CAPITAL ACCESS

Seplat Energy

9M22 Results

8th November 2022

Price
103p

TICKER
SEPL

Market Cap
£600m

Net Debt (3Q22)
$452.2m

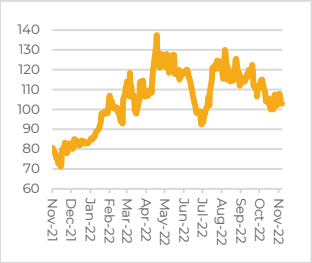
Free Float
36%

3mo Av. Daily Volume
0.22m

Joint Brokers
Citi
Investec Bank

Index
FTSE Small Cap

Share Price Performance



Source: Bloomberg

Seplat is a leading oil and gas producer in the Niger Delta region; and one which has consistently grown its production and reserves, as well as its revenues and profits since inception. It is now the leading processed gas supplier to the burgeoning Nigerian domestic market. It focuses on onshore & shallow water offshore assets.

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A Weak Quarter for 3rd Party Infrastructure – but expect Q4 exit rate of 55kboepd

In Q3 Seplat suffered from an unusually elevated level of evacuation problems – primarily the major FoT outage and the force majeure on Bonny Light crude exports by Shell. However, these issues have all been addressed in time for Q4, and it is guiding strong exit production (55kboepd), at the very top end of its prior FY guidance range. As such, we expect this to be a bump in the road from which the company has already recovered, but which will leave a mark on the FY results – albeit one that is more than offset by improved oil prices, with 9M22 revenue up 34.4% at an average price of $108.25/bbl.

Adj. EBITDA was up 27% to $337.9m and $368.1m of free cash flow was generated after an in-line $110.3m of capex.

Further, the Nigerian government is cracking down on infrastructure problems, including pipeline theft, vandalism, and poor maintenance. We believe this shift to a more proactive approach should benefit Seplat (and Nigeria) in the longer term. In the short term, the Amukpe-Escravos Pipeline is now online, and we expect this to materially reduce the impact of losses and disruptions on Seplat's performance. For context 30pp of 37% downtime in the period was caused by third party infrastructure, and reconciliation losses totalled 13.8% - both numbers should drop as a result of the new pipeline.

More within Seplat's control was its drilling programme, which has yielded great success with 8 wells completed year to date (and 7 more due in Q4), all of which came in under budget and head of time.

Seplat ended the period with a strong cash position, and extended the maturity of its RCF.

Strategic progress has been made on ANOH, as well as PIA conversion, and the MPNU transaction remains, in our opinion, live – albeit not moving very fast at present.

Additionally, its safety record remains exemplary: it's well into its 3rd year with no LTI injuries or fatalities on Seplat operated assets.

We believe this quarter, whilst difficult, is not a concerning indicator of what's to come. Increased government and regulator focus on theft and the maintenance of O&G infrastructure assets should provide comfort in future.

At a Glance (Yr. to Dec)	Production (boepd)	Revenue ($'000)	Cont. EPS	DPS	PER*	Yield*
2020 a	51,183	$530,467	($0.13)	$0.10	N/A	8.5%
2021 a	47,693	$733,188	$0.24	$0.10	5.9	7.4%
2022 Cons**	62,706	$975,910	$0.29	$0.10	5.1	6.7%
2023 Cons**	81,650	$1,015,629	$0.33	$0.10	4.6	6.7%

** Uses FX rate and Closing Price on date of FY results announcements*
*** pre-H1-results estimates, as covering brokers are unable to update their research during the deal period*

Working-Interest Production

Average working interest production fell 6.9% to 43,337 boepd as liquids production fell 11% due, primarily, to pipeline outages in Q3. In fact, group downtime totalled 37% in the 9 months: of this, 30pp was due to third party infrastructure. Gas production was flat at 113MMscfd despite a 78-day shut down at the Forcardos Oil Terminal in Q3.

Evacuation constraints were a key problem in this period, as third-party infrastructure suffered outages:

- Leaks failures at the Trans Forcados Oil Terminal caused its operator to declare force majeure on the TF pipeline in July, impacting OMLs 4, 38, 40 & 41 and OPL 283. The repairs of this facility were resolved in October and a backup system is expected to be put in place to avoid a recurrence;
- Production at the Jisike field (1kbopd in OML 53) having been shut in since Q1 following a force majeure declaration by Shell on Bonny Light crude exports. The terminal was closed due to a Niger Delta pipeline leak, and is expected to re-open in November, and a backup option involving trucking crude to an alternative refinery is being tested in Q4;
- Theft continues to be an issue with above-ground pipelines, with the NNPC estimating that it accounts for c.470kbopd, in Nigeria: an astonishing number when compared to the <1m bopd Nigeria exported in August. The thefts have recently become so bad that terminal operators have been declaring force majeure due to lack of deliveries.

Q3 was particularly bad, with production down 58% from Q2. The Amukpe-Escravos Pipeline was able to offset some of impact of the shut ins, but not all. Reconciliation losses of 13.8% for the 9 months were some 1.6pp worse than for H1.

We believe the situation will, having reached such its current level, now start to improve as the government and the NNPC take more action – including cooperating with the Nigerian Navy, the EU, and various other state security agencies. Between April and August, 240kbbl of oil were seized, which whilst not yet material is a start, and represents a statement of intent.

Fields in OMLs 40 and 283 were actually ahead YoY, but couldn't offset the declines in the other blocks:

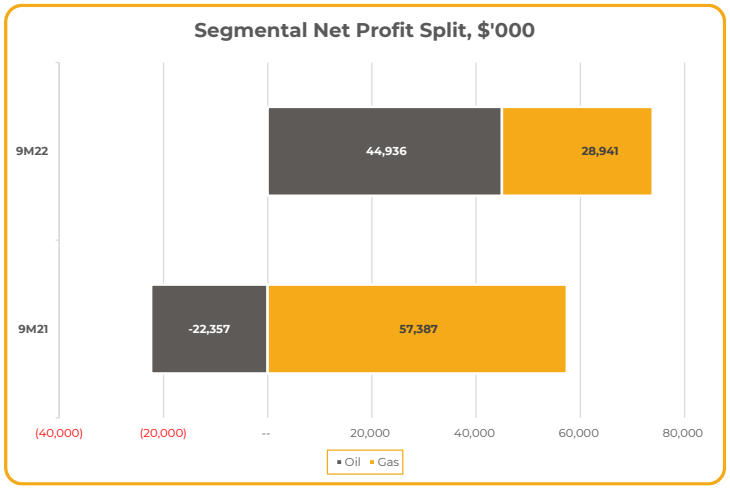
Block	Share	9M21 Liquid Production, bopd	9M21 Gas Production, MMscf	9M21 Total, boepd	9M22 Liquid Production, bopd	9M22 Gas Production, MMscf	9M22 Total, boepd
OML 4, 38, 41	45%	17,722	113	37,197	14,710	113	34,157
OML 40	45%	5,058	--	5,058	6,316	--	6,316
OML 53	40%	3,302	--	3,302	1,806	--	1,806
OPL 283	40%	1,004	--	1,004	1,058	--	1,058
Total		**27,086**	**113**	**46,561**	**23,890**	**113**	**43,337**
Change					**-11.8%**	**0.0%**	**-6.9%**

In the 9 months, 8 wells were completed on schedule and overall, below budget: Amukpe-05, Opuama-12, Opuama-13, Opuama-14, Gbetiokun-13 (Spudded late 2021), Oben-52 and Owu-02 (appraisal well)). Seplat expects gross aggregate production of c. 10,000 bopd from the wells.

Midstream Gas – The Domestic Gas Supply Obligation pricing revision (lower) was nearly offset through various price renegotiations on the private side, leaving the average sale price at $2.80/Mscf; only 6c lower than 9M21. The impact on this business of the proposed conversion to the PIA is explored in the relevant section below.

Ubima – All Grace Energy, Seplat's JV partner at Ubima, has continued to pay the consideration ($13.4m out of the $55m agreed sale price) due for its purchase of Seplat's portion of the JV, and Ubima's production has now been removed from output reports.

Abiala Farm-in – Elcrest (a 45% subsidiary of Seplat) has entered into a 95% farm-in agreement with the owner of this marginal field (c.23MMbbls 2C), and will operate and finance the field.



Financial Highlights

Revenue – group revenue grew 34.4% to $618.6m as 44.8% oil price gains were able to more than offset the fall in oil production, flat gas production, and the slight fall in average gas prices.

Oil averaged $108.25/bbl compared to $67.43/bbl in 9M21, which more than offset a fall in oil lifting by offtakers from 5.5MMbbls to 4.9MMbbls. Oil underlift added $60.3m to "other revenue".

Reconciliation losses rose to 13.8% as discussed above, and whilst we incorrectly called this at the half years, we still believe this should come down from now onwards as a significant proportion of output will now be evacuated through the new, more secure Amukpe-Escravos underground pipeline.

Gas revenue fell 7.9% to $83.7m on lower pricing as a result of the DSO, and from 3Q22 onwards the annual impact of this should smooth out. As discussed in prior notes, we believe this will reverse in 2023-2025 when the DSO price cap is removed.

Gas prices (outside the DSO) should improve in coming quarters as diesel (for which gas is a key substitute) prices are rising (+c.200% YTD) and companies seek to install LNG infrastructure to replace it. Industrial zones have started to implement plans to install gas infrastructure to ensure security of supply, and last year the government kicked off its "Decade of Gas" programme, encouraging increased gas penetration across the economy.

Operating profit – At $235.9m, this was 49.5% ahead YoY due to the flow down from higher oil prices. This included $14.9m of impairments in H1, of which $6.4m related to ageing government receivables, which will reverse if these are recovered. G&A costs were 47.4% higher YoY as a result of the resumption of travel, after 1H21 was restricted by COVID.

PBT - $185.2m vs. $97.4m in 9M21, which after a 60% effective tax rate (4pp better YoY) resulted in a $73.9m net profit.

EPS was therefore 13c/share compared to 11c/share in 9M21.

Debt refinance – Seplat refinanced its $350m RCF, due December 2023, for 3 years plus an automatic extension to December 2026 once the $650m April 2026 bond is refinanced. The margin over base is 6%, which drops to 5% once the Amukpe Escravos pipeline is stable at an average working interest production of at least 15kbopd over 45 consecutive days.

Cash – Seplat ended the period with a strong cash position, particularly in light of the $128.3m MPNU deposit and $12m Abiala farm-in fee having been paid out. The former would be returned should the deal fail to complete, so is counted as a receivable, which will reduce one way or another in due course.

Other key cash movements include $110m of capex, $44m of dividends, and $59m of net interest paid, as well as a fall in the Ubima receivable as more of it was paid off in Q3. We see no reason this would not be paid in full.

Operating cash flow was $317.4m though net debt rose to $452.2m from $426.1m, Cash at hand grew by c.$31m YoY to $305m, ensuring significant liquidity.

Summary, $m	9M21	9M22	Change
Oil revenue	370	535	45%
Average realised oil price, $	*67.43*	*108.25*	*61%*
Gas revenue	91	84	(8%)
Average realised gas price, $	*2.86*	*2.80*	*(2%)*
Total revenue	**460**	**619**	**34%**
Cost of sales	(314)	(335)	7%
Gross profit	**147**	**283**	**93%**
Margin	*32%*	*46%*	
G&A	(54)	(79)	47%
Underlift/(overlift)	75	60	(19%)
Other	(10)	(28)	199%
Operating profit	**158**	**236**	**49%**
Net finance costs	(61)	(51)	(17%)
Profit before tax	**97**	**185**	**92%**
Tax credit / (expense)	(62)	(111)	81%
Net (Loss)/Profit	**35**	**74**	**111%**
Effective tax rate	64%	60%	-4pp
Capital investment	84	110	31%
Cash flow from operations	**164**	**368**	**125%**

Strategic Progress - MPNU

Please see our note (here) for a detailed look at the MPNU acquisition from ExxonMobil. Following the NNPC's commencement of legal action to block the transaction as a result of its interpretation of its pre-emption rights, the State High Court of the Federal Capital Territory in Abuja, Nigeria, granted an injunction to block completion. Seplat was not named in the suit, which was filed against Exxon's local companies.

Seplat Energy has reiterated that the SPA is still valid and subsisting, that it has not received notification that ministerial consent has been withdrawn, and that it remains confident the proposed acquisition will complete.

Strategic Progress – ANOH

Importantly, the ANOH Gas Processing Plant is still on track to deliver first gas in 1H23: 90% of the equipment has been installed on its foundations and piping/connecting it all is ongoing.

The spur line to Oben, which crosses the river Niger, encountered technical issues earlier in the year. In response, geotechnical surveys allowed the contractor to identify areas of the tunnelling path that "*require grouting to improve the subsurface stability to support the tunnelling operations.*" The pipe installation operations are expected to resume after the completion of grouting.

Two of the three gas wells planned to provide ANOH with feedstock were completed in Q3, and are shut in until the plant is commissioned. Drilling on the third well is due to commence in Q4, with a rig en route. These three will provide enough gas to run the plant at capacity.

Completion of this plant entails a further 100Mscfd of gas and 9kbopd production from as early as 3Q23, provided the government pipeline is completed.

After delays earlier in the project, execution at this stage appears to be exemplary, and this timeline allows for a significant boost to cashflows in FY23.

Strategic Progress – PIA

Seplat has elected to convert its operated oil leases to the PIA regime, and has provisionally applied to the regulator to enact this. The effective conversion date for the PIA is February 2023, but is subject to the finalisation of post-PIA regulations (within the purview of the Commission and Authority). Seplat therefore reserves the right to withdraw its application to convert should the regulations tilt the cost-benefit equation when revealed.

There are several implications of converting to the PIA. Firstly, the business must now unbundle its midstream and upstream gas operations - revenues and costs at both levels will be reported separately for tax purposes.

Secondly, the PIA lowers oil and gas royalty rates at the upstream level, and removes the tax on midstream (plant) condensates, which is overall favourable to Seplat relative to the legacy Petroleum Profit Tax terms.

Dividends

Seplat continues to offer a quarterly dividend, which is currently well protected by significant profitability, cash flow, cash on the balance sheet, and retained earnings.

For Q3, the board has approved another quarterly dividend of $0.025 per share, in line with the last 6 quarters, and taking dividends YTD to $0.075. At the current (1.16) exchange rate this is equivalent to 2.155p.

Declaration	Type	USD	GBP
27 October 2022	Quarterly	$0.025	£0.02
28 July 2022	Quarterly	$0.025	£0.02
28 April 2022	Quarterly	$0.025	£0.02
28 February 2022	Final	$0.025	£0.02
28 October 2021	Quarterly	$0.025	£0.02
29 July 2021	Interim	$0.025	£0.02
29 April 2021	Quarterly	$0.025	£0.02
FY 2020	Combined	$0.10	£0.07
FY 2019	Combined	$0.10	£0.07
FY 2018	Combined	$0.15	£0.11
FY 2017	Omitted	$0.00	£0.00
FY 2016	Combined	$0.04	£0.03
FY 2015	Combined	$0.13	£0.09
Total		**$0.70**	**£0.50**

HSE/Safety Update

There have now been no fatalities or LTI injuries for 3 years, including the 6.2m hours worked in the 9 months – however there was one major injury, after which improvements have been implemented to prevent a repeat. There were 43 incidents in total, slightly elevated YoY, including 8 reportable spill and 4 gas leaks, all of which were fixed with limited environmental damage.

Seplat aims to reduce its greenhouse gas emissions by at least 20% against its 2022 baseline. In Q3 Seplat West (OML 4, 38 & 41) was awarded the ISO 55001 Asset Management Systems certification, which reflects energy efficiency and sustainable operations.

Hedging

Seplat continues to hedge through the purchase of put options to ensure a minimum level of cashflow is maintained regardless of oil prices. Seplat is more lightly hedged than it has been in the past, with 3m barrels covered vs. 7.5m at the end of H1. Seplat expects, in line with its policy of hedging production 2 quarters ahead, to increase the hedging of 2023 production. The average premium has fallen in the quarter, from $1.32/bbl to $1.195/bbl.

Calendar Quarter	Quantity Hedged (MMbbls)	Strike
4Q22	1.5	$65
1Q23	1.5	$50
Further Hedging Likely, Targeted two Quarters ahead		

Outlook

Management has reduced its production guidance from 50k-54kboepd for FY22 to 40k-44kboepd due to the production interruptions experienced in Q3. However, the exit rate for the year is expected to be c. 55kboepd including 7 new wells that should complete in Q4. This is driven by the combination of these new wells, the activation of the new Amukpe-Escravos Pipeline and export terminal, and the resumption of operations in the Forcardos Oil Terminal and Trans-Niger Pipeline.

Capex is still expected to be c.$160m, spent drilling (8 wells completed in 9M22 on time and on budget, and 7 more to complete in Q4), as well as funding ongoing maintenance and completion of existing projects. The spend breakdown is $110m on production & development, $20m on improving asset integrity, and $30m on exploration/other costs.

Appendices

P&L

$'000	2019 a	9M20 a	2020 a	9M21 a	2021 a	9M22 a
DPS, c	**10**	**7.5**	**10**	**7.5**	**10**	**7.5**
Growth	***0%***	***N/A***	***0%***	***0%***	***0%***	***0%***
Payout Ratio	**22.0%**	**-75.9%**	**-78.7%**	**66.1%**	**41.2%**	**57.9%**
Total Cash Dividends	**56,923**	**43,505**	**57,964**	**43,623**	**58,165**	**43,623**
Basic NoS	**569,228**	**580,061**	**579,638**	**581,646**	**581,646**	**581,646**
FD NoS	**581,615**	**589,740**	**588,445**	**584,447**	**584,447**	**584,447**
Revenue Growth YoY	**-6%**	**-22%**	**-24%**	**19%**	**38%**	**100%**
Adjustments profits/(costs)	**35,977**	**--**	**153,000**	**--**	**--**	**--**
Adj. EBIT	**347,952**	**(79,341)**	**121,284**	**157,798**	**250,688**	**235,859**
Margin	**49.9%**	**-20.5%**	**22.9%**	**34.3%**	**34.2%**	**38.1%**
D&A	**93,916**	**29,847**	**136,323**	**33,149**	**150,756**	**106,841**
Adj. EBITDA	**441,868**	**(49,494)**	**257,607**	**190,947**	**401,444**	**342,700**
Margin	**63.3%**	**-12.8%**	**48.6%**	**41.5%**	**54.8%**	**55.4%**
Discontinued Ops	**13,166.0**	**--**	**--**	**--**	**--**	**--**
Adj. PBT	**328,944**	**(130,072)**	**72,791**	**97,359**	**177,345**	**185,239**
Adj. Tax	**(29,125)**	**33,752**	**(5,113)**	**(62,329)**	**(60,169)**	**(111,362)**
Effective rate	**8.9%**	**25.9%**	**7.0%**	**64.0%**	**33.9%**	**60.1%**
Adj. NI	**263,842**	**(96,320)**	**(85,322)**	**35,030**	**117,176**	**73,877**
Margin	**37.8%**	**-24.8%**	**-16.1%**	**7.6%**	**16.0%**	**11.9%**
Adj. EPS	**0.46**	**(0.10)**	**(0.13)**	**0.11**	**0.24**	**0.13**
Adj. FD EPS	**0.45**	**(0.10)**	**(0.13)**	**0.11**	**0.24**	**0.13**

$'000	2019 a	9M20 a	2020 a	9M21 a	2021 a	9M22 a
Revenue	**697,777**	**387,775**	**530,467**	**460,357**	**733,188**	**618,603**
Cost of sales	**(302,039)**	**(297,182)**	**(405,892)**	**(313,862)**	**(447,999)**	**(335,164)**
Gross profit	**395,738**	**90,593**	**124,575**	**146,495**	**285,189**	**283,439**
Other income	29,876	42,239	83,864	82,020	20,118	53,272
G&A Expenses	(70,617)	(52,419)	(76,047)	(53,879)	(80,090)	(79,403)
Impairment losses on financial assets	(48,581)	(21,437)	(29,947)	(6,874)	(22,561)	(6,377)
Impairment losses on non-financial assets	--	(158,228)	(114,402)	--	59,138	(8,492)
Fair value gain/(loss)	5,559	19,911	(19,759)	(9,964)	(11,106)	(6,580)
Operating profit	**311,975**	**(79,341)**	**(31,716)**	**157,798**	**250,688**	**235,859**
Finance income	13,471	2,034	1,671	22	314	483
Finance cost	(33,539)	(53,834)	(51,834)	(61,056)	(76,197)	(51,217)
Finance cost	**(20,068)**	**(51,800)**	**(50,163)**	**(61,034)**	**(75,883)**	**(50,734)**
Share of JV Profit	1,060	1,069	1,670	595	2,540	114
PBT	**292,967**	**(130,072)**	**(80,209)**	**97,359**	**177,345**	**185,239**
Income tax	(29,125)	33,752	(5,113)	(62,329)	(60,169)	(111,362)
Effective Rate	9.9%	N/A	N/A	64.0%	33.9%	60.1%
Profit From Cont. Ops	**263,842**	**(96,320)**	**(85,322)**	**35,030**	**117,176**	**73,877**
Profit From Discontinued Ops	13,166	--	--	--	--	--
Profit	**277,008**	**(96,320)**	**(85,322)**	**35,030**	**117,176**	**73,877**
Attributable to s/holders:	277,008	(58,259)	(74,742)	66,355	141,784	75,733
Attributable to NCIs:	--	(38,061)	(10,580)	(31,325)	(24,608)	(1,856)
Other comprehensive income:						
FX Difference	*(750)*	--	*(1,399)*	--	--	--
Items that will not be reclassified to profit or loss:						
Remeasurement of Pensions	*(656)*	--	*80*	--	--	--
Deferred tax credit/(expense) on remeasurement (gain)/loss	*558*	--	*(69)*	--	--	--
Other Net Income/(Loss)	**(848)**	**--**	**(1,388)**	**--**	**--**	**--**
Total Comprehensive Income	**276,160**	**(96,320)**	**(86,710)**	**35,030**	**117,176**	**73,877**
Basic EPS Reported	0.49	(0.10)	(0.13)	0.11	0.24	0.13
Diluted EPS Reported	0.47	(0.10)	(0.13)	0.11	0.24	0.13
No. Shares	569,228	580,061	579,638	581,646	581,646	581,646
Diluted No. Shares	581,615	589,740	588,445	584,447	584,447	584,447

Balance Sheet

$'000	2019 a	9M20 a	2020 a	9M21 a	2021 a	9M22 a
Gross Debt	789,408	698,415	698,415	753,706	766,614	756,982
Net Debt (cash)	456,380	439,697	439,697	479,776	750,585	452,159
Net Debt/EBITDA	**1.0x**	**N/A**	**1.7x**	**N/A**	**1.9x**	**N/A**
Gross Profit/Assets	0.12x	N/A	0.04x	N/A	0.07x	N/A
Net Debt (Cash)/Equity	0.3x	0.3x	0.3x	0.3x	0.4x	0.3x
ROCE	13.1%	N/A	4.1%	N/A	7.3%	N/A
Capital Employed	2,647,261	2,978,121	2,978,121	3,067,689	3,411,829	2,822,028
ROE	14.6%	N/A	-5.1%	N/A	6.9%	N/A
ROA	8.1%	N/A	-2.5%	N/A	3.0%	N/A

$'000	2019 a	9M20 a	2020 a	9M21 a	2021 a	9M22 a
Non-current assets	-	-	-	-	-	-
Oil & gas properties	1,558,213	1,603,888	1,603,888	1,606,251	1,604,025	1,596,263
Other P, P, & E	14,201	14,027	14,027	10,772	27,255	25,871
Right-of-use assets	13,115	10,435	10,435	7,630	7,404	6,008
Intangible assets	174,566	58,687	58,687	54,031	131,200	132,198
Other asset	130,915	117,448	117,448	112,551	112,551	101,711
Equity Investments	161,071	222,741	222,741	223,337	225,270	225,396
Prepayments	62,892	61,744	61,744	66,247	66,788	69,297
Deferred tax	222,697	762,833	762,833	747,333	1,041,406	356,818
Total non-current assets	**2,337,670**	**2,851,803**	**2,851,803**	**2,828,152**	**3,215,899**	**2,513,562**
Current assets	-	-	-	-	-	-
Inventories	84,508	74,570	74,570	72,786	74,957	60,781
Trade and other receivables	486,762	254,671	254,671	276,286	255,557	456,533
Prepayments	6,397	3,644	3,644	3,768	1,726	1,975
Contract assets	21,259	6,167	6,167	8,072	4,076	4,570
Derivatives (restricted cash)	1,486	--	--	--	324,490	17,674
Cash and bank balances	333,028	258,718	258,718	273,930	16,029	304,823
Total current assets	**933,440**	**597,770**	**597,770**	**634,842**	**676,835**	**846,356**
Total assets	**3,271,110**	**3,449,573**	**3,449,573**	**3,462,994**	**3,892,734**	**3,359,918**
Equity						
Issued share capital	1,845	1,855	1,855	1,862	1,862	1,862
Share premium	503,742	511,723	511,723	519,931	520,138	520,138
Share-based payment reserve	30,426	27,592	27,592	20,901	22,190	25,688
Treasury Shares	--	--	--	--	(4,915)	(4,915)
Capital contribution	40,000	40,000	40,000	40,000	40,000	40,000
Retained earnings	1,249,156	1,116,079	1,116,079	1,124,547	1,185,082	1,216,682
FX translation reserve	2,391	992	992	992	1,933	682
Non-controlling interest	(23,621)	(34,196)	(34,196)	(65,521)	(58,804)	(60,660)
Total shareholders' equity	**1,803,939**	**1,664,045**	**1,664,045**	**1,642,712**	**1,707,486**	**1,739,477**
Non-current liabilities						
Interest bearing loans	677,075	604,947	604,947	693,289	705,953	682,660
Lease liabilities	8,518	4,187	4,187	4,627	481	2,280
Contingent consideration	--	162,619	162,619	157,678	154,659	155,688
Provision for decommissioning obligation	147,921	531,632	531,632	556,031	833,101	228,733
Defined benefit plan	9,808	10,691	10,691	13,352	10,149	13,190
Total non-current liabilities	**843,322**	**1,314,076**	**1,314,076**	**1,424,977**	**1,704,343**	**1,082,551**
Current liabilities						
Interest bearing loans	112,333	93,468	93,468	60,417	60,661	74,322
Lease liabilities	692	1,787	1,787	1,345	3,090	2,763
Derivative Financial Instruments	--	--	1,648	287,545	3,745	1,314
Trade and other payables	468,804	343,340	343,340	5,105	367,058	424,948
Contingent liability	7,217	1,648	--	--	--	--
Contract liabilities	16,301	9,470	9,470	9,470	--	--
Current tax liabilities	18,502	21,739	21,739	31,423	46,351	34,543
Total current liabilities	**623,849**	**471,452**	**471,452**	**395,305**	**480,905**	**537,890**
Total liabilities	**1,467,171**	**1,785,528**	**1,785,528**	**1,820,282**	**2,185,248**	**1,620,441**
Total equity and liabilities	**3,271,110**	**3,449,573**	**3,449,573**	**3,462,994**	**3,892,734**	**3,359,918**

Cash Flow

$'000	2019 a	9M20 a	2020 a	9M21 a	2021 a	9M22 a
Cash flows from operating activities						
Cash generated from operations	341,571	197,776	329,414	163,760	394,339	368,120
Tax paid	(3,533)	(10,377)	(10,431)	(12,746)	(12,993)	(43,131)
Defined benefits paid	(280)	--	(213)	--	--	--
Contribution to Plan Assets	--	--	(1,670)	--	(2,497)	--
Hedge Premium Paid	--	--	(8,380)	(6,507)	(9,010)	(7,550)
Net cash inflows from operating activities	**337,758**	**187,399**	**308,720**	**144,507**	**369,839**	**317,439**
Cash flows from investing activities						
Payment for acquisition of oil and gas properties	(114,339)	(105,234)	(144,729)	(83,384)	(136,381)	(110,260)
Payment for acquisition of intangible assets & deposits for acquisitions	--	--	--	--	(33,498)	(140,300)
Proceeds from disposal of oil and gas properties	50,614	--	--	--	--	7,905
Acquisition of other P, P, & E	(10,438)	(3,374)	(5,202)	(606)		(1,606)
Payment for acquisition of subsid, net of cash acquired	(451,199)	--	--	--	--	--
Cash on loss of control of subsidiary	(154,240)	--	--	--	--	--
Payment for investment in JV	(103,050)	(30,000)	(60,000)	--	--	--
Disposal of other P, P, & E	--	--	3	--	--	19
Prepayment of rent	--	--	--	--	(679)	--
Receipts from other asset	36,185	4,737	4,737	4,897	4,897	10,840
Payments for plan assets	--	--	--	--	--	--
Interest received	13,471	2,034	1,671	22	314	483
Net cash outflows from investing activities	**(732,996)**	**(131,837)**	**(203,520)**	**(79,071)**	**(165,347)**	**(232,919)**
Cash flows from financing activities						
Repayments of loans	(100,000)	(100,000)	(100,000)	(600,000)	(600,000)	--
Proceeds from loans	346,500	10,000	10,000	671,000	671,000	--
Dividends paid	(58,708)	(29,208)	(58,342)	(58,402)	(73,354)	(44,133)
Payments for other financing charges & Leases	(8,783)	(3,275)	(4,334)	(21,388)	(29,168)	(7,596)
Interest paid on loans	(33,770)	(58,030)	(64,767)	(61,810)	(69,236)	(59,189)
Net cash inflows/(outflows) from financing	**145,239**	**(180,513)**	**(217,443)**	**(70,600)**	**(100,758)**	**(110,918)**
Net (decrease)/increase in cash	**(249,999)**	**(124,951)**	**(112,243)**	**(5,164)**	**103,734**	**(26,398)**
Cash & equivalents at period start	**581,305**	**326,330**	**326,330**	**225,137**	**225,137**	**324,490**
Effects of FX on cash	(4,976)	(1,143)	11,050	181	(4,381)	6,732
Cash & equivalents at period end	**326,330**	**200,236**	**225,137**	**220,154**	**324,490**	**304,824**
FCF	297,977	129,033	227,679	101,738	274,805	144,304
Dividend as % of FCF	19%	34%	25%	43%	21%	30%

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