



# Stability Performance Growth

2019 GAS BUSINESS - CAPITAL MARKETS DAY – 26<sup>th</sup> JUNE 2019

# 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 this presentation 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.

# AGENDA



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# PRESENTATION TEAM



**AUSTIN AVURU**

Chief Executive Officer

- Co-founder of Seplat
- Over 30 years O&G experience
- Previous positions at Nigerian National Petroleum Corporation (NNPC) and Allied Energy Resources
- BSc, Geology, University of Nigeria
- Diploma, Petroleum Engineering, University of Ibadan



**ROGER THOMPSON BROWN**

Chief Finance Officer

- Over 25 years experience in the energy industry
- Previous positions at Standard Bank (EMEA Oil & Gas Managing Director) and PwC
- BSc, Finance, University of Dundee
- MSc, Finance, University of Ulster
- Qualified Chartered Accountant with the Institute of Chartered Accountants, Scotland



**EFFIONG ('EFFY') OKON**

Operations Director

- Over 26 years experience in O&G
- Previous positions at Shell (General Manager, Deepwater production and Vice President Technical)
- B.Eng, Petroleum Engineering, University of Benin
- Member of the Society of Petroleum Engineers ('SPE')

Position at Seplat

Background  
&  
Career  
Highlights

# PRESENTATION TEAM



**YETUNDE TAIWO**

AGPC Managing Director

- 28 years of diversified upstream experience, technical and commercial
- Previous positions at National Petroleum Investment Management Services, NAPIMS (NNPC subsidiary); BG and Chevron
- BSc. Petroleum Engineering from University of Ibadan



**DOUG KINLOCH**

AGPC Project Manager

- Over 35 years experience in international oil and gas engineering and operations
- Previous positions held with Conoco UK Ltd, Brown and Root, Hibernia MDC Canada and Addax Petroleum
- Incorporated Engineer (ret) with Institute of Electrical Engineers



**OKECHUKWU MBA**

General Manager Gas

- Over 17 years of experience in oil and gas tax and commercial
- Previous positions at ExxonMobil and BG where he was the planning manager for Nigeria
- BSc. in Accounting and a Fellow of the Institute of Chartered Accountants of Nigeria

Position at Seplat

Background  
&  
Career  
Highlights



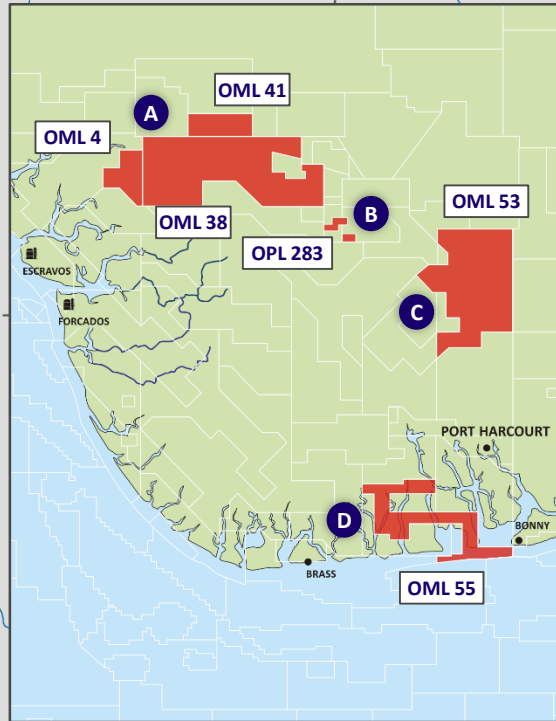
# Stability INTRODUCTION

//////  
Austin Avuru  
- Chief Executive Officer



# THE LEADING INDEPENDENT NIGERIAN OIL AND GAS E&P COMPANY

DUAL LISTED NIGERIAN PURE PLAY WITH A PORTFOLIO OF SIX OIL AND GAS BLOCKS IN THE NIGER DELTA



		SURFACE AREA	SEPLAT W.I
A	OMLs 4,38,41	2,652 Km <sup>2</sup>	45.0%
B	OPL 283	1,226 Km <sup>2</sup>	40.0%
C	OML 53	1,585 Km <sup>2</sup>	40.0%
D	OML 55	840 Km <sup>2</sup>	Revenue interest




**PREMIUM BOARD**  

**London Stock Exchange**

- Dual listed on NSE (ticker "SEPLAT") and LSE main market (ticker "SEPL")
- Shares in issue 588.4 million
- Free float >50%

# A FOCUSED AND PERFORMING BUSINESS

## SEPLAT IN KEY NUMBERS

### OPERATIONAL

2018 WI production

**49,864 boepd**

(Within guidance)

FY 2019E: 49,000 – 55,000 boepd



Low unit production opex

**US\$5.77/boe**

(achieved in 2018)

Operationally efficient business



Large scale 2P reserves base

**481 Mmboe**

(Evenly balanced between oil & gas)

26 year production underpin



### FINANCIAL

Strong profitability

**US\$238 million**

(2018 profit before deferred tax)

Reinstatement of sustainable dividend



Self funded core production business

**US\$502 million**

(2018 cash flow from operations)

Compared to US\$88 million capex



Deleveraged the balance sheet

**US\$350 million**

(current gross debt)

Down from US\$899 million end 2015



### GAS BUSINESS

Gas revenues at record levels

**US\$156 million**

(gas prices de-linked from oil price)

Up from US\$26 million in 2012



Net WI domestic market supply

**145 MMscfd**

(strong domestic demand)

Another record year in 2018



Seplat WI gas processing capacity

**443 MMscfd**

(following fast-track Oben expansion)

Strategically important to Nigeria



# GOOD PROGRESS MADE AGAINST STRATEGIC PRIORITIES

PROACTIVE MANAGEMENT HAS POSITIONED SEPLAT FOR LONG TERM GROWTH AND VALUE CREATION FOR STAKEHOLDERS

## PAST



STABILISED & PROTECTED THE CORE BUSINESS IN DIFFICULT CONDITIONS...

- ✓ Upgraded Warri refinery alternative export route to 30,000 bopd gross capacity
- ✓ Grown the gas business (2018 revenues US\$156 million, or 21% of total revenue)
- ✓ Deleveraged the balance sheet and diversified capital sources (debut bond)
- ✓ Diligently preserved liquidity buffer
- ✓ Kept downward pressure on cost base (US\$5.77/boe production opex in 2018)

WITHSTOOD A PROLONGED PERIOD OF FORCE MAJEURE & EMERGED STRONGER

## CURRENT



...TRANSITIONED BACK INTO "BUILD AND GROW" MODE...

- ✓ Sustained profitability and FCF +’ve
- ✓ Optimised capital structure
- ✓ High graded work programme to drill out highest cash return production opportunities
- ✓ Reinstated dividend at earliest opportunity
- ✓ Access to the Amukpe-Escravos pipeline will significantly de-risk distribution of oil production to market

- ✓ **Deliver ANOH gas and condensate development to drive next phase of gas business growth (FID taken Q1 2019)**

## FUTURE



...WITH FUTURE GROWTH OPPORTUNITIES TO TRANSFORM

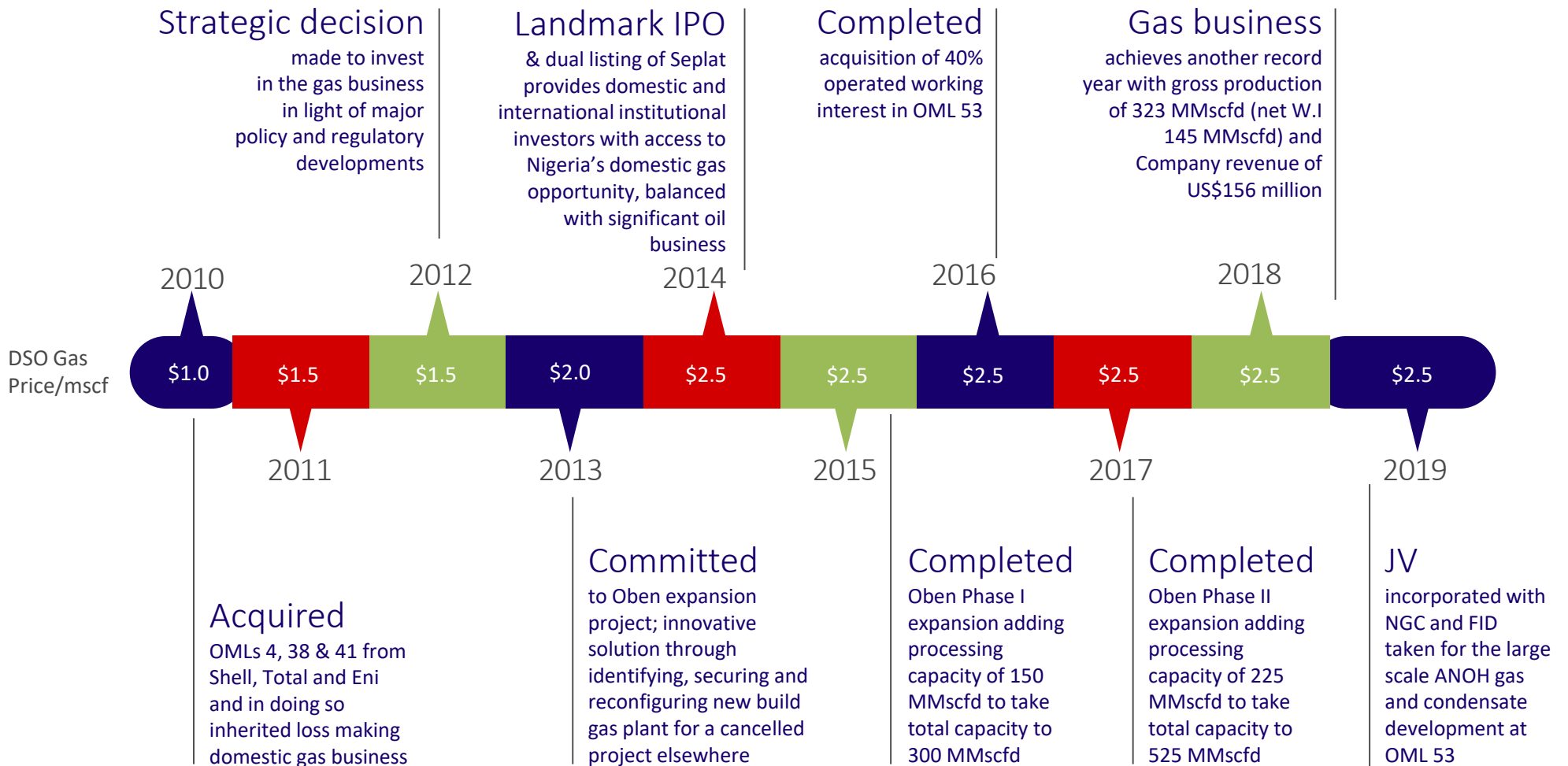
- Leverage Seplat’s unique position and strong track record to access new production and development assets in the Niger Delta
- Become the largest supplier of processed natural gas to the domestic market
- Position Seplat as the leading indigenous African Independent E&P

NIGERIA REMAINS THE MOST PROLIFIC OIL AND GAS OPPORTUNITY SET IN SSA

BUSINESS UNDERPINNED BY STRONG OIL AND GAS FUNDAMENTALS

# EVOLUTION OF SEPLAT'S GAS BUSINESS

RAPID TRANSFORMATION AND GROWTH THROUGH BOLD INVESTMENT AND EARLY MOVER ADVANTAGE

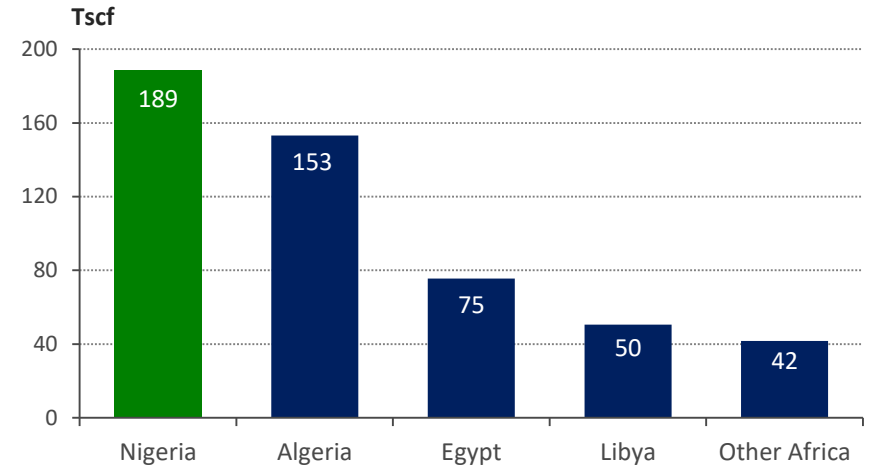


# KEY ATTRactions OF THE DOMESTIC GAS OPPORTUNITY

## EARLY MOVER ADVANTAGE CREATES OPPORTUNITY

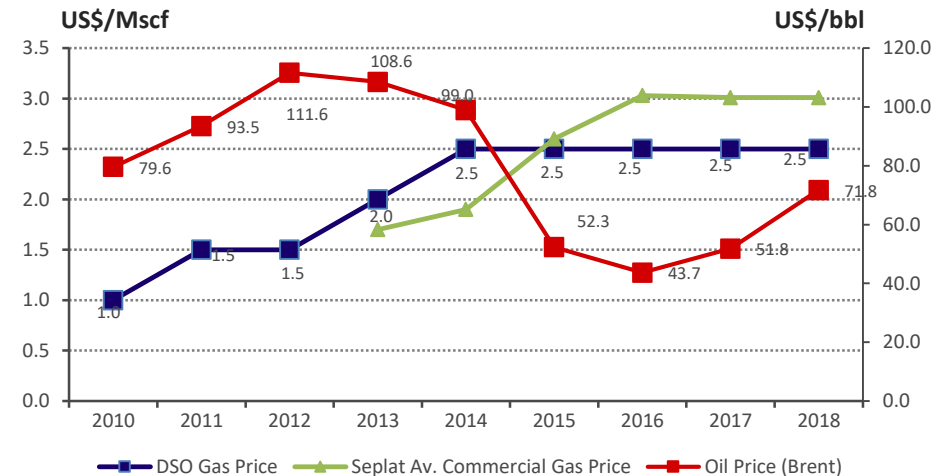
### AFRICA'S LARGEST GAS RESERVES

- Nigeria holds 37% of total proved gas reserves on the continent
- The majority is concentrated in the Niger Delta



### PRICING AT COMMERCIAL LEVELS AND DE-LINKED FROM OIL PRICE

- Domestic Supply Obligation (DSO) price has increased to commercial levels
- Determined by reference to the National Domestic Gas Framework and indexed against the OECD consumer price index
- Non DSO prices are determined on a willing buyer / willing seller basis



# KEY ATTRACTIONS OF THE DOMESTIC GAS OPPORTUNITY

## HIGHEST GROWTH PROSPECT IN AFRICA

### STRONG AND GROWING DEMAND

- One of the largest economies in Africa with a population today in excess of 201 million
  - 50% are urban dwellers while 62% is <25 years in age and 93% is <55 years in age
- Projected to grow to a population of 450 million people by 2050 (highest population growth in Africa) and become the third most populated country globally (behind only China and India)
- High demand from power industries and other commercial enterprises
- Current capacity deficit in thermal power generation provides immediate headroom to place additional gas volumes (significant installed but non-operating generation capacity exists)

### COMPETITIVE FISCAL TERMS

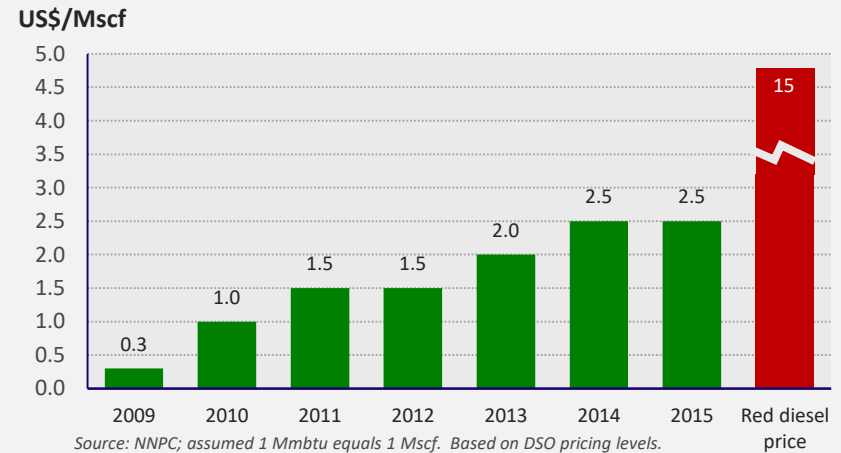
- 7% royalty on gas revenues as opposed to 20% on oil production
- No Petroleum Profit Tax. Companies Income Tax applies at a lower rate of 30%
- Gas utilisation incentive
  - Three years tax holiday (renewable for another two years) or a capital allowance uplift

# KEY ATTRactions OF THE DOMESTIC GAS OPPORTUNITY

## GAS A POSITIVE FOR NIGERIA'S BALANCE OF PAYMENTS

### DIESEL DISPLACEMENT (ATTRACTIVE SWITCHING ECONOMICS)

- It is estimated that there is at least 20,000 MW of off-grid diesel generated power in Nigeria
- The estimated cost of fuelling 20,000 MW diesel generators is around \$ 30 billion annualised
- Strong “push-and-pull” factors



### MULTIPLIER EFFECT AND BENEFITS TO NIGERIA'S ECONOMY

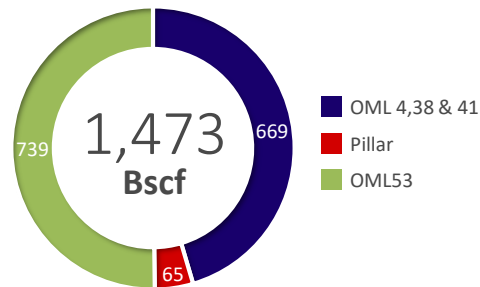
- Stimulate economic activity
  - Government ambition of using gas as an enabler for energy independence, industrial development, commerce, environmental and social sustainability
  - Real GDP growth driver for Nigeria
  - Reduce production cost with reduced power costs to businesses
- Raise standard of living
- Develop human capital
- Reduce environmental degradation and health risks

# THE GAS BUSINESS TODAY

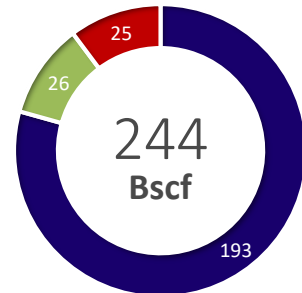
## INCREASING FINANCIAL CONTRIBUTION REALISED FROM LARGE SCALE RESERVES AND PROCESSING CAPACITY

### SIGNIFICANT RESERVES AND RESOURCE BASE TO UNDERPIN LONG TERM CONTRACTS

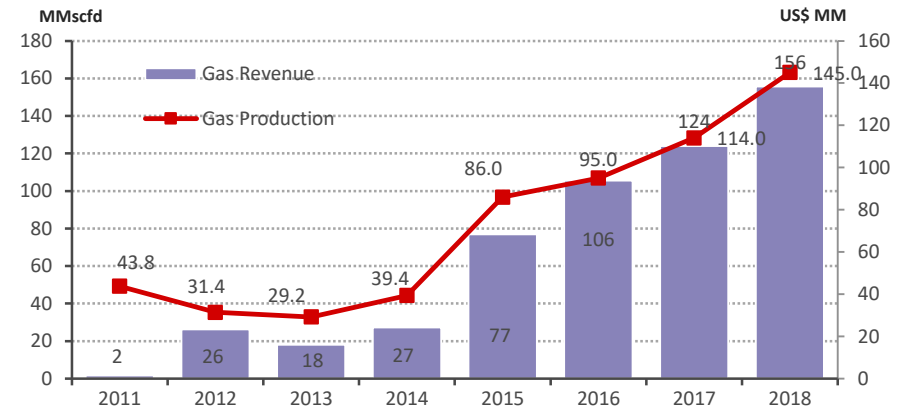
TOTAL WI 2P GAS RESERVES (Bscf)



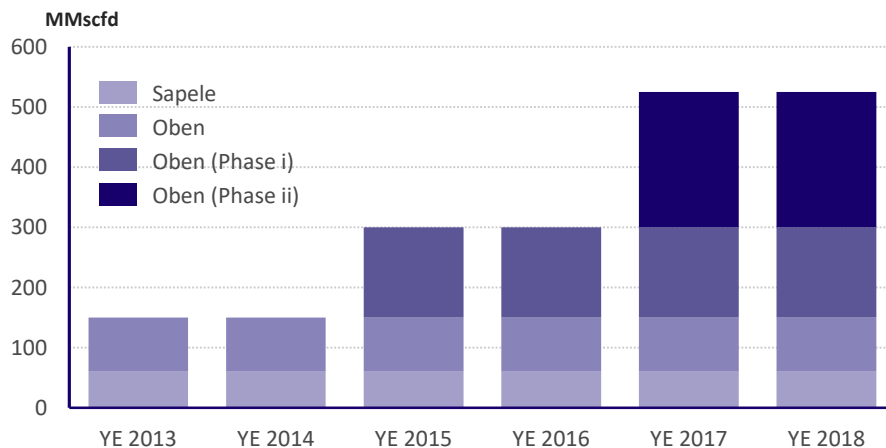
TOTAL WI 2C GAS RESOURCES (Bscf)



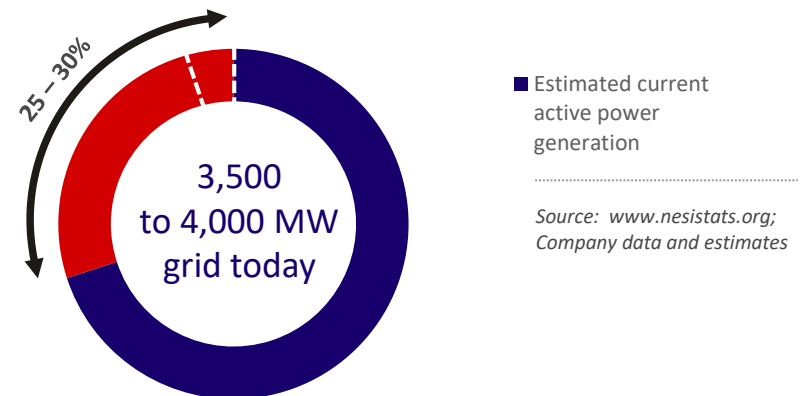
### AN INCREASING AND VALUABLE PRODUCTION AND REVENUE CONTRIBUTION



### SIZEABLE OPERATED MIDSTREAM GAS PROCESSING CAPACITY AVAILABLE



### SEPLAT'S CURRENT OUTPUT CAN UNDERPIN SIGNIFICANT POWER GENERATION



# CONTRIBUTION OF THE GAS BUSINESS IN 2018 BROKEN DOWN

OBEN HAS DELIVERED EXCELLENT FINANCIAL OUTCOMES A PROMINENT GAS HUB FOR NIGERIA

**Gas Revenues**  
**US\$156 million**  
(Naira receipts)

FY 2017: US\$124 million

**Low operating costs**  
**US\$1.98/boe**  
(Production opex)

\*FY 2017: N/A

**Condensate Revenues\*\***  
**US\$76 million**  
(US\$ receipts)

FY 2017: US\$42 million

**Capital Investment**  
**US\$48 million**

FY 2017: US\$25 million

**EBITDA**  
**US\$138 million**

FY 2017: US\$85million

**Contribution to Plc dividend**  
**US\$0.02/share**  
(US\$9.23million contribution in 2018 calendar year)

2017: Nil Dividend Paid

*\*Segment report was not done for 2017, first time prepared was in the approved 2018 financials*

*\*\*Condensate revenue which forms part of Oil revenue (not gas)*

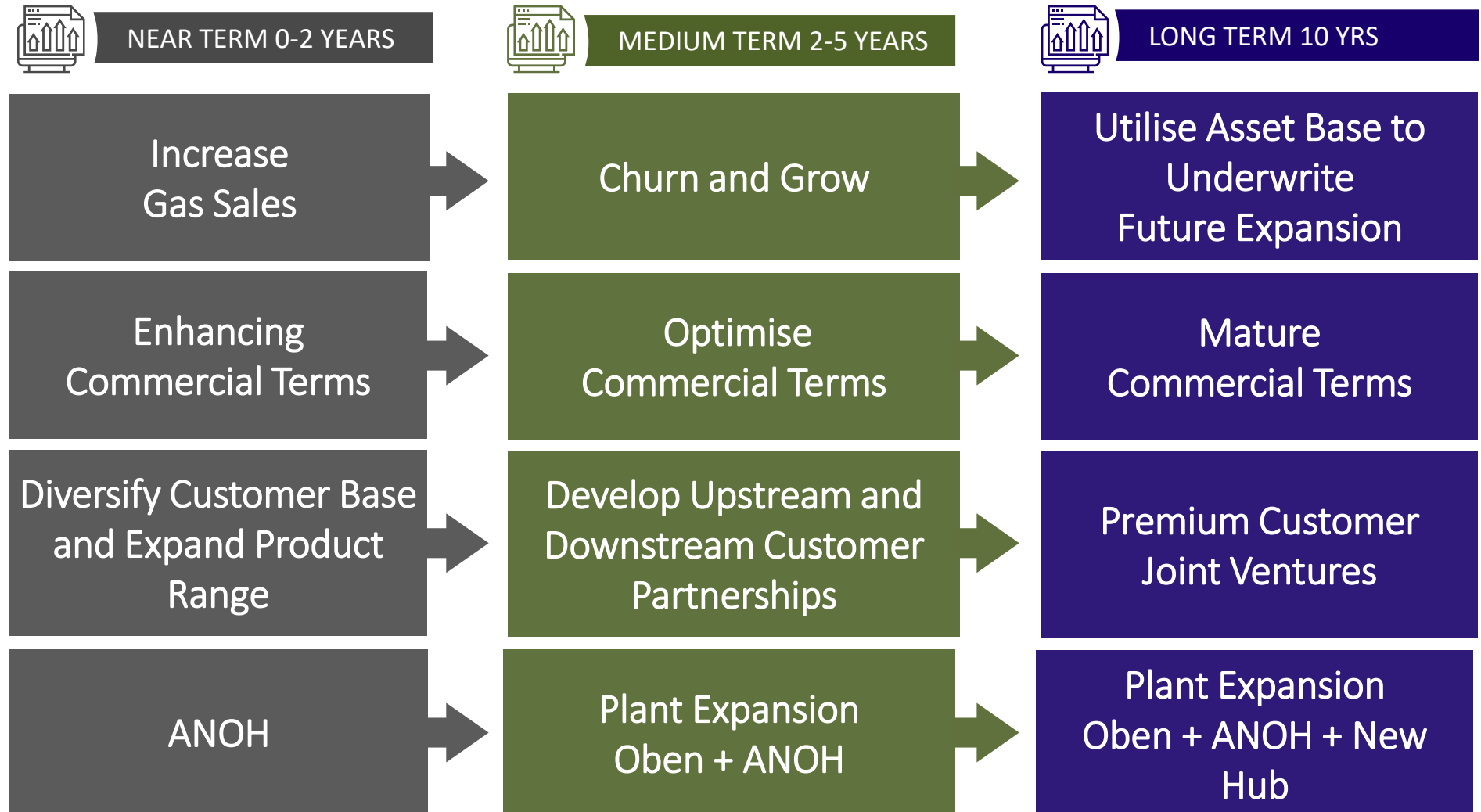
# THE LONG TERM VISION FOR SEPLAT'S GAS BUSINESS

ESTABLISHING AND GROWING CORE GAS HUBS WITH INTERCONNECTIVITY TO NIGERIA'S LARGEST DEMAND CENTRES



# GROWTH STRATEGY FOR SEPLAT'S GAS BUSINESS

POSITIONING SEPLAT TO BECOME THE PRE-EMINENT GAS PRODUCER IN NIGERIA





# Performance EXISTING GAS BUSINESS

Effy Okon  
- Operations Director



# OVERVIEW

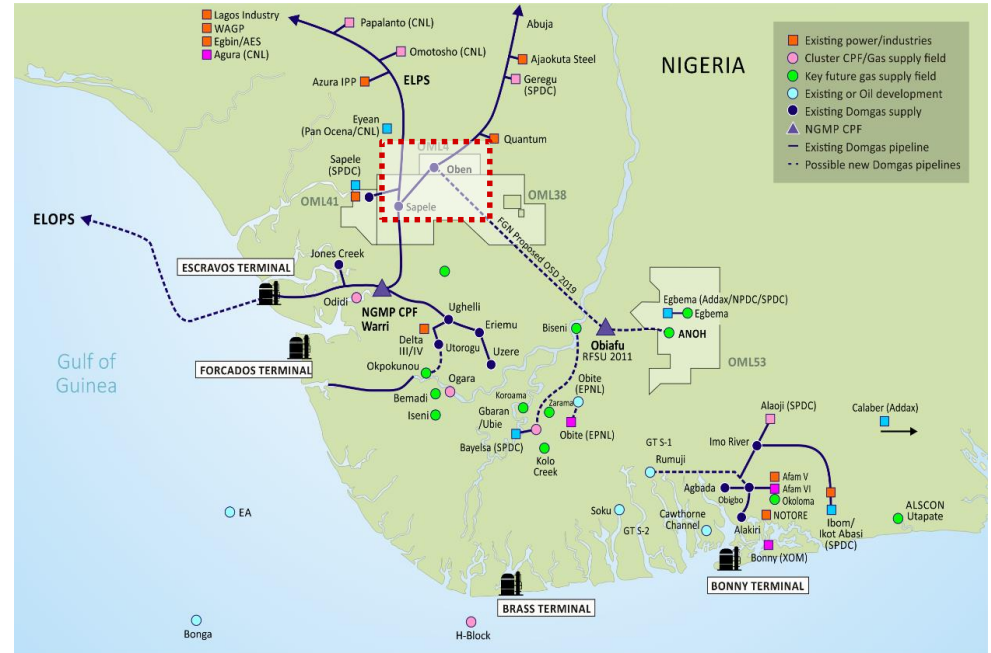
## ONE OF NIGERIA'S LARGEST BROWNFIELD GAS AND CONDENSATE DEVELOPMENT PROJECTS

### BACKGROUND

- The Oben field on OML 4 is the main NAG producing field with additional gas production also at the Orogho and Okporhuru fields
- There is extensive oil and gas infrastructure on the blocks

### ACHIEVEMENTS UNDER SEPLAT'S OPERATORSHIP

- Modular expansion of Oben gas plant processing capacity completed in two phases
  - Phase I expansion added 150 MMscfd in 2015
  - Phase II expansion added 225 MMscfd in 2017
- Safely delivered 7 new gas production wells
  - Wellhead capacity can support 400 MMscfd production
  - Significant additional condensate yield also realised



### IDEALLY LOCATED TO ACCESS NIGERIA'S MAJOR DEMAND CENTRES

- Oben is ideally placed with access to both the Abuja and Lagos axis
- Provides access to Nigeria's main demand centres (power and industrial corridors)

# SUCCESSFULLY DELIVERED OBEN MIDSTREAM PLANT EXPANSION

A TEMPLATE THAT CAN BE QUICKLY AND EFFICIENTLY REPEATED BY AN EXPERIENCED TEAM

## PROJECT



## PROJECT SUMMARY

- Phase 1 – 150 MMscfd gas plant modules
- Phase 1 - Storage tanks 100kbbbls
- Phase 2 – 225 MMscfd gas plant modules



## PROJECT GAINS

- US\$ 130 million cost saving by reconfiguring an already fabricated gas plant intended for Europe
- Phase 1 – Delivered Q1 2015
- Phase 2 – Delivered Q3 2017

## KEY HIGHLIGHTS



## SUMMARY

- Dedicated in house Project Management Team (PMT)
- Tried and tested technology
- Suppliers all proven in their respective fields
- Work breakdown ensured high standards and limited on-site fabrication
- Promoted local content
- Modular pre-testing reduced field work

## TAKEAWAYS FOR ANOH



## SUMMARY

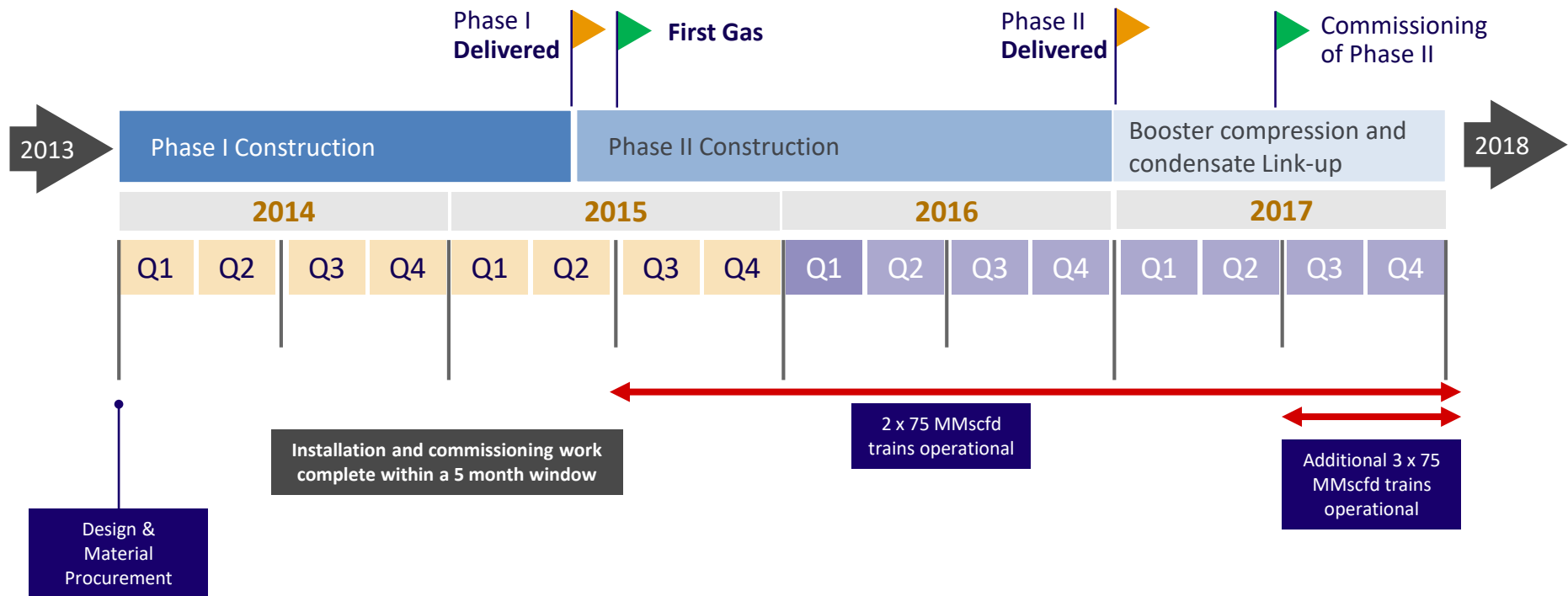
- Modularisation can and does work onshore Nigeria
- Projects can be delivered on time and in budget by experienced PMT
- ANOH is an Oben continuation
- EPC wrap structures are not a panacea for project execution onshore Nigeria
- PMT, contractor and designers must have a 'one team' culture

# OBEN PROJECT SCHEDULE & BUDGET

SEPLAT HAS A PROVEN TRACK RECORD OF DELIVERING MIDSTREAM GAS PROCESSING EXPANSION PROJECTS AT OBEN

## HIGHLIGHTS

- Oben Phase I expansion by 150 MMscfd completed in 18 months, within schedule and budget
- Oben Phase II expansion by a further 225 MMscfd completed in 15 months, within schedule and budget



# EXISTING GAS CAPACITY AND CONTRACTED VOLUMES

CAPITALISING ON EARLY MOVER ADVANTAGE TO COMMERCIALISE AND DEVELOP A STRATEGIC RESOURCE

## EXPERIENCE OF THE NIGERIA GAS MARKET - OBEN AND SAPELE

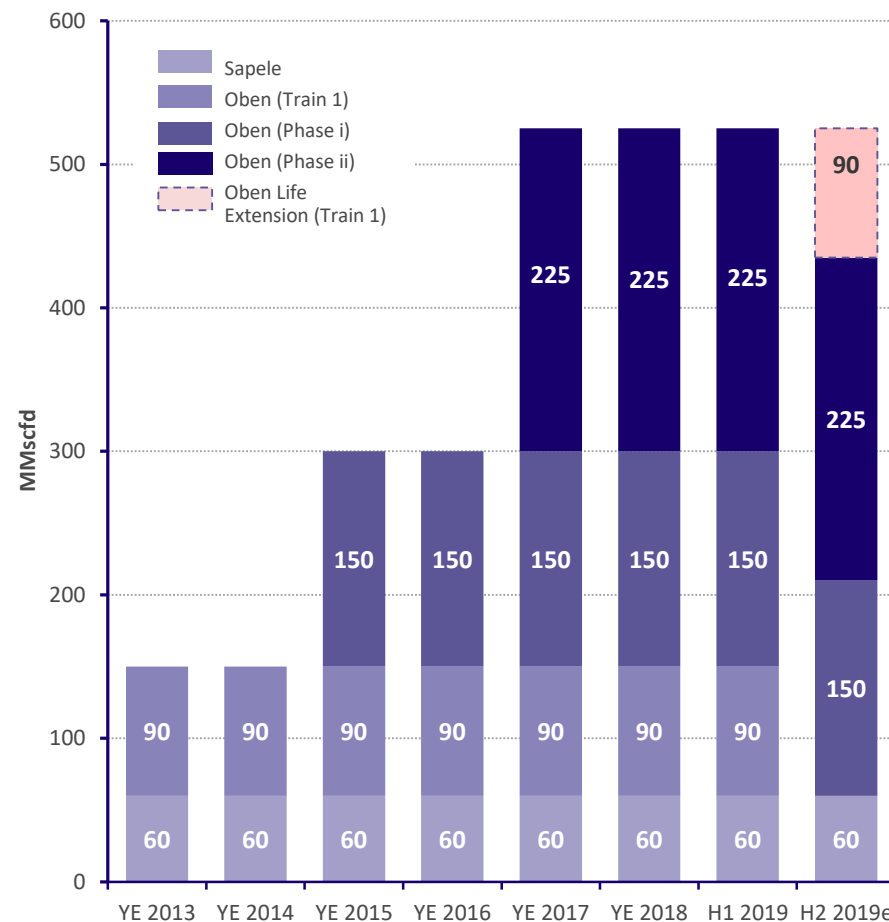
- Demand for sales gas continues to out-strip available supply
- Commercial pricing between US\$3.0 – US\$4.0/Mscf
- New and existing gas sales agreements such as Azura Edo IPP – underpin investments to further upgrade the Oben gas plant
- Seplat is strategically positioned to capitalise on future expansion of the gas market

Off-takers	Volume (MMscfd)	Duration (years)	Take or Pay	Price US\$/Mscf
<b>Domestic Supply Obligation (DSO)</b>				
• Sapele Power Plant	50	10	Yes	2.50
• Gereggu Power Plant	80	10	Yes	2.50
<b>Nigeria Gas Corporation (NGC)</b>				
• Firm*	50	10	Yes	3.00
• Variable	<140	10	No	+2.50
<b>New Gas to Power Projects</b>				
• Azura Power	116	15	Yes	+3.00
• Industrial	30	10	Yes	+3.00
• Industrial	20	10	Yes	+3.00
• Other**	<150	5-15	-	TBC

\* Previously 100 MMscfd (2015-2018)

\*\* Still under negotiation

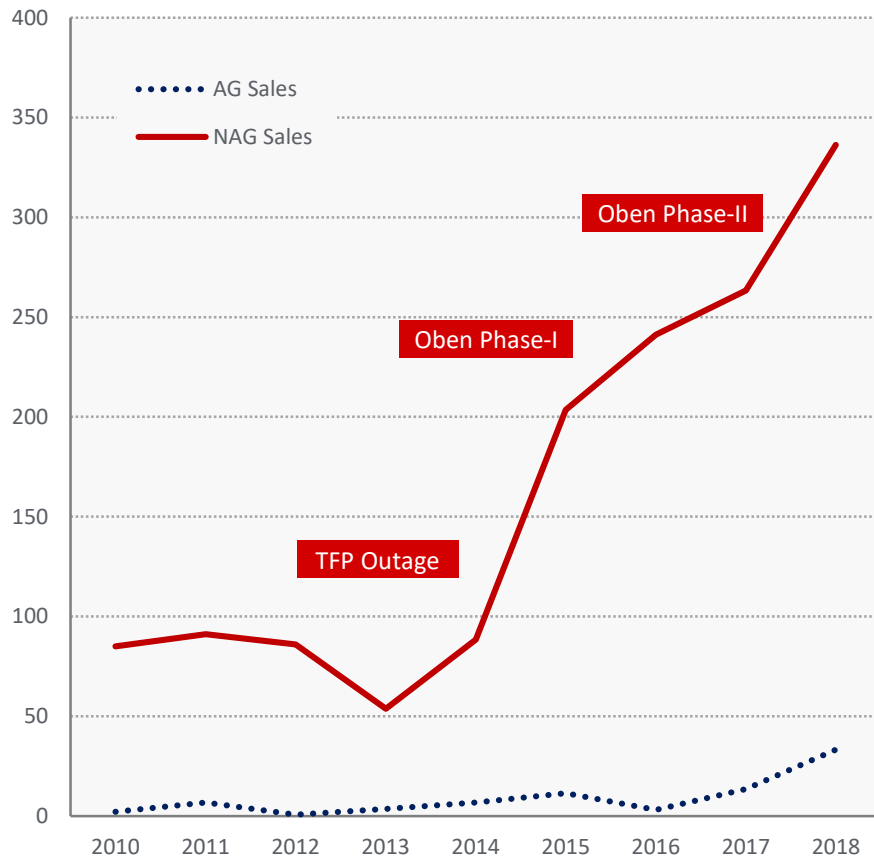
## GAS PLANTS CAPACITY AND CONTRACTED VOLUMES



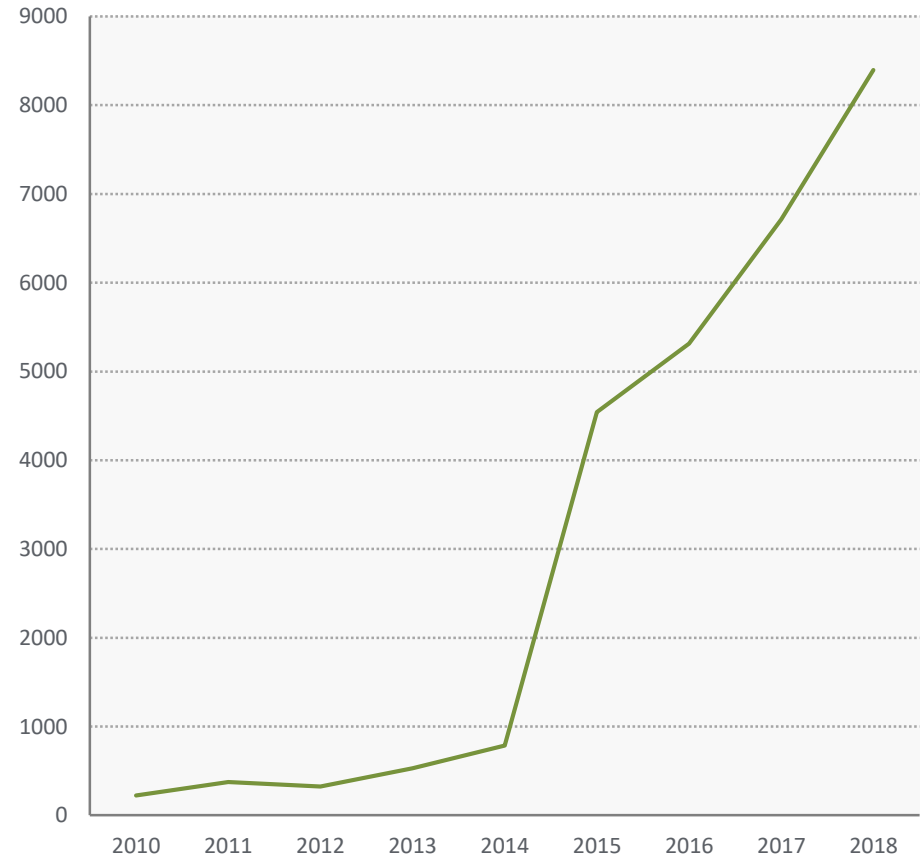
# HISTORICAL PERFORMANCE

ONE OF NIGERIA'S LARGEST BROWNFIELD GAS AND CONDENSATE DEVELOPMENT PROJECTS

### AG & NAG SALES GAS (MMscfd) - HISTORICAL VOLUMES



### CONDENSATE (Bpd) - HISTORICAL VOLUMES



# Growth MARKET OUTLOOK

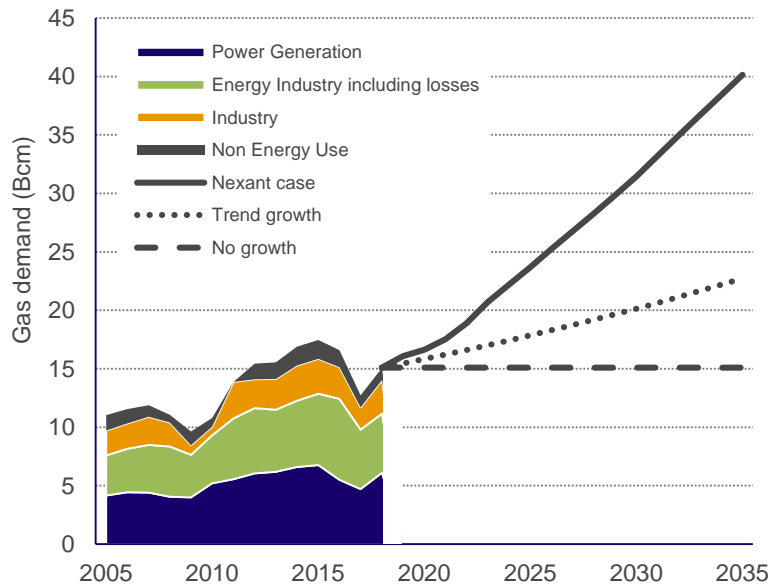
Okechukwu Mba  
- General Manager Gas



# GAS DEMAND COULD GROW ~20 BCM BY 2035 FROM EXISTING PLANTS

THE KEY CHALLENGE IS TO DEVELOP GAS, BUILD PROCESSING CAPACITY, REFURBISH POWER PLANTS AND INVEST IN TRANSMISSION

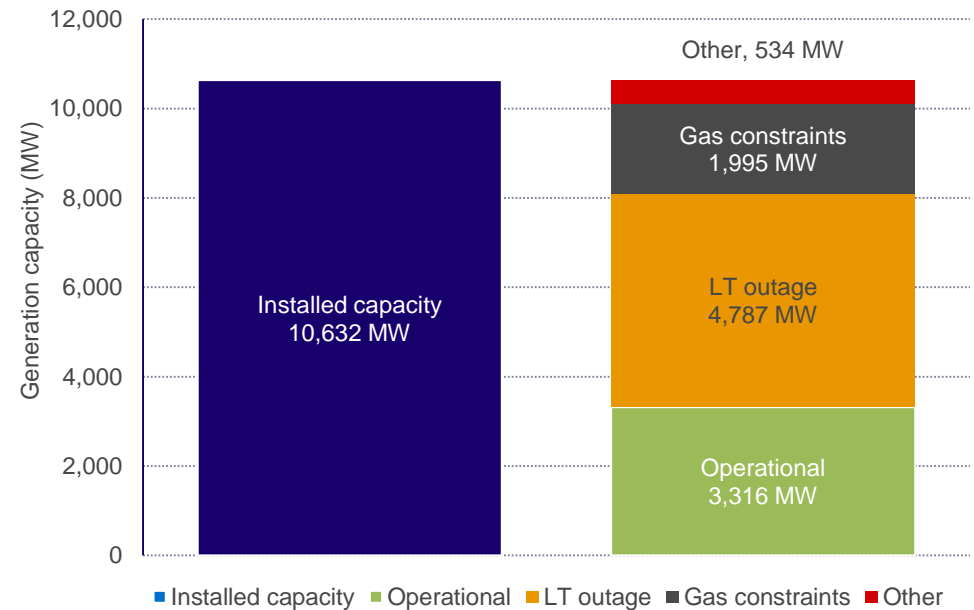
## FORECAST DEMAND OUTLOOK



Source: Nexant

- Demand is forecast to grow strongly with most growth in the power sector
- Since 2015 Nigeria has added 0.45GW generation capacity and a further 1.275GW is planned – this is enough for an additional 3 Bcm gas consumption p.a at 75% capacity factor

## INSTALLED GAS FIRED POWER GENERATION CAPACITY



Source: Nigeria Power Baseline Report

- Current installed gas fired generation capacity is heavily under utilised
- Government policy is focused on addressing this and extending access to electricity (to reach 90% of population by 2030)
- Failure of government to address obstacles would lead to greater private or state-level provision of electricity – also resulting in greater gas demand

# THERE IS A LARGE POOL OF DIESEL DEMAND WHICH GAS CAN DISPLACE

THE ECONOMICS OF SWITCHING FROM DIESEL TO GAS FIRED POWER GENERATION ARE COMPELLING

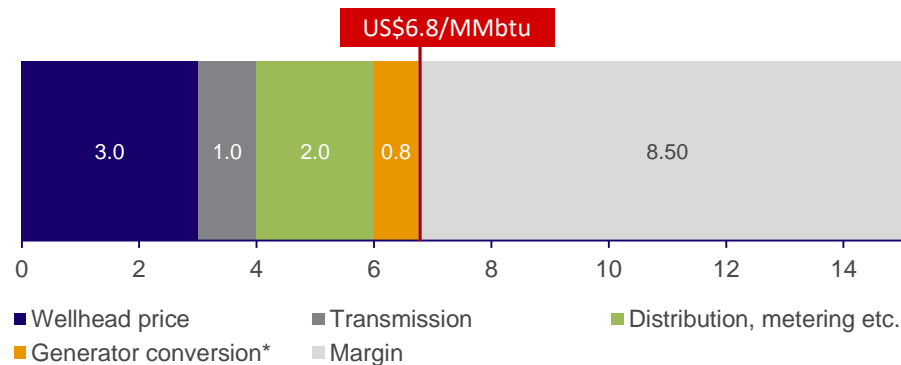
## GAS / DIESEL EQUIVALENT PRICE FOR OFF GRID GENERATION

	Value	Unit
Diesel retail price	530	US\$/t
Diesel engine efficiency	34	%
Cost of 1 kWh	0.18	US\$
Gas engine efficiency	42	%
Equivalent value of gas	15.36	US\$/MMBtu

Source: Nexant

- There is an estimated 20 GW<sup>φ</sup> of off-grid generation in Nigeria
- Assuming 42% generator efficiency and 60% capacity factor 20 GW<sup>φ</sup> is equivalent to feed gas of approximately 28 Bcm (or 1.13 Bcm per 1 GW)

## ESTIMATED GAS COST TO SERVE (US\$/MMBTU)



Source: Nexant

\*\$0.75/MMBtu, assuming three-year payback, 60% capacity factor, undiscounted

<sup>φ</sup> Company Estimate

- US\$15/MMBtu value of gas needs to cover cost of distribution, metering, service, losses, potential additional transmission fees and discounting to incentivise switching (which would usually entail conversion or replacement of generator)
- Estimates a \$8.50/MMBtu discount on the price of diesel

# PROCESSING CAPACITY DEVELOPMENT

NEW PROCESSING PLANTS ARE BEING BUILT TO SERVE MARKETS IN WEST NIGERIA IN LINE WITH MARKET GROWTH EXPECTATIONS

## NIGERIA'S GAS PROCESSING PLANTS

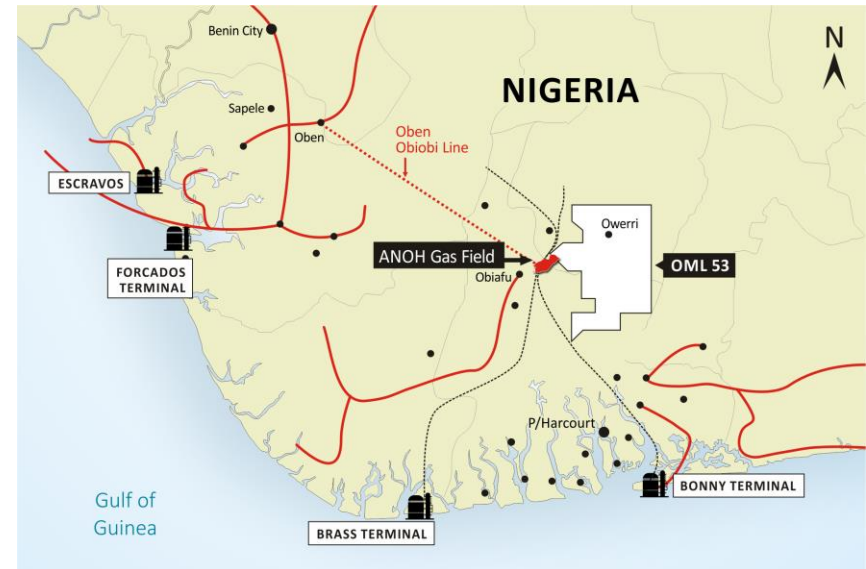
Plant	Operator	Design Capacity (MMscfd) <sup>1</sup>	System	Comment
<b>ANOH</b>	<b>Seplat</b>	<b>300</b>	<b>East</b>	<b>Targeting new gas demand in Western Nigeria</b>
ANOH	Shell	300	East	Likely Western Nigeria domestic market
Utorogu II	NNPC	150	West	Targeting Western Nigeria, closer to market than ANOH
Ovade Ogharefe II <sup>2</sup>	Pan Ocean	70	West	Targeting Western Nigeria, closer to market than ANOH
Agbada II	Shell	80	East	Further from Western markets than ANOH, small
10 existing plants <sup>3</sup>	Various	2,900	West	Supply existing customers
14 existing plants	Various	3,800	East	Supply existing customers in region not targeted by ANOH
<b>Total</b>		<b>7,600</b> <b>(~80 Bcm/y)</b>		

Source: Department of Petroleum Resources

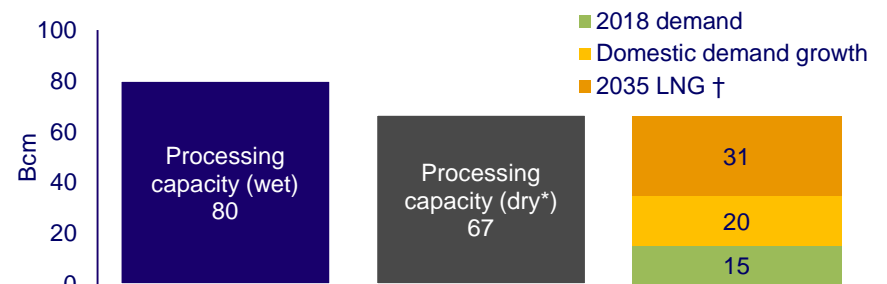
<sup>1</sup> Actual operating levels are lower

<sup>2</sup> Construction complete, first gas due June 2019 BUT timing questionable

<sup>3</sup> Includes Oben expansion currently under construction (to 465 MMscfd)



## PROCESSING CAPACITY VS 2035 DEMAND FORECAST



Source: Department of Petroleum Resources

\* Assuming same wet:dry ratio as ANOH

† Produced fuel + 10% fuel

# Growth ANOH



Yetunde Taiwo  
- AGPC Managing Director

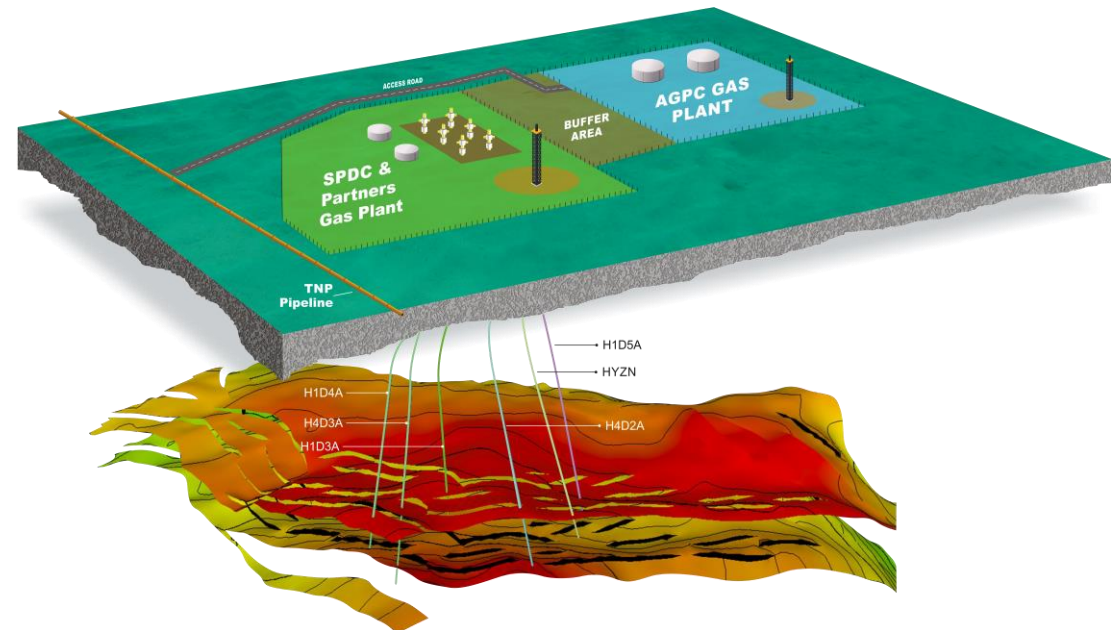


# WHAT IS ANOH AND AGPC?

ONE OF NIGERIA'S LARGEST ONSHORE GAS RESERVES WITH DUAL GAS PROCESSING FACILITIES SITUATED ABOVE IT

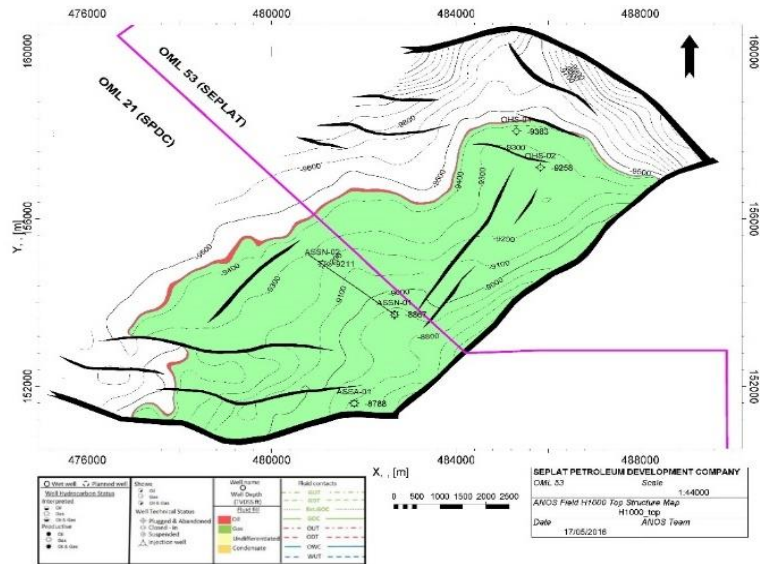
## ANOH AND AGPC

- The Assa North / Ohaji South (ANOH) gas and condensate field straddles OML 53 (Seplat 40% WI and operator) and OML 21 (Shell JV)
- ANOH is unitised 50:50 across the two blocks
- Shell is the operator of the upstream unit
  - Six well development to deliver >550 MMscfd NAG
- ANOH Gas Processing Company (AGPC) is an incorporated joint venture (IJV) between Seplat and NGC
- AGPC shall develop a 300 MMscfd midstream plant on OML 53 to process future wet gas production from the upstream unit
  - The OML 21 JV will separately develop its own midstream plant



# UPSTREAM DEVELOPMENT - SOURCE OF FEEDSTOCK

LARGE SCALE GAS RESERVES IN THE EASTERN NIGER DELTA TO UNDERPIN INCREASED LONG TERM SUPPLY TO THE DOMESTIC MARKET



## UNITISED INTERESTS – UPSTREAM

OML 53 Partners	OML 53 interest	ANOH upstream unit interest
Seplat	40.0%	20.0%
NNPC	60.0%	30.0%
<b>Total</b>	<b>100.0%</b>	<b>50.0%</b>

OML 21 Partners	OML 21 interest	ANOH upstream unit interest
Shell*	30.0%	15.0%
NNPC	55.0%	27.5%
Total	10.0%	5.0%
Eni	5.0%	2.5%
<b>Total</b>	<b>100.0%</b>	<b>50.0%</b>

## UPSTREAM DEVELOPMENT PLAN

### SEPLAT'S INDEPENDENT 2P RESERVE ESTIMATES FOR ANOH

	GROSS UPSTREAM RESERVES	OML 53 ONLY GROSS UPSTREAM RESERVES	SEPLAT'S NET 40% WI UPSTREAM RESERVES
	Tscf	Tscf	Tscf
ANOH Gas	3.66	1.96	0.73
	MMbbls	MMbbls	MMbbls
ANOH Condensate	153.6	77	31
	Mmboe	Mmboe	MMboe
<b>Total reserves</b>	<b>785</b>	<b>393</b>	<b>157</b>

- Six wells have been drilled in the project area to date (four in OML 21 and two in OML 53)
- Six wells planned for ANOH upstream development
- Four wells into the H1000 reservoir
- Two wells into the H4000
- AGPC schedule synchronised with upstream development plan
- Total upstream budget US\$ 240 million (US\$ 48 million net to Seplat)
- Long lead items ordered: Chokes, Meters, Valves and Piping

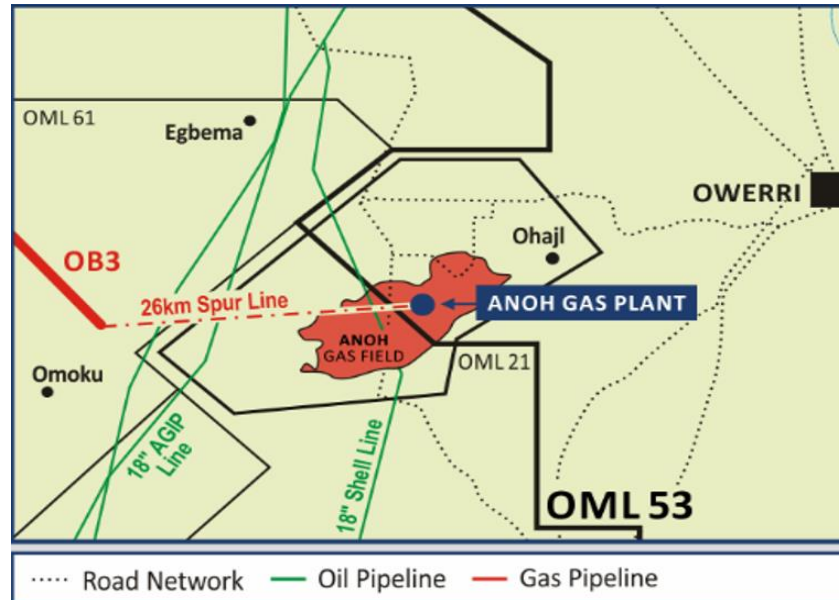
# Growth Midstream

//////  
Doug Kinloch  
- AGPC Project Manager



# ANOH GAS PLANT DEVELOPMENT OVERVIEW

LEVERAGING EXPERIENCE AND SUCCESS AT OBEN TO DELIVER A 300 MMSCFD GAS PROCESSING PLANT



	Evacuation Route	Expected pricing
Gas	NGC will construct a 24 km spur line to the OB3 pipeline linking ANOH to ELPS, WAGP	Power & Industrial US\$3.0 plus /Mscf
LPG	Trucking direct to Owerri connected to Nigeria's road network	Domestic offtake US\$0.7-US\$1.0/litre
Condensate	Exported to Shell Bonny and or ENI's Brass River terminal (150-195km) via in place oil trunk lines	Expect to blend with OML 53 crude oil and pricing to reference Brent

## ANOH GAS PROCESSING PLANT AND ANCILLIARY FACILITIES SCOPE

### Gas processing plant location

- 87 hectare plot, accommodating access roads, rights of ways, flowlines, gas plant, FLB, LPG loading, utilities and additional accommodation space for future expansion

### Gas processing plant specification

- 2x150 MM/d Joule Thompson Trains with 50% turndown capacity with automated operations
- 22,500 bbl/d two train condensate plant with 1,200 bbl/d LPG recovery
- Design anticipates both gas export and field depletion booster compression
- ANOH plot designed to be expandable in the future


















### Ancillary facilities

- 2 x 100,000 bbl condensate storage tanks; 1 x 50,000 bbl produced water tank, 1 x 200 bbl diesel tank and 8 x 1,500 bbl LPG storage bullets
- 2 x 130,000 bbl crude oil storage tanks for oil production elsewhere on OML 53 and blending skid
- 80 persons field logistics base, administration and maintenance blocks
- 24" x 3.5 Km gas export pipeline complete with end stations and fiscal meter; 2 x 12" pipelines 4.7Km and 13Km complete with end stations and fiscal metering to evacuate liquids to Shell TNP and AGIP bulk oil lines and from there, onto respective terminals of Bonny and Brass.



# CONTRACT STRATEGY - LEVERAGING SEPLAT'S PMT EXPERIENCE

MODULAR DESIGN DELIVERED BY CORE SUPPLIERS MANAGED BY SEPLAT'S BEST IN CLASS PROJECT MANAGEMENT TEAM

	WBS Activity	Status	Design	Procurement & Fabrication	Commissioning & Installation	Operations	Inspection Maintenance & Repair
1	Process Units - Modules						
2	Power Gen Rotating Equipment						
3	Tanks & Blending						
4	Civils & Security						
5	Pipelines						
6	Detailed Design - Study						
7	Mechanical Electrical and Installation Hook-up						

-  AGPC – Project Management Team with Oben Gas Project and Nigeria Gas Asset Development Experience led by Seplat Technical Director
-  AGPC – Operations Team led by Seplat Ops Director
-  AGPC – Contract Awarded
-  AGPC – Contract Negotiations
-  AGPC – Tendered
-  AGPC – Scoping

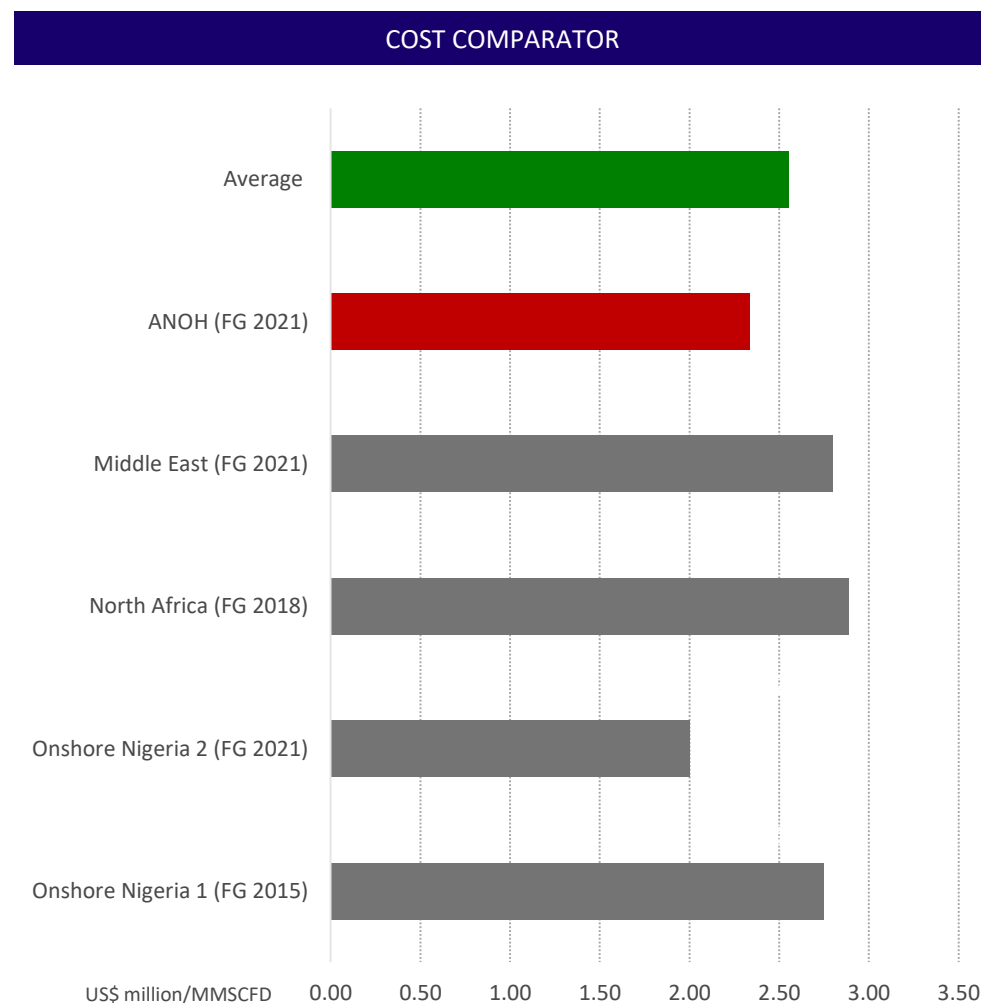
# COMPETITIVE COST STRUCTURE

LEAN TEAM AND OVERHEADS DELIVERING EXCEPTIONAL VALUE ACCRETIVE ASSETS IN A BURGEONING MARKET

AGPC Costs	US\$ million	Project %
AGPC Formation Costs	10	1%
Operations Readiness	10	1%
Project Management Team	40	6%
Others ( Taxes , Financing , CSR etc)	77.2	11%
Training & Development	12	2%
<b>Sub-Total</b>	<b>149</b>	<b>21%</b>

Contract Values Under Negotiation	US\$ million	Project %
1 Process Units – Modules	499	71%
2 Power Gen Rotating Equipment		
3 Tanks & Blending		
4 Civils & Security		
5 Pipelines		
6 Detailed Design		
7 MEI		
<b>Suppliers</b>	<b>499</b>	<b>71%</b>

\* Historical Cost incurred to date \$52m (FEED, Land, Procurement, PMT, G&A)

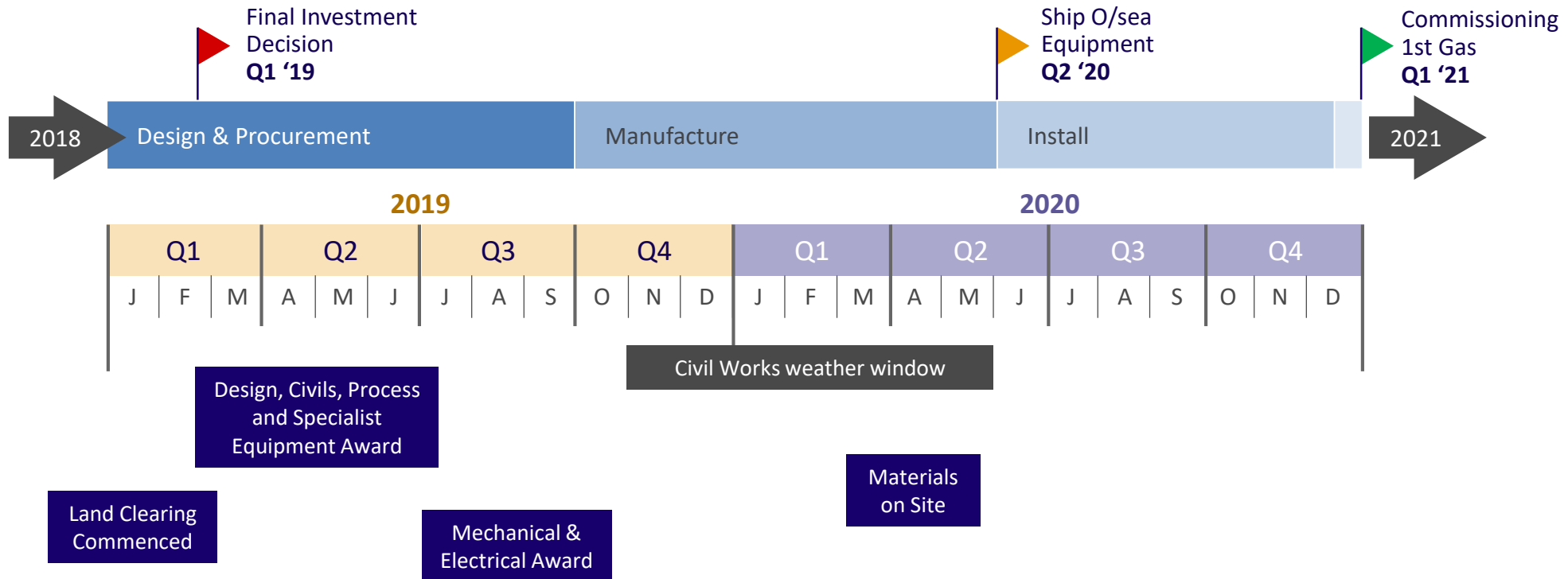


# PROJECT EXECUTION SCHEDULE

SEPLAT HAS A PROVEN TRACK RECORD OF DELIVERING MIDSTREAM GAS PROCESSING EXPANSION PROJECTS AT OBEN

## FIRST GAS TARGETED FOR Q1 2021

- Opportunity for Seplat to leverage repeatability gains from its experience of expanding gas processing capacity at the Oben hub
- Oben Phase I expansion by 150 MMscfd completed in 18 months, within schedule and budget
- Oben Phase II expansion by a further 225 MMscfd completed in 15 months, within schedule and budget

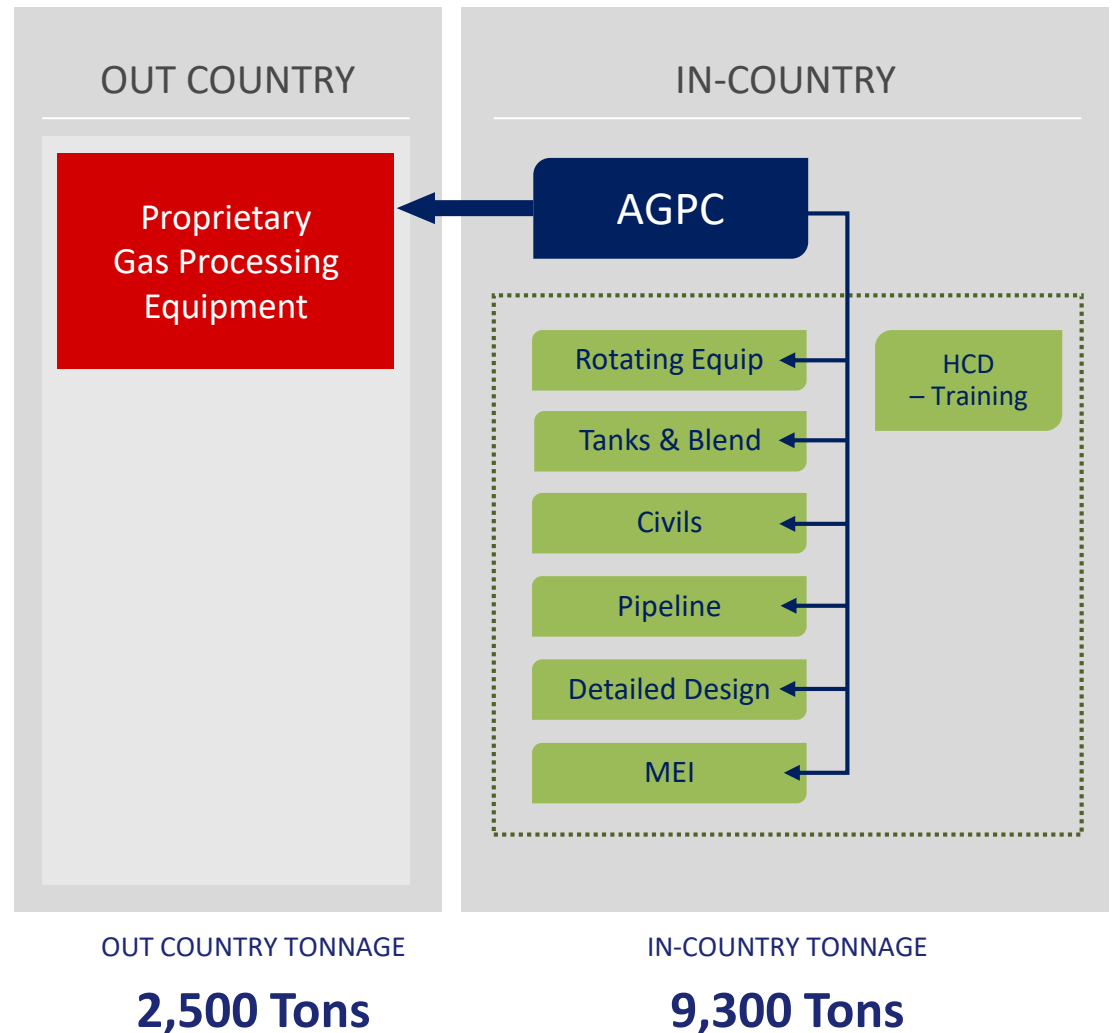


# LOCAL CONTENT

LEADING INDEGENIOUS E&P COMMITTED TO DEVELOPING THE LOCAL O&G SERVICE INDUSTRY

## CURRENT STATUS

- Packages structured to maximise local contractor scope/involvement in the project
- Close engagement and collaboration with Nigerian Content Development and Monitoring Board (NCDMB) to avoid communication gaps
- Secured letter of “**No Objection**” for AHOH project Nigeria content (NC) plan in August 2018
- Key highlights of ANOH approved NC Plan:
  - In-Country sourcing circa 80% Tonnage
  - Out-Country sourcing circa 20% Tonnage
- Commitment to human capital development (HCD)
  - Classroom training opportunities for Nigerians in areas of skills shortages
- Working with NCDMB to progress engineering contracting to tendering stage



# REGULATORY COMPLIANCE

WORKING CLOSELY WITH ALL STAKEHOLDERS TO DELIVER FID IN UNDER 3 YEARS

## DEPARTMENT OF PETROLEUM RESOURCES

- Permits and consent agreed with DPR and being implemented
- Approved EIA terms of reference and participated in field data gathering
- Approved scope of work for project design safety case participated in project FEED from start to official closure.
- Issued OGIS permit for AGPC to operate in Industry
- Issued licence to establish (LTE) 300 MMscf gas processing plant
- Commitment for rolling engagement as project progresses

## FEDERAL MINISTRY OF ENVIRONMENT

- Constructive relationship with the Federal Ministry of Environment (FMEnv)
- FMEnv approved that AGPC can rely on earlier EIA approval granted to SPDC

## NIGERIAN CONTENT DEVELOPMENT AND MONITORING BOARD

- Close collaboration maintained with NCDMB since 2017
- NCDMB engaged at the project and executive management level
- Initial issues with NCDMB due to communication gaps have been addressed
- Secured timely Nigerian content plan approval for engineering design package
- Secured timely Nigerian content plan approval for other project packages

The image displays three regulatory documents. The top document is a permit to operate as an oil industry service company, issued by the Department of Petroleum Resources (DPR) to ANOH Gas Processing Company Limited. The middle document is a certificate from the Nigerian Content Development & Monitoring Board (NCDMB) regarding the Nigerian Content Plan (NCP) for the Assa North Process Utility & Storage Module with Structural Items. The bottom document is a licence to establish a natural gas plant, issued by the Ministry of Petroleum Resources to ANOH Gas Processing Company Limited.

**FEDERAL REPUBLIC OF NIGERIA**  
PERMIT TO OPERATE AS AN OIL INDUSTRY SERVICE COMPANY  
SPECIALIZED CATEGORY

PERMIT NO: DPR/OGISP/18/6985131/N92163

This Permit is hereby granted to  
**ANOH GAS PROCESSING COMPANY LIMITED**  
of **25A Lugard Avenue Ikoyi**  
**Lagos, Lagos, Nigeria**

to render the service to the Oil Industry in the Category of  
**LOCAL GAS DISTRIBUTION SERVICES**  
- NATURAL GAS DISTRIBUTION SERVICES

This Permit expires on the **Saturday**  
Fee Paid: N **250,000.00**  
Dated **11th** day of **May**

This permit does not cover "Supply of Explosives"

**NIGERIAN CONTENT DEVELOPMENT & MONITORING BOARD**  
NCDMB CORPORATE HEADQUARTERS (SAC) BOND EXPRESSWAY, CROSS TRAIL 16, WAKALGA, BARIBA STATE  
E-mail: ncdmb@dnpp.gov.ng Website: www.ncdmb.gov.ng

SECRETARY (GENERAL)  
August 19, 2018

The Managing Director,  
Sepilat Petroleum Development Company PLC,  
25A Lugard Avenue, Ikoyi,  
Lagos, Nigeria.  
Attention: **Mr. O.A. AYIBU**

Dear Sir,

RE: NIGERIAN CONTENT PLAN (NCP) FOR ASSA NORTH PROCESS UTILITY & STORAGE MODULE WITH STRUCTURAL ITEMS

Please refer to your letter with reference SEP/EA/10/01 dated June 25, 2018 following SEPLAT visit to the Board on 7<sup>th</sup> of August 2018 at the above-mentioned premises.

We have reviewed your letter requesting for "Certificate of Approval" certificate from the Board for the amended Nigerian Content Plan and proposed contract stipulated for AGPC ANOH Plant packages to be developed (land & sea) out country.

The Board has noted with satisfaction the "Right aspirations, however SEPLAT is required to ensure into the category of sea (land & sea) out". Therefore, the revised capabilities and procedures to provisions of Nigerian Content Act.

• The project bidding, execution and delivery NIGOC Act as it applies to such development.

• Full and fair opportunities are given to Nigerian process for acquiring goods and services. This drives activities, while proven and verifiable can utilized before procuring such project items out.

• All contracts irrespective of the strategy (i.e. accompanied by firm Nigerian Content commitment measurable scope of work and supply, execution.

Notwithstanding the above, the amended NCP, Authorisation number with Ref: ES/NC/DMB STORAGE MODULE & STRUCTURAL ITEM FOR in addition to the above and pursuant to the objection to SEPLAT's contracting and procurement Board in accordance with NCDMB approvals continue.

GOVERNING CO

**FEDERAL REPUBLIC OF NIGERIA**  
MINISTRY OF PETROLEUM RESOURCES  
DEPARTMENT OF PETROLEUM RESOURCES  
7, KOFO ABAYOMI STREET, VIISLAND, LAGOS

**LICENCE TO ESTABLISH (LTE) A NATURAL GAS PLANT**

Ref: P/IEAS/FAC/GF/260/V.1/76

This LTE is granted to **ANOH GAS PROCESSING COMPANY LIMITED**,  
(Name of company)  
**25A LUGARD AVENUE, IKOYI, LAGOS**,  
(Address of company)

To establish as proposed **300 MMSCFD** Natural Gas Plant at  
**ASSA COMMUNITY, OHAJI-EGBEMA LGA, IMO STATE**

This LTE is issued subject to:

1. Petroleum Refining Regulations now in force or which may come in force during the construction period of the Plant.
2. Payment of a) STATUTORY APPLICATION FEE: **500,000.00**  
b) DPR SERVICE CHARGE: **N600,000.00**
3. Full participation of attached DPR engineers in all project phases to facilitate statutory compliance, approvals and operating license.
4. Validity of twenty-four (24) months from the date of issue.
5. You are required to apply for Approval to Construct (ATC) the Gas Processing Plant on completion of approved basic and detailed engineering work.

DATED this **21st** day of **May, 2018**

Director of DPR

# OB3 GAS EXPORT PIPELINE

LARGEST GAS PIPELINE UNDER CONSTRUCTION IN NIGERIA REPRESENTING A SIGNIFICANT INVESTMENT FROM NGC



- Government owned and funded pipeline under construction
- 130km 48" gas line linking eastern Niger Delta gas reserves to Nigeria's main demand centres via Oben
- Construction is underway and expected to be completed early H1 2020
- Construction contracts were awarded in two lots
  - Lot A was awarded to Nestoil for delivery of the southern section
  - Lot B was awarded to Oilserv for delivery of the northern section
- A 23 km spur line will be constructed by NGC to tie-in the ANOH project to the main OB3 pipeline

## LOT A: NESTOIL - EPIC

Description	Status	Completion
64 km Pipeline	●	Completed installation of mainline pipeline and 2 major river crossings.
Customs Transfer Metering	●	Not in country. Location preparation ongoing
HDD Niger Crossing 2.1km	●	Ongoing
All Works	90%	

## LOT B: OILSERV - EPIC

Description	Status	Completion
48 km Pipeline	●	Buried & commission ready
18km Pipeline	●	Buried & commission ready
Oben Pigging Station	●	Pigging station completed
Gas Treatment Plant	●	Equipment installation 100% complete while commissioning is ongoing
Int. Pigging Station	●	Civils 100% complete Pigging facility installed
All Works	93%	

# INTERFACE WITH LOCAL COMMUNITIES

## KEY TO ENSURING MINIMUM DOWNTIME ON FACILITIES AND INSTALLATIONS IN THE NIGER DELTA

### ADOPTING THE “SEPLAT MODEL”

- Seplat is already operational in OML 53 and has a good relationship with the local communities
- Local communities treated as stakeholders
- Primary objectives are building capacity and empowerment within the community
  - Local contractor preference, in line with the Nigerian Local Content Act
  - Creating local employment opportunities
- Proactive implementation of sustainable development programmes
  - Healthcare (e.g. eye care (“Eye Can See” initiative), maternity (“Safe Motherhood” initiative))
  - Education & training
  - Community infrastructure
- The “Seplat model” through partnerships and proactive engagements with the communities has proven to be effective
- ANOH project has extended same culture to communities in the project impacted areas



### COMMUNITY STRATEGY IN PRACTICE

- Worked with all stakeholders to ensure Company – Community relations governance structure is in place
- Community contractors given exclusive consideration in areas of demonstrable Capacity during site entry
- Effective engagement with community representatives to ensure youth capacity utilisation in all contracts awarded to date
- Proactive initiatives to ensure shared infrastructures such as local roads are rehabilitated for common good of all stakeholders
- Plans in place to ensure opportunities are given to suitably qualified
- Needs assessment ongoing to tie future CSR to community aspirations

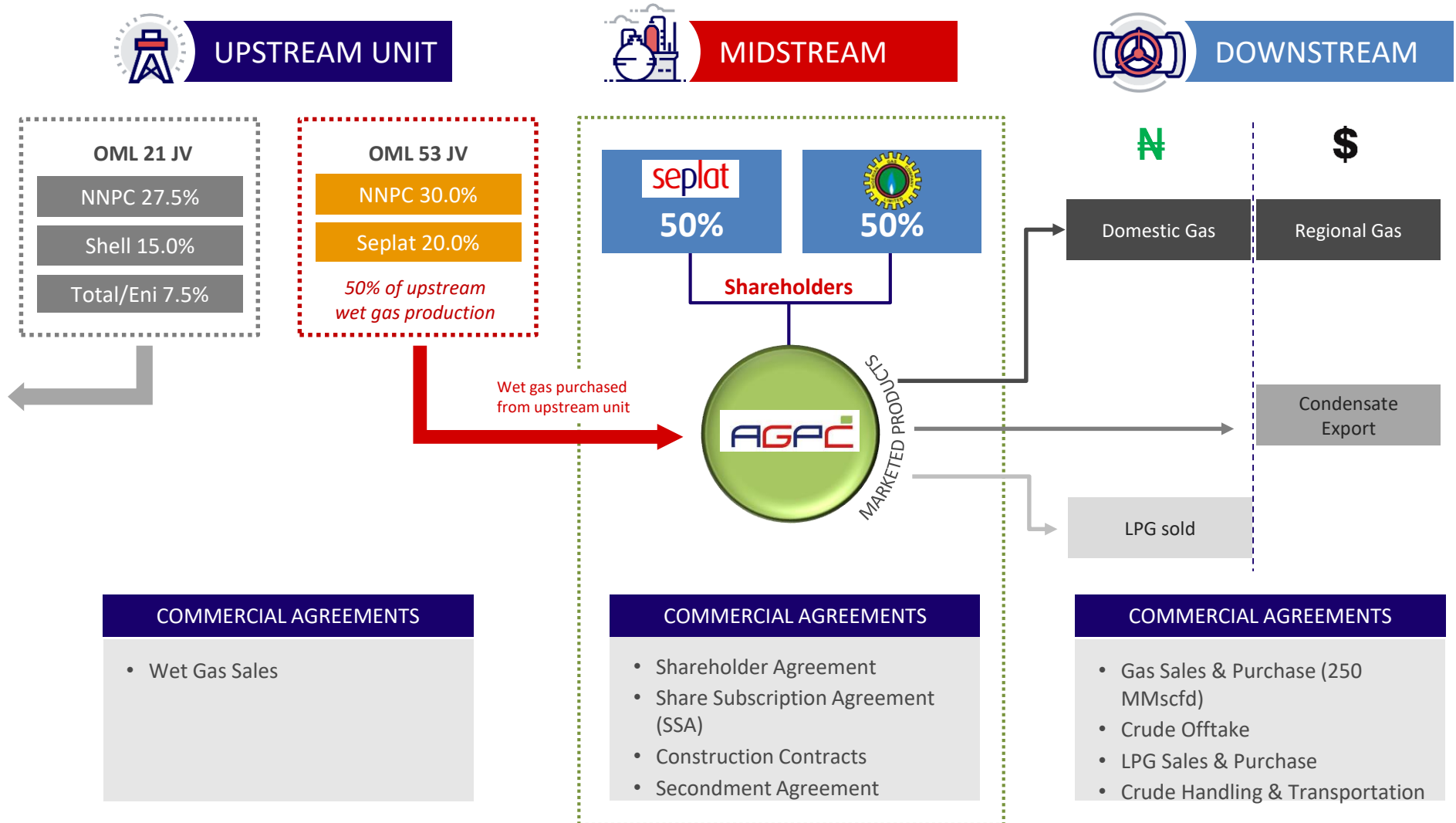


# Growth COMMERCIAL

Yetunde Taiwo  
- AGPC Managing Director



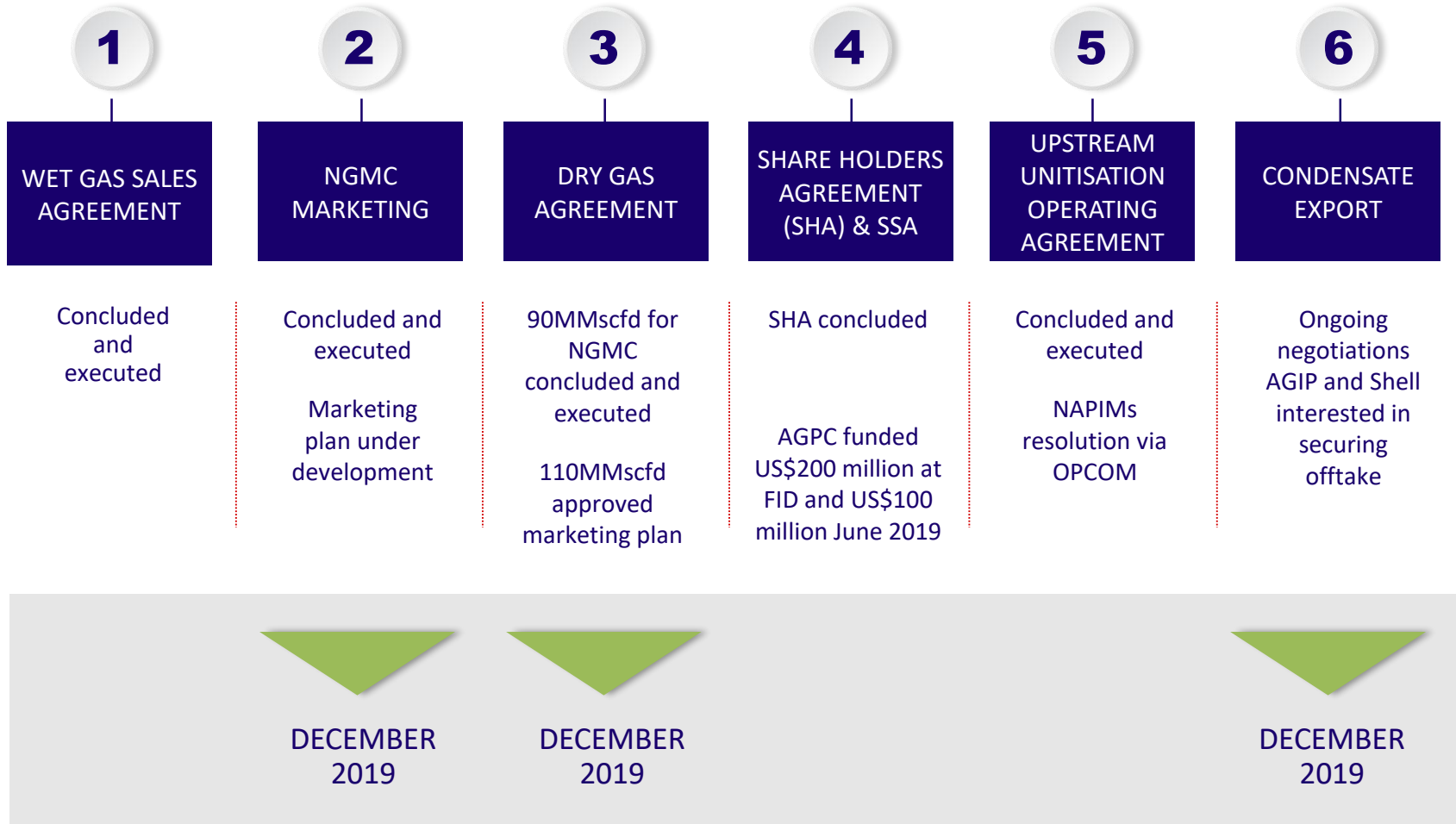
# COMMERCIAL STRUCTURE



# STATUS OF AGREEMENTS

STATUS

OUTLOOK



# AGPC COMMERCIAL HIGHLIGHTS

BALANCING UPSTREAM AND DOWNSTREAM DYNAMICS TO MANAGE RISK AND CREATE VALUE FOR AGPC



## WET GAS SALES (UPSTREAM)

275  
MMscfd  
upstream wet  
gas production

Price derived from  
agreed formula  
comprising:

- 35% dry gas sales price
- 50% condensate sales price
- 50% LPG sales price

Resultant average wet gas  
sales price expected to be  
around US\$2.3/Mscf



## PROCESSED GAS SALES (DOWNSTREAM)

140 MMscfd  
already  
contracted

DSO (50 MMscfd)

US\$2.5/Mscf

NGC (90 MMscfd)

US\$3.0/Mscf  
(inflated at OECD CPI)

GSA TO BE FINALISED

Anticipated US\$3.0/Mscf+  
(willing buyer/willing seller)



## CONDENSATE SALES (DOWNSTREAM)

51 – 240 stb/MMscf

Blended with oil and sold at  
crude reference price  
(Brass or Bonny grade)



## LPG SALES (DOWNSTREAM)

Up to 1,200 boepd

Prevailing market price at  
US\$0.7 to US\$1.0 per litre

# AGPC GAS STRATEGY

## CAPTURING THE GROWTH OPPORTUNITY



### MARKET ENTRY

- Secured wet gas supply contract of 1.5TcF for 15 years with substantial condensate and LPG production
- Targeting additional gas fields within proximity of up to 1TcF



### PROXIMITY TO MARKET

- Through NGMC marketing, access to wide range of existing markets in west and in the east and north of Nigeria
- Key customers are power plants and industrial users



### CREDIT ENHANCEMENT

- Letters of credit (LC) and prepayment structure accommodated in the NGMC GSA
- 50% of AGPC revenues are derived from condensate sales (direct access to hard currency)



### DIVERSITY OF OFFTAKERS

- Track and secure future offtakes in key demand centres to support future gas plant expansion
- Opportunity for expansion up to 900MMscfd using modularised components

# MAPPING GAS OFFTAKERS FOR ANOH

STRONG DEMAND UNDERPINNED BY PRIMARY AND SECONDARY OFFTAKES

## MAPPING ANCHOR OFFTAKERS



Source: Company information

Key	Prospective off-taker	Location	First Gas	Power (Mscf)	Non-Power (Mscf)
1	DSO	Various On-grid Power	Ready to take	50	
2	NGC	Nigeria and West Africa	Ready to take	90	
3	NGMC	Nigeria and West Africa	Ready to take	55	55
4	Power	Lagos Axis	Q4 2021	45	
5	Power	Lagos Axis	Q1 2022	26	
6	Industrial	Lagos Axis	Q3 2021	50	
7	Power	Lagos Axis	Ready to take	50	
8	Power/Industrial	Lagos Axis	Q2 2022	100	
<b>Total</b>				<b>466</b>	<b>55</b>

Supply from NGMC from NGMC current portfolio until off-takers are commercially ready to take gas

Optional long-term gas off-takers

- Nigeria Gas Marketing Company will be a strategic partner who will market the gas across Nigeria
- There is estimated to be c.500mscf/d demand for ANOH gas

# AGPC LPG STRATEGY

## SIGNIFICANT DEMAND FROM BRANDED LPG DISTRIBUTORS



### MARKET ENTRY

- 6 reputable LPG wholesalers have responded to the Invitation to tender (ITT)
- LPG facilities located adjacent to main road providing easy access to the market with limited storage/transportation cost requirements



### PROXIMITY TO MARKET

- Seek to secure a premium to Mont Belvieu + freight cost given proximity to market
- Savings in transportation and storage cost significant
- Proximity to densely populated states with LPG price in the upper quartile



### REVENUE

- LPG priced in USD paid in Naira ranging between \$0.7-\$1.0/litre
- 40kMTp.a. will help cover ANOH Naira operating cost base

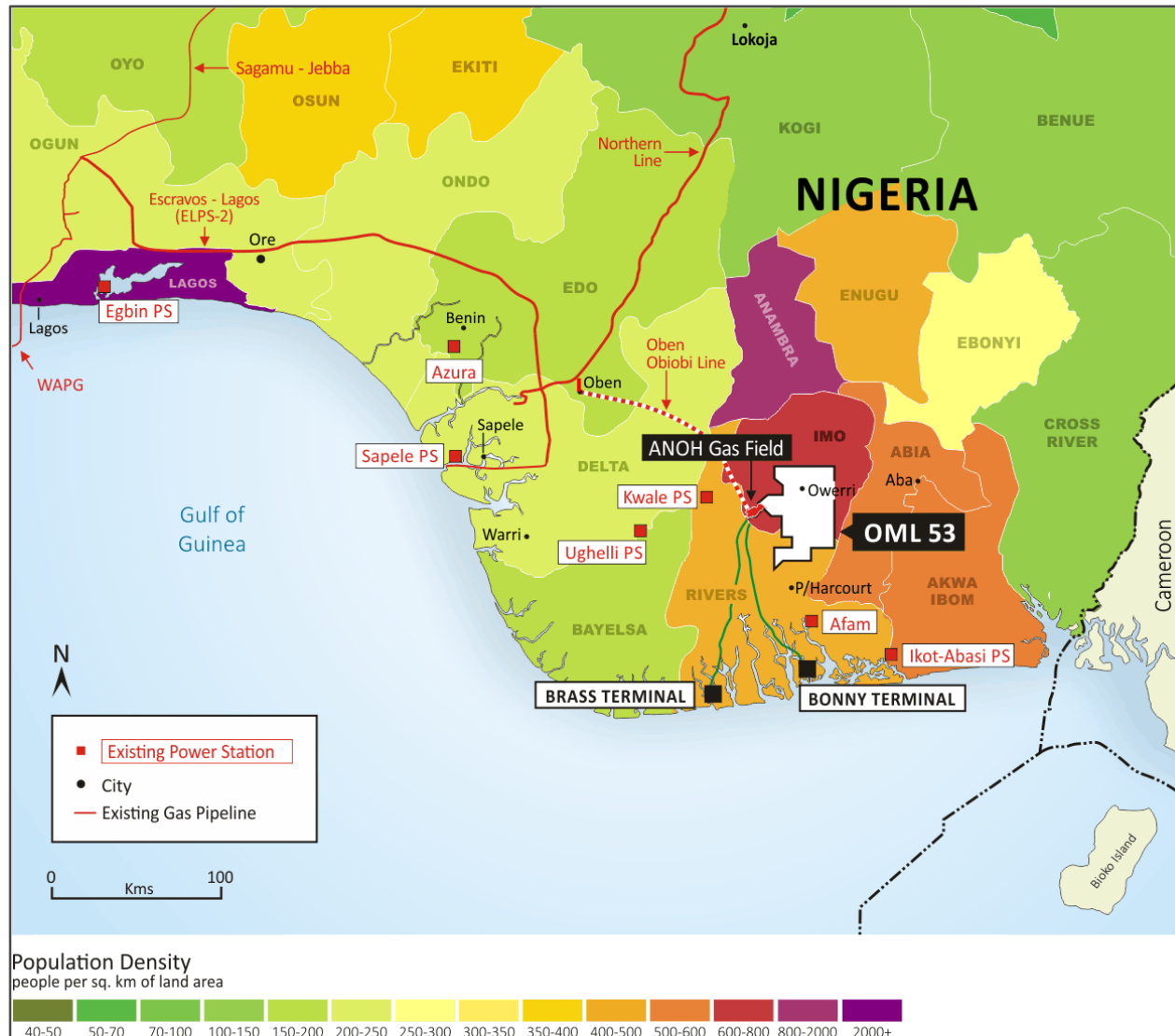


### DIVERSE SET OF CUSTOMERS

- Secure offtake with 3-4 major customers to target multiple demand centres
- In discussion with LPG Association companies
- Competitively tendered to ensure technically competent customers are selected

# NIGERIA LPG MARKET

ANOH PRIME LOCATION POSITIONED TO CAPTURE GROWTH IN THE LPG MARKET



Nigeria South Regions	Population Density Per Sq/m	LPG Prices per 12.5kg cylinder*
Benue	70-100	₦4500
Cross River	70-100	₦4540
Kogi	70-100	₦4250
Bayelsa	100-150	₦4690
Edo	100-150	₦3884
Oyo	100-150	₦3875
Delta	200-250	₦4161
Ogun	200-250	₦4344
Ondo	200-250	₦4033
Ebonyi	250-300	₦3985
Ekito	300-350	₦3806
Osun	300-350	₦3998
Enugu	400-500	₦4608
Rivers	400-500	₦4350
Abia	500-600	₦4537
Akwa Ibom	500-600	₦4611
Imo	600-800	₦4373
Anambra	800-2000	₦4506
Lagos	2000+	₦3940

- AGPC situated near Owerri in the Imo state
- AGPC prime location situated in and next to densely populated States
- AGPC well positioned to capture growth in the LPG market

\*All prices as at May 2019 as per National Bureau of Statistics reported June 2019



# Growth FINANCE

Roger Brown  
- Chief Finance Officer



# AGPC – FUNDING STRUCTURE

SIMPLE STRUCTURE DRAWING ON SEPLAT BRAND AND PARTNERS TO COVER \$700m RAISE

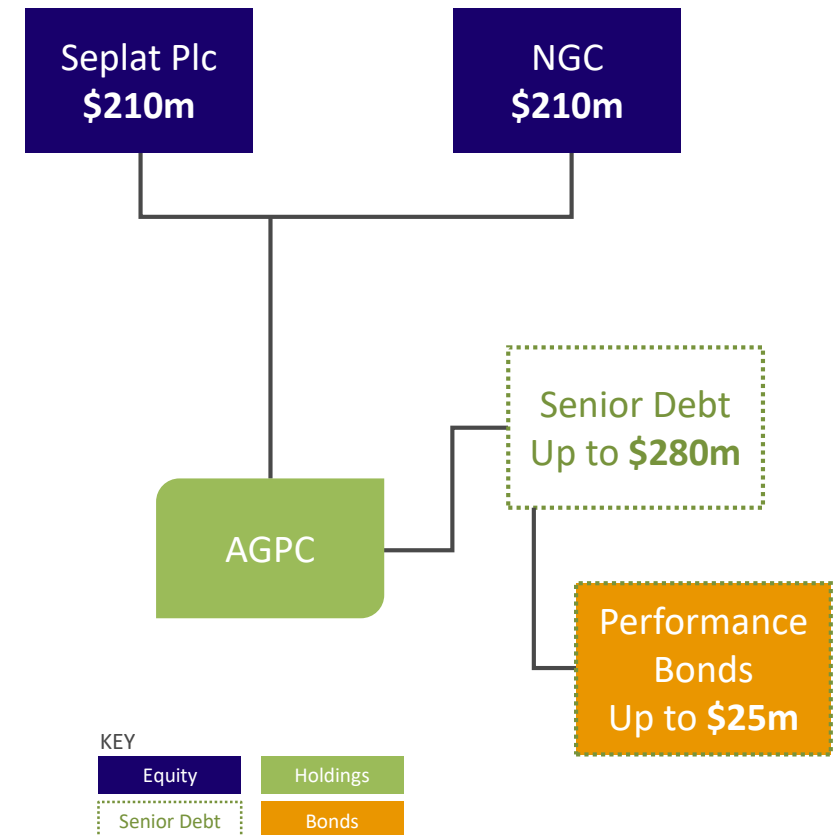
## FINDING STRUCTURE

- AGPC a Special Purpose Company (SPC) formed to raise US\$ 420million of Equity to de-risk the project
- Equity investors Seplat and NGC granted equal share 50:50 in AGPC
- Optionality to sell down 30% holding pre or post first gas
- Debt of US\$ 280 million to be arranged
- **GE considering a direct lend to the Senior Debt**
- **SACE and CPD considering supporting the project up to US\$ 60 million**

## SCALABLE FUNDING

- Equity and debt to be scaled in line with final project cost whilst maintain a target debt:equity ratio of 60:40
- AGPC offshore structure under consideration
- Structured to be able to repatriate USD

## PROPOSED FINANCE STRUCTURE



# AGPC – MILESTONES AND FUNDING

INTEGRATING PROJECT EXECUTION AND FUNDING PLAN THAT BALANCES UNDERLYING RISK WITH INVESTOR APPETITE

## FUNDING & CONTRACT EXECUTION

- Contracts to contain milestones which if not achieved permit demobilisation of works with minimal cost exposure and nominal cancellation charges prior to Phase 1 and at Phase 2
- Project on project risk to be closely monitored ahead of equity injection, and key milestones achieved to provide necessary comfort to Lenders and the ITE to release debt funds

### PHASE 1 Equity CPs

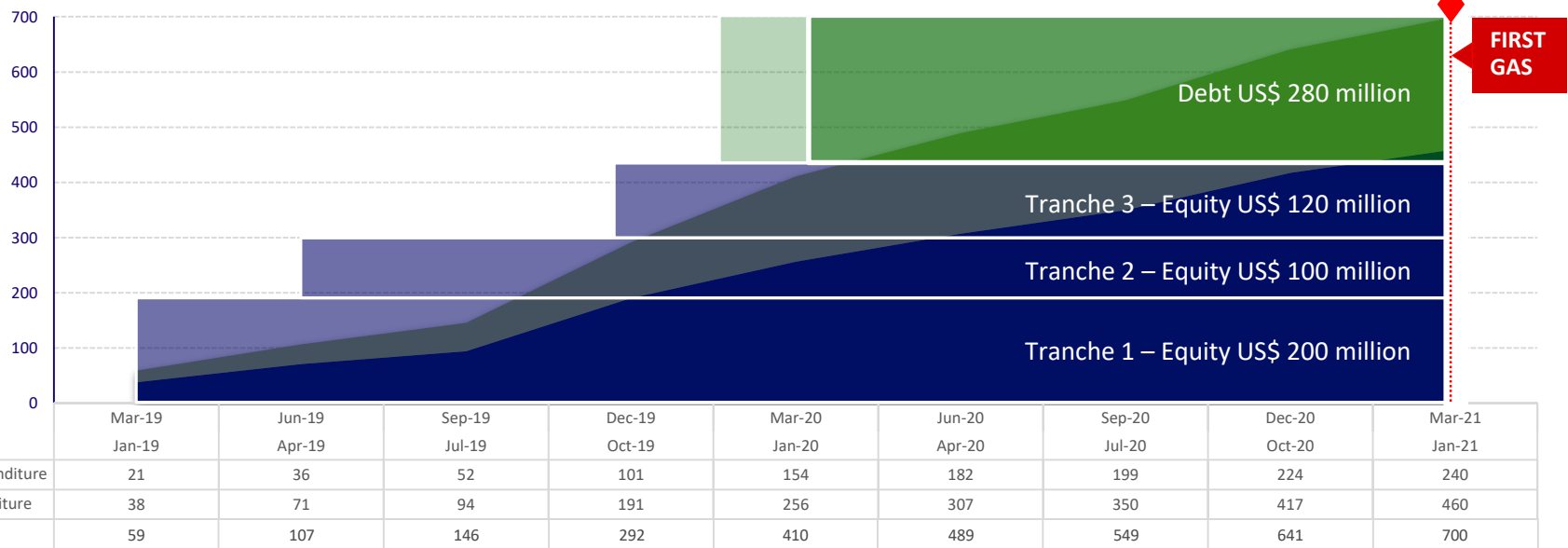
- OB3 assurances
- Upstream progress monitored
- Condensate evacuation assurance
- Funding assurance

### PHASE 2 Debt CPs

- Independent technical engineer satisfaction
- Lenders satisfaction
- Upstream progress alignment
- \$300m equity to injected ahead of debt

### PHASE 3 Value Accretion

- First gas satisfied
- Successful operations
- Potential to secure equity sell down



# ANO H – BASE CASE SOURCES & USES

## NON-RECOURSE FUNDING

<b>SOURCES</b>		
Senior Debt	US\$m	280
Equity	US\$m	420
<b>TOTAL</b>	<b>US\$m</b>	<b>700</b>

<b>USES</b>		
Capex plus taxes	US\$m. Eqv	660
Debt Interest & Fees & Reserves	US\$m	36
Reserve Accounts	US\$m	4
<b>TOTAL</b>	<b>US\$m. Eqv</b>	<b>700</b>

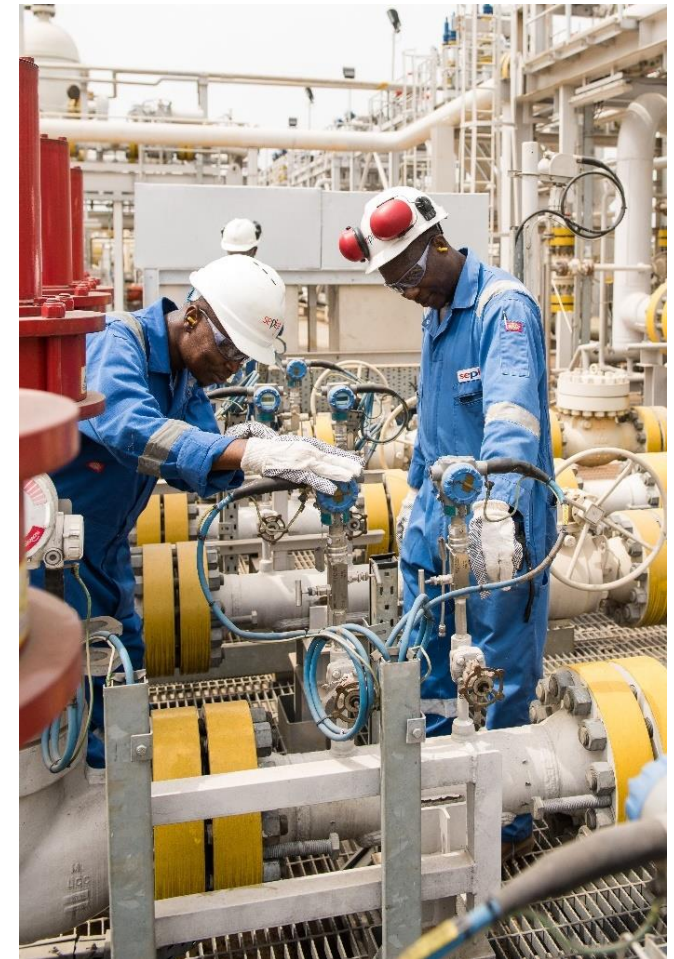
- US\$ 460 million of USD project costs and US\$ 240 million Naira project costs
- US\$ 420 million of equity and US\$ 280 million debt is USD denominated mitigating devaluation risk during construction
- Debt expected to be drawn no later than 15 months from FID

# AGPC - EQUITY

AGPC WELL CAPITALISED TO ATTRACT FURTHER INVESTMENT AND POSITIONED FOR GROWTH

	Q1 2019	Q2 2019	Q3 2019	TOTAL	TOTAL PENDING
NGC	US\$ 100 m	US\$ 50 m	US\$ 60 m	US\$ 150 m	US\$ 60 m
SEPLAT	US\$ 47.5 m	US\$ 50 m	US\$ 60 m	US\$ 97.5 m	US\$ 60 m
SEPLAT HISTORICAL	US\$ 52.5 m	-	-	US\$ 52.5 m	-
CUMULATIVE	US\$ 200 m	US\$ 300 m	US\$ 420 m		US\$ 120 m
% INJECTED	48%	71%	100%		

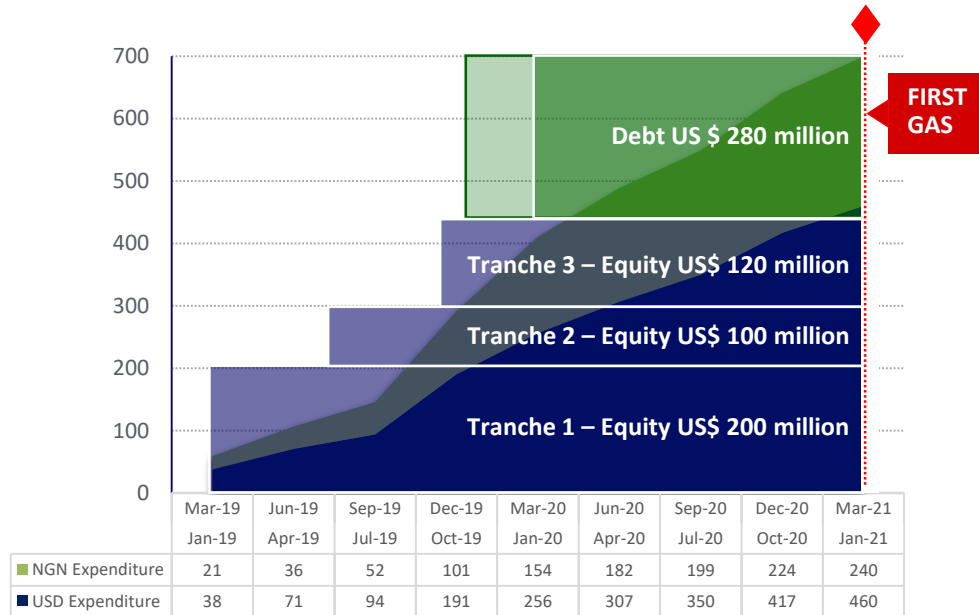
- Nigeria Gas Company (NGC) has engaged all internal stakeholders to ensure all equity funds are forthcoming and received on time
- Seplat has matched NGC equity injections after initially funding US\$ 52.5 million of cost incurred with respect to land acquisition, ground clearance, FEED, procurement/rending activities and PMT overheads
- The final injection of equity is scheduled to occur Q3-2019



# DEBT MARKET LIQUIDITY

## ACHIEVABLE FUNDING TIMELINE WITH FLEXIBILITY

### FUNDING TIMELINE



- The projects conservative debt:equity ratio to address the proposed contract strategy
- Supported by Seplat and NNPC brand minimise the need for further credit enhancement
- Upfront equity of US\$300 million provides flexibility regarding timing of the debt raise

### MARKET LIQUIDITY & INDICATIVE PRICING

Type of Funding	USD Price	Amount Available US\$m
Local Banks	6.00-9.00%	500+
International Banks	4.50-6.00%	200+
Vendor/Export Finance		90
<b>Total Sources of Debt</b>		<b>790+</b>

\*Cost of Funding in line with international and local banks

- Local banks include but not limited to: UBA, Zenith, Stanbic, Fidelity, FCMB, FBN, Access, Union, Nova
- International lenders include but not limited to: SCB, RMB, Standard Bank, BHGE, and Nedbank
- Export Credit Agencies SACE and CDP considering the opportunity alongside Italian nexus
- In discussion with AFC/IFC
- Deferred payment structure embedded into several supply contracts
- Debt facility is expected to amortise over 5-7 years
- Non-recourse to shareholders beyond US\$ 420 million equity injected upfront
- Security package typical for a project finance transaction

# KEY FUNDING CONSIDERATIONS

## ADDRESSING DEBT INVESTORS UPFRONT TO ENSURE SUCCESS

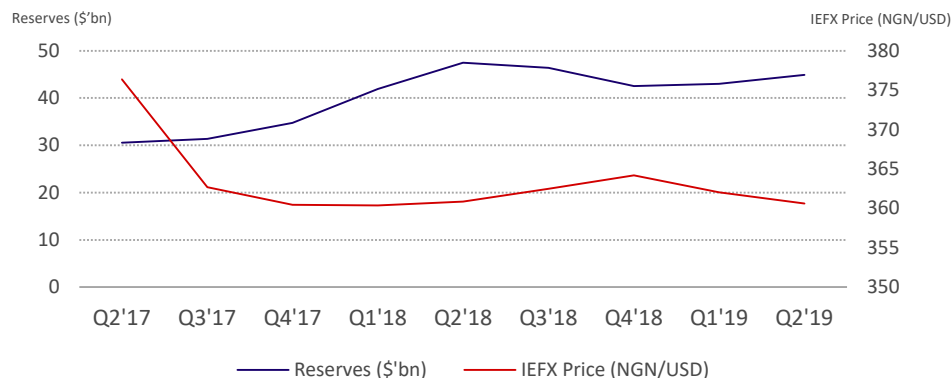
- AGPC through seconded Seplat staff shall syndicate the loan and leverage Seplat’s reputation to attract Debt investors
- Consideration given to contractors that can act as anchor investors further enhancing the attractiveness of the transaction to the international and local bank market

	CONSIDERATION	MITIGATION
1	Currency convertibility	<ul style="list-style-type: none"> <li>• Lenders to benefit from certificate of capital importation</li> <li>• Debt conservatively sized based on USD crude exports</li> <li>• Underlying project cash flow assume 25% devaluation to permit NGN clearing via the I&amp;E FX window</li> </ul>
2	Gas to Power Historical Performance	<ul style="list-style-type: none"> <li>• Conservative debt:equity ratio protects lenders in the downside</li> <li>• 3 month LC or prepayment sought from gas customers</li> <li>• Access to infrastructure provides customer optionality permitting churn</li> </ul>
3	Construction Contract Interface	<ul style="list-style-type: none"> <li>• Execution plan and technical teams track record (Repeat of Oben)</li> <li>• Equity upfront with standby equity to de-risk contractual interfaces</li> <li>• Modularisation reduces number of unknown interfaces</li> </ul>
4	Access to Operational Third Party Infrastructure (“TPI”)	<ul style="list-style-type: none"> <li>• CPs to cover satisfactory progress on TPI</li> </ul>
5	Align Upstream and AGPC schedule	<ul style="list-style-type: none"> <li>• CPs to cover satisfactory progress on upstream drilling and facilities</li> <li>• Monthly updates from Shell and engagement through the UOA</li> </ul>

# CONVERTIBILITY OF NAIRA GAS REVENUES

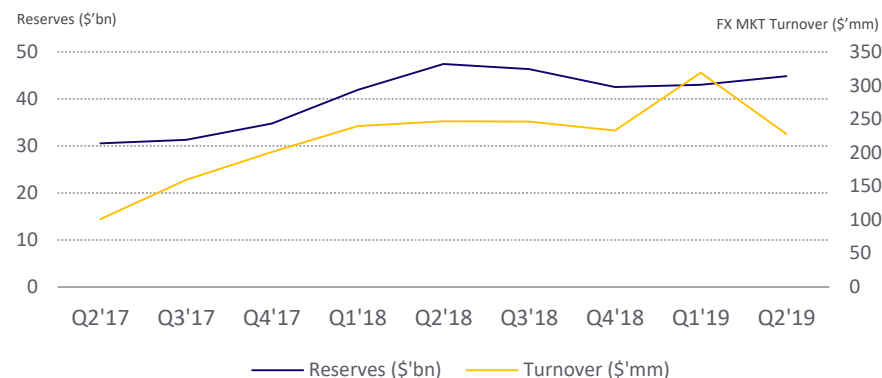
INVESTORS AND EXPORTERS WINDOW (IEFX) - INTRODUCED IN 2017 - IS THE MOST LIQUID FX MARKET IN NIGERIA

CBN RESERVES vs IEFX PRICE MOVEMENT (Apr 2017 - Jun 2109)



Source: SEPLAT's computation based on CBN Data

CBN RESERVES vs FX MARKET TURNOVER (Apr 2017 - Jun 2109)



Source: SEPLAT's computation based on CBN Data

- The IEFX window was established by the CBN in April 2017 for buyers and sellers of FX to trade on a “willing-buyer-willing-seller” basis.
- The window is available to investors, exporters and all domestic and foreign market players seeking FX to repay loans, pay dividends, repatriate capital or settle trade-related obligations.
- The NGN/USD rate curve stabilized and flattened as reserves increased. Market turnover also appeared to follow the direction of CBN reserves.

## SUMMARY OF NIGERIAN EXCHANGE RATE SEGMENTS

Window	Participants	Current Rate (NGN/USD)	Level of Liquidity
<b>Official Exchange Rate</b>	Simply a government rate used for budgeting	306.50	Almost no liquidity as there are virtually no transactions here
<b>Investors &amp; Exporters Window (IEFX)</b>	Investors, Exporters and all market players, domestic and foreign	360.50 - 361.50	Average daily turnover of US\$ 250 - US\$ 300 million
<b>Retail Secondary Market Intervention Window</b>	Local Corporates mostly in the Manufacturing Sector	330 - 360	CBN sells spots and forwards of c. US\$ 350 million bi-weekly
<b>Wholesale Secondary Market Intervention Window</b>	Sales to banks for onward sales to corporates	350 - 362	US\$ 100 million, weekly
<b>Parallel Market (Street Rate)</b>	All market participants	358	

# EXPERIENCED DUE DILIGENCE PROVIDERS

LONG LEAD PROVIDERS ENGAGED TO COMPLETE EARLY STAGE REVIEW

TECHNICAL

MARKET  
STUDY

FINANCIAL  
MODEL  
AUDIT

INSURANCE

LEGAL

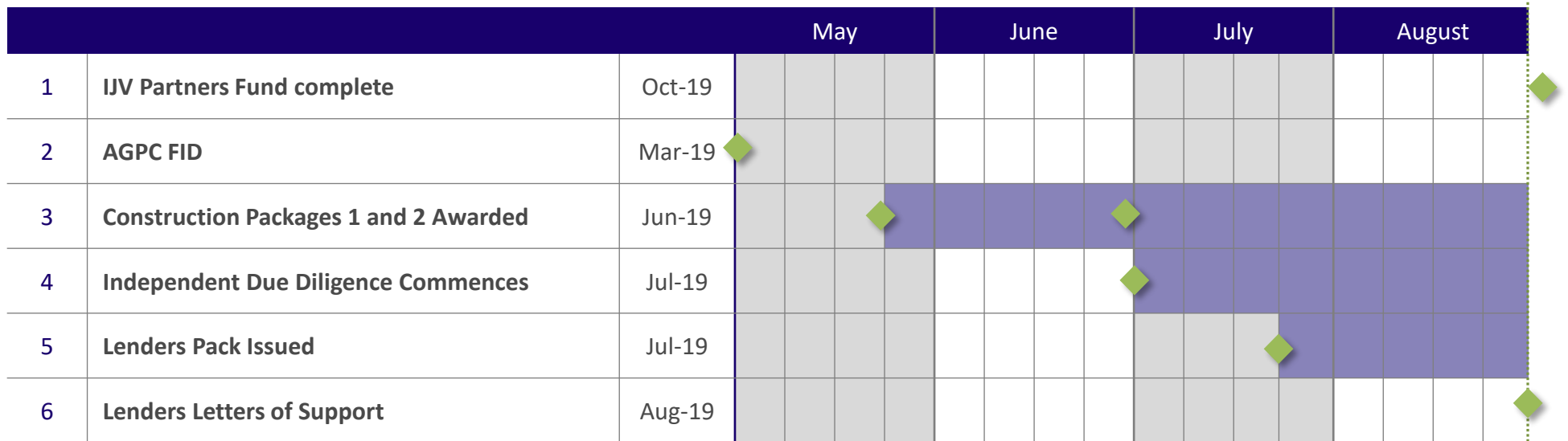
ENVIRONMENTAL

CONSULTANTS UNDER CONSIDERATION



# SYNDICATION TIMELINE

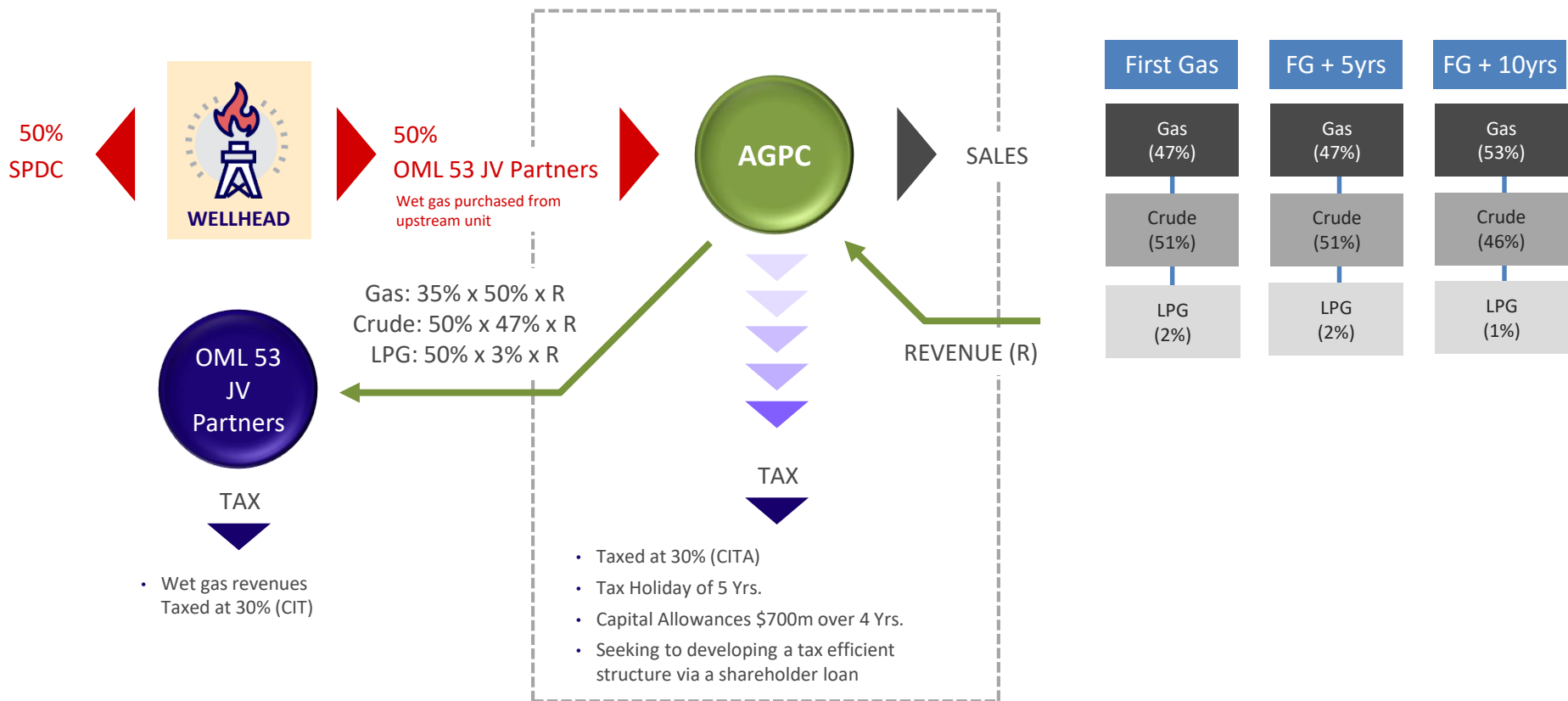
CONSERVATIVE STRUCTURE EXPECTED TO GENERATE A COMPETITIVE ENVIRONMENT



## KEY CONSIDERATIONS

- Appoint independent engineer, legal and market advisors to complete due diligence
- Funds targeted before the end 2019
- Received letters of intent up to \$500m from international and local banks
- Soft market sounding to date indicates significant local funding appetite of +\$500 million
- Pricing expected to be competed with up to \$90m of funding potentially sourced by the suppliers and export credit agencies

# ANOH FISCAL TERMS



# INDICATIVE FINANCIAL METRICS

## ROBUST METRICS

### SENSITIVITY RESULTS

Metric		Base Case	Production -15%	Receivable – 25%	Gas Industrial Offtake Only	Completion Delay 6 months
Equity IRR	%	25.2%	18.8%	15.9%	18.0%	20.3%
Equity Payback	Years	3.25	5.00	6.00	5.25	4.75
Minimum DSCR*	Ratio	2.41x	1.98x	1.76x	1.93x	1.30x
Minimum LLCR**	Ratio	2.47x	2.03x	1.81x	1.97x	2.44x
Minimum FLCR***	Ratio	4.45x	3.67x	3.34x	3.62x	4.43x
Debt Repayment Period	Years	6.50	6.50	6.50	6.50	6.75
Proportion of USD Debt Service covered by USD Cash Flow	%	92%	73%	67%	91%	96%

\*DSCR – Debt Service Cover Ratio – amount of cash flow available for debt service divided by debt service in the period (principal and interest)

\*\*LLCR – Loan Life Cover Ratio – the NPV of cash flow available for debt service over the life of the loan divided by the outstanding debt obligation

\*\*\* FLCR – Field Life Cover Ratio – the NPV of cash flow available for debt service over the life of the ANOH field divided by the outstanding debt obligation

### NOTES

- Debt matures in 2025 with debt repaid in all cases in line with the scheduled repayment profile
- Debt covenants are not breached under any of the sensitivities performed and debt is repaid before scheduled maturity

# AGPC PROJECTED RESULTS

GUIDANCE FOR AGPC AT FIRST GAS MID TERM FIVE YEARS AND LATE TERM TEN YEARS

## FCF

**First Gas:** US\$ 105 million p.a.  
**Mid:** US\$ 225 million p.a.  
**Late:** US\$ 194 million p.a.

## CFADS

**First Gas:** US\$ 76 million  
**Mid:** US\$ 174 million  
(avg year 1 - 5 )  
**Late:** US\$ 150 million (avg year 6-10)

## EBITDA

**First Gas:** US\$ 207 million p.a.  
**Mid:** US\$ 225 million p.a.  
**Late:** US\$ 194 million p.a.

## OPEX & MAINTENANCE

**First Gas:** US\$ 25 million p.a.  
**Mid:** US\$ 30 million p.a.  
**Late:** US\$ 40 million p.a.

## CAPEX\*

**USD:** US\$ 408 million  
**NAIRA:** US\$ 213 million  
\*Excluding Taxes

## WET GAS PRICE

**First Gas:** US\$2.10 / Mscf  
**Mid:** US\$2.38 / Mscf  
**Late:** US\$2.05 / Mscf

## GAS REVENUES

**First Gas:** US\$ 261 million p.a.  
**Mid:** US\$ 261 million p.a.  
**Late:** US\$ 261 million p.a.

## CRUDE REVENUES

**First Gas:** US\$ 235 million p.a.  
**Mid:** US\$ 286 million p.a.  
**Late:** US\$ 226 million p.a.

## TOTAL REVENUES

**First Gas:** US\$ 500 million p.a.  
**Mid:** US\$ 556 million p.a.  
**Late:** US\$ 490 million p.a.

# SUMMARY

Austin Avuru  
- Chief Executive Officer



# CONCLUDING REMARKS

SEPLAT GAS BUSINESS SHALL CONTINUE TO BREAK GROUND ACHIEVING OPERATIONAL AND FINANCIAL SUCCESS

## MARKET



Market prices remain strong, long term outlook for gas in Nigeria and the regional market remains positive

## ACCESS



Seplat's access to gas infrastructure positions it to be the leading long term gas supplier of choice for Nigeria

## OPPORTUNITY

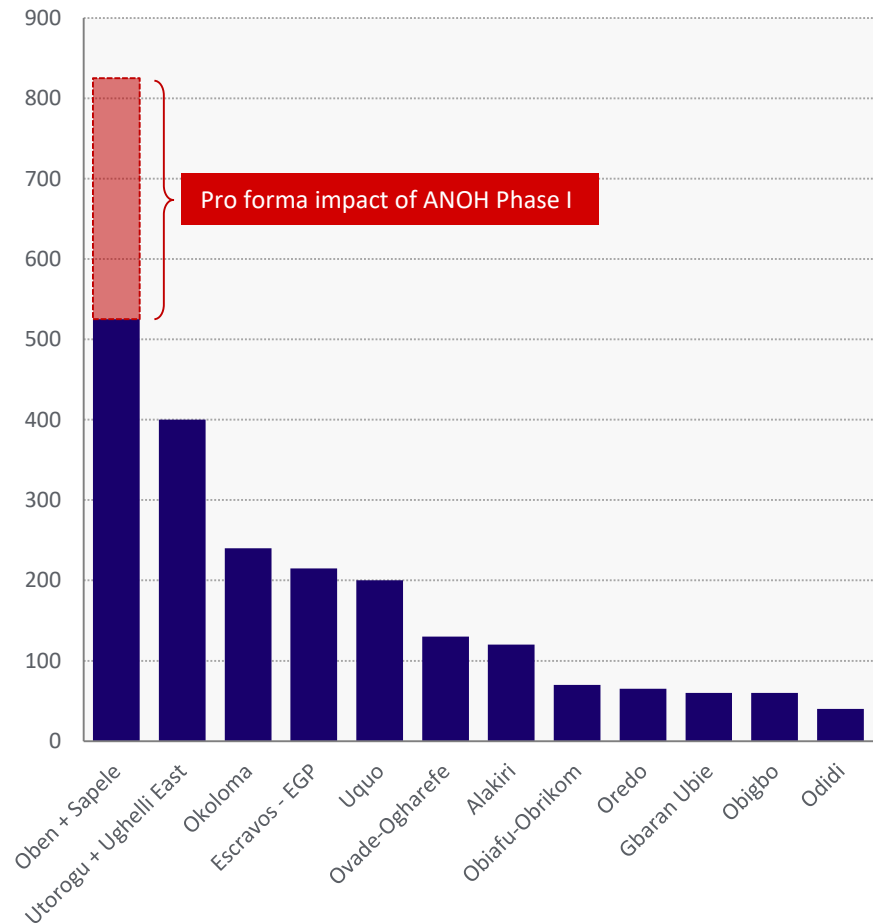


Conventional diesel off-grid power generation is expected to be displaced, presenting Seplat gas business with a significant opportunity

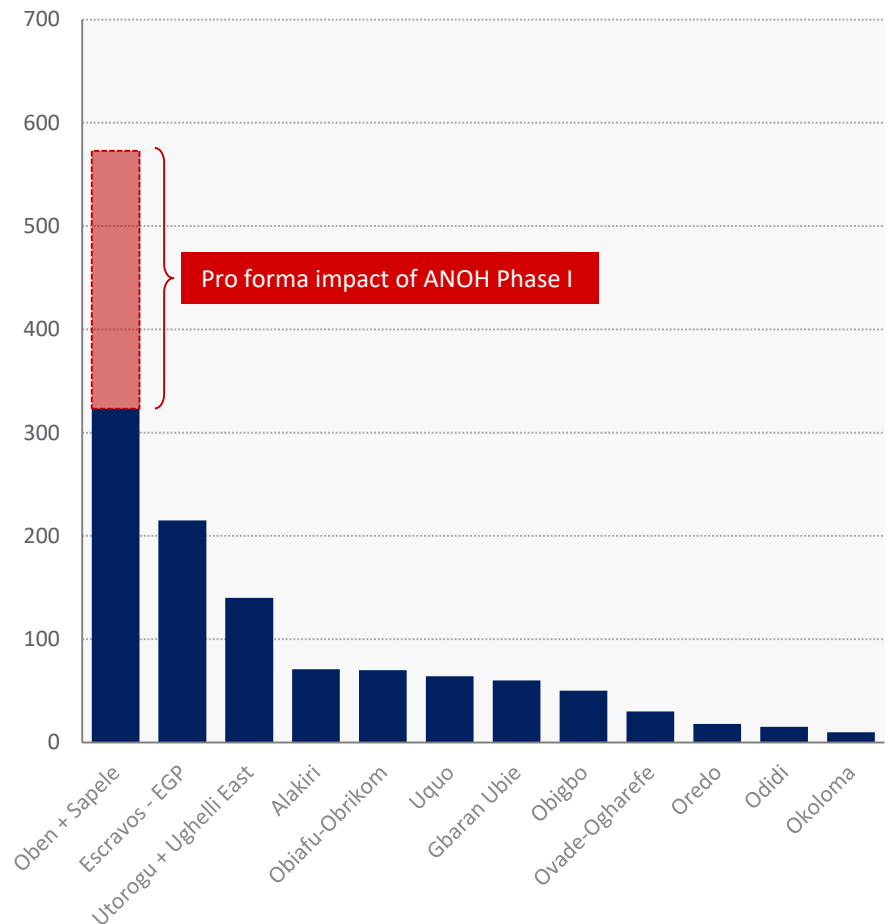
# CEMENTING SEPLAT'S LEADING DOMESTIC MARKET POSITION

THE EXISTING GAS BUSINESS AND FUTURE GROWTH FROM ANOH CAN START TO TRANSFORM NIGERIA'S ENERGY MIX

PROCESSING CAPACITY DEDICATED TO THE DOMESTIC MARKET



2018 DOMESTIC GAS SUPPLY



Source: Woodmac and Company

# QUESTION & ANSWERS

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