Half-yearly results

For the first six months ended 30 June 2015 (expressed in US Dollars and Naira)

28 July 2015

Seplat Petroleum Development Company Plc

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Consolidated half-yearly financial results for the first six months ended 30 June 2015

Lagos and London, 28 July 2015: Seplat Petroleum Development Company Plc ("Seplat" or the "Company"), a leading Nigerian indigenous oil and gas company listed on both the Nigerian Stock Exchange and London Stock Exchange, today announces its consolidated half-yearly financial results for the first six months ended 30 June 2015 and provides an operational update. Information contained within this release is un-audited and is subject to further review.

"We are very proud of completing the Phase I Oben gas processing plant expansion, solidifying our position as a leading supplier of gas to the domestic market in Nigeria and doubling our current processing capacity to 300 MMscfd," said Austin Avuru, Seplat's Chief Executive Officer. "Performance at our producing fields is strong, with new daily oil and gas production records being set on OMLs 4, 38 and 41, although third party infrastructure downtime has continued to weigh on overall performance. We have continued to take steps positive to ensure the business remains on a sound financial footing, and progressed measures to address the outstanding receivables balance," he added.

Half-yearly results highlights

- Working interest production of 32,580 boepd for the first six months +19% year-on-year and within full year guidance range of 32,000 - 36,000 boepd; excluding 52 full and 25 partial days of downtime on third party infrastructure, average working interest production was 41,797 boepd
    - Strong underlying field performance on production days with new daily peak production records on OMLs 4, 38 and 41 achieved for both oil/condensate and gas at 84,400 bpd and 284 MMscfd respectively
- Commissioning of the new 150 MMscfd Oben gas processing facility is a major step forward for Seplat's gas business and materially increases volumes available to the domestic market; 100,000 bbl liquids storage capacity expansion at Amukpe will permanently allow for gas production to continue during periods of downtime on the Trans Forcados System
- Positive progress made towards substantially reducing receivables
    - US$408 million returned from escrow (post period end); US$368 million reinstated as unrestricted cash at bank and retained option to participate in underlying investment opportunity for which negotiations have re-started
    - Current net NPDC receivables balance of US$504 million; substantial efforts being made to reduce the balance
    - Agreement signed between NPDC and Seplat to offset NPDC's share of gas revenues against sums owed pre December 31 2014; further agreed to jointly source loan facilities, up to a limit of US$300 million, to fund joint venture expenditures with effect from January 2015. Agreement expected to reduce balance in H2
- Net profit for the first six months was US$34 million on gross revenue of US$248 million; cash flow from operations before movements in working capital was US$92 million, against capital investments incurred of US$68 million (excluding acquisition costs)
- Cash at bank and net debt at period end (excluding reinstated unrestricted cash of US$368 million and other amounts held as a deposit for investment) stood at US$110 million and US$853million respectively

Financial overview

	US$ million			₦ billion	
	H1 2015	H1 2014	% change[1]	H1 2015	H1 2014
Revenue	248	388	-36%	49	60
Gross Profit	109	247	-56%	21	38
Operating Profit	71	173	-59%	14	27
Profit for the Period	34	156	-78%	24	24
Basic earnings per share (US$/₦ per sh)	0.06	0.33	-82%	43	38
Operating cash flow[2]	92	180	-49%	4	16
Working interest production (boepd)	32,580	27,375	+19%		
Average realised oil price (US$/bbl)	53.3	112.4	-53%		
Average realised gas price (US$/Mscf)	2.75	1.5	+83%		

1) % change year-on-year calculated on US$ amounts

2) Operating cash flow before movements in working capital

Webcast and conference call

At 9:00 am BST (London) / 9:00 am WAT (Lagos), Austin Avuru (CEO), Stuart Connal (COO), and Roger Brown (CFO) will host a webcast and conference call to discuss the Company's results.

The webcast can be accessed via the Company's website **http://seplatpetroleum.com/** or at the following address:

http://bit.ly/1HMKIr7

To listen to the audio commentary only, participants can use the following telephone number:

Telephone Number (UK toll free): 0808 237 0030

Telephone number (international access): +44 (0) 203 139 4830

Conference title: Seplat Petroleum Development Company Interim Results

If you are listening to the audio commentary and viewing the webcast, you may notice a slight delay to the rate the slides change on the webcast. If this is affecting you, please download the pdf slide pack from the Company's website **http://seplatpetroleum.com/**

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Notes to editors

Seplat Petroleum Development Company Plc is a leading indigenous Nigerian oil and gas exploration and production company with a strategic focus on Nigeria, listed on the Main Market of the London Stock Exchange ("LSE") (LSE:SEPL) and Nigerian Stock Exchange ("NSE") (NSE:SEPLAT).

In July 2010, Seplat acquired a 45 percent participating interest in, and was appointed operator of, a portfolio of three onshore producing oil and gas leases in the Niger Delta (OMLs 4, 38 and 41), which includes the producing Oben, Ovhor, Sapele, Okporhuru, Amukpe and Orogho fields. Since acquisition, Seplat has increased daily liquids and gas production capability from these OMLs to record levels and doubled gas processing capacity. All of Seplat's gas production is sold into the domestic market.

In June 2013, Newton Energy Limited, a wholly-owned subsidiary of the Company, entered into an agreement with Pillar Oil Limited to acquire a 40 percent participating interest in the Umuseti/Igbuku marginal field area within OPL 283. In February 2015, Seplat completed the acquisition of a 40 percent operated working interest in OML 53 and a 22.5 percent operated working interest in OML 55, onshore Nigeria.

Seplat is pursuing a Nigeria focused growth strategy and is well-positioned to participate in future divestment programmes by the international oil companies, farm-in opportunities and future licensing rounds. For further information please refer to the company website, **http://seplatpetroleum.com/**

Production for the first six months ended 30 June 2015

		Gross			Working Interest		
		Liquids(1)	Gas	Oil equivalent	Liquids(1)	Gas	Oil equivalent
	Seplat %	bopd	MMscfd	boepd	bopd	MMscfd	boepd
OMLs 4, 38 & 41	45.0%	44,765	118.3	64,488	20,144	53.3	29,020
OPL 283	40.0%	2,724	-	2,724	1,089	-	1,089
OML 53	40.0%	2,243	-	2,243	897	-	897
OML 55(2)	22.5%	6,995	-	6,995	1,574	-	1,574
Total		**56,727**	**118.3**	**76,451**	**23,705**	**53.3**	**32,580**

(1) Liquid production volumes as measured at the LACT unit for OMLs 4, 38 and 41 and OPL 283 flow station. Volumes stated are subject to reconciliation and will differ from sales volumes within the period.

(2) Volumes associated with Seplat's 56.25% in Belemaoil producing Limited, equivalent to an effective 22.5% working interest in OML 55

Average working interest production during the first six months was 32,580 boepd (compared to 27,375 boepd in 2014) and comprised 23,705 bopd liquids and 53.3 MMscfd gas. These reported production figures reflect 52 full and 25 partial days of downtime on the third party operated Trans Forcados System ("TFS") in the first six months. There were 40 days of shut-ins recorded at OML 53. Excluding downtime, average working interest production in the first six months was 41,797 boepd (comprising 32,921 bopd liquids and 53.3 MMscfd gas). Deliveries during the first six months to the Warri refinery via the Seplat operated alternative export pipeline stood at 393,055 bbls. During the first six months, approximately 95% of liquids production from OMLs 4, 38 and 41 was transported through the TFS. Owing to the level of interruptions experienced on the TFS during the period the applicable reconciliation factors are yet to be finalised. The Company last reported reconciliation losses of 9.67% during the first three months of the year, which is consistent with the same period last year.

Whilst the high levels of downtime on the TFS impacted average volumes over the period, daily rates climbed to record levels for both oil and gas production. Reservoir and well performance remained at the high end of expectations and an increase in gas processing capacity from commissioning of the new 150 MMscfd Oben gas plant allowed for increased levels of gas offtake, which in turn has led to higher than anticipated condensate yields. Consequently, gross liquid production rates of up to 84,400 bpd and gross gas production rates of up to 284 MMscfd have been achieved.

The average oil price realisation in the first six months was US$53.3/bbl (2014: US$112.4/bbl), achieving an average US$1.5/bbl premium to Brent, and the average gas price realisation was US$2.75/Mscf (2014: US$1.50/Mscf)

The Company maintains full year average working interest production guidance of 32,000 boepd to 36,000 boepd based on the current work programme.

Gas business

Alongside the oil business, the Company has also prioritised the commercialisation and development of the substantial gas reserves and resources identified at its blocks and is today a leading supplier of gas to the domestic market in Nigeria. Going forward, Seplat plans to further increase its gas production and processing capacity to help meet Nigeria's growing demand, particularly in the gas to power sector.

Oben gas plant expansion

A major step forward in the growth of Seplat's gas business is the modular build-up of processing capacity at the Oben facility to create a strategic gas hub ideally located to aggregate and supply gas to Nigeria's main demand centres. Installation of the new 150 MMscfd Oben gas processing facility was completed in the first quarter and commissioned in the second quarter. Given the higher than expected condensate yields from the increased gas output the Company deployed temporary condensate storage tanks to aid the plant commissioning process and handle condensate volumes during periods of downtime on the TFS in advance of the two new 50,000 bbl storage tanks at Amukpe becoming available. Overall gross production capacity at the Company's operated gas infrastructure is currently 300 MMscfd. In preparation for its next phase of plant capacity expansion the Company has initiated the contracting process to source and install a further three 75 MMscfd processing modules with the intention of taking processing capacity to 525 MMscfd by end 2017.

Oben associated gas compression

The Oben associated gas compression project is aimed at eliminating the routine flaring of associated gas and to allow the Company to monetise these volumes and further increase volumes available to the domestic market. Installation of the three 10 MMscfd compressor units and associated instrumentation has been completed, together with fabrication and installation of export lines. Overall, the project stands at 90% completion levels and is expected to be operational in the third quarter.

Gas sales agreements

During the first half the Company signed a new gas sales agreement with NGC to supply an additional 100 MMscfd at a price of US$3.50/Mscf to the domestic market over and above its pre-existing contracts. The new gas sales agreement will run until mid-2017, after which the volumes will be allocated towards the gas sales agreement with the Azura power project that was signed in 2014. The Company is also negotiating terms of an additional variable gas sales agreement with NGC to supply up to a further 100 MMscfd. It is envisaged that the variable contract will allow for any volumes not taken by the buyers under the domestic supply obligation to be placed elsewhere in the market together with any additional volumes that may be required.

OMLs 4, 38 and 41 – drilling and other capital projects

Drilling activity

During the first half the Company completed six new development wells (four gas wells and two oil wells) and one workover of an oil well. In line with its budgeted rig programme for the year the Company presently has one rig operating that is batch drilling two wells at the Sapele Shallow field. Drilling of these two wells is expected to conclude during the third quarter, after which the Company expects to batch drill a further two wells at Sapele Shallow.

Amukpe crude oil storage tanks

The key objective of the two additional 50,000 bbl storage tanks that the Company is installing at the Amukpe field location is to provide storage for condensate volumes and ensure stability and continuation of gas production to supply the domestic market during periods of downtime on the TFS. The Company has completed construction of Tank 1 and has commenced final testing of the new facility. Tank 2 has progressed to 92% complete. The Company intends to make both tanks fully available for use during Q3.

OMLs 53 and 55

In February the Company announced it had closed the acquisition of a 40.0% working interest in OML 53 and an effective 22.5% working interest in OML 55 from Chevron Nigeria Limited (“CNL”). Both blocks fit neatly with Seplat’s strategy of prioritising opportunities in the onshore and shallow water areas of Nigeria that offer near term production, cash flow and reserve replacement potential. Seplat has been designated as operator of both blocks.

Receivables

Refundable deposit for investment

On 9 July 2015, post period end, the Company announced that it had reached agreement through its wholly owned subsidiary Newton Energy Limited ("Newton") for the release of the sums from escrow that had previously been allocated as a refundable deposit against a potential investment.

Pursuant to an agreement reached by Seplat, the sum of US$408 million which was held in an escrow account has been released. The escrow account was originally set up in connection with a potential acquisition of an asset by a consortium, which Newton has an option to invest into. There have been material delays with the underlying acquisition that prompted Seplat to reach agreement with the consortium for release of the escrow amount. The remaining US$45 million of the US$453 million which was originally allocated as a refundable deposit remains as a deposit with the potential vendors of the asset whilst negotiations between the consortium and vendors continue.

Certain recent events have led to the restart of negotiations by the consortium to secure the asset, and Seplat continues to work with them. As this process continues, and following the release of the escrow amount, a sum of US$29 million has been placed into a new escrow account in London, pending agreement of final terms of the acquisition transaction. The remaining balance of US$368 million has been returned to the Group.

In the event that terms can be agreed for the potential acquisition of the asset by the consortium and Newton agrees to proceed with the investment, the funds in escrow will be released back to Newton. Should Newton at its discretion decide not to proceed with the potential investment, an additional payment of US$20 million will be made to other consortium members with the remaining funds in escrow released to Newton.

Newton has also agreed to pay a portion of previously incurred consortium costs equating to US$11 million, payable US$3.5 million now and US$7.5 million on a deferred basis.

As at 30 June 2015 the US$453 million was recognised within the reported balance of trade and other receivables.

NPDC receivable

The outstanding net NPDC receivable as at 30 June was US$504 million. On 14 July the Company entered into a signed agreement with NPDC on terms for the payment of arrears due to Seplat and also for the future structure of joint venture funding to mitigate the risk of the receivable. Pursuant to the agreement outstanding sums owed to Seplat in relation to joint venture expenditures up to 31 December 2014 will be settled by offsetting gas revenues attributable to NPDC’s 55% share of contracted gas sales.

Furthermore, NPDC and Seplat have agreed to jointly source loan facilities, up to a limit of US$300 million, to fund joint venture cash calls with effect from January 2015. Under the agreed structure, once such facilities are in place NPDC and Seplat will each contribute an allocation of crude oil production proportionate to their working interest in order to repay such loan facilities. Consequently, the Company has engaged with potential lenders to implement this arrangement.

Pioneer tax status

In early 2015 the Nigeria Investment Promotional Council ("NIPC") notified oil and gas companies which are in receipt of the pioneer tax incentive of its intention to test compliance with the conditions under which the incentive was granted to all companies, including Seplat, in order that the final two out of five years of the incentive be received. The Company is currently in the third year of the scheme and considers that it has met or exceeded these requirements. More specifically:

- Seplat has invested over US$300 million in gas development over the tax incentive period to date. The Company has built and installed a new gas processing plant and drilled multiple additional gas wells. These investments have taken gross gas production from an average of 90 MMscfd to a current peak levels of over 280 MMscfd during the first half of 2015, increasing to a projected 300 MMscfd by the end of the year. All of Seplat's gas production goes into the domestic market, supporting the Government's drive for improved power generation in the country. This progress is being driven by an aggressive investment programme in gas development and differentiates Seplat as an early mover willing to commit significant capital to the sector and increase domestic supply.
- Seplat has also grown liquids production from a daily average of 14,000 barrels in 2010 to the current peak daily rate of over 84,000 barrels during the first half of 2015. Accordingly, Seplat's royalty payments to the government have increased dramatically since the pioneer period became effective.
- Seplat has continued to fund the NPDC/Seplat Joint Venture to drive this significant growth in oil and gas production despite being owed substantial sums in unpaid cash-calls from Nigerian Petroleum Development Company (NPDC).
- Over the tax incentive period to date, Seplat has created over 300 new jobs and delivered several community development projects in its operating areas. The multiplier effect of Seplat's US$700 million plus in annual expenditure through Nigerian contractors adds over 1,000 additional jobs.
- Given Seplat's aggressive re-investment of the pioneer proceeds into its business, which has led to a significant increase in oil and gas production, the Company's tax and royalty payments are expected to double post pioneer period compared to the level it was at pre pioneer period. This, in Seplat's view, is what the pioneer incentive programme was designed to achieve.

Finance review

Revenue

Gross revenue for H1 2015 was US$247.6 million (₦48.8 billion), a decrease of 36% compared to the same period in 2014 (H1 2014: US$388.2 million / ₦60.3 billion). Despite setting new levels of peak daily liquids and gas production, substantially lower realised oil prices, periods of downtime on the TFS (52 full and 25 partial days) and consequently lower sales in the period have offset the overall increase in peak and average daily production rates and step-up in gas revenues resulting from commissioning of the new 150 MMscfd Oben gas processing facility and higher gas pricing.

Crude revenue (after stock movements) was US$221.1 million (₦43.5 billion) for the first six months, a 42% decrease from the same period in 2014 (H1 2014: US$ 378.6 million / ₦58.8 billion). Gas revenue for the period was US$26.5 million (₦5.2 billion), a 177% increase from the same period in 2014 (H1 2014: US$9.6 million / ₦1.5 billion).

Working interest sales volumes for the period decreased to 4.1 MMboe from 4.7 MMboe during the same period in 2014, mainly due to the impact downtime on the TFS had on production and lifting schedules for liquids production from OMLs 4, 38 and 41.

During the first six months the Group realised an average oil price of US$53.3/bbl (H1 2014: US$112.4/bbl), and an average gas price of US$2.75/Mscf (H1 2014: US$1.5/Mscf), against an average price for Brent in the period of US$51.0/bbl (H1 2014: US$110.3/bbl). Total gas volumes sold were 9.6 Bscf (H1 2014: 6.1 Bscf), while total liquid (crude and condensate) volumes lifted during the first six months were 2.5 MMbbls (H1 2014: 3.6 MMbbls).

Gross profit

Gross profit for the first six months was US$108.6 million (₦21.4 billion), a decrease of 56% compared to the same period in 2014 (H1 2014: US$247.2 million / ₦38.4 billion). The movement is primarily driven by the significantly lower revenues recorded in the period out-weighing a 1% reduction in cost of sales.

Direct operating costs increased to US$63.4 million (₦12.5 billion) in the period (H1 2014: US$44.1 million / ₦6.9 billion), principally as a result of the inclusion of US$25.0 million (₦5.0 billion) of deferred crude handling fees from the prior year. Rig related and other field expenses, which form part of direct operating costs, were down 57% compared to the same period in 2014 at US$25.6 million (₦5.0 billion) as a result of lower rig based activity levels and operational efficiency gains.

Operating profit

Operating profit for the first six months was US$70.6 million (₦13.9 billion), a decrease of 59% on the same period in 2014 (H1 2014: US$173.4 million / ₦26.9 billion).

Partially offsetting the impact of lower gross revenues was a 39% year-on-year decrease in G&A expenses to US$50.7 million (₦9.9 billion) during the first six months (H1 2014: US$83.4 million / ₦12.9 billion). There were a number of one-off items reported for the same period in 2014 associated with the Group's IPO and regulatory fees in relation to tax incentives that by their nature would not be expected to reoccur. Additionally, the Group has also taken steps to reduce recurring G&A expenses and in the first six months has realised a further reduction of US$7 million (₦1.4 billion) through reductions in contract labour, travel costs, facilities costs and IT.

Tax

A tax credit of US$0.2 million (₦0.4 billion) has been recognised for Seplat East and Seplat Swamp's operations. The Group has continued to benefit from the pioneer tax incentive in 2015 in respect of OMLs 4, 38 and 41 and the OPL 283 Marginal Field Area (Pillar) where the Group is now in its third year of the scheme.

Profit for the period

The Group profit after tax for the first six months was US$41.5 million (₦8.2 billion), a decrease of 73% compared to the same period in 2014 (H1 2014: US$156.0 million, ₦24.2 billion). Net finance charges increased by 67% to US$29.3 million (N5.8 billion) compared to the same period in 2014 (H1 2014: US$17.5 million / N2.7 billion) owing to the increase in gross debt following completion and drawdown of the new US$700 million seven year term facility and US$300 million three year revolving credit facility in January.

After adjusting for net profits attributable to non-controlling interests in OML 55 (Belemaoil) of US$7.8 million (₦1.5 billion) net profit attributable to the Group was US$33.7 million (₦23.5 billion including gains on foreign translation reserve) resulting in an EPS for the first six months of US$0.06 per share.

Cash flows from operating activities

Operating cash flow before movements in working capital for the first six months was US$91.8million (₦18.1 billion), down 49% compared to the same period in 2014 (H1 2014: US$180.3 million, ₦28.0 billion).

The headline outstanding NPDC receivable at period end was US$561.3 million (₦111.8 billion), consisting of both current period performances and outstanding payments brought forward from prior period performances. A total of US$242 million (₦48.2 billion) has been approved as cash calls for 2015 while a total of US$320 million (₦63.7 billion) is still undergoing various approval levels within NPDC. Receipts from NPDC during the period amounted to US$68.4 million and payments amounted to US$166.6 million. Having agreed with NPDC to offset NPDC's gas revenues against the receivable balance in respect of sums owed to Seplat in relation to the period prior to 31 December 2014, the Group has withheld gas revenues of US$22.7 million in the first six months that are attributable to NPDC's 55% interest. An additional sum of US$34.5 million payable to NPDC in respect of crude handling charges for use of the TFS has also been withheld by the Group to be offset against sums owed. Consequently, the adjusted net receivable at 30 June 2015 stood at US$504.2 million.

Cash flows from investing activities

Net cash flows from investing activities were US$397.7 million (₦78.3 billion), down from US$568.1 million (₦88.2 billion) during the same period in 2014.

Capital investments for the first six months amounted to US$37.9 million (₦7.5 billion) and includes drilling costs in relation to the ongoing programme, facility costs including the new Oben gas processing facility, new flow-lines and liquid production storage facilities. The Group maintains full year 2015 capital expenditure guidance of US$168.0 million.

In February the Group closed the acquisition of interests in OML 53 and OML 55 from Chevron Nigeria Limited and final payments made amounted to US$368.2million (₦73.3 billion).

Cash flows from financing activities

In January 2015 the Group successfully refinanced its pre-existing debt facilities with a new US$700 million seven year secured term facility and US$300 million three year secured revolving credit facility.

- The US$700 million seven year secured term facility was closed with a consortium of banks in Nigeria comprising First Bank of Nigeria Limited, Stanbic IBTC Bank Plc, United Bank for Africa Plc and Zenith Bank Plc, is repayable quarterly from end June 2015 and has a margin of LIBOR + 8.75% per annum. The facility also includes an option for the Company to upsize the facility by up to an additional US$700 million for qualifying acquisition opportunities
- The US$300 million three year revolving credit facility was closed with a consortium of eight international banks comprising Bank of America Merrill Lynch, Citibank, JP Morgan Limited, Natixis, Nedbank Limited, Rand Merchant Bank, Standard Bank and Standard Chartered Bank, has a quarterly reduction schedule from end December 2015 and has a margin of LIBOR + 6.00% per annum
- The new financing has reduced the overall cost of borrowing to the Group

During the first six months loan repayments on the US$700 million seven year secured facility amounted to US$37.3 million (₦7.4 billion). Gross debt at period end was US$962.7 million.

Cash at bank at period end stood at US$109.6 million (₦21.8 billion) and net debt US$853.1 million. This excludes the sum of US$368 million that was released from escrow and reinstated as unrestricted cash at bank on 9 July 2015 and other amounts totaling US$81.5 million against a potential investment.

Dividend

Final dividend of US$0.09 per 50 kobo share amounting to US$49.8 million was declared for the year ended 31 December 2014.

Hedging

In April the Group put in place deferred premium puts covering a volume of 4.4 MMbbls of oil to end 2015 with a strike price of US$52/bbl. The hedges will provide a base level of cash flow assurance to underpin the Group's activities over the remainder of the year. The board and management continue to closely monitor prevailing oil market and price dynamics, and at its discretion will consider short term measures to provide appropriate levels of cash flow assurance in times of oil price volatility.

Principal risks and uncertainties

The Board of Directors is responsible for setting the overall risk management strategy of the Company and the determination of what level of risk is acceptable for Seplat to bear. The principal risks and uncertainties facing Seplat at the year-end are detailed in the risk management section of the 2014 Annual Report and Accounts. The board has identified the principal risks for the remainder of 2015 to be:

- Oil price volatility
- Third party infrastructure downtime
- Successful delivery of the planned work programme

Directors' interest in shares

At 30 June 2015

Directors' interest in shares

The interests of the Directors (and of persons connected with them) in the share capital of the Company (all of which are beneficial unless otherwise stated) as at 30 June 2015, are as follows:

	No. of Ordinary Shares	As a percentage of Ordinary Shares in issue
Ambrosie Bryant Chukwueloka Orjiako[1]	84,736,913	15.32
Ojunekwu Augustine Avuru[2]	73,297,011	13.20
William Stuart Connal	14,433	–
Roger Thompson Brown	1	–
Michel Hochard	–	–
Macaulay Agbada Ofurhie	4,806,373	0.87
Michael Richard Alexander	–	–
Charles Chinedu Okeahalam	502,000	0.09
Basil Omiyi	400,000	0.07
Ifueko Omoigui-Okauru	–	–
Lord Markk Malloch-Brown	–	–
Damian Dinshiya Dodo	–	–

Notes:

(1) 72,136,912 Ordinary Shares are held by Shebah Petroleum Development Company Limited, which is an entity controlled by A.B.C. Orjiako and members of his family and 12,600,000 Ordinary Shares are held directly by Mr. Orjiako's siblings and 1 Ordinary Share held by A.B.C. Orjiako.

(2) 27,217,010 Ordinary Shares are held by Professional Support Limited and 1,920,000 Ordinary Shares are held by Abtrust Integrated Services Limited, each of which is an entity controlled by Austin Avuru. 44,160,000 Ordinary Shares, are held by Platform Petroleum Limited, which is an entity in which Austin Avuru has a 23 per cent equity interest and 1 ordinary share held by Mr Augustine O. Avuru.

Substantial interest in shares

The issued and fully paid share capital of the Company at 30 June 2015 is beneficially owned as follows:

Shareholder	No. of Ordinary Shares	As a percentage of total Ordinary Shares in issue
CIS PLC - TRADING	123,842,455	22.38
MPI S.A -	120,400,000	21.76
Shebah Petroleum Development Company Limited (BVI)	72,136,912	13.04
Platform Petroleum Limited	44,160,000	7.98
Professional Support Limited	27,217,010	4.92
Mercuria Capital Partners Limited	24,000,000	4.34
Zpc/Ibtc Rsa Fund - Main a/c	21,183,951	3.83
Quantum Power International Holdings Limited	19,600,000	3.54
Vazon Investments Limited -	7,366,800	1.33
Stanbic Nominees Nigeria Ltd	7,218,409	1.30
Hautguard Limited -	6,140,000	1.11
Others	80,044,776	14.47
	553,310,313	**100**

Directors' interest in shares continued

At 30 June 2015

Notes:

1. 72,136,912 Ordinary Shares are held by Shebah Petroleum Development Company Limited, which is an entity controlled by A.B.C. Orjiako and members of his family and 12,600,000 Ordinary Shares are held directly by Mr. Orjiako's siblings and 1 Ordinary Share held by A.B.C. Orjiako.

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Statement of Directors' Responsibilities

The directors confirm that to the best of their knowledge:

a) The condensed set of financial statements have been prepared in accordance with lAS 34 'Interim Financial Report';
b) The interim management report includes a fair review of the information required by UK DTR 4.2.7R indication of important events during the half year and description of principal risks and uncertainties for the remaining second half of the year and
c) The interim management report includes a fair review of the information required by UK DTR 4.2.8R disclosure of related parties' transactions and changes therein.

The Directors of Seplat Petroleum Development Company Plc are listed in the 2014 Annual Report and Financial Statements.

A. B. C. Orjiako
FRC/2013/IODN/00000003161
Chairman
27 July 2015

A. O. Avuru
FRC/2013/IODN/00000003100
Chief Executive Officer
27 July 2015

R.T. Brown
FRC/2014/IODN/00000007983
Chief Financial Officer
27 July 2015

Disclaimer

Certain statements included in these results contain forward-looking information concerning Seplat's strategy, operations, financial performance or condition, outlook, growth opportunities or circumstances in the countries, sectors or markets in which Seplat operates. By their nature, forward-looking statements involve uncertainty because they depend on future circumstances, and relate to events, not all of which are within Seplat's control or can be predicted by Seplat. Although Seplat believes that the expectations and opinions reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations and opinions will prove to have been correct. Actual results and market conditions could differ materially from those set out in the forward-looking statements. No part of these results constitutes, or shall be taken to constitute, an invitation or inducement to invest in Seplat or any other entity, and must not be relied upon in any way in connection with any investment decision. Seplat 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.

Report on review of interim condensed consolidated financial statements to the shareholders of Seplat Petroleum Development Company Plc

EY
Building a better working world

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We have reviewed the accompanying interim condensed consolidated financial statements of Seplat Petroleum Development Company Plc and its subsidiaries (the Group), which comprise the interim condensed consolidated statements of financial position at 30 June 2015 and profit or loss and other comprehensive income, changes in equity and cash flows for the half year then ended, and explanatory notes. The company's directors are responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with IAS 34 Interim Financial Reporting and in the manner required by the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and the Financial Reporting Council of Nigeria (FRCN) Act, No. 6, 2011. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 and in the manner required by the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and the Financial Reporting Council of Nigeria Act, No. 6, 2011.

Odutola

Yemi Odutola
For Ernst & Young
Lagos, Nigeria
FRC/2014/ICAN/00000000141

27 July 2015

Interim condensed consolidated statement of profit or loss and other comprehensive income

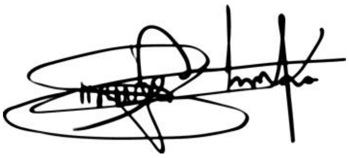
For the half year ended 30 June 2015

	Note	Half year ended 30 June 2015	Half year ended 30 June 2014	Half year ended 30 June 2015	Half year ended 30 June 2014
		Unaudited	Unaudited	Unaudited	Unaudited
		$000	$000	₦million	₦million
Revenue	3	247,586	388,185	48,761	60,294
Cost of sales	4	(138,963)	(141,019)	(27,368)	(21,904)
Gross profit		108,623	247,166	21,393	38,390
General and administrative expenses	5	(50,738)	(83,426)	(9,993)	(12,958)
Other operating income		-	-	-	-
Gain/(loss) on foreign exchange		13,363	9,706	2,632	1,508
Fair value movement in contingent consideration		(629)	-	(124)	-
Operating profit		70,620	173,446	13,908	26,940
Finance income		10,880	4,165	2,143	647
Finance charges	6	(40,239)	(21,643)	(7,925)	(3,362)
Profit before taxation		41,261	155,968	8,126	24,225
Taxation		215	-	43	-
Profit after taxation		41,476	155,968	8,169	24,225
Other comprehensive income Foreign translation reserve		-	-	16,913	(6,627)
Total comprehensive income for the period		41,476	155,968	25,082	17,598
Profit attributable to non-controlling interest	12	(7,809)	-	(1,538)	-
Profit attributable to parent		33,667	155,968	23,544	17,598
Earnings per share ($/₦)	**7**	**0.06**	**0.33**	**42.55**	**38.12**

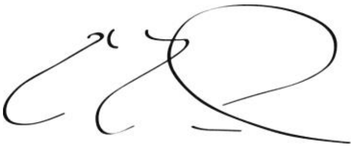
Interim condensed consolidated statement of financial position

As at 30 June 2015

	Note	30 June 2015 Unaudited $000	31 Dec 2014 Audited $000	30 June 2015 Unaudited ₦million	31 December 2014 Audited ₦million
Assets					
Non-current assets					
Oil and gas properties		1,404,060	843,603	240,275	155,448
Other property, plant and equipment		12,938	13,459	2,214	2,480
Intangible assets		1	48	-	9
Goodwill	9	2,000	-	398	-
Deferred tax assets		1,021	-	203	-
Prepayments		38,957	131,466	7,759	24,225
Total non-current assets		1,458,977	988,576	250,850	182,162
Current assets					
Inventories		51,506	54,416	10,258	10,027
Trade and other receivables	10	1,262,647	1,075,078	251,469	198,101
Other current financial assets		890	890	177	164
Derivatives not designated as hedges		5,432	5,432	1,082	1,001
Cash and cash at banks		109,620	285,298	21,832	52,571
Total current assets		1,430,094	1,421,114	284,818	261,864
Total assets		**2,889,071**	**2,409,690**	**535,668**	**444,026**
Equity and liabilities					
Equity attributable to shareholders					
Share capital	11	1,798	1,798	277	277
Capital contribution		40,000	40,000	5,932	5,932
Share premium		497,457	497,457	82,080	82,080
Retained earnings		853,827	869,861	132,608	135,727
Foreign translation reserve		26	26	16,913	35,642
Non-controlling interest	12	9,218	-	1,757	-
Total equity		1,402,327	1,409,142	239,558	259,658
Non-current liabilities					
Interest bearing loans and borrowings		835,303	239,767	166,359	44,181
Deferred tax liabilities		151	-	30	-
Contingent consideration		29,198	9,377	5,815	1,728
Provision for decommissioning		13,426	12,690	2,674	2,338
Total non-current liabilities		878,078	261,834	174,878	48,247
Current liabilities					
Trade and other payables		446,594	348,389	88,994	64,196
Other current financial liabilities			-		-
Current taxation		655	-	130	-
Short term borrowings		161,417	390,325	32,148	71,924
Total current liabilities		608,665	738,714	121,222	136,120
Total liabilities		1,486,743	**1,000,548**	296,100	**184,368**
Total equity and liabilities		**2,889,071**	**2,409,690**	**535,668**	**444,026**



A. B. C. Orjiako
FRC/2013/IODN/00000003161
Chairman
27 July 2015



A. O. Avuru
FRC/2013/IODN/00000003100
Chief Executive Officer
27 July 2015

R.T. Brown
FRC/2014/IODN/00000007983
Chief Financial Officer
27 July 2015

Interim condensed consolidated statement of changes in equity

for the half year ended 30 June 2015

	Share Capital	Share Premium	Capital Contribution	Foreign Translation Reserve	Retained Earnings	Total	Non-Controlling interest	Total Equity
	$000	$000	$000	$000	$000	$000	$000	$000
At 1 January 2015	1,798	497,457	40,000	26	869,861	1,409,142	-	1,409,142
Profit for the year	-	-	-	-	33,667	33,667	7,809	41,476
Other comprehensive income	-	-	-	-	-	-	-	-
Dividend to equity holders of the company	-	-	-	-	(49,701)	(49,701)	-	(49,701)
Share capital	-	-	-	-	-	-	1,409	1,409
At 30 June 2015 (unaudited)	**1,798**	**497,457**	**40,000**	**26**	**853,827**	**1,393,108**	**9,218**	**1,402,326**
	₦million	₦million	₦million	₦million	₦million	₦million	₦million	₦million
At 1 January 2015	277	82,080	5,932	35,642	135,727	259,658	-	259,658
Profit for the year	-	-	-	-	6,670	6,670	1,538	8,208
Other comprehensive income	-	-	-	(18,729)	-	(18,729)		(18,729)
Dividend to equity holders of the company	-	-	-	-	(9,788)	(9,788)	-	(9,788)
Share capital	-	-	-	-	-	-	218	218
At 30 June 2015 (unaudited)	**277**	**82,080**	**5,932**	**16,913**	**132,608**	**237,810**	**1,757**	**237,943**

for the half year ended 30 June 2014

	Share Capital	Share Premium	Capital Contribution	Foreign Translation Reserve	Retained Earnings	Total	Non-Controlling interest	Total Equity
	$000	$000	$000	$000	$000	$000	$000	$000
At 1 January 2014	1,334	-	40,000	58	690,807	732,199	-	732,199
Profit for the year	-	-	-	-	155,968	155,968	-	155,968
Other comprehensive income	-	-	-	-	-	-	-	-
Dividend to equity holders of the company	-	-	-	-	(40,000)	(40,000)	-	(40,000)
Increase in shares	464	534,523	-	-	-	534,987	-	534,987
Transaction costs for shares issued		(37,066)	-	-	-	(37,066)	-	(37,066)
At 30 June 2014 (unaudited)	**1,798**	**497,456**	**40,000**	**58**	**806,775**	**1,346,088**	**-**	**1,346,088**
	₦million	₦million	₦million	₦million	₦million	₦million	₦million	₦million
At 1 January 2014	200	-	5,932	591	106,993	113,716	-	113,716
Profit for the year	-	-	-	-	24,264	24,264	-	24,264
Other comprehensive income	-	-	-	(7,218)	-	(7,218)	-	(7,218)
Dividend to equity holders of the company	-	-	-	-	(6,213)	(6,213)	-	(6,213)
Increase in shares	77	88,196	-	-	-	88,273	-	88,273
Transaction costs for shares issued	-	(6,116)	-	-	-	(6,116)	-	(6,116)
At 30 June 2014 (unaudited)	**277**	**82,080**	**5,932**	**(6,627)**	**125,044**	**206,706**	**-**	**206,706**

Interim condensed consolidated statement of cash flows
for the half year ended 30 June

	Half year ended 30 June 2015	Half year ended 30 June 2014	Half year ended 30 June 2015	Half year ended 30 June 2014
	Unaudited	Unaudited	Unaudited	Unaudited
	$000	$000	₦million	₦million
Cash Flows from Operations Activities				
Cash generated from operations	(36,553)	268,204	(7,199)	41,639
Income taxes Paid	-	(3,153)	-	(490)
Net cash inflows from operating activities	(36,553)	265,051	(7,199)	41,149
Cash Flow from Investing Activities				
Investment in oil and gas properties	(406,076)	(112,111)	(79,975)	(17,405)
Investment in other property, plant and equipment	(547)	(4,280)	(108)	(664)
Acquisition of goodwill and intangible assets	(2,000)	-	(394)	-
Proceeds from sale of asset	-	-	-	-
Deposit for investment	-	(453,190)	-	(70,358)
Aborted acquisition costs	-	-	-	-
Interest received	10,880	1,432	2,143	222
Net cash outflows from investing activities	(397,743)	(568,149)	(78,334)	(88,205)
Cash Flows from Financing Activities				
Proceeds from issue of shares	-	497,921	-	77,302
Issue costs	-	(45,806)	-	(7,111)
Proceeds from bank financing	967,101	446,000	190,467	69,242
Repayments of bank financing	(636,274)	(79,356)	(125,312)	(12,320)
Loan to subsidiary undertaking	-	-	-	-
Repayment of shareholder financing	-	(48,000)	-	(7,452)
Dividends paid	(33,631)	(40,000)	(6,624)	(6,210)
Interest paid	(38,578)	(16,627)	(7,598)	(2,581)
Net cash inflows/(outflows) from financing activities	258,618	714,133	50,933	110,870
Net increase in cash and cash equivalents	(175,678)	411,035	(34,599)	63,813
Cash and cash equivalents at beginning of period	285,298	169,461	52,571	26,309
Net foreign exchange difference	-	-	3,860	-
Cash and cash equivalents at end of period	**109,620**	**580,496**	21,832	**90,122**

Notes to the interim condensed consolidated financial statements

1. Corporate structure and business

Seplat Petroleum Development Company Plc (''Seplat'' or the ''Company''), the parent of the Group, was incorporated on 17 June 2009 as a private limited liability company and re-registered as a public company on 3 October 2013, under the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004. The Company commenced operations on 1 August 2010. The Company is principally engaged in oil and gas exploration and production.

The Company acquired, pursuant to an agreement for assignment dated 31 January 2010 between the Company, SPDC, TOTAL and AGIP, a 45 per cent participating interest in the following producing assets:

OML 4, OML 38 and OML 41 located in Nigeria. The total purchase price for these assets was $340 million paid at the completion of the acquisition on 31 July 2010 and a contingent payment of $33 million payable 30 days after the second anniversary, 31 July 2012, if the average price per barrel of Brent Crude oil over the period from acquisition up to 31 July 2012 exceeds $80 per barrel. $358.6 million was allocated to the producing assets including $18.6 million as the fair value of the contingent consideration as calculated on acquisition date. The contingent consideration of $33 million was paid on 22 October 2012.

During 2013, Newton Energy Limited (''Newton Energy''), an entity previously beneficially owned by the same shareholders as Seplat, became a subsidiary of the Company. On 1 June 2013, Newton Energy acquired from Pillar Oil Limited (''Pillar Oil'') a 40 per cent. Participant interest in producing assets: the Umuseti/Igbuku marginal field area located within OPL 283 (the ''Umuseti/Igbuku Fields''). The total purchase price for these assets was $50 million paid at the completion of the acquisition in June 2013 and a contingent payment of $10 million payable upon reaching certain production milestones. $57.7 million was allocated to the producing assets including $7.7 million as the fair value of the contingent consideration as calculated on acquisition date.

On February 5, 2015, Seplat announced the completion of the acquisition of a 40% working interest in OML 53 and, onshore north eastern Niger Delta from Chevron Nigeria Limited. The up-front acquisition cost to Seplat, after adjustments, is $259.4 million, of which $69.0 million had previously been paid as a deposit in 2013 and $190.4 million paid at completion. The adjustments to the up-front acquisition cost include a deferred payment of $18.75 million contingent on oil prices averaging $90/bbl. or above for 12 consecutive months over the next five years.

On February 5, 2015, Seplat announced the conclusion of negotiations to purchase 56.25% of the share capital of Belemaoil, a Nigerian special purpose vehicle that has completed the acquisition of a 40.00% interest in the producing OML 55, located in the swamp to coastal zone of south eastern Niger Delta, from Chevron Nigeria Limited. Seplat's effective working interest in OML55 is 22.5% for a consideration of $132.2 million after adjustments. The adjustments to the consideration include a deferred payment of $11.6 million net to Seplat contingent on oil prices averaging US$90/bbl. or above for 12 consecutive months over the next five years. The Company has also advanced certain loans of $80.0 million to the other shareholders of Belemaoil to meet their share of investments and costs associated with Belemaoil. In addition, discussions are underway to determine repayment terms for the initial deposit against the acquisition of $52.5 million that Belemaoil funded with bank debt. This amount may subsequently be added to the total amount loaned to Belemaoil by Seplat. Under the agreed terms Seplat will recover the loaned amounts, together with an uplift premium of up to $28.9 million and annual interest of libor plus 10.00%, from 80.00% of the other shareholders oil lifting entitlements.

The Company's registered address is: 25a Lugard Avenue, Ikoyi, Lagos, Nigeria.

The Company together with its subsidiary, Newton Energy, and four wholly owned subsidiaries, namely, Seplat Petroleum Development Company UK Limited (''Seplat UK''), which was incorporated on 21 August 2013, Seplat East Onshore Limited (''Seplat East''), which was incorporated on 12 December 2013, Seplat East Swamp Company Limited (''Seplat Swamp''), which was incorporated on 12 December 2013, and Seplat Gas Company Limited (''Seplat Gas''), which was incorporated on 12 December 2013, is referred to as the Group.

Notes to the interim condensed consolidated financial statements - continued

2. Accounting policies

2.1 Basis of preparation

The interim condensed consolidated financial statements for the half year ended 30 June 2015 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group annual financial statements as at 31 December 2014.

The historical financial information is presented in US dollars and Nigerian naira and all values are rounded to the nearest thousand ($000) and million (₦million), except when otherwise indicated.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2015.

This basis is the same adopted for the last audited financial statement as at 31 December 2014.

2.3 Functional and presentation currency

Functional and presentation currency

The Group's financial statements are presented in United States Dollars, which is also the Company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income within the line item gain/(loss) on foreign exchange, net.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into US$ at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

For statutory reporting purposes, the Naira components of the quarterly consolidated financial statements are derived from the US dollar financial statements translation in which all monetary assets and liabilities are translated at the closing rate, share capital at historical rate while comprehensive income and fixed assets accounts are translated at the average rate for the period. The resulting exchange differences are recognised in other comprehensive income and included as a separate component of equity.

Notes to the interim condensed consolidated financial statements - continued

3. Revenue

	Half year ended 30 June 2015	Half year ended 30 June 2014	Half year ended 30 June 2015	Half year ended 30 June 2014
	$000	$000	₦million	₦million
Crude oil sales as invoiced	135,629	403,714	26,712	62,706
Changes in lifting (in line with participating interests of both parties)	85,454	(25,081)	16,829	(3,896)
	221,082	378,633	43,541	58,810
Gas sales	26,503	9,552	5,220	1,484
Total revenue	**247,586**	**388,185**	**48,761**	**60,294**

The sole off-taker for crude oil is Shell Western Supply and Trading Limited.

4. Cost of sales

	Half year ended 30 June 2015	Half year ended 30 June 2014	Half year ended 30 June 2015	Half year ended 30 June 2014
	$000	$000	₦million	₦million
Crude handling fees	36,132	9,131	7,116	1,418
Royalties	37,860	76,249	7,456	11,843
Depletion, Depreciation and Amortisation	31,467	15,905	6,197	2,470
Niger Delta Development Commission	6,260	4,644	1,233	721
Other rig related expenses	5,497	12,703	1,083	1,973
Other field expenses	21,747	22,387	4,283	3,479
	138,963	**141,019**	**27,368**	**21,904**

5. General and administrative expenses

	Half year ended 30 June 2015	Half year ended 30 June 2014	Half year ended 30 June 2015	Half year ended 30 June 2014
	$000	$000	₦million	₦million
Depreciation, amortisation and impairment charges	2,566	1,691	505	263
Employee related cost	9,759	9,813	1,922	1,524
Professional and consulting fees	20,343	39,975	4,006	6,209
Directors emoluments	3,337	4,653	657	723
Other general and admin expenses	14,733	27,294	2,903	4,239
	50,738	**83,426**	**9,993**	**12,958**

Notes to the interim condensed consolidated financial statements - continued

6. Finance charges

	Half year ended 30 June 2015	Half year ended 30 June 2014	Half year ended 30 June 2015	Half year ended 30 June 2014
	$000	$000	₦million	₦million
Bank loan	39,503	20,670	7,780	3,211
Interest on shareholder loan	-	-	-	-
Unwinding of discount on provision for decommissioning	736	973	145	151
	40,239	**21,643**	**7,925**	**3,362**

7. Earnings per share

Basic

Basic earnings per share is calculated on the Company's profit after taxation and on the basis of weighted average of issued and fully paid ordinary shares at the end of the period.

	Half year ended 30 June 2015	Half year ended 30 June 2014	Half year ended 30 June 2015	Half year ended 30 June 2014
	$000	$000	₦million	₦million
Profit for the period attributable to shareholders	41,261	155,968	8,169	24,225
Weighted average number of ordinary shares in issue	553,310	461,666	553,310	461,666
	$	$	₦	₦
Basic earnings per share	0.06	0.33	42.55	38.12
Dividend per share	0.09	0.10	17.64	-
Earnings	**$000**	**$000**	**₦million**	**₦million**
Profit attributable to equity holders of the Group	41,261	155,968	8,169	24,225
Profit used in determining diluted earnings per share	41,261	155,968	8,169	24,225

There were no dilutive instruments for the period ended 30 June 2015.

Notes to the interim condensed consolidated financial statements - continued

8. Related party transactions

8a. Transactions

The following transactions were carried out by related parties on behalf of Seplat:

i) Purchases of goods and services	Half year ended 30 June 2015	Half year ended 30 June 2014	Half year ended 30 June 2015	Half year ended 30 June 2014
	$000	$000	₦million	₦million
Shareholders				
MPI SA	-	300	-	47
Shebah Petroleum Development Company Limited	759	759	149	183
Platform Petroleum Limited	35	145	7	23
	794	1,204	156	253
Entities under common control				
Abbey Court Petroleum Company Limited	1,476	2,089	291	324
Abtrust Integrated Services	-	50	-	8
Charismond Nigeria Limited	6	155	1	24
Cardinal Drilling Services Limited	7,388	20,227	1,455	3,140
Keco Nigeria Enterprises	1,316	1,778	259	276
Ndosumili Ventures Limited	616	1,071	121	166
Oriental Catering Services Limited	482	332	95	52
ResourcePro Inter Solutions Limited	512	710	101	110
Berwick Nigeria Limited	-	988	-	153
Montego Upstream Services Limited	2,905	8,811	572	1,368
Neimeth International Pharmaceutical Plc	-	8	-	1
Nerine Support Services Limited	12,642	14,079	2,490	2,186
Nabila Resources & Investment Ltd	-	354	-	55
D.D Dodo & Co	-	-	-	-
Helko Nigeria Limited	2	828	-	129
	27,346	**51,480**	**5,386**	**7,992**

ii) Interest expense	Half year ended 30 June 2015	Half year ended 30 June 2014	Half year ended 30 June 2015	Half year ended 30 June 2014
	$000	$000	₦million	₦million
Shareholders				
MPI	-	1,694	-	263

8b. Balances

The following balances were receivable from or payable to related parties as at 30 June:

Prepayments / receivables	Half year ended 30 June 2015	Half year ended 30 June 2014	Half year ended 30 June 2015	Half year ended 30 June 2014
	$000	$000	₦million	₦million
Under common control				
Cardinal Drilling Services Limited	10,091	7,382	2,010	1,146
Abbeycourt Petroleum Company Limited	-	38	-	6
	10,091	7,420	2,010	1,152

Notes to the interim condensed consolidated financial statements - continued

9. Goodwill

Seplat, via a wholly owned subsidiary, entered into a share purchase agreement with First Act, Belema Refinery and Petrochemical Ltd, Mr. Jack Tein and Belemaoil (the four shareholders of Belemaoil) to acquire 56.25% of Belemaoil. This sale and purchase agreement was consummated on 5 February 2015 upon Seplat consortium's acquisition of CNL's 40% interest in OMLs 52, 53 and 55. This results in Seplat having an indirect interest of 22.5% in OML 55.

The acquisition of OML 55 is a business combination through its indirect acquisition of the asset and has been accounted for in accordance with IFRS 3R. The fair value of the purchase consideration and the assets acquired are $139 million and $137 million respectively, giving rise to a goodwill on acquisition of $2million (₦398million).

	$000	₦million
Purchase consideration	139,285	27,740
Fair value of Net assets of Belemaoil	(137,285)	(27,342)
Goodwill	2,000	398

10. Trade and other receivables

	As at 30 Jun 2015 $000	As at 31 Dec 2014 $000	As at 30 Jun 2015 ₦million	As at 31 Dec 2014 ₦million
Trade receivables	128,011	119,588	25,495	22,036
Nigerian Petroleum Development Company (NPDC) receivables	561,314	463,118	111,791	85,337
Deposit for investments	453,190	453,190	90,257	83,508
Advances to related parties	10,091	10,924	2,010	2,013
Prepayments	15,569	14,224	3,101	2,621
Under lift	78,426	2,783	15,619	513
Advances to suppliers	15,897	10,934	3,167	2,015
Other receivables	149	317	29	58
	1,262,647	**1,075,078**	**251,469**	**198,101**

Deposit for investment:

By a consortium agreement made amongst parties, Newton Energy Limited (a wholly owned subsidiary of Seplat) agreed to make payments of $453 million towards an investment in 2014 of which $408 million was placed into an escrow account. The investment was not consummated as expected and in pursuant to the agreement reached by the Group, the sum of US$408 million which was held in an escrow account has been released subsequent to the reporting period. There have been material delays with the underlying acquisition, prompting Seplat to reach agreement with the consortium for release of the Escrow amount. The remaining US$45 million of the US$453 million which was allocated as a refundable deposit remains as a deposit with the potential vendors of the asset whilst negotiations between the consortium and vendors continue.

Notes to the interim condensed consolidated financial statements - continued

Trade receivables / NPDC receivables:

Trade receivables are non-interest bearing and are generally on 30-day terms.

Not included in the NPDC receivables of $561million is $57million which relates to crude handling charges due to NPDC and gas revenues for which NPDC as formally agreed to be used as an offset against amounts due to Seplat. Net receivables from NPDC now stand at $504million

The amount due from NPDC includes $338 million (₦67.3 billion) that is overdue as at 30 June 2015. The overdue cash calls are not considered impaired based on the credit worthiness of the counterparty and previous experience whereby certain amounts are paid but not in line with the terms as NPDC is required to follow due process.

11. Share capital

11a.

	As at 30 Jun 2015 $000	As at 31 Dec 2014 $000	As at 30 Jun 2015 ₦million	As at 31 Dec 2014 ₦million
Authorised ordinary share capital				
1,000,000,000 ordinary shares denominated in Naira of 50 kobo per share	3,335	3,335	518	518
Issued and fully paid				
553,310,313 issued shares denominated in Naira of 50 kobo per share	1,798	1,798	277	277

In 2014, the Group issued and allotted 153,310,313 through an initial public offering, resulting in an increase in number of issued and fully paid ordinary shares of 50k each from 400 million to 553 million shares.

11b. Capital contribution

	As at 30 Jun 2015 $000	As at 31 Dec 2014 $000	As at 30 Jun 2015 ₦million	As at 31 Dec 2014 ₦million
Additional Contribution	40,000	40,000	5,932	5,932
	40,000	40,000	5,932	5,932

This represents M&P additional cash contribution to the Company. In accordance with the Shareholders Agreement, the amount was used by the Company for working capital as was required at the commencement of operations. Subsequently, the interest held by M&P was transferred to MPI. All terms and conditions previously held by M&P were re-assigned to MPI.

Notes to the interim condensed consolidated financial statements - continued

11c. Share Premium

	As at 30 Jun 2015 $000	As at 31 Dec 2014 $000	As at 30 Jun 2015 ₦million	As at 31 Dec 2014 ₦million
Gross proceeds	534,987	534,987	88,273	88,273
Share issue	(464)	(464)	(77)	(77)
Share premium	534,523	534,523	88,196	88,196
Issue costs	(37,066)	(37,066)	(6,116)	(6,116)
Issued share capital proceeds	497,456	497,457	82,080	82,080

In 2014, net proceed of $497.9 million (₦82.1 billion) was received during the initial public offering. 153,310,313 shares of 50keach totaling $464,000 (₦77million) were transferred to share capital.

12. Non-controlling interest

This represents Seplat's non-controlling interest (i.e. Belema's share -43.75%) of net profits in OML 55 and share capital as at the end of the period.

13. Events after the reporting period

On 9 July 2015, post period end, the Company announced that it had reached agreement through its wholly owned subsidiary Newton Energy Limited ("Newton") for the release of the sums from escrow that had previously been allocated as a refundable deposit against a potential investment.

Pursuant to an agreement reached by Seplat, the sum of US$408 million which was held in an escrow account has been released. The escrow account was originally set up in connection with a potential acquisition of an asset by a consortium, which Newton has an option to invest into. There have been material delays with the underlying acquisition that prompted Seplat to reach agreement with the consortium for release of the escrow amount. The remaining US$45 million of the US$453 million which was originally allocated as a refundable deposit remains as a deposit with the potential vendors of the asset whilst negotiations between the consortium and vendors continue.

Certain recent events have led to the restart of negotiations by the consortium to secure the asset, and Seplat continues to work with them. As this process continues, and following the release of the escrow amount, a sum of US$29 million has been placed into a new escrow account in London, pending agreement of final terms of the acquisition transaction. The remaining balance of US$368 million has been returned to the Group.

In the event that terms can be agreed for the potential acquisition of the asset by the consortium and Newton agrees to proceed with the investment, the funds in escrow will be released back to Newton. Should Newton at its discretion decide not to proceed with the potential investment, an additional payment of US$20 million will be made to other consortium members with the US$368 million in escrow released to Newton.

Newton has also agreed to pay a portion of previously incurred consortium costs equating to US$11 million, payable US$3.5 million now and US$7.5 million on a deferred basis.

General information

Company secretary	Mirian Kene Kachikwu
Registered office and business	
Address of directors	25a Lugard Avenue Ikoyi Lagos Nigeria
Registered number	RC No. 824838
Registrars	DataMax Registrars Limited 7 Anthony Village Road Anthony P.M.B 10014 Shomolu Lagos, Nigeria
FRC number	FRC/2015/NBA/00000010739
Auditors	Ernst & Young 10th Floor, UBA House 57 Marina Lagos, Nigeria.
Solicitors	Abhulimen & Co. Anaka Ezeoke & Co. D. D. Dodo & Co. Jakpa, Edoge & Co. Ogaga Ovrawah & Co. Streamsowers & Kohn Thompson Okpoko & Partners Winston & Strawn London LLP
Bankers	Access Bank Plc African Export-Import Bank BNP Paribas Bank Diamond Bank Plc First Bank of Nigeria Plc GT Bank Plc Skye Bank Plc Stanbic IBTC Bank Plc United Bank for Africa Plc Zenith Bank Plc Union Bank of Nigeria Plc Ecobank Nigeria Plc Citibank Nigeria Limited Standard Chartered Bank Nigeria Limited HSBC Bank