↑
2%



50,805 boepd 1H23

Unchanged guidance: 45-55 kboepd

STRATEGIC GROWTH

GAS MONETIZATION



ANOH First Gas

Key project items to complete in 2H23

FISCAL STRENGTH

OPERATING CASH FLOW



\$259 million

Evacuation assurance supporting cash

CAPITAL INVESTMENT

On track



\$89m 1H23

Revised FY23 guidance: \$160-190m

UPSTREAM GROWTH PROPOSITION



MNPU process ongoing

SSPA extended and remains valid

NET DEBT



\$380 million

TTM ND/EBITDA <2x (1.2x at 2Q23)

DRILLING

↓
behind



5 wells drilled

Revised target: 16 wells

NEW ENERGY



Identifying potential investments

Off-grid power generation (Solar and Gas)

Progressing to Investment decision

DIVIDEND



US\$ 3c/shr

20% increase in core dividend YoY

FY 2023: 12c core committed

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