

22 April 2024

Seplat Energy PLC ("Seplat" or "the Company")
Publication of 2023 Annual Report and Notice of AGM

Seplat Energy PLC confirms it has today published its Annual Report & Accounts for the year ended 31 December 2023. In the report we have adopted for the first time and ahead of requirement, the IFRS Sustainability Standards, improving the level of non-financial disclosures. We also publish the notice of the Company's eleventh Annual General Meeting ("AGM") and forms of proxy. The Company will hold its AGM at 11:00am (WAT) on Thursday, 16 May 2024 virtually. The virtual meeting link for the AGM is <https://www.seplatenergy.com/agm-2024/>

In accordance with Listing Rule 14.3.6 copies of the Company's Annual Report and Accounts for the year ended 31 December 2023, the Notice of AGM and proxy forms have also been submitted to the FCA for publication through the document viewing facility of the National Storage Mechanism and will shortly be available for inspection at <https://www.fca.org.uk/markets/primary-markets/regulatory-disclosures/national-storage-mechanism>

In accordance with Disclosure Guidance and Transparency Rule ("DTR") 6.3.5R(3), copies are available on the Company's website, <https://www.seplatenergy.com>

The Company's audited financial statements and extracts of the management report were included in the Company's Final Results announcement on 29 February 2024. That information, together with the Appendices to this announcement, which contains the following additional information that has been extracted from the 2023 Annual Report, constitutes the material required for the purposes of compliance with DTR 6.3.5 only:

- the Directors' Responsibilities Statement;
- a description of principal risks and uncertainties that the Company faces; and
- related party transactions.

This announcement should be read in conjunction with and is not a substitute for reading the full 2023 Annual Report. Page and note references in the text below refer to page numbers and notes in the 2023 Annual Report and terms defined in that document have the same meanings in these extracts.

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About Seplat Energy

Seplat Energy PLC (Seplat) is Nigeria's leading indigenous energy company. Listed on the Nigerian Exchange Limited (NGX: SEPLAT) and the Main Market of the London Stock Exchange (LSE: SEPL), we are pursuing a Nigeria-focused growth strategy in oil and gas, as well as developing a Power & New Energy business to lead Nigeria's energy transition.

For further information please refer to our website, <https://seplatenergy.com/>

Appendices

Appendix A: Statement of Directors' responsibilities

The following Statement of Directors' responsibilities is extracted from the 2023 Annual Report and Accounts (page 167)

The following Statement of Directors' responsibilities is extracted from the 2023 Annual Report and Accounts (page 107).

The Companies and Allied Matters Act, 2020, requires the Directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the Group at the end of the year and of its profit or loss. The responsibilities include ensuring that the Group:

- 1) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and comply with the requirements of the Companies and Allied Matters Act, 2020;
- 2) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- 3) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates and are consistently applied.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS), the requirements of the Companies and Allied Matters Act, 2020 and Financial Reporting Council of Nigeria Act, No. 6, 2011.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Group and of its financial performance and cash flows for the year. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Group will not remain a going concern for at least 12 months from the date of this statement.

Signed on behalf of the Directors by:

B. Omiyi

R.T. Brown

Chairman

Chief Executive Officer

FRC/2016/IODN/00000014093
29 February 2024

FRC/2014/ PRO/DIR/003/00000017939
29 February 2024

Appendix B: Principal risks and uncertainties

The following principal risks and uncertainties table is extracted from the 2023 Annual Report and Accounts (pages 79 to 83).

The implementation of our strategy can be hindered by various risks and uncertainties. The risks that the Board considers most significant are described here.

Operational risks			
Risk:	Field operations and project deliverability	Mitigation:	Focus on risk management at planning phase and mitigation plans activated. Compulsory 'peer-to-peer' review for high-value projects and better project management techniques.
Definition:	Failure to manage operational activities in line with planned expectations can lead to production misses, project delays and cost overruns, high production costs and earlier than expected field decommissioning.		Protracted land acquisition, preparation and rig startup have been contributory factors which have received focused attention and significant process improvements and improved communications with JV partner and approving regulators to mitigate delays. Use of smart/intelligent wells to improve recovery and improved rig performance monitoring and reporting to manage Non Productive Times (NPTs).
Links:	KPI/Performance metric Net working interest production Operating costs per boe	Trend:	Steady. We continue to redefine our project management approach for improved speed of delivery and efficiency; Acquired the ISO 55001 Asset Management System certification for Asset Integrity, successfully preserved the certification by passing two follow-up surveillance Audits, consolidate performance across board, maximize production, maintain a strong balance sheet, and strategically position the company for future growth.
	Strategy		
	Material issues		
	Assessment		
Risk:	Third party infrastructure downtime	Mitigation:	Amukpe to Escravos pipeline (AEP) since commissioning in Q3 2022
Definition:	An over-reliance on third party operated transportation infrastructure can expose the Company to extended period of production being shut-in.		has continued to compliment the Trans Forcados Pipeline in the event of a shutdown of the latter. The company continues to explore other export options via barging and crude trucking as a back-up option in extreme cases. All associated Upgrades of existing Amukpe Flowstation & LTF Facilities which were embedded in the Amukpe LTF Upgrade Project Scope shall be individually reviewed and progressed (if necessary) as part of Amukpe Facility Development.

Links:	KPI/Performance metric Net working interest production Days downtime EBIT	Trend:	Steady. The Forcados export system recorded significant downtime during the year - however the AEP since coming onstream has provided evacuation support for the business and helped enhance bottom-line liquidity. Risk trend is kept at steady with the AEP availability providing support in the event of an outage of the TFP.
	Strategy	3/4/5	
	Material issues	2/4/5/6/9	
	Assessment	Very high	

Risk:	HSSE risks	Mitigation:	Deployment of an HSSE Management System in line with best practices. Monitoring and reporting of HSSE performance scorecards at management and Board levels.
Definition:	Oil and gas activities carry significant levels of HSSE risks which must be properly managed. As activity levels continue to increase there is a strong focus on preventing major environmental (including the emerging Climate Change - GHG emissions risk), health or safety incidents		Our HSSE systems and process are subjected to independent review and identified improvement initiatives are deployed. Continual focus on HSSE training and initiatives on incidence prevention. Emergency Response plan set for any eventuality and comprehensive Incident Review panels to identify and channel lessons learnt to improvement activities. Focus on the delivery on projects earmarked to reduce and or eliminate gas flaring as spelt out under the company's "gas flares out roadmap" and new energy transition plan.
Links:	KPI/Performance metric HSE scorecards LTIR TRIR	Trend:	Steady. Though the risk is inherent, we will continue to deploy our HSSE risk management in line with best practices and with strong emphasis on prevention.
	Strategy	1/2/3/4/5	
	Material issues	2/4/5/6/7/8	
	Assessment	Very high	

Operational risks (cont.)			
Risk:	Climate-related risks	Mitigation:	The company has identified a number of projects to deliver on projects earmarked to reduce and or eliminate routine gas flaring as spelt out under the "gas flares out roadmap"; projects include (i) delivery of the LPG projects at Sapele and Oben, (ii) Installation of booster compressors, and (iii) the commissioning of the Sapele integrated gas plant project.
Definition:	IFRS S2 defines climate risk as the potential negative effects of climate change on an entity. These risks are categorised as climate-related physical risks and climate related transition risks.		Other mitigation include (1.) seek alternative options for cleaner energy, (2.) Participate in all industry discussions and initiatives aimed at the introduction and deployment of Carbon-emissions trading schemes in a developing carbon-trading oil and gas economy.
Links:	KPI/Performance metric HSE scorecards LTIR TRIR	Trend:	Steady. The risk trend is being kept at steady following the company's focus continued drive and commitment to deliver all key projects towards reducing and or eliminating routine gas flaring as spelt out under the "gas flares our road map. Additionally, the company has developed climate change and sustainability/ESG policies.
	Strategy	1/2/3/4/5/6	
	Material issues	1/2/3/4/5/6/9/10/11	
	Assessment	Very high	

Risk:	Sustaining Exploration and Appraisal (E&A) programme	Mitigation:	Strict compliance with reservoir management guidelines. Building internal capacity with skilled sub-surface expertise. Drill a minimum of two exploration wells, as well as continuous M&A work to secure available opportunities at the right price
Definition:	Exploration and appraisal activities carry significant levels of subsurface risk. Sustained E&A drilling failure will impact the Company's ability to organically replace reserves and production.		
Links:	KPI/Performance metric Reserve replacement	Trend:	Steady. High grading our exploration portfolio through a thorough prospect screening exercise. In the near term, plan is to commence exploration drilling campaign in the West.
	Strategy	4	
	Material issues	1/2/3/7/9/11	
	Assessment	Very high	

External risks			
Risk:	Niger Delta stability and security	Mitigation:	The Company, working with other industry players in the region, continue to put pressure on government to find a lasting solution to Niger Delta restiveness and the current security measures put in place by the facility operators, consolidated with government's strategy of dialogue with stakeholders in the
Definition:	Seplat Energy's core operations are located in the Niger Delta region of Nigeria and that comes with		

	significant risks. Historically, the Niger Delta has always been a high-risk environment with security incidents such as kidnappings, vandalism and criminal attacks on O&G installations.		region seems to be working.								
Links:	<table><tr><td colspan="2">KPI/Performance metric LTIR TRIR Security incidents Operating cashflow</td></tr><tr><td>Strategy</td><td>1/2/3/4/5</td></tr><tr><td>Material issues</td><td>1/2/3/4/5/6/7/9/10/11</td></tr><tr><td>Assessment</td><td>Very high</td></tr></table>	KPI/Performance metric LTIR TRIR Security incidents Operating cashflow		Strategy	1/2/3/4/5	Material issues	1/2/3/4/5/6/7/9/10/11	Assessment	Very high	Trend:	Steady. Efforts by the Govt and industry pressure groups, aimed at enhancing security in the region seems to be paying off as the business recorded zero occurrence in militant attacks, similar to the previous year 2022. Our monitoring of the response plans/mitigation actions, remains top notch.
KPI/Performance metric LTIR TRIR Security incidents Operating cashflow											
Strategy	1/2/3/4/5										
Material issues	1/2/3/4/5/6/7/9/10/11										
Assessment	Very high										

Risk:	Stakeholder management relationships	Mitigation:	Ensure consistent delivery of CSR Initiatives (as well as full compliance with the terms of the GMOU) across all operational areas. Sustain local content development with priority to community contractors. Tailored CSR programmes, capacity building and infrastructure developments with the host communities. Organisational focus and clear strategy to deliver shareholder value pursued by the Board and management. Implementation of the new PIA (Petroleum industry Act) - inclusion of impacted communities as a driver for annulling community agitation from our immediate host communities (GMOU vs PIA). Corporate governance, transparency and proactiveness in dealings with regulators and JV partners.								
Definition:	Failure to manage stakeholders can result in business disruptions and interference. The Company prioritises the effective management of relationships with all stakeholders including host communities, JV partners, government, regulatory bodies and shareholders.										
Links:	<table><tr><td colspan="2">KPI/Performance metric Net working interest production LTIR TRIR Host community incidences</td></tr><tr><td>Strategy</td><td>1/2/3/4/5</td></tr><tr><td>Material issues</td><td>1/2/3/4/5/6/7/8/9</td></tr><tr><td>Assessment</td><td>Very high</td></tr></table>	KPI/Performance metric Net working interest production LTIR TRIR Host community incidences		Strategy	1/2/3/4/5	Material issues	1/2/3/4/5/6/7/8/9	Assessment	Very high	Trend:	Steady. We continue to enjoy good working relations with all stakeholders of the business.
KPI/Performance metric Net working interest production LTIR TRIR Host community incidences											
Strategy	1/2/3/4/5										
Material issues	1/2/3/4/5/6/7/8/9										
Assessment	Very high										

External risks (cont.)										
Risk:	Geo-political risk		Mitigation:	Scenarios and response options plan set. Crisis management team in place for high alert political periods.						
Definition:	Nigeria has at times in its history faced political uncertainties and threats such as terrorism aimed at de-stabilising and undermining the orderly and effective rule of central government.			Continue to partner/network with security stakeholders and share intelligence regarding security. Business continuity plans actioned in light of current geo-political situation.						
Links:	<div>KPI/Performance metric</div> <div>Occurrences of civil unrest and terrorism</div> <table><tr><td>Strategy</td><td>1/2/3/4/5</td></tr><tr><td>Material issues</td><td>1/11</td></tr><tr><td>Assessment</td><td>High</td></tr></table>		Strategy	1/2/3/4/5	Material issues	1/11	Assessment	High	Trend:	Steady. During the year 2023, the company recorded no incidents of terrorism and secessionist agitations. As a mitigation strategy, the company continued to monitor Niger Delta geo-political developments and issued regular reports to management, as well as partnered with security stakeholders in the sharing of intelligence regarding security.
Strategy	1/2/3/4/5									
Material issues	1/11									
Assessment	High									

Financial risks				
Risk:	Oil price volatility		Mitigation:	Hedging continues to be our price risk management tool. We conduct price sensitisation on project economics and enforce cost discipline for capital projects sanctioning. Aggressive focus on cost reduction.
Definition:	Oil prices have exhibited a history of volatility and can fluctuate sharply in line with external factors.			
Links:	KPI/Performance metric Realised oil price Operating cashflow		Trend:	Steady. Seplat's risk management strategy is to protect itself against adverse oil price movements through our oil price hedging policy, which targets hedging c. 6 months in advance via out-of-the-money puts (i.e., "disaster protection insurance"). In the year 2023, we kept focus on our price risk management policy to protect the company's cash flow stream from downside scenarios. We will also continue to take hedge positions and apply cost reduction strategies. Hedging has been important to several stakeholders, including our bond investors, our banks and our rating agencies.
	Strategy	3/4		
	Material issues	1		
	Assessment	High		

Risk:	Changes to tax status and	Mitigation:	Perform evaluation of business plan and performance
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	legislation		metrics exclusive of tax benefits. Project economics were conducted to ascertain the impact of the new PIA on the company's bottom line. All Impact assessment of potential tax legislation is monitored at the Board level.
Definition:	If the tax regime/legislation under which the Company operates its assets were to change (e.g. new PIA tax regime), profitability may be impacted.		
Links:	KPI/Performance metric Effective tax rate Tax status Strategy 3 Material issues 1/2/3/4/5/6/9/10/11 Assessment Medium	Trend:	Steady. The company is participating in all ongoing engagement with stakeholders including community leadership for a better understanding/implementation of the PIA mechanism.

Risk:	Availability of capital	Mitigation:	Emphasis on compliance with requirements of the JV operating agreement for effective/strict JV partner concurrence. Board review and approval of financial strategy and debt portfolio management with strong banking relationships.
Definition:	The oil and gas industry is highly capital intensive. Significant amounts of capital are required to continue development activities and fund M&A. Non funding of cashcalls by JV partners impacts activities and liquidity.		
Links:	KPI/Performance metric JV receivables CAPEX New M&A activities Strategy 3/4/5/6 Material issues 1/2/4/5/6/10/11 Assessment Very high	Trend:	Decreasing. JV partners continues to remain current in paying cash calls.

Financial risks (cont.)

Risk:	Cost control risk	Mitigation:	Comprehensive budgeting process approved by the joint venture partner and the Board. Clear cost management targets. Grading of portfolio opportunities and project ranking for capital allocation. Focus on reducing drilling costs at well design phase. Cost monitoring and periodic reporting. Focus on effective contracting strategies for cost reduction.
Definition:	Cost reduction remains central to the Company's current operating strategy. High operating cost and ineffective capital cost control negatively impacts operating cash flows and profitability.		
Links:	KPI/Performance metric Operating cost per boe EBIT CAPEX Well costs Strategy 3/4/5 Material issues 1/3/4/5/6/7/9/10/11 Assessment High	Trend:	Steady. Cost discipline remains key focus of the business

Risk:	Liquidity	Mitigation:	Manage liquidity risk by ensuring that sufficient funds are available to meet commitments as they fall due. Uses both long-term and short-term cash flow projections to monitor funding requirements for activities and to ensure there are sufficient cash resources to meet operational needs. Cash flow projections take into consideration the Company's debts and covenant compliance. Surplus cash held is transferred to the treasury department which invests in interest bearing current accounts, time deposits and money market deposits.
Definition:	Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.		
Links:	KPI/Performance metric Operating cashflow CAPEX Strategy 3 Material issues 9/10/11 Assessment Medium	Trend:	Decreasing. The combination of the AEP and the Trans-Forcados Pipeline assisted Seplat's liquidity position significantly in the year. We manage liquidity risk by ensuring that sufficient funds are available to meet commitments as they fall due, using both long-term and short-term cash flow projections to monitor funding requirements for activities.

Risk:	Foreign exchange risk	Mitigation:	The company has options to manage its foreign exchange exposure including financial hedge instruments such as forward exchange contracts.
Definition:	The Company is exposed to exchange rate		

	exchange rate risk to the extent that balances and transactions are denominated in a currency other than the US dollar.		
Links:	KPI/Performance metric Operating cashflow CAPEX	Trend:	Rising. Historically, the Company holds majority of its cash and cash equivalent in US dollar. Gas contracts are indexed in US dollar. The Federal Govt Policy on FX resulted in significant exchange rate fluctuations, impacting on cost of essential commodities in-country.
	Strategy		
	Material issues		
	Assessment		

Strategic risks			
Risk:	Portfolio concentration risk	Mitigation:	Focus on portfolio expansion strategy from the Board level to diversify current portfolio. Integrated long-term planning on crude oil, gas and other renewables business.
Definition:	High dependency on a concentrated portfolio of producing blocks and limited number of wells can leave the Company more susceptible to declining long-term growth and reserves depletion.		
Links:	KPI/Performance metric Successful execution of new acquisition and farm-in opportunities.	Trend:	Steady. The company strategic direction is targeted at accessing oil and gas reserves and resources to support growth in Pillar2 (midstream) and Pillar 3 (new energy)
	Strategy		
	Material issues		
	Assessment		

Strategic risks (cont.)			
Risk:	Merger & acquisition (M&A) risk	Mitigation:	New business development unit is always looking for the right opportunities for Seplat. Decision review board (EXCOM) process in place to ensure deals are properly vetted and proper due diligence is done for new opportunities.
Definition:	Growth through M&A activities is part of the Seplat's strategy to pursue a focused acquisition and farm-in. M&A deals and transactions come with significant risk including structural, commercial and integration risks. There is also the risk of non achievement of acquisition targets due to highly competitive landscape.		A Structured ExCom is now in place. The Decision Review board (DRB) process is in place to ensure deals are properly vetted and adequate due diligence done on new opportunities. The ExCom ensures the commercial, structural, KYC and integration risks are fully considered and addressed with mitigation plans approved and in place prior to deal closing.
Links:	KPI/Performance metric Successful execution of new acquisition and farm-in opportunities.	Trend:	Steady. We have a robust process in place to vet opportunities and deals. Risk trends are steady following an ongoing strategy to acquire more strategic assets. M&A landscape remains competitive.
	Strategy		
	Material issues		
	Assessment		

Risk:	Bribery and corruption risk	Mitigation:	Extensive training on anti-bribery and corruption. Embedding corporate governance principles with key focus on areas of the business which may be more susceptible to corruption such as the contracting and procurement process. Processes exist to guide dealings with public officials.
Definition:	Bribery and corruption presents a risk throughout the global oil and gas industry and represents an ongoing risk to any oil and gas company.		
Links:	KPI/Performance metric Whistle blowing reports Number of disciplinary cases.	Trend:	Steady. Our geographical location continues to be susceptible to corruption. However, the risk trend is kept at decreasing following lower cases of whistle blowing recorded during the year.
	Strategy		
	Material issues		
	Assessment		

Risk:	Fraudulent activity risk	Mitigation:	Extensive whistleblowing campaign. Continuous monitoring and improvement of the system of internal controls by all lines of defence with strong internal audit activity.
Definition:	Fraudulent activity presents a risk throughout the global energy industry and represents an ongoing		Automation of processes where possible to reduce manual intervention.

	risk to any energy company.		
Links:	KPI/Performance metric Number of reported cases	Trend:	Decreasing. Risk is kept at High and the Company continues to maintain a zero tolerance policy.
	Strategy		
	Material issues		
	Assessment		

Risk:	Information security risk	Mitigation:	We monitor and regularly upgrade the Company's information technology and security systems. The Company has a clearly defined employee user policy and control of access rights. Our information security framework and infrastructure have been externally reviewed in line with requirements of ISO27001. IT business continuity plan is in place for quick deployment.
Definition:	Potential cyber attacks and information technology security breaches could result in loss or compromise of sensitive proprietary information, communication and IT business continuity disruption across operations.		
Links:	KPI/Performance metric Information security identification and containment reports	Trend:	Steady. While cyber security continues to hold international attention, there has not been material IT breach on our operations. However, giving the current norm of remote working, the company has taken steps to ensure adequate protection/defence mechanisms are in place to avert any external cyber attacks.
	Strategy		
	Material issues		
	Assessment		

Appendix C: Related Party Transactions

The following Related party relationships and transactions are extracted from the 2023 Annual Report and Accounts (page 250 and 287)

37. Related party relationships and transactions

The Group is controlled by Seplat Energy Plc (the 'Parent Company'). The Parent Company is owned 6.43% either directly or by entities controlled by A.B.C Orjiako (SPDCL (BM)) and members of his family. The remaining shares in the Parent Company are widely held.

The goods and services provided by the related parties are disclosed below.

i. Shareholders of the Parent Company

Shebah Petroleum Development Company Limited SPDCL (BM): The former Chairman of Seplat is a director and shareholder of SPDCL (BM).

The company provided consulting services to Seplat. Services provided to the Group during the period amounted to nil (2022: \$916.5 thousand, ₦409.8 million). Payables amounted to nil in the current period.

Amaze Limited: The former Chairman of Seplat is a director and shareholder of Amaze Ltd. The company provided consulting services to Seplat. Services provided to the Group during the period amounted to \$587.4 thousand, ₦528.3 million.

ii. Entities controlled by Directors of the Company

Ubosi Eleh and Company (controlled by Director Ernest Ebi): The Company provided a leasehold property to Seplat. The amount during the period amounted to nil (2022: \$53.7 thousand, ₦24 million).

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