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Half-yearly Results

25 July 2014

Important notice

DISCLAIMER

FORWARD-LOOKING STATEMENTS

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

First half 2014 highlights

- Successful IPO in Lagos and London raised gross proceeds of $535 million
- First half average working interest production[1] of 27,375 boepd (H1 2013: 27,183 boepd)
  - Excluding unplanned downtime in the period of 28 days (out of 45 in total) average working interest production was 32,388 boepd
- Warri pipeline completed – reduces dependence on Trans-Forcados system
- 15-year Gas Sales Agreement signed with Azura IPP - 116 mmscfd from 2017 at $3/mscf
- Revenue of $388 million; reported net profit of $156 million
  - Net profit $200 million excluding one-off items (H1 2013: $210 million on equivalent basis)
- Net operating cash-flow before working capital $180 million; capex $116 million
- Strong Balance Sheet - cash at bank $580 million; net debt $48 million
- Active new ventures pipeline – material opportunities currently being pursued

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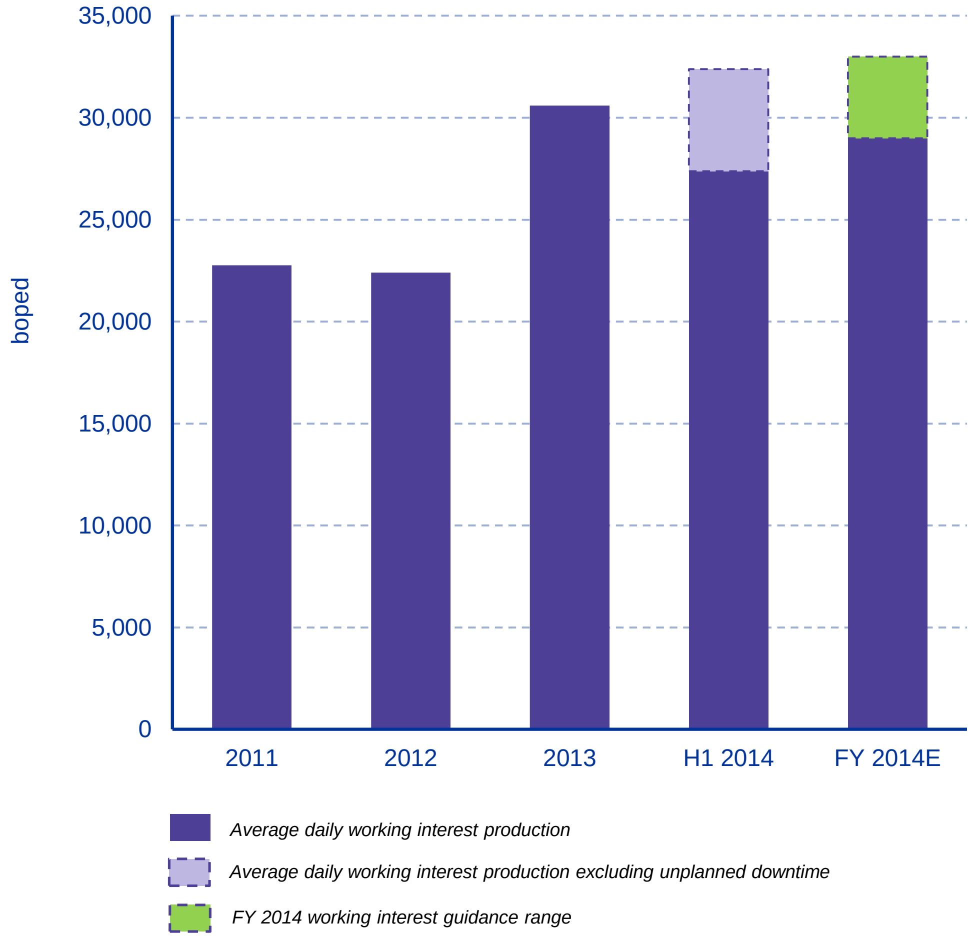
(1) Before reconciliation losses; includes 40% WI in Pillar assets

Production



- First half average working interest production 27,375 boepd (H1 2013: 27,183)
  - Liquids production 21,494 bopd [(1)]
  - Gas production 35.3 mmcfd (5,881 boepd)
- 45 days downtime on Trans Forcados system (28 of which were unplanned)
- Excluding unplanned downtime, average working interest production was 32,388 boepd
- First half reconciliation losses on Forcados exports of 10.8%
- Full year average working interest production guidance set at 29,000 – 33,000 boepd
  - 23,000 – 25,000 bopd [(1)]
  - 38 – 45 mmscfd
- On track to achieve OML 4,38,41 gross operated 2014 exit rate of 72,500 bopd

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[(1)] *Before reconciliation losses; includes 40% WI in Pillar assets in 2014*

Gas business

- Seplat is strategically positioned to capitalise on gas to power market opportunities on commercial terms
- New Gas Sales Agreement signed with Azura Edo IPP – underpins investments to upgrade the Oben gas plant

Off-takers	Volume (MMcfd)	Duration (years)	Status	Gas Price (US$/Mcf)*
Domestic Supply Obligation (DSO)				
▪ Sapele Power Plant	50	10	GSA signed	$2.0 in 2013
▪ Geregu Power Plant	80	10	GSA signed	$2.0 in 2014
Existing off-takers (**)	70	10	Draft GSA	$3.0 from 2015
Liquids extraction for LPG (**)				
▪ Southfield Petroleum	9	10	GSA signed	$4.0 from 2016
▪ Kaego-Virile JV	5	10	Draft GSA	$4.0 from 2016
New Gas to Power Projects				
▪ Azura Power	116	15	GSA signed	$3.0 from 2017
TOTAL	**330**			

(*) All prices subject to inflation
(**) Still under negotiation

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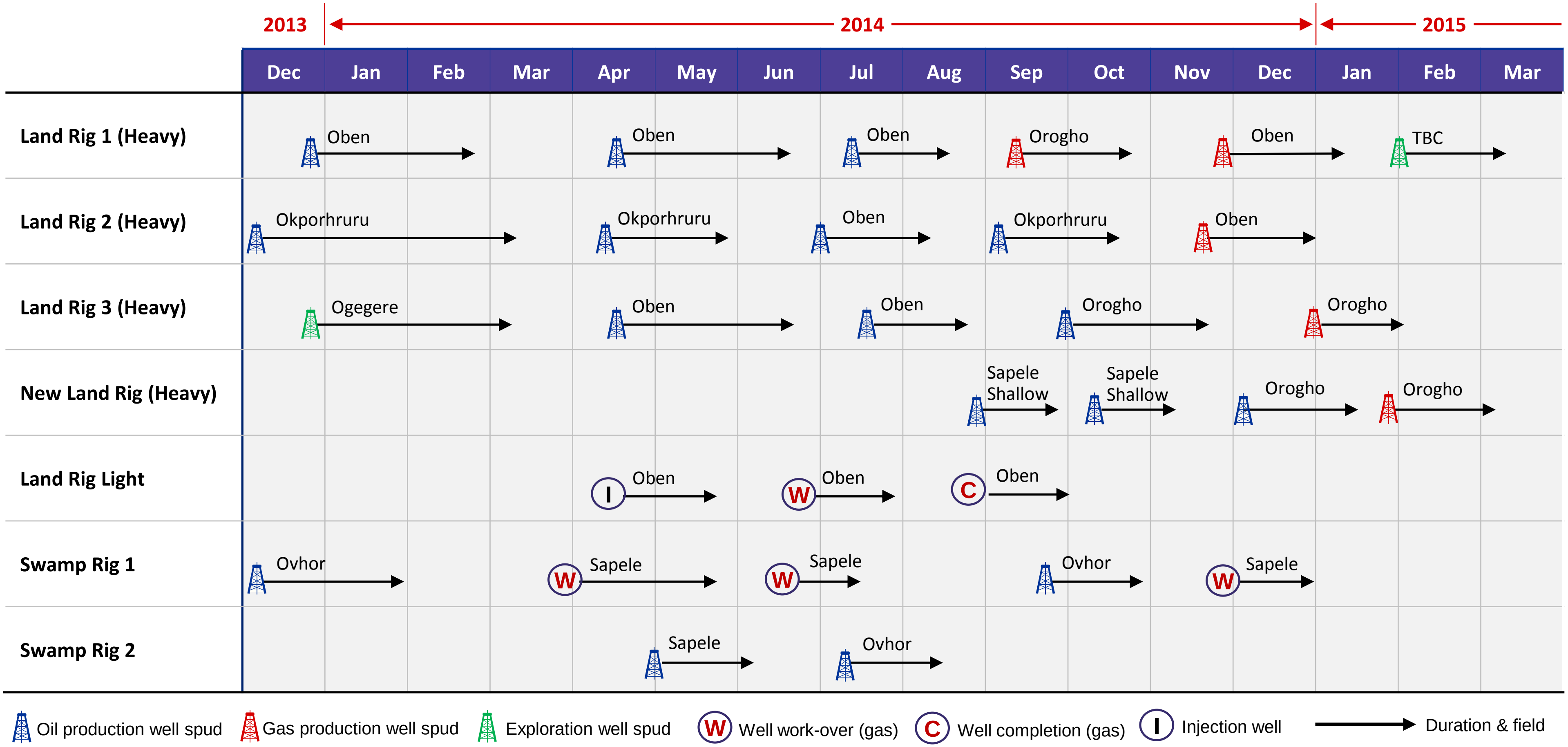
Rig based work programme



Significant step up in rig based activity in H2 at OMLs 4, 38 and 41 – up to 20 wells expected to be completed in 2014

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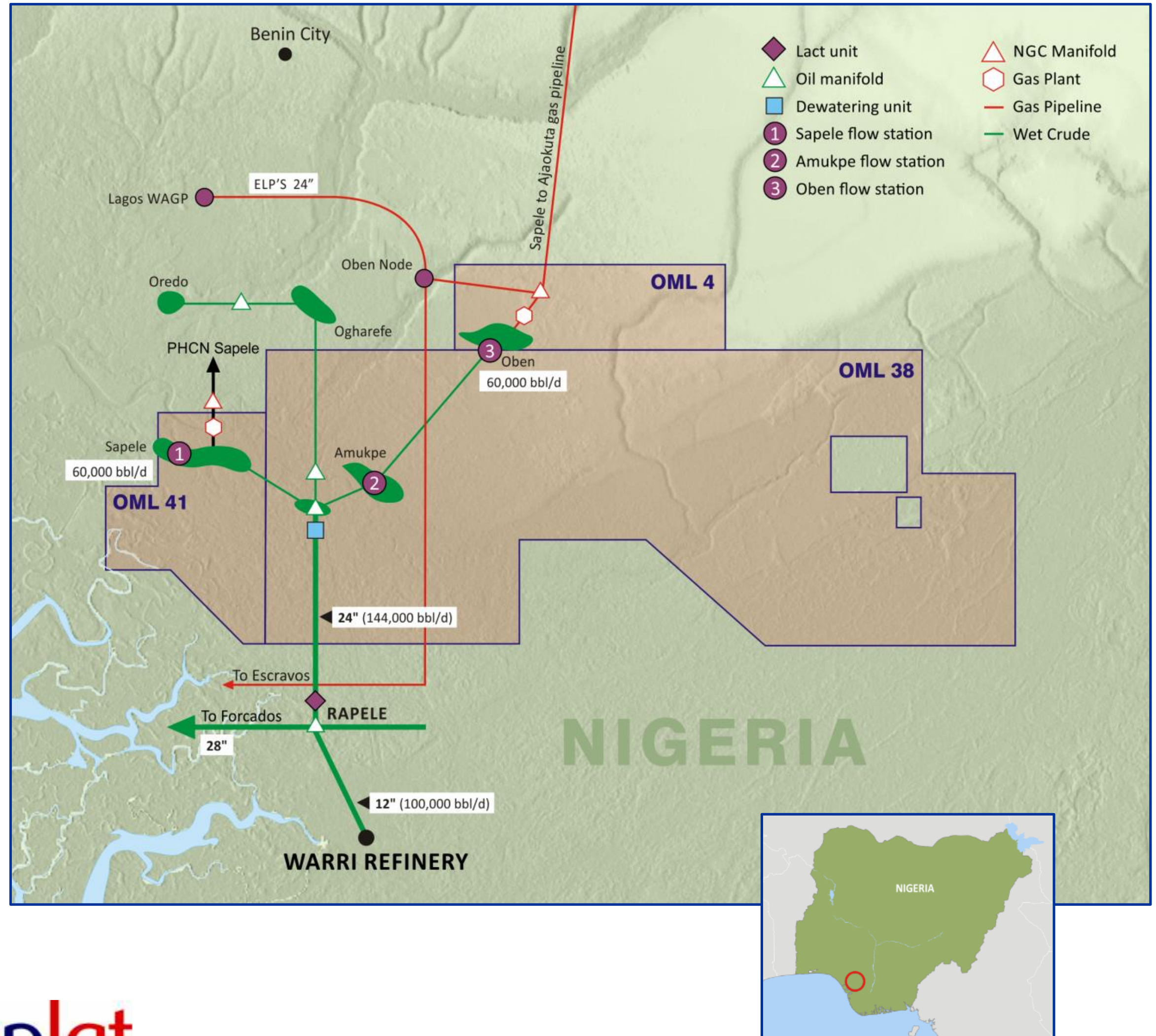
Warri refinery pipeline and liquid treatment facility



- Seplat-operated 12" x 7km pipeline to refinery completed and tested in March
  - 94,000 bbls gross delivered in H1
- Pipeline capacity 100,000 bopd
- Some issues remaining related to water produced – further process development work ongoing at LTF
- LTF expected to become fully operational during H2

Other projects

Oben Gas Plant

- On track to expand capacity to 240 mmscfd by end 2014
- 150 mmscfd processing unit being shipped to site; civil works well advanced
- Next expansion phase will take total Seplat capacity to 450 mmscfd by end 2016

Liquids storage

- Two 50,000 bbl tanks due for completion at Amukpe in early 2015

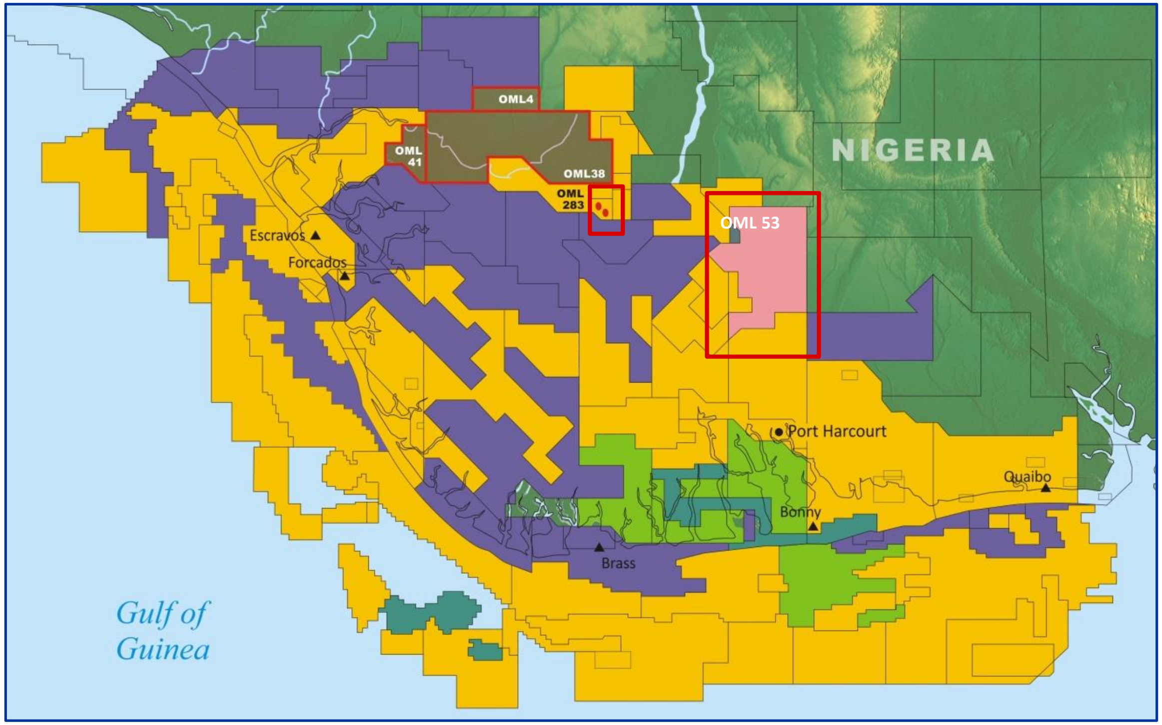
Integrated Amukpe flare-out & Ohvor gas-lift

- Using associated gas from Amukpe to enhance oil recovery from Ohvor
- Well advanced, with commissioning expected in Q4

Exploration

- Ogegere well suspended for further evaluation of potential new deeper play
- Next exploration well provisionally planned for H1 2015

Building a leading Nigerian independent E&P



Seplat Assets today | Other indigenous company | Chevron current divestment process
Chevron OML 53 divestment | Shell current divestment process | Other non-indigenous ownership

In excess of 3bn barrels of oil potentially for sale by IOCs in Nigeria

- Wide range of attractive new business opportunities available
  - Additional IOC divestments
  - Asset acquisitions & farm-ins
  - Future licensing awards
- Pipeline of material opportunities being actively evaluated and pursued
- Prioritise opportunities that offer near term production, cash flow and reserve replacement potential
- Strong balance sheet, indigenous status and operational expertise differentiate Seplat as an acquirer and partner
- Committed to price discipline

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Finance review

25 July 2014

Income statement

US$ million	H1 2014	H1 2013	Y-o-Y
Revenue	388	419	-8%
Cost of sales	(141)	(169)	-17%
Gross profit	**247**	**250**	**-2%**
G&A	(83)	(29)	nm
Other	10	(1)	nm
Operating profit	**173**	**220**	**-21%**
Net finance costs	(18)	(10)	80%
Profit before tax	**156**	**210**	**-26%**
Taxes	-	93	nm
Net profit	**156**	**303**	**nm**
Normalised net profit	***200***	***210***	**-5%**

	H1 2014	H1 2013
Gross Oil Sales	404	330
(Over)/Under-lift	(26)	83
Gas sales	10	6
Total Revenue	**388**	**419**

- Royalties 19% lower at $76 million
- Well work-over costs down 56% to $13 million

- $54 million increase in G&A costs included one-off costs of $44 million
  - $12 million bank commitment & arrangement fees
  - $16 million regulatory fee in respect of new tax incentives
  - $7 million new accounting & procurement systems
  - $9 million one-off staff costs related to IPO

- Increase in Finance costs reflects higher gross debt
  - Draw-down of $215 million balance of $550m facility
  - New $200m loan put in place

- One off reversal of deferred tax charge in H1 2013

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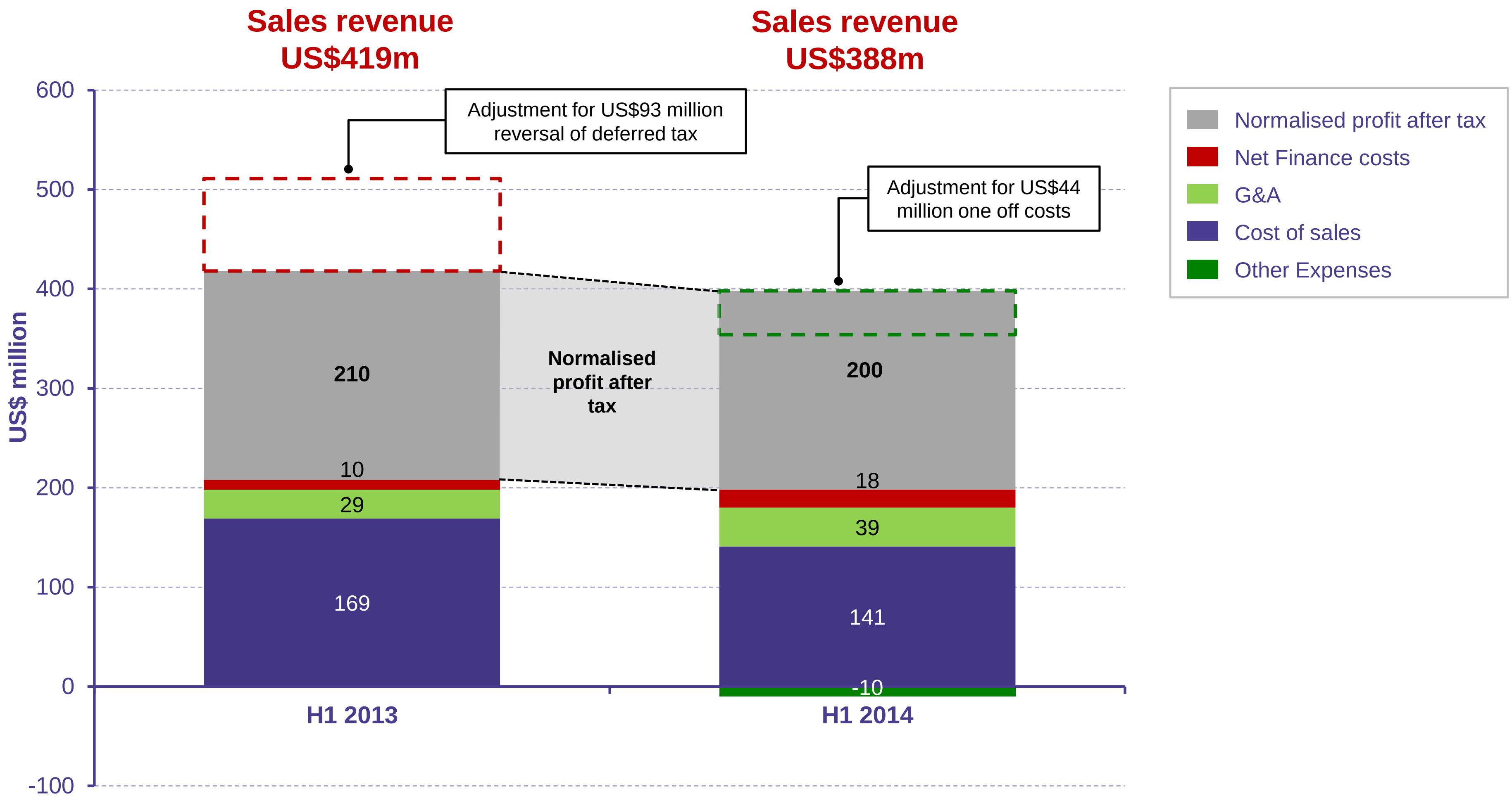
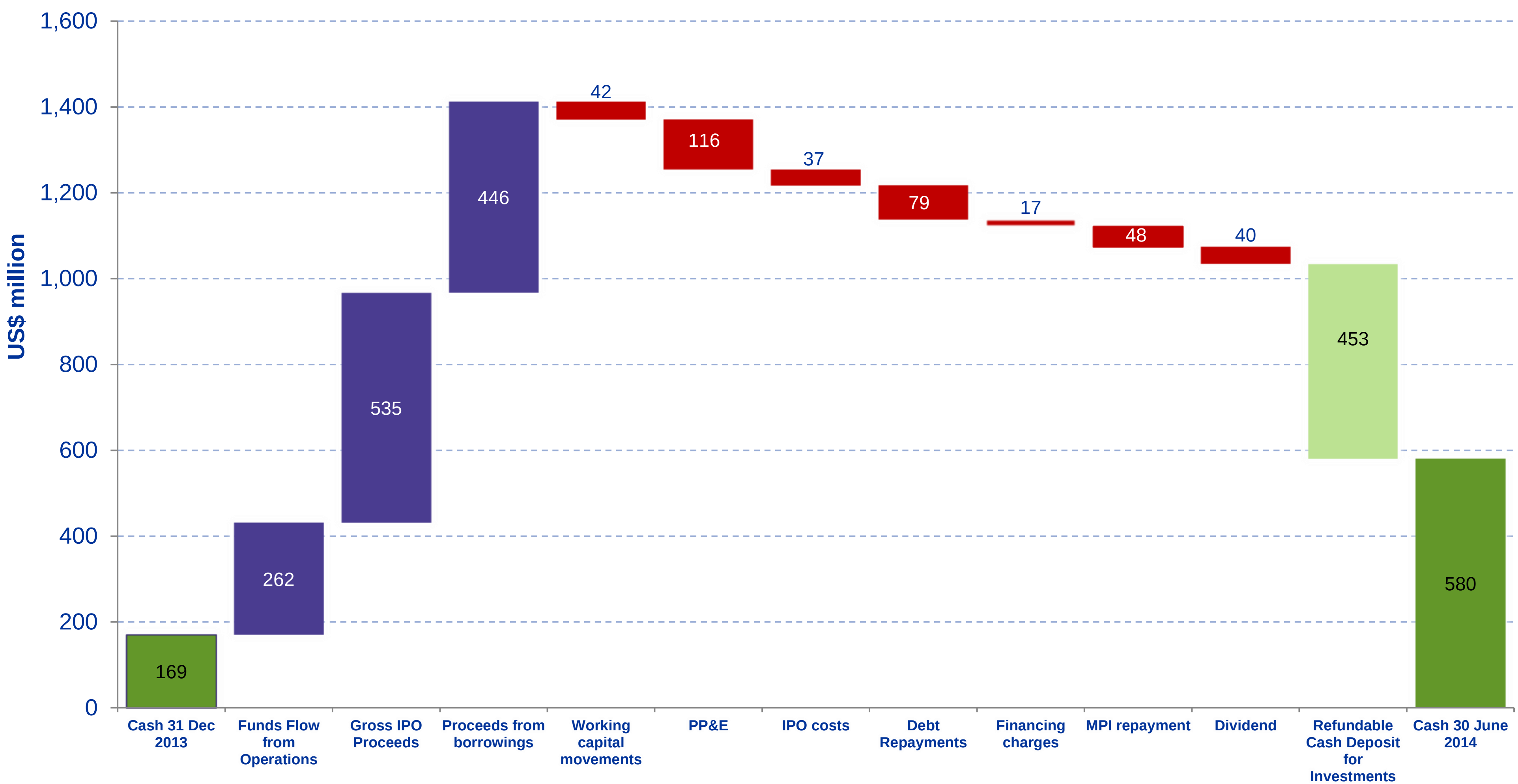
Operating performance – year on year reconciliation



Sources and uses



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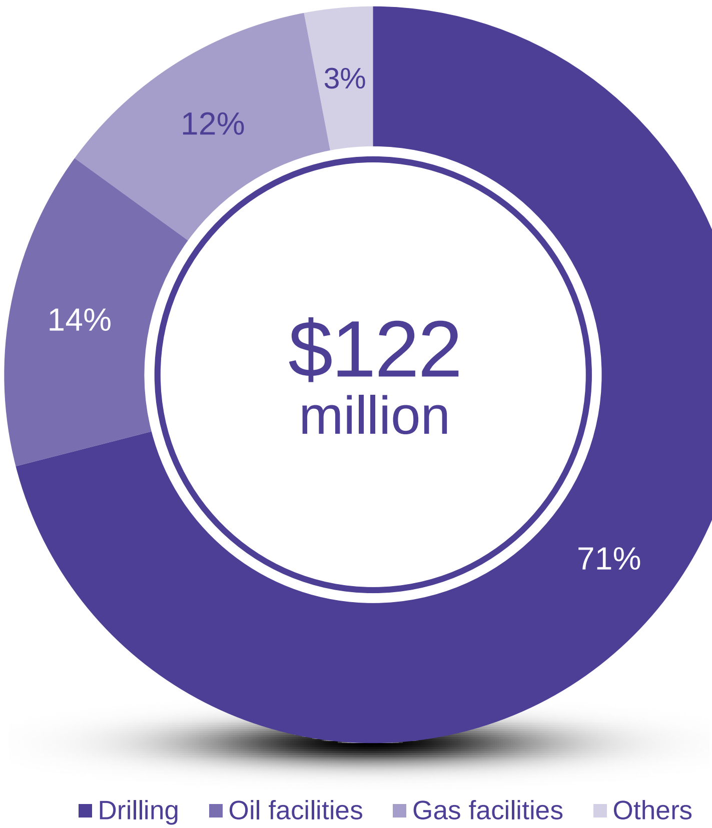
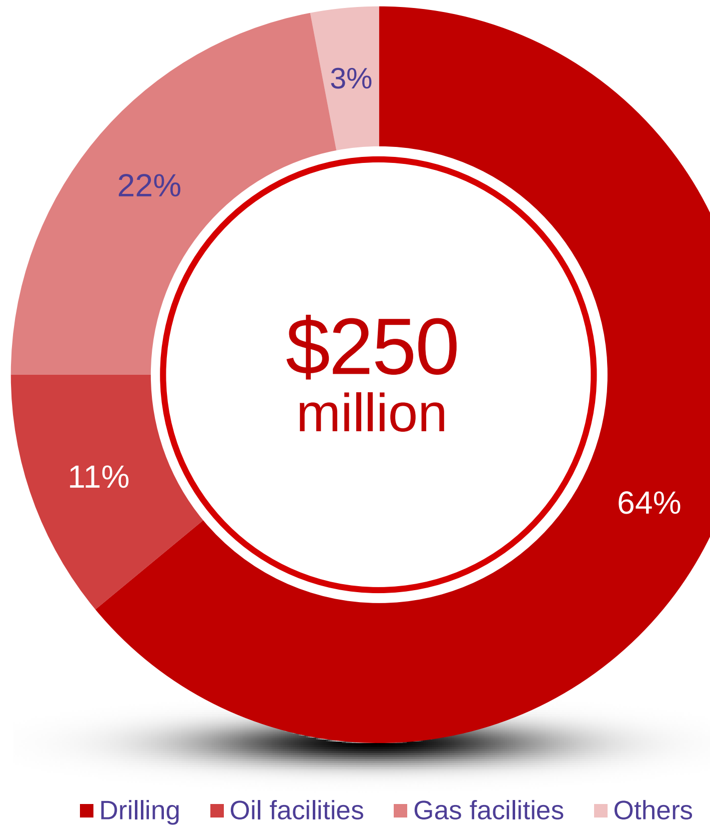
Capital expenditures

First half 2014 net capital expenditures



Full year 2014 net capital expenditures guidance



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Capital structure

Facility	H1 2014 $ million	Coupon
Afrexim Syndication Loan	330	L+7.5%
Zenith Loan	200	L+7.5% (floor of 8%)
FBN Working Capital	100	L+8%
	630	
Gross debt (less $2 million transaction costs paid)	**628**	
Cash and cash equivalents	**580**	
Reported net debt	**48**	

- Strong asset performance provides for significant debt capacity
- Additional debt drawn for acquisitions in February 2014
- Current debt facility is not revolving
- Currently in discussions with existing and new lenders to refinance the facility which is expected to be completed by end 2014

The combination of a strong balance sheet, headroom in the current capital structure and a profitable production base means Seplat is well positioned to capitalise on existing and new business opportunities

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Q&A