

This document comprises a prospectus (this "Prospectus") relating to SEPLAT Petroleum Development Company Plc ("SEPLAT" or the "Company") and has been prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (the "FCA") made under section 73A of the Financial Services and Markets Act 2000 (as amended) (the "FSMA"), the provisions of the Investments and Securities Act, No. 29, 2007 ("ISA"), the Rules and Regulations of the Securities and Exchange Commission, Nigeria 2013 (SECRR 2013) (the "Nigerian SEC Rules") and the listing requirements of The Nigerian Stock Exchange (the "NSE"). This Prospectus has been filed with the FCA and will be made available to the public in accordance with the Prospectus Rules. A copy of this Prospectus together with the documents specified herein have also been delivered to the Nigerian Securities and Exchange Commission (the "Nigerian SEC") for registration. Application has been made to the FCA for all of the Ordinary Shares issued and to be issued in connection with the Global Offer to be admitted to the Official List of the FCA (by way of a standard listing under Chapter 14 of the UK Listing Rules) and to the London Stock Exchange plc (the "London Stock Exchange") for all such Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities (together, the "UK Admission"). Application has also been made to the Nigerian SEC for the registration of the Ordinary Shares issued and to be issued in connection with the Global Offer and to the Council of the NSE for all such Ordinary Shares to be admitted to the Official Trading List of the NSE (the "Nigerian Admission", together with the UK Admission, the "Admission").

The UK Admission constitutes admission to trading on a regulated market. Conditional dealings in the Ordinary Shares are expected to commence on the London Stock Exchange at 8.00 a.m. on 9 April 2014. It is expected that the UK Admission will become effective and that unconditional dealings in the Ordinary Shares will commence at 8.00 a.m. (London time), on 14 April 2014. It is expected that the Nigerian Admission will become effective on 14 April 2014 and that unconditional dealings will commence in the Ordinary Shares on the NSE at 10.15 a.m. (Nigerian time) on 14 April 2014. All dealings before the commencement of unconditional dealings will be of no effect if either the UK Admission or the Nigerian Admission does not take place and such dealings will be at the sole risk of the parties concerned. The Company and its Directors (whose names appear on page 95 of this Prospectus) accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company and the Directors (who have all taken reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect the import of such information.

Prospective investors should read this entire Prospectus and, in particular, for a discussion of certain risks and other factors which should be considered prior to any investment in the Ordinary Shares, see Part II: "Risk Factors" beginning on page 14. The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult its own lawyer, financial adviser or tax adviser for legal, financial or tax advice in relation to any subscription, purchase or proposed subscription or purchase of Ordinary Shares.



SEPLAT Petroleum Development Company Plc

(incorporated in the Federal Republic of Nigeria and registered with the Corporate Affairs Commission of Nigeria under number RC824838)

Global Offer of 143,284,130 Ordinary Shares of 0.50 Naira each

at an Offer Price of 210 pence per Ordinary Share in respect of the International Offering and an Offer Price of 576 Naira per Ordinary Share in respect of the Nigerian Offering and admission to the Official List of the FCA (by way of a Standard Listing under chapter 14 of the UK Listing Rules) and to trading on the London Stock Exchange's main market for listed securities and admission to trading on the Official Trading List of The Nigerian Stock Exchange

Joint Global Co-ordinators and Joint Bookrunners



BNP PARIBAS
CORPORATE & INVESTMENT BANKING



Standard Bank plc
Standard Bank

Joint Bookrunners

Renaissance Securities (Cyprus) Limited

Citigroup Global Markets Limited

RBC Capital Markets

Nigerian Joint Issuing Houses

Renaissance Securities (Nigeria) Limited (RC685973)

Stanbic IBTC Capital Limited (RC1031358)

Renaissance Capital



RBC Capital Markets®

Renaissance Capital



Stanbic IBTC Capital
A member of Standard Bank Group

Nigerian Receiving Agents

Futureview Financial Services Limited (RC217005)



Vetiva Capital Management Limited (RC485600)



BGL Plc (RC223042)



CSL Stockbrokers Limited (RC27567)



ORDINARY SHARE CAPITAL IMMEDIATELY FOLLOWING ADMISSION

Number	Issued and fully paid	Nominal Value
543,284,130	271,642,065 Naira	0.50 Naira
Ordinary Shares of 0.50 Naira each		

In relation to the Global Offer, BNP Paribas (“**BNP Paribas**”) and Standard Bank plc (“**Standard Bank**”) have been appointed as joint global co-ordinators (the “**Joint Global Co-ordinators**”) and the Joint Global Co-ordinators have, together with Renaissance Securities (Cyprus) Limited (“**RenCap**”), Citigroup Global Markets Limited (“**Citi**”) and RBC Europe Limited (“**RBC Capital Markets**”), been appointed as joint bookrunners (together the “**Joint Bookrunners**”). In relation to the Nigerian Offering and the Nigerian Admission, Stanbic IBTC Capital Limited (“**Stanbic IBTC**”) and Renaissance Securities (Nigeria) Limited (“**Renaissance Securities**”) have been appointed as Nigerian joint issuing houses (the “**Nigerian Joint Issuing Houses**”). Futureview Financial Services Limited, Vetiva Capital Management Limited, BGL Plc and CSL Stockbrokers Limited have been appointed as Nigerian receiving agents (the “**Nigerian Receiving Agents**”), and together with the Joint Bookrunners and the Nigerian Joint Issuing Houses, the “**Managers**”).

In connection with the Global Offer, each of the Managers and any affiliate acting as an investor for its own account may take up the Ordinary Shares and in that capacity may retain, purchase or sell for its own account the Ordinary Shares and any of SEPLAT’s other securities or related investments and may offer or sell the Ordinary Shares or other investments otherwise than in connection with the Global Offer. Accordingly, references in this Prospectus to the Ordinary Shares being offered or placed should be read as including any offering or placement of securities to any of the Managers and any affiliate acting in such capacity. None of the Managers or their respective affiliates intends to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so.

Each of the Joint Bookrunners is authorised and regulated in the United Kingdom by the FCA and each of the Nigerian Joint Issuing Houses and the Nigerian Receiving Agents is authorised and regulated in Nigeria as a capital market operator and is duly registered with the Nigerian SEC. All of the Managers are acting exclusively for the Company and no one else in connection with the Global Offer and Admission and will not regard any other person (whether or not a recipient or reader of this Prospectus) as their respective clients in relation to the Global Offer or Admission and will not be responsible for providing the protections afforded to their respective clients nor for giving advice in relation to the Global Offer, Admission or any transaction, arrangement or other matter referred to in this Prospectus.

Apart from the responsibilities and liabilities, if any, which may be imposed on the Managers by FSMA, the ISA or the respective regulatory regimes established thereunder, or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, none of the Managers accepts any responsibility whatsoever for, or makes any representation or warranty, express or implied, as to the contents of, this Prospectus or any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Ordinary Shares or the Global Offer and nothing in this Prospectus will be relied upon as a promise or representation in this respect, whether or not to the past or future. Each of the Managers accordingly disclaims all and any responsibility or liability whatsoever, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of this Prospectus or any such statement.

Recipients of this Prospectus are authorised solely to use it for the purpose of considering the acquisition of the Ordinary Shares and may not reproduce or distribute this Prospectus, in whole or in part, and may not disclose any of the contents of this Prospectus or use any information herein for any purpose other than considering an investment in the Ordinary Shares. Such recipients of this Prospectus agree to the foregoing by accepting delivery of this Prospectus.

The Ordinary Shares are subject to selling and transfer restrictions in certain jurisdictions. Prospective subscribers should read the restrictions contained in Part XV: “Details of the Global Offer”, section 11. Each subscriber for the Ordinary Shares will be deemed to have made the relevant representations made therein. This Prospectus does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer to buy or to subscribe for, Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

Notice to overseas investors

The distribution of this Prospectus and the offer of the Ordinary Shares in certain jurisdictions may be restricted by law.

No action has been taken or will be taken by the Company or the Managers to permit a public offering of the Ordinary Shares or to permit the possession or distribution of this Prospectus (or any other offering or

publicity materials relating to the Ordinary Shares) in the United Kingdom or any other jurisdiction where action for that purpose may be required. Accordingly, neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Ordinary Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the “**US Securities Act**”). The Ordinary Shares offered by this Prospectus may not be offered or sold in the United States, except to QIBs, as defined in, and in reliance on, the exemption from the registration requirements of the US Securities Act provided by Rule 144A thereunder (“**Rule 144A**”) or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. Prospective investors are hereby notified that the sellers of the Ordinary Shares may be relying on the exemption from the provisions of Section 5 of the US Securities Act provided by Rule 144A.

THE ORDINARY SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY OTHER FEDERAL OR STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER REGULATORY AUTHORITY IN THE UNITED STATES, NOR HAVE ANY SUCH AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFER OR CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES (“**RSA 421-B**”) WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

APPLICATION WILL BE MADE FOR THE ORDINARY SHARES TO BE ADMITTED TO A STANDARD LISTING ON THE OFFICIAL LIST OF THE FCA. A STANDARD LISTING WILL AFFORD INVESTORS IN THE COMPANY A LOWER LEVEL OF REGULATORY PROTECTION THAN THAT AFFORDED TO INVESTORS IN COMPANIES WITH PREMIUM LISTINGS ON THE OFFICIAL LIST OF THE FCA, WHICH ARE SUBJECT TO ADDITIONAL OBLIGATIONS UNDER THE UK LISTING RULES.

IT SHOULD BE NOTED THAT THE UK LISTING AUTHORITY WILL NOT HAVE THE AUTHORITY TO (AND WILL NOT) MONITOR THE COMPANY’S COMPLIANCE WITH ANY OF THE UK LISTING RULES AND/OR ANY PROVISION OF THE MODEL CODE (AS PUBLISHED IN THE UK LISTING RULES) WHICH THE COMPANY HAS INDICATED HEREIN THAT IT INTENDS TO COMPLY WITH ON A VOLUNTARY BASIS, NOR TO IMPOSE SANCTIONS IN RESPECT OF ANY FAILURE BY THE COMPANY TO SO COMPLY.

THIS PROSPECTUS AND THE SECURITIES WHICH IT OFFERS HAVE BEEN REGISTERED BY THE SECURITIES AND EXCHANGE COMMISSION OF NIGERIA. THE NIGERIAN INVESTMENT AND SECURITIES ACT 2007 PROVIDES FOR CIVIL AND CRIMINAL LIABILITIES FOR THE ISSUE OF A PROSPECTUS WHICH CONTAINS FALSE OR MISLEADING INFORMATION. THE REGISTRATION OF THIS PROSPECTUS AND THE SECURITIES WHICH IT OFFERS DOES NOT RELIEVE THE PARTIES OF ANY LIABILITY ARISING UNDER THE ACT FOR FALSE OR MISLEADING STATEMENTS OR FOR ANY OMISSION OF A MATERIAL FACT IN THIS PROSPECTUS.

Dated 9 April 2014

TABLE OF CONTENTS

PART I SUMMARY INFORMATION	1
PART II RISK FACTORS	14
PART III DIRECTORS, SECRETARY, REGISTERED OFFICE AND ADVISERS	36
PART IV EXPECTED TIMETABLE OF PRINCIPAL EVENTS AND GLOBAL OFFER STATISTICS.....	39
PART V PRESENTATION OF INFORMATION	40
PART VI LETTER FROM THE CHAIRMAN AND INFORMATION ON THE GROUP	47
PART VII DIRECTORS, SENIOR MANAGEMENT, CORPORATE GOVERNANCE AND DIVIDEND POLICY	95
PART VIII REGULATORY AND LEGISLATIVE FRAMEWORK IN NIGERIA	108
PART IX INDUSTRY OVERVIEW	117
PART X SELECTED FINANCIAL INFORMATION AND LETTERS REGARDING THE GOING CONCERN STATUS OF THE GROUP	129
PART XI OPERATING AND FINANCIAL REVIEW	134
PART XII FINANCIAL INFORMATION ON THE GROUP	154
PART XIII UNAUDITED PRO FORMA FINANCIAL INFORMATION	201
PART XIV CAPITALISATION AND INDEBTEDNESS STATEMENT	205
PART XV DETAILS OF THE GLOBAL OFFER	206
PART XVI TAXATION	217
PART XVII ADDITIONAL INFORMATION	223
PART XVIII COMPETENT PERSON'S REPORT ON OMLs 4, 38 AND 41	269
PART XIX COMPETENT PERSON'S REPORT ON THE UMUSETI/IGBUKU FIELDS	479
PART XX COMPETENT PERSON'S REPORT ON OML 53	559
PART XXI DEPOSITARY INTERESTS.....	605
PART XXII DEFINITIONS	608
PART XXIII GLOSSARY OF TECHNICAL TERMS	622
PART XXIV NIGERIAN OFFERING COMMITMENT FORM	627

PART I SUMMARY INFORMATION

Summaries are made up of disclosure requirements known as “Elements”. The Elements are numbered in Sections A - E (A.1 - E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of “not applicable”.

Section A—Introduction and Warnings		
A.1	Introduction	This summary should be read as an introduction to this Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by investors. Where a claim relating to the information contained in this document is brought before a court, the plaintiff investor might, under the national legislation of the Member State, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	Consent for intermediaries	Not applicable. The Company is not engaging any financial intermediaries for any resale of securities or final placement of securities in connection with this Prospectus.

Section B—Issuer		
B.1	Legal and commercial name	SEPLAT Petroleum Development Company Plc (“SEPLAT” or the “Company”).
B.2	Domicile and legal form, applicable legislation and jurisdiction of incorporation	SEPLAT is a public limited company incorporated in Nigeria on 17 June 2009 with its registered office situated in Nigeria. The Company operates under the Nigerian Companies and Allied Markets Act 2004.
B.3	Current operations and principal activities	SEPLAT is an independent oil and gas company incorporated and operating in Nigeria and with a strategic focus on Nigeria. In July 2010, SEPLAT acquired a 45 per cent. participating interest in, and was appointed operator of, a portfolio of three on-shore producing oil and gas leases located in the Niger Delta (OMLs 4, 38 and 41), which include the Oben, Ovhor, Sapele, Okporhuru, Orogbo and Amukpe fields. SEPLAT is one of the leading indigenous oil and gas operators in Nigeria with gross operated oil production from OMLs 4, 38 and 41 of 11.5 MMbbl for the year ended 31 December 2011, 12.1 MMbbl for the year ended 31 December 2012 and 18.8 MMbbl for the year ended 31 December 2013, equivalent to an average daily production of 31.4 Mbpd for 2011, 33.1 Mbpd for 2012 and 51.4 Mbpd for 2013, of which its working interest share was 5.2 MMbbl for 2011, 5.4 MMbbl for 2012 and 8.4 MMbbl for 2013.

		Gross gas production from OMLs 4, 38 and 41 was 41.9 bcf for the year ended 31 December 2011, 36.3 bcf for the year ended 31 December 2012 and 36.2 bcf for the year ended 31 December 2013, equivalent to an average daily production of 114.8 MMscfd for 2011, 99.3 MMscfd for 2012 and 99.0 MMscfd for 2013, of which SEPLAT's working interest share was 18.9 bcf for 2011, 16.3 bcf for 2012 and 16.3 bcf for 2013. DMCL estimates that the Group's working interest proved plus probable reserves in OMLs 4, 38 and 41 amount to 101,756 Mbbl of oil and condensate and 573,469 MMcf of gas as of 31 October 2013. It also estimates that the Group has working interest 2C contingent resources in OMLs 4, 38 and 41 of 60,467 Mbbl of oil and condensate and 104,693 MMcf of gas as of 31 October 2013. On 1 June 2013, Newton Energy, a wholly-owned subsidiary of the Company, entered into an agreement with Pillar Oil to acquire a 40 per cent. participating interest in the Umuseti/Igbuku Fields. This acquisition is subject to a number of conditions precedent, including the consent of the Minister. Until these conditions precedent are satisfied, Newton Energy is entitled to receive the benefit of 40 per cent. of all oil and gas produced from the Umuseti/Igbuku Fields. The completion of this acquisition will add approximately 9,723 Mbbl to the Group's proved plus probable (2P) oil and condensate reserves and 89,800 MMcf of gas. On 29 November 2013, the Company, AMNI International Petroleum Development Company Limited ("AMNI") and BelemaOil Producing Limited ("BelemaOil") entered into a sale and purchase agreement with Chevron Nigeria Limited ("CNL") to acquire a 40 per cent. participating interest in OMLs 52, 53 and 55 ("CNL Assets") for total cash consideration of US\$800 million (the "CNL Assets Acquisition"). In addition, the Company, AMNI and BelemaOil have entered into a consortium agreement pursuant to which they have agreed to allocate OMLs 52, 53 and 55 and the consideration owing to CNL between them so that: (i) the Company acquires a 40 per cent. participating interest in OML 53 for total cash consideration of US\$300 million; (ii) AMNI acquires a 40 per cent. participating interest in OML 52 for total cash consideration of US\$170 million; and (iii) BelemaOil acquires a 40 per cent. participating interest in OML 55 for total cash consideration of US\$330 million. The CNL Assets Acquisition is subject to the satisfaction of a number of conditions precedent, which include the consent of the Minister, and will, assuming satisfaction of the conditions precedent, have an effective date of 1 July 2013. The CNL Assets Acquisition is currently the subject of legal proceedings brought by Britannia U Nigeria Limited ("Brittania U"), an unsuccessful bidder for the CNL Assets, and the parties are currently unable to proceed further with the transaction as a result of an injunction obtained by Britannia U from the Nigerian Federal High Court in Lagos.

B.4a	Significant recent trends	For the year ended 31 December 2011, which was SEPLAT's first full year of operations, SEPLAT's revenues were US\$451.3 million and its cash flows from operating activities were US\$218.0 million. For the year ended 31 December 2012, these figures were US\$624.5 million and US\$51.0 million respectively. For the year ended 31 December 2013, these figures were US\$880.2 million and US\$291.2 million respectively. Operating profit increased by US\$150.5 million, or 84 per cent., to US\$329.9 million in 2012 from US\$179.3 million in 2011 as sales increased at a significantly greater rate than the associated operating and depreciation expenses. Operating profit increased by US\$148.8 million, to US\$478.7 million for the year ended 31 December 2013 from US\$329.9 million for the year ended 31 December 2012 as revenues outpaced the costs of production. The Group's results of operations are influenced significantly by crude oil prices. Prices for oil are based on world supply and demand and a number of other indirect factors, including government regulation, social and political conditions. Crude oil prices have historically been highly volatile and are likely to be volatile in the future. The Group does not hedge its exposure to such changes. The prices for oil produced by the Group are related to the price of Brent crude oil in world markets. Brent crude prices increased from an average price of US\$111.4 per barrel in 2011 to an average price of US\$111.7 per barrel in 2012 and subsequently decreased to an average price of US\$108.7 per barrel in 2013.
B.5	Group structure	The Company is the main operating company of the Group. The Group has five wholly-owned subsidiaries: • Newton Energy holds the Group's interests that it will acquire, subject to consent from the Minister, through the Umuseti/Igbuku Fields Investment; • SEPLAT East, which was recently incorporated in order to effect the CNL Assets Acquisition; • SEPLAT UK, which was established in August 2013 principally to carry out the Group's investor relations and business development activities; • SEPLAT Gas, which was recently incorporated in order to manage the Group's gas business; and • SEPLAT East Swamp, which was recently incorporated as a vehicle for future acquisitions. The Company does not have any other subsidiaries or investments in other companies.

B.6	Major shareholders	As at 8 April 2014, being the latest practicable date prior to the date of this Prospectus (the “ Latest Practicable Date ”), the following persons held an interest which represents 3 per cent. or more of the voting share capital of the Company:

		parties who are considered to be associates of the Founders for the purposes of the Relationship Agreement, in particular for the purposes of determining the Minimum Shareholder and Maximum Shareholder requirements. These include, amongst others, Quantum Capital, as an associate of Mr. Orjiako, and Platform Petroleum Limited and Abtrust Integrated Services Limited, as associates of Mr. Avuru. Shebah, the Platform Group and MPI have also agreed in the Relationship Agreement to exercise their voting rights to ensure, so far as they are reasonably able, that the Board always comprises at least three directors who are, having regard to the criteria set out in the UK Corporate Governance Code and the Nigerian Code of Corporate Governance, independent of each of them and their respective associates and to exercise their voting rights to ensure, so far as they are reasonably able, that at least one Independent Non-Executive Director will have prior experience of sitting on the board of a company whose ordinary shares were, at the time such Independent Non-Executive Director held such position, listed on the main market of the London Stock Exchange and admitted to the Official List of the FCA. The Relationship Agreement will continue until the earlier to occur of: (a) all of the Founders ceasing to be Minimum Shareholders (provided that in the event that any one of the Founders ceases to be a Minimum Shareholder, the Relationship Agreement shall terminate in respect of such Founder only); or (b) the Ordinary Shares ceasing to be listed on the Official List and to trading on the London Stock Exchange. The Relationship Agreement may also be terminated at the option of the Company following approval by all of the Independent Non-Executive Directors, a majority of the Independent Non-Executive Directors (including the senior Independent Non-Executive Director) or a majority of the Company's shareholders (including a majority of the Company's independent shareholders, being those shareholders who are not the Founders or any of their respective associates). If the Relationship Agreement is not terminated earlier in accordance with its terms, then, at any time following the fifth anniversary of the Relationship Agreement, following the request of any party to the Relationship Agreement, the parties to the Relationship Agreement will review the agreement together and consider mutually acceptable terms for its continuation. Save as set out above, the Company is not aware of any other person who, as at the Latest Practicable Date, exercises, or could exercise, directly or indirectly, jointly or severally, control over the Company. None of the major shareholders of the Company set out above has different voting rights from any other holder of Ordinary Shares in the capital of the Company in respect of any Ordinary Share held by them.

B.7	Selected historical financial information	The table below sets forth the Group’s results for the years ended 31 December 2013, 2012 and 2011. Summary Statements of Comprehensive Income for the years ended 31 December 2013, 2012 and 2011 <table><tr><th></th><th colspan="3">Year ended 31 December</th></tr><tr><th>(US\$ millions)</th><th>2013</th><th>2012</th><th>2011</th></tr><tr><td>Revenue</td><td>880.2</td><td>624.5</td><td>451.3</td></tr><tr><td>Cost of sales</td><td>(330.9)</td><td>(250.3)</td><td>(206.4)</td></tr><tr><td>Gross profit</td><td>549.3</td><td>374.2</td><td>245.0</td></tr><tr><td>General and administrative expenses</td><td>(72.0)</td><td>(48.3)</td><td>(56.9)</td></tr><tr><td>Other operating income</td><td>0.4</td><td>2.2</td><td>—</td></tr><tr><td>(Loss)/gain on foreign exchange</td><td>1.5</td><td>1.9</td><td>(0.2)</td></tr><tr><td>Fair value movement in contingent consideration</td><td>(0.5)</td><td>(0.1)</td><td>(8.6)</td></tr><tr><td>Operating profit</td><td>478.7</td><td>329.9</td><td>179.3</td></tr><tr><td>Finance income</td><td>0.7</td><td>1.8</td><td>—</td></tr><tr><td>Finance charges</td><td>(21.8)</td><td>(36.0)</td><td>(24.9)</td></tr><tr><td>Profit before taxation</td><td>457.5</td><td>295.7</td><td>154.5</td></tr><tr><td>Taxation</td><td>92.7</td><td>(186.6)</td><td>(101.0)</td></tr><tr><td>Profit for the year</td><td>550.3</td><td>109.1</td><td>53.4</td></tr><tr><td>Other comprehensive income</td><td></td><td></td><td></td></tr><tr><td>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</td><td></td><td></td><td></td></tr><tr><td>Foreign translation difference</td><td>0.1</td><td>—</td><td>—</td></tr><tr><td>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</td><td>550.3</td><td>109.1</td><td>53.4</td></tr></table> Other than as set out above in respect of the CNL Assets Acquisition, there has been no significant change to the Group’s financial condition and operating results during or subsequent to the period covered by the historical financial information contained in this Prospectus.		Year ended 31 December			(US\$ millions)	2013	2012	2011	Revenue	880.2	624.5	451.3	Cost of sales	(330.9)	(250.3)	(206.4)	Gross profit	549.3	374.2	245.0	General and administrative expenses	(72.0)	(48.3)	(56.9)	Other operating income	0.4	2.2	—	(Loss)/gain on foreign exchange	1.5	1.9	(0.2)	Fair value movement in contingent consideration	(0.5)	(0.1)	(8.6)	Operating profit	478.7	329.9	179.3	Finance income	0.7	1.8	—	Finance charges	(21.8)	(36.0)	(24.9)	Profit before taxation	457.5	295.7	154.5	Taxation	92.7	(186.6)	(101.0)	Profit for the year	550.3	109.1	53.4	Other comprehensive income				Other comprehensive income to be reclassified to profit or loss in subsequent periods:				Foreign translation difference	0.1	—	—	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	550.3	109.1	53.4
	Year ended 31 December																																																																													
(US\$ millions)	2013	2012	2011																																																																											
Revenue	880.2	624.5	451.3																																																																											
Cost of sales	(330.9)	(250.3)	(206.4)																																																																											
Gross profit	549.3	374.2	245.0																																																																											
General and administrative expenses	(72.0)	(48.3)	(56.9)																																																																											
Other operating income	0.4	2.2	—																																																																											
(Loss)/gain on foreign exchange	1.5	1.9	(0.2)																																																																											
Fair value movement in contingent consideration	(0.5)	(0.1)	(8.6)																																																																											
Operating profit	478.7	329.9	179.3																																																																											
Finance income	0.7	1.8	—																																																																											
Finance charges	(21.8)	(36.0)	(24.9)																																																																											
Profit before taxation	457.5	295.7	154.5																																																																											
Taxation	92.7	(186.6)	(101.0)																																																																											
Profit for the year	550.3	109.1	53.4																																																																											
Other comprehensive income																																																																														
Other comprehensive income to be reclassified to profit or loss in subsequent periods:																																																																														
Foreign translation difference	0.1	—	—																																																																											
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	550.3	109.1	53.4																																																																											
B.8	Selected unaudited pro forma financial information	The table below has been prepared to illustrate the effect of: (i) the net proceeds of the Global Offer; and (ii) the CNL Assets Acquisition on the financial position of the Group as if both had occurred on 31 December 2013. The unaudited information, which has been produced for illustrative purposes only, by its nature addresses a hypothetical situation and, therefore, does not represent the Group’s actual financial position or results.																																																																												

		Adjustments		
		As at 31 December 2013 ⁽¹⁾	Global Offer ⁽²⁾⁽³⁾	Acquisition of 40 per cent participating interest in OML 53 ⁽⁴⁾
		US\$'000	US\$'000	US\$'000
				Unaudited Pro Forma Total ⁽⁵⁾
				US\$'000
	ASSETS			
	Non-current assets			
	Property, plant and equipment	585,507	—	300,000
	Intangible assets	141	—	—
	Deferred tax assets	—	—	—
	Prepayments	108,910	—	(69,000)
	Total non-current assets	694,558	—	231,000
	Current assets			
	Inventories	43,112	—	—
	Trade and other receivables	410,430	—	—
	Cash and cash at banks	169,461	427,233	(16,000)
	Total current assets	623,003	427,233	(16,000)
	Total assets	1,317,561	427,233	215,000
	Equity and liabilities			
	Equity attributable to shareholders			
	Share capital	1,334	437	—
	Share premium	—	474,837	—
	Capital contribution	40,000	—	—
	Retained earnings	690,807	—	—
	Foreign translation reserve	58	—	—
	Total equity	732,199	475,274	—
	Non-current liabilities			
	Borrowings	120,850	—	137,400
	Deferred tax liabilities	—	—	—
	Contingent consideration	8,245	—	—
	Provision for decommissioning	15,176	—	—
	Total non-current liabilities	144,271	—	137,400
	Current liabilities			
	Trade and other payables	251,338	—	—
	Borrowings	189,753	(48,041)	77,600
	Total current liabilities	441,091	(48,041)	77,600
	Total liabilities	585,362	(48,041)	215,000
	Total equity and liabilities	1,317,561	427,233	215,000
	(1) The consolidated statement of financial position of the Group as at 31 December 2013 has been extracted without material adjustment from Part XII: "Financial Information on the Group", section B of this Prospectus.			
	(2) Adjustments to the pro forma statement of financial position of the Group reflect:			
				US\$'000
	Global Offer proceeds			503,774
	Global Offer expenses			(28,500)
	Estimated net proceeds to the Company of the Global Offer			475,274
	Use of proceeds to repay the MPI Shareholder Loan			(48,041)
	Residual net proceeds to the Company of Global Offer			427,233

		The Global Offer proceeds (which assume the Over-allotment Option is not exercised) of US\$504 million are based on 143,284,130 Ordinary Shares being issued by the Company at an Offer Price of 210 pence per Ordinary Share for the International Offering and 576 Naira per Ordinary Share for the Nigerian Offering. Global Offer costs and expenses are the estimated costs and fees incurred in respect of the Global Offer (excluding any incentive fee or any fees associated with the Over-allotment Option and excluding expenses incurred prior to 1 January 2014) relating principally to investment banking, underwriting, legal, competent person's and accounting fees. The exchange rate used of £:US\$ equals 1.6748 on 8 April 2014 and the exchange rate used of US\$:£ equals 163.80 on 8 April 2014. (3) The Global Offer proceeds will be used in part to repay the MPI Shareholder Loan. (4) The Group has signed a sale and purchase agreement with CNL to acquire a 40 per cent. participating interest in OML 53 for consideration of US\$300 million. As part of the bidding process the Group pre-paid US\$69 million as of 31 December 2013. The transaction is still subject to conditions precedent being met. In addition, an unsuccessful bidder has obtained an injunction and the transaction is unable to proceed further. Consequently the Group is unable to obtain information necessary to calculate the decommissioning cost relating to OML 53 and accordingly no adjustment has been made to reflect this. If an adjustment had been made, the same amount would have been added to property, plant and equipment and provision for decommissioning, with no effect on total net assets. Furthermore, financial information in respect to the trading results of OML 53 is not currently available and it is therefore not possible to present pro forma financial information illustrating the effect of the acquisition of OML 53 on the earnings of the Group in accordance with Annex II Commission Regulation (EC) 809/2004. (5) No account has been taken of any trading or other transactions since 31 December 2013. Impact on earnings The Group believes that had the Global Offer and the acquisition of a 40 per cent. participating interest in OML 53 occurred on 1 January 2013 the income statement for the year ended 31 December 2013 would have been impacted. The profit for the year would have increased as a result of: (a) a reduction in interest expense, partially offset by a credit to taxation charges, as a result of using a portion of the Global Offer proceeds to repay the MPI Shareholder Loan; (b) an increase in gross profit due to the trading activities in respect of OML 53 offset by an increase in the depreciation charge for the related property, plant and equipment; and (c) additional interest income, net of associated taxation charges, earned from unused net proceeds of the Global Offer being placed on deposit until further acquisition opportunities are executed. This statement should not be taken to mean that the results of the Group will necessarily match or exceed the historical reported results of the Group and no forecast is intended or implied.
B.9	Profit forecast or estimate	Not applicable. No profit forecast or estimate is included in this Prospectus.
B.10	Nature of any qualifications in audit report on the historical financial information	Not applicable. No qualifications are included in any report by the reporting accountants on the historical financial information included in this Prospectus.
B.11	Explanation in respect of insufficient working capital	Not applicable. The Company is of the opinion that, taking into account the bank and other facilities available to the Group, together with the net proceeds of the Global Offer, the working capital available to the Group is sufficient for its present requirements, that is for at least the next 12 months from the date of this Prospectus.

Section C—Securities		
C.1	Type and class of securities being admitted to trading, including the security identification number	The Global Offer comprises an offering of 143,284,130 Ordinary Shares which are to be issued by the Company. The Ordinary Shares are to be admitted to the standard listing segment of the Official List of the FCA and to trading on the London Stock Exchange's main market for listed securities. The Ordinary Shares are also to be admitted to the Official Trading List of the NSE. When admitted to trading on the London Stock Exchange, the Ordinary Shares will be registered with ISIN number NGSEPLAT0008 and SEDOL number BDFMDD5. When admitted to the Official Trading List of the NSE, the Ordinary Shares will be registered with ISIN number NGSEPLAT0008 and SEDOL number BDFMDB3.
C.2	Currency of the Ordinary Shares in issue	Naira.
C.3	Number of Ordinary Shares in issue and par value	As at the Latest Practicable Date, the number of issued Ordinary Shares was 400,000,000. On Admission, there will be 543,284,130 Ordinary Shares of 0.50 Naira each in issue. All Ordinary Shares in issue on Admission will be fully paid.
C.4	Rights attaching to the Ordinary Shares	The Ordinary Shares being issued pursuant to the Global Offer will, on Admission, rank <i>pari passu</i> in all respects with the other Ordinary Shares in the capital of the Company in issue. Holders of Ordinary Shares have the following rights: • right to receive notices of general meetings of the Company; • right to attend any general meeting of the Company and vote at such meetings; • right to receive the Company's financial statements; • right of at least three shareholders or any shareholder(s) that represent not less than 10 per cent. of the total voting rights to demand a poll at the Company's general meeting; • right to receive dividends if declared; and • in the case of a shareholder that holds a minimum of 10 per cent. of the Company's share capital, the right to requisition an extraordinary general meeting.
C.5	Restrictions on transfer	The Ordinary Shares are freely transferable and there are no restrictions on transfer.
C.6	Admission to trading	An application has been made to the FCA for all of the Ordinary Shares, issued and to be issued in connection with the Global Offer, to be admitted to the Official List of the FCA (by way of a standard listing under Chapter 14 of the UK Listing Rules) and to trading on the London Stock Exchange's main market for listed securities. An application has also been made to the Nigerian SEC for the registration of all of the Ordinary Shares, issued and to be issued in connection with the Global Offer and to the Council of the NSE, to be listed and admitted to the Official Trading List of the NSE.

C.7	Dividend policy	The Company intends to establish a core ordinary dividend based on conservative assumptions regarding production and long-term oil prices, which should allow the Company to progressively increase dividends, in the absence of adverse macroeconomic conditions. The Company also intends to pay special dividends when it considers these appropriate after taking into account the level of profits earned by the Group in the period under review, the then-existing cash position of the Group and significant known or expected funding commitments of the Group. In respect of the year ended 31 December 2013, a core dividend of 5 cents per share and a special dividend of 5 cents per share were paid.
Section D—Risks		
D.1	Key information on the key risks that are specific to SEPLAT and the oil and gas industry	• The Group's crude oil and gas reserves and resources, their quality and production volumes may be lower than estimated or expected. • The Group's strategic goal of increasing gross oil production from OMLs 4, 38 and 41 to 85 Mbpd by the end of 2016 depends, in part, on its ability to convert significant contingent resources into reserves; in connection with such conversion, as well as further development of its hydrocarbon capacity, the Group faces significant costs and uncertainties. • The Group's business requires significant capital expenditure. The future expansion and development of the Group's business may require future debt and equity financing, the availability and cost of which cannot be assured, and further depends on its JV partner, NPDC, continuing to pay its share of expenses. • Although the Company is operator of OMLs 4, 38 and 41, it does not have the right to make unilateral decisions with respect to the development and operation of OMLs 4, 38 and 41 and depends upon its joint venture partner, NPDC, to make cash contributions for its portion of operating expenses. • Any expansion by the Group through acquisition activity may be unsuccessful because of an inability to find, fund or acquire suitable assets or as a result of its failure to successfully integrate its operations with acquired companies or assets or to realise the expected return on such acquisitions. • The CNL Assets Acquisition is conditional and the subject of the ongoing Britannia U Litigation; the CNL Assets Acquisition Conditions may not be satisfied and/or the Britannia U Litigation may result in a delay and/or a failure to satisfy the CNL Assets Acquisition Conditions. • If one or both of the other members of the CNL Assets Consortium fail to pay their portion of the payment obligations when due under the CNL Assets SPA, the Group may become liable for such defaulting party's portion of such payment obligations. • The Group faces competition for equipment and trained personnel from international and indigenous oil and gas companies, some of which may be larger or more diversified than the Group's and may have greater financial and technical resources.

		• The Company has historically been subject to substantial “reconciliation factor” discounts on amounts of its crude oil production from OMLs 4, 38 and 41 and may be again in the future. • All of the crude oil produced by the Company from OMLs 4, 38 and 41 is currently transported through the Trans-Forcados Pipeline, which is not owned or operated by the Group; the pipeline could need repair and, historically, has been subject to militant attacks, oil theft, bunkering and vandalism resulting in losses of crude oil. • The Group depends upon the direction and leadership of its existing Chairman and CEO. • Nigeria experiences security issues and instances of fraud, bribery and corruption. • Nigeria suffers from militant activity which has, in the past, disrupted operations at the wells covered by OMLs 4, 38 and 41 and transport of their products to the Forcados Terminal. • Future changes in the Nigerian authorities and NPDC and/or in government oil and gas policy may adversely affect the Group. • There is considerable uncertainty surrounding the Petroleum Industry Bill, which is currently being debated by the Nigerian National Assembly and which, when finally passed, will introduce significant changes to the regulation of the oil and gas industry.
D.3	Key information on the key risks relating to the Ordinary Shares	• The Company currently has three major shareholders that will be able to exercise significant influence over matters requiring shareholder approval. • An active trading market for the Ordinary Shares may not develop in either or both of the exchanges on which they trade, which may limit liquidity and/or cause the price of the shares to fall. • Investing in securities in emerging markets such as Nigeria generally involves a higher degree of risk than more developed markets. • The Company cannot guarantee making dividend payments in the future.
Section E—Offer		
E.1	Total net proceeds and expenses of the Global Offer	The Company’s net proceeds from the Global Offer (excluding the Over-allotment Option) are estimated to be US\$475.3 million after deduction of underwriting commissions and estimated fees and expenses in connection with the Global Offer. Estimate of total expenses of the Global Offer: US\$28.5 million. No expenses will be charged by the Company to the purchasers of the Ordinary Shares.
E.2a	Reasons for the Global Offer and use of proceeds	The Company intends to use the net proceeds of the Global Offer as follows: (i) US\$48 million to repay in full all outstanding amounts under its shareholder loan from MPI S.A. (“MPI”); and (ii) the remainder of the net proceeds to acquire and develop new acquisitions (and/or pay down any additional debt raised in connection therewith) of both onshore and shallow offshore acreages, assets or joint venture farm-ins, which may include (if successful) the SPDC Assets Bid. The main source of acquisitions is expected to come from divestitures by various international oil companies.

E.3	Terms and conditions of the Global Offer	The Company is proposing to raise up to US\$504 million by way of the Global Offer (assuming the Over-allotment Option is not exercised). The Global Offer comprises an issue of 143,284,130 Ordinary Shares by the Company. The Global Offer will be effected by means of (i) an offering of Ordinary Shares (a) to qualified investors in certain Member States, including to certain institutional investors in the United Kingdom and elsewhere outside the United States and (b) in the United States to QIBs in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act (the “International Offering”); and (ii) an offering of Ordinary Shares to Qualified Institutional Investors and High Networth Investors as defined in Rule 321 of the Nigerian SEC Rules (the “Nigerian Offering”). The Global Offer will not be split into separate tranches. In addition, the Company has granted an Over-allotment Option comprising a further 10,336,183 Ordinary Shares, equivalent to 15 per cent. of the International Offering, to cover short positions arising from over-allotments made (if any) in connection with the International Offering and sales made during the stabilisation period. Application will be made for the Ordinary Shares to be admitted to the standard listing segment of the Official List of the FCA and to trading on the London Stock Exchange’s main market for listed securities. Application has also been made to the Nigerian SEC for the registration of the Ordinary Shares to be listed and admitted to the Official Trading List of the NSE. It is expected that the UK Admission will become effective and unconditional dealings in the Ordinary Shares will commence on the London Stock Exchange at 8.00 a.m. (London time) on 14 April 2014. Prior to the UK Admission, it is expected that dealings in the Ordinary Shares will commence on a conditional basis on the London Stock Exchange at 8.00 a.m. (London time) on 9 April 2014. It is expected that the Nigerian Admission will become effective on 14 April 2014 and that unconditional dealings will commence in the Ordinary Shares on the NSE at 10.15 a.m. (Nigerian time), on 14 April 2014. All Ordinary Shares sold in connection with the Global Offer will be subscribed for, or purchased, at the Offer Price. The International Offering is fully underwritten by the Joint Bookrunners and is subject to satisfaction of the conditions set out in the International Underwriting Agreement, including Admission occurring and becoming effective by no later than 8.00 a.m. (London time) on 14 April 2014 or such later time and/or date as the Company and the Joint Global Coordinators, on behalf of the Joint Bookrunners, may agree, and to the International Underwriting Agreement not having been terminated in accordance with its terms. The Nigerian Offering is not being underwritten. The Ordinary Shares to be made available by the Company pursuant to the Global Offer will, on Admission, rank <i>pari passu</i> in all respects with the existing Ordinary Shares in issue and will rank in full for all dividends and other distributions thereafter declared, made or paid on the share capital of the Company.
E.4	Material interests	Not applicable. There are no interests known to the Company that are material to the Global Offer or which are conflicting interests.

E.5	Selling shareholders/ lock-up arrangements	No Ordinary Shares are being sold by any shareholder of the Company as part of the Global Offer. Pursuant to the International Underwriting Agreement, the Company has agreed that, subject to certain exceptions, during a period expiring 180 days after the date of Admission, neither it nor any of its subsidiaries or other affiliates, without the prior written consent of the Joint Global Co-ordinators (on behalf of the Joint Bookrunners), will issue, offer, sell or contract to sell, or otherwise transfer or dispose of (including by entering into swap or other agreements), directly or indirectly, any Ordinary Shares (or any interest therein) or enter into any transaction with the same economic effect as, or agree to, or publicly announce any intention to enter into, any of the foregoing. Pursuant to stand-alone Lock-up Deeds, the Locked-up Persons have each agreed that, subject to certain exceptions, during a period expiring 365 days after the date of Admission (except (i) in the case of the Lock-up Deeds entered into by Quantum Power, Quantum Capital, Mercuria Capital and the Blakeney Group, which expire 180 days from the date of Admission, and (ii) in the case of the Lock-up Deed entered into by MPI, which expires 365 days from the date of Admission in respect of 50 per cent. of its shareholding immediately prior to Admission and 180 days from the date of Admission in respect of the other 50 per cent. of its shareholding immediately prior to Admission), they will not, without the prior written consent of the Joint Global Co-ordinators (on behalf of the Joint Bookrunners), offer, sell or contract to sell, or otherwise transfer or dispose of (including by entering into swap or other agreements), directly or indirectly, any Ordinary Shares or enter into any transaction with the same economic effect as, or agree to, or publicly announce any intention to enter into, any of the foregoing.
E.6	Dilution	The Ordinary Shares issued as part of the Global Offer will represent approximately 26.37 per cent. of the expected issued share capital of the Company immediately following Admission.
E.7	Estimated expenses charged to the investors	Not applicable. No expenses will be charged to investors by the Company in respect of the Global Offer.

PART II RISK FACTORS

Any investment in the Ordinary Shares is speculative and subject to a high degree of risk. Prior to investing in the Ordinary Shares, prospective investors should consider carefully the factors and risks associated with any investment in the Ordinary Shares, the Group's business and the industry in which it operates, together with all other information contained in this Prospectus including, in particular, the risk factors described below. Following the occurrence of any such event, the value of the Ordinary Shares could decline and investors could lose all or part of their investment. Prospective investors should note that the risks relating to the Group, its industry and the Ordinary Shares summarised in the section of this Prospectus headed "Summary Information" are the risks that the Company believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this Prospectus headed "Summary Information" but also, among other things, the risks and uncertainties described below.

The following is not an exhaustive list or explanation of all risks which investors may face when investing in the Ordinary Shares and should be used as guidance only. The factors listed under a single heading may not provide a comprehensive view of all risks relevant to the subject to which the heading relates. Additional risks and uncertainties relating to the Group that are not currently known to the Group, or that it currently deems immaterial, may also have an adverse effect on the Group's business, prospects, financial condition and results of operations. In particular, the Group's performance might be affected by changes in market and/or economic conditions and in legal, regulatory and tax requirements. If such changes were to occur, the price of the Ordinary Shares may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in Ordinary Shares is suitable for them in the light of the information in this Prospectus and their personal circumstances and, if they are in any doubt, should consult with an independent financial adviser authorised in their jurisdiction who specialises in advising on the acquisition of shares.

The information contained in this Prospectus is based upon current legislation and tax practice and any changes in the legislation or in the levels and bases of, and reliefs from, taxation may affect the value of an investment in the Ordinary Shares.

1. RISKS RELATING TO THE GROUP'S BUSINESS

1.1 The Group's crude oil and gas reserves and resources, their quality and production volumes may be lower than estimated or expected

There are inherent uncertainties in estimating oil and gas resources and reserves for any oil and gas asset. The reserves and contingent and prospective resources of the Group have been estimated by DMCL in the CPRs on the basis of a number of judgments and assumptions, including the economic conditions relating to OMLs 4, 38 and 41, OML 53 and the Umuseti/Igbuku Fields and the existing geological and engineering data. Any error or inaccuracy in the valuation of the Group's resources and reserves or change in the underlying assumptions on which those valuations are based and any downward revision that may result could have a material adverse effect on the Group's business, prospects, financial condition or results of operations. Estimates of the Group's reserves and contingent and prospective resources should be regarded only as estimates that may change as further production history and additional information become available. Not only are such estimates based on information which is currently available, but such estimates are also subject to the uncertainties inherent in the application of judgmental factors in interpreting such information.

Estimation of underground accumulations of oil and gas and projecting future rates of production is an inherently subjective process aimed at understanding the statistical probabilities of recovery. Estimates of the quantity of economically recoverable oil and gas reserves, rates of production, net present value of future cash flows and the timing of development expenditures depend upon several variables and assumptions, including the following:

- production history compared with production from other comparable producing areas;
- interpretation of geological and geophysical data;
- effects of regulations adopted by governmental agencies;
- future percentages of international sales;

- future oil and gas prices;
- capital expenditure; and
- future operating costs, royalties, tax on the extraction of commercial minerals, development costs and work-over and remedial costs.

As all reserve estimates are subjective, each of the following items may differ materially from those assumed in estimating reserves:

- the quantities and qualities that are ultimately recovered;
- the production and operating costs incurred;
- the amount and timing of additional exploration and future development expenditures; and
- future oil and gas sales prices.

Further, included in this Prospectus, in addition to reserves data, is information relating to the Group's contingent resources, a significant amount of which are located in the Sapele Shallow and which must be converted to reserves in order for the Group to meet its 2016 production target of 85 Mbpd from OMLs 4, 38 and 41. Contingent resources are defined as those quantities of petroleum that are estimated potentially recoverable from known accumulations but which are not currently considered to be commercially recoverable because of the lack of a firm plan of development with the necessary partner or governmental approval, the lack of a market, or the lack of the proper delineation necessary to establish the size of the accumulation for commercial purposes. Contingent resources are by their nature uncertain in respect of the inferred volume range. This Prospectus also includes information relating to prospective resources, which are speculative in respect of their inferred presence and uncertain in respect of their inferred volume range. Many of the factors in respect of which assumptions are made when estimating reserves are beyond the Group's control and therefore these assumptions may prove to be incorrect over time. Evaluations of reserves necessarily involve multiple uncertainties. The accuracy of any reserves or resources evaluation depends on the quality of available information and petroleum engineering and geological interpretation. Exploration drilling, interpretation, testing and production after the date of the estimates may require substantial upward or downward revisions in the Group's reserves or resources data. Moreover, different reservoir engineers may make different estimates of reserves and cash flows based on the same available data. Actual production, revenues and expenditures with respect to reserves and resources will vary from estimates, and the variances may be material.

Forward-looking statements contained in the CPRs concerning the Group's reserves and resources definitions should not be unduly relied upon by potential investors. Special uncertainties exist with respect to the estimation of resources in addition to those set forth above that apply to reserves. The probability that contingent resources will be economically developed or that prospective resources will be discovered, or be economically recoverable, is considerably lower than for proven, probable and possible reserves. Volumes and values associated with prospective resources should be considered highly speculative. If the assumptions upon which the estimates of the Group's oil and gas reserves or resources are based prove to be incorrect, the Group may be unable to recover and/or produce the estimated levels or quality of oil or gas set out in this Prospectus, which could have a material adverse effect on the Group's business, prospects, financial condition or results of operations.

1.2 The Group's strategic goal of increasing gross oil production from OMLs 4, 38 and 41 to 85 Mbpd by the end of 2016 depends, in part, on its ability to convert significant contingent resources into reserves; in connection with such conversion, as well as further development of its hydrocarbon capacity, the Group faces significant costs and uncertainties

Developing a hydrocarbon production field, in particular the development of contingent resources into reserves, requires significant investment, generally over several decades, to build the requisite operating facilities, drilling of production wells along with implementation of advanced technologies for the extraction and exploitation of hydrocarbons with complex properties. Making these investments and implementing these technologies, normally under difficult conditions, can result in uncertainties about the amount of investment necessary, operating costs and additional expenses incurred as compared with the initial budget, thereby negatively affecting the business, prospects, financial condition and results of operations of the Group. Further, with respect to contingent resources, the amount of investment needed may be prohibitive, such that conversion of resources into reserves may not be commercially viable. See section 1.1 above for a description of the risks relating to contingent resources.

In addition, the Group's hydrocarbon production may be restricted, delayed or terminated due to a number of internal or external factors, among which are malfunctions of hydrocarbon discharge or production facilities, administrative delays (particularly in the approval of development projects by public authorities), shortages or delays in the availability of drilling rigs (which is a particular problem for oil and gas companies operating in Nigeria) and delivery of equipment and materials, pressure or irregularities in geological formations, equipment failures or accidents or adverse weather conditions or malicious actions. These factors may have a material adverse effect on the Group's cash flow as well as on its business, prospects, financial condition or results of operations.

1.3 The Group faces risks relating to the exploration for new reserves which may affect its ability to produce crude oil and natural gas at expected levels, quality and costs

The exploration business, which relies on the discovery and extraction of hydrocarbons, is dependent upon geological and seismic surveys prior to exploration drilling. Operations of this type make it possible to decide on the location of exploration drilling, when to transition to the production start-up phase or whether or not to pursue exploration. The hydrocarbons estimated either when exploration or production licences are obtained or at the commencement of drilling operations may ultimately not be present or, if present, they may be insufficient or incapable of extraction or their exploitation may not be commercially viable. Consequently, the Group cannot guarantee a return on any investments that are, or that will be, made with respect to future exploration, or that current exploration activities will be profitable.

In addition, actual reserve levels are only revealed over the course of exploration and may ultimately prove to be significantly lower than originally estimated. Such surveys and operations are costly and such costs may ultimately prove higher than anticipated depending on a number of factors encountered during the exploration phase, in particular, unforeseen practical difficulties arising from the explored areas and/or soil and the cost and availability of rigs and long-lead items.

The Group cannot guarantee that new hydrocarbon resources will be discovered in adequate quantities to replace existing reserves or to allow the Group to recover all the capital invested in exploration activities and to ensure a return on the investments made. An inability to discover adequate quantities of new resources will increase the Group's dependency on the conversion from contingent to prospective reserves. The conversion may not be achieved with respect to all or any of the Group's contingent resources and the failure to achieve such conversion could have a material adverse effect on the Group's business, prospects, financial condition, results of operations and cash flows.

1.4 The Group's business requires significant capital expenditure. The future expansion and development of the Group's business may require future debt and equity financing, the availability and cost of which cannot be assured, and further depends on its JV partner, NPDC, continuing to pay its share of expenses in a timely manner

The Group's business involves significant capital expenditure and it may require external debt and further equity financing in order to fund expenditure beyond its current committed and planned capital expenditure. The Group may also, in the future, seek funds for its business by selling part of its operations and/or by assigning certain rights to its assets under farm-out arrangements, for example its planned farm-out of a portion of its participating interest in OML 53 (subject to the CNL Assets Acquisition Completion). There is no certainty that it will successfully identify counterparties willing to enter into such transactions in the future. For capital expenditure in addition to that already committed by the Group, although the Group's current intention is to fund its planned capital expenditure during 2014 and 2015 from its then-existing cash resources, the Group may enter into significant borrowing arrangements in addition to raising further equity financing for its acquisition, operations, exploration, appraisal, development or production plans. For example, should the SPDC Assets Bid be successful, the Group would be required to incur significant amounts of additional debt to fund its aggregate share of the consideration payable in respect of the SPDC Assets Bid, in an amount expected to be up to US\$1 billion, depending on the final purchase price agreed. Investors may experience a dilution in their percentage holdings in Ordinary Shares if additional financing is raised through the issue of equity or equity-linked instruments.

A variety of factors, some of which are outside of the Group's control (including, but not limited to, the global credit environment then existing), may mean that the Group may be unable to obtain debt financing or additional equity financing in the amounts required for its expenditures beyond its current committed capital expenditure, on favourable terms or at all.

To the extent the Group does borrow or raise additional debt, the Group will be subject to increased interest expense, and may also be subject to additional covenants (over and above those contained in the Afrexim Facility Agreement, the FBN Facility Agreement and the Zenith Facility Agreement, details of which are set out at Part XVII: “Additional Information” of this Prospectus) requiring that the Group maintain prescribed financial ratios restricting certain aspects of its business, including, for example, restrictions on additional future borrowings and indebtedness levels and permitted future acquisition activity, as well as requiring security interests over certain of its assets. In addition, future debt financings may limit the Group’s ability to withstand competitive pressures, as the Group may become illiquid or less liquid as a result of higher interest payments on its debt due to increases in interest rates or restrictions on cash movement. This could hinder the Group’s ability to raise, renew and service its future indebtedness, reduce the funding options available to the Group and render it more vulnerable to economic downturns. In addition, if the Group requires debt but is unable to secure sufficient bank borrowings, it is highly likely that, other than in respect of its current committed capital expenditure, this would pose challenges to the Group’s planned development and timeline for development.

If the Group fails to generate or obtain sufficient resources to fund its capital expenditure for its acquisition, operations, exploration, appraisal, development or production plans (beyond the Group’s current committed capital expenditure), this could have a material adverse effect on the Group’s business, prospects, financial condition, results of operations and cash flows or the Group’s ability to fund the expansion or development of the business in the longer term.

In addition, NPDC is required to fund its portion of operations and expenses due under the OMLs 4, 38 and 41 Joint Operating Agreement and the Company is exposed to the risk that its sole partner may be delayed in, or fail to make, such payments. NPDC does not rely on the Nigerian government for funds to meet its funding obligations; rather, such funds come from the revenue stream produced by the assets in which it has an interest. Specifically in the case of OMLs 4, 38 and 41, the Company understands that NPDC has entered into a strategic alliance agreement with Septa Energy Nigeria Limited (“Septa”), which, in return for a share of NPDC’s production entitlements in respect of OMLs 4, 38 and 41, provides financing to NPDC for its funding commitments under the OMLs 4, 38 and 41 Joint Operating Agreement. In the past, NPDC has been delayed in making certain of such payments. These past payment delays have mainly been caused by a timing difference in the receipt of funds from NPDC, due to NPDC recognising cash costs while the Company records accounting accruals and the fact that some costs require approval of the operating committee under the OMLs 4, 38 and 41 Joint Operating Agreement before funds are released by NPDC. These delays have in the past led to significant increases in the amount of NPDC’s receivables owed to the Company. At 31 December 2013, the amount due from NPDC was US\$283.6 million, of which US\$36.0 million (12.7 per cent.) related to costs awaiting approval of the operating committee under the OMLs 4, 38 and 41 Joint Operating Agreement and US\$247.7 million (87.3 per cent.) related to amounts approved but unpaid by NPDC, the full amount of which comprised overdue cash calls. Given the nature of the existing NPDC approval process, this timing difference in the receipt of funds is likely to continue. In the case of continued delays or any failure by NPDC to make such payments, the Company’s ability to fund its capital expenditure may be adversely affected.

1.5 The Company’s existing debt facility documentation contains certain restrictive covenants that limit the Company’s flexibility in operating its business and may limit its ability to expand or finance its operations, or otherwise respond to competitive pressures in the future

The Afrexim Facility Agreement, the Zenith Facility Agreement and the FBN Facility Agreement (when entered into) contain or will contain covenants limiting the ability of the Company to incur additional indebtedness, create liens on assets, enter into business combinations or dispose of its existing assets. Failure to comply with these restrictions would, under certain circumstances, constitute a default under the relevant agreement, which in turn may cause cross-defaults under the other agreements. The Company is currently in the advanced stages of amending and restating the Afrexim Facility Agreement, under which US\$370 million is currently outstanding. The amendment and restatement is required in order to document the consent previously given by the lenders under the Afrexim Facility to the formation of Newton Energy and the other Group subsidiaries and certain other matters. The current Afrexim Facility documentation grants security over substantially all of the Company’s existing assets. It is intended that the amended and restated Afrexim Facility Agreement and associated documentation between the Company, the lenders under the Afrexim Facility, FBN and Zenith will also formally grant security to FBN and Zenith over substantially all of the Company’s existing assets and will include intercreditor arrangements amongst the lenders. In the event of a default, whether as a result of such consents not being obtained or

intercreditor arrangements not being satisfactorily agreed amongst the lenders, or for any other reason, the Company's obligations under any and all of these facilities could become immediately due and payable, which could have a material adverse effect on the Group's business, prospects, financial condition, results of operations and cash flows unless the Company repays all amounts due or refinances the relevant facility. Details of the Afrexim Facility Agreement, the FBN Facility Agreement and the Zenith Facility Agreement are set out in Sections 10.6.1, 10.6.3 and 10.6.4, respectively, of Part XVII: "Additional Information" of this Prospectus.

1.6 There is security over substantially all of the Group's assets in connection with each of the Afrexim Facility Agreement, the Zenith Facility Agreement and the FBN Facility Agreement, with intercreditor arrangements still to be agreed; if the Company defaults on its obligations, the lenders have the right to enforce such security

In order to secure the obligations of the Company under the Afrexim Facility Agreement, the Group has granted security over substantially all of its assets, including its right, title and interest in the Offtake Agreement, its off-shore and on-shore operating accounts and collection accounts. In the event that the Company defaults under the terms of the Afrexim Facility Agreement and the lenders thereunder seek to enforce the security granted by the Group in accordance with the terms of the Afrexim Facility Agreement and related security documentation, such enforcement would have a material adverse effect on the Group's business, prospects, financial condition or results of operations. In addition, the Company has agreed to grant security over substantially all of its assets in order to secure its obligations under the Zenith Facility Agreement and the FBN Facility Agreement. However, any such grant of security remains subject to the consent and agreement of Afrexim, the other lenders under the Afrexim Facility Agreement, FBN and the Company in respect of intercreditor arrangements between those entities. Whilst the Company is in the advanced stages of finalising such arrangements, in the event such consents are not obtained or intercreditor arrangements satisfactorily agreed, the Company may be deemed to be in default under one or more of such agreements. If such amounts were to become due and payable as a result of such default, or if the lenders were to enforce the security granted, this could have a material adverse effect on the Group's business, prospects, financial condition, results of operations and cash flows unless the Company repays all amounts due or refinances the relevant facility. Details of the Afrexim Facility Agreement, the FBN Facility Agreement and the Zenith Facility Agreement are set out in Sections 10.6.1, 10.6.3 and 10.6.4, respectively, of Part XVII: "Additional Information" of this Prospectus.

1.7 Although the Company is operator of OMLs 4, 38 and 41, it does not have the right to make unilateral decisions with respect to the development and operation of OMLs 4, 38 and 41 and depends upon its joint venture partner, NPDC, to make cash contributions for its portion of operating expenses

The Company does not have the right to make unilateral decisions with respect to the development and operation of OMLs 4, 38 and 41, which currently represent all of its operating assets and in which it holds a 45 per cent. participating interest. The remaining 55 per cent. of the rights are held by NPDC, which in September 2010 replaced its parent company, NNPC, as the Company's joint venture partner under the OMLs 4, 38 and 41 Joint Operating Agreement. Please see Part IX: "Industry Overview", sections 2.1 to 2.3 of this Prospectus for further details on the applicable operating framework in Nigeria and NPDC's role in the Nigerian oil and gas industry. The oil exploitation activities under OMLs 4, 38 and 41 are conducted jointly by the Company, as operator, and NPDC under the terms of the OMLs 4, 38 and 41 Joint Operating Agreement. Under the terms of the OMLs 4, 38 and 41 Joint Operating Agreement, the Company is required to submit its proposed work programme for the year ahead for approval by the operating committee formed under the OMLs 4, 38 and 41 Joint Operating Agreement. As a government body which is also a joint venture partner of numerous operators throughout Nigeria, NPDC may not be able to approve or fund, in a timely manner, the Company's proposed expansion plans and projects. Further, the Company's strategy for operating and developing OMLs 4, 38 and 41 and the interests of the Company may not always be aligned with those of NPDC, whose approval of the Company's operating plans, or selection of financial partners or suppliers, could be subject to political imperatives, and/or influenced by conflicting interests as an operator of oil and gas assets in its own right or as a joint venture partner of companies that compete with the Company.

In addition, NPDC is required to fund its portion of operations and expenses and the Company is exposed to the risk that its sole partner may be delayed in, or fail to make, such payments. NPDC does not rely on the Nigerian government for funds to meet its funding obligations; rather, such funds come from the

revenue stream produced by the assets in which it has an interest. Specifically in the case of OMLs 4, 38 and 41, the Company understands that NPDC has entered into a strategic alliance agreement with Septa Energy Nigeria Limited, which, in return for a share of NPDC's production entitlements in respect of OMLs 4, 38 and 41, provides financing to NPDC for its funding commitments under the OMLs 4, 38 and 41 Joint Operating Agreement. In the past, NPDC has been delayed in making certain of such payments. In the case of continued delays or any failure by NPDC to make such payments, the Company's ability to fund its capital expenditure and/or operating expenditure may be adversely affected. Timing difference in the receipt of funds from the Company's partner, NPDC, due under the OMLs 4, 38 and 41 Joint Operating Agreement have led to significant increases in the amount of NPDC's receivables with the Company. Please see the risk factor at section 1.4 above for further details. Subject to the CNL Assets Acquisition Completion, NPDC will also be the Group's JV partner in respect of the assets acquired under that acquisition.

As a result, any unresolved disagreement between the Group and NPDC could have a material adverse effect on the costs of developing and operating its assets, which could have a material adverse effect on the Group's business, prospects, financial condition, results of operations and cash flows.

1.8 Any expansion by the Group through acquisition activity may be unsuccessful because of an inability to find, fund or acquire suitable assets at a suitable price or at all, including due to an inability to raise the required debt financing or as a result of its failure to successfully integrate its operations with acquired companies or assets or to realise the expected return on such acquisitions

A key element in the Group's strategy is the acquisition of new production sources, as is evidenced by the recent Umuseti/Igbuku Fields Investment, the conditional CNL Assets Acquisition and the recent SPDC Assets Bid. However, there is a risk that the Group may not in the future find suitable assets for acquisition or be able to acquire new assets at attractive prices. This may occur due to a variety of factors, including competition from international investors, which has recently increased in Nigeria, as well as an expected slow-down in the international oil companies' divestment process in advance of Nigerian federal elections which are scheduled to take place in 2015. There is also a risk that the Group may locate attractive assets but fail to acquire such assets due to an inability to raise necessary debt funding. Without the addition of reserves and resources as a result of acquisition activities, the Group's reserves and production will decline over time as reserves are exploited.

An acquisition or transfer of rights in petroleum licences or leases in Nigeria requires approval from the Minister, which could delay or hinder transfers of rights or the growth of operations for the Group in Nigeria.

Even in instances where the Group is able to acquire companies or assets, it may fail to realise the expected benefits from such acquisitions, for a variety of reasons. For instance, the Group may be required to bid for and acquire assets based on limited information on such assets' operations, reserves and resources, financial performance, associated potential liabilities and future performance, in particular where there are no standalone audited financial statements available in respect of the relevant assets. Further, even in cases where up-to-date information on reserves and resources of the assets to be acquired exists, uncertainties inherent in estimating such data may mean that such reserves and resources later prove to be lower than expected. There can be no assurance that assets acquired by the Group (including any assets acquired as part of the conditional CNL Assets Acquisition or, if the Group is successful, the SPDC Assets Bid) will yield their expected profitability or that the Group will not be exposed to currently unknown liabilities resulting from these business combinations. Where the Group acquires another company or new assets in the future, integrating operations and personnel and pre- or post-acquisition costs may prove more difficult and/or expensive than anticipated and may require the Company to indemnify the sellers against environmental and other liabilities relating to the period prior to closing. In addition, the integration of acquired companies or assets can require significant time and effort on the part of the Group's management and may also require the addition of a significant number of staff for asset development. These challenges are likely to be more significant where the Group is successful in executing large acquisitions (for example the CNL Assets Acquisition or the SPDC Assets Bid, if successful), and in particular where it does not obtain operatorship in respect of the acquired assets. Please see the risk factor at section 1.9 below.

Accordingly, if the Group fails to consummate or integrate acquisitions successfully (including the CNL Assets Acquisition or the SPDC Assets Bid, if successful), it may have to scale back its expansion strategy and not realise the increase in reserves and related revenues currently anticipated, in which case

the Group may focus its financial resources on greater capital expenditure relating to its work-over and drilling programme on its existing assets. The Group's expansion strategy may not be successful and the Group may not be able to invest its capital directly or indirectly to acquire assets on attractive terms or at all. As a result, the Group's financial condition and future performance could be materially adversely affected.

1.9 The Group may not, in all cases, be successful in securing the operatorship of assets it acquires in the future, which will limit its control over certain activities in respect of such assets

Many oil and gas assets in Nigeria are operated through joint venture arrangements in which the government, usually through NPDC, holds the majority interest, with the relationship between the parties governed by a joint operating agreement. Typically such joint operating agreements will appoint one of the parties as operator of the relevant assets and provide that, upon an assignment by the operator of its interests in the assets, one of the existing parties will have the right to assume operatorship in respect of the assets. All divestments by international oil companies of oil and gas assets in the Niger Delta following the acquisition by the Company of its 45 per cent. participating interest in OMLs 4, 38 and 41 in which NPDC has a majority interest, have resulted in NPDC exercising such rights and assuming operatorship. It is therefore possible that, if and when the Group completes the CNL Assets Acquisition or acquires other assets in the future (for example, through the SPDC Assets Bid, if successful), it will not become operator of such assets. In such an event, the Group would be required to co-operate and agree with the operator in respect of the extent and timing of activities related to the acquired assets and the Group's ability to direct or control the activities of the operator will be limited to its participation in and by the powers given to the operating committee under the relevant joint operating agreement. This may mean that the assets may not be developed in the manner, or in the timeframe, preferred by the Group, which may mean that its expected return is diminished or delayed. Conversely, the Group may be required to fund development earlier than anticipated, or in amounts greater than expected, which may strain existing operations and could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

1.10 The CNL Assets Acquisition is conditional and the subject of the ongoing Brittania U Litigation; the CNL Assets Acquisition Conditions may not be satisfied and/or the Brittania U Litigation may result in a delay and/or failure to satisfy the CNL Assets Acquisition Conditions

The CNL Assets Acquisition is conditional upon, amongst other things, the consent of the Minister and NNPC having declined to exercise its rights of pre-emption under the joint operating agreement in respect of the CNL Assets. There can be no assurance that these conditions and the other CNL Assets Acquisition Conditions (set out in full at Part XVII: "Additional Information", section 10.7.21 of this Prospectus) will be satisfied and that the CNL Assets Acquisition Completion will be achieved by the Longstop Date or at all. There can be no assurances as to the timing or outcome of this process or that such consent will not be subject to conditions.

The satisfaction of the CNL Assets Acquisition Conditions may be delayed and/or prevented by the ongoing Brittania U Litigation, which is described more fully at Part VI: "Letter from the Chairman and Information on the Group", section 15 and Part XVII: "Additional Information", section 12 of this Prospectus. As part of the Brittania U Litigation, the Company is, together with four other defendants, the subject of a US\$1 billion exemplary damages claim. Although the Company believes the claim to be without merit, there can be no assurance that the claim will not be successful, in whole or in part, or that the Company will not incur significant liability as a result.

If the CNL Assets Acquisition Conditions are not satisfied by the Longstop Date, CNL may terminate the CNL Assets SPA. If the CNL Assets Consortium, through no fault of CNL, fails, refuses or is unable for any reason not permitted by the CNL Assets SPA to complete or fails to fulfill any of the CNL Assets Acquisition Conditions, CNL may assert its right to specific performance, retain a deposit in the amount of US\$147 million (the "CNL Assets Acquisition Deposit") and pursue any other right or remedy to which it might be entitled at law or in equity against the CNL Assets Consortium.

1.11 If one or both of the other members of the CNL Assets Consortium fail to pay their portion of the payment obligations when due under the CNL Assets SPA, the Group may become liable for such defaulting party's portion of such payment obligations

As noted above, the CNL Assets Acquisition is conditional upon, amongst other things, the consent of the Minister, which will involve the Minister approving AMNI, the Company and BelemaOil (or affiliates thereof) as assignees of CNL's 40 per cent. participating interest in OMLs 52, 53 and 55 respectively, and NNPC having declined to exercise its rights of pre-emption under the joint operating agreement in respect of the CNL Assets. Upon receipt of the consent of the Minister and satisfaction of all of the other CNL Assets Acquisition Conditions, AMNI, the Company and BelemaOil will be required to meet their respective payment obligations under the CNL Assets SPA. Whilst the Company does not expect that the Minister would approve the assignment of CNL's 40 per cent. participating interest in any of OMLs 52, 53 and 55 if the relevant assignee is unable to meet its payment obligations under the CNL Assets SPA, because the Company has assumed joint and several liability with the other members of the CNL Assets Consortium for any payment obligations (including the total purchase price of US\$800 million) arising under the CNL Assets SPA, it would become liable to CNL for any defaulting party's portion of the payment obligations when due. If the Company becomes liable for such defaulting party's portion of such payment obligations, then it would be responsible for payment of the total purchase price of US\$800 million, which could have a material adverse effect on the Group's business, prospects, financial condition or results of operations.

The members of the CNL Assets Consortium have agreed to indemnify each other for each and every liability arising under the CNL Assets SPA and the CNL Assets Consortium Agreement where one or both of the other members of the consortium fail to meet their respective payment obligations under the CNL Assets SPA. While the Company would be able to bring a claim pursuant to the terms of the CNL Assets Consortium Agreement against such defaulting party to recover any sums paid by it, there can be no assurances that such claim would be successful. Any failure by the Company to recover such sums from the defaulting party could have a material adverse effect on the Group's business, prospects, financial condition or results of operations.

1.12 The Group faces competition for equipment and trained personnel from international and indigenous oil and gas companies, some of which may be larger or more diversified than the Group's and may have greater financial and technical resources

The oil and gas industry is highly competitive and the Group faces strong competition from both indigenous and international oil and gas companies for the contracting of equipment and the recruitment and retention of skilled personnel. Skilled personnel are required in the areas of exploration and development, operations, engineering, business development, oil and gas marketing, finance and accounting relating to the Group's projects. Many of the Group's competitors are larger, have greater financial and technical resources as well as staff and facilities, and have been operating in a market-based, competitive economic environment for much longer than the Group.

1.13 The Company has historically been subject to substantial "reconciliation factor" discounts on amounts of its crude oil production from OMLs 4, 38 and 41 and may be again in the future

Under the terms of the Crude Handling Agreement, SPDC applies a reconciliation factor to amounts of crude oil injected by the Company at the Rapele injection point into the Trans-Forcados Pipeline in order to account for discrepancies between numerous third-party injectors' own production estimates (which are affected by vandalism and theft occurring along the pipeline following injection) and the amounts of crude oil actually received by SPDC after processing at the Forcados Terminal. This reconciliation factor adjustment amounted to approximately 18.0 per cent. of the Company's aggregate crude oil production for 2011 and 11.0 per cent. for 2012. SEPLAT has installed a Lease Automatic Custody Transfer Unit ("LACT Unit") at the Rapele injection point into the Trans-Forcados Pipeline to accurately measure amounts of crude oil injected. Since the installation of the LACT Unit, SPDC has signed an agreement with the Company dated 27 February 2013 which is expected to result in a material decline in the reconciliation factor. Although for the period from 1 January 2013 to 31 December 2013, the monthly reconciliation factor applied by SPDC has averaged approximately 10.1 per cent., there remains a risk that SPDC may apply a substantial reconciliation factor to the Company's crude oil production, thereby causing the Company to sustain corresponding losses of crude oil production and related revenue, which may result in a material adverse effect on the Group's business, prospects, financial condition or results of operations.

Although the Company has recently completed constructing an alternative export route and is in the process of agreeing off-take arrangements for its crude oil production from OMLs 4, 38 and 41 with NPDC's Warri refinery (which is described more fully at Part VI: "Letter from the Chairman and Information on the Group", section 7.3.4), there is a risk that this alternative export route may not become

operational, or a satisfactory off-take arrangement will not be reached, in which case the Company will need to continue to use only the Trans-Forcados Pipeline for the export of its crude oil and be subject therefore to the reconciliation factor described above.

1.14 All the oil produced by the Group from OMLs 4, 38 and 41 is currently transported through the Trans-Forcados Pipeline which is not owned or operated by the Group; the pipeline could need repair and, historically, has been subject to militant attacks, oil theft, bunkering and vandalism resulting in losses of crude oil

All of the crude oil produced by the Company from OMLs 4, 38 and 41 is currently transported through the Trans-Forcados Pipeline, a key portion of which, between Rapele and the Forcados River manifold, is owned and operated by a third party, the Shoreline-NPDC Joint Venture. The remaining section of the Trans-Forcados Pipeline from the Forcados River manifold to the Forcados Terminal is owned and operated by SPDC. As with any pipeline system, it is subject to breakdowns and leakage. In 2014 to date, the line, or parts thereof, have been down for approximately 30 days. Parts of the pipeline system may require reconstruction and replacement as a result of their age. Much of the Trans-Forcados Pipeline is over 40 years old, and much of the system is located in regions where construction, maintenance and refurbishment are difficult and costly. Further, the export pipeline infrastructure used by the Company has historically been the target of frequent incidents of militant attacks, bunkering, oil theft and vandalism. As a result, the export pipeline infrastructure used by the Company may experience outages or capacity constraints during required maintenance periods, and it is likely that maintenance work will increase in the future. During maintenance periods, the Company may experience delays in, or be prevented from, transporting crude oil. Such delays, outages or capacity constraints could have a material adverse effect on the Group's business, prospects, financial condition or results of operations.

1.15 The Company's Crude Handling Agreement may be terminated or the Company may be subject to higher tariffs if the Company does not meet its material obligations under the terms of such agreement

The Company's current average production levels exceed its nominal capacity of 50,000 barrels per day for 2014 under the terms of the Crude Handling Agreement. Consequently, the Company currently incurs a higher tariff for excess crude oil transported. In order to avoid any such excess charges for a given year, the Company would need to request increased capacity in November prior to commencement of that year (which it is permitted to do under the terms of the Crude Handling Agreement), although any agreement to increase transportation capacity is at the discretion of the third-party handler. The Company has recently completed constructing a pipeline to the Warri refinery to provide a second export route (described more fully at Part VI: "Letter from the Chairman and Information on the Group", section 7.3.4 of this Prospectus). Subject to any alternative transportation routes becoming available prior to expiry of the Crude Handling Agreement on 31 July 2015, the Company will need to seek an extension of that agreement and any such extension may be on less favourable terms.

The Crude Handling Agreement stipulates that, from 1 January 2013, the Company must only inject oil (i) containing less than 0.5 per cent. water into the Trans-Forcados Pipeline, a percentage it currently exceeds (the average BSW content as at 31 December 2013 was 32.44 per cent.) and (ii) with a vapour pressure of less than 9 lb Reid, which the Company does not currently meet. The Company has installed its own water separation facilities, which are due to become fully operational during the second half of 2014. The Company expects the water content to be approximately 3 per cent. after the water separation facilities become fully operational. Given the high costs of installing the water separation facilities and equipment necessary to reduce vapour pressure, the Company does not believe that any further steps should be taken to meet the stipulated target levels until other third-party injectors commence similar projects to reduce water content and vapour pressure. Under the terms of the Crude Handling Agreement, the Company's failure to meet these contractual obligations gives SPDC the contractual right to terminate the Crude Handling Agreement, which would have a material adverse effect on the Group's business, prospects, financial condition or results of operations.

1.16 The Group depends upon a limited number of third-party suppliers and sub-contractors for the provision of certain goods and services

Within the context of its exploration and production activities, the Group is required to enter into contracts with third parties, particularly for the completion of certain work and services connected with drilling and transporting hydrocarbons. For the year ended 31 December 2013, the Group's top supplier,

SPDC, accounted for 4.0 per cent. of the Group's total purchases, with the top five suppliers accounting for 13.7 per cent. of the total purchases in that year, of which 5.5 per cent. was supplied by Cardinal and Nerine Support Services Limited (both of which are related parties).

The costs of third-party services and equipment have increased significantly over recent years and may continue to rise. The reduced availability of drilling rigs and other equipment may delay the Group's ability, directly or indirectly, to exploit reserves and adversely affect the Group's operations and profitability.

Further, the Group's suppliers and contractors may fail to perform contracted work properly or in compliance with the Group's procedures, which may lead to accidents, such as the recent fire at the Ovhor facility which resulted in the death of five workers (details of which are given in Part VI: "Letter from the Chairman and Information on the Group", section 12.2 of this Prospectus), or to other adverse consequences that could impact the Group's financial position and/or its reputation, and expose the Group to liability for which it may not have recourse to the supplier or contractor.

Given the concentration of appropriate suppliers, non-performance, unsatisfactory performance or late performance by a third party of its contractual obligations to the Group could subject the Group to additional costs and delays or even lead to the abandonment of projects, which could have a material adverse effect on the Group's business, prospects, financial condition or results of operations.

1.17 Expansion of the Group's gas business depends upon, among other things, third-party commercial ventures in Nigeria completing construction of necessary gas power plants

Currently, and until 2017, the Group sells substantially all of its gas to one off-taker, the Nigerian government. However, Nigeria's domestic gas market is currently undergoing significant changes with increased demand and improving pricing dynamics. The Group has recently entered into one gas sales agreement with a commercial off-taker, Southfield Petroleum, and is in the process of executing (subject to NPDC approval) agreements with two additional commercial off-takers (Azura Power and KEL/VPL JV). Since several of the commercial off-takers with which the Group has agreed arrangements will need to have completed construction of gas power plants before they can purchase the Group's gas, there is a risk that these commercial off-takers will not therefore be in a position to commence their purchase of the Group's gas under these agreements in 2017, which may have a material adverse effect on the Group's ability to expand its gas business.

1.18 The Group depends upon the direction and leadership of its existing Chairman and CEO

Given the importance of the direction and leadership of its existing Chairman and CEO as founders of the Group, their local knowledge and relationships in the oil and gas industry in Nigeria and their length of industry experience, the future success of the Group is, to an extent, dependent upon the continued service of the Chairman and the CEO. The Group has no key-man insurance policy in place and, therefore, there is a risk that the unexpected departure or loss of either of these individuals could have a material adverse effect on the business, financial condition and results of operations of the Group, and there can be no assurance that the Group will be able to attract or retain suitable replacements.

1.19 The Group may face increased fines and other liabilities relating to gas flaring

Subject to very limited exceptions, flaring of associated gas is prohibited in Nigeria and incurs fines which at present are relatively low but may significantly increase upon the passage of the PIB. Under the Associated Gas Re-injection Act, the penalty for flaring gas was, as at January 1998, pegged at ₦10 per 1,000 scf. By a directive, dated 15 August 2011, the Minister purported to increase this penalty to US\$3.50 per 1,000 scf. The imposition of this increased penalty is widely disputed by the Nigerian oil and gas industry, since no official gazette has been issued to support it, and it may therefore be the subject of a successful challenge. Consequently, the general industry view is that the penalty rate remains at ₦10 per 1,000 scf and the Group continues to pay penalties at this rate. The Company received a penalty for gas flaring issued by the Department for Petroleum Resources ("DPR"), calculated at the new penalty rate, for the sum of US\$16 million for the year 2010, which is currently being contested by the Company on the grounds that it is overstated. The Company has not received demands for penalties at the new higher penalty rate relating to gas flaring from the DPR for the years 2011, 2012 and 2013, but there can be no assurance that it will not receive demands for penalty payments at the higher rate in respect of those years.

As part of its development and operation of OMLs 4, 38 and 41, the Company extracts oil as well as the associated gas and the free gas produced by the gas reservoirs. A residual amount of associated gas continues to be flared at the Oben, Amukpe and Sapele sites. The Company has committed funds towards the cost of new gas compressors which are due for installation at these sites during 2014. However, until such time as the Company is able to process all of its associated gas, it will need to continue to flare a portion of its associated gas production. If it were to be determined that gas has been flared or is being flared without authorisation, this violation of the applicable regulations could result in judicial or administrative proceedings leading to orders to cease flaring for the field or fields where the violation was committed and/or the payment of fines by the Company.

The Company does not have DPR authorisation for the sites at which associated gas is flared. Regardless of authorisation, the act of flaring has, in the past, caused, and may continue to cause, environmental pollution in violation of DPR regulatory limits, which could expose the Company to fines and reputational damage.

1.20 The Group could face significant liabilities in connection with and bear the costs of cleaning up any contaminated land

The Group's oil exploration and production activities can endanger water resources and the quality of subsoil, especially in the case of hydrocarbon spills into groundwater or the subsoil. In the case of OMLs 4, 38 and 41, these spills could also affect crops in the vicinity of the wells, the forest reserve located near OML 4 and the inhabitants of the town of Sapele. The Group has identified small samples of contaminated soil close to certain fuel storage areas and some of the motors used by its facilities, hydrocarbon spills along pipelines and around collectors located near crude oil wells and a plot of land contaminated by an accidental spill near the Amukpe pumping station.

As at the date of this Prospectus, there is no material legal action outstanding with respect to alleged or actual environmental contamination of OMLs 4, 38 and 41 but the Group may face legal action in respect thereof, and in respect of any new contamination deriving from its facilities from regulators as well as private parties, and have to bear the costs of cleaning up the contaminated land, which could have a material adverse effect on the Group's business, prospects, financial condition or results of operations.

1.21 The Company is not indemnified by the Assignors (SPDC, TOTAL and AGIP) under the terms of the Agreement for Assignment for any environmental liabilities arising in respect of OMLs 4, 38 and 41 which relate to the period prior to 31 July 2010 and, under the CNL Assets SPA, the Company has agreed to indemnify CNL for environmental and decommissioning liabilities for the period prior to 1 July 2013

Under the terms of the Agreement for Assignment, the Company is not indemnified by the Assignors (SPDC, TOTAL and AGIP) for any environmental or decommissioning liabilities arising in respect of OMLs 4, 38 and 41 which relate to the period prior to 31 July 2010. If any claim for environmental liabilities is brought against the Company, even though any such liabilities arose during the period prior to the Company's acquisition of a 45 per cent. participating interest in OMLs 4, 38 and 41, the Company would be unable to seek indemnification from the Assignors.

Under the CNL Assets SPA, the Company (as a member of the CNL Assets Consortium) has agreed to indemnify CNL for environmental and decommissioning liabilities arising in respect of the CNL Assets for the period prior to 1 July 2013.

1.22 The Group's licences in respect of OMLs 4, 38 and 41 expire in June 2019. Renewal is subject to the approval of the Nigerian government, which may impose additional, or more onerous, conditions to, or withhold, its approval

Paragraph 13(1) of the First Schedule to the Petroleum Act provides that the renewal of OMLs is to be granted by the Minister upon application by the licence holder, provided that the latter has paid all rents and royalties due and has adhered to all terms and conditions of the licence. The Petroleum Act does not limit the number of renewals that may be granted. In the event that the Group is, for any reason, unable to renew OMLs 4, 38 and 41 beyond 2019, the Group would be deprived of what are currently its only significant assets, which would have a material adverse effect on the Company's business, prospects, financial condition and results of operations.

In addition, there is a risk that, even if the Group is able to renew its OMLs, additional and perhaps more stringent terms and conditions may be imposed upon it under the renewed lease. Although the Petroleum Act does not expressly confer power on the Minister to impose additional terms and conditions upon the renewal of an OML, it has been interpreted by the Nigerian government as not preventing the Minister from imposing such terms and conditions. Terms and conditions upon renewal may differ substantially from the terms and conditions of the expiring lease. Additional obligations demanded of international oil companies that have applied for OML renewals have ranged from the payment of a renewal bonus calculated on the basis of the OML's estimated remaining reserves and the farm-out of a portion of the lessee's OML area, to the imposition of new work obligations in respect of the lease. It is likely that this practice will be retained if the Petroleum Industry Bill ("PIB"), currently at committee stage at the Nigerian National Assembly, is passed into law in its current form. Section 185(2) of the current draft of the PIB proposes that the terms and conditions that will apply to a renewed petroleum mining lease (i.e. an oil mining lease) should be the prevailing conditions for new petroleum mining leases at the time of the renewal, which may be more stringent than those of the expiring lease. In addition, the PIB proposes the payment by the lessee of a renewal bonus that would be specified in the renewed lease. Should this become law, the Minister would then have the statutory power to impose additional or more onerous terms and conditions that could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

1.23 Drilling, exploration, production and related activities can be dangerous, posing health, safety and environmental risks, and the Group's internal policies and procedures may be insufficient to correctly identify and/or prevent such hazards

Developing oil and gas resources and reserves into commercial production involves a high degree of risk. The Group's exploration operations are subject to all the risks common in its industry. These hazards and risks include encountering unusual or unexpected rock formations or geological pressures, geological uncertainties, seismic shifts, blowouts, oil spills, uncontrollable flows of oil, natural gas or well fluids, explosions, fires, improper installation or operation of equipment and equipment damage or failure.

If any of these types of events were to occur, they could result in loss of production, environmental damage, injury to persons and loss of life. Following an accident at the Ovhor manifold whilst contractors were working on the site, there was a fire which tragically resulted in five fatalities and damage to the facility and resulted in costs to the Company of US\$1.36 million. They could also result in significant delays to drilling programmes, a partial or total shutdown of operations, significant damage to equipment owned or used by the Company and personal injury, wrongful death or other claims related to loss being brought against the Company. These events could result in the Company being required to take corrective measures, incurring significant civil liability claims, significant fines or penalties as well as criminal sanctions potentially being enforced against the Company and/or its officers. The Company may also be required to curtail or cease operations on the occurrence of such events. Any of the above could have a material adverse effect on the Group's business, prospects, financial condition or results of operations.

While the Group has implemented certain policies and procedures intended to identify and mitigate such hazards, develop appropriate work plans and approvals for high-risk activities and prevent accidents from occurring, these procedures may not be sufficiently robust or appropriately followed by the Group's staff or third-party contractors to prevent accidents, as was the case in the Ovhor manifold fire in late 2012, which is described in further detail in Part VI: "Letter from the Chairman and Information on the Group", section 12.2.2 of this Prospectus.

1.24 The Group is obliged to comply with health and safety and environmental regulations and future costs of compliance may change unpredictably and may prove to be substantial

The Group's operations are subject to laws and regulations relating to the protection of human health and safety and the environment. Failure, whether inadvertent or otherwise, by the Group to comply with applicable legal or regulatory requirements may give rise to significant liabilities.

The terms of licences or permits, including those held by the Group, customarily include stringent environmental and/or health and safety requirements.

The Group incurs, and expects to continue to incur, substantial capital and operating costs in order to comply with increasingly complex health, safety and environmental laws and regulations. New laws and regulations, the imposition of tougher requirements in licences, increasingly strict enforcement of, or new

interpretations of, existing laws, regulations and licences, or the discovery of previously unknown contamination may require further expenditures to:

- modify operations;
- install pollution control equipment;
- perform site clean-ups;
- curtail or cease certain operations; or
- pay fees or fines or make other payments for pollution, discharges or other breaches of environmental requirements.

Although the costs of the measures taken to comply with environmental regulations have not had a material adverse effect on the Group's financial condition or results of operations to date, in the future, the costs of such measures and liabilities related to environmental damage caused by the Group may increase and result in a material adverse effect on the Group's business, prospects, financial condition or results of operations. These factors may lead to delayed or reduced exploration, development or production activity as well as to increased costs.

1.25 The Group may be subject to risks of possible labour action by its workforce

Whilst the Group believes it enjoys good labour relations with its workforce, which is not currently unionised, the Group's operations may be affected by strikes, lock-outs or labour disruptions involving its employees and the employees of third parties, including those of contractors retained to carry out the Group's drilling programme and those of operators of transportation infrastructure needed to run the Group's operations. Delays or disruptions to operations caused by any labour actions could have a material adverse impact on the Group's business, prospects, financial condition or results of operations.

1.26 The Group does not insure against business interruption risks, such as loss of production or terrorism, and its insurance coverage, or that of its contractors, may not be adequate for covering all losses arising from potential operational hazards and unforeseen interruptions

The Group believes that the cover obtained under the insurance policies currently taken out by it is reasonably suited to the risks encountered in the context of its operations. There can be no assurance however that such insurance will be adequate to cover any losses or exposure for liability that the Group may suffer or that the Group will continue to be able to obtain insurance to cover such risks. For example, the Group does not have insurance for business interruption, such as loss of production or terrorism, and, therefore, it will suffer losses as a result of a shut-in or cessation in production or act of terrorism or sabotage.

Further, even where the Group is insured, its contractors may themselves be insufficiently insured, or uninsured, in respect of damage they may cause to the Group's property or operations. In such cases, the Group may be required to incur additional costs to extend its cover to its contractors, from whom it may be unsuccessful in recovering such costs in full or at all.

1.27 The Group faces foreign exchange risks

While most of the Group's revenues are either denominated in US Dollars or are correlated to US Dollar oil prices, a significant proportion of its in-country costs (other than debt service costs and costs that are linked to US Dollar oil prices such as mineral extraction taxes, export duties and a portion of the pipeline tariffs under the Crude Handling Agreement) are denominated in Naira. The Group's results of operations are, therefore, affected by the relative movements of Naira inflation and exchange rates. In particular, the Group's operating margins are generally adversely affected by the appreciation of the Naira against the US Dollar because this will generally cause the Group's costs to increase in real terms relative to its revenues. See Part XI: "Operating and Financial Review", section 9 of this Prospectus for discussion of how recent foreign exchange movements have impacted the Group's business. The Group currently does not have a policy of hedging against movements in foreign exchange rates.

1.28 The Group currently does not enter into any hedging arrangements in respect of fluctuations of crude oil prices

Oil and gas prices are based on world supply and demand and are subject to large fluctuations in response to relatively minor changes to the demand for oil, whether the result of uncertainty or a variety of additional factors beyond the Group's control. The cash flow and forecasts of the Group are strongly impacted by changes in oil and gas prices. Historically, prices for oil and gas have fluctuated widely for many reasons, including:

- global and regional supply and demand, and expectations regarding future supply and demand, for crude oil and petroleum products;
- geopolitical uncertainty;
- weather conditions and natural disasters;
- access to pipelines, railways and other means of transporting crude oil;
- costs of transportation;
- prices and availability of alternative fuels;
- prices and availability of new technologies;
- the ability of the members of OPEC, and other crude oil producing nations, to set and maintain specified levels of production and prices;
- political, economic and military developments in oil producing regions generally and particularly in Nigeria and the Middle East;
- global and regional economic conditions;
- domestic and foreign government regulations including the imposition of export restrictions and taxes; and
- market uncertainty and speculative activities by those who buy and sell oil and gas on the world markets.

Since the Company's founding in June 2009, oil and gas prices both worldwide and in the domestic markets in Africa have both increased and decreased. Oil production in Nigeria has also fluctuated significantly in recent years, primarily as a result of violence in the Niger Delta region. Militant activity in the Niger Delta has led to significant disruptions in the production of oil, and although such activity has decreased and oil production has increased in the wake of the amnesty programme and other government initiatives to address the needs of the Niger Delta region, no assurance can be given that militant activity will not increase from current levels or that violence in the Niger Delta region will not lead to significant disruptions in oil production in future periods. Many developed economies are actively seeking to develop alternative sources of energy and reduce their dependence on oil as a source of energy. Any long-term shift away from fossil fuels, and any other changes that result in a decline in international prices for crude oil, will have an adverse effect on the Group's revenue.

As at the date of this Prospectus, the Group does not hedge against this risk largely due to the implementation costs and unfavourable tax treatment that would result. However, the Company may, under the terms of the Afrexim Facility Agreement, be required to enter into such hedging arrangements if the lenders reasonably consider that there may be a fall in the price of crude oil below US\$60 per barrel during the term of the facility.

1.29 The Group has recently adopted new corporate governance policies and procedures. Certain of these policies and procedures are still being developed and implemented and therefore are not as effective as those of international companies which have had such policies and procedures in place for a longer time

In anticipation of the Global Offer and its obligations as a publicly reporting company, the Company has recently appointed several new Directors to its Board and established a number of board committees that will report directly to the Board, including an audit committee and a remuneration committee. In addition, the Group has adopted and is implementing new policies and procedures in connection with the formation of corporate governance controls including a code of business conduct and policies relating to anti-corruption and bribery, procurement and tendering, community relations, share dealing,

whistleblowing, conflicts of interest and the entry into, existence and reporting of related-party transactions. Such policies, procedures and systems have not applied to the Group's historical operations as described in this Prospectus, are not as developed as those of companies with longer operating histories, or of companies in Western Europe or the United States, and remain untested. There can be no assurance that they will function as designed.

1.30 The Group has recently adopted IFRS and implemented new internal controls and procedures that are still being developed and are not yet comparable to those of more established listed companies

In advance of the Global Offer and consistent with new Nigerian requirements, the Group has recently adopted IFRS and has taken and will continue to take steps to enhance its financial reporting and internal control environment. In preparation for the Global Offer, the Group has added a number of reporting procedures, practices and internal controls that are typical of international listed companies (including recently migrating its internal data management processes from Sage to SUN systems), and has hired additional skilled personnel in its finance department and has outsourced its internal audit function. The new procedures relate to such matters as providing management information to the Board and other Group governance committees, establishing appropriate disclosure policies for a listed company, monitoring related-party transactions and implementing policies with respect to related-party transactions, ensuring that adequate accounting policies are implemented with respect to acquisitions and implementation of policies with respect to fraud detection. The Group's reporting procedures, practices and internal controls are not comparable to those of companies that have been listed for some time. In addition, further improvements are planned to be implemented. There can be no assurance that these will function as designed.

1.31 There can be no assurances that the Company and/or Newton Energy will maintain their favourable "pioneer" tax status, which they have recently been granted, for the duration of the qualifying period through 2017

Effective 1 January 2013, the Company was granted the pioneer tax status incentive by the Nigerian Investment Promotion Commission for a five-year period. For the period the incentive applies, the Company is exempt from petroleum profits tax on crude oil profits (which would be otherwise taxed at 65 per cent., to increase to 85 per cent. in 2015), corporate income tax on natural gas profits (currently taxed at 30 per cent.) and education tax of 2 per cent. Newton Energy was also granted pioneer tax status for a five-year term effective 1 June 2013. However, there can be no assurances that current or future governments will not revoke these tax incentives prior to the end of the five-year period or seek to recover taxes waived under the scheme from the Company and/or Newton Energy in the future. For further details on the "pioneer" tax status, see Part VI: "Letter from the Chairman and Information on the Group", section 7.5 of this Prospectus.

1.32 The Group's decommissioning funds may prove to be insufficient

The Group sets aside funds for decommissioning assets based on estimates of the decommissioning costs, which are based on current requirements, technology and price levels and are computed based on the latest assumptions as to the scope and method of abandonment. However, because decommissioning estimates are based only on those facts and circumstances known at the time of estimation and assumptions which might later prove to be inaccurate, such provisions may not prove to be sufficient to cover actual decommissioning costs. Furthermore, the PIB, if and when enacted, may include new regulations for the decommissioning of installations, structures, wells and pipelines, which may require the Group to set aside additional decommissioning funds.

2. RISKS RELATING TO NIGERIA

2.1 Investing in securities in emerging markets such as Nigeria generally involves a higher degree of risk than more developed markets

Investing in securities of issuers in emerging markets, such as Nigeria, generally involves a higher degree of risk than investments in securities of issuers from more developed countries and carries risks that are not typically associated with investing in more mature markets. These risks include, but are not limited to, higher volatility and more limited liquidity in respect of the Ordinary Shares, greater political risk, a narrow export base, budget deficits, lack of adequate infrastructure necessary to sustain economic growth and changes in the political and economic environment. Emerging markets can also experience more

instances of corruption by government officials and misuse of public funds than do more mature markets, which could affect the ability of companies within such markets to operate their businesses efficiently. Investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate.

2.2 Nigeria experiences security issues and instances of fraud, bribery and corruption

The Group operates and conducts business in Nigeria, which, like many countries in emerging market economies, experiences a considerable level of criminal activity, fraud, bribery and corruption. Oil and gas companies operating in West Africa, and more specifically Nigeria, may be particular targets of criminal or militant actions. Criminal, corrupt or militant action against the Group, its properties or facilities could have a material adverse effect on the Group's business, prospects, financial condition or results of operations.

Although the Group has adopted and is in the process of implementing comprehensive corporate governance policies and procedures, including a code of business conduct, an anti-corruption and bribery policy and a whistle-blowing policy, it may not be possible for the Group to detect or prevent every instance of fraud, bribery or corruption. Failure to detect or prevent any such instances may expose the Group to potential civil or criminal penalties under relevant applicable law and to reputational damage, which may have a material adverse effect on the Group's business, prospects, financial condition or results of operations.

2.3 Nigeria suffers from militant activity which has, in the past, disrupted operations at the wells covered by OMLs 4, 38 and 41 and transport of their products to the Forcados Terminal

Nigeria suffers from militant activity in the Niger Delta region, where a number of militant groups with differing goals operate. The main militant group in the region is the ethnic-Ijaw Movement for the Emancipation of the Niger Delta ("MEND"), which claims to be fighting for political power for the region's residents and a redistribution of oil revenues. Since MEND emerged in 2006, attacks and kidnappings have made the core states of Rivers, Delta and Bayelsa challenging operating environments for companies, particularly for companies in the oil and gas industry, which have been the main target of attacks. The security situation remains volatile in the Niger Delta region. Despite a recent surrender of weapons and the current ceasefire on the part of MEND, militant and criminal groups continue to operate in the region and are capable of carrying out armed attacks. While security installations and personnel remain the primary targets for any such incidents, oil companies, such as the Group, and their employees may be singled out.

Instability in the Niger Delta involving attacks and kidnapping by militants targeting the oil industry has severely disrupted production across a broad geographical area. The Company is aware that, prior to its acquisition of a 45 per cent. participating interest in OMLs 4, 38 and 41, a number of similar incidents affecting the export pipelines and thefts of oil via "hot tapping", bunkering or access to the manifold had occurred in the areas covered by these OMLs, leading in 2008 to a 16-month long stoppage of SPDC's operations there. Since the acquisition of its 45 per cent. participating interest in OMLs 4, 38 and 41, the extent and frequency of incidents of this type concerning the export pipelines have declined and the Company has been able to repair resultant damage and resume operations within a relatively short time frame but no assurances can be given that such incidents will not increase in frequency or severity in the future.

Militant groups in the Niger Delta region have been known to detain expatriates, particularly those employed in the oil sector. Many international oil company operators in the region have reduced operations substantially because of persistent community unrest and the direct threat of abduction, extortion and robbery. The security environment in the region is likely to remain volatile. If the Group or its employees or its contractors are the subject of any attacks, kidnappings or other security threats, this could have a material adverse effect on the Group's business, prospects, financial condition or results of operations.

The recent escalation in civil unrest in Nigeria, including attacks on oil workers by MEND in 2013 and clashes between different religious groups and future terrorist attacks carried out by certain Islamist groups, including Boko Haram, may also pose a threat to the operations of the Group and any intensification in the level of civil unrest may have a material adverse effect on the Group's business, prospects, financial condition or results of operations.

2.4 The global economic crisis has impacted, and may continue to impact, the Nigerian economy, in particular its banking industry and capital markets

The global recession and financial crisis in 2008 and 2009 impacted Nigeria particularly through the resulting fluctuations in oil prices and increased investor aversion to risk, which resulted in a withdrawal of portfolio capital and reduced access of private-sector borrowers to credit. The impact of the global recession has been felt mainly through a reduction in foreign currency reserves, the weakening of the Naira towards the end of 2008 and the decline of the Nigerian equity markets, falling commodity prices, reduced net capital inflows and the bad debt exposure of Nigerian banks. Although Nigeria's GDP increased from US\$168.5 billion in 2009 to US\$262.6 billion in 2012, if the global economy further weakens, this may have an adverse effect on the Nigerian economy which could slow down its development (particularly in terms of infrastructure) and thus have a significant impact on the current activities or investment projects of the Group. These difficulties could also increase the costs of current or future financing that the Group may need for its investments, even to the extent of preventing the Group from financing such projects or causing the financing of such projects to fail.

2.5 Future changes in the Nigerian authorities and the NPDC and/or in government oil and gas policy may adversely affect the Company

The Nigerian government owns the country's mineral resources and grants hydrocarbon exploration and production rights under fixed term licences and OMLs, which can be renewed. It thus retains control over the exploration and exploitation of hydrocarbon reserves and, in numerous cases, acquires interests of its own through the state-owned oil company, NNPC, and its subsidiary, NPDC. Any adverse changes in the government's policy with respect to the oil and gas industry, including any which may occur following the national elections in 2015 and a potential change in government, may adversely impact the interests of the Company, in particular should the international oil companies' divestment process be delayed in advance of national elections.

Further, the strategy and business of the Company in Nigeria depend on it maintaining good relationships and cooperating with the relevant Nigerian authorities. While the Company believes that it has a close working relationship with the Nigerian authorities and NPDC, there is no guarantee that this positive relationship will continue or that actions by the current or future governments will not seriously affect the business or financial position of the Company. This relationship could be adversely impacted by future changes in the personnel or management of the Company, the Nigerian authorities or NPDC.

2.6 The Nigerian government may intervene in the oil and gas industry in ways that are unfavourable to the Group's business and strategy

Generally, exploration and development activities in Nigeria can require lengthy negotiations with the Nigerian government, NNPC and third parties and may be subject to expropriation, nationalisation, renegotiation, change or nullification of existing licences, changes to contracts, changes to royalty rates and taxes, difficulties in enforcing contractual rights, adverse changes to laws (whether of general application or otherwise) or the interpretation thereof, foreign exchange restrictions, changing political conditions, local currency devaluation, currency controls and the interpretation, implementation, enforcement of any laws or governmental regulations that favour or require the awarding of contracts to local contractors or require contractors to employ citizens of, or purchase supplies from, Nigeria (for example, the Nigerian Content Act). Any of these factors detailed above or similar factors could have a material adverse effect on the Company's business, prospects, financial condition or results of operations.

The Petroleum Act 1969 states that the Minister may revoke an oil prospecting licence or an oil mining licence if the licensee or lessee becomes controlled directly or indirectly by a citizen of, or subject of, or a company incorporated in, any country which is: (a) a country other than the licensee's or lessee's country of origin; and (b) a country the laws of which, do not permit citizens of Nigeria or Nigerian companies to acquire, hold and operate petroleum concessions on conditions which, in the opinion of the Minister, are reasonably comparable with the conditions upon which such concessions are granted to subjects of that country. If, in the future, any member of the Group ceases to fulfil these criteria, there is a risk that the Minister may revoke any oil prospecting licence or oil mining licence held by such member of the Group.

2.7 Although the Nigerian Content Act includes a definition of “Nigerian Company”, the definition of an indigenous Nigerian company and the benefits afforded to such a company will remain unclear until the Petroleum Industry Bill is passed

The draft PIB suggests that an “indigenous petroleum company” will be defined as a company engaged in the exploration for and production of petroleum (crude oil and/or gas) and which has its board and management controlled, directly or indirectly, by Nigerian citizens or associations of Nigerian citizens; or a company which meets the requirements of any guidelines or regulations that may be issued by the new industry regulators which will be established under the PIB; or any company that is listed on any stock exchange in Nigeria with a majority of its directors being Nigerians. Since SEPLAT intends to remain a Nigerian incorporated company, with its primary listing on the NSE, and to have a majority of Nigerian citizens on its Board and as part of its management, the Company considers that it will meet this test of indigenous status. It is expected that the PIB will entitle “indigenous petroleum companies” to certain benefits such as priority in respect of bidding for new oil mining/prospecting licences. If the PIB is passed in a form substantially similar to the current draft and the Company did not in the future qualify as an “indigenous petroleum company” then there is a risk that the Company would not have priority in bidding for new oil mining/prospecting licences. In addition, until such time as the PIB is passed (in a form substantially similar to the current draft), there remains a risk that the provisions dealing with the definition of “indigenous petroleum companies” and any benefits attributed to such companies will be amended in a manner that is adverse to the interests of the Company.

Other existing Nigerian laws and regulations, for example the Nigerian Content Act, use analogous concepts to signify the requirements for local participation within varying contexts, including terms such as “Nigerian Company”, “Nigerian Indigenous Service Companies” and “Nigerian Independent Operators”. Only the term “Nigerian Company” is defined, being a company formed and registered in Nigeria in accordance with the provisions of CAMA and in which not less than 51 per cent. of the shares are owned by Nigerians. Companies that are compliant with the Nigerian Content Act will be given first consideration in the award of oil blocks, oil field licences, oil lifting licences and all projects for which contracts are to be awarded in the Nigerian oil and gas industry. Failure by the Company to comply with the Nigerian Content Act will mean that compliant companies will have preference over the Company in relation to bids for licences and contracts in the Nigerian oil and gas industry.

2.8 There is considerable uncertainty surrounding the Petroleum Industry Bill, which is currently being debated by the Nigerian National Assembly and which, when finally passed, will introduce significant changes to the regulation of the oil and gas industry

The previous versions of the PIB, which were all aimed at significantly reforming the Nigerian petroleum industry, were introduced to the Nigerian National Assembly, Nigeria’s Federal legislature, in 2008, 2009, 2010 and 2011, respectively. None of these versions was passed into law before the end of that session and therefore lapsed at the expiration of the tenure of that session of the Nigerian National Assembly.

The 2012 draft of the PIB, which is the only PIB draft currently before the Nigerian National Assembly, seeks to bring together the provisions of several laws regulating the petroleum industry in Nigeria. In addition, the PIB seeks to effect wide reaching changes to the structure of the petroleum industry by creating new regulatory agencies, proposing the implementation of new licencing regimes for activities in both the upstream and downstream petroleum industry, as well as the introduction of a new tax regime in the upstream sector, which will supersede the current regime under the Petroleum Profits Tax Act. However, as of the date of this Prospectus, the current version of the PIB is in the process of review by both houses of the Nigerian National Assembly; and the timing and level of implementation of any of the reforms proposed in the PIB remains uncertain, all of which prevents a proper assessment of the potential impact of the current draft of the PIB on the oil and gas industry, or specific operations, in Nigeria.

Whilst the Company anticipates that, when passed, the PIB will provide incentives and business opportunities to Nigerian registered and owned oil and gas companies, such incentives and opportunities may not in fact be included. Rather, this type of reform could, depending on its ultimate content, contain provisions that could have a material adverse effect on the Group’s business, prospects, financial condition or results of operations. Risks associated with the PIB and related efforts to reform the Nigerian oil and gas industry may include that:

- the proposed changes in the tax structure for oil and gas companies operating in Nigeria may lead companies to curtail their operations or future investment;

- oil producers may be directed to supply the domestic market with oil for refining to reduce the amount of refined products currently being imported into Nigeria at prices significantly lower than those obtainable on the export market;
- gas producers may be required to retain a specific volume of the gas that they produce for the local Nigerian market;
- the PIB may include new fines and penalties for gas flaring; and
- the PIB may fail to adequately address the concerns of communities in the Niger Delta region or create new grounds for further conflict.

On 7 March 2013, the PIB passed its second reading at the Nigerian Senate and was subsequently sent to the Committee on Upstream, Downstream, Gas and Judiciary, Human Rights and Legal Affairs for further consideration. Currently it cannot be predicted when the PIB might be enacted, if at all, and whether the final form of the PIB will differ from that currently proposed.

2.9 Infrastructure in Nigeria is underdeveloped relative to that of more advanced economies

Decades of underinvestment have resulted in significant deterioration of Nigeria's public infrastructure and the continuous absence of basic infrastructure to support and sustain growth and economic development. Persistent problems with power generation, transmission and distribution and congested ports have severely constrained socio-economic development in Nigeria. Such inadequate and unreliable infrastructure, in particular electricity supply, has affected performance in many sectors. Despite ongoing efforts by the Nigerian government to privatise the power sector, many businesses rely on alternative electricity and water supplies, adding to overall business costs. The unstable pricing, and possible scarcity, of fuel for power generation also increases the operational challenges businesses face, adding to the potential fluctuation of overheads. Further, rail and road networks are poor and limit land-based transport, which again adds to the Group's overall business costs.

2.10 The Group may be subject to fines and other penalties if it fails to comply with the Nigerian Content Act

The Nigerian Content Act provides that any project or contract with a budget of over US\$100 million must contain a specific labour clause requiring a minimum percentage of Nigerian employees. Furthermore, the operator or developer of the project must limit the number of expatriates in management positions (the current limit is a maximum of five per cent.). The Nigerian Content Act also provides that oil and gas industry operators must keep at least 10 per cent. of their total revenue accruing from their operations in Nigeria in a bank account in Nigeria. Although the Nigerian Content Act does not state precisely what these funds may be used for, it seems in practice that they may be used to pay local operating costs, such as taxes or royalties.

Failure by the Group to comply with the provisions of the Nigerian Content Act would constitute an offence punishable by a fine of five per cent. of the amount of each project and could potentially lead to the cancellation of the project to which the violation pertains. Furthermore, a future renewal of the Group's licences and leases may depend on the Group's level of compliance with the Nigerian Content Act; violation or non-compliance may be a ground for refusing to renew licences and leases by the appropriate agencies.

2.11 The Nigerian legal system may not offer the same legal certainties relating to the interpretation and application of the law as other jurisdictions in which investors are based

The Company is incorporated in Nigeria under CAMA. As a result, the rights of shareholders will be governed by the laws of Nigeria and the Articles. The rights of shareholders under the laws of Nigeria may differ from the rights of shareholders of companies incorporated in other jurisdictions, and the enforcement of such rights may involve different considerations and may be more difficult than would be the case if the Company had been incorporated in the jurisdiction of an investor's residence or elsewhere.

The interpretation of applicable regulations and the outcome and duration of court proceedings in Nigeria could differ significantly from those in other jurisdictions in which investors are based or elsewhere.

In addition, the obligations imposed on local businesses, government authorities and the Company's partners to meet their legal obligations and contractual commitments may be uncertain and the rights of recourse to remedy any non-compliance could be limited.

In particular, delays in the court system, conflicts of law issues and inconsistency of application between courts in Nigeria or elsewhere all constitute risks to which the Company or its shareholders could be exposed.

3. RISKS RELATING TO THE GLOBAL OFFER AND THE ORDINARY SHARES

3.1 The Company currently has three major shareholders that will be able to exercise significant influence over matters requiring shareholder approval

Immediately following the Global Offer and Admission, A.B.C. Orjiako, Austin Avuru and MPI and their respective connected persons will beneficially own approximately 15.60 per cent., 13.49 per cent. and 22.16 per cent. respectively of the issued Ordinary Shares in the Company (approximately 51.25 per cent. in aggregate) assuming the Over-allotment Option is not exercised and approximately 15.31 per cent., 13.24 per cent. and 21.75 per cent. respectively of the issued Ordinary Shares in the Company (approximately 50.29 per cent. in aggregate) assuming the Over-allotment Option is exercised in full.

As a result, notwithstanding the Relationship Agreement which is described in Part XVII: “Additional Information”, section 10.3 of this Prospectus, these shareholders will be able to exercise a high degree of influence over matters requiring shareholder approval, including the election of Directors and significant corporate transactions. The interests of these shareholders could conflict with the interests of other shareholders.

The concentration of ownership may have the effect of delaying or deterring a change in control of the Company, could deprive investors of an opportunity to receive a premium for their Ordinary Shares as part of a sale of the Company and might affect the value of the Ordinary Shares. Any of these significant shareholders may sell all or part of its holdings of Ordinary Shares in the future. Any such sale may adversely affect the value of the Ordinary Shares.

3.2 A Standard Listing of the Ordinary Shares affords investors a lower level of UK regulatory protection than a Premium Listing on the Official List of the FCA and the City Code will not apply to the Company

Application will be made for the Ordinary Shares to be admitted to a Standard Listing on the Official List of the FCA. A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing on the Official List of the FCA, which is subject to additional obligations under the UK Listing Rules. In addition, a Standard Listing will not permit the Company to gain UK FTSE indexation. The City Code applies, inter alia, to offers for all listed public companies considered by the Panel to be incorporated or resident in the United Kingdom, the Channel Islands or the Isle of Man. The Company is not so incorporated or resident and therefore shareholders will not receive the benefit of the takeover offer protections provided by the City Code.

Further details regarding the differences in the protections afforded by a Premium Listing on the Official List of the FCA as against a Standard Listing on the Official List of the FCA are set out in Part XV: “Details of the Global Offer”, section 4 of this Prospectus.

3.3 The value of the Ordinary Shares may fluctuate

Following the Global Offer, the value of the Ordinary Shares, in addition to being affected by the Group’s actual or forecasted operating results, may fluctuate significantly as a result of a large number of factors, some specific to the Group and its operations and some which may affect oil and gas companies generally and which are outside the Group’s control, including, among others:

- the results of exploration, development and appraisal programmes and production operations;
- changes in the financial performance of the Group, its peers or the industry;
- changes in laws, rules and regulations applicable to the Group and its operations;
- general economic, political and other conditions, in particular in Nigeria;
- fluctuations in the prices of oil, gas and other petroleum products;
- fluctuations in the capital markets; and
- changes in research analysts’ recommendations or any failure by the Group to meet the expectations of research analysts.

3.4 An active trading market for the Ordinary Shares may not develop in either or both of the exchanges on which they trade, which may limit liquidity and/or cause the price of the shares to fall

Prior to Admission, there has been no public trading market for the Ordinary Shares. There can be no assurance that an active trading market will develop or, if one does develop, that it will be maintained. The failure of an active trading market to develop may affect the liquidity of the Ordinary Shares. The Ordinary Shares may therefore be difficult to sell compared to the shares of companies with more liquid trading markets and the share price may be subject to greater fluctuations than might otherwise be the case. Also there can be no assurance that trading of the Ordinary Shares on the LSE and the NSE will be comparably liquid, which may lead to a high proportion of the Ordinary Shares being traded on one exchange or the other.

3.5 When the lock-up arrangements to which the Company and the Locked-up Persons are subject, and the undertakings to which the Company is subject, expire, more Ordinary Shares may become available on the market

Subject to certain exceptions, the Locked-up Persons will be prevented from selling Ordinary Shares held by them for a period of 365 days following Admission (except (i) in the case of the Lock-up Deeds entered into by Mercuria Capital, the Blakeney Group, Quantum Power and Quantum Capital, which expire 180 days from the date of Admission, and (ii) in the case of the Lock-up Deed entered into by MPI, which expires 365 days from the date of Admission in respect of 50 per cent. of its shareholding immediately prior to Admission and 180 days from the date of Admission in respect of the other 50 per cent. of its shareholding immediately prior to Admission). Similarly, the Company will be restricted, subject to certain limited exceptions, for 180 days from Admission from issuing Ordinary Shares. On the expiry of these periods, the Company may issue Ordinary Shares and the Locked-up Persons will be free (subject to applicable law) to sell the Ordinary Shares held by them. The potentially increased supply of Ordinary Shares on the market may have an adverse effect on the market price of the Ordinary Shares. Similarly, Directors or significant shareholders selling additional Ordinary Shares, or the Company issuing additional Ordinary Shares, may affect the confidence of the market in the Ordinary Shares and cause the market price of the Ordinary Shares to fall.

3.6 Ordinary Shares sold to US shareholders will be subject to restrictions on transfer

Ordinary Shares held by US shareholders are subject to restrictions on transfer. The Company has not registered the Ordinary Shares under the US Securities Act or the securities laws of any US state. Absent registration, the Ordinary Shares may be offered or sold only in transactions that are not subject to or are exempt from the registration requirements of the US Securities Act and applicable US state securities laws.

These restrictions could make it more difficult to resell Ordinary Shares and this could have an adverse effect on their market value. Investors in the United States may not be able to locate suitable purchasers or obtain the required certifications to effect a sale.

3.7 US shareholders may be unable to exercise pre-emptive rights

If the share capital of the Company is increased and new Ordinary Shares are issued for cash, existing holders of Ordinary Shares are, under the Company's constitutional documents, entitled to pre-emptive rights in respect of those Ordinary Shares unless such rights are waived by a shareholders' resolution. If the Company allots Ordinary Shares for cash in the future, even in circumstances where pre-emptive rights are not waived, holders of the Ordinary Shares outside the UK and Nigeria may not be able to exercise their pre-emptive rights for Ordinary Shares unless the Company decides to comply with applicable local laws and regulations and may suffer significant dilution as a result. US shareholders would not be able to exercise their pre-emptive rights to acquire the new Ordinary Shares unless an effective registration statement under the US Securities Act were in place or an exemption from the registration requirements of the US Securities Act were available. There can be no assurance that the Company will file any such registration statement or that an exemption to the registration requirements of the US Securities Act will be available.

3.8 The market price of the Ordinary Shares may be affected by fluctuations in exchange rates

The Group reports its results of operations and financial condition in US Dollars and Naira. Following the UK Admission, the Company's share price will be quoted on the London Stock Exchange in Pounds

Sterling and, following the Nigerian Admission, the Company's share price will be quoted on the NSE in Naira. As a consequence, shareholders may experience fluctuation in the market price of the Ordinary Shares as a result of, amongst other factors, movements in the exchange rate between Pounds Sterling and US Dollars, and Naira and US Dollars.

3.9 The Company cannot guarantee making dividend payments in the future

There can be no assurance as to the level of any future dividends. The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Directors, and will depend on, among other things, the Company's earnings, financial position, cash requirements and availability of profits and distributable reserves. To the extent that any dividends are paid they will be paid in accordance with any applicable laws and the regulations to which the Company is subject.

3.10 The London Stock Exchange and the NSE have different characteristics which could affect the trading price of the Ordinary Shares

The London Stock Exchange and the NSE have different trading hours, trading characteristics (including trading volume and liquidity), trading and listing rules and investor bases (including different levels of retail and institutional participation). As a result of these differences, among other factors, the trading price of the Ordinary Shares on the London Stock Exchange and the NSE may not be the same at any given time. Fluctuations in the Ordinary Share price on the London Stock Exchange could materially and adversely affect the Ordinary Share price on the NSE (and vice versa). Moreover, fluctuations in the exchange rate between Pounds Sterling and Naira could materially and adversely affect the prices of the Ordinary Shares listed on the London Stock Exchange or the NSE.

3.11 There may be restrictions on the cross-border transferability of stock and capital between the NSE and the London Stock Exchange

A master Certificate of Capital Importation ("CCI") will be issued in respect of the offer of Ordinary Shares in the form of Depositary Interests to foreign currency investors on the London Stock Exchange only. There is no provision under Nigerian foreign exchange regulations for the issuance of CCIs for the offer of Ordinary Shares to investors in the Nigerian Offering. Consequently, a holder that purchases Ordinary Shares in the Nigerian Offering will be required to take additional steps, including the use of an intermediary, to convert Ordinary Shares listed on the NSE to Ordinary Shares in the form of Depositary Interests listed on the LSE. This will consequently limit the transferability and remittance of dividends and/or proceeds of the sale of shares for investors in the Nigerian Offering and could, therefore, impact the marketability of the stock cross-border from NSE to the London Stock Exchange and financially impact investors in the Nigerian Offering.

PART III
DIRECTORS, SECRETARY, REGISTERED OFFICE AND ADVISERS

Chairman	Ambrosie Bryant Chukwueloka Orjiako
Executive Directors	Ojunekwu Augustine Avuru William Stuart Connal Roger Thompson Brown
Non-Executive Directors	Michel Hochard Macaulay Agbada Ofurhie
Senior Independent Non-Executive Director	Michael Richard Alexander
Independent Non-Executive Directors	Lord Mark Malloch-Brown Basil Omiyi Ifueko Omoigui-Okauru Charles Okeahalam
Registered Office and Business Address of Directors	25a Lugard Avenue Ikoyi Lagos Nigeria
Company Secretary	Isaiah Adesola Odeleye
Joint Global Co-ordinator and Joint Bookrunner	BNP Paribas 16, boulevard des Italiens 75009 Paris France
Joint Global Co-ordinator and Joint Bookrunner	Standard Bank plc 20 Gresham Street London EC2V 7JE United Kingdom
Joint Bookrunner	Renaissance Securities (Cyprus) Limited Capital Centre, 9 th Floor 2-4 Archbishop Makarios III Avenue Nicosia 1065 Republic of Cyprus
Joint Bookrunner	Citigroup Global Markets Limited 33 Canada Square London E14 5LB United Kingdom
Joint Bookrunner	RBC Europe Limited Riverbank House 2 Swan Lane London EC4R 3BF United Kingdom
Nigerian Joint Issuing House	Stanbic IBTC Capital Limited I.B.T.C. Place Walter Carrington Crescent Victoria Island Lagos, Nigeria
Nigerian Joint Issuing House	Renaissance Securities (Nigeria) Limited 5th Floor Plot 1B, Keystone Bank Crescent Off Adeyemo Alakija Street Victoria Island Lagos, Nigeria

Nigerian Receiving Agents	Futureview Financial Services Limited Futureview Plaza 22 Oju Olobun Street Victoria Island Lagos, Nigeria	
	Vetiva Capital Management Limited Plot 266B, Kofo Abayomi Street Victoria Island Lagos, Nigeria	
	BGL Plc Millenium House 12A Catholic Mission Street Lagos Island Lagos, Nigeria	
	CSL Stockbrokers Limited First City Plaza 44 Marina Lagos, Nigeria	
Legal advisers to the Company as to English law	Winston & Strawn London LLP CityPoint One Ropemaker Street London EC2Y 9AW United Kingdom	
Legal advisers to the Company as to US law	Winston & Strawn LLP 200 Park Avenue New York, NY 10166 United States	
Legal advisers to the Company as to Nigerian law	PUNUKA Attorneys & Solicitors International Law Centre Plot 45, Oyibo Adjarho Street Off Ayinde Akinmade Street Lekki Phase 1 Lagos, Nigeria	Alliance Law Firm Alliance House 71, Ademola Street Off Awolowo Road South-West, Ikoyi Lagos, Nigeria
Legal advisers to the Joint Bookrunners as to US and English law	Linklaters LLP One Silk Street London EC2Y 8HQ United Kingdom	
Legal advisers to the Managers as to Nigerian law	Udo Udoma & Belo-Osagie St. Nicholas House (10 th Floor) Catholic Mission Street Lagos, Nigeria	
Auditors	Ernst & Young Nigeria 10th Floor UBA House 57, Marina Lagos, Nigeria	
Reporting accountant to the Company	Ernst & Young LLP 1 More London Place London SE1 2AF United Kingdom	

Competent Person	DeGolyer and MacNaughton Canada Limited Suite 1430 311 Sixth Avenue S.W. Intact Place East Tower Calgary, Alberta Canada
Registrar	DataMax Registrars Limited 7 Anthony Village Road Anthony P.M.B. 10014 Shomolu Lagos, Nigeria
Receiving Bank	Stanbic IBTC Bank PLC I.B.T.C. Place Walter Carrington Crescent Victoria Island Lagos, Nigeria
Depository	Computershare Investor Services Plc The Pavilions Bridgwater Road Bristol BS96 6ZZ United Kingdom
Stockbrokers	Stanbic IBTC Stockbrokers Limited I.B.T.C. Place Walter Carrington Crescent Victoria Island Lagos, Nigeria Rencap Securities (Nigeria) Limited 5th Floor Plot 1B, Keystone Bank Crescent Off Adeyemo Alakija Street Victoria Island Lagos, Nigeria

PART IV
EXPECTED TIMETABLE OF PRINCIPAL EVENTS AND GLOBAL OFFER STATISTICS

Global Offer statistics

Offer Price (per Ordinary Share)	210 pence and ~~₦~~ 576
Number of Ordinary Shares being offered in the Global Offer	143,284,130
Number of Ordinary Shares subject to the Over-allotment Option	10,336,183
Number of Ordinary Shares in issue following the Global Offer	543,284,130
Estimated net proceeds of the Global Offer receivable by the Company after underwriting commissions and expenses	US\$475.3 million

Expected timetable of principal events in the UK

<u>Event</u>	<u>Time and Date</u>
Announcement of the Offer Price and allocation	9 April 2014
Commencement of conditional dealings in Ordinary Shares on the London Stock Exchange	8.00 a.m. on 9 April 2014
Admission and commencement of unconditional dealings in Ordinary Shares on the London Stock Exchange	8.00 a.m. on 14 April 2014
Crediting of Depositary Interests to CREST accounts	8.00 a.m. on 14 April 2014
Each of the times and dates in the above timetable is subject to change without further notice. References to time are to London time unless otherwise stated.	

Expected timetable of principal events in Nigeria

<u>Event</u>	<u>Time and Date</u>
Announcement of the Offer Price and allocation	9 April 2014
Hold signing ceremony	10 April 2014
Allot new Ordinary Shares to the shareholders	11 April 2014
Crediting of Ordinary Shares to CSCS accounts	11 April 2014
Admission and commencement of unconditional dealings in Ordinary Shares on the NSE	10.15 a.m. on 14 April 2014
Each of the times and dates in the above timetable is subject to change without further notice. References to time are to Nigerian time unless otherwise stated.	

It should be noted that if the Nigerian Admission and/or the UK Admission does not occur, all conditional dealings will be of no effect and any such dealings will be at the sole risk of the parties concerned. Temporary documents of title will not be issued.

PART V PRESENTATION OF INFORMATION

General

This Prospectus comprises a prospectus for the purposes of Article 5 of Directive 2003/71/EC (the “Prospectus Directive”) and is issued in compliance with the UK Listing Rules and the Nigerian SEC Rules.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of, the Company, the Directors or the Managers to subscribe for or purchase any Ordinary Shares in any jurisdiction where it is unlawful to make such an offer or invitation. The distribution of this Prospectus and the offering of the Ordinary Shares in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Company, the Directors and the Managers to inform themselves about and to observe any such restrictions. For a description of certain further restrictions on offers and sales of the Ordinary Shares and distribution of this Prospectus, see Part XV: “Details of the Global Offer”.

Investors should rely only on the information in this Prospectus. No person has been authorised to give any information or to make any representations other than those contained in this Prospectus in connection with the Global Offer and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company, the Directors or the Managers. No representation or warranty, express or implied, is made by any Manager or any selling agent as to the accuracy or completeness of such information, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by the Managers or any selling agent as to the past, present or future. Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to section 87G of the FSMA and PR 3.4.1 of the Prospectus Rules, neither the delivery of this Prospectus nor any subscription or sale made under this Prospectus shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to its date.

This Prospectus and the securities which it offers have been registered with the Nigerian SEC. It is a civil wrong and a criminal offence under the Investments and Securities Act No. 29 2007 to issue a prospectus which contains false or misleading information. Registration of this Prospectus does not relieve the parties from any liability arising under the act for false and misleading statements contained herein or for any omission of a material fact.

The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult his or her own lawyer, financial adviser or tax adviser for legal, financial or tax advice in relation to any subscription, purchase or proposed subscription or purchase of Ordinary Shares.

In connection with the Global Offer, each of the Managers and any of their affiliates, acting as investors for its or their own accounts, may subscribe for and/or purchase Ordinary Shares, and in that capacity may retain, purchase, sell, offer to sell or subscribe for or otherwise deal for its or their own accounts in such Ordinary Shares and other securities of the Company or related investments in connection with the Global Offer or otherwise. Accordingly, references in this Prospectus to the Ordinary Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, any Manager and any of its affiliates acting as an investor for its own accounts. The Managers do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Prospective investors must comply with all laws that apply to them in any place in which they buy, offer or sell any Ordinary Shares or possess this Prospectus. Any consents or approvals that are needed in order to purchase any Ordinary Shares must be obtained. The Company, the Directors and the Managers are not responsible for compliance with these legal requirements. The appropriate characterisation of the Ordinary Shares under various legal investment restrictions, and thus the ability of investors subject to these restrictions to purchase the Ordinary Shares, is subject to significant interpretative uncertainties.

None of the Company, the Directors or the Managers is making any representation or warranty to any offeree or purchaser of the Ordinary Shares regarding the legality of an investment by such offeree or purchaser. Prospective investors whose investment authority is subject to legal restrictions should consult their legal advisers regarding such matters.

Apart from the responsibilities and liabilities, if any, which may be imposed on the Managers by FSMA, the Nigerian SEC or the regulatory regimes established thereunder or any other applicable regulatory regime, none of the Managers accepts any responsibility whatsoever for, or makes any representation or

warranty, express or implied, as to, the contents of this Prospectus or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Ordinary Shares or the Global Offer and nothing in this Prospectus will be relied upon as a promise or representation in this respect, whether or not to the past or the future. Each of the Managers accordingly disclaims all and any responsibility or liability whatsoever, whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement.

Each person receiving this Prospectus acknowledges that such person has not relied on the Managers or any of their affiliates or any person acting on their behalf in connection with its investigation of the accuracy or completeness of such information or its investment decision. Each person contemplating making an investment in the Ordinary Shares from time to time must make its own investigation and analysis of the creditworthiness of the Company and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such investment.

Responsibility Statement

The Directors and the Company accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect the import of such information. The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries, that, to the best of their knowledge and belief, there are no facts the omission of which would make any statement herein materially misleading or untrue.

Exchange Controls

The Foreign Exchange (Monitoring and Miscellaneous Provisions) Act 1995 (the “**Nigerian Forex Act**”) introduced regulatory monitoring provisions on foreign exchange. The Nigerian Forex Act allows for the use of the Autonomous Foreign Exchange Market for the sale of foreign exchange to end-users by the Central Bank of Nigeria through selected authorised dealers (usually a bank licensed to deal in foreign exchange) at market-determined exchange rates and the Inter-bank Foreign Exchange Market for the sale of foreign exchange among authorised dealers, buyers and end-users. In addition, the Bureau de Change may be used for privately sourced foreign exchange.

The Nigerian Forex Act also governs the importation of foreign currency into Nigeria. Under the Nigerian Forex Act, any person may invest in securities in Nigeria with capital imported through an authorised dealer by telegraphic transfer, cheques or other negotiable instruments, and converted into Naira. The authorised dealer is required by statute to issue a CCI evidencing receipt of the imported capital within 24 hours of receipt of imported funds.

The grant of the CCI guarantees unconditional convertibility, transferability and repatriation of investment capital upon the divestment and remittance of investment yields through an authorised dealer in freely convertible currency.

Presentation of financial information

The financial information in this Prospectus comprises information for the Group for the years ended 31 December 2013, 31 December 2012 and 31 December 2011 and has been derived from Part XII: “Financial Information on the Group” of this Prospectus.

Rounding

Percentages and certain amounts included in this Prospectus have been rounded to the nearest whole number or single decimal place for ease of presentation. Accordingly, figures shown as totals in certain tables may not be the precise sum of the figures that precede them. In addition, certain percentages and amounts contained in this Prospectus reflect calculations based on the underlying information prior to rounding, and accordingly may not conform exactly to the percentages or amounts that would be derived if the relevant calculations were based upon the rounded numbers.

Currencies and exchange rate information

Unless otherwise indicated, in this Prospectus, all references to:

- “Pounds Sterling”, “£”, “pence” or “p” are to the lawful currency of the United Kingdom;
- “US Dollars”, “Dollars”, “US\$”, “USD” or “cents” are to the lawful currency of the United States; and
- “Naira”, “₦” or “kobo” are to the lawful currency of the Federal Republic of Nigeria.

The Offer Price will be stated in Pounds Sterling and Naira. On the Latest Practicable Date, US\$1.00 = £0.5971, based on the WM/Reuters Intra-day Spot Mid-Rate quoted by Bloomberg at 15.00 (UK time). For the purposes of the Nigerian Admission, the Offer Price shall be stated in its Naira equivalent. On the Latest Practicable Date, US\$1.00 = ₦163.80, based on the Nigerian Inter-Bank Foreign Exchange Rate.

The table below sets forth, for the periods and dates indicated, certain information regarding the exchange rate between Naira and the US Dollar based on the Nigerian Inter-Bank Foreign Exchange Rate. These rates may differ from the actual rates used in the preparation of the Group’s financial statements and the other information presented in this Prospectus. Fluctuations in the exchange rate between Naira and US Dollars in the past are not necessarily indicative of fluctuations that may occur in the future.

Period	Naira per US\$1.00			
	High	Low	Period average	Period end
2011	164.98	151.10	155.90	162.30
2012	163.51	156.00	158.83	156.15
2013	163.90	156.10	159.24	160.30
January 2014	162.90	158.74	160.25	162.49
February 2014	165.65	162.45	163.99	165.20
March 2014	165.56	163.63	164.75	164.85
April 2014 (through 8 April)	164.68	163.39	164.05	163.80

No representation is made that the Naira or US Dollars referred to herein could have been or could be converted into US Dollars or Naira, respectively, at these rates, at any particular rate, or at all.

The basis of translation of foreign currency transactions and amounts in the financial information set out in Part XII: “Financial Information on the Group” of this Prospectus is described in that Part. Information derived from this financial information set out elsewhere in this Prospectus has been translated on the same basis.

Times

All times referred to in this Prospectus are, unless otherwise stated, references to the time in London, UK.

References to defined terms

Certain terms used in this Prospectus, including certain capitalised, technical and other terms, are defined or described in Part XXII: “Definitions” and Part XXIII: “Glossary of Technical Terms” of this Prospectus.

Mineral reserve and mineral resource reporting

Unless otherwise indicated, DMCL has, in compiling the CPRs contained in Parts XVIII: “Competent Person’s Report on OMLs 4, 38 and 41”, Part XIX: “Competent Person’s Report on Umuseti/Igbuku” and Part XX: “Competent Person’s Report on OML 53” of this Prospectus, used the definitions and guidelines set out by the March 2007 SPE/AAPG/WPC/SPEE Petroleum Resources Management System (“PRMS”). In the CPRs, “contingent resources” are defined by the PRMS as “those quantities of petroleum that are estimated potentially recoverable from known accumulations but which are not currently considered to be commercially recoverable because of the lack of a firm plan of development with the necessary partner or governmental approval, the lack of a market, or the lack of the proper delineation necessary to establish the size of the accumulation for commercial purposes”. “Prospective resources” are instead defined by PRMS as “those quantities of petroleum that are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects”. Prospective resources have both an associated chance of discovery and a chance of development. Prospective resources

are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity.

Prospective investors should not place undue reliance on the forward-looking statements in the CPRs or on the ability of the CPRs to predict actual reserves or resources. Contingent resources relate to undeveloped accumulations and may include non-commercial resources. It should be noted that prospective resources relate to inferred, undiscovered and/or undeveloped mineral resources and accordingly by their nature are highly speculative. A possibility exists that the prospects will not result in the successful discovery of economic resources in which case there would be no commercial development.

The US Securities and Exchange Commission (the “US SEC”) permits oil and gas companies, in their filings with the US SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. This Prospectus contains data, such as prospective and contingent resources presented in accordance with PRMS standards, which the US SEC’s guidelines would prohibit the Company from including in filings with the US SEC.

The information on resources in this Prospectus and in the CPRs is based on economic and other assumptions that may prove to be incorrect. The basis of preparation for the CPRs is set out in more detail in the CPRs.

In order to estimate barrels of oil equivalent (boe), marketable gas volumes have been converted using a conversion rate of six thousand cubic feet per boe.

Industry and Market Data

In this Prospectus, the Company refers to information regarding the business of its competitors and the market in which it operates and competes. The Company obtained this information in part from various third-party sources and in part from its own internal estimates. The Company has obtained market and industry data relating to its business from providers of market and industry data, namely the DPR, the Energy Information Administration of the U.S. Department of Energy, Thomson Reuters, Wood Mackenzie, Platts and the BP Statistical Review of World Energy June 2013.

Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable. The Company has relied on the accuracy of the information from industry publications, surveys and forecasts without carrying out an independent verification thereof and cannot guarantee their accuracy or completeness. Such information appears in the sections of this Prospectus entitled Part II: “Risk Factors”, Part VI: “Letter from the Chairman and Information on the Group”, Part IX: “Industry Overview” and Part XI: “Operating and Financial Review”. The Company confirms that such third-party information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by such third parties, no facts have been omitted from the information in this Prospectus that would render it materially inaccurate or misleading.

In addition, in many cases, the Company has made statements in this Prospectus regarding the Nigerian oil and gas industry and its position in this industry based on its own experience and investigation of market conditions. The Company cannot assure investors that any of its assumptions are accurate or correctly reflect its position in the industry, and its statements have not been verified by any independent sources.

Forward-looking statements

Certain statements contained in this Prospectus including any information as to the Group’s strategy, plans or future financial or operating performance constitute “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “projects”, “expects”, “intends”, “aims”, “plans”, “predicts”, “may”, “will”, “seeks” or “should” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the intentions, beliefs or current expectations of the Directors of the Company concerning, amongst other things, the Group’s results of operations, financial condition and performance, prospects, growth and strategies and the industry in which the Group operates.

By their nature, forward-looking statements address matters that involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and the Group's actual results of operations and financial condition, and the development of the business sector in which the Group operates, may differ materially from those suggested by the forward-looking statements contained in this Prospectus. In addition, even if the Group's results of operations and financial condition, and the development of the industry in which the Group operates, are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

Prospective investors are advised to read, in particular, the parts of this Prospectus entitled Part II: "Risk Factors", Part VI: "Letter from the Chairman and Information on the Group", Part IX: "Industry Overview" and Part XII: "Financial Information on the Group" for a more complete discussion of the factors that could affect the Group's future performance and the industry in which the Group operates. In the light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Prospectus may not occur. Other important factors that could cause actual results to differ materially from the Company's expectations include, among others, the following:

- price fluctuations in crude oil, gas and refined products markets and related fluctuations in demand for such products;
- operational limitations, including equipment failures, labour disputes and processing limitations;
- the availability or cost of transportation routes and third parties' fees charged for arranging transportation;
- changes in governmental regulation, including regulatory changes affecting the availability of permits, and governmental actions that may affect operations or the Group's planned expansion;
- the availability of debt financing, including under the Group's existing facilities;
- unfavourable changes in economic or political conditions in Nigeria;
- unplanned events or accidents affecting the Group's operations or facilities;
- the ability to find, fund or acquire suitable new assets at an appropriate price or at all or the failure to successfully integrate new assets with existing operations or achieve the anticipated return on such assets;
- incidents or conditions affecting the export of crude oil and gas; and
- reservoir performance, drilling results and implementation of the Group's oil expansion plans.

The forward-looking statements contained in this Prospectus speak only as of the date of this Prospectus. The Company, the Directors and the Managers expressly disclaim any obligations or undertaking to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, unless required to do so by applicable law, the Nigerian SEC Rules, the Prospectus Rules, the UK Listing Rules, or the Disclosure and Transparency Rules, or as otherwise required by the NSE, the FCA or the London Stock Exchange.

No incorporation of website information

The contents of the Group's website, those of Etablissements Maurel et Prom and MPI and any website directly or indirectly linked to those websites have not been verified and do not form part of this Prospectus. Consequently, investors should not rely on such information when making a decision to invest in the Ordinary Shares.

Nigerian considerations

Nigerian withholding tax is paid on dividends and the Company is expected by virtue of Section 80 of the Companies Income Tax Act ("CITA") to withhold 10 per cent. on the sum to be distributed as dividends to its shareholders and remit to the Federal Inland Revenue Service ("FIRS"). However, Section 60 of the Petroleum Profit Tax Act 1958 CAP P13, LFN 2004 ("PPTA") exempts from the imposition of withholding tax dividends paid out of any profits of the Company that have been subject to Petroleum Profit Tax ("PPT"). Dividends received by a foreign investor from its investment in shares in a Nigerian company will be subject to the withholding of tax under Nigerian law, at the rate of 10 per cent. Where the recipient is not resident in

Nigeria, the tax withheld will be the final tax. Where the recipient of the dividends is a national or company from a country with which Nigeria has a double taxation agreement, the applicable withholding tax rate is reduced from 10 per cent. to 7.5 per cent. Nigeria has entered into double taxation treaties with Belgium, Canada, France, The Netherlands, Pakistan, the Philippines, Romania and the United Kingdom. Investors from double tax treaty countries are advised to consult their tax advisers on how to claim this status for purposes for its dividends.

Dividends will be declared in Naira and converted into foreign currency for purposes of paying dividends to non-resident investors. The sum received will be dependent upon the applicable exchange rate at the time that the dividends are paid. Considering the uncertainty of the rate of exchange, foreign investors should also be aware of the fact that they may be faced with significant exchange rate losses.

By Section 95 of CAMA, a substantial shareholder, being a person that holds, by himself or through a nominee, at least 10 per cent. of the unrestricted voting rights at any general meeting of the company, is obliged to give notice of his holding to the Company in writing stating his name, address and full particulars of the shares held by him, within 14 days of becoming aware that he is a substantial shareholder. A similar notice is required when a party ceases to be a substantial shareholder.

Directors, officers, employees, persons with professional or business relationships with a company or a related company, members of the Company's audit committee, any person who holds 5 per cent. or more of any class of securities of a company, and persons who have or can be deemed to have a relationship with the company or its members are required to notify the Nigerian SEC of any purchase or sale of shares of the relevant company. This notification must be made within 48 hours of the trade. Insiders and persons connected to the Company are advised to seek legal advice before carrying out any trade in relation to the Ordinary Shares. The Nigerian SEC also requires the registrar of every company to submit annually information on beneficial owners who hold five per cent. or more of the company's shares. The registrar is also obliged to notify the Nigerian SEC when, as a result of any transaction, any person becomes the beneficial owner of five per cent. of shares in the company.

In addition to this, Section 94 of CAMA allows a public company by notice in writing to require any member to indicate in writing the capacity in which he holds any shares in the company.

Available Information

The Company has agreed that, for so long as any of the Ordinary Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act, the Company will, during any period in which it is neither subject to Section 13 or 15(d) of the US Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), nor exempt from reporting under the Exchange Act pursuant to Rule 12g3-2(b) thereunder, make available to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be delivered pursuant to Rule 144A(d)(4) under the US Securities Act.

Enforcement of Foreign Judgments

The Company is incorporated under the laws of Nigeria and substantially all of the Group's operations, assets and directors and executive officers are located in Nigeria. None of the directors or executive officers of the Company is a resident of the United States and substantially all of the Group's assets and the assets of such persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Group or such persons or to enforce against any of them judgments of US federal or state courts, including judgments predicated upon civil liabilities under the securities laws of the United States or any state or territory within the United States.

There are two regimes for the enforcement of foreign judgments in Nigeria: the Reciprocal Enforcement of Judgment Ordinance Cap 175, Laws of the Federation of Nigeria and Lagos, 1958 (the "**Reciprocal Enforcement Ordinance**") and the Foreign Judgments (Reciprocal Enforcement) Act, Cap F35 Laws of the Federation of Nigeria 2004 (the "**Reciprocal Enforcement Act**").

United Kingdom and Irish Court Judgments

The Reciprocal Enforcement Ordinance applies to judgments obtained in the High Court in England or Ireland, or in the Court of Session in Scotland or to other parts of Her Majesty's control to which the Reciprocal Enforcement Ordinance is extended by proclamation. Subject to certain exceptions, judgments

obtained in these jurisdictions are enforceable by registration under the Reciprocal Enforcement Ordinance. To be enforceable, such judgments must be registered within 12 months after the date of the judgment or such longer period as may be allowed by the courts. The judgment must: (i) derive from civil proceedings; (ii) be final and capable of execution in the country of delivery; (iii) must not have been wholly satisfied; and (iv) not suffer from want of jurisdiction, lack of fair hearing or fraud, be contrary to public policy or have been discontinued because the issue had already been decided by another competent court before its determination by the foreign court. However, such judgments are not registrable or enforceable in Nigeria where: (i) the foreign court acted without jurisdiction; (ii) the judgment debtor, being a person who was neither carrying on business nor ordinarily resident within the jurisdiction of the foreign court, did not voluntarily appear or otherwise submit or agree to submit to the jurisdiction of that court; (iii) the judgment debtor was not duly served with the process of the foreign court; (iv) the judgment was obtained by fraud; (v) the judgment debtor satisfies the registering court that an appeal is pending against the judgment or that he is entitled to and intends to appeal against the judgment; or (vi) the judgment was in respect of a cause of action which could not have been entertained by the registering court for reasons of public policy or for some other similar reason. In this regard, notwithstanding that a judgment emanates from a jurisdiction to which the Reciprocal Enforcement Ordinance applies, such judgment will not be registrable or enforceable in Nigeria if any of (i) to (vi) above applies.

United States Court Judgments

The Reciprocal Enforcement Act applies to judgments obtained in the superior courts of any country (other than Nigeria) to which the Reciprocal Enforcement Ordinance does not apply. Section 10(a) of the Reciprocal Enforcement Act makes judgments from any such country enforceable in Nigeria within a period of 12 months from the date of the judgment or such longer period as may be allowed by a superior court in Nigeria. This period can however be extended from 12 months to six years if the Minister of Justice so orders it, in relation to judgments obtained from any specified country, which he is empowered to do if he is satisfied that judgments of superior courts in Nigeria would be accorded substantial reciprocity of treatment in courts of the relevant foreign jurisdiction.

There is no treaty between the United States and Nigeria providing for reciprocal enforcement of judgments and the Minister of Justice has not directed the application of the Reciprocal Enforcement Act to judgments obtained from United States courts. Thus, as of the date of this Prospectus, judgments from courts in the United States can only be enforced in Nigeria if the person seeking to enforce them brings an application in a Nigerian court to enforce the judgment within 12 months from the date on which the foreign judgment was made or such longer period as may be allowed by a superior court in Nigeria.

Foreign judgments can be enforced and recovered in a foreign currency.

PART VI
LETTER FROM THE CHAIRMAN AND INFORMATION ON THE GROUP



SEPLAT Petroleum Development Company Plc
25a Lugard Avenue
Ikoyi, Lagos
Nigeria



Ladies and Gentlemen:

On behalf of our Board of Directors and the entire SEPLAT team, I am pleased to invite you to participate in our initial public offering and to become partners with us in our future.

SEPLAT is a pioneer in the indigenous Nigerian oil and gas industry. Our company was founded by Nigerians for the purpose of investing in Nigerian oil and gas opportunities. We are proud to have been the first Nigerian company to acquire and become operator of onshore oil and gas assets from international oil companies in a landmark transaction for Africa.

Since we acquired our interests in three producing assets, OMLs 4, 38 and 41, from SPDC, TOTAL and AGIP in 2010 and became operator of those assets, our company has gone from strength to strength. We have increased oil production and reserves year on year, and we have grown our revenues and our net profit in each year since inception. As operator, we have continued to innovate and streamline our production and distribution processes, which has confirmed our operational competence and improved our financial and operational results. We are further strengthening our position and reputation in the emerging Nigerian commercial gas market. Through our ongoing initiative to convert contingent resources to reserves and by combining organic growth of our existing assets with new asset acquisitions, we aim to increase our production levels going forward and to replace our oil and gas reserves on at least a one-to-one basis, which will help to secure our company's future for all of our stakeholders. Further details of our strengths and strategy can be found below in this Part VI, sections 2 and 3.

Our mission is to be a world class oil and gas company delivering value to all stakeholders. We see significant potential in acquiring additional oil and gas assets, primarily in Nigeria, divested by international oil companies or local companies, identified as marginal fields through new licensing rounds or through joint venture opportunities. We consider that Nigerian companies will be pivotal to the future development of Nigeria's oil and gas industry and they account for an increasing amount of all crude oil produced in Nigeria.

In June 2013, we executed an agreement to acquire a 40 per cent. participating interest in the Umuseti/Igbuku marginal fields. I am pleased to report that we have also recently executed a conditional sale and purchase agreement for a 40 per cent. participating interest in OML 53, which would, following satisfaction of all conditions precedent, be our third acquisition. We hope to be successful in future bidding rounds, including our recent bid for additional assets referred to in Part XI: "Operating and Financial Review", section 2 of this Prospectus.

To drive our mission, we have in place an experienced Board of Directors, a strong management team and dedicated employees, all of whom are committed to building a world-class oil and gas company based in Nigeria that works harmoniously with its partners and its local communities. Our core values, coined from our name, SEPLAT, are **S**afety, **E**nvironment, **P**artnership, **L**eadership, **A**ccountability and **T**eamwork. These core values underpin everything that we do. As we continue to grow, we are committed to upholding our core values throughout our operations. We have an absolute commitment to sound and effective corporate governance practices.

Incorporated in the Federal Republic of Nigeria and registered with the Corporate Affairs Commission of Nigeria under number RC 824838.

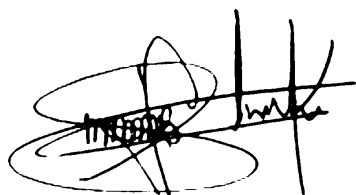
The funds that SEPLAT receives from investors in this initial public offering will allow us to further implement our business strategy, which includes identifying and acquiring new assets to increase our reserves, improving our operations to further increase production and efficiency, and reducing our debt so as to enhance our financial flexibility. We are confident that SEPLAT will continue to succeed and flourish as a credible Nigerian partner with a proven track record for Nigerian and international investors.

I am also pleased to say that our shareholders and Board of Directors have approved the Global Offer and the terms and conditions thereof.

I encourage you to read this Prospectus in its entirety, which sets forth detailed information about SEPLAT.

We look forward to you joining our team.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'A.B.C. Orjiako', with a large, stylized flourish extending from the end of the signature.

A.B.C. Orjiako
Chairman
for and on behalf of
SEPLAT Petroleum Development Company Plc

1. BUSINESS OVERVIEW

1.1 Introduction

SEPLAT is an independent oil and gas company, incorporated and operating in Nigeria, with a strategic focus on Nigeria. In July 2010, it acquired a 45 per cent. participating interest in, and was appointed operator of, a portfolio of three on-shore producing oil and gas leases located in the Niger Delta (OMLs 4, 38 and 41), which include the Oben, Ovhor, Sapele, Okporhuru and Amukpe fields.

SEPLAT is one of the leading indigenous oil and gas operators in Nigeria with gross operated oil production from OMLs 4, 38 and 41 of 11.5 MMbbl for the year ended 31 December 2011, 12.1 MMbbl for the year ended 31 December 2012 and 18.8 MMbbl for the year ended 31 December 2013, equivalent to an average daily production of 31.4 Mbpd for 2011, 33.1 Mbpd for 2012 and 51.4 Mbpd for 2013, of which its 45 per cent. working interest share was 5.2 MMbbl for 2011, 5.4 MMbbl for 2012 and 8.4 MMbbl for 2013. Gross gas production from OMLs 4, 38 and 41 was 41.9 bcf for the year ended 31 December 2011, 36.3 bcf for the year ended 31 December 2012 and 36.2 bcf for the year ended 31 December 2013, equivalent to an average daily production of 114.8 MMscfd for 2011, 99.3 MMscfd for 2012 and 99.0 MMscfd for 2013, of which SEPLAT's working interest share was 18.9 bcf for 2011, 16.3 bcf for 2012 and 16.3 bcf for 2013.

DMCL estimates that the Group's working interest proved plus probable (2P) reserves from OMLs 4, 38 and 41 amount to 101,756 Mbbl of oil and condensate and 573,469 MMcf of gas as at 31 October 2013. It also estimates that the Company has working interest (2C) contingent resources from OMLs 4, 38 and 41 of 60,467 Mbbl of oil and condensate and 104,693 MMcf of gas as of 31 October 2013. For the year ended 31 December 2011, which was SEPLAT's first full year of operations, SEPLAT's revenues were US\$451.3 million and its net cash flows from operating activities were US\$218.0 million. For the year ended 31 December 2012, these figures were US\$624.5 million and US\$51.0 million respectively. For the year ended 31 December 2013, these figures were US\$880.2 million and US\$291.2 million respectively.

The Niger Delta is one of the most prolific hydrocarbon basins in Africa. Nigeria accounted for approximately 28 per cent. of Africa's oil reserves and 26 per cent. of Africa's total oil production in the year to 31 December 2012 (BP Statistical Review). Over recent years a trend has developed in Nigeria for international oil companies to divest their non-material onshore oil and gas assets in the region. SEPLAT was the first indigenous oil company to acquire such assets and be awarded operatorship as part of this ongoing development and, since its acquisition of a 45 per cent. participating interest in OMLs 4, 38 and 41, it has increased oil and gas production in each year of operations.

As a Nigerian company with highly skilled local management, proven technical know-how, strong local ties and commitment to community relationships, SEPLAT is strategically positioned to successfully bid for further oil and gas assets in Nigeria.

On 1 June 2013, Newton Energy, a wholly-owned subsidiary of the Company, entered into an agreement with Pillar Oil to acquire (subject to the consent of the Minister and receipt of any other necessary governmental approvals) a 40 per cent. participating interest in the Umuseti/Igbuku Fields and in doing so has added approximately 9,723 Mbbl to the Group's proved plus probable (2P) oil and condensate reserves and 89,800 MMcf of gas (the "**Umuseti/Igbuku Fields Investment**"). Further details on the Umuseti/Igbuku Fields Investment are set out in section 9.1.2 of this Part VI and at Part XVII: "Additional Information", section 10.7.16 of this Prospectus.

On 29 November 2013, the CNL Assets Consortium entered into a sale and purchase agreement with CNL to acquire a 40 per cent. participating interest in OMLs 52, 53 and 55 (the "**CNL Assets**") for total cash consideration of US\$800 million.

Pursuant to the CNL Assets Consortium Agreement, the Company, AMNI and BelemaOil have agreed to allocate the CNL Assets and the consideration owing from the CNL Assets Consortium to CNL between them so that the Company acquires a 40 per cent. participating interest in OML 53 for total cash consideration of US\$300 million, AMNI acquires a 40 per cent. participating interest in OML 52 for total cash consideration of US\$170 million and BelemaOil acquires a 40 per cent. participating interest in OML 55 for total cash consideration of US\$330 million.

The CNL Assets Acquisition is subject to satisfaction of the CNL Assets Acquisition Conditions (described more fully at Part XVII: "Additional Information", section 10.7.21 of this Prospectus), which include consent of the Minister and receipt of any other necessary governmental approvals. The Company intends to assign, for cash consideration, a portion of its participating interest in OML 53 (from the 40 per cent. participating interest being acquired) to a local third-party independent Nigerian oil and gas company.

1.2 Summary of Reserves and Resources

1.2.1 OMLs 4, 38 and 41

DMCL estimates that, as at 31 October 2013, in respect of OMLs 4, 38 and 41 the Company had:

- proved (1P) working interest reserves of 68,063 Mbbl of oil and condensate and 315,291 MMcf (54,361 Mboe) of gas;
- proved plus probable (2P) working interest reserves of 101,756 Mbbl of oil and condensate and 573,469 MMcf (98,874 Mboe) of gas; and
- proved plus probable and possible (3P) working interest reserves of 132,210 Mbbl of oil and condensate and 670,469 MMcf (115,598 Mboe) of gas.

DMCL also estimates that, as at 31 October 2013, in respect of OMLs 4, 38 and 41 the Company had:

- working interest 2C contingent resources of 60,467 Mbbl of oil and condensate and 104,693 MMcf (18,051 Mboe) of gas; and
- working interest 3C contingent resources of 119,342 Mbbl of oil and condensate and 181,911 MMcf (31,364 Mboe) of gas.

In addition, DMCL estimates that OMLs 4, 38 and 41 have prospective resources as more fully described in Part XVIII: “Competent Person’s Report on OMLs 4, 38 and 41”.

1.2.2 Umuseti/Igbuku Fields

DMCL estimates that, as at 31 October 2013, in respect of the Umuseti/Igbuku Fields Newton Energy had:

- proved (1P) working interest reserves of 4,220 Mbbl of oil and condensate and 46,957 MMcf of gas;
- proved plus probable (2P) working interest reserves of 9,723 Mbbl of oil and condensate and 89,800 MMcf of gas; and
- proved plus probable plus possible (3P) working interest reserves of 17,263 Mbbl of oil and condensate and 140,688 MMcf of gas.

DMCL also estimates that, as at 31 October 2013, in respect of the Umuseti/Igbuku Fields Newton Energy had:

- working interest 2C contingent resources of 288 Mbbl of oil and condensate and 637 MMcf of gas; and
- working interest 3C contingent resources of 790 Mbbl of oil and condensate and 1,739 MMcf of gas.

1.2.3 CNL Assets

As mentioned above, the Company has entered into the CNL Assets SPA to acquire a 40 per cent. participating interest in OML 53. DMCL estimates that, as at 31 October 2013, OML 53 had the following resources:

- working interest 2C contingent resources of 33,032 Mbbl of oil and condensate and 222,561 MMcf of gas; and
- working interest 3C contingent resources of 52,507 Mbbl of oil and condensate and 416,622 MMcf of gas.

The completion of the CNL Assets Acquisition remains subject to the CNL Assets Acquisition Conditions.

1.3 Oil and Gas Production

1.3.1 OMLs 4, 38 and 41

The Group is currently producing oil and gas from the Oben, Amukpe, Ovhor, Okporhuru, Orogho and Sapele fields which are located in the Niger Delta. For the year ended 31 December 2013, working interest production at those fields was as follows (as measured at the respective flow stations):

- Oben field 1.5 MMBbl of oil, equivalent to an average daily production rate of 4,218 bopd;
- Amukpe field 0.04 MMBbl of oil, equivalent to an average daily production rate of 120 bopd;
- Ovhor field 4.7 MMBbl of oil, equivalent to an average daily production rate of 12,750 bopd;

- Sapele field 1.6 MMbbl of oil, equivalent to an average daily production rate of 4,308 bopd; and
- Okporhuru field 0.6 MMbbl of oil, equivalent to an average daily production rate of 1,739 bopd.

The Company achieved first oil at the Orogho field in December 2013.

1.3.2 Umuseti/Igbuku Fields

For the year ended 31 December 2013, working interest production at the Umuseti/Igbuku Fields was 0.1 MMbbl of oil, equivalent to an average daily production rate of 325 bopd.

1.3.3 Historical oil and gas production at OMLs 4, 38 and 41

The following table presents the oil and gas production for the periods indicated:

	Year ended 31 December		
	2013	2012	2011
CRUDE OIL PRODUCTION			
100% Joint Venture (OMLs 4, 38 and 41)			
Operated Production ⁽¹⁾			
Production for the period (MMbbl)	18.8	12.1	11.5
Average daily production for the period (Mbpd)	51.4	33.1	31.4
Reconciled Production ⁽²⁾			
Production for the period (MMbbl)	16.9	10.8	9.4
Average daily production for the period (Mbpd)	46.2	29.4	25.7
Deductions: Operated and Reconciled Production (%)	10.1%	11.0%	18.0%
45% Working Interest			
Operated Production ⁽¹⁾			
Production for the period (MMbbl)	8.4	5.4	5.2
Average daily production for the period (Mbpd)	23.1	14.9	14.1
Reconciled Production ⁽²⁾			
Production for the period (MMbbl)	7.6	4.8	4.2
Average daily production for the period (Mbpd)	20.8	13.2	11.6
NATURAL GAS PRODUCTION			
100% Joint Venture (OMLs 4, 38 and 41)			
Production for the period (bcf)	36.2	36.3	41.9
Average daily production for the period (MMscfd)	99	99	115
45% Working Interest			
Production for the period (bcf)	16.3	16.3	18.9
Average daily production for the period (MMscfd)	45	45	52

Notes:

- (1) "Operated Production" means production volumes measured at the flow station for the period from 1 August 2010 to 31 October 2011 and production volumes measured at the LACT Unit for the period from 1 November 2011 to 31 December 2013, following the installation of the LACT Unit at the Rapele injection point into the Trans-Forcados Pipeline.
- (2) "Reconciled Production" means production volumes recognised by SPDC as crude oil received at the Forcados Terminal after processing, which accounts for losses occurring during transportation along the Trans-Forcados Pipeline due to vandalism, theft and sabotage.

The Company had a working interest share of Operated Production of 8.4 MMbbl for the year ended 31 December 2013, 5.4 MMbbl for the year ended 31 December 2012 and 5.2 MMbbl for the year ended 31 December 2011, equivalent to an average daily Operated Production of 23.1 Mbpd for 2013, 14.9 Mbpd for 2012 and 14.1 Mbpd for 2011, respectively, even though no new wells were brought into production in 2011. The Company had a working interest share of Reconciled Production of 7.6 MMbbl for the year ended 31 December 2013, 4.8 MMbbl for the year ended 31 December 2012 and 4.2 MMbbl for the year ended 31 December 2011, equivalent to an average daily Reconciled Production of 20.8 Mbpd for 2013, 13.2 Mbpd for 2012 and 11.6 Mbpd for 2011, respectively. Working interest gas production from the assets was 16.3 bcf for the year ended 31 December 2013, 16.3 bcf for the year ended 31 December 2012 and 18.9 bcf for the year ended 31 December 2011.

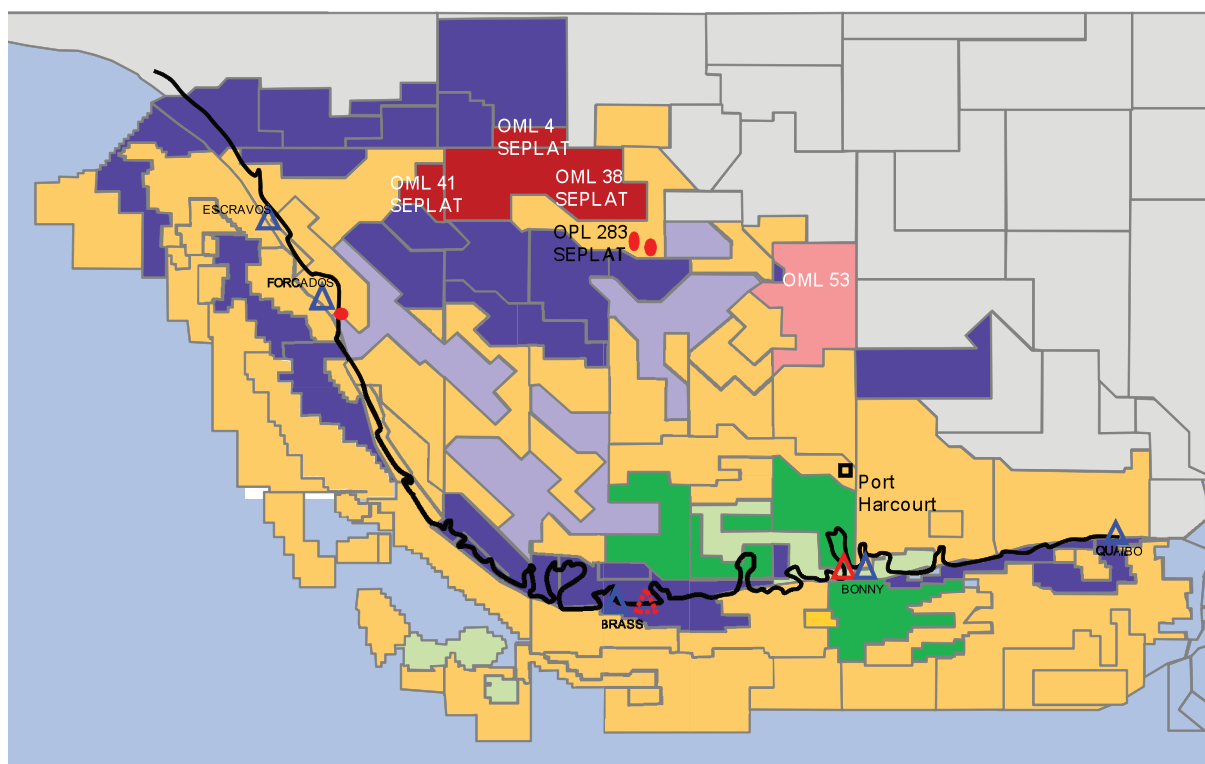
1.3.4 Historical oil and gas production at Umuseti/Igbuku Fields

The following table presents the oil and gas production for the periods indicated:

	Year ended 31 December 2013
CRUDE OIL PRODUCTION	
<i>40% Working Interest</i>	
Production for the period (MMbbl)	0.1
NATURAL GAS PRODUCTION	
<i>40% Working Interest</i>	
Production for the period (MMscf)	Nil

1.4 Location of Assets

The following map shows the location of OMLs 4, 38 and 41, the Umuseti/Igbuku Fields and OML 53:



Further details of the reserves, resources and production in respect of OMLs 4, 38 and 41 and the Umuseti/Igbuku Fields are set out in Part XVIII: “Competent Person’s Report on OMLs 4, 38 and 41” and Part XIX: “Competent Person’s Report on the Umuseti/Igbuku Fields” of this Prospectus.

2. STRENGTHS

The Board believes that the Group has the following key strengths to support the pursuit of its strategy.

2.1 Quality proven reserves and resources; established oil and gas production; track record of converting contingent resources to reserves

The Group has a portfolio of three on-shore producing oil and gas assets (OMLs 4, 38 and 41), which occupy a large acreage position in the prolific Niger Delta region, giving it a strong reserve base (working interest proved plus probable (2P) reserves of 102 MMbbl of oil and condensate and 573 bcf of gas as of 31 October 2013). The Company currently produces oil and gas from the Oben, Amukpe, Ovhor, Okporhuru, Orogho and Sapele fields, with gross operated oil production of 18.8 MMbbl for the year ended 31 December 2013, equivalent to an average daily production of 51.4 Mbd, of which its working interest share was 8.4 MMbbl. The Company’s gross operated gas production (NAG/AG) was 36.2 bcf for

the year ended 31 December 2013, equivalent to an average daily production of 99 MMscfd, of which its working interest share was 16.3 bcf. The Group also has a 40 per cent. participating interest in the Umuseti/Igbuku Fields (located in OPL 283) which have working interest proved plus probable (2P) reserves of 10 MMbbl of oil and condensate and 90 bcf of gas as at 31 October 2013.

OMLs 4, 38 and 41 produce “Forcados” blend oil quality, which, during the course of 2013, sold at an average of US\$110.66/bbl, a US\$3.93/bbl average premium to Brent crude oil. Forcados blend is a Nigerian crude with a low sulphur and low metals content, an average API gravity of 38° and a sulphur content of 0.18 per cent. The Umuseti/Igbuku Fields produce “Brass” blend oil quality, which, during the course of 2013, sold at an average of US\$111.99/bbl, a US\$2.30 average premium to Brent crude oil.

OMLs 4, 38 and 41 are positioned close to efficient transport links and all of the Company’s oil production is routed to the Forcados Terminal in the Niger Delta for onward distribution. The Company’s natural gas reserves and resource base are also strategically located in the centre of an existing network of gas infrastructure (including gas pipelines and power plants), which provides a platform for significant growth potential.

SEPLAT has a record of converting its contingent oil resources to reserves to further its goal of replacing its oil reserves base on a 1:1 basis going forward. Between August 2012 and April 2013, the Company added 43 MMbbl (gross) of reserves through its field development programme at the Okporhuru field, and it achieved first oil at the Okporhuru field in May 2013. The Company also achieved first oil at the Orogho field in December 2013 and the Company estimates that this has added 22 MMbbl (gross) of reserves.

2.2 Strong track record of increasing production

Since its acquisition of a 45 per cent. participating interest in OMLs 4, 38 and 41, the Company’s management team has achieved a consistent increase in production from approximately 13.9 Mbpd gross operated oil production in August 2010 to 61.7 Mbpd at 31 December 2013. The Company has historically increased production by drilling additional wells on its existing acreage and by employing advanced and proven technologies to increase production in mature fields.

	2011	2012	2013
Average daily production (Mbpd) for year	31.4	33.1	51.4
Total gross production for year (MMbbl)	11.5	12.1	18.8

2.3 As operator on behalf of the OMLs 4, 38 and 41 JV, the Company can shape and advance the strategic development of the assets and is responsible for production and operational improvements and leading exploration activities

SEPLAT is operator of OMLs 4, 38 and 41. To date, it has been the only company to secure NNPC approval for operatorship over the assets acquired as part of the recent SPDC onshore divestment process (details of which are set out in the table in Part IX: “Industry Overview”, section 2.3.4 of this Prospectus). As operator, the Company is empowered with the day-to-day operation of OMLs 4, 38 and 41 and is able to set production and operational improvement goals and lead exploration activities, subject to the approval of its partner, NPDC. SEPLAT intends to carry out all its operations with its joint venture partner, NPDC. However, in specific situations where NPDC decides not to participate in a particular activity, SEPLAT has the right to implement certain exploration and delineation works on a sole-risk basis.

The Company considers that it runs a highly efficient operation using up-to-date technology which enables it to extract value from maturing and producing assets and using modern information technology systems, which provide SEPLAT’s operations team with real-time information on drilling and field operations.

2.4 The Group has successfully reduced losses of sales volumes due to metering inaccuracies

Under the terms of the Crude Handling Agreement, SPDC applies a “reconciliation factor” or discount to amounts of crude oil injected by the Company into the Trans-Forcados Pipeline in order to account for losses between estimated well-head production and amounts received at the Forcados Terminal, which may be attributable to factors such as pipeline damage, vandalism and theft.

On 29 October 2011, the Company installed and had accepted by DPR a LACT Unit at the Rapele injection point. The LACT Unit enables the Company to more accurately measure its production volumes of crude oil prior to injection into the Trans-Forcados Pipeline. In February 2013, the Company entered

into an agreement with SPDC to confirm its acceptance of the LACT Unit and provide that reconciliation factors attributable to “metering inaccuracies” will no longer be applied by SPDC. For the year ended 31 December 2013, the Company has been credited with an interim allocation (which remains subject to final reconciliation) for which the percentage total interim reconciliation factor applied was an average of 10.1 per cent. compared to 11.0 per cent. for the year ended 31 December 2012 and 18.0 per cent. for the year ended 31 December 2011.

The Company has recently completed construction of a new pipeline to the Warri refinery and is in the process of agreeing off-take arrangements for its oil production from OMLs 4, 38 and 41 with NPDC’s Warri refinery (which is described at section 7.3.4 below). Once such new off-take arrangements are finalised, the Company plans to send an increasing amount of its oil to that refinery, since it believes that such oil production should not be subject to a reconciliation factor.

2.5 Nigerian focus: Nigeria is a country with world-class oil and gas resources and significant development opportunities

Nigeria provides an excellent platform for the growth of the Group given its world-class reserve and resource base and established petroleum infrastructure. It is one of the leading oil-producing countries in Africa by annual volume produced, with production levels of 2.4 MMbpd in 2012. With an estimated 37.2 billion barrels of proved oil reserves, Nigeria has the 10th largest oil reserve base worldwide. With an estimated 182 tcf of proved gas reserves, Nigeria has the largest gas reserve base in Africa (source: BP Statistical Review of World Energy, June 2013). Nigeria is the 8th largest exporter of oil in the world, with annual exports valued at US\$79 billion by OPEC in 2012. As at 31 December 2011, there were over 3,000 km of pipelines in the Niger Delta linking approximately 275 flow stations to six export terminals at Escravos, Forcados, Pennington, Brass, Bonny and Qua Iboe. In 2012, the US accounted for 18 per cent. of Nigeria’s oil export revenues and Europe accounted for 44 per cent.

2.6 The Group is well-positioned to participate in future divestment processes by international oil companies; strong track record of being selected to participate in divestment bid rounds

As a Nigerian group with highly skilled local management, proven technical know-how, strong local ties and a commitment to strong community relationships, the Group is well positioned to operate OMLs 4, 38 and 41 and, subject to CNL Assets Acquisition Completion, OML 53 and to successfully bid for further oil and gas assets in Nigeria. In 2010, SEPLAT became the first Nigerian company to acquire and become operator of onshore oil and gas assets from international oil companies as part of the recent trend for international oil companies to divest their non-material onshore oil and gas assets in the region and since then has been selected to participate in subsequent divestment processes by ConocoPhillips, Chevron and SPDC. A number of further divestitures of oil and gas assets in Nigeria are anticipated. The Group sees significant potential in acquisitions of such assets and considers that, with its proven track record, it would be a strong and credible bidder in future asset acquisition opportunities, subject to conditions prevailing at the time.

2.7 The Group has an experienced board of directors and a highly skilled Nigerian senior executive and operational management team with a strong track record; both its board and management team have international and local experience in production and exploration

The Company has an experienced board of directors with both Nigerian and international experience. Two of the Company’s founding shareholders, Platform and Shebah, have a longstanding presence in Nigeria with a comprehensive understanding of the country’s operating environment and regulatory framework. The Company believes that its local ties and Nigerian management are beneficial to its relationships with the local communities where the Company operates.

The Group’s senior executive and operational management team has considerable technical and operating experience in the oil and gas industry, working for companies such as ExxonMobil, Shell, Chevron, BG Group and Centrica. Many of SEPLAT’s senior managers gained significant experience in respect of OMLs 4, 38 and 41 through their work for the SPDC JV that previously owned these OMLs. The Company also benefits from a highly educated and experienced geosciences team that includes explorers familiar with the geology of the Niger Delta, allowing the Company to screen prospects in an effective way to develop its exploration programme. The Board has also been strengthened by the addition of a number of experienced Nigerian and European independent non-executive directors, who are described in Part VII: “Directors, Senior Management, Corporate Governance and Dividend Policy”.

2.8 The Group has built strong relationships with key local communities, which has promoted trust and confidence amongst stakeholders and resulted in a stable operating environment

Prior to the Group's acquisition of its 45 per cent. participating interest in OMLs 4, 38 and 41, vandalism and militant activity in the Niger Delta had interrupted production from these assets for a 16-month period beginning November 2008. Since taking operating control of these OMLs on 31 July 2010, the Group has built strong relationships with the local communities that inhabit areas in close proximity to the fields and pipelines, to manage the security and operation of those assets (by, for example, employing local contractors) and generally to promote a stable environment conducive to the efficient production of oil and gas. The Company believes that these improved community relations have helped reduce interruptions to production.

Four months after commencing operations, the Company entered into a global memorandum of understanding with the communities within OMLs 4, 38 and 41 which host its operations in Amukpe, Ovhor, Sapele, Oben and Okporhuru and established a trust fund for community projects and a framework for employing local communities to provide security and other services.

The Group is committed to a programme of proactive engagement with its host communities, including hosting community engagement meetings and visits to opinion leaders, to implement community projects based on sustainable development programmes. These initiatives include healthcare, education and community development programs, such as the Safe Motherhood Programme; the Eye Can See Programme (which has so far provided eye tests, optical surgery and medical treatment to over 10,000 individuals from the local area); skills training, educational scholarships and grants; and local infrastructure projects such as drilling water bore holes, installing street lighting and renovating local community buildings.

2.9 Strong cash flow and prudent balance sheet

OMLs 4, 38 and 41 are producing assets that generate a robust cash flow, which has so far allowed the Group to partially finance its operations and maintain a prudent balance sheet. The Group has demonstrated a good track record of debt service and repayment as well as balance sheet management. The Group has access to the Nigerian and international bank financing markets to provide additional committed funds to grow its business. The Group's cash flows will be further enhanced by the new tax status granted to the Company and Newton Energy, which is more fully described at Part XI: "Operating and Financial Review", section 2 of this Prospectus.

3. STRATEGY

The Group considers that the following strategies support its long-term aim to become a leading African independent oil and gas exploration and production company.

3.1 Maximise production, reserves and cash flows from existing assets

The Group is currently executing a development plan through which it aims to increase oil production from OMLs 4, 38 and 41, with the potential to reach 85 Mbpd (gross) by the end of 2016. The Company believes that OMLs 4, 38 and 41 have significant potential for growth in production, mainly due to enhanced recovery from the existing fields and future conversion of contingent resources into reserves. The Company aims to achieve efficient recovery through improvements in reliability of existing facilities, planned work-overs of existing wells (which target attic oil using a variety of techniques including gas-lift, installation of ESPs, pressure maintenance and water flooding) and the further assessment and development of discoveries. The Company has prepared integrated field development plans for all its fields as a basis for re-development and is in the process of installing water treatment facilities with a view to reducing the water content in the crude oil produced.

The Company intends to convert as much of its existing resources into reserves as is commercially viable with a focused drilling programme, which includes working over existing wells and drilling new infill wells (including the Sapele Shallow development) within the existing acreage of OMLs 4, 38 and 41. The Company intends to make the necessary investments efficiently by taking advantage of synergies with existing facilities and prioritising the development of discoveries adjacent to the currently producing fields. The Company's development plan is to bring at least one new field into production each year, which is in line with its aim to replace reserves year on year at a ratio of 1:1.

OMLs 4, 38 and 41 provide significant upside potential from the further appraisal of the five developed fields and the other discoveries made to date, namely Okoporo, Ubaleme, Mosogar, Orogho, Sapele Shallow and Okwefe. DMCL estimates in the OMLs 4, 38 and 41 CPR that, as at 31 October 2013, the Company had working interest 2C contingent resources of 60,467 Mbbl of oil and condensate and 104,693 MMcf (18,051 Mboe) of gas, and 3C contingent resources of 119,342 Mbbl of oil and condensate and 181,911 MMcf (31,364 Mboe) of gas.

The Company also intends to further develop OMLs 4, 38 and 41 by exploring hydrocarbon prospects in this portfolio to seek to discover new oil and gas resources that, if commercial, could be developed and converted into reserves and eventually into production. SEPLAT plans to focus its exploration activities initially on its existing acreage in areas that are adjacent to its current fields and infrastructure.

The Group is still working with Pillar Oil, its JV partner and operator of the Umuseti/Igbuku Fields, to agree its definitive capital expenditure plans for those assets but currently anticipates that it will spend approximately US\$59 million in aggregate over the next two years as its contribution in respect of future development costs.

3.2 Pursue a focused acquisition and farm-in strategy; focus on maintaining a balanced portfolio of assets in Nigeria with development opportunities and potential for exploration in order to add value by increasing production and cash flows in the near term

The Group aims to acquire rights to further upstream assets in Nigeria—whether by acquiring new OMLs or entering into farm-in agreements—whilst maintaining a prudent balance sheet. It is actively seeking acquisition or farm-in opportunities. In particular, it intends to target assets with early production, cash flow and reserve replacement potential. An example of this strategy is the recent Umuseti/Igbuku Fields Investment, which is described in further detail in section 9.1.2 of this Part VI: “Letter from the Chairman and Information on the Group”.

The Group expects that regulatory developments encouraging the transfer of oil and gas assets from the international oil companies to Nigerian companies and the shifting focus of the international oil companies to off-shore assets will continue to lead to further acquisition opportunities in the Niger Delta. The Group believes it is well positioned to acquire additional blocks from international oil companies or local companies divesting their interests in the Niger Delta region or through government tenders, given its strong operational and technical track record, and is an attractive partner for both Nigerian and international companies interested in co-investing in some of the larger blocks that could be available to acquire. The Group also intends to develop new partnerships with local participants, especially through farm-in/farm-out agreements (for example, the Board’s intention to assign a portion of its participating interest in OML 53 subject to the CNL Assets Acquisition Completion), which is a standard method of reducing portfolio risk.

3.3 Take advantage of improving market conditions in order to monetise its significant existing (and any future) gas reserves over and above its domestic supply obligations (DSO) by selling to commercial ventures in Nigeria, such as the operators of power plants and manufacturing plants

Nigeria’s domestic gas market is currently undergoing significant changes, with increased demand and improving pricing dynamics. Until recently, gas produced by the Group was used solely to satisfy its ongoing DSO obligations. These DSO obligations are contracted under two new (GMP industry-standard) gas supply agreements, under which the Company has agreed to supply the Geregu (located near Oben) and Sapele power plants with approximately 130 MMscfd (80 MMscfd and 50 MMscfd respectively). The Company received an average price of US\$0.91/Mscf for its DSO gas during the course of 2013, which is scheduled to increase to US\$2.00/Mscf during the course of 2014. Thereafter the Company expects the DSO pricing to increase in line with commercial gas pricing in Nigeria.

The Group estimates that its gas reserve and contingent resource base in respect of OMLs 4, 38 and 41, on a gross basis, is 1,274,376 MMcf and 250,124 MMcf of gas for 2P and 2C respectively, of which 475 bcf is needed to meet the Company’s ongoing DSO obligations. The Group is therefore left with significant (2P and 2C) potential gas production uncontracted after fulfilling its DSO obligations and consequently it has targeted marketing this surplus gas to commercial off-takers at commercial rates of at least US\$3.00/Mscf. To date, the Company has entered into one gas sales agreement with a commercial off-taker (Southfield Petroleum) and is in the process of executing (subject to NPDC approval) agreements with Azura Power and Kaego Energy Limited/Virile Petroleum Limited at a minimum unit price of US\$3.00/MMbtu. It is also in discussions with a number of other potential commercial off-takers (more fully described at

section 7.2.4 below). As part of its five-year business plan, the Group has acquired a new-build gas plant, which is due to come online in Q1 2015 and which will increase gross capacity to deliver approximately 300 MMscfd of sales gas to the domestic market by the end of 2017 (with the option to fit three additional modules to expand aggregate gas production to 525 MMscfd in phase and in line with demand). The Company is also in discussions with various third-party independent oil and gas companies having assets located near the Company's gas infrastructure to utilise the Company's gas processing services at Oben.

The Group believes there is scope for significant expansion of its gas operations from acquired assets, including from the Umuseti/Igbuku Fields and (subject to the CNL Assets Completion) OML 53 (in particular, the Ohaji South Gas development, which is more fully described at section 8.7 below). DMCL has estimated that, as at 31 October 2013, the Group had working interest 2P gas reserves of 89,800 MMcf and 2C gas contingent resources of 637 MMcf from the Umuseti/Igbuku Fields, and 2C gas contingent resources of 222,561 MMcf from OML 53.

4. GROUP HISTORY

Key events in the Group's history are summarised below:

Date	Event
2009	
June	The Company is incorporated by Shebah Nigeria and Platform Nigeria
December	Etablissements Maurel et Prom agrees to make an equity and debt investment in the Company
2010	
January	Agreement for Assignment of a 45 per cent. participating interest in OMLs 4, 38 and 41 executed with SPDC, TOTAL and AGIP subject to satisfaction of certain conditions, including governmental and ministerial consents
July	Governmental and ministerial consents to the assignment of the 45 per cent. participating interest in OMLs 4, 38 and 41 and transfer of operatorship to the Company obtained and successful completion of the transaction
October	Successful transition of management and technical teams from SPDC; production increased; achieved 30 Mbpd (gross) during October 2010
December	Achieved average gross oil production of 22.7 Mbpd for the year ended 31 December 2010; global memorandum of understanding executed with local communities in the Niger Delta
2011	
February	Successful well intervention campaign and production increase
March	Refinancing of acquisition debt facility by a syndicate of African banks, including African Export-Import Bank, Skye Bank, United Bank of Africa and First Bank of Nigeria
June	Increase in debt finance commitments secured from existing and additional African banks for work-over programme and potential acquisitions
September	Start of extensive work-over programme
December	Achieved oil production target of 40 Mbpd (gross) during December 2011 and an average gross production of 31.4 Mbpd for the year ended 31 December 2011
2012	
February	Construction of liquid treatment facility started
May	Spudded first development well
June	Refinancing of acquisition debt facility by a syndicate of African banks, including African Export-Import Bank, Skye Bank, United Bank of Africa and First Bank of Nigeria
December	Completed Oben gas plant upgrade for WAGP specified gas; achieved average gross oil production of 33.1 Mbpd for the year ended 31 December 2012
2013	
January	Achieved oil production target of 50 Mbpd (gross); added 2P reserves of 9 MMbbl from the Okporhuru field

Date	Event
February	Signed an agreement with SPDC in connection with installation of the LACT Unit, which is expected to increase metering accuracy and reduce the reconciliation factor applied to volumes of crude oil transported through the Trans-Forcados Pipeline
April	Increased 2P reserves from Okporhuru field to 43 MMbbl
May	First oil achieved at Okporhuru
June	Agreement to acquire a 40 per cent. participating interest in the Umuseti/Igbuku Fields executed by Newton Energy with Pillar Oil; achieved oil production target of 60 Mbpd (gross)
November	Entered into the CNL Assets Consortium Agreement; agreed to conditionally acquire a 40 per cent. participating interest in OML 53 pursuant to the CNL Assets SPA
December	Executed the Quantum Power LOI and the Mercuria Off-take Agreement; first oil achieved at Orogho; achieved exit rate of 61.7 Mbpd (gross) and an average gross production of 51.4 Mbpd for the year ended 31 December 2013; spudded first exploration well

2014

February	Pioneer tax status confirmed
March	Pipeline to Warri refinery completed

5. SUMMARY OF KEY ASSETS

The Group currently has the following assets in its portfolio:

Licence	Operator	Surface area (km ²)	Year of allocation	Date of last renewal	Date of next expiry	Company's Interest (per cent.)	Partner's Interest (per cent.)
OML 4	SEPLAT	267	1960	1 July 1989	30 June 2019	45	NPDC-55
OML 38	SEPLAT	2,094	1962	1 July 1989	30 June 2019	45	NPDC-55
OML 41	SEPLAT	291	1962	1 July 1989	30 June 2019	45	NPDC-55
OPL 283 (Umuseti/ Igbuku Fields ⁽¹⁾)	Pillar Oil	1,226	N/A	28 March 2011	28 October 2028	40	Pillar Oil-60

Note:

(1) Acquisition of a 40 per cent. participating interest in the Umuseti/Igbuku Fields is subject to the consent of the Minister.

The Group has also recently entered into the CNL Assets SPA which is subject to the CNL Assets Acquisition Conditions. Upon the CNL Assets Acquisition Completion, the Group will add the following assets to its portfolio:

Licence	Operator	Surface area (km ²)	Year of allocation	Date of last renewal	Date of next expiry	Company's Interest (per cent.)	Partner's Interest (per cent.)
OML 53	TBC	1,556	1967	14 June 1997	14 June 2027	40	NPDC-60

5.1 OMLs 4, 38 and 41

The Company completed the acquisition of a 45 per cent. participating interest in Nigerian onshore OMLs 4, 38 and 41 from SPDC, TOTAL and AGIP on 31 July 2010. The remaining 55 per cent. participating interest in these OMLs was held by NNPC, which was transferred on 3 September 2010 to its affiliate NPDC following a restructuring of NNPC.

Prior to the acquisition of its 45 per cent. participating interest in OMLs 4, 38 and 41, militant activity in the Niger Delta had interrupted production for a 16-month period from November 2008 to April 2010. SPDC resumed production activities in April 2010 at a rate of approximately 3 Mbpd (gross). Following the acquisition, the Company successfully managed a return to oil production at each of the fields and has increased oil production from approximately 13.9 Mbpd (gross) in August 2010 to approximately 40 Mbpd (gross) in December 2011 and 61.7 Mbpd (gross) at 31 December 2013.

The Company is operator of OMLs 4, 38 and 41, which contain six developed fields (Oben, Amukpe, Ovhor Okporhuru, Orogho and Sapele), eight undeveloped fields and a 24" pipeline with approximately 144,000 bbls capacity (Amukpe-Rapele section).

The Company's facilities and equipment consist of three production sites located at the Oben, Sapele and Amukpe fields, two gas processing plants located at Oben and Sapele, a metering station at Rapele manifold capable of measuring 120,000 barrels of liquid per day, a barge located at Warri (originally intended for the Ovhor field but not currently deployed) which is able to process 90 Mbpd and 6 MMscfd of gas, a hydrocarbon evacuation system and the equipment necessary for the operation of these facilities (including pumps, compressors, generators and control instruments). This plant and machinery is more fully described below.

5.2 The Umuseti/Igbuku Fields

A description of the Umuseti/Igbuku Fields is set out at section 8.6 below.

5.3 OML 53

On 29 November 2013, the Company, AMNI and BelemaOil entered into a sale and purchase agreement with CNL to acquire a 40 per cent. participating interest in OMLs 52, 53 and 55 for total cash consideration of US\$800 million. In addition, the Company, AMNI and BelemaOil have entered into a consortium agreement pursuant to which they have agreed to allocate OMLs 52, 53 and 55 and the consideration owing to CNL between them so that: (i) the Company acquires a 40 per cent. participating interest in OML 53 for total cash consideration of US\$300 million; (ii) AMNI acquires a 40 per cent. participating interest in OML 52 for total cash consideration of US\$170 million; and (iii) BelemaOil acquires a 40 per cent. participating interest in OML 55 for total cash consideration of US\$330 million. The CNL Assets Acquisition is subject to the satisfaction of a number of conditions precedent, which include the consent of the Minister, and will, assuming satisfaction of the conditions precedent, have an effective date of 1 July 2013. The CNL Assets Acquisition is currently the subject of legal proceedings brought by Britannia U, an unsuccessful bidder for the CNL Assets, and the parties are currently unable to proceed further with the transaction as a result of an injunction obtained by Britannia U from the Nigerian Federal High Court in Lagos. Further details in respect of these legal proceedings are set out in Part VI: "Letter from the Chairman and information on the Group", section 15 of this Prospectus.

A description of OML 53 is set out in section 8.7 below.

5.4 OML Renewals

OMLs 4, 38 and 41 were all renewed for the first time on 1 July 1989 for a term of 30 years (that is, until 30 June 2019). OML 53 was renewed in 1997 for a term of 30 years (ending 14 June 2027). See Part II: "Risk Factors", section 1.22 of this Prospectus for a further description of the OML renewal process.

A request for renewal must be filed with the DPR at least 12 months prior to expiry of an OML. A file must be filed with the request, describing the project, its history, activities undertaken, rents and royalties, reserves, production and the attention paid to the environment and local population.

6. SUMMARY OF RESERVES AND RESOURCES

DMCL has produced two reports on the Group's reserves and resources, which are set out in Part XVIII: "Competent Person's Report on OMLs 4, 38 and 41" and Part XIX: "Competent Person's Report on the Umuseti/Igbuku Fields" of this Prospectus. DMCL has prepared its assessment of OMLs 4, 38 and 41 in the OMLs 4, 38 and 41 CPR and of the Umuseti/Igbuku Fields in the Umuseti/Igbuku Fields CPR as at 31 October 2013, and has reviewed and incorporated only field studies and data that were available up to that date.

DMCL has also produced a report, the OML 53 CPR, on the reserves and resources of OML 53 which is set out at Part XX: "Competent Person's Report on OML 53".

6.1 Reserves

6.1.1 OMLs 4, 38 and 41

DMCL has estimated in the OMLs 4, 38 and 41 CPR the proved, probable and possible reserves of SEPLAT's participating interest in OML 4 (the Oben field), OML 38 (the Amukpe and Okporhuru fields and a portion of the Ovhor field) and OML 41 (the Sapele and Okoporo fields and the remainder of the Ovhor field). The table below sets out DMCL's estimate in respect of OMLs 4, 38 and 41 of the Company's working interest in the oil, condensate and gas reserves as at 31 October 2013. This information has been extracted without material adjustment from the OMLs 4, 38 and 41 CPR which is contained in Part XVIII: "Competent Person's Report on OMLs 4, 38 and 41" of this Prospectus:

SEPLAT'S 45 per cent. working interest reserves as at 31 October 2013						
Field	Oil + Condensate (Mbbl)			Gas (MMcf)		
	Proved (1P)	Proved + Probable (2P)	Proved + Probable + Possible (3P)	Proved (1P)	Proved + Probable (2P)	Proved + Probable + Possible (3P)
OML 4						
Oben	20,657	30,694	38,140	193,993	413,522	479,543
OML 38						
Amukpe	347	539	719	395	612	817
Ovhor ⁽¹⁾	12,578	15,873	19,556	2,850	3,600	4,483
Okporhuru	9,482	19,207	25,313	15,736	22,403	26,587
OML 41						
Ovhor ⁽¹⁾	12,578	15,873	19,556	2,850	3,600	4,483
Sapele	12,422	18,466	27,234	99,467	129,581	154,322
Okoporo & Ubaleme . .	0	1,104	1,693	0	152	234
Total	68,064	101,756	132,211	315,291	573,470	670,469

(1) The Ovhor field straddles blocks OML 38 and OML 41. It is assumed, for the purposes of this table, that the field is split 50:50 between the two OMLs.

6.1.2 Umuseti/Igbuku Fields

The table below sets out DMCL's estimate in respect of the Umuseti/Igbuku Fields of Newton Energy's working interest in the oil plus condensate and gas reserves as at 31 October 2013. The Umuseti/Igbuku Fields Investment remains subject to consent of the Minister. This information has been extracted without material adjustment from the Umuseti/Igbuku Fields CPR which is contained in Part XIX: "Competent Person's Report on the Umuseti/Igbuku Fields" of this Prospectus:

Newton Energy's 40 per cent. working interest reserves as at 31 October 2013					
Oil + Condensate (Mbbl)			Gas (MMcf)		
Proved (1P)	Proved + Probable (2P)	Proved + Probable + Possible (3P)	Proved (1P)	Proved + Probable (2P)	Proved + Probable + Possible (3P)
4,220	9,723	17,263	46,957	89,800	140,688

6.2 Contingent Resources

6.2.1 OMLs 4, 38 and 41

Contingent resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies.

DMCL has estimated the contingent resources for the five producing fields (Oben, Amukpe, Ovhor, Okporhuru and Sapele) as well as the contingent resources associated with undeveloped discoveries in the Mosogar and Okwele fields located in OML 38 and the Ubaleme and Okoporo fields located in OML 41. The table below sets out DMCL's estimated contingent resources as at 31 October 2013. This information has been extracted without material adjustment from the OML 4, 38 and 41 CPR which is contained in

Part XVIII: “Competent Person’s Report on OMLs 4, 38 and 41” of this Prospectus. The table below gives a breakdown of contingent resources 1C, 2C and 3C.

Field	SEPLAT’s 45 per cent. working interest contingent resources as at 31 October 2013					
	Oil + Condensate (MMbbl)			Gas (Bscf)		
	1C	2C	3C	1C	2C	3C
OML 4						
Oben	4,305	5,710	7,081	5,190	28,579	32,680
OML 38						
Amukpe	—	1,181	1,331	—	20,896	23,540
Ovhor ⁽¹⁾	—	272	328	—	41	49
Okporhuru	—	—	—	—	—	—
Mosogar	—	—	2,322	—	—	1,103
Okwefe	—	2,773	4,897	—	2,477	5,850
Orogho	7,420	9,959	12,486	14,687	33,159	49,301
OML 41						
Ovhor ⁽¹⁾	—	272	328	—	41	49
Sapele	8,116	36,515	85,661	9,505	19,080	68,879
Okoporo & Ubaleme	—	3,785	4,908	—	420	541
Total	19,841	60,467	119,342	29,382	104,693	181,911

(1) The Ovhor field straddles licences OML 38 and OML 41. It is assumed, for the purposes of this table, that the field is split 50:50 between the two OMLs.

(2) Contingent resources quantities does not equate contingent resources with reserves. Contingent resources quantities cannot be compared directly to or aggregated with reserves.

6.2.2 Umuseti/Igbuku Fields

The table below sets out DMCL’s estimated contingent resources for the Umuseti/Igbuku Fields as at 31 October 2013. The Umuseti/Igbuku Fields Investment remains subject to consent of the Minister. This information has been extracted without material adjustment from the Umuseti/Igbuku Fields CPR which is contained in Part XIX: “Competent Person’s Report on the Umuseti/Igbuku Fields” of this Prospectus.

	Newton Energy’s 40 per cent. working interest contingent resources as at 31 October 2013	
	Oil + Condensate	Gas
	Mbbl	MMcf
1C	27	72
2C	288	637
3C	790	1,739

(1) Contingent resources quantities does not equate contingent resources with reserves. Contingent resources quantities cannot be compared directly to or aggregated with reserves.

6.2.3 OML 53

The table below sets out DMCL’s estimated contingent resources for OML 53 as at 31 October 2013. The CNL Assets Acquisition is subject to the CNL Assets Acquisition Conditions described at Part XVII: “Additional Information”, section 10.7.21 of this Prospectus. This information has been extracted without

material adjustment from the OML 53 CPR which is contained in Part XX: “Competent Person’s Report on OML 53”.

OML 53 40 per cent. working interest contingent resources as at 31 October 2013		
	Oil + Condensate	Gas
	Mbbl	MMcf
1C	11,971	86,485
2C	33,032	222,561
3C	52,507	416,622

(1) Contingent resources quantities does not equate contingent resources with reserves. Contingent resources quantities cannot be compared directly to or aggregated with reserves.

6.3 Prospective Resources

The Company has a substantial portfolio of exploration projects located in OMLs 4, 38 and 41. The Company has identified multiple prospects and leads across OMLs 4, 38 and 41, of which nine have been selected for further maturation in accordance with the Company’s five-year plan. DMCL has estimated in the OMLs 4, 38 and 41 CPR that the Company’s working interest (statistical aggregate of best estimate) prospective resources of crude oil from these nine prospects was 19,688 Mbbl as of 31 October 2013. Following the completion of ongoing geological studies, the Company spudded its first exploration well in December 2013 at Ogegere in OML 38 and is targeting the drilling of one exploration well per year after that.

7. OIL AND GAS PRODUCTION, TRANSPORTATION AND TAX

7.1 Oil production

7.1.1 OMLs 4, 38 and 41

The below table sets out the Company’s cumulative oil production from OMLs 4, 38 and 41 (per flow station) for the period August 2010 to 31 December 2013:

	Oil (Mbbl)	Water (Mbbl)
Oben	3,269	2,674
Sapele	3,879	5,754
Ovhor	12,718	6,462
Amukpe	106	294
Okporhuru	635	1
Orogho	6	0

Under previous ownership, production from OMLs 4, 38 and 41 was first commenced in May 1972 from Amukpe, followed by Sapele in August 1972, Oben in April 1974 and Ovhor in November 1993. Production from the three initial fields peaked in 1997 at approximately 58 Mbpd and was shut in for a period of 16 months from November 2008 to April 2010, when production restarted.

Gross oil production levels have increased since OMLs 4, 38 and 41 were acquired by the Company and it assumed operatorship of the assets, reaching 18.8 MMbbl for the year ended 31 December 2013, equivalent to an average daily rate of 51.4 Mbpd during the period. The Company achieved this through the work-over of wells, reactivation of previously shut-in wells and infill drilling.

In the short term, the Company is targeting gross production from its current producing fields to grow to approximately 73 Mbpd by the end of 2014 and approximately 85 Mbpd by end of 2016. To achieve this production growth, the Company has established a short-term work programme with an emphasis on performing infill drilling and drilling of new fields. In this respect, the Company has contracted the use of four rigs, which are currently in use, and plans to engage two additional rigs in Q1 2014. In 2014, the Company plans to drill additional infill wells at Oben, Sapele, Ovhor and Okporhuru, further appraise Orogho and continue studies on Okoporo and Ubaleme.

The table below sets out the Company's work programme since 2010, together with the average gross historic crude oil production (2010-2013):

<u>Year</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Work-over	0	2	10	5
New production wells	0	0	4	6
New appraisal wells	0	0	2	2
Gross average crude oil production (Mbpd)	22.7	31.4	33.1	51.4
Total gross production (MMbbl)	3.5	11.5	12.1	18.8

7.1.2 Umuseti/Igbuku Fields

The Group's working interest production from the Umuseti/Igbuku Fields for the period from 1 June to 31 December 2013 was 0.1 MMbbl of oil, equivalent to an average daily rate of 325 bopd.

7.2 Gas

7.2.1 Production

Natural gas production from the four producing fields during 2011 was 41.9 bcf, equivalent to an average daily production rate of 114.8 MMscfd, and during 2012 was 36.3 bcf, equivalent to an average daily production rate of 99.3 MMscfd. For the year ended 31 December 2013, gross production from OMLs 4, 38 and 41 was 36.2 bcf, equivalent to an average daily production rate of 99.0 MMscfd.

7.2.2 Gas Plants

The Group plans to invest approximately US\$350-400 million (part of which will be borne by its JV partner for OMLs 4, 38 and 41, NPDC) over the next four years to increase its gross capacity to deliver approximately 300 MMscfd of sales gas to the domestic market by the end of 2017. The Company has acquired a new build gas plant with a phase one capacity of 150 MMscfd for approximately US\$30 million. The gas plant is currently located in Abu Dhabi, United Arab Emirates, and is in the process of being reconfigured to meet Nigerian gas specifications. The gas plant's capacity can also be increased in two further phases by the addition of a 150 MMscfd capacity module and a 75 MMscfd capacity module respectively. The Company intends to operate the new gas plant through its subsidiary, SEPLAT Gas, and aims to achieve first commercial gas from the new gas plant by Q1 2015. The Company will also consider additional development of its gas production capacity in the long term when justified by economic conditions.

7.2.3 Flaring

Whilst Associated Gas (AG) is currently flared at all three stations (Oben, Sapele and Amukpe), SEPLAT aims to eliminate such flaring and redirect the AG for sale via either the Oben or Sapele gas plant. The Company has ordered new gas compressors for the Oben and Sapele gas plants in order to facilitate this. Additional conditioning will be required at Oben to meet export specifications for the West African Gas Pipeline ("WAGP"). Until the new gas compressors arrive and are installed, the Company is having its existing gas compressors at Oben refurbished and is considering rental units at Sapele to help reduce flaring. Gas produced at Amukpe will be captured within the Ovhor gas lift operations, with excess gas being piped to Sapele.

Further details on the Company's gas flaring operations, and issues arising therefrom, are discussed in detail at Part II: "Risk Factors", section 1.19 of this Prospectus.

7.2.4 Allocation

In 2008, the Nigerian government imposed an obligation on all operators in the gas and oil sector in Nigeria to set aside part of their production and gas reserves to supply gas to the local market. DSO gas was supplied at a legacy contract rate of US\$0.14/Mscf, although this was revised upwards during the course of 2012 pursuant to an agreement with Nigerian Gas Company Limited ("NGC") to a weighted average of US\$0.84/Mscf. During 2013, the average unit price paid to the Company by NGC was US\$0.91/Mscf.

The Company's DSO obligations are set out in its two gas supply agreements entered into on 21 February 2013 (one in respect of Oben and the other in respect of Sapele) between it and PHCN Geregu power

station and PHCN Sapele power station respectively. These DSO obligations amount to approximately 130 MMscfd, (i) 80 MMscfd to the power station at Geregu (delivered from the Oben field) and (ii) 50 MMscfd to the power station at Sapele (delivered from the Sapele field). Both the Geregu and Sapele power stations are in the process of being privatised, as a result of which the Company expects reliability and demand to improve.

Going forward, the Company plans to continue to meet only its minimum DSO obligations (i.e. 130 MMscfd) and market any surplus to independent off-takers, as higher unit prices can be achieved by the sale of gas to commercial off-takers. The Company will be left with significant (2P and 2C) potential gas production uncontracted after fulfilling the Company's ten-year DSO obligations in respect of OMLs 4, 38 and 41. Consequently, the Company has targeted marketing the surplus gas at commercial rates.

The Company has recently entered into one gas sale agreement, and is in the process of executing (subject to NPDC approval) two additional gas sales agreements, with commercial off-takers for delivery in 2017 or later at a minimum unit price of US\$3.00/MMBtu, more details of which are set out in Part XVII: "Additional Information", sections 10.7.23, 10.7.24 and 10.7.25 of this Prospectus.

7.2.5 Gas Master Plan

The Nigerian Gas Master Plan 2008 (the "GMP"), the implementation of which remains ongoing, is designed to establish a commercially viable domestic market for gas in Nigeria by providing better and more transparent pricing, suitable infrastructure and a contractual framework. More detailed information on the GMP is set out in Part VIII: "Regulatory and Legislative Framework in Nigeria", section 1.8 and Part IX: "Industry Overview", section 2.4 of this Prospectus.

7.3 Transportation

7.3.1 Trans-Forcados Pipeline

The oil extracted by the Company, in its capacity as operator on behalf of the OMLs 4, 38 and 41 JV, from the producing fields within OMLs 4, 38 and 41 is currently routed to the Forcados Terminal through the Rapele and Amukpe manifold. The Company uses its own pipelines to transport the oil through OMLs 4 and 41 to OML 38. The Oben—Amukpe pipeline transports the oil from the Oben field in OML 4, whilst the Sapele—Amuke pipeline transports the oil from the Sapele field in OML 41. From the centralised Amukpe manifold in OML 38, all oil is delivered to the pipeline manifold at Rapele via the 24" Amukpe-Rapele Trunk line. From this point, under the terms of the Crude Handling Agreement, SPDC is currently responsible for the transportation of the oil to the Forcados Terminal via its Trans-Forcados Pipeline. For further details on the Crude Handling Agreement see section 11.1 below.

As of 1 November 2012, SPDC assigned its interest in OML 30, which included a large portion of the Trans-Forcados Pipeline, to the Shoreline-NPDC Joint Venture. As a consequence of this assignment, NPDC, as operator of the assigned portion of the Trans-Forcados Pipeline, now manages the pipeline system for transportation of the Company's oil from OMLs 4, 38 and 41 from the injection point to the Forcados River manifold. The final section of the Trans-Forcados Pipeline from the Forcados River manifold to the Forcados Terminal is owned and operated by SPDC. The Company has recently started to provide additional assistance to NPDC in respect of the provision of security services along the stretch of pipeline from Rapele to the Forcados River manifold.

SEPLAT also transports PanOcean and NPDC crude oil stream through the manifold at Amukpe. This is governed by the Crude Transport Agreement. Pan Ocean/NPDC crude oil arrives at the manifold through a 10" pipeline.

The oil produced by the Company from OMLs 4, 38 and 41 is routed to the Forcados Terminal via the following oil pipeline network:

Pipeline	Operator	Diameter (inches)	Nominal capacity (Mbpd)*
Amukpe flow station—Amukpe manifold	SEPLAT	8	35
Oben—Amukpe	SEPLAT	10	54
Sapele—Amukpe manifold	SEPLAT	10	45
Amukpe manifold—Rapele manifold	SEPLAT	24	144
Rapele manifold—Forcados River manifold	NPDC	28	N/A
Forcados River manifold—Forcados Terminal	SPDC	28	N/A

Under the terms of the Crude Handling Agreement, SPDC was only obligated to provide crude handling services for “wet” crude oil injected by the Company until 1 January 2013. Crude oil qualifies as “wet” if its base sediment and water (“**BSW**”) content is 0.5 per cent. or more. The Company has constructed and is in the process of commissioning a liquid treatment facility (“**LTF**”) with a capacity of 100,000 barrels of liquid per day.

Once the LTF is fully operational, the resulting reduced BSW content will provide the Company with additional capacity for transporting its crude oil. Under the terms of the Crude Handling Agreement, the Company’s daily volume entitlement is currently 50,000 bbls of liquid, which can be exceeded by 20 per cent. (average over the course of the year) for an additional fee of US\$0.58/bbl. The Company is able to request increased daily volume entitlement in November of each year. However, given the increased cost associated with such a request and the potential additional capacity resulting from the LTF (described above), the Company does not envisage the need to make such a request in the near future. A full description of the Crude Handling Agreement between the Company and SPDC is set out in Part VI: “Letter from the Chairman and Information on the Group”, section 11.2 of this Prospectus and see section 7.3.3 below for a description of the Company’s backup oil evacuation options.

7.3.2 Metering

Under the terms of the Crude Handling Agreement, SPDC applies a reconciliation factor to amounts of crude oil injected by the Company at the Rapele injection point into the Trans-Forcados Pipeline in order to account for discrepancies between numerous third-party injectors’ own production estimates (which are affected by vandalism and theft occurring along the pipeline following injection) and the amounts of crude oil actually received by SPDC after processing at the Forcados Terminal. This reconciliation factor adjustment amounted to approximately 18.0 per cent. of the Company’s aggregate crude oil production for 2011.

Following the Company’s acquisition of a 45 per cent. participating interest in OMLs 4, 38 and 41, in accordance with the requirements set out in the Crude Handling Agreement, the Company invested in metering equipment to identify crude oil injected by the Company at the Rapele injection point into the Trans-Forcados Pipeline in order to reduce the reconciliation factor applied by SPDC. Under the SPDC JV’s ownership of the OMLs, no such equipment had been required. The installation of this metering equipment was completed in two stages.

Firstly, pending delivery of a permanent fiscal metering unit, the LACT Unit, temporary metering units were installed at the Amukpe and Sapele manifolds on 26 August 2010. Subsequent to this, SPDC acknowledged only a portion (rather than all) of the oil volumes recorded by the temporary metering units to allow for discrepancies based on the level of BSW in the injected oil. In addition, SPDC reduced the Company’s allocations of oil received at the Forcados Terminal by the amount of the discrepancy between: (i) SPDC’s own estimates of volumes of crude oil routed to the Forcados Terminal from its own fields and OMLs 4, 38 and 41; and (ii) the volumes of crude oil actually received after treatment at the Forcados Terminal. Consequently, during the year ended 31 December 2011, the average daily entitlement acknowledged by SPDC amounted to 25.7 Mbpd, compared to an average daily production based on well-head measurements taken by the Company of 31.4 Mbpd. For the year ended 31 December 2012, these figures were 29.4 Mbpd and 33.1 Mbpd respectively. For the year ended 31 December 2013, these figures were 51.4 Mbpd and 46.2 Mbpd respectively.

The second stage of the process, the installation of the permanent fiscal metering unit, the LACT Unit, was completed on 29 October 2011. The installation of the LACT Unit was confirmed at the time by the DPR, which then formally approved and certified the LACT Unit, with effect from 1 November 2011, on 12 June 2012. However, the installation and approval by the DPR of the LACT Unit was not initially accepted by SPDC and SPDC therefore continued to apply a reconciliation factor and BSW uplifts to crude oil volumes injected by the Company pending agreement between SPDC and the Company as the accuracy of the LACT Unit. Following discussions between the Company and SPDC, an agreement was signed between the parties on 27 February 2013 (the “**SPDC MOU**”).

Pursuant to the SPDC MOU, SPDC has re-credited the Company with all BSW and certain other deductions made since 1 November 2011 and the Company agreed to engage a third party to conduct a laboratory-based test of the accuracy of the LACT Unit. These tests have been completed satisfactorily and the LACT Unit has been found by the laboratory to be accurate within the required tolerances so that the reconciliation factor attributable to “metering inaccuracies” should no longer be applied by SPDC.

The Company considers that the improved accuracy and clarity provided by the LACT Unit to its injected volumes will diminish discrepancies between oil measurements carried out by the Company at the well head and those carried out by SPDC at the Rapele injection point and the Forcados Terminal. See Part XI: “Operating and Financial Review”, section 3 of this Prospectus for further information on the reconciliation factor applied by SPDC. The monthly reconciliation factor adjustment averaged approximately 10.1 per cent. for the year ended 31 December 2013.

7.3.3 Monitoring

As part of the Company’s support to NPDC along a section of the Trans-Forcados Pipeline, the Company intends to install a pilot ultra-sonic measurement meter at an injection point downstream of the Rapele injection point. The Company believes this will help to determine the extent of theft occurring along this portion of the pipeline and flush out any measurement inaccuracies and/or over-reporting by third-party injectors. NPDC has acknowledged that the Company has taken this measure and is working with the Company in its monitoring.

7.3.4 Backup Oil Evacuation Options

Given that the Group does not currently have any capacity to process its own crude oil production, it views it as important for it to have in place suitable alternative evacuation routes to the Trans-Forcados Pipeline in case of disruptions to that primary evacuation route, for example, caused by terminal shutdowns, vandalism and oil theft.

(a) Warri Refinery

The Company is currently in discussions with an oil refinery with a 100 Mbpd capacity, which is owned and operated by NNPC and located at Warri, to purchase and route a portion of SEPLAT’s crude oil production to the refinery. The refinery will also allow the Company to mitigate the effects of any periods of Trans-Forcados Pipeline disruption downstream from the Rapele manifold, by diverting a sizeable portion of its production during such periods to the refinery.

The Company has recently constructed a new 12” pipeline to the Warri refinery with a capacity of 100 Mbpd to the Warri refinery. On 12 March 2014, the Company signed a memorandum of understanding with Warri Refining and Petrochemical Company Limited, which allows the Company to pump crude oil into the new pipeline during the commissioning period. The cost of the new pipeline is approximately US\$10 million, which includes an additional LACT Unit. SEPLAT is negotiating a crude oil swap (barrel for barrel) with NNPC for the crude oil supplied to the refinery to be reallocated to SEPLAT at the Forcados Terminal from NNPC’s crude oil allocation. The Warri refinery also has storage tanks with a capacity of 400,000 barrels.

(b) Amukpe Storage Tanks

The Company has begun work on a 100,000 barrel storage facility at Amukpe. The tanks will provide storage for condensate and crude oil production during any period of Trans-Forcados Pipeline outage for reasons of terminal shutdowns, vandalism and oil theft. The new storage tanks are due for completion by the end of 2014.

7.3.5 Umuseti/Igbuku Fields

There is a group gathering facility (GGF) at Midwestern’s Umusadege field into which five companies, Pillar Oil, Platform Nigeria, Midwestern, Energia and Chorus, inject their produced crude oil. Crude oil from the Umuseti field is delivered via pipelines operated by Platform Nigeria, metered at the GGF and then routed via a 16 km pipeline to AGIP’s Kwale facilities before being exported to the Brass terminal. Pillar Oil has crude handling agreements in place with Midwestern and AGIP. The Pillar Oil crude and condensate is sold at the Brass blend price which currently trades at approximately US\$2.30 bbl above the Brent oil market price.

As mentioned above, Pillar Oil is in the final stages of installing two 20,000 bbl storage tanks in Umuseti, which are expected to be completed during the first half of 2014. This is intended to act as a short-term provision for production when the main AGIP export line is down for any reason. An alternative export route is also being developed independently by Midwestern as a means of reducing production interruption risks. Midwestern has negotiated a crude handling agreement with SPDC and has started the

construction of a 54 km export pipeline to tie into SPDC's export facilities at Bonny. When completed, Pillar Oil expects to also use this route as an alternative to the AGIP export facility.

7.3.6 OML 53

Oil production from the Jisike field is currently combined with Addax's production from OML 124 at their Izombe flow station and then transported via a 6" pipeline 23 km to NAOC's Ebocha flow station. From there it joins NAOC's 100 km pipeline to the Brass terminal for export.

7.4 Off-take

7.4.1 Shell Trading

All crude oil allocated to the Company and delivered to the Forcados Terminal under the Crude Handling Agreement is sold to Shell Trading under the terms of the Off-take Agreement, which expires on 31 July 2015. Delivery of oil is carried out on a monthly basis and is FOB from the Forcados Terminal to Shell Trading's nominated tanker.

The Company provides quarterly forecasts of its estimates of the maximum monthly oil production to be delivered. At least 14 calendar days before the delivery date, Shell Trading provides details of the vessel to be used, including deadweight tonnage and expected arrival date. For further details on the Off-take Agreement see section 11.2.1 of this Part VI below.

7.4.2 Mercuria

On 17 December 2013, the Company entered into the Mercuria Off-take Agreement in relation to a long-term crude off-take contract for a period of five years which relates to any crude oil which is not purchased by Shell Trading under the Off-take Agreement between the Company and Shell Trading, which expires on 31 July 2015. The Mercuria Off-take Agreement is more fully described at Part XVII: "Additional Information", section 10.7.18 of this Prospectus.

7.5 Tax

Royalties are 20 per cent. of crude oil produced, calculated on a field-by-field basis in accordance with the Company's concession agreements, while royalties are 7 per cent. of natural gas revenues. Royalties are recorded as part of the cost of sales in the Company's statement of comprehensive income.

From its formation until 31 December 2012, the Company benefited from the new entrant tax rate of 65.75 per cent. of taxable crude oil profits under the Petroleum Profits Tax Act, calculated as revenues less royalties, non-capital costs, capital depreciation and an investment tax allowance. Taxable profits on natural gas production were taxed at a corporate income tax rate of 30 per cent. and an education tax was paid at a rate of 2 per cent. of the Company's assessable profits.

Effective 1 January 2013, the Company was granted the pioneer tax status incentive by the Nigerian Investment Promotion Commission for a five-year period, during which time the Company is exempt from petroleum profits tax on crude oil profits, corporate income tax on natural gas profits and education tax. The applicable crude oil tax rate for the Company under the Petroleum Profits Tax Act will increase to 85 per cent. on 1 January 2018. Newton Energy was also granted pioneer tax status for a five-year term effective 1 June 2013. Should the Company acquire additional assets in Nigeria and structure the acquisition in an appropriate manner, the reduced tax rate of 65.75 per cent. may apply to the taxable profit generated by such additional assets.

Net qualifying expenditures on capital expenditures incurred during the pioneer period are accumulated and qualify for initial and annual allowances effective 1 January 2018, while any losses incurred by the Group during the pioneer period, when certified, may be utilised after the pioneer period. The Group may have unutilised capital investment allowances in any year after the pioneer period which it can use to offset future taxes up to an annual limit. Capital expenditure is claimed back over a five-year period. The annual capital allowance rate is 20 per cent. for the first four years and 19 per cent. for the fifth year. As at 31 December 2013, the Company had approximately US\$256.0 million of unutilised capital allowances that are available to offset future taxes. In addition, taxation instalments paid during 2013 of US\$28.7 million shall be carried forward as a tax credit and utilised in 2018.

The Company is required to pay the NDDC levy currently set at 3 per cent. of budgeted expenditures. The Company also remits other levies, the most significant of which include OML rents. See also

Part VIII: “Regulatory and Legislative Framework in Nigeria” and Part XVI: “Taxation” of this Prospectus.

8. DESCRIPTION OF OPERATIONS

8.1 Regional geology—Niger Delta

OMLs 4, 38 and 41 lie in the onshore Niger Delta region of Nigeria. The Niger Delta is a prolific, oil and gas prone sedimentary basin that includes the onshore, margin and deep water areas. The onshore part of the basin is divided into several different depositional fairways that are characterised by slightly different geology: Northern Depo-belt; Greater Ughelli Depo-belt; Central Swamp Depo-belt; and Coastal Swamp Depo-belt. OMLs 4, 38 and 41 are located in the Northern and Greater Ughelli Depobelts.

The Niger Delta basin has a world-class petroleum system that extends from the onshore delta across the continental shelf and into the deep water marine environment. The system is comprised of mature source rocks, high-quality reservoirs and efficient migration pathways along high-permeability carrier beds and fault networks. Onshore, the primary hydrocarbon trapping mechanism is structural dip closure formed by extensional growth faulting.

8.2 Reservoir geology

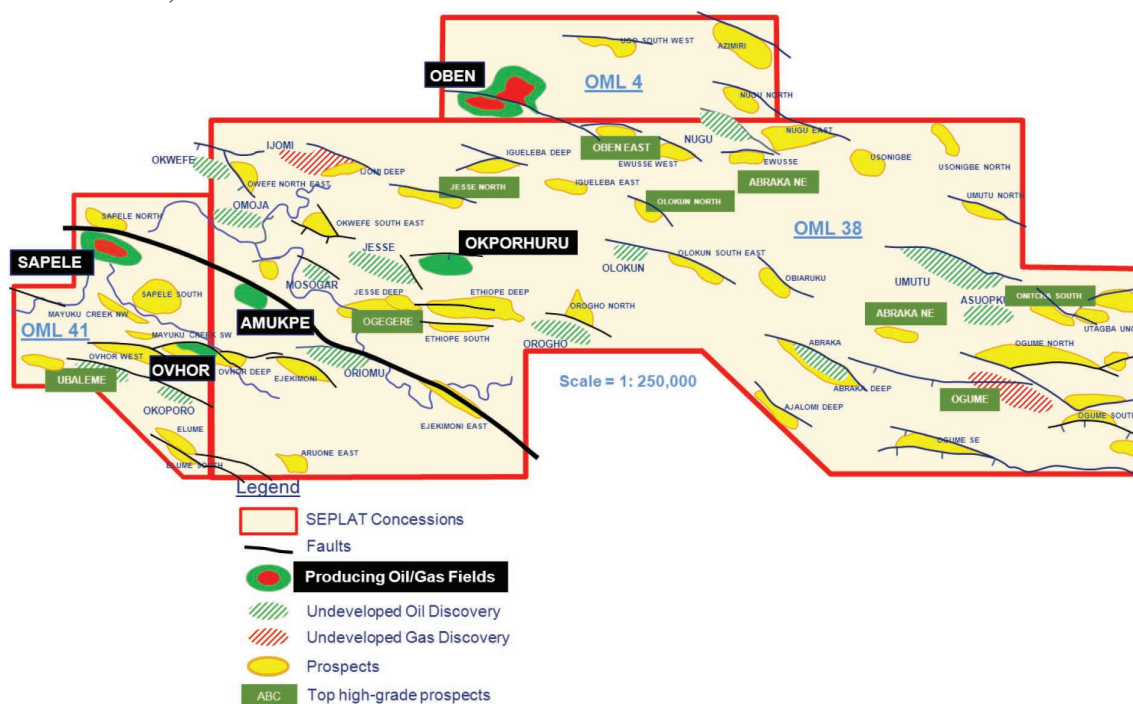
One of the critical factors for hydrocarbon prospectivity is the existence of source rocks with enough overburden to bury these rocks to sufficient depth to allow hydrocarbon generation. Many areas along the West African margin have high-quality source rocks but not enough overburden to allow the source rocks to generate oil or gas. However, in the Niger Delta, continued sedimentary deposition at the margin has allowed source rock maturation and hydrocarbon generation.

Samples from several drilled wells in the Niger Delta have been analysed for their source rock properties. The most effective source rocks are pro delta marine shales. The main marine shale which has been identified as the source for oil generation in the Niger Delta is named the Akata Formation.

The Akata Formation is overlain by the Agbada Formation which contains the main reservoir unit. The Agbada consists of interbedded sands and shales with many of the younger sands being mainly unconsolidated. The reservoir quality of the sandstones is good to very good with porosities often above 20 per cent. and typical hydrocarbon saturations from 70-90 per cent. Permeabilities can range from several hundred to thousands mD.

Two different crude types are present in the Niger Delta: a light crude, which is characteristically light, paraffinic and waxy, and a medium non-waxy crude with an API of less than 26°. A total of nine 3D seismic surveys were acquired and processed over OMLs 4, 38 and 41 with total survey coverage of 3,300km². The surveys were completed between 1989 and 2000.

The following map shows the location of the fields in OMLs 4, 38 and 41 (with discovered oil and gas resources shaded).



8.3 OML 4 (Oben field)

8.3.1 Overview of oil mining licence 4

Licence type	Exploration, Development and Production
Hydrocarbon classification	Reserves and contingent resources
Product	Oil, condensate and gas
Area	267 km ²
Licence expiry	30 June 2019
Reservoir	Tertiary-age; mostly shoreface sands
Technical data available	3D seismic data
Active wells	16 oil wells and 4 gas wells

8.3.2 Background of OML 4

OML 4, located in the State of Edo in south-western Nigeria, covers an area of 267 km². The block is located 78 km northeast of Warri, Delta State. OML 4 previously formed part of the SPDC JV acreage awarded in 1960. The licence was renewed in 1989 for a further 30 years expiring on 30 June 2019. The Oben field is the only producing field in OML 4. Okporhuru and Orogho fields, which are located within OML 38 and are at different stages of development, both will produce to the Oben flow station.

8.3.3 Field technical background for OML 4

(a) Oben field

The Oben field was discovered in 1972 and put into production in April 1974. Production peaked at just under 40 Mbpd in May 1985. 3D seismic data were completed over the field in 1998. Since first production, oil and gas has been produced from 17 reservoirs, with current production derived from 11 of these reservoirs.

(i) Details of exploration and appraisal wells drilled to date

Well	OML	Date drilled	Result
Oben-1	4	1972	Oil discovery
Oben-12 (ex-Oben North-1)	4	1973	Oil discovery
Elegbe-1	4	1987	Oil discovery

(ii) **2D and 3D seismic data acquired**

The Oben 3D seismic survey covers OML 4. It has an area coverage of 340km² of full fold coverage and the data was acquired between 1998 and 1999 and processed in 1999.

(iii) **Results of well and field study data**

The table below summarises the exploration and appraisal activities carried out over the OML 4 licence history since its discovery:

Date	Activity
1972	Oben-1 exploration well drilled—Oben field discovery
1973	Oben-12 exploration well drilled—in another block
1987	Elegbe-1 exploration oil discovery well

8.3.4 Infrastructure located in OML 4

The current infrastructure consists of a flow station at Oben with a design capacity of 60 Mbpd; oil pipeline infrastructure to the Amukpe manifold and a non-associated gas processing plant with a capacity of 90 MMscfd. The gas plant exports gas to the Nigerian gas network via the ELPS. Oil export from the Oben flowstation is via the Oben-Amukpe pipeline to the Amukpe manifold and on to Forcados Terminal via the Amukpe-Rapele and Rapele-Forcados trunk lines.

The existing AG solution for the Oben field is provided by an NGC-owned 32 MMscfd gas compressor station that is leased by the Company. The four existing gas compressors are close to obsolete; SEPLAT has secured three new compressors with a capacity of 30 MMscfd. The new compressors will be owned and maintained by SEPLAT on behalf of the OMLs 4, 38 and 41 JV. There are 25 oil and four NAG wells and several flowlines connecting the reservoirs to the flowstation and gas plant.

The NGC compressor station exports its gas into the local Oben-Sapele NGC grid that is connected to the Sapele power plant and the Ajaokuta steel mills. The Oben gas plant also supplies the local NGC grid and is connected to the ELPS, which is now connected to the WAGP.

Production operations are supported from the Oben field logistics base located near the cluster of the three production facilities. Condensate from the NAG is routed to the flowstation and combined with the oil. The gas plant also has facilities for direct export of condensate into the Oben-Amukpe delivery line.

The table below shows a summary of the main facilities in OML 4.

Facility	Installed equipment	Additional Information
Oben flow station	- Two 30 Mbpd gas/liquid separation trains (HP, LP). - Two 30 Mbpd surge vessels. - Utilities include flares, fuel gas, instrument air and power generation.	- Standard flowstation design based on a GOR of 1,000 scf/bbl. - HP and LP gas exported to Oben NGC compressor station. 30 oil wells, 54 strings and 54 flowlines.
Oben NGC AG Compressor Station	- Four 2-Stage 8 MMscfd reciprocating compressors, 2 inlet scrubbers, dehydration system (glycol absorption with glycol regeneration), hydrocarbon dew point (refrigeration system). - Utilities include fuel gas instrument air, and power generation.	- Installed capacity 32 MMscfd and all nearly obsolete. - Current capacity: 8 MMscfd—one AG compressor out of four refurbished. SEPLAT plans to replace these by Q1 2014 with three 10 MMscfd capacity compressors on the OMLs 4, 38 and 41 JV property. - HP and LP gas received from Oben flowstation.

Facility	Installed equipment	Additional Information
Oben Gas Plant	- Two trains of 45 MMscfd NAG treatment facilities (free liquid knock out vessel, Joule Thompson valve, low temperature separator, gas/gas heat exchanger, clarifier and glycol regeneration system). - Utilities include flares, fuel gas instrument air, corrosion inhibitor injection and power.	- Facility designed for the installation of two additional modules. - SEPLAT has entered into an agreement for the purchase and installation of a new build 150 MMscfd design capacity gas processing plant. - Four wells with four strings and three flowlines. - Gas plant is supplied by three wells (26T, 28T and 34T).
Pipelines and manifolds . .	8" 0.6 km Oben flowstation—Oben manifold 10" 23 km Oben-Amukpe trunk line - Oben manifold - Oben tie-in	The Oben-Amukpe trunk line connects to the 24" Amukpe-Rapele trunk line that evacuates to the Forcados Terminal.
Oben Field Logistics Base .	25-room accommodation with restaurant, recreation and office facilities.	

(a) Oben flow station

The Oben flow station was commissioned in 1974. It is built on a sand-filled area of about 70 m by 90 m. The primary function of the flow station is to receive hydrocarbon fluid from oil wells, separate the incoming fluid into liquid (oil and water) and gas and supply stabilised crude oil together with produced water to the Forcados Terminal. The flow station is designed primarily with two 30 Mbpd gas-liquid separation trains. Each train provides two-stage gas-liquid separation through an HP separator, LP separator and the surge vessel. In addition to these trains, there is a test separator for routine statutory well test activities.

De-gassed liquids from the surge vessels are pumped into the oil export pipeline. The station has nine pump bays that were originally designed for National reciprocating pumps but modified for Sulzer centrifugal/EMSCO pumps in the 1990s. There are currently three 12 Mbpd capacity EMSO (G342 caterpillar driven) and one National J275 (also with a G342 engine) pumps provided for the facility. A fifth pump has been ordered (as a back-up pump) for reliability purposes. Three positive displacement metering trains each with a capacity of 28 Mbpd provide export liquid metering. Following its acquisition of a 45 per cent. participating interest in OMLs 4, 38 and 41, SEPLAT installed a quality loop which comprises an autosampler and online BSW analyser. A flare system is provided and it includes a flare liquid knock out drum with a pump for return of liquids to the surge vessel and two horizontal Boskel flares. Each flare stack has a capacity of 20-30 MMscfd.

(b) Oben NGC gas compressor

The NGC gas compression station was installed near the Oben flow station to provide an AG solution. The Oben NGC station is designed to export gas into the NGC owned Oben-Sapele pipeline system. The Oben-Sapele pipeline NGC grid supplies the Sapele PHCN power plant at Ogorode. The Oben-Ajaokuta pipeline was later added to the system to supply gas to the Ajaokuta steel plant. The Oben NGC compressor station receives HP and LP AG from the Oben flowstation and treats the gas for export into the NGC grid. There are four main equipment systems at the station and these are the gas scrubbers, the compression system, the dehydration system and the hydrocarbon dew pointing system. Other systems include the metering skids and various utilities.

(c) Oben gas plant

The Oben gas plant was commissioned in December 1982, with an installed capacity of 90 MMscfd. The plant was initially designed to supply the Oben-Sapele NGC node, which in turn supplies the Sapele power plant at Ogorode and the Ajaokuta steel plant. The Oben gas plant was substantially upgraded during the course of 1995-96 to improve its technical integrity and increase its export discharge pressure in order to supply the ELPS. This plant was recently upgraded to meet WAGP specifications. See above section 7.2.2 for additional information on the Company's plans to acquire and install new gas plants.

(d) Pipelines

Transportation of production from Oben is via the 8" Oben-Oben manifold delivery line, to the 10" Oben-Amukpe trunk line, the 24" Amukpe-Rapele trunk line and the 28" Rapele-Forcados trunk line. The Amukpe-Rapele trunk line also carries a third party's crude oil in line with the Crude Handling Agreement. The original 26.3 km 10" Oben manifold to Amukpe trunk line was commissioned in 1974. In 2002 a new line of 0.62 km in length was installed as a replacement. This pipeline has a design pressure of 75 bar and a maximum operating pressure of 60 bar. It is constructed from carbon steel pipeline.

8.3.5 Operations update for OML 4

Total working interest oil production for the year ended 31 December 2013 was 1.5 MMbbl and working interest gas production was 7.9 bcf, equivalent to an average daily production for the period of 4.2 Mbpd and 21.6 MMscfd, respectively.

8.3.6 Field development plan and outlook for OML 4

One work-over was completed in Oben in 2011, with six more work-overs on wells Oben 8, 15, 20, 22 and 31 completed in 2012. One infill well (Oben 36) was also successfully delivered in 2012. The Company in 2013 continued its development activities for Oben by executing two work-overs (Oben 26 and Oben 28) and spudding one infill well (Oben 37).

8.4 OML 38 (Amukpe and Ovhor producing fields and Mosogar, Okporhuru and Jesse discoveries)

8.4.1 Overview of oil mining licence 38

Licence type	Exploration, Development and Production
Hydrocarbon classification	Reserves and contingent resources
Product	Oil and gas
Area	2,094 km ²
Licence expiry	30 June 2019
Reservoir	Tertiary-age; mostly shoreface sands
Technical data available	3D
Active wells	16 oil wells

8.4.2 Background of OML 38

OML 38, located in the Delta State in south-western Nigeria, covers an area of 2,152 km². It contains, in particular, the producing fields of Amukpe and Ovhor, and the discoveries of Mosogar, Orogho and Okporhuru.

8.4.3 Field technical background for OML 38

(a) Amukpe producing field

The Amukpe field, which lies about 48 km north-west of Warri, Delta State, was discovered in 1970 and came into production in 1972. The field sits on partially swamp to partially dry terrain of light bush and forest. A total of four oil-bearing sands and five gas-bearing sands were encountered at depths of between 8,750 and 11,418 ftss. The Amukpe field has three producing strings.

(b) Ovhor producing field

The Ovhor field, which lies about 6 km southwest of Amukpe and 60 km northwest of Warri, Delta State and straddles OMLs 38 and 41, was discovered in 1991 and came on stream in November 1993. Production peaked at approximately 25 Mbpd in January 2006.

(c) Okporhuru discovery

Okporhuru was discovered in 1982 by discovery well OKRU-1 which encountered light oil between 8,834 ftss and 10,687 ftss (true vertical depth subsea—TVDss). Appraisal well OKRU-2 was drilled in 1984 to confirm this discovery but found water and was plugged and abandoned. A second appraisal well OKRU-3 was drilled in-between OKRU-1 and OKRU-2 in 1989 thus confirming the presence of fluids. 3D seismic was acquired in 1996 for this discovery.

(d) Mosogar discovery

Mosogar was discovered in 1974. Two wells have been drilled (MOSO-1, MOSO-2), both in 1974. Mosogar is located approximately 50 km north of Warri and east and northeast of the Sapele and Amukpe fields respectively. The Mosogar discovery contains hydrocarbons logged between 375 ftss and 11,150 ftss (TVDss), with seven zones reported as oil-bearing and one as gas-bearing.

(e) Orogho discovery

The Orogho field is located 20 km south of Oben and was discovered in 1988 by the Orogho-1 exploration well. Subsequently Orogho-2 and 3 were drilled to appraise the field, with Orogho-4 drilled as a relief well to contain the blowout experienced by Orogho-3. The Orogho field contains hydrocarbons logged between 8,600 ftss and 12,300 ftss, in 32 intervals (10 oil-bearing, 17 gas-bearing, 5 oil and gas bearing reservoirs).

(f) Jesse discovery

JESSE-1 exploration well was drilled in 1970 to a total depth of 12,801 ft. The well encountered 29 ft NOS and 143 ft NGS in 10 intervals between 10,000 ft and 12,800 ft. Preliminary views on the field classified Jesse as a gas field; however the gas cannot be classified as non-associated gas in view of the GDT situation in most of the gas-bearing reservoirs. After detailed study, future appraisal may be required to better define the limits of hydrocarbon and possibility of oil rim below the gas.

(i) Details of exploration and appraisal wells drilled to date

Well	OML	Date drilled	Result
Ethiope-1	38	1958	Dry hole
Ogume-1	38	1960	Oil shows
Abraka-1	38	1966	Oil shows
Aruone-1	38	1969	Dry hole
Amukpe-1	38	1970	Oil discovery
Jesse-1	38	1970	Dry hole
Ogume-2	38	1970	Oil and gas discovery
Ijomi-1	38	1970	Dry hole
Olokun-1	38	1971	Oil discovery
Iguelaba-1	38	1972	Dry hole
Okporhuru-1	38	1982	Oil and gas discovery
Ajalomi-1	38	1983	Dry hole
Okporhuru-2	38	1984	Oil and gas discovery
Orogho-1	38	1988	Oil discovery
Okporhuru-3	38	1989	Oil and gas discovery
Okwefe-1	38	1989	Oil and gas discovery
Oriomu-1	38	1991	Oil discovery
Ovhor-1	38	1991	Oil discovery
Omoja-1	38	1996	Oil and gas discovery
Ogiti-1X	38	2005	Dry hole
Orogho-2	38	1990	Oil and gas discovery
Orogho-3	38	1992	Oil and gas discovery
Orogho-4	38	1993	Oil and gas discovery

(ii) 2D and 3D seismic data acquired

A total of six 3D seismic surveys were acquired over OML 38: Orogho survey (210 km²) in 1989, Central survey (750 km²) in 1997, Abum survey (505 km²) in 1998, Adan survey (350 km²) in 1998, Ethiope River survey (440 km²) 1999 and Ocha survey (176 km²) in 2000.

(iii) Results of well and field study data

The table below summarises the exploration and appraisal activities carried out over the OML 38 licence history since its discovery:

Date	Activity
1970	Exploration well spudded—Amukpe field discovered
1991	Exploration well spudded—Ovhor field discovered

8.4.4 Infrastructure located in OML 38

The current infrastructure is in the western part of the OML with a flow station located at Amukpe with a capacity of 45 Mbpd. These facilities treat production from both the Amukpe and part of the Ovhor fields. Liquids (oil and water) from the Amukpe flowstation are evacuated to the Forcados Terminal where the water is separated from the oil and the dry crude is exported. Following SEPLAT's acquisition of its 45 per cent. participating interest in OMLs 4, 38 and 41, it installed a quality loop, which comprises an autosampler and online BSW analyser.

Facility	Installed equipment	Additional Information
Amukpe flow station	• 45 Mbpd facility with one train of HP, LP, SV and an additional LP vessel. • Utilities include flares, fuel gas instrument gas and power generation. • Two 20 Mbpd (initially procured for the LTF) and four 8 Mbpd export pumps.	• Standard flow station design based on a GOR of 1,000 scf/bbl. • Receiving oil from: - two oil wells (three strings) via three flowlines from Amukpe field. - eight oil wells (13 strings) from the Ovhor field via the Ovhor manifold.
Liquid treatment facility . .	• 2 pc three phase separator vessel (50 Mbpd gross liquid per separator). • 6 pc mono booster pumps. • 2 Hydro cyclone units. • 2 pc produced water surge tanks (1220 m³ each). • 5 pc produced water injection pumps. • 2 × 20 Mbpd crude oil export pumps (currently tied to Amukpe flowstation).	
Pipelines and manifolds . .	• 8" × 0.24 km Amukpe flow station—Amukpe manifold. • 24" × 35 km Amukpe manifold to Rapele manifold/LACT unit trunkline. • 10" Oben Manifold to Amukpe Manifold delivery line. • 10" Sapele to Amukpe Manifold delivery line.	• Gathering manifold for all production from Oben, Sapele, Amukpe flow stations and Pan Ocean-NPDC commingled crude.

Facility	Installed equipment	Additional Information
	10" PanOcean to Amukpe Manifold delivery line (Third-party injector).	
Field logistics base	Personnel will be accommodated along with their OML 41 operations' colleagues in the new field base located near Sapele facilities.	

(a) Amukpe Flow Station

The flow station was commissioned in 1972 and is built on a land area of about 61 m by 57 m. The primary function of the flow station is to receive hydrocarbon fluid from oil wells, separate the incoming fluid into liquid (oil and water) and gas and supply stabilised crude oil along with produced water to the Forcados Terminal. The station capacity was upgraded to 45 Mbpd in 2012.

(b) Liquid Treatment Facility (LTF)

SEPLAT is in the final stage of commissioning the LTF at Amukpe, which is located adjacent to the flow station. Liquids production from Oben and Sapele will be re-routed from Amukpe manifold along with liquids from Amukpe flow station to the LTF. The LTF is designed to separate out oil from water for all three flow stations (Oben, Sapele and Amukpe), and it has a design capacity of 100 Mbpd gross liquid. The dehydrated crude will be exported via the existing Amukpe flow station export pumps for transportation to the Forcados Terminal via the existing Amukpe-Rapele pipeline, while separated water will be re-injected into recompleted disused production wells via 4" flowlines. Two water re-injection wells have been drilled to receive water from the LTF.

Three new short 10" delivery lines have been completed which run between the Amukpe manifold to the LTF to serve the new plant. Two of these lines will deliver Sapele and Oben wet crude oil to the LTF for dehydration, while the third line will transport dehydrated crude from the LTF back to the Amukpe manifold en-route to the Forcados Terminal. The Amukpe flow station is connected via an 8" line to the adjacent LTF.

The main equipment installed at the LTF includes:

- 2 pc three phase separator vessel (50 Mbpd gross liquid per separator);
- 6 pc mono booster pumps;
- 2 Hydro cyclone units;
- 2 pc produced water surge tanks (1,220 m³ each); and
- 5 pc produced water injection pumps.

(c) Wells, Wellheads and Flowlines

Three oil wells have been drilled in the Amukpe field. Two of the wells have been converted for produced water disposal as part of the LTF development, while the third is currently in production.

(d) Pipelines/Manifold Stations

Liquids (oil and water) from the Amukpe flow station are evacuated to the Forcados Terminal via the 8" Amukpe-Amukpe manifold delivery line to the 24" Amukpe-Rapele Trunkline and the 28" Rapele-Forcados trunkline. The Amukpe flow station to Amukpe manifold delivery line was commissioned in 1972. It is a short 8" 0.24 km line which links the flow station to the Amukpe-Rapele trunk. The Amukpe manifold is a major-tie in location on the Trans-Forcados Pipeline network.

The following pipelines tie in at the manifold:

Inlet:	• 8", 0.24 km Amukpe flow station to Amukpe manifold delivery line • 10", 26.3 km Oben manifold to Amukpe manifold delivery line • 10", 15.18 m Sapele to Amukpe manifold delivery line • 10", PanOcean to Amukpe delivery line, operated by PanOcean
Outlet:	• 24", 35.48 m Amukpe manifold to Rapele manifold trunkline

8.4.5 Operations update for OML 38

Total working interest oil production for the year ended 31 December 2013 was 3.0 MMbbl, equivalent to average daily production rate for the period of 8.2 Mbpd.

8.4.6 Field development plan and outlook for OML 38

(a) Ovhor gas lift

This project is designed to provide artificial lift in the Ovhor field for improved recovery. The installation of gas lift mandrel was successfully completed in April 2013 for three wells identified for the project. The project is estimated to cost US\$56.2 million, which covers the well engineering activities, provision of compression system and flowlines. The Company expects this project to be operational by Q3 2014.

(b) Ovhor additional bulklines

In late 2012, as a result of integrated production system studies, the Company decided to install additional bulklines in Ovhor to remove an apparent flow constraint between the Ovhor manifold and the flow stations. The project was delivered in January 2013.

(c) Mosogar discovery

The Company is planning to drill a new appraisal/development well in 2014/2015 in the Mosogar field and, subject to further field development studies, start production in 2016.

(d) Okporhuru field

The Okporhuru field was successfully appraised in January 2013. The field was brought into production in May 2013. This is the first new field to be brought into production by the Company. The Company has drilled one more development well and another is currently under construction. As at 31 December 2013, four wells have been completed in the Okporhuru field, while a fifth is at an advanced stage of construction. Four bulklines are expected to provide ullage for the Okporhuru field and adjacent fields. The first phase of the project, which is delivering production from the first two wells, had a budget of US\$11.1 million. The third and fourth wells were brought into production in Q3 2013.

(e) Orogho field

The current development plan for Orogho field involves the completion of two existing wells and drilling five new wells to develop both oil and gas. The field was brought into production in December 2013.

8.5 OML 41 (Sapele field, Ovhor field and Ubaleme and Okoporo discoveries)

8.5.1 Overview of oil mining licence 41

Licence type	Exploration, Development and Production
Hydrocarbon classification	Reserves and contingent resources
Product	Oil, condensate and gas
Area	291 km ²
Licence expiry	30 June 2019
Reservoir—Amukpe	Tertiary-age; mostly coarsening upwards and channel sands
Reservoir—Ovhor	Tertiary-age; shallow marine; mostly shoreface sands
Technical data available	2D and 3D
Active wells	26 oil wells and 1 gas well

8.5.2 Background of OML 41

OML 41 is located about 50 km from Warri, Delta State in southwestern Nigeria and covers an area of 291 km². OML 41 contains two oil producing fields, Sapele and Ovhor, and two discoveries with contingent resources, the Ubaleme and Okoporo fields. A description of the Ovhor field, which straddles OMLs 38 and 41, is set out above at section 8.4.3.

8.5.3 Field technical background for OML 41

(a) Sapele field

The Sapele operating field was discovered in 1969 and brought on stream in 1972. Hydrocarbons were encountered between 3,000 ftss and 120,000 ftss. The Sapele structure is an elongated NW-SE trending

rollover structure which is bounded to the north by a major growth fault and dip closed to the south, east and west. To date, a total of 26 wells have been drilled in the field, of which four have since been abandoned.

(i) Details of exploration and appraisal wells drilled to date

<u>Well</u>	<u>OML</u>	<u>Date drilled</u>	<u>Result</u>
Okoporo-1	41	1961	Oil discovery
Ubaleme-1	41	1968	Oil with gas shows
Sapele-1	41	1969	Oil discovery
Ubaleme-2	41	1971	Oil with gas shows
Ovhor Deep-1	41	1991	Oil discovery

(ii) 2D and 3D seismic data acquired

Ubaleme survey is the major 3D seismic survey acquired in OML 41. However, a section of the Oghareki–1992 3D seismic survey also covers the northern part of OML 41 and the northwestern part of OML 38. The Ubaleme survey has an area coverage of approximately 229 km² of full fold coverage and was acquired and processed in 1996.

(iii) Results of well and field study data

The table below summarises the exploration and appraisal activities carried out over the OML 41 licence history since its discovery:

<u>Date</u>	<u>Activity</u>
1968	UBLM-01 exploration well spudded—Ubaleme field discovered
1961	Okoporo-1 discovery

(b) Ubaleme and Okoporo discoveries

The Ubaleme and Okoporo fields both lie on the same structural trend in the southern part of OML 41, to the southwest of Ovhor. Both fields are NW-SE trending roll-over anticlines and are located on the downthrown side of a growth fault. The Ubaleme field was discovered by well UBLM-01 in 1968, and further appraised by wells UBLM-02 and UBLM-03. None of the three wells were tested and the contingent resources are attributed on the basis of the well logs. There are six reservoirs located between 8,300 ftss and 12,500 ftss (true vertical depth subsea—TVDss) containing hydrocarbons, of which two are oil-bearing. The Okoporo discovery was made in 1961 by well OKOP-01 and further appraised by OKOP-02. On this structure, there are eight reservoirs within a range of 5,500 ftss to 9,000 ftss, of which four are oil-bearing.

(c) Sapele Shallow discovery

The Sapele Shallow consists of reservoirs between 3,000 ft—6,000 ft in the Sapele field. This largely undeveloped resource is classified as heavy oil as it is known to bear hydrocarbon of API 21°. As at December 2012, there were four wells producing from the heavy oil reservoirs. The Company has engaged a globally recognised expert (DMCL) in the development of similar resources to commence studies leading to a field development plan in 2013. Execution of the first phase of the development will commence in 2014.

8.5.4 Infrastructure located in OML 41

The Sapele field's infrastructure includes a gas production plant with a design capacity of 120 MMscfd comprising of two modules. The flow station has a capacity of 60 Mbpd that routes Sapele production to the Amukpe manifold via the Sapele-Amukpe delivery line. From Amukpe, oil is then exported on to the Forcados Terminal via the Sapele-Forcados trunk line. The condensate stream is routed to the flow station to be combined with oil for export. Condensate can also be exported via the Sapele-Amukpe delivery line.

The table below shows a summary of the facilities in OML 41.

Facility	Installed equipment	Additional Information
Sapele flow station	- Two 30 Mbpd gas/liquid separation trains (HP, LP, SV). - XHP separator and test separator. - Utilities include flares, fuel gas instrument, gas and power generation.	- Standard flow station design based on a gas/oil ratio of 1,000 scf/bbl. - HP and LP gas exported to Sapele NGC compressor station. - Receiving oil from: 18 oil wells, 31 strings and 31 flowlines from Sapele field. - Four wells (002, 012, 013 and 014) and two bulklines from the Ovhor field.
Sapele NGC AG compressor station	- Four 4 MMscfd 2-Stage LP reciprocating compressors. - Two 5 MMscfd single-stage HP reciprocating compressors. - Utilities include fuel gas instrument air and power generation.	- Installed and refurbished capacity 26 MMscfd. - HP and LP gas received from Sapele flowstation. - Two × 10MMscfd new compressors ordered for delivery in Q4 2013 with an option for a third.
Ovhor Barge Flowstation	- Two 45 Mbpd gas/liquid separation trains (HP, LP, SV). - One 6 MMscfd AG compressor with gas treatment facilities. - Utilities include flares, fuel gas instrument air and power generation.	Barge currently berthed at Warri. SEPLAT is considering development of the barge as part of the Sapele shallow development.
Sapele Gas Plant	- Four 30 MMscfd NAG treatment facilities (high pressure knock out vessel, Joule Thompson valve, low temperature extraction separator, gas/gas heat exchanger and classifier). - Utilities include flares, fuel gas instrument air, corrosion inhibitor injection and power.	- Two trains operational. - Two producing NAG wells (17T, 18T).
Pipelines and manifolds	10" Sapele-Amukpe delivery line	The Sapele-Amukpe delivery line connects to the 28" Sapele-Forcados trunk line that evacuates to the Forcados Terminal.

Facility	Installed equipment	Additional Information
Sapele field logistics base	28-man accommodation facility with restaurant, recreation and office facilities.	

(a) Sapele flow station

The Sapele flow station was originally commissioned in 1972 with an installed capacity of 60 Mbpd. It is built on a sand-filled area of about 70 m by 90 m. The primary function of the flow station is to receive hydrocarbon fluid from oil wells, separate the incoming fluid into liquid (oil and water) and gas and supply stabilised crude oil along with produced water to the Forcados Terminal.

Since installation, the flow station has undergone a number of facility upgrades to meet international operating standards. Some of these upgrades include the installation of computer-aided operations systems with the change-out of instrumentation to improve operations control, crude oil export pump change-out, drains segregation, upgrade of the fuel gas treatment systems and installation of additional emergency shutdown valves.

(b) Sapele NGC gas compressor station

The Sapele NGC gas compressor station was commissioned to provide an AG solution to the Sapele oil field. The station is owned by the NGC and was originally leased by SPDC in 2002. Refurbishment was completed by SPDC and the station commissioned in April 2004. Sapele is designed to export gas into the NGC-owned Oben-Sapele pipeline system. The Oben-Sapele pipeline feeds the Sapele PHCN power plant at Ogorode. The Oben-Ajaokuta pipeline was later added to the system to supply gas to the Ajaokuta steel plant.

(c) Sapele gas plant

The Sapele gas plant was originally commissioned in 1978 with designed capacity of 120 MMscfd. It is built on a land plot size of 120 m by 100 m in OML 41. Gas is metered and exported to the Sapele NGC manifold from which it is let into the local NGC network. The condensate stream from the process flows under process pressure to the nearby Sapele flow station. There are also facilities for the direct export of the condensate to the trunk line. The plant currently has two modules functional at 60 MMscfd with no plans to rehabilitate the remaining modules.

(d) Wells, Wellheads and Flowlines

A total of 19 oil wells have been drilled to date in the Sapele field. Some of the wells have multiple strings hence there are 33 strings in all. New flowlines were laid by SPDC in 2008 to connect the strings to the station. Well strings are connected to the flow stations via 4" or 6" carbon steel flowlines. All the flowlines were changed out in 1995 and 1996.

(e) Field Logistics Base

Accommodation for the field-based staff that operate the Sapele and Ovhor fields and facilities is provided at the Sapele field logistics base. The field logistics base is designed to accommodate 28 men with supporting facilities including a restaurant, recreation room, laundry and a powerhouse.

(f) Pipelines

Liquids (oil and water) from the Sapele flowstation and from the Sapele gas plant are evacuated to the Forcados Terminal where the water is separated from the oil and the dry crude is exported. Evacuation from Sapele is via the 10" Sapele-Amukpe delivery line, the 24" Amukpe-Rapele trunk line and the 28" Rapele-Forcados trunk line.

The Sapele-Amukpe delivery line was originally commissioned in 1972. The pipeline has a design pressure of 75 bar and a maximum operating pressure of 60 bar. The pipeline is constructed from carbon steel X52. The line has a pig launcher at the Sapele flowstation end and a pig receiver at the Amukpe manifold.

8.5.5 Operations update for OML 41

Total working interest oil production for the year ended 31 December 2013 was 3.9 MMbbl and working interest gas production was 2.8 bcf, equivalent to average daily production of 10.7 Mbpd and 7.7 MMscfd, respectively.

In December 2013, there were eight wells producing oil including four wells producing from the heavy oil reservoirs and four wells from the light oil reservoirs. Two wells were producing NAG. Nine additional strings have been added to Sapele production from a combination of four work-overs and three new line replacements and one infill well was completed in 2013.

8.5.6 Field development plan and outlook for OML 41

(a) Sapele Shallow

The reservoirs between 3,000 ft—6,000 ft in the Sapele field are designated as “Sapele Shallow” and are estimated by DMCL to contain 29,092 Mbbl gross 2C contingent resources and 37,004 Mbbl gross 3C contingent resources, of which the Company aims to convert a significant portion into reserves to meet its 2016 production target. The Company has engaged DMCL to commence studies leading to a field development plan for this relatively undeveloped resource.

DMCL has identified a development path and it is expected that the development of the resources in the Sapele Shallow will be achieved via a combination of the field’s strong aquifer support, gas lift, water flooding and ESPs. The Company intends to implement a three-phase field development strategy commencing in 2014 to enable the Company to realise value in a staged manner.

Phase 1 of the proposed field development is intended to target the opportunities in the field which do not require the installation of new process facilities. Based on the outcome of the Phase 1 study, the Company intends to drill two wells during the course of 2014 to evaluate the importance of gaslift and ESP. Phases 2 and 3 are expected to follow in 2015 and 2016 and Phase 1 data and production results will be used in the field development models to optimise further development of the fields (in terms of new producers, water injector wells and the further deployment of recovery enhancement technologies such as gas lift, ESP and separators).

The Company has access to a concrete barge which was originally meant to be used as part of the field development strategy for the Ovhor field. The Company is considering using the barge to provide additional liquid capacity handling in the Sapele Shallow. The barge has two 45,000 bbl per day capacity oil/gas separation trains. Each train includes an HP separator, an LP separator and a surge vessel. Two multi-phase meters provide a well test facility. There are three 30-kbpd flowserve centrifugal pumps and an extra bay for a fourth pump. The barge also includes a 6 MMscfd AG compression and treatment package to provide an associated gas solution.

The Company’s five-year business plan includes approximately US\$225 million of capital expenditure for production wells and modifications to facilities in the Sapele Shallow. The Company is considering modifying an existing dormant production facility to handle Phase 2 of the development, which the Company believes will lead to reduced capital expenditure and project delivery time. For risks relating to the conversion of contingent resources, see section 1.1 of Part II: “Risk Factors” in this Prospectus.

(b) Sapele new field logistics base

The new field logistics base comprises blocks of accommodation, offices and other utilities. The field logistics base, when complete, will serve as a logistics hub and as accommodation for Sapele and Amukpe field operation staff and, due to its proximity to the Company’s jetty in Sapele, it will also support marine operations required for existing and new swamp field operations. Phase one of the project has been completed.

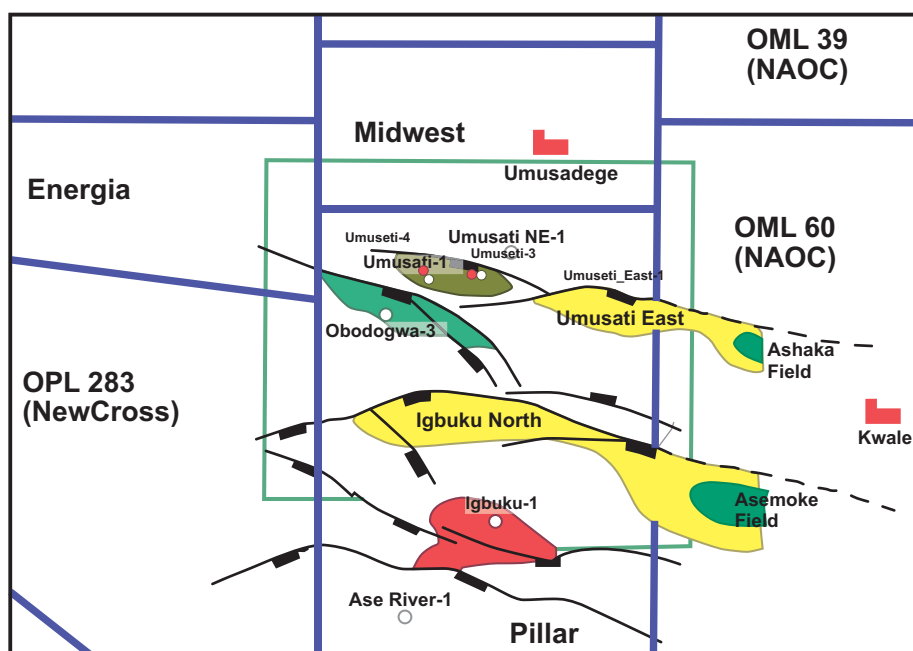
8.6 Umuseti/Igbuku Fields

8.6.1 The Umuseti and Igbuku Fields

The Umuseti/Igbuku Fields are located in the northern onshore depo belt of the Niger Delta. The Umuseti field came on stream in May 2012 and is currently producing approximately 2,750 bopd from the Umuseti-2 well. There are 14 oil-bearing reservoirs in Umuseti with an average sand thickness of 30 feet. Production currently comes from two of these reservoirs and more wells will be needed to drain the remaining reservoirs. No production has so far come out of the Igbuku field. The marginal field area also

contains four identified satellite prospects, Umuseti-North East, Umuseti-East, Igbuku-West and Igbuku-North. The Group intends to carry out further studies with a view to drilling one of these additional prospects in 2015.

The following map shows the location of the fields (with discovered oil and gas resources shaded in green and red respectively).



8.6.2 Infrastructure

The existing infrastructure consists of a 5,000 bopd early production facility (EPF), two 3.5 km 4" oil flow lines to convey produced fluids to the EPF, eight 500 bbl capacity crude storage tanks and a LACT unit.

Pillar Oil plans to build and install an additional separator train of 10,000 bopd capacity, which is intended to increase the EPF's capacity to 15,000 bopd by the end of 2014 in order to accommodate additional oil, condensate and gas production from the Igbuku field when this comes on stream. It also plans to increase the existing storage capacity from 4,000 bbl to 44,000 bbl by building two 20,000 bbl capacity storage tanks in addition to the existing tanks. These work activities are scheduled to take place during the course of 2015.

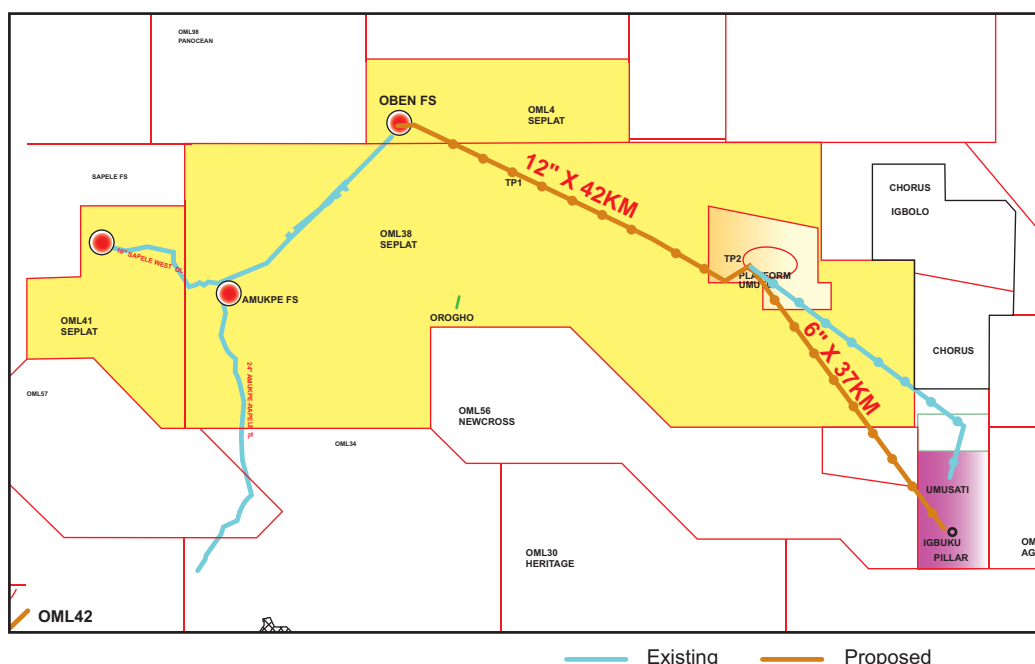
8.6.3 Field Development

The Group expects a minimum of two more development wells to be drilled in the Umuseti field. Further field development will entail drilling two new gas wells in Igbuku, laying in-field gas and oil flow lines, and laying a 42 km gas line from Umutu to Oben for processing the produced gas. The Group intends that the new pipeline from Umutu to Oben will be operated by the Company and the Umuseti/Igbuku JV will pay a tariff for the use of this pipeline.

First oil from the new oil wells, Umuseti-3 and 4, is expected in Q2 2014. First gas from Igbuku is expected in Q2 2015.

Pillar Oil has an exploration programme for the Umuseti and Igbuku fields. If additional appraisal determines that economically recoverable reserves exist in Umuseti East and North-East, Pillar Oil intends to ultimately tie these pools into the Umuseti main development.

The below map shows the planned route of the new gas line from Igbuku to Oben (via Umutu).



8.7 OML 53 (Jisike Field and Ohaji South oil and gas fields)

8.7.1 Overview of OML 53

Licence type	Exploration, Development and Production
Hydrocarbon classification	Contingent resources and prospective resources
Product	Oil, condensate and gas
Area	1,556 km ²
Licence expiry	14 June 2027
Reservoir	Eocene/Miocene, Agbada Formation
Technical data available	2D & 3D seismic data, production data, test data and well logs
Wells	39 development, appraisal and exploration wells

8.7.2 Background of OML 53

OML 53 is located onshore in Imo State, in the north-eastern Niger Delta approximately 60 km north of Port Harcourt. It comprises one producing area (Jisike), two undeveloped field areas (Ohaji South gas and Ohaji South oil), seven unappraised discoveries (Apani, Alaoma, Emeabiam, Iheoma, Odinma, Omerelu and Owu), four exploration prospects (Aku-A, Manu-A, Onyinye-A and Owu South) and numerous exploration leads.

Two of the unappraised discoveries (Iheoma and Alaoma) have been included by Nigerian authorities in the recently announced marginal field bid round and as such are to be carved out of the OML 53 licence area and farmed out to a local operating company via a bidding process. The owners of the block will receive a royalty interest from the new marginal field operator. Iheoma and Alaoma have been excluded from the OML 53 CPR.

8.7.3 Field Technical Background for OML 53

(a) Jisike field

Jisike was discovered in 1975, and first oil was achieved in March 1979 from the JS-01 well. By May 1980, three additional wells (JS-02, JS-03 and JS-04) were producing from the field. The JS-05 well was subsequently drilled into an adjacent fault block, but the reservoir sections were found to be water-bearing. Peak oil rate was achieved shortly after bringing on wells JS-06, JS-07 and JS-08 at approximately 10 Mbd between 1992 and 1994. A total of eight wells (with eleven completions) have been drilled into the Jisike field.

The five major hydrocarbon sands in the Jisike field are the A-01, A-01.1, A-02, AA3 and the B-01. To date there has been no production from the B-01 sand.

There has been limited work-over activity in the field with the only major work-overs being two recompletions (of the JS-02 and JS-04 to the A-01.1 and AA3 reservoirs respectively), two through-tubing work-overs (adding perforations to the JS-02D and JS-08 wells), and the conversion of JS-02D, JS-06 and JS-08 to a “Poorboy” Gas lift system using a gas-liquid cylindrical cyclone (GLCC) and 3 MMscf/d from the JS-01 well.

Typical producing depth in Jisike is 5,342 ft-tvdss. As at mid-2013 there were five producing completions (JS-01, JS-02D, JS-06, JS-07 and JS-08), three intermittent producers (JS-02, JS03 and JS-04) and a gas supply string (JS-01D). The water-cut is currently estimated to be 44 per cent. The cumulative production as of 31 May 2013 was estimated to be 48 MMbbl of oil, 42 bcf of gas and 8 MMbbl of water. The average production rate as of 31 May 2013 was 3.5 Mbpd of oil and 7,000 Mcf of gas per day.

(b) Ohaji South Gas Development

The Ohaji South gas reservoirs straddle the OML 53 block border and extend into SPDC's OML 21 where the field is named Assa North. The combined area is called the Assa North-Ohaji South (ANOS) development area. A pre-unitisation agreement was signed by SPDC and CNL in 2006 that allowed field development activities to proceed. SPDC were nominated as the operator and the equity split agreed on a 50:50 basis. On 11 December 2013, SPDC and CNL signed a unitisation and unit operating agreement, which outlines the principles of co-operation and establishes the basis for cost sharing, joint appraisal development and production from the hydrocarbon-bearing geological structures that straddle the common boundary of OML 53 and OML 21. SPDC issued a field development plan in June 2012 giving an estimated first gas production date of 2018.

Six exploration and appraisal wells have been drilled into the ANOS development area: Assa-01, Assa North-01, Assa North-02 and Agga-01 by SPDC, and Ohaji South-01 and Ohaji South-02 by CNL. In 2005 the Assa North-01 well was re-entered and the H1000 and H4000 reservoirs were production tested by SPDC.

(c) Ohaji South Oil Development

Wells Ohaji-South-3, Ohaji-South-4, -4ST1 and -4ST2 encountered oil in the A-01, B-17 and B-18 reservoirs. These reservoirs lie entirely in OML 53 and are not part of the unitised Ohaji South gas development area. The typical depths of the reservoirs is 4500-6500 ft. DSTs have been carried out on the three main reservoirs in the Ohaji South-3 and -4ST2 wells.

8.7.4 Infrastructure Located in OML 53

The only infrastructure currently in place in OML 53 is associated with the Jisike development. Flow-lines tie the production wells back to a production/test manifold. A production separator and heater-treater separate the produced fluids with all three phases being handled by Addax at its Izombe flow station.

Crude from the heater-treater is metered and sent to the Izombe flow station where it is combined with Addax production. The Izombe flow station processes oil to a 0.5 per cent. BSW. It is then transported through a 23 km NAOC-operated pipeline to the Ebocha flow station. From Ebocha it is pumped to the NAOC Brass oil terminal for export.

Produced water from the Izombe flow station is treated and disposed of by Addax.

The gas produced from Jisike operations is used for gas-lift, fuel and instrument gas. Addax has installed gas compression and currently its gas production is compressed and used for gas-lift and a gas injection project. Once third-party infrastructure is in place the compressed gas will be supplied to the Egbema IPP.

SEPLAT is considering its options for a flare-out project. Amongst options being considered are using Addax's compression and injection/future export system, installation of compression to allow produced gas to be used for gas-lift and gas injection within Jisike, or tying into a compressed natural gas project.

9. INVESTMENT PROGRAMME

9.1 Principal investments made by the Company since its incorporation

9.1.1 Acquisition of a 45 per cent. participating interest in OMLs 4, 38 and 41

The acquisition by the Company of its 45 per cent. participating interest in OMLs 4, 38 and 41 was concluded on 31 July 2010 for a total price of US\$340 million. An additional consideration of US\$33 million was paid by the Company on 22 October 2012 in line with the provisions of the Agreement for Assignment, which stated that if the Brent price per barrel was greater than or equal to the average price of US\$80, as calculated over a period of 731 consecutive calendar days starting from 30 July 2010, such additional consideration would become payable to the assignor.

9.1.2 Umuseti/Igbuku Fields Investment

On 1 June 2013, Newton Energy, a wholly-owned subsidiary of the Company, entered into an agreement with Pillar Oil to acquire (subject to the consent of the Minister and receipt of any other necessary governmental approvals) a 40 per cent. participating interest for total consideration of up to US\$60 million in the Umuseti/Igbuku Fields and in doing so has added approximately 10 MMbbl to the Group's proved plus probable (2P) oil and condensate reserves and 91 bcf of gas. The remaining 60 per cent. participating interest in the field area is held by Pillar Oil.

Under the terms of the Umuseti/Igbuku Joint Operating Agreement, Pillar Oil and Newton Energy bear all development costs for the Umuseti and Igbuku fields on a pro rata equity basis, so that Newton Energy bears 40 per cent. of the development costs and operating expenditure. Newton Energy is still working with Pillar Oil, its JV partner and operator of the field area, to agree its definitive capital expenditure plans but currently anticipates that it will spend approximately US\$59 million in aggregate as its contribution in respect of the development costs over the next two years.

9.1.3 CNL Assets Acquisition

On 29 November 2013, the Company, AMNI and BelemaOil entered into a sale and purchase agreement with CNL to acquire a 40 per cent. participating interest in OMLs 52, 53 and 55 for total cash consideration of US\$800 million. In addition, the Company, AMNI and BelemaOil have entered into a consortium agreement pursuant to which they have agreed to allocate OMLs 52, 53 and 55 between them and the consideration owing to CNL between them so that: (i) the Company acquires a 40 per cent. participating interest in OML 53 for total cash consideration of US\$300 million; (ii) AMNI acquires a 40 per cent. participating interest in OML 52 for total cash consideration of US\$170 million; and (iii) BelemaOil acquires a 40 per cent. participating interest in OML 55 for total cash consideration of US\$330 million. The CNL Assets Acquisition is subject to the satisfaction of a number of conditions precedent, which include the consent of the Minister, and will, assuming satisfaction of the conditions precedent, have an effective date of 1 July 2013. The CNL Assets Acquisition is currently the subject of legal proceedings brought by Britannia U, an unsuccessful bidder for the CNL Assets, and the parties are currently unable to proceed further with the transaction as a result of an injunction obtained by Britannia U from the Nigerian Federal High Court in Lagos.

9.2 Principal non-field specific investments

9.2.1 LACT Unit

On 29 October 2011, the Company installed a LACT Unit to validate production data for SPDC and the Nigerian authorities, representing an investment of about US\$9 million, 45 per cent. of the cost of which was borne by the Company.

9.2.2 Water treatment facility

The Company has constructed and is in the process of commissioning a water treatment plant with a capacity of 100,000 barrels of liquid per day. The aim of the water treatment plant is to enable compliance with the terms stipulated in the Crude Handling Agreement regarding the water content of the crude oil injected by the Company and also to increase liquid export capacity in the pipeline in line with the Company's projected production. The Company estimates that the total projected capital expenditure for the water treatment plant will be approximately US\$106 million.

9.2.3 New storage tanks

The Company has budgeted US\$18 million to build a 100,000-barrel storage facility at Amukpe in order to store crude oil in case of production interruption. The plan is to build two 50,000-barrel storage tanks on the Amukpe flow station site and have the facility operational by end of 2014. The storage tanks will provide storage during periods of pipeline disruption to avoid having to shut in production. Permits to build and operate the storage tanks have been sought from the appropriate regulatory bodies.

9.3 Financing of the investments

The Company intends to finance the investments described above in section 8.3.6, 8.4.6 and 8.5.6, as well as in this section 9, first from available cash flows generated by the Company's business. Any additional funds for investments would then come from third parties, in particular by entering into bank loans such as the Afrexim Facility and the FBN Facility, described in Part XVII: "Additional Information", section 10 of this Prospectus, and/or from the proceeds of the Global Offer, as described in Part XV: "Details of the Global Offer", section 2 of this Prospectus.

10. COMPETITION

SEPLAT operates in a highly competitive environment for acquiring assets and securing trained personnel and services. There are currently approximately six international oil companies and numerous independent oil and gas companies operating in the Niger Delta region. SEPLAT's competitors include other independent upstream oil and gas exploration, development and production companies and large international oil and gas companies (as described at Part IX: "Industry Overview", section 2.3 of this Prospectus).

11. THIRD-PARTY CONTRACTS

11.1 Crude Handling Agreement

The Crude Handling Agreement covers a five-year timeframe from 31 July 2010 to 31 July 2015. Crude handling services provided by SPDC include the delivery of the Company's crude oil (including that transported by the Company for PanOcean and NPDC between Amukpe and Rapele manifolds under a crude transportation agreement) to the Forcados Terminal, the treatment, processing and storage of the crude oil and the delivery of processed crude oil to a nominated tanker where it can be exported.

Under the terms of the Crude Handling Agreement, the Company has agreed to set its nominal daily volume entitlement at 50,000 bbls of liquid. This nominal capacity can be exceeded by 20 per cent. for a higher tariff. The Company's reserve storage capacity at the Forcados Terminal is limited to the higher of 10 days' reserved production capacity or 400,000 bbl. These limits are agreed on an annual basis.

The tariff structure under the Crude Handling Agreement includes both a capital and an operating charge, referred to as capacity and production charge under the contract terms. The Company is obliged to make the following payments:

- capacity charge for the use of the Forcados Terminal of US\$1.58/bbl where the transported crude oil for the month includes wet crude. For dry crude the charge drops to US\$1.46/bbl;
- capacity charge for the use of the Trans-Forcados Pipeline of US\$0.46/bbl where the transported crude oil for the month includes wet crude. For dry crude the charge drops to US\$0.34/bbl;
- production charge for the use of the Forcados Terminal of US\$0.22/bbl where the transported crude oil for the month includes wet crude. For dry crude the charge drops to US\$0.12/bbl;
- production charge for the use of the Trans-Forcados Pipeline of US\$0.32/bbl where the transported crude oil for the month includes wet crude. For dry crude the charge drops to US\$0.17/bbl;
- where the average daily transported crude oil is in excess of the Company's reserved production capacity of 50,000 bbls per day, an additional fee of US\$0.58/bbl; and
- where the Company exceeds its reserved storage capacity, a storage charge of US\$0.47/bbl per day for the volume of export crude oil in excess of the reserved storage capacity (until such time as the volume of export crude oil is reduced below that).

11.2 Off-take Agreements

11.2.1 Shell Trading

All Forcados crude oil allocated to the Company under the Crude Handling Agreement is sold to Shell Trading under the terms of the Off-take Agreement which commenced on 31 July 2010 and expires on 31 July 2015. After the initial five-year term the contract renews automatically for a period of 12 months, unless either the Company or Shell Trading terminates the contract. Under the terms of the Off-take Agreement, Shell Trading has agreed to purchase 100 per cent. of the Company's production entitlement delivered to the Forcados Terminal, with delivery of crude taking place FOB from the Forcados Terminal to Shell Trading's nominated tanker.

The contract price is determined according to the average of the mean dated Brent quotations as published in Platts Crude Oil Marketwire plus a differential to the dated Brent quotation established by the official selling price for Forcados blend crude oil prompt option as published by NNPC for the month of loading.

Title and the risk of loss or damage to the oil supplied shall pass to Shell Trading at the loading port as the oil passes the loading vessel's permanent hose connection and neither company is liable for indirect, special or consequential damages. In the event that the Company fails to supply or experiences a delay in supplying the crude oil agreed upon, Shell Trading's damages are limited to the agreed selling price for the oil.

11.2.2 Mercuria Energy

The Company has entered into an off-take agreement with Mercuria Energy in relation to a long-term crude off-take arrangement for a period of five years, beginning on the earlier of 1 August 2015 and the date on which the parties agree that SEPLAT is able to deliver its first cargo in excess of 500,000 barrels. The Mercuria Off-take Agreement is more fully described at Part XVII: "Additional Information", section 10.7.18 of this Prospectus.

11.3 Agreements with Cardinal

11.3.1 Background

Cardinal was incorporated on 8 November 2010 and is owned by Shebah and Platform Petroleum (60 per cent.) and MPI, consistent with Nigerian indigenous ownership requirements for oil field services.

The creation of a separate drilling company capable of providing drilling rigs to the Group originated from the Group seeking to avoid the delays which it had experienced in relation to its first work programme for the half year of its operations to December 2010. These delays meant that the first full work programme could not be completed due to the unavailability of necessary drilling rigs.

The availability of drilling rigs is a common problem faced by exploration and production companies operating in Nigeria and in other parts of the world and is critical to the fulfilment of production growth and reserves replacement targets.

The Company considered that, given the constraints on rig availability through alternative providers, the fulfilment of the Company's production growth and reserve replacement targets required a solution that guaranteed rig availability for an extended period. The Company considered the available options, which included:

- (i) establishing a subsidiary of the Company to engage in drilling services; and
- (ii) establishing a sister company of the Company that would acquire drilling rigs and subsequently provide drilling services on an arm's length basis.

After due consideration, the Company agreed that establishing Cardinal as a sister company and agreeing an exclusivity arrangement with Cardinal to secure rig availability for the Company would be the most appropriate option.

This option allowed the Company to remain as a pure upstream oil and gas company which contracts out drilling services, thereby enabling it to concentrate on its core business, an approach that is consistent with the practice adopted by most upstream oil and gas companies globally.

11.3.2 Exclusivity agreement

The Company paid US\$20 million in exchange for the exclusive use of two of Cardinal's drilling rigs for a period of five years (the "**Exclusivity Payment**") pursuant to the terms of an exclusivity agreement between the Company and Cardinal dated 17 May 2012.

Details of the Exclusivity Agreement are summarised in Part XVII: "Additional Information", section 10.7.10 and the Exclusivity Payment is noted in Part XII: "Financial Information on the Group" of this Prospectus.

11.3.3 Rig contracts

Since Cardinal's establishment, three drilling rigs: (i) Cardinal Rig 101 750 HP; (ii) Cardinal Rig 201 2,000 HP; and (iii) Cardinal Rig 202 2,000 HP have been contracted, built and received by Cardinal and committed exclusively for the Company's operations. It is anticipated that Cardinal will have a fourth drilling rig (Cardinal Rig 203) delivered to the Company and available for the Company's use in the first half of 2014.

The Company has entered into separate drilling rig contracts with Cardinal in respect of each of the drilling rigs referred to above. These have been negotiated on an arm's-length basis and on international standard terms and conditions. Details of these agreements are summarised in Part XVII: "Additional Information", section 10.7.10 of this Prospectus.

All payments made by the Company to Cardinal under the drilling rig contracts are based on invoices submitted in line with the relevant drilling rig contract and are also approved by the Company's joint venture partner, NPDC (which has a 55 per cent. participating interest in OMLs 4, 38 and 41), through the Operations Committee.

12. ENVIRONMENT, HEALTH AND SAFETY AND SOCIAL RESPONSIBILITIES

12.1 Environment

The Group business impacts the local area and the country's natural resources, which impact must be measured, controlled and minimised. Any potential environmental disturbance or damage could expose the Group to various risks which are likely to generate additional costs and could adversely affect its image and reputation. The key measures established by the Group to prevent environmental damage are described in this section, while the specific environmental risks are described in Part II: "Risk Factors" of this Prospectus.

12.1.1 General

The environmental practices of the Company are aimed at protecting the environment and ensuring compliance with applicable regulations and best practices. Furthermore, the Company has voluntarily pledged to tackle certain practices threatening the environment, such as oil spills, and is a member of Clean Nigeria Associates, a non-profit co-operative of international oil companies and indigenous oil and gas operators focused on remediation of Tier 2 and 3 spill incidents in Nigeria. The Company has introduced environmental management systems and risk management plans. Staff training, particularly for manual workers, is a contributing factor to the operational control of such risks. The Company's environmental practices and policies are monitored by the Risk Management, HSE and Communities Committee, further details of which are set out in Part VII: "Directors, Senior Management, Corporate Governance and Dividend Policy".

The Company and its operations are subject to various stringent and complex international and domestic environmental, health and safety laws and regulations governing matters including: the emission and discharge of pollutants into the ground, air or water; the generation, storage, handling, use and transportation of regulated materials; and the health and safety of the Company's employees. These laws and regulations, among other things:

- require the acquisition of various permits before drilling commences;
- prohibit some or all of the operations of facilities deemed not in compliance with permits;
- restrict the types, quantities and concentration of various substances that can be released into the environment in connection with oil and natural gas drilling, production and transportation activities;

- limit or prohibit drilling activities in certain locations lying within protected or otherwise sensitive areas; and
- require remedial measures to mitigate or remediate pollution from the Company's operations.

12.1.2 Provision of Training

On 27 January 2014, the Company entered into a contract with Petrofac International (Nigeria) Limited (“**Petrofac**”), an internationally recognised oil field service company, for the provision of a wide-ranging training programme covering safe systems at work and HSE training. The scope of work also includes carrying out an assessment and rating of the Group's contractors based on robustness and HSE competency of their key personnel.

12.1.3 Environmental Impact Assessments (“EIA”)

Under the applicable Nigerian regulations, the Company is required to conduct an EIA to study the impact of its activities and facilities on the environment. In February 2011, the Company commissioned reports on the consequences of its activities on environmental matters in accordance with the rules laid down by the DPR for OMLs 4, 38 and 41, in order to ascertain the potential consequences of its activities on the environment. The EIA for OML 4 was issued in November 2012, for OML 38 in May 2012 and for OML 41 in June 2012. The Company has notified the DPR of the scope of these assessments and the DPR has approved the process and methods used to produce the reports. The reports will be based on studies, sampling and analysis. Sampling will be carried out over two seasons (dry and wet) in order to precisely evaluate during those periods the condition of the groundwater, surface water, sediment, soil, air, noise and vegetation. The assessments will also take into consideration the socioeconomic context and health of the local community. Lastly, all plans for expansion, such as the drilling of new wells, the work-over on existing wells and the proposed water treatment plant at the Amukpe pumping station, will also be included in these assessments.

12.1.4 Material incidents since 2010

(a) Ovhor-Sapele spill

On 23 December 2013, approximately 30 barrels of crude oil were spilled from the Ovhor-Sapele bulk line in OML 41. The incident flowline was immediately shut-in, containment measures were effected to minimise the environmental impact and applicable statutory notifications were filed. The clean-up assessment determined that the leak was due to the failure of a repair clamp on the flowline. The failed clamp was replaced and clean-up of the impacted area is ongoing.

(b) Iriama spill

A small oil spill of approximately 55 litres (equal to less than one barrel) occurred at Iriama (located in OML 38) in May 2011, which was caused by the failure of a repair clamp on the main 24” pipeline.

A post clean-up assessment of the oil spill site at Iriama was carried out with regulatory oversight from the DPR, the National Oil Spill Detection and Response Agency (“**NOSDRA**”), and the Delta State Ministry of Environment with results from the laboratory analysis confirming that the residual oil contaminant was minimal and re-vegetation of the affected area had been accomplished naturally. The report submitted to the DPR included recommendations to further improve the Iriama spill site, such as periodic inspections and checks of the pipelines for possible aging, corrosion and sabotage. The Company is already conducting these activities as part of its pipeline monitoring and inspection programme.

(c) Mosogar spill

An oil spill occurred at Mosogar in April 2011. It was caused by an illegal crude bunkering operation by crude oil thieves on the Oben to Amukpe pipeline at the Ethiope River crossing. The spillage of an estimated 100 bbls of crude oil was discovered quickly by the Company's surveillance crew and then contained using booms.

The statutory spill incident report has been submitted to DPR and a close-out certificate has been received by the Company following completion of remediation of the Mosogar spill area.

12.2 Health and Safety

12.2.1 General

The Company seeks to protect the health and safety of all persons involved in its activities and persons who come into contact with the Company's operations and the health and sustainability of the environments in which the Company operates.

The Company aims to provide a secure working environment through the adoption of certain international industry standards to protect employees and contractors, physical assets and operations against risks of injury, loss, damage or impairment from criminal, hostile or malicious acts. To achieve this, the Company has adopted occupational health and safety standards with which all of its employees, contractors and service providers are required to comply. In addition, the Company has:

- developed a management system (including a corporate HSE plan) which formalises SEPLAT's business processes to international standards;
- developed an integrated incident response plan to ensure effective command and control during responses to all levels of emergency situations;
- put in place an HSE manual to guide employee conduct;
- upgraded safety equipment at its sites; and
- established regular health and safety campaigns to create awareness among its employees.

The Company works with the communities under the terms of the Global Memorandum of Understanding between the Company and local communities (the "GMOU") to promote the security of its facilities and employees and where necessary liaises through third-party contractors with government security forces to provide security or surveillance as required.

Responsibility for compliance with the HSE policies lies with the Company's Risk Management and HSE Committee.

12.2.2 Material incidents since 2010

Following a required shutdown of the Trans-Forcados Pipeline by Shell Nigeria on 7 October 2012 for repairs and maintenance as a result of a leak, SEPLAT took the opportunity to undertake routine maintenance, repair and enhancement work at the Ovhor manifold, including basic plant modifications. On 15 October 2012, a contractor was engaged to replace the isolation valves on the Ovhor bulk-lines of Manifold I with pig injector valves. Having safely completed this task, whilst the shutdown continued, the same contractor work crew was directed to execute similar replacements on the bulk-lines of the adjacent Manifold II.

On 20 October 2012, whilst the contractors were working on this subsequent task, the contractor crew unilaterally took the decision to break the flange on the isolation valve to hasten drainage of the bulk-line, thereby flooding the work area with crude oil. In order to evacuate the pool of spilled crude oil into storage tanks, the work crew mobilised and deployed a diesel powered water pump into the work area. After running for a while, this pump sputtered, sparking a flash-fire that engulfed 10 of the 11 contractors on site. This tragic accident resulted in five fatalities and five other men suffering various degrees of burns. In addition, damage was caused to the Ovhor facilities, which required 40 days to repair.

All the injured persons were immediately evacuated to Company-retained clinics and hospitals for the treatment of burns suffered. One man died of his injuries the following day, while five of the most critically injured persons were transferred by air-ambulance to South Africa. Four of the five died from their injuries at the South African facility due to pre-admission infection.

Amounts of compensation have been paid to the respective next-of-kin and all survivors discharged from hospital. Costs incurred by the Company as a result of the incident were approximately US\$1.36 million, all of which have been paid in full. The Company has submitted an insurance claim and is currently awaiting assessment of any amount due to the Company by the loss assessor.

Following the incident, the Company's management immediately instituted a health and safety investigation to determine the causes of the accident and injuries, as well as lessons to be learnt in order to

avert similar incidents in the future. The investigation identified the following causes of the incident amongst others:

- the Company's contractor selection process and project planning failed to identify that the contractors were insufficiently qualified to work on, or within, hydrocarbon installations;
- the contractor work crew failed to adhere to the established work procedure (control permit) that enabled safe accomplishment of the earlier similar task on the adjacent Manifold I;
- inexperience of both the contractor's supervisor and the Company-assigned third-party quality assurance/quality control supervisor on the job;
- workmen on site apparently lacked the confidence to intervene and stop the work activity, even when witnessing unsafe conditions or actions; and
- inadequate emergency response plan, including inadequate communication channels, lack of appropriate fire extinguishers, lack of first-aid providers on-site and insufficient number of facility exits.

Following the accident and findings of the report, the Company has taken several steps to seek to tighten contracting and health and safety procedures when engaging contractors, through a number of measures, including:

- reiterating endorsement of the "Stop-work Authority";
- reinforcing training in the field regarding the importance of health and safety and compliance with the Company's HSE policy, including quarterly performance reviews for the Company and also for its contractors;
- implementing an expanded training and performance review initiative with the production, launch and issuance of "Stop-work Authority" cards signed by the CEO to all workmen at Company locations and regular field visits by members of Senior Management;
- establishing an incident review board set up to evaluate all incidents and implement learning across the Company and its third-party contractors and monthly meetings in the field to discuss health and safety initiatives, training and compliance;
- review and enforcement of contractor's technical capability as the primary consideration and re-evaluation of quality assurance/quality control personnel competency are being implemented, along with more stringent assessment of the contractor's health and safety record and processes at the tender stage; and
- a critical review of the permit-to-work system has been implemented to ensure that work method statements are adequate, job hazard analysis is comprehensive and the work permit for each activity details the critical risk factors and corresponding mitigation requirements including evidence of their enforcement at site.

Since the conclusion of the report, these recommendations have been implemented and part of work authorisation process.

12.3 Corporate Social Responsibility

12.3.1 Overview

The Company recognises the importance of seeking to integrate with local communities and maintaining good community relations with the host communities in the areas in which it operates. As a measure of its commitment to the host communities the Company entered into a GMOU with the communities in Edo State (in which OML 4 is situated) and Delta State (in which OML 38 and 41 are located). The GMOU provides a framework within which the Company and the host communities work together to encourage sustainable community development by improving essential infrastructure, such as health centres, schools and water projects.

Under the GMOU, the communities have set up a Community Development Committee ("CDC") which is made up of representatives from each of the host communities. The CDC is responsible for the coordination and implementation of the development programmes. The CDC and the Company have also set up a trust fund account through which development projects are funded. The Company has set aside ₦300,000,000 per annum, which is to be disbursed for such projects on a quarterly basis. Under the

GMOU, SEPLAT allocates funds for community projects on a bi-annual basis, based on levels of production and time without incidents of vandalism or sabotage to the pipeline.

In addition the GMOU is aimed at promoting cordial relations between the Company and the local communities based on securing mutual benefits from achieving certain objectives, and specifically from the promotion of sustainable development, peaceful coexistence and security. Under the GMOU, the local communities have undertaken to provide a peaceful environment enabling the Company and its employees, contractors, subcontractors and agents to work and have access to the Company's facilities free from any disturbance, interruption, threat, violence or invasions.

SEPLAT's Community Relations and Corporate Affairs Departments drive the formulation and implementation of all its various CSR policies and activities. These departments hold regular meetings with various stakeholder groups to strengthen relationships with them, listen to their mutual concerns and find ways to address them. The Company also produces a CSR report card at the end of every financial year, which shows details of all the Company's social responsibility programmes, initiatives and impacts on the communities where the Company operates, which is an important component of the Company's oversight functions.

In addition, the Company has in place a Community Relations Policy which applies to its entire staff and is designed to promote the Company's philosophy of sustainable development through various guiding principles, including the promotion of dialogue with local communities, supporting local businesses, community outreach schemes and improving environment management policies. The Company's CSR Committee is responsible for overseeing the implementation of the community relations policy.

12.3.2 Healthcare Programmes

In July 2011 the Company and the Edo State government partnered in operating the Oben Cottage Hospital which provides healthcare services to communities in and around Oben. In addition, the Company has also initiated the following CSR programmes:

- **Safe Motherhood Programme:** This programme is aimed at expectant women to promote their wellbeing during pregnancy and child-birth. The programme focuses on selected themes aimed to inform and educate participants, while creating awareness on crucial pre-natal care for safe delivery. The programme started in 2011 and has addressed "Nutrition in Pregnancy", "Hygiene in Pregnancy" and "Danger Signs in Pregnancy". Since the programme began, over 6,500 expectant women in the areas of the Company's operation have received pre-natal screening, mosquito nets, nutritional supplements and "Safe Motherhood Delivery Bags" which contained items required for child delivery. The Company has also donated maternity drugs to the health centres and clinics in the area to ensure the continued wellbeing of the women.
- **Eye Can See Programme:** This programme provides optical screening and treatment, including surgery, to members of the host communities. The Eye Can See Programme began in 2012. Over the course of the programme, over 10,000 patients have been tested and screened, over 6,000 spectacles have been provided and over 850 cataract surgeries and over 60 corrective surgeries have been carried out.

12.3.3 Education Programme

Under the terms of the GMOU, SEPLAT provides educational assistance in the forms of scholarships and grants to qualified members of the host community for secondary and tertiary study at recognised educational institutions in Nigeria. The number of beneficiaries and amounts to be disbursed is to be discussed between the Company and the CDC subject to the availability of funds from the 22 per cent. of the trust fund account reserved for capacity building projects.

12.3.4 Scholarship Scheme

In 2011, 548 scholarships were awarded at a cost of ₦13.7 million, in 2012, 146 scholarships were awarded at a cost of ₦3.56 million, and in 2013, 772 scholarships were awarded at a cost of ₦19.3 million. In addition, the Company also provided skills acquisition training, namely welding and fabrication, tailoring and computer studies for 90 persons at a cost of ₦6 million in 2010, ₦10 million in 2011 and ₦26 million in 2012. The Company has also donated computers to the University of Benin, Department of Petroleum Engineering.

12.3.5 Pearls Quiz Programme

The Group introduced a special state-wide educational programme known as SEPLAT PEARLS Quiz. PEARLS stands for Promoting Exceptional and Respectable Leaders. The PEARLS Quiz Programme is designed to raise awareness of and interest in academic excellence in private and public schools in the Delta and Edo states. It rewards participating schools and students who excel in the quiz. The programme was launched in 2012 with the participation of 1,741 secondary schools in the Delta and Edo States. Rewards for the winners included a scholarship for the top 15 students, a school bus for the winning school and cash awards for the top three schools to help fund school projects. In 2013, over 1,700 schools participated in the programme, 15 students were awarded a scholarship and the winning school was presented with a 16-seater school bus, while the schools in second and third place were given project-based cash awards.

12.3.6 Other Initiatives

Donations have been made to other organisations, for example, Advocacy for Widows Empowerment which provides equipment and tools to start up small businesses for widows. ₦2 million has been donated to the Sickie Cell Foundation to aid the screening process for people living with the condition.

12.3.7 CSR Infrastructure Programmes

The Group has also funded CSR infrastructure projects, which include the following:

- Drilling boreholes and completing water projects in Japkpa Mereje, Mosogar, Elume, Ogume, Okueka, Iriama, Itiru, Oben and other areas;
- Renovation of Sapele Central Hospital Female and Paediatric Ward;
- Installing electric transformers and street lighting at Ugborhen and Amukpe;
- Renovation of market stalls in Sapele and Oben;
- Renovation of the town halls in Oben and Okpe;
- Construction of 4km road to Ugborhen;
- Completion of Cottage Hospital in Ugborhen; and
- Construction and handover of a guest house in one of the communities in the Oben axis.

13. ANTI-CORRUPTION POLICIES

The Group has recently adopted an anti-corruption and bribery policy applicable across all of the Group's business activities. The Group has developed its anti-corruption and bribery policy consistent with the UK Bribery Act 2010, as well as the laws (described below) that are applicable in Nigeria. The Group is currently in the process of carrying out applicable training for its staff and implementing corresponding procedures.

The policy specifically addresses facilitation payments or “kickbacks”, gifts and hospitality, dealing with public officials, political donations, lobbying and advocacy and charitable donations, and includes notification and whistle-blowing provisions, as well as provisions regarding disciplinary action following a breach of the policy. The policy requires that new and existing staff be trained and that the Group's approach to anti-bribery and corruption is communicated to business partners.

Further, in order to prevent bribery, fraud and corruption, the Group has implemented due diligence procedures across the Group when entering into agreements with third parties for ensuring compliance with applicable anti-corruption legislation.

Doing business in Nigeria brings with it inherent risks associated with fraud, bribery and corruption. Nigerian anti-corruption legislation, including the Criminal Code, Penal Code, Economic and Financial Crimes Commission Act, Corrupt Practices and Other Related Offences Act, contain requirements similar to those contained in international anti-corruption laws.

Offences under Nigerian anti-bribery legislation include:

- corruptly giving or agreeing to give or offer a gift or consideration as an inducement or reward;

- corruptly accepting or obtaining, agreeing to accept, or attempting to obtain a gift or consideration as an inducement or reward;
- the giving of, asking for, offering of, agreeing to, promising of, attempting to and receiving of bribes by public officers;
- providing false information to a public officer;
- retention of the proceeds of economic or financial crime;
- possession, use or acquisition of property derived from an offence;
- conversion or transfer of property derived from an offence;
- concealment of the nature, source, location or rights with respect to, or ownership of property derived from, an offence;
- gratification of a public official (gratification is defined to include money, donations, gifts, property given or promised to a person with the intent to influence such a person in the performance or non-performance of his duties; any agreement to give employment; any valuable consideration of any kind; any offer, undertaking or promise whether conditional or unconditional; any service or favour such as protection from any penalty or disability; any payment, release, discharge or liquidation of any loans or other obligation; and any offer, undertaking or promise of any of the aforementioned);
- failure to report any of the above; and
- counselling or procuring any of the above.

14. INSURANCE

The Group's operations are subject to numerous operating risks normally associated with oil and gas exploration and production activities in Nigeria. The Group believes that its existing insurance coverage is consistent with industry standards and is reasonable to cover all general material risks associated with the Group's operations (and that of the operators of assets in which it has an interest).

15. LITIGATION

The CNL Assets Acquisition is currently the subject of legal proceedings brought by Britannia U Nigeria Limited ("**Brittania U**"), an unsuccessful bidder for the CNL Assets, and the parties are currently unable to proceed further with the transaction as a result of an injunction obtained by Britannia U from the Nigerian Federal High Court in Lagos in December 2013.

By a writ of summons and statement of claim, both dated 12 December 2013, Britannia U, which is a marginal field development company in Nigeria, commenced legal proceedings against five defendants, including CNL and SEPLAT. Britannia U has claimed that there exists a contract between it and CNL for the acquisition of CNL's 40 per cent. participating interest in OMLs 52, 53 and 55, which pre-dates SEPLAT and CNL entering into the CNL Assets SPA. In addition to claims against all five defendants for declarations, specific performance of the contract claimed to be in existence by Britannia U and an injunction preventing the defendants from proceeding with the CNL Assets Acquisition, there is a claim for exemplary damages of US\$1 billion against the four defendants other than CNL, including SEPLAT. These claims have been denied by CNL and SEPLAT. Management believes that the claims against SEPLAT are without merit. Accordingly, SEPLAT has made no provision related to the Britannia U claim, including in relation to the exemplary damages claim, in its audited financial statements as of and for the year ended 31 December 2013.

The Group, in the ordinary course of its business, is, from time to time, named, and threatened with being named, as a defendant in claims in the Nigerian courts or arbitral proceedings, mostly in connection with disputes over real property rights. The Group is of the opinion that, even if such claims were to be substantiated and be successful, none of such claims would, either individually or in the aggregate, be likely to have any material adverse effect on the Group. The legal advisers to the Group as to Nigerian law (listed on page 37 of this Prospectus) are of the opinion that the contingent liability that may arise from all outstanding claims pending against the Group is not expected to exceed the sum of US\$50 million. There can be no assurances that, in the event of a successful claim against the Group, liability will not be significantly higher than this amount.

16. EMPLOYEES

The number of employees of the Group as at 31 December 2011, 2012 and 2013 is set out below. As at the Latest Practicable Date, the number of employees of the Group in administration, management, engineers and exploration/operations was 81, 34, 46 and 214 respectively. Currently, none of the Group's workforce is unionised.

	As at 31 December 2011	As at 31 December 2012	As at 31 December 2013
Administration	55	68	79
Management	15	18	28
Engineers	18	35	45
Exploration/operations	109	163	201
Total	<u>187</u>	<u>284</u>	<u>353</u>

PART VII

DIRECTORS, SENIOR MANAGEMENT, CORPORATE GOVERNANCE AND DIVIDEND POLICY

Directors and Senior Management

Board of Directors

The Board is responsible for, and has the authority to determine, all matters relating to the strategic direction, policies and practices of the Group and establishing goals for Senior Management and the operation of the Group.

The Directors are as follows:

Name	Position
Ambrosie Bryant Chukwueloka Orjiako	Chairman
Ojunekwu Augustine Avuru	Chief Executive Officer
William Stuart Connal	Chief Operating Officer
Roger Thompson Brown	Chief Financial Officer
Michel Hochard	Non-Executive Director
Macaulay Agbada Ofurhie	Non-Executive Director
Michael Richard Alexander	Senior Independent Non-Executive Director
Lord Mark Malloch-Brown	Independent Non-Executive Director
Charles Okeahalam	Independent Non-Executive Director
Basil Omiyi	Independent Non-Executive Director
Ifueko Omoigui-Okauru	Independent Non-Executive Director

Director Profiles

Chairman

Ambrosie Bryant Chukwueloka (A.B.C.) Orjiako (Chairman) (53 years old)

A.B.C. Orjiako, a co-founder of SEPLAT, was appointed as a director on 14 December 2009 and as Chairman on 3 March 2010.

After obtaining an M.B.B.Ch. degree in 1985 from the College of Medical Sciences, University of Calabar, Nigeria, he trained as a General Surgeon at the Lagos University Teaching Hospital, Lagos, and later sub-specialised in orthopaedic and trauma surgery and became a fellow of the West African College of Surgeons in 1996.

Whilst still practicing at the National Orthopaedic Hospital, Igbobi, Lagos, he established and managed various companies in the upstream, downstream and services sectors of the oil and gas industry in Nigeria. These include Abbeycourt Trading Company Limited (with which he traded crude oil and refined petroleum products with, amongst others, Glencore UK Limited), Abbeycourt Energy Services Limited, Zebbra Energy Limited and Shebah Exploration and Production Company Limited.

He also has other business interests in construction, real estate development, pharmaceuticals and shipping.

He went into full-time business in 1996 after eleven years of active medical practice. He co-founded SEPLAT in 2009 and became the Chairman, spearheading new business development and fundraising as well as providing leadership on strategy and stakeholder relationships.

He is also the chairman of Neimeth Pharmaceutical International plc, which is listed on the NSE, and a director of MPI, which is listed on NYSE Euronext Paris.

Consolidating his firm commitment to philanthropy, he founded the Daniel Orjiako Memorial Foundation (“DOMF”) in 1996 in honour of his late father, Chief Daniel O. Orjiako. The DOMF is committed to breaking the poverty cycle in rural Nigerian communities through education, healthcare services and economic empowerment through agriculture. The DOMF runs scholarship schemes for indigent students across the spectrum of education in Nigeria and has to date assisted towards the education of over 10,000 pupils in primary schools, over 200 in science education in post-primary schools and over 200 university graduates especially in medicine, engineering, pharmacy and geology. The DOMF also provides free care services to the elderly and micro-credits to rural farmers, especially rural women. He further supports

education and medical research through an endowment of a professorial chair in orthopaedics and trauma at the University of Calabar, Nigeria.

Between 2004 and 2006, he attended Harvard Business School's Owner's and President's Management Course and obtained a Certificate in Business Management in 2006.

In recognition of his services to humanity and the Roman Catholic church, Pope John Paul II in 2003 bestowed on him a Knighthood of the Order of St. Gregory the Great (KSGG), an award which earned him the title "Sir". In addition to receiving a KSGG from Pope John Paul II in 2003, he has also received numerous other awards including Paul Harris Fellow of Rotary International for Philanthropy, Distinguished Alumnus Award and Doctor of Sciences (D.Sc. Honoris Causa) by the University of Calabar, Nigeria (2001), Doctor of Business Administration (DBA Honoris Causa) for entrepreneurship, Anambra State University, Nigeria (2006), Life Member National Association of Resident Doctors of Nigeria which he led in 1994/95 and Platinum Award of the West African College of Surgeons for Support of Medical Research and Training. In 2012, the President of Nigeria conferred on him National Honours as an Officer of the Federal Republic ("OFR").

Executive Directors

(a) **Ojunekwu Augustine (Austin) Avuru** (*Chief Executive Officer*) (55 years old)

Austin Avuru, a co-founder of SEPLAT, was appointed Chief Executive Officer on 1 May 2010. He obtained a Geology degree from the University of Nigeria, Nsukka in 1980 and a post-graduate diploma in Petroleum Engineering from the University of Ibadan, Nigeria in 1992.

Prior to joining SEPLAT, Mr. Avuru spent twelve years at NNPC beginning in 1980, where he held various positions including wellsite geologist, production seismologist and reservoir engineer. In 1992, he joined Allied Energy Resources in Nigeria, a pioneer deepwater operator, where he worked for the next ten years as exploration manager and technical manager. In 2002, Mr. Avuru established Platform Petroleum Limited and held the role of managing director until 2010, when he left to take up the CEO position at SEPLAT. He is also a director of MPI, which is listed on NYSE Euronext Paris.

Mr. Avuru has served the oil and gas industry in various capacities including his work as the technical co-ordinator for the review of the industry's memorandum of understanding, membership of the ministerial committee on the restructuring of the DPR and his role as a consultant to the Senate committee on petroleum resources between 2000 and 2003. He also chaired the technical sub-committee that drafted the policy blueprint that formed the basis of the Nigerian Content Act of 2010.

(b) **William Stuart Connal** (*Chief Operating Officer*) (57 years old)

Mr. Connal was appointed Chief Operating Officer in August 2010 and as an Executive Director of the Company in March 2013. He is a chartered engineer with over 30 years' experience in major oil and gas companies in the United Kingdom and Nigeria. Prior to joining SEPLAT, he spent 10 years at Centrica Energy where he held various positions including project manager for a number of offshore gas field developments and the Langede gas receiving and conditioning terminal, for pipeline gas from Norway to the UK. In 2006, he was one of the founders of Centrica Resources' first ever international office in Nigeria where he held the position of managing director of Centrica Resources Nigeria for four years between 2006 and 2010 and was a member of Centrica Energy's upstream leadership team in London.

Prior to joining Centrica, from 1980 to 2006, Mr. Connal held a number of senior positions including engineering and construction manager for the Deutag Drilling Group in Norway, working on new field developments for Norsk Hydro, Statoil and Esso Norge. Prior to this, he worked with Shell on the implementation of the long-term field development strategy for the Brent field. His early engineering experience was gained working with some of the major engineering companies including Aker, Kvaerner, Amec, Brown and Root and McDermott.

Mr. Connal graduated from Glasgow College of Technology (now Glasgow Caledonian University) with an HNC in Civil/Structural Engineering in 1978. He became a chartered engineer of the Institution of Marine Engineers and the Institution of Structural Engineers in 1995 and 1996 respectively.

(c) **Roger Thompson Brown** (*Chief Financial Officer*) (44 years old)

Mr. Brown joined SEPLAT on 22 July 2013 as the Chief Financial Officer and as an Executive Director.

Mr. Brown has over eighteen years' experience in the energy industry primarily focused on emerging markets with extensive experience in structuring transactions on the African continent. Prior to joining the Company he held the position of managing director of Oil and Gas EMEA for Standard Bank Group.

During his time at Standard Bank he originated and closed a number of large transactions in the emerging markets working across the entire oil value chain from upstream oil companies to midstream infrastructure and downstream refining and distribution. His client base was made up of national oil companies, super majors, independents, indigenous oil companies and trading companies. In particular he was heavily focused on the Nigerian oil sector where under his leadership the bank led and completed over US\$1 billion of investment in the acquisition of on-shore oil blocks from the super majors, in particular Shell.

Between 2001 and 2005, he was also a director of the power, infrastructure and utilities teams at Standard Bank.

Prior to joining Standard Bank, Mr. Brown held positions in the corporate finance and business assurance departments of PricewaterhouseCoopers, focusing on providing advice to governments and private sector developers in the UK and the Middle East.

Mr. Brown graduated from the University of Dundee with a B.Sc. in Finance in 1992 and an M.Sc. in Finance from the University of Ulster in 1993. He is also a qualified Chartered Accountant with the Institute of Chartered Accountants in Scotland.

Non-Executive Directors

(a) **Michel Hochard** (*Non-Executive Director*) (64 years old)

M. Hochard was appointed as a Non-Executive Director on 14 December 2009 as a nominee of MPI. M. Hochard is the chief executive officer of MPI and has held the position of administrative and finance manager of Etablissements Maurel et Prom since September 2007. He is a chartered accountant whose experience includes serving as the internal auditor for the Department of Finance of ELF Aquitaine; head of the finance division for Africa and the Middle East; and director of finance of the SNEAP, then of ELF Aquitaine production. He was also appointed a director of operations at PricewaterhouseCoopers.

M. Hochard was a member of the management committee of GEOS, a leading international provider of risk prevention and management in Europe.

M. Hochard graduated from the Commercial Institute of Nancy, France with an ICN Diploma in 1977. In 1985, he graduated as a certified public accountant.

(b) **Macaulay Agbada Ofurhie** (*Non-Executive Director*) (68 years old)

Chief Ofurhie was appointed as a Non-Executive Director on 14 December 2009 as a nominee of Shebah. He has worked in the oil and gas industry for over three decades and retired after 34 years of an extensive career at NNPC and the DPR where he served in various executive positions.

During his time at NNPC, Chief Ofurhie was the managing director of NPDC and NGC, both subsidiaries of NNPC. Prior to his retirement, he held the position of director at the DPR.

Chief Ofurhie graduated with a B.Sc. in geology in 1971 from the University of Ibadan, Nigeria and in 1973 he obtained a diploma in petroleum technology from the Centre Formation Boussens in France.

Senior Independent Non-Executive Director

Michael Richard Alexander (*Senior Independent Non-Executive Director*) (66 years old)

Mr. Alexander was appointed as Senior Independent Non-Executive Director on 1 June 2013.

He currently holds a number of senior board positions including the position of independent non-executive director at the Payments Council Limited and senior board advisor at EGS Limited. He is also a member of the European Advisory Board of Landis & Gyr Limited.

From 2007 until 31 March 2014, Mr. Alexander served on the board of directors of Costain Plc, where he held the position of independent non-executive director and chairman of the remuneration committee. He also served as a non-executive independent director of The Energy Savings Trust Ltd and Associated British Foods Plc and as senior independent non-executive director and chairman of the remuneration committee at Russian Platinum Plc. Mr. Alexander's previous chairmanships include executive chairman of ATOC Ltd and non-executive chairman at TGE AG, GT Solar Limited and Goldfish Bank Limited.

He held the position of chief executive officer of British Energy Group Plc between 2003 and 2005 and executive director of Centrica Plc prior to that, having held a number of senior positions within British Gas Plc including managing director of British Gas Trading and commercial director of British Gas Exploration & Production. Before joining British Gas Plc in 1991, he spent 25 years at BP Plc in various roles.

He also served as a non-executive independent director of The Energy Savings Trust Ltd and Associated British Foods Plc, while his previous chairmanships include executive chairman of ATOC Ltd and non-executive chairman at TGE AG, GT Solar Limited and Goldfish Bank Limited.

Mr. Alexander graduated from the University of Manchester, UK, with a B.Sc. in Chemical Engineering in 1969 and an M.Sc. in Computer Control of Process Plants in 1970. In the UK, he is a fellow of the Institution of Engineering and Technology, the Institution of Chemical Engineers, the Institution of Gas Engineers and Managers and the Institute of Directors.

Independent Non-Executive Directors

(a) Lord Mark Malloch-Brown (*Independent Non-Executive Director*) (60 years old)

Lord Malloch-Brown was appointed as an Independent Non-Executive Director on 19 February 2014.

Lord Malloch-Brown served as a minister of the UK government under Prime Minister Gordon Brown from 2007 to 2009 where he had particular responsibility for strengthening relationships with Africa and Asia. He served as the Chief of Staff of the United Nations and then as the Deputy Secretary General under Kofi Annan from 2005 to 2006. During the six years prior to that, he was an administrator of the United Nations Development Programme. Between 1994 and 1999, he was Vice-President for External Affairs at the World Bank and, during the early years of his career, he worked as a journalist for *The Economist*. Lord Malloch-Brown joined FTI Consulting in September 2010 and currently serves in the role of chairman of EMEA.

Lord Malloch-Brown is chair of the Royal Africa Society and sits on a number of non-profit and advisory boards, including the International Crisis Group and the Open Society Foundation. His Honours include being made a Life Peer and Privy Counsellor when he joined the UK Cabinet in 2007. He is a member of the House of Lords and was knighted by Queen Elizabeth II for his international service in January 2007. Lord Malloch-Brown has honorary degrees from Michigan State University, Pace University and Walden University in the United States and the Catholic University in Lima, Peru and he is an Honorary Fellow of Magdalene College, Cambridge.

Lord Malloch-Brown graduated in 1975 with a B.A. and a subsequent M.A. in history from Magdalene College, Cambridge University. He also holds an M.A. in political science from the University of Michigan, USA, which he received in 1977.

(b) Dr. Charles Okeahalam (*Independent Non-Executive Director*) (51 years old)

Dr. Charles Okeahalam was appointed as an Independent Non-Executive Director on 22 March 2013.

Dr. Okeahalam is the co-founder of AGH Capital Group, a private equity and diversified investment holding company based in Johannesburg, with assets in several African countries.

He has significant expertise and strategic and operational experience in a number of areas of banking, central banking, development finance and financial sector reform.

Dr. Okeahalam has extensive board experience. Previous board appointments include Cadiz Holdings (1999 - 2001), ABSA Corporate and Merchant Bank (2001 - 2006), the Bond Exchange of South Africa (2003 - 2009), Sun International South Africa (2003 - 2005), National Discount House,

Zimbabwe (2001 - 2004), and South African Airways, where he was the chairman of the audit committee and chairman of the investment committee (2003 - 2006). In 2004, he served as the project director for a major review of the operations of the African Development Bank. From 2006 to 2007, he served as chairman of the steering committee establishing the Pan-African Infrastructure Development Bank. His other roles include advising a number of African central banks and government ministries, the World Bank and the United Nations. Dr. Okeahalam has recently completed a two-year term as the non-executive chairman of Société Générale Bank Nigeria (now called Heritage Bank). Dr. Okeahalam has previously served as a member of the council of the University of Cape Town and the governing council of the United Nations Institute for Development, Economics and Planning in Dakar, Senegal. He was awarded a senior fellowship of the Bank of England in 2000 and a future leader fellowship of the United Nations Leadership Academy in 1997. Prior to co-founding AGH Capital Group in 2002, he was a Professor of Financial Economics and Banking at the University of the Witwatersrand in Johannesburg. He obtained a PhD in Econometrics from the University of London in 1991 and a higher doctorate (D.Sc. in Financial Economics) from the University of Exeter in 2010 for contributions to banking and finance in Africa. His qualifications also include an M.Sc. in International Shipping from the Plymouth Polytechnic/University of Plymouth in 1986, an M.A. in Manpower Studies from the Polytechnic of Central London/University of Westminster in 1985 and a Higher National Diploma in Business and Finance from Hammersmith and West London College in 1984.

(c) **Basil Omiyi** (*Independent Non-Executive Director*) (68 years old)

Mr. Omiyi was appointed as an Independent Non Executive Director on 22 March 2013.

He has held the position of chairman and managing director of Michael-Philips Nigeria Limited since 2011. Most of his career was at Royal Dutch Shell where he spend 40 years in various roles both in Nigeria and Europe, including Head of Production Technology, Chief Petroleum Engineer, managing director of Shell Petroleum Development Company of Nigeria Limited, and ultimately country chairman of Shell Companies, Nigeria.

Mr. Omiyi has held a number of board memberships and senior advisory positions including as chairman of Greenacres Energy Limited, chairman of the Nigerian Upstream Industry Group, board member of the Nigerian Business Group of New Partnership for Africa's Development (NEPAD), board member of the Nigerian Extractive Industry Transparency Initiative (NEITI), chairman of the Oil and Gas Commission of the Nigerian Economic Summit Group (NESG), and member of the Presidential Advisory Council, amongst others.

In 2011, Mr. Omiyi was awarded the National Honour of Commander of the Order of the Niger by the President of Nigeria for pioneering Nigerian leadership in the oil and gas sector.

Mr. Omiyi graduated with a B.Sc. in Chemistry in 1969 and a post-graduate diploma in Petroleum Technology in 1970 from the University of Ibadan.

(d) **Mrs. Ifueko M. Omoigui-Okauru** (*Independent Non-Executive Director*) (51 years old)

Mrs. Ifueko M. Omoigui-Okauru was appointed as an Independent Non-Executive Director on 22 March 2013. She is a Fellow of the Institute of Chartered Accountants of Nigeria (FCA), 2001 and a Fellow of the Chartered Institute of Taxation of Nigeria (FCTI), 2007, having been awarded a Master of Science, Management Science from Imperial College, University of London in 1986 and a Bachelor of Science (First Class), Accounting from the University of Lagos in 1983.

Mrs. Omoigui-Okauru is the managing partner of Compliance Professionals Plc., a management consulting firm; non-executive director on the boards of ReStraL Ltd (which she founded in 1996) and Nigerian Breweries Plc.; independent non-executive director on the boards of Diamond Bank Plc. and Central Securities Clearing System Plc.; a member of the Executive Council of Women in Management, Business and Public Service (WIMBIZ), a non-governmental organisation; and a founding member of the Board of Trustees of DAGOMO Foundation Nigeria, a family-based non-governmental organisation geared to community development.

Between 2009 and 2013, Mrs. Omoigui-Okauru served as a part-time member of the United Nations Committee of Experts on International Cooperation in Tax Matters. Between 2004 and 2012, Mrs. Omoigui-Okauru held several positions within the Nigerian Federal Inland Revenue Service, including appointments as the first female Executive Chairman of the Federal Inland Revenue Service of Nigeria, the first female Chairman of the Joint Tax Board, and member of the Nigerian President's

Economic Management Team charged with responsibility for tax reform in Nigeria. Before that she was Chief Responsibility Officer of ReStraL Ltd (1996 - 2004) and left the services of Arthur Andersen & Co. in 1996 as National Partner of the firm's strategy practice after having spent twelve years in the firm.

Mrs. Omoigui-Okauru has won numerous awards in Nigeria, including recognition as a Member of the Order of the Niger (2000), a Global Leader for Tomorrow by the World Economic Forum, Davos, Switzerland (2000) and a Member of the Nigerian Federal Republic (MFR) (2006).

Senior Management Team

Senior management is responsible for the day to day running of the business and the implementation of the Board's strategies and policies. The senior management includes the following:

Name	Position
Leadership Team	
Ojunekwu Augustine (Austin) Avuru	Chief Executive Officer
William Stuart Connal	Chief Operating Officer
Roger Thompson Brown	Chief Financial Officer
N. Edward Skene	Vice-President, Finance and Business Support
Dr. Chioma Nwachuku	General Manager, Corporate Affairs and New Business Development
Isaiah Adesola Odeleye	Company Secretary and General Manager, Legal
Bryte Oghenovo Oghor	General Manager, Health, Safety, Security, Environment and Community Relations—HSSE & CR
Moses Johnson Onuwe	General Manager, Corporate Services
Extended Management Team	
Mason Oghenejobo	Strategy and Portfolio Adviser
Fidelis Onichabor	Technical Manager
Faustinus Alakwe	Operations Manager
Ganiyu Bolaji	Production and Field Operations Manager
Yusuf Audu	Head of Department, Drilling and Completion
Charles Akhigbe	Capital Project Performance and Compliance Manager
Olubusola Ogunbanwo	Head of Asset Development
Okechukwu Mba	Commercial and Tax Manager
Taiye Eyewuoma	Chief Accountant
Joe Ebinum	Treasury and Insurance Manager
Kikelomo Asuelime	Business Control Manager
Afolabi Foloruso Abiodun	Principal Production Technologist
Jonah Amedu	Principal Reservoir Engineer and Head of Petroleum Engineering

Senior Management Profiles

Leadership Team (non-Board)

The profiles of Messrs. Avuru, Connal and Brown are set out above under "Director Profiles."

(a) N. Edward Skene (Vice-President, Finance and Business Support) (57 years old)

Mr. Skene joined SEPLAT from Addax Petroleum Development (Nigeria) Limited ("Addax") in March 2010.

He has over 30 years of experience working in the oil and gas industry in exploration and production, as well as in the service sector. He has a global range of experience gained from working in Europe, Africa and the Middle East.

Mr. Skene's career began with Schlumberger (Dowell and Sedco Forex). He has held key positions in other organisations, such as general manager of business services at Addax from 2006 to 2009 and

chief financial officer at Willbros Nigeria Limited from 2005 to 2006. He has also previously held the role of finance and administration manager (Eastern Hemisphere) for Dril-Quip (Europe) Limited from 1987 to 2005, based in the UK, where he was appointed as a director for Dril-Quip Nigeria and Angola.

Mr. Skene obtained an M.A. in Accountancy and Political Economy from the University of Aberdeen in 1978.

(b) **Moses Johnson Onuwe** (*General Manager, Corporate Services*) (44 years old)

Mr. Onuwe joined SEPLAT in 2010 from Coca-Cola Hellenic Bottling Company Nigeria, where he held the position of head of human resources for the commercial division.

Mr. Onuwe has over 16 years of experience in human resources management within major multinational corporations, based in Nigeria and abroad. He began his career with Intecon Engineering Services Nigeria, as human resources/administrative officer. He has also held positions at Procter & Gamble as assistant human resources manager from 1996 to 1999, at British American Tobacco Company as human resources manager for Nigeria and with Renaissance Capital as director of human resources for Africa from 2007 to 2008.

Mr. Onuwe obtained a B.A. degree from the Obafemi Awolowo University, Ile-Ife in 1995 and completed an Executive MBA in Leadership Development at Harvard Business School in 2012.

(c) **Bryte Oghenovo Oghor** (*General Manager, Health, Safety, Security, Environment and Community Relations—HSSE & CR*) (59 years old)

Mr. Oghor joined SEPLAT from Addax where he held the position of general manager of health, safety and environment from 2005 to 2010. Mr. Oghor has over 30 years of experience in both the downstream and upstream sectors of the oil and gas industry. He worked in NNPC Kaduna Refinery and Petrochemicals Complex from 1983 to 1989, Ashland Oil (Nigeria) Company Limited from 1989 to 1998 and Addax from 1998 to 2010.

He has held various positions within the oil and gas industry's cooperatives in Nigeria, which include the chairmanship of the DPR search and rescue committee and serving on the board of directors of Clean Nigeria Associates Ltd., a not-for-profit second-tier oil spill response co-operative formed by some of the key oil producers in Nigeria. He is a fellow of the Nigeria Environmental Society.

Mr. Oghor obtained a B.Sc. (Hons.) degree in Biochemistry from the University of Benin, Nigeria in 1979 and an M.Sc. degree in Petrochemicals and Hydrocarbon Chemistry from the University of Manchester, Institute of Science and Technology, UK in 1982.

(d) **Dr. Chioma Nwachuku** (*General Manager, Corporate Affairs and New Business Development*) (50 years old)

Dr. Nwachuku joined SEPLAT from Zain Telecommunications Group, based in Bahrain, where she worked from 2008 to 2010 in the Corporate Communications and Human Resources Management divisions responsible for implementing key company policies and projects across the company's 24 countries of operation.

She began her career as a lecturer at Lagos State University and the University of Lagos. Dr. Nwachuku left this career for the banking sector, holding positions in corporate affairs and communications, product and service development and human resources management. During her banking career she worked for Diamond Bank from 1998 to 2001, Continental Trust Bank Ltd from 2001 to 2003 and MBC International Bank Ltd from 2003 to 2006, along with various roles at Zain Telecommunications Nigeria and Zain Telecommunications Group from 2006 to 2010.

Dr. Nwachuku holds a doctorate, received in 1991, and an M.A. degree in Communications Arts, received in 1987, both from the University of Ibadan, and also a B.A. degree from the University of Ife (now Obafemi Awolowo University), received in 1985. She is an alumna of Harvard Business School where she completed the General Management Programme in 2012.

(e) **Isaiah Adesola Odeleye** (*Company Secretary and General Manager, Legal*) (63 years old)

Mr. Odeleye was called to the Nigerian Bar in 1980 and began his legal career with the Lagos State Ministry of Justice, working within the Civil Litigation Division. He held various positions at SPDC from 1984 to 2004, including as legal adviser in the western division of SPDC and also as legal

manager and company secretary of SPDC. As senior partner of the law firm T.J. Onomigbo Okpoko and Company (now Thompson, Okpoko and Partners) from 2005 to 2011, Mr. Odeleye worked on commercial natural resource matters including energy and oil and gas.

He has over 30 years of experience as a legal practitioner and over 20 years of experience in the oil and gas industry. This experience includes advising on joint ventures, dispute resolution, compliance, oil and gas agreements, legal due diligence, acquisitions, corporate management and commercial negotiations.

Mr. Odeleye graduated in 1979 with a Bachelor of Laws degree from the University of Lagos, Nigeria. He also obtained a Master of Laws in 1983 from the University of Ife (now Obafemi Awolowo University).

Extended Management Team

(a) **Mason Oghenejobo** (*Strategy and Portfolio Adviser*) (61 years old)

Dr. Oghenejobo joined SEPLAT in June 2012 as Strategy and Portfolio Adviser following 32 years with SPDC in Nigeria and Shell International in The Netherlands, where he held various positions including General Manager, Commercial; Area Manager, Land-East and General Manager, Non Operated Ventures and Portfolio. Prior to joining Shell, he worked for approximately 2 years with Schlumberger in Nigeria and overseas, including time working in Algeria and Libya.

Dr. Oghenejobo graduated from the University of Ibadan with a Bachelor of Science degree in Petroleum Engineering in 1977. He also obtained a Masters degree in Business Administration (MBA) from Webster University in Leiden, Netherlands in 1987 and a Doctorate in Strategic Leadership (DSL) in 2011 from Regent University, Virginia Beach, USA.

(b) **Fidelis Onichabor** (*Technical Manager*) (57 years old)

Mr. Onichabor joined SEPLAT in 2010 as the Head of Asset Development and additionally assumed the responsibility for the Drilling and Completions group under the title of Technical Manager in July 2012.

He began his career at SPDC where he spent over 27 years in various technical leadership positions both in Nigeria and in Shell Sarawak Berhad, Malaysia.

In 2008, Mr. Onichabor left Shell to join Sahara Energy Field Limited (“Sahara”) as General Manager of Exploration. He left Sahara in 2010 to join the Company.

Mr. Onichabor graduated with a Bachelor of Science degree in Geology from the University of Ibadan, Nigeria in 1979.

(c) **Faustinus Alakwe** (*Operations Manager*) (41 years old)

Mr. Alakwe joined SEPLAT in March 2011 as Transition Manager and later Head of Production Operations from Shebah Petroleum Development Company Limited where he has been a director since 2007 and also held the positions of chief operating officer from 2007 to 2009 and acting managing director from 2009 to 2010. His previous experience includes working for SEPCOL as Asset Manager between 2004 and 2007. Prior to that, he worked with Abbeycourt Energy, Berwick Nigeria Limited and Schlumberger Nigeria Limited between 1993 and 2000.

Mr. Alakwe obtained a Bachelor of Engineering in Electronic Engineering from the University of Nigeria, Nsukka in 1992 and a Post Graduate Diploma in Petroleum Technology from the University of Port Harcourt in 1999. He is an alumnus of JMW UK’s Leader of the Future Programme and completed the General Management Programme at Harvard Business School in 2013.

(d) **Ganiyu Bolaji** (*Production and Field Operations Manager*) (53 years old)

Mr. Bolaji joined SEPLAT in July 2010 as Production Manager from SPDC where he held the position of Production Superintendent from 2008 to 2010. He also held the role of Head of Maintenance, Northern Swamp District at SPDC from 2006 to 2008.

Mr. Bolaji holds a Bachelor of Science degree in Electrical Engineering which he obtained in 1984 from the University of Lagos.

(e) **Yusuf Audu** (*Head of Department, Drilling and Completions*) (43 years old)

Mr. Audu joined SEPLAT in February 2011 as Head of Department, Drilling and Completions from SPDC where he held the positions of Wells, Contract and Procurement Manager and Rigs Category Manager since 2009.

His previous experience includes working for Shell Asia as Offshore Installation Manager from 2006 to 2009.

Mr. Audu graduated from Ahmadu Bello University Zaria with a Bachelor of Engineering (Chemical Engineering) in 1992 and a Master of Science in Chemical Engineering in 1996.

(f) **Charles Akhigbe** (*Capital Project Performance and Compliance Manager*) (45 years old)

Mr. Akhigbe joined SEPLAT in 2010 as Head of Operation Support from CNL where he held the position Senior Deep Water Drilling Advisor from 2009 to 2010. He has held the role of Capital Project Performance and Compliance Manager since 2012. His other previous experience includes working for SPDC as Senior Well Engineer, Drilling, Fluids and Field Logistics from 2003 to 2009 and for Baroid-Halliburton of Nigeria Limited as Field Operations Engineer and Business Development and Operations Coordinator from 1996 to 2001 and as Service Coordinator from 2001 to 2003.

Mr. Akhigbe graduated in 1994 with a B.Eng (Hons) in Mechanical and Production Engineering from the Tafawa Balewa University of Technology, Bauchi. He also obtained an Executive MBA from the Canadian Management Institute in Toronto, Canada in 2012.

(g) **Olubusola Ogunbanwo** (*Head of Asset Development*) (53 years old)

Mr. Ogunbanwo joined SEPLAT in December 2010 as Deputy Head of Asset Development and was appointed Head of Asset Development on 2 July 2012. He previously spent 20 years with Shell International E&P where he had held the positions of Principal Reservoir Engineer and Production Forecasting Lead for the Africa region since 2008. His experience in Shell includes assignments in Nigeria, The Netherlands, Oman and the United States of America as Senior Reservoir Engineer and Project Manager from 1990 to 2008. Prior to joining Shell, he worked for Nigerian Breweries Plc in 1987 as a Mechanical Engineer and rose to the position of Technical Purchasing Manager in 1990.

Mr. Ogunbanwo graduated from the University of Lagos with a B.Sc. in Mechanical Engineering in 1987 and received an MBA from the University of Benin in 1998.

(h) **Okechukwu Mba** (*Commercial and Tax Manager*) (38 years old)

Mr. Mba joined SEPLAT in 2010 as Commercial and Tax Manager from BG E&P Nigeria Limited where he held the positions of Internal Controls Manager from 2006 to 2008 and Planning and Budget Manager from 2008 to 2010. His other previous experience includes working for ExxonMobil Nigeria as a Senior Accounting Analyst from 2002 to 2006 and Arthur Andersen from 1999 to 2002.

Mr. Mba graduated with a B.Sc. in Accounting from the Imo State University, Owerri, Nigeria in 1998. He is also a Fellow of the Institute of Chartered Accountants, Nigeria and an Associate of the Chartered Institute of Taxation, Nigeria.

(i) **Taiye Eyewuoma** (*Chief Accountant*) (43 years old)

Mr. Eyewuoma joined SEPLAT in December 2010 as Chief Accountant from BG Exploration and Production Nigeria Limited where he held the positions of Chief Accountant and Lead Accountant from 2008 to 2010. His previous experience includes working for Schlumberger Nigeria Limited as Operations Controller, Management Accountant, Assistant Treasury Manager and Subsystems Accountant from 1996 to 2008.

Mr. Eyewuoma holds a Bachelor's degree in Accounting from the Edo State University, graduating in 1995. He is also a Fellow of the Institute of Chartered Accountants of Nigeria.

(j) **Joseph Ebinum** (*Treasury and Insurance Manager*) (59 years old)

Mr. Ebinum joined SEPLAT in July 2010 as Treasury and Insurance Manager, having performed a similar role with Shebah Exploration and Production Company Limited in Nigeria between 2004 and 2010. Prior to joining Shebah Exploration and Production Company Limited, Mr. Ebinum worked as the Group General Manager of Fymak Marine Services Limited in Nigeria between 2000 and 2004, having joined them from the Oil Mineral Producing Areas Development Commission of Nigeria

(OMPADEC), where he spent two years from 1998 to 2000, following six years at Mars Home Savings & Loans Limited in Nigeria from 1992 to 1998. From 1987 to 1989, Mr. Ebinum worked as a Senior Consultant at Coopers & Lybrand in Nigeria and from 1980 to 1986 he was the Chief Accountant at Dumex Industrial Limited.

Mr. Ebinum is a Fellow of the Chartered Institute of Certified Accountants in the United Kingdom and a Fellow of The Institute of Chartered Accountants of Nigeria, having graduated from the Aberdeen College of Commerce in 1976 and Norwich City College in 1979. He obtained an MBA in Financial Management from the University of Lagos in 2006.

(k) **Kikelomo Asuelime** (*Business Control Manager*) (41 years old)

Ms. Asuelime joined SEPLAT in April 2012 in the role of Business Control Manager from Sahara Group Limited where she had held the position of Business Controller since 2009. Her previous experience includes working for Aerocontractors Company of Nigeria as Head of Finance from 2007 to 2009 as well as over 11 years' experience with PricewaterhouseCoopers (PwC) where she worked from 1996 to 2007, including in a manager's role for two years with PwC in London. Her final role at PwC was as a Senior Manager in the Energy and Mining Service Department.

Ms. Asuelime graduated in 1995 with a B.Sc. in Mathematics/Statistics from the University of Lagos and is an associate of The Institute of Chartered Accountants of Nigeria.

(l) **Afolabi Foloruso Abiodun** (*Principal Production Technologist*) (45 years old)

Mr. Abiodun joined SEPLAT in June 2012 in the role of Principal Production Technologist. His previous experience includes working for SPDC, where he held the positions of Production Technologist and Senior Production Technologist from 2003 to 2012. He also worked for BJ Pumping Company Nigeria Limited as District Engineer from 1994 to 2003. He graduated in 1992 with a B.Sc. (Hons) in Chemical Engineering from Obafemi Awolowo University.

(m) **Jonah Amedu** (*Principal Reservoir Engineer and Head of Petroleum Engineering*) (52 years old)

Mr. Amedu joined SEPLAT in March 2011 in the role of Principal Reservoir Engineer. His previous experience includes working for Canadian Natural Resources International (UK) Ltd in Aberdeen where he held the position of Senior Exploitation Engineer from 2006 to 2011. He also worked as a Senior Reservoir Engineer for both Petroleum Development in Oman from 2003 to 2006 and ConocoPhillips Inc. in Houston from 2001 to 2002.

Mr. Amedu holds both a B.Sc. and M.Sc. in Petroleum Engineering from the University of Ibadan, Nigeria from which he graduated in 1988 and 1993 respectively.

Corporate Governance

Overview

The Board is committed to high standards of corporate governance. On and following Admission, the Board will comply with the requirements of the Nigerian Code of Corporate Governance and CAMA.

The Company intends to observe the requirements of the UK Corporate Governance Code as applicable to a company outside of the FTSE-350, save as set out below. Compliance with the UK Corporate Governance Code is being undertaken on a voluntary basis. As at the date of this Prospectus, the Company is, and as at the date of Admission will be, in compliance with the UK Corporate Governance Code with the exception of the following:

- The Chairman, upon appointment, did not meet the independence criteria set out in the UK Corporate Governance Code, in particular as he is, through Shebah, a substantial shareholder in the Company (UK Corporate Governance Code provision A.3.1);
- The Executive Directors or any director appointed by any of the Founders will not be subject to retirement by rotation or taken into account in determining the number of directors to retire each year (UK Corporate Governance Code provision B.7.1);
- Remuneration for certain Non-Executive Directors may include performance-related elements (UK Corporate Governance Code provision D.1.3); and
- Certain Executive Directors' service contracts may include an initial fixed term of more than one year (UK Corporate Governance Code provision D.1.5).

In addition, the Board has decided to adopt the Model Code for directors' dealings contained in the Listing Rules. The Board will be responsible for taking appropriate steps to ensure compliance with the Model Code by the Directors. Compliance with the Model Code is being undertaken on a voluntary basis and the FCA will not have the authority to monitor the Company's voluntary compliance with the Model Code or to impose sanctions in respect of any breaches.

Consistent with the rules applicable to companies with a Standard Listing, unless required by law or other regulatory process, shareholder approval is not required for the Company to complete an acquisition of or a disposal of assets or shares. The Company will obtain the approval of the Board before entering into any such transaction.

In accordance with the Codes, the Board has established guidelines requiring specific matters to be subject to decision by the full Board, including material acquisitions and disposals, investment and capital projects. The Group has a technical operations committee and an establishment committee which oversees the Group's human capital development policy and the recruitment, promotion or disciplinary measures affecting its senior staff and management.

In addition, the Board has established the following committees: Audit Committee, Finance Committee, Nomination and Establishment Committee, Remuneration Committee, Risk Management and HSE Committee and CSR Committee, with formally delegated duties and responsibilities within written terms of reference. If the need should arise, the Board may set up additional committees as appropriate. The Group has also adopted a code of business conduct and policies covering anti-corruption and bribery, community relations, share dealing, whistleblowing, conflicts of interest and related party transactions and electronic information and communications systems. The Group's legal and compliance departments assist the Board in monitoring the application of the Group's Code of Business Conduct and other policies.

In addition, the Company recently appointed Gerald Rohan, on a consultancy basis, as a special adviser to the Board to assist it in implementing and monitoring compliance with the Company's corporate governance policies. Mr. Rohan is a former director in the Energy, Utilities and Mining group of PricewaterhouseCoopers in Moscow. He is a member of the International Corporate Governance Network and is a visiting professor at Moscow State University Higher School of Business, lecturing on courses including Business Ethics, Corporate Governance and Corporate Social Responsibility. He is co-author of "Business Ethics", a text for teaching business ethics published by the International Business Leaders Forum in 2012. Mr. Rohan has been an independent director of a number of energy companies, holding various roles, including chair of the audit and corporate governance committees.

Relationship Agreement

The Company has entered into a relationship agreement with the Founders to regulate their degree of control over the Company. Please see Part XVII: "Additional Information", section 10.3 of this Prospectus for further details.

Anti-Corruption

The Group has recently adopted an anti-corruption and bribery policy, details of which are set out in Part VI: "Letter from the Chairman and Information on the Group", section 13 of this Prospectus.

Board Charter

The Board has formally adopted a board charter to assist directors in fulfilling their responsibilities. It details the functions and responsibilities of the Board and the Board committees and the matters specifically reserved for the Board. It covers the scope of the Board's authority, strategy and management. Other matters covered include the structure, capital and financial reporting and controls of the Group.

Audit Committee

The Audit Committee's current members are Charles Okeahalam and Ifueko M. Omoigui-Okauru and three representatives to be selected at a general meeting of shareholders. It is currently intended that an additional member of the Board will be appointed to the Audit Committee at the next meeting of the Board. Appointments to the Audit Committee shall be made by the Board, on the recommendation of the Nomination and Establishment Committee. The Audit Committee is established in accordance with Section 359(3) and (4) of CAMA. Under Nigerian law, the Audit Committee is required to be comprised of not more than six members consisting of an equal number of representatives of shareholders and the

Board. In accordance with CAMA at least half of the members are shareholder representatives and two of the members are Independent Non-Executive Directors in line with the requirements of the Nigerian Code of Corporate Governance and consistent with the UK Corporate Governance Code. The Audit Committee meets at least four times a year at appropriate times in the reporting and audit cycle and senior management, including the chief financial officer, may be invited to attend for all or part of the meetings. The external auditors of the Company are invited to attend the meetings on a regular basis.

The purpose of the Audit Committee is to monitor the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance, by reviewing significant financial reports and the auditor's report made pursuant to Section 359 of CAMA.

Finance Committee

The Finance Committee is chaired by Charles Okeahalam and its other current members are Michael Alexander, Lord Mark Malloch-Brown and Ifueko M. Omoigui-Okauru. The Finance Committee was established by the Board to assist it in overseeing financial strategy policy and treasury matters, and in reviewing and approving major capital expenditures. It is required to be comprised of at least three directors, two of whom shall be Independent Non-Executive Directors. The Finance Committee meets at least four times a year at appropriate times in the reporting and audit cycle and otherwise as required. In addition, the Finance Committee is responsible for overseeing and evaluating the Group's corporate governance policies, conflicts of interest and related-party transactions and compliance.

Nomination and Establishment Committee

The Nomination and Establishment Committee is chaired by A.B.C. Orjiako and its other current members are Michael Alexander and Basil Omiyi. In accordance with the Nigerian Code of Corporate Governance and the UK Corporate Governance Code, the majority of members of the Nomination and Establishment Committee are Independent Non-Executive Directors. The Nomination and Establishment Committee meets not less than twice per year and otherwise as may be necessary from time to time and following any resignation or removal of a Director. Other Senior Management and external advisers may be invited to attend meetings as the Nomination and Establishment Committee considers appropriate.

The Nomination and Establishment Committee has responsibility for considering the size, composition and balance of the Board and its committees, retirement and appointment of additional and replacement Directors and making appropriate recommendations to the Board. The purpose of the Nomination and Establishment Committee is to advise the Board on its composition, evaluate the performance of directors and make recommendations on succession planning and the addition or replacement of executive and non-executive directors and the Chairman. It is required to regularly review the structure, size and composition (including skills, knowledge, experience and diversity) of the Board, with particular regard to the balance of executive and non-executive directors. The Nomination and Establishment Committee is also responsible for preparing a description of the role and capabilities required for a particular appointment and ascertaining whether nominees for the position of director are fit and proper and are not disqualified from being directors including whether any real or potential conflict of interest would exist in relation to a candidate's appointment. In addition, the Nomination and Establishment Committee oversees management's implementation of human capital development policies and procedures and management's recommendations for the recruitment, promotion, training, development, succession planning or disciplinary measures affecting the Chief Executive Officer, Executive Directors and general managers for the Group. The Committee also oversees the implementation of the Company's Code of Business Conduct and is responsible for reporting lapses and recommending appropriate review to the Board from time to time.

Remuneration Committee

The Remuneration Committee consists of three Non-Executive Directors, at least two of whom are independent (including the chairman of the Remuneration Committee). The Remuneration Committee is chaired by Michael Alexander and its other current members are Basil Omiyi and Charles Okeahalam. The Chairman of the Board may attend meetings of the committee and will support the committee and provide such information, advice and guidance as may from time to time be requested by the committee.

The Remuneration Committee is responsible for considering and ensuring that remuneration arrangements for the Company's chairman, executive directors and senior management support the

strategic aims of the business and enable the recruitment, motivation and retention of relevant skilled labour while satisfying the expectations of shareholders.

The Board is responsible for approval of the remuneration framework recommended by the Remuneration Committee and agreeing the remuneration packages, through the Remuneration Committee.

An Executive Director of the Company is not permitted, under the terms of reference, to vote on his own terms and conditions of remuneration, and will not be entitled to the sitting allowances and/or fees payable to the Non-Executive Directors. Non-Executive Directors' fees will be determined by the Board.

Risk Management and HSE Committee

The Risk Management and HSE Committee is chaired by Basil Omiyi and its other current members are Ifueko M. Omoigui-Okauru, Austin Avuru, Macaulay Ofurhie and Stuart Connal, two of whom are Independent Non-Executive Directors. The Chairman, the CEO, the CFO, the Executive Directors and the head of the internal audit unit may attend the meetings of the Risk Management and HSE Committee. Specialists with appropriate technical expertise may also be invited to attend meetings of the Risk Management and HSE Committee. The Company's CEO provides overall leadership for the Group's risk management framework, risk management function and risk governance policies.

The purpose of the Committee is to assist the Board in fulfilling its responsibilities with respect to oversight and monitoring of the Company's risk management framework, including the significant policies and procedures used in managing credit, market, operational and health, safety and environmental risks. The Risk Management and HSE Committee meets at least four times each year. In accordance with the Nigerian Code of Corporate Governance, the Risk Management and HSE Committee assists the Board and has oversight over the Company's risk management framework, profile and the risk-reward strategy determined by the Board. Its responsibilities also include evaluating the effectiveness of the Company's HSE policy and overseeing all health, safety and environmental issues.

CSR Committee

The CSR Committee is chaired by Lord Mark Malloch-Brown (Independent Non-Executive Director) and its other current members are Ifueko Omoigui-Okauru (Independent Non-Executive Director) and Macaulay Agbada Ofurhie (Non-Executive Director). Its responsibilities include advising the Board on community and broader societal related matters, implementing the Company's Community Relations policy and assessing the Company's performance with regard to the impact of CSR decisions upon employees, communities and other third parties.

Dividend Policy

Since its formation the Company has substantially increased oil production and generated strong revenue growth. The Board believes that this enables the Group to continue to fund its strategy of further growth as well as pay dividends to shareholders.

The Company intends to establish a core ordinary dividend based on conservative assumptions regarding production and long-term oil prices, which should allow the Company to progressively increase dividends, in the absence of adverse macroeconomic conditions. In addition, the Company also intends to pay special dividends when it considers these appropriate after taking into account the level of profits earned by the Group in the period under review, the then-existing cash position of the Group and significant known or expected funding commitments of the Group.

For the year ended 31 December 2013, the Company declared and paid a dividend of US\$40 million, which was paid in February 2014. The dividend was composed of:

- a core dividend of US\$0.05 per Ordinary Share; and
- a special dividend of US\$0.05 per Ordinary Share.

For the year ending 31 December 2014, the core dividend is expected to be not less than US\$0.10 per Ordinary Share, reflecting the strong growth and cash flow prospects of the Group. From the year ending 31 December 2014 onwards, the core dividend will comprise an interim dividend, expected to be paid in November, and a final dividend, expected to be paid in June following approval by shareholders at the annual general meeting. The Board may revise the Company's dividend policy from time to time. Please also see Part II: "Risk Factors", section 3.9 of this Prospectus.

PART VIII

REGULATORY AND LEGISLATIVE FRAMEWORK IN NIGERIA

The legal framework for the regulation of the oil industry in Nigeria is governed by many statutes and subsidiary legislation. Nigeria's current most specific petroleum legislation is the Petroleum Act (as amended). The Petroleum Act and regulations made pursuant to this act have established the legal framework for the regulation of the petroleum industry in Nigeria. Under the 1999 Constitution, as amended, petroleum is under the exclusive legislative list and as such within the exclusive legislative competence of the National Assembly. The Nigerian government legislates through laws passed by the National Assembly. The various relevant acts as well as the pending bill relating to regulation of the petroleum industry are summarised below.

1. CURRENT OIL INDUSTRY LEGISLATION

1.1 Oil Pipelines Act 1956, Cap 07, LFN 2004 ("OPA")

OPA empowers the Minister of Petroleum Resources in Nigeria to grant permits to survey routes for oil pipelines and licences in order to construct, operate and maintain pipelines. Each licence may only be issued in respect of the construction, operation and maintenance of one pipeline. Any person may apply to the Minister for the grant of a permit to survey, and the Minister may make the grant following the payment of the required fees. A person who holds a permit to survey may thereafter apply for the grant of an oil pipeline licence. An oil pipeline licence may be granted for a period not exceeding 20 years.

OPA provides that no person other than the holder of a licence shall construct, maintain or operate an oil pipeline, and anyone who acts in contravention of this is guilty of an offence and liable to imprisonment or a fine or both. The Minister may also require any person convicted of such an offence to remove the pipeline in respect of which the offence was committed, and any ancillary installation, to the extent that the Minister does not elect to purchase such pipeline, with the offender to ensure that any damage done to the land by such removal is remediated.

1.2 Petroleum Act 1969, as amended, Cap P10, LFN 2004 (the "Petroleum Act")

The Petroleum Act covers the definition of petroleum, title to petroleum, licencing of upstream and downstream operations and other issues relating to the Nigerian petroleum industry.

The Petroleum Act provides for the different licences and leases that must be obtained in order to carry out petroleum operations in Nigeria, including oil exploration licences ("OEL"), oil prospecting licences ("OPL") and OMLs.

An OEL confers on the grantee the non-exclusive right to undertake petroleum exploration activities in the specified OEL area. An OEL terminates on the 31 December following the date it was granted and may be renewed for one year subject to the fulfillment of conditions imposed. It is granted for an initial period of a maximum of one year, subject to renewal for another year. An OPL confers on the grantee the exclusive right to prospect for, carry away and dispose of hydrocarbons in the specified OPL area. The duration of an OPL is five years, inclusive of any period of renewal. An OML confers on the grantee the exclusive right to search for, win, work, carry away and dispose of all petroleum in, under or throughout the area covered by the OML. In essence, this translates as having the title to the oil or gas produced in the concession or the proceeds thereof. An OML confers essentially the same rights as an OPL but the duration of an OML is 20 years and may be renewed. The applicant for an OML must be a holder of an OPL who has discovered crude oil in commercial quantity. Commercial quantity is deemed to have been achieved if the OPL holder can satisfy the authorities that a production of 10,000 barrels per day of crude oil can be obtained from the OPL area. The rights granted to the holder of an OPL or OML apply both to crude oil as well as gas.

The act empowers the Minister with the right to exercise general supervision over all operations carried on under licences and leases granted under the act. The Minister exercises these rights in conjunction with the DPR. The DPR is charged with the responsibility of supervising, regulating and monitoring petroleum activities in Nigeria through the enforcement of policies relating to all petroleum matters, licensing of all petroleum operations, including issuance of permits, and setting standards and guidelines for safe, efficient and effective control of such operations.

In the event of a state of national emergency or war, the Minister shall have the right of pre-emption of all petroleum and petroleum products obtained, marketed or otherwise dealt with under any licence or lease granted under the Petroleum Act.

The Minister is empowered to revoke an OML where the lessee is controlled directly or indirectly by a citizen of, or a company organised in, a country that does not permit Nigerians to acquire, hold or operate petroleum concessions.

The Minister also has the power to revoke any OML where the lessee is not conducting operations:

- continuously;
- in accordance with the approved basic work programme or good oil field practices;
- where the lessee has failed to comply with the provisions of the Petroleum Act;
- where the lessee has failed to pay his royalties; or
- where the lessee has failed to furnish the Minister with the necessary reports of its operations.

1.3 Petroleum Technology Development Fund Act 1973, Cap P15, LFN 2004

This act established the Petroleum Technology Development Fund (“PTDF”), the objective of which is to train Nigerian students, graduates, professionals, technicians and craftsmen in the fields of engineering, geology, science and management in the petroleum sector in Nigeria or abroad. The fund is financed by monies which accrue to the government from exploration works and production activities. In addition, oil firms may voluntarily donate sums to the fund for the training and education of Nigerians in the sector as directed by the Minister.

The fund is utilised for the following purposes:

- to provide scholarships in universities, colleges and institutions;
- to maintain, supplement or subsidise such training or education; and
- to finance the participation of Nigerians in seminars and conferences which are connected with the petroleum industry in Nigeria or abroad.

1.4 Petroleum Equalisation Fund (Management Board, etc.) Act 1975, Cap P11, LFN 2004

This act established the Petroleum Equalisation Fund (the “PEF”). The Fund is to be applied towards reimbursement of petroleum marketing companies for losses suffered or additional expenses incurred (for instance, additional transportation or energy costs) from the sale of petroleum products at uniform prices throughout Nigeria. The reimbursement is a form of subsidy provided for such petroleum marketing companies, for selling the products at uniform prices fixed by the Minister. This legislation operates to govern the downstream sector of the Nigerian petroleum industry, particularly oil marketing companies. In summary, the act provides for bridging of the transportation cost of refined petroleum from the ports of importation or refinery to place of sale so as to maintain uniform pricing of petroleum products across Nigeria. Any net surplus revenue recovered from oil marketing companies pursuant to this act and such sums as may be provided for that purpose by the Nigerian government are expected to be paid into the Fund.

The secretary to the PEF Management Board may, with the approval of this Board, require any oil marketing company to furnish such returns and keep such records and produce them for examination as and when is deemed necessary. Failure to comply with this directive makes such oil marketing companies liable for a fine of ₦50,000.

1.5 Nigerian National Petroleum Corporation Act 1977, Cap N123, LFN 2004

The Nigerian National Petroleum Corporation Act established NNPC, which is authorised to engage in commercial activities pertaining to the petroleum industry and also to enforce general control over the sector. The Minister is the chairman of NNPC and charged with overseeing the affairs of NNPC.

The duties of NNPC include:

- Exploring and prospecting for, working, winning or otherwise acquiring, possessing and disposing of petroleum;

- Purchasing and marketing petroleum, its products and by-products; and
- Engaging in activities that enhance the petroleum industry in the overall interest of Nigeria.

1.6 Associated Gas Re-injection Act 1979, Cap A25, LFN 2004 (“AGRA”)

AGRA requires every company producing oil and gas in Nigeria to submit preliminary programmes for gas re-injection and detailed plans for implementation of gas re-injection. The act addresses gas flaring activities of oil and gas companies in Nigeria. It prohibits, without lawful permission, any oil and gas company from flaring gas in Nigeria and stipulates the penalty for breach of permit conditions. This includes the forfeiture of the concessions granted in the particular field or fields in relation to which the offence was committed. Also, the Minister may order the withholding of all or part of any entitlements of any offending person towards the cost of completion or implementation of a desirable re-injection scheme, or the repair or restoration of any reservoir in the field.

1.7 Petroleum Products Pricing Regulatory Agency Act (Establishment) No. 8 (2003)

This act established the Petroleum Products Pricing Regulatory Agency (“PPRA”), which is charged with the primary responsibility of determining the pricing policy of petroleum products and regulating the supply and distribution of these products for downstream oil firms. In addition, the PPRA is expected to:

- moderate volatility in petroleum products pricing, while ensuring reasonable returns to operators;
- establish an information data bank through liaisons with all relevant agencies to facilitate informed and realistic decisions on pricing policies; and
- prevent collusion and restrictive trade practices harmful to the sector.

1.8 Nigerian Gas Master Plan 2008

The GMP came into effect in 2008 as an aggregate policy framework that includes the Gas Infrastructure Blueprint, Gas Pricing Policy and Domestic Gas Supply Obligation. Nigeria holds the seventh largest natural gas reserves in the world and with the GMP, the Nigerian government aims to leverage this resource base to meet the target of growing the economy at 10 per cent. per annum.

The GMP is expected to drive the monetisation of gas, in order to substantially reduce gas flaring, provide a more efficient and cheaper source of fuel for power and industrial production, and provide an alternative revenue source for the Nigerian government.

The main objectives of the GMP include:

- Developing and entrenching a sustainable commercial framework for the Nigerian domestic gas market;
- Maximising the multiplier effect of gas in the domestic economy through the facilitation of gas utilisation in the domestic economy and the stimulation of broad gas-based industrialisation;
- Optimising Nigeria’s share and competitiveness in high-value export markets, through selective participation in high-value markets and strategic positioning for growth; and
- Assuring long-term gas security for Nigeria.

Following the approval of the GMP, the Nigerian government issued the National Gas Supply and Pricing Policy and the National Domestic Gas Supply and Pricing Regulation 2008. Both provide for the imposition of a domestic gas supply obligation on all upstream companies and require a pre-determined portion of their gas production to be set aside for supply to the domestic market. The GMP also has the goal of creating an integrated gas gathering, processing and distribution network in the Niger Delta and across Nigeria through the implementation of a “gas infrastructure blueprint” in an attempt to significantly increase the amount of gas used domestically, to in turn promote private sector participation and to standardise gas specification.

Alongside the GMP, the Nigerian government is also implementing an accelerated gas development and utilisation programme to enable domestic investors to take advantage of the opportunities in Nigeria’s gas industry. It involves the installation of supplementary gas treatment and processing plants between existing gas plants and power plants.

1.9 Nigerian Oil and Gas Industry Content Development Act 2010 (the “Nigerian Content Act”)

The Nigerian Content Act introduced significant reforms in the Nigerian oil and gas industry. The act aims to increase the level of indigenous participation in the oil and gas industry. Oil and gas arrangements, contracts and operations are now required to comply with minimum Nigerian content standards and thresholds. All oil and gas agreements, contracts or memoranda of understanding relating to any operation or transaction in the Nigerian oil and gas industry entered into after the enactment of the Local Content Act are required to comply with the provisions of the act.

The scope of this act is extensive and all operators, contractors, sub-contractors and other entities carrying out projects, operations, activities or transactions in the Nigerian oil and gas industry are required to adhere to the provisions of the act as an essential factor in their project conceptualisation, development and management. Nigerian independent contractors shall be given first consideration in the award of oil blocks, oil field licences, oil lifting licences and all projects for which contracts are to be awarded in the Nigerian oil and gas industry. In addition, indigenous Nigerian persons shall be given first consideration for employment and training in any project executed by any operator or project promoter in the Nigerian oil and gas industry. The act also requires that exclusive consideration is given to Nigerian indigenous service companies that demonstrate ownership of equipment, Nigerian personnel and capacity to execute such work, or to bid on land or swamp operating areas of the Nigerian oil and gas industry for specific contracts and services.

The promotion of “Nigerian Content” as provided by the Nigerian Content Act is required to be a major consideration for the award of licenses, permits and any other interest or operation in the Nigerian oil and gas industry. The “Nigerian Content” of a company is defined as the quantum of composite value added to or created in the Nigerian economy by a systematic development of capacity and capabilities through the deliberate utilisation of Nigerian human, material resources and services in the Nigerian oil and gas industry. The minimum “Nigerian Content” in any project to be executed in the industry is required to be consistent with the levels set out in a schedule attached to the Local Content Act showing the proposed rates and measured units for listed activities (the “**Schedule**”). The Schedule shows the required percentages of Nigerian resources to be utilised, expressed in terms such as manpower, industry spend, tonnage or volume for each specified project item.

Although the Nigerian Content Act does not appear to place emphasis on the nationality of the shareholders of a company operating in the Nigerian oil and gas industry as the basis of local content, it does stipulate an ownership threshold to determine what constitutes a “Nigerian company”. Section 106 of the Nigerian Content Act defines a “Nigerian company” as a company formed and registered in Nigeria in accordance with the provisions of the CAMA with not less than 51 per cent. of its shares held by Nigerians.

2. THE PETROLEUM INDUSTRY BILL

The PIB was initially introduced to the National Assembly of Nigeria in 2008 and has been in continuous deliberation since then. Different deadlines had been set for the passage of the PIB and there is still uncertainty as to whether and when it will be enacted. The PIB, if enacted, will repeal most of the current petroleum industry legislation and become the principal petroleum law for the Nigerian petroleum industry.

Under the PIB it is expected that the regulatory, policy and commercial functions (currently performed by NNPC) will be split between different institutions and organisations which will be created by the PIB.

Accordingly, the PIB is expected to provide for the commercialisation and unbundling of the NNPC. The draft PIB proposes to break the NNPC into two companies, one of which will be a self-financing National Oil Company (“**NOC**”), while the other will be the Nigerian Petroleum Assets Management Company Limited (“**NPAMC**”). The NOC is proposed to operate as a fully integrated upstream crude oil and gas company capable of competing with the international oil companies, while the NPAMC Ltd will be an asset management company vested with government’s interests in the unincorporated joint ventures. The National Gas Company plc is proposed to also be incorporated, and it appears to be intended that this company will take over the assets and liabilities of the Nigerian Gas Company Limited (“**NGC**”). In addition, the existing regulatory institutions would undergo significant restructuring as follows: (a) it is proposed that the ministry in charge of petroleum resources in Nigeria will remain a ministry under the federal civil service structure, headed by the Minister, who will continue to oversee all activities in the industry; (b) the creation of the Upstream Petroleum Inspectorate (“**UPI**”) to replace the DPR in its role as the regulator of the upstream crude oil and gas sector; (c) the Petroleum Products Pricing and

Regulatory Agency, which currently acts as the pricing regulator for downstream products, would be replaced with the Downstream Petroleum Regulatory Agency (“DPRA”) to serve as the regulator of the downstream crude oil and gas sector. The UPI and DPRA will, together, regulate the gas market in accordance with the prevailing GMP.

Under the current draft PIB, two funds would be re-established: (1) the PEF, into which is placed any surplus revenue recovered from petroleum products, marketing companies and funds from the government provided for this purpose; and (2) the PTDF, for the training of technical and management personnel for the industry. In addition to the PTDF, the draft PIB retains the Petroleum Training Institute, which is an institution that provides education and technological manpower to the petroleum industries of Nigeria and other African countries. The current draft PIB also proposes to establish a third fund, which will be called the Petroleum Host Communities Fund (“PHCF”), into which all upstream petroleum producing companies in Nigeria will be required to pay on a monthly basis 10 per cent. of the net profits that they receive from the sale of crude oil and gas derived from their onshore, shallow offshore and deep offshore petroleum operations. It is intended that the proceeds of the PHCF will be applied for the benefit of host communities within petroleum producing areas towards the development of their economic and social infrastructure. The administration of the fund will, however, be in accordance with regulations that will be made by the Minister if or after the PIB becomes law.

Licences issued under the PIB will be renamed and these include:

- The petroleum exploration licence: issued for exploration on a non-exclusive basis. Under the Petroleum Act, this type of licence is referred to as an OEL.
- The petroleum prospecting licence: issued to prospect for either crude oil or gas. Under the Petroleum Act, this type of licence is referred to as an OPL.
- The petroleum mining lease (“PML”): issued to search for, win work, carry away and dispose of crude oil or gas. The duration of this is for a term of 20 years, renewable for a further term of not more than 10 years. Under the Petroleum Act, this type of licence is referred to as an OML.

The PIB is expected to provide that PMLs will be revoked where there is no “commercial discovery” after 5 years. Similarly, PMLs will also be relinquished where there is no “commercial production” after 10 years.

Under the PIB, two layers of tax will be introduced, namely the Nigerian Hydrocarbons Tax (“NHT”) and Companies Income Tax. NHT replaces the Petroleum Profit Tax (“PPT”) while the Companies Income Tax will be introduced for all oil companies at the rate of 30 per cent. on net profits. The NHT will not be deductible for corporate income tax purposes and is therefore an additional tax.

3. ENVIRONMENTAL LAWS

3.1 Oil Pipelines Act 1956, Cap 07, LFN 2004

This act imposes civil liability on the person who owns or is in charge of an oil pipeline for physical or economic injury as a result of a break or leak in his pipelines. The act establishes that the grant of a licence is subject to regulations concerning public safety and prevention of land and water pollution.

3.2 Mineral Oils (Safety) Regulations 1963, as amended and Crude Oil (Transportation and Shipment) Regulations 1984

These regulations prescribe precautions to be taken in the production, loading, transfer and storage of petroleum products to prevent environmental pollution. They provide that where no specific provision is made in the regulations for drilling, production, and handling of oil and gas, such operations shall conform with “good oilfield practice” considered to be adequately covered by the appropriate Institute of Petroleum Safety Codes, the American Petroleum Institute and the Society of Mechanical Engineers Codes. Another requirement is for an abstract of the Mineral Oils (Safety) Regulations 1963 to be prominently displayed at all times at every well being drilled for oil or gas and in every installation handling petroleum.

3.3 Petroleum (Drilling and Production) Regulations 1969

As one of the key regulations for upstream operations, these regulations provide for, among other things, weights and measures, standards and inspection by the DPR. They state that a licensee or lessee shall take

all practicable precautions, including the provision of up-to-date equipment approved by the DPR, to prevent the pollution of inland waters, rivers, shoreline, watercourses and territorial waters by oil, mud, fluids or other substances. The regulations require such licensee or lessee to take prompt steps to control such pollution. The director of the DPR may give directions as may be necessary, from time to time, to ensure proper upstream operations and to encourage good conservation practices in any licensed or leased lands. The licensee or lessee also bears the responsibility for securing the health and safety of persons engaged on or in connection with operations under its licence or lease. The licensee or lessee is expected to submit to the Minister, not later than five years after the commencement of production, a feasibility study, programme or proposal for the utilisation of any natural gas, whether associated with oil or not.

3.4 Petroleum Refining Regulations 1974

The regulations govern the construction and operation of refineries. They stipulate that a manager shall be appointed to take charge over all operations under the licence being operated and ensure that all the provisions of the regulations are fully complied with. Competent persons who will have the role of general supervision of all operations in the refinery shall be appointed by the manager. These regulations provide, among other things, that a licensee shall take all practicable precautions to prevent pollution and create offences for any licensee who contravenes any provisions of the regulations.

3.5 Petroleum Products and Distribution (Anti-Sabotage) Act 1975, Cap P12, LFN 2004

Under this act, anyone who engages in any of the activities listed below is guilty of an offence if, to a significant extent, he causes or contributes to any interruption in the production or distribution of petroleum products:

- Willfully does anything with intent to obstruct or prevent the production or distribution of petroleum products in any part of Nigeria;
- Willfully does anything with intent to obstruct or prevent the procurement of petroleum products for distribution in any part of Nigeria; or
- Willfully does anything in respect of any vehicle or any public highway with intent to obstruct or prevent the use of that vehicle or that public highway for the distribution of petroleum products.

The offence of sabotage which could result in environmental pollution is punishable with a death sentence or an imprisonment term not exceeding 21 years.

3.6 Constitution of the Federal Republic of Nigeria 1999, Cap C23, LFN 2004

The constitution recognises the importance of improving and protecting the environment and makes provision for it, including by making it an objective of the Nigerian government to improve and protect the air, land, water, forest and wildlife of Nigeria.

3.7 The Environmental Guidelines and Standards for the Petroleum Industry in Nigeria (“EGASPIN”) (2002)

The EGASPIN is a set of regulations that was initiated by the DPR to govern health, safety and environmental activities in the industry. The objectives of the EGASPIN are as follows:

- (a) establish guidelines and standards for the environmental quality control of the industry taking into account existing local conditions and planned monitoring programmes;
- (b) provide, in one volume, for the operator and other interested persons a comprehensive integrated user-friendly document on pollution abatement technology, guidelines and standards for the industry; and
- (c) standardise the environmental pollution abatement and monitoring procedures, including the analytical methods for various parameters.

3.8 Environmental Impact Assessment Act CAP E12.LFN 2004 (“EIA Act”)

The EIA Act (as well as various State laws on environmental protection) requires companies intending to undertake any activity that may adversely affect the environment to undertake mandatory environmental impact assessments of the activity and adopt practicable precautions prior to and in the course of their activities, in order to ensure that the adverse environmental effects of such activities are minimised.

Reports, which are generated after such environmental impact assessments are carried out, are required to be evaluated and approved by the Federal Ministry of Environment and the state Ministry of Environment of the relevant state where the company's activities are undertaken.

Failure to comply with the provisions of the EIA Act is punishable, in the case of an individual, with a fine of ₦100,000 or five years imprisonment, and in the case of a firm or corporation, with a fine of not less than ₦50,000 and not more than ₦1,000,000.

3.9 National Oil Spill Detection and Response Agency Act 2006

The National Oil Spill Detection and Response Agency (“NOSDRA”) was established in 2006 by an act of the National Assembly. It was vested with the responsibility of co-ordinating the implementation of the National Oil Spill Contingency Plan for Nigeria in accordance with the International Convention on Oil Pollution Preparedness, Response and Co-operation 1990, to which Nigeria is a signatory. NOSDRA is also mandated to play the lead role in ensuring timely, effective and appropriate response to oil spills, as well as ensuring clean up and remediation of all impacted sites to all best practical extent. The agency is also expected to identify high risk/priority areas in the oil-producing environment for protection as well as ensuring compliance of oil industry operators with all existing environmental legislations in the petroleum sector.

3.10 National Environmental Standards and Regulation Enforcement Agency (Establishment) Act 2007

The National Environmental Standards and Regulations Enforcement Agency (“NESREA”) is charged with enforcing environmental laws, regulations and standards in deterring people, industries and organisations from polluting and degrading the environment.

NESREA was established in 2007 to enforce compliance with Nigeria's environmental laws, guidelines, policies and standards. It is charged with protecting and developing the environment, biodiversity conservation and sustainable development of Nigeria's natural resources in general and environmental technology, including coordination and liaison with relevant stakeholders within and outside Nigeria on matters of enforcement of environmental standards, regulations, rules, laws, policies and guidelines.

4. BUSINESS REGULATORY ENVIRONMENT

The law governing the formation and regulation of companies in Nigeria is set out in CAMA. Where a company intends to undertake a public offering of its securities, such offering will be regulated by the provisions of the ISA and the rules and regulations of the Nigerian SEC. All companies, both local and foreign, intending to carry on business in Nigeria must be registered with the Corporate Affairs Commission, which is the body responsible for the registration and regulation of companies. The principal laws regulating foreign investment in Nigeria are the Nigerian Investment Promotion Commission Act 1995, Cap N117, Laws of the Federation 2004 (“NIPC”) and the Foreign Exchange (Monitoring and Miscellaneous Provisions) Act 1995, Cap F34 LFN 2004 (“**Nigerian Forex Act**”).

The Nigerian Forex Act establishes an Autonomous Foreign Exchange Market and provides for the monitoring and supervision of the transactions conducted in the market. Transactions in foreign exchange are therefore expected to be conducted in accordance with the provisions of this act.

The Nigerian Forex Act allows any person to invest in any enterprise or security, with foreign currency or capital imported into Nigeria through an authorised dealer (i.e. a bank licensed by the Central Bank of Nigeria to deal in foreign currencies) either by telegraphic transfer, cheques or other negotiable instruments and converted into Naira in the market in accordance with the provisions of the Nigerian Forex Act. The Nigerian Forex Act guarantees unconditional transferability of funds that have been imported into Nigeria. The transferability, which does not require any further approval, could be by way of dividends or profits attributable to the investment; payment in respect of loan servicing where a foreign loan has been obtained; and the remittance of proceeds and other obligations in the event of sale or liquidation of the enterprise or any interest attributable to the investment under section 15(4).

NIPC provides that any enterprise in which there is foreign participation must be registered with NIPC. NIPC permits foreign participation in any business enterprise with the exception of enterprises on the “negative list” of the act. The negative list includes enterprises involved in the production of and dealing in arms, ammunition, narcotic drugs and psychotropic substances.

The combined effect of NIPC and The Nigerian Forex Act is to guarantee the unconditional transferability of dividends from equity investments and interest on foreign loans as well as capital repatriation in the event of liquidation or divestiture, or repayment of foreign loans. However, this is subject to complying with applicable foreign exchange regulations, specifically obtaining a Certificate of Capital Importation (“CCI”) as evidence of capital inflow into the country. A CCI will form the basis for eventual repatriation upon divestment. NIPC gives every foreign investor whose shares are registered under the Act access to arbitration at the International Centre for Settlement of Investment Disputes (“ICSID”).

5. TAX STRUCTURE

Nigerian federal, state and local governments levy taxes. The Federal Inland Revenue Service (“FIRS”) administers federal taxes under the supervision of the Federal Inland Revenue Service Board. State taxes are administered by the internal revenue boards of the respective Nigerian states, while the various councils administer local government taxes.

5.1 Industrial Development (Income Tax Relief) Act 2004 (“IDITRA”)

IDITRA is the principal legislation governing the “pioneer” status scheme in Nigeria. This law provides that the President of Nigeria may, at his discretion, direct the publication of a list of pioneer industries and products in the official gazette, for the purpose of qualifying companies upon due application (in relation to those designated products or industries) to become entitled to certain income tax relief. Such a list has since been published and presently includes “mineral oil prospecting and production”. The powers of the President under IDITRA are, in practice, exercised through NIPC.

A company qualifies for “pioneer” status because either it is operating in a pioneer industry or it is producing a pioneer product and has incurred an amount of capital expenditure acceptable to NIPC. A pioneer certificate issued by NIPC exempts qualifying companies from payment of income taxes for a period not exceeding five years. It also grants accelerated capital allowances after the expiration of the tax holiday and tax-exempt dividends, amongst other benefits. For an oil and gas company, if its application to NIPC for “pioneer” tax status is accepted, such a company would ordinarily be exempt from petroleum profits tax on crude oil profits and corporate income tax on natural gas profits for a period not exceeding five years.

5.2 Petroleum Profits Tax Act 1958, Cap P13, LFN 2004 (“PPTA”)

Nigerian law by virtue of the PPTA requires all companies engaged in the extraction and transportation of petroleum to pay tax. The taxable income of a petroleum company comprises proceeds from the sale of oil and related substances used by the company in its own refineries plus any other income of the company incidental to and arising from its petroleum operations.

The taxable income of a petroleum company is subject to tax at 85 per cent., but this percentage is lowered to 65.75 per cent. during the first five years of pre-production. Where oil companies operate under production-sharing contracts they will be liable to tax at a rate of 50 per cent.

An additional chargeable tax is payable in certain circumstances under Section 23 of the PPTA. The implication of this is that any company engaged in upstream oil and gas activities will be liable to pay the petroleum profits tax, in addition to other taxes imposed by other acts, namely:

- Education Tax Act 1993 (which imposes a tax chargeable on all companies registered in Nigeria at two per cent. of chargeable profits as contribution to the Education Tax Fund);
- Companies Income Tax Act 1979, as amended;
- Value Added Tax Act, chapter VI, LFN 2004;
- Niger Delta Development Commission (Establishment) Act 2000 (which requires every oil producing company and gas processing company operating onshore and offshore, in the Niger Delta area, to contribute three per cent. of its total annual budget to the NNDC established by this act); and
- Nigerian Oil and Gas Industry Content Development Act 2010 (which requires that one per cent of the sum of every contract awarded to any operator, contractor, subcontractor, alliance partner or any other entity involved in any project, operation, activity or transaction in the upstream sector of the Nigerian oil and gas industry shall be deducted at source and paid into the Nigerian Content Development Fund).

5.3 Companies Income Tax Act 1979, Cap C21, LFN 2004

Aimed at gas utilisation and disincentivising of gas flaring, Section 39 provides that a company engaged in gas utilisation (i.e. the marketing and distribution of natural gas for commercial purposes such as for power plant, liquefied natural gas, gas to liquid plant, fertiliser plant, gas transmission and distribution pipelines) shall be granted the following incentives:

- an initial tax-free period of three years which may, subject to the satisfactory performance of the business, be renewed for an additional period of two years; or
- as an alternative to the initial tax-free period, the company is entitled to an additional investment allowance of 35 per cent. and accelerated capital allowances after the tax free period, which includes (i) an annual allowance of 90 per cent. with 10 per cent. retention, for investment in plant and machinery, and (ii) an additional investment allowance of 15 per cent., which shall not reduce the value of the asset.

Other incentives include a tax-free dividend during the tax-free period, where:

- the investment for the business was in foreign currency; or
- the introduction of imported plant and machinery during the period was not less than 30 per cent. of the equity share capital of the company.

Furthermore, interest payable on any loan obtained with the prior approval of the Minister for a gas project shall be deductible for tax purposes. The tax-free period of a company shall start on the day the company commences production as certified by the Minister.

5.4 Other taxes

5.4.1 NDDC Levy

Section 14(2) (b) of the NDDC Act provides for an NDDC levy to be paid by the Company which is three per cent. of the total annual budget of any oil-producing company operating on shore and offshore in the Niger Delta area, including gas processing companies.

5.4.2 Nigerian Content Development Fund

Section 104 (2) of the Nigerian Content Act provides that one per cent. of every contract awarded in the upstream sector of the Nigerian oil and gas industry shall be paid into the Nigerian Content Development Fund. The proceeds of the fund are applied towards increasing Nigerian content in the Nigerian oil and gas industry.

5.4.3 Withholding tax

Taxes are to be withheld from corporate bodies and individuals/firms at the rate of 10 per cent. and five per cent. respectively and remitted to the relevant tax authority within 30 days from the date the amount was deducted, or from the time the duty to deduct arose, whichever is earlier. The currency in which the tax is to be deducted is the currency of the transaction. However, payments to governmental agencies and authorities are exempt from withholding taxes.

5.4.4 Value Added Tax

VAT is imposed in accordance with the Value Added Tax Act chapter VI, LFN 2004 and is charged and payable on the supply of all goods and services listed in the first schedule to the VAT act. Since the Company operates in the upstream side of the oil and gas sector and there is no output on oil, no VAT is paid. However, companies that provide VAT-chargeable goods and services to the Company have the obligation to charge VAT on their invoices and remit to the government. VAT is payable at the rate of five per cent.

PART IX INDUSTRY OVERVIEW

Unless stated otherwise, all information, figures, tables and charts in this Part IX have been obtained from the BP Statistical Review of World Energy, June 2013 ("BP Statistical Review").

1. THE GLOBAL OIL AND GAS MARKET

1.1 Oil Production

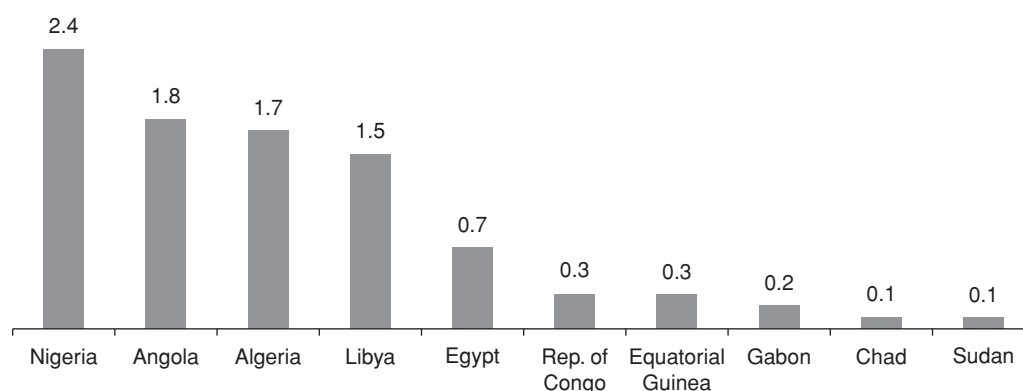
In 2012, global oil production increased by 2.2 per cent. or 1.9 MMbpd to 86.2 MMbpd. About three-quarters of this net growth was accounted for by OPEC countries, as increased output in Saudi Arabia, the UAE, Kuwait, Iraq and Libya more than offset the decline in Iranian output due to international sanctions. Oil production by OPEC member states increased by 1.45 MMbpd in 2012 to 37.4 MMbpd or 43.2 per cent. of global production.

Non-OPEC output, which accounted for 40.5 per cent. of global production, grew by 1.2 per cent. in 2012. Increases in production in the US, Canada, Russia and China were offset by unexpected outages in Sudan/South Sudan and Syria, as well as continued declines in mature regions such as the UK and Norway.

The table below shows the geographical distribution of oil production in 2012:

<u>Region</u>	<u>Mbpd</u>	<u>YoY Change (2011-2012)</u>
Africa	9,442	7.7%
Asia Pacific	8,313	0.7%
Europe & Eurasia	17,211	–1.4%
Middle East	28,270	0.9%
North America	15,557	8.9%
South & Central America	7,359	–1.2%
Total	86,152	2.2%

Nigeria is the top producer of crude oil in Africa, with an average production of 2.4 MMbpd. The chart below shows the top 10 oil producing countries in Africa in 2012:



1.2 Oil Consumption

World oil consumption in 2012 averaged 89.8 MMbpd, which represented a 0.9 per cent. growth from 2011. Consumption in the OECD declined by 1.3 per cent. or 0.5 MMbpd, the sixth decrease in the past seven years, reaching the lowest level since 1995. The OECD now accounts for just 50.2 per cent. of global consumption, the smallest share since records began. Outside the OECD, consumption grew by 1.4 MMbpd or 3.3 per cent. to 44.2 MMbpd in 2012, with China representing the largest share of the increase in global consumption (0.4 MMbpd).

The geographical distribution of world oil consumption as at the end of 2012 was as follows:

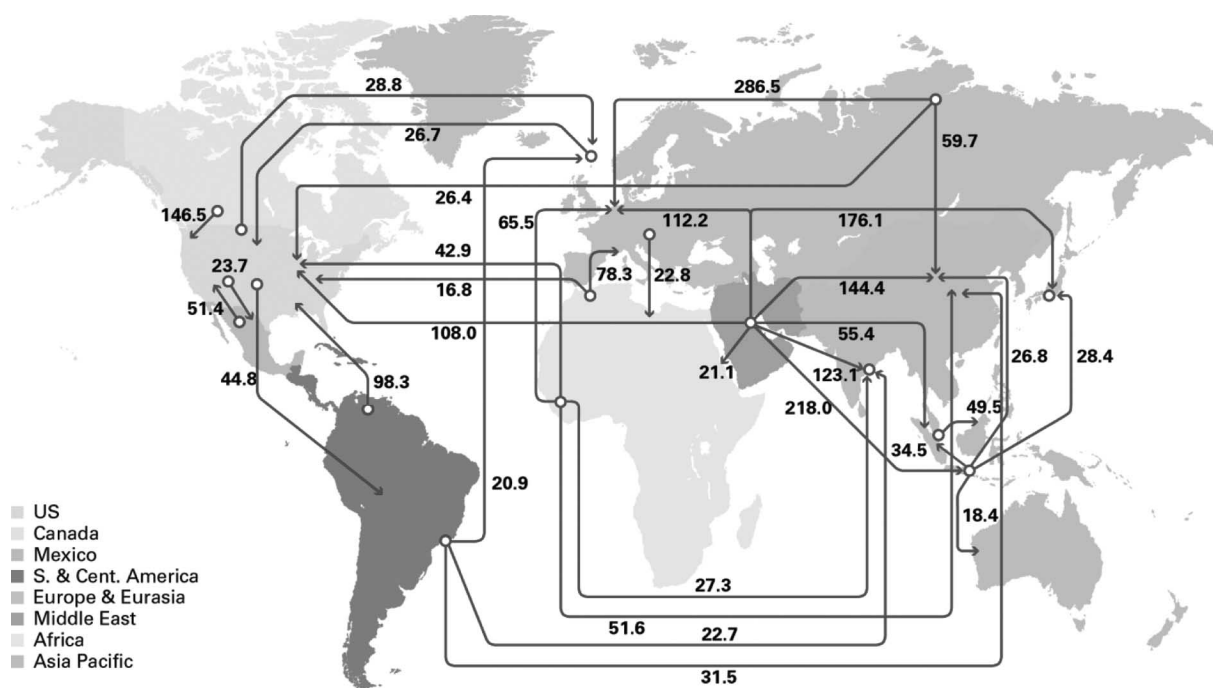
Region	Mbpd	YoY Change (2010-2011)
Africa	3,523	5.1%
Asia Pacific	29,781	3.7%
Europe & Eurasia	18,543	−2.5%
Middle East	8,354	4.5%
North America	23,040	−1.8%
South & Central America	6,533	2.0%
Total	89,774	0.9%

1.3 Major Oil Trade Movements

According to the BP Statistical Review, total crude oil exports for 2012 amounted to 55.3 MMbpd. The Middle East accounted for the majority of crude oil exports, with 19.7 MMbpd flowing through its export terminals. The former Soviet Union was the second largest exporter of crude oil, with 8.6 MMbpd, and Asia Pacific (excluding Japan) was in third position with 6.4 MMbpd in exports. West Africa exported 4.6 MMbpd of crude oil in the same period, making it the fourth largest crude oil exporting region in the world.

On the demand side, Europe remains the largest destination for crude, importing 12.5 MMbpd in 2012. The major importing nations include the United States (10.6 MMbpd), the People's Republic of China (7.1 MMbpd) and Japan (4.7 MMbpd).

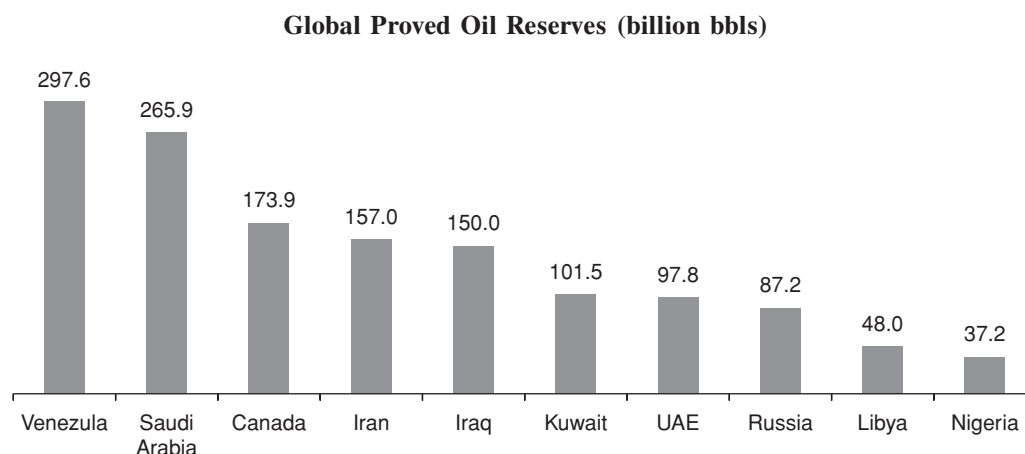
The chart below shows the major oil trade movements (in million tonnes) in 2012:



1.4 Oil Reserves

At the end of 2011, proved oil reserves amounted to 1,669 billion bbls, of which 1,212 billion bbls were held by OPEC member states. It is estimated that the global proved reserves at the end of 2012 would be sufficient to meet approximately 50 years of global production.

The geographical distribution of proved reserves at the end of 2012 is as follows:



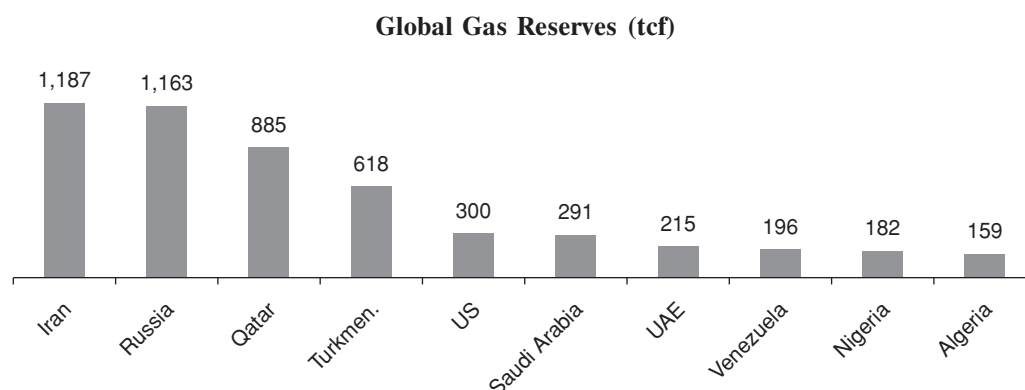
1.5 Oil Prices

Dated Brent crude oil averaged US\$108.7 per barrel in 2013, compared to US\$111.7 per barrel in 2012 and US\$111.3 per barrel in 2011. The loss of Iranian supplies, combined with smaller disruptions in a number of other countries, kept prices stable despite growth in the United States, the recovery of Libyan production and increases in Saudi Arabia and elsewhere in OPEC.

1.6 Gas Production and Reserves

According to the BP Statistical Review, global natural gas production grew by 1.9 per cent. in 2012 to 324.6 billion cubic feet per day. The United States once again recorded the largest volume increase and remained the world's largest producer of natural gas. High growth rates were experienced in countries such as Norway (13 per cent.), Qatar (8 per cent.) and Saudi Arabia (11 per cent.). Global natural gas trade was very weak, growing by 0.1 per cent. in 2012. Global LNG trade fell by 0.9 per cent., the first decrease on record, as the net increase in Asia was not sufficient to cover the decline in net European LNG imports.

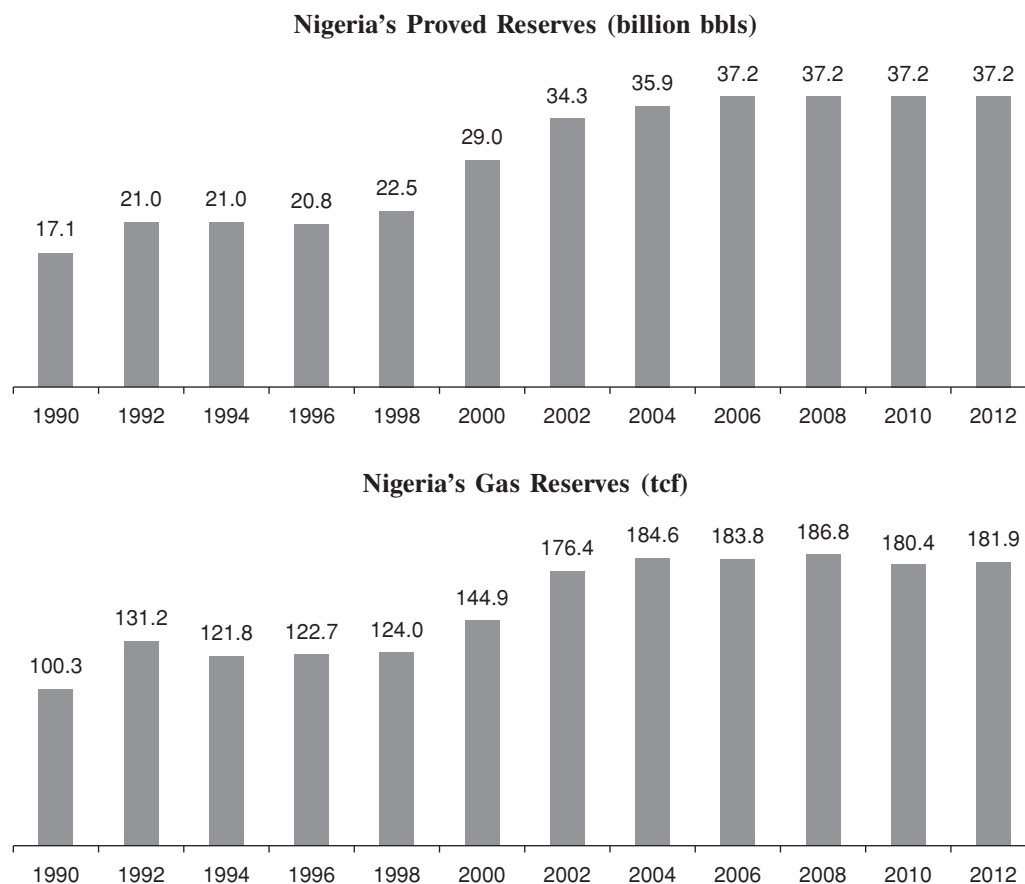
As at the end of 2012, the world's total proved natural gas reserves amounted to 6,614 tcf with the Russian Federation, Turkmenistan, Iran and Qatar combined accounting for 58 per cent. of global reserves. Nigeria's natural gas reserves are estimated at 182 tcf, making it the largest proved natural gas reserve in Africa and the ninth largest globally.



2. OVERVIEW OF THE NIGERIAN OIL AND GAS INDUSTRY

The Nigerian economy is highly dependent on the production and export of its oil and gas resources. According to the US Department of Energy, Nigeria's oil sector currently provides 95 per cent. of its export earnings and about 75 per cent. of the Nigerian government's revenue. The light, sweet quality of Nigerian crude oil makes it a preferred gasoline feedstock and as a result most Nigerian crudes trade at a premium to the price of Brent, the North Sea benchmark crude oil. As of the end of 2012, Nigeria had an estimated 37.2 billion bbls of proved oil reserves, making it home to the tenth largest oil reserve in the world and the second largest in Africa (according to the BP Statistical Review). The majority of Nigeria's

reserves and resources are found in the Niger Delta and offshore in the Bight of Benin, the Gulf of Guinea and the Bight of Bonny.



Among the large number of hydrocarbon basins in Nigeria, the Niger Delta is by far the most prolific and important. The Niger Delta is situated in the Gulf of Guinea, in south-central Nigeria, and covers an area of about 75,000 square kilometres.

Nigeria's oil industry began in 1956, when Shell D'Arcy (a Shell/BP joint venture) made the first commercial oil discovery in Nigeria at Oloibiri (in the present day state of Bayelsa). In the 1950s and 1960s, other international oil companies such as Gulf Oil and Texaco (now Chevron Corporation), Mobil (now ExxonMobil), Elf Petroleum (now TOTAL) and AGIP joined Shell D'Arcy in exploration across the Niger Delta. These E&P companies were later joined by other international companies such as Addax Petroleum (which was acquired by Sinopec in 2009), ConocoPhillips, Petrobras and others.

By the early 1970s, Nigeria had attained a production level of over two MMbpd, and was granted OPEC membership in 1971. NNPC was established in 1977, as a state-owned oil company with the primary aim of taking firmer control of the country's oil and gas resources. As of the date of this Prospectus, NNPC holds a majority interest in all joint venture operations in the Niger Delta.

The Nigerian oil industry has been a target for militant and criminal activity in the Niger Delta, mainly from militant groups that oppose the activities of the oil companies in the area. These activities had previously led to significant disruptions in the production of oil, the most significant of which was the shut-in of 450 Mbpd at Shell's Forcados oil terminal and offshore EA fields in 2006. As part of measures to curtail the escalating violence in the region, the Nigerian government, in 2009, declared a country-wide amnesty. Under the amnesty, various militant groups came to an agreement with the government to hand over their arms in exchange for a pardon, training opportunities, a commitment by the government towards developmental initiatives in the Niger Delta, and other incentives. The operating environment has been helped by the amnesty, and there was a significant increase in Nigeria's oil production in 2010.

However, despite the amnesty programme, criminal activity remains common in the Niger Delta. The theft of crude oil from pipelines and tank farms has been on the increase. According to the Nigeria Country Overview by Wood Mackenzie (January 2013), it is estimated that Nigeria could be losing over 150 Mbpd as a result of these illegal activities.

The Nigerian government, in partnership with the international oil companies, has embarked on number of initiatives targeted at addressing oil theft in the Niger Delta. These initiatives include:

- increasing the joint task force patrol in the Niger Delta creeks;
- improving community relations between the oil companies and their host communities;
- educating host communities on the environmental impact caused by oil spills from damaged pipelines; and
- using technology for early detection of breaches in the pipelines.

In addition to these initiatives the Nigerian government passed the Nigerian Content Act, which, among other things, aims to create more jobs for Nigerians in the petroleum sector by mandating a minimum level of local participation in the award of oil-related contracts. See Part VIII: “Regulatory and Legislative Framework in Nigeria,” section 1.9 of this Prospectus for a more detailed overview of the Nigerian Content Act.

As of the date of this Prospectus, the Nigerian government is pursuing a number of other reforms targeted at restructuring its oil and gas industry. Amongst these is the PIB, which is aimed at reforming the entire hydrocarbon sector.

The principal objectives of the proposed PIB are to:

- Enhance exploration and exploitation of petroleum resources in Nigeria;
- Create a conducive business environment for petroleum operations;
- Establish a commercially oriented and profit-driven NOC;
- De-regulate and liberalise the downstream petroleum sector;
- Promote transparency in the petroleum sector;
- Promote the development of Nigerian content in the petroleum industry;
- Protect health, safety and the environment; and
- Optimise domestic gas supplies, in particular for power generation and industrial development.

The PIB is also expected to provide for a greater share of oil revenues to the producing communities. See Part VIII: “Regulatory and Legislative Framework in Nigeria”, section 2 of this Prospectus for a more detailed overview of the PIB.

2.1 Operating Framework

There are five primary legal arrangements for crude oil production currently in force in Nigeria:

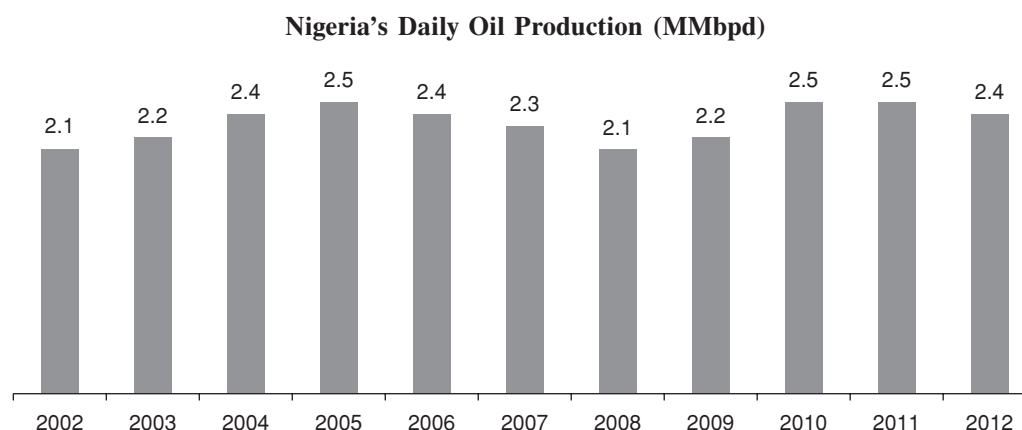
- Concession/sole risk—an independent company with a concession bears the full risk and costs of exploration, development and production, has interests over the crude oil produced and is liable for all royalties and PPT payments. Currently, concessions in respect of OMLs are only awarded to Nigerian companies that have at least 51 per cent. of their shares held by Nigerian citizens.
- Joint ventures—an arrangement that was formed when the Nigerian government acquired participation interests in OMLs held by the Nigerian subsidiaries of the international oil companies. In a joint venture, the government holds a majority interest in the OMLs and the relationship between the Nigerian government and the international oil companies is governed by the Joint Operating Agreement. Currently, NNPC directly participates in six joint ventures with Shell, ExxonMobil, Chevron, TOTAL, AGIP and Pan Ocean and currently participates in five joint ventures through NPDC, its operating subsidiary.
- Production sharing contracts (“PSC”)—an arrangement pursuant to which the company bears the risk of exploration and, when oil is found in commercial quantities, the company is entitled to recoup its costs. Thereafter crude oil is produced and shared by the company and the Nigerian government. In respect of PSCs involving the Nigerian government, the OMLs are held by the NNPC.
- Marginal fields—an arrangement pursuant to which the private industry or non-governmental OML holder farms out certain fields within its licence. In 2003, international oil companies were made to farm out to indigenous companies fields that had remained unproduced for more than 10 years. In

2003, many fallow fields were awarded to indigenous companies, although only 7 out of 24 such fields have begun production due to lack of access to capital or other obstacles.

- Service contracts—an arrangement pursuant to which the OML holder enters into a contract with a contractor that provides risk capital for exploration and production. If no commercial discovery is made, the contract is then terminated with no further obligation on either party. If a commercial discovery is made, the contractor is entitled to recover its costs and receive some additional remuneration.

2.2 Oil Production

Nigerian oil production comes from over 220 fields, most of which are relatively small with average production of less than 10 Mbpd. In 2011, Nigeria's total oil production averaged 2.5 MMbpd, making the country the largest oil producer in Africa.



According to NNPC, joint venture arrangements with NNPC/NPDC accounted for 69.9 per cent. of Nigeria's total crude oil production in 2012. PSC and service contract arrangements (which are more common in Nigeria's deep offshore acreage) accounted for 26.3 per cent. and 0.48 per cent. of the country's 2012 crude oil production respectively, whilst independents/sole risk and marginal field operators (which include Nigerian companies) accounted for 3.32 per cent. of total production in 2012.

The majority of Nigeria's oil production comes from onshore fields. However, in recent times, there has been significant production coming from the shallow water and deep water areas from projects such as TOTAL's 180 Mbpd Usan field, which was commissioned in February 2012.

Nigeria is a member of OPEC and subject to the organisation's production quota. However, the application of the OPEC quota system is limited to oil produced by NNPC and its joint venture partners, and does not apply to oil produced by Nigerian companies.

In 2011, the United States was the largest importer of Nigerian crude oil accounting for 33.0 per cent. of Nigeria's oil production. Other major buyers of Nigerian crude oil include India (12.0 per cent.), Brazil (7.7 per cent.) and The Netherlands (7.1 per cent.). Nigeria's export blends are light, sweet crude oils, with gravities ranging from API 29° - 47° and low sulphur contents of 0.05-0.3 per cent. These characteristics allow Nigerian crude oils to trade at a premium to Brent, the North Sea benchmark for crude oil.

2.3 Key Participants in Nigeria's Oil Industry

2.3.1 NOC, international oil companies and independents

NNPC/NPDC

The Nigerian National Oil Company ("NOC") was formed in 1971. NOC was mandated to acquire, on behalf of the Nigerian government, assets and liabilities in the existing foreign oil companies and to participate in oil and gas exploration. In 1977, the NNPC was formed by the merger of NOC and the Ministry of Petroleum Resources. NNPC then had responsibility for enforcing upstream laws and regulations.

NNPC is the majority shareholder of all joint ventures (60 per cent., except for 55 per cent. in the SPDC JV), and is allocated an annual funding budget from the federal government, from which it meets its

joint venture cash calls. In recent years, NNPC's annual budget allocation has been between US\$4.5 billion and US\$5.5 billion.

The NPDC was established in 1986 as a wholly-owned subsidiary of the NNPC with responsibility for the NNPC's exploration and production activities. The NPDC currently operates a number of assets located both onshore and offshore. These assets include the OMLs divested by the SPDC joint venture between 2010 and 2011, OML 65, OML 11 and a non-operated interest in nine deepwater acreages.

Shell

Shell is the largest international oil company producer in Nigeria. It operates the deepwater Bonga field with a 55 per cent. interest, and it also has 43.75 per cent. in the deepwater Erha field. The bulk of future growth for Shell is expected to come from the development of Bonga satellite fields. Shell is also a key shareholder in Nigeria LNG, the only LNG project operating in the country.

ExxonMobil

ExxonMobil is the second largest producer in Nigeria. Its production is evenly split between its joint venture with NNPC and deepwater fields. The NNPC/ExxonMobil joint venture is unique in having no onshore interests.

Chevron

Chevron's joint venture assets are focused in the Escravos region, and Chevron also has interests in the deepwater Agbami (44.79-64 per cent.) and Usan (30 per cent.) projects. Chevron has also been a key player in gas developments in Nigeria via its Escravos Gas Project and many of its current investments are aimed at increasing supply to the domestic market. Chevron's production has grown steadily from 2007 to 2012 and is positioned to continue on this trajectory as production from Usan increases.

TOTAL

TOTAL has a strong position in Nigeria as a result of its 40 per cent. interest in its joint venture with NNPC and a 10 per cent. interest in its SPDC joint venture. TOTAL has been among the most active of the international oil companies in recent years, launching the Akpo deepwater development in 2009, and started production from the deepwater Usan field in February 2012. However, in November 2012, TOTAL announced the sale of its stake in OML 138, which holds the Usan field, to China Petrochemical Corp. ("Sinopec").

ENI

ENI is the smallest international oil company in Nigeria by levels of production. The company relies on its legacy joint venture assets (20 per cent.) and its 5 per cent. interest in the SPDC JV. ENI's only deepwater participation is a 12.5 per cent. interest in Bonga and an 85 per cent. interest in the small Abo field. ENI's portfolio has particularly strong gas resources and it is focused on monetising these reserves to supply Brass LNG and the domestic market.

Petrobras

Petrobras' operation in Nigeria is limited to offshore acreages. The company holds a non-operated interest in the deep water Agbami field (13 per cent.) and the Akpo field (16 per cent.), and is the operator of OPL 315.

Statoil

Statoil holds a 20.21 per cent. unitised interest in the Agbami field, and is involved in a number of deep water exploration activities including OML 129 and the Nnwa discovery.

CNOOC

CNOOC holds a 45 per cent. non-operated interest in the Akpo field, located in OML 130, which it acquired in 2006 from South Atlantic Petroleum Limited, a Nigerian company.

2.3.2 Independents

Afren

Afren is involved in a number of E&P activities through its various partnerships with Nigerian companies. Afren's portfolio includes a 50 per cent. working interest in the Okoro-Setu and Ebok fields, and working interests in various exploration fields.

Addax Petroleum / Sinopec

Sinopec through its subsidiary Addax Petroleum holds a 100 per cent. interest in 1 onshore asset (OML 124) and various levels of interest in 6 offshore assets located in shallow waters. In November 2012, Sinopec announced its acquisition of a 20 per cent. interest in OML 138.

Eland Oil & Gas

Eland holds a 45 per cent. participating interest in a Nigerian joint venture company, Elcrest, which has a 45 per cent. interest in OML 40, an onshore area within the Niger Delta, which it acquired as part of the IOC divestments from the SPDC JV in August 2012.

Heritage

Heritage is involved in, and focuses on, a number of E&P activities in Africa, the Middle East and Russia. The majority of Heritage's production comes from its equity interest in Shoreline Natural Resources Limited (a joint venture with a Nigerian company) that holds a 45 per cent. interest in the producing OML 30, an onshore Nigeria area within the Niger Delta, which it acquired as part of the IOC divestments from the SPDC JV in November 2012. Heritage also has exploration interests in Libya, Malta, Pakistan, Papua New Guinea and Tanzania.

Mart Resources

Mart Resources is focused on production and development opportunities within the Niger Delta. Mart's current production and reserve base is through its interest in the Umusadege marginal field as a result of its partnership with two indigenous oil companies, Midwestern Oil and Gas plc and Suntrust Oil.

2.3.3 Nigerian Companies

Since the 1990s, the Nigerian government has favoured the allocation of acreage to indigenous companies, and there are over 100 such companies in Nigeria, including Famfa, South Atlantic Petroleum (SAPETRO), Amni International, Oriental, Niger Delta Petroleum and Consolidated Oil.

Separately, other Nigerian companies such as Lekoil and Oando plc (and its TSX-listed, majority-owned subsidiary, Oando Energy Resources) have been able to build upstream portfolios through M&A transactions and partnerships with other companies.

2.3.4 International Oil Company (IOC) Asset Divestitures

Since 2010, some of the IOCs have initiated portfolio optimisation processes for various strategic reasons, including the desire to focus on deep-water assets/wells where they have a distinct technological and capital intensity advantage.

The current wave of divestitures began with SPDC JV's sale of interests in OMLs 4, 38 and 41 and has continued with other assets through a combination of negotiated sales and competitive auctions. Subsequent to the start of the SPDC JV divestitures, ConocoPhillips, for strategic reasons, also started the process of exiting its business in Nigeria (amongst other countries) and CNL is also in the process of divesting its interest in five Nigerian assets.

SPDC JV Divestiture

The SPDC JV divestiture process brought about a new class of Nigerian companies, all of which acquired producing acreage and as such are exposed to lower exploration risk than their counterparts that hold

OPLs. This has allowed them better access to large amounts of capital which might otherwise have proved challenging. The companies that have thus far benefited from the SPDC JV divestiture are:

Transaction Date	Acquirer	Target
July 2010	SEPLAT	OMLs 4, 38 and 41
November 2011	Neconde Energy Ltd	OML 42
December 2011	First Hydrocarbon Limited	OML 26
August 2012	Elcrest E&P Nigeria Ltd	OML 40
September 2012	Niger Delta Western	OML 34
November 2012	Shoreline / Heritage Oil	OML 30

ConocoPhillips Divestiture

In 2012, ConocoPhillips announced its intention to divest its Nigerian business unit and, in December 2012, ConocoPhillips entered into an agreement to sell its Nigerian business to Oando Energy Resources, an affiliate of Oando Plc. The Nigerian business unit includes two offshore properties consisting of a 95 per cent. operating interest in OML 131 (Chota field) and a 20 per cent. non-operated interest in OPL 214 (Uge field), as well as a 20 per cent. non-operated interest in onshore OMLs 60, 61, 62 and 63, a 20 per cent. non-operated interest in the Kwale-Okpai Independent Power Plant and a 17 per cent. non-operated interest in the Brass LNG project.

CNL Divestitures

Similar to the SPDC JV divestiture process, CNL is also in the process of rationalising its portfolio and is seeking to divest its 40 per cent. interest from the onshore blocks OMLs 52, 53, and 55 and the offshore blocks OMLs 83 and 85. Please see Part XVII: “Additional Information”, section 10.7.21 for a description of the CNL Assets SPA pursuant to which CNL is divesting its interests in OMLs 52, 53 and 55.

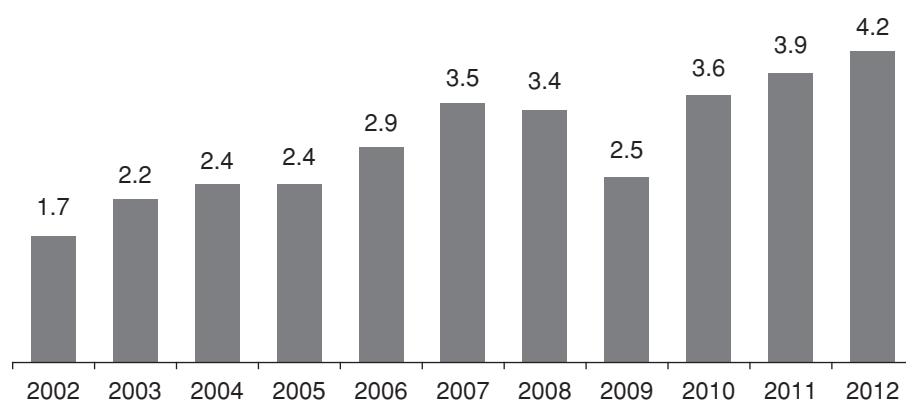
2.3.5 Marginal Field Operators

See section 3.1 below on the marginal fields development programme.

2.4 Gas Production

As of December 2012, Nigeria had an estimated 182 tcf of proved natural gas reserves, making it the ninth largest gas reserve holder in the world and the largest in Africa. Most of the country’s gas reserves are of an associated nature, extracted as a result of oil production.

Nigeria’s Daily Gas Production (Bcf per day)



Commercial gas production in Nigeria commenced in 1976, although the volumes produced have been negligible when compared to oil volumes. The absence of adequate gas infrastructure and limited, but growing, domestic markets have been major obstacles to gas utilisation. As a result, gas has been routinely flared for decades. Although commercial production has risen significantly since 1997, it is still very low compared to Nigeria’s production potential.

In 2012, Nigeria produced 4.2 billion cubic feet per day and, according to NNPC, 26 per cent. of the gas produced during the year was flared. Approximately 20 per cent. of gas sales are into the domestic market with the rest sent to the Nigeria LNG (“NLNG”) terminal at Bonny Island where it is liquefied and

subsequently exported to Europe, Asia and the United States. NLNG is Nigeria's most significant natural gas project to date. The plant, which has six processing trains, has an annual production capacity of 22.5MT of LNG and 4MT of LPG. A seventh train is under construction, which, when completed, would increase NLNG's total production capacity to 30MT per annum.

Major gas infrastructure in Nigeria also includes:

- The western system, which includes the 700km Escravos Lagos Pipeline System that has a capacity of 1,100 mcf;
- The export system, consisting of an onshore Gas Transmission System and an Offshore Gas Gathering System, both of which transport gas to NLNG for export;
- The eastern system, which supplies gas to domestic industrial and power users in eastern Nigeria; and
- The West African Gas Pipeline, a 678km pipeline designed to transport natural gas from Escravos in Nigeria to Ghana via Togo and Benin Republic. The pipeline has an initial capacity of 170 mscf/day, and there are plans to expand, in a second phase, to 450 mscf/day and extend the pipeline westwards to Ivory Coast and Senegal.

Nigeria introduced no-flaring legislation during the 1980s, but this has been challenging to enforce due to the associated nature of its natural gas, as well as a lack of adequate gas infrastructure. Since the early 1990s, the environmental and economic costs of flaring have attracted global attention and operators were strongly encouraged to develop gas utilisation projects. Since 2005, absolute flared volumes have fallen, but some of this can be attributed to attacks on oil infrastructure, which shut in many onshore fields.

The GMP is geared towards creating a framework for domestic gas pricing, introducing a domestic gas supply obligation for oil companies, and providing a blueprint for the development of gas infrastructure in Nigeria. It is expected that these initiatives would significantly enhance domestic gas-to-power utilisation, alongside its application in the production of by-products such as fertilisers, urea and methanol.

Several projects have been announced as part of the effort to maximise the use of Nigeria's gas reserves. Some of these projects include:

- The two-train, 10MT per annum capacity Brass LNG project being sponsored by NNPC, ConocoPhillips, AGIP and TOTAL;
- The four-train 22MT per annum capacity Olokola LNG project being sponsored by NNPC, Chevron, Shell and BG Group;
- The Escravos gas-to-liquids project being sponsored by Chevron and Sasol, which upon completion is expected to process 0.33 bscf/day of natural gas;
- The Trans-Saharan Gas Pipeline which is intended to supply up to 2-3bcf of gas to Algeria and onwards to European markets;
- A 750,000MT per annum ammonia and urea fertiliser plant expansion by Notore Chemicals Industry;
- A 2,800,00MT per annum Greenfield ammonia and urea fertiliser plant by Dangote Industries;
- A US\$1.8 billion methanol and fertiliser plant being sponsored by the Indorama Corporation of Indonesia; and
- A US\$12 billion gas industrial park project in Delta State which will include a 1.3MT per annum/400KT per annum polyethylene and polypropylene plant and a 2.6MT per annum urea/ammonia fertiliser plant.

To further promote investment in gas infrastructure, the Nigerian government has commenced a phased increase in the price of domestic gas from its artificially low levels towards the global market benchmark.

3. LOCAL SECTOR GROWTH AND ASSET OPPORTUNITIES

A large portion of Nigeria's onshore, commercially recoverable resources are dispersed across a wide range of small fields. A number of these fields were drilled and tested decades ago, and logged hydrocarbons within a range usually considered less attractive by the majority of the international oil companies. Most of these discovered resources have been lying undeveloped for years and are deemed non-material by most of the international oil companies. This presents an opportunity for Nigerian

companies that have the willingness and ability to commercially exploit these discoveries thanks to their lower overhead costs and flexible personnel allocation.

Since 1996, the Nigerian government has engaged in a resource-optimisation exercise which is aimed both at the development of a sustainable, Nigerian upstream industry and the full monetisation of the country's resources. A key driving objective was to establish a more stringent relinquishment policy, by which international oil companies (and other non-Nigerian licence holders) were pushed either to accelerate the development of "marginal" assets or to return them back to the Nigerian government, an alternative being to farm them out or to dispose to Nigerian oil companies.

3.1 Marginal Fields Development Programme and bidding rounds

In 1996, the Petroleum Act 1969 was amended to give the Nigerian government the power to order the farm-out of marginal fields to Nigerian companies in exchange for farm-out fees and royalty payments. This amendment was part of measures/initiatives by the Nigerian government to encourage local participation in the full and efficient monetisation of the country's natural resources. The new rule also sought to reduce the rate of abandonment of mature fields that, whilst not commercially attractive to the international oil companies, would instead constitute the core of Nigerian companies' portfolios.

Marginal fields are defined in the Guidelines for Farm-out and Operation of Marginal Fields issued by the Ministry of Petroleum Resources in November 2013 as fields that have reserves reported annually to the DPR and have remained unproduced for over 10 years. Specified marginal fields have some or all of the following characteristics:

- are not considered by licence holders for development because of assumed economics under prevailing fiscal and market conditions;
- have had at least one successful exploratory well drilled on the structure and have been reported as oil and gas discoveries for more than 10 years, with no follow-up appraisal or development effort;
- have crude oil characteristics different from current streams, which cannot be profitably produced through conventional methods or current technology;
- have high gas and low oil reserves;
- have been abandoned by the leaseholders for upwards of three years for economic reasons; and
- the present leaseholders may consider farming out due to portfolio rationalisation.

The initial bidding-round for marginal fields was held in 2003, under the Guidelines on Farm-out and Operation of Marginal Fields (August 2001), where 24 "marginal" licences were awarded to 31 Nigerian companies. Whilst these companies were permitted to enter into agreements with international oil and gas companies for assistance with financing and technical support, such international companies are not permitted to hold more than a 40 per cent. participating interest in the marginal fields.

Notwithstanding a decade-long effort by the Nigerian government, only seven out of the 24 fields have been brought onstream and they contribute little to overall production. It is estimated that, at the end of 2012, indigenous companies accounted for less than 5 per cent. of Nigeria's total oil production. Given the Nigerian government's declared commitment to increase Nigerian operated production at a faster and more effective scale, the number and the frequency of marginal licences up for sale is expected to increase in the upcoming years.

Nigeria is the only country in sub-Saharan Africa with a home-grown E&P industry. Since 2003, successive licencing rounds in Nigeria have witnessed an increased participation from Nigerian companies. The last licencing round in 2007 was characterised by a large number of Nigerian companies bidding for the 41 blocks on offer. The Nigerian government continues to remain committed to promoting Nigerian participation in the sector through policies such as the Nigerian Content Act and the proposed PIB, as such Nigerian companies are viewed as being pivotal to the development of Nigeria's oil sector. On 28 November 2013, the Nigerian government announced the opening of a second marginal oil field licensing round which is aimed at deepening the participation of indigenous oil companies in the upstream sector of the oil and gas industry. A total of 31 fields were announced to be on offer with 16 of them located onshore and the remaining 15 located on the continental shelf.

3.2 International oil companies' assets divestment processes

Alongside the marginal field development programme noted in section 3.1 above, it is expected that international oil companies will continue with the process of divesting oil blocks, particularly those located onshore, in swampland or in shallow waters. In an effort to rationalise portfolios and achieve economies of scale, most of the large international oil companies have gradually shifted their operational focus to larger discoveries, often taking them further offshore and in deeper water ranges where they still possess technological and capital advantages over domestic oil companies. Examples of such potential divestitures currently in progress include those by Chevron Nigeria, an affiliate of Chevron Corporation, and by Shell, which, following a strategic review of its portfolio in the eastern Niger Delta, announced its intention to divest its interests in four additional onshore blocks in Nigeria, namely OMLs 18, 24, 25 and 29.

These developing trends may provide attractive opportunities for Nigerian companies to gain access to ready-to-drill discoveries located onshore, in swamp land or in shallow waters and achieve material increases in scale.

PART X
SELECTED FINANCIAL INFORMATION AND LETTERS REGARDING THE GOING CONCERN
STATUS OF THE GROUP

Section A — Selected financial information

The tables below set forth selected financial information of the Group for the periods indicated. The selected financial information for the three years ended 31 December 2013, 2012 and 2011 has been extracted without material adjustment from Part XII: “Financial Information on the Group”, Section B of this Prospectus.

The selected financial information should be read in conjunction with the financial statements referred to above and the notes thereto and with Part XI: Operating and Financial Review of this Prospectus. Investors are advised to read the whole Prospectus and not to rely on this selected financial information.

Consolidated statements of comprehensive income

(US\$ millions)	Year ended 31 December		
	2013	2012	2011
Revenue	880.2	624.5	451.3
Cost of sales	(330.9)	(250.3)	(206.4)
Gross profit	549.3	374.2	245.0
General and administrative expenses	(72.0)	(48.3)	(56.9)
Other operating income	0.4	2.2	—
(Loss)/gain on foreign exchange	1.5	1.9	(0.2)
Fair value movement in contingent consideration	(0.5)	(0.1)	(8.6)
Operating profit	478.7	329.9	179.3
Finance income	0.7	1.8	—
Finance charges	(21.8)	(36.0)	(24.9)
Profit before taxation	457.5	295.7	154.5
Taxation	92.7	(186.6)	(101.0)
Profit for the year	550.3	109.1	53.4
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Foreign translation difference	0.1	—	—
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	550.3	109.1	53.4

Consolidated statements of financial position

(US\$ millions)	As at 31 December		
	2013	2012	2011
Assets			
Non-current assets	694.6	426.6	358.4
Current assets	623.0	473.6	312.8
Total assets	1,317.6	900.2	671.2
Equity			
Share capital	1.3	0.7	0.7
Capital contribution	40.0	40.0	40.0
Retained earnings	690.8	141.2	66.1
Foreign translation reserve	0.1	—	—
Total equity	732.2	181.9	106.8
Liabilities			
Non-current liabilities	144.3	281.5	311.9
Current liabilities	441.1	436.8	252.5
Total liabilities	585.4	718.3	564.4
Total equity and liabilities	1,317.6	900.2	671.2

Consolidated statements of cash flows

(US\$ millions)	Year ended 31 December		
	2013	2012	2011
Net cash flows from operating activities	291.2	51.0	218.0
Net cash flows from investing activities	(220.0)	(76.0)	(4.5)
Net cash flows from financing activities	42.1	(120.1)	(42.3)
Net change in cash and cash equivalents	113.4	(145.1)	171.2
Cash and cash equivalents — beginning of year	56.3	201.8	30.4
Net foreign exchange difference	(0.2)	(0.3)	0.2
Cash and cash equivalents — end of year	169.5	56.3⁽¹⁾	201.8

Note:

- (1) As at 31 December 2012, cash and cash equivalents of US\$56.3 million excludes US\$98 million of restricted cash received from one of the Company's shareholders (MPI), which was to have been used for the purposes of a potential acquisition. During January 2013, this amount was returned to MPI as the transaction did not occur.

Other financial data

(US\$ millions)	Year ended 31 December		
	2013	2012	2011
EBITDA ⁽¹⁾	509.6	364.8	243.3
Adjusted EBITDA ⁽¹⁾	511.6	366.9	251.7
Funds Flow From Operations ⁽²⁾	402.0	249.2	219.6

Notes:

- (1) “**EBITDA**” is defined as net profit before taxation, finance income, finance charges, depreciation and amortisation, and impairment of property, plant and equipment. “**Adjusted EBITDA**” is defined as EBITDA adjusted to exclude gains or losses on foreign exchange and fair value movement in contingent consideration. The Company believes that EBITDA is useful for investors to evaluate its operating performance compared to that of other companies in the same industry as EBITDA eliminates the effects of factors unrelated to overall operating performance, including financing, income taxes and the accounting effects of capital spending. The Company believes Adjusted EBITDA and the adjustments made in calculating Adjusted EBITDA provide useful information to investors in evaluating its operating performance because Adjusted EBITDA provides additional information regarding the Company's ability to service and/or incur debt and eliminates the effect of gains or losses on foreign exchange, which are not indicative of operating performance on an ongoing basis. EBITDA and Adjusted EBITDA are not IFRS measures and the Company's calculations of these measures may not be comparable to those of other similarly titled measures provided by other companies. Accordingly, when analysing the Company's operating performance, investors should not consider EBITDA and Adjusted EBITDA in isolation or as substitutes for net profit, cash flows from operating activities or other statement of comprehensive income or statement of cash flow data prepared in accordance with IFRS. Set forth below is a reconciliation of EBITDA and Adjusted EBITDA to net profit, which is the most closely related IFRS measure.

(US\$ millions)	Year Ended 31 December		
	2013	2012	2011
Net profit	550.3	109.1	53.4
Adjustments:			
Taxation	(92.7)	186.6	101.0
Finance income	(0.7)	(1.8)	—
Finance charges	21.8	36.0	24.9
Depreciation and amortisation	31.0	35.0	64.0
EBITDA⁽¹⁾	509.6	364.8	243.3
(Loss)/gain on foreign exchange	1.5	1.9	(0.2)
Fair value movement in contingent consideration	0.5	0.1	8.6
Adjusted EBITDA⁽²⁾	511.6	366.9	251.7

- (2) “**Funds Flow From Operations**” or “**FFFO**” is defined as net cash flows from operating activities before changes in working capital. The Company believes that FFFO is useful to investors in evaluating the Company's operating performance compared to that of other companies in the same industry, as it demonstrates the Company's ability to generate the cash necessary to repay debt or fund future growth through capital investment. FFFO is not an IFRS measure. Accordingly, when analysing the Company's operating performance, investors should not consider FFFO in isolation or as a substitute for net profit, net cash flows from

operating activities or other statement of comprehensive income or statement of cash flow data prepared in accordance with IFRS. The Company's calculation of FFFO is not necessarily comparable to that of other similarly titled measures provided by other companies. Set forth below is a reconciliation of FFFO to net cash flows from operating activities, which is the most closely related IFRS measure.

(US\$ millions)	Year ended 31 December		
	2013	2012	2011
Net cash flows from operating activities	291.2	51.0	218.0
Changes in working capital	110.8	198.2	1.6
Funds Flow From Operations	402.0	249.2	219.6

Section B — Letter from Ernst & Young Nigeria regarding the going concern status of the Group



Building a better
working world

Ernst & Young Nigeria
10th Floor
UBA House
57, Marina
Lagos, Nigeria

Tel: +234 (01) 844 996 2/3
Fax: +234 (01) 463 0481
Email: services@ng.ey.com
ey.com

The Directors
SEPLAT Petroleum Development Company Plc
25a Lugard Avenue
Ikoyi
Lagos, Nigeria

The Directors
Renaissance Securities (Nigeria) Limited
5th Floor
Plot 1B, Keystone Bank Crescent
Off Adeyemo Alakija Street
Victoria Island
Lagos, Nigeria

Stanbic IBTC Capital Limited
I.B.T.C. Place
Walter Carrington Crescent
Victoria Island
Lagos, Nigeria

9 April 2014

Dear Sirs,

CONFIRMATION OF GOING CONCERN STATUS OF SEPLAT PETROLEUM DEVELOPMENT COMPANY PLC AND ITS SUBSIDIARIES (THE “GROUP”)

SEPLAT Petroleum Development Company Plc is in the process of seeking admission of its ordinary shares to trading on the Official Trading List of the Nigerian Stock Exchange. It is also seeking admission of its ordinary shares to the Official List of the Financial Conduct Authority of the United Kingdom (by way of a Standard Listing under chapter 14 of the UK Listing Rules) and to trading on the London Stock Exchange’s main market for listed securities.

Based on our audit of the financial statements of the Group for the year ended 31 December 2013, we confirm that nothing has come to our attention that causes us to believe that the Group will not continue as a going concern in the foreseeable future and therefore consider it appropriate that the directors of the Company have prepared the financial statements for the year ended 31 December 2013 on a going concern basis.

This letter has been prepared only for the purposes of compliance with the rules and regulations of the Nigerian Securities and Exchange Commission.

Yours faithfully,

Ernst & Young
Lagos, Nigeria

A member firm of Ernst & Young Global Limited.

Section C — Letter from the Board of Directors regarding the going concern status of the Group



SEPLAT Petroleum Development Company Plc
25a Lugard Avenue
Ikoyi, Lagos
Nigeria

The Directors
Renaissance Securities (Nigeria) Limited
5th Floor
Plot 1B, Keystone Bank Crescent
Off Adeyemo Alakija Street
Victoria Island
Lagos, Nigeria

Stanbic IBTC Capital Limited
I.B.T.C. Place
Walter Carrington Crescent
Victoria Island
Lagos, Nigeria

9 April 2014

Dear Sirs,

CONFIRMATION OF GOING CONCERN STATUS OF SEPLAT PETROLEUM DEVELOPMENT COMPANY PLC AND ITS SUBSIDIARIES (THE "GROUP")

SEPLAT Petroleum Development Company Plc is in the process of seeking admission of its ordinary shares to trading on the Official Trading List of the Nigerian Stock Exchange. It is also seeking admission of its ordinary shares to the Official List of the Financial Conduct Authority of the United Kingdom (by way of a Standard Listing under chapter 14 of the UK Listing Rules) and to trading on the London Stock Exchange's main market for listed securities.

Based on our review of the financial statements of the Group for the year ended 31 December 2013, we have a reasonable expectation that the Group has adequate resources to continue as a going concern in the foreseeable future.

This letter has been prepared only for the purposes of compliance with the rules and regulations of the Nigerian Securities and Exchange Commission.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'A.B.C. Orjiako', written over a circular stamp.

A.B.C. Orjiako
Chairman
for and on behalf of
the Directors of SEPLAT Petroleum Development Company Plc

PART XI OPERATING AND FINANCIAL REVIEW

The following discussion and analysis of the financial condition and results of operations of the Group is derived from and should be read in conjunction with Part XII: “Financial Information on the Group” of this Prospectus and with the information relating to the business of the Group included elsewhere in this Prospectus. The discussion and analysis contains forward-looking statements that reflect the current view of the Group’s management and are subject to risks and uncertainties. The Group’s actual results could differ materially from those expressed or implied by such forward-looking statements as a result of factors discussed below and elsewhere in this Prospectus, particularly in Part II: “Risk Factors” of this Prospectus.

1. OVERVIEW

SEPLAT is an independent oil and gas exploration and production company incorporated in and with a strategic focus on Nigeria. On 31 July 2010, it acquired a 45 per cent. interest in, and was appointed operator of, a portfolio of three onshore producing oil and gas assets located within the Niger Delta. Under each of OMLs 4, 38 and 41, the Company and NPDC bear joint development and exploration risk for the properties and fund the operating and capital expenditures proportionately to each party’s percentage ownership.

Within OMLs 4, 38 and 41, there are six producing fields called Amukpe, Oben, Ovhor, Orogho, Sapele and Okporhuru. Gross (100 per cent.) operated crude oil production increased from a monthly average of 13.9 Mbpd in August 2010 to 55.1 Mbpd in December 2013 and the Company has increased its 45 per cent. share of operated crude oil production from a monthly average of 6.3 Mbpd in August 2010 to 24.8 Mbpd in December 2013. All of the oil currently produced by OMLs 4, 38 and 41 is light quality crude oil known as the “Forcados Blend” that currently attracts a premium to Brent crude oil prices.

DMCL estimates that as at 31 October 2013 the Company had from OMLs 4, 38 and 41 total working interest proved plus probable (2P) oil and condensate reserves of 101,756 Mbbl and total working interest best estimate oil and condensate 2C contingent resources of 60,467 Mbbl. The Company also has total working interest 2P gas reserves of 573,469 MMcf and total working interest gas 2C contingent resources of 104,693 MMcf from OMLs 4, 38 and 41.

On 1 June 2013, Newton Energy, a wholly-owned subsidiary of the Company, entered into an agreement with Pillar Oil to acquire (subject to the consent of the Minister and receipt of other necessary governmental approvals) a 40 per cent. participating interest in the Umuseti/Igbuku Fields and in doing so has added approximately 9,723 Mbbl to the Group’s 2P oil and condensate reserves and 89,800 MMcf of gas.

The key trends in the financial statements of the Group during the years ended 31 December 2013, 31 December 2012 and 31 December 2011 are as follows:

- Revenues increased by US\$255.7 million to US\$880.2 million for the year ended 31 December 2013 from US\$624.5 million for the year ended 31 December 2012 due to sustained growth in crude oil production. Annual revenues increased by US\$173.2 million to US\$624.5 million in 2012 from US\$451.3 million in 2011 primarily as a result of rising production levels of crude oil and, to a lesser extent, natural gas;
- Operating profit increased by US\$148.8 million to US\$478.7 million for the year ended 31 December 2013 from US\$329.9 million for the year ended 31 December 2012 as revenues outpaced the costs of production. Annual operating profit increased by US\$150.6 million to US\$329.9 million in 2012 from US\$179.3 million in 2011 as sales increased at a significantly greater rate than the associated operating and depreciation expenses;
- Profit for the year increased by US\$441.2 million to US\$550.3 million for the year ended 31 December 2013 from US\$109.1 million for the year ended 31 December 2012. Profit for the year grew by US\$55.7 million to US\$109.1 million in 2012 compared to US\$53.4 million in 2011;
- Cash flows from operating activities increased by US\$240.2 million to US\$291.2 million for the year ended 31 December 2013 from US\$51.0 million for the year ended 31 December 2012. Cash flows from operating activities decreased by US\$167.0 million to US\$51.0 million in 2012 compared to US\$218.0 million in 2011;

- Total capital expenditures were US\$230.3 million for 2013, US\$116.3 million for 2012 and US\$12.0 million for 2011. See section 6 of this Part XI below for further details;
- Net financial indebtedness was US\$141.1 million at 31 December 2013, US\$191.3 million at 31 December 2012 and US\$99.8 million at 31 December 2011. See section 7 of this Part XI below for further details; and
- As at 31 December 2013, cash and cash equivalents were US\$169.5 million. Debt is currently drawn under a US\$550 million senior secured credit facility.

2. RECENT DEVELOPMENTS

SPDC Assets Bid

SPDC is currently managing a disposal process in which it is seeking to dispose of the 45 per cent. participating interest held by SPDC (30 per cent.), TOTAL (10 per cent.) and AGIP (5 per cent.) in a number of shallow swamp oil mining licences in the Niger Delta and the 100 km long Nembe Creek trunk line in the Niger Delta (the “NCTL”). Two of these oil mining licences are OML 24 and OML 29.

The Group is part of a consortium which has bid to acquire the above-mentioned 45 per cent. participating interest in OML 24 (the “**OML 24 Bid**”). It is also part of a different consortium which has bid to acquire the above-mentioned participating interest in OML 29 (the “**OML 29 Bid**”) and the NCTL (the “**NCTL Bid**”). Both OML 24 and OML 29 have an expiry date of 30 June 2019. Details of the consortium arrangements are set out in Part XVII “Additional Information”, sections 10.7.23 and 10.7.24 of this Prospectus.

On 25 February 2014, the OML 24 Consortium and the OML 29 Consortium submitted final bids to SPDC to acquire the 45 per cent. participating interest held by SPDC, TOTAL and AGIP in OML 24 and OML 29 respectively. The OML 29 Consortium also at the same time submitted a final bid to SPDC to acquire the 45 per cent. participating interest held by SPDC, TOTAL and AGIP in the NCTL. In accordance with the bidding procedures laid down by SPDC, the OML 24 Consortium (in respect of the OML 24 Bid) and the OML 29 Consortium (in respect of the OML 29 Bid and the NCTL Bid) have paid a deposit into an escrow account held at a nominated bank in the names of each member of the relevant consortium, SPDC, TOTAL and AGIP. The Group’s aggregate share of the deposit amount for the OML 24 Bid, the OML 29 Bid and the NCTL Bid was between US\$150 million and US\$175 million. The Group is unable to disclose the bid prices (including the exact deposit amounts) of the OML 24 Consortium (in respect of OML 24) and the OML 29 Consortium (in respect of OML 29 and the NCTL), due to confidentiality restrictions imposed on the Group and the strong likelihood that such disclosure would place its bids for these assets at a material competitive disadvantage.

If the OML 24 Consortium (in respect of OML 24) signs definitive legal documentation to acquire the 45 per cent. participating interest held by SPDC, TOTAL and AGIP and/or the OML 29 Consortium (in respect of OML 29 and/or the NCTL) signs definitive legal documentation to acquire the 45 per cent. participating interest held by SPDC, TOTAL and AGIP then the relevant portion of the aggregate deposit amount will be released to SPDC, TOTAL and AGIP and will form part of the applicable purchase price. If the OML 24 Consortium (in respect of OML 24) and/or the OML 29 Consortium (in respect of OML 29 and/or the NCTL) does not sign definitive legal documentation or SPDC does not select them as preferred bidders then the relevant portion of the aggregate deposit amount will be returned to the members of the OML 24 Consortium and/or the OML 29 Consortium (as applicable).

SPDC (together with TOTAL and AGIP) is currently in the process of evaluating the OML 24 Bid, the OML 29 Bid and the NCTL Bid, together with all other bids received from other parties for OML 24, OML 29 and the NCTL. The Company anticipates that selected preferred and reserve bidders will be decided shortly as the next stage in the bid process. If the OML 24 Consortium (in respect of the OML 24 Bid) and the OML 29 Consortium (in respect of the OML 29 Bid and the NCTL Bid) are selected as preferred bidders then the Company expects that the relevant consortium will be asked to conclude final negotiations with SPDC, TOTAL and AGIP expeditiously. The Company understands that it is currently envisaged by SPDC that signature of definitive legal documentation in respect of the sale of these assets and closing will occur prior to 30 June 2014. Any definitive legal documentation to acquire the 45 per cent. participating interest held by SPDC, TOTAL and AGIP in respect of OML 24, OML 29 and/or the NCTL will be subject to, amongst other things, the consent of NNPC and the Minister and would likely require the Company to indemnify the sellers against environmental and other liabilities relating to the period prior to closing. SPDC is currently the operator of both OML 24 and OML 29. Any decision regarding a

new operator to replace SPDC following a successful disposal of its interests would be subject to negotiation and agreement between the relevant parties, including NNPC.

The Company understands that the reserves and resources of OMLs 24 and 29 are substantial. A successful acquisition of the 45 per cent. participating interest held by SPDC, TOTAL and AGIP in OML 24 and/or OML 29 could result in the Group enlarging its oil and gas resources by up to 300 per cent. If the Company is successful in the SPDC Assets Bid, it (or one of its subsidiaries) would be required to enter into significant new debt facilities. The probable amount of such debt facilities required to fund the Group's aggregate share of the consideration payable in respect of the SPDC Assets Bid (if successful) would be up to US\$1 billion, dependent on any final purchase price agreed with SPDC, TOTAL and AGIP.

Any final decision to sell their 45 per cent. participating interest or to select a preferred bidder in respect of OML 24, OML 29 and/or the NCTL will be at the discretion of SPDC, TOTAL and AGIP and the Group cannot be certain that the OML 24 Consortium (in respect of the OML 24 Bid) and the OML 29 Consortium (in respect of the OML 29 Bid and the NCTL Bid) will be selected as the preferred or reserve bidder or that any transaction between the OML 24 Consortium and/or the OML 29 Consortium and SPDC, TOTAL and AGIP will be executed.

CNL Assets Acquisition

On 29 November 2013, the Company, AMNI and BelemaOil entered into the CNL Assets SPA to acquire a 40 per cent. participating interest in the CNL Assets for total cash consideration of US\$800 million. In addition, the Company, AMNI and BelemaOil have entered into the CNL Assets Consortium Agreement pursuant to which they have agreed to allocate OMLs 52, 53 and 55 and the consideration owing to CNL between them so that: (i) the Company acquires a 40 per cent. participating interest in OML 53 for total cash consideration of US\$300 million; (ii) AMNI acquires a 40 per cent. participating interest in OML 52 for total cash consideration of US\$170 million; and (iii) BelemaOil acquires a 40 per cent. participating interest in OML 55 for total cash consideration of US\$330 million. The CNL Assets Acquisition is subject to the satisfaction of a number of conditions precedent, which include the consent of the Minister, and will, assuming satisfaction of the conditions precedent, have an effective date of 1 July 2013. The CNL Assets Acquisition is currently the subject of legal proceedings brought by Britannia U, an unsuccessful bidder for the CNL Assets, and the parties are currently unable to proceed further with the transaction as a result of an injunction obtained by Britannia U from the Nigerian Federal High Court in Lagos. Further details in respect of these legal proceedings are set out in Part VI: "Letter from the Chairman and Information on the Group", section 15.

Afrexim Facility draw-down

On 19 February 2014, the Company utilised the remaining available commitment of US\$215 million under the Afrexim Facility, with the intention that such funds be available for the SPDC Assets Bid or the CNL Assets Acquisition. For a more detailed description of the Afrexim Facility, please see Part XVII: "Additional Information", section 10.6.1 of this Prospectus.

Zenith Facility Agreement

On 27 February 2014, the Company agreed the terms of a five-year facility agreement with Zenith Bank Plc (the "**Zenith Facility Agreement**"). The total commitment under the facility, US\$200 million, was drawn on 27 February 2014 in order to partially finance the Group's aggregate share of the deposit amount for the OML 24 Bid, the OML 29 Bid and the NCTL Bid. The Company has agreed to grant security over substantially all of its assets to secure amounts owed under the Zenith Facility Agreement. For a more detailed description of the Zenith Facility Agreement, please see Part XVII: "Additional Information", section 10.6.4 of this Prospectus.

Pioneer tax status

In February 2014, but with effect from 1 January 2013 and reflected in the Group's consolidated financial statements as at and for the year ended 31 December 2013, the Company was granted the pioneer tax status incentive by the Nigerian Investment Promotion Commission for a five-year period, during which time the Company is exempt from petroleum profits tax on crude oil profits, corporate income tax on natural gas profits and education tax. The applicable crude oil tax rate for the Company under the Petroleum Profits Tax Act will increase to 85 per cent. on 1 January 2018. Newton Energy was also granted

pioneer tax status for a five-year term effective 1 June 2013. For further details on the pioneer tax status, see Part VI: “Letter from the Chairman and Information on the Group”, section 7.5 of this Prospectus.

3. KEY FACTORS AFFECTING THE GROUP’S RESULTS OF OPERATIONS AND FINANCIAL CONDITION

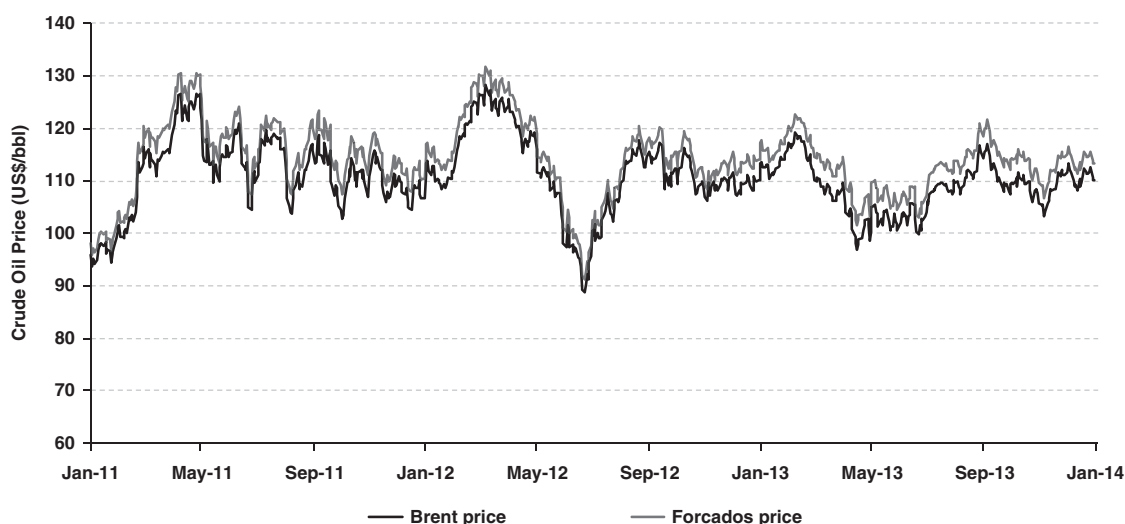
The results of the Group’s operations and financial condition have been, and will continue to be, affected by many factors, some of which are beyond the Group’s control. This section sets out certain key factors that affected the Group’s results of operations and financial condition in the periods under review and could affect its results of operations and financial condition in the future.

Price of crude oil

The Group’s results of operations are influenced significantly by crude oil prices. Prices for oil are based on world supply and demand and a number of other factors, including government regulation, social and political conditions and the weather. Crude oil prices have historically been highly volatile and are likely to be volatile in the future.

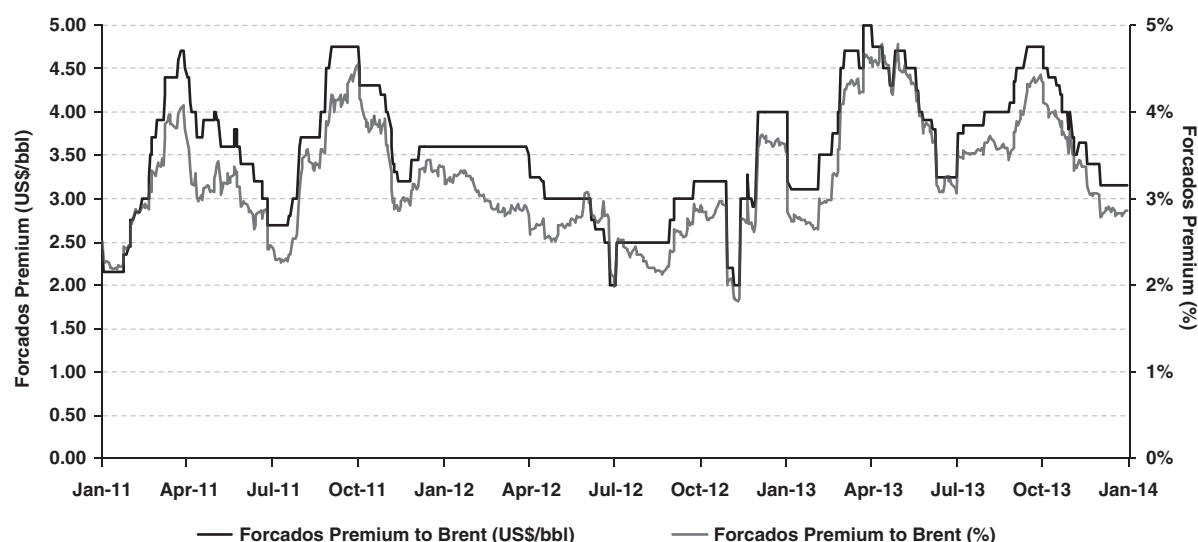
The prices for oil produced by the Company are related to the price of Brent crude oil in world markets and the Company does not hedge its exposure to such fluctuations. According to Thomson Reuters Datastream, Brent crude prices increased from an average price of US\$111.40 per barrel in 2011 to an average price of US\$111.66 per barrel in 2012 and subsequently decreased to an average price of US\$108.69 per barrel in 2013. These changes reflect, among other factors, an increase in worldwide demand, particularly in the United States and Asia, heightened geopolitical uncertainty in many areas of the world and supply concerns in the Middle East and other key producing regions.

The Company currently sells all oil that it produces to Shell Trading at market prices calculated in accordance with the terms of the Off-take Agreement. The following chart presents historical information on Brent and Forcados crude oil prices, and illustrates that Forcados crude oil prices have remained above those of Brent for the entire period from 1 January 2011 to 31 December 2013:



Source: Thomson Reuters Datastream

The following chart presents historical information on the Forcados crude oil price premium relative to Brent crude oil prices, illustrating an average premium of approximately 3 per cent. over the period from 1 January 2011 to 31 December 2013:



Source: Thomson Reuters Datastream

For the year ended 31 December 2013, 100 per cent. of the Company's crude oil production was Forcados blend, which sold at an average premium to Brent crude of US\$3.95 per barrel in the year ended 31 December 2013 and US\$3.11 in the year ended 31 December 2012. Prices for Forcados blend have decreased to an average of US\$112.64 per barrel for the year ended 31 December 2013 from US\$114.77 per barrel for the year ended 31 December 2012, which has had a modestly adverse impact on the Company's net revenue, net cash flows from operating activities and net income.

Production

Since acquiring a 45 per cent. participating interest in OMLs 4, 38 and 41 on 31 July 2010, the Company has increased crude oil production volumes by drilling additional wells on its existing properties and by employing advanced and proven technologies to increase production even further. The Company's revenues and net income depend upon its crude oil production levels, which may be affected by factors including pipeline sabotage, recognition of oil production volumes by SPDC and production downtime due to planned maintenance.

Natural gas production has been sold into the local gas market in accordance with a domestic supply obligation. For the years ended 31 December 2011 and 2012, the Company was paid a weighted average of US\$0.84/Mscf for its domestic supply obligation. For the year ended 31 December 2013, the Company was paid a weighted average of US\$0.91/Mscf for its domestic supply obligation.

The following table presents the oil and gas production from OMLs 4, 38 and 41 for the periods indicated:

	Year ended 31 December		
	2013	2012	2011
CRUDE OIL PRODUCTION			
100% Joint Venture (OMLs 4, 38 and 41)			
Operated Production ⁽¹⁾			
Production for the period (MMbbl)	18.8	12.1	11.5
Average daily production for the period (Mbpd)	51.4	33.1	31.4
Reconciled Production ⁽²⁾			
Production for the period (MMbbl)	16.9	10.8	9.4
Average daily production for the period (Mbpd)	46.2	29.4	25.7
Deductions: Operated and Reconciled Production (%)	10.1%	11.0%	18.0%
45% Working Interest			
Operated Production ⁽¹⁾			
Production for the period (MMbbl)	8.4	5.4	5.2
Average daily production for the period (Mbpd)	23.1	14.9	14.1
Reconciled Production ⁽²⁾			
Production for the period (MMbbl)	7.6	4.8	4.2
Average daily production for the period (Mbpd)	20.8	13.2	11.6
NATURAL GAS PRODUCTION			
100% Joint Venture (OMLs 4, 38 and 41)			
Production for the period (bcf)	36.2	36.3	41.9
Average daily production for the period (MMscfd)	99	99	115
45% Working Interest			
Production for the period (bcf)	16.3	16.3	18.9
Average daily production for the period (MMscfd)	45	45	52

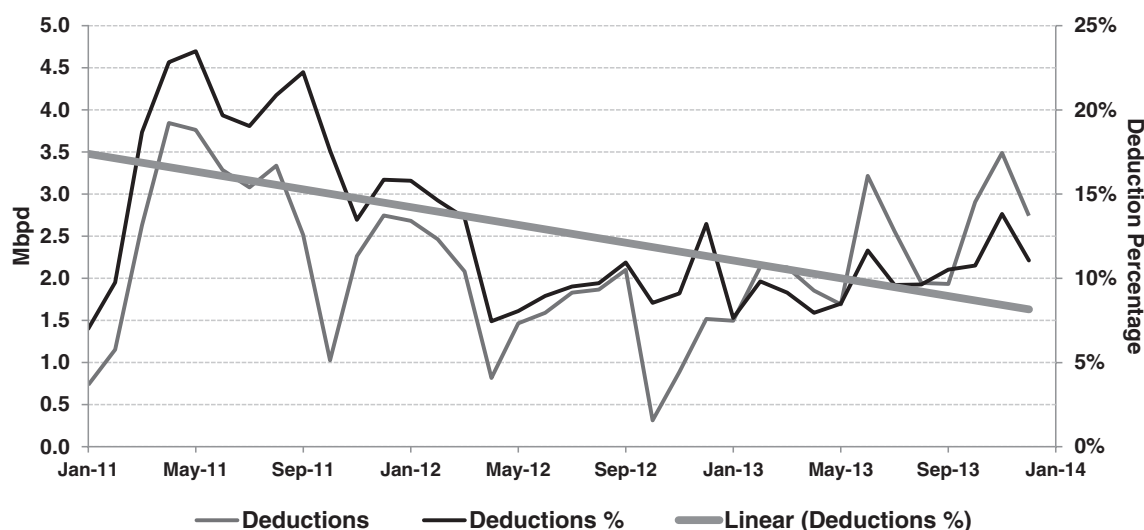
Notes:

- (1) "Operated Production" means production volumes measured at the flow station for the period from 1 January 2011 to 31 October 2011 and production volumes measured at the LACT Unit for the period from 1 November 2011 to 31 December 2013, following the installation of the LACT Unit at the Rapele injection point into the Trans-Forcados Pipeline.
- (2) "Reconciled Production" means production volumes recognised by SPDC as crude oil received at the Forcados Terminal after processing, which accounts for losses occurring during transportation along the Trans-Forcados Pipeline due to vandalism, theft and sabotage.

The Company had a working interest share of Operated Production of 8.4 MMbbl for the year ended 31 December 2013, 5.4 MMbbl for the year ended 31 December 2012 and 5.2 MMbbl for the year ended 31 December 2011, equivalent to an average daily share of Operated Production of 23.1 Mbpd for 2013, 14.9 Mbpd for 2012 and 14.1 Mbpd for 2011. The Company had a working interest share of Reconciled Production of 7.6 MMbbl for the year ended 31 December 2013, 4.8 MMbbl for the year ended 31 December 2012 and 4.2 MMbbl for the year ended 31 December 2011, equivalent to an average daily share of Reconciled Production of 20.8 Mbpd for 2013, 13.2 Mbpd for 2012 and 11.6 Mbpd for 2011. Working interest gas production from the assets was 16.3 bcf for the year ended 31 December 2013, 16.3 bcf for the year ended 31 December 2012 and 18.9 bcf for the year ended 31 December 2011.

The following chart presents historical data on the crude oil volumes deducted from the Company's share of Operated Production to reach its share of the working interest Reconciled Production, equating to an average monthly deduction of 18.0 per cent. over the period from 1 January 2011 to 31 December 2011. As

a result of an agreement signed with SPDC on 27 February 2013, the average monthly deduction was approximately 10.5 per cent. over the period from 1 January 2012 to 31 December 2013.



Oil and gas reserves

As at 31 October 2013, DMCL estimates the Company's 45 per cent. working interest crude oil proved reserves from OMLs 4, 38 and 41 to be 68,063 Mbbl, working interest proved plus probable (2P) reserves to be 101,756 Mbbl and working interest proved plus probable plus possible (3P) reserves to be 132,210 Mbbl. DMCL further estimates the Company's 45 per cent. working interest natural gas proved reserves from OMLs 4, 38 and 41 to be 315,291 MMcf, working interest 2P reserves to be 573,469 MMcf and working interest 3P reserves to be 670,469 MMcf. The Company's goal is to replace its crude oil and gas reserves base on a 1:1 basis going forward.

On 1 June 2013, Newton Energy, a wholly-owned subsidiary of the Company, entered into an agreement with Pillar Oil Limited to acquire a 40 per cent. participating interest in the Umuseti/Igbuku Fields for total consideration of up to US\$60 million, including the US\$50 million payment made in the first half of 2013, and in doing so has added approximately 9,723 Mbbl to the Group's 2P oil and condensate reserves and 89,800 MMcf of gas.

The Company's ongoing strategy to increase its reserves is to build on the significant growth and profit enhancement opportunities within OMLs 4, 38 and 41—as demonstrated by the 43 MMbbl increase in working interest 2P reserves from the Okporhuru development—while also pursuing acquisition opportunities. The Company has achieved its growth to date and will seek to continue to grow by acquiring non-core assets from international oil companies, while using its strong in-house technical and operational expertise to grow reserves and production in a cost-effective manner.

The Company's ability to increase its oil and gas reserves will depend upon a number of factors including the availability and cost of capital, availability of suitable assets for acquisition, ability to convert the Company's current contingent resources into reserves, current and projected oil and gas prices, receipt of government approvals, access to the property, the costs and availability of drilling rigs and other equipment, supplies and personnel necessary to conduct these operations, success or failure of activities in similar areas and changes in the estimates to complete the projects.

Exploration, appraisal and development activities

The Company intends to continue development of its existing properties by improving operational efficiencies, investing in facilities and infrastructure to increase oil production and positioning itself to further monetise natural gas resources. New developments for recent discoveries and the completion of identified development projects will also ensure that the Company is well-positioned to grow both reserves and production by converting contingent and prospective resources into commercial reserves.

As at 31 October 2013, the Company's 45 per cent. working interest 2C contingent resources were 60 MMbbl of oil and condensate and 105 bcf of natural gas.

SEPLAT's exploration strategy includes pursuing identified exploration prospects on existing properties and the acquisition of seismic data where necessary for prospect identification and evaluation. To date, the Company has identified numerous prospects and leads across OMLs 4, 38 and 41, of which nine have been selected for further maturation in accordance with the Company's five-year plan. As at 31 October 2013, the working interest (statistical aggregate of best estimate) unrisked prospective resources of crude oil from these nine prospects was 19.7 MMbbl.

Royalties and taxes

Royalties are 20 per cent. of crude oil produced, calculated on a field-by-field basis in accordance with the Company's concession agreements, while royalties are 7 per cent. of natural gas revenues. Royalties are recorded as part of the cost of sales in the Company's statement of comprehensive income.

From its formation until 31 December 2012, the Company benefited from the new entrant tax rate of 65.75 per cent. of taxable crude oil profits under the Petroleum Profits Tax Act, calculated as revenues less royalties, non-capital costs, capital depreciation and an investment tax allowance. Taxable profits on natural gas production were taxed at a corporate income tax rate of 30 per cent. and an education tax was paid at a rate of 2 per cent. of the Company's assessable profits.

Effective 1 January 2013, the Company was granted the pioneer tax status incentive by the Nigerian Investment Promotion Commission for a five-year period, during which time the Company is exempt from petroleum profits tax on crude oil profits, corporate income tax on natural gas profits and education tax. The applicable crude oil tax rate for the Company under the Petroleum Profits Tax Act will increase to 85 per cent. on 1 January 2018. Newton Energy was also granted pioneer tax status for a five-year term effective 1 June 2013. Should the Company acquire additional assets in Nigeria and structure the acquisition in an appropriate manner, the reduced tax rate of 65.75 per cent. may apply to the taxable profit generated by such additional assets.

Net qualifying expenditures on capital expenditures incurred during the pioneer period are accumulated and qualify for initial and annual allowances effective 1 January 2018, while any losses incurred by the Group during the pioneer period, when certified, may be utilised after the pioneer period. The Group may have unutilised capital investment allowances in any year after the pioneer period which it can use to offset future taxes up to an annual limit. Capital expenditure is claimed back over a five-year period. The annual capital allowance rate is 20 per cent. for the first four years and 19 per cent. for the fifth year. As at 31 December 2013, the Company had approximately US\$256.0 million of unutilised capital allowances that are available to offset future taxes. In addition, taxation instalments paid during 2013 of US\$28.7 million shall be carried forward as a tax credit and utilised in 2018.

The Company is required to pay the NDDC levy currently set at 3 per cent. of budgeted expenditures. The Company also remits other levies, the most significant of which include OML rents.

4. RESULTS OF OPERATIONS

Revenue

Revenue is principally comprised of revenue from the sale of oil and gas. Revenue from the sale of oil is recognised when the significant risks and rewards of ownership have been transferred to the customer, as crude products are lifted by a third party "free on board" at the designated loading facility or lifting terminals. Gas revenue is recognised when gas passes through the custody transfer point.

Crude oil sales exclude volumes held as inventory at the end of the period. The Company does not hedge against fluctuations in crude oil prices and revenues are recognised under the "entitlements" method based on the Company's 45 per cent. working interest under the relevant licence areas.

During a given period, the excess of the product sold over the Company's working interest share of production is termed an overlift and is accounted for as a liability and deducted from crude oil sales invoiced when recording revenue. Conversely, an underlift is recognised as an asset and the corresponding revenue is also recorded.

Overlifts and underlifts are initially measured at the market price of oil at the date of lifting, consistent with the measurement of the sale and purchase. Please see Part XII: "Financial information on the Group" of this Prospectus, note 2.6 for a description of the Company's accounting policy in respect of overlifts and underlifts.

The following table sets forth sales revenues, volumes and pricing information for the periods indicated:

(US\$ millions unless otherwise noted)	Year ended 31 December		
	2013	2012	2011
Revenue	880.2	624.5	451.3
Crude oil			
Sales revenue	862.1	598.3	449.6
Sales volumes (MMbbl) ⁽¹⁾	7.3	5.2	4.2
Average Realised Sales Price (US\$/bbl) ⁽²⁾	111.10	112.89	114.15
Average Premium (Discount) to Brent Crude (US\$/bbl) ⁽³⁾	3.93	3.35	3.43
Average Brent Crude Price (US\$/bbl)	108.7	111.7	111.4
Natural Gas			
Sales revenue	18.1	26.2	1.8
Sales volumes (bcf)	19.8	31.1	12.7
Average Realised Sales Price (US\$/Mscf) ⁽²⁾	0.91	0.84	0.14

Notes:

- (1) Sales volumes shown are actual volumes lifted before adjusting for an overlift or underlift. See Part XII: “Financial Information on the Group” of this Prospectus, note 2.6 for a description of the Company’s accounting policy in respect of overlifts and underlifts.
- (2) Average Realised Sales Price is calculated on sales revenues before adjustments for overlifts or underlifts divided by actual volumes lifted.
- (3) Average Premium (Discount) to Brent crude as published by NNPC for the relevant period.

Year Ended 31 December 2013 Compared with Year Ended 31 December 2012

Total revenues increased by US\$255.7 million (41 per cent.) to US\$880.2 million in the year ended 31 December 2013 from US\$624.5 million in the year ended 31 December 2012, principally due to a US\$263.8 million increase in crude oil revenues that was partially offset by a US\$8.2 million decrease in natural gas revenues, the reasons for which are set out below.

Crude oil revenues increased by US\$263.8 million (44 per cent.) to US\$862.1 million in the year ended 31 December 2013 from US\$598.3 million in the year ended 31 December 2012, principally due to a 41 per cent. increase in crude oil volumes sold and the recognition in revenue for 2013 of a US\$46.8 million change in lifting position. This increase was partially offset by a US\$1.79 per barrel decrease in the average realised price of crude oil in the year ended 31 December 2013 compared to the year ended 31 December 2012. Working interest Reconciled Production increased by 57 per cent. to 7.6 MMbbl in the year ended 31 December 2013 from 4.8 MMbbl in the year ended 31 December 2012. Five production wells, including two in OML 41 and three in OML 38, were drilled and completed during 2013. Four of these wells, along with two wells previously completed in a prior year, were brought into production during the year ended 31 December 2013. Work continued throughout 2013 to optimise production from existing wells by performing workovers on two natural gas wells, one crude oil well in OML 4 and two crude oil wells in the Ovhor field, which straddles OML 38 and OML 41. SEPLAT’s share of average daily crude oil Reconciled Production increased by 57 per cent. to 20.8 Mbpd for the year ended 31 December 2013, compared to 13.2 Mbpd for the year ended 31 December 2012.

The number of barrels sold increased by 41 per cent. to 7.3 MMbbl in the year ended 31 December 2013 from 5.2 MMbbl in the year ended 31 December 2012. The average realised oil price for the year ended 31 December 2013 decreased to US\$111.10 per barrel from US\$112.89 per barrel for the year ended 31 December 2012.

Natural gas revenues decreased by US\$8.2 million (31 per cent.) to US\$18.1 million in the year ended 31 December 2013 from US\$26.2 million in the year ended 31 December 2012, largely due to a 36 per cent. decline in natural gas volumes sold.

Year Ended 31 December 2012 Compared with Year Ended 31 December 2011

Total revenues increased by US\$173.2 million (38 per cent.) to US\$624.5 million in 2012 from US\$451.3 million in 2011, principally due to a US\$148.7 million increase in crude oil revenues and a US\$24.5 million increase in natural gas revenues, the reasons for which are set out below.

Crude oil revenues increased by US\$148.7 million (33 per cent.) to US\$598.3 million in 2012 from US\$449.6 million in 2011, principally due to a 25 per cent. increase in crude oil volumes sold and the recognition in revenue for 2012 of a US\$12.7 million change in lifting position. This increase was partially offset by a US\$1.26 per barrel decrease in the average realised price of crude oil in 2012 compared to 2011. In 2012, working interest Reconciled Production increased by 15 per cent. to 4.8 MMbbl in 2012 from 4.2 MMbbl in 2011. Two production wells in OML 38 and one production well in OML 4 were drilled and completed during 2012. All of these wells were brought on production during 2012. Work continued throughout the year to optimise production from existing wells by performing workovers on five wells in OML 4 and three wells in OML 41. SEPLAT's share of average daily crude oil Reconciled Production increased by 14 per cent. to 13.2 Mbpd in 2012 from 11.6 Mbpd in 2011.

The number of barrels sold increased by 25 per cent. to 5.2 MMbbl in 2012 from 4.2 MMbbl in 2011. The average realised oil price in 2012 decreased by 1 per cent. to US\$112.89 per barrel from US\$114.15 per barrel in 2011.

Natural gas revenues increased by US\$24.5 million to US\$26.2 million in 2012 from US\$1.8 million in 2011, largely due to a US\$12.6 million increase in natural gas revenues and the recognition of sales amounting to US\$9.4 million for 2011 and US\$2.5 million for 2010 following the finalisation of the sales and pricing agreement in June 2012.

Cost of Sales

Cost of sales is comprised of costs directly attributable to the production of oil and associated gas, including royalties, insurance, power and fuel oil costs, facilities maintenance and other third-party contracts related to drilling rig maintenance. Cost of sales also includes the depreciation on producing assets, which is charged on a unit of production basis based on proved reserves.

The following table sets out a summary of the Company's cost of sales for the periods indicated:

(US\$ millions)	Year ended 31 December		
	2013	2012	2011
Crude handling fees	32.0	23.6	23.6
Royalties	191.9	108.5	86.4
Niger Delta Development Commission ("NDDC") levy	12.7	6.1	3.9
Depreciation on producing assets	27.9	32.8	62.6
Rig related costs	27.0	44.8	9.1
Other field expenses	39.5	34.6	20.9
Total	<u>330.9</u>	<u>250.3</u>	<u>206.4</u>

Year Ended 31 December 2013 Compared with Year Ended 31 December 2012

Cost of sales increased by US\$80.6 million (32 per cent.) to US\$330.9 million in the year ended 31 December 2013 from US\$250.3 million in the year ended 31 December 2012. The change is primarily due to: (i) an increase in royalties of US\$83.4 million that corresponds to the rise in oil production in 2013; (ii) an increase in crude handling fees of US\$8.4 million due to improved production volumes; (iii) an increase in the levy imposed by the NDDC of US\$6.6 million due to higher budgeted capital expenditures associated with ongoing field development; and (iv) an increase in other field expenses of US\$4.9 million, partially offset by a decrease in rig expenditures of US\$17.8 million.

Direct operating costs are those relating to crude handling fees, rig-related costs (including payments to Cardinal, a related party) and other field expenses. The direct operating cost per barrel of working interest Operated Production decreased to US\$11.66 per barrel in the year ended 31 December 2013 from US\$18.90 per barrel in the year ended 31 December 2012, principally due to reduced work-over activity and a development programme targeting new production wells during 2013.

Depreciation on producing assets decreased by US\$4.9 million (15 per cent.) to US\$27.9 million in the year ended 31 December 2013 from US\$32.8 million in the year ended 31 December 2012. Depreciation expense per barrel of working interest Operated Production decreased to US\$3.30 per barrel in the year ended 31 December 2013 from US\$6.02 per barrel in the year ended 31 December 2012.

Year Ended 31 December 2012 Compared with Year Ended 31 December 2011

Cost of sales increased by US\$43.9 million (21 per cent.) to US\$250.3 million in 2012 from US\$206.4 million in 2011. The change is primarily due to: (i) an increase in royalties of US\$22.1 million that corresponds to the rise in oil production and gas revenues in 2012; (ii) an increase in rig expenditures of US\$35.7 million due to significant production and maintenance workover activity that occurred throughout 2012; (iii) an increase in other field expenses of US\$13.7 million due to support ongoing operations and development of OML 38; and (iv) an increase in the levy imposed by the NDCC of US\$2.2 million due to an increase in budgeted capital expenditures associated with ongoing field development. The direct operating cost per barrel of working interest Operated Production increased to US\$18.90 per barrel in 2012 from US\$10.38 per barrel in 2011 due to planned work-over activity on existing wells in 2012.

Depreciation on producing assets decreased by US\$29.8 million (48 per cent.) to US\$32.8 million in 2012 from US\$62.6 million in 2011. During 2012, an independent reserve engineer determined that proved plus probable reserves increased substantially, including the 23 MMbbl increase from the approval of the Okporhuru field development plan, leading to a significant decrease in the depreciation rate per barrel used for financial statement purposes. Depreciation expense per barrel of working interest Operated Production decreased to US\$6.02 per barrel in 2012 from US\$12.13 per barrel in 2011.

General and administrative expenses

General and administrative expenses primarily consist of staff costs, consultant fees, professional fees, directors' emoluments, business development expenses, depreciation of property, plant and equipment for non-oil and gas assets and other administrative expenses. Professional fees represent payments made to third-party consultants, advisers and auditors. Other general and administrative expenses include office costs, IT consumables and travel costs. Certain staff costs, such as wages, are not recorded as administrative expenses, but are capitalised where they are deemed to be directly attributable to development activities.

The following table sets out a summary of the Company's general and administrative expenses for periods indicated:

(US\$ millions)	Year ended 31 December		
	2013	2012	2011
Depreciation	3.0	2.1	1.3
Amortisation	0.1	0.1	0.1
Professional fees	25.5	10.9	0.8
Directors emoluments	7.5	4.0	2.1
Donations	—	0.3	0.1
Rental expenses	1.3	0.7	0.8
Employee benefits	13.2	12.3	10.4
Business development	0.1	1.0	31.8
Other general expenses	21.4	17.0	9.4
Total	72.0	48.3	56.9

Year Ended 31 December 2013 Compared with Year Ended 31 December 2012

General and administrative expenses increased by US\$23.7 million (49 per cent.) to US\$72.0 million in the year ended 31 December 2013 from US\$48.3 million in the year ended 31 December 2012. The change is principally due to an increase in professional fees of US\$14.6 million principally related to the Company's preparation for the Global Offer, an increase in directors' emoluments of US\$3.5 million and an increase in other general expenses of US\$4.4 million relating to miscellaneous costs including office maintenance, telecommunications and logistics.

Year Ended 31 December 2012 Compared with Year Ended 31 December 2011

General and administrative expenses decreased by US\$8.5 million (15 per cent.) to US\$48.3 million in 2012 from US\$56.9 million in 2011. The change is principally due to a decrease in business development activities of US\$30.8 million caused largely by the 2011 expenses including the one-off payment to Abbeycourt Petroleum Company Limited. This was partially offset by an increase in external adviser fees of US\$10.0 million, including some costs incurred in connection with acquisition opportunities and related

to the Company's preparation for the Global Offer. There was also an increase in other general expenses of US\$7.6 million.

Other operating income

Other income primarily consists of royalty income from a shareholder for producing and lifting from a marginal field within OMLs 4, 38 and 41. In 2013, the Company recorded US\$0.4 million of other income, compared to US\$2.2 million in 2012 and nil in 2011.

(Loss)/gain on foreign exchange

(Loss)/gain on foreign exchange represents the (loss)/gain resulting from exchange rate fluctuations in respect of transactions entered into in Naira relative to the US dollar. In 2013, the Company recorded a net gain on foreign exchange of US\$1.5 million, compared to a net gain of US\$1.9 million in 2012 and a net loss of US\$0.2 million in 2011.

Fair value movement in contingent consideration

Fair value movement in contingent consideration for 2013 relates to the revaluation of the US\$10.0 million contingent consideration payable by Newton Energy upon reaching certain production milestones in the Umuseti/Igbuku Fields.

Fair value movement in contingent consideration for 2012 and 2011 relates to the revaluation of the US\$33.0 million contingent consideration paid by the Company in July 2012 pursuant to the Agreement for Assignment in relation to OMLs 4, 38 and 41. Fair value movement in contingent consideration decreased by US\$8.5 million to US\$0.1 million in 2012 from US\$8.6 million in 2011 as the Company had largely revalued the contingent consideration to the amount of the anticipated US\$33.0 million payment at 31 December 2011.

Finance income and finance charges

Finance income relates to interest income on short term deposits and cash at bank. In 2013, the Company recorded finance income of US\$0.7 million, compared to US\$1.8 million in 2012 and nil finance income in 2011. Finance charges primarily consist of interest on bank and shareholder loans and unwinding the discount to the future value of provisions for decommissioning liabilities. The following table sets out a summary of the Company's finance charges for the periods indicated:

<u>(US\$ millions)</u>	<u>Year ended 31 December</u>		
	<u>2013</u>	<u>2012</u>	<u>2011</u>
Shareholder loan	4.2	3.4	7.6
Bank loan	15.8	31.1	15.9
Unwinding of discount provision for decommissioning ⁽¹⁾	1.8	1.5	1.3
Total	<u>21.8</u>	<u>36.0</u>	<u>24.9</u>

Note:

(1) See "Asset Retirement Obligation" in section 8 of this Part XI for further details.

Year Ended 31 December 2013 Compared with Year Ended 31 December 2012

In 2013, the Company's finance charges decreased by US\$14.2 million (39 per cent.) to US\$21.8 million from US\$36.0 million in 2012. In 2013, interest charges on the bank loan decreased by US\$15.2 million compared to 2012, largely due to lower financing fees payable under the Afrexim Facility since the outstanding debt under the facility was lower in 2013 compared to 2012.

Year Ended 31 December 2012 Compared with Year Ended 31 December 2011

In 2012, the Company's finance charges increased by US\$11.1 million (45 per cent.) to US\$36.0 million in 2012 from US\$24.9 million in 2011. In 2012, interest charges on the bank loan increased by US\$15.1 million compared to 2011, largely due to higher financing fees payable under the Afrexim Facility since the outstanding debt under the facility was higher in 2012 compared to 2011. This increase in bank

loan interest was offset by a decrease in interest on the MPI Shareholder Loan of US\$4.2 million as the 2012 outstanding debt was lower than 2011 as a result of principal repayments.

A more detailed description of the Company's debt financing is set out in section 7 below under the heading "*Liquidity and Financing*".

Taxation

Income tax expense reflects the sum of current income tax and deferred income tax. Current income tax is provided at amounts expected to be paid pursuant to Nigerian taxation law. Deferred tax is recognised on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. The Company earns capital investment allowances on capital expenditures in Nigeria and these are charged to deferred income tax in the statement of comprehensive income as tax benefits are realised. The following table sets out a summary of the Company's income tax expense for the periods indicated:

(US\$ millions)	Year ended 31 December		
	2013	2012	2011
Current Tax			
Current tax charge for the year	—	95.4	69.4
Adjustment in respect of prior year	0.6	—	—
	<u>0.6</u>	<u>95.4</u>	<u>69.4</u>
Deferred Tax			
Origination and reversal of temporary differences	(93.4)	91.1	31.6
Total	<u>(92.7)</u>	<u>186.6</u>	<u>101.0</u>

Year Ended 31 December 2013 Compared with Year Ended 31 December 2012

Current tax charge for the year decreased by US\$95.4 million to nil in 2013 from US\$95.4 million in 2012 as the Company was granted the pioneer status incentive by the Nigerian Investment Promotion Commission for a five-year period effective 1 January 2013, whereby the Company is exempt from petroleum profits tax on crude oil profits, corporate income tax on natural gas profits and education tax. Newton Energy was also granted pioneer tax status for a five-year period from 1 June 2013. Adjustment in respect of prior year of US\$0.6 million relates to a supplemental provision for income taxes relating to 2012.

Origination and reversal of temporary differences changed by US\$184.5 million to a US\$93.4 million deferred tax credit in 2013 from a US\$91.1 million deferred tax expense in 2012. The deferred tax assets and liabilities were remeasured to reflect the Group's new tax status effective 1 January 2013. This remeasurement has resulted in a nil deferred tax position in the consolidated statement of financial position and a US\$93.4 million deferred tax credit in the consolidated statement of comprehensive income.

Year Ended 31 December 2012 Compared with Year Ended 31 December 2011

Current tax charge for the year increased by US\$26.0 million (37 per cent.) to US\$95.4 million in 2012 from US\$69.4 million in 2011, primarily due to an increase in oil and gas sales, which generated a higher taxable base for the year, and lower unutilised capital allowances available to reduce taxes.

Origination and reversal of temporary differences increased by US\$59.5 million to US\$91.1 million in 2012 from US\$31.6 million in 2011. The increase was due to temporary differences arising from additional unutilised capital expenditures since the intangible drilling costs are depreciated at a lower rate for accounting purposes compared to capital allowances applied for tax purposes.

5. CASH FLOWS

The following table sets out selected cash flow information for the periods indicated:

(US\$ millions)	Year ended 31 December		
	2013	2012	2011
Net cash flows from operating activities	291.2	51.0	218.0
Net cash flows from investing activities	(220.0)	(76.0)	(4.5)
Net cash flows from financing activities	42.1	(120.1)	(42.3)
Net change in cash and cash equivalents	113.4	(145.1)	171.2
Cash and cash equivalents — beginning of year	56.3	201.8	30.4
Net foreign exchange difference	(0.2)	(0.3)	0.2
Cash and cash equivalents — end of year	169.5	56.3	201.8

Note:

As at 31 December 2012, cash and cash equivalents of US\$56.3 million excluded US\$98 million of restricted cash received from one of the Company's shareholders (MPI), which was to have been used for the purposes of a potential acquisition. During January 2013, this amount was returned to MPI as the transaction did not occur.

Net cash flows from operating activities

Net cash flows from operating activities increased by US\$240.2 million to US\$291.2 million in 2013 compared to US\$51.0 million in 2012. While profit before tax was US\$457.5 million in 2013 compared to US\$295.7 million in 2012, the increase was offset by a change in working capital of US\$110.8 million in 2013 compared to US\$198.2 million in 2012, principally due to an increase in the receivable from the joint venture partner, NPDC, the recognition of a crude oil underlift position and an increase in advances to suppliers. Additionally, income taxes paid were US\$106.6 million in 2013 compared to US\$81.2 million in 2012.

Net cash flows from operating activities decreased by US\$167.0 million to US\$51.0 million in 2012 compared to US\$218.0 million in 2011. While profit before tax was US\$295.7 million in 2012 compared to US\$154.5 million in 2011, this increase was offset by a change in working capital of \$198.2 million in 2012 compared to US\$1.6 million in 2011, largely due to a significant increase in receivables caused mainly by a timing difference in the receipt of funds from the joint venture partner, NPDC, under the Joint Operating Agreement during 2012. Additionally, income taxes paid were US\$81.2 million in 2012 compared to US\$32.3 million in 2011 and the payment of US\$33.0 million in contingent consideration was made in 2012 pursuant to the Agreement for Assignment of the licence areas.

Net cash flows from investing activities

Net cash used in investing activities consists principally of the purchase of producing assets and other property, plant and equipment. Net cash flows used in investing activities increased by US\$144.0 million to US\$220.0 million in 2013 compared to US\$76.0 million in 2012.

On 1 June 2013, Newton Energy, a wholly-owned subsidiary of the Company, entered into an agreement with Pillar Oil to acquire a 40 per cent. participating interest in the Umuseti/Igbuku Fields for total consideration of up to US\$60 million, including the US\$50 million payment made in 2013.

Net cash flows used in investing activities increased by US\$71.4 million to US\$76.0 million in 2012 compared to US\$4.5 million in 2011 in connection with the Company's capital expenditure programme as described in more detail in section 6 below.

Net cash flows from financing activities

Net cash flows from financing activities changed by US\$162.3 million to US\$42.1 million in 2013 compared to net cash flows used in financing activities of US\$120.1 million in 2012. Repayments under the Afrexim Facility were US\$68.1 million in 2013 compared to US\$54.3 million in 2012. Drawdowns of US\$129.0 million were made in 2013, of which US\$60.0 million was drawn under the Afrexim Facility to finance the acquisition of a 40 per cent. participating interest in the Umuseti/Igbuku Fields and US\$69.0 million was drawn under the FBN Letter of Credit to finance the CNL Assets Acquisition Deposit. Interest payments of US\$18.8 million were made in 2013 compared to US\$31.9 million in 2012.

Net cash flows used in financing activities changed by US\$77.9 million to US\$120.1 million in 2012 compared to net cash flows used in financing activities of US\$42.3 million in 2011. The repayment of funds drawn under the Afrexim Facility was US\$54.3 million in 2012 compared to US\$184.3 million in 2011 and no repayments were made under the MPI Shareholder Loan in 2012 compared to US\$106.0 million in 2011. No funds were drawn under the Afrexim Facility in 2012 compared to US\$275.0 million in 2011. Interest payments of US\$31.9 million were made in 2012 compared to US\$27.0 million in 2011. The Company also paid dividends of US\$34.0 million in 2012 (2011—nil).

A more detailed description of the Company's recent financing activities is set out in section 7 under the heading "*Liquidity and Capital Resources*".

6. CAPITAL EXPENDITURES

The following table sets out the Company's capital expenditures for the periods indicated:

(US\$ millions)	Year ended 31 December		
	2013	2012	2011
Production and field facilities	55.4	4.7	1.8
Plant and machinery	0.8	1.1	0.1
Motor vehicles	0.7	0.8	0.8
Office, IT equipment and fittings	2.9	2.3	1.6
Leasehold improvements	0.1	0.8	0.1
Assets under construction	170.4	106.7	7.6
Total	230.3	116.3	12.0

Principal work during the year ended 31 December 2013

Total capital expenditures in 2013 were US\$230.3 million, including US\$57.7 million for the acquisition of a 40 per cent. participating interest in the Umuseti/Igbuku Fields, partially offset by a US\$2.9 million change in estimate on the decommissioning expenditure. Capital expenditures included drilling costs of US\$98.0 million, largely due to US\$61.1 million for the drilling of six appraisal and development wells, two water injection wells and one exploration well on OML 38 and US\$34.0 million for the drilling of three appraisal and development wells on OML 41. Facilities costs were US\$65.1 million, which included US\$38.4 million for the assembly of natural gas facilities, US\$19.7 million for manifold construction and the installation of new flow lines and US\$6.9 million relating to the construction of a liquid treatment facility to extract water from the crude oil produced by the Company.

Principal work during the year ended 31 December 2012

Total capital expenditures in 2012 were US\$116.3 million. Capital expenditures included drilling costs of US\$83.4 million, comprised of US\$24.7 million for the drilling of two appraisal wells and two water injection wells on OML 38, US\$16.2 million for the drilling of two development wells on OML 4, US\$40.5 million for four appraisal and development wells on OML 41 and US\$2.0 million of site preparation expenditures for future wells. Facilities costs were US\$23.5 million, which included US\$10.7 million for the continued construction of a liquid treatment facility to extract water to meet crude oil export quality standards and US\$12.8 million in infrastructure improvements relating to flow line replacement and wellhead repairs to enhance productive capacity.

Principal work during the year ended 31 December 2011

Total capital expenditures in 2011 were US\$12.0 million. Total expenditures relating to production and field facilities and assets under construction totalled US\$9.4 million. These expenditures relate to development drilling costs of US\$0.7 million and facilities costs of US\$8.7 million for facility and infrastructure upgrades to extract basic sediment and water from produced oil.

7. LIQUIDITY AND FINANCING

Liquidity

Liquidity requirements arise principally from the Company's capital expenditure and working capital requirements. The Company's principal source of liquidity has been cash generated from operations and

liquidity is further bolstered through cash on hand of US\$584 million as at 28 February 2014. Cash on hand includes the Group's share of the deposit amount for the OML 24 Bid, the OML 29 Bid and the NCTL Bid referred to in section 2 of this Part XI: "Operating and Financial Review" which is currently held in a restricted escrow account. It also includes US\$215 million drawn by the Company under the Afrexim Facility on 19 February 2014 with the intention that such funds remain available for the SPDC Assets Bid or the CNL Assets Acquisition. Net financial indebtedness fluctuates over time due to the variability of cash receipts, including overdue cash calls relating to NPDC's share of the annual work programme and budget in relation to OMLs 4, 38 and 41.

SEPLAT manages its liquidity risk by regularly monitoring its cash flows from operating activities, holding adequate amounts of cash and cash equivalents and utilising its long-term debt facilities. The Company transacts with major national banks and does not anticipate any difficulty in accessing cash and cash equivalents or drawing against committed facilities as and when required. The Company's financial strategy has been to fund its liquidity requirements by reinvesting funds from operations and to use existing credit facilities to fund development and production activities under its five-year business plan.

The following table sets out the Company's net financial indebtedness as at the dates indicated:

(US\$ millions)	As at 28 February 2014	As at 31 December		
		2013	2012	2011
Cash	584.3 ⁽¹⁾	169.5	56.3 ⁽²⁾	201.8
MPI Shareholder loan—current	(48.6)	(48.0)	(47.0)	—
FBN Letter of Credit	(100.9)	(69.0)	—	—
Credit facilities—current	(161.6)	(72.7)	(54.3)	(54.3)
Current financial indebtedness	<u>(311.2)</u>	<u>(189.7)</u>	<u>(101.2)</u>	<u>(54.3)</u>
MPI Shareholder loan—non-current	—	—	—	(47.3)
Zenith Facility	(200.1)	—	—	—
Credit facilities—non-current	(251.4)	(120.9)	(146.4)	(200.0)
Non-current financial indebtedness	<u>(451.5)</u>	<u>(120.9)</u>	<u>(146.4)</u>	<u>(247.3)</u>
Net financial indebtedness	<u>(178.3)</u>	<u>(141.1)</u>	<u>(191.3)</u>	<u>(99.8)</u>

Notes:

- (1) Includes the Group's share of the deposit amount for the OML 24 Bid, the OML 29 Bid and the NCTL Bid referred to in section 2 of this Part XI: "Operating and Financial Review" which is currently held in a restricted escrow account. It also includes US\$215 million which was drawn by the Company under the Afrexim Facility with the intention that such funds remain available for the SPDC Assets Bid or the CNL Assets Acquisition.
- (2) Excludes US\$98 million of restricted cash received from one of the Company's shareholders (MPI), which was to have been used for the purposes of a potential acquisition. During January 2013, this amount was returned to MPI as the transaction did not occur.

Financing

Afrexim Facility

On 12 June 2012, the Company and a banking syndicate led by Afrexim entered into a facility agreement whereby the lenders thereunder agreed to make available to the Company a term loan facility of up to US\$550 million, on the terms and conditions described below. The Afrexim Facility was used to refinance US\$275 million drawn under an Afrexim bridge facility dated 22 July 2011, which in turn was arranged to refinance US\$187 million granted by BNP Paribas pursuant to a bridge loan facility agreement dated 25 June 2010.

As at 31 December 2013, the remaining undrawn capacity under the Afrexim Facility was US\$215 million.

The Company must repay the amounts drawn under the Afrexim Facility in instalments by repaying on the first day of January, April, July and October in each year an amount that reduces the amount of the outstanding loans by an amount equal to one-twentieth of all loans borrowed and outstanding on the preceding day. In any event, all amounts must be repaid by 25 August 2016. Amounts drawn under the Afrexim Facility are subject to interest at a rate equal to the sum of: (i) the applicable margin ranging from 5.00 per cent. to 7.50 per cent.; (ii) LIBOR; and (iii) an additional per annum interest rate, calculated in accordance with the terms of the Afrexim Facility Agreement, to compensate the lenders under the

Afrexim Facility for the cost of complying with the requirements of the Bank of England and/or the FCA and the requirements of the European Central Bank (if any). Further details of the Afrexim Facility are set out in Part XVII: “Additional Information”, section 10.6.1 of this Prospectus.

FBN Letter of Credit

On 27 September 2013, FBN issued a letter of credit in favour of the Company and US\$94.5 million was drawn under the FBN Letter of Credit for the CNL Assets Acquisition Deposit. Subsequently, AMNI, one of the Company’s CNL Assets Consortium partners, repaid US\$25.5 million (as part of its share of the CNL Assets Acquisition Deposit), leaving the Company with an outstanding commitment of US\$69 million.

The Company expects to agree a facility agreement with FBN (which will replace the FBN Letter of Credit) whereby FBN will make available to the Company a revolving loan facility of up to US\$100 million, on the terms and conditions described below.

Any remaining undrawn capacity under the FBN Facility will be available for the Company’s general corporate and working capital purposes. The Company must repay each loan drawn under the FBN Facility Agreement on the last day of the interest period for that loan. Each interest period is for one month. In any event all amounts borrowed must be repaid by the termination date of two years from the date of signature.

Amounts drawn under the FBN Facility will be subject to interest at a rate equal to the sum of: (i) the applicable margin of 8.00 per cent. per annum; (ii) LIBOR; and (iii) an additional per annum interest rate, calculated in accordance with the terms of the FBN Facility Agreement, to compensate the lender for the cost (if any) of complying with the requirements of the Bank of England and/or the FCA, the requirements of the European Central Bank or any equivalent requirements in the Federal Republic of Nigeria or any other country. Further details of the FBN Facility are set out in Part XVII: “Additional Information”, section 10.6.3 of this Prospectus.

Zenith Facility

On 27 February 2014, the Company and Zenith entered into a facility agreement whereby Zenith agreed to make available to the Company a term loan facility of US\$200 million, on the terms and conditions described below.

The loan is repayable over the course of a five-year term ending on 11 February 2019. The Company must make quarterly interest payments on the loan amount, whilst repayment of principal only begins after a twelve-month moratorium commencing on the date of first drawdown.

On 27 February 2014, Zenith waived the conditions precedent to drawdown and the Company utilised the full available amount of the Zenith Facility (US\$200 million) for the SPDC Assets Bid. Further details of the Zenith Facility are set out in Part XVII: “Additional Information”, section 10.6.4 of this Prospectus.

MPI Shareholder Loan

As part of the acquisition financing of OMLs 4, 38 and 41, the Company borrowed US\$153 million from MPI, of which US\$48 million remains outstanding as at 31 December 2013. Interest accrues monthly on the principal amount outstanding at LIBOR plus 5 per cent. or the interest rate incurred by MPI on its borrowings if different from LIBOR plus 5 per cent. (whether higher or lower) and is repayable from the oil revenues generated from OMLs 4, 38 and 41. The loan is scheduled to mature on 25 June 2014 and will be fully repaid out of the net proceeds of the Global Offer.

Commitments

The following tables set forth the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed maturity periods. The table has been drawn based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the Group can be required to pay.

<u>(US\$ millions unless otherwise noted)</u>	<u>Effective interest per cent.</u>	<u>Less than 1 year</u>	<u>From 1 to 2 years</u>	<u>From 2 to 3 years</u>	<u>From 3 to 5 years</u>	<u>Total</u>
31 December 2013						
Variable interest rate borrowings						
Shareholder loan	7.125%	48.0	—	—	—	48.0
	7.5%+LIBOR					
Afrexim Facility	to 8.0%	138.3	80.9	71.0	—	290.2
Contingent consideration		—	10.0	—	—	10.0
Trade and other payables		136.9	—	—	—	136.9
		<u>323.2</u>	<u>90.9</u>	<u>71.0</u>	<u>—</u>	<u>485.1</u>

The Group also has lease commitments pursuant to non-cancellable operating leases, which were US\$32.2 million as of 31 December 2013.

The Group did not enter into any off-balance sheet arrangements during the financial years ended 31 December 2013, 2012 and 2011.

8. CRITICAL ACCOUNTING POLICIES

The Group has identified below the IFRS accounting policies that are most critical to the Group's business operations and the understanding of its results. In each case, the application of these policies requires management to make complex judgments based on information and financial data that may change in future periods, the results of which can have a significant effect on the Group's results of operations. As a result, determinations regarding these items necessarily involve the use of assumptions and judgments as to future events and are subject to change. Different assumptions or judgments could lead to materially different results.

Oil and gas accounting

Oil and natural gas exploration, evaluation and development expenditures are accounted for using the full cost method of accounting. Costs incurred in the exploration, evaluation and development of oil and gas properties are capitalised on a cost pool basis accordingly. Capitalised costs include land acquisition, exploration and development wells, both successful and unsuccessful, related plant and equipment, directly attributable interest costs, overhead charges directly related to exploration and development and the estimated discounted cost of the asset retirement obligations.

Exploration and evaluation expenditure

Geological and geophysical exploration costs are charged against income as incurred. Exploration and evaluation expenditure incurred by the entity is accumulated separately for each area of interest and is limited to a size related to a known or probable hydrocarbon resource capable of supporting an oil operation.

Costs directly associated with exploration wells, exploratory stratigraphic test wells and delineation wells are capitalised until the drilling of the well is complete and the results have been evaluated. If proved reserves are not found, the exploration expenditure is written off as a dry hole and charged against income. If hydrocarbons are found, the costs continue to be capitalised.

In the event that an area is subsequently abandoned or exploration activities do not lead to the discovery of proved or probable reserves, or if the directors consider the expenditure to be of no value, any accumulated costs carried forward relating to the specified areas of interest are written off in the year in which the decision is made. While an area of interest is in the development phase, amortisation of development costs is not charged pending the commencement of production.

Development expenditure

Development expenditure incurred by the entity is accumulated separately for each area of interest in which economically recoverable reserves have been identified to the satisfaction of the directors. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure directly related to the development property.

All expenditure incurred prior to the commencement of commercial levels of production from each development property is carried forward to the extent to which recoupment is expected out of revenue to be derived from the sale of production from the relevant development property.

Impairment of intangible assets and property, plant and equipment

The Group assesses assets or a group of assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. The assessment for impairment entails comparing the carrying value of the cash-generating unit with its recoverable amount, determined as the discounted estimated future net cash flows over the life of the field rather than the period until the Company's licences expire in June 2019. An impairment loss will be recognised in the statement of comprehensive income when the carrying value exceeds the recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The value in use calculations, for the purpose of impairment testing, require the use of estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements, future operating performance, production profiles and the outlook for regional market supply-and-demand conditions for crude oil and natural gas.

Estimated oil and gas reserves

Reserve estimates have a significant impact on earnings due to their impact on depletion rates and asset impairment. The Group's reservoir engineers perform an internal evaluation on an annual basis of all of its crude oil reserves. The estimation of reserves is based on engineering data, projected future prices, expected future rates of production and the timing of future capital expenditures, all of which are subject to numerous uncertainties and interpretations. The Group expects over time that its reserves will change, upwards or downwards, as a result of the results of future drilling, testing, production levels, changes in future price estimates and economics of recovery based on cash flow forecasts. A change in the reserves estimate may result in a higher or lower depletion charge to the statement of comprehensive income and affect the deferred tax charge. A lower reserve estimate could result in a write-down of an oil property under the ceiling test.

Independent petroleum engineering consultants evaluate 100 per cent. of the oil properties on an annual basis and a reconciliation is performed between the Group's reserves estimates and that of the independent consultants.

Asset retirement obligation

The Group currently records asset retirement obligations of fixed assets at the fair value of the expenditures expected to settle the obligation using a pre-tax rate, updated at each reporting date to reflect current market assessments of the time value of money and the risks specific to the obligation. Any adjustment arising from the estimated cost of the restoration and abandonment cost is capitalised, while the charge arising from the accretion of the discount applied to the expected expenditure is treated as a component of finance costs. Estimates of the fair value of the retirement obligations can change over time due to legislation, current costs, technology, interest rates and field life, which can affect the rate of amortisation. Differences between the estimated and actual costs to settle the retirement obligation could result in gains or losses in the settlement of the obligation.

Income taxes

The Group follows the liability method of accounting for income taxes under which deferred tax consequences are recognised for temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets and liabilities are measured using enacted or substantially enacted income tax rates expected to apply in the years in which those temporary differences are expected to reverse. The effect of a change in income tax rates on deferred income tax assets and liabilities is recognised in the period in which the change occurs.

Management is required to assess the ability of the Group to generate future taxable economic earnings that will be used to recover all deferred tax assets. The estimates are based on the future cash flow from operations taking into consideration the oil and gas prices, volumes produced, operational and capital expenditure.

9. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks such as market and credit risk, including foreign exchange risk, interest rate risk and commodity price risk. The Group's risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Board provides principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

Foreign exchange risk

The Group is exposed to foreign exchange risks resulting from fluctuations in Naira against the US Dollar. While the Group holds the majority of its cash and cash equivalents in US Dollars, the Group does maintain deposits in Naira in order to fund ongoing general and administrative expenditures incurred in this currency.

Commodity price risk

Commodity price risk arises from the effect that fluctuations of future commodity prices may have on the price received for sales of crude oil and natural gas. As the Group does not participate in hedging contracts, the marketability and price of oil and gas that is produced and may be discovered by the Group will be affected by numerous factors that are beyond the control of the Group.

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to long-term borrowings. Borrowings issued at variable rates expose the Group to interest rate risk, which is partially offset by cash held at variable rates.

The following table demonstrates the sensitivity of the Group's profit before tax to changes in the LIBOR rate, defined as the British Bankers' Association Interest Settlement Rate for dollars, with all other variables held constant:

(US\$ millions)	Change in interest rate	Effect on profits before tax
31 December 2013		
Interest payable	1%	4.5

Credit risk

The Group's trade with Shell Trading is as specified within the terms of the Off-take Agreement on 30-day payment terms. The Group is exposed to credit risk in relation to its trade with NGC, a subsidiary of NNPC, which was, at 31 December 2013, the Group's sole gas customer. In addition, the Group plans to enter into three natural gas sales agreements with commercial off-takers to market any surplus above its minimum DSO obligations, which will also expose the Group to potential credit risk.

Counterparty risk also arises with the Company's joint venture partner, NPDC. The joint venture relationship is governed by the terms of the Joint Operating Agreement, which sets out the basis of the relationship between NPDC and the Company. As the Company is the operator, it employs a policy of cash calling NPDC in advance and placing the cash into a bank account of OMLs 4, 38 and 41 JV in order to be able to pay invoices as they are received.

PART XII
FINANCIAL INFORMATION ON THE GROUP

Section A — Accountant's report on the consolidated historical financial information of the Company



Building a better
working world

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Tel: + 44 207 951 2000
Fax: + 44 207 951 1345
ey.com

The Directors
SEPLAT Petroleum Development Company Plc
25a Lugard Avenue
Ikoyi
Lagos
Nigeria

9 April 2014

Dear Sirs

SEPLAT Petroleum Development Company Plc

We report on the financial information set out in Section B of this Part XII of the Prospectus for the years ended 31 December, 2011, 2012 and 2013 (the “Financial Information”). This Financial Information has been prepared for inclusion in the Prospectus dated 9 April 2014 of SEPLAT Petroleum Development Company Plc on the basis of the accounting policies set out in Note 2. This report is required by item 20.1 of Annex I of Commission Regulation (EC) 809/2004 and is given for the purpose of complying with that item and for no other purpose.

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I to Commission Regulation (EC) 809/2004, consenting to its inclusion in the Prospectus.

Responsibilities

The Directors of SEPLAT Petroleum Development Company Plc are responsible for preparing the Financial Information in accordance with International Financial Reporting Standards.

It is our responsibility to form an opinion on the Financial Information and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the Financial Information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Information is free from material misstatement whether caused by fraud or other irregularity or error.

The UK firm Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC300001 and is a member firm of Ernst & Young Global Limited. A list of members' names is available for inspection at 1 More London Place, London SE1 2AF, the firm's principal place of business and registered office.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the Financial Information gives, for the purposes of the Prospectus dated 9 April 2014, a true and fair view of the state of affairs of SEPLAT Petroleum Development Company Plc as at the dates stated and of its profits, cash flows and changes in equity for the periods then ended in accordance with International Financial Reporting Standards.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of annex 1 of Commission Regulation (EC) 809/2004.

Yours faithfully

Ernst & Young LLP

Section B Consolidated historical financial information

Consolidated statements of comprehensive income For the year ended 31 December

	Note	\$000 2013	\$000 2012	\$000 2011
Revenue	5	880,227	624,546	451,320
Cost of sales	6	(330,943)	(250,302)	(206,356)
Gross profit		549,284	374,244	244,964
General and administrative expenses	6	(71,977)	(48,326)	(56,857)
Other operating income	6	404	2,183	—
(Loss)/gain on foreign exchange		1,473	1,894	(165)
Fair value movement in contingent consideration	20	(514)	(142)	(8,618)
Operating profit		478,670	329,853	179,324
Finance income	7	658	1,788	—
Finance charges	7	(21,805)	(35,986)	(24,866)
Profit before taxation		457,523	295,655	154,458
Taxation	8	92,745	(186,556)	(101,034)
Profit for the year		550,268	109,099	53,424
Other comprehensive income				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Foreign translation difference	25	58	—	—
Total comprehensive income for the year		550,326	109,099	53,424
Earnings per share	24	1.38	0.27	0.13

The accompanying notes are an integral part of this financial information.

Consolidated statements of financial position

	Note	\$000 31 December 2013	\$000 31 December 2012	\$000 31 December 2011
Assets				
Non-current assets				
Property, plant and equipment	10	585,507	386,115	304,745
Intangible assets	11	141	234	324
Deferred tax assets	9	—	26,042	52,298
Prepayments	12	108,910	14,208	1,000
Total non-current assets		694,558	426,599	358,367
Current assets				
Inventories	13	43,112	24,949	10,903
Trade and other receivables	14	410,430	294,302	100,136
Cash and cash equivalents	15	169,461	154,332	201,777
Total non-current assets		623,003	473,583	312,816
Total assets		1,317,561	900,182	671,183
Equity and liabilities				
Equity attributable to shareholders				
Share capital	16	1,334	690	690
Capital contribution	17	40,000	40,000	40,000
Retained earnings	18	690,807	141,183	66,084
Foreign translation reserve		58	—	—
Total equity		732,199	181,873	106,774
Non-current liabilities				
Borrowings	19	120,850	146,358	247,281
Deferred tax liabilities	9	—	119,404	54,521
Contingent consideration	20	8,245	—	—
Provision for decommissioning	21	15,176	15,727	10,112
Total non-current liabilities		144,271	281,489	311,914
Current liabilities				
Trade and other payables	22	251,338	258,355	102,386
Borrowings	19	189,753	101,247	54,250
Contingent consideration	20	—	—	32,858
Current taxation	8	—	77,218	63,001
Total current liabilities		441,091	436,820	252,495
Total liabilities		585,362	718,309	564,409
Total equity and liabilities		1,317,561	900,182	671,183

The accompanying notes are an integral part of this financial information.

Consolidated statements of changes in equity

	\$000 Share Capital	\$000 Capital Contribution	\$000 Retained Earnings	\$000 Foreign Currency Translation	\$000 Total Equity
At 1 January 2011	690	40,000	12,660	—	53,350
Total comprehensive income for the year	—	—	53,424	—	53,424
At 31 December 2011	690	40,000	66,084	—	106,774
At 1 January 2012	690	40,000	66,084	—	106,774
Total comprehensive income for the year	—	—	109,099	—	109,099
Dividends	—	—	(34,000)	—	(34,000)
At 31 December 2012	690	40,000	141,183	—	181,873
At 1 January 2013	690	40,000	141,183	—	181,873
Total comprehensive income for the year	—	—	550,268	58	550,326
Bonus issue	644	—	(644)	—	—
At 31 December 2013	1,334	40,000	690,807	58	732,199

The accompanying notes are an integral part of this financial information.

Consolidated statements of cash flows
For the year ended 31 December

	<u>Note</u>	<u>\$000 2013</u>	<u>\$000 2012</u>	<u>\$000 2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash generated from operations	23	397,793	165,165	250,300
Income taxes paid	8	(106,584)	(81,199)	(32,258)
Payment of contingent consideration		—	(33,000)	—
Net cash flows from operating activities		<u>291,209</u>	<u>50,966</u>	<u>218,042</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment in producing asset		(216,200)	(72,680)	(1,888)
Investment in other property, plant and equipment		(4,503)	(4,931)	(2,652)
Proceeds from sale of assets		85	72	—
Interest received		658	1,568	—
Net cash flows from investing activities		<u>(219,960)</u>	<u>(75,971)</u>	<u>(4,540)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from bank financing		129,000	—	275,000
Repayments of shareholder financing		—	—	(105,960)
Repayments of bank financing		(68,096)	(54,250)	(184,313)
Dividends paid		—	(34,000)	—
Interest paid		(18,776)	(31,894)	(26,983)
Net cash flows from financing activities		<u>42,128</u>	<u>(120,144)</u>	<u>(42,256)</u>
Net increase/(decrease) in cash and cash equivalents		113,377	(145,149)	171,246
Cash and cash equivalents at beginning of year		56,332	201,777	30,368
Net foreign exchange difference		(248)	(296)	163
Cash and cash equivalents at end of year		<u>169,461</u>	<u>56,332⁽¹⁾</u>	<u>201,777</u>

(1) In 2012, cash and cash equivalents exclude \$98 million of restricted cash (note 15).

The accompanying notes are an integral part of this financial information.

Notes to the historical financial information

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 Company and Allied Matters Act 2004. The Company commenced operations on 1 August 2010. The Company is principally engaged in oil and gas exploration and production.

The significant shareholders of the Group have been disclosed in the related party transactions note (note 26).

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.

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

The Company together with its subsidiary, Newton Energy, and four new 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.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The basis of preparation and significant accounting policies applied in the preparation of the financial information for the years ended 31 December 2011, 2012 and 2013 are set out below. These policies have been consistently applied to all years presented.

2.1 Basis of preparation and basis of consolidation

The consolidated financial information of the Group has been prepared in accordance with the requirements of Commission Regulation (EC) 809/2004 and the UK Listing Rules and in accordance with this basis of preparation. The basis of preparation describes how the financial information has been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (“IASB”). References to IFRS hereafter should be construed as references to IFRS as issued by the IASB.

The consolidated financial information does not constitute a set of general purpose financial statements under paragraph 3 of IFRS 1. The consolidated financial information herein has been prepared as if the date to transition to IFRS is 1 January 2011, the beginning of the first period presented, and the requirements of IFRS 1 have been applied as of that date (refer to note 30).

Notes to the historical financial information (Continued)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

The financial information has been prepared under the going concern assumption and historical cost convention, except for contingent consideration and borrowings on initial recognition that have been measured at fair value. The consolidated historical financial information is presented in US dollars.

Basis of consolidation

The consolidated financial information consolidates the financial information of the Company and its subsidiaries drawn up to 31 December each year. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting periods as the parent company using consistent accounting policies.

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 Segment reporting

The Group operates one segment, being the exploration, development and production of oil and gas related projects located in Nigeria. Therefore, no segment reporting has been prepared.

2.3 Standards issued but not yet adopted

The following pronouncements from the IASB will become effective for future financial reporting periods and have not yet been adopted by the Group.

As part of the IASB's project to replace IAS 39 "Financial Instruments: Recognition and Measurement", in November 2009, the IASB issued the first phase of IFRS 9 "Financial Instruments", dealing with the

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

classification and measurement of financial assets. In October 2010, the IASB updated IFRS 9 by incorporating the requirements for the accounting for financial liabilities, and in November 2013, the IASB published revised guidance for hedge accounting. The remaining phase of IFRS 9, dealing with impairment, and further changes to the classification and measurement requirements are still to be completed. In November 2013, the IASB also removed the effective date from IFRS 9.

In December 2011, the IASB issued an amendment to IAS 32 “Offsetting Financial Assets and Financial Liabilities”. This amendment clarifies the presentation requirements in relation to offsetting financial assets and financial liabilities on an entity’s balance sheet. The amendment to IAS 32 is effective for annual periods beginning on or after 1 January 2014. The adoption of this standard is not expected to have a material impact on the profit or net assets of the Group.

2.4 Foreign currency translation

Functional and presentation currency

The Group’s consolidated 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.

2.5 Oil and gas accounting

Pre-licence costs

Pre-licence costs are expensed in the period in which they are incurred.

Exploration licence costs

Exploration licence costs are capitalised within intangible assets. Licence costs paid in connection with a right to explore in an existing exploration area are capitalised and amortised on a straight-line basis over the life of the permit.

Licence costs are reviewed at each reporting date to confirm that there is no indication that the carrying amount exceeds the recoverable amount. This review includes confirming that exploration drilling is still under way or firmly planned, or that it has been determined, or work is under way to determine that the discovery is economically viable based on a range of technical and commercial considerations and sufficient progress is being made on establishing development plans and timing.

If no future activity is planned or the licence has been relinquished or has expired, the carrying value of the licence is written off through the statement of comprehensive income.

Notes to the historical financial information (Continued)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Acquisition of producing assets

Upon acquisition of producing assets which does not constitute a business combination, the Group identifies and recognises the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in IAS 38 Intangible Assets) and liabilities assumed. The purchase price paid for the group of assets is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase.

If the acquisition is determined to be a business combination, then the acquisition is treated as an acquisition of a business and the excess of purchase price over fair value of the assets is recorded as goodwill.

Exploration and evaluation expenditures

Geological and geophysical exploration costs are charged against income as incurred.

Exploration and evaluation expenditures incurred by the entity are accumulated separately for each area of interest. Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure, but do not include general overheads or administrative expenditure that is not directly related to a particular area of interest. Each area of interest is limited to a size related to a known or probable hydrocarbon resource capable of supporting an oil operation.

Costs directly associated with an exploration well, exploratory stratigraphic test well and delineation wells are temporarily suspended (capitalised) until the drilling of the well is complete and the results have been evaluated. These costs include employee remuneration, materials and fuel used, rig costs, delay rentals and payments made to contractors. If hydrocarbons ('proved reserves') are not found, the exploration expenditure is written off as a dry hole and charged against income. If hydrocarbons are found, the costs continue to be capitalised.

Suspended exploration and evaluation expenditure in relation to each area of interest is carried forward as an asset provided that one of the following conditions is met:

- the costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively, by its sale; and
- exploration and/or evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and/or evaluation expenditures which fails to meet at least one of the conditions outlined above is written off. In the event that an area is subsequently abandoned or exploration activities do not lead to the discovery of proved or probable reserves, or if the directors consider the expenditure to be of no value, any accumulated costs carried forward relating to the specified areas of interest are written off in the year in which the decision is made. While an area of interest is in the development phase, amortisation of development costs is not charged pending the commencement of production. Exploration and evaluation costs are transferred from the exploration and/or evaluation phase to the development phase upon commitment to a commercial development.

Development expenditures

Development expenditures incurred by the entity is accumulated separately for each area of interest in which economically recoverable reserves have been identified to the satisfaction of the directors. Such expenditure comprises net direct costs and, in the same manner as for exploration and evaluation expenditure, an appropriate portion of related overhead expenditure directly related to the development property.

All expenditure incurred prior to the commencement of commercial levels of production from each development property is carried forward to the extent to which recoupment is expected out of revenue to be derived from the sale of production from the relevant development property.

Notes to the historical financial information (Continued)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Joint arrangements

SEPLAT is the operator of the assets relating to OML 4, OML 38 and OML 41. The Nigerian Petroleum Development Company Limited (“NPDC”), a subsidiary of the Nigerian National Petroleum Corporation (“NNPC”), is the other venturer. SEPLAT holds a 45 per cent. interest, while NPDC holds 55 per cent. interest in the jointly controlled assets.

The Group also holds a 40 per cent. interest in the joint operations relating to OPL 283 (the Umuseti/Igbuku Fields). Pillar Oil is the other venturer and the operator.

The accounting method specified for a joint operation apportions to each venturer its share of revenues, expenses, assets and liabilities. The Group recognises its share in its own accounting records as follows:

- a. Its share of the mineral properties is shown within property, plant and equipment.
- b. Any liabilities that it has incurred including those incurred to finance its share of the asset.
- c. Its share of any liabilities incurred jointly with other venturers, including the decommissioning liability of production and field facilities.
- d. Any income from its sale or use of its share of the output, together with its share of any expenses incurred by the joint operation.
- e. Any expenses that it has incurred in respect of its interest in the venture.

In addition to joint costs, the Group also incurs exclusive costs, which are fully borne by the Group.

2.6 Revenue recognition

Revenue arises from the sale of crude oil and gas. Revenue comprises the realised value of crude oil lifted by customers. Revenue is recognised when crude products are lifted by a third party (buyer) Free on Board (FOB) at the Group’s designated loading facility or lifting terminals. At the point of lifting, all risks and rewards are transferred to the buyer. Gas revenue is recognised when gas passes through the custody transfer point.

Overlift and underlift

The excess of the product sold during the period over the participant’s ownership share of production is termed as an overlift and is accrued for as a liability and not as revenue. Conversely, an underlift is recognised as an asset and the corresponding revenue is also reported.

Overlifts and underlifts are initially measured at the market price of oil at the date of lifting, consistent with the measurement of the sale and purchase.

2.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

All other borrowing costs are recognised in profit and loss in the period in which they are incurred.

2.8 Property, Plant and Equipment

Property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of any decommissioning obligation and, for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid

Notes to the historical financial information (Continued)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

and the fair value of any other consideration given to acquire the asset. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Expenditure on major maintenance refits or repairs comprises the cost of replacement assets or parts of assets, inspection costs and overhaul costs. Where an asset or part of an asset that was separately depreciated and is now written off is replaced and it is probable that future economic benefits associated with the item will flow to the entity, the expenditure is capitalised. Inspection costs associated with major maintenance programmes are capitalised and amortised over the period to the next inspection. Overhaul costs for major maintenance programmes are capitalised as incurred as long as these costs increase the efficiency of the unit or extend the useful life of the asset. All other maintenance costs are expensed as incurred.

Depreciation

Production and field facilities are depreciated/amortised on a unit-of-production basis over the estimated proved developed reserves.

Other property, plant and equipment is depreciated on a straight-line basis over their estimated useful lives. Depreciation commences when an asset is available for use. The depreciation rate for each class is as follows:

Leasehold improvements	Over the unexpired portion of the lease
Plant and machinery	20%
Office furniture and equipment	33.33%
Motor vehicles	25%
Computer equipment	33.33%

The expected useful lives and residual values of property, plant and equipment are reviewed on an annual basis and, if necessary, changes in useful lives are accounted for prospectively.

2.9 Impairment of non-financial assets

The entity assesses assets or group of assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. If any such indication of impairment exists or when annual impairment testing for an asset group is required, the entity makes an estimate of its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs of disposal (FVLCD) and value in use (VIU). The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets, in which case, the asset is tested as part of a larger cash generating unit to it belongs. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount.

In calculating VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset/CGU. In determining FVLCD, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to the recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no

Notes to the historical financial information (Continued)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income after such a reversal and the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and at hand and short-term deposits with an original maturity of three months or less.

2.11 Inventories

Inventories represent the value of tubulars, casing and wellheads. These are stated at the lower of cost and net realisable value. Cost is determined using the invoice value and all other directly attributable costs to bringing the inventory to the point of use.

2.12 Financial instruments

(i) Financial assets

Financial assets initial recognition and measurement

Financial assets in the scope of IAS 39 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through the statement of comprehensive income, loans and receivables, held to maturity investments, available-for-sale financial assets, or derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through the statement of comprehensive income which do not include transaction costs.

The Group's financial assets include cash and short-term deposits, trade and other receivables and loan and other receivables.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification, as follows:

Trade receivables, loans and other receivables

Trade receivables, loans and other receivables, which are non-derivative financial assets that have fixed or determinable payments that are not quoted in an active market, are classified as loans and receivables. They are included in the current assets, except for maturities greater than 12 months after the reporting date. The Group's loan and receivables comprise trade and other receivables in the consolidated historical financial information.

Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method net of any impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all the amounts due according to the original terms of the receivable.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered as indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

Notes to the historical financial information (Continued)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income. When a trade is uncollectable, it is written off against the allowance account for trade receivables.

Impairment of financial assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred since the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(ii) Financial liabilities

Financial liabilities in the scope of IAS 39 are classified as financial liabilities at fair value through the statement of comprehensive income, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bank overdrafts and loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification as described below.

Trade payables, loans and other receivables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost while any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of borrowings using the effective interest method.

Fees paid on establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn. In this case, the fee is deferred until the draw down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Notes to the historical financial information (Continued)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derecognition of financial liabilities

A financial liability is derecognised when the associated obligation is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

2.13 Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

2.14 Contingent consideration

A contingent consideration is recognised where payment is dependent on future events. On initial recognition, the fair value of the contingent consideration is calculated. The fair value is recognised as a liability (note 20) and the also capitalised to the producing facilities (note 10). Subsequently, the liability is tested for changes in fair value and the differences recorded in the liability and the statement of comprehensive income.

2.15 Share capital, earnings and dividends per share

Issued share capital has been translated at the exchange rate prevailing at the date of the transaction and is not retranslated subsequent to initial recognition.

Earnings and dividends per share are computed based on the number of shares outstanding at the balance sheet date. Dividends on ordinary shares are recognised as a liability in the period in which they are approved.

2.16 Employee benefits—Defined contribution scheme

The Group contributes to a defined contribution scheme for its employees in compliance with the provisions of the Pension Reform Act 2004. The scheme is fully funded and is managed by licensed Pension Fund Administrators. Membership of the scheme is automatic upon commencement of duties at the Group. The Group's contributions to the defined contribution schemes are charged to the profit and loss account in the year to which they relate.

A defined contribution plan is a pension plan under which the Group pays fixed contributions. Contribution to the scheme is 15 per cent of each employee's annual basic salary, housing and transport allowances which is paid wholly by the employer. The contributions to the defined contribution schemes are charged to the profit and loss account in the year to which they relate.

2.17 Provisions

Provisions are recognised when (i) the Group has a present legal or constructive obligation as a result of past events; (ii) it is probable that an outflow of economic resources will be required to settle the obligation as a whole; and (iii) the amount can be reliably estimated. Provisions are not recognised for future operating losses.

In measuring the provision:

- risks and uncertainties are taken into account;
- the provisions are discounted where the effects of the time value of money is considered to be material;

Notes to the historical financial information (Continued)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

- when discounting is used, the increase of the provision over time is recognised as an interest expense;
- future events such as changes in law and technology, are taken into account where there is subjective audit evidence that they will occur; and
- gains from expected disposal of assets are not taken into account, even if the expected disposal is closely linked to the event giving rise to the provision.

Decommissioning

Liabilities for decommissioning costs are recognised as a result of the constructive obligation as a result of past practise in the oil and gas industry, when it is possible that an outflow of economic resources will be required to settle the liability and a reliable estimate can be made. The estimated costs, based on current requirements, technology and price levels, prevailing at the reporting date, are computed based on the latest assumptions as to the scope and method of abandonment.

Provisions are measured at the fair value of the expenditures expected to be required to settle the obligation using a pre-tax rate, updated at each reporting date that reflects current market assessments of the time value of money and the risks specific to the obligation. The corresponding amount is capitalised as part of the oil and gas properties and is amortised on a unit-of-production basis as part of the depreciation, depletion and amortisation charge. Any adjustment arising from the estimated cost of the restoration and abandonment cost is capitalised, while the charge arising from the accretion of the discount applied to the expected expenditure is treated as a component of finance charges.

If the change in estimate results in an increase in the decommissioning provision and, therefore, an addition to the carrying value of the asset, the Group considers whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment in accordance with IAS 36. If, for mature fields, the revised oil and gas assets net of decommissioning provisions exceed the recoverable value, that portion of the increase is charged directly to expense.

2.18 Contingencies

A contingent asset or contingent liability is a possible asset or obligation that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events. The assessment of the existence of the contingencies will involve management judgment regarding the outcome of future events.

2.19 Income taxation

Current income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Taxation on crude oil activities is provided in accordance with the Petroleum Profits Tax Act (PPTA) CAP. P13 Vol. 13 LFN 2004 and on its gas operations in accordance with the Companies Income Tax Act (CITA) CAP. C21 Vol. 3 LFN 2004. Education tax is assessed at 2 per cent. of the assessable profits.

Notes to the historical financial information (Continued)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred tax

Deferred tax is recognised, using the liability method, on temporary differences arising between the carrying amounts of assets and liabilities in the consolidated historical financial information and the corresponding tax bases used in the computation of taxable profit.

A deferred income tax charge is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.20 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Operating lease payments and capitalised prepaid operating leases are recognised as an operating expense in the statement of comprehensive income on a straight-line basis over the lease term.

3. JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated historical financial information requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the consolidated historical financial information:

(i) Acquisition of a 45 per cent. participating interest in producing assets (note 10)

The acquisition of a 45 per cent. participating interest in OMLs 4, 38 and 41 included an acquisition of assets and certain processes, which would imply that the acquisition is that of a business. However, based on the fact that NNPC has a 55 per cent. interest in the acquired assets, the Group does not have control. As a result, the Group has determined that the most appropriate accounting treatment is to adopt the principles of IFRS 11, *Joint arrangements*, with the exception of adopting IFRS 3, *Business combinations*, when accounting for the contingent consideration.

(ii) Acquisition of a 40 per cent. participating interest in producing assets (note 10)

The acquisition of a 40 per cent. participating interest in OPL 283 (the Umuseti/Igbuku Fields), in 2013, has been accounted for as an acquisition of assets, with the exception of adopting IFRS 3, *Business*

Notes to the historical financial information (Continued)

3. JUDGMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

combinations, when accounting for the contingent consideration. This is on the basis that the Group does not have control.

(iii) Capital Contribution (note 17)

Pursuant to the shareholders agreement in respect of the Company dated 22 December 2009 (the “**Shareholders Agreement**”), Etablissements Maurel et Prom S.A. (“**Etablissements Maurel et Prom**”) (was to pay the Group \$40 million for acquisition-related sunk costs. This was separate from the payments received for shares in the Group. The absence of other terms and conditions attached to the funds is an indication that SEPLAT does not have a contractual obligation to pay back the amount received from Etablissements Maurel et Prom in cash or with another financial asset since the terms and conditions which exist in the Shareholders Agreement do not have repayment terms.

By applying the expanded definition of an equity instrument, it can be concluded that the transfer of funds is an equity instrument because:

- (a) The Group does not have a contractual obligation to deliver cash or another financial asset to Etablissements Maurel et Prom settle the amount received from it. The Group also does not have a contractual obligation to exchange financial assets or financial liabilities with Etablissements Maurel et Prom under conditions that are potentially unfavourable; and
- (b) The Group does not have a contractual obligation to settle the amount received from Etablissements Maurel et Prom by issuing equity instruments.

Furthermore, the Group has not issued shares to Etablissements Maurel et Prom after receiving the funds, and therefore this cannot be classified as share capital or share premium. As a result, treatment as a capital contribution was deemed most appropriate.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Contingent consideration (note 20)

In 2013, the Group recognised the contingent consideration in relation to its acquisition of a participating interest in assets within OPL 283 (the Umuseti/Igbuku Fields). The contingency criteria are the achievement of certain production milestones. The Group expects these to be met in 2015. At inception, the present value was capitalised to the cost of the asset and a corresponding liability was recorded.

An additional consideration of \$33 million was paid by SEPLAT on 22 October 2012 in connection with the acquisition agreement relating to OMLs 4, 38 and 41, which stated that if Brent price per barrel was greater than or equal to the average price of \$80, as calculated over a period of 731 consecutive calendar days starting 30 July 2010, such additional consideration would become payable to the assignor.

At inception, the amount was capitalised to the cost of the asset and a corresponding liability was recorded based on the probability of the oil price being above \$80 per barrel. A swap of \$79.80 per barrel, which reflects the average price of Brent dated on the period from 26 August 2010 to 26 August 2012 was used in the calculation of the fair value of the liability and benchmarked against prices used by other industry experts.

Notes to the historical financial information (Continued)

3. JUDGMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

(ii) Oil and gas reserves (note 10)

Proved oil and gas reserves are used in the units of production calculation for depletion as well as the determination of the timing of well closure and impairment analysis. There are numerous uncertainties inherent in estimating oil and gas reserves. Assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may ultimately result in the reserves being restated.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Such estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(iii) Provision for decommissioning (note 21)

Provisions for environmental clean-up and remediation costs associated with the Group's drilling operations are based on current constructions, technology, price levels and expected plans for remediation. Actual costs and cash outflows can differ from estimates because of changes in public expectations, prices, discovery and analysis of site conditions and changes in clean-up technology.

(iv) Recoverability of assets carrying amount (note 10)

The Group assesses its property, plant and equipment, including exploration and evaluation assets, for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable, or at least at every reporting date. Such indicators include changes in the Group's business plans, changes in commodity prices, evidence of physical damage and, for oil and gas properties, significant downward revisions of estimated recoverable volumes or increases in estimated future development expenditure.

If there are low oil prices or natural gas prices during an extended period the Group may need to recognise significant impairment charges. The assessment for impairment entails comparing the carrying value of the cash-generating unit with its recoverable amount, that is, value in use. Value in use is usually determined on the basis of discounted estimated future net cash flows. Determination as to whether and how much an asset is impaired involves management estimates on highly uncertain matters such as future commodity prices, the effects of inflation on operating expenses, discount rates, production profiles and the outlook for regional market supply-and-demand conditions for crude oil and natural gas.

(v) Contingencies (note 28)

By their nature, contingencies will only be resolved when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

(vi) Income taxes (note 8)

The Group is subject to income taxes only by the Nigerian tax authority, which does not require much judgment in terms of provision for income taxes, but a certain level of judgment is required for recognition of the deferred tax assets. Management is required to assess the ability of the Group to generate future taxable economic earnings that will be used to recover all deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. The estimates are based on the future cash flow from operations taking into consideration the oil and gas prices, volumes produced, operational and capital expenditure.

4. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks such as market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's risk management programme

Notes to the historical financial information (Continued)

4. FINANCIAL RISK MANAGEMENT (Continued)

focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the treasury department under policies approved by the board of directors. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

4.1 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by ensuring that sufficient funds are available to meet its commitments as they fall due.

The Group 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 Group's debt financing plans and covenant compliance.

Surplus cash held is transferred to the treasury department which invests in deposit bearing current accounts, time deposits and money market deposits.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed maturity periods. The table has been drawn based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the Group can be required to pay.

	Effective interest rate %	\$000 Less than 1 year	\$000 1-2 years	\$000 2-3 years	\$000 3-5 years	\$000 As at 31 December 2013 Total
Shareholders loan	7.125%	48,041	—	—	—	48,041
Bank loans:						
Skye Bank Plc	8%	11,971	15,025	13,118	—	40,114
United Bank for Africa Plc . . .	7.5%+Libor	14,310	17,965	16,271	—	48,546
First Bank of Nigeria Plc	7.5%+Libor	95,113	26,265	22,295	—	143,673
Africa Export-Import Bank . . .	7.5%+Libor	16,857	21,600	19,339	—	57,796
Contingent consideration		—	10,000	—	—	10,000
Trade and other payables		136,934	—	—	—	136,934
		<u>323,226</u>	<u>90,855</u>	<u>71,023</u>	<u>—</u>	<u>485,104</u>

	Effective interest rate %	\$000 Less than 1 year	\$000 1-2 years	\$000 2-3 years	\$000 3-5 years	\$000 As at 31 December 2012 Total
Shareholders loan	7.125%	49,286	—	—	—	49,286
Bank loans:						
Skye Bank Plc	8%	9,600	12,100	11,300	7,950	40,950
United Bank for Africa Plc	7.5%+ Libor	13,722	17,339	16,156	14,983	62,200
First Bank of Nigeria Plc	7.5%+ Libor	14,454	18,256	17,021	12,026	61,757
Africa Export Import Bank	7.5%+ Libor	13,457	17,272	16,406	11,791	58,926
Trade and other payables		129,025	—	—	—	129,025
		<u>229,544</u>	<u>64,967</u>	<u>60,883</u>	<u>46,750</u>	<u>402,144</u>

Notes to the historical financial information (Continued)

4. FINANCIAL RISK MANAGEMENT (Continued)

	Effective interest rate %	Less than 1 year	1-2 years	2-3 years	3-5 years	\$000 31 December 2011 Total
Shareholders loan	7.125%	3,729	49,286	—	—	53,015
Bank loans:						
Skye Bank Plc	8%	13,536	9,600	12,100	19,267	54,503
United Bank for Africa Plc	7.5%+ Libor	19,270	13,722	17,339	31,139	81,470
First Bank of Nigeria Plc	7.5%+ Libor	20,284	14,454	18,256	29,047	82,041
Africa Export-Import Bank	7.5%+ Libor	18,627	13,457	17,272	28,197	77,553
Contingent consideration		33,000	—	—	—	33,000
Trade and other payables		26,034	—	—	—	26,034
		<u>134,480</u>	<u>100,519</u>	<u>64,967</u>	<u>107,650</u>	<u>407,616</u>

4.2 Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as commodity prices, interest rates and foreign exchange rates.

Commodity price risk

The Group is exposed to the risk of fluctuations on crude oil prices. The Group does not hedge against this risk but currently sells all oil that it produces to Shell Trading at market prices calculated in accordance with the terms of the Off-take Agreement.

The following table summarises the impact on the Group's profit before tax of a 10 per cent. change in crude oil prices, with all other variables held constant:

	Change in crude oil prices	\$000 Effect on profit before tax
2013	\$10.9 / bbl	67
2012	\$11.2 / bbl	49
2011	\$11.2 / bbl	36

Interest rate risk

The Group's exposure to interest rate risk relates primarily to long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates do not expose the Group to market interest rate risk. Most of the Group's borrowings are denominated in US dollars.

The Group is exposed to cash flow interest rate risk on short-term deposits to the extent that the significant reductions in market interest rates would result in a decrease in the interest earned by the Group.

The following table demonstrates the sensitivity to changes in LIBOR rate, with all other variables held constant, of the Group's profit before tax.

	Change in interest rate	\$000 Effect on profit before tax
2013	1%	4,525
2012	1%	2,835
2011	1%	3,222

Notes to the historical financial information (Continued)

4. FINANCIAL RISK MANAGEMENT (Continued)

Foreign exchange risk

The Group has transactional currency exposures that arise from sales or purchases in currencies other than the respective functional currency. The Group is exposed to exchange rate risk to the extent that balances and transactions are denominated in a currency other than the US dollar.

The Group holds the majority of its cash and cash equivalents in US dollars. However, the Group does maintain deposits in Naira in order to fund ongoing general and administrative activity and other expenditure incurred in this currency.

As at 31 December 2013, the Group held \$1.9 million equivalent in Nigerian Naira (31 December 2012: \$6.0 million, 31 December 2011: \$9.0 million).

The following table demonstrates the sensitivity to a reasonably possible change in the foreign exchange rate, with all other variables held constant, of the Group's profit before tax due to changes in the carrying value of monetary assets and liabilities at the reporting date:

	Change in foreign exchange rate	\$000 Effect on profit before tax
2013	5%	4,893
2012	5%	4,810
2011	5%	851

4.3 Credit risk

Credit risk refers to the risk of a counterparty defaulting on its contractual obligations resulting in financial loss to the Group. Credit risk arises from the Group's cash at banks and accounts receivable balances.

The Group's trade with Shell Western Supply and Trading Limited ("**Shell Trading**"), is as specified within the terms of the crude off-take agreement and will run for 5 years until 30 July 2015 with 30-day payment terms. In addition, the Group is exposed to credit risk in relation to its trade with Nigerian Gas Group Limited, a subsidiary of NNPC, the sole customer during the period. The Group monitors receivable balances on an ongoing basis and there has been no significant history of late collections.

The credit risk on cash is limited because the majority of deposits are with a bank that has an acceptable credit rating assigned by an international credit agency. The Group's maximum exposure to credit risk due to default of the counter party is equal to the carrying value of its financial assets.

The accounts receivable balance includes the following related party receivables:

Related parties	Payment terms	Percentage of total receivables		
		31 December 2013	31 December 2012	31 December 2011
NPDC	14 days	69%	69%	32%
Shebah Exploration and Production Company Limited ("SEPCOL")	Advance expected to be refunded	0%	4%	15%
Cardinal Drilling Services Limited ("Cardinal")	Advance which will be amortised over the life of the contract	5%	8%	44%

Notes to the historical financial information (Continued)

4. FINANCIAL RISK MANAGEMENT (Continued)

The maximum exposure to credit risk as at the reporting date is:

	\$000 31 December 2013	\$000 31 December 2012	\$000 31 December 2011
Trade and other receivables	410,430	294,302	100,136
Cash and cash at banks	169,461	154,332	201,777
	<u>579,891</u>	<u>448,634</u>	<u>301,913</u>

4.4 Fair value

Set out below is a comparison by category of carrying amounts and fair value of all the Group's financial instruments:

	Carrying amount			Fair value		
	\$000 31 December 2013	\$000 31 December 2012	\$000 31 December 2011	\$000 31 December 2013	\$000 31 December 2012	\$000 31 December 2011
Financial liabilities						
Liabilities for which fair value are disclosed:						
Borrowings—Shareholder loan . .	48,041	46,997	47,329	48,041	46,997	47,329
Borrowings—Bank loans	262,562	200,606	254,202	262,562	200,606	254,202
Liabilities measured at fair value:						
Contingent consideration	8,245	—	32,858	8,245	—	32,858
	<u>318,848</u>	<u>247,603</u>	<u>334,389</u>	<u>318,848</u>	<u>247,603</u>	<u>334,389</u>

The loans are all LIBOR loans which are re-priced on a pre-determined basis as defined in the loan agreement. As a result, the loans are always carried at market rate and there is no indication of credit spread change or change in credit risk for the Group. The fair value equals the carrying amount of the loans using market rates without taking transaction costs into consideration.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments which are measured at fair value by valuation techniques:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Information relating to the fair value of contingent consideration and borrowings is based on Level 3 valuation techniques.

There were no transfers between fair value levels during the periods presented.

The following methods and assumptions were used to estimate the fair values:

- Fair values of the Group's interest-bearing loans and borrowings are determined by using discounted cash flow models that use effective interest rates that reflect the borrowing rate as at the end of the reporting period.
- The fair value of the Group's contingent consideration is determined using the discounted cash flow model. The estimated future cash flow was discounted to present value.

Notes to the historical financial information (Continued)

4. FINANCIAL RISK MANAGEMENT (Continued)

Reconciliation of fair value measurements of Level 3 financial instruments:

<u>Contingent consideration</u>	<u>\$000</u>
At 1 January 2013	—
Additions	7,731
Movement through the income statement	514
At 31 December 2013	<u>8,245</u>

4.5 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, to maintain optimal capital structure and to reduce the cost of capital. The net debt ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents.

	<u>\$000</u> <u>31 December</u> <u>2013</u>	<u>\$000</u> <u>31 December</u> <u>2012</u>	<u>\$000</u> <u>31 December</u> <u>2011</u>
Borrowings:	310,603	247,605	301,531
Less: cash and cash equivalents	(169,461)	(56,332)	(201,777)
Net debt	141,142	191,273	99,754
Total equity	732,199	181,873	106,774
Total capital	873,341	373,146	206,528
Net debt (net debt/total capital) ratio	16%	51%	48%

As at 31 December 2013, the Group's net debt ratio was 16 per cent. in accordance with Group policy.

5. REVENUE

	<u>\$000</u> <u>2013</u>	<u>\$000</u> <u>2012</u>	<u>\$000</u> <u>2011</u>
Crude oil sales as invoiced	815,354	585,612	475,470
Changes in lifting (in line with participating interests of both parties) . . .	46,795	12,689	(25,910)
	862,149	598,301	449,560
Gas sales	18,078	26,245	1,760
Total revenue	<u>880,227</u>	<u>624,546</u>	<u>451,320</u>

The sole off-taker for crude oil is Shell Trading.

6. COST OF SALES, GENERAL AND ADMINISTRATIVE EXPENSES AND OTHER OPERATING INCOME

	<u>\$000</u> <u>2013</u>	<u>\$000</u> <u>2012</u>	<u>\$000</u> <u>2011</u>
Cost of sales			
Crude handling fees	31,968	23,564	23,605
Royalties	191,856	108,480	86,375
Niger Delta Development Commission levy	12,690	6,086	3,888
Depreciation on producing assets	27,898	32,788	62,550
Rig related costs	27,037	44,788	9,081
Other field expenses	39,494	34,596	20,857
	<u>330,943</u>	<u>250,302</u>	<u>206,356</u>

Notes to the historical financial information (Continued)

6. COST OF SALES, GENERAL AND ADMINISTRATIVE EXPENSES AND OTHER OPERATING INCOME (Continued)

Other field expenses includes costs relating to operational expenditures that do not specifically relate to rigs such as minor clean-up cost, repair and maintenance of field equipment and field insurance.

	\$000 2013	\$000 2012	\$000 2011
General and administrative expenses			
Depreciation	2,976	2,099	1,303
Amortisation	93	90	90
Professional fees	25,469	10,852	822
Directors emoluments	7,518	4,037	2,121
Donations	10	255	59
Rental expenses	1,272	744	807
Employee benefits	13,219	12,299	10,445
Business development	53	962	31,776
Other general expenses	21,367	16,988	9,434
	<u>71,977</u>	<u>48,326</u>	<u>56,857</u>

The business development expense in 2011 is related to expenses incurred during the year to acquire new blocks. The effort was not successful.

Other general expenses relate to costs such as office maintenance costs, telecommunication costs, and logistics costs.

	\$000 2013	\$000 2012	\$000 2011
Other operating income			
Royalty income	—	1,709	—
Crude transportation income	—	461	—
Profit/loss on sale of fixed assets	84	13	—
Sale of scraps	320	—	—
	<u>404</u>	<u>2,183</u>	<u>—</u>

Royalty income represents the income from a shareholder for producing and lifting from a marginal field within the Group's OMLs (note 26).

Sale of scraps represents the sale value of scrapped tubings from work-over wells.

7. FINANCE INCOME AND FINANCE CHARGES

	\$000 2013	\$000 2012	\$000 2011
Finance income			
Interest income	658	1,788	—
Finance charges			
Shareholder loan	4,206	3,398	7,615
Bank loan	15,845	31,071	15,932
Unwinding of discount provision for decommissioning (note 21)	1,754	1,517	1,319
	<u>21,805</u>	<u>35,986</u>	<u>24,866</u>

Notes to the historical financial information (Continued)

8. TAXATION

Tax on profit

	\$000 2013	\$000 2012	\$000 2011
Current tax:			
Current tax charge for the year	—	95,416	69,430
Adjustment in respect of prior year	617	—	—
	617	95,416	69,430
Deferred tax:			
Origination and reversal of temporary differences	(93,362)	91,140	31,604
Total tax (credit)/expense	(92,745)	186,556	101,034
Effective tax rate	(20%)	63%	65%

Reconciliation of effective tax rate

The applicable tax rates for 2013 were 0 per cent. (PPT: 2012: 65.75 per cent., 2011: 65.75 per cent.; income tax: 2012: 30 per cent., 2011: 30 per cent.).

During 2013, applications were made by SEPLAT and its wholly owned subsidiary, Newton Energy, for the tax incentives available under the provisions of the Industrial Development (Income Tax Relief) Act. In February 2014, SEPLAT was granted the incentives in respect of the tax treatment of OMLs 4, 38 and 41. Newton Energy was also granted similar incentives in respect of the tax treatment of OPL 283. Under these incentives, the companies' profits are subject to a tax rate of 0% with effect from 1 January 2013 to 31 December 2017 for SEPLAT and 1 June 2013 to 31 May 2018 for Newton Energy. The new incentives form the basis of the Group's current and deferred taxation in the financial statements.

A reconciliation between income tax expense and accounting profit before income tax multiplied by the applicable statutory tax rate is as follows:

	\$000 2013	\$000 2012	\$000 2011
Profit before tax	457,523	295,655	154,458
Expected tax change based on statutory rates	—	194,393	101,556
Enhanced relief on drilling expenditure	—	(2,294)	(409)
Impact of different tax rates	—	(4,273)	1,134
Impact of tax incentive on deferred tax balances	(93,362)	—	—
Other permanent differences	—	(1,270)	(1,246)
Adjustment in respect of prior periods	617	—	—
	<u>(92,745)</u>	<u>186,556</u>	<u>101,035</u>

The movement in the current income tax (prepayment)/liability is as follows:

	\$000 2013	\$000 2012	\$000 2011
Balance at the beginning of the year	77,218	63,001	25,829
Tax paid	(106,584)	(81,199)	(32,258)
Income tax charge	—	95,416	69,430
Adjustment in respect of prior year	617	—	—
Balance at the end of the year	<u>(28,749)</u>	<u>77,218</u>	<u>63,001</u>

Notes to the historical financial information (Continued)

9. DEFERRED TAX

The movement in deferred tax assets and deferred tax liabilities is as follows:

Deferred tax assets

	\$000 Fixed assets	\$000 Provision for abandonment	\$000 Other temporary differences	\$000 Total
At 1 January 2011	654	5,781	22,947	29,382
(Charged)/credited to the statement of comprehensive income	(654)	868	22,702	22,916
At 31 December 2011	—	6,649	45,649	52,298
(Charged)/credited to the statement of comprehensive income	—	3,691	(29,947)	(26,256)
At 31 December 2012	—	10,340	15,702	26,042
(Charged)/credited to the statement of comprehensive income	—	(1,090)	(15,702)	(16,792)
At 31 December 2013	—	9,250	—	9,250

Deferred tax liabilities

	\$000 Fixed assets	\$000 Total
At 1 January 2011	—	—
(Charged)/credited to the statement of comprehensive income	(54,521)	(54,521)
At 31 December 2011	(54,521)	(54,521)
(Charged)/credited to the statement of comprehensive income	(64,883)	(64,883)
At 31 December 2012	(119,404)	(119,404)
(Charged)/credited to the statement of comprehensive income	110,154	110,154
At 31 December 2013	(9,250)	(9,250)

Net deferred tax liability at 31 December 2013 is nil (2012: US\$93.4 million, 2011: US\$2.2 million).

Deferred tax has not been recognised on deductible temporary differences of US\$3.7 million as management does not consider there to be sufficient evidence to support the recoverability of these assets.

Notes to the historical financial information (Continued)

10. PROPERTY, PLANT AND EQUIPMENT

	\$000 Production and field facilities	\$000 Plant and machinery	\$000 Motor vehicles	\$000 Office, IT equipment and fittings	\$000 Leasehold improvements	\$000 Assets under construction	\$000 Total
At 1 January 2011	351,540	2,984	745	1,117	170		356,556
Additions	1,821	107	811	1,589	145	7,569	12,042
Reclassification	2,954	(2,954)	—	—	—	—	—
Depreciation	(62,550)	(14)	(352)	(873)	(64)	—	(63,853)
Net book value	293,765	123	1,204	1,833	251	7,569	304,745
At 31 December 2011							
Cost	371,448	138	1,606	2,849	315	7,569	383,925
Accumulated depreciation . . .	(77,683)	(15)	(402)	(1,016)	(64)	—	(79,180)
Net book value	293,765	123	1,204	1,833	251	7,569	304,745
At 1 January 2012	293,765	123	1,204	1,833	251	7,569	304,745
Additions	4,725	1,125	752	2,298	756	106,660	116,316
Disposals	—	—	(59)	—	—	—	(59)
Depreciation	(32,788)	(121)	(446)	(1,336)	(196)	—	(34,887)
Net book value	265,702	1,127	1,451	2,795	811	114,229	386,115
At 31 December 2012							
Cost	376,173	1,263	2,299	5,147	1,071	114,229	500,182
Accumulated depreciation . . .	(110,471)	(136)	(848)	(2,352)	(260)	—	(114,067)
Net book value	265,702	1,127	1,451	2,795	811	114,229	386,115
At 1 January 2013	265,702	1,127	1,451	2,795	811	114,229	386,115
Additions	55,427	752	699	2,902	86	170,401	230,267
Transfers	49,347	—	—	—	—	(49,347)	—
Disposal	—	—	(1)	—	—	—	(1)
Depreciation	(27,805)	(382)	(583)	(1,920)	(184)	—	(30,874)
Net book value	342,671	1,497	1,566	3,777	713	235,283	585,507
At 31 December 2013							
Cost	480,947	2,015	2,997	8,049	1,157	235,283	730,448
Accumulated depreciation . . .	(138,276)	(518)	(1,431)	(4,272)	(444)	—	(144,941)
Net book value	342,671	1,497	1,566	3,777	713	235,283	585,507

Assets under construction represent costs capitalised in connection with the development of Group's oil fields and other fixed assets not yet ready for their intended use.

As of 31 December 2013, 2012 and 2011, the Group did not recognise any asset impairment and management believes that there are no indications of asset impairment.

Production and field facilities additions in 2013 included \$57.7 million for the 40 per cent. participating interest in the Umuseti/Igbuku Fields including \$7.7 million contingent consideration (Note 20).

As of 31 December 2013, management has estimated decommissioning expenditure to be incurred in 2027 (2012: 2025, 2011: 2025). The change in estimate, a decrease of \$2.9 million, is included in the 2013 movement in "production and field facilities". Similarly, a change in estimate of discount rate to 12.4 per cent. from 15 per cent. in 2012 resulted in an increase of \$4.1 million which has been included in additions to "production and field facilities" in 2012.

The Group's present and future assets (except those jointly owned with NNPC/NPDC) are pledged as security for the FBN letter of credit of \$94.5 million while all equipment, machinery and immovable property of the Group is pledged as security for the syndicate credit facility.

Notes to the historical financial information (Continued)

11. INTANGIBLE ASSETS

	\$000 2013	\$000 2012	\$000 2011
At beginning of the year	234	324	414
Amortisation for the year	(93)	(90)	(90)
At end of year	<u>141</u>	<u>234</u>	<u>324</u>
At end of year			
Cost	452	452	452
Accumulated amortisation	(311)	(218)	(128)
Net book value	<u>141</u>	<u>234</u>	<u>324</u>

Intangible assets relate to an oil mining license granted to the Group that is expected to expire in 2019.

12. NON-CURRENT PREPAYMENTS

	\$000 31 December 2013	\$000 31 December 2012	\$000 31 December 2011
Rent	<u>1,829</u>	<u>875</u>	<u>1,000</u>
Drilling services	9,333	13,333	—
Deposit for producing asset	69,000	—	—
Tax paid in advance	<u>28,748</u>	<u>—</u>	<u>—</u>
	<u>108,910</u>	<u>14,208</u>	<u>1,000</u>

Deposit for producing assets:

During 2013, SEPLAT executed a sale and purchase agreement with Chevron Nigeria Limited (“CNL”) in relation to producing assets in OML 53, subject to conditions precedent being met (the “CNL Assets SPA”).

The conditions precedent are yet to be met.

Part of the requirements of the bid was to put in place a letter of credit with a commercial bank for a portion of the bid price, which is non-refundable once the CNL Assets SPA has been signed. SEPLAT placed \$69 million on deposit, which has been called by CNL upon the signing of the CNL Assets SPA.

On the basis that SEPLAT is pursuing completion of the transaction, the deposit has been treated as a prepayment.

Tax paid in advance:

SEPLAT paid a total installment sum of \$28 million for 2013. This was accounted for as a tax credit under non-current prepayment until 2018 when the Company will be expected to offset it against its tax liability.

Drilling services:

In 2012, SEPLAT signed an agreement with Cardinal with respect to the exclusive use of 2 rigs for 5 years. SEPLAT agreed to pay a \$20 million advance in relation to the exclusive use of these rigs. This \$20 million has been recognised as a prepayment and amortised over the life of the agreement (5 years). The long-term portion as at 31 December 2013 is \$9.3 million.

Rent:

As at 31 December 2013, the Group has entered into two commercial leases in relation to the two buildings that it occupies in Lagos, one of which is with a related party (note 26). The Group has prepaid the rent. The two leases are non-cancellable.

Notes to the historical financial information (Continued)

13. INVENTORIES

Inventories represent the value of tubulars, casing and wellheads. The inventory is carried at the lower of cost and net realisable value.

	\$000 31 December 2013	\$000 31 December 2012	\$000 31 December 2011
Inventories	43,112	24,949	10,903
	<u>43,112</u>	<u>24,949</u>	<u>10,903</u>

14. TRADE AND OTHER RECEIVABLES

	\$000 31 December 2013	\$000 31 December 2012	\$000 31 December 2011
Trade receivables	68,747	60,232	1,976
Nigerian Petroleum Development Company (NPDC)	283,628	202,772	32,527
Advances to related parties (note 26)	10,159	21,399	59,177
Underlift	26,387	—	—
Prepayments	6,079	4,280	4,155
Advances to suppliers	14,917	5,188	—
Other receivables	513	431	2,301
	<u>410,430</u>	<u>294,302</u>	<u>100,136</u>

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

The amount due from NPDC includes outstanding cash calls, of which \$247.7 million is overdue as at 31 December 2013 (31 December 2012: \$48.9 million, 31 December 2011: Nil).

The ageing analysis of the trade receivables and amounts due from NPDC is as follows:

	Total \$000	Neither past due nor impaired \$000	Past due but not impaired				
			<30 days \$000	30-60 days \$000	60-90 days \$000	90-120 days \$000	>120 days \$000
Trade receivables							
31 December 2011	1,976	1,976	—	—	—	—	—
31 December 2012	60,232	51,553	70	1,864	6,745	—	—
31 December 2013	68,747	51,670	6,983	1,247	903	1,283	6,661
NPDC							
31 December 2011	32,527	32,527	—	—	—	—	—
31 December 2012	202,772	153,854	—	—	14,780	34,138	—
31 December 2013	283,628	35,954	—	101,038	15,408	18,127	113,101

Shell Trading has subsequently settled the outstanding balance of \$47.5 million in January 2014. NPDC has paid a total of \$97 million from the outstanding balance and has also given an assurance letter on the payment of the 2011 and 2012 outstanding cash calls.

15. CASH AND CASH EQUIVALENTS

	\$000 As at 31 December 2013	\$000 As at 31 December 2012	\$000 As at 31 December 2011
Cash on hand	38	36	83
Cash at bank	169,423	154,296	201,694
	<u>169,461</u>	<u>154,332</u>	<u>201,777</u>

Notes to the historical financial information (Continued)

15. CASH AND CASH EQUIVALENTS (Continued)

At 31 December 2013, cash at bank included the debt service reserve of \$22.3 million (2012: \$17.6 million, 2011: Nil) deposited pursuant to the covenant in relation to the bank syndicated loan. The debt service reserve account balance is the amount equal to at least the aggregate of the amounts of principal and interest projected to fall due on the next successive principal payment dates and dates for the payment of interest on the Loans.

At 31 December 2012, cash at bank included \$98 million of restricted cash received from one of the Company's shareholders, MPI S.A. ("MPI"), which was to have been used for the purposes of a potential acquisition. During January 2013 this amount was returned to MPI as the transaction did not occur.

16. SHARE CAPITAL

The amount of issued and paid up capital for each year is as follows:

	Number	Share capital US\$000
Authorised ordinary share capital		
At 31 December 2011 ⁽ⁱ⁾	100,000,000	690
At 31 December 2012 ⁽ⁱ⁾	100,000,000	690
Ordinary shares denominated in Nigerian Naira of ₦0.50 per share	900,000,000	2,645
At 31 December 2013 ⁽ⁱ⁾	<u>1,000,000,000</u>	<u>3,335</u>
Ordinary shares issued and fully paid		
At 31 December 2011 ⁽ⁱ⁾	100,000,000	690
At 31 December 2012 ⁽ⁱ⁾	100,000,000	690
Issued in July 2013 ⁽ⁱⁱ⁾	300,000,000	644
At 31 December 2013	<u>400,000,000</u>	<u>1,334</u>

(i) 100,000,000 shares denominated in Nigerian Naira of ₦1 per share.

(ii) 300,000,000 ordinary shares denominated in Nigerian Naira of ₦0.50 per share.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

During the year, the Company sub-divided its shares from ₦1 to ₦0.50 per share resulting in an increase in the number of shares issued from 100 million to 200 million ordinary shares. On 31 July 2013, the number of ordinary shares was increased to 400 million by way of a bonus issue to existing shareholders; these were issued from the revenue reserve. In August 2013 the authorised share capital was increased from ₦400 million to ₦1 billion denominated in ₦0.50 per share.

17. CAPITAL CONTRIBUTION

	\$000 2013	\$000 2012	\$000 2011
Additional contribution	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>

This represents Etablissements Maurel et Prom's additional cash contribution to the Company. In accordance with the Shareholders Agreement, the amount was used by the Company to pay off acquisition costs and for working capital as was required at the commencement of operations. Subsequently, the interest held by Etablissements Maurel et Prom was transferred to MPI. All terms and conditions previously held by Etablissements Maurel et Prom were re-assigned to MPI.

Notes to the historical financial information (Continued)

18. RETAINED EARNINGS/(LOSS)

	\$000 2013	\$000 2012	\$000 2011
At beginning of year	141,183	66,084	12,660
Bonus issue	(644)	—	—
Total comprehensive income for the year	550,268	109,099	53,424
Dividends declared	—	(34,000)	—
At end of year	<u>690,807</u>	<u>141,183</u>	<u>66,084</u>

Dividends of \$1.4 million (\$0.004 per share), \$12.6 million (\$0.032 per share) and \$20 million (\$0.050 per share) for 2010, 2011 and 2012, respectively, were approved and paid in 2012. A dividend of \$40 million (\$0.10 per share) for 2013 was approved and paid in 2014.

19. BORROWINGS

	\$000 31 December 2013	\$000 31 December 2012	\$000 31 December 2011
Non-current			
\$153m shareholder loan	—	—	47,329
\$550m syndicate credit facility (2012: \$550m, 2011: \$275m)	120,850	146,356	199,952
	<u>120,850</u>	<u>146,356</u>	<u>247,281</u>
Current			
\$153m shareholder loan	48,041	46,997	—
\$550m syndicate credit facility (2012: \$550m, 2011: \$275m)	72,712	54,250	54,250
\$94.5m FBN letter of credit	69,000	—	—
	<u>189,753</u>	<u>101,247</u>	<u>54,250</u>

Shareholder loan

The shareholder loan represents the remaining amount (principal plus interest less repayment) due on the \$153 million shareholder loan obtained from MPI. Interest accrues monthly on the principal amount outstanding at the higher of 5 per cent. above LIBOR or the interest rate incurred by MPI on its borrowings and is repayable from the oil revenues generated from OMLs 4, 38 and 41 after deductions of operational and capital expenditures. The principal is repayable at regular intervals and is required to be fully repaid by July 2014. The loan was classified as short-term as at 31 December 2012 on the basis that management expected to repay the loan in 2013.

Syndicate credit facility

The long-term bank loan represents a five-year senior, secured credit facility obtained from a syndicate of lenders led by Afrexim. SEPLAT has a facility to drawdown up to \$550 million until 2016. SEPLAT has drawn \$335 million of this facility and has made principal repayments in 2011, 2012 and 2013. Interest accrues monthly on the principal amount outstanding at the LIBOR rate plus a margin ranging 5.00 per cent to 7.50 per cent depending on the bank, subject to an interest rate floor of 8 per cent with one of the banks. The Company has undrawn facilities of \$215 million as at 31 December 2013 (31 December 2012

Notes to the historical financial information (Continued)

19. BORROWINGS (Continued)

and 31 December 2011: \$275 million). The loan is due to be fully repaid by August 2016, with the principal repayment schedule as follows:

Loan facility by bank	2011-2012	2013-2016
	Principal payment cycle for \$275 million	Principal payment cycle for \$335 million
Afrexim	\$15,000,000 per annum	\$20,034,965 per annum
Skye Bank	\$10,000,000 per annum	\$13,356,643 per annum
First Bank	\$15,000,000 per annum	\$23,391,608 per annum
UBA	\$14,250,000 per annum	\$15,928,322 per annum

FBN letter of credit

The current bank borrowings include \$69 million drawn from a letter of credit obtained from FBN. Interest accrues monthly at LIBOR plus 8.00 per cent.

20. CONTINGENT CONSIDERATION

	\$000 2013	\$000 2012	\$000 2011
At beginning of year	—	32,858	24,240
Additions	7,731	—	—
Fair value movements	514	142	8,618
Payments	—	(33,000)	—
At end of year	<u>8,245</u>	<u>—</u>	<u>32,858</u>

In 2013, the Group entered into an agreement with Pillar Oil to acquire a 40 per cent. participating interest in the Umuseti/Igbuku Fields. The total consideration payable is \$50 million upon signing of the agreement and \$10 million payable upon reaching certain production milestones (\$5 million when average daily production of 10,500 bopd of liquid hydrocarbon sustained over a period of one month is achieved and another \$5 million when cumulative production of 10 million barrels of liquid hydrocarbons from all fields within OPL 283 is achieved). The fair value of \$7.731 million (note 10) was capitalised to the cost of the asset and a corresponding liability recorded based on the probability that the milestones will be met in 2015.

In 2010, the Company acquired a 45 per cent. participating interest in OML 4, OML 38 and OML 41 located in Nigeria. The fair value of the contingent consideration was recognised at the acquisition date with subsequent fair value movements recorded through the income statement. The contingent consideration of \$33 million was paid in 2012.

21. PROVISION FOR DECOMMISSIONING

	\$000 2013	\$000 2012	\$000 2011
At beginning of year	<u>15,727</u>	<u>10,112</u>	<u>8,793</u>
Arising during the year as a result of acquiring an interest in OPL 283	598	—	—
Unwinding of discount	1,754	1,517	1,319
Change in discount rate	—	4,098	—
Change in estimate	(2,903)	—	—
At end of year	<u>15,176</u>	<u>15,727</u>	<u>10,112</u>

The Group makes full provision for the future cost of decommissioning oil production facilities on a discounted basis at the commencement of production.

Notes to the historical financial information (Continued)

21. PROVISION FOR DECOMMISSIONING (Continued)

The provision represents the present value of the expenditure expected to be incurred up to 2027 which is the current expectation as to when the producing facilities are expected to cease operations. Management engaged a third party to assist with an estimate of the expenditure to be incurred in 2027.

The discount rate used in the calculation of unwinding of the provision in 2013 was 12.4 per cent. (2012: 15 per cent., 2011: 15 per cent.).

22. TRADE AND OTHER PAYABLES

	\$000 31 December 2013	\$000 31 December 2012	\$000 31 December 2011
Trade payables	68,924	1,722	256
Accruals and other payables	109,511	104,029	37,806
Overlift	3,473	23,881	36,570
Advance from related party	—	98,000	—
NDDC levy	9,328	11,492	8,662
Royalties	58,682	17,811	17,116
Deferred revenue	1,420	1,420	1,976
	<u>251,338</u>	<u>258,355</u>	<u>102,386</u>

The \$98 million in 2012 was an advance from MPI to the Company, which was to be used to bid for additional OMLs. The bid was cancelled and the funds were returned in January 2013.

The accruals balance is composed of other field-related accruals (2013: \$95.23 million, 2012: \$84.8 million, 2011: \$27.0 million).

23. RECONCILIATION OF NET PROFIT TO NET CASH FROM OPERATING ACTIVITIES

	\$000 2013	\$000 2012	\$000 2011
Profit before tax	457,523	295,655	154,458
Adjusted for:			
Depletion, depreciation and amortisation	30,967	34,977	63,943
Interest income	(658)	(1,788)	—
Interest expense	21,805	35,986	24,866
Fair value movement on contingent consideration	514	142	8,618
Gain on disposal of property, plant and equipment	(84)	(13)	—
Foreign exchange loss/(gain)	(1,473)	(1,599)	22
Changes in working capital:			
Trade and other receivables	(113,081)	(207,619)	11,699
Trade and other payable	20,443	23,470	(2,403)
Inventories	(18,163)	(14,046)	(10,903)
	<u>(110,801)</u>	<u>(198,195)</u>	<u>(1,607)</u>
Net cash from operating activities	<u>397,793</u>	<u>165,165</u>	<u>250,300</u>

Notes to the historical financial information (Continued)

24. EARNINGS PER SHARE

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Basic			
Basic earnings per share is calculated on the Company's profit after taxation and on the basis of 400 million issued and fully paid ordinary shares at the end of the year.			
Profit for the year attributable to shareholders (\$000)	550,268	109,099	53,424
Weighted average number of ordinary shares in issue (in 000)	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>
Basic earnings per share (in \$)	<u>1.38</u>	<u>0.27</u>	<u>0.13</u>

The basic and diluted earnings per share are the same as there are no instruments that have a dilutive effect on earnings.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the issue date of this consolidated historical financial information.

25. FOREIGN TRANSLATION RESERVE

Cumulative exchange difference arising from translation of foreign subsidiary is taken to foreign translation reserve through other comprehensive income. The Group's foreign subsidiary was incorporated in 2013.

26. RELATED PARTY TRANSACTIONS

As at 31 December 2013, SEPLAT is held by:

	Number of shares
	120,400,000
MPI S.A.	
A.B.C. Orjiako ⁽¹⁾	85,737,200
Austin Avuru and Platform Petroleum Limited ⁽²⁾	73,137,913
Mercuria Capital Partners Limited	24,000,000
Quantum Power International Holdings Limited	19,600,000
Quantum Capital Partners Fund I LP	19,996,000
The Blakeney Group	16,000,000
Others	41,128,887
	<u><u>400,000,000</u></u>

(1) 72,737,200 Ordinary Shares are held by Shebah Petroleum Development Company Limited ("Shebah"), which is an entity controlled by A.B.C. Orjiako and members of his family, and 13,000,000 Ordinary Shares are held directly by Mr. Orjiako's siblings.

(2) 19,200,000 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 ("Platform Petroleum"), which is an entity in which Austin Avuru has a 23.28 per cent. equity interest.

The following companies are common control entities as the companies are controlled by close family members of the directors or are subsidiaries of the Company's shareholders:

Abbeycourt Trading Company Limited
 Abbeycourt Petroleum Company Limited
 Cardinal
 Abtrust Integrated Services
 Charismond Nigeria Limited
 Keco Nigeria Enterprises
 Ndosumili Ventures Limited

Notes to the historical financial information (Continued)

26. RELATED PARTY TRANSACTIONS (Continued)

Oriental Catering Services Limited
ResourcePro Inter Solutions Limited
Berwick Nigeria Limited
Montego Upstream Services Limited
Neimeth International Pharmaceutical Plc
Helko Nigeria Limited
Nerine Support Services Limited
Nabila Resources & Investment Ltd
SEPCOL

Services provided by or provided to the related parties:

Shareholders

MPI: MPI has provided SEPLAT with a loan (note 19). In addition, MPI provides SEPLAT with technical services.

Platform Petroleum: SEPLAT charges Platform Petroleum a royalty fee. In addition, Platform Petroleum seconds certain personnel to SEPLAT.

Shebah: The Chairman is a director and controlling shareholder. Shebah seconds certain personnel to SEPLAT.

Entities under common control

Abbeycourt Petroleum Company Limited: the Chairman is a director and shareholder. In 2011, the company provided consultancy services in relation to business development opportunities and new acquisitions.

Abbeycourt Trading Company Limited: the Chairman is a director and shareholder. The company provides diesel supplies to SEPLAT in respect of SEPLAT's rig operations.

Abtrust Integrated Services: The CEO's spouse is shareholder and director. The company provides Christmas gift hampers to SEPLAT.

Cardinal is a company under common control. The company provides drilling rigs and drilling services to SEPLAT.

Charismond Nigeria Limited. The CEO's sister works at Charismond as a general manager. The company provides Christmas gift hampers to SEPLAT.

Keco Nigeria Enterprises: The CEO's sister is shareholder and director. The company provides diesel supplies to SEPLAT in respect of its rig operations.

Ndosumili Ventures Limited is a subsidiary of Platform Petroleum Limited. The company supplies field operations vehicles to SEPLAT.

Oriental Catering Services Limited: The CEO's spouse is shareholder and director. The company provides catering services to SEPLAT.

ResourcePro Inter Solutions Limited: The CEO's in-law is its UK representative. The company supplies furniture to SEPLAT.

Berwick Nigeria Limited: The Chairman is a shareholder and director. The company provides construction services to SEPLAT.

Montego Upstream Services Limited: The Chairman's nephew is shareholder and director. The company provides drilling and engineering services to SEPLAT.

Notes to the historical financial information (Continued)

26. RELATED PARTY TRANSACTIONS (Continued)

Neimeth International Pharmaceutical Plc: The Chairman is also the chairman of this company. The company provides medical supplies to SEPLAT, which are used in connection with SEPLAT, corporate social responsibility and community healthcare programs.

Helko Nigeria Limited: The Chairman is shareholder and director. The company owns the lease to SEPLAT's main office at 25A Lugard Avenue, Lagos, Nigeria.

Nerine Support Services Limited is a company under common control. The company provides agency and contract workers to SEPLAT.

Nabila Resources & Investment Ltd: The Chairman's in-law is a shareholder and director. The company provides lubricants to SEPLAT.

SEPCOL: The Chairman is a shareholder and director. SEPCOL and SEPLAT entered into an agreement in 2010 in relation to a potential lease or purchase of a floating production, storage and offloading unit (FPSO) and as a result SEPLAT prepaid \$15 million. In 2012, the agreement was nullified and SEPCOL was required to refund the amount, which was fully repaid on 27 August 2013. In addition, SEPCOL seconds certain personnel to SEPLAT.

The following transactions were carried out by related parties on behalf of SEPLAT. All transactions between SEPLAT and related parties were carried under SEPLAT's normal business terms and conditions. No preferential terms and conditions were given to related parties.

(a) Transactions

(i) Purchases of goods and services

	\$000 2013	\$000 2012	\$000 2011
Shareholders			
MPI	216	785	—
Platform Petroleum	1,222	1,077	575
Shebah	1,174	—	—
Entities under common control			
Abbeycourt Trading Company Limited	2,408	2,309	—
Abbeycourt Petroleum Company Limited	—	—	26,651
Abtrust Integrated Services	—	34	79
Charismond Nigeria Limited	161	56	94
Cardinal	32,225	23,700	—
Keco Nigeria Enterprises	1,931	2,332	267
Ndosumili Ventures Limited	897	1,839	773
Oriental Catering Services Limited	629	489	240
ResourcePro Inter Solutions Limited	867	441	96
Berwick Nigeria Limited	870	1,497	—
Montego Upstream Services Limited	8,878	5,161	1,639
Neimeth International Pharmaceutical Plc	—	83	70
Nerine Support Services Limited	12,180	5,821	—
SEPCOL	—	750	—
Nabila Resources & Investment Ltd	377	141	—
Helko Nigeria Limited	256	2,036	220
	61,679	46,689	30,129

SEPLAT and Abbeycourt Petroleum Company Limited entered into a Memorandum of Understanding in 2010 in relation to technical assistance in evaluating potential acquisition opportunities. SEPLAT prepaid \$25 million in 2010 but the services were received and completed in 2011 and the amount was expensed in 2011.

Notes to the historical financial information (Continued)

26. RELATED PARTY TRANSACTIONS (Continued)

(ii) Interest expense

	\$000 2013	\$000 2012	\$000 2011
Shareholders			
MPI	4,206	3,398	7,615

(iii) Royalty sales

	\$000 2013	\$000 2012	\$000 2011
Shareholders			
Platform Petroleum	—	1,709	—

(b) Year-end balances arising from related party transactions

(i) Prepayments/receivables

	\$000 2013	\$000 2012	\$000 2011
Entities under common control			
SEPCOL	—	12,000	15,000
Cardinal—current portion	10,159	9,034	44,177
Cardinal—non-current portion	9,333	13,333	—
Newton Energy (until 1 June 2013)	—	365	—
	<u>19,492</u>	<u>34,732</u>	<u>59,177</u>

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any third-party payables or receivables. For the year ended 31 December 2013, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2012: Nil, 2011: Nil). This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

The receivable from Cardinal relates to an advance paid for exclusive use of drilling rigs and a prepayment for the use of the rigs. The advance for exclusive use is to be amortised over 5 years and the prepayment for the use of the rigs will be amortised in line with the use of the rigs.

The receivable from SEPCOL is a deposit for the potential lease or purchase of FPSO. The agreement was nullified and SEPCOL has paid back the amount. As at 31 December 2012, \$3 million had been paid back. The outstanding \$12 million balance was received in 2013.

The Newton Energy receivable was paid in 2013 and is related to expenses paid by SEPLAT on behalf of Newton Energy prior to Newton Energy becoming a subsidiary of SEPLAT. Newton Energy did not have a bank account in 2012.

(ii) Payables

	\$000 31 December 2013	\$000 31 December 2012	\$000 31 December 2011
Shareholders			
Loan from MPI (note 19)	(48,041)	(46,997)	(47,329)
Advance from MPI (note 15)	—	(98,000)	—
Other payables to MPI	(798)	—	—
	<u>(48,839)</u>	<u>(144,997)</u>	<u>(47,329)</u>

Notes to the historical financial information (Continued)

26. RELATED PARTY TRANSACTIONS (Continued)

(c) Key management compensation

Key management includes executive directors and members of the executive committee. The compensation paid or payable to key management for employee services is shown below:

	\$000 2013	\$000 2012	\$000 2011
Salaries and other short-term employee benefits	<u>5,301</u>	<u>2,980</u>	<u>2,219</u>

27. EMPLOYMENT BENEFITS—DEFINED CONTRIBUTION

The Company contributes to various defined contribution schemes and the contribution is charged to the statement of comprehensive income in the year to which it relates. The amount accrued as at 31 December 2013 was \$406,000 (31 December 2012: \$323,000, 31 December 2011: \$350,000).

28. COMMITMENTS AND CONTINGENCIES

OPERATING LEASE COMMITMENTS—GROUP AS LESSEE

The Group has entered into operating leases for the use of drilling rigs.

Future minimum rentals payable under non-cancellable operating leases as at the end of each reporting period are as follows:

	\$000 31 December 2013	\$000 31 December 2012	\$000 31 December 2011
Within one year	31,741	32,521	10,379
After one year but not more than five years	<u>500</u>	<u>18,113</u>	<u>1,264</u>
	<u>32,241</u>	<u>50,634</u>	<u>11,643</u>

The table below shows the expense for the year in respect of operating leases:

	\$000 2013	\$000 2012	\$000 2011
Minimum lease payments	<u>23,371</u>	<u>19,274</u>	<u>3,094</u>

There were no additional lease payments.

COMMITMENTS

On 29 November 2013, the Company, AMNI International Petroleum Development Company Limited (“AMNI”) and BelemaOil Producing Limited (“BelemaOil”) entered into a sale and purchase agreement with Chevron Nigeria Limited (“CNL”) to acquire a 40 per cent. participating interest in OMLs 52, 53 and 55 (the “CNL Assets”) for total cash consideration of US\$800 million (the “CNL Assets Acquisition”). In addition, the Company, AMNI and BelemaOil have entered into a consortium agreement pursuant to which they have agreed to allocate OMLs 52, 53 and 55 and the consideration owing to CNL between them so that: (i) the Company acquires a 40 per cent. participating interest in OML 53 for total cash consideration of US\$300 million; (ii) AMNI acquires a 40 per cent. participating interest in OML 52 for total cash consideration of US\$170 million; and (iii) BelemaOil acquires a 40 per cent. participating interest in OML 55 for total cash consideration of US\$330 million. The CNL Assets Acquisition is subject to the satisfaction of a number of conditions precedent, which include the consent of the Minister, and will, assuming satisfaction of the conditions precedent, have an effective date of 1 July 2013. The CNL Assets Acquisition is currently the subject of legal proceedings brought by Britannia U Nigeria Limited (“Brittania U”), an unsuccessful bidder for the CNL Assets, and the parties are currently unable to proceed further with the transaction as a result of an injunction obtained by Britannia U from the Nigerian Federal High Court in Lagos.

Notes to the historical financial information (Continued)

28. COMMITMENTS AND CONTINGENCIES (Continued)

CONTINGENT LIABILITIES

The Group is involved in a number of legal suits as defendant. The possible liabilities arising from these court proceedings amount to \$650,000. No provision has been made for this potential liability in this consolidated historical financial information. Management is of the opinion that the Group will suffer no loss from these claims.

29. EVENTS AFTER THE REPORTING PERIOD

In February 2014, the Group as part of two separate consortiums submitted separate bids to SPDC to acquire: (i) a 45 per cent. participating interest in OML 24; (ii) a 45 per cent. participating interest in OML 29; and (iii) the 100 km long Nembe Creek trunk line in the Niger Delta.

The Group utilised a \$200 million loan facility with Zenith Bank to partially finance its share of the deposit. The deposit is refundable if the consortiums are not successful.

If successful, a sale and purchase agreement is expected to be signed before 30 June 2014. The Group expects a successful acquisition to increase its oil and gas resources significantly.

30. FIRST-TIME ADOPTION OF IFRS

The historical financial information herein is the first the Company has prepared in accordance with IFRS. For periods up to and including the year ended 31 December 2012, the Company prepared its financial statements in accordance with standards issued by the Nigerian Accounting Standards Board (Nigerian GAAP).

The Group has prepared financial statements that comply with IFRS applicable for periods ending on or after 1 January 2013, together with the comparative period data as described in the summary of significant accounting policies. In preparing this historical financial information, the Company's opening statement of financial position was prepared as at 1 January 2011, the Company's date of transition to IFRS. This note explains the principal adjustments made by the Company in restating its Nigerian GAAP financial statements, including the statements of financial position as at 1 January 2011 and the historical financial information as at and for the years ended 31 December 2011 and 2012.

Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS; however, the Group has not applied any exemptions allowed.

Estimates

The estimates at 1 January 2011 and at 31 December 2011 and 2012 are consistent with those made for the same dates in accordance with Nigerian GAAP (after adjustments to reflect any differences in accounting policies) and reflect conditions at those dates.

Notes to the historical financial information (Continued)

30. FIRST-TIME ADOPTION OF IFRS (Continued)

Reconciliation of equity as at 1 January 2011

	\$000 Nigerian GAAP	\$000 Remeasurements	\$000 Reclassifications F	\$000 IFRS
Assets				
Non-current assets				
Property, plant and equipment	214,836 C	20,573	121,147	356,556
Goodwill	121,147	—	(121,147)	—
Intangible assets	6,764 A	(3,792)	(2,558)	414
Deferred tax assets	— B	29,382	—	29,382
Prepayments	—	—	314	314
Total non-current assets	342,747	46,163	(2,244)	386,666
Current assets				
Trade and other receivables	112,835	—	(314)	112,521
Cash and cash at banks	30,368	—	—	30,368
Total current assets	143,203	—	(314)	142,889
Total assets	485,950	46,163	(2,558)	529,555
Equity and liabilities				
Equity attributable to shareholders				
Share capital	690	—	—	690
Capital contribution	40,000	—	—	40,000
Retained earnings	7,114	5,546	—	12,660
Total equity	47,804	5,546	—	53,350
Non-current liabilities				
Borrowings	—	—	47,979	47,979
Deferred tax liabilities	3,519 B	—	(3,519)	—
Contingent consideration	— C	24,240	—	24,240
Asset retirement obligation / provision for decommissioning	— D	8,793	—	8,793
Total non-current liabilities	3,519	33,033	44,460	81,012
Current liabilities				
Trade and other payables	417,412	—	(320,144)	97,268
Borrowings	—	—	272,096	272,096
Current taxation	17,215 B	7,584	1,030	25,829
Total current liabilities	434,627	7,584	(47,018)	395,193
Total liabilities	438,146	40,617	(2,558)	476,205
Total equity and liabilities	485,950	46,163	(2,558)	529,555

Notes to the historical financial information (Continued)

30. FIRST-TIME ADOPTION OF IFRS (Continued)

Reconciliation of equity as at 31 December 2011

	\$000 Nigerian GAAP	\$000 Remeasurements	\$000 Reclassifications	\$000 IFRS
Assets			F	
Non-current assets				
Property, plant and equipment	182,163 C	1,435	121,147	304,745
Goodwill	121,147	—	(121,147)	—
Intangible assets	5,086 A	(4,762)	—	324
Deferred tax assets	— B	52,298	—	52,298
Prepayments	686	—	314	1,000
Total non-current assets	309,082	48,971	314	358,367
Current assets				
Inventories	10,903	—	—	10,903
Trade and other receivables	100,450	—	(314)	100,136
Cash and cash at banks	201,777	—	—	201,777
Total non-current assets	313,130	—	(314)	312,816
Total assets	622,212	48,971	—	671,183
Equity and liabilities				
Equity attributable to shareholders				
Share capital	690	—	—	690
Capital contribution	40,000	—	—	40,000
Retained earnings	70,271	(4,187)	—	66,084
Total equity	110,961	(4,187)	—	106,774
Non-current liabilities				
Borrowings	161,438	—	85,843	247,281
Deferred tax liabilities	6,980 B	47,541	—	54,521
Provision for decommissioning	2,792 D	7,320	—	10,112
Total non-current liabilities	171,210	54,861	85,843	311,914
Current liabilities				
Trade and other payables	243,011 E	(532)	(140,093)	102,386
Borrowings	—	—	54,250	54,250
Contingent consideration	— C	32,858	—	32,858
Current taxation	97,030 B	(34,029)	—	63,001
Total current liabilities	340,041	(1,703)	(85,843)	252,495
Total liabilities	511,251	53,158	—	564,409
Total equity and liabilities	622,212	48,971	—	671,183

Notes to the historical financial information (Continued)

30. FIRST-TIME ADOPTION OF IFRS (Continued)

Reconciliation of equity as at 31 December 2012

	\$000 Nigerian GAAP	\$000 Remeasurements	\$000 Reclassifications	\$000 IFRS
Assets			F	
Non-current assets				
Property, plant and equipment	282,599 C	(49,701)	153,217	386,115
Goodwill	153,217	—	(153,217)	—
Intangible assets	3,391 A	(3,157)	—	234
Deferred tax assets	— B	6,140	19,902	26,042
Prepayments	18,212	—	(4,004)	14,208
Total non-current assets	457,419	(46,718)	15,898	426,599
Current assets				
Inventories	24,949	—	—	24,949
Trade and other receivables	290,297	—	4,005	294,302
Cash and cash at banks	154,332	—	—	154,332
Total non-current assets	469,578	—	4,005	473,583
Total assets	926,997	(46,718)	19,903	900,182
Equity and liabilities				
Equity attributable to shareholders				
Share capital	690	—	—	690
Capital contribution	40,000	—	—	40,000
Retained earnings	150,789	(9,606)	—	141,183
Total equity	191,479	(9,606)	—	181,873
Non-current liabilities				
Borrowings	149,188	(796)	(2,034)	146,358
Deferred tax liabilities	103,426 B	(3,925)	19,903	119,404
Contingent consideration	—	—	—	—
Provision for decommissioning	15,727 D	—	—	15,727
Total non-current liabilities	268,341	(4,721)	17,869	281,489
Current liabilities				
Trade and other payables	356,139 E	2,028	(99,812)	258,355
Dividends payable	—	—	—	—
Borrowings	— E	(599)	101,846	101,247
Contingent consideration	— C	—	—	—
Current taxation	111,038 B	(33,820)	—	77,218
Total current liabilities	467,177	(32,391)	2,034	436,820
Total liabilities	735,518	(37,112)	19,903	718,309
Total equity and liabilities	926,997	(46,718)	19,903	900,182

Notes to the historical financial information (Continued)

30. FIRST-TIME ADOPTION OF IFRS (Continued)

Reconciliation of total comprehensive income for the year ended 31 December 2011

	\$000 Nigerian GAAP	\$000 Remeasurements	\$000 Reclassifications	\$000 IFRS
Revenue	452,596	(1,276)	—	451,320
Cost of sales	—	—	(206,356)	(206,356)
Gross profit	452,596	(1,276)	(206,356)	244,964
General and administrative expenses	(249,294) A	(12,816)	205,253	(56,857)
(Loss)/gain on foreign exchange	—	—	(165)	(165)
Fair value movement in contingent consideration	— C	(8,618)	—	(8,618)
Operating profit	203,302	(22,710)	(1,268)	179,324
Finance charges	(24,646) D,E	(1,488)	1,268	(24,866)
Profit before taxation	178,656	(24,198)	—	154,458
Taxation	(115,500) B	14,566	—	(101,034)
Profit for the year	63,156	(9,632)	—	53,424

Reconciliation of total comprehensive income for the year ended 31 December 2012

	\$000 Nigerian GAAP	\$000 Remeasurements	\$000 Reclassifications	\$000 IFRS
Revenue	623,270	1,276	—	624,546
Cost of sales	—	(11,216)	(239,086)	(250,302)
Gross profit	623,270	(9,940)	(239,086)	374,244
General and administrative expenses	(285,299)	—	236,973	(48,326)
Other income	3,752	—	(1,569)	2,183
(Loss)/gain on foreign exchange	—	—	1,894	1,894
Fair value movement in contingent consideration	—	(142)	—	(142)
Operating profit	341,723	(10,082)	(1,788)	329,853
Finance income	—	—	1,788	1,788
Finance charges	(36,171)	185	—	(35,986)
Profit before taxation	305,552	(9,897)	—	295,655
Taxation	(191,034)	4,478	—	(186,556)
Profit for the year	114,518	(5,419)	—	109,009

Notes to the reconciliations of equity as at 1 January 2011 and 31 December 2011 and 2012 and total comprehensive income for the years ended 31 December 2011 and 2012

A. Intangible assets

Under Nigerian GAAP, the Group capitalised pre-operational expenditures and depreciated these on a straight-line basis over five years from the date of initial production. The pre-operational expenditures consist of licence costs, prepaid transaction costs related to borrowings and other costs which do not meet the asset recognition criteria under IFRS.

Under IFRS, licence costs are amortised straight line over the life of the period.

Under IFRS, borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost while any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period

Notes to the historical financial information (Continued)

30. FIRST-TIME ADOPTION OF IFRS (Continued)

of borrowings using the effective interest method. At the date of transition to IFRS, the carrying amount of unamortised transaction costs which were reclassified to borrowings was \$2.6 million (31 December 2011: Nil; 31 December 2012: Nil).

As the date of transition to IFRS, the carrying amount of preoperational expenditure which did not qualify for asset recognition and which was derecognised against retained earnings was \$3.8 million (31 December 2011: \$4.8 million; 31 December 2012: \$3.1 million).

B. Taxation

There are no differences between Nigerian GAAP and IFRS in the recognition and measurement criteria. However, the adjustments to the taxation balances are consequential to the other Nigerian GAAP to IFRS adjustments as explained below.

Reclassification and amortisation of loan transaction fees to the income statement

As at 31 December 2012 there is no temporary difference associated with capitalised transaction fees as the book and tax bases are equal. For transaction fees amortised prior to 31 December 2012 a temporary difference exists (as book base exceeds tax base). However, the Initial Recognition Exception (“IRE”) applies to the initial capitalisation of these fees and therefore no deferred tax is recognised. Amortisation recorded in the IFRS accounts from 1 January 2011–31 December 2012 is therefore treated as a permanent difference in the tax reconciliation.

Adjustments to the interest charge on loans

The adjustments are to differences in interest calculation between NGAAP and IFRS accounts. Some of these differences are purely reclassifications (i.e. interest was previously recorded within operating expenses rather than within finance costs), whereas others are absolute differences which affect the Company’s profit for the period. As interest is deductible for Nigerian tax when it is recorded in the income statement, the adjustments to interest charges prior to 31 December 2012 have no tax consequence and are reflected in the tax reconciliation as permanent differences. There is no temporary difference in the balance sheet at 31 December 2012 as book and tax bases are equal.

Contingent consideration

The IFRS accounts record a provision for contingent consideration in relation to the acquisition of oil and gas assets in 2010 (see note 20). For Nigerian tax purposes, this expenditure will attract tax relief (via the capital allowance mechanism) once it is incurred. Contingent consideration of \$18 million was recorded upon acquisition of the assets; this did not give rise to a net deferred tax position as a deferred tax liability was recorded on the amount booked as fixed assets and a deferred tax asset was recorded on the provision. A deferred tax asset has been recorded in the IFRS accounts on the subsequent fair value movements in the value of contingent consideration.

Provision for decommissioning

The value of the decommissioning liability under IFRS differs from the amounts booked under NGAAP. Decommissioning expenditure attracts tax relief when incurred. No net deferred tax is recorded on the initial recognition of the provision as equal and opposite deferred tax assets and liabilities are recorded on the provision and fixed asset book value. However, the accretion of the liability gives rise to a temporary difference on which a deferred tax asset is recorded and the depreciation of the fixed asset book value reduces the deferred tax liability which is recorded in relation to tangible fixed assets.

C. Property, plant and equipment and contingent consideration

Under Nigerian GAAP, the Group did not recognise contingent consideration upon its acquisition of a 45% interest in OMLs 4, 38 and 41. Under IFRS, the Group has recognised the fair value of the contingent consideration on acquisition and recognised any movements in the fair value of the contingent consideration in profit and loss. As the acquisition was not a business combination as defined under

Notes to the historical financial information (Continued)

30. FIRST-TIME ADOPTION OF IFRS (Continued)

IFRS 3, *Business combinations*, the initial amount of the contingent consideration liability is recognised against property, plant and equipment. At the date of transition to IFRS, the fair value of the contingent consideration was \$24.2 million (31 December 2011: \$32.9 million; 31 December 2012: Nil).

The IFRS remeasurement of \$20.6 million at the date of transition is comprised of \$18.6 million as the fair value of contingent consideration and \$8.1 million of decommissioning asset offset by accumulated depreciation of \$6.1 million.

D. Provision for decommissioning

Under Nigerian GAAP, the Group did not recognise an asset retirement obligation in 2010; however, under IFRS, the recognition criteria for the decommissioning provision were met when the Group acquired its interest in OMLs 4, 38 and 41. Under both Nigerian GAAP and IFRS, the discount rate is a discount rate that reflects the current market assumptions of the time value of money and risks associated with the liability; however, the estimate of settlement of the liability under Nigerian GAAP reflected the end of licence term whereas under IFRS the estimate of settlement of the liability reflects the expected cessation of production, a date later than the expiration of the licence. Increases to the asset retirement obligation/decommissioning provision related to the time value of money are recognised as finance costs under both Nigerian GAAP and IFRS. All other changes would have been recognised as an increase or decrease to the property, plant and equipment to which they relate.

At the date of transition, the net present value under IFRS of expected decommissioning costs was \$8.8 million (31 December 2011: \$10.1 million; 31 December 2012: \$15.7 million). As at 31 December 2011, the remeasurement adjustment related to the decommissioning liability is net of \$2.4 million (31 December 2012: Nil) being the derecognition of the initial recognition or change in estimate of the asset retirement obligation under Nigerian GAAP which was derecognised against property, plant and equipment.

E. Trade and other payables

Under Nigerian GAAP, borrowings were recognised as part of trade and other payables. Due to the remeasurements on initial recognition of borrowings with regard to transaction costs, the Group has adjusted the subsequent carrying amounts of borrowings. At the date of transition to IFRS, the difference between the carrying amount of loans under Nigerian GAAP and IFRS was \$(2.6) million (31 December 2011: \$(532,000); 31 December 2012: \$(599,000)).

F. Reclassifications

Certain balances have been reclassified in order to be consistent with accounting policies and presentation under IFRS.

Goodwill reclassification

The acquisition of a 45 per cent. participating interest in OMLs 4, 38 and 41 has been accounted for as an acquisition of assets under IFRS (see note 3). The Group has determined that the most appropriate accounting treatment is to adopt the principles of IAS 11, *Joint Arrangements*, with the exception of adopting IFRS 3, *Business combinations*, when accounting for the contingent consideration.

Under Nigerian GAAP, the acquisition is also treated as an acquisition of an asset but the difference between the consideration (\$340 million) and the independent valuation was treated as goodwill of \$121 million as at 1 January 2011.

Trade payables and borrowings reclassification

Under Nigerian GAAP, shareholder loan, capital repayments and interest repayments were included as part of trade payables and accruals. These balances have been disclosed separately as current and non-current borrowings under IFRS.

Notes to the historical financial information (Continued)

30. FIRST-TIME ADOPTION OF IFRS (Continued)

Prepayment reclassification

Under Nigerian GAAP, the prepayments are all in trade and other receivables. The non-current portion has been reclassified to non-current prepayments.

G. Statements of cash flows

The transition from Nigerian GAAP to IFRS has not had a material impact on the statements of cash flows.

PART XIII
UNAUDITED PRO FORMA FINANCIAL INFORMATION

Section A — Accountant's report on unaudited pro forma financial information



Ernst & Young LLP
1 More London Place
London
SE1 2AF

Tel: + 44 207 951 2000
Fax: + 44 207 951 1345
ey.com

The Directors
SEPLAT Petroleum Development Company Plc
25a Lugard Avenue
Ikoyi
Lagos
Nigeria

9 April 2014

Dear Sirs

We report on the pro forma financial information (the “Pro Forma Financial Information”) set out in this Part XIII, which has been prepared on the basis described in the notes to the Pro Forma Financial Information, for illustrative purposes only, to provide information about how the Group’s acquisition of a 40 per cent. participating interest in OML 53 from CNL and the Global Offer might have affected the financial information presented on the basis of the accounting policies adopted by SEPLAT Petroleum Development Company Plc in preparing the financial information for the year ended 31 December 2013.

This report is required by item 7 of Annex II of Commission Regulation (EC) No 809/2004 and is given for the purpose of complying with that item and for no other purpose.

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I to Commission Regulation (EC) No 809/2004, consenting to its inclusion in the Prospectus.

Responsibilities

It is the responsibility of the directors of SEPLAT Petroleum Development Plc to prepare the Pro Forma Financial Information in accordance with items 1 to 6 of Annex II of Commission Regulation (EC) No 809/2004.

It is our responsibility to form an opinion, as required by item 7 of Annex II of the Commission Regulation (EC) No 809/2004, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

The UK firm Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC300001 and is a member firm of Ernst & Young Global Limited. A list of members’ names is available for inspection at 1 More London Place, London SE1 2AF, the firm’s principal place of business and registered office.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the directors of SEPLAT Petroleum Development Company Plc.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of SEPLAT Petroleum Development Company Plc.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- the Pro Forma Financial Information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of SEPLAT Petroleum Development Company Plc.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex I of Commission Regulation (EC) No 809/2004.

Yours faithfully

Ernst & Young LLP

Section B — Unaudited pro forma financial information

The unaudited consolidated pro forma statement of financial position set out below has been prepared to illustrate the effect of: (i) the net proceeds of the Global Offer on the financial position of the Group; and (ii) the CNL Assets Acquisition as if both had occurred on 31 December 2013. The unaudited information, which has been prepared for illustrative purposes only, by its nature addresses a hypothetical situation and, therefore, does not represent the Group's actual financial position or results. The unaudited pro forma statement of financial position has been prepared on the basis set out in the notes below and in accordance with the requirements of items 1 to 6 of Annex II of Commission Regulation (EC) No 809/2004.

	As at 31 December 2013 ⁽¹⁾	Adjustments		Unaudited Pro Forma Total ⁽⁵⁾
		Global Offer ⁽²⁾⁽³⁾	Acquisition of 40 per cent participating interest in OML 53 ⁽⁴⁾	
	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	585,507	—	300,000	885,507
Intangible assets	141	—	—	141
Deferred tax assets	—	—	—	—
Prepayments	108,910	—	(69,000)	39,910
Total non-current assets	694,558	—	231,000	925,558
Current assets				
Inventories	43,112	—	—	43,112
Trade and other receivables	410,430	—	—	410,430
Cash and cash at banks	169,461	427,233	(16,000)	580,694
Total current assets	623,003	427,233	(16,000)	1,034,236
Total assets	1,317,561	427,233	215,000	1,959,794
Equity and liabilities				
Equity attributable to shareholders				
Share capital	1,334	437	—	1,771
Share premium	—	474,837	—	474,837
Capital contribution	40,000	—	—	40,000
Retained earnings	690,807	—	—	690,807
Foreign translation reserve	58	—	—	58
Total equity	732,199	475,274	—	1,207,473
Non-current liabilities				
Borrowings	120,850	—	137,400	258,250
Deferred tax liabilities	—	—	—	—
Contingent consideration	8,245	—	—	8,245
Provision for decommissioning	15,176	—	—	15,176
Total non-current liabilities	144,271	—	137,400	281,671
Current liabilities				
Trade and other payables	251,338	—	—	251,338
Borrowings	189,753	(48,041)	77,600	219,312
Total current liabilities	441,091	(48,041)	77,600	470,650
Total liabilities	585,362	(48,041)	215,000	752,321
Total equity and liabilities	1,317,561	427,233	215,000	1,959,794

(1) The consolidated statement of financial position of the Group as at 31 December 2013 has been extracted without material adjustment from Part XII: "Financial Information on the Group", section B of this Prospectus.

- (2) Adjustments to the pro forma statement of financial position of the Group reflect:

	\$'000
Global Offer proceeds	503,774
Global Offer expenses	(28,500)
Estimated net proceeds of the Global Offer	475,274
Use of proceeds to repay the MPI Shareholder Loan	(48,041)
Residual net proceeds of Global Offer	<u>427,233</u>

The Global Offer proceeds (which assume the Over-allotment Option is not exercised) of US\$504 million are based on 143,284,130 Ordinary Shares being issued by the Company at an Offer Price of 210 pence per Ordinary Share for the International Offering and 576 Naira per Ordinary Share for the Nigerian Offering. Global Offer costs and expenses are the estimated costs and fees incurred in respect of the Global Offer (excluding any incentive fee or any fees associated with the Over-allotment Option and excluding any expenses incurred prior to 1 January 2014) relating principally to investment banking, underwriting, legal, competent person's and accounting fees. The exchange rate used of £:US\$ equals 1.6748 on 8 April 2014 and the exchange rate used of US\$:₦ equals 163.80 on 8 April 2014.

- (3) The Global Offer proceeds will be used in part to repay the MPI Shareholder Loan.
- (4) The Group has signed a sale and purchase agreement with CNL to acquire a 40 per cent. participating interest in OML 53 for consideration of US\$300 million (as described at Part XVII: "Additional Information", section 10.7.21 of this Prospectus). As part of the bidding process the Group pre-paid US\$69 million as of 31 December 2013. The transaction is still subject to conditions precedent being met. In addition, an unsuccessful bidder has obtained an injunction and the transaction is unable to proceed further. Consequently the Group is unable to obtain information necessary to calculate the decommissioning cost relating to OML 53 and accordingly no adjustment has been made to reflect this. If an adjustment had been made, the same amount would have been added to property, plant and equipment and provision for decommissioning, with no effect on total net assets.

Furthermore, financial information in respect of the trading results of OML 53 is not currently available and it is therefore not possible to present pro forma financial information illustrating the effect of the acquisition of OML 53 on the earnings of the Group in accordance with Annex II Commission Regulation (EC) 809/2004.

- (5) No account has been taken of any trading or other transactions since 31 December 2013.

Impact on earnings

The Group believes that had the Global Offer and the acquisition of a 40 per cent. participating interest in OML 53 occurred on 1 January 2013 the income statement for the year ended 31 December 2013 would have been impacted. The profit for the year would have increased as a result of:

- a reduction in interest expense, partially offset by a credit to taxation charges, as a result of using a portion of the Global Offer proceeds to repay the MPI Shareholder Loan;
- an increase in gross profit due to the trading activities in respect of OML 53 offset by an increase in the depreciation charge for the related property, plant and equipment; and
- additional interest income, net of associated taxation charges, earned from unused net proceeds of the Global Offer being placed on deposit until further acquisition opportunities are executed.

This statement should not be taken to mean that the results of the Group will necessarily match or exceed the historical reported results of the Group and no forecast is intended or implied.

PART XIV
CAPITALISATION AND INDEBTEDNESS STATEMENT

The following table shows the capitalisation of the Group as at 31 December 2013 extracted without material adjustment from the financial information set out in Part XII: “Financial Information on the Group”, Section B.

	As at 31 December 2013 \$000
Current debt	
Guaranteed	—
Secured	189,753
Unguaranteed/unsecured	—
Total current debt	189,753
Non-current debt (excluding current portion of the long-term debt)	
Guaranteed	—
Secured	120,850
Unguaranteed/unsecured	—
Total non-current debt	120,850
Shareholders’ equity (excluding retained earnings):	
Share capital	1,334
Capital contribution	40,000
Other reserves	58
Total shareholders’ equity (excluding retained earnings)	41,392
Total capitalisation	351,995

On 19 February 2014, the Company drew down the remaining commitment of US\$215 million under the Afrexim Facility, with the intention that the drawn funds remain available for the SPDC Assets Bid or the CNL Assets Acquisition. On 27 February 2014, the Company utilised the full available commitment of US\$200 million under the Zenith Facility in order to partially fund its aggregate share of the deposit amount for the OML 24 Bid, the OML 29 Bid and the NCTL Bid. The Zenith Facility is currently unsecured. As at 4 April 2014, the Group’s total non-current borrowings were US\$413.2 million.

The following table shows the net indebtedness of the Group as at 31 January 2014, which has been extracted without material adjustment from the Group’s accounting records.

	As at 31 January 2014 (unaudited) \$000
Cash and cash equivalents	145,352
Liquidity	145,352
Current bank borrowings	69,000
Current related party borrowings	48,329
Current portion of non-current related party borrowings	—
Current portion of non-current bank borrowings	74,100
Current financial indebtedness	191,429
Net current financial indebtedness	46,077
Non-current bank borrowings	120,850
Non-current related party borrowings	—
Non-current financial indebtedness	120,850
Total financial indebtedness	166,927

PART XV DETAILS OF THE GLOBAL OFFER

1. SUMMARY OF THE GLOBAL OFFER

The Global Offer will comprise an issue by the Company of 143,284,130 Ordinary Shares representing 26.37 per cent. of the expected issued ordinary share capital of the Company immediately following Admission assuming that the Over-allotment Option is not exercised. In addition, a further 10,336,183 Ordinary Shares are being made available by the Company pursuant to the Over-allotment Option to cover short positions arising from over-allotments made (if any) in connection with the International Offering and sales made during the stabilisation period. Pursuant to the Global Offer, the Company will raise net proceeds of approximately US\$475.3 million, net of underwriting commissions and other estimated fees and expenses of approximately US\$28.5 million, by the issue of 143,284,130 Ordinary Shares.

The Global Offer will be effected by means of: (i) an offering of Ordinary Shares (a) to qualified investors in certain Member States, including to certain institutional investors in the United Kingdom and elsewhere outside the United States, and (b) in the United States only to QIBs in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act; and (ii) an offering of Ordinary Shares with Qualified Institutional Investors and High Networth Investors as defined in Rule 321 of the Rules and Regulations of the Nigerian SEC. The Global Offer will not be split into separate tranches.

Certain restrictions that apply to the distribution of this Prospectus and the Ordinary Shares being issued and sold under the Global Offer in jurisdictions are described below.

The International Offering is fully underwritten by the Joint Bookrunners and is subject to satisfaction of the conditions set out in the International Underwriting Agreement, including Admission occurring and becoming effective by no later than 8.00 a.m. (London time) on 14 April 2014 or such later time and/or date as the Company and the Joint Global Coordinators on behalf of the Joint Bookrunners may agree, and to the International Underwriting Agreement not having been terminated in accordance with its terms. The Nigerian Offering will not be underwritten but all investors who take part in the Nigerian Offering will be required to have placed funds in full with the Joint Bookrunners on 9 April 2014, being the date on which the Offer Price is announced.

The Joint Bookrunners' underwriting commitments in connection with the International Offering are as follows:

Name	Number of Ordinary Shares (excluding Over-allotment Shares)	Maximum Number of Over-allotment Shares
BNP Paribas	18,784,289	2,817,643
Renaissance Securities (Cyprus) Limited	10,735,848	1,610,377
Standard Bank plc	24,145,323	3,621,799
Citigroup Global Markets Limited	7,621,212	1,143,182
RBC Europe Limited	7,621,212	1,143,182
Total	<u>68,907,884</u>	<u>10,336,183</u>

When admitted to trading on the London Stock Exchange, the Ordinary Shares will be registered with ISIN number NGSEPLAT0008 and SEDOL number BDFMDD5, and when admitted to trading on the NSE, the Ordinary Shares will be registered with ISIN number NGSEPLAT0008 and SEDOL number BDFMDB3.

The Ordinary Shares to be made available pursuant to the Global Offer will, on Admission, rank *pari passu* in all respects with the existing Ordinary Shares in issue and will rank in full for all dividends and other distributions thereafter declared, made or paid on the share capital of the Company.

Immediately following Admission, a minimum of 28.7 per cent. of the Company's issued Ordinary Share capital will be held in public hands (within the meaning of paragraph 14.2.2R of the UK Listing Rules).

2. REASONS FOR THE OFFER AND USE OF PROCEEDS

The Company's net proceeds from the Global Offer are estimated to be US\$475.3 million after deduction of underwriting commissions and estimated fees and expenses in connection with the Global Offer.

The Company intends to use the net proceeds of the Global Offer as follows: (i) up to US\$48 million to repay in full all outstanding amounts under its shareholder loan from MPI; and (ii) the remainder of the net proceeds to acquire and develop new acquisitions (and/or pay down any additional debt raised in connection therewith) of both onshore and shallow offshore acreage, assets or joint venture farm-ins, which may include (if successful) the SPDC Assets Bid. The main source of acquisitions is expected to come from divestitures by various international oil companies.

3. STABILISATION AND OVER-ALLOTMENT

There will not be any stabilisation in respect of the Nigerian Offering. In connection with the International Offering, Standard Bank, as Stabilising Manager, or any of its agents on behalf of itself and the other Joint Bookrunners, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Ordinary Shares or effect stabilisation transactions with a view to supporting the market price of the Ordinary Shares at a higher level than that which might otherwise prevail in the open market. The Stabilising Manager is not required to enter into such transactions and such stabilisation transactions may be effected on any securities market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period commencing on the date of the commencement of conditional dealings in the Ordinary Shares on the London Stock Exchange and ending no later than 30 calendar days thereafter. However, there will be no obligation on the Stabilising Manager or any of its agents to effect stabilising transactions and there is no assurance that stabilising transactions will be undertaken. Such stabilisation, if commenced, may be discontinued at any time without prior notice. In no event will measures be taken to stabilise the market price of the Ordinary Shares above the Offer Price. Except as required by law or regulation, neither the Stabilising Manager nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilisation transactions conducted in relation to the Global Offer.

In connection with the International Offering, the Stabilising Manager may, for stabilisation purposes, over-allot Ordinary Shares up to a maximum of 15 per cent. of the total number of Ordinary Shares comprised in the International Offering. For the purposes of allowing the Stabilising Manager to cover short positions resulting from any such over-allotments and/or from sales of Ordinary Shares effected by it during the stabilising period, the Company has granted to it the Over-allotment Option, pursuant to which the Stabilising Manager may procure purchasers for or purchase additional Ordinary Shares up to a maximum of 15 per cent. of the total number of Ordinary Shares comprised in the International Offering (the "**Over-allotment Shares**") at the Offer Price. The Over-allotment Option shall be exercisable in whole or in part on one or more occasions, upon notice by the Stabilising Manager (on behalf of the Joint Bookrunners), at any time on or before the 30th calendar day after the commencement of conditional dealings of the Ordinary Shares on the London Stock Exchange. Any Over-allotment Shares made available pursuant to the Over-allotment Option will rank *pari passu* in all respects with all other Ordinary Shares, including for all dividends and other distributions declared, made or paid on the Ordinary Shares, will be purchased on the same terms and conditions as the Ordinary Shares being issued in the International Offering and will form a single class for all purposes with the Company's other Ordinary Shares.

It is expected that the sale of additional Ordinary Shares by the Company to purchasers procured by the Stabilising Manager or to the Stabilising Manager pursuant to the exercise of the Over-allotment Option will be effected by means of an "on-exchange" transaction for the purposes of the rules of the London Stock Exchange.

In connection with the Over-allotment Option and any stabilisation transactions, Standard Bank (as Stabilising Manager) will enter into the Stock Lending Agreement pursuant to which the Stabilising Manager will be able to borrow up to 10,336,183 Ordinary Shares, equivalent to 15 per cent. of the International Offering, from Mercuria Capital for the purposes, among other things, of allowing the Stabilising Manager to settle, at Admission, over-allotments, if any, made in connection with the International Offer. If the Stabilising Manager borrows any Ordinary Shares pursuant to the Stock Lending Agreement, it will be required to return equivalent shares to Mercuria Capital in accordance with the terms of the Stock Lending Agreement.

4. CONSEQUENCES OF A STANDARD LISTING

Application will be made for the Ordinary Shares to be admitted to listing on the Official List of the FCA pursuant to Chapter 14 of the UK Listing Rules, which sets out the requirements for Standard Listings. The Company intends to comply with the Listing Principles set out in Chapter 7 of the UK Listing Rules notwithstanding that they only apply to companies which obtain a Premium Listing on the Official List of the FCA. The Company is not, however, formally subject to such Listing Principles and will not be required to comply with them by the UK Listing Authority.

In addition, while the Company has a Standard Listing, it is not required to comply with the provisions of, among other things:

- Chapter 8 of the UK Listing Rules regarding the appointment of a listing sponsor to guide the Company in understanding and meeting its responsibilities under the UK Listing Rules in connection with certain matters. The Company has not and does not intend to appoint such a sponsor in connection with the Global Offer;
- Chapter 10 of the UK Listing Rules relating to significant transactions;
- Chapter 11 of the UK Listing Rules regarding related party transactions;
- Chapter 12 of the UK Listing Rules regarding purchases by the Company of its Ordinary Shares (please see note below regarding Nigerian rules to this effect); and
- Chapter 13 of the UK Listing Rules regarding the form and content of circulars to be sent to Shareholders.

It should be noted that the UK Listing Authority will not have the authority to (and will not) monitor the Company's compliance with any of the UK Listing Rules which the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company so to comply.

A Nigerian company is generally prohibited from purchasing its shares and may only do in the following circumstances: (a) settling or compromising a debt or claim asserted by or against the company; (b) eliminating fractional shares; (c) fulfilling the terms of a non-assignable agreement under which the company has an option or is obliged to purchase shares owned by an officer or an employee of the company; (d) satisfying the claim of a dissenting shareholder; or (e) complying with a court order.

5. INTERNATIONAL UNDERWRITING AGREEMENT

On 9 April 2014, the Company, the Executive Directors and the Chairman entered into the International Underwriting Agreement with the Joint Bookrunners. Pursuant to the International Underwriting Agreement, each Joint Bookrunner has agreed severally and not jointly, subject to certain conditions, to procure subscribers for the Ordinary Shares, failing which, to subscribe for the Ordinary Shares itself. All such subscriptions will be at the Offer Price. The Joint Bookrunners may terminate the International Underwriting Agreement (and the arrangements associated with it) at any time prior to Admission in certain circumstances. If this right is exercised, the Global Offer and these arrangements will lapse and any moneys received in respect of the Global Offer will be returned to applicants without interest. The International Underwriting Agreement provides for the Joint Bookrunners to be paid commissions in respect of the Ordinary Shares sold pursuant to the Global Offer and any Over-allotment Shares sold following exercise of the Over-allotment Option. Any commissions received by the Joint Bookrunners may be retained, and any Ordinary Shares acquired by them may be retained or dealt in by them, for their own benefit. The Global Offer is conditional upon Admission becoming effective and the International Underwriting Agreement becoming unconditional in accordance with its terms. Further details of the terms of the International Underwriting Agreement are set out in Part XVII: "Additional Information", section 10.1 of this Prospectus.

6. NIGERIAN VENDING AGREEMENT

The Company and the Nigerian Joint Issuing Houses have entered into a vending agreement dated 9 April 2014 (the "**Nigerian Vending Agreement**") to the following effect:

The Nigerian Joint Issuing Houses have agreed, on behalf of the Company, to conduct the Nigerian aspects of the Global Offer and in particular the Nigerian Admission and the Nigerian Offering. The Nigerian Joint Issuing Houses have agreed to undertake all standard obligations required of them in line

with the provisions of the Nigerian SEC Rules and Regulations and in particular to structure the Nigerian Offering and assist in ensuring that the Company is of good corporate standing to successfully effect the Nigerian Offering. The Nigerian Offering will not be underwritten.

The Company and the Nigerian Joint Issuing Houses have made standard representations, warranties, undertakings and indemnities to each other as required by Nigerian law. The Company and the Nigerian Joint Issuing Houses have also entered into covenants with each other regarding compliance with Nigerian laws and regulations.

The Nigerian Vending Agreement may be terminated: (i) by either party upon the occurrence of certain events such as the liquidation or insolvency of either of the parties to the agreement; (ii) in the event of a breach or failure of any party to comply with the provisions of the agreement if such breach and/or failure is not remedied (if capable of remedy) for a period of 14 days after notification of the breach; and (iii) with 14 days' written notice by either party of its inability to perform any of its obligations under the agreement due to a force majeure event.

7. DEALING ARRANGEMENTS

Application has been made to the FCA for the Ordinary Shares to be admitted to the Official List of the FCA and to the London Stock Exchange for such Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

Application has been made to the Council of the NSE for such Ordinary Shares to be admitted to the official list of the NSE. An application for the Ordinary Shares of the Company to be listed on the official list will be done pursuant to the general requirements and specific listing requirements of the NSE. The Company intends to comply with Chapter 3 of the listing requirements primarily because it is a new company whose shares have not been previously listed on the NSE.

Prior to the UK Admission, it is expected that dealings in the Ordinary Shares will commence on a conditional basis on the London Stock Exchange at 8.00 a.m. on 9 April 2014. All dealings between the commencement of conditional dealings and the commencement of unconditional dealings will be on a "when issued basis" and at the risk of the parties concerned. If the UK Admission does not become unconditional, these dealings will be of no effect.

The UK Admission is expected to take place and unconditional dealings in the Ordinary Shares are expected to commence on the London Stock Exchange at 8.00 a.m. on 14 April 2014. It is expected that the Nigerian Admission will become effective on 14 April 2014 and that unconditional dealings will commence in the Ordinary Shares on the NSE at 10.15 a.m. (Nigerian time), on 14 April 2014.

It is expected that Ordinary Shares allocated to investors in the Global Offer who wish to hold shares in uncertificated form will take place through CREST on the UK Admission. All Ordinary Shares issued or sold pursuant to the Global Offer will be issued or sold payable in full at the Offer Price. It is intended that settlement of Ordinary Shares allocated to investors will take place by means of crediting Depositary Interests to relevant CREST stock accounts on the UK Admission. No temporary documents of title will be issued. Dealings in advance of the crediting of the relevant CREST stock account shall be at the risk of the person concerned.

The Ordinary Shares allocated to investors located in Nigeria will be credited to the CSCS accounts of such investors on Admission. Investors are thereby advised to state the name of their respective stockbrokers and their CHN Numbers in the relevant spaces on the Commitment Form (a copy of which is set out at Part XXIX: "Nigerian Offering Commitment Form" of this Prospectus). Share certificates of investors who do not provide their CSCS account details will be dispatched by registered post not later than 15 business days from the allotment.

8. CREST

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and to be transferred otherwise than by a written instrument.

Application has been made for the Depositary Interests to be admitted to CREST with effect from the UK Admission. Accordingly, settlement of transactions in the Depositary Interests following the UK Admission may take place within the CREST System if any shareholder so wishes.

CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so. An investor applying for Ordinary Shares in the Global Offer may, however, elect to receive Ordinary Shares in uncertificated form in the form of Depositary Interests if that investor is a system-member (as defined in the Uncertificated Securities Regulations) in relation to CREST.

9. CSCS

CSCS is the agent for the central depository, clearing and settlement of trading in debt and equity securities listed on the NSE. CSCS uses a settlement period for trades on the NSE of T+3 by utilising an electronic book entry system to record and register the transfer of securities. This allows CSCS to exchange ownership of securities without any movement or endorsement of physical certificates or transfer instruments.

As the central depository of the NSE, all trading on the NSE is cleared and settled through the CSCS system. Investors holding physical share certificates are required to convert these into dematerialised units which may then be traded on the NSE and thereafter cleared and settled through the CSCS system.

10. LOCK-UP ARRANGEMENTS

Pursuant to the International Underwriting Agreement, the Company has agreed that, subject to certain exceptions, during a period expiring 180 days after the date of Admission, neither it nor any of its subsidiaries, without the prior written consent of the Joint Global Co-ordinators (on behalf of the Joint Bookrunners), will issue, offer, sell or contract to sell, or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares (or any interest therein) or enter into any transaction with the same economic effect, or agree to, or publicly announce any intention to enter into, as any of the foregoing.

Pursuant to stand-alone Lock-up Deeds, the Locked-up Persons have each agreed that, subject to certain exceptions, during a period expiring 365 days after the date of Admission (except (i) in the case of the Lock-up Deeds entered into by Mercuria Capital, the Blakeney Group, Quantum Power and Quantum Capital, which expire 180 days from the date of Admission, and (ii) in the case of the Lock-up Deed entered into by MPI, which expires 365 days from the date of Admission in respect of 50 per cent. of its shareholding immediately prior to Admission and 180 days from the date of Admission in respect of the other 50 per cent. of its shareholding immediately prior to Admission), they will not, without the prior written consent of the Joint Global Co-ordinators (on behalf of the Joint Bookrunners), directly or indirectly, offer, sell, contract to sell, grant or sell any options over, purchase any option or contract to sell, transfer, charge, mortgage, assign, pledge, grant any right or warrant to purchase, lend or otherwise transfer or dispose of any Ordinary Shares or any securities convertible or exchangeable into or exercisable for, or substantially similar to, Ordinary Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the Ordinary Shares, or enter into any swap or other agreement that transfers, in whole or in part, directly or indirectly, any of the economic consequences of ownership of Ordinary Shares, or any transaction with the same economic effect as, or agree to, or publicly announce any intention to do, any of such things. MPI's Lock-up Deed provides it with the right to charge, mortgage or pledge its Ordinary Shares as security to a bank or financial institution to secure any debt facilities it may enter into during the period of restriction, subject to prior notice being given to the Joint Global Co-ordinators and provided that such chargee, mortgagee or pledgee agrees to adhere to the MPI Lock-up Deed at the time of such charge, mortgage or pledge.

Further details of the International Underwriting Agreement and the Lock-up Deeds are set out in Part XVII: "Additional Information", section 10 of this Prospectus.

11. SELLING AND TRANSFER RESTRICTIONS

The distribution of this Prospectus and the Global Offer of Ordinary Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions, including those that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No action has been taken or will be taken by the Company or the Managers in any jurisdiction that would permit a public offering or sale of the Ordinary Shares, or possession or distribution of this Prospectus (or any other offering or publicity material relating to Ordinary Shares), in any country or jurisdiction where action for that purpose is required or doing so may be restricted by law.

None of the Ordinary Shares may be offered for subscription, sale or purchase or be delivered, and this Prospectus and any other offering material in relation to the Ordinary Shares may not be circulated, in any jurisdiction where to do so would breach any securities laws or regulations of any such jurisdiction or give rise to an obligation to obtain any consent, approval or permission or to make any application, filing or registration.

Persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions on the distribution of this Prospectus and the Global Offer contained in this Prospectus. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No Ordinary Shares have been marketed to, nor are they available for purchase in whole or in part by, the public in the United Kingdom or elsewhere in conjunction with the Global Offer. This Prospectus does not constitute a public offer or the solicitation of a public offer in the United Kingdom to subscribe for or buy any securities in the Company or any other entity.

11.1 European Economic Area

In relation to each Member State of the EEA which has implemented the Prospectus Directive (2003/71/EC) (each, a “**Relevant Member State**”) an offer to the public of any new Ordinary Shares may not be made in that Relevant Member State, except that the new Ordinary Shares may be offered to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to any legal entity which is a qualified investor as defined under the Prospectus Directive;
- (b) by the Managers to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Managers for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of new Ordinary Shares shall result in a requirement for the publication by the Company or any Manager of a Prospectus pursuant to Article 3 of the Prospectus Directive and each person who initially acquires new Ordinary Shares or to whom any offer is made will be deemed to have represented, warranted and agreed to and with the Managers and the Company that it is a “qualified investor” within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression “an offer to the public of any new Ordinary Shares” in relation to any new Ordinary Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Global Offer and the new Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the new Ordinary Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State. The expression “**Prospectus Directive**” means Directive 2003/71/EC (and any amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

In the case of any Ordinary Shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive each financial intermediary will be deemed to have represented, warranted and agreed that the new Ordinary Shares acquired by it in the Global Offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any new Ordinary Shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the Managers has been obtained to each such proposed offer or resale.

The Company, the Managers and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the Managers of such fact in writing may, with the consent of the Managers, be permitted to subscribe for or purchase Ordinary Shares in the Global Offer.

11.2 United States

The Ordinary Shares have not been and will not be registered under the US Securities Act or under any applicable state securities laws of the United States, and, subject to certain exceptions, may not be offered or sold within the United States. Accordingly, the Managers may offer the Ordinary Shares: (A) only through their US registered broker-dealer affiliates to persons reasonably believed to be QIBs in reliance on the exemption from the registration requirements of the US Securities Act provided by Rule 144A or another exemption from, or a transaction not subject to, the registration requirements of the US Securities Act; and (B) in compliance with Regulation S.

In addition, until 40 days after the commencement of the Global Offer, an offer of Ordinary Shares within the United States by a dealer (whether or not participating in the Global Offer) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

Each purchaser of Ordinary Shares in the United States will be deemed to have represented and agreed that:

- (a) it is (i) a QIB, (ii) acquiring the Ordinary Shares for its own account or for the account of one or more QIBs with respect to whom it has the authority to make, and does make, the representations and warranties set forth in paragraphs (a) through (g), (iii) acquiring the Ordinary Shares for investment purposes, and not with a view to further distribution of such Ordinary Shares, and (iv) aware, and each beneficial owner of the Ordinary Shares has been advised, that the sale of the Ordinary Shares to it is being made in reliance on Rule 144A or in reliance on another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act;
- (b) it understands and agrees that the Ordinary Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state, territory or other jurisdiction of the United States and may not be offered, resold, pledged or otherwise transferred except (A) (i) to a person whom the purchaser and any person acting on its behalf reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S, (iii) pursuant to an exemption from the registration requirements of the US Securities Act provided by Rule 144 thereunder (if available), or (iv) pursuant to an effective registration statement under the US Securities Act and (B) in accordance with all applicable securities laws of any state, territory or other jurisdiction of the United States;
- (c) it acknowledges that the Ordinary Shares (whether in physical, certificated form or in uncertificated form held in CREST) are “restricted securities” within the meaning of Rule 144(a)(3) under the US Securities Act, that the Ordinary Shares are being offered and sold in a transaction not involving any public offering in the United States within the meaning of the US Securities Act and that no representation is made as to the availability of the exemption provided by Rule 144 for resales of Ordinary Shares;
- (d) it understands that in the event Ordinary Shares are held in certificated form, such certificated Ordinary Shares will bear a legend substantially to the following effect:

“THE SECURITY EVIDENCED HEREBY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “US SECURITIES ACT”), ANY STATE SECURITIES LAWS IN THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) IN A TRANSACTION IN ACCORDANCE WITH RULE 144A UNDER THE US SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER, (B) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE US SECURITIES ACT, (C) PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT PROVIDED BY RULE 144 UNDER THE US SECURITIES ACT (IF AVAILABLE) OR (D) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE US SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY

RULE 144 UNDER THE US SECURITIES ACT FOR RESALES OF THIS SECURITY. EACH PURCHASER OF THIS SECURITY IS HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE US SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER AND EACH PURCHASER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS SECURITY FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. EACH HOLDER, BY ITS ACCEPTANCE OF THIS SECURITY, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS.”;

- (e) notwithstanding anything to the contrary in the foregoing, it understands that Ordinary Shares may not be deposited into an unrestricted depositary receipt facility in respect of Ordinary Shares established or maintained by a depositary bank unless and until such time as such Ordinary Shares are no longer “restricted securities” within the meaning of Rule 144(a)(3) under the US Securities Act;
- (f) it acknowledges that the Company, the Managers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements deemed to have been made by virtue of its purchase of Ordinary Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any Ordinary Shares as a fiduciary or agent for one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account; and
- (g) it agrees that it will give to each person to whom it transfers Ordinary Shares notice of any restrictions on transfer of such Ordinary Shares. Prospective purchasers are hereby notified that the Company and the sellers of the Ordinary Shares may be relying on the exemption from the provisions of Section 5 of the US Securities Act provided for by Rule 144A or another exemption from the registration requirements of the US Securities Act.

The Company, the Registrar, the Managers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

11.3 Nigeria

The ISA places restrictions on any invitation to the public to acquire or dispose of any securities of a body corporate except where such company is a public company whether quoted or unquoted and has complied with the provisions of the ISA on issuing a prospectus which has been registered with the Nigerian SEC. The Nigerian SEC Rules and Regulations further provide that it is an unlawful act for any person to offer for sale or to buy or sell securities which are subject to the provisions of the ISA or these rules and regulations: (i) before the issuer has filed a registration statement with the Nigerian SEC; or (ii) after the registration statement has been filed but before it is cleared by the Nigerian SEC; or (iii) after the completion board meeting but before the issue is authorised to open except where (a) there are preliminary negotiations or an actual agreement between the issuer and the underwriter, or (b) oral offers have been made (not to the public), or (c) notices of the proposed offering have been issued.

The Ordinary Shares will be offered in Nigeria through a book building exercise pursuant to Rules 320 to 323 of the Nigerian SEC Rules. Each purchaser of Ordinary Shares in Nigeria will be deemed to have represented and agreed that it is either a “High Networth Investor” or a “Qualified Institutional Investor” as such terms are defined in Rule 321 of the Nigerian SEC Rules.

11.4 Hong Kong

WARNING

The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong. Prospective investors are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this Prospectus, you should obtain independent professional advice.

- (i) Ordinary Shares have not been offered or sold and will not be offered or sold in Hong Kong by means of any document, other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in

other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

- (ii) No advertisement, invitation or document relating to the Ordinary Shares has been issued or will be issued, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Ordinary Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

11.5 Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Ordinary Shares have not been offered or sold and will not be offered or sold, or be made the subject of an invitation for subscription or purchase, nor will this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Ordinary Shares, be circulated or distributed, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Ordinary Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Ordinary Shares pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 32 of the Securities and Futures (Offer of Investments)(Shares and Debentures) Regulations 2005 of Singapore.

11.6 Lebanon

This Prospectus is not intended, nor should it be used, for solicitation of investments in Lebanon by any person. The Managers do not conduct sales or marketing in Lebanon, nor do they have any agents, or any authorised sales persons therein. No information appearing in this Prospectus shall be deemed as an offer for products, as defined in the applicable Lebanese laws and regulations (hereinafter referred to as “Products”), in Lebanon, from the Managers, their branches or their subsidiaries, or as an offer or the solicitation for a purchase or sale offer of securities or any other investment product in Lebanon other than in compliance with the laws and regulations of Lebanon governing the issue, offering and sale of Products. The Managers disclaim all liabilities regarding the content of these pages and the use that could be made by anyone of such content. Any person willing to be supplied with one of the Products presented herein should contact the Managers outside Lebanon in order to obtain information on the availability of the Product in question, as well as the contractual conditions and prices applicable thereto. Access to the Products described herein may be subject to restrictions vis-à-vis certain persons or in certain countries. None of the Products presented herein shall be supplied by the Managers to a person in the event that the

law of his/her country of origin, or any other country concerning him/her, prohibits it. The reader of this message should ensure that he/she is legally authorized to receive and read this Prospectus. The information and opinions included in this Prospectus are supplied by the Managers for information purposes. Information appearing in this Prospectus does not constitute, in any way, investment advice or legal, tax or other advice. Any investment decision must rely on relevant, specific and professional advice.

11.7 Kuwait

This Prospectus is not for general circulation to the public in Kuwait. The Ordinary Shares have not been licensed for offering in Kuwait by the Kuwait Capital Markets Authority or any other relevant Kuwaiti government agency. The offering of the Ordinary Shares in Kuwait on the basis of a private placement or public offering is, therefore, restricted in accordance with Decree Law No. 31 of 1990 and the implementing regulations thereto (as amended) and Law No. 7 of 2010 and the bylaws thereto (as amended). No private or public offering of the Ordinary Shares is being made in Kuwait, and no agreement relating to the sale of the Ordinary Shares will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Ordinary Shares in Kuwait.

11.8 Qatar

The Global Offer described in this Prospectus has not been offered, sold or delivered, and will not be offered, sold or delivered at any time, directly or indirectly in the State of Qatar in a manner that will constitute a public offering.

This Prospectus has not been, and will not be, registered with nor approved by Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority nor any other authority in Qatar and may not be publicly distributed. This Prospectus is intended only for the original recipient and must not be provided to any other person. It is not for general circulation in the State of Qatar and may not be reproduced or used for any other purpose.

11.9 UAE

The Ordinary Shares have not been and will not be offered, sold or publicly promoted or advertised in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities.

11.10 Dubai International Financial Centre

This Prospectus relates to an Exempt Offer in accordance with the Markets Rules Module of the Dubai Financial Services Authority (the “**DFSA**”) Rulebook. This Prospectus is intended for distribution only to Professional Clients that are not natural persons. It must not be delivered to, or relied on by, any other person.

The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Prospectus nor taken steps to verify the information set out in it, and has no responsibility for it. The Ordinary Shares to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Ordinary Shares offered should conduct their own due diligence on the Ordinary Shares.

If you do not understand the contents of this Prospectus you should consult an authorised financial adviser.

The Ordinary Shares have not been offered and will not be offered to any person in the Dubai International Financial Centre unless such offer is:

- (a) an “Exempt Offer” in accordance with the Markets Rules Module of the DFSA Rulebook; and
- (b) made only to persons that meet the Professional Client criteria set out in Rule 2.3.2 of the Conduct of Business Module of the DFSA Rulebook.

11.11 South Africa

The Global Offer does not constitute an “offer to the public” (as such expression is defined in the South African Companies Act, No. 71 of 2008 (as amended)) (“**South African Companies Act**”) in South Africa and this Prospectus does not, nor is it intended to, constitute a “registered prospectus” (as that term is

defined in the South African Companies Act) prepared and registered under the South African Companies Act.

To the extent that the Ordinary Shares are offered for subscription or sale in South Africa, such Global Offer is made: (i) only to persons described in section 96(1)(a) of the South African Companies Act; and/or (ii) in terms of section 96(1)(b) of the South African Companies Act such that the total acquisition cost of the shares for any single addressee acting as principal is equal to or greater than South African Rand 1,000,000.

Accordingly, the Global Offer made in terms of this Prospectus does not constitute an “offer to the public or any section of the public” within the meaning of the South African Companies Act.

11.12 Australia

This Prospectus has not been lodged with the Australian Securities and Investments Commission (“ASIC”) in relation to the Global Offer. This Prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001 (Cth) (the “Corporations Act”), and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the Ordinary Shares may only be made to persons who are “sophisticated investors” (within the meaning of section 708(8) of the Corporations Act), to “professional investors” (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the Ordinary Shares without disclosure to investors under Chapter 6D of the Corporations Act.

In addition, the Ordinary Shares will not be offered for sale in Australia in the period of 12 months after the date of allotment under the Global Offer, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring Ordinary Shares must observe such Australian on-sale restrictions.

This Prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this Prospectus is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

12. OTHER RELATIONSHIPS

The Managers and their respective affiliates have engaged in transactions with, and have performed various investment banking, lending, financial advisory and other services for, the Group and its affiliates, for which they received customary fees, and they and their respective affiliates may provide such services for the Group and its affiliates in the future. For example, BNP Paribas and Standard Bank, two of the Managers, have (either directly or through affiliates) provided bank financing to the Group in the past, and BNP Paribas and Standard Bank have provided and continue to provide certain M&A advisory services to the Group. Moreover, in the ordinary course of their business activities, the Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments, including corporate debt facilities, of the Group.

PART XVI TAXATION

1. Overview

The statements set out below are intended only as a general guide to current tax law and what is understood to be the current published practice in Nigeria, the UK and the US, which is subject to change at any time, possibly with retrospective effect. They are intended as a general guide only for holders of Ordinary Shares who hold their Ordinary Shares as investments and not as trading stock and who are the beneficial owners of those Ordinary Shares. This summary does not purport to be a complete analysis or listing of all of the potential tax consequences of acquiring, holding and disposing of Ordinary Shares and is not intended to be, nor should it be considered, legal or tax advice.

The statements are not applicable to all categories of holders of Ordinary Shares and, in particular, are not addressed to: (i) special classes of holders, such as (but not limited to) dealers in securities, insurance companies, collective investment schemes and tax exempt organisations; (ii) persons connected with the Company; (iii) holders who hold Ordinary Shares as part of hedging or conversion transactions; (iv) holders who have (or are deemed to have) acquired their Ordinary Shares by virtue of an office or employment and holders who are or have been officers or employees of the Company; or (v) holders that do not acquire the shares as initial shareholders in the Offering.

Prospective investors in Ordinary Shares who are in any doubt about their tax position, or who are resident or may otherwise be subject to taxation in a jurisdiction other than Nigeria, the UK or the US should consult their own professional advisers.

2. Nigerian taxation

2.1 Taxation of capital gains

The Nigerian Capital Gains Tax Act exempts the gains from the sale of shares in Nigeria from taxation. Consequently there will be no capital gains tax on the sale of the shares irrespective of the residence of the seller or buyer of the shares.

2.2 Taxation of dividends paid on the shares

Nigerian withholding tax is paid on dividends and the Company is expected by virtue of Section 80 of the Companies Income Tax Act (“CITA”) to withhold 10 per cent. on the sum to be distributed as dividends to its shareholders and remit to the Federal Inland Revenue Service. Dividends received by a foreign investor from its investment in shares in a Nigerian company will be subject to the withholding of tax under Nigerian law, at the rate of 10 per cent. Where the recipient is not resident in Nigeria, the tax withheld will be the final tax. Where the recipient of the dividends is a national or company from a country with which Nigeria has a double taxation agreement, the applicable withholding tax rate is reduced from 10 per cent. to 7.5 per cent. Nigeria has entered into double taxation treaties with Belgium, Canada, France, The Netherlands, Pakistan, the Philippines, Romania, South Africa and the United Kingdom. Investors from double tax treaty countries are advised to consult their tax advisers on how to claim this status for purposes for their dividends. Dividends paid out of profits derived from petroleum operations which have been taken into account under the PPT in the calculation of any chargeable profits upon which tax is charged, assessed and paid are not liable to any further tax (including withholding tax). Therefore, under current Nigerian laws, any dividend received by the investor from its investment would not be liable to any further tax other than the PPT payable by the Company.

2.3 Stamp Duty

The Nigerian Stamp Duties Act specifies that duties shall be charged on certain instruments including deeds of assignment, mortgages (including their “transfer, assignment and disposition”), “conveyance or transfer on sale of any property” and powers of attorney.

Usually, in Nigeria, stamping is a prerequisite to registration of any document recording a change in the title to a chargeable instrument. All documents/instruments/conveyances submitted for stamping in execution of any planned sale of shares would be liable to stamp duties.

However, if the documents (for example, instruments of transfer) are executed abroad (outside Nigeria), stamp duties would become payable within 30 days of being brought into Nigeria. In practice, this requirement for stamp duty only arises where the parties have agreed to stamp the document as future evidence to be used in a court of law.

3. United Kingdom taxation

The statements set out below in relation to certain UK taxes are not applicable to all categories of holders of Ordinary Shares and in particular are not addressed to: (i) UK non-resident holders who hold Ordinary Shares in connection with a trade, profession or vocation carried on in the UK (whether through a branch or agency or, in the case of a corporate holder, through a permanent establishment or otherwise); (ii) holders of Ordinary Shares who own (or are deemed to own) five per cent. or more of the Ordinary Shares and/or voting power of the Company; or (iii) UK resident holders who are not domiciled in the UK.

3.1 Taxation of dividends

Dividends may be paid by the Company without withholding or deducting for or on account of UK income tax. Liability for UK tax on dividends paid by the Company will depend on the individual circumstances of the relevant shareholder.

UK resident shareholders will, subject to their individual circumstances, be subject to UK income tax or, as the case may be, corporation tax on dividends paid to them by the Company.

UK resident individual shareholders will be entitled (subject to certain conditions, including that the Company is not a “bond fund” as referred to below) to a UK tax credit equal to one-ninth of the amount of the cash dividend (without any reduction to reflect any Nigerian tax which may have been withheld from the dividend), equivalent to 10 per cent. of the gross dividend (without any reduction to reflect any Nigerian tax which may have been withheld from the dividend), which may be deducted from the shareholder’s total UK income tax liability. To the extent that the tax credit exceeds the shareholders’ total UK income tax liability the tax credit will not be repaid. When dividends are paid subject to Nigerian withholding tax, UK tax resident individuals will generally be entitled to claim a credit for that Nigerian withholding tax, which will be given by reducing what would otherwise be their UK income tax liability for the tax year in question. When such credit is claimed in respect of the Nigerian tax, no deduction is to be made for the Nigerian tax in working out the amount of the taxable income arising in respect of the dividend.

A UK resident individual shareholder who is not liable to UK income tax in respect of the gross dividend and other UK resident taxpayers who are not liable to UK tax on dividends, including pension funds and charities, will not be entitled to claim repayment of the UK tax credit attaching to dividends paid by the Company.

Shareholders who are within the charge to UK corporation tax will generally not be subject to corporation tax on dividends paid by the Company, unless (subject to special rules for such shareholders that are small companies) the dividends fall outside an exempt class and certain other conditions are not met.

Shareholders who are not resident for tax purposes in the UK should obtain their own tax advice concerning tax liabilities on dividends received from the Company.

The statements contained under the heading “Taxation of dividends” in this section 3.1 reflect the Company’s understanding of the correct interpretation of current UK tax law. However, where distributions are made following a reduction of capital or similar transaction, there is a risk that such a distribution may not be taxed under the rules for income distributions, but is instead within the charge to tax on chargeable gains. In such circumstances, shareholders are advised to consult their own professional advisers in relation to the implications of distributions from the Company.

3.2 Taxation of capital gains

A disposal or deemed disposal of Ordinary Shares by an individual shareholder who is (at any time in the relevant UK tax year) resident in the UK for tax purposes may, depending upon the shareholder’s circumstances and subject to any available exemption or relief (such as the annual exempt amount), give rise to a chargeable gain or an allowable loss for the purposes of UK capital gains tax. An individual shareholder who ceases to be resident in the UK for a period of five years or less and who disposes of (or is deemed to dispose of) the shares during that period of temporary non-residence may, depending on his or her circumstances, be liable to capital gains tax on his or her return to the UK (subject to available exemptions or reliefs).

A disposal or deemed disposal of Ordinary Shares by a corporate shareholder which is resident in the UK for tax purposes may, depending upon the shareholder’s circumstances, give rise to a chargeable gain or an allowable loss for the purposes of corporation tax (subject to any available exemptions or reliefs).

A shareholder who is not resident in the UK for tax purposes will not be liable for UK taxation of capital gains on the disposal or deemed disposal of Ordinary Shares unless that shareholder carries on a trade, profession or vocation in the UK through a branch or agency in the UK or, in the case of a corporate shareholder, carries on a trade in the UK through a permanent establishment or otherwise and the Ordinary Shares were acquired for use by or for the purposes of, or used or held for the purposes of, the branch, agency or permanent establishment, as the case may be, or used in or for the purposes of the trade, profession or vocation carried on by the shareholder through the branch, agency or permanent establishment, as the case may be.

The Taxation (International and Other Provisions) Act 2010 and the Offshore Funds (Tax) Regulations 2009 contain provisions (the “offshore fund rules”) which apply to persons who hold an interest in an entity which is an “offshore fund” for the purposes of those provisions. Under the offshore fund rules, any gain accruing to a person upon the sale or other disposal of an interest in an offshore fund can, in certain circumstances, be chargeable to UK tax as income, rather than as a capital gain.

The offshore fund rules will only apply to an investment in Ordinary Shares if a reasonable investor acquiring those Ordinary Shares in the Company would expect to be able to realise all or part of his investment on a basis calculated entirely, or almost entirely, by reference to the net asset value of assets that are attributable to the Ordinary Shares or by reference to an index of any description. An exception to the offshore fund rules exists where such an expectation to realise an investment in Ordinary Shares arises only upon the winding-up of the Ordinary Share class and the Ordinary Share class has an indefinite life. In view of this exception, the Company is of the view that the Ordinary Share class would not constitute an offshore fund for such an investor. On that basis, the offshore fund rules should not apply to such investors and any gain realised by an investor who is within the scope of UK taxation on a disposal of Ordinary Shares should not be taxable under the offshore fund rules. For similar reasons, the “bond fund rules” in Chapter 2 of Part 6 of the Corporation Tax Act 2009 should not apply to such an investor. Therefore any gains on such disposals will generally be taxable as capital gains.

3.3 Certain other provisions of UK tax legislation

The attention of shareholders who are individuals resident in the UK for tax purposes is drawn to the provisions set out in Chapter 2 of Part 13 of the UK Income Tax Act 2007, which may render those individuals liable to UK income tax in respect of undistributed income and profits (but not capital gains) of the Company.

The attention of shareholders (whether corporate or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of Income Tax Act 2007, which (in each case) give powers to HM Revenue and Customs to raise tax assessments so as to cancel “tax advantages” derived from certain prescribed “transactions in securities”.

3.4 Stamp Duty/Stamp Duty Reserve Tax (“SDRT”)

No UK stamp duty or SDRT will arise on the issue of Ordinary Shares by the Company. No UK stamp duty will be required to be paid on the transfer of the Ordinary Shares or Depositary Interests, provided that any instrument of transfer is not executed in the UK and does not relate to any property situate, or to any matter or thing done, or to be done, in the UK. Any agreement to transfer Ordinary Shares or Depositary Interests should not be subject to UK SDRT, provided that the Ordinary Shares are not registered in any register maintained in the UK by or on behalf of the Company and, in the case of Depositary Interests, provided further that the Company is not centrally managed and controlled in the UK and that the Ordinary Shares are listed on a recognised stock exchange (within the meaning given by Section 1137(l) of the Corporation Tax Act 2010). The Company does not intend that any such register will be maintained in the UK and intends to maintain its central management and control outside the UK.

Any person who is in doubt as to his or her taxation position should consult his or her professional tax adviser.

4. Certain US federal income tax considerations

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF US FEDERAL TAX ISSUES IN THIS PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE ISSUER IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUER OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

* * * * *

The following is a summary of certain material US federal income tax consequences of the acquisition, ownership and disposition of Ordinary Shares by a US Holder (as defined below). This summary deals only with initial purchasers of Ordinary Shares that are US Holders and that will hold the Ordinary Shares as capital assets. The discussion does not cover all aspects of US federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Ordinary Shares by particular investors. Further, this summary does not address any alternative minimum tax consequences, US federal estate or gift tax laws or any state, local, foreign or other tax laws. This summary also does not address tax considerations applicable to investors that own (directly or indirectly) 10 per cent. or more of the voting stock of the Company, nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the US federal income tax laws (such as financial institutions, insurance companies, partnerships or other pass-through entities for US federal income tax purposes or investors in such entities, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the Ordinary Shares as part of straddles, hedging transactions or conversion transactions for US federal income tax purposes, investors subject to tax on net investment income or investors whose functional currency is not the US Dollar).

As used herein, the term “US Holder” means a beneficial owner of Ordinary Shares that is, for US federal income tax purposes:

- (i) an individual citizen or resident of the United States;
- (ii) a corporation created or organised under the laws of the United States or any State thereof;
- (iii) an estate the income of which is subject to US federal income tax without regard to its source; or
- (iv) a trust if (A) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more US persons have the authority to control all substantial decisions of the trust, or (B) the trust has elected to be treated as a domestic trust for US federal income tax purposes.

The US federal income tax treatment of a partner in an entity treated as a partnership for US federal income tax purposes that holds Ordinary Shares will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities treated as partnerships for US federal income tax purposes should consult their tax advisers concerning the US federal income tax consequences to their partners of the acquisition, ownership and disposition of Ordinary Shares by the partnership.

The summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as of the date hereof and all subject to change at any time, possibly with retroactive effect. The authorities on which this summary is based are subject to various interpretations, and any views in this summary are not binding on the Internal Revenue Service (the “IRS”) or the courts. No assurances can be given that the IRS or the courts will agree with the tax consequences as described in this Prospectus.

THE SUMMARY OF US FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING THE ORDINARY SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

4.1 Dividends

Subject to the PFIC rules discussed below, distributions paid by the Company out of current or accumulated earnings and profits (as determined for US federal income tax purposes) will generally be taxable to a US Holder as foreign source dividend income, and will not be eligible for the dividends received deduction allowed to corporations. Such dividends also will not be eligible for the reduced rate of tax generally available for dividends paid by US corporations and certain qualified foreign corporations. Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the US Holder's basis in the Ordinary Shares and thereafter as capital gain. However, the Company does not maintain calculations of its earnings and profits in accordance with US federal income tax accounting principles. US Holders should therefore assume that any distribution by the Company with respect to Ordinary Shares will constitute ordinary dividend income. US Holders should consult their own tax advisers with respect to the appropriate US federal income tax treatment of any distribution received from the Company.

Prospective purchasers should consult their tax advisers concerning the applicability of the foreign tax credit and source of income rules to dividends on the Ordinary Shares.

Dividends paid in Pounds Sterling will be included in income in a US Dollar amount calculated by reference to the exchange rate in effect on the day the dividends are received by the US Holder, regardless of whether the Pounds Sterling are converted into US Dollars at that time. If dividends received in Pounds Sterling are converted into US Dollars on the day they are received, the US Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income.

4.2 Sale or Other Disposition

Subject to the PFIC rules discussed below, upon a sale or other disposition of Ordinary Shares, a US Holder generally will recognise capital gain or loss for US federal income tax purposes equal to the difference, if any, between the amount realised on the sale or other disposition and the US Holder's adjusted tax basis in the Ordinary Shares. This capital gain or loss will be long-term capital gain or loss if the US Holder's holding period in the Ordinary Shares exceeds one year. Any gain or loss will generally be US source.

A US Holder's tax basis in an Ordinary Share will generally be its US Dollar cost. The US Dollar cost of an Ordinary Share purchased with foreign currency will generally be the US Dollar value of the purchase price on the date of purchase, or the settlement date for the purchase, in the case of Ordinary Shares traded on an established securities market, within the meaning of the applicable Treasury Regulations, that are purchased by a cash-basis US Holder (or an accrual-basis US Holder that so elects). Such an election by an accrual-basis US Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

The amount realised on a sale or other disposition of Ordinary Shares for an amount in foreign currency will be the US Dollar value of this amount on the date of sale or disposition. On the settlement date, the US Holder will recognise US source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the US Dollar value of the amount received based on the exchange rates in effect on the date of sale or other disposition and the settlement date. However, in the case of Ordinary Shares traded on an established securities market that are sold by a cash-basis US Holder (or an accrual-basis US Holder that so elects), the amount realised will be based on the exchange rate in effect on the settlement date for the sale, and no exchange gain or loss will be recognised at that time.

4.3 Disposition of Foreign Currency

Foreign currency received on the sale or other disposition of an Ordinary Share will have a tax basis equal to its US Dollar value on the settlement date. Foreign currency that is purchased will generally have a tax basis equal to the US Dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase Ordinary Shares or upon exchange for US Dollars) will be US source ordinary income or loss.

4.4 Passive Foreign Investment Company Considerations

A foreign corporation will be a PFIC in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable "look-through rules," either (i) at least 75 per cent. of its gross income is "passive income" or (ii) at least 50 per cent. of the average value of

its assets is attributable to assets which produce passive income or are held for the production of passive income. Although income from the sales of commodities is generally passive income, a special rule treats active business gains from the sales of commodities as non-passive income provided certain requirements are met. To the extent that the Company derives income from the sale of commodities, the Company believes that it currently meets these requirements.

Based on the nature of the Company's business and assets, the Company believes that it was not a PFIC in the last taxable year and that it will not be a PFIC for the foreseeable future. However, the Company's possible status as a PFIC must be determined annually and therefore it is possible that the Company may become a PFIC in the future.

If the Company is a PFIC in any year during which a US Holder owns Ordinary Shares, and the US Holder has not made a mark to market or qualified electing fund election the US Holder would be required (i) to pay tax on any gain from the sale of Ordinary Shares at ordinary income (rather than capital gains) rates and (ii) to pay a special addition to US federal income tax on such gain and on certain distributions with respect to Ordinary Shares. Prospective purchasers should consult their tax advisers regarding the potential application of the PFIC regime.

4.5 Backup Withholding and Information Reporting

Payments of dividends and other proceeds with respect to Ordinary Shares by a US paying agent or other US intermediary will be reported to the IRS and to the US Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the US Holder fails to provide an accurate taxpayer identification number, establish an exemption from backup withholding or report all interest and dividends required to be shown on its US federal income tax returns. Certain US Holders are not subject to backup withholding. US Holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

4.6 Foreign Financial Asset Reporting

US taxpayers generally are required to report, on IRS Form 8938, their ownership of certain foreign financial assets, including equity of foreign entities, if the aggregate value of such assets exceeds US\$50,000 at the end of the taxable year or US\$75,000 at any time during the taxable year. The Ordinary Shares will constitute foreign financial assets subject to these requirements unless the Ordinary Shares are held in an account at a domestic financial institution. US Holders should consult their tax advisers regarding the application of this reporting requirement.

PART XVII ADDITIONAL INFORMATION

1. RESPONSIBILITY

The Directors, whose names appear on page 95, and the Company accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors and the Company (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omissions likely to affect its import.

DMCL accepts responsibility only for the information contained in the CPRs, as are set out in Part XVIII: “Competent Person’s Report on OMLs 4, 38 and 41”, Part XIX: “Competent Person’s Report on the Umuseti/Igbuku Fields” and Part XX: “Competent Person’s Report on OML 53”. To the best of the knowledge of DMCL (which has taken reasonable care to ensure that such is the case), the information contained in the CPRs is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. THE COMPANY

- 2.1** The Company was incorporated and registered on 17 June 2009 for an unlimited term with the Corporate Affairs Commission of Nigeria with RC number 824838.
- 2.2** The Company is a public limited company under Nigerian law whose registered office is located at 25a Lugard Avenue, Ikoyi, Lagos, Nigeria and whose telephone number is +234 12770400.
- 2.3** On 3 October 2013, the Company was re-registered as a public limited company and changed its name to “SEPLAT Petroleum Development Company Plc”.
- 2.4** The Company is domiciled in Nigeria.

3. SHARE CAPITAL

- 3.1** Since incorporation of the Company, there have been the following changes to its authorised and issued share capital:
 - 3.1.1** on incorporation on 17 June 2009, the authorised share capital was ₦1,000,000 divided into 1,000,000 Ordinary Shares of one Naira each;
 - 3.1.2** the subscribers to the Company’s share capital at incorporation were Anthony Anyavgo and Raymond Okolo, each of whom held 500,000 Ordinary Shares;
 - 3.1.3** on 10 December 2009, Anthony Anyavgo and Raymond Okolo transferred their respective shareholdings in the Company to Shebah Nigeria and Platform Nigeria respectively;
 - 3.1.4** on 22 December 2009, the Company increased its authorised share capital to ₦100,000,000 and issued 99,000,000 new Ordinary Shares as follows:
 - (a) 32,500,000 Ordinary Shares were issued to Shebah Nigeria credited as fully paid by means of a contribution in services;
 - (b) 21,500,000 Ordinary Shares were issued to Platform Nigeria credited as fully paid by means of a contribution in services; and
 - (c) 45,000,000 Ordinary Shares were issued to Etablissements Maurel et Prom credited as fully paid by cash at par value;
 - 3.1.5** on 29 January 2010, Etablissements Maurel et Prom transferred its entire shareholding in the Company to MPI;
 - 3.1.6** on 29 March 2010,
 - (a) Shebah Nigeria transferred its entire shareholding in the Company to Shebah; and
 - (b) Platform Nigeria transferred its entire shareholding in the Company to Platform;

- 3.1.7** on 20 February 2012, Shebah transferred 2,000,000 Ordinary Shares to Platform;
- 3.1.8** on 26 July 2013, the Company subdivided its issued share capital of 100,000,000 Ordinary Shares of one Naira each into 200,000,000 Ordinary Shares of 50 kobo each. The new Ordinary Shares were issued and allotted, as a bonus issue (dividend in specie), pro rata to the existing shareholders at the time as follows:
- (a) 31,000,000 Ordinary Shares of 50 kobo each to Shebah credited as fully paid, which increased Shebah's aggregate shareholding to 62,000,000 Ordinary Shares;
 - (b) 24,000,000 Ordinary Shares of 50 kobo each to Platform credited as fully paid, which increased Platform's aggregate shareholding to 48,000,000 Ordinary Shares; and
 - (c) 45,000,000 Ordinary Shares of 50 kobo each to MPI credited as fully paid, which increased MPI's aggregate shareholding to 90,000,000 Ordinary Shares;
- 3.1.9** on 26 July 2013, the Company increased its authorised share capital by ₦100,000,000 to ₦200,000,000 comprised of 400,000,000 new Ordinary Shares of 50 kobo each. 200,000,000 Ordinary Shares of 50 kobo each were issued and allotted, as a bonus issue (dividend in specie), pro rata to the existing shareholders as follows:
- (a) 62,000,000 Ordinary Shares of 50 kobo each to Shebah credited as fully paid, which increased Shebah's aggregate shareholding to 124,000,000 Ordinary Shares;
 - (b) 48,000,000 Ordinary Shares of 50 kobo each to Platform credited as fully paid, which increased Platform's aggregate shareholding to 96,000,000 Ordinary Shares; and
 - (c) 90,000,000 Ordinary Shares of 50 kobo each to MPI credited as fully paid, which increased MPI's aggregate shareholding to 180,000,000 Ordinary Shares;
- 3.1.10** on 31 July 2013, the Company further increased its authorised share capital by ₦100,000,000 to ₦300,000,000 comprised of 600,000,000 Ordinary Shares of 50 kobo each, of which 400,000,000 had been issued and 200,000,000 remained unissued; and
- 3.1.11** on 31 July 2013, the Company further increased its authorised share capital by ₦200,000,000 to ₦500,000,000 comprised of 1,000,000,000 Ordinary Shares of 50 kobo each, of which 400,000,000 had been issued and 600,000,000 remained unissued.
- 3.2** The Ordinary Shares' nominal value is denominated in Naira.
- 3.3** The Ordinary Shares are in registered form and are capable of being held in certificated and uncertificated form.
- 3.4** The Company has applied for the Depositary Interests to be admitted to CREST with effect from Admission and it is therefore expected that the Depositary Interests will also be capable of being traded in CREST from Admission. The records in respect of Depositary Interests held in uncertificated form will be maintained by Euroclear and the Depositary.
- 3.5** The issued and fully paid share capital of the Company as at the Latest Practicable Date is as follows:

<u>Class of shares</u>	<u>Number</u>	<u>Amount</u>
Ordinary Shares	400,000,000	₦200,000,000

The major shareholders do not have different voting rights from those of any other holders of Ordinary Shares.

- 3.6** On 22 August 2013, MPI sold 10 per cent. of its then 45 per cent. shareholding in the Company for an aggregate cash consideration of US\$98,000,000, as follows:
- (a) 24,000,000 Ordinary Shares, equivalent to 6.00 per cent. of the total issued share capital of the Company (at that date), to Mercuria Capital pursuant to a sale and purchase agreement between MPI and Mercuria Capital; and

- (b) 16,000,000 Ordinary Shares, equivalent to 4.00 per cent. of the total issued share capital of the Company (at that date), to the Blakeney Group pursuant to a sale and purchase agreement between MPI and the Blakeney Group.

Pursuant to a mandate given to the Company by MPI, the Company assisted in organising a sale process that resulted in the above-mentioned sales of Ordinary Shares by MPI to Mercuria Capital and the Blakeney Group. As part of this mandate, an amount of US\$4,100,000 was paid to the Company by MPI.

- 3.7 On 20 August 2013, Shebah sold 19,996,000 Ordinary Shares, equivalent to 4.99 per cent. of the total issued share capital of the Company (at that date), for cash consideration of US\$49,000,000 to Quantum Capital pursuant to a sale and purchase agreement between Quantum Capital and Shebah.
- 3.8 On 24 December 2013, MPI sold 19,600,000 Ordinary Shares, equivalent to 4.90 per cent. of the total issued share capital of the Company (at that date), for cash consideration of US\$49,000,000 to Quantum Power pursuant to a sale and purchase agreement between Quantum Power and MPI.

4. CORPORATE STEPS TAKEN PRIOR TO THE PUBLICATION OF THIS DOCUMENT

- 4.1 On 31 July 2013, the Company resolved to amend its Articles of Association to reflect its status as a public company whose shares are to be listed on the London Stock Exchange and the NSE.
- 4.2 By a series of special resolutions of the Company on 8 October 2013, it was resolved that: (i) the Company authorised the issue of the Ordinary Shares in connection with the Global Offer; and (ii) an application be made for the Ordinary Shares to be admitted to the Official List of the FCA by way of a standard listing and to trading on the London Stock Exchange's main market and for the Ordinary Shares to also be listed by way of introduction for trading on the official list of the NSE.

5. MEMORANDUM OF ASSOCIATION

The Company's memorandum of association states the Company's objects and purpose at Article 3 as follows:

- To carry on the business of exploration, development, production, storage and transportation of petroleum products including carrying on such business onshore, within territorial waters, coastal loading and discharging ports, and to acquire or own oil fields, equipment or facilities and oil wells through licenses and payment of oil royalties and to install and operate machineries and other facilities for drilling oil and petroleum gas, and all other petroleum and allied minerals from oil wells;
- To carry on the business of oil and gas industrial materials for clients and carry on the business either as independent marketers or otherwise for sales of all varieties of petroleum products and erect structures for the purpose;
- To prospect for and to develop petroleum resources and to carry on all ancillary business related to petroleum development;
- To construct and maintain pipelines for the transportation of liquid and gases by means of such pipelines and to utilise and to sell and supply liquids and gases to others; to store the same in tanks or otherwise and to lay, buy, lease, sell and operate such pipelines, tanks and other storage facilities;
- To purchase, take on lease or in exchange, or otherwise acquire, any lands and to lay out, improve and prepare the same for building or commercial purposes; to sell, mortgage, or let the same; to construct, alter, repair, pull down, decorate, maintain, furnish, fit up and improve buildings; to lay out, construct and pave roads, street, alleys, paths and walks, to drain, improve and landscape grounds, and to advance money to, and enter into contracts and arrangements of all kinds with, builders, property owners, tenants and others;
- To own, acquire, construct, establish, install, lay out, improve, maintain, work, manage, operate, carry out or control, or aid in, contribute or subscribe to the construction, erection, maintenance and improvement or working of, any roads, ways, aerodromes and landing fields, docks, wharves, piers, bridges, jetties, dredging facilities, mooring, harbour abutments, viaducts, aqueducts, canals, water courses, tanks, wells, reservoirs, hydraulic works, stations and pumps services, storage installations, accumulation services and telephones, wireless, gas works, steam works, electric lighting and power

works, power houses, laboratories, workshops, machine shops, warehouses, garages, fuel stations, guard towers, machinery and other appliances, guest houses, clubs, restaurants, hospitals, dispensaries, places of amusement, pleasure grounds, parks, gardens, reading rooms, dwelling-houses, office and other buildings, works and conveniences which may be calculated directly or indirectly, to advance the Company's interests and to contribute to, or assist or take part in, the construction, improvement, maintenance working, management, carrying out or control thereof, and to take any lease or enter into any working agreement in respect thereof;

- To amalgamate, consolidate or merge, with a view to effecting a union of interests, either in whole or in part, with or into any other companies, associations, firms or persons carrying on any trade or business of a similar nature to that which the Company is authorised to carry on;
- To borrow or raise money in such manner as the Company shall think fit, and in particular by the issue of debentures or debenture stock (perpetual or otherwise), and to secure the repayment of any money borrowed, raised or owing, by mortgage charge or lien upon the whole or any part of the Company's property or assets (whether present or future) including its uncalled capital, and also by similar mortgage, charge, lien to secure and guarantee the performance by the Company of any obligations or liability it may undertake; and
- To do all such other things as may be considered to be incidental or conducive to the attainment of the above objects or any of them.

6. ARTICLES OF ASSOCIATION SUMMARY

The Articles, which were adopted by special resolution passed on 31 July 2013, contain, among others, provisions to the following effect:

6.1 Share rights

Without prejudice to special rights previously conferred on the holders of any shares or class of shares, any share in the Company may be issued with or have attached to it such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may from time to time in a general meeting determine.

Subject to the provisions of CAMA, any preference shares may by special resolution be issued on the terms that they are, or at the option of the Company are liable to be, redeemed on such terms and in such manner as the Company may by special resolution determine.

The Company may exercise the powers of paying commissions conferred by Section 131 of CAMA, provided that the rate or amount of the commission paid or agreed to be paid and the number of shares agreed for commission shall be disclosed in the manner required by the said section, and that such commission shall not exceed 10 per cent. of the price at which the shares are issued. The Company may also on any issue of shares pay such brokerage as may be lawful. Any such commission or brokerage may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or other securities or the grant of an option to call for an allotment of shares or any combination of such methods.

If any shares of the Company are issued for the purpose of raising money to settle the expenses of the construction of any works or buildings or the provisions of any plant which cannot be made profitable for a lengthened period, the Company may, subject to the conditions and restrictions mentioned in Section 113 of CAMA, pay interest on the amount of such share capital as may for the time being be paid up and may charge the same to capital as part of the cost of construction of the works or buildings or the provisions of the plant.

Except as ordered by a court of competent jurisdiction or as by law required, no person shall be recognised by the Company as a shareholder unless their name appears on the register of members and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by the Articles or by law otherwise provided) any other right in respect of any share except an absolute right of the registered holder of the whole of the share.

The Directors shall, subject always to any applicable laws and regulations (including the uncertificated securities rules) and facilities and the requirements of any relevant system, have power to implement and/or approve any arrangement they may think fit in relation to the evidencing of title to and transfer of interests in shares in the capital of the Company in the form of depositary interests or similar interests, instruments or securities.

6.2 Modification of Share Rights

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may from time to time be modified, varied or surrendered with the consent in writing of the holders of not less than three-quarters of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of all the holders of the shares of the class. To every such separate general meeting, the provisions of the Articles relating to general meetings of the Company shall apply, however the necessary quorum shall be two members at least holding or representing by proxy not less than one-third of the paid up shares of the class, provided that, if any such separate general meeting shall be adjourned by reason of there being no quorum present and at the adjourned meeting a quorum shall not be present within thirty minutes from the time appointed for such adjourned meeting, the holders of the class of shares in question who are present shall be a quorum. Any holder of shares of the class present in person or by proxy may demand a poll.

The special rights conferred upon the holders of any shares or class of shares issued with preferred or other rights shall not, unless otherwise expressly provided by the conditions of issue of such shares, be deemed to be altered by the creation or issue of further shares ranking *pari passu* with them.

6.3 Transfer of Shares

The transfer of any share in the Company shall be by instrument of transfer in the usual common form signed by the transferor and the transferee or any other form which the Directors may approve. The transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered in the register of members in respect of those shares.

The transfer of any share in uncertificated form can be by means of a relevant system in such manner provided for, and subject as provided in, the uncertificated securities rules.

The Board may, at its discretion and without assigning any reason, refuse to register any transfer of shares on which the Company has a lien and the Board may refuse to register a transfer of uncertificated shares in any circumstances that are allowed or required by the uncertificated securities rules and the relevant system. The Company reserves the right to refuse to register more than three persons as joint holders of a share. However, such right shall not apply to executors or trustees of a deceased holder.

If the Board refuses to register a transfer of any share, it shall, within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.

The Directors may also decline to recognise any instrument of transfer unless the instrument of transfer is accompanied by the certificate of the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, the instrument of transfer is in respect of only one class of shares, and the instrument of transfer is accompanied by one or other of the declarations set out in the Articles signed by the transferee.

Under Nigerian law, a company is entitled to refuse to recognise the instrument of transfer if: (i) any prerequisite fees for the instrument is unpaid; (ii) the instrument is not accompanied by the share certificate or other acceptable evidence of ownership of shares by the transferor; or (iii) one instrument is executed in respect of more than one class of shares. As a result of the Company being a Nigerian public listed company, certain regulatory requirements will need to be met regarding the ownership and transfer of its shares, including: (i) notification to the SEC must be made by the Company's registrar if an individual's shareholding in a listed company is 5 per cent. or over, or of any transaction which relates to a 5 per cent. shareholding; (ii) transfer of its shares has to be crossed on the floor of the NSE through a duly licensed stockbroker in Nigeria; (iii) prior to transfer, any shares held in certificated form must be delivered to the Registrar so that the certificate may be dematerialised and held in electronic form in the Central Securities Clearing System Plc; (iv) disclosure to the Nigerian SEC of any sales and purchases of shares by insiders (as defined under the ISA and the Nigerian SEC Rules) of the Company (Directors, officers, and employees of the Company and any beneficial holder of more than 5 per cent. of the equity of

the Company); and (v) disclosure to the Company of the ownership of shares which entitle a shareholder to exercise at least 10 per cent. of the unrestricted voting rights at any of its general meetings.

The Nigerian Forex Act governs the importation of foreign currency into Nigeria. Under this law, any person may invest in securities in Nigeria with capital imported through an authorised dealer by telegraphic transfer, cheques or other negotiable instruments, and converted into Naira. The authorised dealer is required by statute to issue a CCI, evidencing receipt of the imported capital within 24 hours of receipt of imported funds.

Any capital imported into Nigeria, including capital imported for the acquisition of shares, must be evidenced by a CCI issued by an authorised dealer through which the capital was imported. The CCIs guarantee the unconditional transferability and remittance of dividends and/or proceeds of sale of the shares abroad through authorised dealers.

It is expected that a master CCI will be issued in relation to the proceeds of the Global Offer from the London Stock Exchange, whereby holders and/or purchasers of shares on the London Stock Exchange will benefit from their respective portions of such CCI in respect of the unconditional transferability and remittance of dividends and/or proceeds of sale of the Ordinary Shares abroad. Any foreign investor wishing to invest in the Nigerian Offer would be required to arrange for its own individual CCI from an authorised dealer under the provisions of the law as stated above.

6.4 Share Certificates

Every person whose name is entered in the register of shareholders shall be entitled, upon written request, without payment, to receive within three months of allotment or lodgment of transfer or within such other period as the conditions of issue shall provide one certificate under seal for all his shares of any one class, or several certificates each for one or more of his shares of such class. In the case of a share held jointly by several persons, delivery of a certificate to the person first named in the register shall be sufficient delivery to all. Every share certificate sent in accordance with the Articles will be sent at the risk of the shareholder or other person entitled to the certificate. The Company will not be responsible for any share certificate lost or delayed in the course of delivery.

6.5 Issue of New Shares

Unless otherwise agreed by special resolution, if the Company proposes to allot any new shares (other than any shares to be held under an employees' share scheme), those shares shall not be allotted to any person unless the Company has first offered them to all shareholders on the same terms, and at the same price, as those shares are being offered to other persons on a *pari passu* and *pro rata* basis to the number of shares held by those holders (as nearly as possible without including fractions). Any such new shares not accepted by shareholders pursuant to the offer made to them in accordance with the above shall be offered to any other person as the directors may determine, at the same price and on the same terms as the offer to the shareholders, provided that nothing in this provision shall prevent or restrict the free transferability of already-issued shares of the Company.

6.6 Lien and Forfeiture

The Company shall have a first and paramount lien and charge on all shares (not being fully paid shares) for all amounts payable to the Company (whether currently payable or not) or payable at a fixed time in respect of such shares. The Company shall also have a first and paramount lien on all shares (other than fully paid shares) standing registered in the name of each shareholder (whether solely or jointly with others) for all debts, liabilities and engagements of such shareholder or his estate to the Company, whether the same shall have been incurred or entered into before or after his notice to the Company of any equitable or other interest of any person other than such shareholder and whether the period for the payment or discharge of the same shall have actually arrived or not and notwithstanding that the same are joint debts or liabilities or engagements of such shareholder or his estate and any other person, whether as a shareholder or not. The Company's lien, if any, on a share shall extend to all dividends payable thereon. The Directors may at any time declare any shares to be wholly or in part exempt from the provisions of the Articles.

If a shareholder fails to pay any call or installment on a call on the day appointed for payment, the Board may at any time during such time as any part of such call or installment remains unpaid serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest and expenses which may have accrued.

When any share has been forfeited, notice of the forfeiture shall forthwith be given to the holder of the share or the person entitled to the share by reason of the death or bankruptcy of the holder but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice.

A forfeited share shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the person who was, before forfeiture, the holder or entitled or to any person, upon such terms and in such manner as the Board shall think fit and, at any time before a sale or disposition, the forfeiture may be cancelled on such terms as the Board may think fit. A person whose shares have been forfeited shall cease to be a shareholder in respect of the forfeited shares but shall notwithstanding remain liable to pay to the Company all moneys which at the date of forfeiture were payable by him to the Company in respect of the shares, but this liability shall cease if and when the Company receives payment in full of all such moneys in respect of the shares.

6.7 Calls on Shares

The Board may from time to time make calls upon the shareholders in respect of any amount unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times or in accordance with the terms of the issue, provided that no call shall exceed one quarter of the nominal value of the shares or be payable at less than one month from the date fixed for the payment of the last preceding call, and each shareholder shall (subject to receiving at least 21 clear days' notice specifying the time and place of payment), pay to the Company, at the time and place so specified, the amount called on his shares.

6.8 Alteration of Capital

The Company may from time to time by ordinary resolution at a general meeting increase its share capital by such sum and to be divided into shares of such amount as the resolution shall prescribe.

The Company may, by special resolution, reduce its share capital and any capital redemption reserve fund or any share premium account in any manner permitted by law, but with and subject to any incident authorised or consent required by law.

6.9 Votes of Shareholders

On a show of hands every shareholder shall have one vote and on a poll every shareholder present shall have one vote for every share of which he is the holder. No shareholder shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or the Board determines otherwise.

6.10 Dividends

The Company may, from time to time, in a general meeting, declare dividends to be paid to the shareholders according to their rights and interests in the distributable profits of the Company in respect of any year or other period, but no dividend shall be declared in excess of the amount recommended by the Board.

The Board may, from time to time, pay to the shareholders such interim dividends as appear to the Board to be justified by the position of the Company.

6.11 General Meetings

The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notice and shall be held not more than fifteen months after the holding of the last annual general meeting.

The annual general meeting shall be held at such time and place as the Directors shall appoint provided that all statutory and annual general meetings shall be held in Nigeria.

An annual general meeting and all general meetings shall be called by 21 days' notice in writing at least and all documents required to be delivered to shareholders for consideration may be delivered at the discretion of the Company by hand, post, courier or electronic means of communication.

No business shall be transacted at any general meeting unless a quorum is present. The quorum for the meeting of the Company shall be 10 shareholders of the Company present in person or by proxy and holding at least 10 per cent. of the fully paid share capital of the Company.

6.12 Directors

6.12.1 Number of Directors

Until otherwise determined by the Company in a general meeting the number of Directors shall not be less than six, and shall not exceed 15.

6.12.2 Appointment of Directors

The Company may by ordinary resolution appoint a person who is willing to act to be a Director, either to fill a vacancy or as an addition to the existing Board, but the total number of Directors shall not exceed any maximum number fixed in accordance with the Articles.

Any Director may, in writing, appoint another Director or any person who is approved by the Board to be his alternate to act in his place at any meeting of the Directors at which he is unable to be present.

The Chairman of the Company shall always be a Nigerian citizen and a majority of the Directors shall also always be Nigerian citizens.

For so long as each of Shebah, Platform and MPI and their respective associates or affiliates hold not less than 7.5 per cent. of the issued shares from time to time (in the case of Shebah and Platform) and not less than 15 per cent. of the issued shares from time to time (in the case of MPI) (the “**Minimum Shareholder Percentage**”), then they shall each be entitled to appoint one person to the Board. For so long as each of Shebah, Platform and MPI and their respective associates or affiliates hold not less than 15 per cent. of the issued shares from time to time (in the case of Shebah and Platform) and not less than 30 per cent. of the issued shares from time to time (in the case of MPI) (the “**Major Shareholder Percentage**”), then they shall each be entitled to appoint two persons to the Board.

If Shebah, Platform and MPI and their respective associates or affiliates shall at any time hold less than the Minimum Shareholder Percentage or Major Shareholder Percentage, Shebah, Platform and MPI (as the case may be) shall procure the removal of their appointed Director.

For the purposes of the Articles, references to “Shebah” mean Shebah and A.B.C. Orjiako and their respective “associates” and references to “Platform” mean Platform and Austin Avuru and their respective “associates”. An “associate” includes, without limitation, in the case of an individual, family members and trusts and, in the case of a business entity, another business entity or person that directly or indirectly controls or is controlled by such entity, and, in relation to Shebah and Platform, any person deemed an “associate” for the purposes of any agreement amongst the Founders and the Company.

6.12.3 Retirement of Directors

Every Director shall remain in office until removed by an ordinary resolution of the Company or until his office is vacated as a result of retirement by rotation. At the annual general meeting in every year, one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office, provided that no Director who is also an executive director, a Shebah Director, a Platform Director or an MPI Director shall be subject to retirement by rotation or taken into account in determining the number of Directors to retire each year.

The Directors to retire shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

6.12.4 Remuneration of Directors

The salary or remuneration of any Director appointed to hold any employment or executive office may be either a fixed sum of money, or may altogether or in part be governed by business done or profits made or otherwise determined by the Board, and may be in addition to or in lieu of any fee payable to him for his services as Director.

Any Director who, by request, performs special or professional services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director or goes or resides outside Nigeria for

any purposes of the Company may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Board may determine.

6.12.5 Interests of Directors

A Director who is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare each time the nature and extent of his interest at the meeting of the Board. Any Director may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director. A Director of the Company shall be excused and abstain from discussions and shall not vote on any contract, arrangement or proposal in which he is interested and, if he does vote, the vote shall not be counted nor shall he be counted in the quorum present at the meeting.

6.12.6 Powers and Duties of Directors

The Board may establish any Board committees or other committees or agencies for managing any of the affairs of the Company, either in Nigeria or elsewhere, and may appoint any persons to be members of such committees or agencies and may fix their remuneration and may delegate to any committees, agencies, managers or agents any of the powers, authorities and discretions vested in the Board, with power to sub-delegate, and may authorise the members of any committee or agency or any of them to fill any vacancies.

The Board may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party, provided that the amount for the time being remaining discharged of moneys borrowed or secured by the Directors as aforesaid (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not at any time, without the previous sanction of the Company in a general meeting, exceed the nominal amount of the share capital of the Company for the time being issued, but no debt incurred or security given in excess of such limit shall be invalid or ineffectual.

6.13 Disclosure of shareholding ownership

The Company may by notice in writing (a “**Disclosure Notice**”) require any shareholder or any other person with a confirmed or apparent, interest in the shares of the Company to disclose to the Company in writing such information as the Company shall require relating to the beneficial ownership of or any interest in the shares in question as lies within the knowledge of such shareholder or other person (supported if the Company so requires by a statutory or notarial declaration and/or by independent evidence).

If any shareholder or any other person with a confirmed or apparent interest in the shares of the Company has been duly served with a Disclosure Notice and is in default in supplying to the Company the information required for a period of 28 days after service of the Disclosure Notice (or 14 days if the shares concerned represent 0.25 per cent. or more of the number of issued shares of the relevant class) or, in purported compliance, has made a statement which is false or inadequate, then the Board may agree at any time thereafter to issue a notice (a “**Direction Notice**”) to such shareholder directing that the relevant shareholder will not be entitled to exercise any voting rights in respect of the shares in relation to which the default has occurred.

The shareholder disclosure obligations provided herein are in addition to the Nigerian law obligations set out in Part VIII: “Regulatory and Legislative Framework in Nigeria” of this Prospectus.

6.14 Winding Up

If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company, divide among the shareholders, in specific or in kind, the whole or any part of the assets of the Company and may for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the shareholders or different classes of shareholders.

7. DIRECTORS', SENIOR MANAGEMENT'S AND OTHER INTERESTS

7.1 Directors' and Senior Management's interests

7.1.1 The Directors and members of Senior Management, their functions within the Company and brief biographies are set out in Part VII: "Directors, Senior Management, Corporate Governance and Dividend Policy" of this Prospectus.

7.1.2 The interests of the Directors and of members of Senior Management (and of persons connected with them) in the share capital of the Company (all of which are beneficial unless otherwise stated) as at the Latest Practicable Date and as they are expected to be immediately following Admission are as follows, assuming that the Over-allotment Option is not exercised (not including options disclosed below):

Name	As at the Latest Practicable Date		Immediately following Admission	
	No. of Ordinary Shares	As a percentage of total Ordinary Shares in issue	No. of Ordinary Shares	As a percentage of total Ordinary Shares in issue
Ambrosie Bryant Chukwueloka Orjiako ⁽¹⁾	84,736,913	21.18	84,736,913	15.60
Ojunekwu Augustine Avuru ⁽²⁾	73,297,011	18.32	73,297,011	13.49
William Stuart Connal	1	(4)	1	(4)
Roger Thompson Brown	1	(4)	1	(4)
Michel Hochard	—	—	—	—
Macaulay Agbada Ofurhie ⁽³⁾	4,806,373	1.20	4,806,373	0.88
Michael Richard Alexander	—	—	—	—
Charles Okeahalam	400,000	0.10	400,000	(4)
Basil Omiyi	400,000	0.10	400,000	(4)
Lord Mark Malloch-Brown	—	—	—	—
Ifueko Omoigui-Okauru	—	—	—	—
N. Edward Skene	1	(4)	1	(4)
Dr. Chioma Nwachuku	1	(4)	1	(4)
Isaiah Adesola Odeleye	1	(4)	1	(4)
Bryte Oghenovo Oghor	1	(4)	1	(4)
Moses Johnson Onuwe	1	(4)	1	(4)
Mason Oghenejobo	—	—	—	—
Fidel Onichabor	1	(4)	1	(4)
Fausta Alakwe	1	(4)	1	(4)
Ganiyu Bolaji	1	(4)	1	(4)
Yusuf Audu	1	(4)	1	(4)
Charles Akhigbe	1	(4)	1	(4)
Olubusola Ogunbanwo	—	—	—	—
Okechukwu Mba	1	(4)	1	(4)
Joe Ebinum	1	(4)	1	(4)
Kikelomo Asuelime	1	(4)	1	(4)
Afolabi Foloruso Abiodun	—	—	—	—
Jonah Amedu	—	—	—	—

Notes:

- (1) 72,036,912 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 12,700,000 Ordinary Shares are held directly by Mr. Orjiako's siblings. In addition, 13,506,800 Ordinary Shares, representing approximately 3.38 per cent. of the Ordinary Shares (as at the Latest Practicable Date), are held by Vazon Investments Limited (7,366,800 Ordinary Shares) and Hautguard Limited (6,140,000 Ordinary Shares). Both Vazon Investments Limited and Hautguard Limited are controlled by individuals who are also shareholders in Shebah Exploration and Production Company Limited, an entity controlled by A.B.C. Orjiako.
- (2) 19,200,000 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, an entity in which Mr. Avuru holds 23.28 per cent. of the issued share capital.
- (3) Macaulay Agbada Ofurhie also owns 7.28 per cent. of Platform Petroleum Limited, an entity which holds 44,160,000 Ordinary Shares (approximately 11.04 per cent. as at the Latest Practicable Date).
- (4) Denotes a shareholding of less than 0.10 per cent.

The interests of the Directors and the Senior Management and their connected persons together represented approximately 40.91 per cent. of the issued share capital of the Company, as at the Latest Practicable Date, and are expected to represent approximately 30.12 per cent. immediately following Admission (assuming that the Over-allotment Option is not exercised).

7.1.3 As at the Latest Practicable Date, there were no outstanding loans granted by the Company to any Director or member of Senior Management, nor by any Director or member of Senior Management to the Company, nor was any guarantee which had been provided by the Company for the benefit of any Director or member of Senior Management, or by any Director or member of Senior Management for the benefit of the Company, outstanding.

7.2 Directors' Remuneration and Emoluments

7.2.1 Chairman

Service agreement

Consistent with the recommendations of the Nigerian Code of Corporate Governance and the UK Corporate Governance Code, with effect from 1 January 2014, A.B.C. Orjiako has assumed the role of non-executive Chairman. The letter of appointment from the Company to the Chairman outlining the terms of his appointment with effect from 1 January 2014 states that his appointment shall be for an initial term of three years or, if earlier, until the conclusion of the Company's annual general meeting in 2017, unless terminated earlier by either party on giving the other not less than 12 months' prior written notice. It is expected that the Chairman will serve two three-year terms, but may be invited by the Board to serve for an additional period.

The fees payable to A.B.C. Orjiako as non-executive Chairman and as chairman of the Nomination and Establishment Committee for 2014 are as follows:

Name	Basic fee (£)	Additional fee (£)	Details	Total Fees (£)
A.B.C. Orjiako . . .	550,000	30,000	Chairman and Nomination and Establishment Committee Chair	580,000

The service agreement also provides for an annual fee of £20,000 per committee for service on any other committee, as well as benefits in kind including maintenance of primary residence and security services up to an agreed amount and consistent with prior years.

The Chairman will also participate in the Company's Global Offer Bonus plan (described at section 7.2.2(g) of this Part XVII below) and will receive an award of Ordinary Shares with an aggregate value equal to 300 per cent. of his 2013 salary which will be subject to similar terms and performance conditions as those of the Executive Directors.

Consultancy agreement

The Company has also entered into a consultancy agreement with Shebah (an entity controlled by A.B.C. Orjiako and through which he provides personal services) pursuant to which A.B.C. Orjiako, through Shebah, has agreed to provide external affairs consultancy services to the Group, including in relation to:

- external relations management, including leading SEPLAT's: (i) high-level government and societal relations; and (ii) relations with Nigerian and overseas banks/financial institutions;
- new business acquisitions, including, without limitation: (i) identification and analysis of new business acquisitions and opportunities; (ii) oversight of the acquisition/bidding process and negotiation of the terms of new acquisitions; (iii) implementation and integration of new acquisitions; and (iv) assisting with managing relationships with banks and raising acquisition funding; and
- corporate social responsibility, working together with the CSR Committee to supervise the continuous update and formulation of the Group's corporate social responsibility policy and programs.

The agreement is for an initial term of four years with effect from 1 January 2014 and continues thereafter until terminated by either party on not less than 12 months' notice. Prior to the expiry of the initial four-year term, the parties shall discuss the renewal of the agreement for a further four-year term. The annual retainer fee of £895,000 is paid monthly by the Company together with travel, accommodation and security expenses incurred by A.B.C. Orjiako in connection with the services he provides under this agreement. In

accordance with the Group's corporate governance policies (including its conflicts of interest and related party transactions policies), this agreement was considered by the Remuneration Committee and was approved by the Board.

7.2.2 Executive Directors

(a) Summary of remuneration and benefits

The remuneration (including salary, other benefits and any contingent deferred compensation granted) payable by the Group to the Executive Directors of the Company for services in all capabilities to the Group for the financial year ended 31 December 2013 is set out below.

Name	Position	Base salary or fees (£)	Discretionary Bonus (£) or other payments	Benefits in kind (£)	Pension contributions (£)	Other remuneration (£)	2013 Total (£)
A.B.C. Orjiako ⁽¹⁾	Chairman	614,251	661,548	197,388	0	0	1,473,187
Austin Avuru	CEO	537,469	564,343	143,763	58,260	0	1,303,835
Stuart Connal	COO	450,000	300,737	79,987	39,826	0	870,550
Roger Brown	CFO	199,597	199,597 ⁽²⁾	0	28,100	121,080 ⁽³⁾	520,273

(1) In anticipation of listing and consistent with the recommendations set out in the Codes, A.B.C. Orjiako transitioned to being a non-executive director, with effect from 1 January 2014.

(2) As part of his recruitment, Roger Brown was entitled to a bonus of 100 per cent. of initial salary (£450,000) which would be paid on the first anniversary of the commencement of his appointment (22 August 2013). The pro-rated amount attributable to the financial year ended 31 December 2013 is included above.

(3) Other remuneration relates to the terms of a fixed cash payment agreed with Roger Brown relating to the value of share awards foregone from his previous employer.

(b) Summary of Service Contracts

A summary of the service contracts of the Executive Directors is set out below:

Name	Notice by the Company	Notice by Executive Director
Austin Avuru	12 months	12 months
Stuart Connal	12 months	12 months
Roger Brown	12 months	12 months

The Company may also terminate the appointment with immediate effect if the Executive Director: (i) is disqualified from acting as a director under the articles of association of the Company and/or applicable law or resigns as a director from the Company without the prior written approval of the Board; (ii) is guilty of a serious breach of the rules or regulations as amended from time to time of the UK Listing Authority (including the Model Code), the FCA or any regulatory authorities relevant to any Group company or any code of practice issued by the Company; (iii) fails or ceases to meet the requirements of any regulatory body whose consent is required to enable him to undertake all or any of his duties under the appointment or is guilty of a serious breach of the rules and regulations of such regulatory body or of any compliance manual of the Group; (iv) is in breach of the Company's anti-corruption and bribery policy and related procedures; (v) is guilty of any gross misconduct affecting the business of any Group company; (vi) commits any serious or repeated breach or non-observance of any of the provisions of the service contract or refuses or neglects to comply with any reasonable and lawful directions of the Board; (vii) is, in the reasonable opinion of the Board, negligent and incompetent in the performance of his duties; (viii) is declared bankrupt or makes any arrangement with or for the benefit of his creditors; (ix) is convicted of any criminal offence (other than an offence under any road traffic legislation in the United Kingdom or elsewhere for which a fine or non-custodial penalty is imposed) or any offence under any regulation or legislation relating to insider dealing; (x) becomes of unsound mind or a patient under any statute relating to mental health; (xi) ceases to be eligible to work in the United Kingdom and/or Nigeria; (xii) is guilty of any fraud or dishonesty or acts in any manner which in the opinion of the Board brings or is likely to bring the Executive Director or the Company into disrepute or is materially adverse to the interests of the Company; (xiii) is guilty of a serious breach of any rules issued by the Company from time to time regarding its electronic communications systems; or (xiv) is unable by reason of incapacity to perform his duties under the service contract for an aggregate period of 26 weeks in any 52-week period.

Roger Brown's service contract contains a payment in lieu of notice provision. The service contracts for the Executive Directors contain a provision enabling the Company to put the Executive Director on garden

leave for the whole or part of the remainder of the appointment at any time after notice to terminate the service contract has been given by the Executive Director or the Company or the Executive Director has resigned without giving due notice.

(c) Remuneration Strategy and Aim

Overall Aim

The aim of the Company's remuneration policy for its Executive Directors is to provide a reward framework which ensures that key value drivers are appropriately attracted, retained and motivated and which is fit for purpose in the markets in which the Company operates and where it and its peer group are listed.

Remuneration Strategy

The Company's remuneration strategy for its Executive Directors is to provide a remuneration package which rewards them fairly and responsibly for their contributions and aims to deliver superior remuneration for superior performance. It is essential that the remuneration package for an Executive Director incorporates appropriate compensation for the business and economic issues faced in the discharge of duties which come as a natural consequence of operating in the Company's environment.

The Executive Directors' total reward package will consist of elements such as base salary, annual performance bonuses, long-term incentives, pension contributions and other benefits as set out below.

The Remuneration Committee will review on an annual basis whether its remuneration policy remains appropriate for the relevant financial year. Factors taken into account by the Remuneration Committee will include:

- business strategy over the period;
- overall corporate performance;
- the geographic and economic challenges facing a company operating in Nigeria;
- market conditions affecting the Company;
- the recruitment market;
- changing practice in the international and Nigerian markets; and
- changing views of institutional shareholders and their representative bodies.

The Remuneration Committee obtains, and will continue to obtain, professional advice from an internationally recognised remuneration consultant when designing and structuring remuneration policy and packages.

(d) Base Salary

The Remuneration Committee's policy is to provide a base salary relative to an appropriate benchmark, considering organisations of broadly similar size and complexity in the exploration and production sector on appointment to the Board.

Any subsequent salary increases will take into account factors such as:

- the levels of base salary for similar positions with comparable status, responsibility and skills in organisations of broadly similar size and complexity in the UK and international exploration and production sector;
- inflation/cost of living in jurisdictions where Executive Directors reside;
- the performance of the Executive Director; and
- pay and conditions throughout the Company.

Base salaries for the Executive Directors for 2014 are as follows:

<u>Name</u>	<u>Position</u>	<u>Base salary (£)</u>
Austin Avuru	CEO	625,000
Stuart Connal	COO	475,000
Roger Brown	CFO	475,000

Salaries will be reviewed on an annual basis and implemented from 1 January in the relevant year.

(e) Annual Bonus

Executive Directors will participate in an annual bonus arrangement which focuses on the delivery of the short-term business/strategic objectives across the following key areas:

- strategic and individual milestones;
- production and operational efficiency;
- financial management and performance;
- health and safety; and
- corporate governance alignment with UK practice.

These targets will be approved and assessed by the Remuneration Committee each year.

25 per cent. of any bonus payment will be deferred into Ordinary Shares for three years for Executive Directors under the terms of the Long-Term Incentive Plan (“**LTIP**”) as set out below. The maximum annual bonus which could be earned in 2014 by an Executive Director is 150 per cent. of salary.

Maximum bonus pay-outs will only be earned by Executive Directors for achieving exceptional levels of annual performance.

(f) Long-Term Incentives

The Remuneration Committee believes that a key component of the remuneration package is the provision of equity. Equity awards will be granted to the Executive Directors principally through the LTIP.

The LTIP was adopted by the Board on 12 March 2014 and a summary of the LTIP is set out below. The key terms of the LTIP are also set out in section 7.6 of this Part XVII below.

Terms	Detail
Overview	- Annual grant of awards which give the participant a right to receive shares in the future subject to continued employment and achievement of performance conditions. - One-third of vested shares must then be retained for a holding period as set out below.
Award levels	- Maximum annual LTIP Award of 250 per cent. of base salary (excluding Global Offer Bonus awards). 2014 CEO award of 200 per cent. of base salary. 2014 CFO and COO award of 150 per cent. of base salary.
Performance conditions	100 per cent. of awards are subject to a relative Total Shareholder Return condition against a peer group of UK-listed exploration and production companies. 50 per cent. of awards are subject to a 2P total hydrocarbon reserve growth underpin target. - Additionally, for the 2014 annual LTIP Award, vesting is conditional on a listing on the London Stock Exchange.
Holding period	2/3 of vested annual LTIP Awards released immediately after three years. “Holding period” of two years following vesting for the remaining 1/3 of annual LTIP Awards restricting the sale of these shares. The awards remain subject to the continued operation of the malus clause (see below) although they are no longer subject to forfeiture through cessation of employment.
Malus and clawback	- Malus can be enacted at any point prior to vesting in exceptional circumstances. This would enable the Remuneration Committee to reduce the number of shares which vest (including to nil). - Clawback can be enacted after vesting has occurred in exceptional circumstances. This would enable the Remuneration Committee to require the participant to transfer all or some the value of vested awards by way of reducing the value of any future bonus, the vesting of any subsisting/future awards or requiring the participant to make a cash payment. - Such exceptional circumstances may include a material misstatement in the published results of the Group, gross misconduct on the part of the participant or where, as a result of an appropriate review of accountability, the Remuneration Committee determines that the participant has caused wholly or in part a material loss for the Group as a result of: (i) reckless, negligent or wilful actions; or (ii) inappropriate values or behaviour.
Cessation of employment	- Good leavers’ LTIP awards will not lapse automatically. - Vesting is based on pro-rating for time and performance achieved at the discretion of the Remuneration Committee. Any payment in lieu of notice in excess of 12 months’ salary (in accordance with the individual’s service contract) will be offset against the value of vesting for a good leaver. Good leaver provisions can include retirement, ill-health, death or other reasons at the discretion of the Remuneration Committee. - All other leavers’ LTIP Awards will lapse in full.
Change of control	Shares vest at the discretion of the Remuneration Committee which will take into account time elapsed from award and performance against targets at date of change of control.

(g) Global Offer Bonus

Under the terms of the LTIP, the Company also operates a Global Offer Bonus plan which rewards contribution in the period leading up to the Global Offer. The Remuneration Committee approved the awards prior to listing to enable retention of the Executive Directors and senior management in the two years post-Global Offer but contingent on a successful listing. The key features of this arrangement are as follows:

- Awards will be granted in Ordinary Shares to Executive Directors and the Chairman with a value of up to 300 per cent. of base salary:
 - A.B.C. Orjiako—300 per cent. of 2013 salary
 - Austin Avuru and Stuart Connal—300 per cent. of 2013 salary
 - Roger Brown—250 per cent. of 2013 salary
- The Company's share price must not fall below the 30-day post-Global Offer level as compared to the 30-day average share price before vesting on the first and second anniversaries of awards and total production for 30 days post-Global Offer must increase by at least 10 per cent. per annum on a compounded basis compared with 30-day total production before vesting on the first and second anniversaries of awards; and
- For Executive Directors, 50 per cent. of awards vest on the first anniversary of the Global Offer with the remainder vesting on the second anniversary depending on the satisfaction of these performance conditions.

(h) Buy-out awards

When recruiting an Executive Director or a member of senior management, the Company will seek to structure any buy-out awards such that overall they are no more generous in terms of quantum or vesting timeframe than the awards due to be forfeited by the individual upon leaving their previous employer.

Any previous outstanding share awards which the individual holds will be valued using a recognised valuation methodology and the equivalent fair value will be awarded in shares, cash or a combination of cash and shares. A buy-out award was granted to Roger Brown on recruitment which was equivalent in value to approximately 150 per cent. of his 2013 base salary and related share awards foregone on joining the Company. The payment is being made in six cash installments over a three-year period ending in 2016.

(i) Shareholding guidelines

The Remuneration Committee will establish formal shareholding guidelines that will encourage the Executive Directors to build up a significant shareholding in the Company according to a predetermined requirement. Adherence to these guidelines is a condition of continued participation in the long-term incentive arrangements. This policy ensures that the interests of Executive Directors and those of shareholders are closely aligned.

(j) Additional benefits

In addition to base salary, annual bonus and the long-term incentives, the Company, where appropriate, will also provide pension contributions of up to 20 per cent. of salary and other benefits in line with typical practice in the local market in which individuals reside.

7.2.3 Non-Executive Directors

(a) Overview

There are seven Non-Executive Directors as follows:

Name		Title	Appointment date
Michael Alexander	Senior Independent	Non-Executive Director	1 June 2013
Michel Hochard		Non-Executive Director	14 December 2009
Macaulay Ofurhie		Non-Executive Director	14 December 2009
Basil Omiyi	Independent	Non-Executive Director	1 March 2013
Ifueko Omoigui-Okauru	Independent	Non-Executive Director	1 March 2013
Charles Okeahalam	Independent	Non-Executive Director	1 March 2013
Lord Mark Malloch-Brown	Independent	Non-Executive Director	1 February 2014

Each Non-Executive Director is expected to serve an initial term of two years after his appointment commences or, if later, until the conclusion of the Company's annual general meeting in 2015 (unless terminated earlier by either party on not less than six months' notice).

The Company may terminate the appointment under each letter of appointment if a Non-Executive Director has committed any serious or repeated breach or non-observance of his obligations to the Company. In order for the Company to remove a director, it would also need to comply with the requirements of Section 262 of CAMA which sets out the procedure and formalities for the removal of a director.

(b) Remuneration

The Board as a whole is responsible for setting the remuneration of the Non-Executive Directors, other than the Chairman whose remuneration is determined by the Remuneration Committee and recommended to the Board.

Fee levels are reviewed annually and reflect market conditions and the complex nature of the Company's business and geographic environment and are intended to be sufficient to attract individuals with appropriate knowledge and experience.

Non-Executive Directors are paid a base fee of £100,000 and additional fees for chairmanship (£30,000) and membership (£20,000) of committees (however there is no fee for chairmanship or membership of the Audit Committee). The Senior Independent Non-Executive Director is paid an additional fee of £150,000.

Fees may also be paid for additional time spent on the Company's business outside of the normal duties. Fees for 2014 are as follows:

<u>Name</u>	<u>Basic fee (£)</u>	<u>Additional fees (£)</u>	<u>Details</u>	<u>Total Fees (£)</u>
Michael Alexander	100,000	220,000	Senior Independent Director, Remuneration Committee Chair, Finance and Nominations Committee member	320,000
Basil Omiyi	100,000	70,000	Risk and Health & Safety Committee Chair, Remuneration and Nominations Committee member	170,000
Charles Okeahalam	100,000	50,000	Finance Committee Chair, Remuneration and Audit Committee member	150,000
Ifueko Imoigui-Okauru	100,000	40,000	Finance, Audit and Risk and Health & Safety Committee member	140,000
Michel Hochard	100,000	—	n/a	100,000
Macaulay Ofurhie	100,000	—	n/a	100,000
Lord Mark Malloch-Brown	100,000	50,000	Corporate Social Responsibility Committee Chair, Finance Committee member	150,000

All Non-Executive Directors who have served on the Board for at least nine months as at the date of the Global Offer are eligible to subscribe for Ordinary Shares with an equivalent value of £200,000 (based on the Offer Price) at the nominal value of an Ordinary Share based on the Global Offer share price.

In order to ensure consistency with the structure of the Global Offer bonuses awarded to the Executive Directors, there will be a restriction on the sale of Ordinary Shares so that 50 per cent. of the Ordinary Shares cannot be sold until the first anniversary of the Global Offer and the remaining 50 per cent. cannot be sold until the second anniversary of the Global Offer.

On subscription, the Non-Executive Directors will hold the legal and beneficial ownership of the Ordinary Shares. They will be liable for their own tax issues, if any, arising from the subscription.

The Non-Executive Directors are otherwise not entitled to participate in the Company's executive remuneration programmes or pension arrangements.

7.2.4 Indemnification of directors and officers

The Company's memorandum and articles of association provide that, to the extent permitted by law, every director, officer, manager, company secretary and auditor shall be indemnified out of the funds of the Company against all liabilities incurred by him in the execution and discharge of the duties of his office.

In addition, the Company has obtained directors' and officers' insurance for the benefit of itself as well as for past, present and future directors, officers and certain employees of the Company acting in a managerial, supervisory or legal capacity, providing coverage for damages, judgments, defence and other costs, penalties, fines and settlement amounts incurred by such director, officer or covered employee in connection with: (a) any alleged or actual negligence, default, breach of duty, breach of statutory duty, breach of trust or warranty of authority, misstatement, misleading statement or other wrong acts or omissions of such director, officer or covered employee; and (b) any claim, action or proceeding, including

civil penalties assessed under the US Foreign Corrupt Practices Act of 1977 and claims brought under the UK Financial Services and Markets Act 2000 and the US Securities Act and the US Securities Exchange Act, in the case of (a) and (b), while acting in their respective capacities on behalf of the Company, other than certain excluded liabilities, including to the extent that such an indemnity is not permitted by law.

7.3 Major shareholders

7.3.1 Other than the interests of the Directors and members of the Senior Management disclosed in section 7.1.2 of this Part XVII above, in so far as the Directors are aware, the following persons as at the Latest Practicable Date were interested, and will immediately following Admission be interested (assuming that the Over-allotment Option is not exercised), in 3 per cent. or more of the Company's issued share capital:

Name	As at the Latest Practicable Date		Immediately following Admission	
	No. of Ordinary Shares	As a percentage of total Ordinary Shares in issue	No. of Ordinary Shares	As a percentage of total Ordinary Shares in issue
MPI S.A.	120,400,000	30.10	120,400,000	22.16
Mercuria Capital Partners Limited.....	24,000,000	6.00	24,000,000	4.42
Quantum Power International Holdings Limited ⁽¹⁾	19,600,000	4.90	19,600,000	3.61
Quantum Capital Partners Fund I LP ⁽¹⁾ ...	19,996,000	4.99	19,996,000	3.68
The Blakeney Group	16,000,000	4.00	16,000,000	2.95

Note:

(1) Quantum Capital Partners Fund I LP and Quantum Power International Holdings Limited are separate organisations and are not related parties. The use of "Quantum" in the name of each entity is coincidental.

7.3.2 Save as disclosed above, the Company and the Directors are not aware of any person who directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

7.3.3 The Company and the Directors are not aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Company.

7.3.4 The persons referred to in section 7.3.1 of this Part XVII above do not have voting rights in respect of the share capital of the Company (issued or to be issued) which differ from those of any other shareholder of the Company.

7.4 Other interests

7.4.1 During the five years preceding the date of this Prospectus the Directors and members of Senior Management have been directors or partners of the following companies and partnerships (excluding the Company and any funds managed or advised by the Company):

Directors

Name	Current	Former
Ambrosie Bryant Chukwueloka Orjiako	Abbeycourt Energy BVI Limited, Abbeycourt Trading BVI Limited, Allenne Limited, Barrassie Holdings Limited, Berwick Nigeria Limited, Helko Marine Services Limited, Helko Nigeria Limited, MPI, Neimeth International Pharmaceuticals Plc, Neville Investment Management Limited, Ordrec Holdings Limited, Plumage Management Limited, Quantum Power Limited, Rook Investments Limited, Shebah Exploration and Production Company Limited and Zebbra Energy Limited	Etablissements Maurel et Prom

<u>Name</u>	<u>Current</u>	<u>Former</u>
Ojunekwu Augustine Avuru	Platform Petroleum Limited, Platform Petroleum BVI Limited, Professional Support Limited and MPI	—
William Stuart Connal	—	Centrica Resources Nigeria Limited
Roger Thompson Brown	—	—
Michel Hochard	MPI S.A., SCI Hochard, Maurel & Prom Iraq, Maurel & Prom— Assistance Technique International S.A, Quartier General, Maurel & Prom Gabon, MPNATI, Newton Energy Limited, Maurel & Prom Exploration Production Tanzania Ltd, Cardinal and Maurel & Prom Tanzania Ltd	—
Macaulay Agbada Ofurhie	Afren Energy Resources Limited, Shebah Exploration and Production Company Limited and Virile Petroleum Limited	Income Electrix Limited and Kaego/ Virile JV
Michael Richard Alexander	Costain Group Plc, Lexican Limited, Lexican Associates Limited, Payments Council Limited and Sandbourne Management Company Limited	TGE Holdings GmbH, ATOC Limited and Russian Platinum Plc
Lord Mark Malloch-Brown	Marlborough College (Overseas) Limited, Thomson Reuters Founders Share Company, Shell Foundation, The Children's Investment Fund Foundation (UK), FTI Consulting LLP, St. Leonards Partners, Open Society Foundation, South West Energy, DPI Advisory Board, GADCO and Kerogen	The Save the Children Alliance Trading Limited
Charles Okeahalam	AGH Group and African Union Foundation	African Monitor NGO, Re-Action Health Limited, BGL Nigeria Limited, Société Generale Bank Nigeria Limited (Heritage Bank) and University of Cape Town
Basil Omiyi	Greenacres Energy Limited, Newton Energy Limited, Michael Phillips Nigeria Limited, RIV-TAF Nigeria Limited and TAF Nigeria Limited	Shell Pension Fund Administrators Limited and Shell Petroleum Development Company Limited
Ifueko Omoigui-Okauru	Central Securities Clearing System Plc, Compliance Professionals Plc, DAGOMO Foundation, Diamond Bank Plc, ReStraL Ltd and Nigeria Breweries Plc and Women in Management, Business and Public Service	Federal Inland Revenue Service and Joint Tax Board, Nigeria
Senior Management		
Norman Edward Skene	—	—
Dr. Chioma Nwachuku	—	Zain Telecommunications
Isaiah Odeleye	—	Thompson Okpoko & Partners
Bryte Oghor	—	Addax Petroleum Development Nigeria Limited
Moses Onuwe	—	—

<u>Name</u>	<u>Current</u>	<u>Former</u>
Mason Oghenejobo	Right Child Marine Limited, Igbonu Energy Limited and Better Than Gold Institute	Shell Nigeria Gas Limited
Fidelis Onichabor	—	Sahara Energy Field Limited
Faustinus Alakwe	Ace Alliance Farms Limited, Ace Alliance Trading and Development Company Limited, Atlantic Knights Limited, Olsif Properties Limited, Shebah Exploration and Production Company Limited, Transcore Geosciences Limited and Questor Alliance and Investment Company Limited	—
Ganiyu Bolaji	Rainbow Industries Limited	—
Yusuf Audu	Dynasart Resources Limited and Neo Construction Works Limited	—
Charles Akhigbe	Atlantique Marine and Engineering Services Limited	Atlantic Fluids and Integrated Services Limited
Olubusola Ogunbanwo	—	—
Okechukwu Mba	—	—
Taiye Eyewuoma	—	—
Joe Ebinum	Prime Innovation Institute of Technology and Utagba Uno Vocational Enterprises	—
Kikelomo Asuelime	—	Aerocontractors Company of Nigeria and Sahara Group Limited
Afolabi Folorunso Abiodun	—	—
Jonah Amedu	Jonire Petroleum Services Limited	—

7.4.2 As at the date of this Prospectus none of the Directors or members of Senior Management has at any time within the last five years:

- (a) any convictions in relation to fraudulent offences; or
- (b) been adjudged bankrupt or been the subject of any form of individual voluntary arrangement; or
- (c) been a director of a company at the time of, or within the 12 months preceding the date of, its receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or composition or arrangement with its creditors generally or any class of creditors; or
- (d) been a partner in a partnership at the time of, or within the 12 months preceding the date of, its compulsory liquidation, administration or partnership voluntary arrangement; or
- (e) owned any asset which has been placed in receivership or been a partner of any partnership at the time at which, or within the 12 months preceding the date on which, any asset of that partnership has been placed in receivership; or
- (f) been subject to any public criticism by any statutory or regulatory authority (including a designated professional body); or
- (g) been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

7.4.3 Except as set out below, none of the Directors nor any of the Senior Management has any potential conflicts of interest between his/her duties to the Company and his/her private interests or other duties and there are no arrangements or understandings with major shareholders, customers, suppliers or others pursuant to which any person was selected as a member of the administrative, management or supervisory bodies or as a member of Senior Management. A.B.C. Orjiako, Austin Avuru and Michel Hochard are all directors of MPI, which is a significant shareholder in the Company. A.B.C. Orjiako is also a director of Shebah, which is a significant shareholder in the Company. Austin Avuru is also a director of

Platform Petroleum Limited. Michel Hochard (a director of the Company) is chief financial officer of Etablissements Maurel et Prom and a director of Cardinal.

7.5 Senior Management

The aggregate remuneration paid and benefits in kind granted to Senior Management by the Company for the financial year ended 31 December 2013 was US\$16,021,220.

7.6 Share plans and employee incentive schemes

Following Admission, the Company intends to operate a discretionary executive share plan in the form of the LTIP as adopted on 12 March 2014. It is intended that any deferred shares awarded under the Annual Bonus framework and the Global Offer Bonus awards will also be granted under the terms of this LTIP.

A reference in this section 7.6 to the Board includes any designated committee of the Board.

The principal features of the LTIP are summarised below.

(a) Status

Under the LTIP, the Board may, within certain limits and subject to any applicable performance conditions, grant to eligible employees, under the annual LTIP cycle, deferred bonus awards or Global Offer Bonus awards, which may take the form of (i) nil cost options over Ordinary Shares (“**LTIP Options**”) and/or (ii) conditional awards (i.e. a conditional right to acquire Ordinary Shares) (“**LTIP Conditional Awards**”) and/or (iii) Ordinary Shares which are subject to restrictions and the risk of forfeiture (“**LTIP Restricted Shares**” and, together with LTIP Options and LTIP Conditional Awards, “**LTIP Awards**”).

No payment is required for the grant of an LTIP Award.

(b) Eligibility

All employees (including Executive Directors) are eligible for selection to participate in the LTIP at the discretion of the Board.

(c) Limits

In any period of 10 calendar years, not more than 10 per cent. of the Company’s issued ordinary share capital may be issued under the LTIP and under any other employees’ share scheme adopted by the Company.

In addition, the rules of the LTIP provide that, in any period of 10 calendar years, not more than 5 per cent. of the Company’s issued ordinary share capital may be issued under the LTIP and under any other executive share scheme adopted by the Company. Global Offer Bonus awards will be excluded from this limit given the wide level of participation.

Ordinary Shares issued out of treasury under the LTIP will count towards these limits for so long as this is required under institutional shareholder guidelines. Ordinary Shares issued or to be issued pursuant to awards granted before the Company was listed on the London Stock Exchange will not count towards these limits.

(d) Grant of LTIP Awards

The Board may grant annual LTIP Awards to eligible employees with a maximum total market value in any financial year of up to 250 per cent. of the relevant individual’s annual base salary (exclusive of deferred annual bonus awards). In the financial year of the Global Offer, the maximum aggregate market value of LTIP Awards will not exceed 500 per cent. of annual base salary (being a 200 per cent. annual LTIP award and a 300 per cent. Global Offer Bonus award). The maximum aggregate market value of deferred annual bonus awards will not exceed 100 per cent. of an eligible employee’s annual bonus.

LTIP Awards may be granted during the 42 days beginning on: (i) the adoption date of the plan; (ii) the date of the Global Offer; (iii) the day after the announcement of the Company’s results for any period; (iv) any day on which the Board determines that circumstances justify the making of the LTIP Award at that time; or (v) the day after the lifting of any dealing restrictions.

However, no LTIP Awards may be granted more than 10 years after the date when the LTIP was adopted. LTIP Awards are not transferable other than to the participant’s personal representatives in the event of their death. The benefits received under the LTIP are not pensionable.

(e) Holding period

At its discretion, the Board may grant LTIP Awards subject to a holding period following vesting. During this period, the sale of vested shares is restricted although there is no risk of forfeiture through cessation of employment. After satisfaction of any such holding period, LTIP Awards will be released to the participant and they may be sold.

(f) Performance and other conditions

The Board may impose performance conditions on the vesting of LTIP Awards. Any performance conditions applying to LTIP Awards may be varied, substituted or waived if the Board considers it appropriate, provided the Board considers that the new performance conditions are fair and reasonable and are not materially less or more difficult to satisfy than the original conditions (except in the case of waiver).

Where performance conditions are specified for LTIP Awards, the underlying measurement period for such conditions will ordinarily be three financial years beginning on 1 January of the financial year in which the LTIP Award is granted, although may be shorter in exceptional circumstances (for example, for Global Offer Bonus awards—see section 7.2.2(g) of this Part XVII above). The performance conditions are set out in section 7.2.2(g).

The Board may also impose other conditions on the vesting of LTIP Awards.

(g) Malus

The Board may decide, at any time prior to release, that the number of Ordinary Shares subject to an LTIP Award shall be reduced in whole or in part on such basis that the Board in its discretion considers to be fair, reasonable and proportionate where, in its opinion, there are exceptional circumstances. Such exceptional circumstances may include, but are not limited to:

- material misstatement in the published results of the Group;
- discovery of an error in assessing any applicable performance condition;
- fraud or gross misconduct on the part of the LTIP Award holder; or
- the Board determining, as a result of an appropriate review of accountability, that the LTIP Award holder has caused wholly or in part a material loss for the Group as a result of: (i) reckless, negligent or wilful actions; or (ii) inappropriate values or behaviour.

(h) Clawback

The Board may, following the release of an LTIP Award, require the participant to transfer to the Company some or all of the Ordinary Shares acquired following the release of an LTIP Award, reduce the amount of any future annual bonus or the vesting of any subsisting or future LTIP Awards and/or require the participant to make a cash payment in exceptional circumstances. Such exceptional circumstances may include, but are not limited to:

- material misstatement in the published results of the Group;
- discovery of an error in assessing any applicable performance condition;
- fraud or gross misconduct on the part of the LTIP Award holder; or
- the Board determining, as a result of an appropriate review of accountability, that the LTIP Award holder has caused wholly or in part a material loss for the Group as a result of (i) reckless, negligent or wilful actions; or (ii) inappropriate values or behaviour.

(i) Vesting and exercise

LTIP Awards will normally vest, and LTIP Options will normally become exercisable, on the third anniversary of the date of grant of the LTIP Award (although sale of LTIP Awards may still be subject to the completion of any imposed holding period before being released to the participant) to the extent that any applicable performance conditions have been satisfied and to the extent permitted under any operation of malus or clawback. For the Global Offer Bonus awards, vesting will occur one and two years post-Global Offer subject to satisfaction of specific performance targets as set out in section 7.2.2(g). LTIP Options will normally remain exercisable until the tenth anniversary (or a shorter period at the discretion of the Remuneration Committee) of the date of granting the LTIP Option.

(j) Cessation of employment

Except in certain circumstances, set out below, an unvested LTIP Award will lapse immediately upon a participant ceasing to be employed by or holding office with the Group.

However, if a participant so ceases employment because of his death, ill health, injury, disability, redundancy, retirement with the agreement of his employer, the participant being employed by a company which ceases to be a Group company or being employed in an undertaking which is transferred to a person that is not a Group company or in other circumstances at the discretion of the Board (each an “**LTIP Good Leaver Reason**”), his LTIP Award will ordinarily vest on the date when it would have vested and any retained portion will remain subject to the holding period originally agreed. Vesting will be subject to the satisfaction of any applicable performance conditions measured over the original performance period and the operation of malus or clawback. In addition, unless the Board decides otherwise, vesting will be pro-rated to reflect the reduced period of time between grant and the participant’s cessation of employment as a proportion of the normal vesting period.

If a participant ceases to be a Group employee or Director for an LTIP Good Leaver Reason, the Board can alternatively decide that his LTIP Award will vest on the date of cessation of employment rather than on the scheduled vesting date. If a participant dies, a proportion of his LTIP Award will vest on the date of his death (unless the Remuneration Committee decides, in exceptional circumstances, that his LTIP Award will vest on the date when it would have vested if he had not died, in which case the normal vesting provisions for leavers (above) will apply). The extent to which an LTIP Award will vest in these situations will be determined by the Board at its absolute discretion taking into account, among other factors, the period of time the LTIP Award has been held and the extent to which any applicable performance conditions have been satisfied at the date of cessation of employment and the operation of malus or clawback. In addition, unless the Board decides otherwise, vesting will be pro-rated to reflect the reduced period of time between grant and the participant’s cessation of employment as a proportion of the normal vesting period.

To the extent that LTIP Options vest for an LTIP Good Leaver Reason, they may be exercised during a period of 6 months following vesting (or such longer period as the Board determines) and will otherwise lapse at the end of that period. To the extent that LTIP Options vest following death of a participant, they may be exercised during a period of 12 months following death and will otherwise lapse at the end of that period. Any payment in lieu of notice in excess of 12 months’ salary (in accordance with the individual’s service contract where applicable) will be offset against the value of vesting for a Good Leaver.

(k) Corporate events

In the event of a takeover, reconstruction, amalgamation or winding-up of the Company, the LTIP Awards will vest on the date that this event occurs. The proportion of the LTIP Awards which vest shall be determined by the Remuneration Committee taking into account, among other factors, the period of time the LTIP Award has been held by the participant and the extent to which any applicable performance conditions have been satisfied at that time.

To the extent that LTIP Options vest in the event of a takeover, winding-up or reconstruction or amalgamation of the Company they may be exercised during a period of 6 months measured from the relevant event (or in the case of takeover such longer period as the Remuneration Committee determines) and will otherwise lapse at the end of that period.

In the event of a demerger, distribution or any other corporate event, the Remuneration Committee may determine that LTIP Awards shall vest. The proportion of the LTIP Awards which vest shall be determined by the Remuneration Committee taking into account, among other factors, the period of time the LTIP Award has been held by the participant and the extent to which any applicable performance conditions have been satisfied at that time. LTIP Options that vest in these circumstances may be exercised during such period as the Remuneration Committee determines and will otherwise lapse at the end of that period.

To the extent that LTIP Options vest in accordance with the above provisions, they may be exercised during a period of one month and will otherwise lapse at the end of that period. To the extent that a participant already holds vested LTIP Options, they may be exercised during a period of one month from the relevant event and will otherwise lapse at the end of that period.

If there is a corporate event resulting in a new person or company acquiring control of the Company, the Remuneration Committee may (with the consent of the acquiring company) alternatively decide that LTIP

Awards will not vest or lapse but will be replaced by equivalent new awards over shares in the new acquiring company.

(l) Variation of share capital

In the event of a variation of the Company's share capital (for example, a rights/bonus issue), the number of shares subject to an LTIP Award and the terms and conditions of the LTIP Award shall be adjusted in such manner as the Board, where relevant, shall determine as being fair and reasonable.

(m) Amendments

Amendments to the rules of the LTIP may be made at the discretion of the Board. However, the provisions governing eligibility requirements, equity dilution, share utilisation, individual participation limits and the adjustments that may be made following a rights issue or any other variation of capital together with the limitations on the number of shares that may be issued cannot be altered to the advantage of participants without prior shareholder approval. This requirement does not apply to minor amendments to benefit the administration of the LTIP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for the Company.

8. PENSIONS

The Executive Directors receive a pension contribution of up to 20 per cent. of their base salary. The Company does not operate defined benefit pension arrangements. The total contributed by the Company to pension, retirement or similar benefits in respect of the Directors and Senior Management in the year ended 31 December 2013 was US\$617,115.

9. RELATED PARTY TRANSACTIONS

Save for the related party transactions set out in note 26 to the financial statements contained in Part XII: "Financial Information on the Group" of this Prospectus and in sections 7.2.1, 10.6.2, 10.7.10 to 10.7.14, 10.7.17, 10.7.18 and 10.7.25 of this Part XVII below, there are no related party transactions that were entered into during the period covered by such financial statements and during the period from 1 January 2014 to the Latest Practicable Date.

10. MATERIAL CONTRACTS

The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Company within two years immediately preceding the date of this Prospectus or which are expected to be entered into on the date of this Prospectus and which are, or may be, material or which have been entered into by the Company and which contain any provision under which the Company has any obligation or entitlement which is, or may be, material to the Company as at the date of this Prospectus:

10.1 International Underwriting Agreement

The Company, the Joint Bookrunners, the Chairman and the Executive Directors entered into the International Underwriting Agreement on 9 April 2014. Pursuant to the International Underwriting Agreement:

10.1.1 the Company has agreed, subject to certain conditions, to allot and issue, at the Offer Price, the Ordinary Shares to be issued in connection with the International Offering;

10.1.2 the Joint Bookrunners have agreed, subject to certain conditions, to procure subscribers for (or to the extent that subscribers fail to be procured, or to the extent such subscribers fail to subscribe for all of the Ordinary Shares in connection with the International Offering, to severally and not jointly subscribe for themselves in their agreed proportions) the Ordinary Shares offered pursuant to the International Offering at the Offer Price;

10.1.3 the Offer Price was determined by negotiation between the Company and the Joint Bookrunners;

10.1.4 the Company has agreed that the Joint Bookrunners may deduct from the proceeds of the International Offering aggregate fees and commissions of US\$18,750,000 (assuming no exercise of the Over-allotment Option). The Company may also pay the Joint Bookrunners, in its sole discretion, an additional aggregate discretionary incentive fee of up to 1.25 per cent. of the gross proceeds from the

Global Offer (including from any Ordinary Shares sold pursuant to the Over-allotment Option), to be apportioned among the Joint Bookrunners by the Company in its absolute discretion;

10.1.5 the obligations of the Joint Bookrunners to procure subscribers for, or, failing which, to subscribe themselves, Ordinary Shares on the terms of the International Underwriting Agreement are subject to certain conditions that are customary for an agreement of this nature. These conditions include, amongst other things, delivery of customary comfort packages, the absence of a material adverse change in relation to the Company and approval of various offering documents having been received. In addition the obligations of the Joint Bookrunners are conditional upon the conditions precedent of the Nigerian Vending Agreement being satisfied;

10.1.6 The Joint Global Coordinators (on behalf of the Joint Bookrunners) may terminate the International Underwriting Agreement on the basis of their assessment of the state of the financial markets and upon the occurrence of certain stated events, such as any breach of representation or warranty under the International Underwriting Agreement or the application for Admission being refused. In addition, the Joint Global Coordinators have the right to terminate the International Underwriting Agreement, exercisable in certain circumstances prior to Admission;

10.1.7 Standard Bank (the “**Stabilising Manager**”) has been granted an Over-allotment Option, pursuant to which the Stabilising Manager may require the Company to make available additional Ordinary Shares of up to 15 per cent. of the aggregate number of Ordinary Shares available in the International Offering (before the exercise of the Over-allotment Option) at the Offer Price to cover over-allotments, if any, made in connection with the International Offering. The Over-allotment Option may be exercised, in whole or in part, at any time during the period from the commencement of conditional dealings of Ordinary Shares on the London Stock Exchange and ending 30 calendar days thereafter. Save as required by law, the Stabilising Manager does not intend to disclose the extent of any over-allotments made and/or any stabilisation transactions carried out. If any Over-allotment Shares are acquired pursuant to the Over-allotment Option, the Stabilising Manager will be committed to pay to the Company, or procure payment is made to them of, an amount equal to the Offer Price multiplied by the number of Over-allotment Shares sold by the Company, less commissions and expenses;

10.1.8 the Company has agreed to pay or cause to be paid (together with any applicable VAT) all costs, charges, fees and expenses of or arising in connection with, or incidental to, the International Offering;

10.1.9 the Company has given customary representations, warranties, undertakings and indemnities to the Joint Global Co-ordinators and the Joint Bookrunners;

10.1.10 the Executive Directors and the Chairman have given certain representations, warranties and undertakings to the Joint Global Co-ordinators and the Joint Bookrunners; and

10.1.11 the parties to the International Underwriting Agreement have given certain covenants to each other regarding compliance with laws and regulations affecting the making of the International Offering in relevant jurisdictions.

10.2 Nigerian Vending Agreement

The Company and the Nigerian Joint Issuing Houses have entered into a vending agreement dated 9 April 2014 (the “**Nigerian Vending Agreement**”) to the following effect:

The Nigerian Joint Issuing Houses have agreed, on behalf of the Company, to conduct the Nigerian aspects of the Global Offer and in particular the Nigerian Admission and the Nigerian Offering. The Nigerian Joint Issuing Houses have agreed to undertake all standard obligations required of them in line with the provisions of the Nigerian SEC Rules and Regulations and in particular to structure the Nigerian Offering and assist in ensuring that the Company is of good corporate standing to successfully effect the Nigerian Offering. The Nigerian Offering will not be underwritten.

The Nigerian Joint Issuing Houses have agreed to liaise with the Nigerian SEC with a view to securing the requisite approvals for the Nigerian Offering and in particular to ensure harmonisation of documentation for a cross-border offering acceptable to applicable regulators in the national markets where the Global Offer is to be marketed and sold. The Nigerian Joint Issuing Houses have agreed to render all necessary support and co-operate with the local and foreign professional advisers to ensure compliance with the rules and regulations applicable in all countries where the Global Offer is to be marketed and sold, and that the requisite approvals are obtained from the appropriate regulatory authorities in these countries.

The Company has agreed that all charges, statutory fees and reasonable costs and expenses that may arise from or be incidental to the Nigerian Offering, including, but not limited to, the professional fees and registration, legal, advertising and printing costs and expenses, are to be paid from the proceeds of the Nigerian Offering.

The Company and the Nigerian Joint Issuing Houses have made standard representations, warranties, undertakings and indemnities to each other as required by Nigerian law. The Company and the Nigerian Joint Issuing Houses have also entered into covenants with each other regarding compliance with Nigerian laws and regulations.

The Nigerian Vending Agreement may be terminated: (i) by either party upon the occurrence of certain events such as the liquidation or insolvency of either of the parties to the agreement; (ii) in the event of a breach or failure of any party to comply with the provisions of the agreement if such breach and/or failure is not remedied (if capable of remedy) for a period of 14 days after notification of the breach; and (iii) with 14 days' written notice by either party of its inability to perform any of its obligations under the agreement due to a force majeure event. Please see Part XV: "Details of the Global Offer", section 6 of this Prospectus for a full description of the Nigerian Vending Agreement.

10.3 Relationship Agreement

On 25 March 2014, the Company entered into a relationship agreement (the "**Relationship Agreement**") with the Founders, which will, conditional upon Admission, regulate the degree of control that the Founders and their respective associates may exercise over the management of the Company. Accordingly, the Founders have entered into a deed of termination that provides that, conditional upon Admission, the shareholders' agreement currently in place to regulate their relationship will terminate.

Under the Relationship Agreement, each of the Founders has undertaken, for so long as it is a Minimum Shareholder, amongst other things:

- (a) to conduct all transactions and relationships with any member of the Group at arm's length and on normal commercial terms;
- (b) not to conduct itself in such a way as will preclude or inhibit the Company or any subsidiary from carrying on its business independently of it and its respective associates;
- (c) not to take any action (or omit to take any action) that would have the effect of preventing the Company from complying with its obligations under the Listing Rules, the Disclosure and Transparency Rules or the rules of the Nigerian SEC;
- (d) not to take any action (or omit to take any action) that would have the effect of preventing the Company from complying with its memorandum and Articles;
- (e) not to take any action which precludes or inhibits the Company from operating and making decisions for the benefit of its shareholders as a whole, and independently of the other parties to the Relationship Agreement at all times;
- (f) not to propose or procure the proposal of a shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules;
- (g) not to enter into any transaction or relationship with any member of the Group other than in accordance with the Company's conflicts of interest and related party transactions policy;
- (h) to abstain from voting in respect of any shareholder or board resolution concerning any transaction or relationship of any type between it and/or its associates and any member of the Group;
- (i) not to exercise its voting rights to procure any amendment to the Articles which would be inconsistent with, undermine or breach any of the provisions of the Relationship Agreement; and
- (j) to exercise its voting rights, so far as it is reasonably able, so that the Company discloses in its annual report and accounts the matters set out in Listing Rule 9.8.4 (as such rule is proposed to be amended by FCA Consultation Paper CP13/15).

In addition, each of Shebah, the Platform Group and MPI has undertaken:

- (a) to exercise its voting rights to ensure, so far as it is reasonably able, that the Board always comprises at least three directors who are, having regard to the criteria set out in the UK

Corporate Governance Code and the Nigerian Code of Corporate Governance, independent of it and its respective associates; and

- (b) to exercise its voting rights to ensure, so far as it is reasonably able, that at least one Independent Non-Executive Director will have prior experience of sitting on the board of a company whose ordinary shares were, at the time such Independent Non-Executive Director held such position, listed on the main market of the London Stock Exchange and admitted to the Official List of the FCA.

Each of the Founders has undertaken that until: (i) it ceases to be a Minimum Shareholder; or (ii) 24 months from the date of the Relationship Agreement (whichever is the earlier to occur), each of them will, subject to any legally binding confidentiality restrictions, (A) inform the Company of any possible acquisition, investment or farm-in opportunities that are offered to it or any of its associates, whether directly or indirectly, in respect of on-shore or shallow off-shore OMLs or OPLs in Nigeria, (B) if made actually aware that the Company has been offered an opportunity referred to in (A), which it (or its associates) has not been offered, then it (and it shall procure that its associates) shall not participate in any such opportunity until the Company has decided not to pursue such opportunity and (C) use reasonable endeavours to procure (so far as it is able and if acceptable to the seller) that a co-investment right in at least equal shares and on equivalent terms is offered to the Company in respect of any such opportunities.

The Relationship Agreement will continue until the earlier to occur of:

- (a) all of the Founders ceasing to be Minimum Shareholders (provided that in the event that any one of the Founders ceases to be a Minimum Shareholder, the Relationship Agreement shall terminate in respect of such Founder only); or
- (b) the Ordinary Shares ceasing to be listed on the Official List and to trading on the London Stock Exchange.

The Relationship Agreement may also be terminated at the option of the Company following approval by all of the Independent Non-Executive Directors, a majority of the Independent Non-Executive Directors (including the senior Independent Non-Executive Director) or by a majority of the Company's shareholders (including a majority of the Company's independent shareholders, being those shareholders who are not the Founders or any of their respective associates).

If the Relationship Agreement is not terminated earlier in accordance with its terms, then, at any time following the fifth anniversary of the Relationship Agreement, following the request of any party to the Relationship Agreement, the parties to the Relationship Agreement will review the agreement and consider mutually acceptable terms for its continuation.

Under the terms of the Relationship Agreement, for so long as each of Shebah, the Platform Group and MPI remains a Major Shareholder then it shall have the right to nominate two directors of the Company and for so long as it remains a Minimum Shareholder then it shall have the right to nominate one director of the Company.

"Major Shareholder" is defined in the Relationship Agreement as meaning any Founder that, together with any of its associates, has a legal or beneficial interest (direct or indirect) or is able to exercise, or procure the exercise of, voting rights attaching to 17.5 per cent. or more (in the case of Shebah, Mr. Orjiako and the Platform Group), or 30 per cent. or more (in the case of MPI), of the issued Ordinary Shares from time to time. **"Minimum Shareholder"** is defined in the Relationship Agreement as meaning any Founder that, together with any of its associates, has an interest (direct or indirect) or is able to exercise, or procure the exercise of, voting rights attaching to 7.5 per cent. or more (in the case of Shebah, Mr. Orjiako and the Platform Group), or 15 per cent. or more (in the case of MPI), of the issued Ordinary Shares from time to time. The Relationship Agreement specifies certain parties who are considered to be associates of the Founders for the purposes of the Relationship Agreement, in particular for the purposes of determining the Minimum Shareholder and Maximum Shareholder requirements. These include, amongst others, Quantum Capital, as an associate of Mr. Orjiako, and Platform Petroleum Limited and Abtrust Integrated Services Limited, as associates of Mr. Avuru.

10.4 Depositary agreement

On 8 April 2014, the Company entered into a depositary agreement with the Depositary, as described in Part XXI: "Depositary Interests" of this Prospectus.

10.5 Lock-up arrangements

10.5.1 Company lock-up

Pursuant to the International Underwriting Agreement the Company has agreed that during a period expiring 180 days after the date of Admission neither it, nor any of its subsidiaries or other affiliates (without the prior written consent of the Joint Global Co-ordinators on behalf of the Joint Bookrunners), will, directly or indirectly, issue, offer, sell, mortgage, assign, pledge, charge, contract to sell or issue, issue or sell any option or contract to purchase, purchase any option or contract to issue or sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of any Ordinary Shares or securities convertible or exchangeable into or exercisable for, or substantially similar to, any Ordinary Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the underlying Ordinary Shares or enter into any swap or other agreement that transfers, directly or indirectly, any of the economic consequences of ownership of Ordinary Shares or enter into any transaction with the same economic effect as, or agree to do or publicly announce any intention to do, any of such things, except that the foregoing provisions shall not apply to the issue by the Company of any Ordinary Shares pursuant to the International Underwriting Agreement.

10.5.2 Shareholder lock-up

The Locked-up Persons have each executed a Lock-up Deed, pursuant to which they have agreed that, subject to certain exceptions, during a period expiring 365 days from the date of Admission (except (i) in the case of the Lock-up Deeds entered into by Quantum Power, Quantum Capital, Mercuria Capital and the Blakeney Group, which expire 180 days from the date of Admission, and (ii) in the case of the Lock-up Deed entered into by MPI, which expires 365 days from the date of Admission in respect of 50 per cent. of its shareholding immediately prior to Admission and 180 days from the date of Admission in respect of the other 50 per cent. of its shareholding immediately prior to Admission), they shall not, without the prior written consent of the Joint Global Co-ordinators (on behalf of the Joint Bookrunners), directly or indirectly, offer, sell, contract to sell, grant or sell any options over, purchase any option or contract to sell, transfer, charge, mortgage, assign, pledge, grant any right or warrant to purchase, lend or otherwise transfer or dispose of any Ordinary Shares or any securities convertible or exchangeable into or exercisable for, or substantially similar to, Ordinary Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the Ordinary Shares, or enter into any swap or other agreement that transfers, in whole or in part, directly or indirectly, any of the economic consequences of ownership of Ordinary Shares, or any transaction with the same economic effect as, or agree to do or publicly announce any intention to do, any of such things. MPI's Lock-up Deed provides it with the right to charge, mortgage or pledge its Ordinary Shares as security to a bank or financial institution to secure any debt facilities it may enter into during the period of restriction, subject to prior notice being given to the Joint Global Co-ordinators and provided that such chargee, mortgagee or pledgee agrees to adhere to the MPI Lock-up Deed at the time of such charge, mortgage or pledge.

10.6 Financing Arrangements

The Company has entered into financing arrangements which are summarised below.

10.6.1 Afrexim Facility

On 12 June 2012, the Company and Afrexim, amongst others, entered into a facility agreement (the “**Afrexim Facility Agreement**”) whereby the lenders thereunder agreed to make available to the Company a term loan facility of up to US\$550 million, on the terms and conditions described below (the “**Afrexim Facility**”). Currently, the Afrexim Facility is fully drawn. Prior to 12 June 2012, the Company had drawn US\$275 million under an amended and restated bridge loan facility made available by, amongst others, Afrexim (the “**Afrexim Bridge**”).

Under the Afrexim Facility, the US\$275 million already drawn under the Afrexim Bridge was re-characterised as a five-year term loan to be used for the acquisition of new assets, repayment of the balance of certain shareholder loans and for the Company's general corporate and working capital purposes. The Company must repay loans drawn under the Afrexim Facility Agreement in instalments by repaying on the first day of January, April, July and October in each year an amount which reduces the amount of the outstanding loans by an amount equal to one-twentieth of all loans borrowed and outstanding on the preceding day. In any event all amounts must be repaid by 25 August 2016. Amounts drawn under the Afrexim Facility are subject to interest at a rate equal to the sum of: (i) the applicable

margin; (ii) LIBOR; and (iii) an additional per annum interest rate, calculated in accordance with the terms of the Afrexim Facility Agreement, to compensate the lenders under the Afrexim Facility for the cost of complying with the requirements of the Bank of England and/or the FCA and the requirements of the European Central Bank (if any).

In order to secure the Company's obligations under the Afrexim Facility, the Company has granted Afrexim, as security trustee for the other lenders: (i) a first-ranking fixed and floating charge over certain of the Company's assets; (ii) an assignment of its rights under the Off-take Agreement; (iii) a first-ranking floating charge over its offshore debt service reserve account; and (iv) a first-ranking floating charge over certain of the Company's bank accounts, including its onshore operating and collection accounts.

The Company provides a number of customary representations, certain of which will be repeated at various stages during the term of the Afrexim Facility Agreement, including but not limited to due incorporation and valid existence, authority, good title to assets, no continuing or reasonably expected event of default and no proceedings, pending or threatened, which might have a material adverse effect.

The Company has given certain standard information undertakings to Afrexim, as agent for the lenders, including providing a bi-annual borrowing base certificate (to include confirmation of the Company's total 2P reserves projected to be recovered during the next 18 months), copies of all documents dispatched to shareholders or creditors, details of litigation, arbitration or related claims and proceedings that could result in a material adverse effect, details of any potential or actual default under its project documents and details of any proposed amendment to the project documents, details of any actual or proposed material amendment of, waiver, consent, default or breach under the project documents. Further, the Company has provided certain general undertakings typical for a facility similar to that provided under the Afrexim Facility Agreement, including but not limited to compliance with laws, settlement of claims, negative pledge, payment of taxes, restrictions on acquisitions and disposals, mergers and changes in business, maintenance of industry standard insurance, restrictions on financial indebtedness, loans and credits and guarantees, and restrictions on any declaration of dividends by the Company.

Events of default under the Afrexim Facility Agreement are typical for a term loan facility similar to that provided thereunder, including but not limited to: non-payment (unless failure is caused by a technical or administrative failure and payment is made within three business days of its due date); failure to comply with the provisions of the Afrexim Facility Agreement; misrepresentation; insolvency; ineffectiveness of security granted under the Afrexim Facility Agreement; or a change in shareholding of the Company.

Further, pursuant to the terms of the Afrexim Facility Agreement, the lenders have certain standard cancellation rights in respect thereof in cases where it becomes unlawful for such lender to perform its obligations under the Afrexim Facility Agreement or where there is a change in control of the Company, in which case the other lenders under the applicable facility may also cancel their loans.

The Company may voluntarily cancel all or part of the Afrexim Facility upon 10 days' prior notice, provided that such cancelled amount is not less than US\$5 million. Any voluntary cancellation by the Company will reduce the commitments of the lenders under the Facility Agreement ratably.

In addition to the foregoing, the Afrexim Facility will be subject to a mandatory prepayment if the total amount outstanding under the Afrexim Facility Agreement is greater than the borrowing base amount (as set out in the most recent borrowing base certificate). In such case, the Company must, to the extent it has available funds in the collection account or debt service reserve account, repay the loans to bring the total outstanding amount under the borrowing base amount.

The Company is currently negotiating the final form of an amendment and restatement of the Afrexim Facility Agreement to update the documentation to reflect consents previously given by the lenders thereunder, to include certain of the Company's subsidiaries as obligors under the facility, and to provide for intercreditor arrangements relating to the Company's other debt facilities. The Company expects to finalise this amendment and restatement in the near future. In the event that any such updates or intercreditor arrangements are not satisfactorily agreed, the Company may be deemed to be in default under the Afrexim Facility Agreement and Afrexim may declare all amounts outstanding to be immediately due and payable as a result of such default.

As of the Latest Practicable Date, US\$370 million was outstanding under the Afrexim Facility.

10.6.2 MPI Shareholder Loan

On 25 June 2010, the Company and MPI entered into a loan agreement whereby MPI, in its capacity as a shareholder in the Company and lender thereunder, agreed to make available to the Company a shareholder term loan of US\$153 million (the “**MPI Shareholder Loan**”). The MPI Shareholder Loan was used by the Company for the acquisition of its 45 per cent. participating interest in OMLs 4, 38 and 41. The Company pays interest on outstanding amounts of the MPI Shareholder Loan at a rate of five per cent. above LIBOR or the interest rate incurred by MPI on its borrowings and must repay the balance of the loan on or before the end of the four-year term. The outstanding balance of the MPI Shareholder Loan will be repaid in full out of the proceeds of the Global Offer.

10.6.3 Letter of Credit and Revolving Credit Facility with FBN

On 27 September 2013, FBN issued a letter of credit in favour of the Company (the “**FBN Letter of Credit**”) and US\$94.5 million was drawn under that letter of credit for payment by the Company of the CNL Assets Acquisition Deposit. Subsequently, AMNI, one of the Company’s CNL Assets Consortium partners, repaid US\$25.5 million (as part of its share of the CNL Assets Acquisition Deposit), leaving US\$69 million outstanding under the FBN Letter of Credit.

The Company expects to agree a facility agreement with FBN (which will replace the FBN Letter of Credit, the “**FBN Facility Agreement**”) whereby FBN will make available to the Company a revolving loan facility of up to US\$100 million, on the terms and conditions described below (the “**FBN Facility**”).

Any remaining undrawn capacity under the FBN Facility will be available for the Company’s general corporate and working capital purposes. The Company must repay each loan drawn under the FBN Facility Agreement on the last day of the interest period for that loan. Each interest period is for one month. In any event all amounts borrowed must be repaid by the termination date of two years from the date of signature. Amounts drawn under the FBN Facility will be subject to interest at a rate equal to the sum of: (i) the applicable margin of 8.00 per cent. per annum; (ii) LIBOR; and (iii) an additional per annum interest rate, calculated in accordance with the terms of the FBN Facility Agreement, to compensate the lender for the cost (if any) of complying with the requirements of the Bank of England and/or the FCA, the requirements of the European Central Bank or any equivalent requirements in the Federal Republic of Nigeria or any other country. In addition, an up-front fee is payable under the FBN Facility Agreement, as described in the related fee letter.

In order to secure the Company’s obligations under the FBN Facility, each of the Company and its subsidiaries Newton Energy and SEPLAT East will grant FBN second-ranking security over the assets subject to security granted in respect of the obligations of the Company under the Afrexim Facility Agreement.

The drawdown of funds by the Company is subject to certain customary conditions to drawdown, including the continued correctness of customary representations provided under the Afrexim Facility Agreement. The Company will provide a number of standard representations about itself and its subsidiaries, certain of which will be repeated at various stages during the term of the FBN Facility Agreement, including but not limited to due incorporation and valid existence, no continuing or reasonably expected event of default and no proceedings, pending or threatened, which might have a material adverse effect.

In addition to the covenant provided by the Company to the lender to comply in all respects with the terms of the Afrexim Facility Agreement, the Company will give certain standard general undertakings to FBN in respect of itself and the other members of its group typical for a facility similar to that provided under the FBN Facility Agreement, including but not limited to compliance with laws, settlement of claims, negative pledge, payment of taxes, restrictions on acquisitions and disposals, mergers and changes in business, restrictions on financial indebtedness, loans and credits and guarantees, and restrictions on any declaration of dividends by the Company.

Events of default under the FBN Facility Agreement are typical for a revolving loan facility similar to that provided thereunder, including but not limited to: non-payment by the Company (unless payment is made within five business days); failure by any member of the Company’s group to comply with the provisions of the FBN Facility Agreement (unless the failure is remedied within 21 business days); misrepresentation; cross-default of more than US\$5 million; or occurrence of a material adverse change.

Further, pursuant to the terms of the FBN Facility Agreement, the lender has certain customary cancellation rights in respect thereof in cases where it becomes unlawful for it to perform its obligations under the FBN Facility Agreement.

As of the Latest Practicable Date, the principal amount of US\$100 million was outstanding under the FBN Facility.

10.6.4 Zenith Facility

On 27 February 2014, the Company and Zenith entered into a facility agreement (the “**Zenith Facility Agreement**”) whereby Zenith agreed to make available to the Company a term loan facility of US\$200 million, on the terms and conditions described below (the “**Zenith Facility**”).

The loan is repayable over the course of a five-year term ending on 11 February 2019. Amounts drawn under the Zenith Facility incur interest at a rate equal to the sum of LIBOR and 7.5 per cent. per annum, subject to a floor of 8.0 per cent. per annum. The Company must make quarterly interest payments on the loan amount, whilst repayment of principal only begins after a twelve-month moratorium commencing on the date of first drawdown.

The Company must route all dividend payments and other proceeds from any SPV incorporated for the purposes of making the SPDC Assets Bid through its accounts with Zenith. The Company provides a number of customary representations, including but not limited to due incorporation and valid existence, authority, non-conflict and borrowing limits. The Company has agreed to deliver to Zenith copies of its audited accounts within 120 days of the end of its financial year.

The Zenith Facility is currently unsecured. There are provisions requiring the Company to assign its rights and interests in OMLs 4, 38 and 41 to Zenith and grant security over substantially all its assets in order to secure its borrowings under the Zenith Facility. However, any such grant of security remains subject to the consent and agreement of Afrexim, the other lenders under the Afrexim Facility Agreement, FBN and the Company in respect of intercreditor arrangements between those entities. In the event such consents are not obtained or intercreditor agreements satisfactorily agreed, the Company may be deemed to be in default under the Zenith Facility and Zenith may declare all amounts outstanding to be immediately due and payable as a result of such default.

Events of default are typical for a term loan facility and include: non-payment within 30 days of the due date; breach of a material provision of the Zenith Facility Agreement; insolvency; and misrepresentation.

On 27 February 2014, Zenith waived the conditions precedent to drawdown and the Company utilised the full available amount of the Zenith Facility (US\$200 million) for the SPDC Assets Bid. As at the Latest Practicable Date this amount of principal remained outstanding.

10.7 Agreements Relating to the Company’s Assets

The Company has entered into agreements relating to its assets which are summarised below.

10.7.1 OMLs 4, 38 and 41 Joint Operating Agreement

General

On 11 July 1991, SPDC, AGIP, TOTAL and NNPC entered into a joint operating agreement to govern the joint venture relationship between the parties in the exploration, development and operation of certain OMLs in Nigeria, including OMLs 4, 38 and 41. Under the terms of this original joint operating agreement, SPDC was designated as operator of the fields.

The parties to the original joint operating agreement executed a new joint operating agreement on 31 July 2010 (the “**OMLs 4, 38 and 41 Joint Operating Agreement**”) in respect of the OMLs 4, 38 and 41 joint venture exclusively, on identical terms and conditions to the original. On 31 July 2010, by deed of novation, the Company replaced SPDC, AGIP and TOTAL as party to the OMLs 4, 38 and 41 Joint Operating Agreement.

Operator Responsibilities

Under the terms of the OMLs 4, 38 and 41 Joint Operating Agreement, the Company is designated as operator of OMLs 4, 38 and 41. As operator, the Company may enter into agreements with third parties relating to (i) the provision of the facilities used within the context of the OMLs 4, 38 and 41 Joint

Operating Agreement (after written consent from NPDC) and (ii) the supply of goods or services, within certain monetary limits and subject to any limitations on such authority decided by the operating committee. The operator is also in charge of preparing the timetable for the work schedules and required budgets and it is responsible, amongst other matters, for hiring and assigning employees, preparing the financial statements, managing joint bank accounts with NPDC and obtaining titles of ownership or leases for the land necessary to conduct operations as well as any surface rights and easements needed.

Operating committee

The powers of the operating committee include the management, control and supervision of all matters pertaining to joint operations. In particular, the operating committee has the power:

- to approve, revise or reject programmes and budgets;
- to study and approve the recommendations from subcommittees relating to programmes and budgets;
- to study and make decisions, subject to approval by the parties to the OMLs 4, 38 and 41 Joint Operating Agreement, concerning the expansion or reduction of the contract area;
- to settle any dispute over ₦500,000 in value;
- to ensure that the operator applies the decisions of the operating committee; and
- more generally, to make any decisions on joint operations that do not fall within the operator's remit and exclusive control.

The operating committee is composed of 12 members, comprising six representatives from NPDC and six from the Company. For the committee's decisions to be adopted: (i) a quorum of two-thirds of the members of the operating committee, including a minimum of four representatives from NPDC and four from the Company, must be met; and (ii) such decisions must be approved unanimously by the members present, unless otherwise provided for in the OMLs 4, 38 and 41 Joint Operating Agreement.

Financing Joint Operations

Each party contributes to the financing of joint operations in proportion to its participating interest in the OMLs. All costs and expenses in respect of programmes and budgets and all income from the operations are determined, placed into accounts and authorised according to specific procedures set out in the OMLs 4, 38 and 41 Joint Operating Agreement.

Each party shares in all expenses incurred for the joint account in proportion to its participating interest. NPDC is entitled to pay its share of expenses in crude oil, on condition that the operator is given 60 days' prior notice.

If a party fails to make payment further to a call for funds, it will be given notice by the operator and, if necessary, an emergency meeting of the operating committee will be convened to examine the situation. As long as a payment default persists, the defaulting party's portion of the joint account may be used to reimburse the party that has advanced the funds. The non-defaulting party may take recourse against the defaulting party after four months by any legal means, or may suspend joint operations related to the interest held by the defaulting party.

Sole Risk Operations

A party to the OMLs 4, 38 and 41 Joint Operating Agreement may decide to undertake performance of a sole-risk operation after the operating committee and other parties have decided not to pursue or to abandon a given joint operation. Such party will then assume the risks and costs. If one or more other parties wish to participate, the operator must perform the operation even if it is not a participant. However, the risks, costs, investments and supervision of the sole risk operations are the responsibility of the participating parties. A sole risk operation cannot be carried out if it may have a significant negative impact on joint operations or if it is contrary to the existing work programmes.

A non-participating party may subsequently choose to participate in the sole risk operation by paying the participating parties a penalty for its late participation in the operation, in an amount equal to the expenses and costs committed to the sole risk operation on the date on which the former decided to contribute, in proportion to its participating interest plus 200 per cent. If another party participates in a sole risk operation, the operation then continues as a joint operation.

The joint assets and the operator's personnel may be used for the completion of a sole risk operation. Nevertheless, the implementation and execution of joint operations take priority over sole risk operations. In addition, any property acquired as part of a sole-risk operation is the exclusive property of the party or parties participating in the sole-risk operation. Facilities for a sole risk operation as well as the resulting oil production are the property of the participating parties until such time as any non-participating parties decide to participate.

10.7.2 Crude Handling Agreement

A full description of the Crude Handling Agreement between the Company and SPDC is set out in Part VI: "Letter from the Chairman and Information on the Group", section 11.1 of this Prospectus.

10.7.3 Off-take Agreement

A full description of the Off-take Agreement between the Company and Shell Trading is set out in Part VI: "Letter from the Chairman and Information on the Group", section 11.2 of this Prospectus.

10.7.4 Agency and Contract Services provided by Nerine Support Services Limited

Under a personnel outsourcing services agreement between the Company and Nerine Support Services Limited ("Nerine") dated 9 April 2012, Nerine agreed to provide the Company with agency and contract workers. The duration of the agreement is for a period of two years with a one-year extension to cover any period of re-negotiation or renewal. Either party is entitled to terminate the agreement on ninety days' prior written notice.

10.7.5 Sapele Gas Sale and Purchase Agreement

On 20 August 1997 SPDC (as operator on behalf of the SPDC JV) and NGC entered into a gas sale and purchase agreement, which was subsequently novated to the Company by SPDC. Under this agreement the Company is required to deliver gas to NGC at the National Electric Power Authority at Sapele (now known as Sapele Power plc). The unit price (in Naira per 1,000 scf) paid by NGC for the gas was US\$0.14 for the 2011 calendar year. The agreement was amended and extended by side agreement on 14 June 2012 until such time as the GSAA for Sapele referred to in section 10.7.7 of this Part XVII below comes into effect. The prices payable under the original agreement were revised upwards resulting in a weighted average of US\$0.84 per 1,000 scf with effect from August 2010. During the course of 2013 the average price paid by NGC was US\$0.91 per 1,000 scf.

10.7.6 Oben Gas Sale and Purchase Agreement

On 11 July 1994 SPDC (as operator on behalf of the SPDC JV) and NGC entered into a gas sale and purchase agreement, which was subsequently novated to the Company by SPDC. Under this agreement the Company is required to deliver gas to NGC for onward sale. The unit price (in Naira per 1,000 scf) paid by NGC for the gas was US\$0.14 for the 2011 calendar year. The agreement was amended and extended by side agreement on 14 June 2012 until the GSAA for Oben referred to in section 10.7.7 of this Part XVII below comes into effect. The prices payable under the original agreement were revised upwards resulting in a weighted average of US\$0.84 per 1,000 scf with effect from August 2010. During the course of 2013 the average price paid by NGC was US\$0.91 per 1,000 scf.

10.7.7 New Gas Sale and Purchase Agreements

On 21 February 2013, SEPLAT entered in two GSAA's with, amongst others, Sapele Power and Geregu Power, each for a term of 10 years (or until the required amounts have been delivered) on standard industry terms. Under these agreements, SEPLAT has agreed to supply Sapele Power with 182,500,000 mmBtu of gas and Geregu Power with 292,000,000 mmBtu of gas on a take or pay basis, over the course of the 10-year terms. The minimum contract price for gas supplied under each agreement is US\$1.5 mmBtu for 2013, then rising to US\$2.0 mmBtu for 2014. The minimum contract price for gas supplied under each agreement from 1 January 2015 shall be calculated and adjusted from US\$2.0 mmBtu in accordance with a power sector price formula which takes into consideration the Organisation for Economic Co-operation and Development (OECD) consumer price index.

10.7.8 General memorandum of understanding with local communities

A full description of the GMOU entered into between the Company and the local host communities is set out in Part VI: “Letter from the Chairman and Information on the Group”, section 12.3 of this Prospectus.

10.7.9 Crude Transportation Agreement with PanOcean

As part of its acquisition of OMLs 4, 38 and 41, the Company acquired a portion of the Trans-Forcados Pipeline between the Amukpe manifold and Rapele manifold. PanOcean routes its crude oil production from certain of its fields via this section of the Trans-Forcados Pipeline, and consequently requires the Company to provide crude transportation services. The Crude Transportation Agreement between the Company and PanOcean is for a term of two years from 31 July 2011 to 31 July 2013 and provides that its terms shall continue to apply until a new crude transportation agreement is executed by the parties. The Company is in the process of negotiating a new agreement with PanOcean on substantially the same terms.

Under the terms of the Crude Transportation Agreement, PanOcean is entitled to inject a maximum production capacity of an amount notified by the Company on the 28th day of each month. The tariff structure under the Crude Transportation Agreement is as follows:

- Transportation charge for the use of the Pipeline of US\$0.51/bbl where the transported crude oil for the month includes wet crude. For dry crude the charge drops to US\$0.36/bbl.
- Where the average daily transported crude oil is in excess of PanOcean’s maximum production capacity (which is notified by the Company to PanOcean each month), the transportation charge will apply plus an excess charge of 140 per cent. of the transportation charge on injected volumes exceeding 120 per cent. of the advised limit.

10.7.10 Cardinal

(a) Exclusivity Agreement

On 17 May 2012, the Company entered into an exclusivity agreement with Cardinal, for the purpose of securing exclusive use of two drilling rigs owned by Cardinal for a period of five years in exchange for a fee of US\$20 million. Cardinal is controlled by Platform, Shebah and MPI, shareholders in the Company. Cardinal is a Nigerian company specialising in the provision of drilling rigs for oil and gas exploration and production.

(b) Rig Agreement regarding rig 101

On 13 March 2013, the Company entered into a two-year contract with Cardinal for the use of drilling rig 101 to conduct well operations in OMLs 4, 38 and 41. The Company has the option to extend the contract period for another year by giving 90 days’ notice to Cardinal. The Company has made an advance payment of US\$5,000,000 (in aggregate for rig 101 and rig 201, described below) to Cardinal which will be set-off against the net outstanding fees at the date of termination of the contract. Payment by the Company is within 30 days of presentation of the monthly invoice by Cardinal at the rates set out in the contract (which are subject to an annual 7.5 per cent. increase). The Company can terminate the agreement for convenience on 30 days’ written notice.

(c) Rig Agreement regarding rig 201

On 13 March 2013, the Company entered into a two-year contract with Cardinal for the use of drilling rig 201 to conduct well operations in OMLs 4, 38 and 41. The Company has the option to extend the contract period for another year by giving 90 days’ notice to Cardinal. The Company has made an advance payment of US\$5,000,000 (in aggregate for rig 101 and rig 201, described above) to Cardinal which will be set-off against the net outstanding fees at the date of termination of the contract. Payment by the Company is within 30 days of presentation of the monthly invoice by Cardinal at the rates set out in the contract (which are subject to an annual 10 per cent. increase). The Company can terminate the agreement for convenience on 30 days’ written notice.

(d) Rig Agreement regarding rig 202

On 1 January 2013, the Company entered into a two-year contract with Cardinal for the use of drilling rig 202 to conduct well operations in OMLs 4, 38 and 41. The Company has the option to extend the contract period for another year by giving 90 days’ notice to Cardinal. Payment by the Company is within 30 days of

presentation of the monthly invoice by Cardinal at the rates set out in the contract. The Company can terminate the agreement for convenience on 30 days' written notice.

10.7.11 KCA Deutag/Lonestar rig agreements

(a) Rig Agreement regarding rig T-209

On 4 December 2013, the Company signed a letter of intent with KCA Deutag Nigeria Limited and KCA Deutag Drilling GmbH (together "**KCA Deutag**") and on 30 December 2013 the Company signed a drilling contract with KCA Deutag for the use of drilling rig T-209 to conduct drilling and workover campaigns of two wells with the option to extend for an additional well by giving 45 days' notice. Either party can terminate the contract upon breach of contract by the other, and the Company can terminate for convenience on 30 days' written notice. If the Company decides to terminate the contract early in accordance with the provisions thereof, it is required to pay US\$1,000,000 per well not exercised within the contract period plus a demobilization fee of US\$1,750,000 plus an additional US\$1,000,000 for each committed extension well.

(b) Rig Agreement regarding rig T-41

On 1 August 2011, the Company entered into a one-year contract with KCA Deutag for the use of drilling rig T-41 to conduct certain well operations in OMLs 4, 38 and 41. The Company has the option to extend the contract period for another year by giving 90 days' notice to KCA Deutag. The Company can terminate the agreement for convenience on 30 days' written notice.

(c) Rig Agreement regarding rig T-57

On 1 February 2012, the Company entered into a drilling contract assignment agreement with Septa and KCA Deutag for the use of drilling rig T-57 to conduct well operations in OMLs 4, 38 and 41. Rig T-57 is currently used by Pillar Oil under the terms of a drilling contract assignment agreement dated 10 September 2011 and, after the rig is released by Pillar Oil Limited, it has been agreed that the rig will be assigned to the Company. The assignment period will begin when the rig is moved from the last location drilled by Pillar Oil to the first of the Company's locations and continue for 110 days or for as long as necessary for the Company to drill, case and complete two wells in OMLs 4, 38 and 41. The Company may request that the assignment period be extended by giving notice to Septa, which must be approved in writing by Septa.

(d) Rig Agreement regarding rig 205

On 18 January 2012, with effect from 23 December 2011, the Company entered into an agreement with Lonestar for the use of drilling rig 205. The agreement's original term was for one year with the option to extend for an additional six months. The Company and Lonestar continue to operate under the agreement although it has formally expired.

10.7.12 APCO

On 22 March 2010, the Company entered into a two-year agreement with APCO, a firm specialising in the oil and gas industry in Nigeria and elsewhere in West Africa and controlled by A.B.C. Orjiako, for the purpose of identifying, structuring and negotiating potential investments in the rights to operate oil and gas licences in Nigeria and in the rest of West Africa. Under the agreement, in consideration for: (i) APCO's services and the expenses incurred by it in identifying, analysing and reporting on certain investment prospects that were identified in the reports that were delivered by APCO to the Company; and (ii) the forfeiture of rights held by APCO in favour of SEPLAT relating to certain potential investment opportunities in the Niger Delta which APCO had been exploring since 2005, the Company agreed to pay a fee to APCO of US\$25 million (excluding any withholding tax). Upon the direction of APCO, this fee was paid to Helko Nigeria Limited in two instalments (US\$14 million and US\$11 million, on 14 June 2010 and 1 July 2010, respectively). Helko Nigeria Limited mainly utilised these proceeds on instruction from APCO in a work programme for SEPCOL's Ukpokiti oil field, which is located within OML 108 (a shallow water area in the Niger Delta). Both Helko Nigeria Limited and SEPCOL are entities controlled by A.B.C. Orjiako. In accordance with its terms, this agreement expired on 22 March 2012.

10.7.13 Shebah FPSO Loan

Pursuant to a memorandum of understanding between the Company, SEPCOL and Allenne Limited dated 16 November 2010, the Company paid a cash deposit in the sum of US\$15 million as a commitment deposit to guarantee the Company an exclusive option to lease or purchase the FPSO “Trinity Spirit”. The FPSO is a 2 million bbls offshore facility equipped with a 20 Mbpd capacity crude oil processing unit. The FPSO is owned by Allenne Limited and was leased on bareboat charter to SEPCOL for use as a floating production storage, de-watering system and off-load facility for crude oil or any suitable petroleum product. The memorandum of understanding further provided that the deposit amount is to be deducted from any agreed sale price of the FPSO or amortised from crude handling or lease rates as may be agreed between the parties and for the return of the deposit in full in certain circumstances, including should the Company decide not to purchase or lease the FPSO. On 27 August 2013, SEPCOL repaid the entire outstanding balance due to the Company. Accordingly, no further sums are payable by SEPCOL to the Company.

10.7.14 Newton Energy Transfer

Pursuant to instruments of share transfer dated 1 June 2013, MPI, Platform Petroleum New Assets Limited (an affiliate of Platform) and Shebah transferred their entire shareholdings in Newton Energy (which together represented 100% of the issued share capital of Newton Energy) to the Company for nil consideration. Prior to the date of this change of ownership, Newton Energy had not traded and did not have any assets.

10.7.15 MPI Sale Process Mandate

In December 2012, MPI requested the other Founders to assist MPI on a non-exclusive basis in selecting potential bidders for up to 20 per cent. of the Ordinary Shares held by MPI and to organise a bidding process in respect thereof. Following completion of the sales by MPI of 24,000,000 Ordinary Shares and 16,000,000 Ordinary Shares on 22 August 2013 to Mercuria Capital and the Blakeney Group respectively, MPI paid the sum of US\$4,132,666 to the other Founders and, following a further sale of 19,600,000 Ordinary Shares on 24 December 2013 to Quantum Power, MPI paid a further US\$1,308,880 to the other Founders for their services in identifying and negotiating the above-mentioned sales on behalf of MPI, allocated amongst the other Founders in respect of the net gain in valuation realised by MPI on the sale of the shares.

10.7.16 Umuseti/Igbuku Fields Investment

On 1 June 2013, Newton Energy, a wholly-owned subsidiary of the Company, entered into an agreement with Pillar Oil to acquire (subject to the consent of the Minister and receipt of any other necessary approvals) a 40 per cent. participating interest in the Umuseti/Igbuku Fields. Until these conditions precedent are satisfied, Newton Energy is entitled to receive the benefit of 40 per cent. of all oil and gas produced from the Umuseti/Igbuku Fields. The completion of the acquisition will add approximately 10 MMbbl to the Group’s proved plus probable (2P) oil and condensate reserves and 91 bcf of gas.

The total consideration payable in respect of the Umuseti/Igbuku Fields Investment is US\$60 million, which includes future milestone payments of: (i) US\$5 million when average daily production of 10,500 bopd of liquid hydrocarbons sustained over a period of one (1) month is achieved; and (ii) US\$5 million when cumulative production of 10 MMbbl of liquid hydrocarbons from the Umuseti/Igbuku Fields is achieved.

Under the terms of the above agreement, Pillar Oil is obligated to submit the documentation necessary to obtain government approval to the assignment, pay all costs, fees and taxes relating to such approval and generally to procure such approval within the shortest time possible. In the event of refusal by the Minister to approve the assignment, Pillar Oil is required to hold the participating interest in trust for Newton Energy and Pillar Oil must fully consult with and hold discussions with Newton Energy in respect of all operational issues on the fields.

10.7.17 Umuseti/Igbuku Joint Operating Agreement

(a) General

On 1 June 2013, Newton Energy (as non-operator) and Pillar Oil (as operator) entered into a joint operating agreement to govern the joint venture relationship between the parties in the exploration, development and operation of the Umuseti/Igbuku Fields.

(b) Operator responsibilities

Under the terms of the Umuseti/Igbuku Joint Operating Agreement, Pillar Oil is designated as operator of the Umuseti/Igbuku Fields. Pillar Oil's duties as operator include conducting joint operations, executing joint programmes and joint budgets which have been approved by the operating committee and keeping accurate records and books of accounts. Pillar Oil is required to make certain data available to Newton Energy, including without limitation information and data concerning reserves, drilling reports, production reports, forecasts and financial data required for cash calls.

(c) Operating committee

The powers of the operating committee include the management, control and supervision of all matters pertaining to joint operations. The operating committee is composed of six members, comprising three representatives from Newton Energy (one of whom acts as the secretary of the operating committee) and three from Pillar Oil (one of whom acts as the chairman of the operating committee). All committee decisions must be made by unanimous vote of the members of the committee from time to time, unless otherwise provided for in the Umuseti/Igbuku Joint Operating Agreement.

(d) Financing joint operations

Each party contributes to the financing of joint operations in proportion to its participating interest in the marginal fields (i.e. 40 per cent. for Newton Energy and 60 per cent. for Pillar Oil). All costs and expenses in respect of programmes and budgets and all income from the operations are determined, placed into accounts and authorised according to specific procedures set out in the Umuseti/Igbuku Joint Operating Agreement. Each party has the option of paying its share of expenses in crude oil, on condition that the operator is given 30 days' prior notice.

(e) Sole risk operations

A party may decide to undertake performance of a sole-risk operation after the operating committee and the other party have decided not to pursue or to abandon a given joint operation. Such party will then assume the risks and costs. If one or more other parties wish to participate, the operator must perform the operation even if it is not a participant. However, the risks, costs, investments and supervision of the sole risk operations are the responsibility of the participating parties.

10.7.18 Mercuria Off-Take Arrangements

On 17 December 2013, the Company signed an off-take agreement with Mercuria Energy (the "**Mercuria Off-take Agreement**") in relation to a long-term crude off-take contract for a period of five years, beginning on the earlier of 1 August 2015 and the date on which the parties agree that SEPLAT is able to deliver its first cargo in excess of 500,000 barrels. The Mercuria Off-take Agreement relates to any crude oil which is not purchased by Shell Trading under the Off-take Agreement between the Company and Shell Trading, which expires on 31 July 2015.

Under the terms of the Mercuria Off-take Agreement, Mercuria Energy has agreed to purchase from the Company the Company's full entitlement to crude oil production from OMLs 4, 38 and 41 not purchased by Shell Trading from the date the Company loads the first cargo of 500,000 barrels or more to Mercuria Energy until 31 July 2015. Thereafter, Mercuria Energy has agreed to purchase the Company's full entitlement to crude oil production from OMLs 4, 38 and 41.

The contract price is determined according to the average of the mean dated Brent quotations as published in Platt's crude oil marketwire for the five consecutive published quotations in accordance with the NNPC pricing formula plus a differential to the dated Brent quotation established by the official selling price for Forcados blend crude oil prompt option as published by the NNPC. The contract price is subject to certain adjustments.

Mercuria Energy is an affiliate of Mercuria Capital, which, as at the Latest Practicable Date, holds a 6 per cent. interest in the issued share capital of the Company.

10.7.19 Quantum Power LOI

The Company entered into a binding letter of intent with Quantum Power on 24 December 2013 (the “**Quantum Power LOI**”). Under the terms of the Quantum Power LOI, the Company has granted Quantum Power an exclusive right of first refusal with respect to the provision of equity financing for the development of the Company’s proposed independent gas processing business (provided that such equity financing is on mutually acceptable terms and provided in a timely manner). The parties have also agreed to share details of any opportunities to bid for additional gas resources.

The Quantum Power LOI also grants Quantum Power an exclusive right of first refusal to acquire SEPLAT’s uncommitted gas allocated for commercial supply on no worse terms than agreed with any other third party (provided always that any such supply terms are on mutually acceptable terms and are compliant with SEPLAT’s related party transaction and conflicts of interest policies).

Quantum Power, as at the Latest Practicable Date, holds a 4.9 per cent. interest in the issued share capital of the Company.

10.7.20 CNL Assets Consortium Agreement

On 14 November 2013, the Company entered into an amended and restated consortium agreement (the “**CNL Assets Consortium Agreement**”) with AMNI and BelemaOil (BelemaOil together with AMNI and the Company, the “**CNL Assets Consortium**”) in order to collaborate exclusively with each other and bid as a consortium for the 40 per cent. participating interest in OMLs 52, 53 and 55 being divested by CNL.

Pursuant to the CNL Assets Consortium Agreement, the Company, AMNI and BelemaOil have agreed to allocate the CNL Assets and the consideration owing from the CNL Assets Consortium to CNL between them so that the Company acquires a 40 per cent. participating interest in OML 53 for total cash consideration of US\$300 million, AMNI acquires a 40 per cent. participating interest in OML 52 for total cash consideration of US\$170 million and BelemaOil acquires a 40 per cent. participating interest in OML 55 for total cash consideration of US\$330 million. The Company agreed to lead the CNL Assets Consortium in negotiations with CNL.

Under the CNL Assets Consortium Agreement, the parties have agreed, amongst other things: (1) to cooperate on issues of government relations relating to the acquisition; (2) to pay fully any sum due in connection with the CNL Assets Acquisition; and (3) that should a party fail to pay any amount due under the CNL Assets Consortium Agreement or the CNL Assets SPA, the other party or parties that have fulfilled their payment obligations have the option to pay the unpaid sum and/or introduce another party (acceptable to CNL) to take over the unfulfilled obligations of the party that failed to pay.

The parties have agreed to share all benefits, costs, claims and liabilities (including, without limitation, any adjustment to the purchase price for the CNL Assets) and indemnify each other party in respect of each and every liability arising under the CNL Assets Consortium Agreement or the CNL Assets SPA or otherwise howsoever arising in connection with the CNL Assets Acquisition according to the relevant allocations set out above.

The Agreement will terminate on 1 January 2015 if the CNL Assets Acquisition does not close earlier or upon a change of control.

10.7.21 CNL Assets SPA

On 29 November 2013, the CNL Assets Consortium entered into the CNL Assets SPA with CNL to acquire a 40 per cent. participating interest in OMLs 52, 53 and 55 for total cash consideration of US\$800 million.

A deposit in the amount of US\$147 million, equivalent to 18.375 per cent. of the total purchase price (the “**CNL Assets Acquisition Deposit**”), was due to be paid upon the signing of the CNL Assets SPA in the form of a standby letter of credit issued to the benefit of CNL. The Company’s portion of the CNL Assets Acquisition Deposit (US\$69 million) was paid upon signing of the CNL Assets SPA.

The balance of the total purchase price (US\$653 million, subject to certain adjustments and exclusive of any tax) is payable by the CNL Assets Consortium to CNL upon the CNL Assets Acquisition Completion.

Each member of the CNL Assets Consortium has agreed to be jointly and severally liable to pay the balance to CNL at the CNL Assets Acquisition Completion.

The outstanding conditions to the CNL Assets Acquisition Completion are as follows (together referred to as the “**CNL Assets Acquisition Conditions**”):

- The execution of the documents (by all parties thereto), which effect the carve out of OMLs 52, 53 and 55 from the existing NNPC/CNL joint operating agreement and establish a new joint operating agreement in respect of OMLs 52, 53 and 55.
- The receipt of any consent or approval or waiver of pre-emption by NNPC under the existing joint operating agreement in respect of OMLs 52, 53 and 55.
- The CNL Assets Consortium and CNL having performed and complied in all material respects with the terms and conditions of the CNL Assets SPA required to be performed or complied with by it at or prior to CNL Assets Acquisition Completion.
- The receipt of all material approvals, consents, waivers or the execution of any necessary agreement or document which may be required under the CNL Assets SPA documents or by any applicable laws, regulations or government entity prior to the transfer of the CNL Assets to the CNL Assets Consortium, except for any consents and approvals of any governmental entity or authority customarily obtained subsequent to transfer of title.
- No action or proceeding by or before any government entity shall have been instituted or threatened (and not subsequently dismissed, settled or otherwise terminated) which might restrain, prohibit or invalidate any of the transactions contemplated by the CNL Assets SPA, other than an action or proceeding instituted or threatened by CNL or any of its affiliates or by the CNL Consortium or its affiliates.
- The CNL Assets Consortium’s and CNL’s representations and warranties being true and correct in all material respects at the CNL Assets Acquisition Completion.
- If applicable, the CNL Assets Consortium having delivered to CNL any certificate or document reasonably requested by CNL to confirm the satisfaction of all the CNL Assets Acquisition Conditions.

If the CNL Assets Acquisition Conditions are not fulfilled or waived by CNL on or before the Longstop Date, CNL may terminate the CNL Assets SPA. If such failure to satisfy the Conditions is caused by the CNL Assets Consortium, CNL will be under no obligation to repay the CNL Assets Acquisition Deposit to the CNL Assets Consortium and will be entitled to keep the CNL Assets Acquisition Deposit. If CNL refuses to complete or the Minister fails to give consent for the transaction, the CNL Assets Consortium is entitled to reimbursement of the CNL Assets Acquisition Deposit.

Subject to the CNL Assets Acquisition Completion occurring, the effective date of the transaction will be 1 July 2013 (the “**CNL Assets Acquisition Effective Date**”). The CNL Assets SPA provides that CNL shall be liable for certain liabilities arising prior to the Effective Date (including certain taxes relating to the CNL Assets and certain identified litigation). CNL has agreed to indemnify and hold harmless the CNL Assets Consortium in respect of such pre-CNL Assets Acquisition Effective Date liabilities and for certain environmental defects (subject to CNL having been notified of such liabilities at least 10 business days prior to the CNL Assets Acquisition Completion and subject to certain monetary and time limitations).

Effective at the time of the CNL Assets Completion, the CNL Assets Consortium shall be liable for, and indemnify and hold harmless CNL in respect of: (i) the CNL Assets Consortium’s or CNL’s ownership, operations or activities related to the CNL Assets and the contracts and agreements pertaining thereto; (ii) all other environmental and decommissioning liabilities; and (iii) all other liabilities attributable to the period commencing from the CNL Assets Acquisition Effective Date.

Pursuant to the CNL Assets SPA, CNL has given various warranties in favour of the CNL Assets Consortium in respect of certain key matters. It has also undertaken to observe certain customary positive and negative covenants in the interim period between signing and the CNL Assets Acquisition Completion, including in respect of payment of expenses due under the OMLs 52, 53 and 55 JOA, and keeping the CNL Assets Consortium informed of all material acts, matters and things relating to the CNL Assets. The CNL Assets Consortium has also given limited warranties relating to authority, corporate and financial standing, solvency and compliance with applicable anti-corruption laws.

Separate and apart from the liability apportionment described in the paragraph above, CNL has agreed to retain liability in respect of certain on-going litigation disclosed in the CNL Assets SPA.

10.7.22 OML 24 Consortium Agreement

On 4 February 2014, Newton Energy entered into a consortium agreement with Sahara Field Production Limited and DWC Exploration and Production Company Limited to acquire a 45 per cent. interest in OML 24 as part of the Group's OML 24 Bid. The agreement sets out the terms and conditions under which the parties jointly submitted the OML 24 Bid and the terms that will govern their relationship as members of the OML 24 Consortium. Sahara Field Production Limited has agreed to act as lead party for the OML 24 Consortium. The parties have also agreed to form a steering committee which is responsible for approving a budget for the consortium and establishing an SPV for the purposes of the OML 24 Bid.

10.7.23 OML 29 Consortium Agreement

On 20 February 2014, the Company entered into a consortium agreement with Vertex Energy Nigeria Limited and VP Global Integrated Energy Limited to acquire a 45 per cent. interest in OML 29 as part of the Group's OML 29 Bid. The agreement sets out the terms which govern the parties' participation in the OML 29 Bid exercise and the principles to guide negotiation of any agreements necessary for operating the target assets. The Company agreed to act as lead party for the OML 29 Consortium, including in respect of leading and conducting negotiations with SPDC and all other parties including NNPC and any governmental agencies in connection with the OML 29 Bid.

10.7.24 Deposit escrow agreements in respect of the OML 24 Bid, the OML 29 Bid and the NCTL Bid

In respect of the OML 24 Bid, the OML 29 Bid and the NCTL Bid, the Company entered into three deposit escrow agreements each dated 21 February 2014 with SPDC, Total, AGIP and BNP Paribas relating to the OML 24 Bid, the OML 29 Bid and the NCTL Bid, respectively. Under the terms of each deposit escrow agreement, BNP Paribas is holding the Company's share of the deposit payable by the Company as a member of the OML 24 Consortium (in respect of the OML 24 Bid) and as a member of the OML 29 Consortium (in respect of the OML 29 Bid and the NCTL Bid) in an escrow account in the names of the Company, SPDC, Total and AGIP. The Company's aggregate share of the respective deposit amounts was between US\$150 million and US\$175 million.

Under the terms of each deposit escrow agreement, if the OML 24 Consortium signs (in respect of OML 24) definitive legal documentation to acquire the 45 per cent. participating interest held by SPDC, Total and AGIP and/or the OML 29 Consortium signs (in respect of OML 29 and/or the NCTL) definitive legal documentation to acquire the 45 per cent. participating interest held by SPDC, Total and AGIP then the relevant portion of the aggregate deposit amount will be released to SPDC, Total and AGIP and will form part of the applicable purchase price. If the OML 24 Consortium (in respect of OML 24) and/or the OML 29 Consortium (in respect of OML 29 and/or the NCTL) does not sign definitive legal documentation or SPDC does not select them as preferred bidders then the relevant portion of the aggregate deposit amount will be returned to the members of the OML 24 Consortium and/or the OML 29 Consortium (as applicable).

10.7.25 KEL/VPL JV gas sale agreement

The Company is in the process of executing (subject to NPDC approval) a gas supply agreement with the KEL/VPL JV to route sales-quality gas through the proposed KEL/VPL JV gas plant to enable it to extract liquids. This liquid extraction will result in a sales gas volume of approximately 5 MMscfd. The Company will be compensated at a unit price of US\$4.00/MMBtu (index-linked) on the shrinkage volume only. The agreement is for a term of 10 years with an option for KEL/VPL JV to request an extension of a further period not exceeding 10 years. The obligation to purchase gas under this agreement will not commence before 30 days from the date at which KEL/VPL completes construction and commissioning of gas processing facilities ready to receive continuous deliveries from the Company. KEL/VPL must give not less than 12 months' but not more than 18 months' notice to the Company specifying when the facilities will be commissioned. While KEL/VPL agrees to make the commissioning period as short as possible, the agreement provides for a construction period of up to 24 months from the effective date of the agreement.

Macaulay Ofhurie, a Non-Executive Director of the Company, is also a director of KEL/VPL JV.

10.7.26 Southfield Petroleum gas sale agreement

On 17 December 2013, the Company entered into an agreement with Southfield Petroleum to route sales-quality gas through the proposed Southfield Petroleum LPG plant to enable it to extract liquids. This liquid extraction will result in a sales gas volume of approximately 9 MMscfd. The Company will be compensated at a unit price of US\$4.00/MMBtu (index-linked) on the shrinkage volume only. The agreement is for a term of 10 years with an option for Southfield Petroleum to request an extension of a further period not exceeding 10 years. The obligation to purchase gas under this agreement will not commence before 30 days from the date at which SPL completes construction and commissioning of gas processing facilities ready to receive continuous deliveries from the Company. SPL must give not less than 12 months' but not more than 18 months' notice to the Company specifying when the facilities will be commissioned. While SPL agrees to make the commissioning period as short as possible, the agreement provides for a construction period of up to 24 months from the effective date of the agreement.

10.7.27 Azura Power gas sale agreement

The Company has agreed and is in the process of executing (subject to NPDC approval) a gas sale and purchase agreement with Azura Power to supply it with an annual quantity equal to 42,306,818 MMBtu of gas at a unit price of US\$3.00/MMBtu (index-linked) for a period of 15 years with an option to extend the period by a further five years by written agreement between the parties. The agreement is subject to the waiver or satisfaction of certain conditions precedent by a long stop date of 31 March 2014 or such other later date as the parties may agree up to a maximum of six months. Assuming the agreement has not been terminated for failure by either the Company to construct facilities for the extraction and delivery of gas, or Azura to construct facilities to accept gas deliveries, then the obligation to purchase gas under this agreement will commence no earlier than the 20th month and no later than the 26th month after satisfaction of all other specified conditions precedent.

11. PROPERTY, PLANT AND DRILLING EQUIPMENT

The Group's material assets are its participating interests in its OMLs and marginal fields, further details of which are in Part XVIII: "Competent Person's Report on OMLs 4, 38 and 41" and Part XIX: "Competent Person's Report on the Umuseti/Igbuku Fields" of this Prospectus, and its facilities and equipment, further details of which are in Part VI: "Letter from the Chairman and Information on the Group", section 5 of this Prospectus. In addition, set out in Part XX: "Competent Person's Report on OML 53" of this Prospectus is a description of OML 53, in which, subject to the CNL Assets Acquisition Completion, the Group will own a 40 per cent. participating interest.

12. LITIGATION

Save as set out below, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the 12 months preceding the date of this Prospectus which may have, or have had, a significant effect on the Company's or the Group's financial position or profitability.

The CNL Assets Acquisition is currently the subject of legal proceedings brought by Britannia U Nigeria Limited ("Brittania U"), an unsuccessful bidder for the CNL Assets, and the parties are currently unable to proceed further with the transaction as a result of an injunction obtained by Britannia U from the Nigerian Federal High Court in Lagos in December 2013. By a writ of summons and statement of claim, both dated 12 December 2013, Britannia U, which is a marginal field development company in Nigeria, commenced legal proceedings against five defendants, including SEPLAT. Britannia U has claimed that there exists a contract between it and CNL for the acquisition of CNL's 40 per cent. participating interest in OMLs 52, 53 and 55, which pre-dates SEPLAT and CNL entering into the CNL Assets SPA. In addition to claims against all five defendants for declarations, specific performance of the contract claimed to be in existence by Britannia U and an injunction preventing the defendants from proceeding with the CNL Assets Acquisition, there is a claim for exemplary damages of US\$1 billion against the four defendants other than CNL, including SEPLAT. These claims have been denied by CNL and SEPLAT. Management believes that the claims against SEPLAT are without merit. Accordingly, SEPLAT has made no provision related to the Britannia U claim, including in relation to the exemplary damages claim, in its audited financial statements as of and for the year ended 31 December 2013.

13. NIGERIAN COMPANY AND SECURITIES LAWS

SEPLAT is a company registered under CAMA and is subject to Nigerian law. Certain key aspects of Nigerian company and securities law are summarised below.

13.1 Shares and pre-emption rights

Nigerian law does not give an automatic pre-emption right to existing shareholders. It depends on the provisions of the articles of association of the company. Section 117 of CAMA in this regard provides as follows:

“Subject to any limitations in the articles of a company with respect to the number of shares which maybe unissued and any pre-emptive rights prescribed in the articles on relation to the shares, a company shall have the power, at such times and for such consideration as it shall determine, to issue shares up to the total number authorised in the memorandum.”

Accordingly, the Company has given to shareholders in the Articles a pre-emption right in respect of future share issues. See paragraph 6.5 of this Part XVII: “Additional Information” for a summary of the relevant provision in the Articles.

13.2 Dividends and distributions

Under Nigerian law, the directors may recommend to the shareholders in a general meeting the declaration of dividends and authorise payment of an interim dividend but it is only the company in a general meeting that can in fact declare a dividend. Further, under Nigerian law, a general meeting cannot declare a dividend if the directors did not recommend the payment of a dividend.

Also, dividends can only be declared from profits, revenue reserves or realised profits on the sale of a fixed asset.

13.3 Protection of minority shareholders

CAMA makes extensive provisions for the protection of minority shareholders and permits personal derivative actions by shareholders under section 300 of CAMA and other provisions of the law.

13.4 Management

CAMA provides a default article for the regulation or management of a company. However, where a company has adopted its own memorandum and articles of association, these would regulate the management of the company. Management of a company is vested in its board of directors and the directors have authority to bind the company. Directors are required under Nigerian law to act honestly and in good faith with a view to the best interests of the company, and to exercise the care, diligence and skill that a reasonable director would exercise.

In addition, public companies are expected to comply with the Nigerian Code of Corporate Governance.

13.5 Accounting and audit

A Nigerian public company is obliged to keep financial records. There is a statutory requirement to prepare and file audited annual financial statements and such financial statements must be first laid before shareholders in general meeting before the filing with the Nigerian Corporate Affairs Commission and the Nigerian SEC.

13.6 Inspection of corporate records

The corporate record of every Nigerian company is available for inspection by members of the public at the Nigerian Corporate Affairs Commission. Information so available includes directors, shareholders, registered office, registered charges and annual reports.

The shareholders of a Nigerian company do not have a right to inspect the books and records of the company upon notice, save for when accounts are laid before them at general meeting.

13.7 Insolvency

CAMA provides for a category of persons who may petition for winding up of a company. The usual grounds for winding up are inability to pay debts or just and equitable grounds. Only the Federal High Court has jurisdiction to wind up a company in Nigeria.

13.8 Mandatory takeover bids

Under the provisions of Section 131 of the ISA, any person who acquires (whether by a series of transactions or otherwise) shares which carry 30 per cent. or more of the voting rights of a company is obliged to make a takeover offer to the other shareholders of that company. Where any person holding shares which carry between 30 per cent. and 50 per cent. of the voting rights of a company acquires additional shares which increase his percentage of voting rights, such person is required to make a takeover offer to the holder of any class of equity share capital in which such person holds shares. As a prerequisite to making the takeover bid, the investor shall apply to the SEC for authority to proceed with the bid.

13.9 Squeeze-out

A party can exercise a squeeze-out where it has made an offer (not being a formal takeover offer) within the previous four months to the shareholders of a company for the transfer of their shares in a company to such party, and this offer has been accepted by at least three-quarters of the offerees who hold 90 per cent. or more of the value of the shares of the company, excluding those already held by the offeror or its nominee.

In the context of a takeover bid, an offeror can acquire the shares of dissenting shareholders where the offer has been accepted by the holders of 90 per cent. or more of the shares subject to the offer. If the offeror chooses to acquire the shares of dissenting shareholders, he must, within one month thereafter, give notice to any dissenting offerees, giving such offeree the option to transfer their shares to the offeror on the same terms as the original takeover offer or to demand payment of a fair value, as determined by a court.

13.10 Sell-out

In the context of a takeover bid where, following the bid, the offeror, or parties acting in concert with such offeror, hold 90 per cent. or more of the shares in that class, the offeror must give notice that it has crossed the 90 per cent. threshold to the remaining shareholders. Any shareholder who receives such notice may within two months thereafter, require that the offeror acquires its shares at the price at which the shares were acquired under the takeover bid, or at a price as may be determined by the court.

14. WORKING CAPITAL

In the opinion of the Company, taking into account the net proceeds receivable by the Company from the Ordinary Shares available in the Global Offer, the working capital available to the Group is sufficient for the Group's present requirements, that is, for at least the next 12 months following the date of this Prospectus.

15. NO SIGNIFICANT CHANGE

There has been no significant change in the financial or trading position of the Group since 31 December 2013, the date to which the last audited financial information of the Company in Part XII: "Financial Information on the Group" of this Prospectus was prepared.

16. CONSENTS

16.1 Ernst & Young LLP has given and has not withdrawn its written consent to the inclusion in this Prospectus of its reports set out in Part XII: "Financial Information on the Group" and Part XIII: "Unaudited Pro Forma Financial Information" of this Prospectus in the form and context in which they appear and has authorised the contents of those parts of this Prospectus which comprise its reports for the purposes of Rule 5.5.3R(2)(f) of the Prospectus Rules. As the Ordinary Shares have not been and will not be registered under the US Securities Act, Ernst & Young LLP has not filed and will not be required to file a consent under the US Securities Act.

16.2 DMCL, in its capacity as a Competent Person, has given and not withdrawn its written consent to the inclusion in this Prospectus of its reports which are set out in Part XVII: “Competent Person’s Report on OMLs 4, 38 and 41”, Part XIX: “Competent Person’s Report on the Umuseti/Igbuku Fields” and Part XX: “Competent Person’s Report on OML 53” of this Prospectus and references to it in the form and context in which they appear and has authorised the contents of those parts of this Prospectus which comprise its report for the purposes of Rule 5.5.3R(2)(f) of the Prospectus Rules.

16.3 For the purpose of admission to trading on the Official Trading List of the NSE, Ernst & Young Nigeria, the Company’s auditors, Ernst & Young LLP, the Company’s reporting accountant, Udo Udoma & Belo-Osagie, the legal advisers to the Managers as to Nigerian law, Punuka Attorneys & Solicitors and Alliance Law Firm, the legal advisers to the Company as to Nigerian law, Stanbic IBTC Capital Limited and Renaissance Securities (Nigeria) Limited, the Nigerian Joint Issuing Houses, and Futureview Financial Services Limited, Vetiva Capital Management Limited, BGL Plc and CSL Stockbrokers Limited have each consented in writing to act in their capacities stated and to their names being stated in this Prospectus and none of these consents have been withdrawn prior to the approval of this Prospectus by the SEC and NSE.

17. GENERAL

17.1 Ernst & Young Nigeria have audited the statutory accounts of the Company and have given unqualified audit reports on the statutory accounts of the Company for the financial years ended 31 December 2011 and 31 December 2012 under Nigerian GAAP and 31 December 2013 under IFRS.

17.2 The expenses relating to the issue of the Ordinary Shares, including the Managers’ fees and commissions, the UK Listing Authority listing fee, professional fees and expenses and the costs of printing and distribution of documents, are estimated to amount to US\$28.5 million (including applicable VAT) and are payable by the Company.

17.3 No material changes have occurred since the respective effective dates of the CPRs the omission of which would make the CPRs misleading.

18. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Company, 25a Lugard Avenue, Ikoyi, Lagos, Nigeria, at the offices of Winston & Strawn London LLP, One Ropemaker Street, London EC2Y 9AW, United Kingdom, at the offices of Stanbic IBTC Capital Limited, IBTC Place, Walter Carrington Crescent, Victoria Island, Lagos, Nigeria and Renaissance Securities (Nigeria) Limited, 5th Floor, Professional Centre, Plot 1B, Keystone Bank Crescent, Off Adeyemo Alakija Street, Victoria Island, Lagos, Nigeria, for the duration of the Global Offer:

- (a) the memorandum and articles of association of the Company;
- (b) the reports by Ernst & Young LLP which are set out in Part XII: “Financial Information on the Group” and Part XIII: “Unaudited Pro Forma Financial Information” of this Prospectus;
- (c) the CPRs;
- (d) the consent letters referred to in paragraphs 16.1 and 16.2 above;
- (e) the certificate of incorporation of the Company;
- (f) the shareholders’ resolutions authorising the Global Offer;
- (g) the board resolutions recommending the Global Offer;
- (h) the letter of approval of the book building from the SEC;
- (i) the Nigerian Vending Agreement;
- (j) the Depositary Agreement; and
- (k) this Prospectus.

(This page has been left blank intentionally.)

PART XVIII
COMPETENT PERSON'S REPORT ON OMLs 4, 38 AND 41

DEGOLYER AND MACNAUGHTON CANADA LIMITED

311 SIXTH AVENUE S.W., SUITE 1430

INTACT PLACE, EAST TOWER

CALGARY, ALBERTA, CANADA, T2P 3H2

COMPETENT PERSON'S REPORT

as of

OCTOBER 31, 2013

on

CERTAIN PROPERTIES

in

OML-4, OML-38, AND OML-41

owned by

SEPLAT PETROLEUM DEVELOPMENT COMPANY PLC

in

NIGERIA

TABLE OF CONTENTS

EXECUTIVE SUMMARY	5
DEFINITION OF RESERVES	18
DEFINITION of CONTINGENT RESOURCES.....	21
DEFINITION OF PROSPECTIVE RESOURCES	23
FIELD SUMMARIES	24
Regional Geology	24
Reservoir Geology.....	25
Production Performance.....	27
Seplat Five-Year Development Plan	29
Gas Strategy	31
Facilities Infrastructure.....	31
OML-4	33
OML-38	34
OML-41	34
OML-4, OML -38 and OML-41	34
Status	35
Valuation of Reserves.....	37
Reserves	43
OML-4	43
OML-38.....	46
OML-41	56
Estimation of Reserves	64
Contingent Resources.....	68
OML-4	68
OML-38.....	69
OML-41	75
Estimation of Contingent Resources	77
Prospective Resources	82
OML-4	82
OML-38.....	82
OML-41	85
Estimation of Prospective Resources	85
ENVIRONMENT and FACILITY	88
Introduction	88
Facilities Visited.....	91
Sapele Flowstation (SFS).....	91
NGC Sapele Compressor Station (NSCS)	92
Sapele Gas Plant	93
Amukpe Flowstation	94
Amukpe Liquid Treatment Facility	95
Amukpe Manifold.....	95
Ovhor Oil Manifold (OOM1)	95
Oben Gas Plant (OGP).....	95
Oben Flowstation (OBS)	96
Oben Compressor Station (OCS)	97
Rapele (LACT) Oil Manifold	97
Conclusion.....	98
SUMMARY AND CONCLUSIONS	99
REFERENCES CITED	100
Professional Qualifications	101

TABLE OF CONTENTS

CERTIFICATE of QUALIFICATION

TABLES

Table 1 –	Seplat – Working Interest Summary
Table 2 –	Reserves and Contingent Resource Fields Evaluated
Table 3 –	Gross Reserves
Table 4 –	Gross Reserves – Oil Equivalent
Table 5 –	Working-Interest Reserves
Table 6 –	Working-Interest Reserves – Oil Equivalent
Table 7 –	Gross Contingent Resources
Table 8 –	Gross Contingent Resources – Oil Equivalent
Table 9 –	Working-Interest Contingent Resources
Table 10 –	Working-Interest Contingent Resources – Oil Equivalent
Table 11 –	Gross Prospective Oil Resources Summary
Table 12 –	Working-Interest Prospective Oil Resources Summary
Table 13 –	Five Year Development Plan - Reserves
Table 14 –	Five Year Development Plan – Contingent Resources
Table 15 –	Reserves – Working-Interest After Tax Net Present Values – Sensitivity Cases
Table 16 –	Gross Reserves
Table 17 –	Gross Reserves – Oil Equivalent
Table 18 –	Working-Interest Reserves
Table 19 –	Working-Interest Reserves – Oil Equivalent
Table 20 –	Reserves – Working-Interest After Tax Net Present Values Discounted at 10%
Table 21 –	Gross Contingent Resources
Table 22 –	Gross Contingent Resources – Oil Equivalent
Table 23 –	Working-Interest Contingent Resources
Table 24 –	Working-Interest Contingent Resources – Oil Equivalent
Table 25 –	Gross Prospective Oil Resources Summary
Table 26 –	Working-Interest Prospective Oil Resources Summary
Table 27 –	Working-Interest Reserves Summary
Table 28 –	Working-Interest Contingent Resource Summary

FIGURES

Figure 1 –	Property Index Map – Nigeria
Figure 2 –	Property Index Map – Seplat Reserve and Contingent Resource Fields, Nigeria
Figure 3 –	Property Index Map – Seplat Prospective Resource Fields, Nigeria
Figure 4 –	Stratigraphic Column Illustrating the Three Major Formations of the Niger Delta
Figure 5 –	Example of Niger Delta Oil Fields Structures and Associated Trap Types
Figure 6 –	Seplat Total Company Oil Profile
Figure 7 –	Seplat Total Company Gas Profile
Figure 8 –	Facilities and Pipeline Infrastructure
Figure 9 –	Oben Field Structure Map – D7000 Reservoir

TABLE OF CONTENTS

FIGURES (*continued*)

- Figure 10 – Oben Field Structure Map – F7800 Reservoir
- Figure 11 – Amukpe Field Structure Map – E1400 Reservoir
- Figure 12 – Okporhuru Field Structure Map – U5000 Reservoir
- Figure 13 – Okporhuru Field Structure Map – V2000 Reservoir
- Figure 14 – Okporhuru Field – Schematic Cross-Section
- Figure 15 – Ovhor Field Structure Map – I1000 Reservoir
- Figure 16 – Ovhor Field – Schematic Cross-Section
- Figure 17 – Ovhor Field – Geological Cross-Section
- Figure 18 – Okoporo Field Structure Map – C3000 Reservoir
- Figure 19 – Ubaleme Field Structure Map – D1000 Reservoir
- Figure 20 – Okoporo Field – Schematic Cross-Section
- Figure 21 – Sapele Field Shallow Structure Map – B3500 Reservoir
- Figure 22 – Sapele Field Deep Structure Map – G4000 Reservoir
- Figure 23 – Sapele Field Deep Reservoirs – Schematic Cross-Section
- Figure 24 – Mosogar Field – Seismic Section of the Shallow Paralic Sequence over Mosogar-002
- Figure 25 – Mosogar Field Structure Map – U3000 Reservoir
- Figure 26 – Okwefe Field Structure Map – U0700A Reservoir
- Figure 27 – Orogho Field Structure Map – D1000 Reservoir
- Figure 28 – Regional Seismic Cross-Section from Sapele Field to Jesse Field
- Figure 29 – Schematic of Seplat Production Facilities

APPENDIX

TABLES

- Table A - DeGolyer and MacNaughton Price Forecast
- Table A-1 – Seplat Gas Contract Price
- Table B – Seplat’s Working Interest Reserve Production Forecast – Total Company
- Table C – Seplat’s Working Interest Reserve Production Forecast – OML-4
- Table D – Seplat’s Working Interest Reserve Production Forecast – OML-38
- Table E – Seplat’s Working Interest Reserve Production Forecast – OML-41
- Table F – Seplat’s Working Interest Reserve Cost Forecast – Total Company
- Table G – Seplat’s Working Interest Reserve Cost Forecast – OML-4
- Table H – Seplat’s Working Interest Reserve Cost Forecast – OML-38
- Table I – Seplat’s Working Interest Reserve Cost Forecast – OML-41
- Table J – Seplat’s Working Interest Contingent Resource Production Forecast – Total Company
- Table K – Seplat’s Working Interest Contingent Resource Production Forecast – OML-4
- Table L – Seplat’s Working Interest Contingent Resource Production Forecast – OML-38
- Table M – Seplat’s Working Interest Contingent Resource Production Forecast – OML-41

TABLE OF CONTENTS

APPENDIX (*continued*)

Table N –	Seplat's Working Interest Contingent Resource Cost Forecast – Total Company
Table O –	Seplat's Working Interest Contingent Resource Cost Forecast – OML-4
Table P –	Seplat's Working Interest Contingent Resource Cost Forecast – OML-38
Table Q –	Seplat's Working Interest Contingent Resource Cost Forecast – OML-41

CORPORATE SUMMARIES – FORECAST PRICE CASE

RESERVES BASE CASE

Proved Developed Producing Reserves

Table 1A –	Summary of Reserves and Net Present Values – Total Company
Table 1B –	Summary of Production and Future Net Revenue – Total Light Oil
Table 1C –	Summary of Production and Future Net Revenue – Total Heavy Oil
Table 1D –	Summary of Production and Future Net Revenue – Total Non-Associated Sales Gas
Table 1E –	Summary of Production and Future Net Revenue – Total Solution Gas
Table 1F –	Summary of Production and Future Net Revenue – Total Condensate
Table 1G –	Summary of Production and Future Net Revenue – Total Company
Table 1H –	Income Tax Summary – Total Company

Total Proved Developed Reserves

Table 2A –	Summary of Reserves and Net Present Values – Total Company
Table 2B –	Summary of Production and Future Net Revenue – Total Light Oil
Table 2C –	Summary of Production and Future Net Revenue – Total Heavy Oil
Table 2D –	Summary of Production and Future Net Revenue – Total Non-Associated Sales Gas
Table 2E –	Summary of Production and Future Net Revenue – Total Solution Gas
Table 2F –	Summary of Production and Future Net Revenue – Total Condensate
Table 2G –	Summary of Production and Future Net Revenue – Total Company
Table 2H –	Income Tax Summary – Total Company

Total Proved Reserves

Table 3A –	Summary of Reserves and Net Present Values – Total Company
Table 3B –	Summary of Production and Future Net Revenue – Total Light Oil
Table 3C –	Summary of Production and Future Net Revenue – Total Heavy Oil
Table 3D –	Summary of Production and Future Net Revenue – Total Non-Associated Sales Gas
Table 3E –	Summary of Production and Future Net Revenue – Total Solution Gas
Table 3F –	Summary of Production and Future Net Revenue – Total Condensate
Table 3G –	Summary of Production and Future Net Revenue – Total Company
Table 3H –	Income Tax Summary – Total Company

Total Proved-plus-Probable Reserves

Table 4A –	Summary of Reserves and Net Present Values – Total Company
Table 4B –	Summary of Production and Future Net Revenue – Total Light Oil
Table 4C –	Summary of Production and Future Net Revenue – Total Heavy Oil
Table 4D –	Summary of Production and Future Net Revenue – Total Non-Associated Sales Gas

TABLE OF CONTENTS

APPENDIX (*continued*)

Table 4E – Summary of Production and Future Net Revenue – Total Solution Gas

Table 4F – Summary of Production and Future Net Revenue – Total Condensate

Table 4G – Summary of Production and Future Net Revenue – Total Company

Table 4H – Income Tax Summary – Total Company

Total Proved-plus-Probable-plus-Possible Reserves

Table 5A – Summary of Reserves and Net Present Values – Total Company

Table 5B – Summary of Production and Future Net Revenue – Total Light Oil

Table 5C – Summary of Production and Future Net Revenue – Total Heavy Oil

Table 5D – Summary of Production and Future Net Revenue – Total Non-Associated Sales Gas

Table 5E – Summary of Production and Future Net Revenue – Total Solution Gas

Table 5F – Summary of Production and Future Net Revenue – Total Condensate

Table 5G – Summary of Production and Future Net Revenue – Total Company

Table 5H – Income Tax Summary – Total Company

CORPORATE SUMMARIES – FORECAST PRICE CASE

CONTINGENT RESOURCES BASE CASE

1C Contingent Resources

Table 1A – Summary of Resources – Total Company

Table 1G – Summary of Production and Future Net Costs – Total Company

2C Contingent Resources

Table 2A – Summary of Resources – Total Company

Table 2G – Summary of Production and Future Net Revenue – Total Company

3C Contingent Resources

Table 3A – Summary of Resources – Total Company

Table 3G – Summary of Production and Future Net Revenue – Total Company

CORPORATE SUMMARIES – FORECAST PRICE CASE

PROSPECTIVE RESOURCES BASE CASE

Table P1 – Prospect Portfolio Summary

Table 1 – Estimate of the Gross Prospective Oil Resources

Table 2 – Estimate of the Working-Interest Prospective Oil Resources

Table 3 – Probability Distributions

PROPERTIES EVALUATED

Reserves

Amukpe

Oben

Okoporo and Ubaleme

Okporhuru

Ovhor

Sapele

Contingent Resources

Amukpe Resource

Mosogar Resource

Oben Resource

Okoporo and Ubaleme Resource

Okwefe Resource

Orogho Resource

Ovhor Resource

Sapele Resource

DEGOLYER AND MACNAUGHTON CANADA LIMITED

311 SIXTH AVENUE S.W., SUITE 1430
INTACT PLACE, EAST TOWER
CALGARY, ALBERTA, CANADA, T2P 3H2

March 6, 2014

Seplat Petroleum Development Company PLC
25a, Lugard Avenue, Ikoyi
Lagos, Nigeria

Dear Sir/Madam:

Pursuant to your request, we have prepared an appraisal of the estimates as of October 31, 2013, of the extent of certain proved, probable, and possible light/medium oil, moderately heavy oil, natural gas, and condensate reserves and estimates of the value of the proved (1P), proved-plus-probable (2P), and proved-plus-probable-plus-possible (3P) reserves, the extent of the 1C (Low), 2C (Best), and 3C (High) contingent resources, and the extent of the Low, Best, and High estimate prospective resources of three oil mining lease (OML) concessions (OML-4, OML-38, and OML-41), located in the northern part of the Niger Delta region of Nigeria, in which Seplat Petroleum Development Company PLC (Seplat) has represented that it owns an interest and is the operator.

Estimated revenue and costs attributable to Seplat's interests in the 1P, 2P, and 3P reserves, after income tax, as of October 31, 2013, of the properties appraised under the aforementioned assumptions concerning future prices and costs for the Forecast Price Case are summarized as follows, expressed in millions of U.S. dollars (MM U.S.\$):

Reserve Category	COMPANY SHARE - FORECAST PRICE CASE				
	Future Net Revenue After Income Tax as of October 31, 2013				
	Undis- counted	Discounted			
		at 5%	at 10%	at 15%	at 20%
	MM U.S.\$	MM U.S.\$	MM U.S.\$	MM U.S.\$	MM U.S.\$
Proved Developed					
Producing	586	557	518	481	449
Non-Producing	380	292	239	203	177
Proved Undeveloped	203	133	87	57	36
Total Proved	1,169	982	844	741	662
Probable	769	515	355	252	184
Total Proved + Probable	1,938	1,497	1,199	993	846
Possible	541	315	198	135	99
Total Proved + Prob + Poss	2,479	1,812	1,397	1,128	945

Estimates of proved, probable, and possible reserves, contingent resources, and prospective resources have been prepared according to the Petroleum Resources Management System (PRMS) approved in March 2007 by the Society of Petroleum Engineers, the World Petroleum Council, the American Association of Petroleum Geologists, and the Society of Petroleum Evaluation Engineers.

This Competent Person's Report (CPR) has been prepared for the purpose of assisting Seplat in its application for a main board listing on the London Stock Exchange. In the preparation of this CPR, DeGolyer and MacNaughton Canada Limited (DMCL) has followed the requirements of the "Prospectus Rules" as published by the UK Financial Conduct Authority from time to time and governed by the UK Listing Authority and the European Securities and Markets Authority (ESMA) update of the Committee of European Securities Regulator's recommendations for the implementation of Commission Regulation No.809/2004 implementing the Prospectus Directive (ESMA/2013/319) dated March 20, 2013.

Reserves estimated in this report are expressed as gross and working-interest reserves. Gross reserves are defined as the total estimated petroleum to be produced from these properties after October 31, 2013. Working-interest reserves are defined as Seplat's working interest reserves before deduction of royalties.

Values for 1P, 2P, and 3P reserves in this report were estimated using the DMCL Brent price forecast for oil and is subject to the Forcados Blend Premium of 3 percent (included as Table A in the Appendix section of this report) and price for gas as specified by Seplat. An explanation of the future price and cost assumptions is included in the Valuation of Reserves section of this report. Values shown in this report are expressed in terms of future net revenue and net present worth. Future net revenue is defined as the revenue attributable to the interests of Seplat after deducting direct operating expenses, capital costs, and host country taxes, including royalties. Operating expenses include field operating expenses, transportation expenses, overhead costs, general and administrative expenses, and compression charges. Capital costs include such items as platforms, pipelines, drilling, well completion, gathering systems, plant/facility, and compressors. Future income tax expenses were taken into account for the appropriate Nigerian taxes to be paid. Net present worth is defined as the future net revenue derived from proved, probable, and possible reserves discounted at a specified arbitrary discount rate compounded monthly over the expected period of realization. Present worth values estimated herein are included at a discount rate of 10 percent.

The contingent resources estimated herein are those quantities of petroleum that are potentially recoverable from known accumulations but which

are not currently considered to be commercially recoverable. The contingent resources are not deemed to be commercially recoverable as there is no development plan, the necessary capital is unavailable, the project has not received government approval, facility capacity is unavailable, there is no established market to sell the products, or the burden of environmental compliance is uncertain. The relevant reason for contingency for each individual field is summarized under the Field Summaries heading of this report. The contingent resources estimates in this report are provided as a means of comparison to other contingent resources and do not provide a means of direct comparison to reserves.

The contingent resources estimated in this report are expressed as gross contingent resources and working-interest contingent resources. Gross contingent resources are defined as the total estimated petroleum that is potentially recoverable after October 31, 2013. Working-interest contingent resources are defined as that portion of the gross contingent resources potentially to be produced from the properties attributable to the interests owned by Seplat, as of October 31, 2013, before deduction of royalties.

Contingent resources quantities should not be confused with those quantities that are associated with reserves due to the additional risks involved. The contingent resources quantities that might actually be recovered, should they be developed, may differ significantly from the estimates presented herein. The contingent resources estimated in this report have an economic status of “Marginal” and a project maturity of “Development Pending.”

The prospective resources estimated herein are those quantities of petroleum that are potentially recoverable from accumulations yet to be discovered. Due to the uncertainty of commerciality and the lack of sufficient exploration drilling, the prospective resources estimated herein cannot be classified as contingent resources or reserves. The prospective resources estimates in this report are not provided as a means of comparison to contingent resources or reserves.

The prospective resources estimated in this report are expressed as gross prospective resources and working-interest prospective resources. Gross prospective resources are defined as the total estimated petroleum that is potentially recoverable after October 31, 2013. Working-interest prospective resources are defined as that portion of the gross prospective resources potentially to be produced from the properties attributable to the interests owned by Seplat, as of October 31, 2013, before deduction of royalties.

DMCL prepared a model to estimate petroleum initially in place (PIIP) of the prospective resources that might be realized should these prospective resources be successfully discovered and developed. There is no certainty that any portion of the prospective resources estimated herein will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the prospective resources evaluated.

Prospective resources quantities estimates should not be confused with those quantities that are associated with contingent resources or reserves due to the additional risks involved. The quantities that might actually be recovered should they be discovered and developed may differ significantly from the estimates presented herein.

In this report, key information has been provided on the fields evaluated herein. Insofar as DMCL is aware, there are no special factors which would affect the production business of Seplat that would require additional information for the proper evaluation of these fields. We have prepared estimates of Seplat's reserves, contingent resources, and prospective resources as of October 31, 2013. Reserves estimated herein are, by definition, commercial. Economic limits are based on the price and cost assumptions provided by Seplat and contained in the Valuation of Reserves section of this report.

Estimates of petroleum reserves, future net revenue, contingent resources, and prospective resources should be regarded only as estimates that may change as additional information becomes available. Not only are such reserves, contingent resources, revenue and potential revenue estimates based on that information which is currently available, but such estimates are also subject to the uncertainties inherent in the application of judgmental factors in interpreting such information.

In the preparation of this report, reliance has been placed upon information provided by Seplat with respect to the property interests to be evaluated, production from such properties, current costs of operation and development, current prices for production, agreements relating to current and future operations, sales of production, concession expiration dates, and additional data that were accepted as presented. Although we have not conducted an independent verification, the information used in this report appears reasonable. The technical staff of Seplat involved with the assessment and implementation of development of Seplat's petroleum assets adhere to the generally accepted practices of the petroleum industry.

EXECUTIVE SUMMARY

Seplat has represented that it holds a 45-percent interest in OML-4, OML-38, and OML-41. The properties are illustrated on Figure 1. Twenty fields located within these OMLs have been evaluated herein. The following table details the working-interests in each OML block.

Table 1
Seplat - Working-Interest Summary

Block	Operator	Seplat WI (%)	Area (km ²)	Expiration Date
OML-4	Seplat	45%	267	July 1, 2019
OML-38	Seplat	45%	2,094	July 1, 2019
OML-41	Seplat	45%	291	July 1, 2019

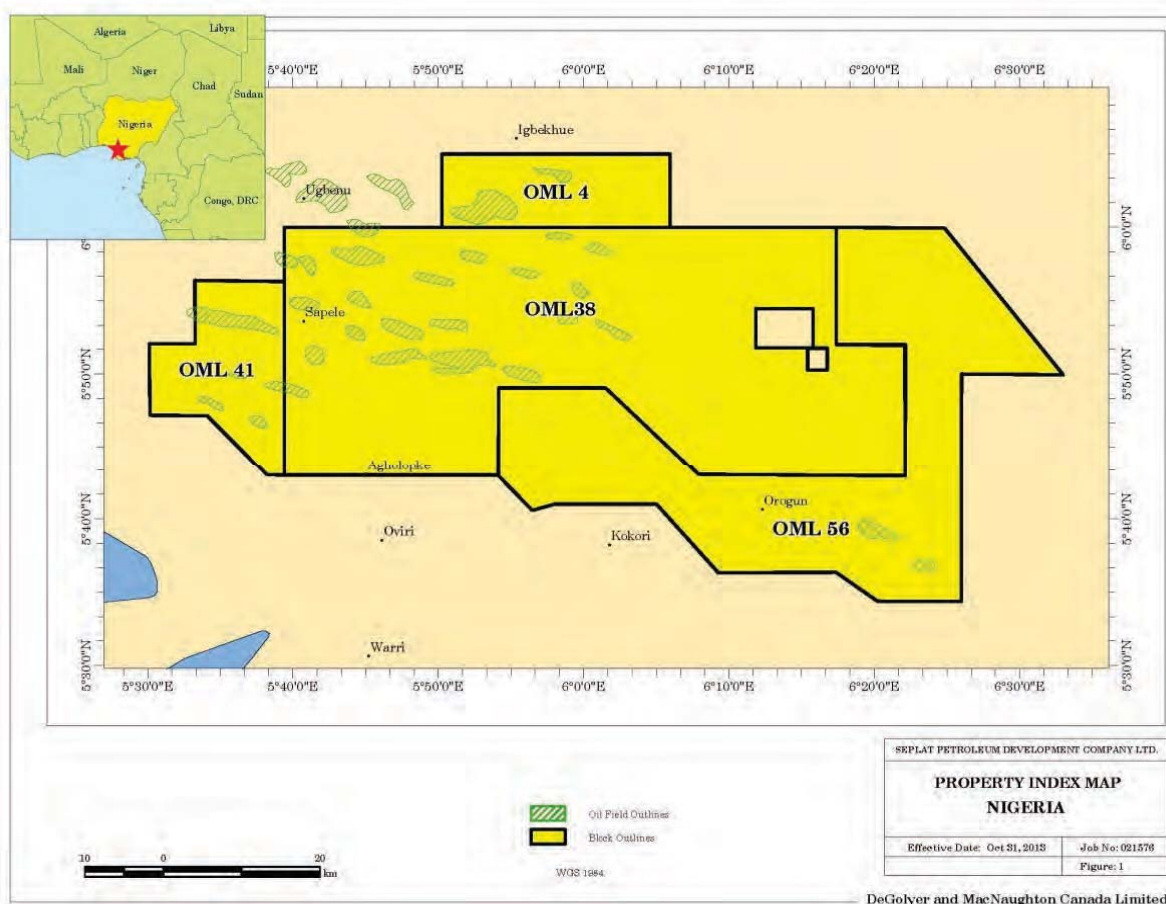


Figure 1
Property Index Map - Nigeria

Seplat is the operator of OML-4, OML-38, and OML-41, of which Seplat holds a 45-percent interest, and the Nigerian Petroleum Development Company (NPDC) holds the remaining 55-percent interest.

In 1960, OML-4 was awarded to the Shell Petroleum Development Company (SPDC), Total E&P Nigeria Limited, and the Nigerian AGIP Oil Company Limited. OML-38 and OML-41 were awarded in 1962. The OML licenses were renewed in July 1989 for a 30-year term, expiring in July 2019. Seplat was successful in taking over these licenses on July 30, 2010, under the original contract terms. Under the Nigerian 1969 Petroleum Act, operators are able to extend their licenses for a period of 30 years if they are in good standing with the Government. Seplat has represented in a letter that it will apply for an extension of the OML licenses and has also provided evidence of precedents set of renewal by the Government for other operators. For the purposes of this report, it has been considered that Seplat is likely to be granted an extension. A renewal fee will be applied at that stage.

A site visit was undertaken on April 22, 2013, and on June 21, 2013. DMCL's observation and findings of the April 22, 2013, site visit are included under the Environment and Facility heading of this report. The visit was successful in examining the facilities and operations of Seplat and determined that they complied with the normal international standards of operations, health, safety, and environment. DMCL is of the opinion that the facility and its operations in Nigeria are in good standing. The facility available is able to sustain the production forecast in the 2P case; however, DMCL will be proposing expansion to the Sapele facility in order to handle the forecast contingent resources, which are scheduled to be placed on production by 2017.

Since Seplat has taken over the operatorship of OML-4, OML-38 and OML-41, the production rate has increased from approximately 14 thousands of barrels (Mbbl) of oil per day in August 2010 to approximately 50 Mbbl of oil per day to April 2013. Seplat has exceeded its projected year-end 2013 production rate 60 Mbbl of oil per day as of May 2013 and has demonstrated competence and expertise to operate and optimize the fields. Seplat has secured drilling and completion rigs to continue increasing its projected production rates.

DMCL has reviewed 20 fields, of which only 5 fields (Amukpe, Oben, Okporhuru, Ovhon, and Sapele) are currently producing. Reserves have been assigned to the producing fields (Amukpe, Oben, Okporhuru, Ovhon, and Sapele) and to the non-producing fields (Okoporo and Ubaleme).

Contingent resources have been estimated for the following fields: Amukpe, Mosogar, Oben, Okoporo and Ubaleme, Okwefe, Orogho, Ovhor, Sapele, and Umuseti and Obodugwa. The principal contingencies are regulatory and internal approvals, absence of the development in the next 2-year budget, facility capacity, and production sales agreements. A property index map for reserves and contingent resources fields is included on Figure 2.

In order to estimate barrels of oil equivalent (boe), marketable gas volumes were converted using a conversion rate of 5,800 cubic feet of gas per boe. Listed in the following table are the fields evaluated that contain reserves and contingent resources.

Table 2

Reserves and Contingent Resource Fields Evaluated

Block	Field	Producing Status
OML-4	Oben	Producing
OML-38	Amukpe	Producing
OML-38	Mosogar	Non-Producing
OML-38	Okporhuru	Producing
OML-38	Okwefe	Non-Producing
OML-38	Orogho	Non-Producing
OML-38	Ovhor	Producing
OML-41	Ovhor	Producing
OML-41	Okoporo & Ubaleme	Non-Producing
OML-41	Sapele	Producing

Prospective resources have been given a geological chance of success, and quantities were estimated for the following fields, as illustrated on Figure 3: Abraka NE, Jesse North, Nugu East, Oben East, Ogegere, Ogume, Olukun North, Onitcha South, and Ubaleme West.

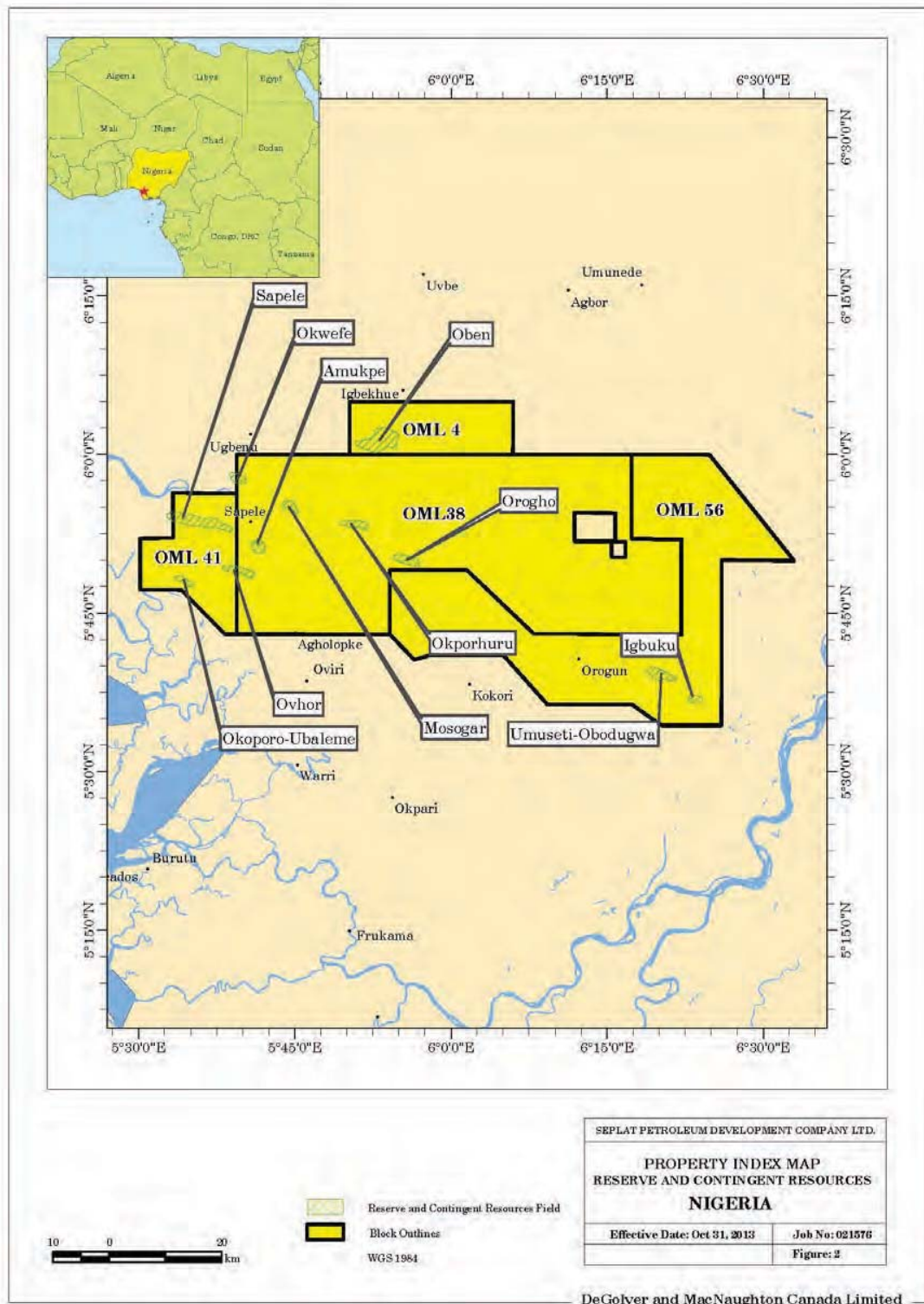


Figure 2
Property Index Map – Seplat Reserve and Contingent Resource Fields, Nigeria

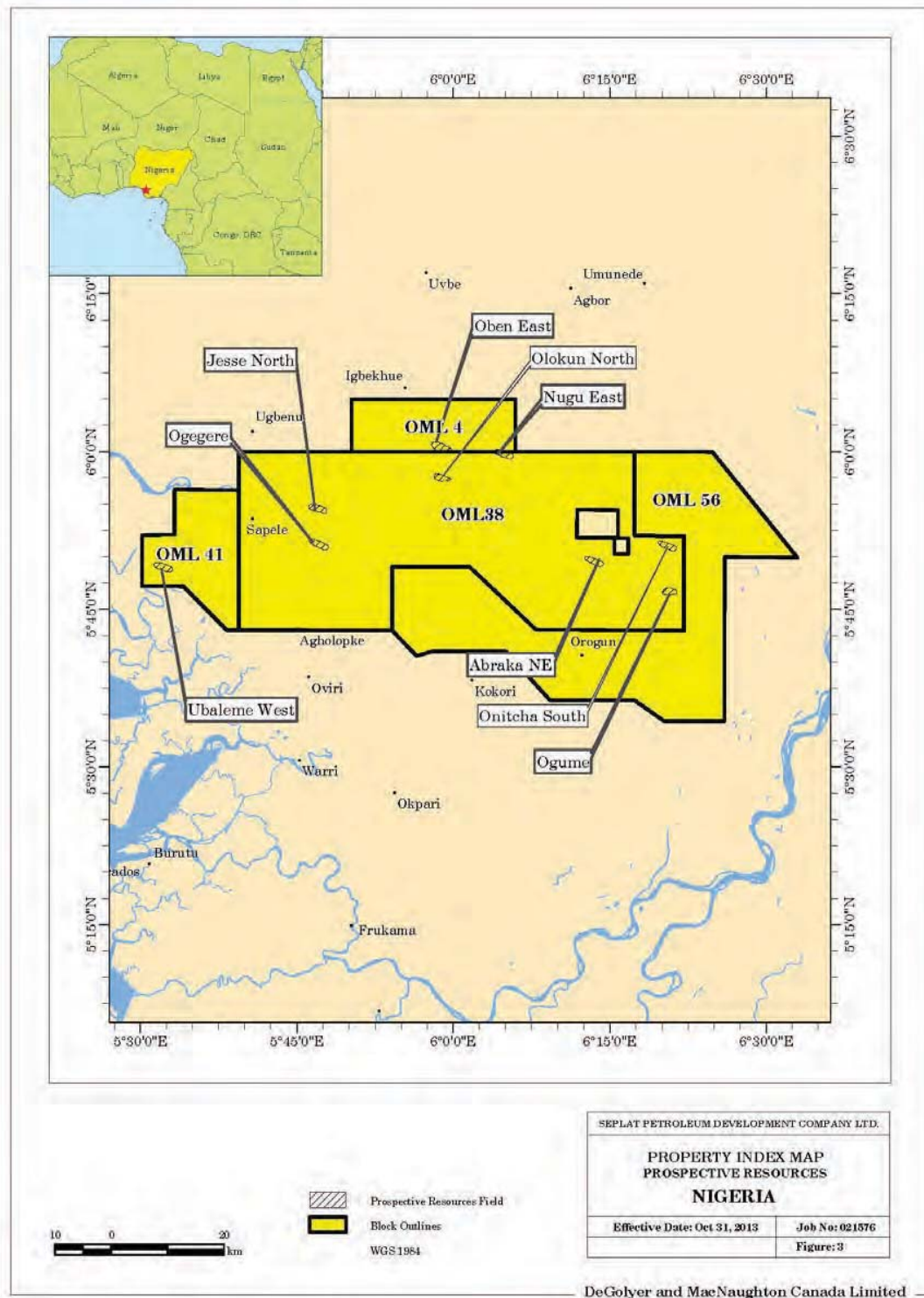


Figure 3
Property Index Map – Seplat Prospective Resource Fields, Nigeria

Estimates of the gross total 1P, 2P, and 3P oil, natural gas, and condensate reserves for the properties evaluated in this report are summarized as follows, expressed in Mbbbl and millions of cubic feet (MMcf):

		Table 3					
		Gross Reserves					
Block	Field	Oil and Condensate			Marketable Gas		
		1P	2P	3P	1P	2P	3P
		(Mbbbl)	(Mbbbl)	(Mbbbl)	(MMcf)	(MMcf)	(MMcf)
OML-4	Oben	45,904	68,209	84,756	431,096	918,938	1,065,651
OML-38	Amukpe	771	1,198	1,598	878	1,360	1,816
OML-38	Okporhuru	21,071	42,682	56,251	34,969	49,784	59,082
OML-38	Ovhor	27,950	35,273	43,457	6,333	7,999	9,962
OML-41	Ovhor	27,950	35,273	43,457	6,333	7,999	9,962
OML-41	Okoporo & Ubaleme	-	2,453	3,762	-	338	520
OML-41	Sapele	27,604	41,036	60,520	221,038	287,958	342,938
Total		151,251	226,124	293,800	700,647	1,274,376	1,489,931

Notes:

1. Marketable gas has been converted to barrels of oil equivalent on a field-by-field basis.
2. Numbers in this table may not add exactly due to rounding.

Estimates of the gross total 1P, 2P, and 3P oil, natural gas, and condensate reserves for the properties evaluated in this report are summarized as follows, expressed in thousands of barrels of oil equivalent (Mboe):

		Table 4		
		Gross Reserves		
		Oil Equivalent		
Block	Field	1P	2P	3P
		(Mboe)	(Mboe)	(Mboe)
OML-4	Oben	120,231	226,646	268,489
OML-38	Amukpe	922	1,432	1,911
OML-38	Okporhuru	27,100	51,266	66,438
OML-38	Ovhor	29,042	36,652	45,174
OML-41	Ovhor	29,042	36,652	45,174
OML-41	Okoporo & Ubaleme	-	2,512	3,852
OML-41	Sapele	65,714	90,683	119,647
Total		272,052	445,844	550,685

Notes:

1. Marketable gas has been converted to barrels of oil equivalent on a field-by-field basis.
2. Numbers in this table may not add exactly due to rounding.

Estimates of the working-interest total 1P, 2P, and 3P oil, natural gas, and condensate reserves evaluated for this report are listed as follows, expressed in Mbbl and MMcf:

		Table 5					
		Working-Interest Reserves					
Block	Field	Oil and Condensate			Marketable Gas		
		1P	2P	3P	1P	2P	3P
		(Mbbl)	(Mbbl)	(Mbbl)	(MMcf)	(MMcf)	(MMcf)
OML-4	Oben	20,657	30,694	38,140	193,993	413,522	479,543
OML-38	Amukpe	347	539	719	395	612	817
OML-38	Okporhuru	9,482	19,207	25,313	15,736	22,403	26,587
OML-38	Ovhor	12,578	15,873	19,556	2,850	3,600	4,483
OML-41	Ovhor	12,578	15,873	19,556	2,850	3,600	4,483
OML-41	Okoporo & Ubaleme	-	1,104	1,693	-	152	234
OML-41	Sapele	12,422	18,466	27,234	99,467	129,581	154,322
Total		68,063	101,756	132,210	315,291	573,469	670,469

Notes:

1. Marketable gas has been converted to barrels of oil equivalent on a field-by-field basis.
2. Numbers in this table may not add exactly due to rounding.

Estimates of the working-interest total 1P, 2P, and 3P oil, natural gas, and condensate reserves evaluated for this report are listed as follows, expressed in Mboe:

		Table 6		
		Working-Interest Reserves		
		Oil Equivalent		
Block	Field	1P	2P	3P
		(Mboe)	(Mboe)	(Mboe)
OML-4	Oben	54,104	101,991	120,820
OML-38	Amukpe	415	645	860
OML-38	Okporhuru	12,195	23,070	29,897
OML-38	Ovhor	13,069	16,494	20,328
OML-41	Ovhor	13,069	16,494	20,328
OML-41	Okoporo & Ubaleme	-	1,130	1,733
OML-41	Sapele	29,571	40,808	53,841
Total		122,424	200,630	247,808

Notes:

1. Marketable gas has been converted to barrels of oil equivalent on a field-by-field basis.
2. Numbers in this table may not add exactly due to rounding.

Contingent resources have been estimated for certain properties owned by Seplat in Nigeria. The contingent resources estimated for certain fields in Nigeria reflect undeveloped discoveries where the development plan is not yet confirmed, or requires further development to satisfy the break even test.

The estimated gross oil, natural gas, and condensate contingent resources for the properties evaluated in this report are summarized as follows, expressed in Mbbl and MMcf:

		Table 7 Gross Contingent Resources					
Block	OML	Oil and Condensate			Marketable Gas		
		1C (Mbbl)	2C (Mbbl)	3C (Mbbl)	1C (MMcf)	2C (MMcf)	3C (MMcf)
OML-4	Oben	9,567	12,689	15,736	11,533	63,509	72,622
OML-38	Amukpe	-	2,624	2,958	-	46,436	52,311
OML-38	Mosogar	-	-	5,160	-	-	2,451
OML-38	Okporhuru	-	-	-	-	-	-
OML-38	Okwefe	-	25,724	45,427	-	22,978	54,267
OML-38	Orogho	16,489	22,131	27,747	32,638	73,687	109,558
OML-38	Ovhor	-	604	729	-	91	109
OML-41	Ovhor	-	604	729	-	91	109
OML-41	Okoporo & Ubaleme	-	8,411	10,907	-	933	1,202
OML-41	Sapele	18,036	81,144	190,358	21,122	42,400	152,884
Total		44,091	153,932	299,749	65,293	250,124	445,514

Notes:

1. There is no certainty that it will be commercially viable to produce any portion of the contingent resources evaluated herein.
2. Contingent resources have an economic status of "Marginal"
3. Okwefe gross pool values are not representative of the entire pool only the portion that lies within OML-41. Seplat's unitized interest applies to the entire pool and so actual gross pool volumes are larger than what is represented.
4. Okwefe Field is unitized at an estimated 10.8 percent working interest
5. Numbers in this table may not add exactly due to rounding.

The estimated gross oil, natural gas, and condensate contingent resources for the properties evaluated in this report are summarized as follows, expressed in Mboe:

		Table 8		
		Gross		
		Contingent Resources		
		Oil Equivalent		
Block	OML	1C (Mboe)	2C (Mboe)	3C (Mboe)
OML-4	Oben	11,555	23,639	28,257
OML-38	Amukpe	-	10,631	11,977
OML-38	Mosogar	-	-	5,583
OML-38	Okporhuru	-	-	-
OML-38	Okwefe	-	29,685	54,783
OML-38	Orogho	22,116	34,836	46,636
OML-38	Ovhor	-	620	748
OML-41	Ovhor	-	620	748
OML-41	Okoporo & Ubaleme	-	8,572	11,114
OML-41	Sapele	21,677	88,455	216,717
Total		55,349	197,057	376,562

Notes:

1. There is no certainty that it will be commercially viable to produce any portion of the contingent resources evaluated herein.
2. Contingent resources have an economic status of "Marginal".
3. Okwefe gross pool values are not representative of the entire pool only the portion that lies within OML-41. Seplat's unitized interest applies to the entire pool and so actual gross pool volumes are larger than what is represented.
4. Okwefe Field is unitized at an estimated 10.8 percent working interest.
5. Numbers in this table may not add exactly due to rounding.

The estimated working-interest oil, natural gas, and condensate contingent resources for the properties evaluated in this report are summarized as follows, expressed in Mbbl and MMcf:

		Table 9					
		Working-Interest Contingent Resources					
Block	OML	Oil and Condensate			Marketable Gas		
		1C (Mbbl)	2C (Mbbl)	3C (Mbbl)	1C (MMcf)	2C (MMcf)	3C (MMcf)
OML-4	Oben	4,305	5,710	7,081	5,190	28,579	32,680
OML-38	Amukpe	-	1,181	1,331	-	20,896	23,540
OML-38	Mosogar	-	-	2,322	-	-	1,103
OML-38	Okporhuru	-	-	-	-	-	-
OML-38	Okwefe	-	2,773	4,897	-	2,477	5,850
OML-38	Orogho	7,420	9,959	12,486	14,687	33,159	49,301
OML-38	Ovhor	-	272	328	-	41	49
OML-41	Ovhor	-	272	328	-	41	49
OML-41	Okoporo & Ubaleme	-	3,785	4,908	-	420	541
OML-41	Sapele	8,116	36,515	85,661	9,505	19,080	68,798
Total		19,841	60,467	119,342	29,382	104,693	181,911

Notes:

1. There is no certainty that it will be commercially viable to produce any portion of the contingent resources evaluated herein.
2. Contingent resources have an economic status of "Marginal".
3. Okwefe Field is unitized at an estimated 10.8 percent working interest.
4. Numbers in this table may not add exactly due to rounding.

The estimated working-interest oil, natural gas, and condensate contingent resources for the properties evaluated in this report are summarized as follows, expressed in Mboe:

		Table 10		
		Working-Interest		
		Contingent Resources		
		Oil Equivalent		
Block	OML	1C (Mboe)	2C (Mboe)	3C (Mboe)
OML-4	Oben	5,200	10,637	12,715
OML-38	Amukpe	-	4,784	5,390
OML-38	Mosogar	-	-	2,512
OML-38	Okporhuru	-	-	-
OML-38	Okwefe	-	3,200	5,906
OML-38	Orogho	9,952	15,676	20,986
OML-38	Ovhor	-	279	336
OML-41	Ovhor	-	279	336
OML-41	Okoporo & Ubaleme	-	3,857	5,001
OML-41	Sapele	9,755	39,805	97,523
Total		24,907	78,518	150,706

Notes:

1. There is no certainty that it will be commercially viable to produce any portion of the contingent resources evaluated herein.
2. Contingent resources have an economic status of "Marginal".
3. Okwefe Field is unitized at an estimated 10.8 percent working interest.
4. Numbers in this table may not add exactly due to rounding.

A probabilistic model was generated on the basis of an estimated success of exploration of these prospects. The estimated gross prospective oil resources for the properties evaluated in this report are summarized as followed, expressed in Mbbl:

Table 11
Gross Prospective Oil Resources Summary

Prospect	License/ Block	Low	Best	High	Mean	Probability of Geologic Success, P_g	P_g - Adjusted Mean
		Estimate (Mbbl)	Estimate (Mbbl)	Estimate (Mbbl)	Estimate (Mbbl)	Success, P_g (Mbbl)	Estimate (Mbbl)
Abraka NE	OML-38	2,152	3,996	7,279	4,453	0.464	2,065
Jesse North	OML-38	4,197	7,813	13,838	8,581	0.417	3,579
Nugu East	OML-38	2,169	3,936	6,862	4,293	0.379	1,625
Oben East	OML-4	2,464	4,075	6,870	4,464	0.320	1,428
Ogegere	OML-38	1,397	2,767	5,431	3,164	0.560	1,772
Ogume	OML-38	576	1,661	4,147	2,083	0.455	948
Olokun North	OML-38	4,761	9,094	16,594	10,081	0.412	4,156
Onitcha South	OML-38	1,285	2,694	5,296	3,070	0.532	1,634
Ubaleme West	OML-41	1,867	3,922	7,796	4,494	0.528	2,371
Statistical Aggregate		34,689	43,751	55,855	44,683	0.438	19,577
Arithmetic Summation		20,869	39,956	74,113	44,683	0.438	19,577

Notes:

1. Low, best, high, and mean estimates follow the PRMS guidelines for prospective resources.
2. Low, best, high, and mean estimates in this table are P_{90} , P_{50} , P_{10} , and mean respectively.
3. P_g is defined as the probability of discovering reservoirs which flow petroleum at a measurable rate.
4. P_g has been rounded for presentation purposes. Multiplication using this presented P_g may yield imprecise results. Dividing the P_g -adjusted mean estimate by the mean estimate yields the precise P_g .
5. Application of any geological and economic chance factor does not equate prospective resources to contingent resources or reserves.
6. Recovery efficiency is applied to prospective resources in this table.
7. Arithmetic summation of probabilistic estimates produces invalid results except for the mean estimate.
Arithmetic summation of probabilistic estimates is presented in this table in compliance with PRMS guidelines.
8. Summations may vary from those shown here due to rounding.
9. There is no certainty that any portion of the prospective resources estimated herein will be discovered.
If discovered, there is no certainty that it will be commercially viable to produce any portion of the prospective resources evaluated.

The estimated working-interest prospective oil resources for the properties evaluated in this report are summarized as follows, expressed in Mbbl:

Table 12
Working-Interest Prospective Oil Resources Summary

Prospect	License/ Block	Low	Best	High	Mean	Probability	P _g *
		Estimate	Estimate	Estimate	Estimate	of Geologic Success, P _g	Adjusted Mean Estimate
		(Mbbl)	(Mbbl)	(Mbbl)	(Mbbl)	(decimal)	(Mbbl)
Abraka NE	OML-38	969	1,798	3,275	2,004	0.464	929
Jesse North	OML-38	1,889	3,516	6,227	3,861	0.417	1,610
Nugu East	OML-38	976	1,771	3,088	1,932	0.379	731
Oben East	OML-4	1,109	1,834	3,092	2,009	0.320	642
Ogegere	OML-38	629	1,245	2,444	1,424	0.560	797
Ogume	OML-38	259	747	1,866	937	0.455	426
Olokun North	OML-38	2,142	4,092	7,467	4,536	0.412	1,870
Onitcha South	OML-38	578	1,212	2,383	1,381	0.532	735
Ubaleme West	OML-41	840	1,765	3,508	2,022	0.528	1,067
Statistical Aggregate		15,610	19,688	25,135	20,107	0.438	8,809
Arithmetic Summation		9,391	17,980	33,351	20,107	0.438	8,809

Notes:

1. Low, best, high, and mean estimates follow the PRMS guidelines for prospective resources.
2. Low, best, high, and mean estimates in this table are P₉₀, P₅₀, P₁₀, and mean respectively.
3. P_g is defined as the probability of discovering reservoirs which flow petroleum at a measurable rate.
4. P_g has been rounded for presentation purposes. Multiplication using this presented P_g may yield imprecise results. Dividing the P_g-adjusted mean estimate by the mean estimate yields the precise P_g.
5. Application of any geological and economic chance factor does not equate prospective resources to contingent resources or reserves.
6. Recovery efficiency is applied to prospective resources in this table.
7. Arithmetic summation of probabilistic estimates produces invalid results except for the mean estimate. Arithmetic summation of probabilistic estimates is presented in this table in compliance with PRMS guidelines.
8. Summations may vary from those shown here due to rounding.
9. There is no certainty that any portion of the prospective resources estimated herein will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the prospective resources evaluated.

DEFINITION OF RESERVES

The proved, probable, and possible reserves presented in this report have been prepared in accordance with the PRMS approved in March 2007 by the Society of Petroleum Engineers, the World Petroleum Council, the American Association of Petroleum Geologists, and the Society of Petroleum Evaluation Engineers. The petroleum reserves are defined as follows:

Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial, and remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by development and production status.

Proved Reserves – Proved Reserves are those quantities of petroleum which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations. If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90-percent probability that the quantities actually recovered will equal or exceed the estimate.

Unproved Reserves – Unproved Reserves are based on geoscience and/or engineering data similar to that used in estimates of Proved Reserves, but technical or other uncertainties preclude such reserves being classified as Proved. Unproved Reserves may be further categorized as Probable Reserves and Possible Reserves.

Probable Reserves – Probable Reserves are those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when

probabilistic methods are used, there should be at least a 50-percent probability that the actual quantities recovered will equal or exceed the 2P estimate.

Possible Reserves – Possible Reserves are those additional reserves which analysis of geoscience and engineering data suggest are less likely to be recoverable than Probable Reserves. The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible Reserves (3P), which is equivalent to the high estimate scenario. In this context, when probabilistic methods are used, there should be at least a 10-percent probability that the actual quantities recovered will equal or exceed the 3P estimate.

Reserves Status Categories – Reserves status categories define the development and producing status of wells and reservoirs.

Developed Reserves – Developed Reserves are expected quantities to be recovered from existing wells and facilities. Reserves are considered developed only after the necessary equipment has been installed, or when the costs to do so are relatively minor compared to the cost of a well. Where required facilities become unavailable, it may be necessary to reclassify Developed Reserves as Undeveloped. Developed Reserves may be further sub-classified as Producing or Non-Producing.

Developed Producing Reserves – Developed Producing Reserves are expected to be recovered from completion intervals that are open and producing at the time of the estimate. Improved recovery reserves are considered producing only after the improved recovery project is in operation.

Developed Non-Producing Reserves – Developed Non-Producing Reserves include shut-in and behind-pipe Reserves. Shut-in Reserves are expected to be recovered from (1) completion intervals which are open at the time of the estimate but which have not yet started producing, (2) wells which were shut-in for market conditions or pipeline connections, or (3) wells not capable of production for mechanical reasons. Behind-pipe Reserves are expected to

be recovered from zones in existing wells which will require additional completion work or future recompletion prior to the start of production. In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

Undeveloped Reserves – Undeveloped Reserves are quantities expected to be recovered through future investments: (1) from new wells on undrilled acreage in known accumulations, (2) from deepening existing wells to a different (but known) reservoir, (3) from infill wells that will increase recovery, or (4) where a relatively large expenditure (e.g. when compared to the cost of drilling a new well) is required to (a) recomplete an existing well or (b) install production or transportation facilities for primary or improved recovery projects.

The extent to which probable and possible reserves ultimately may be reclassified as proved reserves is dependent upon future drilling, testing, and well performance. The degree of risk to be applied in evaluating probable and possible reserves is influenced by economic and technological factors as well as the time element. Probable and possible reserves in this report have not been adjusted in consideration of these additional risks to make them comparable to proved reserves.

DEFINITION of CONTINGENT RESOURCES

Petroleum resources included in this report are classified as contingent resources and have been prepared in accordance with the PRMS approved in March 2007 by the Society of Petroleum Engineers, the World Petroleum Council, the American Association of Petroleum Geologists, and the Society of Petroleum Evaluation Engineers. Because of the lack of commerciality or sufficient development drilling, the contingent resources estimated herein cannot be classified as reserves. The petroleum resources are classified as follows:

Contingent Resources – Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies.

Based on assumptions regarding future conditions and their impact on ultimate economic viability, projects currently classified as Contingent Resources may be broadly divided into three economic status groups:

Marginal Contingent Resources – Those quantities associated with technically feasible projects that are either currently economic or projected to be economic under reasonably forecasted improvements in commercial conditions but are not committed for development because of one or more contingencies.

Sub-Marginal Contingent Resources – Those quantities associated with discoveries for which analysis indicates that technically feasible development projects would not be economic and/or other contingencies would not be satisfied under current or reasonably forecasted improvements in commercial conditions. These projects nonetheless should be retained in the inventory of discovered resources pending unforeseen major changes in commercial conditions.

Undetermined Contingent Resources – Where evaluations are incomplete such that it is premature to clearly define ultimate chance of commerciality, it is acceptable to note that project economic status is “undetermined.”

The estimation of resources quantities for an accumulation is subject to both technical and commercial uncertainties and, in general, may be quoted as a range. The range of uncertainty reflects a reasonable range of estimated potentially recoverable volumes. In all cases, the range of uncertainty is dependent on the amount and quality of both technical and commercial data that are available and may change as more data become available.

1C (Low), 2C (Best), and 3C (High) Estimates – Estimates of petroleum resources in this report are expressed using the terms 1C (low) estimate, 2C (best) estimate, and 3C (high) estimate to reflect the range of uncertainty.

DEFINITION OF PROSPECTIVE RESOURCES

Petroleum resources included in this report are classified as prospective resources and have been prepared in accordance with the PRMS approval in March 2007 by the Society of Petroleum Engineers, the World Petroleum Council, the American Association of Petroleum Geologists, and the Society of Petroleum Evaluation Engineers. Because of the lack of commerciality or sufficient development drilling, the prospective resources estimated herein cannot be classified as contingent resources or reserves. The petroleum resources are classified as follows:

Prospective Resources – Those quantities of petroleum that are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects.

The estimation of resource quantities for a prospect is subject to both technical and commercial uncertainties and, in general, may be quoted as a range. The range of uncertainty reflects a reasonable range of estimated potentially recoverable quantities. In all cases, the range of uncertainty is dependent on the amount and quality of both technical and commercial data that are available and may change as more data becomes available.

Low, Best, High, and Mean Estimates – Estimates of petroleum resources in this report are expressed using the terms low estimate, best estimate, high estimate, and mean estimate to reflect the range of uncertainty.

FIELD SUMMARIES

Regional Geology

OML-4, OML-38, and OML-41 are located in the Niger Delta Province adjacent to the Gulf of Guinea. The delta covers more than 300,000 square kilometers and is among the largest regressive deltas in the world with a significant sediment volume of 500,000 cubic kilometers and a sediment thickness of over 10 kilometers in the basin depocenter (Klett, 1997). The development of the delta is associated with the rift triple junction related to the opening of the southern Atlantic, during the late Jurassic and Cretaceous Periods. The petroleum system identified in the Niger Delta Province is referred to as the Tertiary Niger Delta (Akata-Agbada) Petroleum System.

The onshore portion of the Niger Delta Province is delineated by the geology of southern Nigeria and southwestern Cameroon. The northern boundary is the Benin flank controlled by an east-northeast-trending hinge line south of the West Africa basement massif. The northeastern boundary is defined by the outcrops of the Abakaliki High of Cretaceous age and further to the east-southeast by the Calabar flank, a hinge line bordering the adjacent Precambrian (Tuttle, 1999).

Reservoir Geology

The Tertiary section of the Niger Delta is divided into three major formations: the Akata Formation, the Agbada Formation, and the Benin Formation (Figure 4). These formations represent a series of prograding depositional facies that are identified mostly on the basis of sand-shale ratios (Tuttle, 1999). The Akata Formation is generally situated at the base of the delta and has a marine origin. It is composed of thick shale sequences, turbidite sand, and minor amounts of clay and silt. The Akata Formation formed during lowstands when terrestrial organic matter and clays were transported to the deep water environment, characterized by low energy conditions and oxygen deficiency. The Akata Formation underlies the entire delta and is often overpressured.

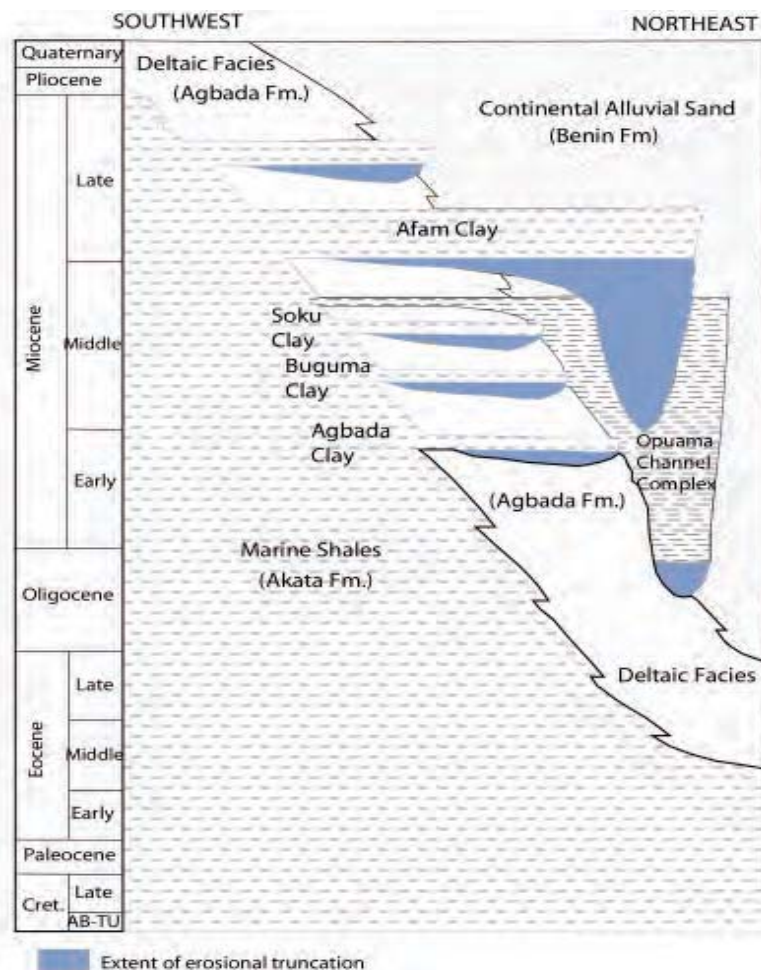


Figure 4
Stratigraphic Column Illustrating the Three Major Formations of the Niger Delta (Tuttle, 1999)

The Agbada Formation overlies the Akata Formation, which is the major petroleum-bearing unit. The formation consists of paralic siliciclastics and represents the deltaic portion of the sequence (Tuttle, 1999). The formation can be subdivided into multiple zones, and each zone can range from 50 feet to over 100 feet in thickness. The Agbada Formation is generally associated with an onshore deltaic depositional setting with vertical stacked sedimentary sequences, coarse-grained multi-cycle fluvial channels, and shoreface deposits. The fluvial channels are extensive and often associated with incised valley fill. The lower Agbada Formation generally consists of shale and sandstone beds and the upper portion consists mainly of sands with minor shale interbeds. The trapping mechanism of the hydrocarbon reservoirs is dominated by extensional growth faults and stratigraphy. The Agbada Formation is overlain by the Benin Formation, which is generally associated with continental alluvial and coastal plain sand deposits.

A diagram of sample Niger Delta field structures and associated trap types is presented on Figure 5.

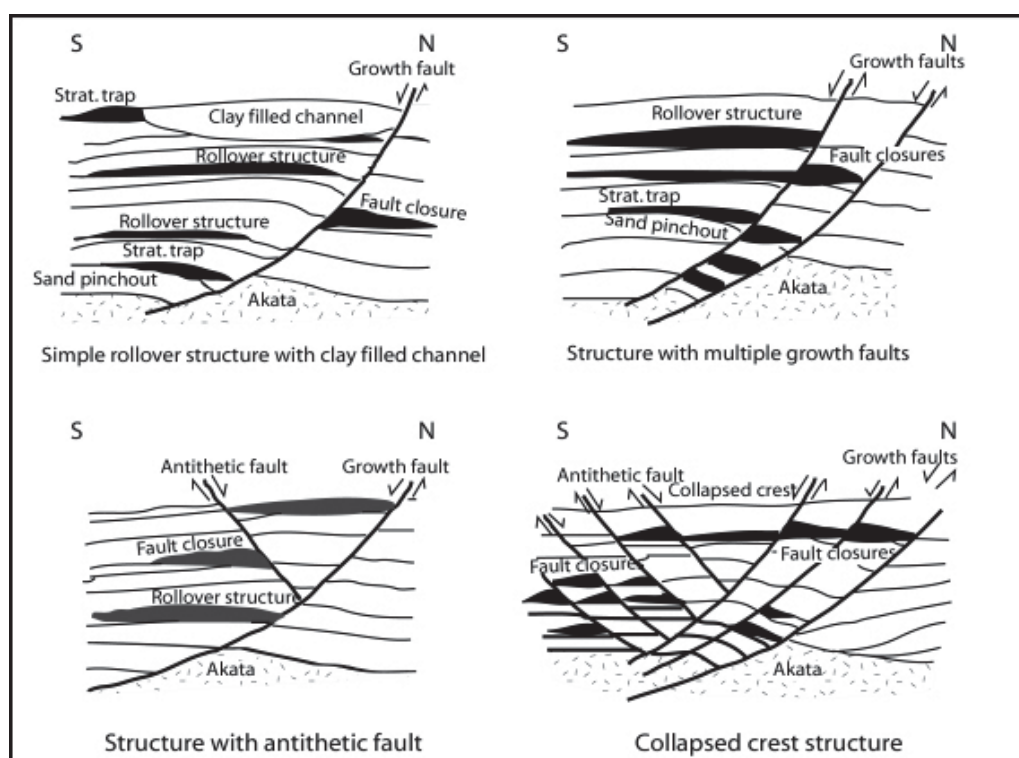


Figure 5
Example of Niger Delta Oil Fields Structures and Associated Trap Types
(Tuttle, 1999)

Production Performance

Five fields (Oben, Okporhuru, Ovhor, Sapele, and Amukpe) are on production as of October 31, 2013. The Amukpe and Sapele fields have been on production since 1972, while the Oben and Ovhor fields were placed on production in 1974 and 1993, respectively. Initially, the field's production rate averaged 50 Mbbl of oil per day, and associated solution gas production has historically been flared. Currently, the gas production is used to satisfy the domestic gas supply obligation (DSO) and any additional gas is being flared. Seplat is in the process of securing additional gas purchase contracts in order to eliminate the flaring of any produced gas. Each producer is compelled to set aside a certain percentage of its production to satisfy the DSO policy that the Government of Nigeria implemented in 2008.

The water cut has been as high as 63.4 percent in July 2003 and is currently at 36.3 percent. The cumulative production as of October 31, 2013, is estimated to be 516 million barrels (MMbbl) of oil, 1,578 billion cubic feet (Bcf) of gas, and 223 MMbbl of water. The production rate is at an average of 49.8 Mbbl of oil per day and 95.7 MMcf of gas per day as at October 31, 2013.

Seplat has incorporated various strategies to deal with potential pipeline incidents. These strategies include maintaining close relations with the community, purchasing oil storage tanks with the capacity to handle one week's production (currently being installed), and constructing a new pipeline (alternate to the Trans-Forcado pipeline) from Rapele to the Warri refinery. The Warri refinery is currently at 70-percent capacity and is therefore capable of handling an additional 37 Mbbl of oil per day.

Since Seplat took over the assets, there has been a significant reduction in production interruption as compared to historical performance. The average downtime for the past 12 months is estimated at a total of 30 days and is reflected in the production forecast. This is a marked improvement over historical production performance, due to an improved relationship with host communities, improved security arrangements, pro-active replacement of old flowlines, and implementing a more effective preventative maintenance system.

Seplat has proven to be a technically competent operator and an organization that is capable of dealing with the various challenges and tapping opportunities to optimize and rapidly grow the production and the reserves of the assets. Seplat has been active in optimizing the production from its existing wells by performing workovers on shut-in wells, water shut-off, and other coiled tubing operations, installing gas lift on wells in Ovhor and Sapele, drilling new wells in

Oben, Okporhuru, and Ovhor, and enhancing the existing facilities and installing new facilities, including liquid treatment facilities for in-field de-watering (expected to be operational in the third quarter of 2014), water disposal projects, and additional bulk lines in Ovhor to reduce back pressure. Seplat has also installed metering gauges in its facilities as well as a fiscal metering system in Rapele (the Lease Automatic Custody Transfer (LACT) unit) in order to protect its oil production proration at the Forcados custody transfer terminal from being discounted. Seplat has also been active in new field development. The start-up of the Okporhuru field began during the second quarter of 2013, following the initial completion of well Okporhuru-1, the drilling of one new well (Okporhuru-6), and the laying of a pipeline from the Okporhuru field to the Oben field. In addition, Seplat is currently at an advanced stage in the implementation of its plan for incorporating the Orogho field. Two existing Orogho wells have been re-entered and will be completed. Seplat is also in the planning process of installing an evacuation pipeline from the Orogho field to the Oben field.

The historical oil and gas production since inception, as well as the forecast for all fields is illustrated on Figures 6 and 7, respectively.

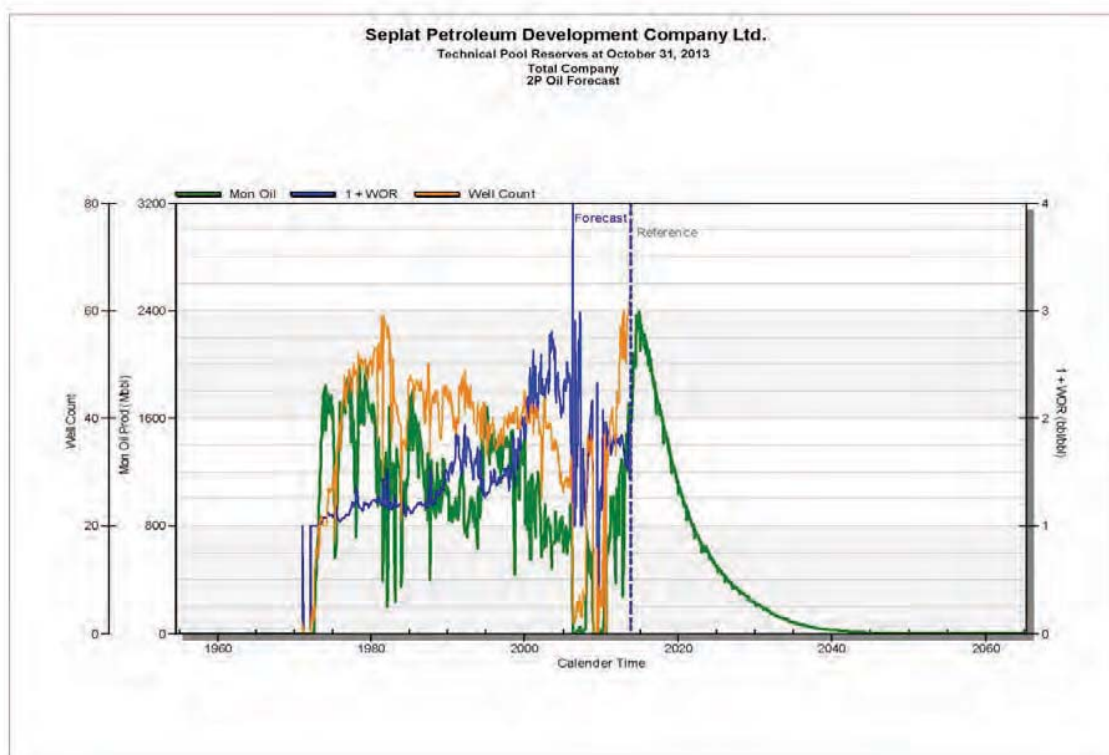


Figure 6
Seplat Total Company Oil Profile

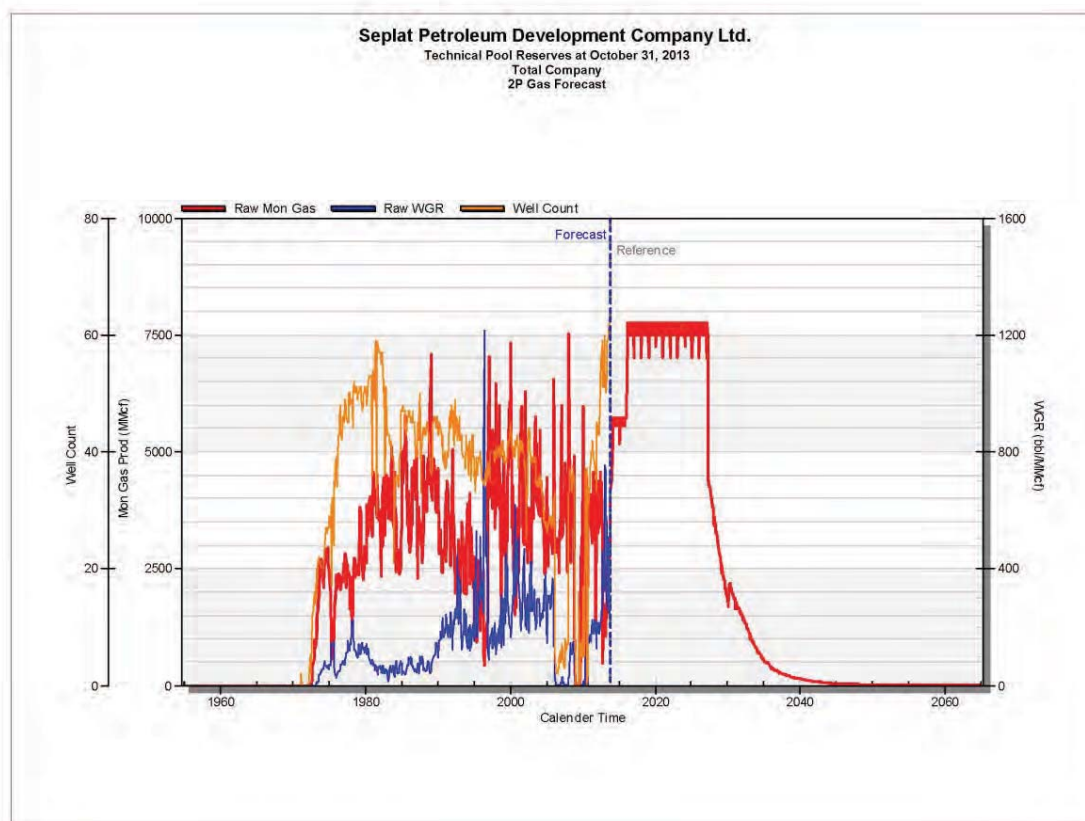


Figure 7
 Seplat Total Company Gas Profile

Seplat Five-Year Development Plan

In this evaluation, a five-year development plan was incorporated based on the projected drilling and well recompletion of oil, gas, and water injection wells provided by Seplat. Seplat has secured five drilling/completion rigs that will allow for the successful and timely execution of its plan. This schedule includes the drilling of appraisal wells in Orogho, Okoporo, Okwefe, and Ubaleme, the development of the Sapele Shallow reservoirs, infill drilling in Oben, Ovhor, and Sapele Deep, and the implementation of waterflooding of the Oben reservoir.

Additional new completions and drilling of development and exploration wells were incorporated in this evaluation beyond the five-year development plan based on full field developments of the OML-4, OML-38, and OML-41. DMCL is confident with Seplat's ability to execute this development plan and drilling

schedule. A summary of the reserves and resources five-year development plan is illustrated in the following tables.

Table 13
Five Year Development Plan - Reserves
OIL

	2013	2014	2015	2016	2017
Amukpe					
Oben	1 New Drills	9 New Drills, 5 Gas Lift, 2 Injectors	4 New Drills, 3 Injectors	1 Injector	1 Injector
Okoporo					
Okporhuru		1 New Drill (2 Strings)	2 New Drills (4 Strings)	1 New Drill	
Ovhor		3 New Drills (5 Strings)			
Sapele		7 New Drills, 4 Injectors	1 Injector		2 Workovers
Ubaleme			1 New Drill		

GAS

	2013	2014	2015	2016	2017
Amukpe					
Oben	1 Recompletions	2 New Drills, 3 Recompletion	2 New Drills	1 New Drill	1 New Drill
Okoporo					
Okporhuru	1 New Drill (3 Strings)			1 New Drill	
Ovhor					
Sapele		4 Workovers (6 Strings)	1 Workover (2 Strings)		
Ubaleme					

Table 14
Five Year Development Plan - Contingent Resources
OIL

	2013	2014	2015	2016	2017
Amukpe					
Mosogar					
Oben				1 New Drill	
Okoporo					
Okwefe				2 New Drill	
Orogbo	2 Workovers, 1 New Drill	2 New Drills	1 New Drill	2 New Drills	
Ovhor					
Sapele		1 New Drill, 2 Injectors	11 New Drills, 4 Injectors	8 New Drills, 4 Injectors	6 New Drills, 2 Injectors
Ubaleme					

GAS

	2013	2014	2015	2016	2017
Amukpe					
Mosogar					
Oben					
Okoporo					
Okwefe				1 Recompletion	
Orogbo					
Ovhor					
Sapele					
Ubaleme					

Gas Strategy

Seplat's natural gas reserves and resources were estimated to be 585.7 Bcf and 104.3 Bcf of gas for the 2P reserves and 2C contingent resources, respectively. This provides a platform for significant growth. Pursuant to the Gas Master Plan (GMP), the implementation of which is ongoing, the Government of Nigeria is currently undergoing significant changes in the domestic gas pricing environment which has resulted in increased gas demand and improving pricing dynamics.

Seplat's gas production was used to satisfy its on-going obligations to provide their DSO on the local market; however, Seplat has recently signed two new good management practice industry-standard gas supply agreements, under which it has agreed to supply the Geregu (Oben) and Sapele power plants with approximately 130 MMcf per day of gas (80 MMcf per day of gas to Geregu (Oben) and 50 MMcf per day of gas to Sapele) at a cost of U.S.\$1.50 per thousand cubic feet (Mcf) of gas for 2013, and U.S.\$2.00 per Mcf of gas thereafter. Seplat expects that these two new gas supply agreements will commence during the second half of 2013.

The estimated gas production of the 2P reserves and 2C contingent resources from the Oben field will fulfill and be capable of exceeding the gas contracts and DSO for the next 10 years. Consequently, Seplat has begun targeting other markets for any surplus gas in Oben and the eventual monetization at commercial rates.

As part of its five-year development plan, Seplat intends to spend approximately U.S.\$100 million over the next 2 years to increase gross capacity in order to deliver approximately 300 MMcf per day of sales gas to the domestic market. In this respect, Seplat has entered into an agreement to acquire two newly built gas plants at a cost of approximately U.S. \$30,000,000. The two gas plants are located in Abu Dhabi, United Arab Emirates, and are in the process of being reconfigured for Nigerian gas specifications. Seplat aims to achieve first commercial gas from the new gas plants by the first quarter of 2015, for a total processing capacity at Oben and Sapele of approximately 300 MMcf per day of gas by 2016.

Facilities Infrastructure

Following the acquisition of a 45-percent interest in OML-4, OML-38, and OML-41, Seplat took over the oil production, treatment, and transportation facilities installed by the SPDC and have since undergone a continuous and

significant system expansion and upgrade. There are a total of three flowstations owned by Seplat. The flowstations are located in Oben (OML-4), Amukpe (OML-38), and Sapele (OML-41), to which oil and gas production flows via in-field manifolds. Each flowstation contains two phase separator, which separates gas from liquid (oil and water). The gas is used as fuel, is flared, or is exported to the Nigerian Gas Company (NGC), while the liquid is pumped to a central manifold at Amukpe where the Pan Ocean-operated fields in the north, OML-98, connect. The combined oil and water mix is then pumped via a 24-inch pipeline to Rapele where it is metered into the 28-inch main trunk line to the SPDC-operated Forcados terminal for further treatment and export.

Non-associated gas (NAG) is currently being produced from gas wells at the Oben and Sapele fields to meet the DSO obligations. Two gas plants, located in the Oben and Sapele fields, process the gas for hydrocarbon dew point control and condensate recovery. The gas is compressed and sold into the NGC system, while the condensate gets blended with the oil and sent to the Forcados terminal. Solution gas recovered from the oil is used as fuel or flared. Currently, approximately 30 MMcf per day is being flared. An upgrade in compression capacity is planned to enable the flared gas to be exported.

Figure 8 illustrates a schematic of the existing oil and gas facilities and transportation system.

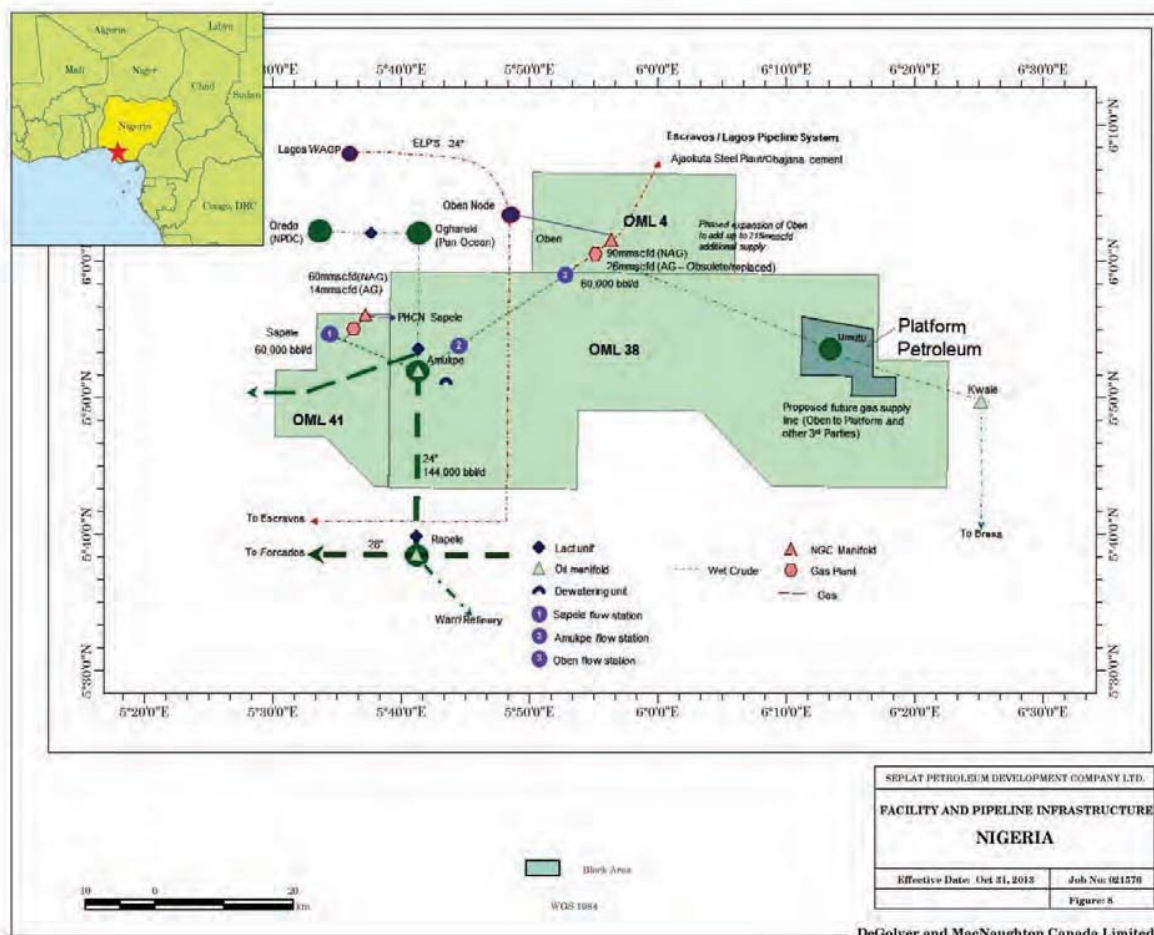


Figure 8
Facilities and Pipeline Infrastructure

A high level description of existing facilities is provided as follows:

OML-4

OML-4 contains the producing Oben field. The current infrastructure consists of a flowstation at Oben with a name plate capacity of 60 Mbbl per day and an oil pipeline to the Amukpe manifold. These facilities process production from the Oben field and, in the future, will process production from the Okporhuru and Orogho fields. The infrastructure includes a gas plant at Oben with a gas capacity of 90 MMcf per day delivering to the NGC system participants to PHCN Geregu plant and to the Ajaokuta steel plant and Obajana cement plants.

Commissioned in 1982, the Oben gas plant was originally designed to handle 90 MMcf per day of gas for hydrocarbon and water dewpoint control prior to supply to the NGC. It consists of two modules, each having a capacity of 45 MMcf per day. Condensate is piped to the low pressure separator at the Oben flowstation where it is spiked into the oil.

The gas plant contains four compressors that are leased from the NGC, each with a capacity of 32 MMcf per day. Only two compressors are currently operational.

Seplat's five-year development plan includes provisions to increase the Oben gas plant handling capacity from 90 MMcf per day to 240 MMcf per day by the end of 2014. In addition, there are plans to further upgrade Oben and Sapele to 315 MMcf per day by 2016, depending on market demand for additional gas.

OML-38

The existing infrastructure is a flowstation located at Amukpe with a name plate capacity of 45 Mbbl per day. These facilities process production from both the Amukpe and Ovhor fields. The central Amukpe manifold combines oil from Amukpe, Ovhor, Oben, and Sapele fields along with the third-party Pan Ocean fields in OML-98.

OML-41

The current infrastructure consists of one single flowstation located in Sapele with a nominal capacity of 60 Mbbl per day. Oil and condensate export flows via the Sapele-Amukpe delivery line to the Amukpe manifold. The infrastructure also includes a gas plant at Sapele with a capacity of 50 MMcf per day of gas, which is delivered into the NGC system.

OML-4, OML -38 and OML-41

Following the acquisition of a 45-percent interest in OML-4, OML-38, and OML-41 by Seplat in August 2010, which included several fields that were collectively producing approximately 14,000 barrels of oil per day, Seplat identified and screened options for development of additional reserves with a view of increasing oil output to a target of approximately 100,000 barrels of oil per day by the end of 2016.

A number of operational facilities (flowstations, gas compression stations, and pipelines) existed but required significant improvement to allow not only for

a predicted increase in production, but also to replace several kilometers of missing flowlines especially within the land areas of the Oben and Sapele fields.

The three OMLs are either on 'Land' or in 'Swamp' fields. The Land fields, comprising the Jesse, Mosogar, Okporhuru, and Orogho fields, and the Swamp fields, comprising the Okoporo, Ovhor, and Ubaleme fields, were only partially appraised and require accelerated appraisals and development.

Seplat's plan has been to aggressively develop the fields in the Land and Swamp fields, with production from the Swamp fields routed to the Sapele flowstation and production from the Land fields routed to the Oben flowstation for de-gassing before exporting the wet crude to the Amukpe manifold and onward export through Rapele trunk line to Forcados. A Liquid Treatment Facility (LTF) project was also initiated to remove and treat water from the crude at Amukpe at a future date.

Status

In line with the plan to grow Seplat production to approximately 100,000 barrels of oil per day by the end of 2016, and following rapid workover of existing wells, appraisals, drilling, and completion of new wells, several facility improvement projects were initiated and executed over the period since acquisition of the facilities within OML-4, OML-38, and OML-41.

The key projects include the following:

1. Construction of 4-inch flowlines for Oben wells 8, 15, and 22 to replace missing/vandalized lines on completion of rig workover activities.
2. Construction of 6-inch and 4-inch flowlines for new wells, including Ovhor wells 12, 13, and 14 and Oben wells 12 and 36.
3. Installation of a new set of three interlinked, 4-header by 6-ligment, manifolds in the Ovhor field to bulk additional production from the Ovhor field.
4. Construction of two additional 6-inch bulk lines to take increased production from Ovhor field via the manifold to the Sapele flowstation.
5. Installation of an additional manifold at the Sapele flowstation to receive addition inflow.
6. Construction of 4-inch flowlines, manifold, and 6-inch bulklines for the new Okporhuru field, flowing into the Oben flowstation.
7. Oben gas plant upgrade to increase capacity to 90 MMcf per day.
8. Construction and installation of an LTF, which will extract water from the crude produced from all of Seplat facilities (to achieve export quality

crude) before transportation via the Trans-Forcados pipeline to the Forcados terminal for export.

All of the above facilities with the exception of the LTF, were completed in 2012 and early 2013, giving significant increase in the overall oil and gas production.

The LTF is scheduled to be completed in the third quarter of 2013. This will significantly reduce the amount of wet crude being evacuated to Forcados and hence lower handling charges.

In order to sustain the increased production now and in the future, the three aged Seplat flowstations (Amukpe, Sapele, and Oben), which had undergone some deterioration ranging from reduced capacity to breakdown, and in certain cases missing equipment, were also earmarked for improvement or upgrade.

The following flowstation improvement projects are currently on-going and are expected to be completed in 2014:

1. Fabrication and installation of PD meter gantry cranes.
2. Periodical change-out of defective valves and fittings.

As part of the flowstation improvement/upgrade, the following work packages are scheduled to be completed within the next 7 months:

1. Procurement and replacement of aged process control and safe guarding instrumentation, including replacement of missing instrumentation of the currently out-of-service second banks of the Sapele and Oben flowstations in the second quarter of 2014.
2. Procurement and installation of electric pumps for saver pits, liquid knock out vessel, and associated electrical improvement upgrades in the second quarter of 2014.

Other projects scheduled for completion within the next 10 months include the following:

1. Construction of pipelines and related facilities to aid in the evacuation of crude from the Okoporo and Ubalame fields.
2. a) One hundred Mbbl of oil buffer storage tanks for storing production when the Trans-Forcados pipeline is down for emergency repairs, to be completed in the fourth quarter of 2014.

- b) Alternative evacuation route with a pipeline from the Rapele manifold to the Warri Refinery & Petrochemicals Company (WRPC), to be completed in the third quarter of 2014.
- 3. Ovhor gas lift project planned for the second quarter of 2014 to improve production from the Ovhor and Amukpe fields.
- 4. Associated gas solution including the upgrade of the existing Sapele gas plant and construction/installation of a new 150 MMcf per day gas plant in the Oben field, planned for the fourth quarter of 2014.

Seplat's historical performance in the areas of facility debottlenecking and upgrading and new project execution amply demonstrates its capacity to plan and execute projects within budget and on schedule. DMCL is confident of Seplat's ability to deliver the proposed projects as planned.

Seplat is diligently working on enhancing the health, safety, and environment for all its fields. Seplat has plans to decrease the ground gas flaring in all its facilities by securing gas purchase contracts for its gas. DMCL recommends that the ground flaring of gas be eliminated in the next 2 years and the movement to improve the quality of the gas being flared.

Valuation of Reserves

In this report, values for 1P, 2P, and 3P reserves were based on projections of estimated future production and revenue prepared for these properties. Revenue values for probable and possible reserves have not been adjusted to account for such risks; this adjustment would be necessary in order to make probable and possible reserves values comparable with values for proved reserves.

Potential revenue values in this report have been prepared using initial prices and costs estimates provided by Seplat. The assumptions used are not consistent with the rules and regulations promulgated by the United States Securities and Exchange Commission or statements promulgated by the Financial Accounting Standards Board. Accordingly, reserves volumes and revenues estimated herein should not be used or relied upon to meet the requirements thereof.

Economic Assumptions**Forecast Price Case**

The Forecast Price Case was evaluated at the request of Seplat, based on the assumptions as follows:

Oil and Condensate Prices

Oil and condensate prices in this report were based on actual prices received by Seplat as presented in its lease operating statements. These prices were forecast into the future based on the DeGolyer and MacNaughton Canada Limited Brent price forecast (Table A) as of October 31, 2013. OML-4, OML-38, and OML-41 were subject to the Forcados Blend premium of 3-percent.

Natural Gas Prices

The gas price forecast was generated based on documentation provided by Seplat outlining the following forecast delivery of raw gas: PHCN Geregu, Sapele Power, and others. The incremental volumes contracted were based on agreed upon rates to be provided and price to be paid. The resulting price is weighted by the various contract volumes and the price schedule, including escalation of 2 percent after August 2014, for each contract. The aggregation of contracts for the total company 2P production forecast of U.S.\$1.68 per Mcf was used in determining the resulting price forecast and was subsequently used for the 1P, 2P, and 3P cases for each property. For the 1C, 2C, and 3C cases, a price forecast starting at U.S.\$2.12 per Mcf in 2014 was used, with gas prices escalating at 2-percent thereafter for each property. Prices used are shown in Table A-1 found in the Appendix to this report.

Operating and Capital Expenditures

Operating expenses and capital costs were based on information provided by Seplat and were used in estimating future expenditures required to operate the properties. In certain cases, future expenditures, either higher or lower than current expenditures, may have been used because of

anticipated changes in operating conditions. The source of information included:

- Seplat's 2013 budget;
- Seplat's 5-year work plan from 2013 to 2017; and
- Seplat's historical costs for the 2012 year.

The average fixed cost is U.S.\$154,500 per month per well, the average general and administration cost was U.S.\$68,650,000 gross per year and the crude handling cost was estimated to be U.S.\$3.95 per barrel for wet oil and U.S.\$3.20 per barrel for dry. The wet oil crude handling costs were used for the purposes of this evaluation. The variable gas operating expense was estimated to be U.S.\$0.10 per cubic foot of raw gas. An inflation rate of 2-percent was applied to all expenditures, except for general and administration costs for which an additional 7-percent escalation was applied from 2014 to the end of 2016 on top of the 2-percent. A full year forecast for operating expenses and capital costs for the total 2P reserves can be found in Tables F to I in the Appendix to this report.

The drilling cost was estimated between U.S.\$13,000,000 per well to U.S.\$22,000,000 per well, while recompletion cost varied between U.S.\$8,000,000 and U.S.\$10,000,000. The range of cost depended on whether the well is a shallow, deep, Land, or Swamp well. The surface facilities costs were estimated based on the costs incurred by Seplat in past and on-going projects.

Oil Metering

Due to theft and the lack of a liquid custody transfer unit as specified in the Crude Handling Agreement with SPDC, Seplat incurred 20-percent deductions ("reconciliation factor") to its quantities of crude injected into the Trans-Forcados pipeline. This was done in order to account for the discrepancies between the third-party injectors' own production estimates and the actual quantity of crude oil received by SPDC at the Forcados terminal.

Seplat has signed an agreement with the SPDC dated February 2013, accepting the LACT unit that was installed by Seplat in Rapele. Deductions previously applied by the SPDC linked to “measuring inaccuracies” will no longer be applied. Accordingly, Seplat was credited with 2 million barrels to compensate them for the misallocation of their oil production for the period of November 2011 to December 2012.

Since January 2013, Seplat has observed a reconciliation factor due to theft of approximately 8 percent.

This factor should be further reduced by the possibility to sell the crude to the Warri refinery, located just 3 kilometers from the Rapele LACT unit as an alternative export route. This is achievable based on a better calibration process.

In this evaluation, the reconciliation factor was accounted for as 8 percent for 2 years, decreasing to 5 percent for 2 years, and 3 percent thereafter. This reconciliation factor was applied under the “pipe losses” category in this evaluation.

Abandonment Costs

An abandonment of U.S.\$1,000,000 per well has been applied in this evaluation based on well location, depth, and age. This abandonment liability does not include credit for any salvage value and was forecast to occur at the end of the respective field’s economic life for each reserves and contingent resources category. A facility abandonment of U.S.\$4,200,000 was applied to the Oben gas plant, U.S.\$666,000 to Okporhuru, and U.S.\$1,650,000 to Sapele in 2035.

Royalties

All Nigerian properties evaluated herein are subject to various applicable royalties. Royalties deducted were evaluated based on the Joint Venture agreement with the

Nigerian Government and are assessed at 20 percent of oil volumes and 7 percent of gas volumes.

Taxes

All of the Nigerian properties evaluated herein are subject to taxes less capital deductions. Seplat revenue is subject to the Petroleum Profit Tax (PPT), which for oil field revenue averages 65.75 percent for the first 5 years from the start of the company's operations. After the 5-year grace period has passed, the tax rate escalates to 85-percent for the remainder of the project. For Seplat, this change occurs in 2015. The corporate income tax rate for gas revenue is 30-percent. Seplat has represented that all capital and operating expenditures from oil and gas operations are used to offset the taxable income against oil revenues in accordance with the Nigerian Petroleum Act. In addition, Seplat pays the Niger Delta Development Tax of 3 percent on total expenditure, an educational tax of 2 percent on profit, a VAT of 5 percent applicable on all capital costs and operating expenses, excluding general and administration costs, and an import tax of 22.9 percent on all tangible capital costs. Tax loss carry forwards were implemented as a capital allowance pool starting in 2013 at U.S.\$88,460,182, in 2014 at U.S.\$84,923,537, in 2015 at U.S.\$17,602,932, in 2016 at U.S.\$14,630,422, and at U.S.\$2,890,926 in 2017 for OML-4, OML-38, and OML-41 (Seplat's share). These balances were added to the capital allowances gained through expenditures over the project life. If the balance of the capital allowance pool was not depleted in the year it was gained, the remainder was estimated to be carried forward to the following year.

OML Extension

Seplat currently holds licenses that extend until July 2019 for OML-4, OML-38, and OML-41. This evaluation has been based on Seplat's successfully attaining a license that extends for the life of the project. The renewal fee was included in this evaluation.

*Revenue**Future Gross Revenue*

Future gross revenue was that revenue which could accrue to the appraised interests from the production and sale of the estimated net reserves.

Future Net Revenue

Future net revenue was calculated by deducting royalties, estimated production taxes, operating expenses, and capital costs from the potential future gross revenue.

Net Present Value

Net present value is defined as future net revenue discounted at a specified arbitrary discount rate compounded monthly over the expected period of realization. In this report, a net present value using a discount rate of 10 percent is reported in detail.

Estimates of the net present value, discounted at a rate of 10 percent, of the total 1P, 2P, and 3P reserves of the petroleum interests attributable to Seplat under the conditions of various sensitivities, are expressed in millions of United States dollars (MM U.S.\$):

Table 15
Working-Interest After Tax Net Present Values Discounted at 10% - Sensitivity Cases

Asset	Type of Sensitivity	1P (MM U.S.\$)	2P (MM U.S.\$)	3P (MM U.S.\$)
OMLs -4, -38, and -41	Base Case	844	1,199	1,397
OMLs -4, -38, and -41	Brent Premium of \$10	925	1,300	1,514
OMLs -4, -38, and -41	Brent Discount of \$10	762	1,096	1,280
OMLs -4, -38, and -41	OPEX +10%	828	1,176	1,372
OMLs -4, -38, and -41	OPEX -10%	875	1,232	1,431
OMLs -4, -38, and -41	CAPEX +10%	839	1,188	1,381
OMLs -4, -38, and -41	CAPEX -10%	865	1,224	1,420

Reserves

OML-4

Oben Field

The Oben field is approximately 24.3 square kilometers (6,000 acres) of land in the OML-4 area of Delta State, Nigeria. The field was discovered in 1972 and commenced production in April 1974. Cumulative production as of October 31, 2013, is 210.1 MMbbl of oil and 791.1 Bcf of raw gas. There are currently 16 producing oil wells and 1 producing gas well on Seplat's acreage. The field is currently producing at combined rates of 7.6 Mbbl of oil per day and 55.6 MMcf per day of raw gas.

The field is separated into two blocks; north ("A") and south ("M"), by a major northwest/southeast-trending fault. Three-dimensional seismic data were acquired over the Oben field in 1998, which formed the basis of Seplat's understanding of the structural configuration of the blocks. Oben South is on the downthrown side of the fault and is a simple elongated rollover structure. Oben North is on the upthrown side with closure dipping toward the north. Hydrocarbons are mainly identified in the shallower reservoirs (C, D, and E sands) in the downthrown block, while the deeper reservoirs (F, G, and H) are mainly in the upthrown block. These sand deposits were generally clean with occasional thin shale streaks and are associated with fluvial channel, marginal marine, and shoreface depositional environments. Examples of structural maps provided by Seplat are included for the D7000 reservoir (M Block) and F7800 reservoir (A Block) on Figures 9 and 10, respectively.

DeGOLYER AND MacNAUGHTON CANADA LIMITED

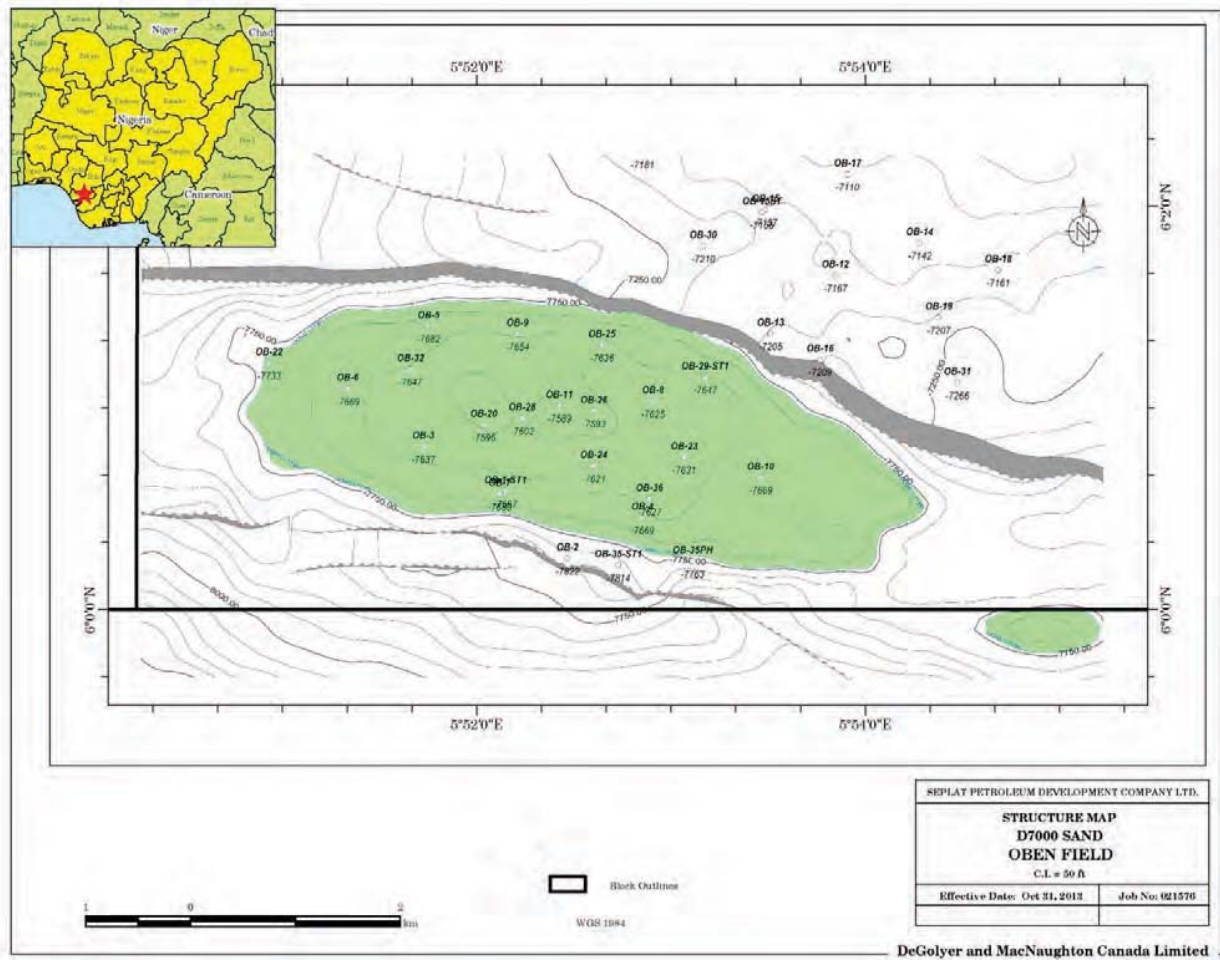


Figure 9
 Oben Field Structure Map – D7000 Reservoir

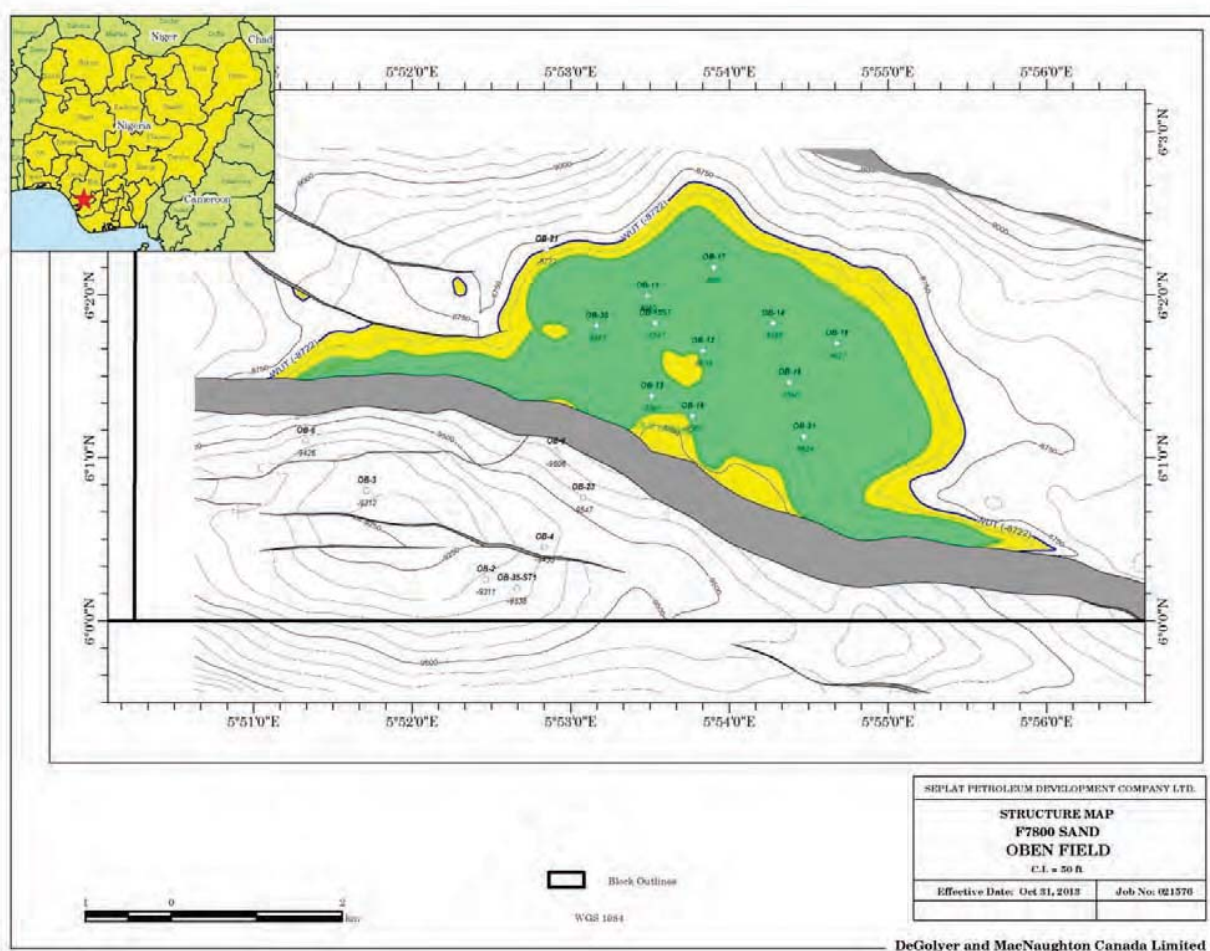


Figure 10
Oben Field Structure Map – F7800 Reservoir

The Oben area is a multiple horizon field with the principal sands being the D, E, F, and G Formations. There are several oil pools identified by Seplat for drilling, gas lift, and water injection. There is numerous gas zones identified for development and include behind-pipe opportunities, exploration of new pools and gas cap blowdown of existing oil pools.

Additional development in the Oben field consists of eight infill locations (14 strings) in various reservoirs, seven artificial gas lift installations, and 8 water injection wells for the testing and implementation of waterflooding. The 14 reservoirs were assigned undeveloped reserves based on volumetric calculations and analogy to offsetting producers. Proved non-producing reserves were

assigned to all wells requiring artificial gas lift. A total of seven water injectors in six reservoirs were identified by Seplat and are scheduled to be implemented from 2013 to 2017. Probable or possible reserves were assigned to the producing wells in the pools with water injection based on volumetric calculations and incremental recovery.

Produced gas from Oben consists of solution gas, gas cap, and NAG, which has been obtained from three reservoirs and wells: D6500 (Oben-26T), D2000 (Oben-27T), and E8000 (Oben-28T). The OBEN034T well was brought on production in April 2013 from the D5000 gas reservoir and is currently producing at a rate of 46,575 Mcf per day. Producing reserves were assigned to this well based on volumetric calculations.

There are 14 gas accumulations to be targeted by Seplat with a combination of re-completions (4) and new drills (10). This development is scheduled to occur between 2014 and 2020. There are also 12 gas caps to be produced from eight re-completions and four new drills once the oil from these pools has been depleted. The gas cap blowdown is estimated to occur between 2022 and 2030.

Seplat has identified the reservoirs and their respective scheduling; however, some development was delayed by DMCL because the gas available was sufficient to meet Seplat's supply contracts and keep the plant at capacity. The plant capacity in Oben is currently producing at 90 MMcf per day with an expansion planned to produce an estimated 250 MMcf per day.

The total Oben non-associated gas rate was forecast as the difference between the sales gas contracts and all other associated and non-associated gas produced from all of Seplat's properties.

Further development drilling is expected beyond Seplat's five-year development plan. The potential benefits from these activities are discussed under the Contingent Resources heading of this report.

OML-38

Amukpe Field

The Amukpe field covers approximately 2.4 square kilometers of land in the OML-38 area of Delta State, Nigeria. The Amukpe field was discovered in 1970 and is located approximately 40 kilometers northwest of Warri. There is currently one producing oil well and one shut-in oil well. As of October 31, 2013,

the field has produced a total of 18.7 Mbbl of oil and 7.9 Bcf of gas from three reservoirs (D5100, E1400, and G5400). The on-producing well, AMUK-1, is currently producing at a rate of approximately 249.0 barrels of oil per day and 341.3 Mcf of raw gas per day. Producing reserves were assigned based on volumetric calculations.

The Amukpe structure is interpreted as an elongated northwest/southeast-trending rollover structure, with bounding faults to the north and south as shown on Figure 11. The sand deposits are generally clean with occasional thin shale streaks and are associated with fluvial channel and shoreface depositional environments.

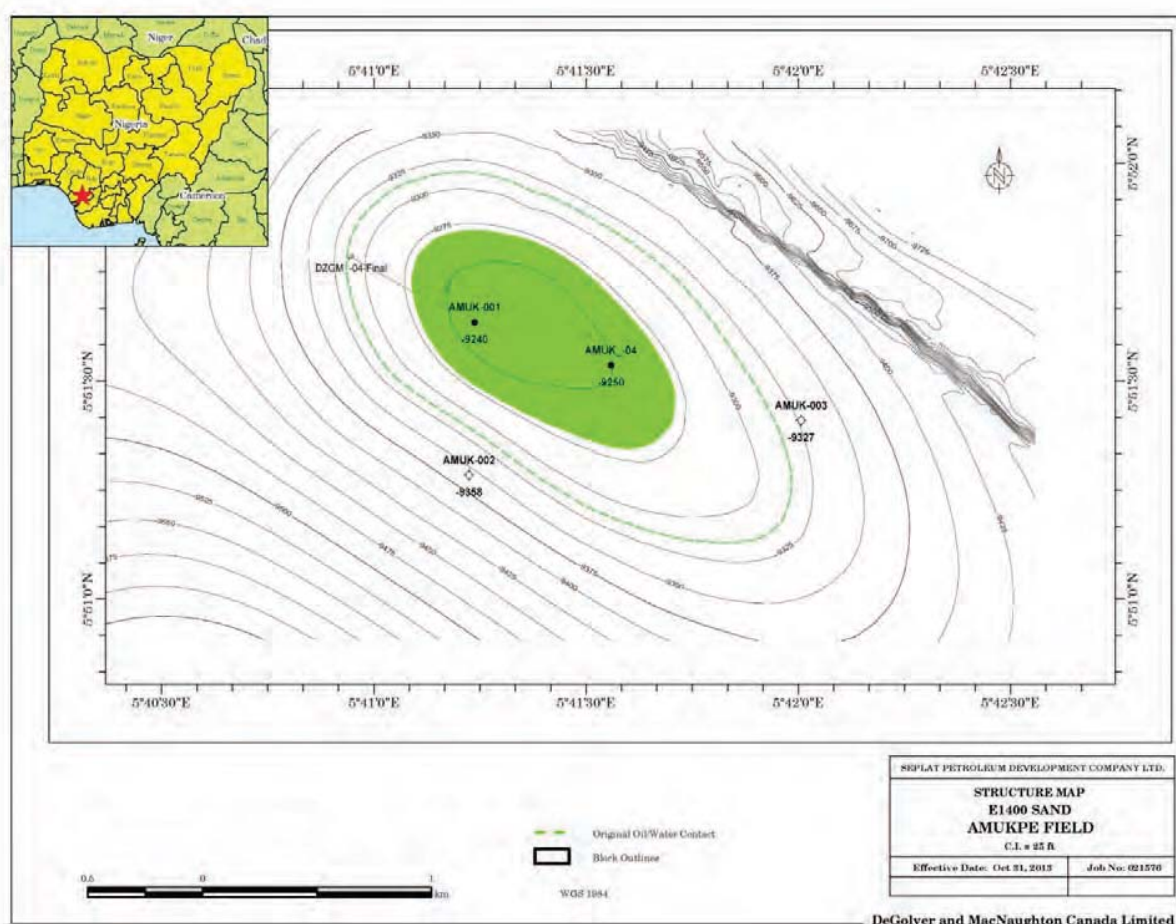


Figure 11
Amukpe Field Structure Map – E1400 Reservoir

There is one injection well planned for water disposal in the first quarter of 2014. There are no other future development plans for the Amukpe field.

Okporhuru Field

The Okporhuru field is located in the OML-38 area of Delta State, Nigeria. The field is surrounded by three fields: Olokun to the north, Jesse to the west, and Orogho to the south. The field was discovered in 1982 and six wells have been drilled.

Two-dimensional seismic data were acquired shortly after the field was discovered. Three-dimensional seismic data were acquired in 1996 to form the basis of the current structural definition of the field. The Okporhuru structure is interpreted as a simple rollover anticline structure with a major bounding fault to the north. The sand deposits are generally clean with occasional thin shale streaks and are associated with fluvial channel and shoreface depositional environments.

As of October 31, 2013, 19 reservoirs were recognized for development. Initial completion on Okporhuru-1 took place in 2012 and is expected to come on production in the second quarter of 2013. In Seplat's five-year development plan, four wells were scheduled to be drilled in 2013, one well in 2014, and two wells in 2015, for a total of an eight-well development plan. Five of the wells will be dual completions, while the remaining three wells will be smart wells, with each smart well targeting a minimum of three reservoirs. Two wells, Okporhuru-1 and Okporhuru-6, have come on production over the second quarter of 2013. Reserves were assigned to these reservoirs based on volumetric calculations. The field has a cumulative production of 733.9 Mbbl of oil and 0.4 Bcf of gas. Okporhuru is currently producing at a rate of 7.4 Mbbl of oil per day and 3.4 MMcf of raw gas per day.

A simulation model was provided by Seplat for the U3000, U4000, U5000, U7000, U8000, V1000, and V2000 reservoirs. The volumes in the model are reasonable for the purposes of estimating reserves. Production profiles for these reservoirs were adapted from the simulation model. Volumetric calculations were used for the new wells on production.

The Seplat five-year development plan indicated construction of a pipeline by the Seplat facility department to route production from the Okporhuru field to Oben flowstation.

DeGOLYER AND MacNAUGHTON CANADA LIMITED

Structure maps of the U5000 and V1000 reservoirs are illustrated on Figures 12 and 13, respectively. Figure 14 shows a schematic cross-section of the Okporhuru field.

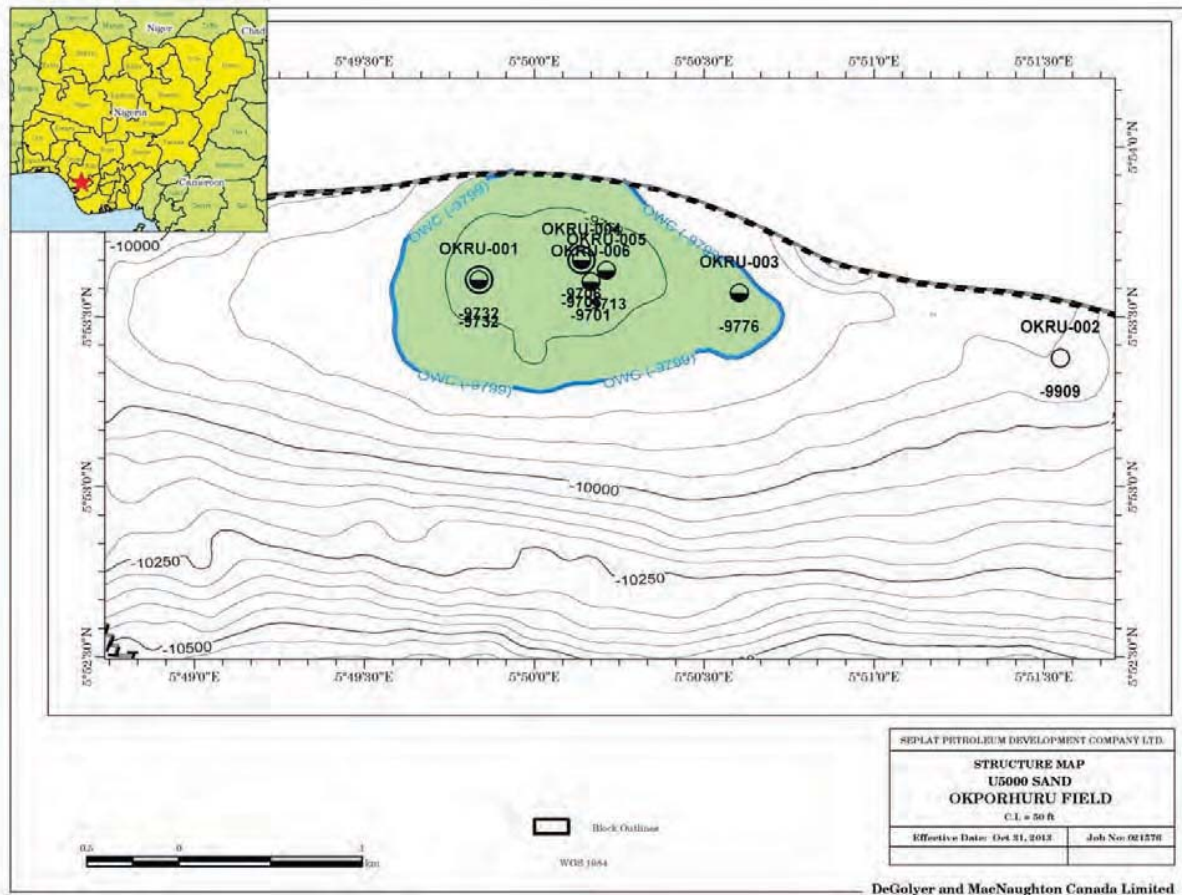


Figure 12
 Okporhuru Field Structure Map – U5000 Reservoir

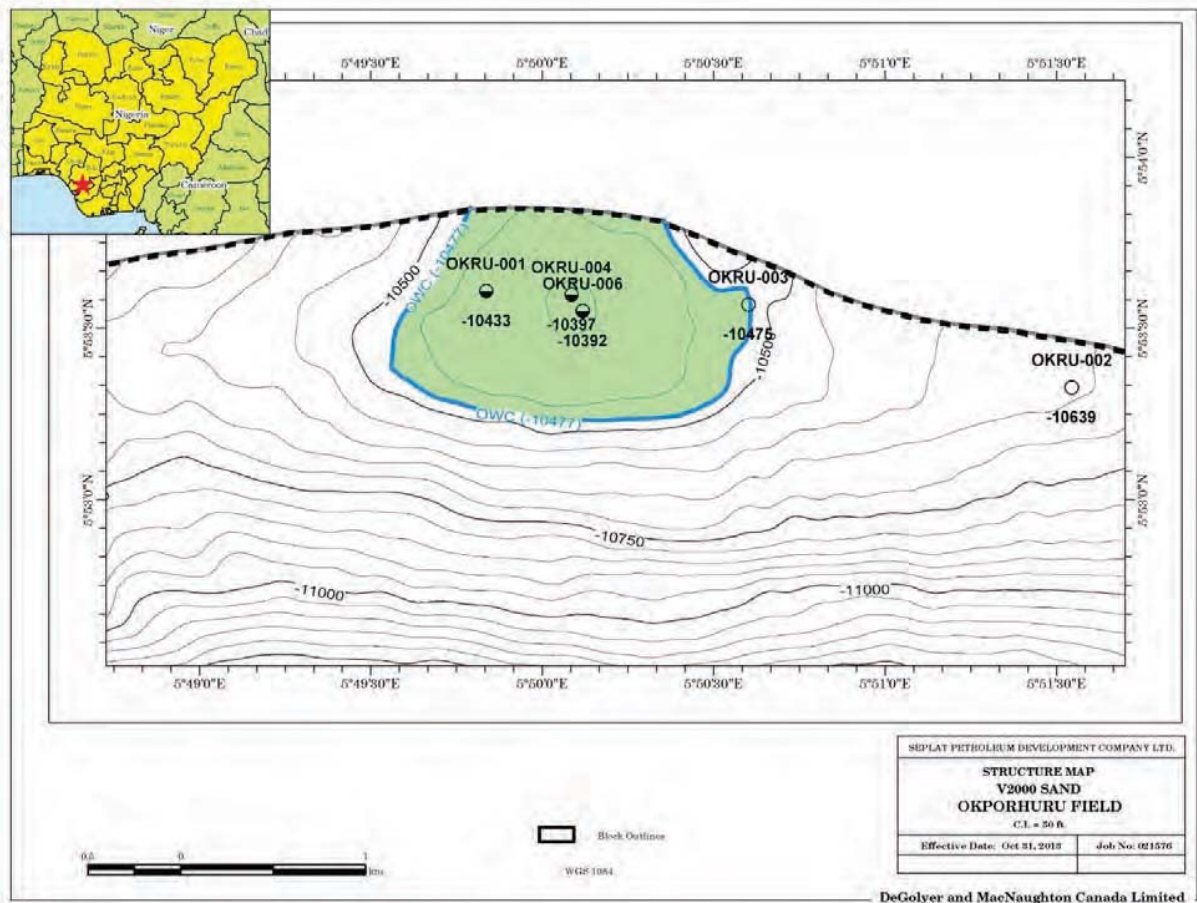


Figure 13
Okporhuru Field Structure Map – V2000 Reservoir

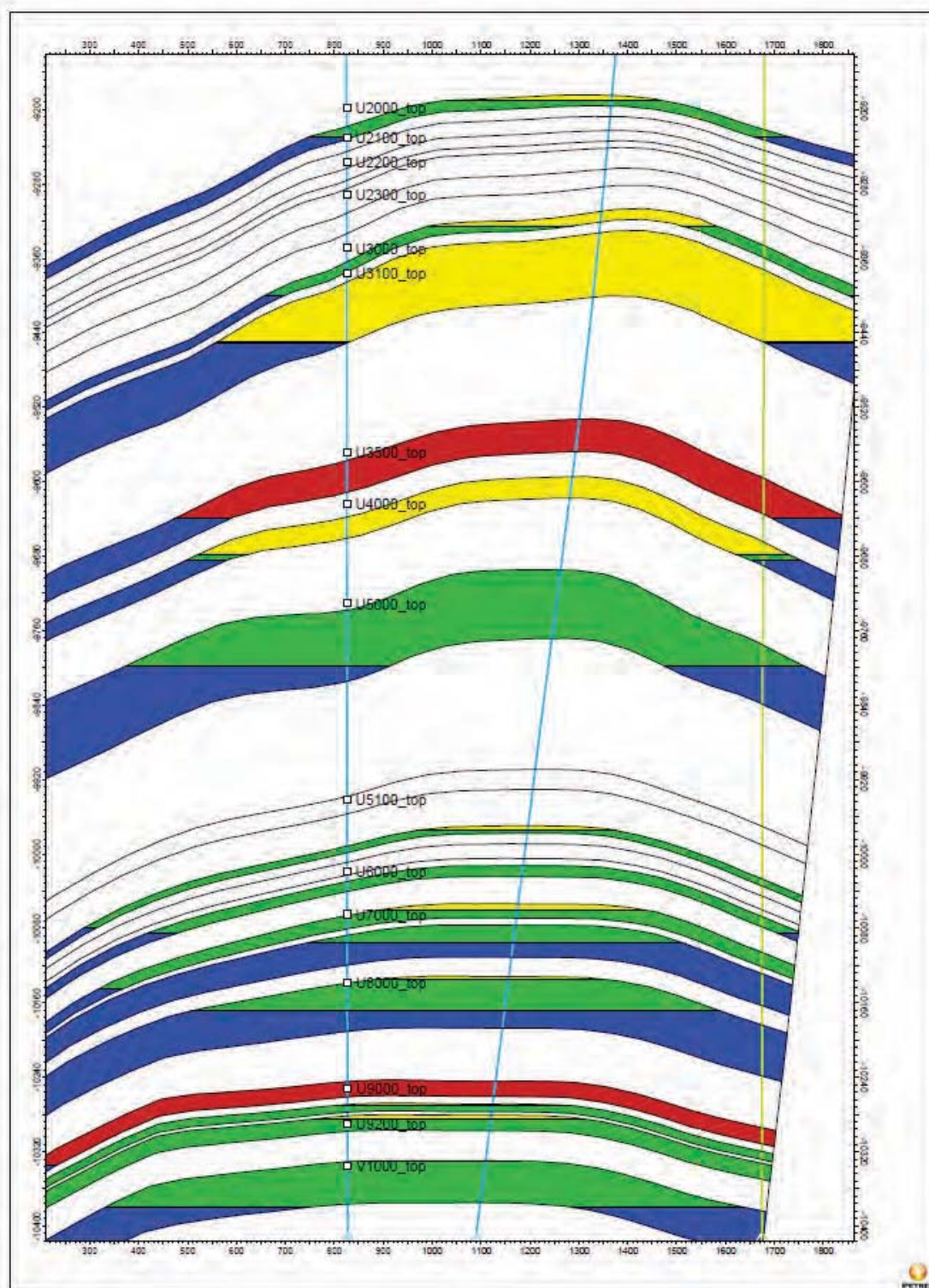


Figure 14
Okporhuru Field – Schematic Cross-Section

Ovhor Field

The Ovhor property covers approximately 9 square kilometers of land in the OML-38 and OML-41 areas of Delta State, Nigeria. The Ovhor field is located in a partial swamp region approximately 6 kilometers southwest of the Amukpe field. The field was discovered in 1991 and was placed on production in November 1993. The Ovhor field has produced approximately 98.2 MMbbl of oil and 14.0 Bcf of gas as of October 31, 2013. There are currently 19 oil wells producing in the Ovhor field at a rate of 27.9 Mbbl of oil per day and 6.5 MMcf of raw gas per day.

The area is covered by 262 square kilometers of three-dimensional seismic data that was acquired over the Ovhor, Ubaleme, and Okoporo fields in 1996. The data quality is fair within the hydrocarbon-bearing zone down to approximately 11,000 feet, after which the quality depreciates substantially with depth. The Ovhor structure is interpreted as a simple northwest/southeast-trending rollover structure with bounding faults to the north as shown on Figure 15. The sands deposits are generally clean with occasional thin shale streaks and they are generally associated with fluvial channel, marginal marine, and shoreface depositional environment. The reservoir sands are well developed with thickness varying from 20 to 120 feet as shown on Figure 16. A geological cross-section of the Ovhor field is included on Figure 17.

DEGOLYER AND MACNAUGHTON CANADA LIMITED

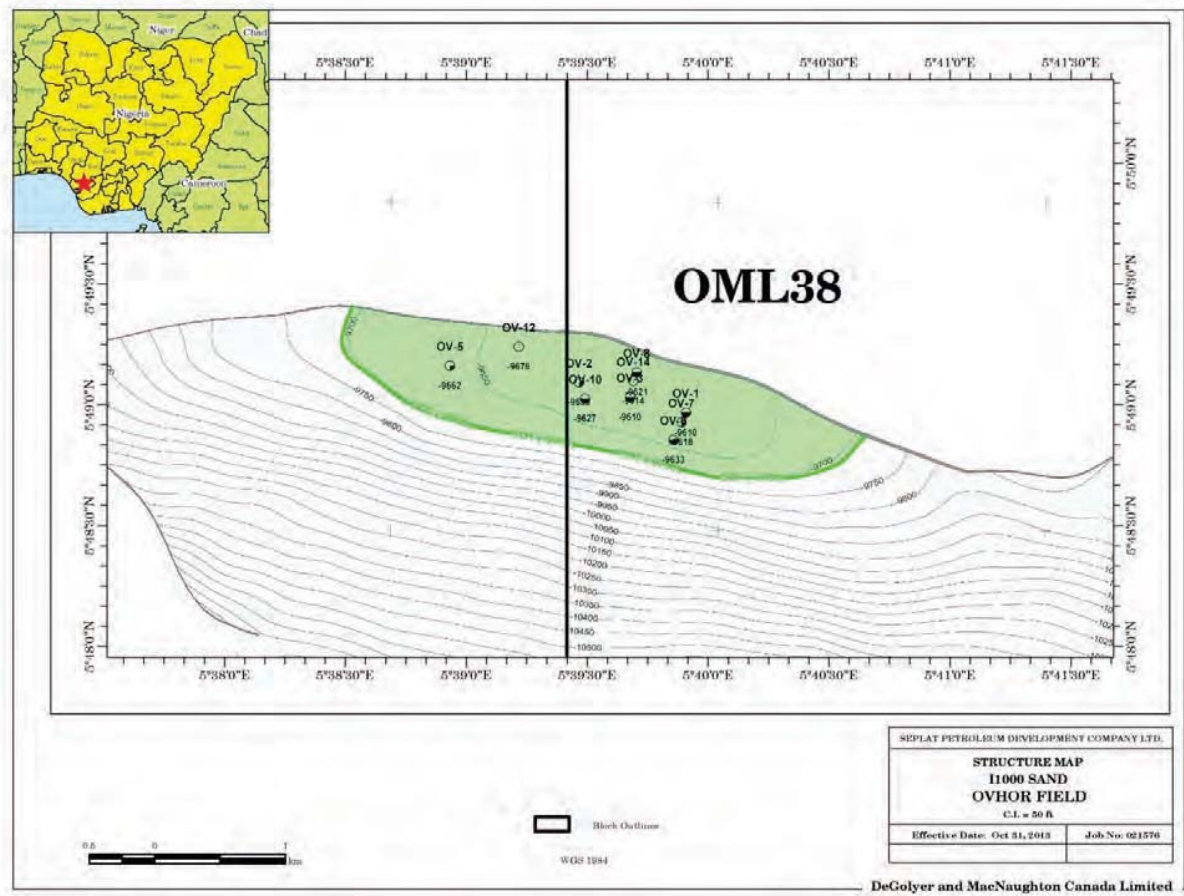


Figure 15
Ovhor Field Structure Map – I1000 Reservoir

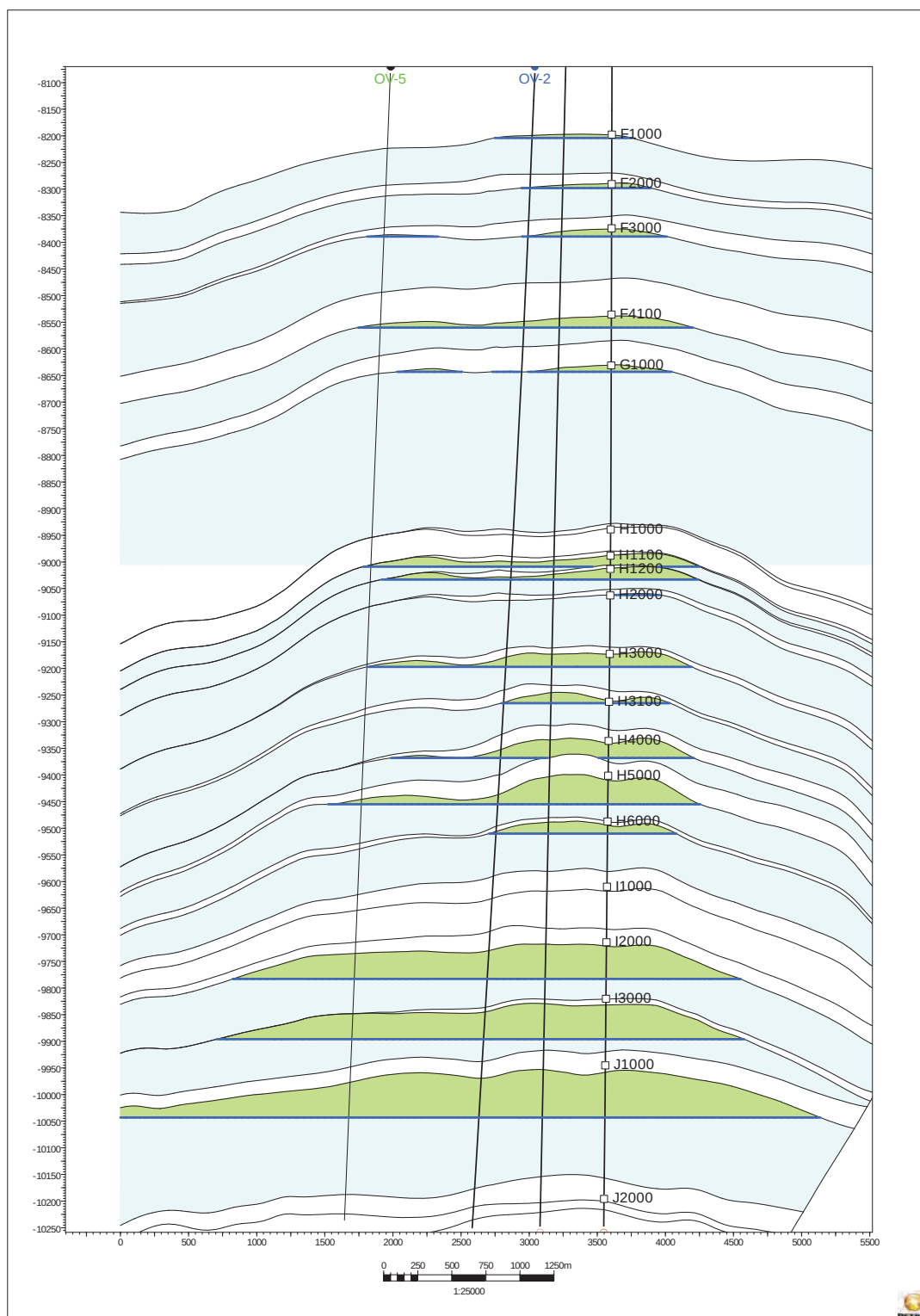


Figure 16
Ovhor Field – Schematic Cross-Section

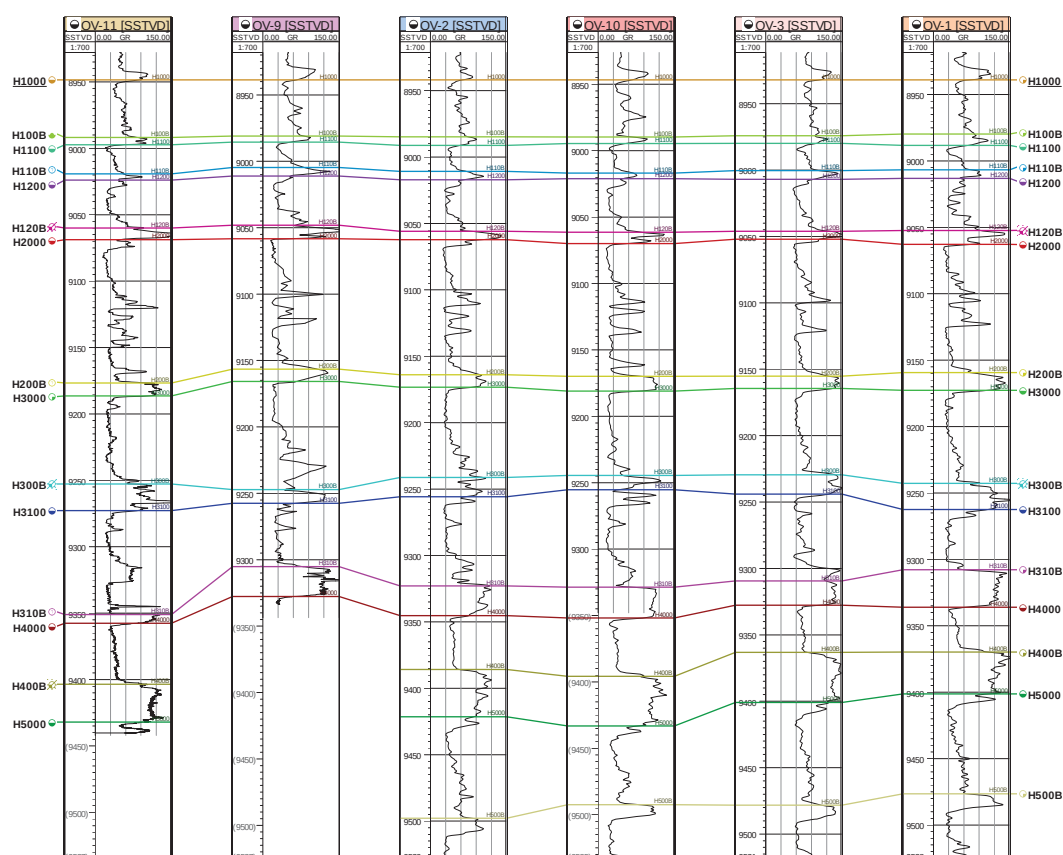


Figure 17
Ovhor Field – Geological Cross-Section

Well Ovhor-14 was drilled as a high angle well in the fourth quarter of 2012 and was completed in the H6000 and I2000 reservoirs. It is currently producing at a rate of approximately 700 barrels per day and 1,980 barrels per day, respectively.

Seplat's field development plan outlines a schedule which consists of three locations and a gas lift program. Seplat plans to drill three locations to target the J1000 and J2000 reservoirs in 2014 and 2015. These wells have been assigned 1P, 2P, and 3P undeveloped reserves based on volumetric calculations and analogy to offsetting producers. Seplat is also completing a gas lift program using compression.

OML-41**Okoporo and Ubaleme Field**

The Okoporo and Ubaleme fields are located in the OML-41 area of Delta State, Nigeria. The Okoporo and Ubaleme fields lie on the same structural trend in the southern portion of OML-41. The Okoporo field was discovered in 1961 by the drilling of well OKOP-1 and appraised by the drilling of well OKOP-2. The most recently drilled well, OKOP-3, was spudded in June 2013. The Ubaleme field was discovered in 1968 by the drilling of well UBLM-01 and appraised by the drilling of wells UBLM-02 and UBLM-03. There has been no production, testing, or PVT from either field.

Maps were generated in 1996 guided with three-dimensional seismic data. Both structures are northwest/southeast-trending roll-over anticlines and bounded on the downthrown side of faults. There is no indication of fluid communication between Okoporo and Ubaleme. Based on log interpretation, well OKOP-3 shows oil in the deeper C2000 to C8000 reservoirs and gas in the D1000 and D2000 reservoirs. Ubaleme shows oil in the D1000 and D5000 reservoirs between 8,300 feet and 12,500 feet total vertical depth subsea (TVDSS), and gas in the E1000 reservoir. The sands in the fields are generally associated with marginal marine to shoreface settings with a few channel sands deposits. The reservoir sands are well developed with thicknesses varying from 20 to 120 feet.

Structure maps for the Okoporo C3000 reservoir and the Ubaleme D1000 reservoir are included on Figures 18 and 19, respectively. Figure 20 illustrates a schematic cross-section of the Okoporo Field.

DeGOLYER AND MacNAUGHTON CANADA LIMITED

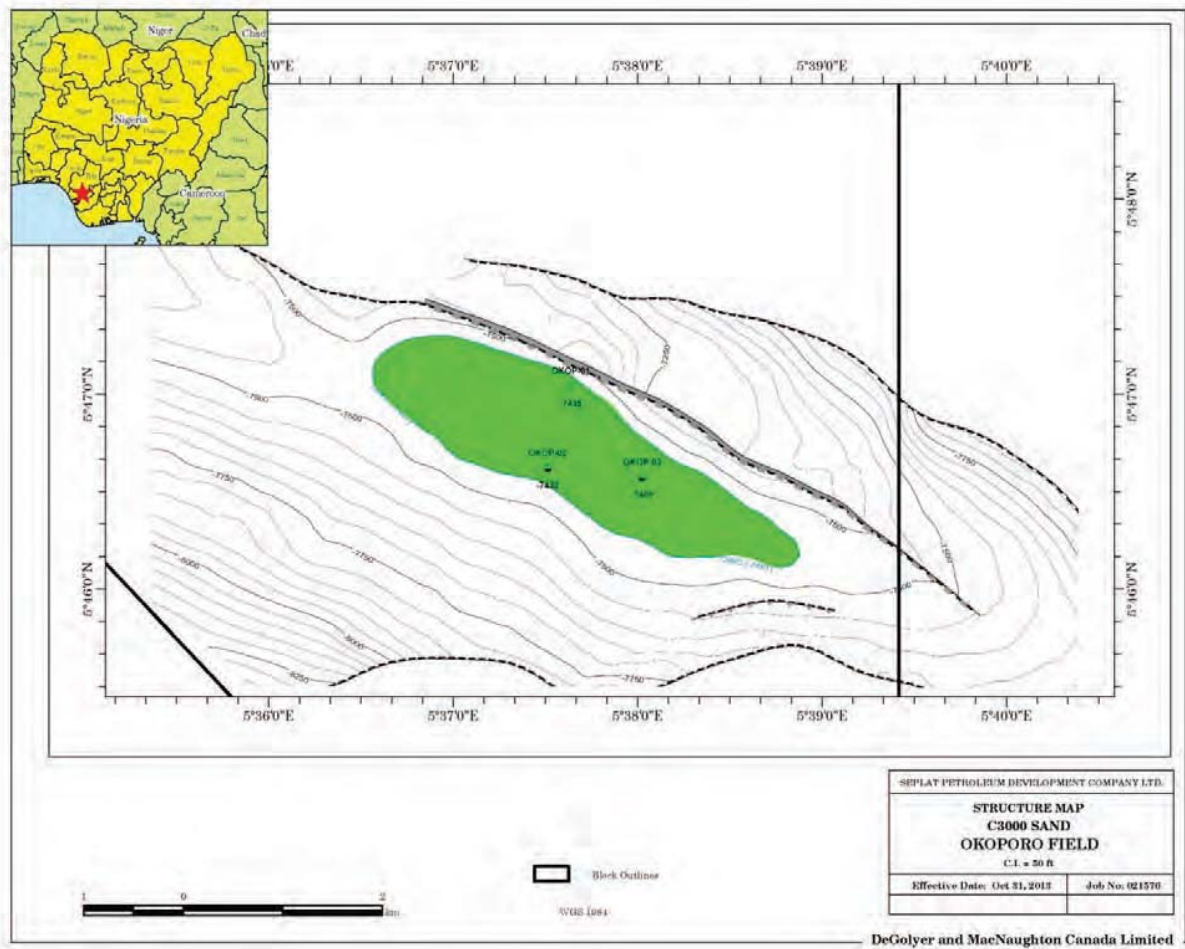


Figure 18
 Okoporo Field Structure Map – C3000 Reservoir

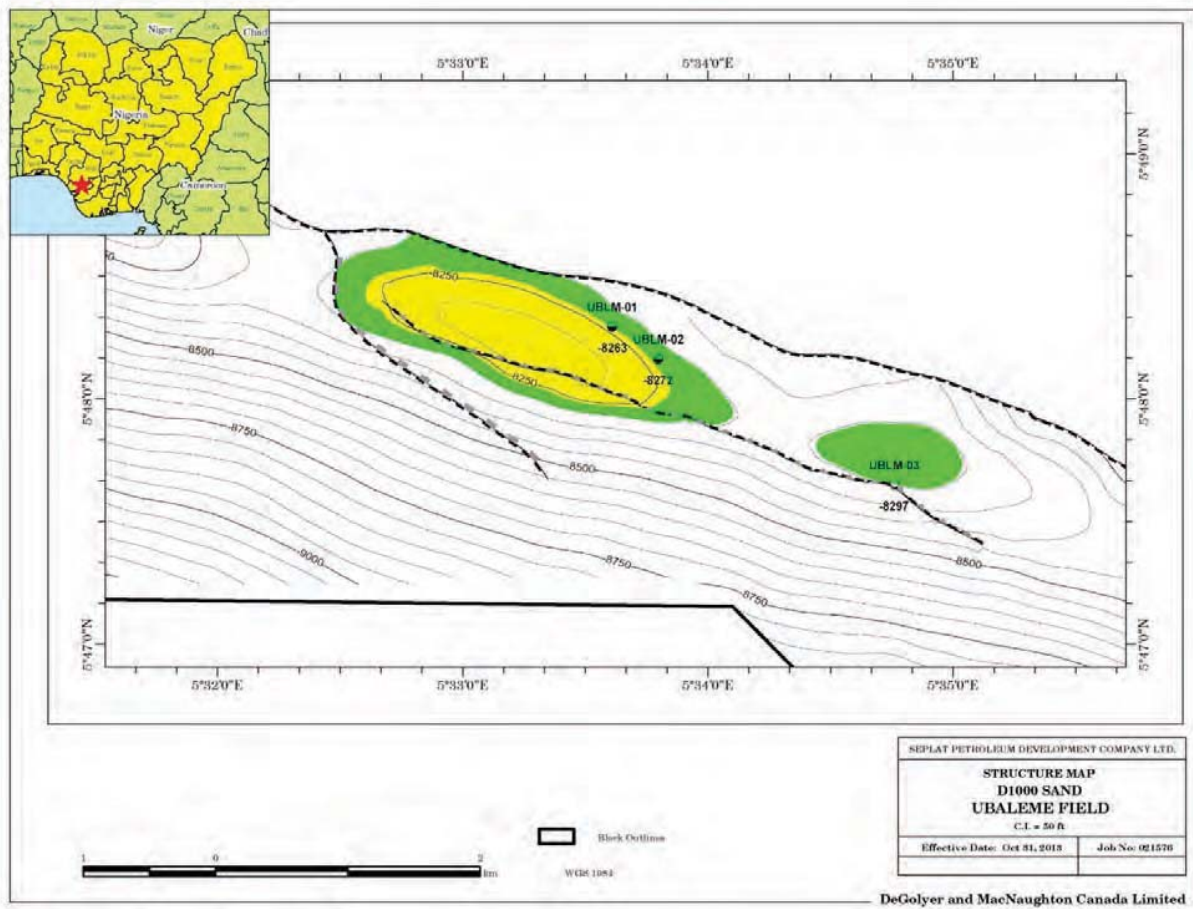


Figure 19
 Ubaleme Field Structure Map – D1000 Reservoir

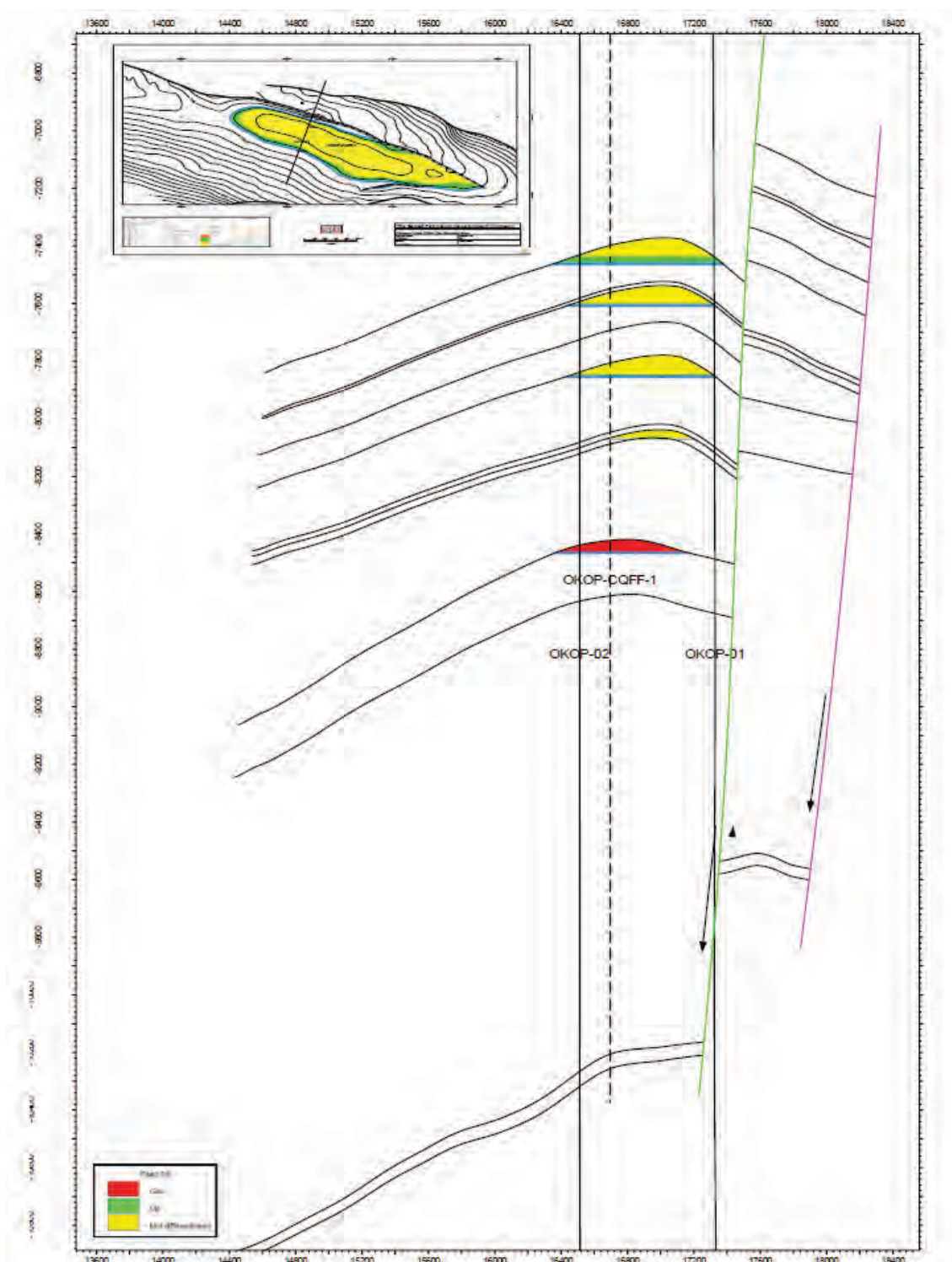


Figure 20
Okoporo Field – Schematic Cross-Section

Seplat drilled well OKOPORO-3 as a new well to appraise the C2000, C3000, and C4000 sands. As of October 31, 2013, the development plan forecasts the drilling of two wells in 2014 and two wells in 2015. Well UDP-1 is to be drilled in the Ubaleme field in 2015. Infrastructure is to be built whereby oil will flow to the Sapele flowstation.

Sapele Field

The Sapele field is located in block OML-41, approximately 40 kilometers north of Warri with a total pool area of approximately 80 square kilometers. The field was discovered in 1969 and production commenced in 1971. There have been 26 wells drilled in the field. As of October 31, 2013, there are 16 producing oil wells and two producing gas wells on Seplat's acreage. The field produced a total of 187.8 MMbbl of oil and 765.1 Bcf of gas. Currently, the field produces oil at a rate of approximately of 6.7 Mbbl per day and 29.9 Mcf of gas per day.

The field was covered by a 250-kilometer irregular grid of two-dimensional seismic data between 1968 and 1972, and three-dimensional seismic data were subsequently shot in the western part of the Sapele structure. Hydrocarbon reservoirs consist of multiple stacked oil and gas-bearing reservoirs, which are defined as "A," "B," "C," "D," "G," and "H" sands, and range from shallow to deep. The crude oil is undersaturated and moderately heavy in the shallow channel, while the deep sands contain saturated light crudes with high solution GORs. Below these, the H sands are gas-bearing.

The Sapele structure is interpreted as an elongated northwest/southeast-trending rollover anticline structure with a major bounding fault to the north. The major hydrocarbon reservoirs can be subdivided into two groups based on their depth of occurrence and properties, with moderately heavy oil of gravity lower than 20 degrees API accumulated in the shallow "A," "B," and "C" sands and light oil and gas in the deep "D," "G," and "H" sands. The sand deposits generally consist of coarsening-upward sequences and are overlain by a transgressive sheet of sands. They are associated with fluvial channel and shoreface depositional environment. Structure maps of the shallow B3500 reservoir and the deep G3000 reservoir are included on Figures 21 and 22, respectively. Figure 23 illustrates a schematic cross-section of the Sapele deep reservoirs.

DeGOLYER AND MACNAUGHTON CANADA LIMITED

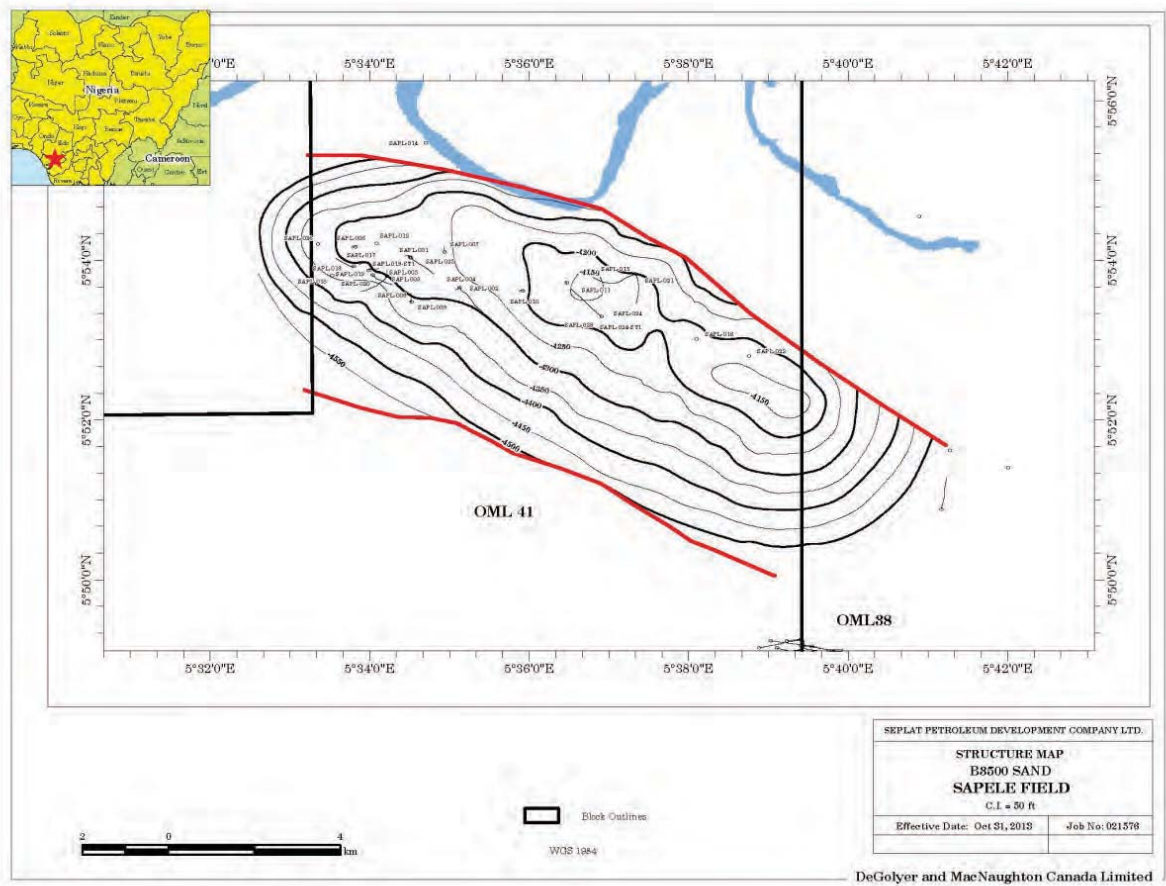


Figure 21
Sapele Field Shallow Structure Map – B3500 Reservoir

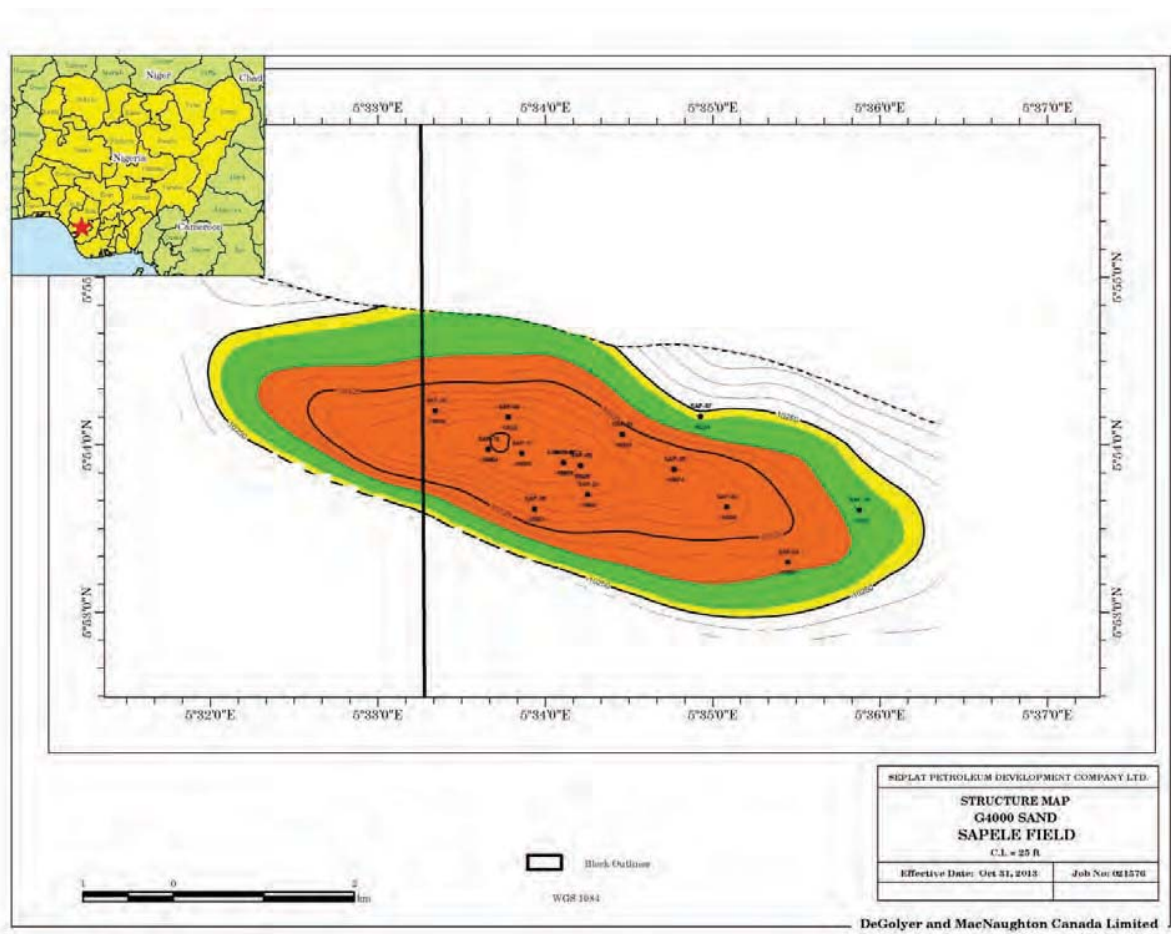


Figure 22
Sapele Field Deep Structure Map – G4000 Reservoir

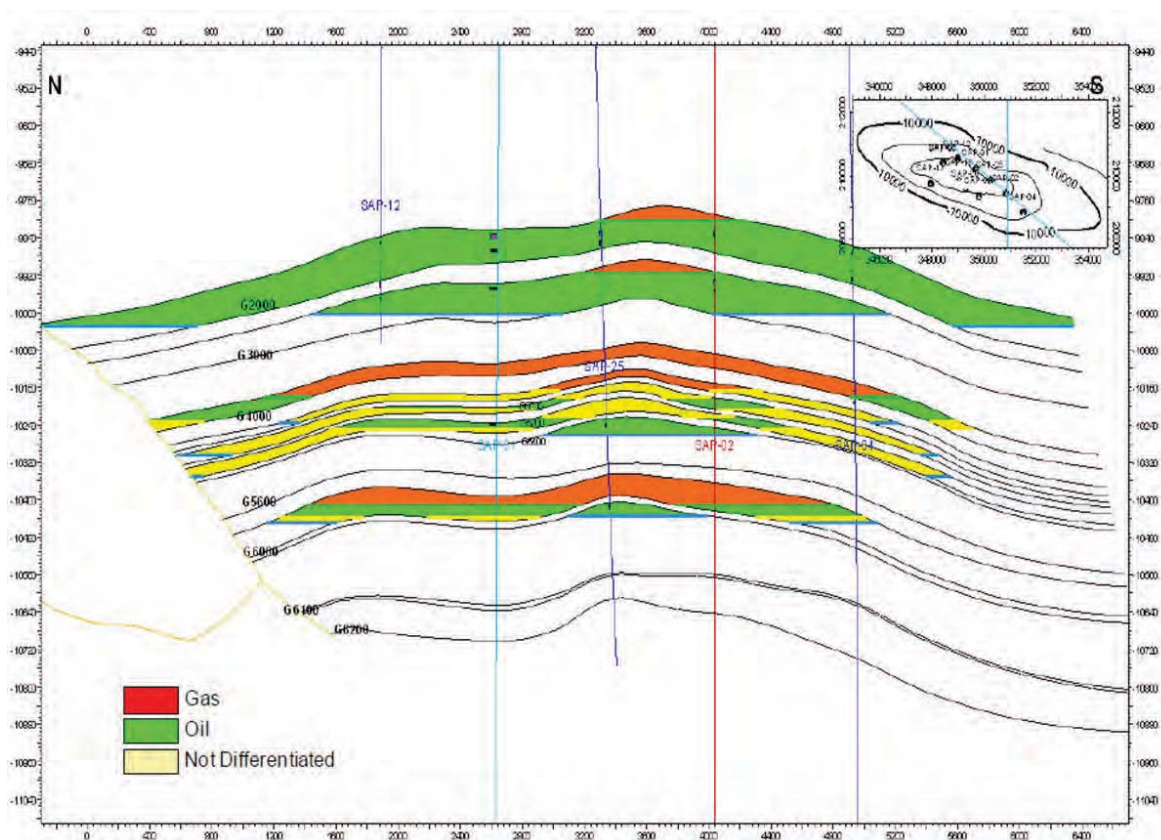


Figure 23
Sapele Field Deep Reservoirs – Schematic Cross-Section

Proved, probable, and possible reserves were applied to the 19 currently producing well strings using decline analysis.

Two appraisal wells for the D2700 and D3000 sands and one additional well to further develop the shallow sands were included in the Seplat five-year development plan. Reserves were estimated based on analogy to other wells in the field. The wells in the B3500, B3600, D2700, and D3000 sands were forecast to be placed on production in 2014.

In the Seplat five-year development plan, Seplat has indicated that it will re-enter four wells to retrieve gas from two produced sands (H1000 and H8000) and complete an additional six sands. Seplat has also indicated that the increase in compression and integrity upgrades would occur in 2013 and 2014 to further develop the field.

Production forecasts have been updated for Sapele Shallow with simulation results. Based on these results, proved reserves have been assigned to the B7400 and C3000 sands, while probable reserves have been assigned to the B35W and C5000 sands.

Estimation of Reserves

Summary

The estimated gross total 1P, 2P, and 3P oil, natural gas, and condensate reserves for the properties evaluated in this report for Seplat are summarized as follows, expressed in Mbbl and MMcf:

		Table 16 Gross Reserves					
Block	Field	Oil and Condensate			Marketable Gas		
		1P (Mbbl)	2P (Mbbl)	3P (Mbbl)	1P (MMcf)	2P (MMcf)	3P (MMcf)
OML-4	Oben	45,904	68,209	84,756	431,096	918,938	1,065,651
OML-38	Amukpe	771	1,198	1,598	878	1,360	1,816
OML-38	Okporhuru	21,071	42,682	56,251	34,969	49,784	59,082
OML-38	Ovhor	27,950	35,273	43,457	6,333	7,999	9,962
OML-41	Ovhor	27,950	35,273	43,457	6,333	7,999	9,962
OML-41	Okoporo & Ubaleme	-	2,453	3,762	-	338	520
OML-41	Sapele	27,604	41,036	60,520	221,038	287,958	342,938
Total		151,251	226,124	293,800	700,647	1,274,376	1,489,931

Notes:

1. Marketable gas has been converted to barrels of oil equivalent on a field-by-field basis
2. Numbers in this table may not add exactly due to rounding.

The estimated gross total proved, total 1P, 2P, and 3P oil, natural gas, and condensate reserves for the properties evaluated in this report for Seplat are summarized as follows, expressed in thousands of barrels of oil equivalent (Mboe):

		Table 17		
		Gross Reserves		
		Oil Equivalent		
Block	Field	1P (Mboe)	2P (Mboe)	3P (Mboe)
OML-4	Oben	120,231	226,646	268,489
OML-38	Amukpe	922	1,432	1,911
OML-38	Okporhuru	27,100	51,266	66,438
OML-38	Ovhor	29,042	36,652	45,174
OML-41	Ovhor	29,042	36,652	45,174
OML-41	Okoporo & Ubaleme	-	2,512	3,852
OML-41	Sapele	65,714	90,683	119,647
Total		272,052	445,844	550,685

Notes:

1. Marketable gas has been converted to barrels of oil equivalent on a field-by-field basis.
2. Numbers in this table may not add exactly due to rounding.

Estimates of the working-interest total 1P, 2P, and 3P oil, natural gas, and condensate reserves, evaluated herein are listed as follows, expressed in Mbbl and MMcf:

		Table 18					
		Working-Interest Reserves					
Block	Field	Oil and Condensate			Marketable Gas		
		1P (Mbbl)	2P (Mbbl)	3P (Mbbl)	1P (MMcf)	2P (MMcf)	3P (MMcf)
OML-4	Oben	20,657	30,694	38,140	193,993	413,522	479,543
OML-38	Amukpe	347	539	719	395	612	817
OML-38	Okporhuru	9,482	19,207	25,313	15,736	22,403	26,587
OML-38	Ovhor	12,578	15,873	19,556	2,850	3,600	4,483
OML-41	Ovhor	12,578	15,873	19,556	2,850	3,600	4,483
OML-41	Okoporo & Ubaleme	-	1,104	1,693	-	152	234
OML-41	Sapele	12,422	18,466	27,234	99,467	129,581	154,322
Total		68,063	101,756	132,210	315,291	573,469	670,469

Notes:

1. Marketable gas has been converted to barrels of oil equivalent on a field-by-field basis
2. Numbers in this table may not add exactly due to rounding.

Estimates of the net total 1P, 2P, and 3P oil, natural gas, and condensate reserves, evaluated herein are listed as follows, expressed in Mboe:

		Table 19		
		Working-Interest Reserves		
		Oil Equivalent		
Block	Field	1P (Mboe)	2P (Mboe)	3P (Mboe)
OML-4	Oben	54,104	101,991	120,820
OML-38	Amukpe	415	645	860
OML-38	Okporhuru	12,195	23,070	29,897
OML-38	Ovhor	13,069	16,494	20,328
OML-41	Ovhor	13,069	16,494	20,328
OML-41	Okoporo & Ubaleme	-	1,130	1,733
OML-41	Sapele	29,571	40,808	53,841
Total		122,424	200,630	247,808

Notes:

1. Marketable gas has been converted to barrels of oil equivalent on a field-by-field basis.
2. Numbers in this table may not add exactly due to rounding.

Procedure/Methodology

Estimates of reserves were prepared by the use of appropriate geologic, petroleum engineering, and evaluation principles and techniques that are in accordance with practices generally recognized by the petroleum industry and in accordance with definitions established by the PRMS. The method or combination of methods used in the analysis of each reservoir was tempered by experience with similar reservoirs, stage of development, quality and completeness of basic data, and production history.

When applicable, the volumetric method was used to estimate the original oil in place (OOIP) and original gas in place (OGIP). Structure maps were prepared to delineate each reservoir, and net pay maps were constructed to estimate reservoir volume. Electrical logs, radioactivity logs, core analyses, and other available data were used to prepare these maps as well as to estimate representative values for porosity and water saturation.

Estimates of ultimate recovery were obtained after applying recovery factors to OOIP or OGIP. These recovery factors were based on consideration of

the type of energy inherent in the reservoirs, analyses of the petroleum, the structural positions of the properties, and the production histories. When applicable, material-balance and other engineering methods were used to estimate recovery factors. An analysis of reservoir performance, including production rate, reservoir pressure, and gas/oil ratio (GOR) behavior, was used in the estimation of reserves.

In certain cases, when the previously named methods could not be used, reserves were estimated by analogy with similar wells or reservoirs for which more complete data were available.

Reserves estimates presented herein are based on data available through October 31, 2013. Estimates of reserves were prepared by subtracting the cumulative production from the gross ultimate recovery.

The reserves forecasts contained herein terminate at the technical limit of approximately 50 barrels per day for oil and 100 Mcf per day for gas or at the end of the concession life, whichever occurs first. If a concession expires before the economic production limit is reached, production that could be obtained after the concession expiration, which would otherwise be classified as reserves, has been classified as contingent resources.

Reserves estimated in this report are supported by details of drilling results through October 31, 2013, analyses of available geological data, well-test results, pressures, available core data, and production performance. This report takes into account all relevant information supplied to us by Seplat.

The oil, natural gas, and condensate reserves estimated in this report are expressed in terms of 42 United States gallons per barrel. Crude oil reserves are to be recovered by conventional field operations. Condensate reserves are to be recovered from gas processing and include C₅₊ fractions.

Gas quantities included in this report are expressed as marketable gas at a pressure base of 14.7 pounds per square inch absolute (psia) and a temperature base of 60 degrees Fahrenheit (°F). Marketable gas is defined as wet gas after reduction for shrinkage resulting from field separation; processing, including removal of non-hydrocarbon gas to meet pipeline specifications and condensate extraction; and flare and other losses but not from fuel usage. Fuel gas is included as reserves. Wet gas is the total gas produced from the reservoir prior to processing or separation and includes all non-hydrocarbon components and the gas equivalent of condensate. The marketable gas is converted to boe by using a ratio of 5,800 cubic feet per boe.

Estimates of the net present worth, undiscounted and discounted at a rate of 10 percent, of the total 1P, 2P, and 3P (non-risk adjusted) Forecast Price Case scenario reserves of the petroleum interests attributable to Seplat, expressed in millions of United States dollars (MM U.S.\$), are presented in the following table:

Table 20

Reserves - Working-Interest After Tax Net Present Values Discounted at 10%

Asset	1P (MM U.S.\$)	2P (MM U.S.\$)	3P (MM U.S.\$)
OMLs-4, -38, and -41	844	1,199	1,397

Contingent Resources

OML-4

Oben Field

Seplat intends to drill five wells to further delineate existing oil pools: one well in each of the D4000 and G4000 reservoirs and three wells in the G5000 reservoir. These locations were identified by DMCL based on the forecast depletion from the pools and the potential for additional recovery. The timing was estimated in the fourth quarter of 2017 and the first half of 2018. These reservoirs were assigned contingent resources, pending development.

Seplat intends to drill three wells to explore gas potential in the F5000, H3000, and H7000 Formations. The gas locations were identified by Seplat; however, these locations were scheduled by DMCL to occur in the first quarter of 2018, 2022, and the fourth quarter of 2020, respectively. Due to the quantity of gas to be produced by all of Seplat's resource assets, an expansion to the Oben gas plant of 40, 75, and 130 MMcf per day was used for the 1C, 2C, and 3C contingent resource cases, respectively. The expansions were scheduled in stages starting in the third quarter of 2013. Gas forecasting for non-associated gas was based on available plant capacity remaining after solution gas was forecast.

OML-38**Amukpe Field**

Five gas reservoirs (G2000, G2200, G4000, G5000, and H1000) were identified through structural closure and wellbore log interpretation to contain potential commercial hydrocarbons. Reservoirs G2000, G2200, and G5000 were forecast to be placed on production in 2021, while reservoirs G4000 and H1000 were forecast to be placed on production in 2020 and 2023, respectively. This development plan was proposed by DMCL. These reservoirs were assigned contingent gas resources, based on volumetric calculations and pending development.

Mosogar Field

The Mosogar area covers approximately 3 square kilometers of land in the OML-38 area of Delta State, Nigeria. There are currently no producing oil wells and two shut-in wells on Seplat's acreage.

The Mosogar field is located approximately 50 kilometers north of Warri and is situated to the east and southeast of the Sapele and Amukpe fields, respectively. There has not been any production from the Mosogar field. Future production from this field can be manifolded and flowed to either the Amukpe or Oben flowstations.

The area was covered by two-dimensional seismic data in 1968 to 1972 and 1980 to 1989 vintages and by three-dimensional seismic data in 1998 to 1999, as illustrated on Figure 24. The Mosogar structure is interpreted as a simple rollover structure with a northwest/southeast-trending bounding fault to the north as shown on Figure 25. The sands deposits are generally clean with occasional thin shale streaks and are associated with coastal plan to shallow marine environments.

These reservoirs were assigned contingent resources dependent on satisfying the break even test.

Seplat provided a development plan to drill six wells targeting the U3000 reservoir. Development is expected to occur between 2016 and 2018. These wells were assigned contingent resources based on volumetric calculations using well MOSO-002 as an analogy.



Mosogar Field – Seismic Section of the Shallow Paralic Sequence over Mosogar-002

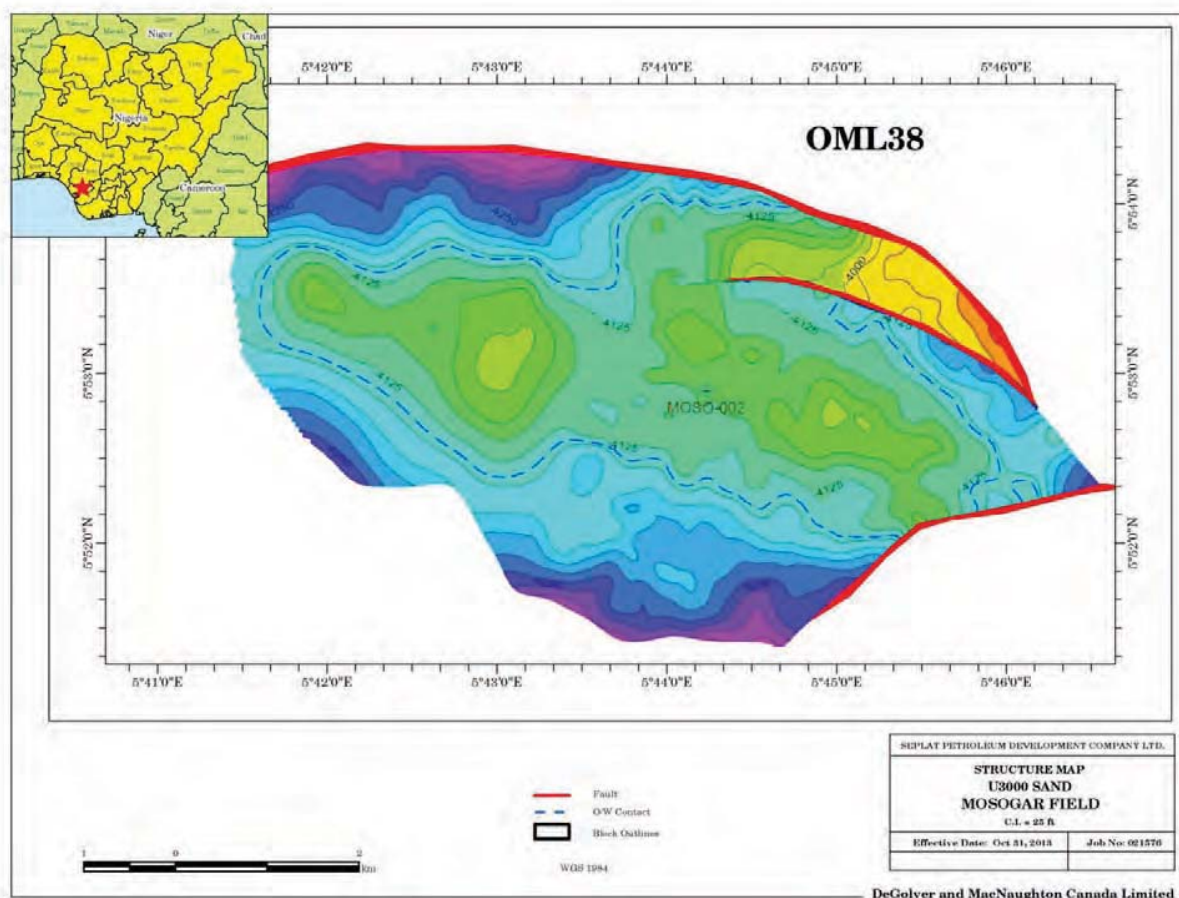


Figure 25
Mosogar Field Structure Map – U3000 Reservoir

Okwefe Field

The Okwefe field is located in the OML-38 and OML-49 areas of Delta State, Nigeria. Seplat holds a 10.8-percent unitized working interest in the field. There are currently three shut-in oil wells on Seplat's acreage. No hydrocarbons have been produced from the field to date.

The Okwefe discovery in OML-38 and OML-49 is approximately 40 kilometers east of Warri. The field was discovered by the drilling of well OKW-1 in 1989 and further appraised by the drilling of wells OGH-1 in 1990 and OGH-2 in 1992. The area is covered with 220 square kilometers of three-dimensional seismic data. The Okwefe field is interpreted as a simple rollover anticline against a major fault trending in an east-west direction. The

Okwefe field is separated into two structures by crestal northeast-southwest conjugate faults as shown on Figure 26. Wells Okwefe-1 and Oghareki-1 are located on the downthrown fault block, while well Oghareki-2 is located on the upthrown side. Well OKW-1 encountered multiple stacked oil and gas reservoirs between 9,400 and 11,800 feet TVDSS. The sand deposits are generally clean with occasional thin shale streaks and are associated with coastal plan transgressive-regressive cycles and tidal bars.

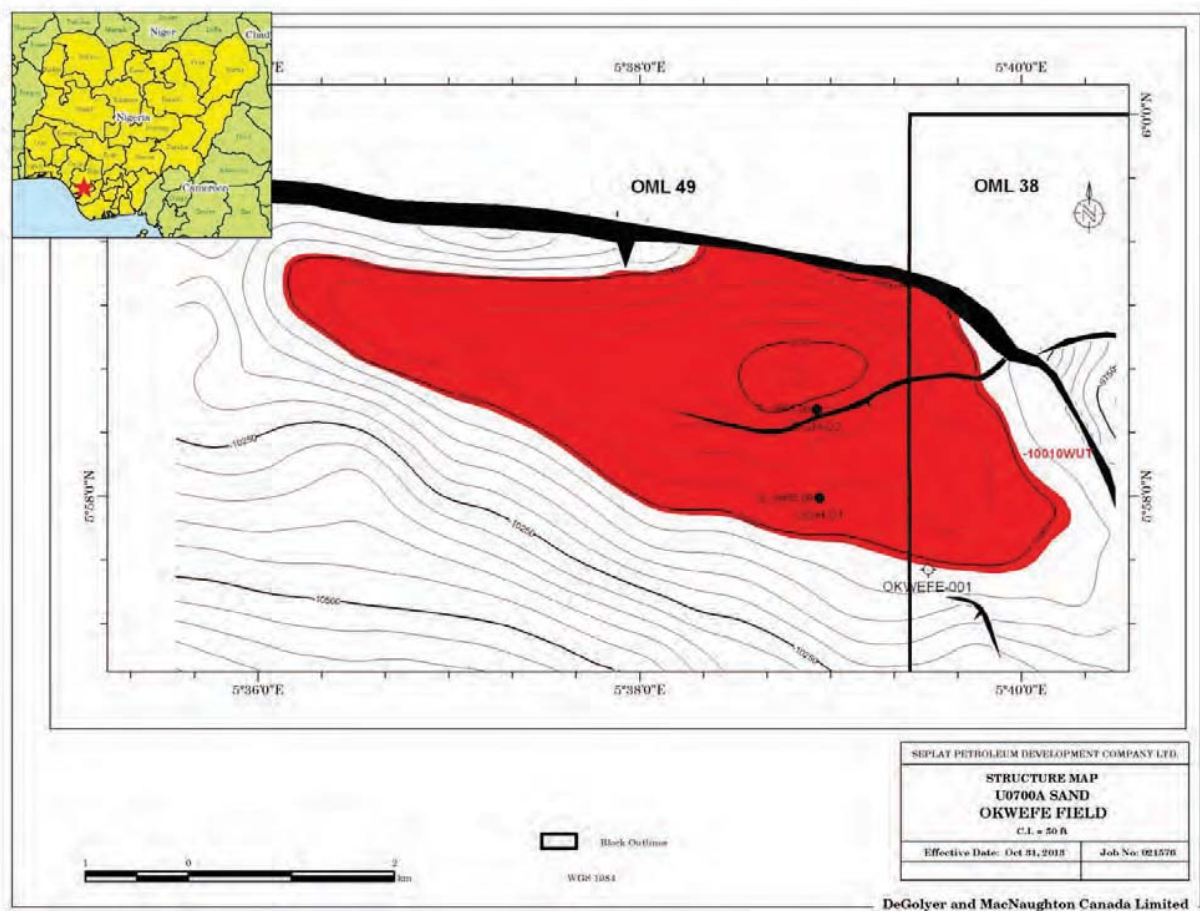


Figure 26
Okwefe Field Structure Map – U0700A Reservoir

Four reservoirs (U2000, U3000, U6000, and U0700) were assigned contingent resources based on volumetric calculations and satisfying the break even test. Initial production rates and declines were estimated by analogy from nearby fields as none of the suspended wells have been tested for commercial production rates.

Contingent resources were assigned to gas horizons sands U0100 and U8000 and oil horizons sands U4100, U0300, and U0200. The U0300 and U0200 sands are thin but have potential as commingled producers. An additional well is forecast for an appraisal of the D07 sand due to the casing string being changed at the target depth, thereby causing reduced confidence in the logs.

Seplat's five-year development plan includes the drilling of two wells in 2017. The remaining development is to occur in 2018. Well placement, depth, staging, counts, and development scheduling was proposed by DMCL.

Orogho Field

The Orogho field lies on the south-central part of OML-38 and was discovered by the drilling of well Orogho-1. There have been four wells drilled in the field; currently, two are abandoned and two are shut in. There has been no production from the Orogho field.

The Orogho structure is interpreted as a rollover anticline, bounded by a northwest/southeast-trending fault that separates the Orogho field into two blocks, the North and the South blocks. Wells Orogho-1 and Orogho-2 were drilled in the North block, while wells Orogho-3 and Orogho-4 were drilled in the South block. The wells encountered multiple stacked sands between 8,600 to 12,000 feet TVDSS. The sand deposits are generally clean with occasional thin shale streaks and are associated with coastal plan to shallow marine environments. Multiple stacked reservoirs are apparent, in which Seplat has indicated production will be commingled. The Orogho field D1000 structure map is shown on Figure 27.

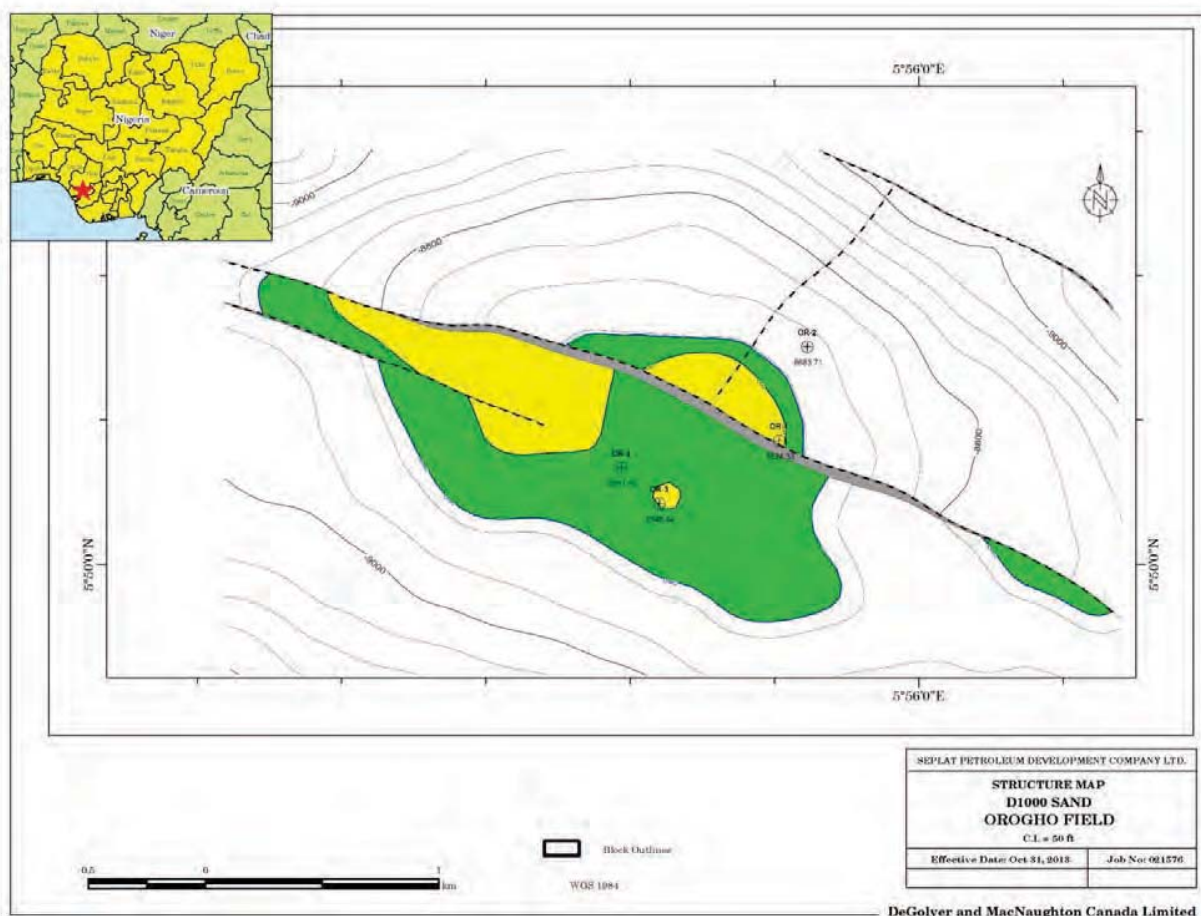


Figure 27
Orogho Field Structure Map – D1000 Reservoir

Seplat has indicated that well Orogho-3 had blown out during drilling and will need to be side-tracked, while well Orogho-2 is dry. Seplat's five-year development plan indicates that wells Orogho-1 and Orogho-4 will be re-completed along with one appraisal/development well in 2014, two new wells in 2014, and one infill drilling well in 2015. DMCL has proposed that wells will be drilled and completed in the D1000, D3000, and D7000 sands in 2018. For this report, wells Orogho-4, Orogho-6, Orogho-9, Orogho-13, and Orogho-15 have been anticipated to be re-completed as non-associated gas wells during 2030. These reservoirs were assigned contingent resources based on satisfying the break even test.

Ovhor Field

There are two undeveloped oil reservoirs in the Ovhor field, F4100 and G1000. Seplat intends to drill wells to evaluate the F4100N and G1000N horizons. The F4100N horizon was assigned contingent resources based on volumetric calculations and pending development. The G1000N horizon has been evaluated and was found to be uneconomic. This development plan was provided by DMCL.

OML-41**Okoporo and Ubaleme Field**

Seplat's five-year development plan forecasts wells OKOP-2 and OKOP-3 to be drilled and completed as horizontal wells in 2014 following the success of the CQFF-1 well. Infrastructure is to be built whereby oil will flow to the Sapele flowstation. The C2000 and C3000 reservoirs were assigned contingent resources based on the satisfying the break even test.

Sapele Field

The recoverable oil, gas, and condensate not produced by the economic limit of each planned well in the D2700, D3000, G4000, and G6100 sands were classified as contingent resources. These contingent resources were demonstrated by well logs and other data to contain potential commercial hydrocarbons.

Sapele Shallow Field

A project has been undertaken separately to evaluate the shallow reservoir groupings from A3500 to C6300. In this interval, 22 moderately heavy oil reservoirs have been identified for oil contingent resources potential. The oil gravity is below 20 degrees API, these are considered moderately heavy oil reservoirs compared to many established and producing fields elsewhere in the world. Thirteen out of the 22 reservoirs have been simulated to determine the impact of water flooding, polymer flooding, drilling of additional wells and different thermal applications such as steam-assisted gravity drainage (SAGD) or cyclic steam simulation (CSS). The results of the simulation study determines the best enhanced oil recovery (EOR) method that will be applied to these moderately heavy reservoirs in order to maximize the recovery of contingent resources.

DMCL's extensive experience in the evaluation of heavy oil reservoirs in North America and internationally has permitted a reasonable estimation of the recovery factors and development of these heavy oil reservoirs. Eighteen of these reservoirs have been evaluated for contingent resources. A total of 21 oil wells and 12 water injection wells have been proposed for drilling between 2014 and 2017 to fully develop these contingent resources. In addition, a plant expansion is planned for 2014 and 2015 to process the forecast production. These reservoirs were assigned contingent resources based on development pending and management approval.

1C contingent resources have been assigned to the B3500, B7400, and C3000 sands, while 2C contingent resources have been assigned to the A3500, B3000, B4000, B4300, B5600, B7000, B8000, C2100, C5000, and C5100 sands. Additional Sapele Shallow contingent resources forecasts have not been simulated.

Estimation of Contingent Resources

Summary

The estimated gross oil, natural gas, and condensate contingent resources are summarized as follows, expressed in Mbbl and MMcf.

		Table 21					
		Gross Contingent Resources					
Block	OML	Oil and Condensate			Marketable Gas		
		1C (Mbbl)	2C (Mbbl)	3C (Mbbl)	1C (MMcf)	2C (MMcf)	3C (MMcf)
OML-4	Oben	9,567	12,689	15,736	11,533	63,509	72,622
OML-38	Amukpe	-	2,624	2,958	-	46,436	52,311
OML-38	Mosogar	-	-	5,160	-	-	2,451
OML-38	Okporhuru	-	-	-	-	-	-
OML-38	Okwefe	-	25,724	45,427	-	22,978	54,267
OML-38	Orogho	16,489	22,131	27,747	32,638	73,687	109,558
OML-38	Ovhor	-	604	729	-	91	109
OML-41	Ovhor	-	604	729	-	91	109
OML-41	Okoporo & Ubaleme	-	8,411	10,907	-	933	1,202
OML-41	Sapele	18,036	81,144	190,358	21,122	42,400	152,884
Total		44,091	153,932	299,749	65,293	250,124	445,514

Notes:

1. There is no certainty that it will be commercially viable to produce any portion of the contingent resources evaluated herein.
2. Contingent resources have an economic status of "Marginal".
3. Okwefe gross pool values are not representative of the entire pool only the portion that lies within OML-41. Seplat's unitized interest applies to the entire pool and so actual gross pool volumes are larger than what is represented.
4. Okwefe Field is unitized at an estimated 10.8 percent working interest.
5. Numbers in this table may not add exactly due to rounding.

The estimated gross oil, natural gas, and condensate contingent resources are summarized as follows, expressed in Mboe:

		Table 22		
		Gross		
		Contingent Resources		
		Oil Equivalent		
Block	OML	1C	2C	3C
		(Mboe)	(Mboe)	(Mboe)
OML-4	Oben	11,555	23,639	28,257
OML-38	Amukpe	-	10,631	11,977
OML-38	Mosogar	-	-	5,583
OML-38	Okporhuru	-	-	-
OML-38	Okwefe	-	29,685	54,783
OML-38	Orogho	22,116	34,836	46,636
OML-38	Ovhor	-	620	748
OML-41	Ovhor	-	620	748
OML-41	Okoporo & Ubaleme	-	8,572	11,114
OML-41	Sapele	21,677	88,455	216,717
Total		55,349	197,057	376,562

Notes:

1. There is no certainty that it will be commercially viable to produce any portion of the contingent resources evaluated herein.
2. Contingent resources have an economic status of "Marginal".
3. Okwefe gross pool values are not representative of the entire pool only the portion that lies within OML-41. Seplat's unitized interest applies to the entire pool and so actual gross pool volumes are larger than what is represented.
4. Okwefe Field is unitized at an estimated 10.8 percent working interest.
5. Numbers in this table may not add exactly due to rounding.

The estimated working-interest oil, natural gas, and condensate contingent resources for the properties evaluated in this report are summarized as follows, expressed in Mbbl and MMcf:

		Table 23					
		Working-Interest Contingent Resources					
Block	OML	Oil and Condensate			Marketable Gas		
		1C (Mbbl)	2C (Mbbl)	3C (Mbbl)	1C (MMcf)	2C (MMcf)	3C (MMcf)
OML-4	Oben	4,305	5,710	7,081	5,190	28,579	32,680
OML-38	Amukpe	-	1,181	1,331	-	20,896	23,540
OML-38	Mosogar	-	-	2,322	-	-	1,103
OML-38	Okporhuru	-	-	-	-	-	-
OML-38	Okwefe	-	2,773	4,897	-	2,477	5,850
OML-38	Orogho	7,420	9,959	12,486	14,687	33,159	49,301
OML-38	Ovhor	-	272	328	-	41	49
OML-41	Ovhor	-	272	328	-	41	49
OML-41	Okoporo & Ubaleme	-	3,785	4,908	-	420	541
OML-41	Sapele	8,116	36,515	85,661	9,505	19,080	68,798
Total		19,841	60,467	119,342	29,382	104,693	181,911

Notes:

1. There is no certainty that it will be commercially viable to produce any portion of the contingent resources evaluated herein.
2. Contingent resources have an economic status of "Marginal".
3. Okwefe Field is unitized at an estimated 10.8 percent working interest.
4. Numbers in this table may not add exactly due to rounding.

The estimated working-interest oil, natural gas, and condensate contingent resources for the properties evaluated in this report are summarized as follows, expressed in Mboe:

		Table 24 Working-Interest Contingent Resources Oil Equivalent		
Block	OML	1C (Mboe)	2C (Mboe)	3C (Mboe)
OML-4	Oben	5,200	10,637	12,715
OML-38	Amukpe	-	4,784	5,390
OML-38	Mosogar	-	-	2,512
OML-38	Okporhuru	-	-	-
OML-38	Okwefe	-	3,200	5,906
OML-38	Orogho	9,952	15,676	20,986
OML-38	Ovhor	-	279	336
OML-41	Ovhor	-	279	336
OML-41	Okoporo & Ubaleme	-	3,857	5,001
OML-41	Sapele	9,755	39,805	97,523
Total		24,907	78,518	150,706

Notes:

1. There is no certainty that it will be commercially viable to produce any portion of the contingent resources evaluated herein.
2. Contingent resources have an economic status of "Marginal".
3. Okwefe Field is unitized at an estimated 10.8 percent working interest.
4. Numbers in this table may not add exactly due to rounding.

Procedure/Methodology

Estimates of contingent resources were prepared by the use of appropriate geologic, petroleum engineering, and evaluation principles and techniques that are in accordance with practices generally recognized by the petroleum industry and in accordance with definitions established by the PRMS. The method or combination of methods used in the analysis of each reservoir was tempered by experience with similar reservoirs, stage of development, quality and completeness of basic data, and production history.

When applicable, the volumetric method was used to estimate the OOIP and OGIP. Structure maps were prepared to delineate each reservoir, and net pay maps were constructed to estimate reservoir volume. Electrical logs, radioactivity logs, core analyses, and other available data were used to prepare these maps as well as to estimate representative values for porosity and water saturation.

Estimates of ultimate recovery were obtained after applying recovery factors to OOIP or OGIP. These recovery factors were based on consideration of the type of energy inherent in the reservoirs, analyses of the petroleum, the structural positions of the properties, and the production histories. When applicable, material-balance and other engineering methods were used to estimate recovery factors. An analysis of reservoir performance, including production rate, reservoir pressure, and GOR behavior, was used in the estimation of contingent resources.

In certain cases, when the previously named methods could not be used, contingent resources were estimated by analogy with similar wells or reservoirs for which more complete data were available.

Contingent resources estimates presented herein are based on data available through October 31, 2013.

Quantities that may be produced after the expiration of concessions, which would otherwise be classified as reserves, have been classified herein as contingent resources.

Contingent resources estimated in this report are supported by details of drilling results through October 31, 2013, analyses of available geological data, well-test results, pressures, available core data, and production performance. This report takes into account all relevant information supplied to us by Seplat.

The oil, natural gas, and condensate contingent resources estimated in this report are expressed in terms of 42 United States gallons per barrel. Crude oil contingent resources are to be recovered by conventional field operations. Condensate contingent resources are to be recovered from gas processing, and include C₅₊ fractions.

Gas quantities included in this report are expressed as marketable gas at a pressure base of 14.7 psia and a temperature base of 60 °F. Marketable gas is defined as wet gas after reduction for shrinkage resulting from field separation; processing, including removal of non-hydrocarbon gas to meet pipeline

specifications and condensate extraction; and flare and other losses but not from fuel usage. Fuel gas is included as contingent resources. Wet gas is the total gas produced from the reservoir prior to processing or separation and includes all non-hydrocarbon components and the gas equivalent of condensate. The marketable gas is converted to boe by using a ratio of 5,800 cubic feet per boe.

Estimates of contingent resources as presented herein are based on the quantities of petroleum that may be produced after the expiration of an existing license agreement, that are associated with satellite fields to existing production operations for which a development plan has not been finalized or for which sufficient commitment has not been obtained to proceed with development, or that are currently identified from engineering and geological data to be potentially recoverable but will require additional data acquisition, assessment, or investigation.

Detailed field discussions of the contingent resources are contained in the appendix to this letter report. Estimates of contingent resources were made using the volumetric method.

Prospective Resources

OML-4

Oben East Field

The Oben East prospect is located in block OML-4, southeast of the Oben field. The prospect is defined by a seismically interpreted dip-closed footwall structural closure, with a major northeast/southwest-bounding fault to the north and south. The structural closure is complex and it is defined by a combination of dip and hanging wall closure. The structure at deeper horizons is associated with a footwall closure against the crestal fault.

OML-38

Abraka NE Field

The Abraka NE prospect is located in block OML-38, south of the Asuokpu-1 marginal oil discovery well. The prospect is defined by a seismically interpreted dip-closed, hanging-wall structural closure, with a major northeast/southwest-bounding fault to the north. The areal extent of the Abraka

prospect is approximately 2 square kilometers with vertical relief between 100 to 200 feet.

Jesse North Field

The Jesse North prospect is located in block OML-38, west of the Ijomi-1 marginal gas discovery well, on trend with the Okwefe field. The prospect is defined by a seismically interpreted hanging wall structural closure, with a major northeast/southwest-bounding fault to the north. The areal extent of the Jesse North prospect is approximately 2 square kilometers with vertical relief between 100 to 150 feet. A regional seismic cross-section from the Sapele field to the Jesse field is included on Figure 28.

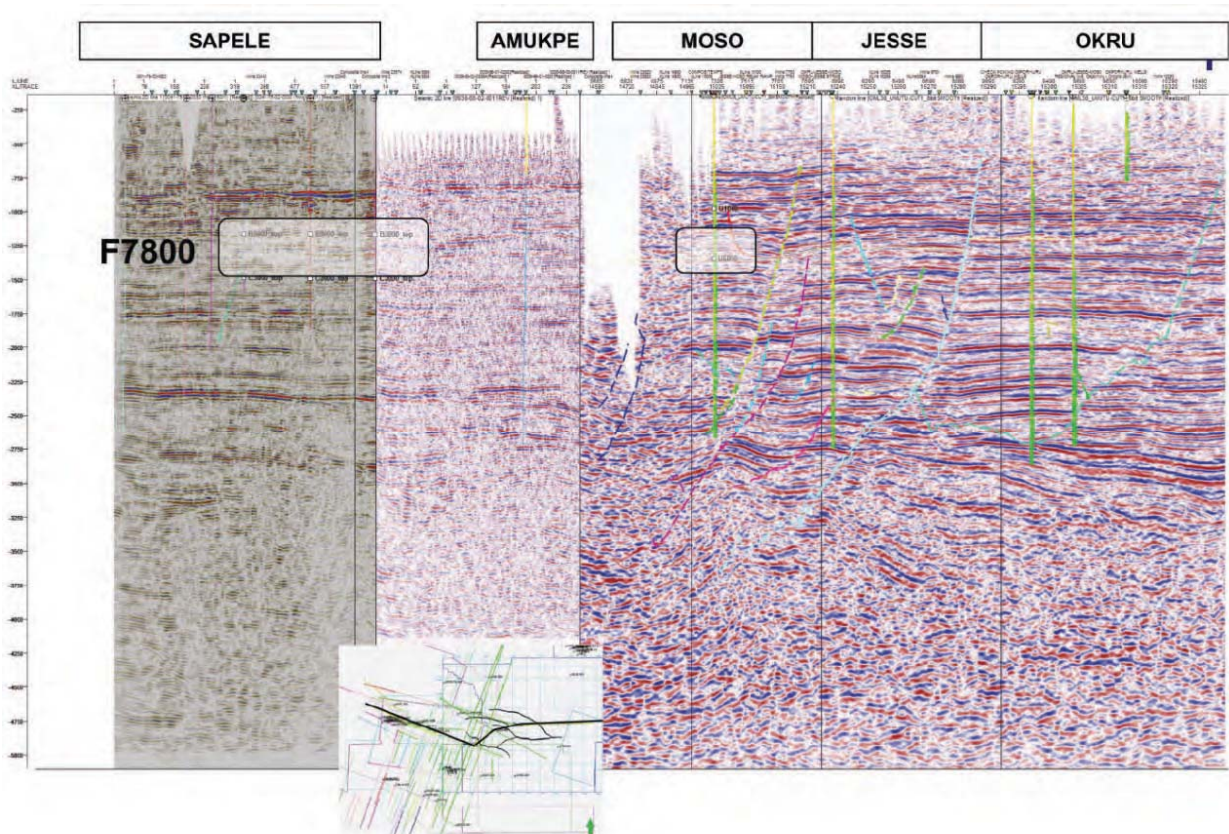


Figure 28
Regional Seismic Cross-Section from Sapele Field to Jesse Field

Nugu East Field

The Nugu East prospect is located in block OML-38, east of the Nugu-1 discovery well. The prospect is defined by a seismically interpreted footwall structural closure, adjacent to a southeast-trending fault, with a major northeast/southwest-bounding fault to the north. The areal extent of the Nugu East prospect is approximately 2 square kilometers with vertical relief between 100 to 150 feet.

Ogegere Field

The Ogegere prospect is located in block OML-38, west of the Orogho field. The prospect is defined by a seismically interpreted dip-closed structural closure, in the same macrostructure as the Orogho field, with a major east/west-bounding fault to the north.

Ogume Field

The Ogume prospect is located in block OML-38, updip of the Ogume-1 well. The prospect is defined by a seismically interpreted footwall structural closure, bounded by a northeast/southwest-trending fault to the north and an east/west-trending fault to the south. The areal extent of the Ogume prospect is approximately 2 square kilometers with vertical relief between 200 to 300 feet.

Olokun North Field

The Olokun North prospect is located in block OML-38, east of the Iguelaba-1 marginal oil discovery well. The prospect is defined by a seismically interpreted hanging wall structural closure, bounded by a northeast/southwest-trending fault to the west and an east/west-trending fault to the north. The areal extent of the Olokun North prospect is approximately 2 square kilometers with vertical relief between 100 to 200 feet.

Onitcha South Field

The Onitcha South prospect is located in block OML-38, south of the Asuokpu-1 marginal oil discovery well. The prospect is defined by a seismically interpreted dip-closed hanging wall structural closure, bounded by a northeast/southwest-trending fault to the north. The areal extent of the Onitcha South

prospect is approximately 2 square kilometers with vertical relief between 100 to 200 feet.

OML-41

Ubaleme West Field

The Ubaleme West prospect is located in block OML-41, west of the Ubaleme field. The prospect structure is interpreted as a four-way dip closure with a crestal fault at the shallow intervals and a major bounding northeast/southwest-trending fault to the north. The areal extent of the Ubaleme West prospect is approximately 3 square kilometers with vertical relief between 100 to 150 feet.

Estimation of Prospective Resources

Summary

The evaluation of prospective resources has been undertaken through the preparation of several reports. The estimates of prospective resources quantities are summarized below in two parts. The total prospective resources are identified as the PIIP and the second part is that portion of the Discovered and Undiscovered PIIP that is expected to be recovered.

The estimated gross prospective oil resources for the properties evaluated in this report are summarized as follows, expressed in Mbbl:

Table 25
Gross Prospective Oil Resources Summary

Prospect	License/ Block					Probability of Geologic Success, P_g	P_g - Adjusted Mean Estimate
		Low Estimate (Mbbl)	Best Estimate (Mbbl)	High Estimate (Mbbl)	Mean Estimate (Mbbl)	(Mbbl)	(Mbbl)
Abraka NE	OML-38	2,152	3,996	7,279	4,453	0.464	2,065
Jesse North	OML-38	4,197	7,813	13,838	8,581	0.417	3,579
Nugu East	OML-38	2,169	3,936	6,862	4,293	0.379	1,625
Oben East	OML-4	2,464	4,075	6,870	4,464	0.320	1,428
Ogegere	OML-38	1,397	2,767	5,431	3,164	0.560	1,772
Ogume	OML-38	576	1,661	4,147	2,083	0.455	948
Olokun North	OML-38	4,761	9,094	16,594	10,081	0.412	4,156
Onitcha South	OML-38	1,285	2,694	5,296	3,070	0.532	1,634
Ubaleme West	OML-41	1,867	3,922	7,796	4,494	0.528	2,371
Statistical Aggregate		34,689	43,751	55,855	44,683	0.438	19,577
Arithmetic Summation		20,869	39,956	74,113	44,683	0.438	19,577

Notes:

1. Low, best, high, and mean estimates follow the PRMS guidelines for prospective resources.
2. Low, best, high, and mean estimates in this table are P_{90} , P_{50} , P_{10} , and mean respectively.
3. P_g is defined as the probability of discovering reservoirs which flow petroleum at a measurable rate.
4. P_g has been rounded for presentation purposes. Multiplication using this presented P_g may yield imprecise results. Dividing the P_g -adjusted mean estimate by the mean estimate yields the precise P_g .
5. Application of any geological and economic chance factor does not equate prospective resources to contingent resources or reserves.
6. Recovery efficiency is applied to prospective resources in this table.
7. Arithmetic summation of probabilistic estimates produces invalid results except for the mean estimate.
Arithmetic summation of probabilistic estimates is presented in this table in compliance with PRMS guidelines.
8. Summations may vary from those shown here due to rounding.
9. There is no certainty that any portion of the prospective resources estimated herein will be discovered.
If discovered, there is no certainty that it will be commercially viable to produce any portion of the prospective resources evaluated.

The estimated working-interest prospective oil resources for the properties evaluated in this report are summarized as follows, expressed in Mbbbl:

Table 26
Working-Interest Prospective Oil Resources Summary

Prospect	License/ Block	Low	Best	High	Mean	Probability	P _g -
		Estimate	Estimate	Estimate	Estimate	of Geologic Success, P _g	Adjusted Mean Estimate
		(Mbbbl)	(Mbbbl)	(Mbbbl)	(Mbbbl)	(decimal)	(Mbbbl)
Abraka NE	OML-38	969	1,798	3,275	2,004	0.464	929
Jesse North	OML-38	1,889	3,516	6,227	3,861	0.417	1,610
Nugu East	OML-38	976	1,771	3,088	1,932	0.379	731
Oben East	OML-4	1,109	1,834	3,092	2,009	0.320	642
Ogegere	OML-38	629	1,245	2,444	1,424	0.560	797
Ogume	OML-38	259	747	1,866	937	0.455	426
Olokun North	OML-38	2,142	4,092	7,467	4,536	0.412	1,870
Onitcha South	OML-38	578	1,212	2,383	1,381	0.532	735
Ubaleme West	OML-41	840	1,765	3,508	2,022	0.528	1,067
Statistical Aggregate		15,610	19,688	25,135	20,107	0.438	8,809
Arithmetic Summation		9,391	17,980	33,351	20,107	0.438	8,809

Notes:

1. Low, best, high, and mean estimates follow the PRMS guidelines for prospective resources.
2. Low, best, high, and mean estimates in this table are P₉₀, P₅₀, P₁₀, and mean respectively.
3. P_g is defined as the probability of discovering reservoirs which flow petroleum at a measurable rate.
4. P_g has been rounded for presentation purposes. Multiplication using this presented P_g may yield imprecise results. Dividing the P_g-adjusted mean estimate by the mean estimate yields the precise P_g.
5. Application of any geological and economic chance factor does not equate prospective resources to contingent resources or reserves.
6. Recovery efficiency is applied to prospective resources in this table.
7. Arithmetic summation of probabilistic estimates produces invalid results except for the mean estimate. Arithmetic summation of probabilistic estimates is presented in this table in compliance with PRMS guidelines.
8. Summations may vary from those shown here due to rounding.
9. There is no certainty that any portion of the prospective resources estimated herein will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the prospective resources evaluated.

ENVIRONMENT and FACILITY

Introduction

Seplat production facilities inspected in OML-4, OML-38, and OML-41 consisted of flowstations, gas plants, manifolds, and the NGC compressor station. The compressor stations are leased and operated by Seplat from the NGC. Sapele and Oben flowstations are located adjacent to associated gas compressor stations and NAG gas plants in their respective OMLs. This enables the sharing of field logistics bases, fire-fighting support, and armed security support. The Amukpe flowstation is equipped to process liquids only; all associated gas produced is flared.

Seplat flowstations carry out a two-phase separation: liquids and gas. Produced liquids are transported to a central liquid treatment facility at Forcados, owned and operated by Shell. The treatment attracts a tariff, which is proportional to the water-cut of liquids received. A new treatment facility that will equip Seplat to reduce the water content of produced liquids from OML-4, -38, and -41 before transportation to Forcados will be operational in the near future. It is located within the boundaries of Amukpe flowstation and owned by Seplat. Development of facilities for re-injection of produced water extracted at the treatment facility is also in progress.

As part of the upgrading of Oben gas plant by Seplat, a Distributed Control System (DCS) was commissioned in 2012, moving the facility from analog controls. Valve actuation is air-pneumatic operated. Upgrade of other aspects of the plant are planned in order to increase production as demand for gas increases. Other facilities are operated using analog controls and instrumentation systems, while data acquisition is made partly through the Supervisory Control and Data Acquisition (SCADA) and partly manually by operators at defined intervals. Their actuators are gas-pneumatic driven. The Sapele gas plant and Sapele compressor station meter and record sales gas using separate Barton meters.

Seplat surface production facilities are powered using gas engine-driven generators. Emergency electricity supply is provided by diesel generators.

The visit and inspection of production facilities at Seplat's OML-38 and OML-41 served to facilitate the development of an informed scope of work for the evaluation of surface production facilities.

Visual inspection was possible but was of a limited depth. Useful information on the physical condition of the facilities visited was gathered. Access to documented reports and records from Seplat facility operators was not possible, though verbal reports were received. It may be possible to access records after sorting and collation in the future.

The first facility visited was the Sapele flowstation (SFS), followed by an inspection of NGC's Sapele gas compression station. The compressor station is fed with associated gas from the SFS and is operated by Seplat, based on an agreement with its owners. Following Sapele, the Amukpe flowstation (AFS) and Amukpe manifold (AM) were visited. The Liquid Treatment Facility (LTF), which is to receive all liquids produced from OML-4, -38, and -41 is sited in AFS. Construction of the LTF was at an advanced stage. Each facility visited made a safety briefing to the site visit team before permitting access to the respective facilities. All activities within the facilities were limited to visual inspections and verbal discussions with operators and other personnel.

Aerial and satellite images were provided by Seplat and were expected to show in detail all facilities owned by Seplat in the Sapele area. The resolution of the images was rather poor and unusable, and hence did not serve any meaningful purpose during the scope development exercise.

Personal protective equipment and clothing were provided by Seplat's HSE department stationed at the Seplat Base Station. Two engineers and a driver served as interfaces between facility operators and the site visit team. Each facility visited assigned a Seplat operator and safety personnel to brief and lead the DMCL and Narag Energy Solutions team within the premises. At Amukpe, the briefing included safety precautions to be observed in areas where construction activity is in ongoing.

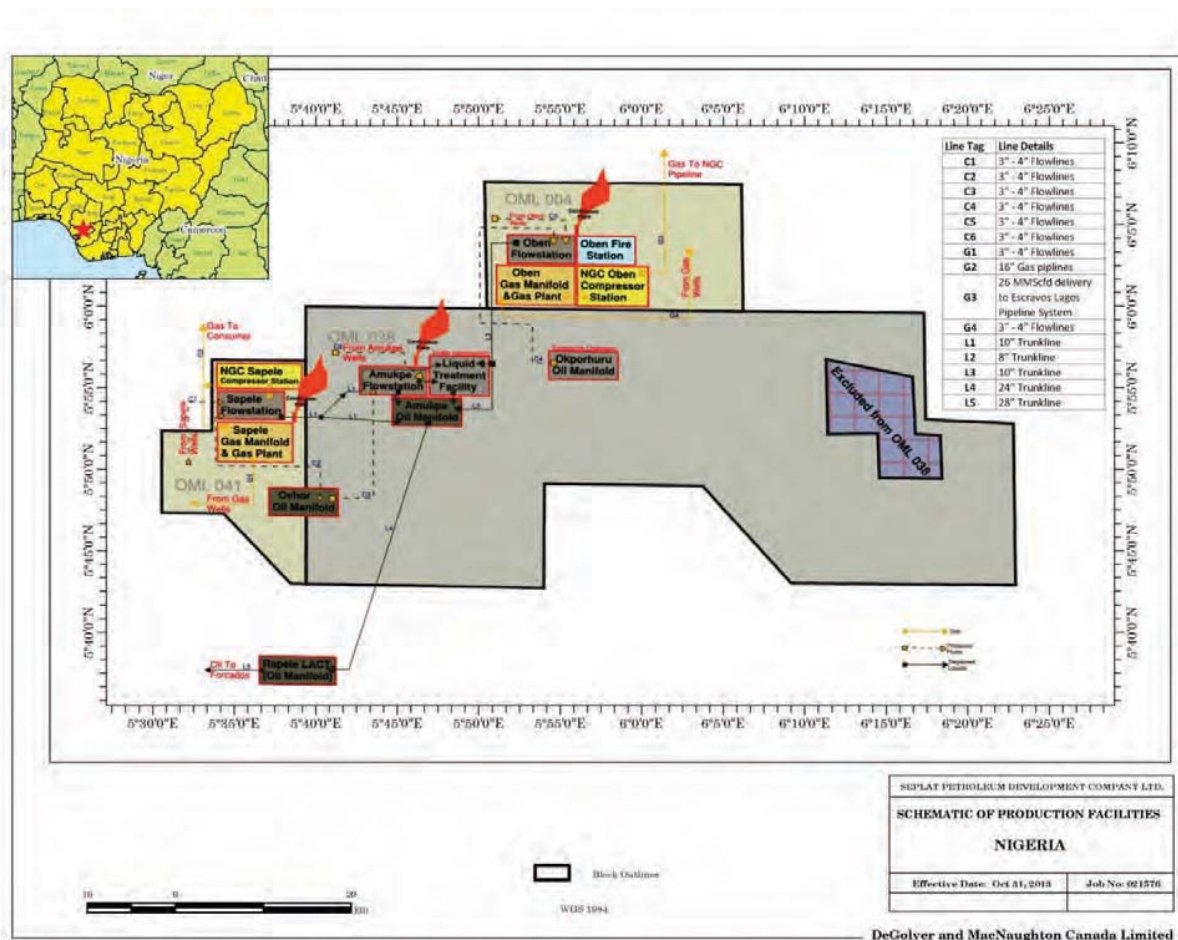


Figure 29
Schematic of Seplat Production Facilities

Figure 29 provides a basic representation of Seplat surface facilities in OML-4, OML-38, and OML-41. The following are easily identified:

OML-4:

1. Oben Flowstation
2. Oben Gas Manifold
3. Oben Gas Plant
4. NGC Oben Compressor Station

OML-38:

5. Amukpe Flowstation
6. Amukpe Oil Manifold
7. Okporhuru Oil Manifold
8. Liquid Treatment Facility (Under construction)

9. Ovhor Oil Manifold (Shared by Amukpe and Sapele Flowstations)

OML-41:

- 10. Sapele Flowstation
- 11. Sapele Gas Manifold
- 12. Sapele Gas Plant
- 13. NGC Sapele Compressor Station

Facilities Visited

Sapele Flowstation (SFS)

- SFS has been in operation for approximately 40 years. Most of its equipment has been in use since commissioning with regular maintenance. All operating equipment is in good condition. Surface coatings have been recently refreshed. No appreciable environmental degradation nor other forms of significant corrosion were noticed during the field visit.
- Good access control (in and out of the facility) is monitored with a visitor's log book, access control board, and tag system.
- Seplat personnel were provided with appropriate safety clothing and hard hats, which were worn while working within plant boundaries.
- Fire truck, mobile foam generating equipment, and portable fire fighting/fire protection gear/equipment stationed at the entrance to SFS were in good working order. SFS has a well maintained firewater ring main system.
- Equipment and piping arrangement concentrates the facility to within a 30 meter radius at the center of the plot as shown on the station plot plan. Open saver pit, knockout vessel, flare, and metering skid are among the few major items sited outside of the center.
- Continuous flaring of associated gas produced is being carried out. Some gas is sold to the NGC Sapele gas compressor station which in turn supplies a power generating station. Gas consumption by the power station, even at peak production, is well below the associated gas production capacity of SFS. Dirty flames, typical of gas-flare tips burning liquid, were observed at moments; SFS operator personnel reported that liquid entrainment into flare system was common.
- The flowstation is protected by metal wire-mesh fencing and armed military personnel.
- An analog pressure monitoring and safeguarding system, inclusive of pressure activated emergency shutdown valves, was installed on the explosion-proof control panel (Robertshaw) and around the premises to ensure that the risks to staff are within acceptable limits. Inlet pressures to pieces of equipment and discharge from pumps to the trunk line are

among parameters monitored and automatically responded to by set controls.

- All piping is well secured with no evidence of significant leakage. The locking of valves, open or closed, was observed as a practice. Positive isolation piping arrangements and fittings noticed at appropriate locations.
- All actuated valves are pneumatically operated with produced gas driving the system.
- A SCADA is installed and used for data acquisition from flow or pressure meters. The control features of the SCADA are not supported and are not in use.
- Production through SFS currently utilises between 60 and 75 percent of its installed capacity.
- Constant pressure pumps are used to evacuate the knockout vessel on the flare line when the liquid levels exceed the high level set point. Liquid fill-up rates were reported to significantly exceed the design drain rates of the KO vessel, a little more often than expected.
- Adequate HSE monitoring and reporting of incidences and near misses supported by the Seplat Hazard Identification and Control Scheme (SHICS) cards are being implemented with the use of an HSE notice board.
- An open drain system provided at the facility was clear of any produced or polluted water.
- No human habitation was observed outside of the field logistics base within 200 meters of the facility.
- The facility is supported with a health-centre and accommodation quarters 100 meters from the SFS plant.
- Inadequate stormwater drainage was noticed in a few locations.

NGC Sapele Compressor Station (NSCS)

- The Sapele compressor station, Sapele flowstation, and Sapele gas plant form a contiguous plot layout of separate facilities. The Sapele compressor station is situated between the gas plant and flowstation.
- The gas compressor station delivers sale gas to a third party power station at 30 bar. Gas from the XHP separator of SFS discharged at 50 bar does not go through the compressor station; rather, it goes directly to the power station. LP and HP gas output are received, compressed, metered, and sold through a pipeline.
- Metal fencing and armed military personnel from SFS compliment security and monitoring were provided by unarmed personnel from Seplat and the NGC.

- Good access control (in and out of the facility) is monitored with a visitor's logbook, access control board, and tag system.
- Operating equipment appeared to be in fair working condition. An easily noticeable degree of environmental degradation and corrosion had affected the externals of the equipment, and protective paint coatings were in need of redoing. Not all compressors were functional.
- Gas flaring is employed during cases of downtime; either downtime by the compressor station or the gas consumer (third party power plant).
- Fire fighting equipment of SFS are also available to the compressor station.

Sapele Gas Plant

- Evidence of HSE compliance – well conducted HSE briefing, muster point, proper solid waste disposal, HSE signs. Operators with adequate PPE.
- Availability of fire protection systems such as fire hydrants, fire hose box (fire hut).
- Good access control (in and out of the facility) is monitored with a visitor's log book, access control board, and tag system.
- Good housekeeping. Solid waste bins available and waste adequately segregated.
- Fire water available and pressurized and the fire pump is fully functional.
- SHICS cards sighted and confirmed in use.
- Fire drill and emergency drill – once per crew, twice per month.
- Maintenance reports/records are prepared daily and sent for archiving to the base.
- The plant has four gas lines, but only two are in operation. Two wellheads are not flowing (subsurface safety valve is stuck closed).
- The two flowing flowlines (17T and 18T) operate at 170 bar and 145 bar, respectively.
- Four gas processing modules were installed, though only two modules are in working order.
- Sales gas leaves at 29 bar, 15 dew point complying with customer specifications.
- A chemical injection (corrosion inhibitor) skid was previously in use, but not in recent times.
- Cathodic protection is provided on the flowlines and buried piping within the plant. Transformer system in good order.
- Saver pit skimmer is damaged and pit not separating liquids as intended. The isolation wall is cracked and recirculating oil back to water.
- No LTI in the last 6 months.
- Dedicated and regularly trained fire personnel.

- Two gas generators sighted, but only one working, while the second was undergoing repair.
- The facility always has one operations and one operations support staff on duty.
- Surface protective painting on equipment and pipes in need of additional coating, rust noticed on spots.
- Small puddles of water noticed at a few locations but otherwise the facility is adequately drained.
- Chemical storage shed is used for storage of chemicals and consumables used by gas plant and of the Sapele facilities. Shed is undersized, leaving some of the consumables outside under tarpaulin cover.
- Three hot water heaters installed with only one in use.
- Four additional Emergency Shutdown Device (ESD) buttons, excluding any buttons in the control room, were located considerably apart with the plant boundaries at strategic locations.

Amukpe Flowstation

- All operating equipment is in good working condition. Surface coating appears to have been recently refreshed; neither appreciable environmental degradation nor other forms of corrosion were noticed.
- Good access control (in and out of the facility) is monitored with a visitor's log book, access control board, and tag system.
- Seplat personnel were provided with appropriate safety clothing and hard hats, which were worn while working within plant boundaries. This includes the area where the LTF is under construction.
- Firewater ring main system provides primary fire fighting protection while a fire truck stationed at the Sapele base station is relied on for support.
- Portable fire fighting and fire protection gear and equipment are stationed at entrance to AFS and are in good working order.
- Changes to process flow were underway in order to realign the flowstation with the LTF. Fluids from Sapele flowstation going to the Amukpe manifold were rerouted through AFS to the LTF.
- Analog pressure monitoring and safeguarding system on the plant and control panel was in place to ensure that the risks to staff are within acceptable limit.
- All piping is well secured with no evidence of leakages, vandalism, or cannibalisation.
- Adequate HSE monitoring and reporting of incidents and near misses supported by Seplat Hazard Identification and Control Scheme (SHICS) cards are being implemented with the use of an HSE notice board.

- An open drain system provided at the facility was clear of any produced or polluted water. Low points in the drain system retain some stormwater and the area surrounding the flare is frequently flooded. Poor drainage makes water to rise to low piping levels during rainfall.
- Significant public population was observed living within 50 metres of the facility.

Amukpe Liquid Treatment Facility

- Adequate cordon served to limit access to the site while construction is underway.
- Construction was at an advanced stage; long-lead items such as water treatment units, separators, and storage tanks had been installed while piping spools were being fitted.

Amukpe Manifold

- All equipment appears to be in good condition with very minimal environmental degradation/weathering noticed.
- Fire protection gear and maintenance schedule/workplan support is provided from the Amukpe flowstation.
- The personnel were provided with appropriate safety gear, clothing, and hard hats, which were worn whilst on site.
- Good access control (in and out of the facility) is monitored with a visitor's logbook, access control, board, and tag system, with metal fencing providing security. An unarmed security personnel shed is within a few meters of the manifold.
- All piping is well secured with no evidence of leakages or vandalism.

Ovhor Oil Manifold (OOM1)

- The facility is protected by armed security personnel.
- Access to OOM2 from Sapele includes the use of a swamp boat over the Mayuku river.
- Most of Ovhor production goes to Amukpe but six wells are produced to Sapele flowstation.

Oben Gas Plant (OGP)

- Evidence of HSE compliance – well conducted HSE briefing, muster point, proper solid waste disposal, presence of access control board, safety board, and HSE signs. Operators with adequate PPE.

- Availability of fire protection systems such as fire hydrants, fire hut, and fire truck.
- Presence of separate full-time fire-fighting crew stationed outside the facilities. The fire-fighting crew provides protection for the OGP and other Seplat facilities in the Oben area.
- The fire fighting team is made up of six adequately trained and certified personnel.
- Operation and maintenance staff undergo fire safety training at least once in 3 years. Fire drill is held monthly.
- Emergency shower and eye bath outside the chemical shed is under repair.
- Material safety data sheets were sighted for chemicals stored. Glycol, servo, and lube oil are stored in the shed.
- SHOC cards available at chemical shed of OGP.
- The draining valve of the bund wall of the diesel tank need to be replaced.
- Presence of discarded wood pallets around process area.
- Line and equipment protective painting significantly compromised. Urgent maintenance required.
- Jockey pump not included in fire water system.
- Vacuum pump truck used to evacuate condensate from saver pit of OGP to surge tank of Oben flowstation.
- Cathodic protection equipment not observed nor reported to be in use.
- Two operators and two operations support staff present, all fire trained.
- The newly installed DCS controls the operations of live wells, process modules, fuel system, instrument air, HP flare, LP flare, start-up and shutdown.
- Metering is monitored from control room and records transmitted to Lagos.
- Glycol is injected before the fluid enters Low Temperature Separator for dehydration.

Oben Flowstation (OBS)

- Evidence of HSE compliance – well conducted HSE briefing, proper solid waste disposal, presence of access control board, muster point, HSE signs, wall paper displaying emergency call numbers. Operators with adequate PPE.
- Availability of fire protection systems such as fire hydrants, foam generating equipment, and fire hut.
- Cathodic protection ground bed sighted and adequate safety signage;
- No chemical injection for corrosion inhibition; hence, no chemicals stored on site.
- Eleven personnel on duty of which six are operators.

- SCADA available but minimal use for well testing only. SCADA is susceptible to lightning interference.
- Only uses instrument gas.
- Have nine pumping units, but only four are currently running.
- HSE board not sighted. Operator reported that the HSE information is displayed centrally at the base office.
- Fire incident last year but was fire stopped immediately. Source of flame was burning bush distant from flowstation.
- Maintenance records kept at the base office.

Oben Compressor Station (OCS)

- Evidence of HSE compliance – well conducted HSE briefing, muster point, proper solid waste disposal and HSE signs. Operators with adequate PPE.
- Access control board and safety board not sighted. Tag system not used.
- Alternative ESD buttons outside control room not functional.
- LP & HP lines feed the station. Each line has inlet scrubber before entering compressor.
- Dewpoint control unit and dehydrating units installed and functioning but not used till gas falls outside customer specifications.
- One out of four compressors functioning.
- Gas venting to atmosphere is used as an alternative to flaring for small volumes.

Rapele (LACT) Oil Manifold

- Access control board sighted and used.
- Good HSE briefing and HSE signage adequate.
- Number of staff – two operators and two maintenance personnel.
- Muster point outside plant boundaries.
- Solid waste disposal bin sighted.
- Liquid and oily waste evacuated by third party company.
- Control room sighted. It has well displayed procedure for LACT (shutdown, sampling instruction, emergency telephone number).
- Inadequate drain of liquid spills from sampling equipment and metering skid sump. Manual cleaning of crude oil and liquid spill required.
- Fire water system lacking jockey pump.
- Diesel for emergency generator is not bounded by a bund wall.
- ESD system operational and adequately maintained.
- Facility is powered by diesel generators. 100 percent spared.
- Turbine meters using for recording fluid flow rates.

- Operator not permanently at the control room but monitored conditions at the operation building. They come to effect change only when needed at the control room.
- Sample taken daily for laboratory testing by Seplat and other users of Rapele manifold.

Conclusion

All plants are functioning well within installed capacities, delivering adequately and safely. Improvement in maintenance will further enhance sustainability of the Seplat surface production facilities.

It is recommended that Seplat commission a project to look at the technical details of identifying cost effective ways of improving on operational efficiency. This would include the utilization of cleaner flaring at SFS, which will reduce the impact of the flare on the environment and minimize liquid losses. Crude loss through liquid carry-over into the flare system is undesirable and unprofitable.

In light of the age of most of the facilities, optimization of instrumentation and controls should be explored. Controls for liquid holding equipment, pressure control devices on lines, and pneumatic controls (lines and actuators) in general may benefit from an optimization study and refurbishing exercise. Operational procedures are likely to also benefit as the system is optimized leading to a reduction in maintenance cost and use of consumables.

SUMMARY AND CONCLUSIONS

Estimates of proved, probable, and possible oil, natural gas, and condensate reserves attributable to the working interests owned by Seplat and evaluated herein are listed as follows, expressed in Mbbl and MMcf:

Table 27			
Working-Interest Reserves Summary			
	1P	2P	3P
Oil, Condensate, and NGL, Mbbl	68,063	101,756	132,210
Marketable Gas, MMcf	315,291	573,469	670,469

Estimates of contingent oil, natural gas, and condensate resources, attributable to the working interests owned by Seplat and evaluated herein are listed as follows, expressed in Mbbl and MMcf:

Table 28			
Working-Interest Contingent Resource Summary			
	1C	2C	3C
Oil, Condensate, and NGL, Mbbl	19,841	60,467	119,342
Marketable Gas, MMcf	29,382	104,693	181,911

Notes:

1. There is no certainty that it will be commercially viable to produce any portion of the contingent resources evaluated herein.
2. Contingent resources have an economic status of "Marginal"

REFERENCES CITED

- Klett, T.R., Ahlbrandt, T.S., Schmoker, J.W., and Dolton, G.L. (1997). Ranking of the world's oil and gas provinces by known petroleum volumes: U.S. Geological Survey Open-File Report 97-463 (CD-ROM).
- Tuttle, M.L.W., Charpentier, R.R., Brownfield M.E. (1999). The Niger Delta Petroleum System: Niger Delta Province, Nigeria Cameroon, and Equatorial Guinea, Africa: US Geological Survey Open-File Report 99-50-H (pp. 4-14).

Professional Qualifications

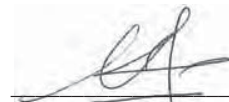
DeGolyer and MacNaughton Canada Limited is an Alberta Corporation with offices at 311 – 6th Avenue S.W., Suite 1430, Calgary, Alberta T2P 3H2, Canada. The firm is a subsidiary of DeGolyer and MacNaughton which has been providing petroleum consulting services throughout the world since 1936. The firm's professional engineers, geologists, geophysicists, petrophysicists, and economists are engaged in the independent appraisal of oil and gas properties, evaluation of hydrocarbon and other mineral prospects, basin evaluations, comprehensive field studies, equity studies, and studies of supply and economics related to the energy industry. Except for the provision of professional services on a fee basis, DeGolyer and MacNaughton Canada Limited has no commercial arrangement with Seplat.

The evaluation has been supervised by Ms. Nahla Boury. Ms. Boury, Vice President Engineering and Director with DeGolyer and MacNaughton Canada Limited, a Registered Professional Engineer in the Province of Alberta, has 23 years of oil and gas industry experience and 19 years of applicable evaluation experience.

Submitted,

DeGOLYER and MacNAUGHTON
CANADA LIMITED

SIGNED: March 6, 2014



Nahla R. Boury, P.Eng.

PERMIT TO PRACTICE DeGolyer and MacNaughton Canada Limited
Signature 
Date <u>March 6, 2014</u>
PERMIT NUMBER: P 5568
The Association of Professional Engineers and Geoscientists of Alberta

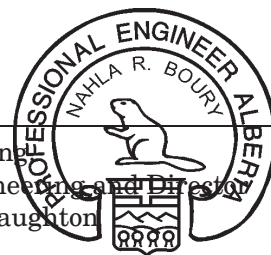
CERTIFICATE of QUALIFICATION

I, Nahla R. Boury, Professional Engineer, of 1430, 311 Sixth Avenue S.W., Calgary, Alberta, Canada hereby certify:

1. I am an employee of DeGolyer and MacNaughton Canada Limited, which prepared a competent person's report of certain Nigerian oil and gas properties of Seplat Petroleum Development Company PLC. The effective date of this report is October 31, 2013.
2. I do not have, nor do I expect to receive, any direct or indirect interest in the securities of Seplat Petroleum Development Company PLC or its affiliated companies.
3. I attended the University of Calgary and I graduated with a Bachelor of Science Degree in Chemical Engineering in 1990; I am a Registered Professional Engineer in the Province of Alberta and that I have in excess of twenty-three years' experience in the Petroleum Industry of which nineteen years' experience are in the conduct of evaluation and engineering studies relating to worldwide oil and gas fields.
4. A personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of the information available from public information and records, the files of Seplat Petroleum Development Company PLC, and the appropriate provincial regulatory authorities.

SIGNED: March 6, 2014


Nahla R. Boury, P.Eng.
Vice President Engineering and Director
DeGolyer and MacNaughton
Canada Limited



INDEX

APPENDIX

TABLES

Table A -	DeGolyer and MacNaughton Price Forecast
Table A-1 -	Seplat Gas Contract Price
Table B -	Seplat's Working Interest Reserve Production Forecast - Total Company
Table C -	Seplat's Working Interest Reserve Production Forecast - OML-4
Table D -	Seplat's Working Interest Reserve Production Forecast - OML-38
Table E -	Seplat's Working Interest Reserve Production Forecast - OML-41
Table F -	Seplat's Working Interest Reserve Cost Forecast - Total Company
Table G -	Seplat's Working Interest Reserve Cost Forecast - OML-4
Table H -	Seplat's Working Interest Reserve Cost Forecast - OML-38
Table I -	Seplat's Working Interest Reserve Cost Forecast - OML-41
Table J -	Seplat's Working Interest Contingent Resource Production Forecast - Total Company
Table K -	Seplat's Working Interest Contingent Resource Production Forecast - OML-4
Table L -	Seplat's Working Interest Contingent Resource Production Forecast - OML-38
Table M -	Seplat's Working Interest Contingent Resource Production Forecast - OML-41
Table N -	Seplat's Working Interest Contingent Resource Cost Forecast - Total Company
Table O -	Seplat's Working Interest Contingent Resource Cost Forecast - OML-4
Table P -	Seplat's Working Interest Contingent Resource Cost Forecast - OML-38
Table Q -	Seplat's Working Interest Contingent Resource Cost Forecast - OML-41

CORPORATE SUMMARIES - FORECAST PRICE CASE

RESERVES BASE CASE

Proved Developed Producing Reserves

Table 1A -	Summary of Reserves and Net Present Values - Total Company
Table 1B -	Summary of Production and Future Net Revenue - Total Light Oil
Table 1C -	Summary of Production and Future Net Revenue - Total Heavy Oil
Table 1D -	Summary of Production and Future Net Revenue - Total Non-Associated Sales Gas
Table 1E -	Summary of Production and Future Net Revenue - Total Solution Gas
Table 1F -	Summary of Production and Future Net Revenue - Total Condensate
Table 1G -	Summary of Production and Future Net Revenue - Total Company
Table 1H -	Income Tax Summary - Total Company

Total Proved Developed Reserves

Table 2A -	Summary of Reserves and Net Present Values - Total Company
Table 2B -	Summary of Production and Future Net Revenue - Total Light Oil
Table 2C -	Summary of Production and Future Net Revenue - Total Heavy Oil

APPENDIX (continued)

Table 2D–Summary of Production and Future Net Revenue – Total Non-Associated Sales Gas

Table 2E–Summary of Production and Future Net Revenue – Total Solution Gas

Table 2F–Summary of Production and Future Net Revenue – Total Condensate

Table 2G–Summary of Production and Future Net Revenue – Total Company

Table 2H–Income Tax Summary – Total Company

Total Proved Reserves

Table 3A–Summary of Reserves and Net Present Values – Total Company

Table 3B–Summary of Production and Future Net Revenue – Total Light Oil

Table 3C–Summary of Production and Future Net Revenue – Total Heavy Oil

Table 3D–Summary of Production and Future Net Revenue – Total Non-Associated Sales Gas

Table 3E–Summary of Production and Future Net Revenue – Total Solution Gas

Table 3F–Summary of Production and Future Net Revenue – Total Condensate

Table 3G–Summary of Production and Future Net Revenue – Total Company

Table 3H–Income Tax Summary – Total Company

Total Proved-plus-Probable Reserves

Table 4A–Summary of Reserves and Net Present Values – Total Company

Table 4B–Summary of Production and Future Net Revenue – Total Light Oil

Table 4C–Summary of Production and Future Net Revenue – Total Heavy Oil

Table 4D–Summary of Production and Future Net Revenue – Total Non-Associated Sales Gas

Table 4E–Summary of Production and Future Net Revenue – Total Solution Gas

Table 4F–Summary of Production and Future Net Revenue – Total Condensate

Table 4G–Summary of Production and Future Net Revenue – Total Company

Table 4H–Income Tax Summary – Total Company

Total Proved-plus-Probable-plus-Possible Reserves

Table 5A–Summary of Reserves and Net Present Values – Total Company

Table 5B–Summary of Production and Future Net Revenue – Total Light Oil

Table 5C–Summary of Production and Future Net Revenue – Total Heavy Oil

Table 5D–Summary of Production and Future Net Revenue – Total Non-Associated Sales Gas

Table 5E–Summary of Production and Future Net Revenue – Total Solution Gas

Table 5F–Summary of Production and Future Net Revenue – Total Condensate

Table 5G–Summary of Production and Future Net Revenue – Total Company

Table 5H–Income Tax Summary – Total Company

CORPORATE SUMMARIES – FORECAST PRICE CASE

CONTINGENT RESOURCES BASE CASE

1C Contingent Resources

Table 1A–Summary of Resources– Total Company

Table 1G–Summary of Production and Future Net Costs – Total Company

2C Contingent Resources

Table 2A–Summary of Resources – Total Company

Table 2G–Summary of Production and Future Net Revenue – Total Company

3C Contingent Resources

Table 3A–Summary of Resources – Total Company

Table 3G–Summary of Production and Future Net Revenue – Total Company

APPENDIX (*continued*)

CORPORATE SUMMARIES – FORECAST PRICE CASE

PROSPECTIVE RESOURCES BASE CASE

Table P1 –Prospect Portfolio Summary

Table 1 –Estimate of the Gross Prospective Oil Resources

Table 2 –Estimate of the Working-Interest Prospective Oil Resources

Table 3 –Probability Distributions

INDEX

TABLES

Table A -	DeGolyer and MacNaughton Price Forecast
Table A-1 -	Seplat Gas Contract Price
Table B -	Seplat's Working Interest Reserve Production Forecast - Total Company
Table C -	Seplat's Working Interest Reserve Production Forecast - OML-4
Table D -	Seplat's Working Interest Reserve Production Forecast - OML-38
Table E -	Seplat's Working Interest Reserve Production Forecast - OML-41
Table F -	Seplat's Working Interest Reserve Cost Forecast - Total Company
Table G -	Seplat's Working Interest Reserve Cost Forecast - OML-4
Table H -	Seplat's Working Interest Reserve Cost Forecast - OML-38
Table I -	Seplat's Working Interest Reserve Cost Forecast - OML-41
Table J -	Seplat's Working Interest Contingent Resource Production Forecast - Total Company
Table K -	Seplat's Working Interest Contingent Resource Production Forecast - OML-4
Table L -	Seplat's Working Interest Contingent Resource Production Forecast - OML-38
Table M -	Seplat's Working Interest Contingent Resource Production Forecast - OML-41
Table N -	Seplat's Working Interest Contingent Resource Cost Forecast - Total Company
Table O -	Seplat's Working Interest Contingent Resource Cost Forecast - OML-4
Table P -	Seplat's Working Interest Contingent Resource Cost Forecast - OML-38
Table Q -	Seplat's Working Interest Contingent Resource Cost Forecast - OML-41

TABLE A
DEGOLYER AND MACNAUGHTON CANADA LIMITED PRICE FORECAST

EFFECTIVE DATE: 30-Sep-2013

YEAR	OIL FIELD COSTS INFLATION %	EXCHANGE RATE	WTI UNESC Constant	WTI @CUSHING	EDMONTON LIGHT	HEAVY OIL 25 API	HEAVY OIL 12 API	CRUDE BITUMEN 9 API	CRUDE BITUMEN 9 API Pipeline	DILBIT @ 35% Condensate	NYMEX Henry Hub Reference	ALBERTA PLANTGATE				CANWEST PLANT GATE	SASK GAS	ETHANE	EDMONTON			PLANT GATE																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
												AECO	Border	Cdn\$/Mcf	SPOT				PROPANE	BUTANE	PENTANES																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
																							WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI	WTI

Disclaimer: This price forecast is intended to be used by DMCL's professionals. Any other persons using this price forecast should have the understanding that it is an estimate of future pricing and should be used at his/her own risk.
DMCL and its officers, directors and employees shall not be held responsible or liable for any use of the above information.

Table A-1**Seplat Gas Contract Price**

Year	Seplat's Contract Price (\$/MMBTU)	
	Reserves	Contingent Resource
2013	1.50	2.14
2014	1.95	2.18
2015	1.96	2.22
2016	2.32	2.27
2017	2.37	2.30
2018	2.43	2.35
2019	2.48	2.40
2020	2.53	2.44
2021	2.59	2.49
2022	2.64	2.54
2023	2.70	2.59
2024	2.76	2.64
2025	2.82	2.70
2026	2.87	2.75
2027	2.93	2.81
2028	+2.0% Thereafter	+2.0% Thereafter

Table B
Total Company
Seplat's Working Interest Reserve Production Forecast
Total Proved + Probable

Year	Light Oil (Mbbl)	Heavy Oil (Mbbl)	Condensate (Mbbl)	Sales Gas (MMcf)
2013	1,410	44	85	3,651
2014	11,189	568	824	28,720
2015	11,082	640	941	28,550
2016	10,068	437	933	39,037
2017	8,599	360	858	39,007
2018	7,336	321	801	39,069
2019	6,163	285	729	39,141
2020	5,166	245	645	39,327
2021	4,332	220	575	39,289
2022	3,645	196	518	39,308
2023	3,153	179	471	39,370
2024	2,731	161	436	39,358
2025	2,313	142	400	39,321
2026	1,951	128	374	39,355
2027	1,675	117	298	25,314
2028	1,436	108	246	16,243
2029	1,197	99	211	11,223
2030	995	93	190	9,908
2031	807	69	165	8,100
2032	597	66	135	4,028
2033	485	62	108	2,502
2034	381	59	88	2,034
2035	292	55	70	1,615
Total	87,003	4,654	10,098	573,469

Table C
OML 4
Seplat's Working Interest Reserve Production Forecast
Total Proved + Probable

Year	Light Oil (Mbbl)	Heavy Oil (Mbbl)	Condensate (Mbbl)	Sales Gas (MMcf)
2013	235	-	17	2,341
2014	2,642	-	153	15,896
2015	3,151	-	159	12,764
2016	3,046	-	197	23,642
2017	2,631	-	189	24,938
2018	2,282	-	182	26,022
2019	1,981	-	177	27,387
2020	1,720	-	176	29,148
2021	1,493	-	174	30,493
2022	1,296	-	172	31,653
2023	1,202	-	171	32,680
2024	1,126	-	171	33,602
2025	982	-	169	34,194
2026	836	-	166	34,710
2027	722	-	107	21,035
2028	618	-	68	12,238
2029	523	-	45	7,502
2030	434	-	39	6,494
2031	361	-	30	5,052
2032	278	-	12	1,247
2033	228	-	7	208
2034	181	-	5	163
2035	138	-	4	113
Total	28,107	-	2,587	413,522

Table D
OML 38
Seplat's Working Interest Reserve Production Forecast
Total Proved + Probable

Year	Light Oil (Mbbl)	Heavy Oil (Mbbl)	Condensate (Mbbl)	Sales Gas (MMcf)
2013	631	-	21	318
2014	4,617	-	209	2,967
2015	4,501	-	206	3,102
2016	4,172	-	200	3,485
2017	3,543	-	184	3,228
2018	2,979	-	171	3,004
2019	2,465	-	141	2,533
2020	2,022	-	107	2,004
2021	1,659	-	81	1,582
2022	1,373	-	62	1,237
2023	1,145	-	45	924
2024	932	-	33	505
2025	774	-	20	341
2026	654	-	15	277
2027	557	-	13	238
2028	477	-	11	206
2029	397	-	10	177
2030	328	-	8	147
2031	266	-	6	107
2032	194	-	4	73
2033	157	-	3	62
2034	122	-	3	52
2035	98	-	3	45
Total	34,062	-	1,556	26,614

Table E
OML 41
Seplat's Working Interest Reserve Production Forecast
Total Proved + Probable

Year	Light Oil (Mbbl)	Heavy Oil (Mbbl)	Condensate (Mbbl)	Sales Gas (MMcf)
2013	544	44	47	991
2014	3,929	568	462	9,858
2015	3,430	640	576	12,684
2016	2,850	437	536	11,910
2017	2,425	360	486	10,842
2018	2,074	321	448	10,044
2019	1,717	285	410	9,221
2020	1,424	245	363	8,175
2021	1,179	220	319	7,214
2022	975	196	284	6,418
2023	806	179	255	5,765
2024	673	161	232	5,252
2025	558	142	211	4,786
2026	462	128	193	4,369
2027	396	117	178	4,040
2028	341	108	167	3,799
2029	277	99	156	3,544
2030	233	93	143	3,267
2031	180	69	129	2,941
2032	125	66	118	2,708
2033	100	62	98	2,231
2034	77	59	80	1,818
2035	56	55	64	1,456
Total	24,834	4,654	5,955	133,333

Table F
Total Company
Seplat's Working Interest Reserve Cost Forecast
Total Proved + Probable

Year	Fixed OPEX (M\$)	G&A Costs	Crude Handling OPEX (M\$)	Variable Gas OPEX	Facilities CAPEX (M\$)	Recompletion CAPEX (M\$)	Drilling CAPEX (M\$)	Abandonment Costs (M\$)
2013	5,597	5,149	5,743	384	21,195	2,700	20,430	-
2014	50,555	33,413	46,942	3,089	16,793	36,092	216,287	-
2015	64,886	36,468	47,739	3,128	10,215	7,429	90,854	-
2016	71,725	39,801	43,638	4,319	-	1,238	13,584	-
2017	73,388	40,597	37,961	4,398	-	15,459	9,838	-
2018	75,460	41,409	33,093	4,485	-	-	9,440	-
2019	76,036	42,237	28,424	4,575	-	1,493	9,502	505
2020	75,075	43,082	24,288	4,719	-	-	-	-
2021	75,362	43,944	20,839	4,794	-	-	-	-
2022	76,245	44,822	17,937	4,879	-	-	16,691	-
2023	77,228	45,719	15,872	4,976	-	5,440	13,003	-
2024	77,837	46,633	14,056	5,062	-	-	13,231	-
2025	77,709	47,566	12,171	5,151	-	-	28,841	1,141
2026	77,150	48,517	10,530	5,235	-	-	13,799	-
2027	75,449	49,488	9,256	3,439	-	-	-	-
2028	71,861	50,477	8,134	2,262	-	-	-	607
2029	68,998	51,487	6,963	1,601	-	-	-	-
2030	64,459	52,517	5,960	1,444	-	-	12,106	619
2031	54,905	53,567	4,903	1,205	-	-	-	633
2032	36,577	40,104	3,771	627	-	-	-	14,210
2033	30,012	40,906	3,178	404	-	-	-	669
2034	26,534	41,725	2,601	334	-	-	-	-
2035	22,719	42,559	2,097	271	-	-	-	71,305
2036	-	-	-	-	-	-	-	18,099
Total	1,405,765	982,188	406,095	70,782	48,203	69,852	467,606	107,788

Table G
OML 4
Seplat's Working Interest Reserve Cost Forecast
Total Proved + Probable

Year	Fixed OPEX (M\$)	G&A Costs	Crude Handling OPEX (M\$)	Variable Gas OPEX	Facilities CAPEX (M\$)	Recompletion CAPEX (M\$)	Drilling CAPEX (M\$)	Abandonment Costs (M\$)
2013	2,225	1,105	928	242	11,700	2,700	8,550	-
2014	22,423	7,170	10,549	1,672	-	9,666	126,137	-
2015	29,469	7,826	12,832	1,366	10,215	-	63,013	-
2016	34,148	8,541	12,654	2,569	-	-	9,457	-
2017	36,022	8,712	11,148	2,763	-	-	9,838	-
2018	36,817	8,886	9,864	2,940	-	-	9,440	-
2019	36,621	9,064	8,732	3,155	-	498	9,502	505
2020	36,325	9,245	7,720	3,437	-	-	-	-
2021	37,054	9,430	6,837	3,665	-	-	-	-
2022	39,318	9,619	6,054	3,878	-	-	16,691	-
2023	41,915	9,811	5,727	4,084	-	5,440	13,003	-
2024	44,974	10,007	5,473	4,280	-	-	13,231	-
2025	46,579	10,207	4,865	4,441	-	-	28,841	-
2026	47,740	10,411	4,232	4,589	-	-	13,799	-
2027	45,721	10,620	3,727	2,832	-	-	-	-
2028	41,539	10,832	3,255	1,683	-	-	-	607
2029	39,468	11,049	2,812	1,052	-	-	-	-
2030	36,364	11,270	2,378	930	-	-	12,106	619
2031	32,315	11,495	2,021	737	-	-	-	633
2032	17,737	11,725	1,584	187	-	-	-	14,210
2033	13,069	11,959	1,322	34	-	-	-	669
2034	11,555	12,199	1,074	27	-	-	-	-
2035	9,442	12,443	834	19	-	-	-	44,649
Total	738,841	223,624	126,620	50,582	21,915	18,304	333,607	61,891

Table H
OML 38
Seplat's Working Interest Reserve Cost Forecast
Total Proved + Probable

Year	Fixed OPEX (M\$)	G&A Costs	Crude Handling OPEX (M\$)	Variable Gas OPEX	Facilities CAPEX (M\$)	Recompletion CAPEX (M\$)	Drilling CAPEX (M\$)	Abandonment Costs (M\$)
2013	1,321	1,370	2,492	35	4,995	-	11,880	-
2014	10,196	8,888	18,435	330	2,254	-	32,195	-
2015	12,332	9,700	18,331	347	-	-	12,258	-
2016	14,111	10,587	17,330	394	-	1,238	4,127	-
2017	14,393	10,799	15,012	372	-	-	-	-
2018	14,681	11,015	12,875	354	-	-	-	-
2019	14,975	11,235	10,866	304	-	560	-	-
2020	14,904	11,460	9,076	260	-	-	-	-
2021	14,795	11,689	7,596	210	-	-	-	-
2022	14,614	11,923	6,413	168	-	-	-	-
2023	14,151	12,161	5,453	129	-	-	-	-
2024	12,319	12,405	4,527	74	-	-	-	-
2025	11,328	12,653	3,835	52	-	-	-	-
2026	11,007	12,906	3,312	38	-	-	-	-
2027	11,227	13,164	2,879	33	-	-	-	-
2028	11,452	13,427	2,512	29	-	-	-	-
2029	11,242	13,696	2,133	26	-	-	-	-
2030	10,611	13,970	1,799	22	-	-	-	-
2031	9,673	14,249	1,485	16	-	-	-	-
2032	7,928	-	1,103	13	-	-	-	-
2033	7,166	-	914	11	-	-	-	-
2034	6,106	-	723	9	-	-	-	-
2035	5,467	-	590	8	-	-	-	-
2036	-	-	-	-	-	-	-	2,550
								12,534
Total	256,001	217,297	149,691	3,232	7,249	1,798	60,461	2,550

Table I
OML 41
Seplat's Working Interest Reserve Cost Forecast
Total Proved + Probable

Year	Fixed OPEX (M\$)	G&A Costs	Crude Handling OPEX (M\$)	Variable Gas OPEX	Facilities CAPEX (M\$)	Recompletion CAPEX (M\$)	Drilling CAPEX (M\$)	Abandonment Costs (M\$)
2013	2,051	2,674	2,323	108	4,500	-	-	-
2014	17,936	17,355	17,958	1,087	14,539	26,426	57,955	-
2015	23,085	18,942	16,576	1,415	-	7,429	15,583	-
2016	23,466	20,673	13,654	1,356	-	-	-	-
2017	22,972	21,086	11,801	1,262	-	15,459	-	-
2018	23,962	21,508	10,353	1,191	-	-	-	-
2019	24,441	21,938	8,826	1,116	-	435	-	-
2020	23,846	22,377	7,492	1,021	-	-	-	-
2021	23,512	22,825	6,406	919	-	-	-	-
2022	22,313	23,281	5,470	834	-	-	-	-
2023	21,162	23,747	4,692	764	-	-	-	-
2024	20,544	24,222	4,056	709	-	-	-	-
2025	19,802	24,706	3,472	659	-	-	-	1,141
2026	18,403	25,200	2,986	608	-	-	-	-
2027	18,500	25,704	2,650	574	-	-	-	-
2028	18,870	26,218	2,367	550	-	-	-	-
2029	18,288	26,743	2,018	524	-	-	-	-
2030	17,484	27,277	1,784	492	-	-	-	-
2031	12,917	27,823	1,397	452	-	-	-	-
2032	10,912	28,379	1,084	426	-	-	-	-
2033	9,777	28,947	942	358	-	-	-	-
2034	8,872	29,526	804	298	-	-	-	-
2035	7,809	30,116	673	243	-	-	-	24,106
2036	-	-	-	-	-	-	-	5,566
Total	410,922	541,267	129,784	16,967	19,039	49,750	73,538	25,247

Table J
Total Company
Seplat's Working Interest Contingent Resource Production Forecast
2C Contingent Resource

Year	Light Oil (Mbbl)	Heavy Oil (Mbbl)	Condensate (Mbbl)	Sales Gas (MMcf)
2013	-	-	-	-
2014	482	-	33	1,021
2015	995	498	50	1,542
2016	1,308	1,734	61	1,854
2017	1,591	3,122	106	2,836
2018	3,252	3,673	231	8,725
2019	3,963	3,000	266	10,001
2020	3,270	2,623	235	8,619
2021	2,650	2,180	246	9,218
2022	2,159	1,784	274	9,801
2023	1,764	1,477	279	8,815
2024	1,445	1,213	264	7,286
2025	1,172	936	222	4,949
2026	955	783	184	3,856
2027	780	676	150	3,144
2028	623	584	121	2,530
2029	492	507	98	2,055
2030	378	433	85	4,498
2031	248	354	64	5,231
2032	182	292	47	3,484
2033	146	252	32	2,293
2034	108	225	21	1,451
2035	94	205	15	727
2036	74	196	8	374
2037	64	188	3	215
2038	53	180	3	77
2039	23	173	1	40
2040	1	168	0	6
2041	-	158	0	4
2042	-	146	0	4
2043	-	141	0	4
2044	-	137	0	4
2045	-	132	0	3
2046	-	128	0	3
2047	-	124	0	3
2048	-	120	0	3
2049	-	116	0	3
2050	-	113	0	3
2051	-	109	0	3
2052	-	107	0	3
2053	-	86	0	2
2054	-	20	0	1
Total	28,270	29,092	3,105	104,691

Table K
OML 4
Seplat's Working Interest Contingent Resource Production Forecast
2C Contingent Resource

Year	Light Oil (Mbbl)	Heavy Oil (Mbbl)	Condensate (Mbbl)	Sales Gas (MMcf)
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017	20	-	1	38
2018	422	-	31	3,479
2019	641	-	40	4,046
2020	566	-	35	3,451
2021	496	-	35	4,159
2022	437	-	35	4,490
2023	384	-	29	3,523
2024	339	-	22	2,296
2025	297	-	14	703
2026	262	-	11	348
2027	230	-	10	306
2028	203	-	9	271
2029	178	-	8	238
2030	157	-	7	209
2031	138	-	6	184
2032	122	-	5	163
2033	107	-	5	143
2034	94	-	4	126
2035	83	-	4	111
2036	73	-	3	98
2037	64	-	3	86
2038	53	-	2	72
2039	23	-	1	36
Total	5,392	-	318	28,579

Table L
OML 38
Seplat's Working Interest Contingent Resource Production Forecast
2C Contingent Resource

Year	Light Oil (Mbbl)	Heavy Oil (Mbbl)	Condensate (Mbbl)	Sales Gas (MMcf)
2013	-	-	-	-
2014	482	-	33	1,021
2015	664	-	46	1,404
2016	670	-	46	1,418
2017	637	-	41	1,270
2018	1,323	-	75	2,295
2019	1,673	-	93	2,865
2020	1,396	-	91	2,633
2021	1,134	-	124	3,027
2022	926	-	171	3,710
2023	756	-	196	4,034
2024	617	-	200	3,999
2025	493	-	175	3,470
2026	394	-	147	2,897
2027	315	-	120	2,355
2028	235	-	96	1,878
2029	185	-	78	1,519
2030	136	-	69	4,056
2031	86	-	55	4,971
2032	47	-	40	3,293
2033	32	-	27	2,134
2034	14	-	17	1,319
2035	11	-	12	610
2036	1	-	4	271
2037	-	-	1	124
Total	12,228	-	1,957	56,572

Table M
OML 41
Seplat's Working Interest Contingent Resource Production Forecast
2C Contingent Resource

Year	Light Oil (Mbbl)	Heavy Oil (Mbbl)	Condensate (Mbbl)	Sales Gas (MMcf)
2013	-	-	-	-
2014	-	-	-	-
2015	331	498	4	137
2016	637	1,734	15	436
2017	934	3,122	63	1,528
2018	1,507	3,673	126	2,950
2019	1,648	3,000	132	3,091
2020	1,309	2,623	109	2,535
2021	1,019	2,180	87	2,032
2022	797	1,784	69	1,601
2023	623	1,477	54	1,259
2024	489	1,213	43	992
2025	382	936	33	776
2026	299	783	26	611
2027	235	676	21	482
2028	185	584	16	381
2029	128	507	13	298
2030	84	433	10	233
2031	24	354	3	77
2032	13	292	1	29
2033	7	252	1	17
2034	-	225	0	6
2035	-	205	0	5
2036	-	196	0	5
2037	-	188	0	5
2038	-	180	0	5
2039	-	173	0	4
2040	-	168	0	4
2041	-	158	0	4
2042	-	146	0	4
2043	-	141	0	4
2044	-	137	0	4
2045	-	132	0	3
2046	-	128	0	3
2047	-	124	0	3
2048	-	120	0	3
2049	-	116	0	3
2050	-	113	0	3
2051	-	109	0	3
2052	-	107	0	3
2053	-	86	0	2
2054	-	20	0	1
Total	10,650	29,092	830	19,541

Table N
Total Company
Seplat's Working Interest Contingent Resource Cost Forecast
2C Contingent Resource

Year	Fixed OPEX (M\$)	G&A Costs	Handling OPEX (M\$)	Variable Gas OPEX	Facilities CAPEX (M\$)	Recompletion CAPEX (M\$)	Drilling CAPEX (M\$)	Abandonment Costs (M\$)
2013	-	-	-	-	-	-	-	-
2014	1,687	-	1,905	133	4,534	-	37,731	-
2015	5,173	-	5,925	343	17,553	-	134,093	-
2016	12,736	-	12,199	660	-	-	75,481	-
2017	21,865	-	19,249	1,070	21,739	-	97,775	-
2018	38,303	-	28,961	1,997	-	14,635	146,706	-
2019	50,110	-	29,766	2,111	-	-	23,350	-
2020	55,385	-	25,695	1,845	-	-	33,657	-
2021	57,864	-	21,475	1,809	-	-	24,781	-
2022	61,157	-	17,868	1,805	-	-	10,862	-
2023	62,467	-	14,984	1,611	-	-	7,224	-
2024	63,366	-	12,541	1,353	-	-	-	-
2025	58,104	-	10,150	984	-	-	-	-
2026	53,896	-	8,540	794	-	-	-	-
2027	54,064	-	7,302	663	-	-	-	-
2028	51,955	-	6,183	544	-	-	-	-
2029	49,265	-	5,213	452	-	-	-	3,691
2030	44,537	-	4,317	780	-	12,499	-	4,139
2031	35,370	-	3,274	860	-	-	-	14,095
2032	29,074	-	2,627	597	-	-	-	-
2033	25,256	-	2,251	414	-	-	-	-
2034	20,749	-	1,919	284	-	-	-	964
2035	18,762	-	1,755	169	-	-	-	-
2036	16,727	-	1,618	111	-	-	-	-
2037	16,327	-	1,538	84	-	-	-	-
2038	15,822	-	1,453	60	-	-	-	-
2039	12,675	-	1,240	53	-	-	-	5,955
2040	9,995	-	1,080	46	-	-	-	-
2041	9,593	-	1,033	44	-	-	-	4,624
2042	8,809	-	972	42	-	-	-	-
2043	8,986	-	961	41	-	-	-	-
2044	9,165	-	950	41	-	-	-	-
2045	9,349	-	935	40	-	-	-	-
2046	9,536	-	931	30	-	-	-	-
2047	9,726	-	920	29	-	-	-	-
2048	9,921	-	910	29	-	-	-	-
2049	10,119	-	900	29	-	-	-	-
2050	10,322	-	890	28	-	-	-	-
2051	10,528	-	882	28	-	-	-	-
2052	10,739	-	877	28	-	-	-	-
2053	9,119	-	718	22	-	-	-	-
2054	1,853	-	169	4	-	-	-	53,538
Total	1,070,453	-	263,073	22,066	43,827	27,133	591,659	87,007

Table O
OML 4
Seplat's Working Interest Contingent Resource Cost Forecast
2C Contingent Resource

Year	Fixed OPEX (M\$)	G&A Costs	Crude Handling OPEX (M\$)	Variable Gas OPEX	Facilities CAPEX (M\$)	Recompletion CAPEX (M\$)	Drilling CAPEX (M\$)	Abandonment Costs (M\$)
2013	-	-	-	-	-	-	-	-
2014	-	-	-	-	2,731	-	-	-
2015	-	-	-	-	8,358	-	-	-
2016	-	-	-	-	-	-	-	-
2017	150	-	86	5	21,739	-	8,729	-
2018	3,658	-	1,824	400	-	-	48,227	-
2019	5,587	-	2,828	468	-	-	-	-
2020	5,937	-	2,539	412	-	-	10,562	-
2021	6,781	-	2,272	504	-	-	-	-
2022	7,741	-	2,039	554	-	-	10,862	-
2023	8,063	-	1,830	443	-	-	-	-
2024	8,224	-	1,646	296	-	-	-	-
2025	6,023	-	1,473	95	-	-	-	-
2026	5,348	-	1,325	47	-	-	-	-
2027	5,455	-	1,189	42	-	-	-	-
2028	5,564	-	1,070	38	-	-	-	-
2029	5,675	-	958	34	-	-	-	-
2030	5,788	-	860	31	-	-	-	-
2031	5,904	-	772	28	-	-	-	-
2032	6,022	-	694	26	-	-	-	-
2033	6,143	-	622	23	-	-	-	-
2034	6,266	-	558	21	-	-	-	-
2035	6,391	-	502	19	-	-	-	-
2036	6,519	-	452	17	-	-	-	-
2037	6,649	-	405	15	-	-	-	-
2038	6,327	-	342	13	-	-	-	-
2039	2,990	-	149	6	-	-	-	5,955
Total	133,321	-	26,442	3,537	32,829	-	78,380	5,955

Table P
OML 38
Seplat's Working Interest Contingent Resource Cost Forecast
2C Contingent Resource

Year	Fixed OPEX (M\$)	G&A Costs	Crude Handling OPEX (M\$)	Variable Gas OPEX	Facilities CAPEX (M\$)	Recompletion CAPEX (M\$)	Drilling CAPEX (M\$)	Abandonment Costs (M\$)
2013	-	-	-	-	-	-	-	-
2014	1,687	-	1,905	133	-	-	16,023	-
2015	2,581	-	2,650	210	-	-	8,172	-
2016	3,510	-	2,729	216	-	-	-	-
2017	3,795	-	2,647	202	-	-	5,430	-
2018	8,163	-	5,609	384	-	14,635	28,399	-
2019	12,007	-	7,235	487	-	-	-	-
2020	12,961	-	6,156	444	-	-	6,785	-
2021	14,677	-	5,094	489	-	-	24,781	-
2022	16,694	-	4,240	566	-	-	-	-
2023	17,618	-	3,535	604	-	-	7,224	-
2024	18,052	-	2,943	597	-	-	-	-
2025	17,482	-	2,398	524	-	-	-	-
2026	15,751	-	1,952	444	-	-	-	-
2027	15,337	-	1,596	365	-	-	-	-
2028	13,474	-	1,217	295	-	-	-	-
2029	12,767	-	977	243	-	-	-	3,385
2030	11,257	-	733	605	-	12,499	-	-
2031	9,706	-	471	739	-	-	-	14,095
2032	8,099	-	263	499	-	-	-	-
2033	6,737	-	180	330	-	-	-	-
2034	4,459	-	80	208	-	-	-	-
2035	3,318	-	64	99	-	-	-	-
2036	1,082	-	5	44	-	-	-	-
2037	369	-	-	20	-	-	-	-
2038	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-
Total	231,582	-	54,679	8,746	-	27,133	96,814	22,104

Table Q
OML 41
Seplat's Working Interest Contingent Resource Cost Forecast
2C Contingent Resource

Year	Fixed OPEX (M\$)	G&A Costs	Handling OPEX (M\$)	Variable Gas OPEX	Facilities CAPEX (M\$)	Recompletion CAPEX (M\$)	Drilling CAPEX (M\$)	Abandonment Costs (M\$)
2013	-	-	-	-	-	-	-	-
2014	-	-	-	-	1,803	-	21,707	-
2015	2,592	-	3,276	133	9,195	-	125,921	-
2016	9,227	-	9,470	444	-	-	75,481	-
2017	17,920	-	16,516	863	-	-	83,616	-
2018	26,482	-	21,528	1,213	-	-	70,079	-
2019	32,516	-	19,704	1,156	-	-	23,350	-
2020	36,487	-	16,999	990	-	-	16,311	-
2021	36,406	-	14,109	816	-	-	-	-
2022	36,721	-	11,588	686	-	-	-	-
2023	36,786	-	9,619	564	-	-	-	-
2024	37,090	-	7,952	461	-	-	-	-
2025	34,599	-	6,278	366	-	-	-	-
2026	32,797	-	5,263	303	-	-	-	-
2027	33,273	-	4,516	256	-	-	-	-
2028	32,917	-	3,896	210	-	-	-	-
2029	30,823	-	3,277	174	-	-	-	306
2030	27,492	-	2,723	144	-	-	-	4,139
2031	19,759	-	2,031	92	-	-	-	-
2032	14,952	-	1,669	72	-	-	-	-
2033	12,376	-	1,449	61	-	-	-	-
2034	10,025	-	1,281	55	-	-	-	964
2035	9,053	-	1,190	51	-	-	-	-
2036	9,126	-	1,161	50	-	-	-	-
2037	9,309	-	1,133	49	-	-	-	-
2038	9,495	-	1,111	48	-	-	-	-
2039	9,685	-	1,091	47	-	-	-	-
2040	9,878	-	1,075	46	-	-	-	-
2041	9,593	-	1,033	44	-	-	-	-
2042	8,809	-	972	42	-	-	-	-
2043	8,986	-	961	41	-	-	-	-
2044	9,165	-	950	41	-	-	-	-
2045	9,349	-	935	40	-	-	-	-
2046	9,536	-	931	30	-	-	-	-
2047	9,726	-	920	29	-	-	-	-
2048	9,921	-	910	29	-	-	-	-
2049	10,119	-	900	29	-	-	-	-
2050	10,322	-	890	28	-	-	-	-
2051	10,528	-	882	28	-	-	-	-
2052	10,739	-	877	28	-	-	-	-
2053	9,119	-	718	22	-	-	-	-
2054	1,853	-	169	4	-	-	-	53,538
Total	705,550	-	181,952	9,783	10,998	-	416,465	58,948

INDEX

CORPORATE SUMMARIES – FORECAST PRICE CASE RESERVES BASE CASE

Proved Developed Producing Reserves

- Table 1A –Summary of Reserves and Net Present Values – Total Company
- Table 1B –Summary of Production and Future Net Revenue – Total Light Oil
- Table 1C –Summary of Production and Future Net Revenue – Total Heavy Oil
- Table 1D –Summary of Production and Future Net Revenue – Total Non-Associated Sales Gas
- Table 1E –Summary of Production and Future Net Revenue – Total Solution Gas
- Table 1F –Summary of Production and Future Net Revenue – Total Condensate
- Table 1G –Summary of Production and Future Net Revenue – Total Company
- Table 1H –Income Tax Summary – Total Company

Total Proved Developed Reserves

- Table 2A –Summary of Reserves and Net Present Values – Total Company
- Table 2B –Summary of Production and Future Net Revenue – Total Light Oil
- Table 2C –Summary of Production and Future Net Revenue – Total Heavy Oil
- Table 2D –Summary of Production and Future Net Revenue – Total Non-Associated Sales Gas
- Table 2E –Summary of Production and Future Net Revenue – Total Solution Gas
- Table 2F –Summary of Production and Future Net Revenue – Total Condensate
- Table 2G –Summary of Production and Future Net Revenue – Total Company
- Table 2H –Income Tax Summary – Total Company

Total Proved Reserves

- Table 3A –Summary of Reserves and Net Present Values – Total Company
- Table 3B –Summary of Production and Future Net Revenue – Total Light Oil
- Table 3C –Summary of Production and Future Net Revenue – Total Heavy Oil
- Table 3D –Summary of Production and Future Net Revenue – Total Non-Associated Sales Gas
- Table 3E –Summary of Production and Future Net Revenue – Total Solution Gas
- Table 3F –Summary of Production and Future Net Revenue – Total Condensate
- Table 3G –Summary of Production and Future Net Revenue – Total Company
- Table 3H –Income Tax Summary – Total Company

Total Proved-plus-Probable Reserves

- Table 4A –Summary of Reserves and Net Present Values – Total Company
- Table 4B –Summary of Production and Future Net Revenue – Total Light Oil
- Table 4C –Summary of Production and Future Net Revenue – Total Heavy Oil
- Table 4D –Summary of Production and Future Net Revenue – Total Non-Associated Sales Gas
- Table 4E –Summary of Production and Future Net Revenue – Total Solution Gas
- Table 4F –Summary of Production and Future Net Revenue – Total Condensate
- Table 4G –Summary of Production and Future Net Revenue – Total Company
- Table 4H –Income Tax Summary – Total Company

Total Proved-plus-Probable-plus-Possible Reserves

- Table 5A –Summary of Reserves and Net Present Values – Total Company
- Table 5B –Summary of Production and Future Net Revenue – Total Light Oil
- Table 5C –Summary of Production and Future Net Revenue – Total Heavy Oil

TABLES (*continued*)

Table 5D—Summary of Production and Future Net Revenue – Total Non-Associated Sales Gas

Table 5E—Summary of Production and Future Net Revenue – Total Solution Gas

Table 5F—Summary of Production and Future Net Revenue – Total Condensate

Table 5G—Summary of Production and Future Net Revenue – Total Company

Table 5H—Income Tax Summary – Total Company

Table 1A
Summary of Reserves and Net Present Value - Total Company
Proved Developed Producing
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:38
Project : 021576

Well	Zone	Current Reserve Cat.	Avg. WI %	Light&Med Oil		Heavy Oil		Sales Gas		NGLs		Total BOE		NPV	
				Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	@ 0%	@ 10%
				Mbb1	Mbb1	Mbb1	Mbb1	MMcf	MMcf	Mbb1	Mbb1	Mbb1	Mbb1	MM\$	MM\$
Nigeria															
OML-04 + 38 + 41															
AMUKPE															
1)Amukpe Oil															
AMUK001L:E1400X	E1400	PP	45.0	325	263	-	-	395	367	22	18	415	344	16	11
AMUK001S:D5100X	D5100	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
AMUK002T:G5400X	G5400	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 1)Amukpe Oil				325	263	-	-	395	367	22	18	415	344	16	11
2) Amukpe Other Costs															
Amukpe Abandonment		PP	-	-	-	-	-	-	-	-	-	-	-	-2	0
Amukpe G&A Expense		PP	-	-	-	-	-	-	-	-	-	-	-	-111	-69
Amukpe Licence Fee		PP	-	-	-	-	-	-	-	-	-	-	-	0	0
Amukpe Water Disposal		PP	-	-	-	-	-	-	-	-	-	-	-	-10	-10
Total 2) Amukpe Other Costs				-	-	-	-	-	-	-	-	-	-	-123	-79
Total AMUKPE				325	263	-	-	395	367	22	18	415	344	-107	-69
O BEN															
D															
OBEN003L:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN003S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN004S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN005S:D4000M	D4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN006S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN007S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN008S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN009S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN010L:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN010S:D4000M	D4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN011L:D7000M	D7000	PP	45.0	552	447	-	-	367	342	12	9	627	515	44	27
OBEN011L:D7002M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN011S:D7000M	D7000	PP	45.0	317	256	-	-	248	231	8	6	367	302	23	16
OBEN011S:D7001M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN020L:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN020S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN020T:D7000M	D7000	PP	45.0	798	646	-	-	1138	1058	36	29	1031	857	56	37
OBEN023S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN024L:D7000M	D7000	PP	45.0	742	600	-	-	564	524	18	14	857	704	49	31
OBEN024S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN025L:D4000M	D4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN025L:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN025S:D4000M	D4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN029S:D4000M	D4000	PP	45.0	213	173	-	-	405	376	13	10	296	248	15	12
OBEN032S:D4000M	D4000	PP	45.0	75	61	-	-	215	200	7	5	119	101	2	2
Total D				2698	2181	-	-	2936	2731	93	75	3297	2727	189	125
E															
OBEN004L:E3000M	E3000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN005L:E1500M	E1500	PP	45.0	358	290	-	-	1241	1154	39	32	611	520	32	22
OBEN006L:E3000M	E3000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN007L:E3000M	E3000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN008L:E3000M	E3000	PP	45.0	399	323	-	-	218	203	7	6	444	364	21	15
OBEN009L:E3000M	E3000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN022T:E4000M	E4000	PP	45.0	335	271	-	-	748	696	24	19	488	410	19	14
OBEN023L:E3000M	E3000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN029L:E4000M	E4000	PP	45.0	257	208	-	-	1223	1137	39	31	507	436	21	14
OBEN032L:E3000M	E3000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Total E				1350	1092	-	-	3430	3190	108	88	2050	1729	93	65

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 1A
Summary of Reserves and Net Present Value - Total Company
Proved Developed Producing
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:38
Project : 021576

Well	Zone	Current Reserve Cat.	Avg. WI %	Light&Med Oil		Heavy Oil		Sales Gas		NGLs		Total BOE		NPV	
				Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	@ 0%	@ 10%
				Mbb1	Mbb1	Mbb1	Mbb1	MMcf	MMcf	Mbb1	Mbb1	Mbb1	Mbb1	MM\$	MM\$
F															
OBEN003L:F1500M	F1500	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN012S:F7800	F7800	PP	45.0	510	412	-	-	201	187	6	5	551	450	28	18
OBEN014S:F7800	F7800	PP	45.0	282	228	-	-	308	286	10	8	344	285	14	10
OBEN015S:F7800C	F7800	PP	45.0	986	797	-	-	562	523	18	14	1101	901	83	48
OBEN017S:F7800	F7800	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN018S:F7800	F7800	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN019S:F7800	F7800	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN020L:F1500M	F1500	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN024L:F1500M	F1500	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN031S:F7800	F7800	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Total F				1778	1437	-	-	1071	996	34	27	1996	1636	125	76
G															
OBEN005L:G8800N	G8800	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN012L:G5000A	G5000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN012S:G4000B	G4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN014L:G1000I	G1000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN014L:G4000B	G4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN015L:G4000B	G4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN017L:G3500A	G3500	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN017L:G4000B	G4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN018L:G4000B	G4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN019L:G4500A	G4500	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN019L:G5000A	G5000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN019S:G4000B	G4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN019S:G4000M	G4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN030L:G4300A	G4300	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN030S:G1000G	G1000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN031L:G4500A	G4500	PP	45.0	673	545	-	-	288	268	9	7	732	599	45	34
OBEN031L:G4500M	G4500	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN031S:G4000B	G4000	PP	45.0	94	76	-	-	257	239	8	7	147	124	3	3
OBEN036T:G3000	G3000	PP	45.0	1339	1082	-	-	267	248	8	7	1393	1132	98	63
Total G				2106	1704	-	-	812	755	26	21	2272	1854	146	99
H															
OBEN016L:H5000A	H5000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN016S:H2000A	H2000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Total H				-	-	-	-	-	-	-	-	-	-	-	-
OBEN - Gas															
OBEN - NonAssociated		PP	45.0	-	-	-	-	41087	38211	169	137	7253	6725	87	67
Total OBEN - Gas				-	-	-	-	41087	38211	169	137	7253	6725	87	67
Oben Other Costs															
Oben Abandonment		PP	-	-	-	-	-	-	-	-	-	-	-	-19	-3
Oben G&A Expense		PP	-	-	-	-	-	-	-	-	-	-	-	-174	-78
Oben Licence Fee		PP	-	-	-	-	-	-	-	-	-	-	-	-1	0
Total Oben Other Costs				-	-	-	-	-	-	-	-	-	-	-194	-82
Total OBEN				7931	6414	-	-	49336	45883	430	348	16867	14672	446	350
OKOPORO AND UBALEME															
Okoporo and Ubaleme Licence Fee															
Okoporo and Ubaleme I		PP	-	-	-	-	-	-	-	-	-	-	-	0	0
Total Okoporo and Ubaleme Licence Fee				-	-	-	-	-	-	-	-	-	-	0	0
Total OKOPORO AND UBALEME				-	-	-	-	-	-	-	-	-	-	0	0
OKPORHURU															
1) Okporhuru Oil															
OKRU001L:V2000	V2000	PP	45.0	941	761	-	-	1017	946	44	36	1161	960	79	47
OKRU001S:U5000	U5000	PP	45.0	1499	1212	-	-	264	246	11	9	1556	1264	119	79
OKRU004L:V1000	V1000	PP	45.0	750	606	-	-	835	776	36	29	931	770	61	37
OKRU004S:U5000	U5000	PP	45.0	1727	1399	-	-	485	451	21	17	1832	1494	136	104
OKRU005L:U8000	U8000	PP	45.0	676	547	-	-	337	313	15	12	749	613	49	34
OKRU005S:U7000	U7000	PP	45.0	1092	884	-	-	249	232	11	9	1146	932	82	58
OKRU006L:V4000	V4000	PP	45.0	406	329	-	-	207	193	9	7	450	369	29	23
OKRU006S:U3000	U3000	PP	45.0	493	398	-	-	32	30	1	1	500	404	33	20
Total 1) Okporhuru Oil				7585	6136	-	-	3426	3186	149	120	8324	6806	588	401



These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.

Table 1A
Summary of Reserves and Net Present Value - Total Company
Proved Developed Producing
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:38
Project : 021576

Well	Zone	Current Reserve Cat.	Avg. WI %	Light&Med Oil		Heavy Oil		Sales Gas		NGLs		Total BOE		NPV	
				Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	@ 0%	@ 10%
				Mbb1	Mbb1	Mbb1	Mbb1	MMcf	MMcf	Mbb1	Mbb1	Mbb1	Mbb1	MM\$	MM\$
3) Existing Wells															
Okporhuru-1		NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Okporhuru-2		NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Okporhuru-3		NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 3) Existing Wells				-	-	-	-	-	-	-	-	-	-	-	-
4) OKRU Other Costs															
Okporhuru Abandonment		PP	-	-	-	-	-	-	-	-	-	-	-	-2	0
Total 4) OKRU Other Costs				-	-	-	-	-	-	-	-	-	-	-2	0
Total OKPORHURU				7585	6136	-	-	3426	3186	149	120	8324	6806	587	401
OVHOR															
H															
OVH0001S:H1000N	H1000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OVH0001S:H6000N	H6000	PP	45.0	396	322	-	-	28	26	3	2	404	328	30	26
OVH0002S:H5000N	H5000	PP	45.0	2899	2345	-	-	940	874	102	83	3163	2578	253	160
OVH0003L:H3000N	H3000	PP	45.0	205	166	-	-	189	176	5	4	243	201	15	11
OVH0003S:H1100N	H1100	PP	45.0	292	237	-	-	93	87	3	2	311	254	21	18
OVH0006T:H5000N	H5000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OVH0009L:H4000N	H4000	PP	45.0	945	766	-	-	122	113	3	3	969	788	73	55
OVH0009S:H1200N	H1200	PP	45.0	161	130	-	-	178	165	7	5	198	164	11	9
OVH0010S:H1000N	H1000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OVH0013L:H5000N	H5000	PP	45.0	1676	1355	-	-	231	215	25	20	1741	1413	140	89
OVH0013S:H1200N	H1200	PP	45.0	1279	1035	-	-	471	438	18	14	1378	1125	103	73
OVH0014S:H6000N	H6000	PP	45.0	205	167	-	-	169	157	18	15	253	209	16	14
Total H				8059	6523	-	-	2420	2251	185	150	8661	7060	663	454
I															
OVH0001L:I3000N	I3000	PP	45.0	1105	895	-	-	66	62	10	8	1127	914	88	65
OVH0002L:I3000N	I3000	PP	45.0	454	369	-	-	227	211	36	29	529	435	37	33
OVH0005S:I1000N	I1000	PP	45.0	607	491	-	-	99	92	10	8	634	515	47	33
OVH0007T:I1000N	I1000	PP	45.0	4535	3670	-	-	217	202	22	18	4595	3723	363	251
OVH0008T:I2000N	I2000	PP	45.0	1900	1538	-	-	48	44	7	6	1916	1552	142	102
OVH0009S:I1200N	I1200	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OVH0012T:I1000N	I1000	PP	45.0	2649	2144	-	-	419	390	43	35	2765	2246	209	143
Total I				11251	9107	-	-	1076	1000	130	105	11566	9385	886	625
J															
OVH0001L:J1000N	J1000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OVH0005L:J1000N	J1000	PP	45.0	414	335	-	-	172	160	6	5	449	367	31	24
OVH0010L:J2000N	J2000	PP	45.0	312	252	-	-	206	192	7	5	354	291	23	18
Total J				725	587	-	-	378	352	12	10	803	658	54	42
Ovhor Other Costs															
Ovhor Abandonment		PP	-	-	-	-	-	-	-	-	-	-	-	-8	-1
Ovhor License Fee		PP	-	-	-	-	-	-	-	-	-	-	-	0	0
Total Ovhor Other Costs				-	-	-	-	-	-	-	-	-	-	-8	-2
Total OVHOR				20035	16217	-	-	3874	3603	327	265	21029	17103	1595	1119
SAPELE															
1) Sapele Shallow Oil															
SAPL011T:C5000X	C5000	PP	45.0	-	-	337	273	1214	1129	53	43	599	510	21	14
SAPL021L:B7400X	B7400	PP	45.0	-	-	27	22	469	436	20	17	128	114	3	3
SAPL021S:B3500X	B3500	PP	45.0	-	-	174	141	684	636	30	24	322	275	14	10
SAPL023T:B3500X	B3500	PP	45.0	-	-	85	69	607	564	26	21	216	188	5	4
SAPL024T:C3000X	C3000	PP	45.0	-	-	765	619	919	855	40	32	963	799	55	39
Total 1) Sapele Shallow Oil				-	-	1388	1123	3893	3620	169	137	2229	1884	98	71

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 1A
Summary of Reserves and Net Present Value - Total Company
Proved Developed Producing
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:38
Project : 021576

		Current Reserve Cat.	Avg. WI %	Light&Med Oil		Heavy Oil		Sales Gas		NGLs		Total BOE		NPV	
Well	Zone			Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	@ 0%	@ 10%
				Mbbl	Mbbl	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	MM\$	MM\$
2) Sapele Deep Oil															
SAPL002L:G3000X	G3000	PP	45.0	670	542	-	-	1508	1402	66	53	996	837	58	37
SAPL002S:G2000X	G2000	PP	45.0	856	692	-	-	390	363	17	14	941	769	67	41
SAPL006L:G5600X	G5600	PP	45.0	639	517	-	-	1440	1339	63	51	950	798	54	36
SAPL006S:G2000X	G2000	PP	45.0	546	442	-	-	1256	1168	55	44	818	688	46	32
SAPL009S:G2000X	G2000	PP	45.0	450	364	-	-	819	762	36	29	626	524	35	24
SAPL010L:G4000X	G4000	PP	45.0	459	371	-	-	4937	4592	215	174	1525	1336	52	33
SAPL012L:G3000X	G3000	PP	45.0	575	465	-	-	693	645	30	24	725	601	45	29
SAPL012S:G2000X	G2000	PP	45.0	400	323	-	-	1924	1789	84	68	815	699	38	25
SAPL013L:G3000X	G3000	PP	45.0	573	463	-	-	1576	1465	69	55	913	772	43	31
Total 2) Sapele Deep Oil				5169	4180	-	-	14543	13525	632	511	8309	7023	438	288
3) Sapele Gas															
SAPL017T:G6000X	G6000	PP	45.0	-	-	-	-	6293	5852	274	221	1359	1230	30	21
Total 3) Sapele Gas				-	-	-	-	6293	5852	274	221	1359	1230	30	21
4) Sapele NRA															
SAPL001L:G5400X	G5400	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
SAPL004S:G2000X	G2000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
SAPL005L:G3000X	G3000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
SAPL005S:G2000X	G2000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
SAPL010S:G2000X	G2000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
SAPL013S:G2000X	G2000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
SAPL015T:B4100X	B4100	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 4) Sapele NRA				-	-	-	-	-	-	-	-	-	-	-	-
5) Sapele Other Costs															
Sapele Abandonment		PP	-	-	-	-	-	-	-	-	-	-	-	-15	-3
Sapele Compressors		PP	-	-	-	-	-	-	-	-	-	-	-	-14	-13
Sapele G&A Expense		PP	-	-	-	-	-	-	-	-	-	-	-	-422	-189
Sapele Integrity Upgr		PP	-	-	-	-	-	-	-	-	-	-	-	-4	-4
Sapele License Fee		PP	-	-	-	-	-	-	-	-	-	-	-	0	0
Total 5) Sapele Other Costs				-	-	-	-	-	-	-	-	-	-	-455	-209
Total SAPELE				5169	4180	1388	1123	24729	22998	1075	870	11896	10138	110	171
Total OML-04 + 38 + 41				41044	33209	1388	1123	81759	76036	2003	1621	58532	49062	2631	1972
Total Nigeria				41044	33209	1388	1123	81759	76036	2003	1621	58532	49062	2631	1972
Total Company				41044	33209	1388	1123	81759	76036	2003	1621	58532	49062	2631	1972

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 1B
Summary of Production and Future Net Revenue - Total Company Light Oil
Proved Developed Producing
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:40
Project : 021576

RESERVES AND PRODUCTION FORECAST

Light Oil						
Mbb1						
Year	# of Wells	Price \$/bbl	Pool		Company Share	
			bbl/d	Vol	Gross	Net
2013	51	113.11	47920	2923	1315	1073
2014	51	108.89	43102	15732	7080	5777
2015	51	106.70	35987	13135	5911	4788
2016	51	108.83	29760	10892	4901	3970
2017	51	111.66	24389	8902	4006	3229
2018	51	114.63	20074	7327	3297	2658
2019	49	118.09	16536	6036	2716	2189
2020	48	120.46	13663	5001	2250	1814
2021	45	122.87	11395	4159	1872	1509
2022	44	125.33	9496	3466	1560	1257
2023	42	127.85	7938	2898	1304	1051
2024	40	130.40	6647	2433	1095	882
2025	39	133.01	5610	2048	921	743
2026	38	135.67	4661	1701	766	617
2027	35	138.37	3766	1374	618	499
SUB				88027	39612	32055
REM				3182	1432	1154
TOT				91210	41044	33209

COMPANY SHARE FUTURE NET REVENUE

Year	Working Interest Future Revenue (FR)		Royalty Revenue	Royalties		Operating Costs			FR After Roy. & Oper. Costs	Net Back \$/bbl	Proc & Other Income	Capital Costs	Aband Costs	Future Net Revenue	
	Oil MM\$	Total MM\$	MM\$	Total MM\$	%	Fixed MM\$	Var MM\$	\$/bbl	MM\$	MM\$	MM\$	MM\$	MM\$	Undisc MM\$	10.0% MM\$
2013	149	149	-	40	26.9	9	5	11.16	94	71.47	-	5	-	90	89
2014	771	771	-	208	27.0	59	29	12.41	475	67.14	-	22	-	453	426
2015	631	631	-	154	24.4	63	25	14.73	390	65.93	-	-	-	390	333
2016	533	533	-	130	24.4	66	21	17.78	316	64.47	-	-	-	316	246
2017	447	447	-	102	22.8	68	17	21.23	260	64.97	-	-	-	260	184
2018	378	378	-	86	22.8	69	15	25.32	208	63.14	-	-	-	208	134
2019	321	321	-	73	22.9	69	12	29.95	166	61.12	-	1	-	165	96
2020	271	271	-	62	22.9	69	10	35.34	130	57.53	-	-	-	130	69
2021	230	230	-	53	23.0	70	9	42.17	98	52.49	-	-	-	98	47
2022	196	196	-	45	23.0	71	8	50.12	72	46.36	-	-	-	72	32
2023	167	167	-	39	23.1	71	6	59.63	51	38.70	-	-	-	51	20
2024	143	143	-	33	23.2	60	6	59.60	44	40.60	-	-	-	44	16
2025	123	123	-	29	23.3	61	5	70.76	29	31.31	-	-	-	29	10
2026	104	104	-	24	23.3	60	4	83.54	16	20.46	-	-	-	16	5
2027	86	86	-	20	23.4	58	3	98.89	4	7.11	-	-	-	4	1
SUB	4548	4548	-	1098	24.1	923	174	27.68	2353	59.41	-	28	-	2326	1707
REM	207	207	-	49	23.5	211	8	153.03	-61	-42.46	-	-	47	-107	-21
TOT	4755	4755	-	1147	24.1	1134	182	32.06	2293	55.85	-	28	47	2218	1686

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	2293	1968	1812	1721	1529	1378	1256
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	28	27	27	26	26	25	25
Abandonment Costs . .	47	19	12	9	4	2	1
Future Net Revenue . .	2218	1922	1774	1686	1499	1350	1230

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 1C
Summary of Production and Future Net Revenue - Total Company Heavy Oil
Proved Developed Producing
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:42
Project : 021576

RESERVES AND PRODUCTION FORECAST

Heavy Oil						
Mbb1						
Year	# of Wells	Price \$/bbl	Pool		Company Share	
			bbl/d	Vol	Gross	Net
2013	5	113.30	1594	97	44	36
2014	5	109.10	1448	529	238	194
2015	5	106.91	1223	446	201	163
2016	5	109.06	1013	371	167	135
2017	4	111.88	839	306	138	111
2018	4	114.86	713	260	117	94
2019	4	118.32	585	214	96	77
2020	3	120.69	480	176	79	64
2021	3	123.10	412	150	68	54
2022	3	125.56	353	129	58	47
2023	3	128.07	299	109	49	40
2024	2	130.62	219	80	36	29
2025	2	133.24	188	69	31	25
2026	2	135.90	162	59	27	21
2027	2	138.62	140	51	23	19
SUB				3046	1371	1109
REM				38	17	14
TOT				3085	1388	1123

COMPANY SHARE FUTURE NET REVENUE

Year	Working Interest Future Revenue (FR)		Royalty Revenue	Royalties		Operating Costs			FR After Roy. & Oper. Costs	Net Back \$/bbl	Proc & Other Income	Capital Costs	Aband Costs	Future Net Revenue	
	Oil MM\$	Total MM\$		Total MM\$	%	Fixed MM\$	Var MM\$	\$/bbl						Undisc MM\$	10.0% MM\$
2013	5	5	-	1	28.0	1	0	17.03	3	64.53	-	-	-	3	3
2014	26	26	-	7	28.1	3	1	18.54	14	59.94	-	-	-	14	13
2015	22	22	-	5	25.3	3	1	21.57	12	58.28	-	-	-	12	10
2016	18	18	-	5	25.3	3	1	24.21	10	57.25	-	-	-	10	7
2017	15	15	-	4	23.5	3	1	27.26	8	58.36	-	-	-	8	6
2018	14	14	-	3	23.6	3	1	31.91	7	55.87	-	-	-	7	4
2019	11	11	-	3	23.6	3	1	33.75	5	56.68	-	-	-	5	3
2020	10	10	-	2	23.6	2	0	34.79	5	57.46	-	-	-	5	2
2021	8	8	-	2	23.7	2	0	40.70	4	53.22	-	-	-	4	2
2022	7	7	-	2	23.8	3	0	47.58	3	48.04	-	-	-	3	1
2023	6	6	-	2	24.0	3	0	55.47	2	41.85	-	-	-	2	1
2024	5	5	-	1	24.1	2	0	62.18	1	36.95	-	-	-	1	1
2025	4	4	-	1	24.3	2	0	73.09	1	27.73	-	-	-	1	0
2026	4	4	-	1	24.6	2	0	85.71	0	16.78	-	-	-	0	0
2027	3	3	-	1	24.9	2	0	100.53	0	3.62	-	-	-	0	0
SUB	158	158	-	40	25.0	38	6	32.35	74	54.04	-	-	-	74	54
REM	2	2	-	1	25.2	2	0	118.17	0	-12.38	-	-	-	0	0
TOT	160	160	-	40	25.0	40	6	33.42	74	53.21	-	-	-	74	54

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	74	62	57	54	47	42	39
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	-	-	-	-	-	-	-
Abandonment Costs . .	-	-	-	-	-	-	-
Future Net Revenue . .	74	62	57	54	47	42	39

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 1D
Summary of Production and Future Net Revenue - Total Company Non-Associated Sales Gas
Proved Developed Producing
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:42
Project : 021576

RESERVES AND PRODUCTION FORECAST

Non-Associated Sales Gas						
MMcf						
Year	# of Wells	Price	Pool		Company Share	
		\$/Mcf	Mcf/d	Vol	Gross	Net
2013	2	1.50	53158	3243	1459	1357
2014	2	1.95	52293	19087	8589	7988
2015	2	1.96	51006	18617	8378	7791
2016	2	2.32	49951	18282	8227	7651
2017	2	2.37	49086	17917	8062	7498
2018	2	2.43	42109	15370	6916	6432
2019	2	2.48	18539	6767	3045	2832
2020	2	2.53	7941	2906	1308	1216
2021	2	2.59	2891	1055	475	442
2022	1	2.64	1441	526	237	220
2023	1	2.70	1180	431	194	180
2024	1	2.76	967	354	159	148
2025	1	2.82	792	289	130	121
2026	1	2.87	648	237	106	99
2027	1	2.93	531	194	87	81
SUB				105273	47373	44057
REM				15	7	6
TOT				105288	47380	44063

COMPANY SHARE FUTURE NET REVENUE

Year	Working Interest Future Revenue (FR)		Royalty Revenue	Royalties		Operating Costs			FR After Roy. & Oper. Costs	Net Back \$/Mcf	Proc & Other Income	Capital Costs	Aband Costs	Future Net Revenue	
	Gas MM\$	Total MM\$	MM\$	Total MM\$	%	Fixed MM\$	Var MM\$	\$/Mcf	MM\$	MM\$	MM\$	MM\$	MM\$	Undisc MM\$	10.0% MM\$
2013	2	2	-	0	13.6	0	0	0.25	2	1.05	-	-	-	2	2
2014	17	17	-	2	11.6	1	1	0.25	13	1.47	-	-	-	13	12
2015	16	16	-	2	9.8	1	1	0.26	13	1.51	-	-	-	13	11
2016	19	19	-	2	9.2	1	1	0.27	15	1.84	-	-	-	15	12
2017	19	19	-	2	8.4	1	1	0.28	15	1.89	-	-	-	15	11
2018	17	17	-	1	8.4	1	1	0.31	13	1.91	-	-	-	13	9
2019	8	8	-	1	9.1	1	0	0.57	5	1.68	-	-	-	5	3
2020	3	3	-	0	10.5	1	0	1.21	1	1.05	-	-	-	1	1
2021	1	1	-	0	13.3	1	0	1.99	0	0.26	-	-	-	0	0
2022	1	1	-	0	15.7	1	0	2.22	0	0.01	-	-	-	0	0
2023	1	1	-	0	16.2	1	0	2.73	0	-	-	-	-	0	0
2024	0	0	-	0	16.8	1	0	3.36	0	-	-	-	-	0	0
2025	0	0	-	0	17.6	1	0	4.17	0	-	-	-	-	0	0
2026	0	0	-	0	18.6	1	0	5.16	0	-	-	-	-	0	0
2027	0	0	-	0	19.7	1	0	6.39	0	-	-	-	-	0	0
SUB	105	105	-	10	9.8	14	5	0.40	76	1.60	-	-	-	76	59
REM	0	0	-	0	20.3	0	0	7.06	0	-4.68	-	-	-	0	0
TOT	105	105	-	10	9.8	14	5	0.40	76	1.60	-	-	-	76	59

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	76	66	62	59	52	47	43
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	-	-	-	-	-	-	-
Abandonment Costs . .	-	-	-	-	-	-	-
Future Net Revenue . .	76	66	62	59	52	47	43

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 1E
Summary of Production and Future Net Revenue - Total Company Solution Gas
Proved Developed Producing
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:42
Project : 021576

RESERVES AND PRODUCTION FORECAST

Year	# of Wells	Solution Gas				
		MMcf				
		Price	Pool		Company Share	
		\$/Mcf	Mcf/d	Vol	Gross	Net
2013	-	1.51	-	2266	1020	948
2014	-	1.96	-	12318	5543	5155
2015	-	1.97	-	10442	4699	4370
2016	-	2.33	-	8729	3928	3653
2017	-	2.38	-	7252	3263	3035
2018	-	2.44	-	6159	2772	2578
2019	-	2.49	-	5147	2316	2154
2020	-	2.54	-	4325	1946	1810
2021	-	2.60	-	3707	1668	1551
2022	-	2.65	-	3166	1425	1325
2023	-	2.71	-	2717	1223	1137
2024	-	2.77	-	2295	1033	961
2025	-	2.83	-	1985	893	831
2026	-	2.88	-	1684	758	705
2027	-	2.94	-	1343	604	562
SUB				73534	33090	30774
REM				2865	1289	1199
TOT				76399	34380	31973

COMPANY SHARE FUTURE NET REVENUE

Year	Working Interest Future Revenue (FR)		Royalty Revenue	Royalties		Operating Costs			FR After Roy. & Oper. Costs	Net Back \$/Mcf	Proc & Other Income	Capital Costs	Aband Costs	Future Net Revenue	
	Gas MM\$	Total MM\$	MM\$	Total MM\$	%	Fixed MM\$	Var MM\$	\$/Mcf	MM\$	MM\$	MM\$	MM\$	MM\$	Undisc MM\$	10.0% MM\$
2013	2	2	-	0	7.0	-	-	-	1	1.40	-	-	-	1	1
2014	11	11	-	1	7.0	-	-	-	10	1.82	-	-	-	10	10
2015	9	9	-	1	7.0	-	-	-	9	1.83	-	-	-	9	7
2016	9	9	-	1	7.0	-	-	-	9	2.17	-	-	-	9	7
2017	8	8	-	1	7.0	-	-	-	7	2.21	-	-	-	7	5
2018	7	7	-	1	7.0	-	-	-	6	2.27	-	-	-	6	4
2019	6	6	-	0	7.0	-	-	-	5	2.32	-	-	-	5	3
2020	5	5	-	0	7.0	-	-	-	5	2.36	-	-	-	5	2
2021	4	4	-	0	7.0	-	-	-	4	2.42	-	-	-	4	2
2022	4	4	-	0	7.0	-	-	-	4	2.47	-	-	-	4	2
2023	3	3	-	0	7.0	-	-	-	3	2.52	-	-	-	3	1
2024	3	3	-	0	7.0	-	-	-	3	2.58	-	-	-	3	1
2025	3	3	-	0	7.0	-	-	-	2	2.63	-	-	-	2	1
2026	2	2	-	0	7.0	-	-	-	2	2.68	-	-	-	2	1
2027	2	2	-	0	7.0	-	-	-	2	2.74	-	-	-	2	1
SUB	77	77	-	5	7.0	-	-	-	71	2.16	-	-	-	71	47
REM	4	4	-	0	7.0	-	-	-	4	2.86	-	-	-	4	1
TOT	81	81	-	6	7.0	-	-	-	75	2.19	-	-	-	75	48

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	75	59	52	48	41	35	31
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	-	-	-	-	-	-	-
Abandonment Costs . .	-	-	-	-	-	-	-
Future Net Revenue . .	75	59	52	48	41	35	31

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 1F
Summary of Production and Future Net Revenue - Total Company Condensate
Proved Developed Producing
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:43
Project : 021576

RESERVES AND PRODUCTION FORECAST

Year	# of Wells	Condensate				
		Mbb1				
		Price	Pool		Company Share	
		\$/bbl	bbl/d	Vol	Gross	Net
2013	-	113.24	-	141	64	52
2014	-	109.04	-	762	343	280
2015	-	106.85	-	642	289	234
2016	-	108.99	-	540	243	197
2017	-	111.82	-	456	205	165
2018	-	114.80	-	384	173	139
2019	-	118.25	-	294	132	106
2020	-	120.62	-	234	105	85
2021	-	123.03	-	193	87	70
2022	-	125.50	-	163	73	59
2023	-	128.02	-	139	62	50
2024	-	130.57	-	117	53	42
2025	-	133.19	-	100	45	36
2026	-	135.85	-	85	38	31
2027	-	138.57	-	69	31	25
SUB				4320	1944	1573
REM				132	59	48
TOT				4451	2003	1621

COMPANY SHARE FUTURE NET REVENUE

Year	Working Interest		Royalty	Royalties			Operating Costs			FR After Roy. & Oper. Costs	Net Back	Proc & Other Income	Capital Costs	Aband Costs	Future Net Revenue	
	Condensate	Total		Total	%	Fixed	Var								Undisc	10.0%
	MM\$	MM\$	MM\$	MM\$		MM\$	MM\$	\$/bbl		MM\$	\$/bbl	MM\$	MM\$	MM\$	MM\$	MM\$
2013	7	7	-	1	18.4	-	-	-	6	92.40	-	-	-	-	6	6
2014	37	37	-	7	18.4	-	-	-	31	88.97	-	-	-	-	31	29
2015	31	31	-	6	19.0	-	-	-	25	86.55	-	-	-	-	25	21
2016	27	27	-	5	19.0	-	-	-	22	88.29	-	-	-	-	22	17
2017	23	23	-	5	19.4	-	-	-	19	90.13	-	-	-	-	19	13
2018	20	20	-	4	19.4	-	-	-	16	92.53	-	-	-	-	16	10
2019	16	16	-	3	19.4	-	-	-	13	95.31	-	-	-	-	13	7
2020	13	13	-	3	19.4	-	-	-	10	97.22	-	-	-	-	10	5
2021	11	11	-	2	19.4	-	-	-	9	99.16	-	-	-	-	9	4
2022	9	9	-	2	19.4	-	-	-	7	101.15	-	-	-	-	7	3
2023	8	8	-	2	19.4	-	-	-	6	103.18	-	-	-	-	6	3
2024	7	7	-	1	19.4	-	-	-	6	105.24	-	-	-	-	6	2
2025	6	6	-	1	19.4	-	-	-	5	107.35	-	-	-	-	5	2
2026	5	5	-	1	19.4	-	-	-	4	109.50	-	-	-	-	4	1
2027	4	4	-	1	19.4	-	-	-	4	111.68	-	-	-	-	4	1
SUB	223	223	-	43	19.1	-	-	-	181	92.96	-	-	-	-	181	124
REM	9	9	-	2	19.4	-	-	-	7	116.59	-	-	-	-	7	2
TOT	232	232	-	44	19.1	-	-	-	188	93.66	-	-	-	-	188	126

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	188	151	135	126	109	96	86
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	-	-	-	-	-	-	-
Abandonment Costs . .	-	-	-	-	-	-	-
Future Net Revenue . .	188	151	135	126	109	96	86

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 1G
Summary of Production and Future Net Revenue - Total Company
Proved Developed Producing
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Avg. WI : 45.00%
 Avg. Roy : 18.69%
 Avg. Prod. Taxes : 4.70%

Value Navigator 6.1.4.53
 Run Date : Jan 27, 14 16:45
 Project : 021576

RESERVES AND PRODUCTION FORECAST

RESERVES AND PRODUCTION FORECAST																					
Light&Med Oil							Heavy Oil					Sales Gas									
Mbbbl							Mbbbl					MMcf									
		Price	Pool		Company Share				Price	Pool		Company Share				Price	Pool		Company Share		
Year	# of Wells	\$/bbl	bbl/d	Vol	Gross	Net	\$/bbl	bbl/d	Vol	Gross	Net	\$/Mcf	Mcf/d	Vol	Gross	Net	\$/Mcf	Mcf/d	Vol	Gross	Net
2013	58	113.11	47920	2923	1315	1073	113.30	1594	97	44	36	1.50	90308	5509	2479	2305					
2014	58	108.89	43102	15732	7080	5777	109.10	1448	529	238	194	1.95	86040	31404	14132	13143					
2015	58	106.70	35987	13135	5911	4788	106.91	1223	446	201	163	1.96	79613	29059	13076	12161					
2016	58	108.83	29760	10892	4901	3970	109.06	1013	371	167	135	2.32	73800	27011	12155	11304					
2017	57	111.66	24389	8902	4006	3229	111.88	839	306	138	111	2.37	68954	25168	11326	10533					
2018	57	114.63	20074	7327	3297	2658	114.86	713	260	117	94	2.43	58984	21529	9688	9010					
2019	55	118.09	16536	6036	2716	2189	118.32	585	214	96	77	2.48	32641	11914	5361	4986					
2020	53	120.46	13663	5001	2250	1814	120.69	480	176	79	64	2.54	19758	7232	3254	3026					
2021	50	122.87	11395	4159	1872	1509	123.10	412	150	68	54	2.60	13046	4762	2143	1993					
2022	48	125.33	9496	3466	1560	1257	125.56	353	129	58	47	2.65	10116	3692	1662	1545					
2023	46	127.85	7938	2898	1304	1051	128.07	299	109	49	40	2.71	8625	3148	1417	1317					
2024	43	130.40	6647	2433	1095	882	130.62	219	80	36	29	2.77	7237	2649	1192	1109					
2025	42	133.01	5610	2048	921	743	133.24	188	69	31	25	2.83	6229	2273	1023	951					
2026	41	135.67	4661	1701	766	617	135.90	162	59	27	21	2.88	5262	1921	864	804					
2027	38	138.37	3766	1374	618	499	138.62	140	51	23	19	2.94	4210	1537	692	643					
SUB				88027	39612	32055			3046	1371	1109			178807	80463	74831					
REM				3182	1432	1154			38	17	14			2880	1296	1205					
TOT				91210	41044	33209			3085	1388	1123			181687	81759	76036					

Condensate				Butane				Propane				Ethane				Sulphur			
Mbbbl				Mbbbl				Mbbbl				Mbbbl				LT			
Year	Price	Company	Share	Price	Company	Share	Price	Company	Share	Price	Company	Share	Price	Company	Share	Price	Company	Share	
	\$/bbl	Gross	Net	\$/bbl	Gross	Net	\$/bbl	Gross	Net	\$/bbl	Gross	Net	\$/bbl	Gross	Net	\$/LT	Gross	Net	
2013	113.24	64	52	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2014	109.04	343	280	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2015	106.85	289	234	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2016	108.99	243	197	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2017	111.82	205	165	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018	114.80	173	139	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2019	118.25	132	106	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2020	120.62	105	85	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2021	123.03	87	70	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2022	125.50	73	59	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2023	128.02	62	50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2024	130.57	53	42	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2025	133.19	45	36	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2026	135.85	38	31	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2027	138.57	31	25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
SUB		1944	1573	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
REM		59	48	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
TOT		2003	1621	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

COMPANY SHARE FUTURE NET REVENUE

Year	Working Interest				Royalty Revenue	COMPANY SHARE FUTURE NET REVENUE										FR After				Future	
	Future Revenue (FR)					Royalties		Prod. Taxes		Oper Costs		Roy. & Oper. Costs	Net Back \$/BOE	Proc & Other Income	Cap'l Costs	Aband Costs	Net Revenue				
	Sales					State	Other	Pipe Losses	NDDC Levy	Fixed	Var						Undisc	10.0%			
	Oil	Gas	NGLs	Total																	
	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$			
2013	154	4	7	165	-	30	-	13	1	10	6	106	57.12	-	5	-	101	100			
2014	797	28	37	862	-	155	-	67	3	64	31	543	53.76	-	22	-	521	489			
2015	652	26	31	709	-	132	-	34	2	67	26	448	51.72	-	-	-	448	383			
2016	552	28	27	606	-	112	-	29	2	71	22	371	50.04	-	-	-	371	288			
2017	463	27	23	513	-	96	-	15	2	72	19	309	49.08	-	-	-	309	219			
2018	391	24	20	435	-	81	-	12	1	74	16	250	47.60	-	-	-	250	161			
2019	332	13	16	361	-	68	-	10	1	73	13	195	50.28	-	1	-	193	113			
2020	281	8	13	302	-	58	-	9	1	73	11	150	50.14	-	-	-	150	80			
2021	238	6	11	255	-	49	-	8	1	74	9	115	47.84	-	-	-	115	55			
2022	203	4	9	216	-	41	-	6	1	74	8	86	43.50	-	-	-	86	38			
2023	173	4	8	185	-	35	-	5	1	74	7	62	37.33	-	-	-	62	25			
2024	148	3	7	158	-	30	-	5	1	62	6	54	38.74	-	-	-	54	20			
2025	127	3	6	136	-	26	-	4	1	63	5	37	31.24	-	-	-	37	12			
2026	108	3	5	115	-	22	-	3	1	63	4	22	22.50	-	-	-	22	7			
2027	89	2	4	95	-	18	-	3	1	61	3	9	11.70	-	-	-	9	3			
SUB	4706	182	223	5111	-	954	-	223	19	975	185	2755	48.50	-	28	-	2728	1991			
REM	210	4	9	222	-	43	-	7	2	213	8	-61	-	-	-	47	-97	-19			
TOT	4915	186	232	5333	-	997	-	229	21	1188	193	2705	46.20	-	28	47	2631	1972			

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper	2705	2306	2117	2007	1778	1598	1454
Proc & Other Income	-	-	-	-	-	-	-
Capital Costs	28	27	27	26	26	25	25
Abandonment Costs	47	19	12	9	4	2	1
Future Net Revenue	2631	2260	2078	1972	1748	1571	1429

PROFITABILITY BT

Rate of Return (%)	-
Profit Index (undisc)	94.939
(disc @ 10.0%)	74.800
Total Payout (years)	0.05
Cost of Finding (\$/BOE)	0.48
NPV @ 10% (\$/BOE)	33.96



Table 1H
Income Tax Summary - Total Company
Proved Developed Producing
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:46
Project : 021576

Year	Gross Reserves			Revenue				Burdens & Expenses					Taxable Income Before Ded. MM\$	Capital Deductions				
	Oil Mbb1	Gas MMcf	NGLs Mbb1	WI MM\$	Roy. MM\$	Other MM\$	Total MM\$	Burdens MM\$	NDDC Levy MM\$	Pipe Losses MM\$	Op.Costs, Aband& Salv.			G&G MM\$	I.A. MM\$	Annu. MM\$	Other MM\$	Cap. Ded. Avail MM\$
											Total	Total						
2013	1359	2479	64	165	-	-	165	30	1	13	16	59	106	-	0	91	-	91
2014	7317	14132	343	862	-	-	862	155	3	67	94	319	543	-	1	90	-	91
2015	6112	13076	289	709	-	-	709	132	2	34	94	261	448	-	-	23	-	23
2016	5068	12155	243	606	-	-	606	112	2	29	93	236	371	-	-	20	-	20
2017	4144	11326	205	513	-	-	513	96	2	15	91	203	309	-	-	8	-	8
2018	3414	9688	173	435	-	-	435	81	1	12	89	185	250	-	-	2	-	2
2019	2812	5361	132	361	-	-	361	68	1	10	86	167	195	-	-	-	-	-
2020	2329	3254	105	302	-	-	302	58	1	9	84	151	150	-	-	-	-	-
2021	1939	2143	87	255	-	-	255	49	1	8	83	140	115	-	-	-	-	-
2022	1618	1662	73	216	-	-	216	41	1	6	82	130	86	-	-	-	-	-
2023	1353	1417	62	185	-	-	185	35	1	5	81	123	62	-	-	-	-	-
2024	1131	1192	53	158	-	-	158	30	1	5	68	104	54	-	-	-	-	-
2025	952	1023	45	136	-	-	136	26	1	4	68	99	37	-	-	-	-	-
2026	792	864	38	115	-	-	115	22	1	3	67	93	22	-	-	-	-	-
2027	641	692	31	95	-	-	95	18	1	3	64	86	9	-	-	-	-	-
SUB	40983	80463	1944	5111	-	-	5111	954	19	223	1160	2355	2755	-	1	233	-	234
REM	1449	1296	59	222	-	-	222	43	2	7	268	319	-97	-	-	-	-	-
TOT	42433	81759	2003	5333	-	-	5333	997	21	229	1428	2675	2659	-	1	233	-	234

Year	G&G				Investment Allowance				Annual Allowance				Other Allowance			
	Initial Balance MM\$	Add- ition MM\$	Depn. Rate %	Expense Claim MM\$	Initial Balance MM\$	Add- ition MM\$	Depn. Rate %	Expense Claim MM\$	Initial Balance MM\$	Add- ition MM\$	Depn. Rate %	Expense Claim MM\$	Initial Balance MM\$	Add- ition MM\$	Depn. Rate %	Expense Claim MM\$
2013	-	-	-	-	-	0	100.0	0	303	5	29.6	91	-	-	-	-
2014	-	-	-	-	-	1	100.0	1	217	12	39.3	90	-	-	-	-
2015	-	-	-	-	-	-	-	-	139	-	16.3	23	-	-	-	-
2016	-	-	-	-	-	-	-	-	116	-	16.9	20	-	-	-	-
2017	-	-	-	-	-	-	-	-	97	-	8.0	8	-	-	-	-
2018	-	-	-	-	-	-	-	-	89	-	2.6	2	-	-	-	-
2019	-	-	-	-	-	-	-	-	87	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	87	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	87	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	87	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	87	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	87	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	87	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	87	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	87	-	-	-	-	-	-	-
SUB	-	-	-	-	-	1	-	1	-	17	-	233	-	-	-	-
REM	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOT	-	-	-	-	-	1	-	1	-	17	-	233	-	-	-	-

Year	Education Tax						Petroleum Production Tax						Regime	Cash Flow					
	Cap. Tax Ded. Avail. MM\$	Tax Loss Carry Fwd MM\$	Ded. Taxable Used MM\$	Taxable Income MM\$	Tax Rate %	Tax Pay -able MM\$	Cap. Tax Ded. Avail. MM\$	Tax Loss Carry Fwd MM\$	Ded. Taxable Used MM\$	Taxable Income MM\$	Tax Rate %	Tax Pay- able MM\$		Other Taxes MM\$	Total Tax Payable MM\$	BTCTF MM\$	ATCF MM\$	Cum. ATCF @ 10 % MM\$	NPV @ 10 % MM\$
2013	-	-	-	106	2.0	2	91	81	14	90	65.8	59	1	8	101	62	39	39	43
2014	-	-	-	533	2.0	11	91	42	76	446	65.8	293	8	8	521	312	209	247	196
2015	-	-	-	448	2.0	9	23	-	48	391	85.0	332	8	8	448	349	99	347	85
2016	-	-	-	371	2.0	7	20	-	48	315	85.0	268	9	9	371	284	87	433	68
2017	-	-	-	309	2.0	6	8	-	35	269	85.0	228	8	8	309	243	67	500	48
2018	-	-	-	250	2.0	5	2	-	26	219	85.0	186	7	7	250	199	52	552	34
2019	-	-	-	195	2.0	4	-	-	13	177	85.0	151	4	4	193	159	35	586	20
2020	-	-	-	150	2.0	3	-	-	8	139	85.0	118	3	3	150	124	27	613	14
2021	-	-	-	115	2.0	2	-	-	6	107	85.0	91	2	2	115	95	20	633	10
2022	-	-	-	86	2.0	2	-	-	4	80	85.0	68	1	1	86	71	15	648	7
2023	-	-	-	62	2.0	1	-	-	4	57	85.0	48	1	1	62	51	11	659	5
2024	-	-	-	54	2.0	1	-	-	3	49	85.0	42	1	1	54	44	10	669	4
2025	-	-	-	37	2.0	1	-	-	3	33	85.0	28	1	1	37	30	7	676	2
2026	-	-	-	22	2.0	0	-	-	3	19	85.0	16	1	1	22	17	5	681	1
2027	-	-	-	9	2.0	0	-	-	2	7	85.0	6	1	1	9	7	3	683	1
SUB	-	-	-	2746	2.0	55	234	-	293	2398	80.7	1935	55	55	2728	2045	683	-	537
REM	-	-	-	-51	2.0	-1	-	-	-49	-	-	-	1	1	-97	0	-97	-	-19
TOT	-	-	-	2695	2.0	54	234	-	243	2398	80.7	1935	56	56	2631	2045	586	-	518

NET PRESENT VALUE (MM\$) - AT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%
Before Tax Cash Flow.	2631	2260	2078	1972	1748	1571
Tax Payable	2045	1702	1544	1454	1267	1122
After Tax Cash Flow .	586	557	534	518	481	449



These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.

Table 2A
Summary of Reserves and Net Present Value - Total Company
Total Proved Developed
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:39
Project : 021576

Well	Zone	Current Reserve Cat.	Avg. WI %	Light&Med Oil		Heavy Oil		Sales Gas		NGLs		Total BOE		NPV	
				Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	@ 0%	@ 10%
				Mbb1	Mbb1	Mbb1	Mbb1	MMcf	MMcf	Mbb1	Mbb1	Mbb1	Mbb1	MM\$	MM\$
Nigeria															
OML-04 + 38 + 41															
AMUKPE															
1)Amukpe Oil															
AMUK001L:E1400X	E1400	PP	45.0	325	263	-	-	395	367	22	18	415	344	16	11
AMUK001S:D5100X	D5100	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
AMUK002T:G5400X	G5400	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 1)Amukpe Oil				325	263	-	-	395	367	22	18	415	344	16	11
2) Amukpe Other Costs															
Amukpe Abandonment		PP	-	-	-	-	-	-	-	-	-	-	-	-2	0
Amukpe G&A Expense		PP	-	-	-	-	-	-	-	-	-	-	-	-111	-69
Amukpe Licence Fee		PP	-	-	-	-	-	-	-	-	-	-	-	0	0
Amukpe Water Disposal		PP	-	-	-	-	-	-	-	-	-	-	-	-10	-10
Total 2) Amukpe Other Costs				-	-	-	-	-	-	-	-	-	-	-123	-79
Total AMUKPE				325	263	-	-	395	367	22	18	415	344	-107	-69
INFRASTRUCTURE															
Pipeline															
Pipeline Cost		NP	-	-	-	-	-	-	-	-	-	-	-	-5	-5
Total Pipeline				-	-	-	-	-	-	-	-	-	-	-5	-5
Total INFRASTRUCTURE				-	-	-	-	-	-	-	-	-	-	-5	-5
O BEN															
C															
O BEN020S:C8000M	C8000	NP	45.0	727	586	-	-	138	129	4	4	756	612	59	17
Total C				727	586	-	-	138	129	4	4	756	612	59	17
D															
O BEN003L:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN003S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN004S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN005L:D9000M	D9000	NP	45.0	544	440	-	-	1293	1202	41	33	808	680	48	30
O BEN005S:D4000M	D4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN006S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN007S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN008S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN009S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN010L:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN010S:D4000M	D4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN011L:D7000M	D7000	P+NP	45.0	558	452	-	-	371	345	12	9	634	521	43	29
O BEN011L:D7002M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN011S:D7000M	D7000	P+NP	45.0	317	256	-	-	248	231	8	6	367	302	24	17
O BEN011S:D7001M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN020L:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN020S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN020T:D7000M	D7000	P+NP	45.0	808	654	-	-	1151	1071	36	29	1043	868	57	40
O BEN023S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN024L:D7000M	D7000	P+NP	45.0	764	618	-	-	581	540	18	15	883	726	50	34
O BEN024S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN025L:D4000M	D4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN025L:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN025S:D4000M	D4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN029S:D4000M	D4000	P+NP	45.0	213	173	-	-	405	376	13	10	296	248	16	13
O BEN032S:D4000M	D4000	P+NP	45.0	85	69	-	-	243	226	8	6	135	114	3	2
Total D				3290	2661	-	-	4292	3991	136	110	4165	3458	240	164

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 2A
Summary of Reserves and Net Present Value - Total Company
Total Proved Developed
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:39
Project : 021576

Well	Zone	Current Reserve Cat.	Avg. WI %	Light&Med Oil		Heavy Oil		Sales Gas		NGLs		Total BOE		NPV	
				Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	@ 0%	@ 10%
				Mbbbl	Mbbbl	Mbbbl	Mbbbl	MMcf	MMcf	Mbbbl	Mbbbl	Mbbbl	Mbbbl	MM\$	MM\$
E															
OBEN004L:E3000M	E3000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN005L:E1500M	E1500	P+NP	45.0	358	290	-	-	1242	1155	39	32	611	521	32	23
OBEN005L:E3000M	E3000	NP	45.0	603	487	-	-	1572	1462	50	40	923	779	54	34
OBEN006L:E3000M	E3000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN007L:E3000M	E3000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN008L:E3000M	E3000	P+NP	45.0	412	333	-	-	225	209	7	6	457	375	23	17
OBEN009L:E3000M	E3000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN011L:E3000M	E3000	NP	45.0	548	443	-	-	364	339	12	9	622	511	43	28
OBEN022T:E4000M	E4000	P+NP	45.0	345	279	-	-	771	717	24	20	502	423	21	15
OBEN023L:E3000M	E3000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN029L:E4000M	E4000	P+NP	45.0	276	223	-	-	1309	1217	41	33	543	466	23	16
OBEN032L:E3000M	E3000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Total E				2541	2055	-	-	5483	5099	173	140	3659	3074	195	133
F															
OBEN003L:F1500M	F1500	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN012S:F7800	F7800	P+NP	45.0	528	427	-	-	208	194	7	5	571	466	30	20
OBEN014S:F7800	F7800	P+NP	45.0	376	304	-	-	411	382	13	10	460	380	20	14
OBEN015S:F7800C	F7800	P+NP	45.0	1037	838	-	-	591	550	19	15	1157	948	87	52
OBEN017S:F7800	F7800	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN018S:F7800	F7800	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN019S:F7800	F7800	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN020L:F1500M	F1500	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN024L:F1500M	F1500	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN031S:F7800	F7800	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN031S:F7800M	F7800	NP	45.0	543	439	-	-	774	720	24	20	701	583	47	27
Total F				2484	2008	-	-	1984	1845	63	51	2889	2377	183	114
G															
OBEN005L:G8800N	G8800	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN012L:G5000A	G5000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN012S:G4000B	G4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN014L:G1000I	G1000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN014L:G4000B	G4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN015L:G4000B	G4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN015L:G4500A	G4500	NP	45.0	329	266	-	-	375	348	12	10	405	336	26	18
OBEN017L:G3500A	G3500	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN017L:G4000B	G4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN018L:G4000B	G4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN019L:G4500A	G4500	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN019L:G5000A	G5000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN019S:G4000B	G4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN019S:G4000M	G4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN030L:G4300A	G4300	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN030S:G1000G	G1000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN031L:G4500A	G4500	P+NP	45.0	680	550	-	-	290	270	9	7	739	604	46	36
OBEN031L:G4500M	G4500	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN031L:G5000A	G5000	NP	45.0	1021	826	-	-	291	271	9	7	1081	880	85	53
OBEN031S:G4000B	G4000	P+NP	45.0	113	91	-	-	309	287	10	8	176	149	9	7
OBEN036T:G3000	G3000	P+NP	45.0	1382	1118	-	-	276	256	9	7	1439	1169	100	67
Total G				3525	2851	-	-	1541	1433	49	39	3839	3138	265	180
H															
OBEN016L:H5000A	H5000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN016S:H2000A	H2000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Total H				-	-	-	-	-	-	-	-	-	-	-	-
OBEN - Gas															
OBEN - NonAssociated		P+NP	45.0	-	-	-	-	75714	70414	312	253	13366	12393	137	107
Total OBEN - Gas				-	-	-	-	75714	70414	312	253	13366	12393	137	107
Oben Other Costs															
Oben Abandonment		P+NP	-	-	-	-	-	-	-	-	-	-	-	-19	-3
Oben G&A Expense		PP	-	-	-	-	-	-	-	-	-	-	-	-174	-78
Oben Licence Fee		PP	-	-	-	-	-	-	-	-	-	-	-	-1	0
Total Oben Other Costs				-	-	-	-	-	-	-	-	-	-	-194	-82
Total OBEN				12567	10161	-	-	89151	82910	737	596	28675	25052	886	633

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 2A
Summary of Reserves and Net Present Value - Total Company
Total Proved Developed
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:39
Project : 021576

Well	Zone	Current Reserve Cat.	Avg. WI %	Light&Med Oil		Heavy Oil		Sales Gas		NGLs		Total BOE		NPV	
				Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	@ 0%	@ 10%
				Mbb1	Mbb1	Mbb1	Mbb1	MMcf	MMcf	Mbb1	Mbb1	Mbb1	Mbb1	MM\$	MM\$
OKOPORO AND UBALEME															
Okoporo and Ubaleme Licence Fee															
Okoporo and Ubaleme 1		PP	-	-	-	-	-	-	-	-	-	-	-	0	0
Total Okoporo and Ubaleme Licence Fee				-	-	-	-	-	-	-	-	-	-	0	0
Total OKOPORO AND UBALEME				-	-	-	-	-	-	-	-	-	-	0	0
OKPORHURU															
1) Okporhuru Oil															
OKRU001L:V2000	V2000	P+NP	45.0	981	794	-	-	1061	987	46	37	1211	1001	82	52
OKRU001S:U5000	U5000	PP	45.0	1499	1212	-	-	264	246	11	9	1556	1264	119	79
OKRU004L:V1000	V1000	P+NP	45.0	775	627	-	-	1021	949	44	36	995	827	63	47
OKRU004S:U5000	U5000	PP	45.0	1727	1399	-	-	485	451	21	17	1832	1494	136	104
OKRU005L:U8000	U8000	PP	45.0	676	547	-	-	337	313	15	12	749	613	49	34
OKRU005S:U7000	U7000	PP	45.0	1092	884	-	-	249	232	11	9	1146	932	82	58
OKRU006L:V4000	V4000	P+NP	45.0	406	329	-	-	207	193	9	7	450	369	29	24
OKRU006S:U3000	U3000	P+NP	45.0	513	415	-	-	33	31	1	1	520	422	36	28
Total 1) Okporhuru Oil				7669	6207	-	-	3656	3400	159	129	8458	6922	595	425
3) Existing Wells															
Okporhuru-1		NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Okporhuru-2		NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Okporhuru-3		NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 3) Existing Wells				-	-	-	-	-	-	-	-	-	-	-	-
4) OKRU Other Costs															
Okporhuru Abandonment		P+NP	-	-	-	-	-	-	-	-	-	-	-	-5	-1
Okporhuru License Fee		NP	-	-	-	-	-	-	-	-	-	-	-	0	0
OKRU Field Development		NP	-	-	-	-	-	-	-	-	-	-	-	-6	-5
Total 4) OKRU Other Costs				-	-	-	-	-	-	-	-	-	-	-10	-6
Total OKPORHURU				7669	6207	-	-	3656	3400	159	129	8458	6922	585	419
OVHOR															
H															
OVH0001S:H1000N	H1000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OVH0001S:H6000N	H6000	P+NP	45.0	396	322	-	-	28	26	3	2	404	328	30	26
OVH0002S:H5000N	H5000	P+NP	45.0	2950	2386	-	-	956	890	104	84	3219	2624	256	166
OVH0003L:H3000N	H3000	P+NP	45.0	205	166	-	-	189	176	5	4	243	201	15	11
OVH0003S:H1100N	H1100	P+NP	45.0	292	237	-	-	93	87	3	2	311	255	21	18
OVH0006T:H5000N	H5000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OVH0009L:H4000N	H4000	P+NP	45.0	1029	834	-	-	133	123	4	3	1055	858	80	61
OVH0009S:H1200N	H1200	P+NP	45.0	161	130	-	-	178	165	7	5	198	164	12	9
OVH0010S:H1000N	H1000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OVH0011L:H5000N	H5000	NP	45.0	822	664	-	-	129	120	14	11	858	696	66	41
OVH0011S:H3000N	H3000	NP	45.0	112	91	-	-	38	35	1	1	120	98	7	5
OVH0013L:H5000N	H5000	P+NP	45.0	1706	1380	-	-	235	219	26	21	1772	1438	142	92
OVH0013S:H1200N	H1200	P+NP	45.0	1279	1035	-	-	471	438	18	14	1378	1125	103	74
OVH0014S:H6000N	H6000	P+NP	45.0	205	167	-	-	169	157	18	15	253	209	16	15
Total H				9158	7412	-	-	2619	2436	202	164	9812	7996	747	519
I															
OVH0001L:I3000N	I3000	P+NP	45.0	1105	895	-	-	66	62	10	8	1127	915	88	67
OVH0002L:I3000N	I3000	P+NP	45.0	454	369	-	-	227	211	36	29	529	435	37	33
OVH0002S:I3000N	I3000	NP	45.0	458	372	-	-	189	176	30	24	520	427	37	32
OVH0005S:I1000N	I1000	P+NP	45.0	607	491	-	-	99	92	10	8	634	515	47	34
OVH0006T:I2000N	I2000	NP	45.0	367	297	-	-	84	79	13	11	395	321	23	17
OVH0007T:I1000N	I1000	P+NP	45.0	4572	3701	-	-	219	204	23	18	4632	3755	364	258
OVH0008T:I2000N	I2000	P+NP	45.0	1907	1544	-	-	48	44	8	6	1923	1558	142	105
OVH0009S:I1200N	I1200	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OVH0012T:I1000N	I1000	P+NP	45.0	2678	2167	-	-	423	394	44	35	2794	2270	210	147
OVH0014L:I2000N	I2000	NP	45.0	1335	1081	-	-	642	597	101	82	1547	1266	115	82
Total I				13483	10918	-	-	1998	1858	275	223	14102	11461	1062	774
J															
OVH0001L:J1000N	J1000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OVH0005L:J1000N	J1000	P+NP	45.0	414	335	-	-	172	160	6	5	449	367	31	24
OVH0010L:J2000N	J2000	P+NP	45.0	312	253	-	-	206	192	7	5	354	291	23	19
Total J				725	588	-	-	379	352	12	10	803	659	54	43



These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.

Table 2A
Summary of Reserves and Net Present Value - Total Company
Total Proved Developed
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:39
Project : 021576

Well	Zone	Current Reserve Cat.	Avg. WI %	Light&Med Oil		Heavy Oil		Sales Gas		NGLs		Total BOE		NPV	
				Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	@ 0%	@ 10%
				Mbbl	Mbbl	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	MM\$	MM\$
Ovhor Other Costs															
Ovhor Abandonment		P+NP	-	-	-	-	-	-	-	-	-	-	-	-8	-2
Ovhor License Fee		PP	-	-	-	-	-	-	-	-	-	-	-	0	0
Total Ovhor Other Costs														-9	-2
Total OVHOR				23366	18918	-	-	4995	4646	489	396	24717	20115	1855	1334
SAPELE															
1) Sapele Shallow Oil															
SAPL011T:C5000X	C5000	P+NP	45.0	-	-	345	279	1242	1155	54	44	613	522	23	16
SAPL021L:B7400X	B7400	P+NP	45.0	-	-	27	22	469	436	20	17	128	114	4	3
SAPL021S:B3500X	B3500	P+NP	45.0	-	-	174	141	686	638	30	24	322	275	14	10
SAPL023T:B3500X	B3500	P+NP	45.0	-	-	85	69	605	563	26	21	216	187	5	5
SAPL024T:C3000X	C3000	P+NP	45.0	-	-	772	624	927	862	40	33	972	806	56	41
Total 1) Sapele Shallow Oil				-	-	1403	1135	3928	3653	171	138	2251	1903	101	74
2) Sapele Deep Oil															
SAPL001V:G3000X	G3000	NP	45.0	767	620	-	-	2391	2223	104	84	1283	1088	73	47
SAPL002L:G3000X	G3000	P+NP	45.0	678	548	-	-	1525	1419	66	54	1007	847	58	38
SAPL002S:G2000X	G2000	P+NP	45.0	879	711	-	-	400	372	17	14	965	789	69	43
SAPL006L:G5600X	G5600	P+NP	45.0	639	517	-	-	1440	1339	63	51	950	799	55	38
SAPL006S:G2000X	G2000	P+NP	45.0	546	442	-	-	1257	1169	55	44	818	688	46	33
SAPL009L:G3000X	G3000	NP	45.0	100	81	-	-	254	236	11	9	155	131	7	5
SAPL009S:G2000X	G2000	P+NP	45.0	450	364	-	-	819	762	36	29	626	524	36	25
SAPL010L:G4000X	G4000	P+NP	45.0	471	381	-	-	5067	4712	220	178	1565	1372	54	35
SAPL012L:G3000X	G3000	P+NP	45.0	575	465	-	-	693	644	30	24	724	600	45	30
SAPL012S:G2000X	G2000	P+NP	45.0	400	323	-	-	1924	1790	84	68	815	700	38	26
SAPL013L:G3000X	G3000	P+NP	45.0	578	468	-	-	1590	1479	69	56	921	779	44	33
Total 2) Sapele Deep Oil				6083	4921	-	-	17360	16145	755	610	9831	8315	524	352
3) Sapele Gas															
SAPL017: G400XX	G4000	NP	45.0	-	-	-	-	39508	36742	1718	1386	8529	7721	249	106
SAPL017T:G6000X	G6000	P+NP	45.0	-	-	-	-	6326	5883	275	223	1366	1237	30	22
SAPL018: H3500XX	H3500	NP	45.0	-	-	-	-	1037	965	45	36	224	203	-2	-2
SAPL018T:H5000X	H5000	NP	45.0	-	-	-	-	1819	1692	79	64	393	356	7	6
SAPL019: H1500XX	H1500	NP	45.0	-	-	-	-	4087	3801	178	144	882	799	16	9
SAPL019: H6000XX	H6000	NP	45.0	-	-	-	-	2341	2177	102	82	505	457	7	3
SAPL019: H7000XX	H7000	NP	45.0	-	-	-	-	2394	2226	104	84	517	468	7	4
SAPL019T:H8000X	H8000	NP	45.0	-	-	-	-	5891	5478	256	207	1272	1152	26	17
SAPL020: H2000XX	H2000	NP	45.0	-	-	-	-	6196	5763	269	218	1338	1211	25	15
SAPL020T:H1000X	H1000	NP	45.0	-	-	-	-	8564	7964	372	301	1849	1674	39	22
Total 3) Sapele Gas				-	-	-	-	78163	72692	3398	2744	16875	15277	404	201
4) Sapele NRA															
SAPL001L:G5400X	G5400	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
SAPL004S:G2000X	G2000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
SAPL005L:G3000X	G3000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
SAPL005S:G2000X	G2000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
SAPL010S:G2000X	G2000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
SAPL013S:G2000X	G2000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
SAPL015T:B4100X	B4100	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 4) Sapele NRA				-	-	-	-	-	-	-	-	-	-	-	-
5) Sapele Other Costs															
Sapele Abandonment		P+NP	-	-	-	-	-	-	-	-	-	-	-	-15	-3
Sapele Compressors		P+NP	-	-	-	-	-	-	-	-	-	-	-	-14	-13
Sapele G&A Expense		P+NP	-	-	-	-	-	-	-	-	-	-	-	-422	-189
Sapele Integrity Upgr		P+NP	-	-	-	-	-	-	-	-	-	-	-	-4	-4
Sapele License Fee		P+NP	-	-	-	-	-	-	-	-	-	-	-	0	0
Total 5) Sapele Other Costs				-	-	-	-	-	-	-	-	-	-	-455	-209
Total SAPELE				6083	4921	1403	1135	99452	92491	4324	3493	28957	25496	574	419
Total OML-04 + 38 + 41				50010	40469	1403	1135	197650	183814	5731	4632	91222	77929	3789	2732
Total Nigeria				50010	40469	1403	1135	197650	183814	5731	4632	91222	77929	3789	2732
Total Company				50010	40469	1403	1135	197650	183814	5731	4632	91222	77929	3789	2732

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 2B
Summary of Production and Future Net Revenue - Total Company Light Oil
Total Proved Developed
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:40
Project : 021576

RESERVES AND PRODUCTION FORECAST

Light Oil						
Mbbbl						
Year	# of Wells	Price \$/bbl	Pool		Company Share	
			bbl/d	Vol	Gross	Net
2013	53	113.09	49191	3001	1350	1102
2014	64	108.91	55996	20439	9197	7505
2015	64	106.72	46756	17066	7680	6221
2016	64	108.86	37598	13761	6192	5016
2017	64	111.69	30166	11011	4955	3994
2018	64	114.67	24354	8889	4000	3224
2019	63	118.13	19666	7178	3230	2603
2020	59	120.51	16019	5863	2638	2126
2021	57	122.93	12957	4729	2128	1715
2022	52	125.40	10645	3885	1748	1409
2023	50	127.92	9206	3360	1512	1219
2024	48	130.50	7944	2908	1308	1055
2025	46	133.11	6553	2392	1076	868
2026	45	135.77	5221	1906	857	691
2027	36	138.48	4119	1503	676	545
SUB				107891	48551	39293
REM				3244	1460	1176
TOT				111134	50010	40469

COMPANY SHARE FUTURE NET REVENUE

	Working Interest		Royalty Revenue	Royalties			Operating Costs			FR After Roy. & Oper. Costs	Net Back	Proc & Other Income	Capital Costs	Aband Costs	Future Net Revenue	
	Future Revenue (FR)	Total		Total	%	Fixed	Var	\$/bbl	Undisc						10.0%	
Year	Oil MM\$	Total MM\$	MM\$	MM\$	%	MM\$	MM\$	\$/bbl	MM\$	\$/bbl	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$
2013	153	153	-	41	27.0	9	5	10.98	97	71.52	-	10	-	87	86	
2014	1002	1002	-	270	27.0	62	37	10.78	632	68.76	-	27	-	606	568	
2015	820	820	-	200	24.4	66	32	12.79	521	67.88	-	-	-	521	446	
2016	674	674	-	165	24.4	70	26	15.59	413	66.67	-	-	-	413	321	
2017	553	553	-	126	22.8	72	21	18.78	334	67.45	-	-	-	334	236	
2018	459	459	-	105	22.8	73	18	22.62	264	65.87	-	-	-	264	169	
2019	382	382	-	87	22.9	73	15	27.00	207	64.10	-	2	1	205	120	
2020	318	318	-	73	22.9	73	12	32.39	160	60.50	-	-	-	160	85	
2021	262	262	-	60	23.0	73	10	38.93	119	55.77	-	-	-	119	57	
2022	219	219	-	51	23.0	74	8	47.00	87	49.51	-	-	-	87	38	
2023	193	193	-	45	23.2	75	7	54.41	66	43.87	-	5	-	61	24	
2024	171	171	-	40	23.1	63	7	52.88	62	47.44	-	-	-	62	23	
2025	143	143	-	33	23.2	63	6	63.33	42	38.88	-	-	-	42	14	
2026	116	116	-	27	23.3	61	4	75.89	24	28.28	-	-	1	24	7	
2027	94	94	-	22	23.3	58	4	91.16	10	15.01	-	-	1	10	3	
SUB	5558	5558	-	1344	24.2	964	213	24.23	3037	62.56	-	43	2	2992	2197	
REM	211	211	-	50	23.5	207	8	147.34	-54	-36.75	-	-	52	-106	-20	
TOT	5769	5769	-	1394	24.2	1171	221	27.82	2984	59.66	-	43	54	2887	2177	

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	2984	2551	2345	2225	1975	1779	1621
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	43	41	39	39	37	36	35
Abandonment Costs . .	54	23	14	10	5	2	1
Future Net Revenue . .	2887	2487	2292	2177	1933	1740	1585

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 2C
Summary of Production and Future Net Revenue - Total Company Heavy Oil
Total Proved Developed
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:42
Project : 021576

RESERVES AND PRODUCTION FORECAST

Heavy Oil						
Mbb1						
Year	# of Wells	Price \$/bbl	Pool		Company Share	
			bbl/d	Vol	Gross	Net
2013	5	113.30	1597	97	44	36
2014	5	109.10	1595	582	262	214
2015	5	106.91	1322	482	217	176
2016	5	109.06	1063	389	175	142
2017	4	111.88	875	320	144	116
2018	4	114.86	727	265	119	96
2019	3	118.32	567	207	93	75
2020	3	120.69	478	175	79	63
2021	3	123.10	402	147	66	53
2022	3	125.56	338	123	56	45
2023	2	128.07	241	88	40	32
2024	2	130.62	204	75	34	27
2025	2	133.24	173	63	28	23
2026	2	135.90	147	54	24	19
2027	2	138.62	115	42	19	15
SUB				3109	1399	1132
REM				8	4	3
TOT				3117	1403	1135

COMPANY SHARE FUTURE NET REVENUE

COMPANY SHARE FUTURE NET REVENUE															
	Working Interest Future Revenue (FR)		Royalty Revenue	Royalties		Operating Costs			FR After Roy. & Oper. Costs		Proc & Other Income	Capital Costs	Aband Costs	Future Net Revenue	
Year	Oil MM\$	Total MM\$	MM\$	Total MM\$	%	Fixed MM\$	Var MM\$	\$/bbl	MM\$	Net Back \$/bbl	MM\$	MM\$	MM\$	MM\$	MM\$
2013	5	5	-	1	28.0	1	0	17.00	3	64.56	-	-	-	3	3
2014	29	29	-	8	28.0	3	1	17.24	16	61.28	-	-	-	16	15
2015	23	23	-	6	25.3	3	1	20.29	13	59.60	-	-	-	13	11
2016	19	19	-	5	25.2	3	1	22.63	10	58.91	-	-	-	10	8
2017	16	16	-	4	23.4	3	1	26.33	9	59.32	-	-	-	9	6
2018	14	14	-	3	23.5	3	1	30.76	7	57.06	-	-	-	7	4
2019	11	11	-	3	23.5	2	0	29.67	6	60.90	-	-	-	6	3
2020	10	10	-	2	23.6	2	0	34.97	5	57.26	-	-	-	5	2
2021	8	8	-	2	23.7	2	0	41.52	4	52.38	-	-	-	4	2
2022	7	7	-	2	23.9	3	0	49.48	3	46.08	-	-	-	3	1
2023	5	5	-	1	24.0	2	0	55.92	2	41.43	-	-	-	2	1
2024	4	4	-	1	24.2	2	0	66.34	1	32.66	-	-	-	1	0
2025	4	4	-	1	24.5	2	0	79.14	1	21.49	-	-	-	1	0
2026	3	3	-	1	24.8	2	0	94.18	0	8.05	-	-	-	0	0
2027	3	3	-	1	25.1	2	0	111.66	0	-	-	-	-	0	0
SUB	160	160	-	40	25.0	37	7	30.84	77	55.08	-	-	-	77	57
REM	1	1	-	0	25.6	1	0	129.49	0	-24.32	-	-	-	0	0
TOT	161	161	-	40	25.1	37	7	31.11	77	54.87	-	-	-	77	57

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	77	66	60	57	51	46	42
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	-	-	-	-	-	-	-
Abandonment Costs . .	-	-	-	-	-	-	-
Future Net Revenue . .	77	66	60	57	51	46	42

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 2D
Summary of Production and Future Net Revenue - Total Company Non-Associated Sales Gas
Total Proved Developed
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:42
Project : 021576

RESERVES AND PRODUCTION FORECAST

Non-Associated Sales Gas						
MMcf						
Year	# of Wells	Price	Pool		Company Share	
		\$/Mcf	Mcf/d	Vol	Gross	Net
2013	5	1.50	93323	5693	2562	2382
2014	13	1.95	129878	47406	21333	19839
2015	15	1.96	135751	49549	22297	20736
2016	15	2.32	158925	58166	26175	24343
2017	15	2.37	102130	37277	16775	15601
2018	15	2.43	84388	30802	13861	12890
2019	13	2.48	54649	19947	8976	8348
2020	12	2.53	39222	14355	6460	6008
2021	11	2.59	31444	11477	5165	4803
2022	10	2.64	23969	8749	3937	3661
2023	8	2.70	22018	8036	3616	3363
2024	8	2.76	20705	7578	3410	3171
2025	8	2.82	19612	7158	3221	2996
2026	8	2.87	18700	6826	3072	2857
2027	8	2.93	17542	6403	2881	2680
SUB				319422	143740	133678
REM				22527	10137	9428
TOT				341949	153877	143106

COMPANY SHARE FUTURE NET REVENUE

	Working Interest		Royalty Revenue	Royalties		Operating Costs			FR After Roy. & Oper. Costs	Net Back	Proc & Other Income	Capital Costs	Aband Costs	Future Net Revenue	
	Future Revenue (FR)														
Year	Gas MM\$	Total MM\$	MM\$	Total MM\$	%	Fixed MM\$	Var MM\$	\$/Mcf	MM\$	\$/Mcf	MM\$	MM\$	MM\$	MM\$	MM\$
2013	4	4	-	1	15.3	1	0	0.32	2	0.95	-	3	-	0	0
2014	42	42	-	7	16.0	6	2	0.39	27	1.25	-	29	-	-3	-2
2015	44	44	-	6	13.3	8	2	0.45	28	1.25	-	7	-	21	18
2016	61	61	-	7	11.2	8	3	0.41	43	1.65	-	-	-	43	34
2017	40	40	-	4	10.5	8	2	0.59	26	1.53	-	-	-	26	18
2018	34	34	-	4	10.7	7	2	0.60	22	1.57	-	-	-	22	14
2019	22	22	-	3	11.8	6	1	0.81	12	1.38	-	-	-	12	7
2020	16	16	-	2	12.8	5	1	0.94	8	1.27	-	-	-	8	4
2021	13	13	-	2	13.4	5	1	1.07	6	1.17	-	-	-	6	3
2022	10	10	-	2	14.2	3	1	0.92	5	1.34	-	-	1	4	2
2023	10	10	-	1	14.3	3	1	0.97	5	1.35	-	-	-	5	2
2024	9	9	-	1	14.3	3	1	1.04	5	1.33	-	-	-	5	2
2025	9	9	-	1	14.3	3	0	1.11	4	1.30	-	-	-	4	1
2026	9	9	-	1	14.4	3	0	1.18	4	1.27	-	-	-	4	1
2027	8	8	-	1	14.3	3	0	1.10	4	1.41	-	-	-	4	1
SUB	331	331	-	42	12.7	72	17	0.61	201	1.40	-	39	1	161	104
REM	31	31	-	4	14.1	8	2	0.92	18	1.73	-	-	-	18	4
TOT	362	362	-	47	12.8	79	18	0.63	218	1.42	-	39	1	178	108

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	218	174	155	145	125	109	98
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	39	38	37	36	35	34	33
Abandonment Costs . .	1	1	1	1	0	0	0
Future Net Revenue . .	178	136	118	108	89	75	65

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 2E
Summary of Production and Future Net Revenue - Total Company Solution Gas
Total Proved Developed
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:42
Project : 021576

RESERVES AND PRODUCTION FORECAST

Year	# of Wells	Solution Gas				
		MMcf				
		Price	Pool		Company Share	
		\$/Mcf	Mcf/d	Vol	Gross	Net
2013	-	1.51	-	2437	1097	1020
2014	-	1.96	-	16694	7512	6987
2015	-	1.97	-	14330	6449	5997
2016	-	2.33	-	11658	5246	4879
2017	-	2.38	-	9588	4314	4012
2018	-	2.44	-	7989	3595	3343
2019	-	2.49	-	6533	2940	2734
2020	-	2.54	-	5500	2475	2302
2021	-	2.60	-	4523	2035	1893
2022	-	2.65	-	3822	1720	1600
2023	-	2.71	-	3206	1443	1342
2024	-	2.78	-	2732	1229	1143
2025	-	2.84	-	2290	1031	959
2026	-	2.89	-	1821	820	762
2027	-	2.95	-	1427	642	597
SUB				94551	42548	39570
REM				2721	1224	1139
TOT				97272	43772	40708

COMPANY SHARE FUTURE NET REVENUE

Year	Working Interest Future Revenue (FR)		Royalty Revenue	Royalties		Operating Costs			FR After Roy. & Oper. Costs	Net Back	Proc & Other Income	Capital Costs	Aband Costs	Future Net Revenue	
	Gas MM\$	Total MM\$	MM\$	Total MM\$	%	Fixed MM\$	Var MM\$	\$/Mcf	MM\$	\$/Mcf	MM\$	MM\$	MM\$	Undisc MM\$	10.0% MM\$
2013	2	2	-	0	7.0	-	-	-	2	1.40	-	-	-	2	2
2014	15	15	-	1	7.0	-	-	-	14	1.82	-	-	-	14	13
2015	13	13	-	1	7.0	-	-	-	12	1.83	-	-	-	12	10
2016	12	12	-	1	7.0	-	-	-	11	2.17	-	-	-	11	9
2017	10	10	-	1	7.0	-	-	-	10	2.22	-	-	-	10	7
2018	9	9	-	1	7.0	-	-	-	8	2.27	-	-	-	8	5
2019	7	7	-	1	7.0	-	-	-	7	2.32	-	-	-	7	4
2020	6	6	-	0	7.0	-	-	-	6	2.37	-	-	-	6	3
2021	5	5	-	0	7.0	-	-	-	5	2.42	-	-	-	5	2
2022	5	5	-	0	7.0	-	-	-	4	2.47	-	-	-	4	2
2023	4	4	-	0	7.0	-	-	-	4	2.52	-	-	-	4	2
2024	3	3	-	0	7.0	-	-	-	3	2.58	-	-	-	3	1
2025	3	3	-	0	7.0	-	-	-	3	2.64	-	-	-	3	1
2026	2	2	-	0	7.0	-	-	-	2	2.68	-	-	-	2	1
2027	2	2	-	0	7.0	-	-	-	2	2.74	-	-	-	2	1
SUB	98	98	-	7	7.0	-	-	-	92	2.15	-	-	-	92	61
REM	4	4	-	0	7.0	-	-	-	4	2.86	-	-	-	4	1
TOT	102	102	-	7	7.0	-	-	-	95	2.17	-	-	-	95	62

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	95	75	67	62	53	46	41
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	-	-	-	-	-	-	-
Abandonment Costs . .	-	-	-	-	-	-	-
Future Net Revenue . .	95	75	67	62	53	46	41

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 2F
Summary of Production and Future Net Revenue - Total Company Condensate
Total Proved Developed
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:43
Project : 021576

RESERVES AND PRODUCTION FORECAST

Year	# of Wells	Condensate Mbb1				
		Price \$/bbl	Pool		Company Share	
			bbl/d	Vol	Gross	Net
2013	-	113.25	-	168	76	62
2014	-	109.06	-	1487	669	546
2015	-	106.89	-	1601	720	583
2016	-	109.03	-	1441	648	525
2017	-	111.86	-	1168	526	424
2018	-	114.83	-	998	449	362
2019	-	118.30	-	831	374	301
2020	-	120.67	-	712	320	258
2021	-	123.08	-	615	277	223
2022	-	125.54	-	544	245	197
2023	-	128.06	-	491	221	178
2024	-	130.61	-	449	202	163
2025	-	133.23	-	412	185	149
2026	-	135.89	-	378	170	137
2027	-	138.61	-	342	154	124
SUB				11635	5236	4233
REM				1101	495	399
TOT				12736	5731	4632

COMPANY SHARE FUTURE NET REVENUE

	Working Interest		Royalty Revenue	COMPANY SHARE FUTURE NET REVENUE					FR After Roy. & Oper. Costs	Proc & Other Income	Capital Costs	Aband Costs	Future		
	Future Revenue (FR)			Royalties		Operating Costs							Net Revenue		
Year	Condensate	Total		Total		Fixed	Var			Net Back					
	MM\$	MM\$	MM\$	MM\$	%	MM\$	MM\$	\$/bbl	MM\$	\$/bbl	MM\$	MM\$	MM\$	MM\$	MM\$
2013	9	9	-	2	18.4	-	-	-	7	92.41	-	-	-	7	7
2014	73	73	-	13	18.4	-	-	-	60	89.00	-	-	-	60	56
2015	77	77	-	15	19.0	-	-	-	62	86.58	-	-	-	62	53
2016	71	71	-	13	19.0	-	-	-	57	88.32	-	-	-	57	45
2017	59	59	-	11	19.4	-	-	-	47	90.16	-	-	-	47	34
2018	52	52	-	10	19.4	-	-	-	42	92.56	-	-	-	42	27
2019	44	44	-	9	19.4	-	-	-	36	95.35	-	-	-	36	21
2020	39	39	-	8	19.4	-	-	-	31	97.26	-	-	-	31	17
2021	34	34	-	7	19.4	-	-	-	28	99.20	-	-	-	28	13
2022	31	31	-	6	19.4	-	-	-	25	101.19	-	-	-	25	11
2023	28	28	-	6	19.4	-	-	-	23	103.21	-	-	-	23	9
2024	26	26	-	5	19.4	-	-	-	21	105.27	-	-	-	21	8
2025	25	25	-	5	19.4	-	-	-	20	107.38	-	-	-	20	7
2026	23	23	-	5	19.4	-	-	-	19	109.53	-	-	-	19	6
2027	21	21	-	4	19.4	-	-	-	17	111.72	-	-	-	17	5
SUB	611	611	-	117	19.2	-	-	-	494	94.33	-	-	-	494	316
REM	72	72	-	14	19.4	-	-	-	58	117.12	-	-	-	58	13
TOT	683	683	-	131	19.2	-	-	-	552	96.30	-	-	-	552	328

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	552	413	358	328	272	233	204
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	-	-	-	-	-	-	-
Abandonment Costs . .	-	-	-	-	-	-	-
Future Net Revenue . .	552	413	358	328	272	233	204

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 2G
Summary of Production and Future Net Revenue - Total Company
Total Proved Developed
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Avg. WI : 45.00%
 Avg. Roy : 18.31%
 Avg. Prod. Taxes : 4.56%

Value Navigator 6.1.4.53
 Run Date : Jan 27, 14 16:45
 Project : 021576

RESERVES AND PRODUCTION FORECAST

Light&Med Oil							Heavy Oil						Sales Gas					
Mbbbl							Mbbbl						MMcf					
	# of	Price	Pool		Company Share		Price	Pool		Company Share		Price	Pool		Company Share			
Year	Wells	\$/bbl	bbl/d	Vol	Gross	Net	\$/bbl	bbl/d	Vol	Gross	Net	\$/Mcf	Mcf/d	Vol	Gross	Net		
2013	63	113.09	49191	3001	1350	1102	113.30	1597	97	44	36	1.50	133276	8130	3658	3402		
2014	82	108.91	55996	20439	9197	7505	109.10	1595	582	262	214	1.95	175616	64100	28845	26826		
2015	84	106.72	46756	17066	7680	6221	106.91	1322	482	217	176	1.96	175012	63880	28746	26734		
2016	84	108.86	37598	13761	6192	5016	109.06	1063	389	175	142	2.32	190776	69824	31421	29221		
2017	83	111.69	30166	11011	4955	3994	111.88	875	320	144	116	2.37	128397	46865	21089	19613		
2018	83	114.67	24354	8889	4000	3224	114.86	727	265	119	96	2.43	106275	38790	17456	16234		
2019	79	118.13	19666	7178	3230	2603	118.32	567	207	93	75	2.48	72548	26480	11916	11082		
2020	74	120.51	16019	5863	2638	2126	120.69	478	175	79	63	2.53	54250	19855	8935	8309		
2021	71	122.93	12957	4729	2128	1715	123.10	402	147	66	53	2.59	43836	16000	7200	6696		
2022	65	125.40	10645	3885	1748	1409	125.56	338	123	56	45	2.64	34440	12571	5657	5261		
2023	60	127.92	9206	3360	1512	1219	128.07	241	88	40	32	2.70	30802	11243	5059	4705		
2024	58	130.50	7944	2908	1308	1055	130.62	204	75	34	27	2.76	28169	10310	4640	4315		
2025	56	133.11	6553	2392	1076	868	133.24	173	63	28	23	2.82	25887	9449	4252	3954		
2026	55	135.77	5221	1906	857	691	135.90	147	54	24	19	2.87	23690	8647	3891	3619		
2027	46	138.48	4119	1503	676	545	138.62	115	42	19	15	2.93	21451	7830	3523	3277		
SUB				107891	48551	39293			3109	1399	1132			413973	186288	173248		
REM				3244	1460	1176			8	4	3			25248	11362	10566		
TOT				111134	50010	40469			3117	1403	1135			439221	197650	183814		

Condensate				Butane			Propane			Ethane			Sulphur		
Mbbbl				Mbbbl			Mbbbl			Mbbbl			LT		
	Price	Company	Share	Price	Company	Share	Price	Company	Share	Price	Company	Share	Price	Company	Share
Year	\$/bbl	Gross	Net	\$/bbl	Gross	Net	\$/bbl	Gross	Net	\$/bbl	Gross	Net	\$/LT	Gross	Net
2013	113.25	76	62	-	-	-	-	-	-	-	-	-	-	-	-
2014	109.06	669	546	-	-	-	-	-	-	-	-	-	-	-	-
2015	106.89	720	583	-	-	-	-	-	-	-	-	-	-	-	-
2016	109.03	648	525	-	-	-	-	-	-	-	-	-	-	-	-
2017	111.86	526	424	-	-	-	-	-	-	-	-	-	-	-	-
2018	114.83	449	362	-	-	-	-	-	-	-	-	-	-	-	-
2019	118.30	374	301	-	-	-	-	-	-	-	-	-	-	-	-
2020	120.67	320	258	-	-	-	-	-	-	-	-	-	-	-	-
2021	123.08	277	223	-	-	-	-	-	-	-	-	-	-	-	-
2022	125.54	245	197	-	-	-	-	-	-	-	-	-	-	-	-
2023	128.06	221	178	-	-	-	-	-	-	-	-	-	-	-	-
2024	130.61	202	163	-	-	-	-	-	-	-	-	-	-	-	-
2025	133.23	185	149	-	-	-	-	-	-	-	-	-	-	-	-
2026	135.89	170	137	-	-	-	-	-	-	-	-	-	-	-	-
2027	138.61	154	124	-	-	-	-	-	-	-	-	-	-	-	-
SUB		5236	4233	-	-	-	-	-	-	-	-	-	-	-	-
REM		495	399	-	-	-	-	-	-	-	-	-	-	-	-
TOT		5731	4632	-	-	-	-	-	-	-	-	-	-	-	-

COMPANY SHARE FUTURE NET REVENUE

Year	Working Interest				Royalty Revenue	Royalties				Prod. Taxes		Oper Costs		FR After		Proc & Other Income	Cap'l Costs	Aband Costs	Future	
	Future Revenue (FR)					State		Pipe				Roy. & Oper.		Net					Net Revenue	
	Oil	Gas	NGLs	Total					Losses	NDDC	Fixed	Var	Costs	Back						
	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$
2013	158	6	9	172	-	31	-	13	1	11	6	110	52.54	-	12	-	-	98	97	
2014	1030	56	73	1160	-	207	-	88	4	71	41	748	49.55	-	56	-	-	692	649	
2015	843	56	77	976	-	179	-	46	3	77	35	636	46.88	-	7	-	-	629	538	
2016	693	73	71	837	-	150	-	38	2	81	30	535	43.03	-	-	-	-	535	416	
2017	570	50	59	678	-	125	-	19	2	83	24	425	45.93	-	-	-	-	425	301	
2018	472	43	52	567	-	105	-	16	2	83	20	342	45.09	-	-	-	-	342	220	
2019	393	30	44	466	-	87	-	13	2	81	16	268	46.52	-	2	1	-	266	155	
2020	327	23	39	389	-	73	-	11	2	81	13	209	45.73	-	-	-	-	209	111	
2021	270	19	34	323	-	60	-	9	1	80	11	161	43.26	-	-	-	-	161	78	
2022	226	15	31	272	-	51	-	8	1	79	9	123	40.82	-	-	1	-	122	54	
2023	199	14	28	241	-	45	-	7	1	80	8	99	37.54	-	5	-	-	94	37	
2024	175	13	26	214	-	40	-	6	1	68	7	92	39.31	-	-	-	-	92	33	
2025	147	12	25	184	-	34	-	5	1	68	6	69	34.23	-	-	-	-	69	23	
2026	120	11	23	154	-	29	-	4	1	66	5	49	28.54	-	-	-	1	49	15	
2027	96	10	21	128	-	24	-	4	1	63	4	33	22.66	-	-	1	-	32	9	
SUB	5719	430	611	6759	-	1239	-	287	25	1072	236	3901	44.70	-	83	3	-	3816	2735	
REM	211	35	72	318	-	57	-	9	2	215	10	25	6.50	-	-	52	-	-27	-3	
TOT	5930	465	683	7078	-	1296	-	296	27	1288	245	3926	43.00	-	83	55	-	3789	2732	

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper	3926	3279	2985	2817	2475	2213	2006
Proc & Other Income	-	-	-	-	-	-	-
Capital Costs	83	78	76	75	72	70	68
Abandonment Costs	55	23	15	11	5	3	1
Future Net Revenue	3789	3177	2894	2732	2398	2140	1936

PROFITABILITY BT

Table 2H
Income Tax Summary - Total Company
Total Proved Developed
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:46
Project : 021576

Year	Gross Reserves			Revenue				Burdens & Expenses					Taxable Income Before Ded.	Capital Deductions				
	Oil Mbbbl	Gas MMcf	NGLs Mbbbl	WI MM\$	Roy. MM\$	Other MM\$	Total MM\$	Burdens MM\$	NDDC Levy MM\$	Pipe Losses MM\$	Op.Costs, Aband& Salv. MM\$	Total MM\$		G&G MM\$	I.A. MM\$	Annu. MM\$	Other MM\$	Cap. Ded. Avail MM\$
2013	1394	3658	76	172	-	-	172	31	1	13	16	61	110	-	1	92	-	93
2014	9459	28845	669	1160	-	-	1160	207	4	88	112	411	748	-	2	95	-	97
2015	7897	28746	720	976	-	-	976	179	3	46	113	340	636	-	0	29	-	29
2016	6367	31421	648	837	-	-	837	150	2	38	111	302	535	-	-	26	-	26
2017	5099	21089	526	678	-	-	678	125	2	19	107	253	425	-	-	14	-	14
2018	4120	17456	449	567	-	-	567	105	2	16	103	225	342	-	-	7	-	7
2019	3323	11916	374	466	-	-	466	87	2	13	98	199	267	-	-	1	-	1
2020	2717	8935	320	389	-	-	389	73	2	11	94	179	209	-	-	-	-	-
2021	2194	7200	277	323	-	-	323	60	1	9	91	162	161	-	-	-	-	-
2022	1804	5657	245	272	-	-	272	51	1	8	90	150	122	-	-	-	-	-
2023	1552	5059	221	241	-	-	241	45	1	7	88	141	99	-	0	1	-	1
2024	1342	4640	202	214	-	-	214	40	1	6	75	122	92	-	-	1	-	1
2025	1105	4252	185	184	-	-	184	34	1	5	74	115	69	-	-	1	-	1
2026	882	3891	170	154	-	-	154	29	1	4	72	105	49	-	-	1	-	1
2027	695	3523	154	128	-	-	128	24	1	4	68	96	32	-	-	1	-	1
SUB	49950	186288	5236	6759	-	-	6759	1239	25	287	1311	2861	3898	-	2	265	-	267
REM	1463	11362	495	318	-	-	318	57	2	9	277	345	-27	-	-	-	-	-
TOT	51413	197650	5731	7078	-	-	7078	1296	27	296	1587	3206	3871	-	2	265	-	267

Year	G&G				Investment Allowance				Annual Allowance				Other Allowance			
	Initial Balance MM\$	Add- ition MM\$	Depn. Rate %	Expense Claim MM\$	Initial Balance MM\$	Add- ition MM\$	Depn. Rate %	Expense Claim MM\$	Initial Balance MM\$	Add- ition MM\$	Depn. Rate %	Expense Claim MM\$	Initial Balance MM\$	Add- ition MM\$	Depn. Rate %	Expense Claim MM\$
2013	-	-	-	-	-	1	100.0	1	303	11	29.4	92	-	-	-	-
2014	-	-	-	-	-	2	100.0	2	222	31	37.6	95	-	-	-	-
2015	-	-	-	-	-	0	100.0	0	158	4	17.6	29	-	-	-	-
2016	-	-	-	-	-	-	-	-	133	-	19.2	26	-	-	-	-
2017	-	-	-	-	-	-	-	-	108	-	12.6	14	-	-	-	-
2018	-	-	-	-	-	-	-	-	94	-	7.2	7	-	-	-	-
2019	-	-	-	-	-	-	-	-	87	-	0.8	1	-	-	-	-
2020	-	-	-	-	-	-	-	-	87	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	87	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	87	-	-	-	-	-	-	-
2023	-	-	-	-	-	0	100.0	0	87	3	0.6	1	-	-	-	-
2024	-	-	-	-	-	-	-	-	89	-	0.6	1	-	-	-	-
2025	-	-	-	-	-	-	-	-	88	-	0.6	1	-	-	-	-
2026	-	-	-	-	-	-	-	-	88	-	0.6	1	-	-	-	-
2027	-	-	-	-	-	-	-	-	87	-	0.6	1	-	-	-	-
SUB	-	-	-	-	-	2	-	2	-	48	-	265	-	-	-	-
REM	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOT	-	-	-	-	-	2	-	2	-	48	-	265	-	-	-	-

Year	Education Tax						Petroleum Production Tax						Regime	Cash Flow				
	Cap. Tax	Tax Loss	Ded.	Taxable	Tax Rate	Tax Pay-able	Cap. Tax	Tax Loss	Ded.	Taxable	Tax Rate	Tax Pay-able	Other Taxes	Total Tax		Cum. ATCF @ 10 %	NPV	
	Avail.	Carry Fwd					Avail.	Carry Fwd						BTCTF Payable	ATCF			
	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	
2013	-	-	-	109	2.0	2	93	83	16	91	65.8	60	2	98	64	34	34	39
2014	-	-	-	724	2.0	15	97	32	121	589	65.8	387	17	692	418	274	308	257
2015	-	-	-	633	2.0	13	29	-	85	535	85.0	455	17	629	484	145	453	124
2016	-	-	-	535	2.0	11	26	-	98	426	85.0	362	22	535	395	140	593	110
2017	-	-	-	425	2.0	9	14	-	64	353	85.0	300	15	425	324	102	695	72
2018	-	-	-	342	2.0	7	7	-	49	286	85.0	243	13	342	262	79	774	51
2019	-	-	-	268	2.0	5	1	-	30	232	85.0	197	9	266	211	54	828	32
2020	-	-	-	209	2.0	4	-	-	23	183	85.0	155	7	209	166	43	872	23
2021	-	-	-	161	2.0	3	-	-	19	139	85.0	118	6	161	127	34	905	17
2022	-	-	-	123	2.0	3	-	-	15	106	85.0	90	5	122	97	25	931	11
2023	-	-	-	97	2.0	2	1	-	14	80	85.0	68	4	94	74	20	950	8
2024	-	-	-	92	2.0	2	1	-	13	77	85.0	65	4	92	71	21	971	8
2025	-	-	-	69	2.0	1	1	-	13	55	85.0	47	4	69	52	17	989	6
2026	-	-	-	49	2.0	1	1	-	12	37	85.0	31	3	49	35	13	1002	4
2027	-	-	-	33	2.0	1	1	-	11	22	85.0	18	3	32	22	10	1012	3
SUB	-	-	-	3869	2.0	77	267	-	582	3209	80.9	2597	129	3816	2803	1012	-	765
REM	-	-	-	25	2.0	1	-	-	14	11	85.0	9	11	-27	20	-47	-	-8
TOT	-	-	-	3894	2.0	78	267	-	596	3220	80.9	2606	139	3789	2823	966	-	757

NET PRESENT VALUE (MM\$) - AT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%
Before Tax Cash Flow.	3789	3177	2894	2732	2398	2140
Tax Payable	2823	2328	2103	1975	1714	1514
After Tax Cash Flow .	966	849	791	757	684	626



These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.

Table 3A
Summary of Reserves and Net Present Value - Total Company
Total Proved
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:39
Project : 021576

Well	Zone	Current Reserve Cat.	Avg. WI %	Light&Med Oil		Heavy Oil		Sales Gas		NGLs		Total BOE		NPV	
				Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	@ 0%	@ 10%
				Mbb1	Mbb1	Mbb1	Mbb1	MMcf	MMcf	Mbb1	Mbb1	Mbb1	Mbb1	MM\$	MM\$
Nigeria															
OML-04 + 38 + 41															
AMUKPE															
1)Amukpe Oil															
AMUK001L:E1400X	E1400	PP	45.0	325	263	-	-	395	367	22	18	415	344	16	11
AMUK001S:D5100X	D5100	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
AMUK002T:G5400X	G5400	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 1)Amukpe Oil				325	263	-	-	395	367	22	18	415	344	16	11
2) Amukpe Other Costs															
Amukpe Abandonment		PP	-	-	-	-	-	-	-	-	-	-	-	-2	0
Amukpe G&A Expense		PP	-	-	-	-	-	-	-	-	-	-	-	-111	-69
Amukpe Licence Fee		PP	-	-	-	-	-	-	-	-	-	-	-	0	0
Amukpe Water Disposal		PP	-	-	-	-	-	-	-	-	-	-	-	-10	-10
Total 2) Amukpe Other Costs				-	-	-	-	-	-	-	-	-	-	-123	-79
Total AMUKPE				325	263	-	-	395	367	22	18	415	344	-107	-69
INFRASTRUCTURE															
Pipeline															
Pipeline Cost		NP	-	-	-	-	-	-	-	-	-	-	-	-5	-5
Total Pipeline				-	-	-	-	-	-	-	-	-	-	-5	-5
Total INFRASTRUCTURE				-	-	-	-	-	-	-	-	-	-	-5	-5
O BEN															
C															
O BEN020S:C8000M	C8000	NP	45.0	727	586	-	-	138	129	4	4	756	612	59	17
Total C				727	586	-	-	138	129	4	4	756	612	59	17
D															
O BEN-HZ:D9000	D9000	PU	45.0	1066	862	-	-	1013	942	32	26	1273	1050	70	44
O BEN003L:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN003S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN004S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN005L:D9000M	D9000	NP	45.0	544	440	-	-	1293	1202	41	33	808	680	48	30
O BEN005S:D4000M	D4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN006S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN007S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN008S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN009S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN010L:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN010S:D4000M	D4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN011L:D7000M	D7000	P+NP	45.0	558	452	-	-	371	345	12	9	634	521	43	29
O BEN011L:D7002M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN011S:D7000M	D7000	P+NP	45.0	317	256	-	-	248	231	8	6	367	302	24	17
O BEN011S:D7001M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN020L:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN020S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN020T:D7000M	D7000	P+NP	45.0	808	654	-	-	1151	1071	36	29	1043	868	57	40
O BEN023S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN024L:D7000M	D7000	P+NP	45.0	764	618	-	-	581	540	18	15	883	726	50	34
O BEN024S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN025L:D4000M	D4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN025L:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN025S:D4000M	D4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN029S:D4000M	D4000	P+NP	45.0	213	173	-	-	405	376	13	10	296	248	16	13
O BEN032S:D4000M	D4000	P+NP	45.0	85	69	-	-	243	226	8	6	135	114	3	2
Total D				4356	3522	-	-	5305	4933	168	135	5438	4508	310	207

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 3A
Summary of Reserves and Net Present Value - Total Company
Total Proved
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:39
Project : 021576

Well	Zone	Current Reserve Cat.	Avg. WI %	Light&Med Oil		Heavy Oil		Sales Gas		NGLs		Total BOE		NPV	
				Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	@ 0%	@ 10%
				Mbbl	Mbbl	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	MM\$	MM\$
E															
OBEN-INF2:E4000	E4000	PU	45.0	808	652	-	-	1152	1071	36	29	1043	866	50	28
OBEN-INF:E4000	E4000	PU	45.0	808	654	-	-	1152	1071	36	29	1043	868	49	30
OBEN004L:E3000M	E3000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN005L:E1500M	E1500	P+NP	45.0	358	290	-	-	1242	1155	39	32	611	521	32	23
OBEN005L:E3000M	E3000	NP	45.0	603	487	-	-	1572	1462	50	40	923	779	54	34
OBEN006L:E3000M	E3000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN007L:E3000M	E3000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN008L:E3000M	E3000	P+NP	45.0	412	333	-	-	225	209	7	6	457	375	23	17
OBEN009L:E3000M	E3000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN011L:E3000M	E3000	NP	45.0	548	443	-	-	364	339	12	9	622	511	43	28
OBEN022T:E4000M	E4000	P+NP	45.0	345	279	-	-	771	717	24	20	502	423	21	15
OBEN023L:E3000M	E3000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN029L:E4000M	E4000	P+NP	45.0	276	223	-	-	1309	1217	41	33	543	466	23	16
OBEN032L:E3000M	E3000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Total E				4157	3361	-	-	7786	7241	246	199	5745	4808	293	191
F															
OBEN-INF1:F7800	F7800	PU	45.0	804	650	-	-	1145	1065	36	29	1037	863	52	38
OBEN003L:F1500M	F1500	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN012S:F7800	F7800	P+NP	45.0	528	427	-	-	208	194	7	5	571	466	30	20
OBEN014S:F7800	F7800	P+NP	45.0	376	304	-	-	411	382	13	10	460	380	20	14
OBEN015S:F7800C	F7800	P+NP	45.0	1037	838	-	-	591	550	19	15	1157	948	87	52
OBEN017S:F7800	F7800	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN018S:F7800	F7800	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN019S:F7800	F7800	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN020L:F1500M	F1500	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN024L:F1500M	F1500	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN031S:F7800	F7800	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN031S:F7800M	F7800	NP	45.0	543	439	-	-	774	720	24	20	701	583	47	27
Total F				3288	2658	-	-	3129	2910	99	80	3926	3240	236	152
G															
OBEN-INF:G1000	G1000	PU	45.0	888	717	-	-	1266	1177	40	32	1147	952	59	32
OBEN-INF:G3000	G3000	PU	45.0	622	503	-	-	887	825	28	23	803	668	35	23
OBEN-INF:G3500	G3500	PU	45.0	889	719	-	-	1267	1178	40	32	1148	955	56	36
OBEN-INF:G4300	G4300	PU	45.0	350	283	-	-	498	463	16	13	451	376	12	8
OBEN-INF:G4500	G4500	PU	45.0	441	357	-	-	503	468	16	13	544	451	20	13
OBEN005L:G8800N	G8800	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN012L:G5000A	G5000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN012S:G4000B	G4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN014L:G1000I	G1000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN014L:G4000B	G4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN015L:G4000B	G4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN015L:G4500A	G4500	NP	45.0	329	266	-	-	375	348	12	10	405	336	26	18
OBEN017L:G3500A	G3500	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN017L:G4000B	G4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN018L:G4000B	G4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN019L:G4500A	G4500	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN019L:G5000A	G5000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN019S:G4000B	G4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN019S:G4000M	G4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN030L:G4300A	G4300	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN030S:G1000G	G1000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN031L:G4500A	G4500	P+NP	45.0	680	550	-	-	290	270	9	7	739	604	46	36
OBEN031L:G4500M	G4500	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN031L:G5000A	G5000	NP	45.0	1021	826	-	-	291	271	9	7	1081	880	85	53
OBEN031S:G4000B	G4000	P+NP	45.0	113	91	-	-	309	287	10	8	176	149	9	7
OBEN036T:G3000	G3000	P+NP	45.0	1382	1118	-	-	276	256	9	7	1439	1169	100	67
Total G				6715	5430	-	-	5961	5544	188	152	7931	6538	447	292
H															
OBEN016L:H5000A	H5000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN016S:H2000A	H2000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Total H				-	-	-	-	-	-	-	-	-	-	-	-
OBEN - Gas															
Gas Plant Expansion		PU	-	-	-	-	-	-	-	-	-	-	-	-25	-21
OBEN - NonAssociated		P+PU	45.0	-	-	-	-	171674	159657	708	572	30307	28099	215	127
Total OBEN - Gas				-	-	-	-	171674	159657	708	572	30307	28099	190	106



These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.

Table 3A
Summary of Reserves and Net Present Value - Total Company
Total Proved
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:39
Project : 021576

Well	Zone	Current Reserve Cat.	Avg. WI %	Light&Med Oil		Heavy Oil		Sales Gas		NGLs		Total BOE		NPV	
				Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	@ 0%	@ 10%
				Mbbl	Mbbl	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	MM\$	MM\$
Oben Other Costs															
Oben Abandonment		P+PU	-	-	-	-	-	-	-	-	-	-	-	-26	-5
Oben G&A Expense		PP	-	-	-	-	-	-	-	-	-	-	-	-174	-78
Oben Licence Fee		PP	-	-	-	-	-	-	-	-	-	-	-	-1	0
Total Oben Other Costs				-	-	-	-	-	-	-	-	-	-	-201	-83
Total OBEN				19244	15558	-	-	193993	180414	1413	1142	54104	47806	1334	882
OKOPORO AND UBALEME															
Okoporo and Ubaleme Licence Fee															
Okoporo and Ubaleme l		PP	-	-	-	-	-	-	-	-	-	-	-	0	0
Total Okoporo and Ubaleme Licence Fee				-	-	-	-	-	-	-	-	-	-	0	0
Total OKOPORO AND UBALEME				-	-	-	-	-	-	-	-	-	-	0	0
OKPORHURU															
1) Okporhuru Oil															
OKRU-10:U1.8	U1800	PU	45.0	703	567	-	-	148	138	3	3	732	594	51	27
OKRU001L:V2000	V2000	P+NP	45.0	981	794	-	-	1061	987	46	37	1211	1001	82	52
OKRU001S:U5000	U5000	PP	45.0	1499	1212	-	-	264	246	11	9	1556	1264	119	79
OKRU004L:V1000	V1000	P+NP	45.0	775	627	-	-	1021	949	44	36	995	827	63	47
OKRU004S:U5000	U5000	PP	45.0	1727	1399	-	-	485	451	21	17	1832	1494	136	104
OKRU005L:U8000	U8000	PP	45.0	676	547	-	-	337	313	15	12	749	613	49	34
OKRU005S:U7000	U7000	PP	45.0	1092	884	-	-	249	232	11	9	1146	932	82	58
OKRU006L:V4000	V4000	P+NP	45.0	406	329	-	-	207	193	9	7	450	369	29	24
OKRU006S:U3000	U3000	P+NP	45.0	513	415	-	-	33	31	1	1	520	422	36	28
Total 1) Okporhuru Oil				8372	6774	-	-	3805	3538	162	131	9190	7516	646	452
2) Okporhuru Gas															
OKRU-06(Stg1-U4)	U4000	PU	45.0	230	186	-	-	4602	4280	200	162	1224	1086	37	26
OKRU-07(Stg1-V7.31)	V7310	PU	45.0	-	-	-	-	3117	2899	393	318	931	818	32	21
OKRU-07(Stg2-V7.32)	V7320	PU	45.0	-	-	-	-	1880	1748	125	101	449	402	7	4
OKRU-10:U9	U9000	PU	45.0	-	-	-	-	2332	2169	-	-	402	374	1	0
Total 2) Okporhuru Gas				230	186	-	-	11931	11096	718	581	3005	2680	75	51
3) Existing Wells															
Okporhuru-1		NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Okporhuru-2		NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Okporhuru-3		NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 3) Existing Wells				-	-	-	-	-	-	-	-	-	-	-	-
4) OKRU Other Costs															
Okporhuru Abandonment		P+PU	-	-	-	-	-	-	-	-	-	-	-	-5	-1
Okporhuru License Fee		P+PU	-	-	-	-	-	-	-	-	-	-	-	0	0
OKRU Field Developer		P+PU	-	-	-	-	-	-	-	-	-	-	-	-6	-5
Total 4) OKRU Other Costs				-	-	-	-	-	-	-	-	-	-	-10	-6
Total OKPORHURU				8602	6960	-	-	15736	14634	880	712	12195	10196	711	498
OVHOR															
H															
OVH0001S:H1000N	H1000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OVH0001S:H6000N	H6000	P+NP	45.0	396	322	-	-	28	26	3	2	404	328	30	26
OVH0002S:H5000N	H5000	P+NP	45.0	2950	2386	-	-	956	890	104	84	3219	2624	256	166
OVH0003L:H3000N	H3000	P+NP	45.0	205	166	-	-	189	176	5	4	243	201	15	11
OVH0003S:H1100N	H1100	P+NP	45.0	292	237	-	-	93	87	3	2	311	255	21	18
OVH0006T:H5000N	H5000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OVH0009L:H4000N	H4000	P+NP	45.0	1029	834	-	-	133	123	4	3	1055	858	80	61
OVH0009S:H1200N	H1200	P+NP	45.0	161	130	-	-	178	165	7	5	198	164	12	9
OVH0010S:H1000N	H1000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OVH0011L:H5000N	H5000	NP	45.0	822	664	-	-	129	120	14	11	858	696	66	41
OVH0011S:H3000N	H3000	NP	45.0	112	91	-	-	38	35	1	1	120	98	7	5
OVH0013L:H5000N	H5000	P+NP	45.0	1706	1380	-	-	235	219	26	21	1772	1438	142	92
OVH0013S:H1200N	H1200	P+NP	45.0	1279	1035	-	-	471	438	18	14	1378	1125	103	74
OVH0014S:H6000N	H6000	P+NP	45.0	205	167	-	-	169	157	18	15	253	209	16	15
Total H				9158	7412	-	-	2619	2436	202	164	9812	7996	747	519

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 3A
Summary of Reserves and Net Present Value - Total Company
Total Proved
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:39
Project : 021576

Well	Zone	Current Reserve Cat.	Avg. WI %	Light&Med Oil		Heavy Oil		Sales Gas		NGLs		Total BOE		NPV	
				Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	@ 0%	@ 10%
				Mbbl	Mbbl	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	MM\$	MM\$
I															
OVH0001L:I3000N	I3000	P+NP	45.0	1105	895	-	-	66	62	10	8	1127	915	88	67
OVH0002L:I3000N	I3000	P+NP	45.0	454	369	-	-	227	211	36	29	529	435	37	33
OVH0002S:I3000N	I3000	NP	45.0	458	372	-	-	189	176	30	24	520	427	37	32
OVH0005S:I1000N	I1000	P+NP	45.0	607	491	-	-	99	92	10	8	634	515	47	34
OVH0006T:I2000N	I2000	NP	45.0	367	297	-	-	84	79	13	11	395	321	23	17
OVH0007T:I1000N	I1000	P+NP	45.0	4572	3701	-	-	219	204	23	18	4632	3755	364	258
OVH0008T:I2000N	I2000	P+NP	45.0	1907	1544	-	-	48	44	8	6	1923	1558	142	105
OVH0009S:I1200N	I1200	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OVH0012T:I1000N	I1000	P+NP	45.0	2678	2167	-	-	423	394	44	35	2794	2270	210	147
OVH0014L:I2000N	I2000	NP	45.0	1335	1081	-	-	642	597	101	82	1547	1266	115	82
Total I				13483	10918	-	-	1998	1858	275	223	14102	11461	1062	774
J															
OVH0001L:J1000N	J1000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OVH0005L:J1000N	J1000	P+NP	45.0	414	335	-	-	172	160	6	5	449	367	31	24
OVH0010L:J2000N	J2000	P+NP	45.0	312	253	-	-	206	192	7	5	354	291	23	19
OVH0015X:J1000X New I	J1000	PU	45.0	247	200	-	-	136	127	4	4	275	225	4	2
OVH0016X:J1000X New I	J1000	PU	45.0	128	103	-	-	70	65	2	2	142	117	4	3
OVH0016X:J2000X New I	J1000	PU	45.0	388	314	-	-	214	199	7	6	431	354	25	17
OVH0017X:J1000X New I	J1000	PU	45.0	128	103	-	-	70	65	2	2	142	117	4	3
OVH0017X:J2000X New I	J1000	PU	45.0	388	314	-	-	214	199	7	6	431	354	25	17
Total J				2003	1622	-	-	1083	1008	35	29	2225	1824	116	85
Ovhor Other Costs															
Ovhor Abandonment		P+PU	-	-	-	-	-	-	-	-	-	-	-	-10	-2
Ovhor License Fee		PP	-	-	-	-	-	-	-	-	-	-	-	0	0
Total Ovhor Other Costs				-	-	-	-	-	-	-	-	-	-	-11	-2
Total OVHOR				24643	19952	-	-	5700	5301	512	415	26138	21281	1914	1376
SAPELE															
1) Sapele Shallow Oil															
SAPL NEW-1 B7400X	B3500	PU	45.0	-	-	612	494	15	14	1	1	615	497	28	16
SAPL NEW-1 C3000X	B3500	PU	-	-	-	-	-	-	-	-	-	-	-	-	-
SAPL011T:C5000X	C5000	P+NP	45.0	-	-	345	279	1242	1155	54	44	613	522	23	16
SAPL021L:B7400X	B7400	P+NP	45.0	-	-	27	22	469	436	20	17	128	114	4	3
SAPL021S:B3500X	B3500	P+NP	45.0	-	-	174	141	686	638	30	24	322	275	14	10
SAPL023T:B3500X	B3500	P+NP	45.0	-	-	85	69	605	563	26	21	216	187	5	5
SAPL024T:C3000X	C3000	P+NP	45.0	-	-	772	624	927	862	40	33	972	806	56	41
Total 1) Sapele Shallow Oil				-	-	2014	1630	3944	3668	171	139	2866	2401	129	91
2) Sapele Deep Oil															
SAPL001V:G3000X	G3000	NP	45.0	767	620	-	-	2391	2223	104	84	1283	1088	73	47
SAPL002L:G3000X	G3000	P+NP	45.0	678	548	-	-	1525	1419	66	54	1007	847	58	38
SAPL002S:G2000X	G2000	P+NP	45.0	879	711	-	-	400	372	17	14	965	789	69	43
SAPL006L:G5600X	G5600	P+NP	45.0	639	517	-	-	1440	1339	63	51	950	799	55	38
SAPL006S:G2000X	G2000	P+NP	45.0	546	442	-	-	1257	1169	55	44	818	688	46	33
SAPL009L:G3000X	G3000	NP	45.0	100	81	-	-	254	236	11	9	155	131	7	5
SAPL009S:G2000X	G2000	P+NP	45.0	450	364	-	-	819	762	36	29	626	524	36	25
SAPL010L:G4000X	G4000	P+NP	45.0	471	381	-	-	5067	4712	220	178	1565	1372	54	35
SAPL012L:G3000X	G3000	P+NP	45.0	575	465	-	-	693	644	30	24	724	600	45	30
SAPL012S:G2000X	G2000	P+NP	45.0	400	323	-	-	1924	1790	84	68	815	700	38	26
SAPL013L:G3000X	G3000	P+NP	45.0	578	468	-	-	1590	1479	69	56	921	779	44	33
Total 2) Sapele Deep Oil				6083	4921	-	-	17360	16145	755	610	9831	8315	524	352
3) Sapele Gas															
SAPL017: G4000X	G4000	NP	45.0	-	-	-	-	39508	36742	1718	1386	8529	7721	249	106
SAPL017T:G6000X	G6000	P+NP	45.0	-	-	-	-	6326	5883	275	223	1366	1237	30	22
SAPL018: H3500XX	H3500	NP	45.0	-	-	-	-	1037	965	45	36	224	203	-2	-2
SAPL018T:H5000X	H5000	NP	45.0	-	-	-	-	1819	1692	79	64	393	356	7	6
SAPL019: H1500XX	H1500	NP	45.0	-	-	-	-	4087	3801	178	144	882	799	16	9
SAPL019: H6000XX	H6000	NP	45.0	-	-	-	-	2341	2177	102	82	505	457	7	3
SAPL019: H7000XX	H7000	NP	45.0	-	-	-	-	2394	2226	104	84	517	468	7	4
SAPL019T:H8000X	H8000	NP	45.0	-	-	-	-	5891	5478	256	207	1272	1152	26	17
SAPL020: H2000XX	H2000	NP	45.0	-	-	-	-	6196	5763	269	218	1338	1211	25	15
SAPL020T:H1000X	H1000	NP	45.0	-	-	-	-	8564	7964	372	301	1849	1674	39	22
Total 3) Sapele Gas				-	-	-	-	78163	72692	3398	2744	16875	15277	404	201



These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.

Table 3A
Summary of Reserves and Net Present Value - Total Company
Total Proved
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:39
Project : 021576

Well	Zone	Current Reserve Cat.	Avg. WI %	Light&Med Oil		Heavy Oil		Sales Gas		NGLs		Total BOE		NPV	
				Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	@ 0%	@ 10%
				Mbb1	Mbb1	Mbb1	Mbb1	MMcf	MMcf	Mbb1	Mbb1	Mbb1	Mbb1	MM\$	MM\$
4) Sapele NRA															
SAPL001L:G5400X	G5400	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
SAPL004S:G2000X	G2000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
SAPL005L:G3000X	G3000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
SAPL005S:G2000X	G2000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
SAPL010S:G2000X	G2000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
SAPL013S:G2000X	G2000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
SAPL015T:B4100X	B4100	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 4) Sapele NRA				-	-	-	-	-	-	-	-	-	-	-	-
5) Sapele Other Costs															
Sapele Abandonment		P+PU	-	-	-	-	-	-	-	-	-	-	-	-16	-3
Sapele Compressors		P+PU	-	-	-	-	-	-	-	-	-	-	-	-14	-13
Sapele G&A Expense		P+PU	-	-	-	-	-	-	-	-	-	-	-	-422	-189
Sapele Integrity Upgr		P+PU	-	-	-	-	-	-	-	-	-	-	-	-4	-4
Sapele License Fee		P+PU	-	-	-	-	-	-	-	-	-	-	-	0	0
Total 5) Sapele Other Costs				-	-	-	-	-	-	-	-	-	-	-457	-209
Total SAPELE				6083	4921	2014	1630	99467	92505	4325	3494	29572	25993	601	435
Total OML-04 + 38 + 41				58898	47654	2014	1630	315291	293221	7152	5780	122425	105619	4448	3117
Total Nigeria				58898	47654	2014	1630	315291	293221	7152	5780	122425	105619	4448	3117
Total Company				58898	47654	2014	1630	315291	293221	7152	5780	122425	105619	4448	3117

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 3B
Summary of Production and Future Net Revenue - Total Company Light Oil
Total Proved
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:40
Project : 021576

RESERVES AND PRODUCTION FORECAST

Light Oil						
Mbbbl						
Year	# of Wells	Price \$/bbl	Pool		Company Share	
			bbl/d	Vol	Gross	Net
2013	54	113.10	50098	3056	1375	1122
2014	77	108.93	62089	22663	10198	8322
2015	78	106.75	55447	20238	9107	7377
2016	79	108.90	45726	16736	7531	6100
2017	79	111.72	36681	13389	6025	4856
2018	79	114.70	29522	10775	4849	3908
2019	76	118.16	23786	8682	3907	3149
2020	72	120.54	19354	7084	3188	2569
2021	70	122.96	15645	5710	2570	2071
2022	64	125.42	12812	4676	2104	1696
2023	62	127.94	10918	3985	1793	1445
2024	58	130.52	9182	3360	1512	1219
2025	53	133.13	7573	2764	1244	1003
2026	52	135.79	6060	2212	995	802
2027	42	138.50	4792	1749	787	634
SUB				127079	57186	46274
REM				3804	1712	1380
TOT				130884	58898	47654

COMPANY SHARE FUTURE NET REVENUE

	Working Interest		Royalty Revenue	COMPANY SHARE FUTURE NET REVENUE						FR After Roy. & Oper. Costs	Net Back	Proc & Other Income	Capital Costs	Aband Costs	Future	
	Future Revenue (FR)			Royalties		Operating Costs			Net						Undisc	10.0%
Year	Oil MM\$	Total MM\$	MM\$	Total MM\$	%	Fixed MM\$	Var MM\$	\$/bbl	MM\$	\$/bbl	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$
2013	156	156	-	42	27.2	10	6	10.95	98	71.40	-	18	-	-	80	79
2014	1111	1111	-	302	27.2	67	41	10.67	700	68.66	-	118	-	-	583	545
2015	972	972	-	237	24.4	76	38	12.44	622	68.24	-	9	-	-	612	524
2016	820	820	-	200	24.4	81	32	14.94	507	67.35	-	4	-	-	503	391
2017	673	673	-	153	22.8	82	26	17.95	412	68.31	-	-	-	-	412	291
2018	556	556	-	127	22.8	83	21	21.58	325	66.93	-	-	-	-	325	209
2019	462	462	-	106	22.9	83	18	25.75	255	65.37	-	2	1	1	253	148
2020	384	384	-	88	22.9	84	15	30.92	198	61.97	-	-	-	-	198	105
2021	316	316	-	73	23.0	83	12	37.09	148	57.59	-	-	-	-	148	72
2022	264	264	-	61	23.1	84	10	44.63	109	51.86	-	-	-	-	109	48
2023	229	229	-	53	23.2	85	9	52.14	83	46.10	-	5	-	-	77	31
2024	197	197	-	46	23.2	70	8	51.13	74	49.15	-	-	-	-	74	27
2025	166	166	-	39	23.3	70	6	60.98	51	41.19	-	-	-	-	51	17
2026	135	135	-	32	23.3	67	5	72.72	31	31.39	-	-	-	1	31	9
2027	109	109	-	26	23.4	64	4	86.72	15	19.38	-	-	-	1	15	4
SUB	6550	6550	-	1584	24.2	1088	250	23.40	3628	63.44	-	156	2	2	3471	2499
REM	247	247	-	58	23.6	227	9	137.93	-47	-27.53	-	-	63	-	-110	-21
TOT	6798	6798	-	1643	24.2	1315	259	26.73	3581	60.80	-	156	65	3360	2478	

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	3581	3037	2782	2634	2326	2085	1893
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	156	149	146	144	139	136	132
Abandonment Costs . .	65	27	17	12	6	3	1
Future Net Revenue . .	3360	2861	2619	2478	2181	1947	1760

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 3C
Summary of Production and Future Net Revenue - Total Company Heavy Oil
Total Proved
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:42
Project : 021576

RESERVES AND PRODUCTION FORECAST

Heavy Oil						
Mbbbl						
Year	# of Wells	Price \$/bbl	Pool		Company Share	
			bbl/d	Vol	Gross	Net
2013	5	113.30	1597	97	44	36
2014	6	109.10	1993	728	327	267
2015	6	106.91	2020	737	332	269
2016	6	109.06	1458	534	240	194
2017	5	111.88	1166	426	192	154
2018	5	114.86	961	351	158	127
2019	4	118.32	769	281	126	102
2020	4	120.69	657	240	108	87
2021	4	123.10	565	206	93	75
2022	4	125.56	486	178	80	64
2023	3	128.07	380	139	62	50
2024	3	130.62	334	122	55	44
2025	3	133.24	296	108	49	39
2026	3	135.90	263	96	43	35
2027	3	138.62	226	82	37	30
SUB				4325	1946	1575
REM				152	68	55
TOT				4476	2014	1630

COMPANY SHARE FUTURE NET REVENUE

Year	Working Interest Future Revenue (FR)		Royalty Revenue	Royalties		Operating Costs			FR After Roy. & Oper. Costs	Net Back \$/bbl	Proc & Other Income	Capital Costs	Aband Costs	Future Net Revenue	
	Oil MM\$	Total MM\$		Total MM\$	%	Fixed MM\$	Var MM\$	\$/bbl						Undisc MM\$	10.0% MM\$
2013	5	5	-	1	28.0	1	0	17.00	3	64.56	-	-	-	3	3
2014	36	36	-	10	28.4	4	1	15.24	21	62.92	-	7	-	13	12
2015	36	36	-	9	25.0	4	1	17.27	21	62.96	-	-	-	21	18
2016	26	26	-	7	25.0	4	1	21.28	15	60.48	-	-	-	15	11
2017	21	21	-	5	23.3	4	1	25.49	12	60.27	-	-	-	12	8
2018	18	18	-	4	23.4	4	1	30.08	9	57.85	-	-	-	9	6
2019	15	15	-	4	23.4	3	1	30.40	8	60.24	-	-	-	8	4
2020	13	13	-	3	23.5	3	1	35.43	6	56.89	-	-	-	6	3
2021	11	11	-	3	23.6	3	0	41.35	5	52.67	-	-	-	5	2
2022	10	10	-	2	23.8	4	0	48.18	4	47.53	-	-	-	4	2
2023	8	8	-	2	23.8	3	0	53.45	3	44.10	-	-	-	3	1
2024	7	7	-	2	24.0	3	0	61.07	2	38.24	-	-	-	2	1
2025	7	7	-	2	24.1	3	0	69.91	2	31.16	-	-	-	2	1
2026	6	6	-	1	24.3	3	0	79.42	1	23.43	-	-	-	1	0
2027	5	5	-	1	24.5	3	0	88.61	1	16.07	-	-	-	1	0
SUB	224	224	-	56	24.9	50	9	30.00	110	56.50	-	7	-	103	73
REM	10	10	-	2	24.0	5	0	78.01	2	32.31	-	-	-	2	1
TOT	234	234	-	58	24.8	55	9	31.62	112	55.68	-	7	-	105	74

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	112	94	85	80	71	63	57
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	7	7	7	7	7	6	6
Abandonment Costs . .	-	-	-	-	-	-	-
Future Net Revenue . .	105	87	78	74	64	57	51

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 3D
Summary of Production and Future Net Revenue - Total Company Non-Associated Sales Gas
Total Proved
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:42
Project : 021576

RESERVES AND PRODUCTION FORECAST

Non-Associated Sales Gas						
MMcf						
Year	# of Wells	Price	Pool		Company Share	
		\$/Mcf	Mcf/d	Vol	Gross	Net
2013	8	1.50	87149	5316	2392	2225
2014	16	1.95	122529	44723	20125	18717
2015	18	1.96	125152	45680	20556	19117
2016	19	2.32	197333	72224	32501	30226
2017	19	2.37	127041	46370	20866	19406
2018	19	2.43	94147	34363	15464	14381
2019	17	2.48	62123	22675	10204	9489
2020	16	2.53	44912	16438	7397	6879
2021	15	2.59	35674	13021	5859	5449
2022	15	2.64	63942	23339	10502	9767
2023	15	2.70	86326	31509	14179	13186
2024	15	2.76	98504	36053	16224	15088
2025	18	2.82	109444	39947	17976	16718
2026	20	2.87	118786	43357	19511	18145
2027	20	2.93	102031	37241	16759	15586
SUB				512256	230515	214379
REM				69452	31253	29066
TOT				581708	261769	243445

COMPANY SHARE FUTURE NET REVENUE

	Working Interest		Royalty Revenue	Royalties		Operating Costs			FR After Roy. & Oper. Costs	Net Back \$/Mcf	Proc & Other Income	Capital Costs	Aband Costs	Future Net Revenue	
	Future Revenue (FR)														
Year	Gas MM\$	Total MM\$	MM\$	Total MM\$	%	Fixed MM\$	Var MM\$	\$/Mcf	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$
2013	4	4	-	1	38.5	1	0	0.39	1	0.54	-	26	-	-25	-25
2014	39	39	-	8	20.1	7	2	0.48	22	1.08	-	35	-	-13	-12
2015	40	40	-	7	16.4	9	2	0.55	23	1.09	-	18	-	5	4
2016	75	75	-	9	11.7	10	4	0.41	53	1.64	-	1	-	52	40
2017	50	50	-	6	11.0	10	3	0.59	32	1.52	-	-	-	32	23
2018	38	38	-	4	11.6	9	2	0.68	23	1.47	-	-	-	23	15
2019	25	25	-	3	12.7	8	1	0.92	13	1.25	-	-	-	13	8
2020	19	19	-	3	13.5	7	1	1.10	8	1.09	-	-	-	8	4
2021	15	15	-	2	14.0	7	1	1.30	6	0.93	-	-	-	6	3
2022	28	28	-	4	12.8	8	1	0.89	15	1.41	-	17	-	-2	-1
2023	38	38	-	4	11.0	9	2	0.75	24	1.66	-	13	-	11	4
2024	45	45	-	5	10.5	10	2	0.74	28	1.73	-	13	-	15	5
2025	51	51	-	6	11.2	12	2	0.82	30	1.69	-	29	-	2	1
2026	56	56	-	6	10.2	15	3	0.92	32	1.65	-	14	-	19	6
2027	49	49	-	5	9.7	16	2	1.08	26	1.56	-	-	-	26	7
SUB	571	571	-	71	12.4	137	29	0.72	335	1.45	-	165	-	169	80
REM	96	96	-	11	11.6	51	5	1.76	30	0.95	-	12	10	7	2
TOT	667	667	-	82	12.3	188	33	0.84	364	1.39	-	177	10	176	83

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	364	257	215	193	153	126	108
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	177	134	117	109	94	84	78
Abandonment Costs . .	10	4	3	2	1	0	0
Future Net Revenue . .	176	119	95	83	59	42	30

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 3E
Summary of Production and Future Net Revenue - Total Company Solution Gas
Total Proved
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:42
Project : 021576

RESERVES AND PRODUCTION FORECAST

Year	# of Wells	Solution Gas				
		MMcf				
		Price	Pool		Company Share	
		\$/Mcf	Mcf/d	Vol	Gross	Net
2013	-	1.51	-	2506	1128	1049
2014	-	1.96	-	19127	8607	8005
2015	-	1.97	-	17849	8032	7470
2016	-	2.33	-	14809	6664	6197
2017	-	2.38	-	12107	5448	5067
2018	-	2.44	-	10013	4506	4190
2019	-	2.49	-	8173	3678	3420
2020	-	2.55	-	6844	3080	2864
2021	-	2.61	-	5617	2528	2351
2022	-	2.66	-	4718	2123	1974
2023	-	2.72	-	3936	1771	1647
2024	-	2.78	-	3261	1468	1365
2025	-	2.84	-	2725	1226	1141
2026	-	2.89	-	2179	980	912
2027	-	2.95	-	1711	770	716
SUB				115574	52008	48368
REM				3366	1515	1409
TOT				118939	53523	49776

COMPANY SHARE FUTURE NET REVENUE

Year	Working Interest Future Revenue (FR)		Royalty Revenue	Royalties		Operating Costs			FR After Roy. & Oper. Costs	Net Back	Proc & Other Income	Capital Costs	Aband Costs	Future Net Revenue	
	Gas MM\$	Total MM\$	MM\$	Total MM\$	%	Fixed MM\$	Var MM\$	\$/Mcf	MM\$	\$/Mcf	MM\$	MM\$	MM\$	Undisc MM\$	10.0% MM\$
2013	2	2	-	0	7.0	-	-	-	2	1.40	-	-	-	2	2
2014	17	17	-	1	7.0	-	-	-	16	1.82	-	-	-	16	15
2015	16	16	-	1	7.0	-	-	-	15	1.83	-	-	-	15	13
2016	16	16	-	1	7.0	-	-	-	15	2.17	-	-	-	15	11
2017	13	13	-	1	7.0	-	-	-	12	2.22	-	-	-	12	9
2018	11	11	-	1	7.0	-	-	-	10	2.27	-	-	-	10	7
2019	9	9	-	1	7.0	-	-	-	9	2.32	-	-	-	9	5
2020	8	8	-	1	7.0	-	-	-	7	2.37	-	-	-	7	4
2021	7	7	-	1	7.0	-	-	-	6	2.42	-	-	-	6	3
2022	6	6	-	0	7.0	-	-	-	5	2.47	-	-	-	5	2
2023	5	5	-	0	7.0	-	-	-	5	2.53	-	-	-	5	2
2024	4	4	-	0	7.0	-	-	-	4	2.58	-	-	-	4	1
2025	4	4	-	0	7.0	-	-	-	3	2.64	-	-	-	3	1
2026	3	3	-	0	7.0	-	-	-	3	2.69	-	-	-	3	1
2027	2	2	-	0	7.0	-	-	-	2	2.74	-	-	-	2	1
SUB	121	121	-	8	7.0	-	-	-	112	2.16	-	-	-	112	75
REM	5	5	-	0	7.0	-	-	-	4	2.86	-	-	-	4	1
TOT	125	125	-	9	7.0	-	-	-	117	2.18	-	-	-	117	76

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	117	92	82	76	65	56	50
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	-	-	-	-	-	-	-
Abandonment Costs . .	-	-	-	-	-	-	-
Future Net Revenue . .	117	92	82	76	65	56	50

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 3F
Summary of Production and Future Net Revenue - Total Company Condensate
Total Proved
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:43
Project : 021576

RESERVES AND PRODUCTION FORECAST

Year	# of Wells	Condensate Mbb1				
		Price \$/bbl	Pool		Company Share	
			bbl/d	Vol	Gross	Net
2013	-	113.25	-	188	85	69
2014	-	109.07	-	1783	803	655
2015	-	106.89	-	1927	867	702
2016	-	109.04	-	1826	822	665
2017	-	111.86	-	1512	681	549
2018	-	114.84	-	1263	569	458
2019	-	118.30	-	1026	462	372
2020	-	120.67	-	858	386	311
2021	-	123.08	-	724	326	262
2022	-	125.54	-	673	303	244
2023	-	128.06	-	636	286	231
2024	-	130.62	-	585	263	212
2025	-	133.23	-	560	252	203
2026	-	135.89	-	539	243	196
2027	-	138.61	-	478	215	173
SUB				14579	6561	5304
REM				1314	591	477
TOT				15894	7152	5780

COMPANY SHARE FUTURE NET REVENUE

Year	Working Interest Future Revenue (FR)		Royalty Revenue	Royalties		Operating Costs			FR After Roy. & Oper. Costs	Net Back \$/bbl	Proc & Other Income	Capital Costs	Aband Costs	Future Net Revenue	
	Condensate MM\$	Total MM\$		Total MM\$	%	Fixed MM\$	Var MM\$	\$/bbl						Undisc MM\$	10.0% MM\$
2013	10	10	-	2	18.4	-	-	-	8	92.41	-	-	-	8	8
2014	88	88	-	16	18.4	-	-	-	71	89.00	-	-	-	71	67
2015	93	93	-	18	19.0	-	-	-	75	86.58	-	-	-	75	64
2016	90	90	-	17	19.0	-	-	-	73	88.32	-	-	-	73	56
2017	76	76	-	15	19.4	-	-	-	61	90.16	-	-	-	61	43
2018	65	65	-	13	19.4	-	-	-	53	92.56	-	-	-	53	34
2019	55	55	-	11	19.4	-	-	-	44	95.35	-	-	-	44	26
2020	47	47	-	9	19.4	-	-	-	38	97.26	-	-	-	38	20
2021	40	40	-	8	19.4	-	-	-	32	99.20	-	-	-	32	16
2022	38	38	-	7	19.4	-	-	-	31	101.19	-	-	-	31	13
2023	37	37	-	7	19.4	-	-	-	30	103.22	-	-	-	30	12
2024	34	34	-	7	19.4	-	-	-	28	105.28	-	-	-	28	10
2025	34	34	-	7	19.4	-	-	-	27	107.38	-	-	-	27	9
2026	33	33	-	6	19.4	-	-	-	27	109.53	-	-	-	27	8
2027	30	30	-	6	19.4	-	-	-	24	111.72	-	-	-	24	7
SUB	768	768	-	147	19.2	-	-	-	620	94.55	-	-	-	620	392
REM	86	86	-	17	19.4	-	-	-	69	117.00	-	-	-	69	15
TOT	853	853	-	164	19.2	-	-	-	690	96.41	-	-	-	690	407

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	690	515	445	407	336	287	251
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	-	-	-	-	-	-	-
Abandonment Costs . .	-	-	-	-	-	-	-
Future Net Revenue . .	690	515	445	407	336	287	251

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 3G
Summary of Production and Future Net Revenue - Total Company
Total Proved
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Avg. WI : 45.00%
 Avg. Roy : 18.01%
 Avg. Prod. Taxes : 4.52%

Value Navigator 6.1.4.53
 Run Date : Jan 27, 14 16:45
 Project : 021576

RESERVES AND PRODUCTION FORECAST

Light&Med Oil							Heavy Oil							Sales Gas						
Mbbbl							Mbbbl							MMcf						
Year	# of Wells	Price \$/bbl	Pool bbl/d	Vol	Company Gross	Share Net	Price \$/bbl	Pool bbl/d	Vol	Company Gross	Share Net	Price \$/Mcf	Pool Mcf/d	Vol	Company Gross	Share Net				
2013	67	113.10	50098	3056	1375	1122	113.30	1597	97	44	36	1.50	128227	7822	3520	3273				
2014	99	108.93	62089	22663	10198	8322	109.10	1993	728	327	267	1.95	174932	63850	28733	26721				
2015	102	106.75	55447	20238	9107	7377	106.91	2020	737	332	269	1.96	174052	63529	28588	26587				
2016	104	108.90	45726	16736	7531	6100	109.06	1458	534	240	194	2.32	237793	87032	39165	36423				
2017	103	111.72	36681	13389	6025	4856	111.88	1166	426	192	154	2.37	160211	58477	26315	24473				
2018	103	114.70	29522	10775	4849	3908	114.86	961	351	158	127	2.43	121579	44376	19969	18572				
2019	97	118.16	23786	8682	3907	3149	118.32	769	281	126	102	2.48	84514	30848	13881	12910				
2020	92	120.54	19354	7084	3188	2569	120.69	657	240	108	87	2.54	63610	23281	10477	9743				
2021	89	122.96	15645	5710	2570	2071	123.10	565	206	93	75	2.60	51064	18639	8387	7800				
2022	83	125.42	12812	4676	2104	1696	125.56	486	178	80	64	2.64	76867	28056	12625	11742				
2023	80	127.94	10918	3985	1793	1445	128.07	380	139	62	50	2.70	97108	35445	15950	14834				
2024	75	130.52	9182	3360	1512	1219	130.62	334	122	55	44	2.76	107416	39314	17691	16453				
2025	73	133.13	7573	2764	1244	1003	133.24	296	108	49	39	2.82	116911	42673	19203	17858				
2026	73	135.79	6060	2212	995	802	135.90	263	96	43	35	2.87	124755	45536	20491	19057				
2027	65	138.50	4792	1749	787	634	138.62	226	82	37	30	2.93	106719	38952	17529	16302				
SUB				127079	57186	46274			4325	1946	1575			627830	282524	262747				
REM				3804	1712	1380			152	68	55			72817	32768	30474				
TOT				130884	58898	47654			4476	2014	1630			700648	315291	293221				

Condensate				Butane				Propane				Ethane				Sulphur			
Mbbbl				Mbbbl				Mbbbl				Mbbbl				LT			
Year	Price \$/bbl	Company Gross	Share Net	Price \$/bbl	Company Gross	Share Net	Price \$/bbl	Company Gross	Share Net	Price \$/bbl	Company Gross	Share Net	Price \$/bbl	Company Gross	Share Net	Price \$/LT	Company Gross	Share Net	
2013	113.25	85	69	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014	109.07	803	655	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	106.89	867	702	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2016	109.04	822	665	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2017	111.86	681	549	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2018	114.84	569	458	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2019	118.30	462	372	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020	120.67	386	311	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021	123.08	326	262	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2022	125.54	303	244	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2023	128.06	286	231	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2024	130.62	263	212	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2025	133.23	252	203	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2026	135.89	243	196	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2027	138.61	215	173	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUB		6561	5304	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REM		591	477	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOT		7152	5780	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

COMPANY SHARE FUTURE NET REVENUE

Year	Working Interest				Royalty Revenue	COMPANY SHARE FUTURE NET REVENUE										FR After				Future	
	Future Revenue (FR)					Royalties			Prod. Taxes		Oper Costs		Roy. & Oper. Costs	Net Back \$/BOE	Proc & Other Income	Cap'l Costs	Aband Costs	Net Revenue			
	Sales					State	Other	Losses	Levy	Fixed	Var	Undisc						10.0%			
	Oil	Gas	NGLs	Total															MM\$	MM\$	MM\$
2013	161	5	10	175	-	32	-	14	2	11	6	112	52.93	-	44	-	67	67			
2014	1147	56	88	1290	-	231	-	99	8	78	45	830	50.95	-	160	-	670	627			
2015	1008	56	93	1157	-	213	-	55	4	89	42	755	49.53	-	27	-	728	622			
2016	846	91	90	1027	-	184	-	47	3	94	37	662	43.14	-	5	-	657	510			
2017	695	63	76	833	-	154	-	23	3	96	29	528	46.19	-	-	-	528	373			
2018	574	49	65	688	-	128	-	19	2	96	24	419	46.49	-	-	-	419	269			
2019	477	35	55	566	-	106	-	16	2	94	19	328	47.66	-	2	1	326	191			
2020	397	27	47	470	-	88	-	13	2	94	16	257	46.76	-	-	-	257	136			
2021	327	22	40	389	-	73	-	11	2	94	13	197	44.37	-	-	-	197	95			
2022	274	33	38	345	-	63	-	9	2	95	12	164	35.09	-	17	-	147	64			
2023	237	43	37	317	-	56	-	8	2	97	11	143	29.22	-	18	-	125	50			
2024	205	49	34	288	-	50	-	7	2	93	10	136	27.85	-	13	-	123	44			
2025	172	54	34	260	-	44	-	6	3	85	9	113	23.36	-	29	-	85	28			
2026	141	59	33	233	-	38	-	5	2	86	8	94	19.47	-	14	1	79	24			
2027	114	51	30	195	-	32	-	4	2	83	7	68	16.79	-	-	1	68	19			
SUB	6774	692	768	8234	-	1489	-	337	40	1275	287	4805	42.00	-	328	2	4475	3119			
REM	257	100	86	443	-	74	-	10	5	282	14	58	7.30	-	12	73	-27	-2			
TOT	7032	792	853	8677	-	1563	-	348	45	1557	302	4863	39.70	-	341	75	4448	3117			

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper	4863	3994	3608	3390	2950	2618	2358
Proc & Other Income	-	-	-	-	-	-	-
Capital Costs	341	290	270	259	239	226	216
Abandonment Costs	75	32	19	14	7	3	2
Future Net Revenue	4448	3673	3319	3117	2704	2389	2141

PROFITABILITY BT

Rate of Return (%)	-
Profit Index (undisc)	13.054
(disc @ 10.0%)	12.025
Total Payout (years)	0.79
Cost of Finding (\$/BOE)	2.82
NPV @ 10% (\$/BOE)	25.84



These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.

Table 3H
Income Tax Summary - Total Company
Total Proved
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:46
Project : 021576

Year	Gross Reserves			Revenue				Burdens & Expenses					Taxable Income Before Ded.	Capital Deductions				
	Oil Mbbbl	Gas MMcf	NGLs Mbbbl	WI MM\$	Roy. MM\$	Other MM\$	Total MM\$	Burdens MM\$	NDDC Levy MM\$	Pipe Losses MM\$	Op. Costs, Aband&			G&G MM\$	I.A. MM\$	Annu. MM\$	Other MM\$	Cap. Ded. MM\$
											Salv. MM\$	Total MM\$						
2013	1419	3520	85	175	-	-	175	32	2	14	17	64	112	-	1	95	-	97
2014	10526	28733	803	1290	-	-	1290	231	8	99	123	461	830	-	3	103	-	106
2015	9439	28588	867	1157	-	-	1157	213	4	55	130	402	755	-	1	39	-	40
2016	7771	39165	822	1027	-	-	1027	184	3	47	131	365	662	-	0	36	-	36
2017	6216	26315	681	833	-	-	833	154	3	23	125	305	528	-	-	24	-	24
2018	5007	19969	569	688	-	-	688	128	2	19	120	269	419	-	-	14	-	14
2019	4033	13881	462	566	-	-	566	106	2	16	114	238	328	-	-	3	-	3
2020	3296	10477	386	470	-	-	470	88	2	13	111	214	257	-	-	0	-	0
2021	2662	8387	326	389	-	-	389	73	2	11	107	193	197	-	-	-	-	-
2022	2184	12625	303	345	-	-	345	63	2	9	107	182	164	-	0	1	-	1
2023	1856	15950	286	317	-	-	317	56	2	8	107	174	143	-	1	3	-	3
2024	1567	17691	263	288	-	-	288	50	2	7	93	152	136	-	0	4	-	5
2025	1292	19203	252	260	-	-	260	44	3	6	94	146	113	-	0	6	-	6
2026	1039	20491	243	233	-	-	233	38	2	5	94	140	93	-	0	7	-	7
2027	824	17529	215	195	-	-	195	32	2	4	90	128	68	-	-	6	-	6
SUB	59132	282524	6561	8234	-	-	8234	1489	40	337	1564	3431	4803	-	7	341	-	348
REM	1780	32768	591	443	-	-	443	74	5	10	370	458	-15	-	0	9	-	9
TOT	60912	315291	7152	8677	-	-	8677	1563	45	348	1934	3889	4788	-	7	350	-	357

Year	G&G				Investment Allowance				Annual Allowance				Other Allowance			
	Initial Balance	Add- ition	Depn. Rate	Expense Claim	Initial Balance	Add- ition	Depn. Rate	Expense Claim	Initial Balance	Add- ition	Depn. Rate	Expense Claim	Initial Balance	Add- ition	Depn. Rate	Expense Claim
	MM\$	MM\$	%	MM\$	MM\$	MM\$	%	MM\$	MM\$	MM\$	%	MM\$	MM\$	MM\$	%	MM\$
2013	-	-	-	-	-	1	100.0	1	303	25	29.0	95	-	-	-	-
2014	-	-	-	-	-	3	100.0	3	233	57	35.6	103	-	-	-	-
2015	-	-	-	-	-	1	100.0	1	187	15	19.2	39	-	-	-	-
2016	-	-	-	-	-	0	100.0	0	163	1	22.0	36	-	-	-	-
2017	-	-	-	-	-	-	-	-	128	-	18.8	24	-	-	-	-
2018	-	-	-	-	-	-	-	-	104	-	13.7	14	-	-	-	-
2019	-	-	-	-	-	-	-	-	90	-	3.5	3	-	-	-	-
2020	-	-	-	-	-	-	-	-	87	-	0.3	0	-	-	-	-
2021	-	-	-	-	-	-	-	-	87	-	-	-	-	-	-	-
2022	-	-	-	-	-	0	100.0	0	87	5	1.0	1	-	-	-	-
2023	-	-	-	-	-	1	100.0	1	90	9	2.8	3	-	-	-	-
2024	-	-	-	-	-	0	100.0	0	97	7	4.0	4	-	-	-	-
2025	-	-	-	-	-	0	100.0	0	99	7	5.2	6	-	-	-	-
2026	-	-	-	-	-	0	100.0	0	100	7	6.4	7	-	-	-	-
2027	-	-	-	-	-	-	-	-	100	-	5.8	6	-	-	-	-
SUB	-	-	-	-	-	7	-	7	-	133	-	341	-	-	-	-
REM	-	-	-	-	-	0	-	7	-	2	-	9	-	-	-	-
TOT	-	-	-	-	-	7	-	7	-	135	-	350	-	-	-	-

Year	Education Tax						Petroleum Production Tax						Regime	Cash Flow					
	Cap. Tax Ded.	Tax Loss Carry	Ded. Taxable Used	Taxable Income	Tax Rate	Tax Pay- able	Cap. Tax Ded.	Tax Loss Carry	Ded. Taxable Used	Taxable Income	Tax Rate	Tax Pay- able		Total Tax	BTCTF	Payable	ATCTF	Cum. ATCTF	NPV
	MM\$	MM\$	MM\$	MM\$	%	MM\$	MM\$	MM\$	MM\$	MM\$	%	MM\$		MM\$	MM\$	MM\$	MM\$	@ 10 %	MM\$
2013	-	-	-	93	2.0	2	97	88	14	77	65.8	51	2	67	54	13	13	13	17
2014	-	-	-	728	2.0	15	106	41	121	592	65.8	389	17	670	421	249	262	232	232
2015	-	-	-	743	2.0	15	40	-	96	633	85.0	538	17	728	569	159	421	137	137
2016	-	-	-	658	2.0	13	36	-	127	518	85.0	440	27	657	480	176	597	138	138
2017	-	-	-	528	2.0	11	24	-	87	431	85.0	366	19	528	396	133	730	94	94
2018	-	-	-	419	2.0	8	14	-	63	348	85.0	296	15	419	319	101	830	65	65
2019	-	-	-	328	2.0	7	3	-	38	284	85.0	242	10	326	258	68	898	40	40
2020	-	-	-	257	2.0	5	0	-	27	225	85.0	191	8	257	204	53	951	28	28
2021	-	-	-	197	2.0	4	-	-	22	171	85.0	145	7	197	156	41	992	20	20
2022	-	-	-	152	2.0	3	1	-	35	114	85.0	97	10	147	110	37	1028	16	16
2023	-	-	-	134	2.0	3	3	-	46	85	85.0	72	13	125	88	37	1065	15	15
2024	-	-	-	129	2.0	3	5	-	53	73	85.0	62	15	123	80	43	1108	16	16
2025	-	-	-	91	2.0	2	6	1	59	31	85.0	26	16	85	44	40	1149	13	13
2026	-	-	-	87	2.0	2	7	4	62	23	85.0	20	18	79	39	41	1189	12	12
2027	-	-	-	68	2.0	1	6	4	53	14	85.0	12	15	68	28	39	1229	11	11
SUB	-	-	-	4612	2.0	92	348	-	902	3618	81.4	2947	208	4475	3246	1229	-	853	853
REM	-	-	-	48	2.0	1	9	-	46	2	85.0	1	30	-27	32	-60	-	-9	-9
TOT	-	-	-	4660	2.0	93	357	-	947	3620	81.4	2948	238	4448	3279	1169	-	844	844

NET PRESENT VALUE (MM\$) - AT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%
Before Tax Cash Flow.	4448	3673	3319	3117	2704	2389
Tax Payable	3279	2691	2424	2273	1963	1727
After Tax Cash Flow .	1169	982	894	844	741	662



These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.

Table 4A
Summary of Reserves and Net Present Value - Total Company
Total Proved + Probable
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:39
Project : 021576

Well	Zone	Current Reserve Cat.	Avg. WI %	Light&Med Oil		Heavy Oil		Sales Gas		NGLs		Total BOE		NPV	
				Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	@ 0%	@ 10%
				Mbb1	Mbb1	Mbb1	Mbb1	MMcf	MMcf	Mbb1	Mbb1	Mbb1	Mbb1	MM\$	MM\$
Nigeria															
OML-04 + 38 + 41															
AMUKPE															
1)Amukpe Oil															
AMUK001L:E1400X	E1400	P+PBP	45.0	504	407	-	-	612	569	35	28	644	533	28	15
AMUK001S:D5100X	D5100	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
AMUK002T:G5400X	G5400	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 1)Amukpe Oil				504	407	-	-	612	569	35	28	644	533	28	15
2) Amukpe Other Costs															
Amukpe Abandonment		P+PBP	-	-	-	-	-	-	-	-	-	-	-	-2	0
Amukpe G&A Expense		P+PBP	-	-	-	-	-	-	-	-	-	-	-	-217	-97
Amukpe Licence Fee		P+PBP	-	-	-	-	-	-	-	-	-	-	-	0	0
Amukpe Water Disposal		P+PBP	-	-	-	-	-	-	-	-	-	-	-	-10	-10
Total 2) Amukpe Other Costs				-	-	-	-	-	-	-	-	-	-	-230	-107
Total AMUKPE				504	407	-	-	612	569	35	28	644	533	-202	-92
INFRASTRUCTURE															
Pipeline															
Pipeline Cost		P+PBN	-	-	-	-	-	-	-	-	-	-	-	-5	-5
Total Pipeline				-	-	-	-	-	-	-	-	-	-	-5	-5
Total INFRASTRUCTURE				-	-	-	-	-	-	-	-	-	-	-5	-5
O BEN															
C															
O BEN- INF:C8500	C8500	PBU	45.0	791	638	-	-	150	140	5	4	822	666	45	23
O BEN020S:C8000M	C8000	P+PBN	45.0	950	766	-	-	181	168	6	5	987	800	79	21
Total C				1742	1404	-	-	331	308	10	8	1809	1466	124	44
D															
O BEN-HZ:D9000	D9000	P+PBU	45.0	1450	1171	-	-	1378	1281	44	35	1731	1427	104	57
O BEN003L:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN003S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN004S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN005L:D9000M	D9000	P+PBN	45.0	619	500	-	-	1469	1366	46	37	918	773	55	33
O BEN005S:D4000M	D4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN006S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN007S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN008S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN009S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN010L:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN010S:D4000M	D4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN011L:D7000M	D7000	P+PBN	45.0	699	565	-	-	465	432	15	12	793	651	56	34
O BEN011L:D7002M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN011S:D7000M	D7000	P+PBN	45.0	394	318	-	-	308	287	10	8	456	375	30	19
O BEN011S:D7001M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN020L:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN020S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN020T:D7000M	D7000	P+PBN	45.0	1079	872	-	-	1538	1430	49	39	1393	1158	79	49
O BEN023S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN024L:D7000M	D7000	P+PBN	45.0	973	786	-	-	740	688	23	19	1124	924	66	40
O BEN024S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN025L:D4000M	D4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN025L:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN025S:D4000M	D4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN029S:D4000M	D4000	P+PBN	45.0	255	207	-	-	485	451	15	12	354	297	19	15
O BEN032S:D4000M	D4000	P+PBN	45.0	99	80	-	-	281	261	9	7	156	132	3	3
Total D				5567	4499	-	-	6663	6197	210	170	6926	5737	412	250

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 4A
Summary of Reserves and Net Present Value - Total Company
Total Proved + Probable
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:39
Project : 021576

		Current Reserve	Avg.	Light&Med Oil		Heavy Oil		Sales Gas		NGLs		Total BOE		NPV	
Well	Zone	Cat.	WI %	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	@ 0%	@ 10%
				Mbbl	Mbbl	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	MM\$	MM\$
E															
OBEN-INF2:E4000	E4000	P+PBU	45.0	1127	909	-	-	1605	1493	51	41	1454	1208	79	38
OBEN-INF:E2000	E2000	PBU	45.0	839	677	-	-	797	741	25	20	1001	825	51	27
OBEN-INF:E4000	E4000	P+PBU	45.0	1123	908	-	-	1601	1488	51	41	1450	1205	76	41
OBEN004L:E3000M	E3000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN005L:E1500M	E1500	P+PBN	45.0	407	330	-	-	1413	1314	45	36	696	592	36	26
OBEN005L:E3000M	E3000	P+PBN	45.0	753	609	-	-	1965	1828	62	50	1154	974	69	39
OBEN006L:E3000M	E3000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN007L:E3000M	E3000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN008L:E3000M	E3000	P+PBN	45.0	514	416	-	-	281	261	9	7	571	468	30	20
OBEN009L:E3000M	E3000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN011L:E3000M	E3000	P+PBN	45.0	668	540	-	-	444	413	14	11	759	622	54	32
OBEN022T:E4000M	E4000	P+PBN	45.0	431	348	-	-	962	895	30	25	627	527	26	18
OBEN023L:E3000M	E3000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN029L:E4000M	E4000	P+PBN	45.0	386	312	-	-	1834	1706	58	47	760	653	34	21
OBEN032L:E3000M	E3000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Injector - E4	E4000	PBU	-	-	-	-	-	-	-	-	-	-	-	-10	-8
Total E				6249	5048	-	-	10902	10139	344	278	8473	7074	445	254
F															
OBEN-INF1:F7800	F7800	P+PBU	45.0	1250	1010	-	-	1782	1657	56	45	1614	1342	90	58
OBEN-INF:F3000	F3000	PBU	45.0	529	427	-	-	503	468	16	13	632	520	27	15
OBEN003L:F1500M	F1500	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN012S:F7800	F7800	P+PBU	45.0	600	485	-	-	237	220	7	6	648	529	35	22
OBEN014S:F7800	F7800	P+PBU	45.0	432	349	-	-	472	439	15	12	528	437	23	15
OBEN015S:F7800C	F7800	P+PBU	45.0	1222	987	-	-	689	641	22	18	1362	1115	105	57
OBEN017S:F7800	F7800	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN018S:F7800	F7800	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN019S:F7800	F7800	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN020L:F1500M	F1500	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN024L:F1500M	F1500	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN031S:F7800	F7800	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN031S:F7800M	F7800	P+PBU	45.0	639	516	-	-	911	847	29	23	825	686	56	30
Water Injectors - F7	F7800	PBU	-	-	-	-	-	-	-	-	-	-	-	-20	-19
Total F				4673	3775	-	-	4593	4272	145	117	5610	4629	317	179
G															
OBEN-INF:G1000	G1000	P+PBU	45.0	1110	896	-	-	1582	1472	50	40	1433	1190	78	39
OBEN-INF:G2000	G2000	PBU	45.0	798	645	-	-	1137	1058	36	29	1030	856	48	28
OBEN-INF:G3000	G3000	P+PBU	45.0	932	753	-	-	1329	1236	42	34	1203	1000	60	35
OBEN-INF:G3500	G3500	P+PBU	45.0	1111	898	-	-	1584	1473	50	40	1434	1193	74	44
OBEN-INF:G4300	G4300	P+PBU	45.0	438	354	-	-	624	580	20	16	565	470	18	11
OBEN-INF:G4500	G4500	P+PBU	45.0	527	427	-	-	601	559	19	15	650	538	26	17
OBEN-INF:G4700	G4700	PBU	45.0	797	644	-	-	909	845	29	23	983	813	47	27
OBEN005L:G8800N	G8800	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN012L:G5000A	G5000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN012S:G4000B	G4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN014L:G1000I	G1000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN014L:G4000B	G4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN015L:G4000B	G4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN015L:G4500A	G4500	P+PBN	45.0	411	332	-	-	468	436	15	12	506	419	33	22
OBEN017L:G3500A	G3500	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN017L:G4000B	G4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN018L:G4000B	G4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN019L:G4500A	G4500	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN019L:G5000A	G5000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN019S:G4000B	G4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN019S:G4000M	G4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN030L:G4300A	G4300	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN030S:G1000G	G1000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN031L:G4500A	G4500	P+PBN	45.0	851	689	-	-	364	339	11	9	926	757	59	43
OBEN031L:G4500M	G4500	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN031L:G5000A	G5000	P+PBN	45.0	1259	1017	-	-	359	334	11	9	1332	1084	108	60
OBEN031S:G4000B	G4000	P+PBN	45.0	139	113	-	-	380	353	12	10	217	183	11	8
OBEN036T:G3000	G3000	P+PBN	45.0	1502	1214	-	-	300	279	9	8	1563	1270	109	69
Total G				9877	7981	-	-	9637	8962	304	246	11842	9772	670	402

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 4A
Summary of Reserves and Net Present Value - Total Company
Total Proved + Probable
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:39
Project : 021576

Well	Zone	Current Reserve Cat.	Avg. WI %	Light&Med Oil		Heavy Oil		Sales Gas		NGLs		Total BOE		NPV	
				Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	@ 0%	@ 10%
				Mbbl	Mbbl	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	MM\$	MM\$
H															
OBEN016L:H5000A	H5000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN016S:H2000A	H2000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Total H				-	-	-	-	-	-	-	-	-	-	-	-
OBEN - Gas															
Gas Plant Expansion		P+PBU	-	-	-	-	-	-	-	-	-	-	-	-26	-21
OBEN - NonAssociated		P+PBU	45.0	-	-	-	-	381397	354699	1573	1269	67331	62424	564	245
Total OBEN - Gas				-	-	-	-	381397	354699	1573	1269	67331	62424	538	224
Oben Other Costs															
Oben Abandonment		P+PBU	-	-	-	-	-	-	-	-	-	-	-	-40	-5
Oben G&A Expense		P+PBP	-	-	-	-	-	-	-	-	-	-	-	-224	-86
Oben Licence Fee		P+PBP	-	-	-	-	-	-	-	-	-	-	-	-1	0
Total Oben Other Costs				-	-	-	-	-	-	-	-	-	-	-264	-91
Total OBEN				28107	22707	-	-	413522	384576	2587	2089	101991	91102	2241	1262
OKOPORO AND UBALEME															
C															
OKOP03:C3000	C3000	PBU	45.0	438	354	-	-	60	56	-	-	448	364	27	18
OKOP03:C4000	C4000	PBU	45.0	426	345	-	-	59	55	-	-	436	354	26	18
Total C				864	699	-	-	119	111	-	-	884	718	53	37
D															
UDP-1:D1000	D1000	PBU	45.0	240	194	-	-	33	31	-	-	246	199	-2	-4
Total D				240	194	-	-	33	31	-	-	246	199	-2	-4
Okoporo and Ubaleme Abandonment															
Okoporo and Ubaleme /		PBU	-	-	-	-	-	-	-	-	-	-	-	-1	0
Total Okoporo and Ubaleme Abandonment				-	-	-	-	-	-	-	-	-	-	-1	0
Okoporo and Ubaleme Licence Fee															
Okoporo and Ubaleme l		P+PBP	-	-	-	-	-	-	-	-	-	-	-	0	0
Total Okoporo and Ubaleme Licence Fee				-	-	-	-	-	-	-	-	-	-	0	0
Total OKOPORO AND UBALEME				1104	893	-	-	152	142	-	-	1130	917	49	32
OKPORHURU															
1) Okporhuru Oil															
OKRU-08(Stg1-U1.5)	U1500	PBU	45.0	754	609	-	-	159	148	7	6	788	640	53	32
OKRU-08(Stg2-U3.1)	U3100	PBU	45.0	1418	1145	-	-	299	278	13	10	1482	1204	110	66
OKRU-09(Stg1-U3.5)	U3500	PBU	45.0	892	720	-	-	188	175	8	7	932	756	66	36
OKRU-09(Stg2-V7s)	V70-71-7200	PBU	45.0	642	518	-	-	1299	1208	56	46	922	772	52	29
OKRU-10(Stg2-V6)	V6000	PBU	45.0	488	393	-	-	897	834	39	31	681	569	37	20
OKRU-10:U1.8	U1800	P+PBU	45.0	940	758	-	-	198	184	9	7	982	797	72	37
OKRU001L:V2000	V2000	P+PBN	45.0	1500	1212	-	-	1622	1508	71	57	1851	1529	131	75
OKRU001S:U5000	U5000	P+PBP	45.0	2196	1774	-	-	387	360	17	14	2279	1849	186	103
OKRU004L:V1000	V1000	P+PBN	45.0	1181	955	-	-	1556	1447	68	55	1517	1259	100	66
OKRU004S:U5000	U5000	P+PBP	45.0	2517	2036	-	-	706	657	31	25	2670	2174	206	140
OKRU005L:U8000	U8000	P+PBP	45.0	1004	812	-	-	500	465	22	18	1112	909	78	45
OKRU005S:U7000	U7000	P+PBP	45.0	1647	1331	-	-	376	349	16	13	1728	1404	129	79
OKRU006L:V4000	V4000	P+PBN	45.0	614	497	-	-	314	292	14	11	682	559	45	35
OKRU006S:U3000	U3000	P+PBN	45.0	772	624	-	-	50	46	2	2	783	634	55	38
Total 1) Okporhuru Oil				16564	13384	-	-	8549	7951	372	300	18410	15055	1319	799
2) Okporhuru Gas															
OKRU-06(Stg1-U4)	U4000	P+PBU	45.0	1443	1167	-	-	5309	4937	231	187	2589	2205	141	98
OKRU-07(Stg1-V7.31)	V7310	P+PBU	45.0	-	-	-	-	3599	3347	454	367	1074	944	38	25
OKRU-07(Stg2-V7.32)	V7320	P+PBU	45.0	-	-	-	-	2169	2017	144	116	518	464	9	5
OKRU-10:U9	U9000	P+PBU	45.0	-	-	-	-	2776	2582	-	-	479	445	1	0
Total 2) Okporhuru Gas				1443	1167	-	-	13853	12884	828	670	4660	4058	188	128
3) Existing Wells															
Okporhuru-1		NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Okporhuru-2		NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Okporhuru-3		NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 3) Existing Wells				-	-	-	-	-	-	-	-	-	-	-	-



These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.

Table 4A
Summary of Reserves and Net Present Value - Total Company
Total Proved + Probable
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:39
Project : 021576

		Current Reserve	Avg. Light&Med Oil			Heavy Oil		Sales Gas		NGLs		Total BOE		NPV	
Well	Zone	Cat.	WI %	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	@ 0%	@ 10%
				Mbb1	Mbb1	Mbb1	Mbb1	MMcf	MMcf	Mbb1	Mbb1	Mbb1	Mbb1	MM\$	MM\$
4) OKRU Other Costs															
Okporhuru Abandonment		P+PBU	-	-	-	-	-	-	-	-	-	-	-	-7	-1
Okporhuru License Fee		P+PBU	-	-	-	-	-	-	-	-	-	-	-	0	0
OKRU Field Development		P+PBU	-	-	-	-	-	-	-	-	-	-	-	-6	-5
Total 4) OKRU Other Costs				-	-	-	-	-	-	-	-	-	-	-13	-6
Total OKPORHURU				18007	14551	-	-	22403	20834	1200	970	23069	19113	1494	921
OVHOR															
H															
OVH0001S:H1000N	H1000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OVH0001S:H6000N	H6000	P+PBN	45.0	528	428	-	-	37	34	4	3	538	438	40	34
OVH0002S:H5000N	H5000	P+PBN	45.0	3588	2900	-	-	1163	1082	126	102	3915	3189	319	190
OVH0003L:H3000N	H3000	P+PBN	45.0	242	196	-	-	222	207	6	5	286	236	18	13
OVH0003S:H1100N	H1100	P+PBN	45.0	375	304	-	-	120	111	4	3	400	327	28	23
OVH0006T:H5000N	H5000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OVH0009L:H4000N	H4000	P+PBN	45.0	1275	1032	-	-	164	153	4	4	1307	1062	101	73
OVH0009S:H1200N	H1200	P+PBN	45.0	200	162	-	-	221	206	8	7	247	204	15	11
OVH0010S:H1000N	H1000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OVH0011L:H5000N	H5000	P+PBN	45.0	1072	866	-	-	169	157	18	15	1120	908	89	51
OVH0011S:H3000N	H3000	P+PBN	45.0	133	108	-	-	45	42	1	1	143	116	9	6
OVH0013L:H5000N	H5000	P+PBN	45.0	2116	1710	-	-	292	272	32	26	2198	1783	180	109
OVH0013S:H1200N	H1200	P+PBN	45.0	1676	1356	-	-	617	574	23	19	1806	1474	138	93
OVH0014S:H6000N	H6000	P+PBN	45.0	274	222	-	-	226	210	25	20	337	278	22	19
Total H				11479	9286	-	-	3275	3046	253	204	12296	10015	958	622
I															
OVH0001L:I3000N	I3000	P+PBN	45.0	1335	1081	-	-	80	75	13	10	1362	1104	108	77
OVH0002L:I3000N	I3000	P+PBN	45.0	636	516	-	-	318	295	50	41	741	608	52	45
OVH0002S:I3000N	I3000	P+PBN	45.0	641	520	-	-	265	247	42	34	729	597	52	44
OVH0005S:I1000N	I1000	P+PBN	45.0	708	572	-	-	115	107	12	10	739	601	56	38
OVH0006T:I2000N	I2000	P+PBN	45.0	440	356	-	-	101	94	16	13	474	385	27	20
OVH0007T:I1000N	I1000	P+PBN	45.0	6116	4947	-	-	293	272	30	24	6196	5019	500	328
OVH0008T:I2000N	I2000	P+PBN	45.0	2497	2021	-	-	62	58	10	8	2518	2039	191	132
OVH0009S:I1200N	I1200	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OVH0012T:I1000N	I1000	P+PBN	45.0	3137	2537	-	-	496	461	51	41	3273	2658	249	165
OVH0014L:I2000N	I2000	P+PBN	45.0	1602	1296	-	-	770	716	121	98	1857	1518	141	94
Total I				17112	13848	-	-	2501	2326	345	279	17889	14528	1375	942
J															
OVH0001L:J1000N	J1000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OVH0005L:J1000N	J1000	P+PBN	45.0	500	405	-	-	208	194	7	6	543	444	38	29
OVH0010L:J2000N	J2000	P+PBN	45.0	377	305	-	-	249	232	8	7	428	352	29	22
OVH0015X:J1000X New I	J1000	P+PBU	45.0	367	297	-	-	203	188	7	5	409	335	12	7
OVH0016X:J1000X New I	J1000	P+PBU	45.0	188	152	-	-	113	105	3	3	211	173	9	6
OVH0016X:J2000X New I	J1000	P+PBU	45.0	447	361	-	-	268	249	8	7	501	411	30	20
OVH0017X:J1000X New I	J1000	P+PBU	45.0	188	152	-	-	113	105	3	3	211	173	9	6
OVH0017X:J2000X New I	J1000	P+PBU	45.0	447	361	-	-	268	249	8	7	501	411	30	20
Total J				2514	2034	-	-	1422	1322	44	36	2803	2298	155	110
Ovhor Other Costs															
Ovhor Abandonment		P+PBU	-	-	-	-	-	-	-	-	-	-	-	-11	-1
Ovhor License Fee		P+PBP	-	-	-	-	-	-	-	-	-	-	-	0	0
Total Ovhor Other Costs				-	-	-	-	-	-	-	-	-	-	-12	-2
Total OVHOR				31104	25168	-	-	7199	6695	642	520	32987	26841	2477	1672

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 4A
Summary of Reserves and Net Present Value - Total Company
Total Proved + Probable
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:39
Project : 021576

Well	Zone	Current Reserve Cat.	Avg. WI %	Light&Med Oil		Heavy Oil		Sales Gas		NGLs		Total BOE		NPV	
				Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	@ 0%	@ 10%
				Mbbl	Mbbl	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	MM\$	MM\$
SAPELE															
1) Sapele Shallow Oil															
SAPL NEW-1 B3500X	B3500	PBU	45.0	-	-	1092	882	27	25	1	1	1098	887	69	33
SAPL NEW-1 B7400X	B3500	P+PBU	45.0	-	-	837	677	21	19	1	1	842	681	45	25
SAPL NEW-1 C3000X	B3500	P+PBU	45.0	-	-	99	80	6	6	-	-	100	81	-2	-2
SAPL NEW-1 C5000X	B3500	PBU	45.0	-	-	97	79	6	6	-	-	99	80	-2	-2
SAPL NEW-2 B3500X	B3500	PBU	45.0	-	-	794	641	20	18	1	1	798	644	43	19
SAPL011T:C5000X	C5000	P+PBN	45.0	-	-	412	333	1482	1378	64	52	732	623	28	18
SAPL021L:B7400X	B7400	P+PBN	45.0	-	-	33	27	575	534	25	20	157	139	4	4
SAPL021S:B3500X	B3500	P+PBN	45.0	-	-	221	179	531	494	23	19	336	283	16	11
SAPL023T:B3500X	B3500	P+PBN	45.0	-	-	107	87	760	707	33	27	271	235	7	6
SAPL024T:C3000X	C3000	P+PBN	45.0	-	-	962	778	1156	1075	50	41	1212	1004	71	48
Water Injector 1 - B:	B3500	PBU	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Injector 1 - B:	B3500	PBU	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Injector 1 - C:	B3500	PBU	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Injector 1 - C:	B3500	PBU	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Injector 2 - B:	B3500	PBU	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 1) Sapele Shallow Oil				-	-	4654	3761	4584	4263	199	161	5644	4658	279	160
2) Sapele Deep Oil															
SAPL001S:G2000X	G2000	PBN	45.0	370	298	-	-	170	158	7	6	406	331	23	10
SAPL001V:G3000X	G3000	P+PBN	45.0	955	772	-	-	2977	2769	129	105	1598	1354	95	54
SAPL002L:G3000X	G3000	P+PBN	45.0	856	692	-	-	1925	1790	84	68	1271	1068	76	45
SAPL002S:G2000X	G2000	P+PBN	45.0	1054	852	-	-	480	446	21	17	1157	945	85	49
SAPL006L:G5600X	G5600	P+PBN	45.0	767	620	-	-	1727	1607	75	61	1140	958	67	43
SAPL006S:G2000X	G2000	P+PBN	45.0	729	589	-	-	1676	1559	73	59	1090	917	63	41
SAPL009L:G3000X	G3000	P+PBN	45.0	139	112	-	-	353	328	15	12	215	181	9	7
SAPL009S:G2000X	G2000	P+PBN	45.0	546	441	-	-	994	925	43	35	760	636	44	29
SAPL010L:G4000X	G4000	P+PBN	45.0	553	447	-	-	5948	5532	259	209	1837	1610	64	39
SAPL012L:G3000X	G3000	P+PBN	45.0	719	581	-	-	866	806	38	30	906	750	58	35
SAPL012S:G2000X	G2000	P+PBN	45.0	500	404	-	-	2405	2237	105	85	1019	874	49	30
SAPL013L:G3000X	G3000	P+PBN	45.0	770	623	-	-	2118	1970	92	74	1227	1037	61	41
SAPL026L:G6100X	G6100	PBN	45.0	222	179	-	-	408	380	18	14	310	259	8	4
Total 2) Sapele Deep Oil				8178	6610	-	-	22048	20505	959	775	12938	10920	701	427
3) Sapele Gas															
SAPL017: G4000X	G4000	P+PBN	45.0	-	-	-	-	46615	43352	2027	1635	10064	9109	304	114
SAPL017T:G6000X	G6000	P+PBN	45.0	-	-	-	-	7564	7034	329	266	1633	1479	36	26
SAPL018: H3500XX	H3500	P+PBN	45.0	-	-	-	-	1116	1038	49	39	241	218	-2	-2
SAPL018T:H5000X	H5000	P+PBN	45.0	-	-	-	-	3622	3368	157	127	782	708	15	11
SAPL019: H1500XX	H1500	P+PBN	45.0	-	-	-	-	4347	4042	189	153	938	850	17	10
SAPL019: H6000XX	H6000	P+PBN	45.0	-	-	-	-	2479	2306	108	87	535	485	8	4
SAPL019: H7000XX	H7000	P+PBN	45.0	-	-	-	-	2548	2370	111	89	550	498	8	4
SAPL019T:H8000X	H8000	P+PBN	45.0	-	-	-	-	16616	15452	722	583	3587	3247	95	49
SAPL020: H2000XX	H2000	P+PBN	45.0	-	-	-	-	6586	6125	286	231	1422	1287	27	16
SAPL020T:H1000X	H1000	P+PBN	45.0	-	-	-	-	11458	10656	498	402	2474	2240	57	32
Total 3) Sapele Gas				-	-	-	-	102949	95743	4476	3613	22226	20121	565	263
4) Sapele NRA															
SAPL001L:G5400X	G5400	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
SAPL004S:G2000X	G2000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
SAPL005L:G3000X	G3000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
SAPL005S:G2000X	G2000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
SAPL010S:G2000X	G2000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
SAPL013S:G2000X	G2000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
SAPL015T:B4100X	B4100	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 4) Sapele NRA				-	-	-	-	-	-	-	-	-	-	-	-
5) Sapele Other Costs															
Sapele Abandonment		P+PBU	-	-	-	-	-	-	-	-	-	-	-	-23	-3
Sapele Compressors		P+PBU	-	-	-	-	-	-	-	-	-	-	-	-14	-12
Sapele G&A Expense		P+PBP	-	-	-	-	-	-	-	-	-	-	-	-541	-207
Sapele Integrity Upgr		P+PBU	-	-	-	-	-	-	-	-	-	-	-	-4	-4
Sapele License Fee		P+PBU	-	-	-	-	-	-	-	-	-	-	-	0	0
Total 5) Sapele Other Costs				-	-	-	-	-	-	-	-	-	-	-583	-227
Total SAPELE				8178	6610	4654	3761	129581	120510	5634	4549	40808	35698	962	623
Total OML-04 + 38 + 41				87003	70335	4654	3761	573469	533326	10098	8156	200629	174205	7017	4414

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 4A
Summary of Reserves and Net Present Value - Total Company
Total Proved + Probable
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:39
Project : 021576

Project : 021976															
Well	Zone	Current Reserve Cat.	Avg. WI %	Light&Med Oil		Heavy Oil		Sales Gas		NGLs		Total BOE		NPV	
				Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	@ 0%	@ 10%
				Mbbl	Mbbl	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	MM\$	MM\$
Total Nigeria				87003	70335	4654	3761	573469	533326	10098	8156	200629	174205	7017	4414
Total Company				87003	70335	4654	3761	573469	533326	10098	8156	200629	174205	7017	4414

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 4B
Summary of Production and Future Net Revenue - Total Company Light Oil
Total Proved + Probable
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:41
Project : 021576

RESERVES AND PRODUCTION FORECAST

Light Oil						
Mbbbl						
Year	# of Wells	Price \$/bbl	Pool		Company Share	
			bbl/d	Vol	Gross	Net
2013	54	113.10	51367	3133	1410	1151
2014	83	108.94	68121	24864	11189	9130
2015	91	106.77	67473	24628	11082	8977
2016	92	108.91	61131	22374	10068	8155
2017	94	111.73	52356	19110	8599	6931
2018	94	114.70	44663	16302	7336	5913
2019	94	118.16	37520	13695	6163	4967
2020	92	120.53	31365	11480	5166	4164
2021	90	122.93	26371	9626	4332	3491
2022	86	125.39	22191	8100	3645	2938
2023	81	127.90	19197	7007	3153	2541
2024	79	130.46	16584	6070	2731	2202
2025	74	133.07	14085	5141	2313	1865
2026	71	135.73	11881	4337	1951	1573
2027	66	138.44	10196	3722	1675	1350
SUB				179587	80814	65347
REM				13754	6189	4988
TOT				193340	87003	70335

COMPANY SHARE FUTURE NET REVENUE

	Working Interest		Royalty Revenue	Royalties		Operating Costs			FR After Roy. & Oper. Costs	Net Back	Proc & Other Income	Capital Costs	Aband Costs	Future Net Revenue		
	Future Revenue (FR)															
Year	Oil MM\$	Total MM\$	MM\$	Total MM\$	%	Fixed MM\$	Var MM\$	\$/bbl	MM\$	\$/bbl	MM\$	MM\$	MM\$	MM\$	Undisc MM\$	10.0% MM\$
2013	160	160	-	43	27.1	10	6	10.73	101	71.72	-	18	-	-	83	82
2014	1219	1219	-	331	27.1	69	45	10.18	774	69.19	-	170	-	-	605	565
2015	1183	1183	-	290	24.5	81	45	11.39	767	69.23	-	73	-	-	694	594
2016	1097	1097	-	267	24.3	89	42	13.00	699	69.42	-	4	-	-	695	540
2017	961	961	-	219	22.7	91	36	14.84	615	71.47	-	16	-	-	599	423
2018	842	842	-	191	22.7	94	32	17.06	525	71.58	-	-	-	-	525	337
2019	728	728	-	166	22.8	95	27	19.87	440	71.40	-	2	1	-	438	256
2020	623	623	-	142	22.8	96	23	23.05	362	69.99	-	-	-	-	362	192
2021	533	533	-	122	22.9	97	20	26.99	294	67.83	-	-	-	-	294	142
2022	457	457	-	105	22.9	97	17	31.27	238	65.37	-	-	-	-	238	105
2023	403	403	-	93	23.0	97	15	35.55	198	62.92	-	5	-	-	193	77
2024	356	356	-	82	23.0	97	14	40.51	164	59.89	-	-	-	-	164	59
2025	308	308	-	71	23.1	97	12	47.18	128	55.14	-	-	-	1	126	42
2026	265	265	-	61	23.2	96	10	54.30	98	49.99	-	-	-	-	98	29
2027	232	232	-	54	23.2	97	9	63.01	73	43.26	-	-	-	-	73	20
SUB	9365	9365	-	2236	23.9	1302	353	20.48	5474	67.74	-	287	2	-	5185	3461
REM	917	917	-	215	23.5	634	35	108.04	33	5.31	-	-	89	-	-56	3
TOT	10282	10282	-	2451	23.8	1936	388	26.70	5507	63.30	-	287	91	-	5129	3464

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	5507	4464	3997	3733	3203	2805	2497
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	287	271	263	258	246	236	227
Abandonment Costs . .	91	32	17	12	5	2	1
Future Net Revenue . .	5129	4161	3717	3464	2952	2567	2269

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 4C
Summary of Production and Future Net Revenue - Total Company Heavy Oil
Total Proved + Probable
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:42
Project : 021576

RESERVES AND PRODUCTION FORECAST

Heavy Oil						
Mbb1						
Year	# of Wells	Price \$/bbl	Pool		Company Share	
			bbl/d	Vol	Gross	Net
2013	5	113.30	1602	98	44	36
2014	9	109.10	3459	1263	568	464
2015	10	106.91	3896	1422	640	518
2016	10	109.06	2652	971	437	354
2017	7	111.88	2190	799	360	290
2018	7	114.86	1956	714	321	259
2019	7	118.32	1737	634	285	230
2020	7	120.69	1486	544	245	197
2021	6	123.10	1338	488	220	177
2022	6	125.56	1193	435	196	158
2023	6	128.07	1088	397	179	144
2024	6	130.62	980	359	161	130
2025	6	133.24	867	316	142	115
2026	5	135.90	779	284	128	103
2027	5	138.62	714	261	117	95
SUB				8985	4043	3269
REM				1357	611	492
TOT				10342	4654	3761

COMPANY SHARE FUTURE NET REVENUE

Year	Working Interest Future Revenue (FR)		Royalty Revenue	Royalties		Operating Costs			FR After Roy. & Oper. Costs	Net Back \$/bbl	Proc & Other Income	Capital Costs	Aband Costs	Future Net Revenue	
	Oil MM\$	Total MM\$		Total MM\$	%	Fixed MM\$	Var MM\$	\$/bbl						Undisc MM\$	10.0% MM\$
2013	5	5	-	1	27.9	1	0	16.94	3	64.69	-	-	-	3	3
2014	62	62	-	18	29.1	6	2	13.82	36	63.58	-	36	-	0	-1
2015	68	68	-	17	24.7	8	3	16.30	41	64.21	-	-	-	41	35
2016	48	48	-	12	24.9	7	2	20.70	27	61.24	-	-	-	27	21
2017	40	40	-	9	23.1	6	2	20.54	24	65.51	-	-	-	24	17
2018	37	37	-	9	23.1	6	1	22.92	21	65.36	-	-	-	21	14
2019	34	34	-	8	23.2	6	1	25.75	19	65.13	-	-	-	19	11
2020	30	30	-	7	23.2	6	1	26.91	16	65.79	-	-	-	16	9
2021	27	27	-	6	23.2	5	1	28.93	14	65.60	-	-	-	14	7
2022	25	25	-	6	23.3	5	1	32.52	13	63.81	-	-	-	13	6
2023	23	23	-	5	23.3	6	1	35.90	11	62.28	-	-	-	11	4
2024	21	21	-	5	23.4	6	1	40.01	10	60.02	-	-	-	10	4
2025	19	19	-	5	23.5	6	1	43.40	8	58.57	-	-	-	8	3
2026	17	17	-	4	23.5	5	1	46.94	7	57.00	-	-	-	7	2
2027	16	16	-	4	23.6	6	1	51.75	6	54.16	-	-	-	6	2
SUB	472	472	-	115	24.4	82	18	24.88	256	63.26	-	36	-	219	135
REM	92	92	-	22	23.7	36	3	64.01	31	50.46	-	-	-	31	6
TOT	563	563	-	137	24.3	118	22	30.02	287	61.58	-	36	-	250	141

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	287	217	190	175	147	127	113
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	36	35	35	34	34	33	32
Abandonment Costs . .	-	-	-	-	-	-	-
Future Net Revenue . .	250	182	155	141	113	94	81

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 4D
Summary of Production and Future Net Revenue - Total Company Non-Associated Sales Gas
Total Proved + Probable
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:42
Project : 021576

RESERVES AND PRODUCTION FORECAST

Non-Associated Sales Gas						
MMcf						
Year	# of Wells	Price	Pool		Company Share	
		\$/Mcf	Mcf/d	Vol	Gross	Net
2013	8	1.50	92075	5617	2527	2351
2014	19	1.95	120288	43905	19757	18374
2015	23	1.96	117504	42889	19300	17949
2016	26	2.32	185891	68036	30616	28473
2017	27	2.37	193603	70665	31799	29573
2018	27	2.43	199758	72912	32810	30513
2019	27	2.48	205655	75064	33779	31414
2020	26	2.53	211135	77276	34774	32340
2021	26	2.59	215440	78636	35386	32909
2022	27	2.64	218836	79875	35944	33428
2023	28	2.70	222169	81092	36491	33937
2024	28	2.76	223740	81889	36850	34270
2025	28	2.82	226235	82576	37159	34558
2026	29	2.87	228403	83367	37515	34889
2027	28	2.93	144376	52697	23714	22054
SUB				996495	448423	417033
REM				110614	49776	46292
TOT				1107109	498199	463325

COMPANY SHARE FUTURE NET REVENUE

	Working Interest		Royalty Revenue	COMPANY SHARE FUTURE NET REVENUE					FR After Roy. & Oper. Costs	Net Back \$/Mcf	Proc & Other Income	Capital Costs	Aband Costs	Future Net Revenue	
	Future Revenue (FR)			Royalties		Operating Costs								Undisc	10.0%
Year	Gas MM\$	Total MM\$	MM\$	Total MM\$	%	Fixed MM\$	Var MM\$	\$/Mcf	MM\$	\$/Mcf	MM\$	MM\$	MM\$	MM\$	MM\$
2013	4	4	-	2	40.4	1	0	0.39	1	0.50	-	26	-	-25	-25
2014	39	39	-	10	26.6	9	3	0.62	16	0.81	-	63	-	-47	-45
2015	38	38	-	8	21.5	13	3	0.81	14	0.73	-	35	-	-21	-18
2016	71	71	-	10	14.2	15	4	0.64	41	1.35	-	11	-	31	24
2017	75	75	-	9	11.6	17	4	0.67	45	1.43	-	10	-	36	25
2018	80	80	-	9	11.4	17	5	0.67	49	1.49	-	9	-	39	26
2019	84	84	-	9	10.9	17	5	0.64	53	1.57	-	10	-	44	25
2020	88	88	-	9	10.0	17	5	0.62	58	1.66	-	-	-	58	31
2021	92	92	-	9	9.6	17	5	0.61	61	1.73	-	-	-	61	29
2022	95	95	-	9	9.9	19	5	0.65	62	1.72	-	17	-	45	20
2023	99	99	-	10	9.6	21	5	0.69	64	1.75	-	13	-	51	20
2024	102	102	-	10	9.5	22	5	0.72	66	1.78	-	13	-	52	19
2025	105	105	-	10	9.8	22	5	0.73	67	1.81	-	29	-	38	13
2026	108	108	-	10	9.3	25	5	0.79	68	1.82	-	14	-	54	16
2027	70	70	-	7	9.5	23	3	1.10	37	1.55	-	-	-	37	10
SUB	1147	1147	-	130	11.4	254	60	0.70	702	1.57	-	250	-	453	169
REM	155	155	-	18	11.8	80	7	1.76	49	0.99	-	12	17	20	5
TOT	1302	1302	-	148	11.4	334	68	0.81	751	1.51	-	262	17	472	173

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	751	502	404	354	261	200	159
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	262	209	188	177	157	142	132
Abandonment Costs . .	17	7	4	3	1	1	0
Future Net Revenue . .	472	286	212	173	103	58	27

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 4E
Summary of Production and Future Net Revenue - Total Company Solution Gas
Total Proved + Probable
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:43
Project : 021576

RESERVES AND PRODUCTION FORECAST

Year	# of Wells	Solution Gas				
		MMcf				
		Price	Pool		Company Share	
		\$/Mcf	Mcf/d	Vol	Gross	Net
2013	-	1.51	-	2496	1123	1045
2014	-	1.96	-	19917	8963	8335
2015	-	1.97	-	20556	9250	8603
2016	-	2.33	-	18713	8421	7831
2017	-	2.38	-	16017	7208	6703
2018	-	2.44	-	13909	6259	5821
2019	-	2.49	-	11916	5362	4987
2020	-	2.54	-	10118	4553	4234
2021	-	2.60	-	8674	3903	3630
2022	-	2.66	-	7475	3364	3128
2023	-	2.72	-	6397	2879	2677
2024	-	2.78	-	5574	2508	2333
2025	-	2.84	-	4804	2162	2010
2026	-	2.89	-	4090	1840	1711
2027	-	2.95	-	3556	1600	1488
SUB				154211	69395	64537
REM				13055	5875	5464
TOT				167266	75270	70001

COMPANY SHARE FUTURE NET REVENUE

COMPANY SHARE FUTURE NET REVENUE															
Year	Working Interest Future Revenue (FR)		Royalty Revenue	Royalties		Operating Costs			FR After Roy. & Oper. Costs	Net Back \$/Mcf	Proc & Other Income MM\$	Capital Costs MM\$	Aband Costs MM\$	Future Net Revenue	
	Gas MM\$	Total MM\$	MM\$	Total MM\$	%	Fixed MM\$	Var MM\$	\$/Mcf	MM\$					MM\$	MM\$
2013	2	2	-	0	7.0	-	-	-	2	1.40	-	-	-	2	2
2014	18	18	-	1	7.0	-	-	-	16	1.82	-	-	-	16	15
2015	18	18	-	1	7.0	-	-	-	17	1.83	-	-	-	17	15
2016	20	20	-	1	7.0	-	-	-	18	2.17	-	-	-	18	14
2017	17	17	-	1	7.0	-	-	-	16	2.22	-	-	-	16	11
2018	15	15	-	1	7.0	-	-	-	14	2.27	-	-	-	14	9
2019	13	13	-	1	7.0	-	-	-	12	2.32	-	-	-	12	7
2020	12	12	-	1	7.0	-	-	-	11	2.37	-	-	-	11	6
2021	10	10	-	1	7.0	-	-	-	10	2.42	-	-	-	10	5
2022	9	9	-	1	7.0	-	-	-	8	2.47	-	-	-	8	4
2023	8	8	-	1	7.0	-	-	-	7	2.53	-	-	-	7	3
2024	7	7	-	1	7.0	-	-	-	7	2.58	-	-	-	7	2
2025	6	6	-	0	7.0	-	-	-	6	2.64	-	-	-	6	2
2026	5	5	-	0	7.0	-	-	-	5	2.69	-	-	-	5	2
2027	5	5	-	0	7.0	-	-	-	4	2.74	-	-	-	4	1
SUB	165	165	-	12	7.0	-	-	-	153	2.21	-	-	-	153	97
REM	19	19	-	1	7.0	-	-	-	17	2.93	-	-	-	17	4
TOT	183	183	-	13	7.0	-	-	-	170	2.26	-	-	-	170	100

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	170	127	110	100	83	70	61
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	-	-	-	-	-	-	-
Abandonment Costs . .	-	-	-	-	-	-	-
Future Net Revenue . .	170	127	110	100	83	70	61

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 4F
Summary of Production and Future Net Revenue - Total Company Condensate
Total Proved + Probable
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:43
Project : 021576

RESERVES AND PRODUCTION FORECAST

Year	# of Wells	Condensate Mbb1				
		Price \$/bbl	Pool		Company Share	
			bbl/d	Vol	Gross	Net
2013	-	113.25	-	189	85	70
2014	-	109.07	-	1830	824	672
2015	-	106.89	-	2090	941	762
2016	-	109.03	-	2073	933	756
2017	-	111.86	-	1907	858	692
2018	-	114.84	-	1779	801	645
2019	-	118.30	-	1619	729	587
2020	-	120.67	-	1434	645	520
2021	-	123.08	-	1277	575	463
2022	-	125.54	-	1152	518	418
2023	-	128.06	-	1046	471	379
2024	-	130.61	-	968	436	351
2025	-	133.23	-	889	400	322
2026	-	135.89	-	831	374	301
2027	-	138.61	-	661	298	240
SUB				19748	8886	7179
REM				2693	1212	977
TOT				22440	10098	8156

COMPANY SHARE FUTURE NET REVENUE

Year	Working Interest Future Revenue (FR)		Royalty Revenue	Royalties		Operating Costs			FR After Roy. & Oper. Costs	Net Back \$/bbl	Proc & Other Income	Capital Costs	Aband Costs	Future Net Revenue	
	Condensate MM\$	Total MM\$		Total MM\$	%	Fixed MM\$	Var MM\$	\$/bbl						Undisc MM\$	10.0% MM\$
2013	10	10	-	2	18.4	-	-	-	8	92.41	-	-	-	8	8
2014	90	90	-	17	18.4	-	-	-	73	89.00	-	-	-	73	69
2015	101	101	-	19	19.0	-	-	-	81	86.58	-	-	-	81	70
2016	102	102	-	19	19.0	-	-	-	82	88.32	-	-	-	82	64
2017	96	96	-	19	19.4	-	-	-	77	90.16	-	-	-	77	55
2018	92	92	-	18	19.4	-	-	-	74	92.56	-	-	-	74	48
2019	86	86	-	17	19.4	-	-	-	70	95.35	-	-	-	70	41
2020	78	78	-	15	19.4	-	-	-	63	97.26	-	-	-	63	33
2021	71	71	-	14	19.4	-	-	-	57	99.20	-	-	-	57	28
2022	65	65	-	13	19.4	-	-	-	53	101.19	-	-	-	53	23
2023	60	60	-	12	19.4	-	-	-	49	103.21	-	-	-	49	19
2024	57	57	-	11	19.4	-	-	-	46	105.27	-	-	-	46	17
2025	53	53	-	10	19.4	-	-	-	43	107.38	-	-	-	43	14
2026	51	51	-	10	19.4	-	-	-	41	109.53	-	-	-	41	12
2027	41	41	-	8	19.4	-	-	-	33	111.72	-	-	-	33	9
SUB	1052	1052	-	202	19.2	-	-	-	850	95.63	-	-	-	850	508
REM	181	181	-	35	19.4	-	-	-	146	120.13	-	-	-	146	28
TOT	1233	1233	-	237	19.3	-	-	-	995	98.57	-	-	-	995	536

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	995	705	594	536	429	357	305
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	-	-	-	-	-	-	-
Abandonment Costs . .	-	-	-	-	-	-	-
Future Net Revenue . .	995	705	594	536	429	357	305

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 4G
Summary of Production and Future Net Revenue - Total Company
Total Proved + Probable
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Avg. WI : 45.00%
 Avg. Roy : 17.85%
 Avg. Prod. Taxes : 4.17%

Value Navigator 6.1.4.53
 Run Date : Jan 27, 14 16:45
 Project : 021576

RESERVES AND PRODUCTION FORECAST

Light&Med Oil							Heavy Oil						Sales Gas						
Mbbbl							Mbbbl						Bcf						
	# of	Price		Pool		Company Share		Price		Pool		Company Share		Price		Pool		Company Share	
Year	Wells	\$/bbl	bbl/d	Vol	Gross	Net	\$/bbl	bbl/d	Vol	Gross	Net	\$/Mcf	Mcf/d	Vol	Gross	Net			
2013	67	113.10	51367	3133	1410	1151	113.30	1602	98	44	36	1.50	132997	8	4	3			
2014	111	108.94	68121	24864	11189	9130	109.10	3459	1263	568	464	1.95	174856	64	29	27			
2015	124	106.77	67473	24628	11082	8977	106.91	3896	1422	640	518	1.96	173821	63	29	27			
2016	127	108.91	61131	22374	10068	8155	109.06	2652	971	437	354	2.32	237020	87	39	36			
2017	128	111.73	52356	19110	8599	6931	111.88	2190	799	360	290	2.37	237485	87	39	36			
2018	128	114.70	44663	16302	7336	5913	114.86	1956	714	321	259	2.43	237865	87	39	36			
2019	128	118.16	37520	13695	6163	4967	118.32	1737	634	285	230	2.48	238302	87	39	36			
2020	125	120.53	31365	11480	5166	4164	120.69	1486	544	245	197	2.53	238779	87	39	37			
2021	122	122.93	26371	9626	4332	3491	123.10	1338	488	220	177	2.59	239205	87	39	37			
2022	118	125.39	22191	8100	3645	2938	125.56	1193	435	196	158	2.64	239316	87	39	37			
2023	114	127.90	19197	7007	3153	2541	128.07	1088	397	179	144	2.70	239695	87	39	37			
2024	113	130.46	16584	6070	2731	2202	130.62	980	359	161	130	2.76	238968	87	39	37			
2025	107	133.07	14085	5141	2313	1865	133.24	867	316	142	115	2.82	239396	87	39	37			
2026	104	135.73	11881	4337	1951	1573	135.90	779	284	128	103	2.87	239607	87	39	37			
2027	99	138.44	10196	3722	1675	1350	138.62	714	261	117	95	2.93	154118	56	25	24			
SUB				179587	80814	65347			8985	4043	3269			1151	518	482			
REM				13754	6189	4988			1357	611	492			124	56	52			
TOT				193340	87003	70335			10342	4654	3761			1274	573	533			

Condensate				Butane			Propane			Ethane			Sulphur		
Mbbbl				Mbbbl			Mbbbl			Mbbbl			LT		
	Price	Company Share		Price	Company	Share	Price	Company	Share	Price	Company	Share	Price	Company	Share
Year	\$/bbl	Gross	Net	\$/bbl	Gross	Net	\$/bbl	Gross	Net	\$/bbl	Gross	Net	\$/LT	Gross	Net
2013	113.25	85	70	-	-	-	-	-	-	-	-	-	-	-	-
2014	109.07	824	672	-	-	-	-	-	-	-	-	-	-	-	-
2015	106.89	941	762	-	-	-	-	-	-	-	-	-	-	-	-
2016	109.03	933	756	-	-	-	-	-	-	-	-	-	-	-	-
2017	111.86	858	692	-	-	-	-	-	-	-	-	-	-	-	-
2018	114.84	801	645	-	-	-	-	-	-	-	-	-	-	-	-
2019	118.30	729	587	-	-	-	-	-	-	-	-	-	-	-	-
2020	120.67	645	520	-	-	-	-	-	-	-	-	-	-	-	-
2021	123.08	575	463	-	-	-	-	-	-	-	-	-	-	-	-
2022	125.54	518	418	-	-	-	-	-	-	-	-	-	-	-	-
2023	128.06	471	379	-	-	-	-	-	-	-	-	-	-	-	-
2024	130.61	436	351	-	-	-	-	-	-	-	-	-	-	-	-
2025	133.23	400	322	-	-	-	-	-	-	-	-	-	-	-	-
2026	135.89	374	301	-	-	-	-	-	-	-	-	-	-	-	-
2027	138.61	298	240	-	-	-	-	-	-	-	-	-	-	-	-
SUB		8886	7179	-	-	-	-	-	-	-	-	-	-	-	-
REM		1212	977	-	-	-	-	-	-	-	-	-	-	-	-
TOT		10098	8156	-	-	-	-	-	-	-	-	-	-	-	-

COMPANY SHARE FUTURE NET REVENUE

Year	Working Interest				Royalty Revenue	COMBANT SHARE FUTURE NET REVENUE										Proc & Other Income	Cap'l Costs	Aband Costs	Future	
	Future Revenue (FR)					Royalties		Prod. Taxes		Oper Costs		Roy. & Oper.	Net Back \$/BOE	Undisc	10.0%					
	Sales					State	Other	Pipe Losses	NDDC Levy	Fixed	Var	Costs								
	Oil	Gas	NGLs	Total																
	MMS	MMS	MMS	MMS	MMS	MMS	MMS	MMS	MMS	MMS	MMS	MMS		MMS	MMS	MMS	MMS	MMS		
2013	165	6	10	180	-	32	-	14	2	11	6	115	52.89	-	44	-	70	70		
2014	1281	56	90	1427	-	256	-	110	11	84	50	916	52.24	-	269	-	647	603		
2015	1252	56	101	1408	-	261	-	68	7	101	51	921	52.37	-	109	-	812	695		
2016	1144	91	102	1337	-	243	-	62	4	112	48	868	47.76	-	15	-	853	662		
2017	1001	93	96	1190	-	219	-	33	4	114	42	777	46.96	-	25	-	752	530		
2018	878	95	92	1065	-	195	-	29	4	117	38	683	44.97	-	9	-	674	433		
2019	762	97	86	945	-	171	-	25	4	118	33	594	42.63	-	11	1	582	340		
2020	652	100	78	830	-	149	-	22	3	118	29	509	39.64	-	-	-	509	270		
2021	560	102	71	732	-	129	-	19	3	119	26	436	36.62	-	-	-	436	210		
2022	482	104	65	651	-	113	-	16	4	121	23	373	33.53	-	17	-	357	156		
2023	426	106	60	593	-	102	-	15	4	123	21	329	31.07	-	18	-	311	124		
2024	377	109	57	543	-	92	-	13	3	125	19	291	28.79	-	13	-	278	101		
2025	327	111	53	491	-	82	-	11	4	125	17	252	26.13	-	29	1	222	73		
2026	282	113	51	446	-	73	-	10	3	126	16	219	23.70	-	14	-	205	61		
2027	248	74	41	364	-	61	-	9	3	125	13	153	23.75	-	-	-	153	42		
SUB	9837	1311	1052	12200	-	2178	-	456	61	1639	431	7435	40.60	-	574	2	6860	4369		
REM	1009	173	181	1362	-	243	-	36	13	749	46	276	15.60	-	12	106	157	45		
TOT	10845	1485	1233	13563	-	2421	-	492	74	2388	477	7711	38.40	-	586	108	7017	4414		

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper	7711	6015	5294	4898	4122	3559	3135
Proc & Other Income	-	-	-	-	-	-	-
Capital Costs	586	516	486	469	436	411	391
Abandonment Costs	108	38	21	15	6	3	1
Future Net Revenue	7017	5461	4787	4414	3680	3146	2743

PROFITABILITY BT

Rate of Return (%)	-
Profit Index (undisc)	11.978
(disc @ 10.0%)	9.406
Total Payout (years)	1.05

Table 4H
Income Tax Summary - Total Company
Total Proved + Probable
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:46
Project : 021576

Year	Gross Reserves			Revenue				Burdens & Expenses					Taxable Income Before Ded.	Capital Deductions				
	Oil Sales Mbbl	Gas MMcf	NGLs Mbbl	WI MM\$	Roy. MM\$	Other MM\$	Total MM\$	Burdens MM\$	NDDC Levy MM\$	Pipe Losses MM\$	Op.Costs, Aband& Salv. MM\$	Total MM\$		G&G MM\$	I.A. MM\$	Annu. MM\$	Other MM\$	Cap. Avail. MM\$
2013	1454	3651	85	180	-	-	180	32	2	14	17	65	115	-	1	95	-	97
2014	11757	28720	824	1427	-	-	1427	256	11	110	134	511	916	-	4	108	-	113
2015	11722	28550	941	1408	-	-	1408	261	7	68	152	487	921	-	1	47	-	48
2016	10505	39037	933	1337	-	-	1337	243	4	62	160	469	868	-	0	44	-	44
2017	8959	39007	858	1190	-	-	1190	219	4	33	156	413	777	-	1	34	-	35
2018	7657	39069	801	1065	-	-	1065	195	4	29	154	382	683	-	0	24	-	24
2019	6448	39141	729	945	-	-	945	171	4	25	152	352	593	-	0	8	-	8
2020	5411	39327	645	830	-	-	830	149	3	22	147	321	509	-	-	3	-	3
2021	4551	39289	575	732	-	-	732	129	3	19	145	296	436	-	-	2	-	2
2022	3841	39308	518	651	-	-	651	113	4	16	144	277	373	-	0	2	-	2
2023	3332	39370	471	593	-	-	593	102	4	15	144	264	329	-	1	3	-	4
2024	2893	39358	436	543	-	-	543	92	3	13	144	252	291	-	0	4	-	5
2025	2456	39321	400	491	-	-	491	82	4	11	144	240	251	-	0	6	-	6
2026	2079	39355	374	446	-	-	446	73	3	10	141	227	219	-	0	7	-	7
2027	1792	25314	298	364	-	-	364	61	3	9	138	210	153	-	-	6	-	6
SUB	84857	517818	8886	12200	-	-	12200	2178	61	456	2071	4767	7434	-	9	393	-	403
REM	6800	55651	1212	1362	-	-	1362	243	13	36	901	1193	169	-	0	10	-	10
TOT	91657	573469	10098	13563	-	-	13563	2421	74	492	2973	5960	7603	-	9	403	-	413

Year	G&G				Investment Allowance				Annual Allowance				Other Allowance			
	Initial Balance MM\$	Add-ition MM\$	Depn. Rate %	Expense Claim MM\$	Initial Balance MM\$	Add-ition MM\$	Depn. Rate %	Expense Claim MM\$	Initial Balance MM\$	Add-ition MM\$	Depn. Rate %	Expense Claim MM\$	Initial Balance MM\$	Add-ition MM\$	Depn. Rate %	Expense Claim MM\$
2013	-	-	-	-	-	1	100.0	1	303	25	29.0	95	-	-	-	-
2014	-	-	-	-	-	4	100.0	4	233	83	34.3	108	-	-	-	-
2015	-	-	-	-	-	1	100.0	1	208	28	19.8	47	-	-	-	-
2016	-	-	-	-	-	0	100.0	0	189	3	23.1	44	-	-	-	-
2017	-	-	-	-	-	1	100.0	1	147	9	21.8	34	-	-	-	-
2018	-	-	-	-	-	0	100.0	0	122	2	19.6	24	-	-	-	-
2019	-	-	-	-	-	0	100.0	0	100	2	8.2	8	-	-	-	-
2020	-	-	-	-	-	-	-	-	93	-	3.2	3	-	-	-	-
2021	-	-	-	-	-	-	-	-	90	-	2.6	2	-	-	-	-
2022	-	-	-	-	-	0	100.0	0	87	5	1.7	2	-	-	-	-
2023	-	-	-	-	-	1	100.0	1	91	9	3.1	3	-	-	-	-
2024	-	-	-	-	-	0	100.0	0	97	7	4.0	4	-	-	-	-
2025	-	-	-	-	-	0	100.0	0	99	7	5.2	6	-	-	-	-
2026	-	-	-	-	-	0	100.0	0	100	7	6.4	7	-	-	-	-
2027	-	-	-	-	-	-	-	-	100	-	5.8	6	-	-	-	-
SUB	-	-	-	-	-	9	-	9	185	-	393	-	-	-	-	-
REM	-	-	-	-	-	0	-	9	2	-	10	-	-	-	-	-
TOT	-	-	-	-	-	9	-	9	187	-	403	-	-	-	-	-

Year	Education Tax						Petroleum Production Tax						Regime	Cash Flow				
	Cap. Tax		Loss Carry Fwd	Ded. Taxable Income	Tax Rate	Tax Pay-able	Cap. Tax		Loss Carry Fwd	Ded. Taxable Income	Tax Rate	Tax Pay-able	Other Taxes	Total Tax Payable		Cum. ATCF @ 10 %	NPV	
	Avail.						Avail.							BTCTF				
	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	
2013	-	-	-	96	2.0	2	97	88	14	80	65.8	53	2	70	56	14	18	
2014	-	-	-	730	2.0	15	113	48	121	595	65.8	391	17	647	422	224	239	
2015	-	-	-	841	2.0	17	48	-	104	720	85.0	612	17	812	645	167	406	
2016	-	-	-	856	2.0	17	44	-	135	703	85.0	598	27	853	642	211	617	
2017	-	-	-	761	2.0	15	35	-	127	618	85.0	526	28	752	569	183	799	
2018	-	-	-	675	2.0	14	24	-	119	543	85.0	461	29	674	503	171	970	
2019	-	-	-	586	2.0	12	8	-	106	468	85.0	398	29	582	439	143	1113	
2020	-	-	-	509	2.0	10	3	-	103	396	85.0	337	30	509	377	132	1245	
2021	-	-	-	436	2.0	9	2	-	104	323	85.0	275	31	436	314	122	1367	
2022	-	-	-	362	2.0	7	2	-	106	249	85.0	211	31	357	250	107	1474	
2023	-	-	-	320	2.0	6	4	-	110	204	85.0	173	32	311	211	99	1574	
2024	-	-	-	285	2.0	6	5	-	113	166	85.0	141	33	278	179	99	1672	
2025	-	-	-	230	2.0	5	6	-	117	108	85.0	92	33	222	130	92	1764	
2026	-	-	-	212	2.0	4	7	-	120	88	85.0	75	34	205	113	93	1857	
2027	-	-	-	153	2.0	3	6	-	80	70	85.0	60	22	153	85	68	1925	
SUB	-	-	-	7050	2.0	141	403	1579	5330	82.6	4401	393	6860	4935	1925		1185	
REM	-	-	-	265	2.0	5	10	158	102	85.0	87	52	157	144	13		13	
TOT	-	-	-	7315	2.0	146	413	1737	5432	82.6	4488	445	7017	5079	1938		1199	

NET PRESENT VALUE (MM\$) - AT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%
Before Tax Cash Flow.	7017	5461	4787	4414	3680	3146
Tax Payable	5079	3964	3483	3216	2688	2300
After Tax Cash Flow .	1938	1497	1304	1199	993	846



These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.

Table 5A
Summary of Reserves and Net Present Value - Total Company
Total Proved + Probable + Possible
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:39
Project : 021576

Well	Zone	Current Reserve Cat.	Avg. WI %	Light&Med Oil		Heavy Oil		Sales Gas		NGLs		Total BOE		NPV	
				Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	@ 0%	@ 10%
				Mbb1	Mbb1	Mbb1	Mbb1	MMcf	MMcf	Mbb1	Mbb1	Mbb1	Mbb1	MM\$	MM\$
Nigeria															
OML-04 + 38 + 41															
AMUKPE															
1)Amukpe Oil															
AMUK001L:E1400X	E1400	P+PSP	45.0	673	543	-	-	817	760	46	37	860	711	44	20
AMUK001S:D5100X	D5100	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
AMUK002T:G5400X	G5400	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 1)Amukpe Oil				673	543	-	-	817	760	46	37	860	711	44	20
2) Amukpe Other Costs															
Amukpe Abandonment		P+PSP	-	-	-	-	-	-	-	-	-	-	-	-2	0
Amukpe G&A Expense		P+PSP	-	-	-	-	-	-	-	-	-	-	-	-325	-111
Amukpe Licence Fee		P+PSP	-	-	-	-	-	-	-	-	-	-	-	0	0
Amukpe Water Disposal		P+PSP	-	-	-	-	-	-	-	-	-	-	-	-10	-10
Total 2) Amukpe Other Costs				-	-	-	-	-	-	-	-	-	-	-338	-121
Total AMUKPE				673	543	-	-	817	760	46	37	860	711	-294	-102
INFRASTRUCTURE															
Pipeline															
Pipeline Cost		P+PSN	-	-	-	-	-	-	-	-	-	-	-	-5	-5
Total Pipeline				-	-	-	-	-	-	-	-	-	-	-5	-5
Total INFRASTRUCTURE				-	-	-	-	-	-	-	-	-	-	-5	-5
O BEN															
C															
O BEN- INF:C8500	C8500	P+PSU	45.0	968	781	-	-	184	171	6	5	1006	815	59	28
O BEN020S:C8000M	C8000	P+PSN	45.0	1185	955	-	-	225	209	7	6	1230	997	102	25
Total C				2153	1736	-	-	409	380	13	10	2236	1812	161	53
D															
O BEN-HZ:D9000	D9000	P+PSU	45.0	1803	1456	-	-	631	587	54	44	1966	1601	135	67
O BEN003L:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN003S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN004S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN005L:D9000M	D9000	P+PSN	45.0	717	579	-	-	1702	1583	54	43	1064	895	65	37
O BEN005S:D4000M	D4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN006S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN007S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN008S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN009S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN010L:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN010S:D4000M	D4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN011L:D7000M	D7000	P+PSN	45.0	838	677	-	-	557	518	18	14	952	781	69	38
O BEN011L:D7002M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN011S:D7000M	D7000	P+PSN	45.0	468	378	-	-	367	341	12	9	543	447	37	22
O BEN011S:D7001M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN020L:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN020S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN020T:D7000M	D7000	P+PSN	45.0	1284	1037	-	-	1830	1702	58	47	1657	1377	97	55
O BEN023S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN024L:D7000M	D7000	P+PSN	45.0	1272	1028	-	-	967	899	31	25	1470	1207	94	49
O BEN024S:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN025L:D4000M	D4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN025L:D7000M	D7000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN025S:D4000M	D4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
O BEN029S:D4000M	D4000	P+PSN	45.0	319	258	-	-	606	564	19	15	443	371	24	18
O BEN032S:D4000M	D4000	P+PSN	45.0	112	91	-	-	320	297	10	8	177	150	4	3
Total D				6814	5504	-	-	6980	6491	255	206	8272	6829	525	289

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 5A
Summary of Reserves and Net Present Value - Total Company
Total Proved + Probable + Possible
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:39
Project : 021576

		Current Reserve	Avg.	Light&Med Oil		Heavy Oil		Sales Gas		NGLs		Total BOE		NPV	
Well	Zone	Cat.	WI %	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	@ 0%	@ 10%
				Mbbl	Mbbl	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	MM\$	MM\$
E															
OBEN-INF2:E4000	E4000	P+PSU	45.0	1369	1105	-	-	1951	1814	62	50	1767	1467	103	45
OBEN-INF:E2000	E2000	P+PSU	45.0	1101	887	-	-	1046	972	33	27	1314	1082	75	32
OBEN-INF:E4000	E4000	P+PSU	45.0	1364	1102	-	-	1944	1808	61	50	1760	1463	100	48
OBEN004L:E3000M	E3000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN005L:E1500M	E1500	P+PSN	45.0	425	344	-	-	1473	1370	47	38	725	618	38	27
OBEN005L:E3000M	E3000	P+PSN	45.0	904	730	-	-	2358	2193	74	60	1385	1168	86	44
OBEN006L:E3000M	E3000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN007L:E3000M	E3000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN008L:E3000M	E3000	P+PSN	45.0	617	499	-	-	337	314	11	9	686	562	36	23
OBEN009L:E3000M	E3000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN011L:E3000M	E3000	P+PSN	45.0	798	645	-	-	531	493	17	14	906	743	66	36
OBEN022T:E4000M	E4000	P+PSN	45.0	520	420	-	-	1161	1080	37	30	757	636	32	20
OBEN023L:E3000M	E3000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN029L:E4000M	E4000	P+PSN	45.0	483	390	-	-	2292	2132	72	58	950	816	44	24
OBEN032L:E3000M	E3000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Injector - E2	E2000	PSU	-	-	-	-	-	-	-	-	-	-	-	-10	-8
Water Injector - E4	E4000	P+PSU	-	-	-	-	-	-	-	-	-	-	-	-10	-8
Total E				7580	6121	-	-	13092	12175	413	334	10251	8554	559	282
F															
OBEN-INF1:F7800	F7800	P+PSU	45.0	1921	1551	-	-	2737	2545	86	70	2479	2059	150	82
OBEN-INF:F3000	F3000	P+PSU	45.0	705	569	-	-	670	623	21	17	842	693	40	20
OBEN003L:F1500M	F1500	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN012S:F7800	F7800	P+PSU	45.0	734	593	-	-	290	269	9	7	794	647	43	25
OBEN014S:F7800	F7800	P+PSU	45.0	557	450	-	-	602	560	19	16	680	562	31	18
OBEN015S:F7800C	F7800	P+PSU	45.0	1448	1170	-	-	817	760	26	21	1615	1322	129	64
OBEN017S:F7800	F7800	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN018S:F7800	F7800	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN019S:F7800	F7800	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN020L:F1500M	F1500	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN024L:F1500M	F1500	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN031S:F7800	F7800	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN031S:F7800M	F7800	P+PSU	45.0	759	613	-	-	1081	1006	34	28	979	814	69	34
Water Injectors - F7	F7800	P+PSU	-	-	-	-	-	-	-	-	-	-	-	-20	-19
Total F				6124	4945	-	-	6196	5763	196	158	7389	6097	443	224
G															
OBEN-INF:G1000	G1000	P+PSU	45.0	1389	1121	-	-	1980	1841	63	50	1793	1489	105	48
OBEN-INF:G2000	G2000	P+PSU	45.0	885	715	-	-	1261	1173	40	32	1142	949	55	31
OBEN-INF:G3000	G3000	P+PSU	45.0	1325	1070	-	-	1889	1757	60	48	1711	1421	95	47
OBEN-INF:G3500	G3500	P+PSU	45.0	1408	1138	-	-	2007	1866	63	51	1818	1511	101	53
OBEN-INF:G4300	G4300	P+PSU	45.0	524	424	-	-	747	694	24	19	676	562	24	14
OBEN-INF:G4500	G4500	P+PSU	45.0	663	536	-	-	755	703	24	19	817	676	36	22
OBEN-INF:G4700	G4700	P+PSU	45.0	885	714	-	-	1009	938	32	26	1090	902	55	30
OBEN005L:G8800N	G8800	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN012L:G5000A	G5000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN012S:G4000B	G4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN014L:G1000I	G1000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN014L:G4000B	G4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN015L:G4000B	G4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN015L:G4500A	G4500	P+PSN	45.0	548	443	-	-	625	581	20	16	675	559	45	28
OBEN017L:G3500A	G3500	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN017L:G4000B	G4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN018L:G4000B	G4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN019L:G4500A	G4500	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN019L:G5000A	G5000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN019S:G4000B	G4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN019S:G4000M	G4000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN030L:G4300A	G4300	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN030S:G1000G	G1000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN031L:G4500A	G4500	P+PSN	45.0	1134	917	-	-	485	451	15	12	1232	1007	80	53
OBEN031L:G4500M	G4500	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN031L:G5000A	G5000	P+PSN	45.0	1509	1219	-	-	430	400	14	11	1596	1299	133	69
OBEN031S:G4000B	G4000	P+PSN	45.0	181	146	-	-	494	459	16	13	282	238	15	10
OBEN036T:G3000	G3000	P+PSN	45.0	1943	1569	-	-	388	360	12	10	2022	1641	149	83
Water Injector - G1	G1000	PSU	-	-	-	-	-	-	-	-	-	-	-	-11	-7
Water Injector - G3	G3000	PSU	-	-	-	-	-	-	-	-	-	-	-	-10	-8
Water Injector - G3.1	G3500	PSU	-	-	-	-	-	-	-	-	-	-	-	-10	-8
Total G				12393	10010	-	-	12067	11223	381	308	14854	12253	861	462



These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.

Table 5A
Summary of Reserves and Net Present Value - Total Company
Total Proved + Probable + Possible
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:39
Project : 021576

		Current Reserve	Avg.	Light&Med Oil		Heavy Oil		Sales Gas		NGLs		Total BOE		NPV	
Well	Zone	Cat.	WI %	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	@ 0%	@ 10%
				Mbbl	Mbbl	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	MM\$	MM\$
H															
OBEN016L:H5000A	H5000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OBEN016S:H2000A	H2000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Total H				-	-	-	-	-	-	-	-	-	-	-	-
OBEN - Gas															
Gas Plant Expansion		P+PSU	-	-	-	-	-	-	-	-	-	-	-	-26	-21
OBEN - NonAssociated		P+PSU	45.0	-	-	-	-	440799	409943	1818	1466	77818	72146	695	246
Total OBEN - Gas				-	-	-	-	440799	409943	1818	1466	77818	72146	669	225
Oben Other Costs															
Oben Abandonment		P+PSU	-	-	-	-	-	-	-	-	-	-	-	-47	-4
Oben G&A Expense		P+PSP	-	-	-	-	-	-	-	-	-	-	-	-263	-90
Oben Licence Fee		P+PSP	-	-	-	-	-	-	-	-	-	-	-	-1	0
Total Oben Other Costs				-	-	-	-	-	-	-	-	-	-	-310	-94
Total OBEN				35064	28316	-	-	479543	445975	3076	2482	120820	107691	2908	1441
<u>OKOPORO AND UBALEME</u>															
C															
OKOP03:C3000	C3000	P+PSU	45.0	612	495	-	-	84	79	-	-	627	509	41	26
OKOP03:C4000	C4000	P+PSU	45.0	598	484	-	-	83	77	-	-	613	497	39	25
Total C				1211	979	-	-	167	155	-	-	1239	1005	80	50
D															
UDP-1:D1000	D1000	P+PSU	45.0	483	390	-	-	67	62	-	-	494	400	14	6
Total D				483	390	-	-	67	62	-	-	494	400	14	6
Okoporo and Ubaleme Abandonment															
Okoporo and Ubaleme /		P+PSU	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Okoporo and Ubaleme Abandonment				-	-	-	-	-	-	-	-	-	-	-	-
Okoporo and Ubaleme Licence Fee															
Okoporo and Ubaleme l		P+PSP	-	-	-	-	-	-	-	-	-	-	-	0	0
Total Okoporo and Ubaleme Licence Fee				-	-	-	-	-	-	-	-	-	-	0	0
Total OKOPORO AND UBALEME				1693	1368	-	-	234	217	-	-	1734	1406	94	56
<u>OKPORHURU</u>															
1) Okporhuru Oil															
OKRU-08(Stg1-U1.5)	U1500	P+PSU	45.0	905	731	-	-	191	177	8	7	946	768	66	37
OKRU-08(Stg2-U3.1)	U3100	P+PSU	45.0	1701	1374	-	-	358	333	16	13	1778	1444	136	76
OKRU-09(Stg1-U3.5)	U3500	P+PSU	45.0	1070	864	-	-	226	210	10	8	1119	908	82	41
OKRU-09(Stg2-V7s)	V70-71-7200	P+PSU	45.0	770	621	-	-	1559	1450	68	55	1107	926	65	34
OKRU-10(Stg2-V6)	V6000	P+PSU	45.0	585	472	-	-	1076	1001	47	38	817	682	46	23
OKRU-10:U1.8	U1800	P+PSU	45.0	1174	947	-	-	247	230	11	9	1228	995	94	44
OKRU001L:V2000	V2000	P+PSN	45.0	1942	1568	-	-	2099	1952	91	74	2395	1978	178	89
OKRU001S:U5000	U5000	P+PSP	45.0	2826	2281	-	-	498	463	22	17	2933	2379	251	121
OKRU004L:V1000	V1000	P+PSN	45.0	1579	1276	-	-	2081	1935	90	73	2028	1683	140	79
OKRU004S:U5000	U5000	P+PSP	45.0	3308	2673	-	-	928	863	40	33	3508	2855	279	171
OKRU005L:U8000	U8000	P+PSP	45.0	1289	1041	-	-	642	597	28	23	1427	1166	105	54
OKRU005S:U7000	U7000	P+PSP	45.0	2151	1738	-	-	475	442	21	17	2254	1830	178	95
OKRU006L:V4000	V4000	P+PSN	45.0	823	665	-	-	420	391	18	15	913	747	62	44
OKRU006S:U3000	U3000	P+PSN	45.0	1031	833	-	-	66	62	3	2	1045	846	76	46
Total 1) Okporhuru Oil				21154	17084	-	-	10865	10105	472	381	23500	19208	1757	952
2) Okporhuru Gas															
OKRU-06(Stg1-U4)	U4000	P+PSU	45.0	2748	2221	-	-	6019	5597	262	212	4047	3398	255	172
OKRU-07(Stg1-V7.31)	V7310	P+PSU	45.0	-	-	-	-	4079	3794	514	416	1218	1070	44	27
OKRU-07(Stg2-V7.32)	V7320	P+PSU	45.0	-	-	-	-	2458	2286	163	132	587	526	11	6
OKRU-10:U9	U9000	P+PSU	45.0	-	-	-	-	3166	2944	-	-	546	508	1	1
Total 2) Okporhuru Gas				2748	2221	-	-	15722	14621	939	759	6397	5501	311	206
3) Existing Wells															
Okporhuru-1		NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Okporhuru-2		NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Okporhuru-3		NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 3) Existing Wells				-	-	-	-	-	-	-	-	-	-	-	-



These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.

Table 5A
Summary of Reserves and Net Present Value - Total Company
Total Proved + Probable + Possible
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:39
Project : 021576

Well	Zone	Current Reserve Cat.	Avg. WI %	Light&Med Oil		Heavy Oil		Sales Gas		NGLs		Total BOE		NPV	
				Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	@ 0%	@ 10%
				Mbbl	Mbbl	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	MM\$	MM\$
4) OKRU Other Costs															
Okporhuru Abandonment		P+PSU	-	-	-	-	-	-	-	-	-	-	-	-	-
Okporhuru License Fee		P+PSU	-	-	-	-	-	-	-	-	-	-	-	0	0
OKRU Field Development		P+PSU	-	-	-	-	-	-	-	-	-	-	-	-6	-5
Total 4) OKRU Other Costs				-	-	-	-	-	-	-	-	-	-	-6	-5
Total OKPORHURU				23902	19305	-	-	26587	24726	1411	1140	29897	24709	2062	1152
OVHOR															
H															
OVH0001S:H1000N	H1000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OVH0001S:H6000N	H6000	P+PSN	45.0	679	550	-	-	47	44	5	4	692	562	53	42
OVH0002S:H5000N	H5000	P+PSN	45.0	4481	3620	-	-	1453	1351	158	128	4889	3981	412	221
OVH0003L:H3000N	H3000	P+PSN	45.0	293	237	-	-	270	251	7	6	347	287	22	15
OVH0003S:H1100N	H1100	P+PSN	45.0	487	394	-	-	155	144	5	4	519	423	37	28
OVH0006T:H5000N	H5000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OVH0009L:H4000N	H4000	P+PSN	45.0	1535	1242	-	-	198	184	5	4	1574	1278	124	84
OVH0009S:H1200N	H1200	P+PSN	45.0	288	233	-	-	318	295	12	10	355	293	22	15
OVH0010S:H1000N	H1000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OVH0011L:H5000N	H5000	P+PSN	45.0	1414	1142	-	-	222	207	24	20	1477	1197	123	63
OVH0011S:H3000N	H3000	P+PSN	45.0	158	128	-	-	54	50	1	1	169	138	10	7
OVH0013L:H5000N	H5000	P+PSN	45.0	2795	2258	-	-	386	359	42	34	2903	2354	249	130
OVH0013S:H1200N	H1200	P+PSN	45.0	2322	1877	-	-	854	795	33	26	2502	2040	198	119
OVH0014S:H6000N	H6000	P+PSN	45.0	352	285	-	-	290	270	32	26	434	358	29	23
Total H				14803	11967	-	-	4247	3949	324	262	15860	12910	1277	748
I															
OVH0001L:I3000N	I3000	P+PSN	45.0	1603	1297	-	-	96	90	15	12	1634	1324	131	89
OVH0002L:I3000N	I3000	P+PSN	45.0	795	645	-	-	397	369	63	51	926	759	66	54
OVH0002S:I3000N	I3000	P+PSN	45.0	801	650	-	-	332	308	52	42	911	745	66	53
OVH0005S:I1000N	I1000	P+PSN	45.0	849	687	-	-	139	129	14	12	887	720	68	43
OVH0006T:I2000N	I2000	P+PSN	45.0	534	432	-	-	123	114	19	16	575	467	34	23
OVH0007T:I1000N	I1000	P+PSN	45.0	7236	5851	-	-	346	322	36	29	7332	5936	603	372
OVH0008T:I2000N	I2000	P+PSN	45.0	3195	2583	-	-	80	74	13	10	3221	2606	251	160
OVH0009S:I1200N	I1200	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OVH0012T:I1000N	I1000	P+PSN	45.0	3747	3029	-	-	592	551	61	49	3910	3174	306	188
OVH0014L:I2000N	I2000	P+PSN	45.0	1942	1570	-	-	934	868	147	119	2250	1839	175	109
Total I				20703	16744	-	-	3039	2826	420	340	21647	17572	1700	1092
J															
OVH0001L:J1000N	J1000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
OVH0005L:J1000N	J1000	P+PSN	45.0	15	12	-	-	6	6	-	-	17	14	1	1
OVH0010L:J2000N	J2000	P+PSN	45.0	476	385	-	-	314	292	10	8	540	444	37	26
OVH0015X:J1000X New I	J1000	P+PSU	45.0	635	514	-	-	351	326	11	9	707	579	32	20
OVH0016X:J1000X New I	J1000	P+PSU	45.0	324	262	-	-	195	181	6	5	364	298	19	13
OVH0016X:J2000X New I	J1000	P+PSU	45.0	517	418	-	-	310	288	9	8	579	475	35	23
OVH0017X:J1000X New I	J1000	P+PSU	45.0	324	262	-	-	195	181	6	5	364	298	19	13
OVH0017X:J2000X New I	J1000	P+PSU	45.0	517	418	-	-	310	288	9	8	579	475	35	23
Total J				2808	2271	-	-	1680	1563	52	42	3150	2582	180	119
Ovhoh Other Costs															
Ovhoh Abandonment		P+PSU	-	-	-	-	-	-	-	-	-	-	-	-12	-1
Ovhoh License Fee		P+PSP	-	-	-	-	-	-	-	-	-	-	-	0	0
Total Ovhoh Other Costs				-	-	-	-	-	-	-	-	-	-	-12	-1
Total OVHOR				38314	30982	-	-	8966	8338	797	645	40657	33064	3144	1957

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 5A
Summary of Reserves and Net Present Value - Total Company
Total Proved + Probable + Possible
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:39
Project : 021576

Well	Zone	Current Reserve Cat.	Avg. WI %	Light&Med Oil		Heavy Oil		Sales Gas		NGLs		Total BOE		NPV	
				Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	@ 0%	@ 10%
				Mbbl	Mbbl	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	MM\$	MM\$
SAPELE															
1) Sapele Shallow Oil															
SAPL NEW-1 B3500X	B3500	P+PSU	45.0	-	-	1439	1162	36	33	2	1	1447	1169	99	46
SAPL NEW-1 B7400X	B3500	P+PSU	45.0	-	-	1107	894	27	26	1	1	1113	900	67	35
SAPL NEW-1 C3000X	B3500	P+PSU	45.0	-	-	132	107	8	8	-	-	134	109	0	0
SAPL NEW-1 C5000X	B3500	P+PSU	45.0	-	-	132	107	8	8	-	-	134	109	0	0
SAPL NEW-2 B3500X	B3500	P+PSU	45.0	-	-	1049	847	26	24	1	1	1055	852	64	28
SAPL011T:C5000X	C5000	P+PSN	45.0	-	-	517	418	1861	1731	81	65	919	782	36	21
SAPL021L:B7400X	B7400	P+PSN	45.0	-	-	44	35	763	710	33	27	208	185	6	5
SAPL021S:B3500X	B3500	P+PSN	45.0	-	-	288	232	690	642	30	24	437	367	22	14
SAPL023T:B3500X	B3500	P+PSN	45.0	-	-	142	115	1011	940	44	36	360	313	9	7
SAPL024T:C3000X	C3000	P+PSN	45.0	-	-	1184	957	1423	1323	62	50	1492	1235	90	56
Water Injector 1 - B:	B3500	P+PSU	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Injector 1 - B:	B3500	P+PSU	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Injector 1 - C:	B3500	P+PSU	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Injector 1 - C:	B3500	P+PSU	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Injector 2 - B:	B3500	P+PSU	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 1) Sapele Shallow Oil				-	-	6034	4876	5855	5445	255	206	7298	6020	393	211
2) Sapele Deep Oil															
SAPL D2700 XX	D2700	PSU	45.0	1390	1123	-	-	1663	1546	72	58	1749	1448	98	59
SAPL D3000 XX	D3000	PSU	45.0	2921	2360	-	-	3494	3249	152	123	3676	3043	238	140
SAPL001S:G2000X	G2000	P+PSN	45.0	493	397	-	-	227	211	10	8	542	442	34	14
SAPL001V:G3000X	G3000	P+PSN	45.0	1133	915	-	-	3532	3284	154	124	1895	1606	116	61
SAPL002L:G3000X	G3000	P+PSN	45.0	1020	824	-	-	2294	2133	100	81	1515	1272	93	50
SAPL002S:G2000X	G2000	P+PSN	45.0	1209	976	-	-	550	512	24	19	1327	1084	99	54
SAPL006L:G5600X	G5600	P+PSN	45.0	959	775	-	-	2159	2008	94	76	1425	1197	86	50
SAPL006S:G2000X	G2000	P+PSN	45.0	1080	873	-	-	2484	2310	108	87	1616	1358	100	54
SAPL009L:G3000X	G3000	P+PSN	45.0	180	146	-	-	458	426	20	16	279	235	12	8
SAPL009S:G2000X	G2000	P+PSN	45.0	637	515	-	-	1160	1078	50	41	887	741	53	32
SAPL010L:G4000X	G4000	P+PSN	45.0	685	553	-	-	7366	6850	320	259	2275	1993	83	45
SAPL012L:G3000X	G3000	P+PSN	45.0	863	697	-	-	1040	967	45	37	1087	900	71	39
SAPL012S:G2000X	G2000	P+PSN	45.0	600	485	-	-	2886	2684	125	101	1223	1049	60	34
SAPL013L:G3000X	G3000	P+PSN	45.0	965	780	-	-	2655	2469	115	93	1538	1299	78	48
SAPL026L:G6100X	G6100	P+PSN	45.0	356	287	-	-	655	610	28	23	498	415	18	9
Total 2) Sapele Deep Oil				14490	11706	-	-	32622	30338	1418	1146	21533	18082	1239	698
3) Sapele Gas															
SAPL017: G4000X	G4000	P+PSN	45.0	-	-	-	-	50211	46696	2183	1761	10840	9812	334	117
SAPL017T:G6000X	G6000	P+PSN	45.0	-	-	-	-	8814	8197	383	310	1903	1723	43	29
SAPL018: H3500XX	H3500	P+PSN	45.0	-	-	-	-	1181	1098	51	42	255	231	-1	-2
SAPL018T:H5000X	H5000	P+PSN	45.0	-	-	-	-	4806	4470	209	169	1038	940	21	14
SAPL019: H1500XX	H1500	P+PSN	45.0	-	-	-	-	4603	4281	200	162	994	900	19	10
SAPL019: H6000XX	H6000	P+PSN	45.0	-	-	-	-	2631	2447	114	92	568	514	9	4
SAPL019: H7000XX	H7000	P+PSN	45.0	-	-	-	-	2699	2510	117	95	583	527	9	4
SAPL019T:H8000X	H8000	P+PSN	45.0	-	-	-	-	20202	18788	878	709	4361	3948	121	56
SAPL020: H2000XX	H2000	P+PSN	45.0	-	-	-	-	6988	6499	304	245	1509	1366	29	17
SAPL020T:H1000X	H1000	P+PSN	45.0	-	-	-	-	13711	12752	596	481	2960	2680	71	37
Total 3) Sapele Gas				-	-	-	-	115846	107737	5037	4065	25010	22641	652	286
4) Sapele NRA															
SAPL001L:G5400X	G5400	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
SAPL004S:G2000X	G2000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
SAPL005L:G3000X	G3000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
SAPL005S:G2000X	G2000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
SAPL010S:G2000X	G2000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
SAPL013S:G2000X	G2000	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
SAPL015T:B4100X	B4100	NRA	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 4) Sapele NRA				-	-	-	-	-	-	-	-	-	-	-	-
5) Sapele Other Costs															
Sapele Abandonment		P+PSU	-	-	-	-	-	-	-	-	-	-	-	-26	-2
Sapele Compressors		P+PSU	-	-	-	-	-	-	-	-	-	-	-	-14	-12
Sapele G&A Expense		P+PSP	-	-	-	-	-	-	-	-	-	-	-	-635	-217
Sapele Integrity Upgr		P+PSU	-	-	-	-	-	-	-	-	-	-	-	-4	-4
Sapele License Fee		P+PSU	-	-	-	-	-	-	-	-	-	-	-	0	0
Total 5) Sapele Other Costs				-	-	-	-	-	-	-	-	-	-	-680	-236
Total SAPELE				14490	11706	6034	4876	154322	143520	6710	5417	53842	46743	1604	959

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 5A
Summary of Reserves and Net Present Value - Total Company
Total Proved + Probable + Possible
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:39
Project : 021576

Well	Zone	Current Reserve Cat.	Light&Med Oil		Heavy Oil		Sales Gas		NGLs		Total BOE		NPV		
			Avg. WI %	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	@ 0%	@ 10%
				Mbbl	Mbbl	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	MM\$	MM\$
Total OML-04 + 38 + 41			114136	92221	6034	4876	670470	623537	12040	9722	247809	214325	9514	5458	
Total Nigeria			114136	92221	6034	4876	670470	623537	12040	9722	247809	214325	9514	5458	
Total Company			114136	92221	6034	4876	670470	623537	12040	9722	247809	214325	9514	5458	

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 5B
Summary of Production and Future Net Revenue - Total Company Light Oil
Total Proved + Probable + Possible
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:41
Project : 021576

RESERVES AND PRODUCTION FORECAST

Light Oil						
Mbb1						
Year	# of Wells	Price \$/bbl	Pool		Company Share	
			bbl/d	Vol	Gross	Net
2013	54	113.10	51255	3127	1407	1148
2014	84	108.95	71877	26235	11806	9634
2015	91	106.78	74614	27234	12255	9927
2016	93	108.92	69840	25562	11503	9317
2017	95	111.73	62268	22728	10228	8243
2018	95	114.70	55138	20125	9056	7300
2019	95	118.16	48259	17615	7927	6389
2020	95	120.52	41818	15305	6887	5551
2021	94	122.93	36078	13169	5926	4776
2022	93	125.39	31300	11425	5141	4144
2023	93	127.90	27693	10108	4549	3666
2024	90	130.45	24530	8978	4040	3256
2025	86	133.05	21278	7767	3495	2817
2026	84	135.71	18584	6783	3052	2460
2027	77	138.43	16147	5894	2652	2138
SUB				222053	99924	80766
REM				31583	14212	11455
TOT				253636	114136	92221

COMPANY SHARE FUTURE NET REVENUE

	Working Interest		Royalty	Royalties			Operating Costs			FR After	Net	Proc &	Capital	Aband	Future		
	Future Revenue (FR)		Revenue						Roy. &	Back					Other	Costs	Costs
Year	Oil	Total	MM\$	Total	%	Fixed	Var	\$/bbl	Costs	MM\$	\$/bbl	Income	MM\$	MM\$	MM\$	MM\$	MM\$
2013	159	159	-	43	27.0	10	6	10.72	101	71.82	-	-	18	-	-	83	82
2014	1286	1286	-	348	27.1	70	47	9.87	821	69.56	-	-	194	-	-	628	586
2015	1309	1309	-	320	24.5	82	50	10.71	857	69.95	-	-	93	-	-	764	654
2016	1253	1253	-	304	24.3	90	47	11.96	811	70.50	-	-	14	-	-	797	619
2017	1143	1143	-	260	22.7	93	43	13.26	748	73.09	-	-	26	-	-	722	510
2018	1039	1039	-	235	22.7	95	39	14.76	670	73.96	-	-	-	-	-	670	430
2019	937	937	-	212	22.7	97	34	16.56	593	74.82	-	-	2	-	-	592	345
2020	830	830	-	188	22.7	99	30	18.75	513	74.41	-	-	-	1	-	512	272
2021	729	729	-	166	22.8	100	27	21.43	436	73.52	-	-	-	-	-	436	210
2022	645	645	-	147	22.8	102	24	24.47	372	72.30	-	-	-	-	-	372	163
2023	582	582	-	133	22.9	104	22	27.59	323	71.02	-	-	5	-	-	318	127
2024	527	527	-	121	22.9	105	20	30.89	281	69.66	-	-	-	-	-	281	102
2025	465	465	-	107	23.0	106	18	35.37	235	67.09	-	-	-	-	-	235	77
2026	414	414	-	95	23.0	106	16	39.99	197	64.46	-	-	-	-	-	197	59
2027	367	367	-	85	23.1	105	14	44.69	164	61.81	-	-	-	-	-	164	45
SUB	11683	11683	-	2766	23.7	1362	436	17.99	7120	71.26	-	-	351	1	6768	4280	
REM	2159	2159	-	504	23.3	1115	83	84.25	458	32.24	-	-	-	93	365	93	
TOT	13843	13843	-	3269	23.6	2477	518	26.24	7579	66.40	-	-	351	94	7134	4372	

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	7579	5825	5091	4692	3917	3361	2946
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	351	329	318	311	295	281	269
Abandonment Costs . .	94	28	14	9	3	1	1
Future Net Revenue . .	7134	5468	4760	4372	3619	3079	2676

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 5C
Summary of Production and Future Net Revenue - Total Company Heavy Oil
Total Proved + Probable + Possible
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:42
Project : 021576

RESERVES AND PRODUCTION FORECAST

Heavy Oil						
Mbb1						
Year	# of Wells	Price \$/bbl	Pool		Company Share	
			bbl/d	Vol	Gross	Net
2013	5	113.30	1605	98	44	36
2014	9	109.10	3949	1441	649	529
2015	10	106.91	4592	1676	754	611
2016	10	109.06	3190	1168	525	426
2017	10	111.88	2701	986	444	358
2018	7	114.86	2356	860	387	312
2019	7	118.32	2119	773	348	281
2020	7	120.69	1878	687	309	249
2021	7	123.10	1721	628	283	228
2022	7	125.56	1515	553	249	201
2023	6	128.07	1379	503	227	183
2024	6	130.62	1253	459	206	166
2025	6	133.24	1155	421	190	153
2026	6	135.90	1068	390	175	141
2027	6	138.62	984	359	162	130
SUB				11003	4951	4003
REM				2407	1083	873
TOT				13410	6034	4876

COMPANY SHARE FUTURE NET REVENUE

Year	Working Interest Future Revenue (FR)		Royalty Revenue	Royalties		Operating Costs			FR After Roy. & Oper. Costs	Net Back \$/bbl	Proc & Other Income	Capital Costs	Aband Costs	Future Net Revenue	
	Oil MM\$	Total MM\$		Total MM\$	%	Fixed MM\$	Var MM\$	\$/bbl						Undisc MM\$	10.0% MM\$
2013	5	5	-	1	27.9	1	0	16.92	3	64.72	-	-	-	3	3
2014	71	71	-	20	28.8	6	3	12.61	42	65.12	-	36	-	6	5
2015	81	81	-	20	24.6	8	3	14.45	50	66.13	-	-	-	50	43
2016	57	57	-	14	24.8	8	2	19.33	33	62.67	-	-	-	33	26
2017	50	50	-	12	23.1	7	2	19.76	29	66.28	-	-	-	29	21
2018	44	44	-	10	23.1	6	2	19.78	27	68.60	-	-	-	27	17
2019	41	41	-	10	23.1	6	2	21.92	24	69.08	-	-	-	24	14
2020	37	37	-	9	23.1	6	1	24.58	21	68.17	-	-	-	21	11
2021	35	35	-	8	23.2	6	1	26.99	19	67.56	-	-	-	19	9
2022	31	31	-	7	23.2	6	1	27.94	17	68.51	-	-	-	17	8
2023	29	29	-	7	23.2	6	1	29.35	16	69.03	-	-	-	16	6
2024	27	27	-	6	23.2	6	1	32.36	14	67.90	-	-	-	14	5
2025	25	25	-	6	23.3	6	1	35.48	13	66.71	-	-	-	13	4
2026	24	24	-	6	23.4	6	1	38.69	12	65.48	-	-	-	12	3
2027	22	22	-	5	23.4	6	1	42.39	10	63.77	-	-	-	10	3
SUB	580	580	-	141	24.3	88	22	22.20	329	66.49	-	36	-	293	178
REM	167	167	-	39	23.6	59	6	59.92	62	57.44	-	-	-	62	11
TOT	746	746	-	180	24.1	146	29	28.97	391	64.87	-	36	-	355	189

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	391	284	244	223	184	157	138
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	36	35	35	34	34	33	32
Abandonment Costs . .	-	-	-	-	-	-	-
Future Net Revenue . .	355	249	209	189	151	125	106

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 5D
Summary of Production and Future Net Revenue - Total Company Non-Associated Sales Gas
Total Proved + Probable + Possible
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:42
Project : 021576

RESERVES AND PRODUCTION FORECAST

Non-Associated Sales Gas						
MMcf						
Year	# of Wells	Price \$/Mcf	Pool		Company Share	
			Mcf/d	Vol	Gross	Net
2013	8	1.50	92134	5620	2529	2352
2014	19	1.95	116792	42629	19183	17840
2015	23	1.96	110918	40485	18218	16943
2016	26	2.32	178004	65150	29317	27265
2017	27	2.37	184564	67366	30315	28193
2018	29	2.43	191151	69770	31397	29199
2019	29	2.48	196946	71885	32348	30084
2020	29	2.53	202109	73972	33287	30957
2021	29	2.59	206800	75482	33967	31589
2022	29	2.64	210743	76921	34615	32192
2023	31	2.70	214295	78218	35198	32734
2024	32	2.76	217397	79567	35805	33299
2025	33	2.82	219161	79994	35997	33477
2026	34	2.87	222004	81031	36464	33912
2027	32	2.93	224544	81959	36881	34300
SUB				990048	445522	414335
REM				281879	126846	117966
TOT				1271927	572367	532302

COMPANY SHARE FUTURE NET REVENUE

COMPANY SHARE FUTURE NET REVENUE															
Year	Working Interest Future Revenue (FR)		Royalty Revenue	Royalties		Operating Costs			FR After Roy. & Oper. Costs	Net Back \$/Mcf	Proc & Other Income	Capital Costs	Aband Costs	Future Net Revenue	
	Gas MM\$	Total MM\$	MM\$	Total MM\$	%	Fixed MM\$	Var MM\$	\$/Mcf	MM\$		MM\$	MM\$	MM\$	MM\$	Undisc MM\$
2013	4	4	-	2	43.3	1	0	0.41	1	0.44	-	26	-	-25	-25
2014	37	37	-	11	30.5	9	3	0.66	13	0.69	-	63	-	-50	-48
2015	36	36	-	9	24.4	13	3	0.88	11	0.60	-	35	-	-24	-21
2016	68	68	-	11	15.7	15	5	0.68	37	1.27	-	11	-	27	21
2017	72	72	-	9	12.5	17	5	0.72	41	1.36	-	10	-	31	22
2018	76	76	-	10	12.7	18	5	0.74	43	1.38	-	19	-	24	16
2019	80	80	-	10	12.1	20	5	0.77	46	1.41	-	10	-	36	21
2020	84	84	-	10	11.5	19	5	0.73	50	1.51	-	10	-	40	21
2021	88	88	-	9	10.5	20	5	0.74	54	1.58	-	-	-	54	26
2022	91	91	-	10	10.5	21	5	0.75	56	1.62	-	17	-	39	17
2023	95	95	-	10	10.1	23	5	0.79	58	1.64	-	13	-	45	18
2024	99	99	-	10	9.9	25	5	0.84	59	1.65	-	13	-	46	16
2025	102	102	-	10	10.1	27	5	0.88	60	1.65	-	29	-	31	10
2026	105	105	-	10	9.6	30	5	0.95	60	1.64	-	14	-	46	14
2027	108	108	-	10	9.1	29	5	0.92	64	1.74	-	-	-	64	18
SUB	1145	1145	-	139	12.1	287	66	0.79	653	1.47	-	269	-	384	125
REM	392	392	-	39	9.9	104	18	0.96	231	1.82	-	12	18	201	44
TOT	1537	1537	-	178	11.6	391	84	0.83	885	1.55	-	281	18	585	169

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	885	545	423	362	255	189	146
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	281	224	201	189	166	150	138
Abandonment Costs . .	18	7	4	3	1	1	0
Future Net Revenue . .	585	314	217	169	88	39	8

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 5E
Summary of Production and Future Net Revenue - Total Company Solution Gas
Total Proved + Probable + Possible
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:43
Project : 021576

RESERVES AND PRODUCTION FORECAST

Year	# of Wells	Solution Gas				
		MMcf				
		Price	Pool		Company Share	
		\$/Mcf	Mcf/d	Vol	Gross	Net
2013	-	1.51	-	2493	1122	1043
2014	-	1.96	-	20975	9439	8778
2015	-	1.97	-	22591	10166	9454
2016	-	2.33	-	21236	9556	8887
2017	-	2.38	-	18950	8527	7930
2018	-	2.44	-	16716	7522	6996
2019	-	2.49	-	14747	6636	6171
2020	-	2.54	-	13046	5871	5460
2021	-	2.60	-	11480	5166	4804
2022	-	2.65	-	10092	4541	4224
2023	-	2.71	-	8956	4030	3748
2024	-	2.78	-	8000	3600	3348
2025	-	2.84	-	7050	3172	2950
2026	-	2.89	-	6182	2782	2587
2027	-	2.95	-	5429	2443	2272
SUB				187942	84574	78654
REM				30064	13529	12582
TOT				218006	98103	91235

COMPANY SHARE FUTURE NET REVENUE

COMPANY SHARE FUTURE NET REVENUE															
Working Interest Future Revenue (FR)			Royalty Revenue	Royalties		Operating Costs			FR After Roy. & Oper.	Proc & Other		Capital	Aband	Future Net Revenue	
Year	Gas MM\$	Total MM\$	MM\$	Total MM\$	%	Fixed MM\$	Var MM\$	\$/Mcf	Costs MM\$	Net Back \$/Mcf	Income MM\$	Costs MM\$	Costs MM\$	Undisc MM\$	10.0% MM\$
2013	2	2	-	0	7.0	-	-	-	2	1.40	-	-	-	2	2
2014	19	19	-	1	7.0	-	-	-	17	1.82	-	-	-	17	16
2015	20	20	-	1	7.0	-	-	-	19	1.83	-	-	-	19	16
2016	22	22	-	2	7.0	-	-	-	21	2.17	-	-	-	21	16
2017	20	20	-	1	7.0	-	-	-	19	2.22	-	-	-	19	13
2018	18	18	-	1	7.0	-	-	-	17	2.27	-	-	-	17	11
2019	17	17	-	1	7.0	-	-	-	15	2.32	-	-	-	15	9
2020	15	15	-	1	7.0	-	-	-	14	2.37	-	-	-	14	7
2021	14	14	-	1	7.0	-	-	-	13	2.42	-	-	-	13	6
2022	12	12	-	1	7.0	-	-	-	11	2.47	-	-	-	11	5
2023	11	11	-	1	7.0	-	-	-	10	2.52	-	-	-	10	4
2024	10	10	-	1	7.0	-	-	-	9	2.58	-	-	-	9	3
2025	9	9	-	1	7.0	-	-	-	8	2.64	-	-	-	8	3
2026	8	8	-	1	7.0	-	-	-	8	2.68	-	-	-	8	2
2027	7	7	-	1	7.0	-	-	-	7	2.74	-	-	-	7	2
SUB	203	203	-	14	7.0	-	-	-	189	2.24	-	-	-	189	116
REM	44	44	-	3	7.0	-	-	-	41	3.01	-	-	-	41	7
TOT	247	247	-	17	7.0	-	-	-	230	2.34	-	-	-	230	123

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	230	162	136	123	99	82	71
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	-	-	-	-	-	-	-
Abandonment Costs . .	-	-	-	-	-	-	-
Future Net Revenue . .	230	162	136	123	99	82	71

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 5F
Summary of Production and Future Net Revenue - Total Company Condensate
Total Proved + Probable + Possible
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 27, 14 16:43
Project : 021576

RESERVES AND PRODUCTION FORECAST

Year	# of Wells	Condensate				
		Price \$/bbl	Pool		Company Share	
			bbl/d	Vol	Gross	Net
2013	-	113.25	-	189	85	70
2014	-	109.07	-	1887	849	693
2015	-	106.89	-	2199	990	802
2016	-	109.03	-	2202	991	803
2017	-	111.86	-	2051	923	744
2018	-	114.83	-	1918	863	695
2019	-	118.30	-	1802	811	654
2020	-	120.67	-	1662	748	603
2021	-	123.08	-	1490	670	540
2022	-	125.54	-	1341	603	486
2023	-	128.05	-	1225	551	444
2024	-	130.61	-	1129	508	409
2025	-	133.22	-	1045	470	379
2026	-	135.89	-	968	435	351
2027	-	138.61	-	910	410	330
SUB				22017	9908	8003
REM				4738	2132	1719
TOT				26756	12040	9722

COMPANY SHARE FUTURE NET REVENUE

Year	Working Interest Future Revenue (FR)		Royalty Revenue	Royalties		Operating Costs			FR After Roy. & Oper. Costs	Net Back \$/bbl	Proc & Other Income	Capital Costs	Aband Costs	Future Net Revenue	
	Condensate MM\$	Total MM\$		Total MM\$	%	Fixed MM\$	Var MM\$	\$/bbl						Undisc MM\$	10.0% MM\$
2013	10	10	-	2	18.4	-	-	-	8	92.41	-	-	-	8	8
2014	93	93	-	17	18.4	-	-	-	76	89.00	-	-	-	76	71
2015	106	106	-	20	19.0	-	-	-	86	86.58	-	-	-	86	73
2016	108	108	-	21	19.0	-	-	-	88	88.32	-	-	-	88	68
2017	103	103	-	20	19.4	-	-	-	83	90.16	-	-	-	83	59
2018	99	99	-	19	19.4	-	-	-	80	92.56	-	-	-	80	51
2019	96	96	-	19	19.4	-	-	-	77	95.35	-	-	-	77	45
2020	90	90	-	18	19.4	-	-	-	73	97.26	-	-	-	73	39
2021	83	83	-	16	19.4	-	-	-	67	99.20	-	-	-	67	32
2022	76	76	-	15	19.4	-	-	-	61	101.18	-	-	-	61	27
2023	71	71	-	14	19.4	-	-	-	57	103.21	-	-	-	57	23
2024	66	66	-	13	19.4	-	-	-	54	105.27	-	-	-	54	19
2025	63	63	-	12	19.4	-	-	-	51	107.38	-	-	-	51	17
2026	59	59	-	12	19.4	-	-	-	48	109.52	-	-	-	48	14
2027	57	57	-	11	19.4	-	-	-	46	111.72	-	-	-	46	12
SUB	1178	1178	-	227	19.2	-	-	-	952	96.05	-	-	-	952	557
REM	322	322	-	62	19.4	-	-	-	259	121.66	-	-	-	259	48
TOT	1500	1500	-	289	19.3	-	-	-	1211	100.59	-	-	-	1211	605

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	1211	821	678	605	475	390	330
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	-	-	-	-	-	-	-
Abandonment Costs . .	-	-	-	-	-	-	-
Future Net Revenue . .	1211	821	678	605	475	390	330

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 5G
Summary of Production and Future Net Revenue - Total Company
Total Proved + Probable + Possible
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Avg. WI : 45.00%
 Avg. Roy : 18.01%
 Avg. Prod. Taxes : 4.00%

Value Navigator 6.1.4.53
 Run Date : Jan 27, 14 16:46
 Project : 021576

RESERVES AND PRODUCTION FORECAST

Light&Med Oil							Heavy Oil					Sales Gas							
Mbbbl							Mbbbl					Bcf							
	# of	Price		Pool		Company Share		Price		Pool		Company Share		Price		Pool		Company Share	
Year	Wells	\$/bbl	bbl/d	Vol	Gross	Net	\$/bbl	bbl/d	Vol	Gross	Net	\$/Mcf	Mcf/d	Vol	Gross	Net			
2013	67	113.10	51255	3127	1407	1148	113.30	1605	98	44	36	1.50	132996	8	4	3			
2014	112	108.95	71877	26235	11806	9634	109.10	3949	1441	649	529	1.95	174256	64	29	27			
2015	124	106.78	74614	27234	12255	9927	106.91	4592	1676	754	611	1.96	172811	63	28	26			
2016	129	108.92	69840	25562	11503	9317	109.06	3190	1168	525	426	2.32	236027	86	39	36			
2017	131	111.73	62268	22728	10228	8243	111.88	2701	986	444	358	2.37	236480	86	39	36			
2018	131	114.70	55138	20125	9056	7300	114.86	2356	860	387	312	2.43	236949	86	39	36			
2019	131	118.16	48259	17615	7927	6389	118.32	2119	773	348	281	2.48	237348	87	39	36			
2020	131	120.52	41818	15305	6887	5551	120.69	1878	687	309	249	2.53	237754	87	39	36			
2021	130	122.93	36078	13169	5926	4776	123.10	1721	628	283	228	2.59	238250	87	39	36			
2022	129	125.39	31300	11425	5141	4144	125.56	1515	553	249	201	2.64	238393	87	39	36			
2023	129	127.90	27693	10108	4549	3666	128.07	1379	503	227	183	2.70	238833	87	39	36			
2024	128	130.45	24530	8978	4040	3256	130.62	1253	459	206	166	2.76	239255	88	39	37			
2025	124	133.05	21278	7767	3495	2817	133.24	1155	421	190	153	2.82	238475	87	39	36			
2026	123	135.71	18584	6783	3052	2460	135.90	1068	390	175	141	2.87	238940	87	39	36			
2027	115	138.43	16147	5894	2652	2138	138.62	984	359	162	130	2.93	239418	87	39	37			
SUB				222053	99924	80766			11003	4951	4003			1178	530	493			
REM				31583	14212	11455			2407	1083	873			312	140	131			
TOT				253636	114136	92221			13410	6034	4876			1490	670	624			

Condensate				Butane				Propane				Ethane				Sulphur			
Mbbbl				Mbbbl				Mbbbl				Mbbbl				LT			
	Price	Company Share			Price	Company Share			Price	Company Share			Price	Company Share			Price	Company Share	
Year	\$/bbl	Gross	Net	\$/bbl	Gross	Net	\$/bbl	Gross	Net	\$/bbl	Gross	Net	\$/bbl	Gross	Net	\$/LT	Gross	Net	
2013	113.25	85	70	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014	109.07	849	693	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	106.89	990	802	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2016	109.03	991	803	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2017	111.86	923	744	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2018	114.83	863	695	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2019	118.30	811	654	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020	120.67	748	603	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021	123.08	670	540	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2022	125.54	603	486	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2023	128.05	551	444	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2024	130.61	508	409	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2025	133.22	470	379	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2026	135.89	435	351	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2027	138.61	410	330	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUB		9908	8003	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REM		2132	1719	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOT		12040	9722	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

COMPANY SHARE FUTURE NET REVENUE

Year	Working Interest				Royalty Revenue	COMPANY SHARE/FUTURE NET REVENUE										FR After				Future	
	Future Revenue (FR)					Royalties		Prod. Taxes		Oper Costs		Roy. & Oper.	Net Back \$/BOE	Proc & Other Income	Cap'l Costs	Aband Costs	Net Revenue				
	Oil MMS	Gas MMS	NGLs MMS	Total MMS		State MMS	Other MMS	Pipe Losses MMS	NDDC Levy MMS	Fixed MMS	Var MMS						Costs MMS	Undisc MMS	10.0% MMS		
2013	164	6	10	179	-	32	-	14	2	11	6	115	52.85	-	44	-	70	70			
2014	1357	56	93	1506	-	271	-	116	12	85	53	970	53.16	-	293	-	676	630			
2015	1389	56	106	1551	-	288	-	75	8	102	56	1022	54.11	-	128	-	894	765			
2016	1310	90	108	1509	-	276	-	71	5	113	54	990	50.17	-	25	-	965	749			
2017	1192	92	103	1388	-	258	-	39	5	117	50	920	50.31	-	36	-	885	625			
2018	1083	95	99	1277	-	236	-	36	4	119	45	837	49.17	-	19	-	818	525			
2019	978	97	96	1171	-	215	-	32	4	123	41	756	47.79	-	11	-	745	434			
2020	867	99	90	1057	-	193	-	29	4	124	37	671	45.62	-	10	1	660	350			
2021	763	101	83	947	-	171	-	25	4	126	33	588	43.12	-	-	-	588	283			
2022	676	103	76	855	-	153	-	23	4	129	30	517	40.56	-	17	-	500	219			
2023	611	106	71	787	-	140	-	20	4	132	28	463	38.33	-	18	-	445	177			
2024	554	109	66	729	-	128	-	19	4	136	26	417	36.12	-	13	-	404	146			
2025	490	111	63	663	-	115	-	17	4	139	23	366	33.50	-	29	-	337	111			
2026	438	113	59	610	-	104	-	15	4	142	22	323	31.00	-	14	-	310	93			
2027	390	115	57	562	-	95	-	13	3	139	20	291	29.09	-	-	-	291	79			
SUB	12263	1348	1178	14790	-	2674	-	543	69	1736	524	9243	44.80	-	657	1	8586	5255			
REM	2326	436	322	3083	-	544	-	79	24	1277	107	1052	25.30	-	12	112	928	203			
TOT	14589	1784	1500	17873	-	3218	-	622	93	3013	631	10295	41.50	-	669	112	9514	5458			

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper	10295	7637	6572	6005	4930	4180	3631
Proc & Other Income	-	-	-	-	-	-	-
Capital Costs	669	589	554	534	494	464	439
Abandonment Costs	112	35	18	12	4	2	1
Future Net Revenue	9514	7012	6000	5458	4431	3714	3191

PROFITABILITY BT

Rate of Return (%)	-
Profit Index (undisc)	14.214
(disc @ 10.0%)	10.218
Total Payout (years)	1.12
Cost of Finding (\$/BOE)	2.74
NPV @ 10% (\$/BOE)	22.37



These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.

INDEX

CORPORATE SUMMARIES – FORECAST PRICE CASE CONTINGENT RESOURCES BASE CASE

1C Contingent Resources

Table 1A –Summary of Resources – Total Company

Table 1G–Summary of Production and Future Net Costs – Total Company

2C Contingent Resources

Table 2A –Summary of Resources– Total Company

Table 2G–Summary of Production and Future Net Revenue – Total Company

3C Contingent Resources

Table 3A –Summary of Resources – Total Company

Table 3G–Summary of Production and Future Net Revenue – Total Company

Table 1A
Summary of Resources - Total Company
1C Contingent Resources
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 14, 14 19:42
Project : 021576

		Current Resource Cat.	Avg. WI %	Light&Med Oil		Heavy Oil		Sales Gas		NGLs		Total BOE	
Well	Zone			Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
				Mbb1	Mbb1	Mbb1	Mbb1	MMcf	MMcf	Mbb1	Mbb1	Mbb1	Mbb1
Nigeria													
Delta State													
OBEN RESOURCE				4165	3357	-	-	5190	4827	140	113	5199	4302
OKOPORO AND UBALEME RESOURCE				-	-	-	-	-	-	-	-	-	-
OROGHO RESOURCE				6941	5603	-	-	14687	13659	479	387	9952	8345
OVHOR RESOURCE				-	-	-	-	-	-	-	-	-	-
SAPELE RESOURCE				4705	3792	2998	2420	9505	8840	413	333	9755	8069
Total Company				15810	12752	2998	2420	29382	27325	1032	832	24906	20715

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 1G
Summary of Production and Future Net Costs - Total Company 1C
Contingent Resources
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Avg. WI : 45.00%
 Avg. Roy : 18.98%
 Avg. Prod. Taxes : 3.90%

Value Navigator 6.1.4.53
 Run Date : Jan 14, 14 19:45
 Project : 021576

RESOURCES AND PRODUCTION FORECAST

Year	# of Wells	Light&Med Oil					Heavy Oil					Sales Gas				
		Mbbbl					Mbbbl					MMcf				
		Price	Pool		Company Share		Price	Pool		Company Share		Price	Pool		Company Share	
		\$/bbl	bbl/d	Vol	Gross	Net	\$/bbl	bbl/d	Vol	Gross	Net	\$/Mcf	Mcf/d	Vol	Gross	Net
2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014	6	109.10	2692	982	442	361	-	-	-	-	-	2.18	5696	2079	936	870
2015	12	106.91	3546	1294	582	472	106.91	1628	594	267	217	2.22	7562	2760	1242	1155
2016	15	109.06	3441	1260	567	459	109.06	3576	1309	589	477	2.27	7386	2703	1216	1131
2017	19	111.88	5321	1942	874	704	111.88	2880	1051	473	381	2.30	10699	3905	1757	1634
2018	28	114.86	12830	4683	2107	1699	114.86	2406	878	395	319	2.35	24210	8837	3977	3698
2019	31	118.32	15025	5484	2468	1989	118.32	1971	719	324	261	2.40	27983	10214	4596	4274
2020	31	120.69	11871	4345	1955	1576	120.69	1570	574	259	208	2.44	21972	8042	3619	3365
2021	30	123.10	9413	3436	1546	1246	123.10	1233	450	203	163	2.50	17308	6317	2843	2644
2022	30	125.56	7494	2735	1231	992	125.56	1044	381	171	138	2.55	13685	4995	2248	2090
2023	30	128.07	5919	2160	972	784	128.07	885	323	145	117	2.60	10712	3910	1759	1636
2024	27	130.62	4683	1714	771	622	130.62	574	210	95	76	2.65	8387	3070	1381	1285
2025	23	133.24	3604	1316	592	477	133.24	95	35	16	13	2.71	6371	2325	1046	973
2026	20	135.90	2840	1037	466	376	135.90	79	29	13	11	2.76	4985	1819	819	761
2027	19	138.62	2191	800	360	290	138.62	77	28	13	10	2.82	3766	1375	619	575
SUB				33188	14935	12046			6582	2962	2391			62351	28058	26094
REM				1946	876	706			80	36	29			2942	1324	1231
TOT				35134	15810	12752			6662	2998	2420			65293	29382	27325

Year	Condensate			Butane			Propane			Ethane			Sulphur		
	Mbbbl			Mbbbl			Mbbbl			Mbbbl			LT		
	Price	Company Share		Price	Company Share		Price	Company Share		Price	Company Share		Price	Company Share	
	\$/bbl	Gross	Net	\$/bbl	Gross	Net	\$/bbl	Gross	Net	\$/bbl	Gross	Net	\$/LT	Gross	Net
2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014	109.10	31	25	-	-	-	-	-	-	-	-	-	-	-	-
2015	106.91	41	33	-	-	-	-	-	-	-	-	-	-	-	-
2016	109.06	40	32	-	-	-	-	-	-	-	-	-	-	-	-
2017	111.88	65	52	-	-	-	-	-	-	-	-	-	-	-	-
2018	114.86	145	117	-	-	-	-	-	-	-	-	-	-	-	-
2019	118.32	167	134	-	-	-	-	-	-	-	-	-	-	-	-
2020	120.69	130	105	-	-	-	-	-	-	-	-	-	-	-	-
2021	123.10	101	82	-	-	-	-	-	-	-	-	-	-	-	-
2022	125.56	79	64	-	-	-	-	-	-	-	-	-	-	-	-
2023	128.07	61	50	-	-	-	-	-	-	-	-	-	-	-	-
2024	130.62	48	39	-	-	-	-	-	-	-	-	-	-	-	-
2025	133.24	36	29	-	-	-	-	-	-	-	-	-	-	-	-
2026	135.90	28	22	-	-	-	-	-	-	-	-	-	-	-	-
2027	138.62	21	17	-	-	-	-	-	-	-	-	-	-	-	-
SUB		991	800	-	-	-	-	-	-	-	-	-	-	-	-
REM		41	33	-	-	-	-	-	-	-	-	-	-	-	-
TOT		1032	832	-	-	-	-	-	-	-	-	-	-	-	-

COMPANY SHARE FUTURE NET COST

	Prod. Taxes		Oper Costs		Cap'l Costs	Aband Costs
	Pipe Losses		Fixed	Var		
Year	MM\$		MM\$	MM\$	MM\$	MM\$
2013	-		-	-	-	-
2014	4		2	2	16	-
2015	5		4	4	48	-
2016	7		8	5	-	-
2017	5		10	6	55	-
2018	9		17	11	84	-
2019	11		23	13	-	-
2020	9		23	10	-	-
2021	7		23	8	-	-
2022	6		24	7	-	-
2023	5		23	6	-	-
2024	4		22	4	-	-
2025	3		18	3	-	-
2026	2		17	3	-	-
2027	2		16	2	-	-
SUB	75		230	84	203	-
REM	4		61	5	-	14
TOT	79		291	89	203	14

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 2A
Summary of Resources - Total Company
2C Contingent Resources
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 14, 14 19:42
Project : 021576

Well	Zone	Current Resource Cat.	Avg. WI %	Light&Med Oil		Heavy Oil		Sales Gas		NGLs		Total BOE	
				Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
				Mbb1	Mbb1	Mbb1	Mbb1	MMcf	MMcf	Mbb1	Mbb1	Mbb1	Mbb1
Nigeria													
Delta State													
AMUKPE RESOURCE				-	-	-	-	20896	19433	1181	952	4784	4302
OBEN RESOURCE				5392	4346	-	-	28579	26578	318	256	10637	9185
OKOPORO AND UBALEME RESOURCE				3785	3055	-	-	420	391	-	-	3857	3122
OKWEFE RESOURCE				2692	2170	-	-	2477	2303	81	65	3200	2632
OROGHO RESOURCE				9264	7477	-	-	33159	30838	695	561	15676	13354
OVHOR RESOURCE				544	439	-	-	82	76	-	-	558	452
SAPLE RESOURCE				6593	5314	29092	23457	19080	17744	830	669	39804	32499
Total Company				28270	22800	29092	23457	104691	97363	3105	2503	78517	65547

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 2G
Summary of Production and Future Net Costs - Total Company 2C
Contingent Resources
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Avg. WI : 39.83%
 Avg. Roy : 18.94%
 Avg. Prod. Taxes : 3.78%

Value Navigator 6.1.4.53
 Run Date : Jan 14, 14 19:45
 Project : 021576

RESOURCES AND PRODUCTION FORECAST

Year	# of Wells	Light&Med Oil					Heavy Oil					Sales Gas				
		Mbbbl					Mbbbl					MMcf				
		Price	Pool		Company Share		Price	Pool		Company Share		Price	Pool		Company Share	
		\$/bbl	bbl/d	Vol	Gross	Net	\$/bbl	bbl/d	Vol	Gross	Net	\$/Mcf	Mcf/d	Vol	Gross	Net
2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014	6	109.10	2937	1072	482	394	-	-	-	-	-	2.18	6214	2268	1021	949
2015	15	106.91	6057	2211	995	806	106.91	3032	1107	498	403	2.22	9386	3426	1542	1434
2016	24	109.06	7939	2906	1308	1059	109.06	10531	3854	1734	1405	2.27	11258	4120	1854	1724
2017	38	111.88	10953	3998	1591	1283	111.88	19006	6937	3122	2516	2.30	18429	6727	2836	2637
2018	61	114.86	26163	9550	3252	2621	114.86	22364	8163	3673	2961	2.35	58975	21526	8725	8114
2019	69	118.32	33601	12265	3963	3194	118.32	18265	6667	3000	2418	2.40	69605	25406	10001	9301
2020	73	120.69	27529	10076	3270	2636	120.69	15926	5829	2623	2114	2.44	59390	21737	8619	8016
2021	75	123.10	22210	8107	2650	2136	123.10	13274	4845	2180	1757	2.49	61713	22525	9218	8573
2022	76	125.56	17960	6556	2159	1740	125.56	10861	3964	1784	1438	2.54	64106	23399	9801	9115
2023	76	128.07	14555	5313	1764	1421	128.07	8992	3282	1477	1190	2.59	57182	20871	8815	8198
2024	76	130.62	11799	4319	1445	1165	130.62	7366	2696	1213	978	2.64	47024	17211	7286	6776
2025	73	133.24	9535	3480	1172	945	133.24	5697	2079	936	754	2.70	32339	11804	4949	4603
2026	67	135.90	7712	2815	955	769	135.90	4770	1741	783	631	2.75	25223	9206	3856	3586
2027	63	138.62	6256	2284	780	629	138.62	4116	1502	676	545	2.81	20526	7492	3144	2924
SUB				74948	25785	20797			52667	23700	19111			197717	81666	75950
REM				6866	2485	2003			11982	5392	4346			52402	23025	21413
TOT				81814	28270	22800			64649	29092	23457			250119	104691	97363

Year	Condensate			Butane			Propane			Ethane			Sulphur		
	Mbbbl			Mbbbl			Mbbbl			Mbbbl			LT		
	Price	Company Share		Price	Company Share		Price	Company Share		Price	Company Share		Price	Company Share	
	\$/bbl	Gross	Net	\$/bbl	Gross	Net	\$/bbl	Gross	Net	\$/bbl	Gross	Net	\$/LT	Gross	Net
2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014	109.10	33	27	-	-	-	-	-	-	-	-	-	-	-	-
2015	106.91	50	40	-	-	-	-	-	-	-	-	-	-	-	-
2016	109.06	61	50	-	-	-	-	-	-	-	-	-	-	-	-
2017	111.88	106	85	-	-	-	-	-	-	-	-	-	-	-	-
2018	114.86	231	186	-	-	-	-	-	-	-	-	-	-	-	-
2019	118.32	266	214	-	-	-	-	-	-	-	-	-	-	-	-
2020	120.69	235	189	-	-	-	-	-	-	-	-	-	-	-	-
2021	123.10	246	199	-	-	-	-	-	-	-	-	-	-	-	-
2022	125.56	274	221	-	-	-	-	-	-	-	-	-	-	-	-
2023	128.07	279	225	-	-	-	-	-	-	-	-	-	-	-	-
2024	130.62	264	213	-	-	-	-	-	-	-	-	-	-	-	-
2025	133.24	222	179	-	-	-	-	-	-	-	-	-	-	-	-
2026	135.90	184	149	-	-	-	-	-	-	-	-	-	-	-	-
2027	138.62	150	121	-	-	-	-	-	-	-	-	-	-	-	-
SUB		2603	2099	-	-	-	-	-	-	-	-	-	-	-	-
REM		502	404	-	-	-	-	-	-	-	-	-	-	-	-
TOT		3105	2503	-	-	-	-	-	-	-	-	-	-	-	-

COMPANY SHARE FUTURE NET COST

	Prod. Taxes	Oper Costs		Cap'l Costs	Aband Costs
	Pipe Losses	Fixed	Var		
Year	MM\$	MM\$	MM\$	MM\$	MM\$
2013	-	-	-	-	-
2014	5	2	2	42	-
2015	8	5	6	152	-
2016	17	13	13	76	-
2017	16	22	20	120	-
2018	25	38	31	161	-
2019	26	50	32	23	-
2020	22	55	28	34	-
2021	19	58	23	25	-
2022	16	61	20	11	-
2023	14	63	17	7	-
2024	12	63	14	-	-
2025	9	58	11	-	-
2026	8	54	9	-	-
2027	7	54	8	-	-
SUB	202	596	234	650	-
REM	41	474	51	13	87
TOT	243	1071	285	663	87



These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.

Table 3A
Summary of Resources - Total Company
3C Contingent Resources
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 14, 14 19:42
Project : 021576

		Current Resource Cat.	Avg. WI %	Light&Med Oil		Heavy Oil		Sales Gas		NGLs		Total BOE	
Well	Zone			Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
				Mbb1	Mbb1	Mbb1	Mbb1	MMcf	MMcf	Mbb1	Mbb1	Mbb1	Mbb1
Nigeria													
Delta State													
AMUKPE RESOURCE				-	-	-	-	23540	21893	1331	1072	5389	4847
MOSOGAR RESOURCE				2322	1872	-	-	1103	1026	-	-	2512	2049
OBEN RESOURCE				6697	5398	-	-	32680	30392	384	309	12715	10947
OKOPORO AND UBALEME RESOURCE				4908	3960	-	-	541	503	-	-	5001	4046
OKWEFE RESOURCE				4706	3793	-	-	5850	5440	191	154	5905	4885
OROGHO RESOURCE				11584	9348	-	-	49301	45850	902	727	20986	17980
OVHOR RESOURCE				656	529	-	-	98	91	-	-	673	544
SAPELE RESOURCE				45666	36806	37004	29836	68798	63982	2991	2411	97522	80084
Total Company				76539	61705	37004	29836	181911	169177	5798	4674	150704	125383

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 3G
Summary of Production and Future Net Costs - Total Company 3C
Contingent Resources
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Avg. WI : 40.02%
 Avg. Roy : 19.00%
 Avg. Prod. Taxes : 3.61%

Value Navigator 6.1.4.53
 Run Date : Jan 14, 14 19:45
 Project : 021576

RESOURCES AND PRODUCTION FORECAST

Year	# of Wells	Light&Med Oil					Heavy Oil					Sales Gas				
		Mbbbl					Mbbbl					MMcf				
		Price	Pool		Company Share		Price	Pool		Company Share		Price	Pool		Company Share	
		\$/bbl	bbl/d	Vol	Gross	Net	\$/bbl	bbl/d	Vol	Gross	Net	\$/Mcf	Mcf/d	Vol	Gross	Net
2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014	6	109.10	3000	1095	493	402	-	-	-	-	-	2.18	6348	2317	1043	970
2015	15	106.91	6331	2311	1040	842	106.91	3565	1301	585	474	2.22	9997	3649	1642	1527
2016	24	109.06	8494	3109	1399	1133	109.06	12325	4511	2030	1644	2.27	12277	4493	2022	1880
2017	38	111.88	12274	4480	1808	1457	111.88	22228	8113	3651	2943	2.30	19788	7223	3059	2845
2018	81	114.86	47745	17427	6599	5319	114.86	26136	9540	4293	3460	2.35	83855	30607	12629	11745
2019	93	118.32	73480	26820	10019	8075	118.32	21084	7696	3463	2791	2.40	114446	41773	16912	15728
2020	98	120.69	66146	24209	8935	7201	120.69	18695	6843	3079	2482	2.44	103339	37822	15217	14152
2021	101	123.10	56439	20600	7583	6112	123.10	16348	5967	2685	2164	2.49	101895	37192	15184	14121
2022	102	125.56	47614	17379	6424	5177	125.56	14052	5129	2308	1860	2.54	99736	36404	15096	14040
2023	100	128.07	38206	13945	5118	4125	128.07	11897	4342	1954	1575	2.59	88313	32234	13440	12499
2024	95	130.62	32188	11781	4338	3497	130.62	9970	3649	1642	1324	2.64	75804	27744	11599	10787
2025	94	133.24	27277	9956	3682	2968	133.24	7931	2895	1303	1050	2.70	61195	22336	9317	8665
2026	87	135.90	23123	8440	3134	2526	135.90	6864	2505	1127	909	2.75	46316	16905	6997	6507
2027	85	138.62	19584	7148	2664	2147	138.62	6014	2195	988	796	2.81	39435	14394	5969	5551
SUB				168701	63236	50983			64686	29109	23472			315093	130126	121017
REM				34581	13303	10722			17545	7895	6364			130419	51784	48159
TOT				203282	76539	61705			82231	37004	29836			445512	181911	169177

Year	Condensate			Butane			Propane			Ethane			Sulphur		
	Mbbbl			Mbbbl			Mbbbl			Mbbbl			LT		
	Price	Company Share		Price	Company Share		Price	Company Share		Price	Company Share		Price	Company Share	
	\$/bbl	Gross	Net	\$/bbl	Gross	Net	\$/bbl	Gross	Net	\$/bbl	Gross	Net	\$/LT	Gross	Net
2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014	109.10	34	28	-	-	-	-	-	-	-	-	-	-	-	-
2015	106.91	53	43	-	-	-	-	-	-	-	-	-	-	-	-
2016	109.06	67	54	-	-	-	-	-	-	-	-	-	-	-	-
2017	111.88	113	91	-	-	-	-	-	-	-	-	-	-	-	-
2018	114.86	393	317	-	-	-	-	-	-	-	-	-	-	-	-
2019	118.32	552	445	-	-	-	-	-	-	-	-	-	-	-	-
2020	120.69	494	398	-	-	-	-	-	-	-	-	-	-	-	-
2021	123.10	477	385	-	-	-	-	-	-	-	-	-	-	-	-
2022	125.56	478	386	-	-	-	-	-	-	-	-	-	-	-	-
2023	128.07	460	371	-	-	-	-	-	-	-	-	-	-	-	-
2024	130.62	432	348	-	-	-	-	-	-	-	-	-	-	-	-
2025	133.24	374	301	-	-	-	-	-	-	-	-	-	-	-	-
2026	135.90	320	258	-	-	-	-	-	-	-	-	-	-	-	-
2027	138.62	273	220	-	-	-	-	-	-	-	-	-	-	-	-
SUB		4521	3644	-	-	-	-	-	-	-	-	-	-	-	-
REM		1277	1029	-	-	-	-	-	-	-	-	-	-	-	-
TOT		5798	4674	-	-	-	-	-	-	-	-	-	-	-	-

COMPANY SHARE FUTURE NET COST

	Prod. Taxes	Oper Costs		Cap'l Costs	Aband Costs
	Pipe Losses	Fixed	Var		
Year	MM\$	MM\$	MM\$	MM\$	MM\$
2013	-	-	-	-	-
2014	5	2	2	42	-
2015	9	5	7	147	-
2016	19	13	15	87	-
2017	19	22	24	120	-
2018	39	51	49	401	-
2019	50	86	62	54	-
2020	45	106	56	41	-
2021	40	110	49	25	-
2022	35	114	43	11	-
2023	29	82	36	7	3
2024	25	81	31	-	-
2025	21	79	26	-	-
2026	19	76	23	-	-
2027	16	76	20	-	-
SUB	370	902	439	935	3
REM	107	953	133	16	90
TOT	477	1855	572	950	94

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



INDEX

CORPORATE SUMMARIES – FORECAST PRICE CASE PROSPECTIVE RESOURCES BASE CASE

Table P1 –Prospect Portfolio Summary

Table 1 –Estimate of the Gross Prospective Oil Resources

Table 2 –Estimate of the Working-Interest Prospective Oil Resources

Table 3 –Probability Distributions

TABLE P1
PROSPECT PORTFOLIO SUMMARY
as of
OCTOBER 31, 2013
for
SEPLAT PETROLEUM DEVELOPMENT COMPANY PLC
in
CERTAIN OIL PROSPECTS
VARIOUS LICENSE BLOCKS
NIGERIA

Prospect	Country	Area/Basin	License/Block	Ownership (decimal)	Prospect Potential Fluid
Abraka NE	Nigeria	Niger Delta	OML 38	0.45	Oil
Jesse North	Nigeria	Niger Delta	OML 38	0.45	Oil
Nugu East	Nigeria	Niger Delta	OML 38	0.45	Oil
Oben East	Nigeria	Niger Delta	OML 4	0.45	Oil
Ogegere	Nigeria	Niger Delta	OML 38	0.45	Oil
Ogume	Nigeria	Niger Delta	OML 38	0.45	Oil
Olokun North	Nigeria	Niger Delta	OML 38	0.45	Oil
Onitcha South	Nigeria	Niger Delta	OML 38	0.45	Oil
Ubalame West	Nigeria	Niger Delta	OML 41	0.45	Oil

TABLE 1
ESTIMATE of the GROSS PROSPECTIVE OIL RESOURCES
as of
OCTOBER 31, 2013
for
SEPLAT PETROLEUM DEVELOPMENT COMPANY PLC
in
CERTAIN OIL PROSPECTS
VARIOUS LICENSE BLOCKS
NIGERIA

Gross Prospective Oil Resources Summary									
Prospect	Country	Area/Basin	License/Block	Low Estimate (10 ³ bbl)	Best Estimate (10 ³ bbl)	High Estimate (10 ³ bbl)	Mean Estimate (10 ³ bbl)	Probability of Geologic Success, P _g (decimal)	P _g -Adjusted Mean Estimate (10 ³ bbl)
Abraka NE	Nigeria	Niger Delta	OML 38	2,152	3,996	7,279	4,453	0.464	2,065
Jesse North	Nigeria	Niger Delta	OML 38	4,197	7,813	13,838	8,581	0.417	3,579
Nugu East	Nigeria	Niger Delta	OML 38	2,169	3,936	6,862	4,293	0.379	1,625
Oben East	Nigeria	Niger Delta	OML 4	2,464	4,075	6,870	4,464	0.320	1,428
Ogegere	Nigeria	Niger Delta	OML 38	1,397	2,767	5,431	3,164	0.560	1,772
Ogume	Nigeria	Niger Delta	OML 38	576	1,661	4,147	2,083	0.455	948
Olokun North	Nigeria	Niger Delta	OML 38	4,761	9,094	16,594	10,081	0.412	4,156
Onitcha South	Nigeria	Niger Delta	OML 38	1,285	2,694	5,296	3,070	0.532	1,634
Ubalame West	Nigeria	Niger Delta	OML 41	1,867	3,922	7,796	4,494	0.528	2,371
Statistical Aggregate				34,689	43,751	55,855	44,683	0.438	19,577
Arithmetic Summation				20,869	39,956	74,113	44,683	0.438	19,577

Notes:

1. Low, best, high, and mean estimates follow the PRMS guidelines for prospective resources.
2. Low, best, high, and mean estimates in this table are P₉₀, P₅₀, P₁₀, and mean respectively.
3. P_g is defined as the probability of discovering reservoirs which flow petroleum at a measurable rate.
4. P_g has been rounded for presentation purposes. Multiplication using this presented P_g may yield imprecise results. Dividing the P_g-adjusted mean estimate by the mean estimate yields the precise P_g.
5. Application of any geological and economic chance factor does not equate prospective resources to contingent resources or reserves.
6. Recovery efficiency is applied to prospective resources in this table.
7. Arithmetic summation of probabilistic estimates produces invalid results except for the mean estimate. Arithmetic summation of probabilistic estimates is presented in this table in compliance with PRMS guidelines.
8. Summations may vary from those shown here due to rounding.
9. There is no certainty that any portion of the prospective resources estimated herein will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the prospective resources evaluated.

TABLE 2
ESTIMATE of the WORKING-INTEREST PROSPECTIVE
OIL RESOURCES
as of
OCTOBER 31, 2013
for
SEPLAT PETROLEUM DEVELOPMENT COMPANY PLC
in
CERTAIN OIL PROSPECTS
VARIOUS LICENSE BLOCKS
NIGERIA

Net Prospective Oil Resources Summary									
Prospect	Country	Area/Basin	License/Block	Low Estimate (10 ³ bbbl)	Best Estimate (10 ³ bbbl)	High Estimate (10 ³ bbbl)	Mean Estimate (10 ³ bbbl)	Probability of Geologic Success, P _g (decimal)	P _g -Adjusted Mean Estimate (10 ³ bbbl)
Abraka NE	Nigeria	Niger Delta	OML 38	969	1,798	3,275	2,004	0.464	929
Jesse North	Nigeria	Niger Delta	OML 38	1,889	3,516	6,227	3,861	0.417	1,610
Nugu East	Nigeria	Niger Delta	OML 38	976	1,771	3,088	1,932	0.379	731
Oben East	Nigeria	Niger Delta	OML 4	1,109	1,834	3,092	2,009	0.320	642
Ogegere	Nigeria	Niger Delta	OML 38	629	1,245	2,444	1,424	0.560	797
Ogume	Nigeria	Niger Delta	OML 38	259	747	1,866	937	0.455	426
Olokun North	Nigeria	Niger Delta	OML 38	2,142	4,092	7,467	4,536	0.412	1,870
Onitcha South	Nigeria	Niger Delta	OML 38	578	1,212	2,383	1,381	0.532	735
Ubalene West	Nigeria	Niger Delta	OML 41	840	1,765	3,508	2,022	0.528	1,067
Statistical Aggregate				15,610	19,688	25,135	20,107	0.438	8,809
Arithmetic Summation				9,391	17,980	33,351	20,107	0.438	8,809

Notes:

1. Low, best, high, and mean estimates follow the PRMS guidelines for prospective resources.
2. Low, best, high, and mean estimates in this table are P₉₀, P₅₀, P₁₀, and mean respectively.
3. P_g is defined as the probability of discovering reservoirs which flow petroleum at a measurable rate.
4. P_g has been rounded for presentation purposes. Multiplication using this presented P_g may yield imprecise results. Dividing the P_g-adjusted mean estimate by the mean estimate yields the precise P_g.
5. Application of any geological and economic chance factor does not equate prospective resources to contingent resources or reserves.
6. Recovery efficiency is applied to prospective resources in this table.
7. Arithmetic summation of probabilistic estimates produces invalid results except for the mean estimate. Arithmetic summation of probabilistic estimates is presented in this table in compliance with PRMS guidelines. Summations may vary from those shown here due to rounding.
8. Summations may vary from those shown here due to rounding.
9. There is no certainty that any portion of the prospective resources estimated herein will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the prospective resources evaluated.

TABLE 3
PROBABILITY DISTRIBUTIONS
for
MONTE CARLO SIMULATION
as of
OCTOBER 31, 2013
for
SEPLAT PETROLEUM DEVELOPMENT COMPANY PLC
in
CERTAIN OIL PROSPECTS
VARIOUS LICENSE BLOCKS
NIGERIA

Prospect	Potential Target	Parameter	P ₁₀₀	P ₉₀	P ₅₀	P ₁₀	P ₀	Mean
Abraka NE	H2.5	Productive area, acres	80	244	562	1,010	1,250	595
		Net hydrocarbon thickness, feet	9.84	11.12	16.52	28.41	65.47	18.50
		Geometric Correction Factor, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Net to gross ratio, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Porosity, decimal	0.150	0.179	0.210	0.239	0.260	0.209
		Oil saturation, decimal	0.524	0.635	0.699	0.759	0.800	0.697
		Formation volume factor, Bo	1.600	1.559	1.500	1.441	1.400	1.500
		Recovery efficiency, decimal	0.100	0.150	0.284	0.440	0.500	0.290
		Prospective OOIIP, barrels	679,928	2,766,660	6,956,996	15,332,906	69,273,130	8,308,396
		Prospective gross ultimate recovery, barrels	77,870	635,903	1,895,841	4,785,957	22,301,543	2,409,629
Abraka NE	H3	Productive area, acres	60	132	285	498	598	300
		Net hydrocarbon thickness, feet	9.84	11.12	16.52	28.41	64.74	18.50
		Geometric Correction Factor, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Net to gross ratio, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Porosity, decimal	0.150	0.179	0.210	0.239	0.260	0.209
		Oil saturation, decimal	0.519	0.635	0.699	0.759	0.800	0.697
		Formation volume factor, Bo	1.600	1.559	1.500	1.441	1.400	1.500
		Recovery efficiency, decimal	0.100	0.150	0.284	0.440	0.500	0.290
		Prospective OOIIP, barrels	376,106	1,494,963	3,587,306	7,733,128	30,143,140	4,189,188
		Prospective gross ultimate recovery, barrels	56,017	357,215	943,361	2,383,782	8,625,715	1,214,963
Abraka NE	H3.5	Productive area, acres	41	90	194	340	408	205
		Net hydrocarbon thickness, feet	9.84	11.12	16.52	28.42	64.62	18.50
		Geometric Correction Factor, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Net to gross ratio, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Porosity, decimal	0.150	0.179	0.210	0.239	0.260	0.209
		Oil saturation, decimal	0.523	0.635	0.699	0.759	0.800	0.697
		Formation volume factor, Bo	1.600	1.559	1.500	1.441	1.400	1.500
		Recovery efficiency, decimal	0.100	0.150	0.284	0.440	0.500	0.290
		Prospective OOIIP, barrels	319,577	1,018,260	2,421,019	5,092,763	16,102,821	2,856,265
		Prospective gross ultimate recovery, barrels	44,334	238,939	652,691	1,616,822	5,799,538	828,384

TABLE 3 – PROBABILITY DISTRIBUTIONS – (Continued)

Prospect	Potential Target	Parameter	P ₁₀₀	P ₉₀	P ₅₀	P ₁₀	P ₀	Mean
Jesse North	H4	Productive area, acres	80	277	679	1,253	1,549	723
		Net hydrocarbon thickness, feet	9.84	11.12	16.52	28.41	64.67	18.50
		Geometric Correction Factor, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Net to gross ratio, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Porosity, decimal	0.150	0.179	0.210	0.239	0.260	0.209
		Oil saturation, decimal	0.503	0.635	0.699	0.759	0.800	0.697
		Formation volume factor, Bo	1.600	1.559	1.500	1.441	1.400	1.500
		Recovery efficiency, decimal	0.100	0.150	0.284	0.440	0.500	0.290
		Prospective OOIP, barrels	654,451	3,310,667	8,484,927	18,825,945	53,759,137	10,093,045
		Prospective gross ultimate recovery, barrels	99,492	759,609	2,248,562	5,882,067	23,088,057	2,927,219
Jesse North	H5	Productive area, acres	80	249	593	1,083	1,332	630
		Net hydrocarbon thickness, feet	9.84	11.12	16.52	28.42	64.40	18.50
		Geometric Correction Factor, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Net to gross ratio, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Porosity, decimal	0.150	0.179	0.210	0.239	0.260	0.209
		Oil saturation, decimal	0.520	0.635	0.699	0.759	0.800	0.697
		Formation volume factor, Bo	1.600	1.559	1.500	1.441	1.400	1.500
		Recovery efficiency, decimal	0.100	0.150	0.284	0.440	0.500	0.290
		Prospective OOIP, barrels	623,816	2,827,691	7,423,830	16,743,119	77,680,522	8,799,783
		Prospective gross ultimate recovery, barrels	96,577	660,355	2,022,545	5,088,543	24,209,621	2,552,143
Jesse North	H6	Productive area, acres	80	283	716	1,344	1,658	766
		Net hydrocarbon thickness, feet	9.84	11.13	16.52	28.41	64.70	18.50
		Geometric Correction Factor, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Net to gross ratio, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Porosity, decimal	0.150	0.179	0.210	0.239	0.260	0.209
		Oil saturation, decimal	0.523	0.635	0.699	0.759	0.800	0.697
		Formation volume factor, Bo	1.600	1.559	1.500	1.441	1.400	1.500
		Recovery efficiency, decimal	0.100	0.150	0.284	0.440	0.500	0.290
		Prospective OOIP, barrels	592,744	3,285,559	9,015,654	19,866,202	57,057,671	10,694,440
		Prospective gross ultimate recovery, barrels	96,859	790,474	2,393,627	6,172,233	22,191,230	3,101,638
Nugu East	H4	Productive area, acres	80	188	411	720	870	433
		Net hydrocarbon thickness, feet	9.84	11.13	16.52	28.42	64.57	18.50
		Geometric Correction Factor, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Net to gross ratio, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Porosity, decimal	0.150	0.179	0.210	0.239	0.260	0.209
		Oil saturation, decimal	0.513	0.635	0.699	0.759	0.800	0.697
		Formation volume factor, Bo	1.600	1.559	1.500	1.441	1.400	1.500
		Recovery efficiency, decimal	0.100	0.150	0.284	0.440	0.500	0.290
		Prospective OOIP, barrels	507,051	2,149,088	5,122,207	11,089,207	37,192,804	6,041,634
		Prospective gross ultimate recovery, barrels	54,610	496,554	1,399,602	3,483,840	15,587,576	1,752,215

TABLE 3 – PROBABILITY DISTRIBUTIONS – (Continued)

Prospect	Potential Target	Parameter	P ₁₀₀	P ₉₀	P ₅₀	P ₁₀	P ₀	Mean
Nugu East	H5	Productive area, acres	54	120	259	453	544	273
		Net hydrocarbon thickness, feet	9.84	11.13	16.52	28.42	65.00	18.50
		Geometric Correction Factor, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Net to gross ratio, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Porosity, decimal	0.150	0.179	0.210	0.239	0.260	0.209
		Oil saturation, decimal	0.520	0.635	0.699	0.759	0.800	0.697
		Formation volume factor, Bo	1.600	1.559	1.500	1.441	1.400	1.500
		Recovery efficiency, decimal	0.100	0.150	0.284	0.440	0.500	0.290
		Prospective OOIP, barrels	432,073	1,370,952	3,227,497	6,922,993	22,274,549	3,808,353
		Prospective gross ultimate recovery, barrels	62,565	315,761	869,308	2,192,084	7,242,804	1,104,512
Nugu East	H6	Productive area, acres	71	156	336	589	707	355
		Net hydrocarbon thickness, feet	9.84	11.12	16.52	28.41	64.90	18.50
		Geometric Correction Factor, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Net to gross ratio, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Porosity, decimal	0.150	0.179	0.210	0.239	0.260	0.209
		Oil saturation, decimal	0.517	0.635	0.699	0.759	0.800	0.697
		Formation volume factor, Bo	1.600	1.559	1.500	1.441	1.400	1.500
		Recovery efficiency, decimal	0.100	0.150	0.284	0.440	0.500	0.290
		Prospective OOIP, barrels	478,918	1,774,376	4,198,829	8,907,519	32,421,245	4,950,859
		Prospective gross ultimate recovery, barrels	76,247	402,396	1,136,329	2,853,235	9,962,584	1,435,865
Oben East	D2000	Productive area, acres	80	195	447	808	978	475
		Net hydrocarbon thickness, feet	9.84	11.12	16.52	28.41	65.53	18.50
		Geometric Correction Factor, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Net to gross ratio, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Porosity, decimal	0.150	0.179	0.210	0.239	0.260	0.209
		Oil saturation, decimal	0.515	0.635	0.699	0.759	0.800	0.697
		Formation volume factor, Bo	1.600	1.559	1.500	1.441	1.400	1.500
		Recovery efficiency, decimal	0.100	0.150	0.284	0.440	0.500	0.290
		Prospective OOIP, barrels	562,513	2,244,078	5,649,495	12,163,120	38,039,624	6,632,204
		Prospective gross ultimate recovery, barrels	78,555	523,083	1,504,851	3,828,897	16,718,692	1,923,495
Oben East	E3000	Productive area, acres	36	78	168	294	353	177
		Net hydrocarbon thickness, feet	9.84	11.12	16.52	28.42	64.89	18.50
		Geometric Correction Factor, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Net to gross ratio, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Porosity, decimal	0.150	0.179	0.210	0.239	0.260	0.209
		Oil saturation, decimal	0.512	0.635	0.699	0.759	0.800	0.697
		Formation volume factor, Bo	1.600	1.559	1.500	1.441	1.400	1.500
		Recovery efficiency, decimal	0.100	0.150	0.284	0.440	0.500	0.290
		Prospective OOIP, barrels	274,433	884,159	2,120,413	4,519,447	14,434,723	2,475,429
		Prospective gross ultimate recovery, barrels	35,719	209,066	563,262	1,382,249	5,970,146	717,933

TABLE 3 – PROBABILITY DISTRIBUTIONS – (Continued)

Prospect	Potential Target	Parameter	P ₁₀₀	P ₉₀	P ₅₀	P ₁₀	P ₀	Mean
Oben East	F7800	Productive area, acres	44	96	207	362	435	218
		Net hydrocarbon thickness, feet	9.84	11.13	16.52	28.41	64.50	18.50
		Geometric Correction Factor, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Net to gross ratio, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Porosity, decimal	0.150	0.179	0.210	0.239	0.260	0.209
		Oil saturation, decimal	0.515	0.635	0.699	0.759	0.800	0.697
		Formation volume factor, Bo	1.600	1.559	1.500	1.441	1.400	1.500
		Recovery efficiency, decimal	0.100	0.150	0.284	0.440	0.500	0.290
		Prospective OOIIP, barrels	333,046	1,101,399	2,599,299	5,473,707	17,163,434	3,046,682
		Prospective gross ultimate recovery, barrels	48,407	251,878	707,145	1,718,844	7,224,732	883,609
Oben East	H8000	Productive area, acres	46	102	220	385	462	232
		Net hydrocarbon thickness, feet	9.84	11.13	16.52	28.42	65.59	18.50
		Geometric Correction Factor, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Net to gross ratio, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Porosity, decimal	0.150	0.179	0.210	0.239	0.260	0.209
		Oil saturation, decimal	0.505	0.635	0.699	0.759	0.800	0.697
		Formation volume factor, Bo	1.600	1.559	1.500	1.441	1.400	1.500
		Recovery efficiency, decimal	0.100	0.150	0.284	0.440	0.500	0.290
		Prospective OOIIP, barrels	304,147	1,136,160	2,778,810	5,879,265	20,839,697	3,237,100
		Prospective gross ultimate recovery, barrels	58,852	273,305	735,859	1,852,815	8,067,816	938,835
Ogegere	D1000	Productive area, acres	76	175	366	628	761	384
		Net hydrocarbon thickness, feet	9.84	11.12	16.52	28.42	65.12	18.50
		Geometric Correction Factor, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Net to gross ratio, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Porosity, decimal	0.150	0.179	0.210	0.239	0.260	0.209
		Oil saturation, decimal	0.510	0.635	0.699	0.759	0.800	0.697
		Formation volume factor, Bo	1.600	1.559	1.500	1.441	1.400	1.500
		Recovery efficiency, decimal	0.100	0.150	0.284	0.440	0.500	0.290
		Prospective OOIIP, barrels	587,846	1,983,769	4,570,216	9,737,422	35,974,901	5,359,816
		Prospective gross ultimate recovery, barrels	92,004	458,034	1,243,117	2,991,363	14,804,244	1,554,472
Ogegere	D7000	Productive area, acres	79	181	379	650	788	398
		Net hydrocarbon thickness, feet	9.84	11.13	16.52	28.41	64.57	18.50
		Geometric Correction Factor, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Net to gross ratio, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Porosity, decimal	0.150	0.179	0.210	0.239	0.260	0.209
		Oil saturation, decimal	0.512	0.635	0.699	0.759	0.800	0.697
		Formation volume factor, Bo	1.600	1.559	1.500	1.441	1.400	1.500
		Recovery efficiency, decimal	0.100	0.150	0.284	0.440	0.500	0.290
		Prospective OOIIP, barrels	426,862	2,083,633	4,715,898	9,973,889	32,690,664	5,551,238
		Prospective gross ultimate recovery, barrels	82,669	470,587	1,277,482	3,077,263	12,236,004	1,609,989

TABLE 3 – PROBABILITY DISTRIBUTIONS – (Continued)

Prospect	Potential Target	Parameter	P ₁₀₀	P ₉₀	P ₅₀	P ₁₀	P ₀	Mean
Ogume	A	Productive area, acres	80	214	486	869	1,060	515
		Net hydrocarbon thickness, feet	9.84	11.12	16.52	28.42	65.21	18.50
		Geometric Correction Factor, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Net to gross ratio, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Porosity, decimal	0.150	0.179	0.210	0.239	0.260	0.209
		Oil saturation, decimal	0.524	0.635	0.699	0.759	0.800	0.697
		Formation volume factor, Bo	1.600	1.559	1.500	1.441	1.400	1.500
		Recovery efficiency, decimal	0.100	0.150	0.284	0.440	0.500	0.290
		Prospective OOIIP, barrels	421,723	2,439,483	6,074,454	13,238,515	44,994,933	7,182,210
		Prospective gross ultimate recovery, barrels	94,896	576,347	1,660,667	4,146,791	16,435,682	2,083,009
Olokun North	H2	Productive area, acres	80	409	1,094	2,089	2,608	1,173
		Net hydrocarbon thickness, feet	9.84	11.12	16.52	28.42	64.61	18.50
		Geometric Correction Factor, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Net to gross ratio, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Porosity, decimal	0.150	0.179	0.210	0.239	0.260	0.209
		Oil saturation, decimal	0.505	0.635	0.699	0.759	0.800	0.697
		Formation volume factor, Bo	1.600	1.559	1.500	1.441	1.400	1.500
		Recovery efficiency, decimal	0.100	0.150	0.284	0.440	0.500	0.290
		Prospective OOIIP, barrels	540,010	4,785,211	13,551,286	31,134,171	102,750,306	16,381,171
		Prospective gross ultimate recovery, barrels	86,086	1,153,384	3,603,029	9,707,000	47,122,772	4,750,923
Olokun North	H4	Productive area, acres	81	288	720	1,341	1,658	769
		Net hydrocarbon thickness, feet	9.84	11.13	16.52	28.41	64.00	18.50
		Geometric Correction Factor, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Net to gross ratio, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Porosity, decimal	0.150	0.179	0.210	0.239	0.260	0.209
		Oil saturation, decimal	0.524	0.635	0.699	0.759	0.800	0.697
		Formation volume factor, Bo	1.600	1.559	1.500	1.441	1.400	1.500
		Recovery efficiency, decimal	0.100	0.150	0.284	0.440	0.500	0.290
		Prospective OOIIP, barrels	707,295	3,356,621	8,915,710	20,393,213	68,827,522	10,729,914
		Prospective gross ultimate recovery, barrels	120,900	758,861	2,413,616	6,397,327	25,850,415	3,111,926
Olokun North	H5	Productive area, acres	80	221	516	936	1,141	548
		Net hydrocarbon thickness, feet	9.84	11.12	16.52	28.41	63.99	18.50
		Geometric Correction Factor, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Net to gross ratio, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Porosity, decimal	0.150	0.179	0.210	0.239	0.260	0.209
		Oil saturation, decimal	0.508	0.635	0.699	0.759	0.800	0.697
		Formation volume factor, Bo	1.600	1.559	1.500	1.441	1.400	1.500
		Recovery efficiency, decimal	0.100	0.150	0.284	0.440	0.500	0.290
		Prospective OOIIP, barrels	710,814	2,537,751	6,445,332	14,096,086	47,120,812	7,647,982
		Prospective gross ultimate recovery, barrels	87,914	596,362	1,738,445	4,397,862	15,067,593	2,218,094

TABLE 3 – PROBABILITY DISTRIBUTIONS – (Continued)

Prospect	Potential Target	Parameter	P ₁₀₀	P ₉₀	P ₅₀	P ₁₀	P ₀	Mean
Oniticha South	H1	Productive area, acres	80	200	434	757	924	457
		Net hydrocarbon thickness, feet	9.84	11.12	16.52	28.42	63.95	18.50
		Geometric Correction Factor, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Net to gross ratio, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Porosity, decimal	0.150	0.179	0.210	0.239	0.260	0.209
		Oil saturation, decimal	0.516	0.635	0.699	0.759	0.800	0.697
		Formation volume factor, Bo	1.600	1.559	1.500	1.441	1.400	1.500
		Recovery efficiency, decimal	0.100	0.150	0.284	0.440	0.500	0.290
		Prospective OOIP, barrels	608,382	2,287,024	5,446,170	11,598,887	37,377,413	6,372,587
		Prospective gross ultimate recovery, barrels	105,057	530,902	1,470,084	3,648,098	12,376,125	1,848,200
Oniticha South	H2	Productive area, acres	60	136	287	496	598	302
		Net hydrocarbon thickness, feet	9.84	11.13	16.52	28.42	65.30	18.50
		Geometric Correction Factor, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Net to gross ratio, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Porosity, decimal	0.150	0.179	0.210	0.239	0.260	0.209
		Oil saturation, decimal	0.502	0.635	0.699	0.759	0.800	0.697
		Formation volume factor, Bo	1.600	1.559	1.500	1.441	1.400	1.500
		Recovery efficiency, decimal	0.100	0.150	0.284	0.440	0.500	0.290
		Prospective OOIP, barrels	385,499	1,536,683	3,573,698	7,616,461	27,386,462	4,212,727
		Prospective gross ultimate recovery, barrels	61,644	366,694	971,590	2,392,805	11,913,302	1,221,790
Ubaleme West	D1000	Productive area, acres	81	243	562	1,010	1,250	595
		Net hydrocarbon thickness, feet	9.84	11.12	16.52	28.42	65.05	18.50
		Geometric Correction Factor, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Net to gross ratio, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Porosity, decimal	0.150	0.179	0.210	0.239	0.260	0.209
		Oil saturation, decimal	0.506	0.635	0.699	0.759	0.800	0.697
		Formation volume factor, Bo	1.600	1.559	1.500	1.441	1.400	1.500
		Recovery efficiency, decimal	0.100	0.150	0.284	0.440	0.500	0.290
		Prospective OOIP, barrels	614,244	2,792,580	6,918,581	15,640,528	56,961,540	8,308,396
		Prospective gross ultimate recovery, barrels	81,034	648,872	1,869,072	4,833,940	18,158,841	2,409,629
Ubaleme West	D2000	Productive area, acres	80	215	487	867	1,060	515
		Net hydrocarbon thickness, feet	9.84	11.13	16.52	28.42	65.06	18.50
		Geometric Correction Factor, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Net to gross ratio, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Porosity, decimal	0.150	0.179	0.210	0.239	0.260	0.209
		Oil saturation, decimal	0.517	0.635	0.699	0.759	0.800	0.697
		Formation volume factor, Bo	1.600	1.559	1.500	1.441	1.400	1.500
		Recovery efficiency, decimal	0.100	0.150	0.284	0.440	0.500	0.290
		Prospective OOIP, barrels	615,193	2,468,120	6,135,589	13,361,127	40,130,489	7,186,021
		Prospective gross ultimate recovery, barrels	85,533	575,220	1,653,587	4,087,917	15,583,804	2,084,114

(This page has been left blank intentionally.)

PART XIX
COMPETENT PERSON'S REPORT ON THE UMUSETI/IGBUKU FIELDS

DEGOLYER AND MACNAUGHTON CANADA LIMITED

311 SIXTH AVENUE S.W., SUITE 1430

INTACT PLACE, EAST TOWER

CALGARY, ALBERTA, CANADA, T2P 3H2

COMPETENT PERSON'S REPORT

as of

OCTOBER 31, 2013

on

CERTAIN PROPERTIES

in

OPL 283

owned by

SEPLAT PETROLEUM DEVELOPMENT COMPANY PLC

in

NIGERIA

TABLE OF CONTENTS	<u>PAGE</u>
EXECUTIVE SUMMARY	5
DEFINITION of RESERVES	11
DEFINITION of CONTINGENT RESOURCES	14
FIELD SUMMARIES	16
Regional Geology	16
Reservoir Geology	16
Seplat Five-Year Development Plan	18
Production Performance	19
Infrastructure	22
Valuation of Reserves	23
Reserves	27
OPL 283	27
Summary	30
Procedure/Methodology	32
Contingent Resources	34
OPL 283	34
Estimation of Contingent Resources	35
Procedure/Methodology	35
Environmental Considerations	36
SUMMARY AND CONCLUSIONS	37
REFERENCES CITED	38
CERTIFICATE of QUALIFICATION	
TABLES	
Table 1 – Seplat – Working Interest Summary	
Table 2 – Reserves and Contingent Resource Fields Evaluated	
Table 3 – Gross Reserves	
Table 4 – Gross Reserves – Oil Equivalent	
Table 5 – Working-Interest Reserves	
Table 6 – Working-Interest Reserves – Oil Equivalent	
Table 7 – Working-Interest and Gross Contingent Resources	
Table 8 – Five Year Development Plan - Reserves	
Table 9 – Reserves – Working-Interest After Tax Net Present Values – Sensitivity Cases	
Table 10 – Gross Reserves	
Table 11 – Gross Reserves – Oil Equivalent	
Table 12 – Working-Interest Reserves	
Table 13 – Working-Interest Reserves – Oil Equivalent	
Table 14 – Reserves – Working-Interest After Tax Net Present Values Discounted at 10%	
Table 15 – Working-Interest and Gross Contingent Resources	
Table 16 – Working-Interest Reserves Summary	
Table 17 – Working-Interest Contingent Resource Summary	

TABLE OF CONTENTS (*continued*)

FIGURES

- Figure 1 – Property Index Map – Nigeria
- Figure 2 – Property Index Map – Seplat Reserve and Contingent Resource Fields, Nigeria
- Figure 3 – Stratigraphic Column Illustrating the Three Major Formations of the Niger Delta
- Figure 4 – Example of Niger Delta Oil Fields Structures and Associated Trap Types
- Figure 5 – Oil and Gas Production History, Total Proved Reserves
- Figure 6 – Oil and Gas Production History, Total Proved-plus-Probable Reserves
- Figure 7 – Oil and Gas Production History, Total Proved-plus-Probable-plus-Possible Reserves
- Figure 8 – Structure Map, Top of VI Reservoir, Umuseti/Obodugwa Field
- Figure 9 – Structure Map, Top of XXB Reservoir, Umuseti/Obodugwa Field

APPENDIX

TABLES

- Table A - DeGolyer and MacNaughton Price Forecast
- Table A-1 – Seplat Gas Contract Price
- Table B – Seplat’s Working Interest Reserve Production Forecast – Total Company
- Table C – Seplat’s Working Interest Reserve Cost Forecast – Total Company

CORPORATE SUMMARIES – FORECAST PRICE CASE

RESERVES BASE CASE

Total Proved Developed Producing Reserves

- Table 1A – Summary of Reserves and Net Present Values – Total Company
- Table 1B – Summary of Production and Future Net Revenue – Total Light Oil
- Table 1D – Summary of Production and Future Net Revenue – Total Solution Gas
- Table 1F – Summary of Production and Future Net Revenue – Total Company
- Table 1G – Income Tax Summary – Total Company

Total Proved Reserves

- Table 2A – Summary of Reserves and Net Present Values – Total Company
- Table 2B – Summary of Production and Future Net Revenue – Total Light Oil
- Table 2C – Summary of Production and Future Net Revenue – Total Non-Associated Sales Gas
- Table 2D – Summary of Production and Future Net Revenue – Total Solution Gas
- Table 2E – Summary of Production and Future Net Revenue – Total Condensate
- Table 2F – Summary of Production and Future Net Revenue – Total Company
- Table 2G – Income Tax Summary – Total Company

Total Proved-plus-Probable Reserves

- Table 3A – Summary of Reserves and Net Present Values – Total Company
- Table 3B – Summary of Production and Future Net Revenue – Total Light Oil
- Table 3C – Summary of Production and Future Net Revenue – Total Non-Associated Sales Gas
- Table 3D – Summary of Production and Future Net Revenue – Total Solution Gas

TABLE OF CONTENTS (*continued*)

Table 3E – Summary of Production and Future Net Revenue – Total Condensate

Table 3F – Summary of Production and Future Net Revenue – Total Company

Table 3G – Income Tax Summary – Total Company

Total Proved-plus-Probable-plus-Possible Reserves

Table 4A – Summary of Reserves and Net Present Values – Total Company

Table 4B – Summary of Production and Future Net Revenue – Total Light Oil

Table 4C – Summary of Production and Future Net Revenue – Total Non-
Associated Sales Gas

Table 4D – Summary of Production and Future Net Revenue – Total Solution
Gas

Table 4E – Summary of Production and Future Net Revenue – Total Condensate

Table 4F – Summary of Production and Future Net Revenue – Total Company

Table 4G – Income Tax Summary – Total Company

PROPERTIES EVALUATED

Reserves

Igbuku

Obodugwa and Umuseti

Contingent Resources

Obodugwa and Umuseti

DEGOLYER AND MACNAUGHTON CANADA LIMITED

311 SIXTH AVENUE S.W., SUITE 1430
INTACT PLACE, EAST TOWER
CALGARY, ALBERTA, CANADA, T2P 3H2

March 3, 2014

Seplat Petroleum Development Company PLC
25a, Lugard Avenue, Ikoyi
Lagos, Nigeria

Dear Sir/Madam:

Pursuant to your request, we have prepared estimates, as of October 31, 2013, of the extent of the proved, probable, and possible oil, condensate, and gas reserves, the value of the proved (1P), proved-plus-probable (2P), and proved-plus-probable-plus-possible (3P) reserves, and the extent of the 1C, 2C, and 3C contingent resources of certain fields in oil prospecting license (OPL) concession (OPL 283) located in Nigeria. Seplat Petroleum Development Company PLC (Seplat) has represented that it owns interests as noted herein in the fields.

Estimated revenue and costs attributable to Seplat's interests in the 1P, 2P, and 3P reserves, after income tax, as of October 31, 2013, of the properties appraised under the aforementioned assumptions concerning future prices and costs for the Forecast Price Case are summarized as follows, expressed in millions of U.S. dollars (MM U.S.\$):

Reserve Category	COMPANY SHARE - FORECAST PRICE CASE				
	Future Net Revenue After Income Tax as of October 31, 2013				
	Undis- counted	Discounted			
		at 5%	at 10%	at 15%	at 20%
	MM U.S.\$	MM U.S.\$	MM U.S.\$	MM U.S.\$	MM U.S.\$
Proved Developed					
Producing	1.4	1.6	1.8	1.9	2.0
Non-Producing	-	-	-	-	-
Proved Undeveloped	80.5	63.7	49.9	38.8	29.8
Total Proved (1P)	81.9	65.3	51.7	40.7	31.8
Probable	165.0	122.4	94.2	75.0	61.5
Total Proved + Probable (2P)	246.9	187.7	145.9	115.7	93.3
Possible	226.9	136.8	90.1	64.2	49.0
Total Proved + Prob + Poss (3P)	473.8	324.5	236.0	179.9	142.3

Estimates of proved, probable, and possible reserves, and contingent resources have been prepared according to the Petroleum Resources Management System (PRMS) approved in March 2007 by the Society of Petroleum Engineers, the World Petroleum Council, the American Association of Petroleum Geologists, and the Society of Petroleum Evaluation Engineers. PRMS

is a referenced standard in published guidance of the United Kingdom Listing Authority. The reserves definitions are discussed in detail under the Definition of Reserves heading of this report. The contingent resources definitions are discussed in detail under the Definition of Contingent Resources heading of this report.

This Competent Person's Report (CPR) has been prepared for the purpose of assisting Seplat in its application for a main board listing on the London Stock Exchange. In the preparation of this CPR, DeGolyer and MacNaughton Canada Limited (DMCL) has followed the requirements of the "Prospectus Rules" as published by the UK Financial Conduct Authority from time to time and governed by the UK Listing Authority and the European Securities and Markets Authority (ESMA) update of the Committee of European Securities Regulator's recommendations for the implementation of Commission Regulation No.809/2004 implementing the Prospectus Directive (ESMA/2013/319) dated March 20, 2013.

Reserves estimated in this report are expressed as gross and working-interest reserves. Gross reserves are defined as the total estimated petroleum to be produced from these properties after October 31, 2013. Working-interest reserves are defined as Seplat's working-interest reserves before deduction of royalties.

This report presents values for proved, proved-plus-probable, and proved-plus-probable-plus-possible reserves that were estimated using initial prices and costs specified by Seplat. All monetary values shown in this report are expressed in United States dollars (U.S.\$). An explanation of the future price and cost assumptions is discussed in detail under the Valuation of Reserves heading of this report.

Values for reserves shown in this report are expressed in terms of future gross revenue, future net revenue, and present worth. Future gross revenue is defined as the revenue to be realized from the sale of the net reserves. Future net revenue is defined as the future gross revenue less direct operating expenses, capital costs, royalty, host government taxes, and abandonment costs where applicable. Operating expenses are composed of field operating expenses and transportation losses. Field operating expenses include compression charges and an allocation of overhead that directly relates to production activities. Present worth is defined as future net revenue discounted at a specified arbitrary discount rate compounded monthly over the expected period of realization. In this report, present worth values using discount rates of 5, 8, 10, 15, 20, and 25 percent are reported as totals.

The contingent resources estimated in this report are expressed as gross contingent resources and working-interest contingent resources. Gross contingent resources are defined as the total estimated petroleum that is potentially recoverable from known accumulations after October 31, 2013. Working-interest contingent resources are defined as that portion of the gross contingent resources that might potentially be produced from the properties attributable to the interests owned by Seplat as of October 31, 2013, before the deduction of royalties.

The contingent resources estimated herein are those quantities of oil or gas that are potentially recoverable from known accumulations but which are not currently considered to be commercially recoverable because of such contingencies as lack of commitment to develop, lack of product sales agreements, and/or lack of defined infrastructure, among other contingencies. The contingent resources estimates in this report are provided as a means of comparison to other contingent resources and do not provide a means of direct comparison to reserves. The contingent resources estimated in this report have an economic status of Undetermined, since the evaluations of those contingent resources are at a stage such that it is premature to clearly define the ultimate chance of commerciality.

Contingent resources quantities should not be confused with those quantities associated with reserves due to the additional risk involved. The quantities that might actually be recovered should they be developed may differ significantly from the estimates presented herein. There is no certainty that it will be commercially viable to produce any portion of the contingent resources evaluated herein.

Estimates of petroleum reserves, future net revenue, and contingent resources should be regarded only as estimates that may change as additional information becomes available. Not only are such reserves, revenue, and contingent resources estimates based on that information which is currently available, but such estimates are also subject to the uncertainties inherent in the application of judgmental factors in interpreting such information.

In this report, key information has been provided by Seplat on the fields evaluated herein. As far as we are aware, there are no special factors that would affect the interests owned by Seplat that would require additional information for the proper evaluation of these fields. All evaluations herein are considered in the context of current agreements and regulations and do not consider uncertainties that might be associated with political conditions.

Information used in the preparation of this report was obtained from Seplat. In the preparation of this report we have relied upon information furnished

by Seplat with respect to the property interests to be evaluated, production from such properties, current costs of operation and development, current prices for production, agreements relating to current and future operations and sales of production, concession expiration dates, and various other information and data that were accepted as represented. Although we have not had independent verification, the information used in this report appears reasonable. The technical staff of Seplat involved with the assessment and implementation of development of Seplat's petroleum assets are represented as adherent to the generally accepted practices of the petroleum industry. The staff members appear to be experienced and technically competent in their fields of expertise. No site visits to the producing fields evaluated herein were made for this report. However, existing production data, reports from third parties, and photographic evidence of the fields were considered adequate because the fields are in an established producing venue.

EXECUTIVE SUMMARY

Seplat has represented that it holds a 40-percent interest in the two marginal fields (Igbuku and Obodugwa and Umuseti) OPL 283 onshore Nigeria. Pillar Oil Limited is currently the operator. Two fields located within this OPL have been evaluated here and are illustrated on Figure 1. For this report, technical and commercial uncertainties have been considered in each case exclusive of ongoing political events in a given venue. All contracts, regulations, and agreements in place on October 31, 2013, have been considered to be valid for their stated terms, as represented by Seplat.

Table 1
Seplat - Working-Interest Summary

Block	Operator	Seplat WI (%)	Area (km²)	Expiration Date
OPL 283	Pillar	40%	1,226	October 28, 2028

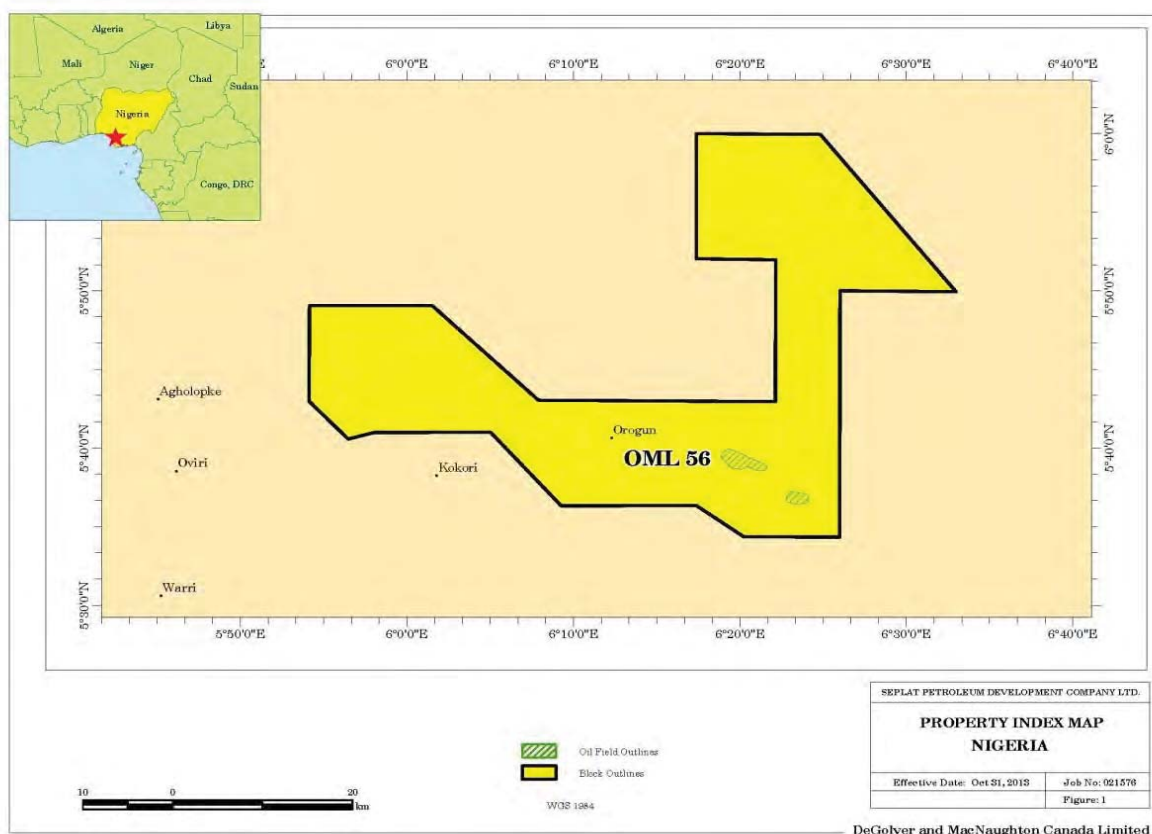


Figure 1
Property Index Map

The area that encompasses OPL 283 was originally part of Oil Mining License (OML) 56. Seplat has represented that OPL 283 is subject to the same license terms as OML-56. The production agreement for OML-56 and OPL 283 will expire on October 28, 2028; however, the Nigerian Petroleum Act includes a provision for automatic renewal of an OPL upon application by the operator, provided that the operator has paid all rents and royalties due and has otherwise performed all obligations under the terms of the lease. Additionally, the production agreement contains provisions specifying that the agreement can be extended upon the renewal of the OPL for the same length of term as the OPL extension. Certain reserves included in this report are estimated to be produced beyond the current expiration date of OPL 283 and have been included as reserves herein based on Seplat's representation that the operator will apply as necessary for renewal of the OPL and expects to be in material compliance with all requirements for license renewal.

DMCL has reviewed two fields, of which only Obodugwa and Umuseti is currently producing. Proved non-producing reserves have been assigned to the Igbuku field. The Igbuku field is forecast to commence production in 2015.

In addition, contingent resources have been estimated for the Obodugwa and Umuseti fields for the undeveloped discoveries. The principal contingencies are regulatory and internal approvals, absence of the development in the next 2-year budget, facility capacity, and production sales agreements. A property index map for reserves and contingent resource fields is included on Figure 2.

In order to estimate barrels of oil equivalent (boe), marketable gas volumes were converted using a conversion rate of 5,800 cubic feet per boe. Listed in the following table are the fields evaluated that contain reserves and contingent resources.

Table 2		
Reserves and Contingent Resource Fields Evaluated		
Block	Field	Producing Status
OPL 283	Igbuku	Non-Producing
OPL 283	Umuseti & Obodugwa	Producing

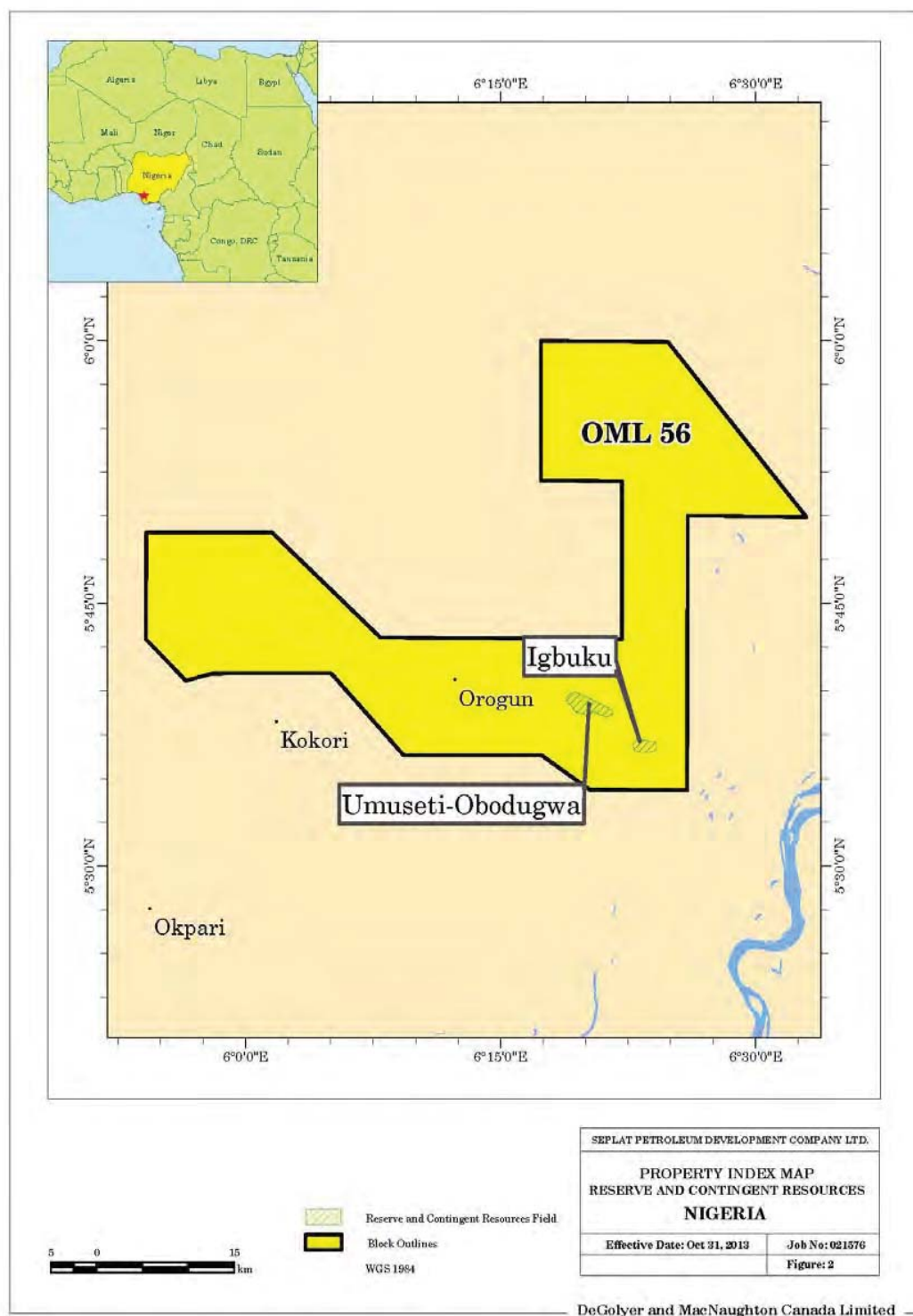


Figure 2
Reserves and Contingent Resource Fields Evaluated

Estimates of the gross total 1P, 2P, and 3P oil, natural gas, and condensate reserves for the properties evaluated in this report are summarized as follows, expressed in thousands of barrels (Mbbbl) and millions of cubic feet (MMcf):

		Table 3 Gross Reserves					
Block	Field	Oil and Condensate			Marketable Gas		
		1P (Mbbbl)	2P (Mbbbl)	3P (Mbbbl)	1P (MMcf)	2P (MMcf)	3P (MMcf)
OPL 283	Igbuku	3,823	8,785	12,855	11,590	32,793	44,130
OPL 283	Umuseti & Obodugwa	6,728	15,523	30,303	105,803	191,708	307,590
Total		10,550	24,308	43,158	117,393	224,500	351,720

Notes:

1. Marketable gas has been converted to barrels of oil equivalent on a field-by-field basis.
2. Numbers in this table may not add exactly due to rounding.

Estimates of the gross total 1P, 2P, and 3P oil, natural gas, and condensate reserves for the properties evaluated in this report are summarized as follows, expressed in thousands of barrels of oil equivalent (Mboe):

		Table 4 Gross Reserves		
Block	Field	Oil Equivalent		
		1P (Mboe)	2P (Mboe)	3P (Mboe)
OPL 283	Igbuku	5,821	14,439	20,464
OPL 283	Umuseti & Obodugwa	24,969	48,576	83,335
Total		30,790	63,014	103,799

Notes:

1. Marketable gas has been converted to barrels of oil equivalent on a field-by-field basis.
2. Numbers in this table may not add exactly due to rounding.

Estimates of the working-interest total 1P, 2P, and 3P oil, natural gas, and condensate reserves evaluated for this report are listed as follows, expressed in Mbbl and MMcf:

Table 5
Working-Interest Reserves

Block	Field	Oil and Condensate			Marketable Gas		
		1P (Mbbl)	2P (Mbbl)	3P (Mbbl)	1P (MMcf)	2P (MMcf)	3P (MMcf)
OPL 283	Igbuku	1,529	3,514	5,142	4,636	13,117	17,652
OPL 283	Umuseti & Obodugwa	2,691	6,209	12,121	42,321	76,683	123,036
Total		4,220	9,723	17,263	46,957	89,800	140,688

Notes:

1. Marketable gas has been converted to barrels of oil equivalent on a field-by-field basis.
2. Numbers in this table may not add exactly due to rounding.

Estimates of the working-interest total 1P, 2P, and 3P oil, natural gas, and condensate reserves evaluated for this report are listed as follows, expressed in Mboe:

Table 6
Working-Interest Reserves

Block	Field	Oil Equivalent		
		1P (Mboe)	2P (Mboe)	3P (Mboe)
OPL 283	Igbuku	2,328	5,776	8,185
OPL 283	Umuseti & Obodugwa	9,988	19,430	33,334
Total		12,316	25,206	41,520

Notes:

1. Marketable gas has been converted to barrels of oil equivalent on a field-by-field basis.
2. Numbers in this table may not add exactly due to rounding.

Contingent resources have been estimated for certain properties owned by Seplat in Nigeria. The contingent resources estimated for certain fields in Nigeria reflect undeveloped discoveries where the development plan is not yet confirmed, or requires further development to satisfy the break even test. None of the contingent resources currently satisfy the break even test. The contingent resources estimated in this report have an economic status of “Undetermined,” since the evaluations of those contingent resources are at a stage such that it is premature to clearly define the ultimate chance of commerciality.

Estimates of the working-interest and gross 1C (low), 2C (best), and 3C (high) oil, condensate, and gas contingent resources attributable to Seplat for the fields evaluated herein, as of October 31, 2013, are summarized as follows, expressed in thousands of barrels (Mbbbl) and millions of cubic feet (MMcf):

	Table 7			
	Working Interest and Gross Contingent Resources			
	Oil and Condensate		Marketable Gas	
	Gross (Mbbbl)	WI (Mbbbl)	Gross (MMcf)	WI (MMcf)
1C	68	27	176	72
2C	718	288	1,591	637
3C	1,977	790	4,348	1,739

Notes:

1. Application of any risk factor to contingent resources quantities does not equate contingent resources with reserves.
2. There is no certainty that it will be commercially viable to produce any portion of the contingent resources evaluated herein.
3. All contingent resources in this report have an economic status of Undetermined, since the evaluations of those contingent resources are at a stage such that it is premature to clearly define the ultimate chance of commerciality.

DEFINITION of RESERVES

Estimates of proved, probable, and possible reserves presented in this report have been prepared in accordance with the PRMS approved in March 2007 by the Society of Petroleum Engineers, the World Petroleum Council, the American Association of Petroleum Geologists, and the Society of Petroleum Evaluation Engineers. The petroleum reserves are defined as follows:

Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial, and remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by development and production status.

Proved Reserves – Proved Reserves are those quantities of petroleum which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations. If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90-percent probability that the quantities actually recovered will equal or exceed the estimate.

Unproved Reserves – Unproved Reserves are based on geoscience and/or engineering data similar to that used in estimates of Proved Reserves, but technical or other uncertainties preclude such reserves being classified as Proved. Unproved Reserves may be further categorized as Probable Reserves and Possible Reserves.

Probable Reserves – Probable Reserves are those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when

probabilistic methods are used, there should be at least a 50-percent probability that the actual quantities recovered will equal or exceed the 2P estimate.

Possible Reserves – Possible Reserves are those additional reserves which analysis of geoscience and engineering data suggest are less likely to be recoverable than Probable Reserves. The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible Reserves (3P), which is equivalent to the high estimate scenario. In this context, when probabilistic methods are used, there should be at least a 10-percent probability that the actual quantities recovered will equal or exceed the 3P estimate.

Reserves Status Categories – Reserves status categories define the development and producing status of wells and reservoirs.

Developed Reserves – Developed Reserves are expected quantities to be recovered from existing wells and facilities. Reserves are considered developed only after the necessary equipment has been installed, or when the costs to do so are relatively minor compared to the cost of a well. Where required facilities become unavailable, it may be necessary to reclassify Developed Reserves as Undeveloped. Developed Reserves may be further sub-classified as Producing or Non-Producing.

Developed Producing Reserves – Developed Producing Reserves are expected to be recovered from completion intervals that are open and producing at the time of the estimate. Improved recovery reserves are considered producing only after the improved recovery project is in operation.

Developed Non-Producing Reserves – Developed Non-Producing Reserves include shut-in and behind-pipe Reserves. Shut-in Reserves are expected to be recovered from (1) completion intervals which are open at the time of the estimate but which have not yet started producing, (2) wells which were shut-in for market conditions or pipeline connections, or (3) wells not capable of production for mechanical reasons. Behind-pipe Reserves are expected to

be recovered from zones in existing wells which will require additional completion work or future recompletion prior to the start of production. In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

Undeveloped Reserves – Undeveloped Reserves are quantities expected to be recovered through future investments: (1) from new wells on undrilled acreage in known accumulations, (2) from deepening existing wells to a different (but known) reservoir, (3) from infill wells that will increase recovery, or (4) where a relatively large expenditure (e.g. when compared to the cost of drilling a new well) is required to (a) recomplete an existing well or (b) install production or transportation facilities for primary or improved recovery projects.

The extent to which probable and possible reserves ultimately may be reclassified as proved reserves is dependent upon future drilling, testing, and well performance. The degree of risk to be applied in evaluating probable and possible reserves is influenced by economic and technological factors as well as the time element. Estimates of probable and possible reserves in this report have not been adjusted in consideration of these additional risks to make them comparable to proved reserves.

DEFINITION of CONTINGENT RESOURCES

Estimates of contingent resources presented in this report have been prepared in accordance with the PRMS approved in March 2007 by the Society of Petroleum Engineers, the World Petroleum Council, the American Association of Petroleum Geologists, and the Society of Petroleum Evaluation Engineers. Because of the lack of commerciality or sufficient development drilling, the contingent resources estimated herein cannot be classified as reserves. The petroleum resources are classified as follows:

Contingent Resources – Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies.

Based on assumptions regarding future conditions and their impact on ultimate economic viability, projects currently classified as Contingent Resources may be broadly divided into three economic status groups:

Marginal Contingent Resources – Those quantities associated with technically feasible projects that are either currently economic or projected to be economic under reasonably forecasted improvements in commercial conditions but are not committed for development because of one or more contingencies.

Sub-Marginal Contingent Resources – Those quantities associated with discoveries for which analysis indicates that technically feasible development projects would not be economic and/or other contingencies would not be satisfied under current or reasonably forecasted improvements in commercial conditions. These projects nonetheless should be retained in the inventory of discovered resources pending unforeseen major changes in commercial conditions.

Undetermined Contingent Resources – Where evaluations are incomplete such that it is premature to clearly define ultimate chance of commerciality, it is acceptable to note that project economic status is “undetermined.”

The estimation of resources quantities for an accumulation is subject to both technical and commercial uncertainties and, in general, may be quoted as a range. The range of uncertainty reflects a reasonable range of estimated potentially recoverable volumes. In all cases, the range of uncertainty is dependent on the amount and quality of both technical and commercial data that are available and may change as more data become available.

1C (Low), 2C (Best), and 3C (High) Estimates – Estimates of petroleum resources in this report are expressed using the terms 1C (low) estimate, 2C (best) estimate, and 3C (high) estimate to reflect the range of uncertainty.

FIELD SUMMARIES

Regional Geology

OPL 283 is located in the Niger Delta province adjacent to the Gulf of Guinea. The delta covers more than 300,000 square kilometers and is among the largest regressive deltas in the world with a significant sediment volume of 500,000 cubic kilometers and a sediment thickness of over 10 kilometers in the basin depocenter (Klett, 1997). The development of the delta is associated with the rift triple junction related to the opening of the southern Atlantic, during the late Jurassic and Cretaceous periods. The petroleum system identified in the Niger Delta province is referred to as the Tertiary Niger Delta (Akata-Agbada) Petroleum System.

The onshore portion of the Niger Delta province is delineated by the geology of southern Nigeria and southwestern Cameroon. The northern boundary is the Benin flank controlled by an east-northeast-trending hinge line south of the West Africa basement massif. The northeastern boundary is defined by the outcrops of the Abakaliki High of Cretaceous age and further to the east-southeast by the Calabar flank, a hinge line bordering the adjacent Precambrian (Tuttle, 1999).

Reservoir Geology

The Tertiary section of the Niger Delta is divided into three major formations: the Akata Formation, the Agbada Formation, and the Benin Formation (Figure 4). These formations represent a series of prograding depositional facies that are identified mostly on the basis of sand-shale ratios (Tuttle, 1999). The Akata Formation is generally situated at the base of the delta and has a marine origin. It is composed of thick shale sequences, turbidite sand, and minor amounts of clay and silt. The Akata Formation formed during lowstands when terrestrial organic matter and clays were transported to the deep water environment, characterized by low energy conditions and oxygen deficiency. The Akata Formation underlies the entire delta and is often overpressured.

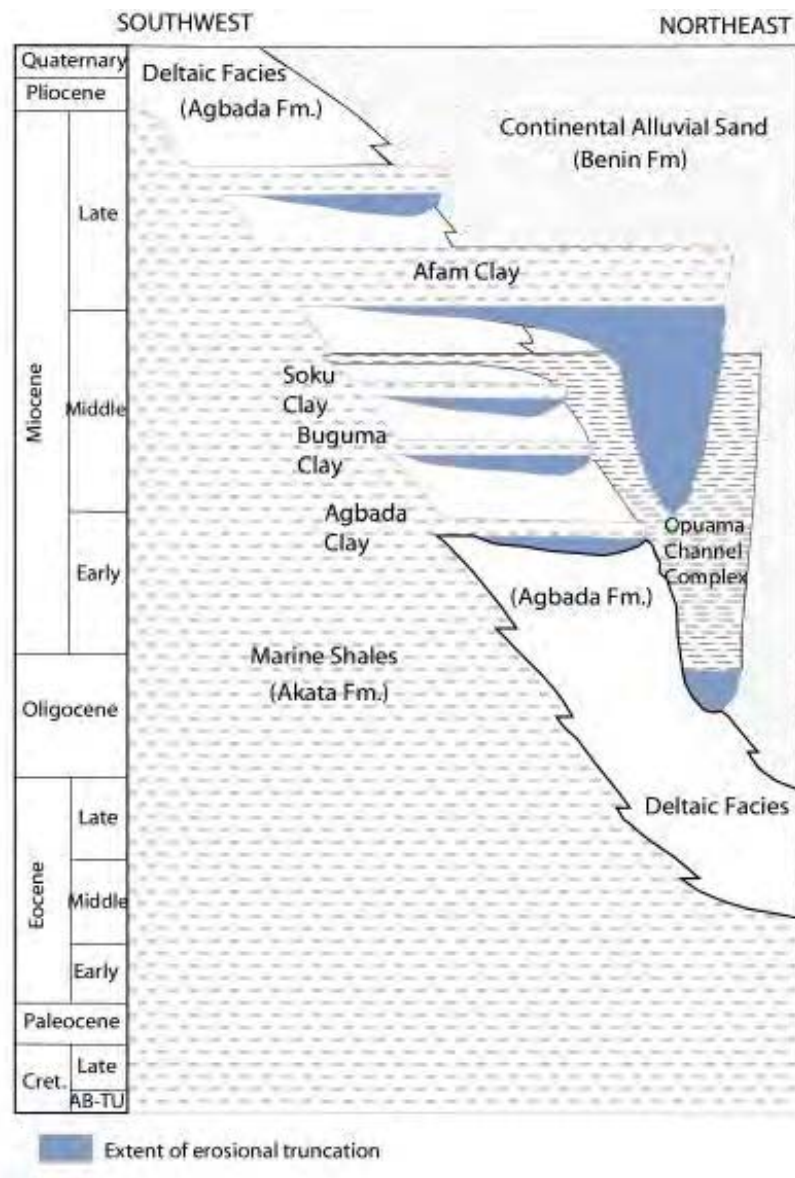


Figure 3
Stratigraphic Column illustrating the Three Major Formations of the Niger Delta

The Agbada Formation overlies the Akata Formation, which is the major petroleum-bearing unit. The formation consists of paralic siliciclastics and represents the deltaic portion of the sequence (Tuttle, 1999). The formation can be subdivided into multiple zones, and each zone can range from 50 feet to over 100 feet in thickness. The Agbada Formation is generally associated with an onshore deltaic depositional setting with vertical stacked sedimentary sequences, coarse-grained multi-cycle fluvial channels, and shoreface deposits. The fluvial channels are extensive and often associated with incised valley fill. The lower

Agbada Formation generally consists of shale and sandstone beds, and the upper portion consists mainly of sands with minor shale interbeds. The trapping mechanism of the hydrocarbon reservoirs are dominated by extensional growth faults and stratigraphy. The Agbada Formation is overlain by the Benin Formation, which is generally associated with continental alluvial and coastal plain sand deposits.

A diagram of sample Niger Delta field structures and associated trap types is presented on Figure 4.

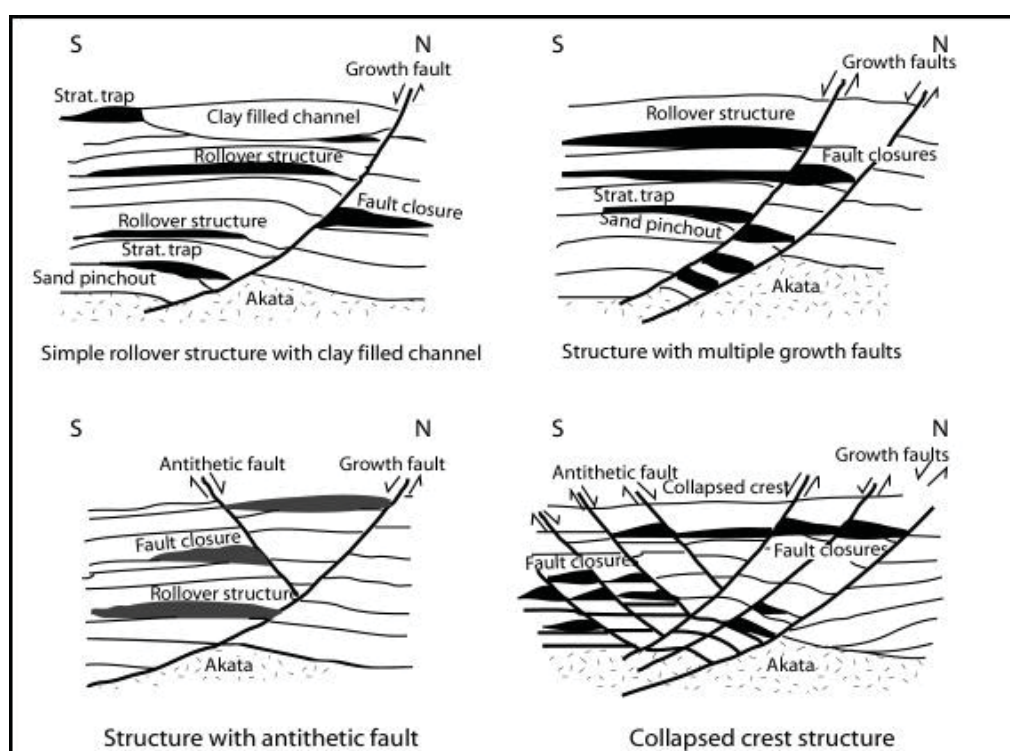


Figure 4
Example of Niger Delta Oil Field Structures and Associated Trap Types

Seplat Five-Year Development Plan

Timing for the development and sale of the gas reserves of the Igbuku and Obodugwa and Umuseti fields has been provided by Seplat. As part of this development, Seplat plans to drill three wells, two on the Igbuku structure and one on the Umuseti structure, to accelerate production. These new wells are projected to be online by 2015. Seplat has represented that a gas sales line is anticipated to be in service beginning January 1, 2015. Gas reserves were estimated in this

report based on Seplat's representation that sufficient demand for the utilization of this gas exists, once the sales line is operational.

Additional new completions were incorporated in this evaluation beyond the five-year development plan based on full field developments of the OPL 283. DMCL is confident with Seplat's ability to execute this development plan and drilling schedule. A summary of the reserves and contingent resources five-year development plan is illustrated in the following table.

Table 8
Five Year Development Plan - Reserves

		OIL				
		2013	2014	2015	2016	2017
Igubuku				1 New Drill		
Umuseti			1 New Drill	2 Recompletions		1 Recompletion
		GAS				
		2013	2014	2015	2016	2017
Igubuku				1 New Drill		
Umuseti						

Production Performance

Future estimated drilling and completion schedules were based on information supplied by Seplat. In all cases, the estimated future production from the 1P (Figure 5), 2P (Figure 6), and 3P (Figure 7) reserves were estimated to be within the capacity of the reservoirs to produce based on well test information and anticipated development plans.

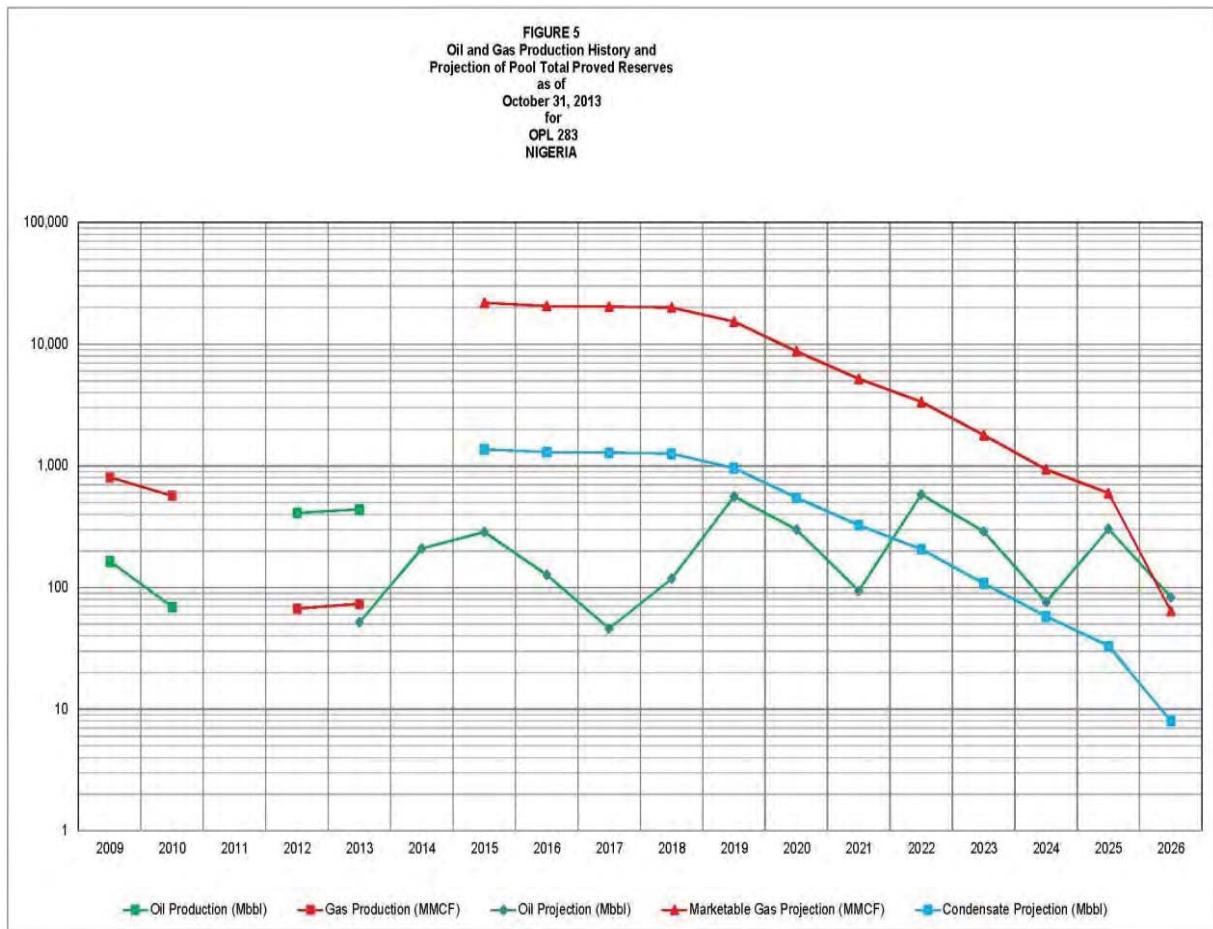


Figure 5
Oil and Gas Production History – Total Proved Reserves

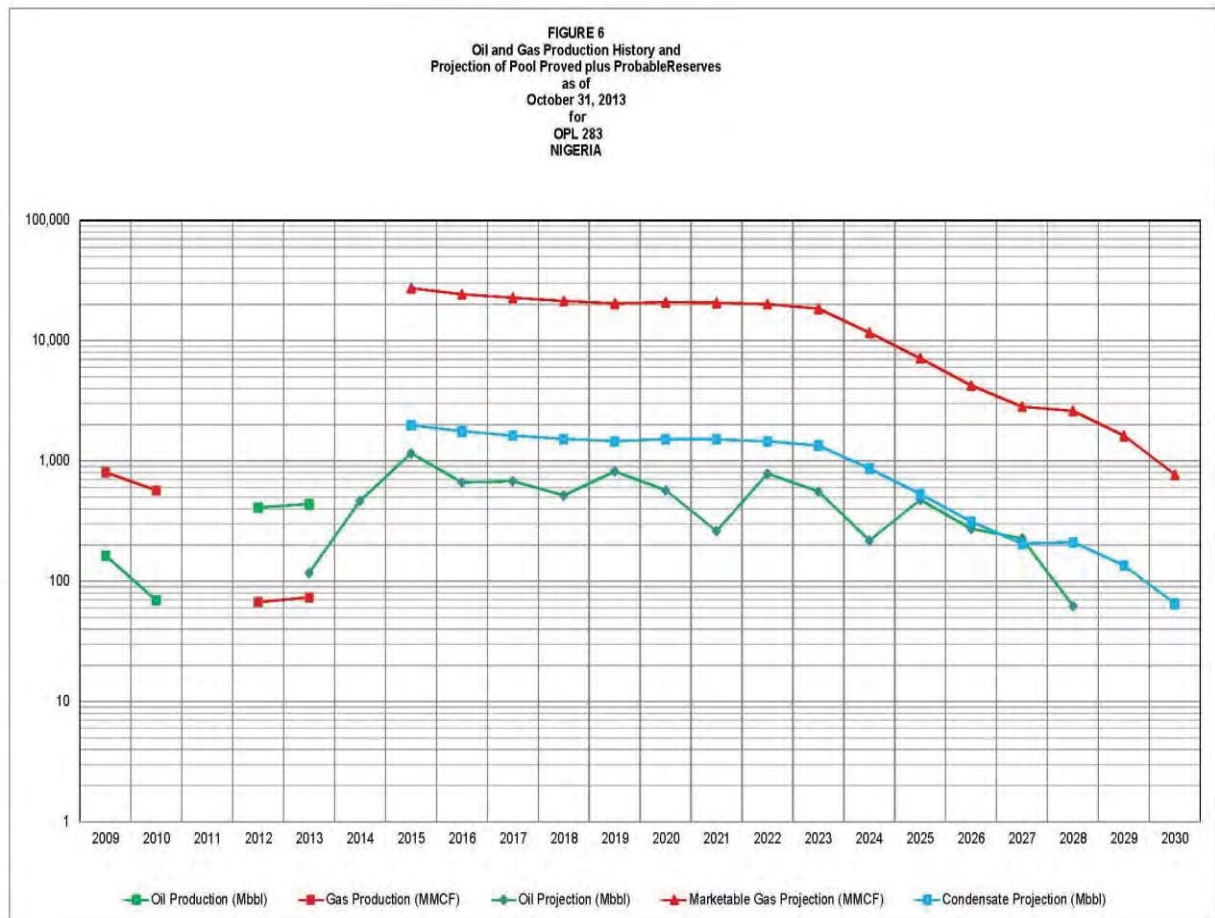


Figure 6
Oil and Gas Production History – Total Proved-plus-Probable Reserves

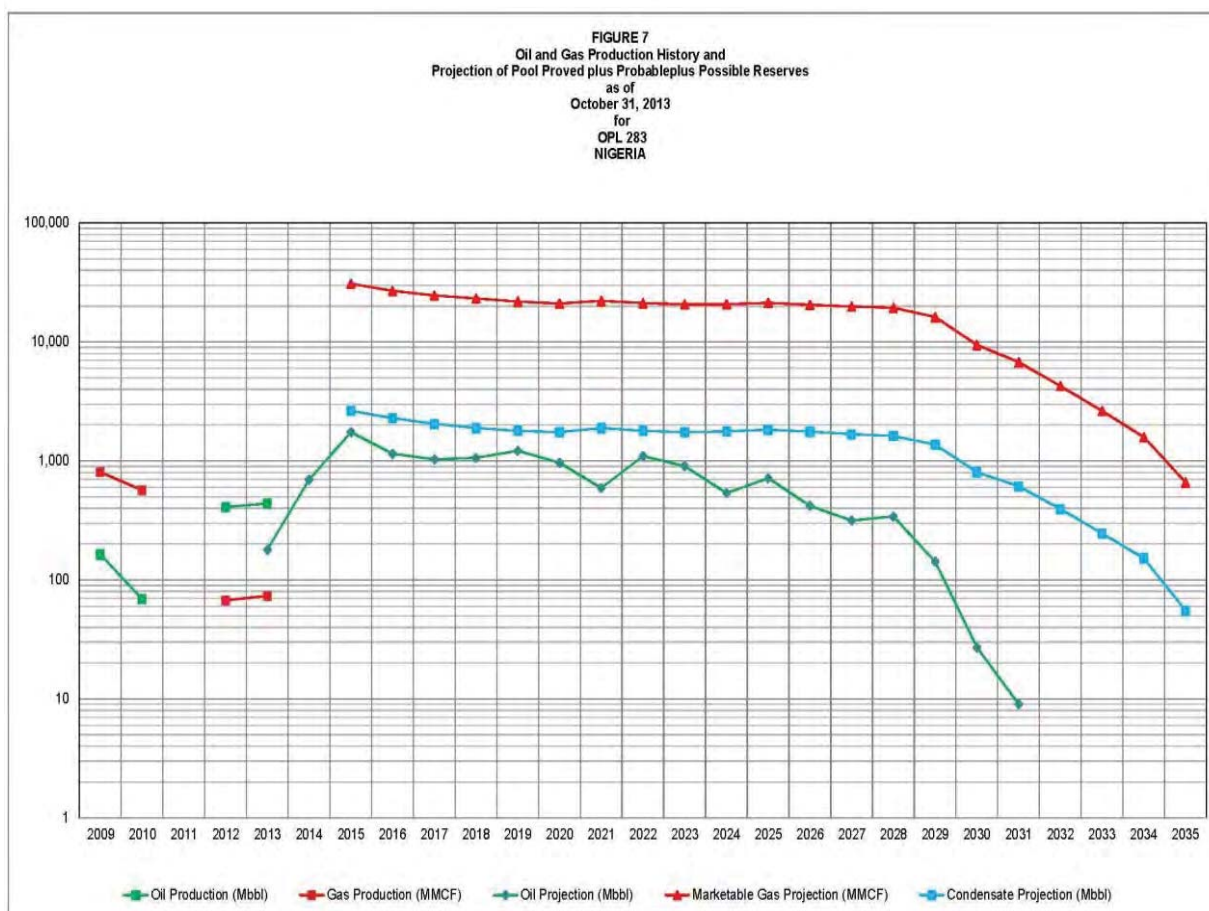


Figure 7
Oil and Gas Production History – Total Proved-plus-Probable-plus-Possible
Reserves

Infrastructure

The fields (Figure 1) are located in southern Nigeria, north of Port Harcourt. The Obodugwa and Umuseti and Igbuku fields are land-locked assets, which are located in the northern onshore depobelt of the Niger Delta. The fields are easily accessible by roads and extend into both the Delta and Edo states, and distribution lines for power are nearby.

Existing infrastructure consists of a 5,000-barrel-per-day processing facility (EPF), two 3.5 kilometer 4-inch oil flow lines to convey produced fluids to the EPF, eight 500-barrel-capacity crude storage tanks, and a lease automatic custody transfer (LACT) unit. Produced gas is currently being flared. There is a

Group Gathering Facility (GGF) at Midwestern's Umusadege field, where commingled crude from nearby fields is metered at the GGF then routed via a 16-kilometer pipeline to AGIP's Kwale facilities before export to the Brass Terminal. Production from the Obodugwa and Umuseti field is metered before being delivered to the GGF.

To accommodate additional oil and condensate from future planned development, Seplat is planning to upgrade the Umuseti production facility to 15,000 barrels of oil per day (BOPD) by the end of 2014. Seplat also plans to lay a gas line from Umutu to Oben for gas processing, which is expected to be in service by January 2015.

Valuation of Reserves

Revenue values in this report have been prepared using initial prices and costs and future price and cost assumptions specified by Seplat. Estimates of future net revenue and present worth of 1P, 2P, and 3P reserves have been prepared in accordance with PRMS. A Base Case was evaluated with future prices and costs that vary from current prices. Sensitivity cases comprised of a High Case and Low Case were evaluated with future prices and costs that differ from the Base Case. Gross and net reserves estimated herein are based on the Base Case assumptions.

In this report, values for 1P, 2P, and 3P reserves are based on projections of estimated future production and revenue prepared for these properties with no risk adjustment applied to the probable or possible reserves. Probable and possible reserves involve substantially higher risks than 1P reserves. In particular, production of possible reserves is much less likely to be realized, and any projection including possible reserves should be considered in that context. Revenue values for 2P and 3P reserves have not been adjusted to account for such risks; this adjustment would be necessary in order to make the values of the probable and possible reserves comparable with the values for 1P reserves.

Revenue values of the 1P, 2P, and 3P reserves were developed utilizing methods generally accepted by the petroleum industry. Production forecasts of the 1P, 2P, and 3P reserves were based on development plan information provided by Seplat for each field.

The following assumptions were used for estimating future prices and costs under the Base Case:

Oil, Condensate, and Gas Prices

Oil, condensate, and gas prices were furnished by Seplat and are shown in the table below. The oil and condensate prices used for this report were based on offsets to the Brent marker oil price forecast. The oil and condensate price was U.S.\$1.00 per barrel less than the Brent oil marker price, and the price was also reduced by an additional U.S.\$3.50 per barrel to account for transportation costs. The gas price used for this report was based on a local domestic sales price forecast less a 7-percent transportation tariff. Prices used are shown in Table A and A-1 in the Appendix to this report.

Operating Expenses, Capital Costs, and Abandonment Costs

Current and historical field operating expenses and field operating expense forecasts provided by Seplat were used in estimating future expenses required to operate the fields. The operating cost of OPL 283 is a fixed cost of U.S.\$2.6 million dollars per year, U.S.\$3.5 per barrel of oil, and U.S.\$1.0 per cubic foot of sales gas. Also the general and Administration cost is a fixed cost of U.S.\$1.0 million dollars per year. An inflation rate of 2 percent was applied to all expenditures. In certain cases, future expenses, either higher or lower than current expenses, may have been used because of anticipated changes in operating conditions.

The drilling cost was estimated to be U.S.\$20,000,000 per well, while recompletion cost was U.S.\$5,000,000. The surface facilities costs were estimated based on the costs incurred by on-going projects.

Oil Metering

Due to theft, Seplat has observed a reconciliation factor of approximately 15 percent. This reconciliation factor was applied to the entire production forecast under the “pipe losses” category in this evaluation.

Abandonment Costs

Abandonment costs for the fields evaluated were provided by Seplat. Operating expenses, capital costs, and abandonment costs were escalated at 2 percent per year from January 2014.

Royalty and Bonuses

Oil and condensate sales incur a royalty of 2.5 percent, which is the royalty rate for “marginal fields” (host country designation). Gas sales incur a 7-percent royalty rate. No gas flaring penalty was considered in revenue estimates herein. No bonus payments are anticipated.

Niger Delta Development Commission Levy

The Niger Delta Development Commission Levy is paid to the Niger Delta Development Commission (NDDC). The NDDC levy is 3 percent of the budgeted expenditure for a given year to allow for participation in the Niger Delta development. This corresponds to 3 percent of all operating expenses and capital costs incurred in the fields evaluated herein.

Taxes

All of the Nigerian properties evaluated herein are subject to taxes less capital deductions. Seplat revenue is subject to the Petroleum Profit Tax (PPT), which for oil field revenue averages 65.75 percent for the first 5 years from the start of the company’s operations. After the five year grace period has passed, the tax rate escalates to 85 percent for the remainder of the project. The corporate income tax rate for gas revenue is 30 percent. Seplat has represented that all capital and operating expenditures from oil and gas operations are used to offset the taxable income against oil revenues in accordance with the Nigerian Petroleum Act. In addition, Seplat pays the Niger Delta Development Tax of 3 percent on total expenditure, an educational tax of 2 percent on profit, a VAT of 5 percent applicable on all capital costs and operating expenses, excluding general and

administration costs and an import tax of 22.9 percent on all tangible capital costs.

Revenue

Future Gross Revenue

Future gross revenue is that revenue which could accrue to the appraised interests from the production and sale of the estimated net reserves.

Future Net Revenue

Future net revenue was calculated by deducting royalties, estimated production taxes, operating expenses, and capital costs from the potential future gross revenue.

Net Present Value

Net present value is defined as future net revenue discounted at a specified arbitrary discount rate compounded monthly over the expected period of realization. In this report, a net present value using a discount rate of 10 percent is reported in detail.

Estimates of the net present value, discounted at a rate of 10 percent, of the total 1P, 2P, and 3P reserves of the petroleum interests attributable to Seplat under the conditions of various sensitivities, are expressed in millions of United States dollars (MM U.S.):

Table 9
Working-Interest After Tax Net Present Values Discounted at 10% - Sensitivity Cases

<u>Asset</u>	<u>Type of Sensitivity</u>	<u>1P</u> <u>(MM U.S.)</u>	<u>2P</u> <u>(MM U.S.)</u>	<u>3P</u> <u>(MM U.S.)</u>
OPL 283	Base Case	51.7	145.9	236.0
OPL 283	Brent Premium of \$10	58.9	158.1	253.0
OPL 283	Brent Discount of \$10	44.5	133.2	218.8
OPL 283	OPEX +10%	49.8	143.5	233.1
OPL 283	OPEX -10%	53.6	148.3	238.9
OPL 283	CAPEX +10%	46.5	141.7	233.1
OPL 283	CAPEX -10%	56.9	149.9	238.8

Reserves

OPL 283

Igbuku Field

The Igbuku field was discovered in 1981 by the drilling of well Igbuku-1, which encountered four hydrocarbon-bearing reservoirs. The reservoirs exhibit a coarsening-upward character indicative of deltaic progradation. The top of the shallowest reservoir was estimated at 10,879 feet true vertical depth subsea (TVDSS). An estimated lowest known occurrence of gas (LKG) in the shallowest reservoir was estimated at 10,911 feet TVDSS. This reservoir was not tested, but a repeat formation tester (RFT) sample recovered gas and condensate. Two of the other reservoirs recovered oil and gas in RFT samples, while the deepest reservoir encountered gas and water from an RFT sample. The LKG of the deepest reservoir (VII reservoir illustrated on Figure 8) was estimated at 12,632 feet TVDSS. The Igbuku field is defined by a fault-assisted dip closure with the primary trapping mechanism consisting of an east/west-trending synthetic fault to the south. Estimated porosities for these reservoirs range from 14 to 18 percent and estimated water saturations range from 20 to 40 percent.

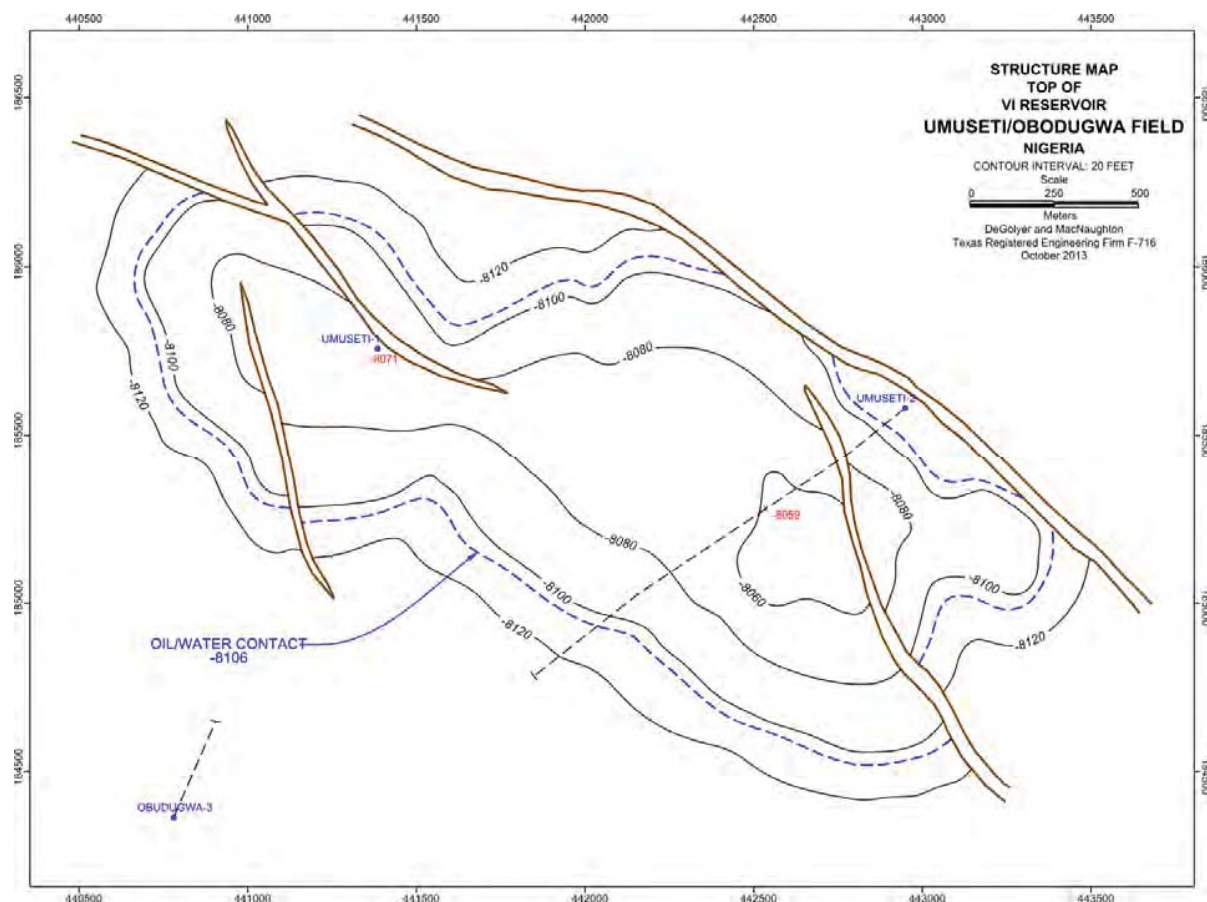


Figure 8
Structure Map, Top of VI Reservoir, Umuseti/Obodugwa Field

The Igbuku field will be developed by drilling two wells in 2014 and 2015, which target two oil reservoirs and two gas reservoirs. Each well will be dually completed. Estimated oil in-place for the field ranges from 7,025 Mbbl to 13,943 Mbbl and estimated gas in-place ranges from 186,729 MMcf to 477,147 MMcf. Estimated oil recovery factors range from 25 to 35 percent, while estimated recovery gas factors range from 60 to 70 percent. Initial oil rates from individual wells range from 1,000 to 2,000 BOPD, while initial gas rates range from 3,000 thousand cubic feet (Mcf) per day to 50,000 Mcf per day.

Obodugwa and Umuseti

The Obodugwa and Umuseti field is a combination of several separate reservoirs and multiple structural closures. The field is primarily defined as a roll-over anticlinal structure located on the hanging wall of a large southeast-trending normal fault. Three wells, Umuseti-1, Umuseti-2, and Obodugwa-3, have encountered stacked gas and oil pay in 21 reservoirs in the lower to middle Tertiary system. The shallowest reservoir is gas with an estimated LKG of 7,620 feet TVDSS, and the deepest reservoir is oil with an estimated lowest known oil (LKO) of 11,534 feet TVDSS. Fifteen reservoirs have confirmed hydrocarbon producibility by testing or RFT or by analogy to reservoirs with testing or RFT data. Six reservoirs, however, have not been tested, had no RFT samples collected, or have reservoir characteristics such that no analogs are available by which producibility of these zones could be inferred. Figure 9 is a structure map on the XXB reservoir illustrating the general geological nature of the field. In the gas zones, estimated porosities range from 5 to 19 percent and estimated water saturations range from 12 to 29 percent. In the oil zones, estimated porosities range from 17 to 23 percent and estimated water saturations range from 23 to 43 percent.

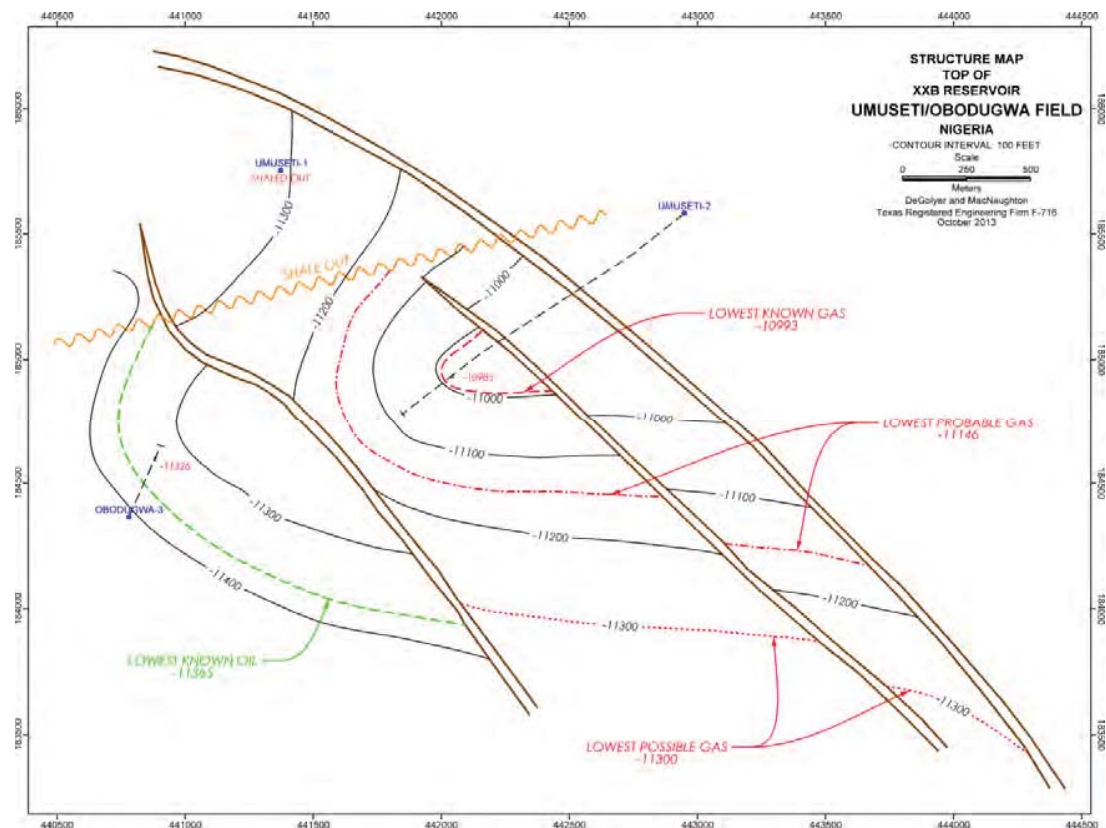


Figure 9
Structure Map, Top of XXB Reservoir, Umuseti/Obodugwa Field

The Obodugwa and Umuseti field development plan includes one additional infill well, Umuseti-3, which will be drilled and completed in 2014. The development well will be dually completed. Estimated oil in-place ranges from 6,653 Mbbl to 23,386 Mbbl and estimated gas in-place ranges from 1,104 MMcf to 65,000 MMcf. Estimated oil recovery factors range from 20 to 40 percent, while estimated gas recovery factors range from 55 to 85 percent. Initial oil rates from individual wells range from 580 BOPD to 2,600 BOPD, while initial gas rates range from 1,750 Mcf per day to 29,000 Mcf per day.

The reserves of the Igbuku and Obodugwa and Umuseti fields have been estimated using production-performance analysis and the volumetric method. Recovery factors have been estimated based on performance of the producing wells, where applicable, and on anticipated abandonment rates and pressures applicable to the drive mechanism expected for each reservoir, as well as analogy when applicable. Generally, 1P reserves are based on the lesser range of recovery linked with current performance in areas of lesser uncertainty. The probable and possible reserves include additional reservoir area that might be drained beyond that estimated for the 1P reserves and also include the potential of better-than-expected performance and improved recovery efficiency.

In the estimation of the solution gas reserves to be recovered in conjunction with future oil production, an analysis of the gas-oil ratio behavior was used to identify any trends that could be used in the projection of future gas-oil ratios. In the absence of any reliable, observable trends on which to base an estimate of future behavior, the gas-oil ratio was estimated to remain at current levels for the lives of the wells.

Summary

The estimated gross total 1P, 2P, and 3P oil, natural gas, and condensate reserves for the properties evaluated in this report for Seplat are summarized as follows, expressed in thousands of barrels (Mbbl) and millions of cubic feet (MMcf):

		Table 10 Gross Reserves					
Block	Field	Oil and Condensate			Marketable Gas		
		1P (Mbbl)	2P (Mbbl)	3P (Mbbl)	1P (MMcf)	2P (MMcf)	3P (MMcf)
OPL 283	Igbuku	3,823	8,785	12,855	11,590	32,793	44,130
OPL 283	Umuseti & Obodugwa	6,728	15,523	30,303	105,803	191,708	307,590
Total		10,550	24,308	43,158	117,393	224,500	351,720

Notes:

1. Marketable gas has been converted to barrels of oil equivalent on a field-by-field basis
2. Numbers in this table may not add exactly due to rounding.

The estimated gross total 1P, total 1P, 2P, and 3P oil, natural gas, and condensate reserves for the properties evaluated in this report for Seplat are summarized as follows, expressed in thousands of barrels of oil equivalent (Mboe):

		Table 11		
		Gross Reserves		
		Oil Equivalent		
Block	Field	1P (Mboe)	2P (Mboe)	3P (Mboe)
OPL 283	Igbuku	5,821	14,439	20,464
OPL 283	Umuseti & Obodugwa	24,969	48,576	83,335
Total		30,790	63,014	103,799

Notes:

1. Marketable gas has been converted to barrels of oil equivalent on a field-by-field basis.
2. Numbers in this table may not add exactly due to rounding.

Estimates of the working-interest total 1P, 2P, and 3P oil, natural gas, and condensate reserves, evaluated herein are listed as follows, expressed in Mbbl and MMcf:

		Table 12					
		Working-Interest Reserves					
Block	Field	Oil and Condensate			Marketable Gas		
		1P (Mbbl)	2P (Mbbl)	3P (Mbbl)	1P (MMcf)	2P (MMcf)	3P (MMcf)
OPL 283	Igbuku	1,529	3,514	5,142	4,636	13,117	17,652
OPL 283	Umuseti & Obodugwa	2,691	6,209	12,121	42,321	76,683	123,036
Total		4,220	9,723	17,263	46,957	89,800	140,688

Notes:

1. Marketable gas has been converted to barrels of oil equivalent on a field-by-field basis
2. Numbers in this table may not add exactly due to rounding.

Estimates of the net total 1P, 2P, and 3P oil, natural gas, and condensate reserves, evaluated herein are listed as follows, expressed in Mboe:

		Table 13		
		Working-Interest Reserves		
		Oil Equivalent		
Block	Field	1P (Mboe)	2P (Mboe)	3P (Mboe)
OPL 283	Igbuku	2,328	5,776	8,185
OPL 283	Umuseti & Obodugwa	9,988	19,430	33,334
Total		12,316	25,206	41,520

Notes:

1. Marketable gas has been converted to barrels of oil equivalent on a field-by-field basis.
2. Numbers in this table may not add exactly due to rounding.

Procedure/Methodology

Estimates of reserves were prepared by the use of appropriate geologic, petroleum engineering, and evaluation principles and techniques that are in accordance with practices generally recognized by the petroleum industry and in accordance with definitions established by the PRMS. The method or combination of methods used in the analysis of each reservoir was tempered by experience with similar reservoirs, stage of development, quality and completeness of basic data, and production history.

Where applicable, the volumetric method was used to determine the original quantities of petroleum in-place. Estimates were made by using various types of logs, core analyses, and other available data. Formation tops, gross thickness, and representative values for net pay thickness, porosity, and interstitial fluid saturations were used to prepare structural maps to delineate each reservoir and isopachous maps to estimate reservoir volumes.

Estimates of ultimate recovery were obtained by applying recovery efficiency factors to the original quantities of petroleum in-place. These factors were based on consideration of the type of energy inherent in the reservoir, analysis of the fluid and rock properties, the structural position of the properties, and the production history.

Where adequate data were available and where circumstances justified, material-balance and other engineering methods were used to estimate recovery factors. In these instances, reservoir performance parameters such as cumulative

production, producing rate, reservoir pressure, gas oil ratio behavior, and water production were considered in estimating recovery efficiencies used in determining gross ultimate recovery.

For depletion-type reservoirs or other reservoirs where performance has disclosed a reliable decline in producing-rate trends or other diagnostic characteristics, reserves were estimated by the application of appropriate decline curves or other performance relationships. In analyzing decline curves, reserves were estimated only to the limits of economic production.

In certain cases where the previously named methods could not be used, reserves were estimated by analogy with similar reservoirs where more complete data were available.

The reserves estimates presented herein were based on consideration of production data through October 31, 2013. Other data available through October 31, 2013, were used to prepare estimates for this report. Where applicable, estimated cumulative production through October 31, 2013, was deducted from the gross ultimate recovery to determine the estimated gross reserves.

The reserves forecasts contained herein terminate at the technical limit of approximately 30 barrels per day for oil and 100 Mcf per day for gas or at the end of the concession life, whichever occurs first. If a concession expires before the economic production limit is reached, production that could be obtained after the concession expiration, which would otherwise be classified as reserves, has been classified as contingent resources.

The oil, natural gas, and condensate reserves estimated in this report are expressed in terms of 42 United States gallons per barrel. Crude oil reserves are to be recovered by conventional field operations. Condensate reserves are to be recovered from gas processing and include C5+ fractions.

Gas quantities included in this report are expressed as marketable gas at a pressure base of 14.7 pounds per square inch absolute (psia) and a temperature base of 60 degrees Fahrenheit (°F). Marketable gas is defined as wet gas after reduction for shrinkage resulting from field separation; processing, including removal of non-hydrocarbon gas to meet pipeline specifications and condensate extraction; and flare and other losses but not from fuel usage. Fuel gas is included as reserves. Wet gas is the total gas produced from the reservoir prior to processing or separation and includes all non-hydrocarbon components and the gas equivalent of condensate. The marketable gas is converted to boe by using a ratio of 5,800 cubic feet per boe.

Estimates of the net present worth, undiscounted and discounted at a rate of 10 percent, of the total 1P, 2P, and 3P (non-risk adjusted) base case scenario reserves of the petroleum interests attributable to Seplat, expressed in millions of United States dollars (MM U.S.\$), are presented in the following table:

Table 14
Reserves - Working-Interest After Tax Net Present Values Discounted at 10%

Asset	1P (MM U.S.\$)	2P (MM U.S.\$)	3P (MM U.S.\$)
OPL 283	51.7	145.9	236.0

Contingent Resources

OPL 283

Obodugwa and Umuseti Field

Certain potentially recoverable quantities of oil, condensate, and marketable gas attributable to certain reservoirs in the Obodugwa and Umuseti field have been classified in this report as contingent resources because of such contingencies as lack of commitment to develop, lack of product sales agreements, and/or lack of defined infrastructure, among other contingencies. The contingent resources estimated in this report have an economic status of Undetermined, since the evaluations of those contingent resources are at a stage such that it is premature to clearly define the ultimate chance of commerciality.

The contingent resources are included in those reservoirs in the Obodugwa and Umuseti field that are not part of the current development plan, and estimates are based on volumetric analysis, incorporating structural mapping as well as recovery expectations based on the rock properties and geological setting. Estimated gas in-place for the contingent resources in the Obodugwa and Umuseti field ranges from 507 MMcf to 10,560 MMcf and estimated oil in-place ranges from 311 Mbbl to 4,935 Mbbl. Estimated recovery factors ranged from 35 to 40 percent of the original gas in-place and 20 to 40 percent of the original oil in-place. 1C contingent resources estimates are based on the low case volume in-place and recovery factor, and 2C contingent resources estimates are based on the mid-range estimate of original gas in-place and recovery. 3C contingent resources estimates are based on the higher expectation of recovery and hydrocarbon in-place quantities.

Estimation of Contingent Resources

Estimates of contingent resources were prepared by the use of appropriate geologic, petroleum engineering, and evaluation principles and techniques that are in accordance with practices generally recognized by the petroleum industry and in accordance with definitions established by the PRMS. The method or combination of methods used in the analysis of each reservoir was tempered by experience with similar reservoirs, stage of development, quality and completeness of basic data, and production history.

The volumetric method was used to estimate the original quantities of petroleum in-place. Structure maps were prepared to delineate each reservoir, and isopach maps were constructed to estimate reservoir volume. Electrical logs, radioactivity logs, core analyses, and other available data were used to prepare these maps as well as to estimate representative values for porosity and water saturation.

Estimates of the working-interest and gross 1C (low), 2C (best), and 3C (high) oil, condensate, and gas contingent resources attributable to Seplat for the fields evaluated herein, as of October 31, 2013, are summarized as follows, expressed in thousands of barrels (Mbbbl) and millions of cubic feet (MMcf):

Table 15				
Working-Interest and Gross Contingent Resources				
	Oil and Condensate		Marketable Gas	
	Gross	WI	Gross	WI
	(Mbbbl)	(Mbbbl)	(MMcf)	(MMcf)
1C	68	27	176	72
2C	718	288	1,591	637
3C	1,977	790	4,348	1,739

Notes:

1. Application of any risk factor to contingent resources quantities does not equate contingent resources with reserves.
2. There is no certainty that it will be commercially viable to produce any portion of the contingent resources evaluated herein.
3. All contingent resources in this report have an economic status of Undetermined, since the evaluations of those contingent resources are at a stage such that it is premature to clearly define the ultimate chance of commerciality.

Procedure/Methodology

Estimates of ultimate recovery were obtained after applying recovery factors to original quantities of petroleum in-place. These recovery factors were

based on consideration of the type of energy inherent in the reservoir, analyses of the fluid and rock properties, and the structural position of the properties.

In certain cases, when the previously named methods could not be used, contingent resources were estimated by analogy with similar wells or reservoirs for which more complete data were available.

The contingent resources estimates presented herein are generally based on consideration of drilling results, analyses of available geological data, well test results, pressures, and other data available to October 31, 2013. The development and economic status represents the status applicable on October 31, 2013.

The oil, natural gas, and condensate contingent resources estimated in this report are expressed in terms of 42 United States gallons per barrel. Crude oil contingent resources are to be recovered by conventional field operations. Condensate contingent resources are to be recovered from gas processing, and include C₅₊ fractions.

Gas quantities included in this report are expressed as marketable gas at a pressure base of 14.7 psia and a temperature base of 60°F. Marketable gas is defined as wet gas after reduction for shrinkage resulting from field separation; processing, including removal of non-hydrocarbon gas to meet pipeline specifications and condensate extraction; and flare and other losses but not from fuel usage. Fuel gas is included as contingent resources. Wet gas is the total gas produced from the reservoir prior to processing or separation and includes all non-hydrocarbon components and the gas equivalent of condensate. The marketable gas is converted to boe by using a ratio of 5,800 cubic feet per boe.

Environmental Considerations

There are certain environmental considerations in any venue of petroleum production. We are not aware of any extraordinary environmental elements associated with the properties evaluated herein. As such, we have included abandonment costs, as appropriate, to accomplish routine and safe removal of subsurface and surface equipment at a given field site. Reclamation costs, if any, are not included in the evaluation herein, unless specifically referenced.

SUMMARY AND CONCLUSIONS

Estimates of proved, probable, and possible oil, natural gas, and condensate reserves attributable to the working interests owned by Seplat and evaluated herein are listed as follows, expressed in Mbbl and MMcf:

Table 16

Working-Interest Reserves Summary

	1P	2P	3P
Oil, Condensate, and NGL, Mbbl	4,220	9,723	17,263
Marketable Gas, MMcf	46,957	89,800	140,688

Estimates of contingent oil, natural gas, and condensate resources, attributable to the working interests owned by Seplat and evaluated herein are listed as follows, expressed in Mbbl and MMcf:

Table 17

Working-Interest Contingent Resource Summary

	1C	2C	3C
Oil, Condensate, and NGL, Mbbl	27	288	790
Marketable Gas, MMcf	72	637	1,739

Notes:

1. There is no certainty that it will be commercially viable to produce any portion of the contingent resources evaluated herein.
2. Contingent resources have an economic status of "Undetermined."

REFERENCES CITED

- Klett, T.R., Ahlbrandt, T.S., Schmoker, J.W., and Dolton, G.L. (1997). Ranking of the world's oil and gas provinces by known petroleum volumes: U.S. Geological Survey Open-File Report 97-463 (CD-ROM).
- Tuttle, M.L.W., Charpentier, R.R., Brownfield M.E. (1999). The Niger Delta Petroleum System: Niger Delta Province, Nigeria Cameroon, and Equatorial Guinea, Africa: US Geological Survey Open-File Report 99-50-H (pp. 4-14).

DEGOLYER AND MACNAUGHTON CANADA LIMITED

Professional Qualifications

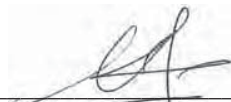
DeGolyer and MacNaughton Canada Limited is an Alberta Corporation with offices at 311 – 6th Avenue S.W., Suite 1430, Calgary, Alberta T2P 3H2, Canada. The firm is a subsidiary of DeGolyer and MacNaughton which has been providing petroleum consulting services throughout the world since 1936. The firm's professional engineers, geologists, geophysicists, petrophysicists, and economists are engaged in the independent appraisal of oil and gas properties, evaluation of hydrocarbon and other mineral prospects, basin evaluations, comprehensive field studies, equity studies, and studies of supply and economics related to the energy industry. Except for the provision of professional services on a fee basis, DeGolyer and MacNaughton Canada Limited has no commercial arrangement with Seplat.

The evaluation has been supervised by Ms. Nahla Boury. Ms. Boury, Vice President Engineering and Director with DeGolyer and MacNaughton Canada Limited, a Registered Professional Engineer in the Province of Alberta, has 23 years of oil and gas industry experience and 19 years of applicable evaluation experience.

Submitted,

DeGOLYER and MacNAUGHTON
CANADA LIMITED

SIGNED: March 3, 2014



 Nahla R. Boury, P.Eng.

PERMIT TO PRACTICE DeGolyer and MacNaughton Canada Limited	
Signature	
Date	March 3, 2014
PERMIT NUMBER: P 5568 The Association of Professional Engineers and Geoscientists of Alberta	

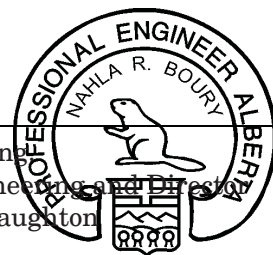
CERTIFICATE of QUALIFICATION

I, Nahla R. Boury, Professional Engineer, of 1430, 311 Sixth Avenue S.W., Calgary, Alberta, Canada hereby certify:

1. I am an employee of DeGolyer and MacNaughton Canada Limited, which prepared a competent person's report of certain Nigerian oil and gas properties of Seplat Petroleum Development Company PLC. The effective date of this report is October 31, 2013.
2. I do not have, nor do I expect to receive, any direct or indirect interest in the securities of Seplat Petroleum Development Company PLC or its affiliated companies.
3. I attended the University of Calgary and I graduated with a Bachelor of Science Degree in Chemical Engineering in 1990; I am a Registered Professional Engineer in the Province of Alberta and that I have in excess of twenty-three years' experience in the Petroleum Industry of which nineteen years' experience are in the conduct of evaluation and engineering studies relating to worldwide oil and gas fields.
4. A personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of the information available from public information and records, the files of Seplat Petroleum Development Company PLC, and the appropriate provincial regulatory authorities.

SIGNED: March 3, 2014


Nahla R. Boury, P.Eng.
Vice President Engineering and Director
DeGolyer and MacNaughton
Canada Limited



INDEX

APPENDIX

TABLES

- Table A - DeGolyer and MacNaughton Price Forecast
- Table A-1 – Seplat Gas Contract Price
- Table B – Seplat’s Working Interest Reserve Production Forecast – Total Company
- Table C – Seplat’s Working Interest Reserve Cost Forecast – Total Company

CORPORATE SUMMARIES – FORECAST PRICE CASE

RESERVES BASE CASE

Total Proved Developed Producing Reserves

- Table 1A –Summary of Reserves and Net Present Values – Total Company
- Table 1B –Summary of Production and Future Net Revenue – Total Light Oil
- Table 1D –Summary of Production and Future Net Revenue – Total Solution Gas
- Table 1F –Summary of Production and Future Net Revenue – Total Company
- Table 1G –Income Tax Summary – Total Company

Total Proved Reserves

- Table 2A –Summary of Reserves and Net Present Values – Total Company
- Table 2B –Summary of Production and Future Net Revenue – Total Light Oil
- Table 2C –Summary of Production and Future Net Revenue – Total Non-Associated Sales Gas
- Table 2D –Summary of Production and Future Net Revenue – Total Solution Gas
- Table 2E –Summary of Production and Future Net Revenue – Total Condensate
- Table 2F –Summary of Production and Future Net Revenue – Total Company
- Table 2G –Income Tax Summary – Total Company

Total Proved-plus-Probable Reserves

- Table 3A –Summary of Reserves and Net Present Values – Total Company
- Table 3B –Summary of Production and Future Net Revenue – Total Light Oil
- Table 3C –Summary of Production and Future Net Revenue – Total Non-Associated Sales Gas
- Table 3D –Summary of Production and Future Net Revenue – Total Solution Gas
- Table 3E –Summary of Production and Future Net Revenue – Total Condensate
- Table 3F –Summary of Production and Future Net Revenue – Total Company
- Table 3G –Income Tax Summary – Total Company

Total Proved-plus-Probable-plus-Possible Reserves

- Table 4A –Summary of Reserves and Net Present Values – Total Company
- Table 4B –Summary of Production and Future Net Revenue – Total Light Oil
- Table 4C –Summary of Production and Future Net Revenue – Total Non-Associated Sales Gas
- Table 4D –Summary of Production and Future Net Revenue – Total Solution Gas
- Table 4E –Summary of Production and Future Net Revenue – Total Condensate
- Table 4F –Summary of Production and Future Net Revenue – Total Company
- Table 4G –Income Tax Summary – Total Company

INDEX

TABLES

Table A - DeGolyer and MacNaughton Price Forecast

Table A-1 – DeGolyer and MacNaughton Price Forecast – Seplat Gas Contract Price

Table B – Seplat's Working Interest Reserve Production Forecast – Total Company

Table C – Seplat's Working Interest Reserve Cost Forecast – Total Company

TABLE A
DEGOLYER AND MACNAUGHTON CANADA LIMITED PRICE FORECAST

EFFECTIVE DATE: 30-Sep-2013

YEAR	OIL FIELD COSTS INFLATION %	EXCHANGE RATE USD/CAD	WTI UNESC Constant \$US/bbl	WTI @CUSHING \$US/bbl	EDMONTON LIGHT \$/bbl	HEAVY OIL 25 API \$/bbl	HEAVY OIL 12 API \$/bbl	CRUDE BITUMEN 9 API \$/bbl	CRUDE BITUMEN 9 API Plant Gate \$/bbl	DILBIT @ 35% Condensate \$/bbl	NYMEX Henry Hub Reference \$US/Mcf	ALBERTA PLANTGATE			BC CANVEST		SASK GAS \$/Mcf	ETHANE PRICE \$/bbl	EDMONTON			SULPHUR PLUS \$/bbl	PLANT GATE PRICE \$/ton
												AECO Border Cdn\$/Mcf	SPOT \$/Mcf	GATE \$/Mcf	PROPANE PRICE \$/bbl	BUTANE PRICE \$/bbl			PENTANES PLUS \$/bbl				
2001	2.4	0.646	-	25.82	24.61	39.48	25.09	17.62	-	-	4.10	-	5.32	5.52	6.16	6.13	-	30.39	29.53	42.60	-	10.47	
2002	2.4	0.637	-	26.04	24.94	40.11	31.68	27.25	-	-	3.34	-	3.83	3.89	3.87	3.98	-	20.63	20.63	40.88	9.50		
2003	2.5	0.716	-	30.99	28.93	43.52	33.06	27.02	-	-	5.49	-	6.05	6.67	6.27	6.54	-	31.89	34.60	44.44	40.71		
2004	1.7	0.770	-	41.39	38.35	53.06	38.09	29.97	-	-	6.16	-	6.34	6.56	6.40	6.71	-	34.78	41.21	54.36	39.95		
2005	2.0	0.826	-	56.48	55.15	69.28	45.66	34.26	-	-	8.98	-	8.45	8.77	8.17	8.52	-	42.03	50.37	70.75	38.67		
2006	1.9	0.882	-	66.02	66.16	73.36	51.90	42.77	-	-	7.01	-	6.59	6.54	6.29	6.91	-	44.02	59.44	75.92	19.36		
2007	2.1	0.936	-	72.19	72.46	76.87	54.00	44.27	36.72	33.48	52.49	7.13	6.28	6.47	6.22	6.51	-	49.58	62.16	78.43	39.46		
2008	2.1	0.944	-	99.90	98.64	103.28	84.25	75.60	74.58	70.98	85.13	9.30	8.03	8.17	7.88	8.11	-	58.13	77.31	106.01	365.66		
2009	1.2	0.880	-	61.68	61.87	66.21	59.94	55.14	50.27	47.50	58.69	4.16	3.90	3.99	3.84	4.08	-	37.37	50.76	68.51	4.84		
2010	1.7	0.971	-	79.50	80.05	77.63	68.20	61.50	57.21	62.19	75.87	4.38	3.89	4.00	3.65	4.03	-	45.76	64.68	84.18	54.34		
2011	2.3	1.012	-	95.15	110.88	95.18	77.71	68.21	65.20	61.31	73.71	4.04	3.55	3.64	3.01	3.52	-	52.85	77.23	104.45	117.67		
2012	1.6	1.000	-	94.21	111.90	85.84	74.64	65.74	62.66	58.92	69.34	2.82	2.15	2.39	2.17	2.10	-	37.95	71.98	103.35	128.97		
2013 9 mo. Act	1.2	0.992	-	107.01	111.63	104.88	90.63	-	76.08	71.55	84.36	3.68	-	3.05	-	-	-	-	-	-	-	-	
2013 3 mo. Fcst	-	0.980	100.00	100.00	110.00	97.45	77.96	75.04	65.44	56.44	73.28	3.60	3.27	2.99	3.05	2.83	3.14	13.64	58.47	73.09	99.40	85.00	
2014	2.0	0.980	96.00	97.92	105.92	95.23	80.00	73.33	67.15	59.64	75.20	4.00	3.67	3.39	3.45	3.21	3.55	15.24	57.14	71.43	97.14	86.70	
2015	2.0	0.980	94.00	97.80	103.80	95.02	79.81	73.16	67.00	59.46	75.02	4.40	4.07	3.78	3.84	3.58	3.96	17.10	57.01	71.26	96.92	88.43	
2016	2.0	0.980	96.00	101.88	105.88	99.08	83.23	76.29	69.87	62.05	78.24	4.75	4.42	4.13	4.19	3.90	4.31	19.82	59.45	74.31	101.06	90.20	
2017	2.0	0.980	98.50	106.62	108.62	103.83	87.21	79.95	73.21	65.08	81.98	5.10	4.77	4.47	4.53	4.22	4.67	20.77	62.30	77.87	105.90	92.01	
2018	2.0	0.980	99.00	109.30	111.51	106.46	89.43	81.98	75.07	66.75	84.06	5.45	5.12	4.88	4.88	4.54	5.02	21.29	63.88	79.85	108.59	93.85	
2019	2.0	0.980	100.00	112.62	114.87	109.74	92.18	84.50	77.38	68.83	86.65	5.56	5.22	4.97	4.97	4.63	5.12	21.95	65.85	82.31	111.94	95.72	
2020	2.0	0.980	100.00	114.87	117.17	111.94	94.03	86.19	78.93	70.21	88.39	5.67	5.33	5.07	5.07	4.72	5.23	22.39	67.16	83.95	114.18	97.64	
2021	2.0	0.980	100.00	117.17	119.51	114.18	95.91	87.92	80.51	71.61	90.15	5.78	5.43	5.17	5.17	4.81	5.33	22.84	68.51	85.63	116.46	99.59	
2022	2.0	0.980	100.00	119.51	121.90	116.46	97.83	89.67	82.12	73.05	91.96	5.90	5.54	5.28	5.28	4.91	5.44	23.29	69.88	87.35	118.79	101.58	
2023	2.0	0.980	100.00	121.90	124.34	118.79	99.78	91.47	83.76	74.51	93.80	6.02	5.65	5.38	5.38	5.01	5.55	23.76	71.27	89.09	121.17	103.61	
2024	2.0	0.980	100.00	124.34	126.82	121.17	101.78	93.30	85.44	76.00	95.67	6.14	5.77	5.49	5.49	5.11	5.66	24.23	72.70	90.87	123.59	105.69	
2025+	2.0																						

Disclaimer: This price forecast is intended to be used by DMCL's professionals. Any other persons using this price forecast should have the understanding that it is an estimate of future pricing and should be used at his/her own risk.
DMCL and its officers, directors and employees shall not be held responsible or liable for any use of the above information.

Table A-1

**DeGolyer and MacNaughton Canada Limited Price Forecast
Seplat Gas Contract Price**

Year	Seplat's Contract Price (\$/MMBTU)	
	Reserves	
2013		1.41
2014		1.90
2015		1.96
2016		2.22
2017		2.27
2018		2.32
2019		2.37
2020		2.42
2021		2.46
2022		2.51
2023		2.57
2024		2.61
2025		2.67
2026		2.72
2027		2.78
2028	+2.0% Thereafter	

Table B
Total Company
Seplat's Working Interest Gross Reserve Production Forecast
Total Proved + Probable

Year	Light Oil (Mbbl)	Heavy Oil (Mbbl)	Condensate (Mbbl)	Sales Gas (MMcf)
2013	47	-	-	-
2014	186	-	-	-
2015	461	-	804	10,966
2016	264	-	712	9,683
2017	270	-	647	8,972
2018	206	-	609	8,459
2019	326	-	583	8,068
2020	228	-	608	8,255
2021	104	-	603	8,148
2022	313	-	570	7,804
2023	222	-	532	7,231
2024	87	-	346	4,623
2025	189	-	211	2,816
2026	108	-	125	1,677
2027	90	-	82	1,120
2028	26	-	85	1,034
2029	-	-	54	639
2030	-	-	26	304
Total	3,129	-	6,595	89,800

Table C
Total Company
Seplat's Working Interest Reserve Cost Forecast
Total Proved + Probable

Year	Fixed OPEX (M\$)	G&A Costs	Crude Handling OPEX (M\$)	Variable Gas OPEX	Facilities CAPEX (M\$)	Recompletion CAPEX (M\$)	Drilling CAPEX (M\$)	Abandonment Costs (M\$)
2013	106	67	164	-	5,200	-	-	-
2014	1,051	404	657	-	-	-	24,040	-
2015	454	1,031	4,565	11,307	-	6,539	-	-
2016	463	1,052	3,596	10,184	-	-	-	-
2017	472	1,073	3,444	9,625	-	3,402	-	-
2018	481	1,094	3,120	9,256	-	-	-	-
2019	491	1,116	3,551	9,004	-	3,539	-	-
2020	503	1,136	3,323	9,402	-	3,610	-	-
2021	513	1,159	2,868	9,466	-	-	-	-
2022	523	1,182	3,652	9,249	-	7,511	-	-
2023	534	1,206	3,182	8,741	-	3,831	-	-
2024	544	1,230	1,864	5,700	-	3,907	-	-
2025	555	1,255	1,758	3,542	-	3,985	-	-
2026	564	1,282	1,046	2,150	-	8,130	-	-
2027	575	1,308	790	1,464	-	4,146	-	-
2028	587	1,334	514	1,379	-	-	-	-
2029	599	1,360	255	870	-	-	-	-
2030	611	1,388	129	422	-	-	-	-
2031	623	1,415	-	-	-	-	-	11,220
Total	10,247	21,092	38,478	101,760	5,200	48,600	24,040	11,220

INDEX

CORPORATE SUMMARIES – FORECAST PRICE CASE RESERVES BASE CASE

Total Proved Developed Reserves

- Table 1A –Summary of Reserves and Net Present Values – Total Company
- Table 1B –Summary of Production and Future Net Revenue – Total Light Oil
- Table 1D –Summary of Production and Future Net Revenue – Total Solution Gas
- Table 1F –Summary of Production and Future Net Revenue – Total Company
- Table 1G –Income Tax Summary – Total Company

Total Proved Reserves

- Table 2A –Summary of Reserves and Net Present Values – Total Company
- Table 2B –Summary of Production and Future Net Revenue – Total Light Oil
- Table 2C –Summary of Production and Future Net Revenue – Total Non-Associated Sales Gas
- Table 2D –Summary of Production and Future Net Revenue – Total Solution Gas
- Table 2E –Summary of Production and Future Net Revenue – Total Condensate
- Table 2F –Summary of Production and Future Net Revenue – Total Company
- Table 2G –Income Tax Summary – Total Company

Total Proved-plus-Probable Reserves

- Table 3A –Summary of Reserves and Net Present Values – Total Company
- Table 3B –Summary of Production and Future Net Revenue – Total Light Oil
- Table 3C –Summary of Production and Future Net Revenue – Total Non-Associated Sales Gas
- Table 3D –Summary of Production and Future Net Revenue – Total Solution Gas
- Table 3E –Summary of Production and Future Net Revenue – Total Condensate
- Table 3F –Summary of Production and Future Net Revenue – Total Company
- Table 3G –Income Tax Summary – Total Company

Total Proved-plus-Probable-plus-Possible Reserves

- Table 4A –Summary of Reserves and Net Present Values – Total Company
- Table 4B –Summary of Production and Future Net Revenue – Total Light Oil
- Table 4C –Summary of Production and Future Net Revenue – Total Non-Associated Sales Gas
- Table 4D –Summary of Production and Future Net Revenue – Total Solution Gas
- Table 4E –Summary of Production and Future Net Revenue – Total Condensate
- Table 4F –Summary of Production and Future Net Revenue – Total Company
- Table 4G –Income Tax Summary – Total Company

Table 1A
Summary of Reserves and Net Present Value - Total Company
Proved Developed Producing
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 28, 14 08:44
Project : 021576

Well	Zone	Current Reserve Cat.	Avg. WI %	Light&Med Oil		Heavy Oil		Sales Gas		NGLs		Total BOE		NPV	
				Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	@ 0%	@ 10%
				bbl	bbl	bbl	bbl	Mcf	Mcf	bbl	bbl	bbl	bbl	MM\$	MM\$
Nigeria															
Delta State															
UMUSETI				196409	192235	-	-	15417	14338	-	-	199067	194707	7.8	7.6
Total Delta State				196409	192235	-	-	15417	14338	-	-	199067	194707	7.8	7.6
Total Nigeria				196409	192235	-	-	15417	14338	-	-	199067	194707	7.8	7.6
Total Company				196409	192235	-	-	15417	14338	-	-	199067	194707	7.8	7.6

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 1B
Summary of Production and Future Net Revenue - Total Company Light Oil
Proved Developed Producing
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 28, 14 08:44
Project : 021576

RESERVES AND PRODUCTION FORECAST

Year	# of Wells	Light Oil				
		Price \$/bbl	Pool		Company Share	
			bbl/d	Vol	Gross	Net
2013	2	105.50	848	51699	20680	20240
2014	2	101.42	573	209218	83687	81909
2015	2	99.30	314	114501	45800	44827
2016	2	101.38	191	69906	27962	27368
2017	2	104.12	125	45698	18279	17891
2018	-	-	-	-	-	-
SUB				491022	196409	192235
REM				-	-	-
TOT				491022	196409	192235

COMPANY SHARE FUTURE NET REVENUE

Year	Working Interest Future Revenue (FR)		Royalty Revenue	Royalties		Operating Costs			FR After Roy. & Oper. Costs	Net Back	Proc & Other Income	Capital Costs	Aband Costs	Future Net Revenue	
	Oil MM\$	Total MM\$		Total MM\$	%	Fixed MM\$	Var MM\$	\$/bbl		\$/bbl				Undisc MM\$	10.0% MM\$
2013	2.2	2.2	-	0.4	17.2	0.2	0.1	15.11	1.5	72.22	-	-	-	1.5	1.5
2014	8.5	8.5	-	1.5	17.2	1.5	0.3	20.93	5.3	63.01	-	-	-	5.3	4.9
2015	4.5	4.5	-	0.8	17.2	1.5	0.2	36.20	2.1	45.98	-	-	-	2.1	1.8
2016	2.8	2.8	-	0.5	17.2	1.5	0.1	58.01	0.7	25.89	-	-	-	0.7	0.6
2017	1.9	1.9	-	0.3	17.2	1.5	0.1	88.44	0.0	-	-	-	-	0.0	0.0
2018	-	-	-	0.1	-	-	-	-	-0.1	-	-	-	-	-1.8	-1.2
SUB	20.0	20.0	-	3.5	17.8	6.2	0.7	35.44	9.5	48.12	-	-	1.7	7.8	7.6
REM	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-
TOT	20.0	20.0	-	3.5	17.5	6.2	0.7	35.44	9.5	48.39	-	-	1.7	7.8	7.6

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	9.5	9.1	8.9	8.7	8.4	8.1	7.8
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	-	-	-	-	-	-	-
Abandonment Costs . .	1.7	1.4	1.3	1.2	1.0	0.8	0.7
Future Net Revenue . .	7.8	7.7	7.6	7.6	7.4	7.3	7.2

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 1D
Summary of Production and Future Net Revenue - Total Company Solution Gas
Proved Developed Producing
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 28, 14 08:44
Project : 021576

RESERVES AND PRODUCTION FORECAST

Year	# of Wells	Solution Gas				
		Mcf				
		Price	Pool		Company Share	
		\$/Mcf	Mcf/d	Vol	Gross	Net
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	1.98	-	19107	7643	7108
2016	-	2.24	-	11714	4686	4358
2017	-	2.29	-	7722	3089	2873
2018	-	-	-	-	-	-
SUB				38543	15417	14338
REM				-	-	-
TOT				38543	15417	14338

COMPANY SHARE FUTURE NET REVENUE

Year	Working Interest		Royalty Revenue	Royalties		Operating Costs			FR After Roy. & Oper. Costs	Net Back	Proc & Other Income	Capital Costs	Aband Costs	Future Net Revenue	
	Gas	Total		Total	%	Fixed	Var	\$/Mcf		\$/Mcf				Undisc	10.0%
	MM\$	MM\$	MM\$	MM\$		MM\$	MM\$		MM\$		MM\$	MM\$	MM\$	MM\$	MM\$
2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	0.0	0.0	-	0.0	7.0	-	-	-	0.0	1.84	-	-	-	0.0	0.0
2016	0.0	0.0	-	0.0	7.0	-	-	-	0.0	2.08	-	-	-	0.0	0.0
2017	0.0	0.0	-	0.0	7.0	-	-	-	0.0	2.13	-	-	-	0.0	0.0
2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUB	0.0	0.0	-	0.0	7.0	-	-	-	0.0	1.97	-	-	-	0.0	0.0
REM	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-
TOT	0.0	0.0	-	0.0	7.0	-	-	-	0.0	1.97	-	-	-	0.0	0.0

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	-	-	-	-	-	-	-
Abandonment Costs . .	-	-	-	-	-	-	-
Future Net Revenue . .	0.0	0.0	0.0	0.0	0.0	0.0	0.0

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 1F
Summary of Production and Future Net Revenue - Total Company
Proved Developed Producing
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Avg. WI : 40.00%
 Avg. Roy : 2.13%
 Avg. Prod. Taxes : 15.34%

Value Navigator 6.1.4.53
 Run Date : Jan 28, 14 08:45
 Project : 021576

RESERVES AND PRODUCTION FORECAST

Light&Med Oil bbl							Heavy Oil bbl					Sales Gas Mcf				
Year	# of Wells	Price \$/bbl	Pool bbl/d	Vol	Company Gross	Share Net	Price \$/bbl	Pool bbl/d	Vol	Company Gross	Share Net	Price \$/Mcf	Pool Mcf/d	Vol	Company Gross	Share Net
2013	2	105.50	848	51699	20680	20240	-	-	-	-	-	-	-	-	-	-
2014	2	101.42	573	209218	83687	81909	-	-	-	-	-	-	-	-	-	-
2015	2	99.30	314	114501	45800	44827	-	-	-	-	-	1.98	52	19107	7643	7108
2016	2	101.38	191	69906	27962	27368	-	-	-	-	-	2.24	32	11714	4686	4358
2017	2	104.12	125	45698	18279	17891	-	-	-	-	-	2.29	21	7722	3089	2873
2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUB				491022	196409	192235			-	-	-			38543	15417	14338
REM				-	-	-			-	-	-			-	-	-
TOT				491022	196409	192235			-	-	-			38543	15417	14338

Condensate bbl				Butane bbl			Propane bbl			Ethane bbl			Sulphur LT		
Year	Price \$/bbl	Company Gross	Share Net	Price \$/bbl	Company Gross	Share Net	Price \$/bbl	Company Gross	Share Net	Price \$/bbl	Company Gross	Share Net	Price \$/LT	Company Gross	Share Net
2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REM	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

COMPANY SHARE FUTURE NET REVENUE

Year	Working Interest Future Revenue (FR)				Royalty Revenue MM\$	Royalties		Prod. Taxes		Oper Costs		FR After Roy. & Oper. Costs		Proc & Other Income MM\$	Cap'l Costs MM\$	Aband Costs MM\$	Future Net Revenue	
	Oil MM\$	Gas MM\$	NGLs MM\$	Total MM\$		State MM\$	Other MM\$	Pipe Losses MM\$	NDDC Levy MM\$	Fixed MM\$	Var MM\$	Net Back \$/BOE	Costs MM\$				Undisc MM\$	10.0% MM\$
2013	2.2	-	-	2.2	-	0.0	-	0.3	0.0	0.2	0.1	1.5	72.22	-	-	-	1.5	1.5
2014	8.5	-	-	8.5	-	0.2	-	1.3	0.0	1.5	0.3	5.3	63.01	-	-	-	5.3	4.9
2015	4.5	0.0	-	4.6	-	0.1	-	0.7	0.0	1.5	0.2	2.1	45.00	-	-	-	2.1	1.8
2016	2.8	0.0	-	2.8	-	0.1	-	0.4	0.0	1.5	0.1	0.7	25.50	-	-	-	0.7	0.6
2017	1.9	0.0	-	1.9	-	0.0	-	0.3	0.0	1.5	0.1	0.0	-1.85	-	-	-	0.0	0.0
2018	-	-	-	-	-	-	-	-	0.1	-	-	-0.1	-	-	-	1.7	-1.8	-1.2
SUB	20.0	0.0	-	20.0	-	0.4	-	3.0	0.1	6.2	0.7	9.5	47.60	-	-	1.7	7.8	7.6
REM	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOT	20.0	0.0	-	20.0	-	0.4	-	3.0	0.1	6.2	0.7	9.5	47.90	-	-	1.7	7.8	7.6

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper	9.5	9.1	8.9	8.8	8.4	8.1	7.9
Proc & Other Income	-	-	-	-	-	-	-
Capital Costs	-	-	-	-	-	-	-
Abandonment Costs	1.7	1.4	1.3	1.2	1.0	0.8	0.7
Future Net Revenue	7.8	7.7	7.6	7.6	7.5	7.3	7.2

PROFITABILITY BT

Rate of Return (%)	-
Profit Index (undisc)	-
(disc @ 10.0%)	-
Total Payout (years)	-
Cost of Finding (\$/BOE)	-
NPV @ 10% (\$/BOE)	38.14

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 1G
Income Tax Summary - Total Company
Proved Developed Producing
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 28, 14 08:45
Project : 021576

Year	Gross Reserves			Revenue				Burdens & Expenses					Taxable Income Before Ded. MM\$	Capital Deductions					
	Sales			WI MM\$	Roy. MM\$	Other MM\$	Total MM\$	Burdens MM\$	NDDC Levy MM\$	Pipe Losses MM\$	Op.Costs, Aband& Salv.			Total MM\$	G&G MM\$	I.A. MM\$	Annu. MM\$	Other MM\$	Cap. Ded. Avail MM\$
	Oil bbl	Gas Mcf	NGLs bbl								MM\$	MM\$							
2013	20680	-	-	2.2	-	-	2.2	0.0	0.0	0.3	0.3	0.7	1.5	-	-	-	-	-	
2014	83687	-	-	8.5	-	-	8.5	0.2	0.0	1.3	1.8	3.2	5.3	-	-	-	-	-	
2015	45800	7643	-	4.6	-	-	4.6	0.1	0.0	0.7	1.7	2.4	2.1	-	-	-	-	-	
2016	27962	4686	-	2.8	-	-	2.8	0.1	0.0	0.4	1.6	2.1	0.7	-	-	-	-	-	
2017	18279	3089	-	1.9	-	-	1.9	0.0	0.0	0.3	1.6	1.9	0.0	-	-	-	-	-	
2018	-	-	-	-	-	-	-	-	0.1	-	1.7	1.8	-1.8	-	-	-	-	-	
SUB	196409	15417	-	20.0	-	-	20.0	0.4	0.1	3.0	8.7	12.2	7.8	-	-	-	-	-	
REM	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
TOT	196409	15417	-	20.0	-	-	20.0	0.4	0.1	3.0	8.7	12.2	7.8	-	-	-	-	-	

Year	G&G				Investment Allowance				Annual Allowance				Other Allowance			
	Initial Balance MM\$	Add- ition MM\$	Depn. Rate %	Expense Claim MM\$	Initial Balance MM\$	Add- ition MM\$	Depn. Rate %	Expense Claim MM\$	Initial Balance MM\$	Add- ition MM\$	Depn. Rate %	Expense Claim MM\$	Initial Balance MM\$	Add- ition MM\$	Depn. Rate %	Expense Claim MM\$
	MM\$	MM\$		MM\$	MM\$	MM\$		MM\$	MM\$	MM\$		MM\$	MM\$	MM\$		MM\$
2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REM	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Year	Education Tax						Petroleum Production Tax						Regime Other Taxes MM\$	Cash Flow				
	Cap. Tax Ded. Avail. MM\$	Tax Loss Carry Fwd MM\$	Ded. Used MM\$	Taxable Income MM\$	Tax Rate %	Tax Pay- able MM\$	Cap. Tax Ded. Avail. MM\$	Tax Loss Carry Fwd MM\$	Ded. Used MM\$	Taxable Income MM\$	Tax Rate %	Tax Pay- able MM\$		Total Tax BTCTF MM\$	Tax Payable MM\$	ATCF MM\$	Cum. ATCF MM\$	NPV @ 10 % MM\$
	MM\$	MM\$	MM\$	MM\$		MM\$	MM\$	MM\$	MM\$	MM\$		MM\$		MM\$	MM\$	MM\$	MM\$	MM\$
2013	-	-	-	1.5	2.0	0.0	-	-	-	1.5	65.8	1.0	-	1.5	1.0	0.5	0.5	0.6
2014	-	-	-	5.3	2.0	0.1	-	-	-	5.2	65.8	3.4	-	5.3	3.5	1.8	2.3	1.7
2015	-	-	-	2.1	2.0	0.0	-	-	0.0	2.1	65.8	1.4	0.0	2.1	1.4	0.7	3.0	0.6
2016	-	-	-	0.7	2.0	0.0	-	-	0.0	0.7	65.8	0.5	0.0	0.7	0.5	0.3	3.2	0.2
2017	-	-	-	0.0	2.0	0.0	-	0.0	0.0	-	-	-	0.0	0.0	0.0	0.0	3.2	0.0
2018	-	-	-	-0.1	2.0	0.0	-	0.1	-0.1	-	-	-	-	-1.8	0.0	-1.8	1.4	-1.2
SUB	-	-	-	9.5	2.0	0.2	-	-	-0.1	9.4	65.8	6.2	0.0	7.8	6.4	1.4	-	1.8
REM	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOT	-	-	-	9.5	2.0	0.2	-	-	-0.1	9.4	65.8	6.2	0.0	7.8	6.4	1.4	-	1.8

NET PRESENT VALUE (MM\$) - AT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%
Before Tax Cash Flow.	7.8	7.7	7.6	7.6	7.5	7.3
Tax Payable	6.4	6.1	5.9	5.8	5.5	5.3
After Tax Cash Flow .	1.4	1.6	1.8	1.8	1.9	2.0

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



FORECAST PRICE CASE

No Proved Non-Producing Reserves were assigned in this report.

Table 2A
Summary of Reserves and Net Present Value - Total Company
Total Proved
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 28, 14 08:44
Project : 021576

Project : 021576															
Well	Zone	Current Reserve Cat.	Avg. WI %	Light&Med Oil		Heavy Oil		Sales Gas		NGLs		Total BOE		NPV	
				Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	@ 0%	@ 10%
				Mbb1	Mbb1	Mbb1	Mbb1	MMcf	MMcf	Mbb1	Mbb1	Mbb1	Mbb1	MM\$	MM\$
Nigeria															
Delta State															
IGBUKU				-	-	-	-	42321	39359	2691	2634	9988	9420	240.6	156.0
UMUSETI				1245	1219	-	-	4636	4311	284	278	2329	2240	65.7	35.7
Total Delta State				1245	1219	-	-	46957	43670	2975	2912	12316	11660	306.3	191.7
Total Nigeria				1245	1219	-	-	46957	43670	2975	2912	12316	11660	306.3	191.7
Total Company				1245	1219	-	-	46957	43670	2975	2912	12316	11660	306.3	191.7

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 2B
Summary of Production and Future Net Revenue - Total Company Light Oil
Total Proved
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 28, 14 08:44
Project : 021576

RESERVES AND PRODUCTION FORECAST

Light Oil						
Mbbbl						
Year	# of Wells	Price \$/bbl	Pool		Company Share	
			bbl/d	Vol	Gross	Net
2013	2	105.50	848	52	21	20
2014	2	101.42	573	209	84	82
2015	3	99.30	778	284	114	111
2016	3	101.38	347	127	51	50
2017	2	104.12	125	46	18	18
2018	1	107.01	322	118	47	46
2019	2	110.37	1527	557	223	218
2020	1	112.67	817	299	120	117
2021	1	115.01	257	94	37	37
2022	2	117.40	1585	578	231	226
2023	1	119.84	790	288	115	113
2024	1	122.32	208	76	30	30
2025	1	124.86	828	302	121	118
2026	1	127.44	227	83	33	32
2027	-	-	-	-	-	-
SUB				3113	1245	1219
REM				-	-	-
TOT				3113	1245	1219

COMPANY SHARE FUTURE NET REVENUE

Year	Working Interest Future Revenue (FR)		Royalty Revenue	Royalties		Operating Costs			FR After Roy. & Oper. Costs	Net Back \$/bbl	Proc & Other Income	Capital Costs	Aband Costs	Future Net Revenue	
	Oil MM\$	Total MM\$	MM\$	Total MM\$	%	Fixed MM\$	Var MM\$	\$/bbl	MM\$		MM\$	MM\$	MM\$	Undisc MM\$	10.0% MM\$
2013	2.2	2.2	-	0.5	24.4	0.2	0.1	15.11	1.3	64.68	-	5.2	-	-3.9	-3.9
2014	8.5	8.5	-	2.2	25.7	1.5	0.3	20.93	4.6	54.40	-	24.0	-	-19.5	-19.3
2015	11.3	11.3	-	2.1	19.0	1.5	0.5	17.66	7.1	62.77	-	6.5	-	0.6	0.3
2016	5.1	5.1	-	0.9	17.3	1.5	0.2	34.31	2.5	49.57	-	-	-	2.5	2.0
2017	1.9	1.9	-	0.4	22.6	1.5	0.1	88.44	-0.1	-	-	3.4	-	-3.5	-2.6
2018	5.0	5.0	-	1.1	21.4	1.6	0.2	38.38	2.2	45.73	-	6.9	-	-4.8	-3.3
2019	24.6	24.6	-	4.3	17.7	1.6	0.9	11.38	17.7	79.48	-	3.5	-	14.2	8.2
2020	13.5	13.5	-	2.4	18.0	1.6	0.5	17.89	8.9	74.46	-	3.6	-	5.3	2.7
2021	4.3	4.3	-	0.7	17.2	1.7	0.2	48.86	1.7	46.33	-	-	-	1.7	0.8
2022	27.2	27.2	-	4.9	18.1	1.7	1.0	11.72	19.5	84.47	-	7.5	-	12.0	5.1
2023	13.8	13.8	-	2.4	17.2	1.7	0.5	19.53	9.2	79.66	-	-	-	9.2	3.7
2024	3.7	3.7	-	0.6	17.2	1.8	0.1	62.88	1.2	38.36	-	-	-	1.2	0.4
2025	15.1	15.1	-	2.7	18.0	1.8	0.6	19.59	10.0	82.76	-	4.0	-	6.0	1.9
2026	4.2	4.2	-	0.7	17.2	1.8	0.2	60.46	1.5	45.02	-	-	-	1.5	0.4
2027	-	-	-	0.3	-	1.9	-	-	-2.2	-	-	-	10.4	-12.6	-3.5
SUB	140.4	140.4	-	26.5	19.1	23.5	5.4	24.70	85.1	66.58	-	64.8	10.4	10.0	-7.1
REM	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-
TOT	140.4	140.4	-	26.5	18.8	23.5	5.4	23.19	85.1	68.35	-	64.8	10.4	10.0	-7.1

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	85.1	61.7	51.9	46.5	36.3	29.2	24.2
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	64.8	56.5	52.8	50.7	46.5	43.4	41.0
Abandonment Costs . .	10.4	5.4	3.8	2.9	1.6	0.9	0.5
Future Net Revenue . .	10.0	-0.2	-4.7	-7.1	-11.8	-15.1	-17.3

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 2C
Summary of Production and Future Net Revenue - Total Company Non-Associated Sales Gas
Total Proved
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 28, 14 08:44
Project : 021576

RESERVES AND PRODUCTION FORECAST

Non-Associated Sales Gas						
MMcf						
Year	# of Wells	Price	Pool		Company Share	
		\$/Mcf	Mcf/d	Vol	Gross	Net
2015	3	1.96	58402	21317	8527	7930
2016	3	2.22	55439	20291	8116	7548
2017	4	2.27	54990	20072	8029	7467
2018	5	2.32	53842	19652	7861	7311
2019	4	2.37	41059	14987	5995	5575
2020	5	2.42	23560	8623	3449	3208
2021	3	2.46	13952	5093	2037	1894
2022	3	2.51	8817	3218	1287	1197
2023	3	2.57	4710	1719	688	640
2024	2	2.61	2493	912	365	339
2025	2	2.67	1470	537	215	200
2026	2	2.72	131	48	19	18
SUB				116468	46587	43326
REM				-	-	-
TOT				116468	46587	43326

COMPANY SHARE FUTURE NET REVENUE

Year	Working Interest Future Revenue (FR)		Royalty Revenue	Royalties		Operating Costs			FR After Roy. & Oper. Costs	Net Back	Proc & Other Income	Capital Costs	Aband Costs	Future Net Revenue	
	Gas MM\$	Total MM\$		Total MM\$	%	Fixed MM\$	Var MM\$	\$/Mcf						Undisc MM\$	10.0% MM\$
2015	16.7	16.7	-	9.6	57.6	-	10.8	1.26	-3.7	-	-	-	-	-3.7	-3.1
2016	18.0	18.0	-	9.5	52.5	-	10.4	1.29	-1.9	-	-	-	-	-1.9	-1.5
2017	18.2	18.2	-	9.6	52.7	-	10.5	1.31	-1.9	-	-	-	-	-1.9	-1.3
2018	18.2	18.2	-	9.6	52.9	-	10.5	1.34	-1.9	-	-	-	-	-1.9	-1.2
2019	14.2	14.2	-	7.6	53.3	-	8.2	1.37	-1.5	-	-	-	-	-1.5	-0.9
2020	8.3	8.3	-	4.4	53.3	-	4.8	1.39	-0.9	-	-	-	-	-0.9	-0.5
2021	5.0	5.0	-	2.7	53.5	-	2.9	1.42	-0.6	-	-	-	-	-0.6	-0.3
2022	3.2	3.2	-	1.7	53.7	-	1.9	1.45	-0.4	-	-	-	-	-0.4	-0.2
2023	1.8	1.8	-	0.9	53.4	-	1.0	1.48	-0.2	-	-	-	-	-0.2	-0.1
2024	1.0	1.0	-	0.5	53.4	-	0.5	1.51	-0.1	-	-	-	-	-0.1	0.0
2025	0.6	0.6	-	0.3	53.3	-	0.3	1.54	-0.1	-	-	-	-	-0.1	0.0
2026	0.1	0.1	-	0.0	53.4	-	0.0	1.57	0.0	-	-	-	-	0.0	0.0
SUB	105.3	105.3	-	56.5	53.7	-	61.9	1.33	-13.1	-0.28	-	-	-	-13.1	-9.1
REM	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-
TOT	105.3	105.3	-	56.5	53.7	-	61.9	1.33	-13.1	-0.28	-	-	-	-13.1	-9.1

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	-13.1	-10.8	-9.8	-9.1	-7.8	-6.8	-5.9
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	-	-	-	-	-	-	-
Abandonment Costs . .	-	-	-	-	-	-	-
Future Net Revenue . .	-13.1	-10.8	-9.8	-9.1	-7.8	-6.8	-5.9

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 2D
Summary of Production and Future Net Revenue - Total Company Solution Gas
Total Proved
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 28, 14 08:44
Project : 021576

RESERVES AND PRODUCTION FORECAST

Year	# of Wells	Solution Gas				
		Mcf				
		Price	Pool		Company Share	
		\$/Mcf	Mcf/d	Vol	Gross	Net
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	1.96	-	270878	108351	100766
2016	-	2.22	-	96339	38535	35838
2017	-	2.29	-	7722	3089	2873
2018	-	2.32	-	116499	46600	43338
2019	-	2.37	-	135663	54265	50467
2020	-	2.42	-	51799	20720	19269
2021	-	2.46	-	16239	6496	6041
2022	-	2.51	-	100210	40084	37278
2023	-	2.57	-	49931	19973	18574
2024	-	2.61	-	13170	5268	4899
2025	-	2.67	-	52353	20941	19475
2026	-	2.72	-	14342	5737	5335
2027	-	-	-	-	-	-
SUB				925146	370059	344154
REM				-	-	-
TOT				925146	370059	344154

COMPANY SHARE FUTURE NET REVENUE

Year	Working Interest Future Revenue (FR)		Royalty Revenue	Royalties		Operating Costs			FR After Roy. & Oper. Costs	Net Back	Proc & Other Income	Capital Costs	Aband Costs	Future Net Revenue	
	Gas MM\$	Total MM\$	MM\$	Total MM\$	%	Fixed MM\$	Var MM\$	\$/Mcf	MM\$	\$/Mcf	MM\$	MM\$	MM\$	Undisc MM\$	10.0% MM\$
2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	0.2	0.2	-	0.0	7.0	-	-	-	0.2	1.82	-	-	-	0.2	0.2
2016	0.1	0.1	-	0.0	7.0	-	-	-	0.1	2.07	-	-	-	0.1	0.1
2017	0.0	0.0	-	0.0	7.0	-	-	-	0.0	2.13	-	-	-	0.0	0.0
2018	0.1	0.1	-	0.0	7.0	-	-	-	0.1	2.16	-	-	-	0.1	0.1
2019	0.1	0.1	-	0.0	7.0	-	-	-	0.1	2.20	-	-	-	0.1	0.1
2020	0.1	0.1	-	0.0	7.0	-	-	-	0.0	2.25	-	-	-	0.0	0.0
2021	0.0	0.0	-	0.0	7.0	-	-	-	0.0	2.29	-	-	-	0.0	0.0
2022	0.1	0.1	-	0.0	7.0	-	-	-	0.1	2.33	-	-	-	0.1	0.0
2023	0.1	0.1	-	0.0	7.0	-	-	-	0.0	2.39	-	-	-	0.0	0.0
2024	0.0	0.0	-	0.0	7.0	-	-	-	0.0	2.43	-	-	-	0.0	0.0
2025	0.1	0.1	-	0.0	7.0	-	-	-	0.1	2.48	-	-	-	0.1	0.0
2026	0.0	0.0	-	0.0	7.0	-	-	-	0.0	2.53	-	-	-	0.0	0.0
2027	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUB	0.8	0.8	-	0.1	7.0	-	-	-	0.8	2.12	-	-	-	0.8	0.5
REM	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-
TOT	0.8	0.8	-	0.1	7.0	-	-	-	0.8	2.12	-	-	-	0.8	0.5

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	0.8	0.6	0.5	0.5	0.4	0.3	0.3
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	-	-	-	-	-	-	-
Abandonment Costs . .	-	-	-	-	-	-	-
Future Net Revenue . .	0.8	0.6	0.5	0.5	0.4	0.3	0.3

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 2E
Summary of Production and Future Net Revenue - Total Company Condensate
Total Proved
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 28, 14 08:45
Project : 021576

RESERVES AND PRODUCTION FORECAST

Year	# of Wells	Condensate				
		Mbb1				
		Price	Pool		Company Share	
		\$/bbl	bbl/d	Vol	Gross	Net
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	99.30	-	1364	546	534
2016	-	101.38	-	1296	518	507
2017	-	104.12	-	1282	513	502
2018	-	107.01	-	1254	502	491
2019	-	110.37	-	956	382	374
2020	-	112.67	-	550	220	215
2021	-	115.01	-	325	130	127
2022	-	117.40	-	206	82	81
2023	-	119.84	-	110	44	43
2024	-	122.32	-	58	23	23
2025	-	124.86	-	34	14	13
2026	-	127.44	-	3	1	1
2027	-	-	-	-	-	-
SUB				7438	2975	2912
REM				-	-	-
TOT				7438	2975	2912

COMPANY SHARE FUTURE NET REVENUE

Year	Working Interest		Royalty	Royalties			Operating Costs			FR After Roy. & Oper. Costs	Net Back	Proc & Other Income	Capital Costs	Aband Costs	Future Net Revenue	
	Condensate	Total		Total	%	Fixed	Var								Undisc	10.0%
	MM\$	MM\$	MM\$	MM\$		MM\$	MM\$	\$/bbl		MM\$	\$/bbl	MM\$	MM\$	MM\$	MM\$	MM\$
2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	54.2	54.2	-	1.2	2.1	-	-	-	-	53.0	97.19	-	-	-	53.0	45.3
2016	52.6	52.6	-	1.1	2.1	-	-	-	-	51.4	99.23	-	-	-	51.4	39.9
2017	53.4	53.4	-	1.1	2.1	-	-	-	-	52.2	101.91	-	-	-	52.2	36.8
2018	53.7	53.7	-	1.1	2.1	-	-	-	-	52.5	104.74	-	-	-	52.5	33.7
2019	42.2	42.2	-	0.9	2.1	-	-	-	-	41.3	108.02	-	-	-	41.3	24.1
2020	24.8	24.8	-	0.5	2.1	-	-	-	-	24.3	110.28	-	-	-	24.3	12.9
2021	15.0	15.0	-	0.3	2.1	-	-	-	-	14.6	112.57	-	-	-	14.6	7.1
2022	9.7	9.7	-	0.2	2.1	-	-	-	-	9.5	114.91	-	-	-	9.5	4.2
2023	5.3	5.3	-	0.1	2.1	-	-	-	-	5.2	117.29	-	-	-	5.2	2.1
2024	2.8	2.8	-	0.1	2.1	-	-	-	-	2.8	119.72	-	-	-	2.8	1.0
2025	1.7	1.7	-	0.0	2.1	-	-	-	-	1.7	122.20	-	-	-	1.7	0.5
2026	0.2	0.2	-	0.0	2.1	-	-	-	-	0.2	124.74	-	-	-	0.2	0.0
2027	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUB	315.4	315.4	-	6.7	2.1	-	-	-	-	308.7	103.75	-	-	-	308.7	207.5
REM	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-
TOT	315.4	315.4	-	6.7	2.1	-	-	-	-	308.7	103.75	-	-	-	308.7	207.5

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	308.7	250.6	223.3	207.5	174.6	149.1	128.9
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	-	-	-	-	-	-	-
Abandonment Costs . .	-	-	-	-	-	-	-
Future Net Revenue . .	308.7	250.6	223.3	207.5	174.6	149.1	128.9

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 2F
Summary of Production and Future Net Revenue - Total Company
Total Proved
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Avg. WI : 40.00%
 Avg. Roy : 3.05%
 Avg. Prod. Taxes : 12.93%

Value Navigator 6.1.4.53
 Run Date : Jan 28, 14 08:45
 Project : 021576

RESERVES AND PRODUCTION FORECAST

Light&Med Oil										Heavy Oil										Sales Gas									
Mbbbl										Mbbbl										MMcf									
		Price		Pool		Company Share				Price		Pool		Company Share						Price		Pool		Company Share					
Year	# of Wells	\$/bbl	bbl/d	Vol	Gross	Net				\$/bbl	bbl/d	Vol	Gross	Net						\$/Mcf	Mcf/d	Vol	Gross	Net					
2013	2	105.50	848	52	21	20				-	-	-	-	-						-	-	-	-	-					
2014	2	101.42	573	209	84	82				-	-	-	-	-						-	-	-	-	-					
2015	6	99.30	778	284	114	111				-	-	-	-	-						1.96	59144	21588	8635	8031					
2016	6	101.38	347	127	51	50				-	-	-	-	-						2.22	55702	20387	8155	7584					
2017	6	104.12	125	46	18	18				-	-	-	-	-						2.27	55012	20079	8032	7469					
2018	6	107.01	322	118	47	46				-	-	-	-	-						2.32	54161	19769	7908	7354					
2019	6	110.37	1527	557	223	218				-	-	-	-	-						2.37	41431	15122	6049	5626					
2020	6	112.67	817	299	120	117				-	-	-	-	-						2.42	23702	8675	3470	3227					
2021	4	115.01	257	94	37	37				-	-	-	-	-						2.46	13997	5109	2044	1900					
2022	5	117.40	1585	578	231	226				-	-	-	-	-						2.51	9091	3318	1327	1234					
2023	4	119.84	790	288	115	113				-	-	-	-	-						2.57	4847	1769	708	658					
2024	3	122.32	208	76	30	30				-	-	-	-	-						2.61	2529	926	370	344					
2025	3	124.86	828	302	121	118				-	-	-	-	-						2.67	1613	589	236	219					
2026	3	127.44	227	83	33	32				-	-	-	-	-						2.72	170	62	25	23					
2027	-	-	-	-	-	-				-	-	-	-	-						-	-	-	-	-					
SUB					3113	1245	1219															117393	46957	43670					
REM					-	-	-															-	-	-					
TOT					3113	1245	1219															117393	46957	43670					

Condensate						Butane						Propane						Ethane						Sulphur					
Mbbbl						Mbbbl						Mbbbl						Mbbbl						LT					
		Price		Company Share		Price		Company Share		Price		Company Share		Price		Company Share		Price		Company Share		Price		Company Share		Price		Company Share	
Year	\$/bbl	Gross	Net			\$/bbl	Gross	Net		\$/bbl	Gross	Net		\$/bbl	Gross	Net		\$/bbl	Gross	Net		\$/LT	Gross	Net					
2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	99.30	546	534	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2016	101.38	518	507	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2017	104.12	513	502	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2018	107.01	502	491	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2019	110.37	382	374	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020	112.67	220	215	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021	115.01	130	127	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2022	117.40	82	81	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2023	119.84	44	43	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2024	122.32	23	23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2025	124.86	14	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2026	127.44	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUB		2975	2912	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REM		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOT		2975	2912	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

COMPANY SHARE FUTURE NET REVENUE

Year	Working Interest				Royalty Revenue	COMPANY SHARE FUTURE NET REVENUE										Future		
	Future Revenue (FR)					Royalties		Prod. Taxes		Oper Costs		FR After		Proc & Other Income	Cap'l Costs	Aband Costs	Net Revenue	
	Sales					State	Other	Pipe Losses	NDDC Levy	Fixed	Var	Roy. & Oper.	Net Back \$/BOE				Undisc	10.0%
	Oil	Gas	NGLs	Total														
2013	2.2	-	-	2.2	-	0.0	-	0.3	0.2	0.2	0.1	1.3	64.68	-	5.2	-	-3.9	-3.9
2014	8.5	-	-	8.5	-	0.2	-	1.3	0.7	1.5	0.3	4.6	54.40	-	24.0	-	-19.5	-19.3
2015	11.3	16.9	54.2	82.4	-	2.6	-	9.8	0.5	1.5	11.3	56.7	26.39	-	6.5	-	50.2	42.5
2016	5.1	18.1	52.6	75.8	-	2.5	-	8.7	0.3	1.5	10.7	52.2	26.40	-	-	-	52.2	40.5
2017	1.9	18.2	53.4	73.5	-	2.5	-	8.3	0.4	1.5	10.6	50.2	26.20	-	3.4	-	46.8	32.9
2018	5.0	18.3	53.7	77.1	-	2.5	-	8.8	0.5	1.6	10.8	52.9	27.64	-	6.9	-	45.9	29.2
2019	24.6	14.3	42.2	81.1	-	2.4	-	10.0	0.4	1.6	9.1	57.6	34.95	-	3.5	-	54.1	31.4
2020	13.5	8.4	24.8	46.7	-	1.4	-	5.7	0.3	1.6	5.3	32.3	34.45	-	3.6	-	28.7	15.1
2021	4.3	5.0	15.0	24.3	-	0.8	-	2.9	0.1	1.7	3.1	15.8	30.44	-	-	-	15.8	7.6
2022	27.2	3.3	9.7	40.2	-	1.0	-	5.5	0.3	1.7	2.9	28.7	52.97	-	7.5	-	21.2	9.1
2023	13.8	1.8	5.3	20.9	-	0.5	-	2.9	0.0	1.7	1.5	14.2	50.46	-	-	-	14.2	5.6
2024	3.7	1.0	2.8	7.5	-	0.2	-	1.0	0.0	1.8	0.7	3.9	32.79	-	-	-	3.9	1.4
2025	15.1	0.6	1.7	17.4	-	0.4	-	2.5	0.1	1.8	0.9	11.7	66.58	-	4.0	-	7.7	2.5
2026	4.2	0.1	0.2	4.4	-	0.1	-	0.7	0.0	1.8	0.2	1.7	42.76	-	-	-	1.7	0.5
2027	-	-	-	-	-	-	-	-	0.3	1.9	-	-2.2	-	-	-	10.4	-12.6	-3.5
SUB	140.4	106.2	315.4	562.0	-	17.1	-	68.4	4.3	23.5	67.3	381.4	30.80	-	64.8	10.4	306.3	191.7
REM	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOT	140.4	106.2	315.4	562.0	-	17.1	-	68.4	4.3	23.5	67.3	381.4	31.00	-	64.8	10.4	306.3	191.7

Table 2G
Income Tax Summary - Total Company
Total Proved
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 28, 14 08:45
Project : 021576

Year	Gross Reserves			Revenue				Burdens & Expenses					Taxable Income Before Ded.	Capital Deductions				
	Oil Sales Mbbl	Gas MMcf	NGLs Mbbl	WI MM\$	Roy. MM\$	Other MM\$	Total MM\$	Burdens MM\$	NDDC Levy MM\$	Pipe Losses MM\$	Op.Costs, Aband& Salv. MM\$	Total MM\$		G&G MM\$	I.A. MM\$	Annu. MM\$	Other MM\$	Cap. Avail. MM\$
2013	21	-	-	2.2	-	-	2.2	0.0	0.2	0.3	0.3	0.8	1.3	-	0.3	1.0	-	1.3
2014	84	-	-	8.5	-	-	8.5	0.2	0.7	1.3	1.8	3.9	4.6	-	1.2	5.8	-	7.0
2015	114	8635	546	82.4	-	-	82.4	2.6	0.5	9.8	12.8	25.7	56.7	-	0.3	7.2	-	7.5
2016	51	8155	518	75.8	-	-	75.8	2.5	0.3	8.7	12.2	23.7	52.2	-	-	7.2	-	7.2
2017	18	8032	513	73.5	-	-	73.5	2.5	0.4	8.3	12.2	23.3	50.2	-	0.2	7.8	-	8.0
2018	47	7908	502	77.1	-	-	77.1	2.5	0.5	8.8	12.3	24.2	52.9	-	0.3	7.9	-	8.3
2019	223	6049	382	81.1	-	-	81.1	2.4	0.4	10.0	10.7	23.5	57.6	-	0.2	4.0	-	4.2
2020	120	3470	220	46.7	-	-	46.7	1.4	0.3	5.7	6.9	14.3	32.3	-	0.2	3.5	-	3.7
2021	37	2044	130	24.3	-	-	24.3	0.8	0.1	2.9	4.7	8.5	15.8	-	-	3.5	-	3.5
2022	231	1327	82	40.2	-	-	40.2	1.0	0.3	5.5	4.6	11.4	28.7	-	0.4	4.3	-	4.6
2023	115	708	44	20.9	-	-	20.9	0.5	0.0	2.9	3.3	6.7	14.2	-	-	2.9	-	2.9
2024	30	370	23	7.5	-	-	7.5	0.2	0.0	1.0	2.5	3.7	3.9	-	-	2.2	-	2.2
2025	121	236	14	17.4	-	-	17.4	0.4	0.1	2.5	2.7	5.8	11.7	-	0.2	2.3	-	2.5
2026	33	25	1	4.4	-	-	4.4	0.1	0.0	0.7	2.0	2.8	1.7	-	-	2.2	-	2.2
2027	-	-	-	-	-	-	-	-	0.3	-	12.2	12.6	-12.6	-	-	0.8	-	0.8
SUB	1245	46957	2975	562.0	-	-	562.0	17.1	4.3	68.4	101.2	190.9	371.1	-	3.2	62.6	-	65.8
REM	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOT	1245	46957	2975	562.0	-	-	562.0	17.1	4.3	68.4	101.2	190.9	371.1	-	3.2	62.6	-	65.8

Year	G&G				Investment Allowance				Annual Allowance				Other Allowance			
	Initial Balance MM\$	Add-ition MM\$	Depn. Rate %	Expense Claim MM\$	Initial Balance MM\$	Add-ition MM\$	Depn. Rate %	Expense Claim MM\$	Initial Balance MM\$	Add-ition MM\$	Depn. Rate %	Expense Claim MM\$	Initial Balance MM\$	Add-ition MM\$	Depn. Rate %	Expense Claim MM\$
2013	-	-	-	-	-	0.3	100.0	0.3	-	5.1	20.2	1.0	-	-	-	-
2014	-	-	-	-	-	1.2	100.0	1.2	4.1	23.8	21.0	5.8	-	-	-	-
2015	-	-	-	-	-	0.3	100.0	0.3	22.1	6.5	25.1	7.2	-	-	-	-
2016	-	-	-	-	-	-	-	-	21.4	-	33.5	7.2	-	-	-	-
2017	-	-	-	-	-	0.2	100.0	0.2	14.2	3.4	44.3	7.8	-	-	-	-
2018	-	-	-	-	-	0.3	100.0	0.3	9.8	6.9	47.6	7.9	-	-	-	-
2019	-	-	-	-	-	0.2	100.0	0.2	8.7	3.5	32.8	4.0	-	-	-	-
2020	-	-	-	-	-	0.2	100.0	0.2	8.2	3.6	29.7	3.5	-	-	-	-
2021	-	-	-	-	-	-	-	-	8.3	-	41.8	3.5	-	-	-	-
2022	-	-	-	-	-	0.4	100.0	0.4	4.8	7.4	34.7	4.3	-	-	-	-
2023	-	-	-	-	-	-	-	-	8.0	-	36.1	2.9	-	-	-	-
2024	-	-	-	-	-	-	-	-	5.1	-	42.8	2.2	-	-	-	-
2025	-	-	-	-	-	0.2	100.0	0.2	2.9	3.9	33.4	2.3	-	-	-	-
2026	-	-	-	-	-	-	-	-	4.6	-	48.6	2.2	-	-	-	-
2027	-	-	-	-	-	-	-	-	2.4	-	33.9	0.8	-	-	-	-
SUB	-	-	-	-	-	3.2	-	3.2	-	64.1	-	62.6	-	-	-	-
REM	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOT	-	-	-	-	-	3.2	-	3.2	-	64.1	-	62.6	-	-	-	-

Year	Education Tax						Petroleum Production Tax						Regime	Cash Flow				
	Cap. Tax		Loss	Ded. Taxable	Tax Rate	Tax Pay	Cap. Tax		Loss	Ded. Taxable	Tax Rate	Tax Pay	Other Taxes	Total Tax		ATCF	Cum. ATCF	NPV
	Avail.	Fwd	Avail.				Fwd	Payable	Payable									
	MM\$	MM\$	MM\$	MM\$	%	MM\$	MM\$	MM\$	MM\$	MM\$	%	MM\$	MM\$	MM\$	MM\$	MM\$	@ 10 %	MM\$
2013	-	-	-	1.3	2.0	0.0	1.3	1.2	0.1	1.2	65.8	0.8	-	-3.9	0.8	-4.7	-4.7	-4.6
2014	-	-	-	4.6	2.0	0.1	7.0	6.6	0.4	4.0	65.8	2.6	-	-19.5	2.7	-22.2	-26.9	-21.9
2015	-	-	-	56.7	2.0	1.1	7.5	3.7	20.7	34.8	65.8	22.9	5.1	50.2	29.1	21.0	-5.8	17.7
2016	-	-	-	52.2	2.0	1.0	7.2	3.9	21.4	29.7	65.8	19.6	5.4	52.2	26.0	26.1	20.3	20.3
2017	-	-	-	50.2	2.0	1.0	8.0	4.9	21.3	27.9	65.8	18.3	5.5	46.8	24.8	22.0	42.2	15.4
2018	-	-	-	52.9	2.0	1.1	8.3	4.0	22.6	29.2	85.0	24.8	5.5	45.9	31.4	14.5	56.8	9.1
2019	-	-	-	57.6	2.0	1.2	4.2	-	18.5	37.9	85.0	32.2	4.3	54.1	37.7	16.4	73.2	9.5
2020	-	-	-	32.3	2.0	0.6	3.7	0.7	11.4	20.3	85.0	17.3	2.5	28.7	20.4	8.3	81.5	4.3
2021	-	-	-	15.8	2.0	0.3	3.5	2.1	6.4	9.1	85.0	7.8	1.5	15.8	9.6	6.2	87.7	3.0
2022	-	-	-	28.7	2.0	0.6	4.6	1.5	6.5	21.7	85.0	18.4	1.0	21.2	20.0	1.2	88.9	0.4
2023	-	-	-	14.2	2.0	0.3	2.9	1.4	3.4	10.5	85.0	9.0	0.5	14.2	9.8	4.4	93.3	1.8
2024	-	-	-	3.9	2.0	0.1	2.2	1.8	1.3	2.4	85.0	2.1	0.3	3.9	2.4	1.4	94.7	0.5
2025	-	-	-	11.7	2.0	0.2	2.5	1.1	2.0	9.4	85.0	8.0	0.2	7.7	8.4	-0.8	94.0	-0.3
2026	-	-	-	1.7	2.0	0.0	2.2	2.0	0.3	1.4	85.0	1.1	0.0	1.7	1.2	0.4	94.4	0.1
2027	-	-	-	-2.2	2.0	0.0	0.8	2.9	-2.2	-	-	-	-	-12.6	0.0	-12.5	81.9	-3.5
SUB	-	-	-	381.4	2.0	7.6	65.8	-	134.1	239.7	77.2	184.9	31.9	306.3	224.4	81.9	-	51.7
REM	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOT	-	-	-	381.4	2.0	7.6	65.8	-	134.1	239.7	77.2	184.9	31.9	306.3	224.4	81.9	-	51.7

NET PRESENT VALUE (MM\$) - AT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%
Before Tax Cash Flow.	306.3	240.2	209.4	191.7	155.4	127.6
Tax Payable	224.4	174.8	152.6	140.0	114.7	95.8
After Tax Cash Flow .	81.9	65.3	56.8	51.7	40.7	31.8



These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.

Table 3A
Summary of Reserves and Net Present Value - Total Company
Total Proved + Probable
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 28, 14 08:44
Project : 021576

Well	Zone	Current Reserve Cat.	Avg. WI %	Light&Med Oil		Heavy Oil		Sales Gas		NGLs		Total BOE		NPV	
				Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	@ 0%	@ 10%
				Mbb1	Mbb1	Mbb1	Mbb1	MMcf	MMcf	Mbb1	Mbb1	Mbb1	Mbb1	MM\$	MM\$
Nigeria															
Delta State															
IGBUKU				703	688	-	-	76683	71315	5506	5389	19431	18373	596.2	335.3
UMUSETI				2425	2374	-	-	13117	12199	1089	1066	5776	5543	230.8	133.2
Total Delta State				3129	3062	-	-	89800	83514	6595	6455	25206	23916	827.0	468.6
Total Nigeria				3129	3062	-	-	89800	83514	6595	6455	25206	23916	827.0	468.6
Total Company				3129	3062	-	-	89800	83514	6595	6455	25206	23916	827.0	468.6

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 3B
Summary of Production and Future Net Revenue - Total Company Light Oil
Total Proved + Probable
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 28, 14 08:44
Project : 021576

RESERVES AND PRODUCTION FORECAST

Light Oil						
Mbb1						
Year	# of Wells	Price \$/bbl	Pool		Company Share	
			bbl/d	Vol	Gross	Net
2013	2	105.50	1920	117	47	46
2014	2	101.42	1272	464	186	182
2015	5	99.30	3160	1153	461	452
2016	5	101.38	1806	661	264	259
2017	6	104.12	1851	675	270	264
2018	5	107.01	1411	515	206	202
2019	6	110.37	2233	815	326	319
2020	5	112.67	1557	570	228	223
2021	4	115.01	712	260	104	102
2022	3	117.40	2142	782	313	306
2023	3	119.84	1522	556	222	218
2024	1	122.32	596	218	87	85
2025	2	124.86	1298	474	189	185
2026	3	127.44	743	271	108	106
2027	2	130.08	617	225	90	88
SUB				7757	3103	3037
REM				64	26	25
TOT				7821	3129	3062

COMPANY SHARE FUTURE NET REVENUE

	Working Interest		Royalty Revenue	Royalties		Operating Costs			FR After Roy. & Oper. Costs	Net Back	Proc & Other Income	Capital Costs	Aband Costs	Future Net Revenue	
	Future Revenue (FR)	Total		Total	%	Fixed	Var	\$/bbl						Undisc	10.0%
Year	Oil MM\$	Total MM\$	MM\$	MM\$	%	MM\$	MM\$	\$/bbl	MM\$	\$/bbl	MM\$	MM\$	MM\$	MM\$	MM\$
2013	4.9	4.9	-	1.0	20.4	0.2	0.2	8.62	3.5	75.37	-	5.2	-	-1.7	-1.7
2014	18.8	18.8	-	4.0	21.1	1.5	0.7	11.37	12.8	68.69	-	24.0	-	-11.3	-11.6
2015	45.8	45.8	-	8.1	17.7	1.5	2.3	8.21	33.9	73.51	-	6.5	-	27.4	23.1
2016	26.8	26.8	-	4.6	17.3	1.5	1.3	10.79	19.3	73.08	-	-	-	19.3	15.0
2017	28.1	28.1	-	5.0	17.6	1.5	1.4	10.94	20.2	74.81	-	3.4	-	16.8	11.7
2018	22.1	22.1	-	3.8	17.3	1.6	1.1	13.00	15.6	75.52	-	-	-	15.6	10.0
2019	36.0	36.0	-	6.3	17.5	1.6	1.5	9.47	26.6	81.54	-	3.5	-	23.0	13.3
2020	25.7	25.7	-	4.5	17.7	1.6	1.0	11.70	18.5	81.07	-	3.6	-	14.9	7.8
2021	12.0	12.0	-	2.1	17.2	1.7	0.5	20.78	7.7	74.39	-	-	-	7.7	3.7
2022	36.7	36.7	-	6.6	17.9	1.7	1.4	9.91	27.1	86.53	-	7.5	-	19.6	8.4
2023	26.6	26.6	-	4.7	17.7	1.7	1.0	12.37	19.2	86.30	-	3.8	-	15.3	6.0
2024	10.7	10.7	-	2.0	18.3	1.8	0.4	24.87	6.5	75.02	-	3.9	-	2.6	0.9
2025	23.7	23.7	-	4.2	17.7	1.8	0.9	14.17	16.8	88.54	-	4.0	-	12.8	4.1
2026	13.8	13.8	-	2.6	19.0	1.8	0.5	21.99	8.8	81.23	-	8.1	-	0.7	0.1
2027	11.7	11.7	-	2.1	18.3	1.9	0.5	26.39	7.2	79.87	-	4.1	-	3.1	0.8
SUB	343.4	343.4	-	61.6	17.9	23.5	14.7	12.30	243.7	78.53	-	77.8	-	165.8	91.7
REM	3.4	3.4	-	0.9	27.2	7.9	0.1	314.97	-5.6	-218.26	-	-	11.2	-16.8	-3.3
TOT	346.8	346.8	-	62.5	18.0	31.4	14.8	14.78	238.1	76.10	-	77.8	11.2	149.0	88.4

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	238.1	181.3	156.9	143.4	117.3	98.6	84.7
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	77.8	62.3	56.1	52.8	46.8	42.7	39.9
Abandonment Costs . .	11.2	4.8	3.0	2.2	1.0	0.5	0.2
Future Net Revenue . .	149.0	114.1	97.8	88.4	69.5	55.3	44.6

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 3C
Summary of Production and Future Net Revenue - Total Company Non-Associated Sales Gas
Total Proved + Probable
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 28, 14 08:44
Project : 021576

RESERVES AND PRODUCTION FORECAST

Non-Associated Sales Gas						
MMcf						
Year	# of Wells	Price \$/Mcf	Pool		Company Share	
			Mcf/d	Vol	Gross	Net
2015	4	1.96	70874	25869	10348	9623
2016	4	2.22	63769	23339	9336	8682
2017	3	2.27	58917	21505	8602	8000
2018	3	2.32	55973	20430	8172	7600
2019	3	2.37	53992	19707	7883	7331
2020	4	2.42	55675	20377	8151	7580
2021	4	2.46	55416	20227	8091	7524
2022	4	2.51	52895	19307	7723	7182
2023	4	2.57	49136	17935	7174	6672
2024	5	2.61	31475	11520	4608	4285
2025	4	2.67	19060	6957	2783	2588
2026	5	2.72	11203	4089	1636	1521
2027	4	2.78	7234	2640	1056	982
2028	3	2.83	6934	2538	1015	944
2029	3	2.89	4379	1598	639	595
SUB				218038	87215	81110
REM				761	304	283
TOT				218799	87520	81393

COMPANY SHARE FUTURE NET REVENUE

	Working Interest		Royalty Revenue	COMPANY SHARE FUTURE NET REVENUE					FR After Roy. & Oper. Costs	Net Back	Proc & Other Income	Capital Costs	Aband Costs	Future		
	Future Revenue (FR)			Royalties		Operating Costs								Net Revenue		
Year	Gas MM\$	Total MM\$	MM\$	Total MM\$	%	Fixed MM\$	Var MM\$	\$/Mcf	MM\$	\$/Mcf	MM\$	MM\$	MM\$	MM\$	MM\$	10.0% MM\$
2015	20.3	20.3	-	13.8	68.0	-	13.6	1.31	-7.1	-	-	-	-	-	-7.1	-6.0
2016	20.7	20.7	-	12.7	61.1	-	12.4	1.33	-4.4	-	-	-	-	-	-4.4	-3.4
2017	19.5	19.5	-	11.8	60.5	-	11.7	1.36	-4.0	-	-	-	-	-	-4.0	-2.8
2018	19.0	19.0	-	11.4	60.3	-	11.3	1.38	-3.7	-	-	-	-	-	-3.7	-2.4
2019	18.7	18.7	-	11.3	60.4	-	11.1	1.40	-3.7	-	-	-	-	-	-3.7	-2.1
2020	19.7	19.7	-	12.0	60.8	-	11.7	1.44	-4.0	-	-	-	-	-	-4.0	-2.1
2021	19.9	19.9	-	12.1	61.0	-	11.8	1.46	-4.1	-	-	-	-	-	-4.1	-2.0
2022	19.4	19.4	-	11.7	60.5	-	11.5	1.49	-3.9	-	-	-	-	-	-3.9	-1.7
2023	18.4	18.4	-	11.2	60.6	-	10.9	1.52	-3.7	-	-	-	-	-	-3.7	-1.5
2024	12.0	12.0	-	7.4	61.5	-	7.2	1.56	-2.5	-	-	-	-	-	-2.5	-0.9
2025	7.4	7.4	-	4.6	61.9	-	4.4	1.59	-1.6	-	-	-	-	-	-1.6	-0.5
2026	4.5	4.5	-	2.8	62.3	-	2.7	1.62	-1.0	-	-	-	-	-	-1.0	-0.3
2027	2.9	2.9	-	1.9	63.7	-	1.8	1.67	-0.7	-	-	-	-	-	-0.7	-0.2
2028	2.9	2.9	-	1.9	67.4	-	1.7	1.72	-0.8	-	-	-	-	-	-0.8	-0.2
2029	1.8	1.8	-	1.3	67.9	-	1.1	1.76	-0.5	-	-	-	-	-	-0.5	-0.1
SUB	207.2	207.2	-	127.9	61.7	-	124.9	1.43	-45.6	-0.52	-	-	-	-	-45.6	-26.2
REM	0.9	0.9	-	0.6	70.1	-	0.6	1.81	-0.3	-0.93	-	-	-	-	-0.3	-0.1
TOT	208.1	208.1	-	128.5	61.8	-	125.4	1.43	-45.9	-0.52	-	-	-	-	-45.9	-26.3

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	-45.9	-34.0	-29.0	-26.3	-21.0	-17.3	-14.5
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	-	-	-	-	-	-	-
Abandonment Costs . .	-	-	-	-	-	-	-
Future Net Revenue . .	-45.9	-34.0	-29.0	-26.3	-21.0	-17.3	-14.5

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 3D
Summary of Production and Future Net Revenue - Total Company Solution Gas
Total Proved + Probable
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 28, 14 08:45
Project : 021576

RESERVES AND PRODUCTION FORECAST

Year	# of Wells	Solution Gas				
		MMcf				
		Price	Pool		Company Share	
		\$/Mcf	Mcf/d	Vol	Gross	Net
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	1.96	-	1546	618	575
2016	-	2.22	-	869	348	323
2017	-	2.27	-	926	370	344
2018	-	2.32	-	718	287	267
2019	-	2.37	-	463	185	172
2020	-	2.42	-	260	104	97
2021	-	2.46	-	143	57	53
2022	-	2.51	-	204	82	76
2023	-	2.57	-	142	57	53
2024	-	2.61	-	38	15	14
2025	-	2.67	-	82	33	31
2026	-	2.72	-	103	41	38
2027	-	2.78	-	159	64	59
SUB				5653	2261	2103
REM				47	19	17
TOT				5700	2280	2120

COMPANY SHARE FUTURE NET REVENUE

Year	Working Interest Future Revenue (FR)		Royalty Revenue	Royalties		Operating Costs			FR After Roy. & Oper. Costs	Net Back \$/Mcf	Proc & Other Income	Capital Costs	Aband Costs	Future Net Revenue	
	Gas MM\$	Total MM\$	MM\$	Total MM\$	%	Fixed MM\$	Var MM\$	\$/Mcf	MM\$	MM\$	MM\$	MM\$	MM\$	Undisc MM\$	10.0% MM\$
2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	1.2	1.2	-	0.1	7.0	-	-	-	1.1	1.82	-	-	-	1.1	1.0
2016	0.8	0.8	-	0.1	7.0	-	-	-	0.7	2.07	-	-	-	0.7	0.6
2017	0.8	0.8	-	0.1	7.0	-	-	-	0.8	2.11	-	-	-	0.8	0.6
2018	0.7	0.7	-	0.0	7.0	-	-	-	0.6	2.16	-	-	-	0.6	0.4
2019	0.4	0.4	-	0.0	7.0	-	-	-	0.4	2.20	-	-	-	0.4	0.2
2020	0.3	0.3	-	0.0	7.0	-	-	-	0.2	2.25	-	-	-	0.2	0.1
2021	0.1	0.1	-	0.0	7.0	-	-	-	0.1	2.29	-	-	-	0.1	0.1
2022	0.2	0.2	-	0.0	7.0	-	-	-	0.2	2.33	-	-	-	0.2	0.1
2023	0.1	0.1	-	0.0	7.0	-	-	-	0.1	2.39	-	-	-	0.1	0.1
2024	0.0	0.0	-	0.0	7.0	-	-	-	0.0	2.43	-	-	-	0.0	0.0
2025	0.1	0.1	-	0.0	7.0	-	-	-	0.1	2.48	-	-	-	0.1	0.0
2026	0.1	0.1	-	0.0	7.0	-	-	-	0.1	2.53	-	-	-	0.1	0.0
2027	0.2	0.2	-	0.0	7.0	-	-	-	0.2	2.58	-	-	-	0.2	0.0
SUB	5.1	5.1	-	0.4	7.0	-	-	-	4.7	2.09	-	-	-	4.7	3.1
REM	0.1	0.1	-	0.0	7.0	-	-	-	0.0	2.64	-	-	-	0.0	0.0
TOT	5.1	5.1	-	0.4	7.0	-	-	-	4.8	2.10	-	-	-	4.8	3.2

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	4.8	3.8	3.4	3.2	2.7	2.3	2.0
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	-	-	-	-	-	-	-
Abandonment Costs . .	-	-	-	-	-	-	-
Future Net Revenue . .	4.8	3.8	3.4	3.2	2.7	2.3	2.0

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 3E
Summary of Production and Future Net Revenue - Total Company Condensate
Total Proved + Probable
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 28, 14 08:45
Project : 021576

RESERVES AND PRODUCTION FORECAST

Year	# of Wells	Condensate Mbbbl				
		Price \$/bbl	Pool		Company Share	
			bbl/d	Vol	Gross	Net
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	99.30	-	2009	804	787
2016	-	101.38	-	1781	712	697
2017	-	104.12	-	1618	647	633
2018	-	107.01	-	1522	609	596
2019	-	110.37	-	1457	583	571
2020	-	112.67	-	1519	608	595
2021	-	115.01	-	1507	603	590
2022	-	117.40	-	1424	570	558
2023	-	119.84	-	1329	532	520
2024	-	122.32	-	864	346	338
2025	-	124.86	-	527	211	206
2026	-	127.44	-	312	125	122
2027	-	130.08	-	206	82	81
SUB				16076	6430	6294
REM				412	165	161
TOT				16488	6595	6455

COMPANY SHARE FUTURE NET REVENUE

Year	Working Interest Future Revenue (FR)		Royalty Revenue	Royalties			Operating Costs			FR After Roy. & Oper. Costs	Net Back \$/bbl	Proc & Other Income	Capital Costs	Aband Costs	Future Net Revenue	
	Condensate MM\$	Total MM\$		Total MM\$	%	Fixed MM\$	Var MM\$	\$/bbl							Undisc MM\$	10.0% MM\$
2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	79.8	79.8	-	1.7	2.1	-	-	-	-	78.1	97.19	-	-	-	78.1	66.6
2016	72.2	72.2	-	1.5	2.1	-	-	-	-	70.7	99.23	-	-	-	70.7	54.8
2017	67.4	67.4	-	1.4	2.1	-	-	-	-	65.9	101.91	-	-	-	65.9	46.5
2018	65.1	65.1	-	1.4	2.1	-	-	-	-	63.8	104.74	-	-	-	63.8	40.9
2019	64.3	64.3	-	1.4	2.1	-	-	-	-	63.0	108.02	-	-	-	63.0	36.7
2020	68.5	68.5	-	1.5	2.1	-	-	-	-	67.0	110.28	-	-	-	67.0	35.5
2021	69.3	69.3	-	1.5	2.1	-	-	-	-	67.9	112.57	-	-	-	67.9	32.7
2022	66.9	66.9	-	1.4	2.1	-	-	-	-	65.5	114.91	-	-	-	65.5	28.7
2023	63.7	63.7	-	1.4	2.1	-	-	-	-	62.4	117.29	-	-	-	62.4	24.8
2024	42.3	42.3	-	0.9	2.1	-	-	-	-	41.4	119.72	-	-	-	41.4	15.0
2025	26.3	26.3	-	0.6	2.1	-	-	-	-	25.8	122.20	-	-	-	25.8	8.5
2026	15.9	15.9	-	0.3	2.1	-	-	-	-	15.6	124.74	-	-	-	15.6	4.7
2027	10.7	10.7	-	0.2	2.1	-	-	-	-	10.5	127.32	-	-	-	10.5	2.9
SUB	712.5	712.5	-	15.1	2.1	-	-	-	-	697.4	108.45	-	-	-	697.4	398.2
REM	22.2	22.2	-	0.5	2.1	-	-	-	-	21.7	131.70	-	-	-	21.7	5.0
TOT	734.7	734.7	-	15.6	2.1	-	-	-	-	719.1	109.03	-	-	-	719.1	403.2

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	719.1	527.9	447.2	403.2	318.4	258.4	214.5
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	-	-	-	-	-	-	-
Abandonment Costs . .	-	-	-	-	-	-	-
Future Net Revenue . .	719.1	527.9	447.2	403.2	318.4	258.4	214.5

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 3F
Summary of Production and Future Net Revenue - Total Company
Total Proved + Probable
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Avg. WI : 40.00%
 Avg. Roy : 2.93%
 Avg. Prod. Taxes : 13.06%

Value Navigator 6.1.4.53
 Run Date : Jan 28, 14 08:45
 Project : 021576

RESERVES AND PRODUCTION FORECAST

Light&Med Oil							Heavy Oil							Sales Gas						
Mbbbl							Mbbbl							Mmcf						
Year	# of Wells	Price \$/bbl	Pool bbl/d	Vol	Company Gross	Share Net	Price \$/bbl	Pool bbl/d	Vol	Company Gross	Share Net	Price \$/Mcf	Pool Mcf/d	Vol	Company Gross	Share Net				
2013	2	105.50	1920	117	47	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014	2	101.42	1272	464	186	182	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	9	99.30	3160	1153	461	452	-	-	-	-	-	1.96	75109	27415	10966	10198				
2016	9	101.38	1806	661	264	259	-	-	-	-	-	2.22	66143	24208	9683	9006				
2017	9	104.12	1851	675	270	264	-	-	-	-	-	2.27	61455	22431	8972	8344				
2018	8	107.01	1411	515	206	202	-	-	-	-	-	2.32	57941	21148	8459	7867				
2019	9	110.37	2233	815	326	319	-	-	-	-	-	2.37	55260	20170	8068	7503				
2020	9	112.67	1557	570	228	223	-	-	-	-	-	2.42	56386	20637	8255	7677				
2021	8	115.01	712	260	104	102	-	-	-	-	-	2.46	55807	20370	8148	7578				
2022	7	117.40	2142	782	313	306	-	-	-	-	-	2.51	53455	19511	7804	7258				
2023	7	119.84	1522	556	222	218	-	-	-	-	-	2.57	49526	18077	7231	6725				
2024	6	122.32	596	218	87	85	-	-	-	-	-	2.61	31578	11558	4623	4299				
2025	6	124.86	1298	474	189	185	-	-	-	-	-	2.67	19285	7039	2816	2619				
2026	8	127.44	743	271	108	106	-	-	-	-	-	2.72	11486	4192	1677	1560				
2027	6	130.08	617	225	90	88	-	-	-	-	-	2.78	7669	2799	1120	1041				
SUB				7757	3103	3037								219555	87822	81675				
REM				64	26	25								4944	1978	1839				
TOT				7821	3129	3062								224499	89800	83514				

Condensate				Butane				Propane				Ethane				Sulphur			
Mbbbl				Mbbbl				Mbbbl				Mbbbl				LT			
Year	Price \$/bbl	Company Gross	Share Net	Price \$/bbl	Company Gross	Share Net	Price \$/bbl	Company Gross	Share Net	Price \$/bbl	Company Gross	Share Net	Price \$/bbl	Company Gross	Share Net	Price \$/LT	Company Gross	Share Net	
2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	99.30	804	787	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2016	101.38	712	697	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2017	104.12	647	633	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2018	107.01	609	596	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2019	110.37	583	571	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020	112.67	608	595	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021	115.01	603	590	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2022	117.40	570	558	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2023	119.84	532	520	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2024	122.32	346	338	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2025	124.86	211	206	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2026	127.44	125	122	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2027	130.08	82	81	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUB		6430	6294		-	-		-	-		-	-		-	-		-	-	-
REM		165	161		-	-		-	-		-	-		-	-		-	-	-
TOT		6595	6455		-	-		-	-		-	-		-	-		-	-	-

COMPANY SHARE FUTURE NET REVENUE

Year	Working Interest				Royalty Revenue	COMPANY SHARE FUTURE NET REVENUE										Future		
	Future Revenue (FR)					Royalties		Prod. Taxes		Oper Costs		FR After		Proc & Other Income	Cap'l Costs	Aband Costs	Net Revenue	
	Sales					State	Other	Pipe Losses	NDCC Levy	Fixed	Var	Roy. & Oper. Costs	Net Back \$ /BOE				Undisc	10.0%
	Oil	Gas	NGLs	Total														
2013	4.9	-	-	4.9	-	0.1	-	0.7	0.2	0.2	0.2	3.5	75.37	-	5.2	-	-1.7	-1.7
2014	18.8	-	-	18.8	-	0.4	-	2.8	0.7	1.5	0.7	12.8	68.69	-	24.0	-	-11.3	-11.6
2015	45.8	21.5	79.8	147.1	-	4.2	-	18.8	0.7	1.5	15.9	106.1	33.61	-	6.5	-	99.5	84.7
2016	26.8	21.5	72.2	120.5	-	3.6	-	14.9	0.4	1.5	13.8	86.4	32.63	-	-	-	86.4	67.0
2017	28.1	20.4	67.4	115.9	-	3.5	-	14.3	0.5	1.5	13.1	83.0	33.68	-	3.4	-	79.6	56.0
2018	22.1	19.6	65.1	106.8	-	3.2	-	13.1	0.4	1.6	12.4	76.2	33.51	-	-	-	76.2	48.8
2019	36.0	19.1	64.3	119.4	-	3.5	-	15.0	0.5	1.6	12.6	86.3	37.51	-	3.5	-	82.7	48.1
2020	25.7	20.0	68.5	114.1	-	3.4	-	14.1	0.5	1.6	12.7	81.7	36.19	-	3.6	-	78.1	41.3
2021	12.0	20.0	69.3	101.3	-	3.1	-	12.2	0.4	1.7	12.3	71.6	33.93	-	-	-	71.6	34.5
2022	36.7	19.6	66.9	123.2	-	3.6	-	15.5	0.6	1.7	12.9	88.9	39.88	-	7.5	-	81.3	35.5
2023	26.6	18.6	63.7	108.9	-	3.2	-	13.6	0.5	1.7	11.9	78.0	39.00	-	3.8	-	74.2	29.5
2024	10.7	12.1	42.3	65.0	-	2.0	-	7.9	0.3	1.8	7.6	45.4	36.93	-	3.9	-	41.5	15.0
2025	23.7	7.5	26.3	57.5	-	1.6	-	7.5	0.3	1.8	5.3	41.0	46.31	-	4.0	-	37.0	12.1
2026	13.8	4.6	15.9	34.3	-	1.0	-	4.5	0.3	1.8	3.2	23.5	44.98	-	8.1	-	15.4	4.5
2027	11.7	3.1	10.7	25.6	-	0.7	-	3.4	0.2	1.9	2.3	17.2	46.96	-	4.1	-	13.0	3.5
SUB	343.4	207.6	712.5	1263.5	-	37.0	-	158.4	6.4	23.5	136.7	901.6	36.50	-	77.8	-	823.7	467.2
REM	3.4	5.7	22.2	31.2	-	0.9	-	3.8	0.4	7.9	3.6	14.5	27.40	-	-	11.2	3.3	1.4
TOT	346.8	213.2	734.7	1294.7	-	37.9	-	162.2	6.9	31.4	140.2	916.1	36.30	-	77.8	11.2	827.0	468.6

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper	916.1	679.0	578.4	523.6	417.3	342.0	286.7
Proc & Other Income	-	-	-	-	-	-	-
Capital Costs	77.8	62.3	56.1	52.8	46.8	42.7	39.9
Abandonment Costs	11.2	4.8	3.0	2.2	1.0	0.5	0.2
Future Net Revenue	827.0	611.8	519.4	468.6	369.5	298.7	246.6

PROFITABILITY BT

Rate of Return (%)	278.214
Profit Index (undisc)	10.625
(disc @ 10.0%)	8.871
Total Payout (years)	1.75
Cost of Finding (\$/BOE)	3.15
NPV @ 10% (\$/BOE)	18.98



These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.

Table 3G
Income Tax Summary - Total Company
Total Proved + Probable
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 28, 14 08:46
Project : 021576

Year	Gross Reserves			Revenue				Burdens & Expenses					Taxable Income Before Ded. MM\$	Capital Deductions				
	Oil Mbbbl	Gas MMcf	NGLs Mbbbl	WI MM\$	Roy. MM\$	Other MM\$	Total MM\$	Burdens MM\$	NDDC Levy MM\$	Pipe Losses MM\$	Op.Costs, Aband& Salv.			G&G MM\$	I.A. MM\$	Annu. MM\$	Other MM\$	Cap. Ded. Avail MM\$
											MM\$	MM\$						
2013	47	-	-	4.9	-	-	4.9	0.1	0.2	0.7	0.4	1.4	3.5	-	0.3	1.0	-	1.3
2014	186	-	-	18.8	-	-	18.8	0.4	0.7	2.8	2.1	6.1	12.8	-	1.2	5.8	-	7.0
2015	461	10966	804	147.1	-	-	147.1	4.2	0.7	18.8	17.4	41.0	106.1	-	0.3	7.2	-	7.5
2016	264	9683	712	120.5	-	-	120.5	3.6	0.4	14.9	15.3	34.2	86.4	-	-	7.2	-	7.2
2017	270	8972	647	115.9	-	-	115.9	3.5	0.5	14.3	14.6	32.9	83.0	-	0.2	7.8	-	8.0
2018	206	8459	609	106.8	-	-	106.8	3.2	0.4	13.1	14.0	30.6	76.2	-	-	6.6	-	6.6
2019	326	8068	583	119.4	-	-	119.4	3.5	0.5	15.0	14.2	33.2	86.3	-	0.2	2.6	-	2.8
2020	228	8255	608	114.1	-	-	114.1	3.4	0.5	14.1	14.4	32.4	81.7	-	0.2	2.1	-	2.3
2021	104	8148	603	101.3	-	-	101.3	3.1	0.4	12.2	14.0	29.7	71.6	-	-	2.1	-	2.1
2022	313	7804	570	123.2	-	-	123.2	3.6	0.6	15.5	14.6	34.3	88.9	-	0.4	2.9	-	3.3
2023	222	7231	532	108.9	-	-	108.9	3.2	0.5	13.6	13.7	30.9	78.0	-	0.2	3.7	-	3.9
2024	87	4623	346	65.0	-	-	65.0	2.0	0.3	7.9	9.3	19.6	45.4	-	0.2	3.7	-	3.9
2025	189	2816	211	57.5	-	-	57.5	1.6	0.3	7.5	7.1	16.5	41.0	-	0.2	3.8	-	4.0
2026	108	1677	125	34.3	-	-	34.3	1.0	0.3	4.5	5.0	10.8	23.5	-	0.4	5.4	-	5.8
2027	90	1120	82	25.6	-	-	25.6	0.7	0.2	3.4	4.1	8.4	17.2	-	0.2	4.8	-	5.0
SUB	3103	87822	6430	1263.5	-	-	1263.5	37.0	6.4	158.4	160.2	362.0	901.6	-	3.9	66.7	-	70.6
REM	26	1978	165	31.2	-	-	31.2	0.9	0.4	3.8	22.7	27.9	3.3	-	-	10.4	-	10.4
TOT	3129	89800	6595	1294.7	-	-	1294.7	37.9	6.9	162.2	182.9	389.9	904.9	-	3.9	77.1	-	81.0

Year	G&G				Investment Allowance				Annual Allowance				Other Allowance			
	Initial Balance MM\$	Add- ition MM\$	Depn. Rate %	Expense Claim MM\$	Initial Balance MM\$	Add- ition MM\$	Depn. Rate %	Expense Claim MM\$	Initial Balance MM\$	Add- ition MM\$	Depn. Rate %	Expense Claim MM\$	Initial Balance MM\$	Add- ition MM\$	Depn. Rate %	Expense Claim MM\$
2013	-	-	-	-	-	0.3	100.0	0.3	-	5.1	20.2	1.0	-	-	-	-
2014	-	-	-	-	-	1.2	100.0	1.2	4.1	23.8	21.0	5.8	-	-	-	-
2015	-	-	-	-	-	0.3	100.0	0.3	22.1	6.5	25.1	7.2	-	-	-	-
2016	-	-	-	-	-	-	-	-	21.4	-	33.5	7.2	-	-	-	-
2017	-	-	-	-	-	0.2	100.0	0.2	14.2	3.4	44.3	7.8	-	-	-	-
2018	-	-	-	-	-	-	-	-	9.8	-	66.9	6.6	-	-	-	-
2019	-	-	-	-	-	0.2	100.0	0.2	3.2	3.5	39.0	2.6	-	-	-	-
2020	-	-	-	-	-	0.2	100.0	0.2	4.1	3.6	27.4	2.1	-	-	-	-
2021	-	-	-	-	-	-	-	-	5.6	-	37.2	2.1	-	-	-	-
2022	-	-	-	-	-	0.4	100.0	0.4	3.5	7.4	26.8	2.9	-	-	-	-
2023	-	-	-	-	-	0.2	100.0	0.2	8.0	3.8	31.0	3.7	-	-	-	-
2024	-	-	-	-	-	0.2	100.0	0.2	8.1	3.9	31.1	3.7	-	-	-	-
2025	-	-	-	-	-	0.2	100.0	0.2	8.3	3.9	31.5	3.8	-	-	-	-
2026	-	-	-	-	-	0.4	100.0	0.4	8.4	8.0	32.9	5.4	-	-	-	-
2027	-	-	-	-	-	0.2	100.0	0.2	11.0	4.1	31.5	4.8	-	-	-	-
SUB	-	-	-	-	-	3.9	-	3.9	-	77.1	-	66.7	-	-	-	-
REM	-	-	-	-	-	-	-	3.9	-	-	-	10.4	-	-	-	-
TOT	-	-	-	-	-	3.9	-	3.9	-	77.1	-	77.1	-	-	-	-

Year	Education Tax						Petroleum Production Tax						Regime	Cash Flow						
	Cap. Tax		Loss Carry Fwd	Ded. Used	Taxable Income	Tax Rate	Tax Pay-able	Cap. Tax		Loss Carry Fwd	Ded. Used	Taxable Income	Tax Rate	Tax Pay-able	Other Taxes	Total Tax Payable		ATCF	Cum. ATCF @ 10 %	NPV
	Avail.							Avail.								BTCTF				
	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$
2013	-	-	-	3.5	2.0	0.1	1.3	1.0	0.3	3.1	65.8	2.1	-	-	-1.7	2.1	-3.8	-3.8	-3.6	
2014	-	-	-	12.8	2.0	0.3	7.0	5.8	1.2	11.3	65.8	7.4	-	-11.3	7.7	-18.9	-22.7	-18.8		
2015	-	-	-	106.1	2.0	2.1	7.5	-	29.0	75.0	65.8	49.3	6.4	99.5	57.9	41.7	18.9	35.3		
2016	-	-	-	86.4	2.0	1.7	7.2	0.9	27.7	56.9	65.8	37.4	6.4	86.4	45.6	40.8	59.7	31.6		
2017	-	-	-	83.0	2.0	1.7	8.0	1.9	26.4	54.9	65.8	36.1	6.1	79.6	43.9	35.7	95.4	25.1		
2018	-	-	-	76.2	2.0	1.5	6.6	-	26.2	48.5	85.0	41.2	5.9	76.2	48.6	27.6	122.9	17.7		
2019	-	-	-	86.3	2.0	1.7	2.8	-	21.9	62.6	85.0	53.2	5.7	82.7	60.7	22.0	145.0	12.8		
2020	-	-	-	81.7	2.0	1.6	2.3	-	22.3	57.8	85.0	49.2	6.0	78.1	56.8	21.3	166.3	11.2		
2021	-	-	-	71.6	2.0	1.4	2.1	-	22.1	48.1	85.0	40.9	6.0	71.6	48.3	23.3	189.7	11.2		
2022	-	-	-	88.9	2.0	1.8	3.3	-	22.9	64.2	85.0	54.6	5.9	81.3	62.2	19.1	208.8	8.2		
2023	-	-	-	78.0	2.0	1.6	3.9	-	22.4	54.0	85.0	45.9	5.6	74.2	53.1	21.1	229.9	8.3		
2024	-	-	-	45.4	2.0	0.9	3.9	-	16.0	28.5	85.0	24.2	3.6	41.5	28.8	12.7	242.7	4.6		
2025	-	-	-	41.0	2.0	0.8	4.0	-	11.6	28.6	85.0	24.3	2.3	37.0	27.4	9.6	252.3	3.1		
2026	-	-	-	23.5	2.0	0.5	5.8	3.5	6.9	16.1	85.0	13.7	1.4	15.4	15.5	-0.2	252.1	-0.2		
2027	-	-	-	17.2	2.0	0.3	5.0	3.2	4.9	12.0	85.0	10.2	0.9	13.0	11.5	1.6	253.7	0.4		
SUB	-	-	-	901.6	2.0	18.0	70.6	-	261.8	621.7	78.8	489.7	62.3	823.7	570.0	253.7	-	146.9		
REM	-	-	-	14.5	2.0	0.3	10.4	-	4.7	9.5	85.0	8.1	1.7	3.3	10.1	-6.8	-	-1.0		
TOT	-	-	-	916.1	2.0	18.3	81.0	-	266.6	631.2	78.9	497.8	64.0	827.0	580.1	246.9	-	145.9		

NET PRESENT VALUE (MM\$) - AT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%
Before Tax Cash Flow.	827.0	611.8	519.4	468.6	369.5	298.7
Tax Payable	580.1	424.1	358.4	322.6	253.8	205.4
After Tax Cash Flow .	246.9	187.7	161.0	145.9	115.7	93.3



These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.

Table 4A
Summary of Reserves and Net Present Value - Total Company
Total Proved + Probable + Possible
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 28, 14 08:44
Project : 021576

Project : 021576															
Well	Zone	Current Reserve Cat.	Avg. WI %	Light&Med Oil		Heavy Oil		Sales Gas		NGLs		Total BOE		NPV	
				Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	@ 0%	@ 10%
				Mbb1	Mbb1	Mbb1	Mbb1	MMcf	MMcf	Mbb1	Mbb1	Mbb1	Mbb1	MM\$	MM\$
<u>Nigeria</u>															
<u>Delta State</u>															
IGBUKU				1954	1913	-	-	123036	114423	10167	9951	33334	31592	1232.6	564.7
UMUSETI				3286	3216	-	-	17652	16417	1856	1816	8185	7863	375.3	211.4
Total Delta State				5240	5128	-	-	140688	130840	12022	11767	41519	39454	1607.9	776.1
Total Nigeria				5240	5128	-	-	140688	130840	12022	11767	41519	39454	1607.9	776.1
Total Company				5240	5128	-	-	140688	130840	12022	11767	41519	39454	1607.9	776.1

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 4B
Summary of Production and Future Net Revenue - Total Company Light Oil
Total Proved + Probable + Possible
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 28, 14 08:44
Project : 021576

RESERVES AND PRODUCTION FORECAST

Light Oil						
Mbb1						
Year	# of Wells	Price \$/bbl	Pool		Company Share	
			bbl/d	Vol	Gross	Net
2013	2	105.50	2938	179	72	70
2014	2	101.42	1894	691	277	271
2015	5	99.30	4759	1737	695	680
2016	5	101.38	3138	1148	459	450
2017	6	104.12	2817	1028	411	403
2018	5	107.01	2894	1056	423	414
2019	6	110.37	3324	1213	485	475
2020	5	112.67	2638	966	386	378
2021	4	115.01	1612	588	235	230
2022	4	117.40	2993	1093	437	428
2023	4	119.84	2463	899	360	352
2024	4	122.32	1465	536	215	210
2025	5	124.86	1958	714	286	280
2026	4	127.44	1143	417	167	163
2027	5	130.08	861	314	126	123
SUB				12582	5033	4926
REM				518	207	203
TOT				13100	5240	5128

COMPANY SHARE FUTURE NET REVENUE

	Working Interest		Royalty Revenue	COMPANY SHARE FUTURE NET REVENUE						FR After Roy. & Oper. Costs	Net Back	Proc & Other Income	Capital Costs	Aband Costs	Future	
	Future Revenue (FR)			Royalties		Operating Costs			Net						Undisc	10.0%
Year	Oil MM\$	Total MM\$	MM\$	Total MM\$	%	Fixed MM\$	Var MM\$	\$/bbl	MM\$	\$/bbl	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$
2013	7.6	7.6	-	1.5	19.3	0.2	0.3	6.85	5.6	78.30	-	5.2	-	-	0.4	0.4
2014	28.0	28.0	-	5.6	19.8	1.5	1.0	8.80	20.1	72.54	-	24.0	-	-	-4.0	-4.8
2015	69.0	69.0	-	12.1	17.6	1.5	3.6	7.29	51.8	74.56	-	6.5	-	-	45.3	38.4
2016	46.6	46.6	-	8.0	17.3	1.5	2.4	8.56	34.6	75.30	-	-	-	-	34.6	26.8
2017	42.8	42.8	-	7.5	17.5	1.5	2.2	9.13	31.6	76.75	-	3.4	-	-	28.2	19.8
2018	45.2	45.2	-	7.8	17.3	1.6	2.3	9.21	33.5	79.31	-	-	-	-	33.5	21.5
2019	53.6	53.6	-	9.4	17.5	1.6	2.4	8.21	40.2	82.90	-	3.5	-	-	36.7	21.3
2020	43.5	43.5	-	7.6	17.5	1.6	1.9	9.13	32.4	83.82	-	3.6	-	-	28.8	15.2
2021	27.1	27.1	-	4.7	17.3	1.7	1.2	12.20	19.5	82.96	-	-	-	-	19.5	9.4
2022	51.3	51.3	-	9.1	17.7	1.7	2.1	8.62	38.5	88.02	-	7.5	-	-	31.0	13.4
2023	43.1	43.1	-	7.4	17.2	1.7	1.7	9.64	32.2	89.54	-	-	-	-	32.2	12.8
2024	26.2	26.2	-	4.6	17.7	1.8	1.1	13.29	18.7	87.38	-	3.9	-	-	14.8	5.3
2025	35.7	35.7	-	6.4	17.9	1.8	1.4	11.25	26.1	91.24	-	8.0	-	-	18.1	5.8
2026	21.3	21.3	-	3.7	17.2	1.8	0.9	16.19	14.9	89.27	-	-	-	-	14.9	4.5
2027	16.3	16.3	-	2.9	18.0	1.9	0.7	20.45	10.8	86.20	-	4.1	-	-	6.7	1.8
SUB	557.3	557.3	-	98.3	17.6	23.5	25.0	9.64	410.5	81.57	-	69.9	-	-	340.6	191.5
REM	27.7	27.7	-	5.4	19.5	16.5	1.3	85.73	4.6	22.08	-	8.7	12.1	-	-16.3	-1.5
TOT	585.1	585.1	-	103.7	17.7	40.0	26.3	12.65	415.1	79.21	-	78.6	12.1	-	324.3	190.0

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	415.1	311.6	267.6	243.6	197.3	164.4	140.4
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	78.6	61.7	55.3	52.0	46.1	42.2	39.5
Abandonment Costs . .	12.1	4.3	2.4	1.6	0.6	0.3	0.1
Future Net Revenue . .	324.3	245.6	209.9	190.0	150.6	122.0	100.8

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 4C
Summary of Production and Future Net Revenue - Total Company Non-Associated Sales Gas
Total Proved + Probable + Possible
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 28, 14 08:44
Project : 021576

RESERVES AND PRODUCTION FORECAST

Non-Associated Sales Gas						
MMcf						
Year	# of Wells	Price	Pool		Company Share	
		\$/Mcf	Mcf/d	Vol	Gross	Net
2015	4	1.96	76933	28080	11232	10446
2016	4	2.22	69679	25502	10201	9487
2017	4	2.27	62915	22964	9186	8543
2018	3	2.32	58529	21363	8545	7947
2019	3	2.37	56011	20444	8178	7605
2020	4	2.42	54866	20081	8032	7470
2021	4	2.46	58385	21310	8524	7927
2022	4	2.51	55515	20263	8105	7538
2023	3	2.57	53209	19421	7768	7225
2024	4	2.61	54698	20019	8008	7447
2025	5	2.67	56751	20714	8286	7706
2026	4	2.72	55048	20092	8037	7474
2027	4	2.78	53177	19410	7764	7220
2028	4	2.83	51699	18922	7569	7039
2029	3	2.89	43344	15821	6328	5885
SUB				314407	125763	116960
REM				24930	9972	9274
TOT				339337	135735	126234

COMPANY SHARE FUTURE NET REVENUE

	Working Interest		Royalty Revenue	COMPANY SHARE FUTURE NET REVENUE					FR After Roy. & Oper. Costs	Net Back \$/Mcf	Proc & Other Income	Capital Costs	Aband Costs	Future	
	Future Revenue (FR)			Royalties		Operating Costs								Net Revenue	
Year	Gas MMS	Total MMS	MMS	Total MMS	%	Fixed MMS	Var MMS	\$/Mcf	MMS	MMS	MMS	MMS	MMS	Undisc MMS	10.0% MMS
2015	22.0	22.0	-	17.8	80.8	-	15.4	1.37	-11.2	-	-	-	-	-11.2	-9.5
2016	22.6	22.6	-	16.3	72.1	-	14.2	1.39	-7.9	-	-	-	-	-7.9	-6.1
2017	20.9	20.9	-	14.8	70.8	-	13.0	1.41	-6.9	-	-	-	-	-6.9	-4.8
2018	19.8	19.8	-	13.9	70.0	-	12.2	1.43	-6.3	-	-	-	-	-6.3	-4.0
2019	19.4	19.4	-	13.5	69.8	-	11.9	1.46	-6.1	-	-	-	-	-6.1	-3.5
2020	19.4	19.4	-	13.5	69.5	-	11.9	1.48	-6.0	-	-	-	-	-6.0	-3.2
2021	21.0	21.0	-	14.9	71.0	-	13.0	1.52	-6.9	-	-	-	-	-6.9	-3.3
2022	20.3	20.3	-	14.3	70.1	-	12.5	1.55	-6.5	-	-	-	-	-6.5	-2.8
2023	20.0	20.0	-	13.8	69.1	-	12.2	1.57	-6.1	-	-	-	-	-6.1	-2.4
2024	20.9	20.9	-	14.6	70.1	-	12.9	1.61	-6.6	-	-	-	-	-6.6	-2.4
2025	22.1	22.1	-	15.6	70.7	-	13.6	1.64	-7.1	-	-	-	-	-7.1	-2.3
2026	21.9	21.9	-	15.3	70.1	-	13.5	1.67	-6.9	-	-	-	-	-6.9	-2.1
2027	21.6	21.6	-	15.0	69.5	-	13.2	1.70	-6.6	-	-	-	-	-6.6	-1.8
2028	21.4	21.4	-	14.8	69.0	-	13.1	1.73	-6.5	-	-	-	-	-6.5	-1.6
2029	18.3	18.3	-	12.7	69.6	-	11.2	1.77	-5.7	-	-	-	-	-5.7	-1.3
SUB	311.6	311.6	-	220.9	70.9	-	193.9	1.54	-103.1	-0.82	-	-	-	-103.1	-51.2
REM	30.2	30.2	-	21.9	72.6	-	18.7	1.88	-10.4	-1.05	-	-	-	-10.4	-1.9
TOT	341.8	341.8	-	242.8	71.0	-	212.6	1.57	-113.5	-0.84	-	-	-	-113.5	-53.1

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	-113.5	-74.9	-60.5	-53.1	-40.0	-31.5	-25.7
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	-	-	-	-	-	-	-
Abandonment Costs . .	-	-	-	-	-	-	-
Future Net Revenue . .	-113.5	-74.9	-60.5	-53.1	-40.0	-31.5	-25.7

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 4D
Summary of Production and Future Net Revenue - Total Company Solution Gas
Total Proved + Probable + Possible
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 28, 14 08:45
Project : 021576

RESERVES AND PRODUCTION FORECAST

Year	# of Wells	Solution Gas				
		MMcf				
		Price	Pool		Company Share	
		\$/Mcf	Mcf/d	Vol	Gross	Net
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	1.96	-	2610	1044	971
2016	-	2.22	-	1731	692	644
2017	-	2.27	-	1551	620	577
2018	-	2.32	-	1594	638	593
2019	-	2.37	-	1076	431	400
2020	-	2.42	-	762	305	283
2021	-	2.46	-	524	210	195
2022	-	2.51	-	526	210	196
2023	-	2.57	-	426	170	158
2024	-	2.61	-	309	124	115
2025	-	2.67	-	296	118	110
2026	-	2.72	-	210	84	78
2027	-	2.78	-	215	86	80
SUB				11830	4732	4401
REM				552	221	205
TOT				12382	4953	4606

COMPANY SHARE FUTURE NET REVENUE

Year	Working Interest Future Revenue (FR)		Royalty Revenue	Royalties		Operating Costs			FR After Roy. & Oper. Costs	Net Back	Proc & Other Income	Capital Costs	Aband Costs	Future Net Revenue	
	Gas MM\$	Total MM\$	MM\$	Total MM\$	%	Fixed MM\$	Var MM\$	\$/Mcf	MM\$	\$/Mcf	MM\$	MM\$	MM\$	Undisc MM\$	10.0% MM\$
2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	2.0	2.0	-	0.1	7.0	-	-	-	1.9	1.82	-	-	-	1.9	1.6
2016	1.5	1.5	-	0.1	7.0	-	-	-	1.4	2.07	-	-	-	1.4	1.1
2017	1.4	1.4	-	0.1	7.0	-	-	-	1.3	2.11	-	-	-	1.3	0.9
2018	1.5	1.5	-	0.1	7.0	-	-	-	1.4	2.16	-	-	-	1.4	0.9
2019	1.0	1.0	-	0.1	7.0	-	-	-	0.9	2.20	-	-	-	0.9	0.6
2020	0.7	0.7	-	0.1	7.0	-	-	-	0.7	2.25	-	-	-	0.7	0.4
2021	0.5	0.5	-	0.0	7.0	-	-	-	0.5	2.29	-	-	-	0.5	0.2
2022	0.5	0.5	-	0.0	7.0	-	-	-	0.5	2.33	-	-	-	0.5	0.2
2023	0.4	0.4	-	0.0	7.0	-	-	-	0.4	2.39	-	-	-	0.4	0.2
2024	0.3	0.3	-	0.0	7.0	-	-	-	0.3	2.43	-	-	-	0.3	0.1
2025	0.3	0.3	-	0.0	7.0	-	-	-	0.3	2.48	-	-	-	0.3	0.1
2026	0.2	0.2	-	0.0	7.0	-	-	-	0.2	2.53	-	-	-	0.2	0.1
2027	0.2	0.2	-	0.0	7.0	-	-	-	0.2	2.58	-	-	-	0.2	0.1
SUB	10.8	10.8	-	0.8	7.0	-	-	-	10.1	2.13	-	-	-	10.1	6.4
REM	0.6	0.6	-	0.0	7.0	-	-	-	0.6	2.67	-	-	-	0.6	0.1
TOT	11.5	11.5	-	0.8	7.0	-	-	-	10.6	2.15	-	-	-	10.6	6.5

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	10.6	8.2	7.1	6.5	5.4	4.5	3.9
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	-	-	-	-	-	-	-
Abandonment Costs . .	-	-	-	-	-	-	-
Future Net Revenue . .	10.6	8.2	7.1	6.5	5.4	4.5	3.9

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 4E
Summary of Production and Future Net Revenue - Total Company Condensate
Total Proved + Probable + Possible
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 28, 14 08:45
Project : 021576

RESERVES AND PRODUCTION FORECAST

Year	# of Wells	Condensate				
		Mbb1				
		Price	Pool		Company Share	
		\$/bbl	bbl/d	Vol	Gross	Net
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	99.30	-	2648	1059	1037
2016	-	101.38	-	2354	942	922
2017	-	104.12	-	2068	827	810
2018	-	107.01	-	1887	755	739
2019	-	110.37	-	1784	714	698
2020	-	112.67	-	1743	697	682
2021	-	115.01	-	1888	755	739
2022	-	117.40	-	1769	708	693
2023	-	119.84	-	1674	670	655
2024	-	122.32	-	1743	697	683
2025	-	124.86	-	1825	730	715
2026	-	127.44	-	1754	702	687
2027	-	130.08	-	1677	671	656
SUB				24814	9926	9715
REM				5242	2097	2052
TOT				30056	12022	11767

COMPANY SHARE FUTURE NET REVENUE

Year	Working Interest		Royalty Revenue	Royalties			Operating Costs			FR After Roy. & Oper. Costs	Net Back	Proc & Other Income	Capital Costs	Aband Costs	Future Net Revenue	
	Condensate	Total		Total	%	Fixed	Var								Undisc	10.0%
	MM\$	MM\$	MM\$	MM\$		MM\$	MM\$	\$/bbl		MM\$	\$/bbl	MM\$	MM\$	MM\$	MM\$	MM\$
2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	105.2	105.2	-	2.2	2.1	-	-	-	-	102.9	97.19	-	-	-	102.9	87.8
2016	95.5	95.5	-	2.0	2.1	-	-	-	-	93.4	99.23	-	-	-	93.4	72.5
2017	86.1	86.1	-	1.8	2.1	-	-	-	-	84.3	101.91	-	-	-	84.3	59.4
2018	80.8	80.8	-	1.7	2.1	-	-	-	-	79.1	104.74	-	-	-	79.1	50.7
2019	78.8	78.8	-	1.7	2.1	-	-	-	-	77.1	108.02	-	-	-	77.1	44.9
2020	78.6	78.6	-	1.7	2.1	-	-	-	-	76.9	110.28	-	-	-	76.9	40.7
2021	86.9	86.9	-	1.8	2.1	-	-	-	-	85.0	112.57	-	-	-	85.0	40.9
2022	83.1	83.1	-	1.8	2.1	-	-	-	-	81.3	114.91	-	-	-	81.3	35.6
2023	80.2	80.2	-	1.7	2.1	-	-	-	-	78.5	117.29	-	-	-	78.5	31.3
2024	85.3	85.3	-	1.8	2.1	-	-	-	-	83.5	119.72	-	-	-	83.5	30.2
2025	91.2	91.2	-	1.9	2.1	-	-	-	-	89.2	122.20	-	-	-	89.2	29.3
2026	89.4	89.4	-	1.9	2.1	-	-	-	-	87.5	124.74	-	-	-	87.5	26.2
2027	87.2	87.2	-	1.9	2.1	-	-	-	-	85.4	127.32	-	-	-	85.4	23.2
SUB	1128.1	1128.1	-	24.0	2.1	-	-	-	-	1104.2	111.24	-	-	-	1104.2	572.9
REM	288.4	288.4	-	6.1	2.1	-	-	-	-	282.3	134.62	-	-	-	282.3	59.8
TOT	1416.5	1416.5	-	30.1	2.1	-	-	-	-	1386.4	115.32	-	-	-	1386.4	632.7

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper .	1386.4	903.4	723.9	632.7	469.8	365.4	294.7
Proc & Other Income .	-	-	-	-	-	-	-
Capital Costs	-	-	-	-	-	-	-
Abandonment Costs . .	-	-	-	-	-	-	-
Future Net Revenue . .	1386.4	903.4	723.9	632.7	469.8	365.4	294.7

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 4F
Summary of Production and Future Net Revenue - Total Company
Total Proved + Probable + Possible
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Avg. WI : 40.00%
 Avg. Roy : 2.86%
 Avg. Prod. Taxes : 13.17%

Value Navigator 6.1.4.53
 Run Date : Jan 28, 14 08:45
 Project : 021576

RESERVES AND PRODUCTION FORECAST

Light&Med Oil							Heavy Oil							Sales Gas						
Mbbbl							Mbbbl							MMcf						
Year	# of Wells	Price \$/bbl	Pool bbl/d	Vol	Company Gross	Share Net	Price \$/bbl	Pool bbl/d	Vol	Company Gross	Share Net	Price \$/Mcf	Pool Mcf/d	Vol	Company Gross	Share Net				
2013	2	105.50	2938	179	72	70	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014	2	101.42	1894	691	277	271	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	9	99.30	4759	1737	695	680	-	-	-	-	-	1.96	84084	30691	12276	11417	-	-	-	-
2016	9	101.38	3138	1148	459	450	-	-	-	-	-	2.22	74409	27234	10893	10131	-	-	-	-
2017	10	104.12	2817	1028	411	403	-	-	-	-	-	2.27	67164	24515	9806	9120	-	-	-	-
2018	8	107.01	2894	1056	423	414	-	-	-	-	-	2.32	62897	22958	9183	8540	-	-	-	-
2019	9	110.37	3324	1213	485	475	-	-	-	-	-	2.37	58960	21520	8608	8006	-	-	-	-
2020	9	112.67	2638	966	386	378	-	-	-	-	-	2.42	56947	20843	8337	7753	-	-	-	-
2021	8	115.01	1612	588	235	230	-	-	-	-	-	2.46	59821	21835	8734	8122	-	-	-	-
2022	8	117.40	2993	1093	437	428	-	-	-	-	-	2.51	56955	20789	8315	7733	-	-	-	-
2023	7	119.84	2463	899	360	352	-	-	-	-	-	2.57	54375	19847	7939	7383	-	-	-	-
2024	8	122.32	1465	536	215	210	-	-	-	-	-	2.61	55543	20329	8131	7562	-	-	-	-
2025	10	124.86	1958	714	286	280	-	-	-	-	-	2.67	57561	21010	8404	7816	-	-	-	-
2026	8	127.44	1143	417	167	163	-	-	-	-	-	2.72	55622	20302	8121	7552	-	-	-	-
2027	9	130.08	861	314	126	123	-	-	-	-	-	2.78	53765	19624	7850	7300	-	-	-	-
SUB					12582	5033									291495	116598	108436			
REM					518	207									60225	24090	22404			
TOT					13100	5240									351719	140688	130840			

Condensate				Butane				Propane				Ethane				Sulphur			
Mbbbl				Mbbbl				Mbbbl				Mbbbl				LT			
Year	Price \$/bbl	Company Gross	Share Net	Price \$/bbl	Company Gross	Share Net	Price \$/bbl	Company Gross	Share Net	Price \$/bbl	Company Gross	Share Net	Price \$/bbl	Company Gross	Share Net	Price \$/LT	Company Gross	Share Net	Price \$/LT
2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	99.30	1059	1037	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2016	101.38	942	922	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2017	104.12	827	810	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2018	107.01	755	739	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2019	110.37	714	698	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020	112.67	697	682	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021	115.01	755	739	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2022	117.40	708	693	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2023	119.84	670	655	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2024	122.32	697	683	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2025	124.86	730	715	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2026	127.44	702	687	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2027	130.08	671	656	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUB		9926	9715	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REM		2097	2052	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOT		12022	11767	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

COMPANY SHARE FUTURE NET REVENUE

Year	Working Interest				Royalty Revenue	Royalties				Prod. Taxes		Oper Costs		FR After		Proc & Other Income	Cap'l Costs	Aband Costs	Future	
	Future Revenue (FR)											Roy. & Oper.		Net					Net Revenue	
	Oil	Gas	NGLs	Total		State	Other	Losses	Levy	Fixed	Var	Costs	Back	Costs	Net				Undisc	10.0%
	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	
2013	7.6	-	-	7.6	-	0.2	-	1.1	0.2	0.2	0.3	5.6	78.30	-	5.2	-	0.4	0.4		
2014	28.0	-	-	28.0	-	0.6	-	4.2	0.8	1.5	1.0	20.1	72.54	-	24.0	-	-4.0	-4.8		
2015	69.0	24.1	105.2	198.2	-	5.4	-	26.1	0.8	1.5	19.0	145.5	37.59	-	6.5	-	138.9	118.3		
2016	46.6	24.2	95.5	166.2	-	4.7	-	21.3	0.5	1.5	16.6	121.6	37.08	-	-	-	121.6	94.3		
2017	42.8	22.3	86.1	151.2	-	4.3	-	19.3	0.6	1.5	15.2	110.3	37.65	-	3.4	-	106.9	75.3		
2018	45.2	21.3	80.8	147.3	-	4.2	-	18.9	0.4	1.6	14.6	107.7	39.00	-	-	-	107.7	69.0		
2019	53.6	20.4	78.8	152.7	-	4.2	-	19.8	0.5	1.6	14.3	112.2	41.82	-	3.5	-	108.7	63.2		
2020	43.5	20.2	78.6	142.2	-	4.0	-	18.3	0.5	1.6	13.8	104.0	41.24	-	3.6	-	100.4	53.1		
2021	27.1	21.5	86.9	135.4	-	3.9	-	17.1	0.4	1.7	14.2	98.1	39.31	-	-	-	98.1	47.3		
2022	51.3	20.9	83.1	155.3	-	4.3	-	20.2	0.7	1.7	14.6	113.8	44.15	-	7.5	-	106.3	46.4		
2023	43.1	20.4	80.2	143.7	-	4.0	-	18.5	0.4	1.7	13.9	105.1	43.83	-	-	-	105.1	41.8		
2024	26.2	21.2	85.3	132.8	-	3.9	-	16.7	0.5	1.8	14.0	95.9	41.45	-	3.9	-	92.0	33.2		
2025	35.7	22.4	91.2	149.3	-	4.3	-	19.0	0.7	1.8	15.0	108.5	44.00	-	8.0	-	100.5	32.9		
2026	21.3	22.1	89.4	132.8	-	3.9	-	16.6	0.4	1.8	14.3	95.7	42.19	-	-	-	95.7	28.6		
2027	16.3	21.8	87.2	125.4	-	3.7	-	15.5	0.5	1.9	13.9	89.8	41.77	-	4.1	-	85.6	23.2		
SUB	557.3	282.7	1128.1	1968.2	-	55.6	-	252.8	7.9	23.5	194.6	1433.8	40.90	-	69.9	-	1363.9	722.4		
REM	27.7	70.5	288.4	386.7	-	11.7	-	47.4	2.0	16.5	44.3	264.9	41.00	-	8.7	12.1	244.0	53.7		
TOT	585.1	353.3	1416.5	2354.9	-	67.3	-	300.2	9.9	40.0	238.9	1698.6	40.90	-	78.6	12.1	1607.9	776.1		

NET PRESENT VALUE (MM\$) - BT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%	25.0%
FR After Roy & Oper	1698.6	1148.3	938.2	829.7	632.4	502.8	413.3
Proc & Other Income	-	-	-	-	-	-	-
Capital Costs	78.6	61.7	55.3	52.0	46.1	42.2	39.5
Abandonment Costs	12.1	4.3	2.4	1.6	0.6	0.3	0.1
Future Net Revenue	1607.9	1082.3	880.5	776.1	585.7	460.4	373.7

PROFITABILITY BT

Rate of Return (%)	466.142
Profit Index (undisc)	20.462
(disc @ 10.0%)	14.919
Total Payout (years)	1.53
Cost of Finding (\$/BOE)	1.93
NPV @ 10% (\$/BOE)	19.06



These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.

Table 4G
Income Tax Summary - Total Company
Total Proved + Probable + Possible
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Jan 28, 14 08:46
Project : 021576

Year	Gross Reserves			Revenue				Burdens & Expenses					Taxable	Capital Deductions				
	Oil Mbb1	Gas MMcf	NGLs Mbb1	WI MM\$	Roy. MM\$	Other MM\$	Total MM\$	Burdens MM\$	NDDC MM\$	Pipe Losses MM\$	Op. Costs,		Ded. MM\$	G&G MM\$	I.A. MM\$	Annu. MM\$	Other MM\$	Cap. Ded. MM\$
											Aband&	Total						
											Salv. MM\$	MM\$						
2013	72	-	-	7.6	-	-	7.6	0.2	0.2	1.1	0.5	1.9	5.6	-	0.3	1.0	-	1.3
2014	277	-	-	28.0	-	-	28.0	0.6	0.8	4.2	2.4	8.0	20.1	-	1.2	5.8	-	7.0
2015	695	12276	1059	198.2	-	-	198.2	5.4	0.8	26.1	20.5	52.7	145.5	-	0.3	7.2	-	7.5
2016	459	10893	942	166.2	-	-	166.2	4.7	0.5	21.3	18.1	44.6	121.6	-	-	7.2	-	7.2
2017	411	9806	827	151.2	-	-	151.2	4.3	0.6	19.3	16.7	40.9	110.3	-	0.2	7.8	-	8.0
2018	423	9183	755	147.3	-	-	147.3	4.2	0.4	18.9	16.1	39.6	107.7	-	-	6.6	-	6.6
2019	485	8608	714	152.7	-	-	152.7	4.2	0.5	19.8	15.9	40.5	112.2	-	0.2	2.6	-	2.8
2020	386	8337	697	142.2	-	-	142.2	4.0	0.5	18.3	15.4	38.3	104.0	-	0.2	2.1	-	2.3
2021	235	8734	755	135.4	-	-	135.4	3.9	0.4	17.1	15.8	37.3	98.1	-	-	2.1	-	2.1
2022	437	8315	708	155.3	-	-	155.3	4.3	0.7	20.2	16.3	41.4	113.8	-	0.4	2.9	-	3.3
2023	360	7939	670	143.7	-	-	143.7	4.0	0.4	18.5	15.7	38.7	105.1	-	-	2.9	-	2.9
2024	215	8131	697	132.8	-	-	132.8	3.9	0.5	16.7	15.7	36.8	95.9	-	0.2	3.0	-	3.2
2025	286	8404	730	149.3	-	-	149.3	4.3	0.7	19.0	16.8	40.8	108.5	-	0.4	3.9	-	4.3
2026	167	8121	702	132.8	-	-	132.8	3.9	0.4	16.6	16.2	37.1	95.7	-	-	3.8	-	3.8
2027	126	7850	671	125.4	-	-	125.4	3.7	0.5	15.5	15.8	35.6	89.8	-	0.2	3.2	-	3.4
SUB	5033	116598	9926	1968.2	-	-	1968.2	55.6	7.9	252.8	218.0	534.4	1433.8	-	3.5	62.0	-	65.5
REM	207	24090	2097	386.7	-	-	386.7	11.7	2.0	47.4	72.9	134.0	252.7	-	0.4	15.8	-	16.2
TOT	5240	140688	12022	2354.9	-	-	2354.9	67.3	9.9	300.2	291.0	668.4	1686.5	-	3.9	77.8	-	81.7

Year	G&G				Investment Allowance				Annual Allowance				Other Allowance			
	Initial Balance	Add-ition	Depn. Rate	Expense Claim	Initial Balance	Add-ition	Depn. Rate	Expense Claim	Initial Balance	Add-ition	Depn. Rate	Expense Claim	Initial Balance	Add-ition	Depn. Rate	Expense Claim
	MM\$	MM\$	%	MM\$	MM\$	MM\$	%	MM\$	MM\$	MM\$	%	MM\$	MM\$	MM\$	%	MM\$
2013	-	-	-	-	-	0.3	100.0	0.3	-	5.1	20.2	1.0	-	-	-	-
2014	-	-	-	-	-	1.2	100.0	1.2	4.1	23.8	21.0	5.8	-	-	-	-
2015	-	-	-	-	-	0.3	100.0	0.3	22.1	6.5	25.1	7.2	-	-	-	-
2016	-	-	-	-	-	-	-	-	21.4	-	33.5	7.2	-	-	-	-
2017	-	-	-	-	-	0.2	100.0	0.2	14.2	3.4	44.3	7.8	-	-	-	-
2018	-	-	-	-	-	-	-	-	9.8	-	66.9	6.6	-	-	-	-
2019	-	-	-	-	-	0.2	100.0	0.2	3.2	3.5	39.0	2.6	-	-	-	-
2020	-	-	-	-	-	0.2	100.0	0.2	4.1	3.6	27.4	2.1	-	-	-	-
2021	-	-	-	-	-	-	-	-	5.6	-	37.2	2.1	-	-	-	-
2022	-	-	-	-	-	0.4	100.0	0.4	3.5	7.4	26.8	2.9	-	-	-	-
2023	-	-	-	-	-	-	-	-	8.0	-	36.1	2.9	-	-	-	-
2024	-	-	-	-	-	0.2	100.0	0.2	5.1	3.9	33.0	3.0	-	-	-	-
2025	-	-	-	-	-	0.4	100.0	0.4	6.0	7.9	27.9	3.9	-	-	-	-
2026	-	-	-	-	-	-	-	-	10.0	-	37.9	3.8	-	-	-	-
2027	-	-	-	-	-	0.2	100.0	0.2	6.2	4.1	31.0	3.2	-	-	-	-
SUB	-	-	-	-	-	3.5	-	3.9	-	69.2	-	62.0	-	-	-	-
REM	-	-	-	-	-	0.4	-	3.9	-	8.6	-	15.8	-	-	-	-
TOT	-	-	-	-	-	3.9	-	3.9	-	77.8	-	77.8	-	-	-	-

Year	Education Tax						Petroleum Production Tax						Regime	Cash Flow						
	Cap. Tax		Loss Carry Fwd	Ded. Used	Taxable Income	Tax Rate	Tax Pay-able	Cap. Tax		Loss Carry Fwd	Ded. Used	Taxable Income	Tax Rate	Tax Pay-able	Other Taxes	Total Tax Payable		ATCF	Cum. ATCF @ 10 %	NPV
	Avail.							Avail.								Avail.				
	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$
2013	-	-	-	5.6	2.0	0.1	1.3	0.8	0.5	5.0	65.8	3.3	-	-	0.4	3.4	-3.0	-3.0	-2.7	
2014	-	-	-	20.1	2.0	0.4	7.0	5.1	1.9	17.7	65.8	11.6	-	-	-4.0	12.1	-16.0	-19.0	-16.1	
2015	-	-	-	145.5	2.0	2.9	7.5	-	31.5	111.0	65.8	73.0	7.2	138.9	83.1	55.8	36.8	47.4		
2016	-	-	-	121.6	2.0	2.4	7.2	-	31.3	87.8	65.8	57.7	7.3	121.6	67.4	54.2	91.0	42.0		
2017	-	-	-	110.3	2.0	2.2	8.0	-	30.2	77.9	65.8	51.2	6.7	106.9	60.1	46.8	137.8	32.9		
2018	-	-	-	107.7	2.0	2.2	6.6	-	27.9	77.6	85.0	66.0	6.4	107.7	74.5	33.1	170.9	21.2		
2019	-	-	-	112.2	2.0	2.2	2.8	-	23.2	86.8	85.0	73.7	6.1	108.7	82.1	26.6	197.5	15.4		
2020	-	-	-	104.0	2.0	2.1	2.3	-	22.5	79.4	85.0	67.5	6.1	100.4	75.6	24.7	222.2	13.0		
2021	-	-	-	98.1	2.0	2.0	2.1	-	23.6	72.6	85.0	61.7	6.4	98.1	70.1	28.0	250.2	13.5		
2022	-	-	-	113.8	2.0	2.3	3.3	-	24.2	87.4	85.0	74.3	6.3	106.3	82.8	23.5	273.7	10.2		
2023	-	-	-	105.1	2.0	2.1	2.9	-	23.3	79.7	85.0	67.7	6.1	105.1	76.0	29.1	302.8	11.6		
2024	-	-	-	95.9	2.0	1.9	3.2	-	24.4	69.6	85.0	59.2	6.4	92.0	67.5	24.6	327.4	8.8		
2025	-	-	-	108.5	2.0	2.2	4.3	-	26.7	79.6	85.0	67.6	6.7	100.5	76.5	23.9	351.3	7.8		
2026	-	-	-	95.7	2.0	1.9	3.8	-	25.9	67.9	85.0	57.7	6.6	95.7	66.2	29.5	380.8	8.8		
2027	-	-	-	89.8	2.0	1.8	3.4	-	25.2	62.8	85.0	53.4	6.5	85.6	61.7	23.9	404.7	6.5		
SUB	-	-	-	1433.8	2.0	28.7	65.5	-	342.4	1062.7	79.6	845.7	84.8	1363.9	959.2	404.7	-	220.3		
REM	-	-	-	264.9	2.0	5.3	16.2	-	84.9	174.7	85.0	148.5	21.2	244.0	174.9	69.1	-	15.7		
TOT	-	-	-	1698.6	2.0	34.0	81.7	-	427.3	1237.4	80.3	994.1	106.0	1607.9	1134.1	473.8	-	236.0		

NET PRESENT VALUE (MM\$) - AT

Discount Rate	0.0%	5.0%	8.0%	10.0%	15.0%	20.0%
Before Tax Cash Flow.	1607.9	1082.3	880.5	776.1	585.7	460.4
Tax Payable	1134.1	757.8	614.1	540.1	405.8	318.1
After Tax Cash Flow .	473.8	324.5	266.4	236.0	179.9	142.3



These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.

(This page has been left blank intentionally.)

PART XX
COMPETENT PERSON'S REPORT ON OML 53

DEGOLYER AND MACNAUGHTON CANADA LIMITED
311 SIXTH AVENUE S.W., SUITE 1430
INTACT PLACE, EAST TOWER
CALGARY, ALBERTA, CANADA, T2P 3H2

COMPETENT PERSON'S REPORT
as of
OCTOBER 31, 2013
on
CERTAIN PROPERTIES
owned by
CHEVRON NIGERIA LIMITED
prepared for
SEPLAT PETROLEUM DEVELOPMENT COMPANY PLC
in
OML-53, NIGERIA

TABLE OF CONTENTS

	<u>PAGE</u>
EXECUTIVE SUMMARY	4
DEFINITION of CONTINGENT RESOURCES.....	9
FIELD SUMMARIES	11
Regional Geology	11
Reservoir Geology.....	11
Production Performance.....	13
Seplat Five-Year Development Plan	15
Gas Strategy	16
Facilities Infrastructure.....	16
Status.....	17
Cost Assumptions.....	18
Contingent Resources.....	20
OML-53	20
Estimation of Contingent Resources.....	24
SUMMARY AND CONCLUSIONS	28
Professional Qualifications	30
CERTIFICATE of QUALIFICATION	
TABLES	
Table 1 – Seplat – Planned Working Interest Summary	
Table 2 – Contingent Resource Fields Evaluated	
Table 3 – Gross Contingent Resources	
Table 4 – Gross Contingent Resources – Oil Equivalent	
Table 5 – Working-Interest Contingent Resources	
Table 6 – Working-Interest Contingent Resources – Oil Equivalent	
Table 7 – Five Year Development Plan – Contingent Resources	
Table 8 – Gross Contingent Resources	
Table 9 – Gross Contingent Resources – Oil Equivalent	
Table 10 – Working-Interest Contingent Resources	
Table 11 – Working-Interest Contingent Resources – Oil Equivalent	
Table 12 – Working-Interest Contingent Resource Summary	
FIGURES	
Figure 1 – Property Index Map – Seplat Contingent Resource Fields, Nigeria	
Figure 2 – Stratigraphic Column Illustrating the Three Major Formations of the Niger Delta	
Figure 3 – Example of Niger Delta Oil Fields Structures and Associated Trap Types	
Figure 4 – OML-53 Oil Profile	
Figure 5 – OML-53 Gas Profile	
APPENDIX	
TABLES	
Table A – Seplat’s Working Interest Contingent Resource Production Forecast – Total Company	
Table B – Seplat’s Working Interest Contingent Resource Cost Forecast – Total Company	

TABLE OF CONTENTS (*continued*)

TABLES (*continued*)

CORPORATE SUMMARIES – FORECAST PRICE CASE

CONTINGENT RESOURCES BASE CASE

1C Contingent Resources

Table 1A –Summary of Resources– Total Company

Table 1B –Summary of Production and Future Costs – Total Company

2C Contingent Resources

Table 2A –Summary of Resources– Total Company

Table 2B –Summary of Production and Future Costs– Total Company

3C Contingent Resources

Table 3A –Summary of Resources– Total Company

Table 3B –Summary of Production and Future Costs – Total Company

PROPERTIES EVALUATED

NIGERIA

Apani

Jisike

Ohaji South

Omerelu

DEGOLYER AND MACNAUGHTON CANADA LIMITED
311 SIXTH AVENUE S.W., SUITE 1430
INTACT PLACE, EAST TOWER
CALGARY, ALBERTA, CANADA, T2P 3H2

February 27, 2014

Seplat Petroleum Development Company Plc
25a, Lugard Avenue, Ikoyi
Lagos, Nigeria

Dear Sir/Madam:

Pursuant to your request, we have prepared an appraisal of the estimates as of October 31, 2013, of the extent of certain 1C (Low), 2C (Best), and 3C (High) oil and natural gas contingent resources, their respective volumes within the oil mining lease (OML) concession (OML-53), located in the Niger Delta region of Nigeria, in which Seplat Petroleum Development Company Plc (Seplat) has represented that it has agreed to acquire an interest in the OML and has interest in becoming the operator. This acquisition requires approval by the Minister of Petroleum Resources in Nigeria. It is also the subject of legal proceedings initiated in Nigeria against Chevron Nigeria Limited (CNL) by an unsuccessful bidder for CNL's 40-percent interest in OML-53.

Due to the ongoing litigation, Seplat has only been able to obtain and make available to DeGolyer and MacNaughton Canada Limited (DMCL) a limited dataset. Contingent resources estimates presented in this report may change as further information becomes available. Due to the contingencies associated with the litigation, DMCL is unable to classify any of the volumes associated with the acquisition as reserves.

Estimates of contingent resources have been prepared according to the Petroleum Resources Management System (PRMS) approved in March 2007 by the Society of Petroleum Engineers, the World Petroleum Council, the American Association of Petroleum Geologists, and the Society of Petroleum Evaluation Engineers.

This Competent Person's Report (CPR) has been prepared for the purpose of assisting Seplat in its application for a main board listing on the London Stock Exchange. In the preparation of this CPR, DMCL has followed the requirements of the "Prospectus Rules" as published by the UK Financial Conduct Authority from time to time and governed by the UK Listing Authority and the European Securities and Markets Authority (ESMA) update of the Committee of European Securities Regulator's recommendations for the implementation of Commission

Regulation No.809/2004 implementing the Prospectus Directive (ESMA/2013/319) dated March 20, 2013.

The contingent resources estimated herein are those quantities of petroleum that are potentially recoverable from known accumulations but which are not currently considered to be commercially recoverable. The contingent resources are not deemed to be commercially recoverable as there is no development plan, the necessary capital is unavailable, the project has not received government approval, facility capacity is unavailable, there is no established market to sell the products, pending litigation or the burden of environmental compliance is uncertain. The relevant reason for contingency for each individual field is summarized under the Field Summaries heading of this report. The contingent resource estimates in this report are provided as a means of comparison to other contingent resources and do not provide a means of direct comparison to reserves.

The contingent resources estimated in this report are expressed as gross contingent resources and working-interest contingent resources. Gross contingent resources are defined as the total estimated petroleum that is potentially recoverable after October 31, 2013. Working-interest contingent resources are defined as that portion of the gross contingent resources to be potentially produced from the properties attributable to the interests in which Seplat is in the process of acquiring, as of October 31, 2013, before deduction of royalties.

Estimates of petroleum contingent resources should be regarded only as estimates that may change as additional information becomes available. Not only are such contingent resources based on that information which is currently available, but such estimates are also subject to the uncertainties inherent in the application of judgmental factors in interpreting such information. Contingent resources quantities should not be confused with those quantities that are associated with reserves due to the additional risks involved. The contingent resources quantities that might actually be recovered, should they be developed, may differ significantly from the estimates presented herein. The contingent resources estimated in this report have an economic status of "Marginal."

In this report, key information has been provided on the fields evaluated herein. Insofar as DMCL is aware, there are no special factors which would affect the production business of Seplat that would require additional information for the proper evaluation of these fields. We have prepared estimates of the contingent resources in OML-53 as of October 31, 2013.

In the preparation of this report, reliance has been placed upon information provided by Seplat with respect to the property interests to be evaluated, production from such properties, agreements relating to current and future operations, sales of production, concession expiration dates, and additional data that were accepted as presented. Although we have not conducted an independent verification, the information used in this report appears reasonable. The technical staff of Seplat involved with the assessment and implementation of development of Seplat's petroleum assets adhere to the generally accepted practices of the petroleum industry. The staff members appear to be experienced and technically competent in their fields of expertise. No site visits to the producing fields evaluated herein were made for this report. However, existing production data and reports from third parties were considered adequate because the fields are in an established producing venue.

EXECUTIVE SUMMARY

Seplat has represented that it has agreed to acquire a 40-percent interest in OML-53 from CNL. This acquisition is subject to, among other things, the consent of the Minister of Petroleum Resources in Nigeria. It is also the subject of legal proceedings initiated in Nigeria against CNL by an unsuccessful bidder for CNL's 40-percent interest in OML-53. The remaining 60-percent interest in OML-53 is held by the Nigerian Petroleum Development Company (NPDC). The properties are illustrated on Figure 1. Four fields located within this OML have been evaluated herein. The following table details the working-interests in OML-53:

Table 1
Seplat - Planned Working-Interest Summary

Block	Operator	Seplat Planned WI (%)	Area (km²)	Expiration Date
OML-53	Chevron	40%	1,556	June 14, 2027

1. Ohaji South Field Deep Zone is unitized at an estimated 20 percent working interest, based on the pre-unitization agreement signed by Shell and Chevron in 2006.

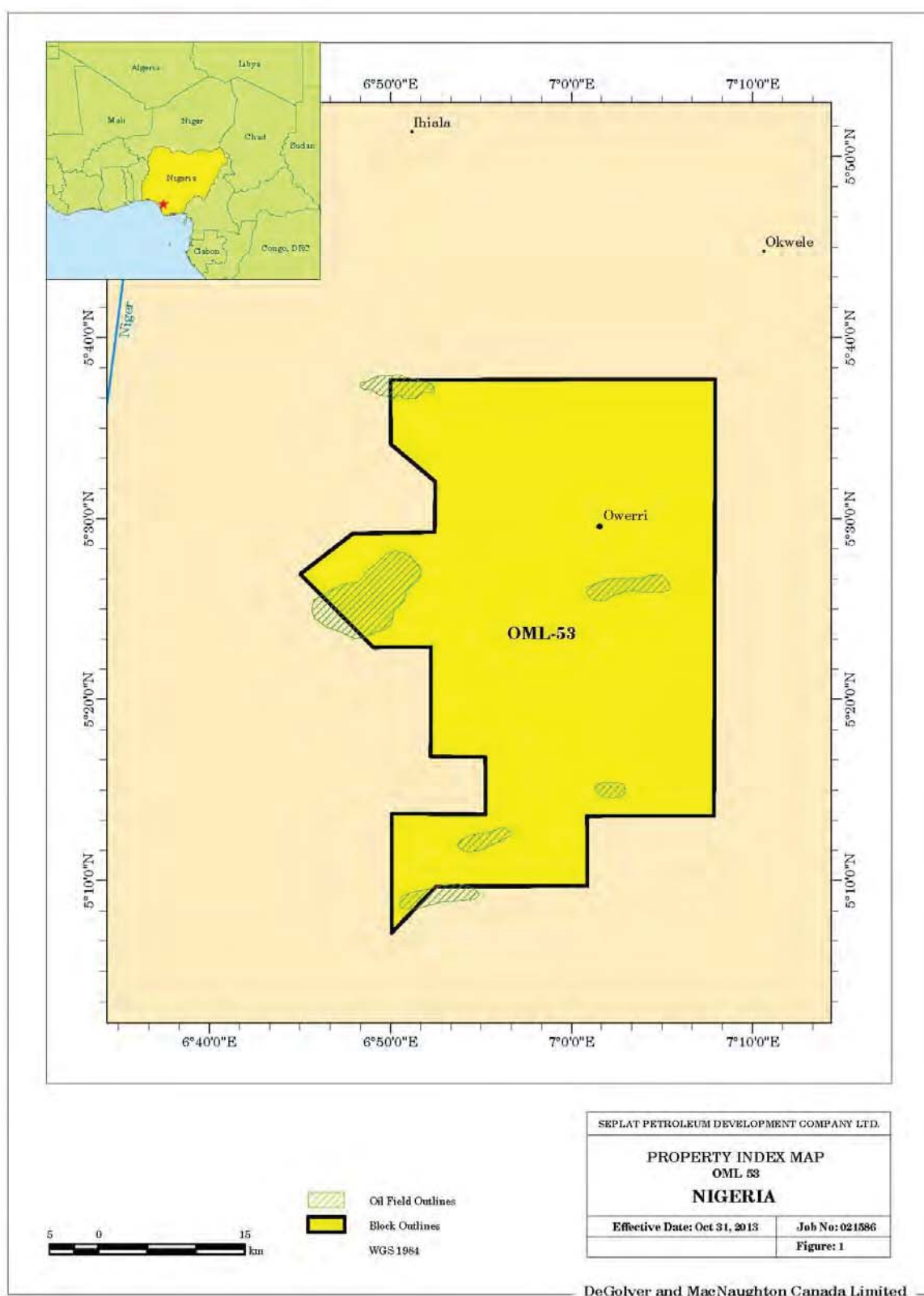


Figure 1
Property Index Map – Nigeria

The current license on OML-53 is set to expire on June 14, 2027. Under the Nigerian 1969 Petroleum Act, operators are able to extend their licenses for a period of 30 years if they are in good standing with the Government. Seplat has represented in a letter that it will apply for an extension of the OML license and has also provided evidence of precedents set of renewal by the Government for other operators. For the purposes of this report, it is assumed that an extension is likely to be granted. A renewal fee will be applied at that stage.

DMCL has reviewed four fields, of which only one field, Jisike, is currently producing.

Contingent resources have been estimated for the Jisike, Ohaji South, and Omerelu fields. No contingent resources were assigned to the Apani field due to a lack of data. The principal contingencies include ongoing litigation against CNL for the sale of its interests to Seplat, regulatory and internal approvals, absence of the development in the next 2-year budget, facility capacity, and production sales agreements.

In order to estimate barrels of oil equivalent (boe), marketable gas volumes were converted using a conversion rate of 5,800 cubic feet per boe. Listed in the following table are the fields evaluated that contain contingent resources.

Table 2

Contingent Resource Fields Evaluated

Block	Field	Producing Status
OML-53	Jisike	Producing
OML-53	Ohaji South	Non-Producing
OML-53	Omerelu	Non-Producing

Contingent resources have been estimated for certain properties which Seplat has agreed to acquire from CNL in Nigeria. The contingent resources estimated for certain fields in Nigeria reflect undeveloped discoveries where the development plan is not yet confirmed or requires further development to satisfy the break-even test.

The estimated gross oil and natural gas contingent resources for the properties evaluated in this report are summarized as follows, expressed in thousands of barrels (Mbbbl) and millions of cubic feet (MMcf):

		Table 3 Gross Contingent Resources					
Block	OML	Oil			Marketable Gas		
		1C (Mbbbl)	2C (Mbbbl)	3C (Mbbbl)	1C (MMcf)	2C (MMcf)	3C (MMcf)
OML-53	Jisike	2,850	6,465	10,175	-	-	-
OML-53	Ohaji South - Deep Zone	40,460	123,220	197,335	432,425	1,112,805	2,083,110
OML-53	Ohaji South - Shallow Zone	6,848	13,080	16,818	-	-	-
OML-53	Omerelu	-	1,425	5,608	-	-	-
Total		50,158	144,190	229,935	432,425	1,112,805	2,083,110

Notes:

1. There is no certainty that it will be commercially viable to produce any portion of the contingent resources evaluated herein.
2. Contingent resources have an economic status of "Marginal"
3. Ohaji South Field Deep Zone is unitized at an estimated 20 percent working interest, based on the pre-unitization agreement signed by Shell and Chevron in 2006.
4. Ohaji South-Deep Zone Gross volumes includes the amount in OML-21
5. Numbers in this table may not add exactly due to rounding.

The estimated gross oil and natural gas contingent resources for the properties evaluated in this report are summarized as follows, expressed in thousands of barrels of oil equivalent (Mboe):

		Table 4 Gross Contingent Resources		
Block	OML	Oil Equivalent		
		1C (Mboe)	2C (Mboe)	3C (Mboe)
OML-53	Jisike	2,850	6,465	10,175
OML-53	Ohaji South - Deep Zone	115,016	315,083	556,492
OML-53	Ohaji South - Shallow Zone	6,848	13,080	16,818
OML-53	Omerelu	-	1,425	5,608
Total		124,714	336,053	589,092

Notes:

1. There is no certainty that it will be commercially viable to produce any portion of the contingent resources evaluated herein.
2. Contingent resources have an economic status of "Marginal"
3. Ohaji South Field Deep Zone is unitized at an estimated 20 percent working interest, based on the pre-unitization agreement signed by Shell and Chevron in 2006.
4. Ohaji South-Deep Zone Gross volumes includes the amount in OML-21
5. Numbers in this table may not add exactly due to rounding.

The estimated working-interest oil and natural gas contingent resources for the properties evaluated in this report are summarized as follows, expressed in Mbbl and MMcf:

		Table 5					
		Working-Interest Contingent Resources					
Block	OML	Oil			Marketable Gas		
		1C (Mbbl)	2C (Mbbl)	3C (Mbbl)	1C (MMcf)	2C (MMcf)	3C (MMcf)
OML-53	Jisike	1,140	2,586	4,070	-	-	-
OML-53	Ohaji South - Deep Zone	8,092	24,644	39,467	86,485	222,561	416,622
OML-53	Ohaji South - Shallow Zone	2,739	5,232	6,727	-	-	-
OML-53	Omerelu	-	570	2,243	-	-	-
Total		11,971	33,032	52,507	86,485	222,561	416,622

Notes:

1. There is no certainty that it will be commercially viable to produce any portion of the contingent resources evaluated herein.
2. Contingent resources have an economic status of "Marginal"
3. Ohaji South Field Deep Zone is unitized at an estimated 20 percent working interest, based on the pre-unitization agreement signed by Shell and Chevron in 2006.
4. Numbers in this table may not add exactly due to rounding.

The estimated working-interest oil and natural gas contingent resources for the properties evaluated in this report are summarized as follows, expressed in Mboe:

		Table 6		
		Working-Interest		
		Contingent Resources		
		Oil Equivalent		
Block	OML	1C (Mboe)	2C (Mboe)	3C (Mboe)
OML-53	Jisike	1,140	2,586	4,070
OML-53	Ohaji South - Deep Zone	23,003	63,017	111,298
OML-53	Ohaji South - Shallow Zone	2,739	5,232	6,727
OML-53	Omerelu	-	570	2,243
Total		26,882	71,405	124,338

Notes:

1. There is no certainty that it will be commercially viable to produce any portion of the contingent resources evaluated herein.
2. Contingent resources have an economic status of "Marginal"
3. Ohaji South Field Deep Zone is unitized at an estimated 20 percent working interest, based on the pre-unitization agreement signed by Shell and Chevron in 2006.
4. Numbers in this table may not add exactly due to rounding.

DEFINITION of CONTINGENT RESOURCES

Petroleum resources included in this report are classified as contingent resources and have been prepared in accordance with the PRMS approved in March 2007 by the Society of Petroleum Engineers, the World Petroleum Council, the American Association of Petroleum Geologists, and the Society of Petroleum Evaluation Engineers. Because of the lack of commerciality or sufficient development drilling, the contingent resources estimated herein cannot be classified as reserves. The petroleum resources are classified as follows:

Contingent Resources – Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies.

Based on assumptions regarding future conditions and their impact on ultimate economic viability, projects currently classified as Contingent Resources may be broadly divided into three economic status groups:

Marginal Contingent Resources – Those quantities associated with technically feasible projects that are either currently economic or projected to be economic under reasonably forecasted improvements in commercial conditions but are not committed for development because of one or more contingencies.

Sub-Marginal Contingent Resources – Those quantities associated with discoveries for which analysis indicates that technically feasible development projects would not be economic and/or other contingencies would not be satisfied under current or reasonably forecasted improvements in commercial conditions. These projects nonetheless should be retained in the inventory of discovered resources pending unforeseen major changes in commercial conditions.

Undetermined Contingent Resources – Where evaluations are incomplete such that it is premature to clearly define ultimate chance of commerciality, it is acceptable to note that project economic status is “undetermined.”

The estimation of resources quantities for an accumulation is subject to both technical and commercial uncertainties and, in general, may be quoted as a range. The range of uncertainty reflects a reasonable range of estimated potentially recoverable volumes. In all cases, the range of uncertainty is dependent on the amount and quality of both technical and commercial data that are available and may change as more data become available.

1C (Low), 2C (Best), and 3C (High) Estimates – Estimates of petroleum resources in this report are expressed using the terms 1C (low) estimate, 2C (best) estimate, and 3C (high) estimate to reflect the range of uncertainty.

FIELD SUMMARIES

Regional Geology

OML-53 is located in the Niger Delta province adjacent to the Gulf of Guinea. The delta covers more than 300,000 square kilometers and is among the largest regressive deltas in the world with a significant sediment volume of 500,000 cubic kilometers and a sediment thickness of over 10 kilometers in the basin depocenter (Klett, 1997). The development of the delta is associated with the rift triple junction related to the opening of the southern Atlantic, during the late Jurassic and Cretaceous periods. The petroleum system identified in the Niger Delta Province is referred to as the Tertiary Niger Delta (Akata-Agbada) petroleum system.

The onshore portion of the Niger Delta province is delineated by the geology of southern Nigeria and southwestern Cameroon. The northern boundary is the Benin Flank controlled by an east-northeast-trending hinge line south of the West Africa basement massif. The northeastern boundary is defined by the outcrops of the Abakaliki High of Cretaceous age and further to the east-southeast by the Calabar flank, by a hinge line bordering the adjacent Precambrian (Tuttle, 1999).

Reservoir Geology

The Tertiary section of the Niger Delta is divided into three major formations: the Akata Formation, the Agbada Formation, and the Benin Formation (Figure 2). These formations represent a series of prograding depositional facies that are identified mostly on the basis of sand-shale ratios (Tuttle, 1999). The Akata Formation is generally situated at the base of the delta and has a marine origin. It is composed of thick shale sequences, turbidite sand, and minor amounts of clay and silt. The Akata Formation formed during lowstands when terrestrial organic matter and clays were transported to the deepwater environment, characterized by low energy conditions and oxygen deficiency. The Akata Formation underlies the entire delta and is often over-pressured.

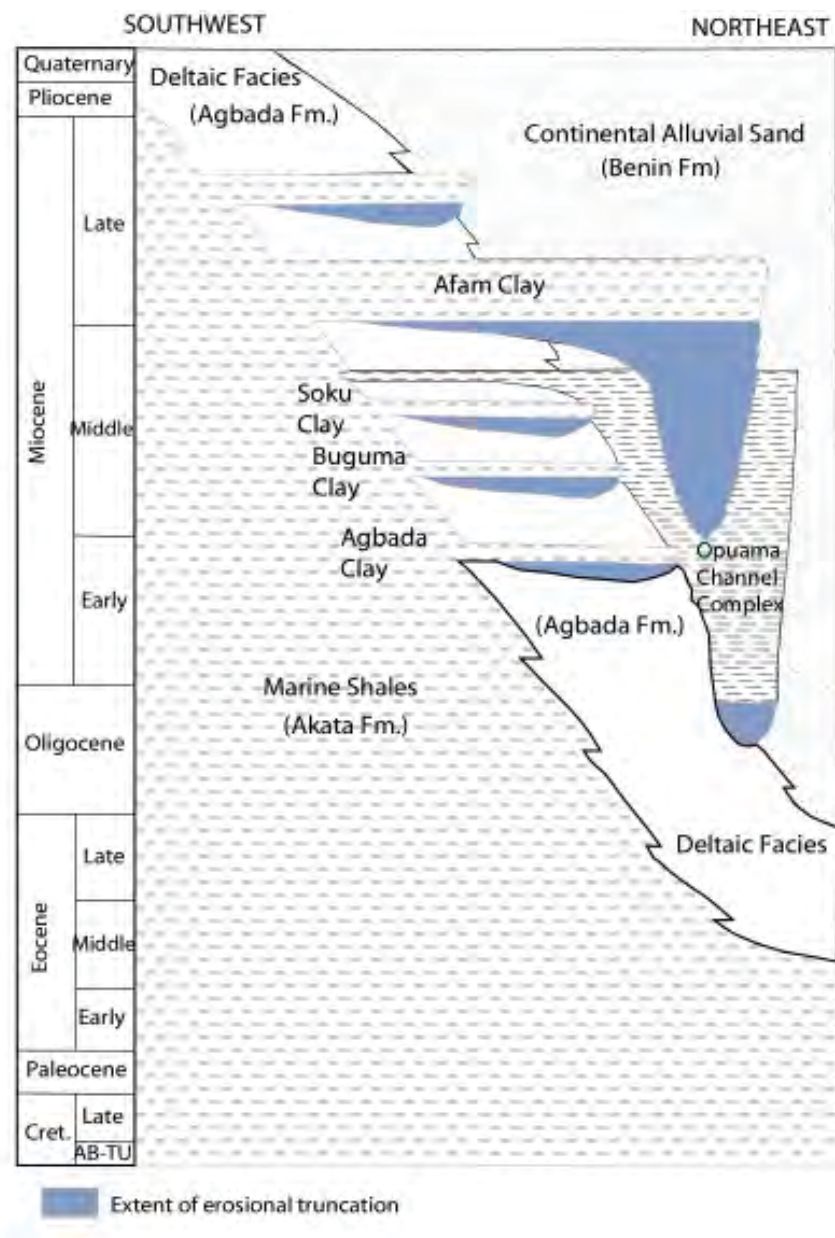


Figure 2

Stratigraphic Column Illustrating the Three Major Formations of the Niger Delta (Tuttle, 1999)

The Agbada Formation overlies the Akata Formation, which is the major petroleum-bearing unit. The formation consists of paralic siliciclastics and represents the deltaic portion of the sequence (Tuttle, 1999). The formation can be subdivided into multiple zones, and each zone can range from 50 feet to over 100 feet in thickness. The Agbada Formation is generally associated with an onshore deltaic depositional setting with vertical stacked sedimentary sequences, coarse-grained multi-cycle fluvial channels, and shoreface deposits. The fluvial channels are extensive and often associated with incised valley fill. The lower

Agbada Formation generally consists of shale and sandstone beds, and the upper portion consists mainly of sands with minor shale interbeds. The trapping mechanism of the hydrocarbon reservoirs are dominated by extensional growth faults and stratigraphy. The Agbada Formation is overlain by the Benin Formation, which is generally associated with continental alluvial and coastal plain sand deposits.

A diagram of sample Niger Delta field structures and associated trap types is presented on Figure 3.

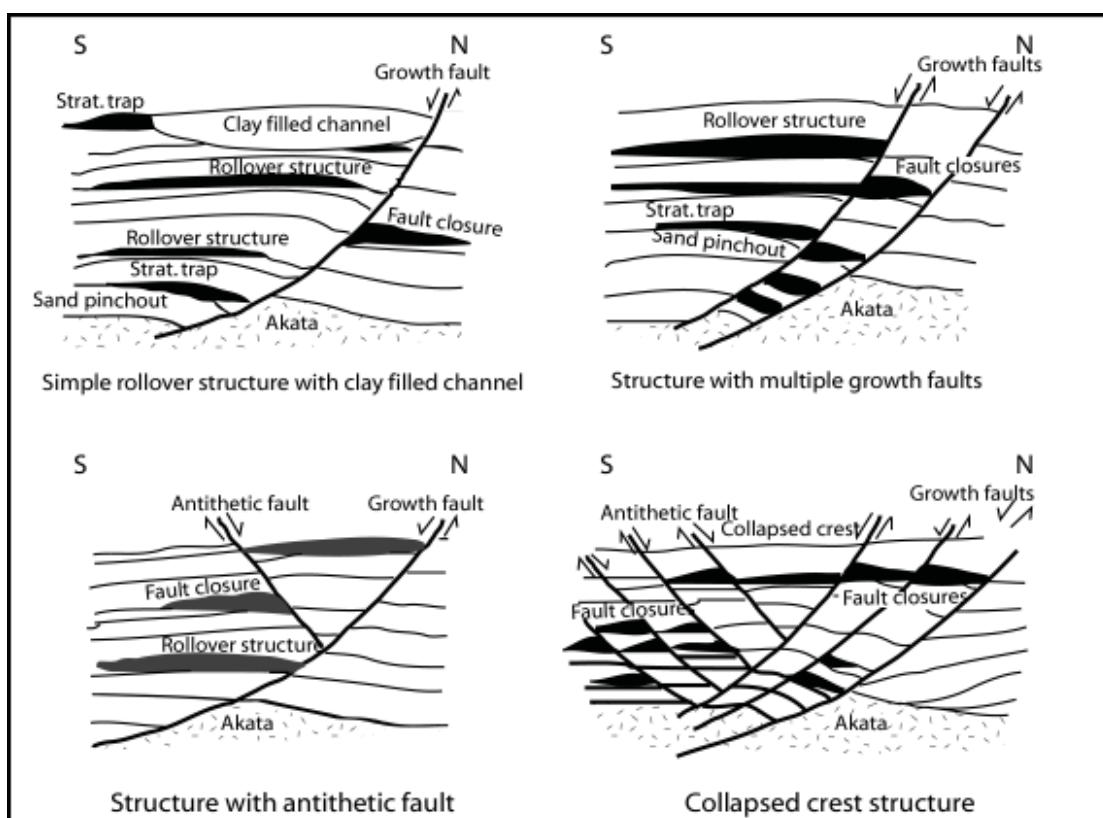


Figure 3
Example of Niger Delta Oil Fields Structures and Associated Trap Types
(Tuttle, 1999)

Production Performance

Only one field, Jisike, has oil and gas production from OML-53 as of May 31, 2013. The Jisike field has been on production since 1979. Initially, the field's production rate averaged 3,000 barrels of oil per day and peaked at a rate of 10,000 barrels of oil per day between 1992 and 1994. The gas production is currently being flared. If successful in its acquisition, Seplat plans to sell the gas to an electric power plant by 2018.

The water cut is currently estimated to be 44 percent. The cumulative production as of May 31, 2013, was estimated to be 48 million barrels (MMbbl) of oil, 42 billion cubic feet (Bcf) of gas, and 8 MMbbl of water. The average production rate as of May 31, 2013, was 3,500 barrels of oil per day and 7,000 thousand cubic feet (Mcf) of gas per day.

The historical oil and gas production since inception, as well as the forecast for all fields is illustrated on Figures 4 and 5, respectively.

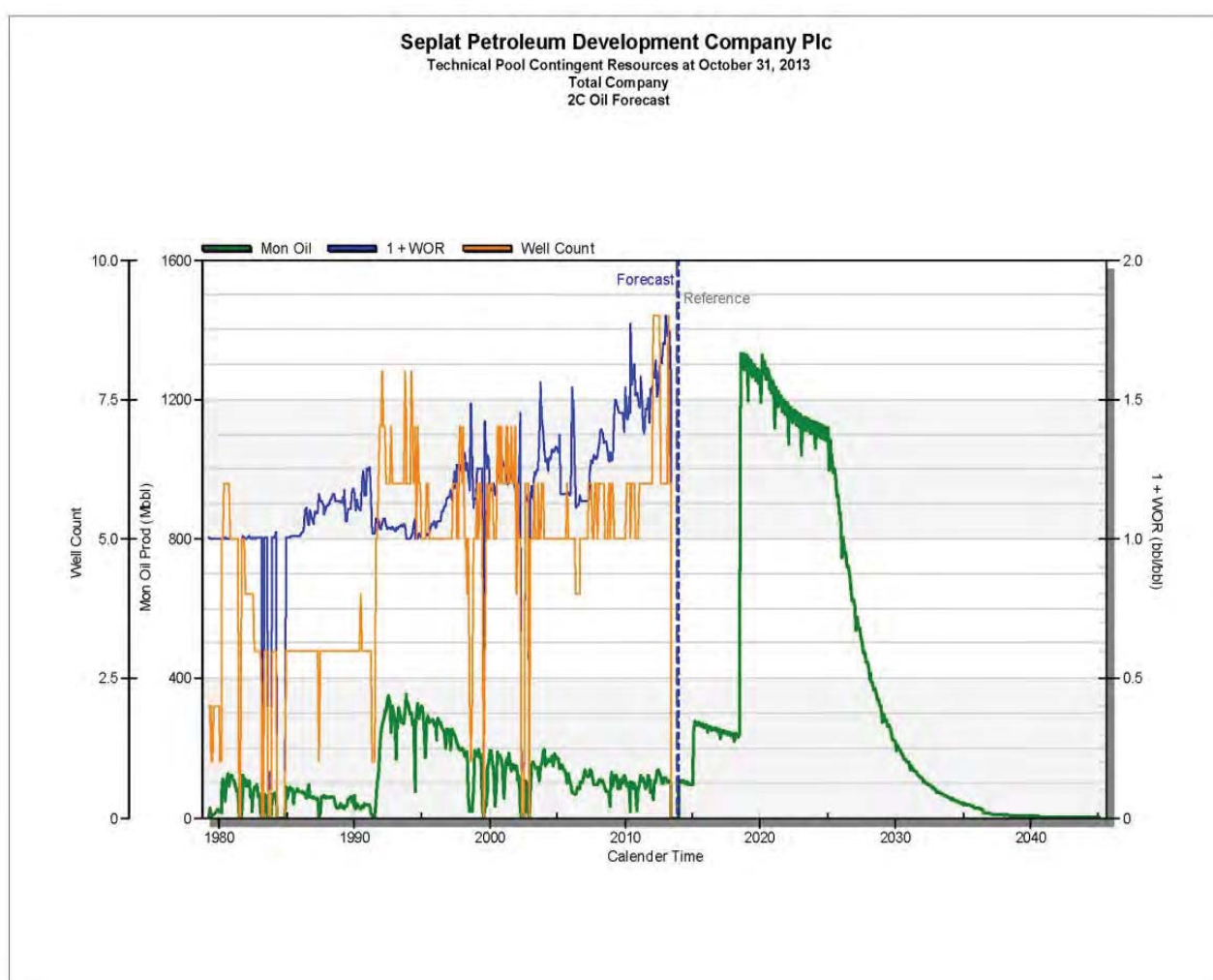


Figure 4
 OML-53 Oil Profile

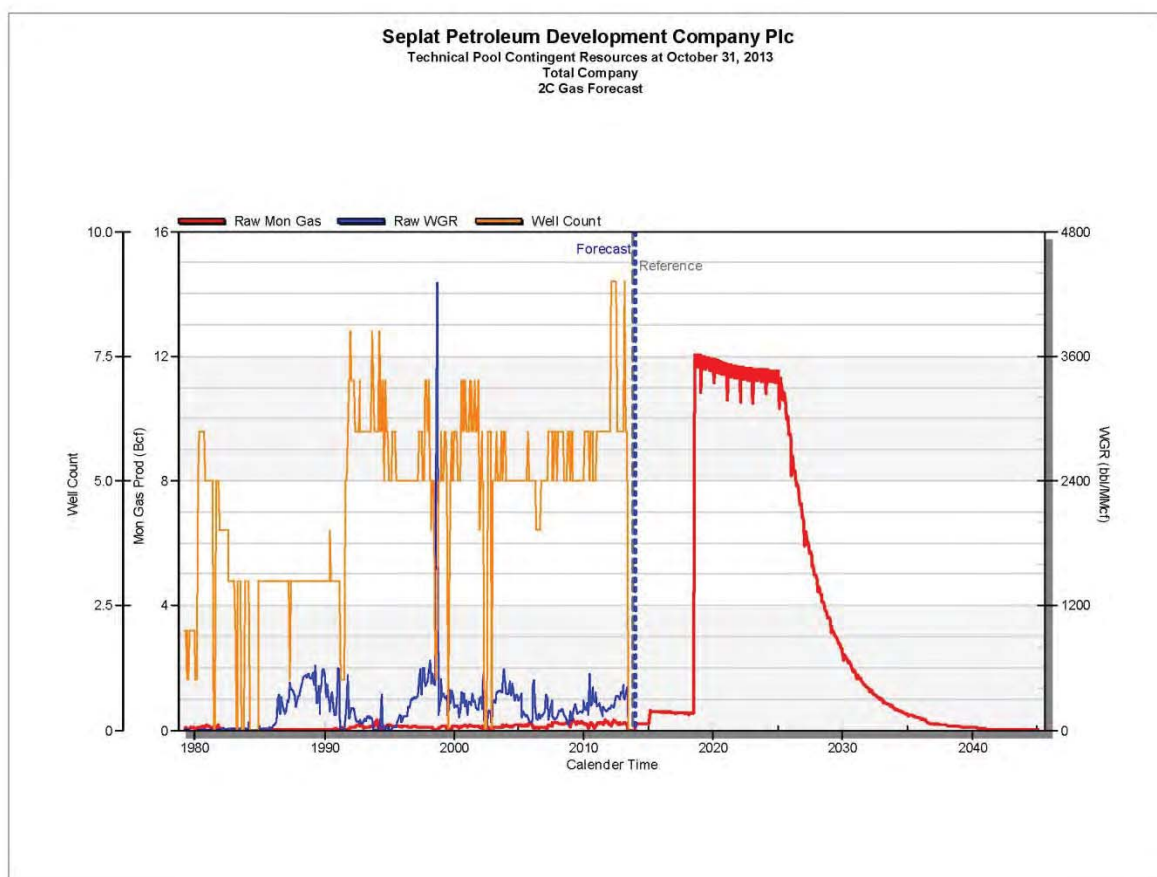


Figure 5
 OML-53 Gas Profile

Seplat Five-Year Development Plan

In this evaluation, a five-year development plan was incorporated based on the projected drilling and well recompletion of oil and gas wells provided by Seplat. This schedule includes the re-activation of two wells in the Ohaji South field.

Additional new completions and drilling of development wells were incorporated in this evaluation beyond the five-year development plan based on a full field development of OML-53. DMCL is confident with Seplat's ability to execute this development plan and achieve the proposed drilling schedule. A summary of the contingent resources five-year development plan is illustrated in the following table.

Table 7
Five Year Development Plan - Contingent Resources

	OIL				
	2013	2014	2015	2016	2017
Jisike	-	-	-	-	-
Ohaji South	-	-	2 Reactivations	-	-
Omerelu	-	-	-	-	-

	GAS				
	2013	2014	2015	2016	2017
Jisike	-	-	-	-	-
Ohaji South	-	-	-	-	4, 9, 11 New drills (1C, 2C, 3C)
Omerelu	-	-	-	-	-

Gas Strategy

The Ohaji South gas field straddles the border of OML-53 and extends into OML-21 owned by Shell Petroleum Development Company of Nigeria Limited (SPDC) where the field is defined as Assa North. The combined areas are known as the Assa North-Ohaji South (ANOS) development area. Wells Ohaji South-1 and Ohaji South-2 in OML-53 and wells Assa-1, Assa North-1, Assa North-2, and Agga-01 within OML-21 encountered significant gas volumes in the H1000 and H4000 reservoirs. A pre-unitization agreement was signed by SPDC and CNL in 2006 which states that SPDC will operate the joint development based on a 50/50 percent equity split. A Unitization and Unit Operating Agreement was signed by the two parties in 2013. SPDC issued a field development plan in June 2012 forecasting an estimated first gas production to occur in mid-2018.

Wells Ohaji-South-3, Ohaji-South-4, -4ST1, and -4ST2 encountered oil and gas in the A-01, B-17, and B-18 reservoirs. These reservoirs lie entirely within OML-53 and are not part of the unitized Assa North-Ohaji South gas development area. Typical depths of the reservoirs in the Ohaji South oil area range between 4,500 and 6,500 feet subsea.

Facilities Infrastructure

The only infrastructure currently in place in OML-53 is located in the Jisike field. The currently producing wellheads are tied into the production manifold (or test manifold when under test) through 4-inch and 6-inch flowlines at the Jisike flowstation. A production separator and heater-treater separate the oil, gas, and water which then pass into the adjacent Addax-operated Izombe flowstation. The export quality crude is metered and transported with Addax crude

through a 23-kilometer 6-inch pipeline, operated by Nigerian Agip Oil Company Limited (NAOC), to the Ebocha flowstation. From the Ebocha flowstation, it is transported to NAOC Brass oil terminal for export.

Produced water from the flowstation is treated and disposed of by Addax.

The gas produced is currently being used for fuel, gas lift, and instrument gas, while the remaining gas is flared. If successful in its acquisition, Seplat plans on using the gas that is produced until the end of 2017 for gas-lifting and flaring. Starting in 2018, Seplat plans to sell the gas to an electric power plant.

Seplat's plan for the Ohaji South deep reservoir includes the drilling of new wells in 2017 and 2018. They also plan to place H1000 (C-6) and H4000 (C-10) on production in July 2018. There are no facilities currently in place for the ANOS development. The field development plan envisages the phased installation of a Primary Treatment Facility (PTF), with gas dehydration, oil treatment, compression, and export facilities with a capacity for up to 1,000 million cubic feet of gas per day and 120 Mbbl of oil per day. The oil is expected to be delivered via a new deep-buried pipeline covered with concrete slabs from the Assa North PTF to the Rumuekpe manifold and then to Bonny Crude Oil Terminal via Trans-Nigerian Pipeline.

Seplat is investigating a fast-track for early production system option for the Ohaji South shallow reservoirs through the re-activation of two suspended wells, Ohaji South-03 and Ohaji South-04ST2, which were drilled in 1996. The wells are forecast to be placed on production from the B-17 and B-18 reservoirs in January 2015. The production is expected to be transported by a 22-kilometer pipeline to the Jisike field, which Seplat intends to finish constructing by the end of 2014.

DMCL has identified potential oil contingent resources in the Omerelu field. In order for the oil volume to be produced, DMCL has proposed construction of a flowstation with a production separator to handle 8 Mbbl of oil per day and 4 MMcf gas per day. From the flowstation, a pipeline will need to be built to a main trunk line for export. The infrastructure is forecast to be installed between 2019 and 2020. This project is not in Seplat's plans, and in order for this to be successful, other marginal oil fields needs to be connected to the flowstation.

Status

The following steps are required prior to commencing production on Phase One of the project in the Ohaji South shallow zone in 2015:

- 1) Re-entering and completing wells Ohaji South-3 and Ohaji South-4ST2 in the B-17 and B-18 reservoirs.
- 2) Construction of a 22 kilometer flow line to the Jisike field for transportation of the oil production from the B-17 and B-18 reservoirs.

The following steps are required prior to commencing production on Phase One of the project for the Ohaji South deep zone before 2018:

- 1) Drilling of four additional wells in the 1C contingent resources category, five additional wells in the 2C contingent resources category, and two additional wells in the 3C contingent resources category, in the H1000 and H4000 reservoirs in the Ohaji South field.
- 2) Installation of surface equipment such as surface control panels, surface controls, subsurface safety valve control panels, wet gas flow metering, and safety instrument system.
- 3) Installation of two inlet manifolds for the H1000 and H4000 reservoirs with the nominal capacity of 1 Bcf of gas per day and 120,000 barrels of oil per day; test manifold and separator; two inlet separators; gas cooling and dehydration facilities; gas and liquid fiscal metering; and multi stage condensate stabilization trains.
- 4) Installation of oil storage tanks.
- 5) Installation of power generation.
- 6) Installation of fire-fighting equipment.

Cost Assumptions

Operating and Capital Expenditures

Operating expenses and capital costs were based on information provided by Seplat and our experience in similar operations and were used in estimating future expenditures required to operate the properties. In certain cases, future expenditures, either higher or lower than current expenditures, may have been used because of anticipated changes in operating conditions.

The average fixed cost is U.S.\$150,000 per month per well per zone, and the crude handling cost was estimated to be

U.S.\$8.50 per barrel of oil. The variable gas operating expense was estimated to be U.S.\$1.00 per cubic foot of raw gas. An inflation rate of 2-percent was applied to all expenditures. A full year forecast for operating expenses and capital costs for the total 2C contingent resources can be found in Tables B and C in the Appendix to this report.

The drilling cost was estimated to be U.S.\$25,000,000 per well, while the re-completion cost was estimated to be U.S.\$5,000,000. Surface facilities costs were estimated based on the costs incurred by Seplat in past and on-going projects.

Oil Metering

Due to theft in the Niger Delta, a reconciliation factor of approximately 15-percent was applied. This reconciliation factor was applied under the “pipe losses” category in this evaluation.

Abandonment Costs

An abandonment of U.S.\$1,000,000 per well was applied in this evaluation based on well location, depth, and age. This abandonment liability does not include credit for any salvage value and was forecast to occur at the end of the respective field’s economic life. A facility/pipeline abandonment cost was charged at 6-percent of the initial cost.

OML Extension

The OML-53 license currently extends until June 2027. This evaluation has been based on Seplat successfully attaining a license that extends for the life of the project.

Contingent Resources

OML-53

Apani Field

The Apani field was discovered in 1980 and is located in the OML-53 area. The Apani field is interpreted as a faulted rollover anticline into a bounding structure-building fault. The primary trapping mechanism consists of a series of east/west-trending synthetic faults to the north. The fault pattern is complex and reservoir continuity is occasionally uncertain. There has been only one well drilled to date in the Apani field.

There were insufficient data provided by Seplat to estimate the potential contingent resources in the field. The field will be further reviewed when additional data becomes available.

Jisike Field

The Jisike field was discovered with the drilling of well Jisike-1 in 1975 as a vertical well to a total depth of 8,700 feet subsea. The field is located in OML-53, adjacent to and east of the Izombe field. Cumulative production in the field as of May 31, 2013 was estimated to be 48.4 MMbbl of oil and 42.0 Bcf of raw gas. There are currently five producing oil wells and one producing gas well in the Jisike field. As of May 31, 2013, the field was producing at an estimated combined rate of 3.5 Mbbl of oil per day and 7.0 MMcf of raw gas per day. DMCL has assumed the field is currently producing.

The Jisike field is interpreted as an elongated, faulted rollover anticline into a bounding structure-building fault. The primary trapping mechanism consists of a series of east/west-trending synthetic faults, with regional dip to the south. The fault pattern is complex and reservoir continuity is occasionally uncertain. The oldest stratigraphic unit encountered is of Eocene age. A total of eight wells have been drilled to date, and hydrocarbons were encountered at between approximately 4,300 feet subsea and 7,500 feet subsea, representing the Miocene deltaic sands.

The Jisike field is a multiple horizon field with the principal sand being the AA-03 reservoir, which accounts for more than 80-percent of the total hydrocarbons in the field. The other reservoirs include A-01, A01.1, A-02, and B-01. To date, there has been no production from the B-01 reservoir. The majority of the wells produce from reservoir AA-03, with an initial reservoir pressure of 2,450

pounds per square inch absolute (psia), a reservoir temperature 155 degrees Fahrenheit, and an original oil/water contact located at 5,342 feet subsea. The formation volume factor for oil for the field ranges between 1.236 and 1.589. The field has an average API gravity of 40 degrees.

1C, 2C and 3C contingent resources were estimated for the six producing wells based on decline analysis and were verified by volumetric analysis.

If successful in its acquisition, Seplat has indicated that the gas produced until 2017 will be used for fuel and gas lift with the remainder being flared. Gas produced from 2018 onwards will be sold by Seplat to an electric power plant.

Ohaji South Field

The Ohaji South field is located in the west-central sector of OML-53, 70 kilometers northwest of Port Harcourt. The field extends into the adjacent OML-21, where it is known as the Assa North field. The Ohaji South field lies at the apex of two converging major faults. The hydrocarbon trap is a four-way dip closure structure at shallow depths and a fault-bounded three-way updip closure at greater depths. The field consists of stacked sequence reservoirs, with shoreface and channel deposits.

The Ohaji South field was discovered in September 1974 by the drilling of well Ohaji South-01. A total of four wells have been drilled in the Ohaji South field and none have been placed on production as of October 31, 2013. Wells Ohaji-01 and Ohaji-02 were abandoned, while wells Ohaji-03 and Ohaji-04st2 were suspended. Three shallow reservoirs (A-3, B-17, and B-18) have been identified. These reservoirs lie entirely in OML-53 and are not part of the unitized Assa North-Ohaji South gas development area. Typical depths of the reservoirs in the Ohaji South oil area range between 4,500 and 6,500 feet subsea. Drill-stem tests were performed on the wells Ohaji South-03 and Ohaji South-04ST2. Reservoir A-03 was tested a rate of 785 barrels of oil per day with a gas-oil ratio (GOR) of 71 cubic feet per stock tank barrel (stb) on a 24/64-inch choke in well Ohaji South-03. Reservoir B-17 was tested at a rate of 944 barrels of oil per day with a GOR of 113 cubic feet per stb on a 20/64-inch choke in well Ohaji South-4ST2. Reservoir B-18 was tested at a rate of 591 barrels of oil per day with a GOR of 791 cubic feet per stb on a 16/64-inch choke in well Ohaji South-03. Well Ohaji South-04ST2 tested at a rate of 1,024 barrels of oil per day with a GOR of 372 cubic feet per stb on a 16/64-inch choke.

CNL has previously carried out simulation studies to evaluate the potential of the B-17 and B-18 reservoirs. The results of these studies appear to

be reasonable. The petroleum initially in-place was estimated for the A-03, B-17, and B-18 reservoirs based on volumetric methods. If successful in its acquisition, Seplat plans to re-activate wells Ohaji South-03 and Ohaji South-4ST2 and place both wells on production in January 2015. Recovery factors of 19, 25, and 30 percent for the B-17 reservoir and 17, 22, and 30 percent for the B-18 reservoir were estimated for 1C, 2C, and 3C contingent resources, respectively. Recovery factors of 60, 70, and 80 percent were estimated for the gas cap in the B-17 and B-18 reservoirs for 1C, 2C, and 3C contingent resources, respectively. The initial rates of 1,400, 1,500, and 1,600 barrels of oil per day per well were estimated for the 1C, 2C, and 3C cases, respectively. It was assumed the wells will be dually completed. The gas was forecast to be recovered through the oil production. There is only limited gas production associated with the Ohaji South oil development. The base assumption was that the wells will be tied back to the Jisike field. Therefore, the gas production will become part of the overall Jisike Flare-Out project and was anticipated to be sold to an electric power plant starting in 2018.

The B-17 and B-18 reservoirs have potential for increased recovery factor by drilling more wells. A simulation study of these reservoirs is recommended in order to maximize the recovery factor, which could be considered Phase two of the project. At this stage, contingent resources volumes estimated by DMCL for this competent person's report are associated with the fast-track Phase One development only.

There was no development plan for the A-3 reservoir; therefore no contingent resources were assigned.

The petroleum initially in place was estimated for the H1000 (C-6) and H4000 (C-10) reservoirs based on volumetric methods. Seplat plans to drill four additional wells in the 1C contingent resources category, five additional wells in the 2C contingent resources category, and two additional wells in the 3C contingent resources category. The wells are forecast to be placed on production in July 2018. Recovery factors of 70, 80, and 90 percent were estimated for 1C, 2C, and 3C contingent resources, respectively, with compression. Recovery factors of 10, 15, and 20 percent were estimated for the oil zone in the C-6 reservoir for 1C, 2C, and 3C contingent resources, respectively. The oil was forecast to be recovered through gas production. The initial rates of 25, 30, and 35 MMcf of gas per day and per well were estimated for the C-6 reservoir and for the 1C, 2C, and 3C contingent resources cases, respectively. These rates were forecast to be on a flat plateau rate producing 70 percent of recoverable resources, declining to the abandonment rate of 500 Mcf per day per well. The initial rates of 50, 55 and 60 MMcf of gas per day per well were

estimated for the C-10 reservoir for the 1C, 2C, and 3C contingent resource cases, respectively. These rates were forecast to be a flat plateau rate producing 70 percent of recoverable resources, declining to the abandonment rate of 500 Mcf per day per well. Seplat is expecting to sell the gas starting July 1, 2018.

Omerelu Field

The Omerelu field was discovered in 1975 by the drilling of well Omerelu-01. The field is located in the southwest corner of OML-53 and extends into the adjacent OML-17. The Omerelu field is defined by a fault-assisted three-way dip closure with the primary trapping mechanism consisting of a series of east-west trending synthetic faults. The fault pattern is complex and reservoir continuity is occasionally uncertain. Only one well has been drilled in the Omerelu field to date.

The Omerelu field consists of three oil reservoirs (AA04, A2, and A7) and two gas reservoirs (A1 and A4). The oil reservoirs were evaluated with an oil gravity of 33 degrees API. These reservoirs were assigned contingent resources dependant on satisfying the break even test.

Seplat did not provide a development plan for the Omerelu field. DMCL generated a development plan comprising of two infill locations to target the AA04, A2, and A7 reservoirs. Development is expected to occur between 2019 and 2020. These wells were assigned contingent resources based on volumetric analysis using an analogy to well Omerelu-01. The A1 and A4 reservoirs did not satisfy the break-even test due to the low gas price.

2C contingent resources were assigned only to the A2 reservoir, based on the successful test in 1975. All other reservoirs were assigned 3C contingent resources based on volumetric analysis.

ESTIMATION of CONTINGENT RESOURCES

Summary

The estimated gross oil and natural gas contingent resources are summarized as follows, expressed in Mbbbl and MMcf.

		Table 8 Gross Contingent Resources					
Block	OML	Oil			Marketable Gas		
		1C (Mbbbl)	2C (Mbbbl)	3C (Mbbbl)	1C (MMcf)	2C (MMcf)	3C (MMcf)
OML-53	Jisike	2,850	6,465	10,175	-	-	-
OML-53	Ohaji South - Deep Zone	40,460	123,220	197,335	432,425	1,112,805	2,083,110
OML-53	Ohaji South - Shallow Zone	6,848	13,080	16,818	-	-	-
OML-53	Omerelu	-	1,425	5,608	-	-	-
Total		50,158	144,190	229,935	432,425	1,112,805	2,083,110

Notes:

1. There is no certainty that it will be commercially viable to produce any portion of the contingent resources evaluated herein.
2. Contingent resources have an economic status of "Marginal"
3. Ohaji South Field Deep Zone is unitized at an estimated 20 percent working interest, based on the pre-unitization agreement signed by Shell and Chevron in 2006.
4. Ohaji South-Deep Zone Gross volumes includes the amount in OML-21
5. Numbers in this table may not add exactly due to rounding.

The estimated gross oil and natural gas contingent resources are summarized as follows, expressed in Mboe:

		Table 9 Gross Contingent Resources		
Block	OML	Oil Equivalent		
		1C (Mboe)	2C (Mboe)	3C (Mboe)
OML-53	Jisike	2,850	6,465	10,175
OML-53	Ohaji South - Deep Zone	115,016	315,083	556,492
OML-53	Ohaji South - Shallow Zone	6,848	13,080	16,818
OML-53	Omerelu	-	1,425	5,608
Total		124,714	336,053	589,092

Notes:

1. There is no certainty that it will be commercially viable to produce any portion of the contingent resources evaluated herein.
2. Contingent resources have an economic status of "Marginal"
3. Ohaji South Field Deep Zone is unitized at an estimated 20 percent working interest, based on the pre-unitization agreement signed by Shell and Chevron in 2006.
4. Ohaji South-Deep Zone Gross volumes includes the amount in OML-21
5. Numbers in this table may not add exactly due to rounding.

The estimated working-interest oil and natural gas contingent resources for the properties evaluated in this report are summarized as follows, expressed in Mbbl and MMcf:

		Table 10					
		Working-Interest Contingent Resources					
Block	OML	Oil			Marketable Gas		
		1C (Mbbl)	2C (Mbbl)	3C (Mbbl)	1C (MMcf)	2C (MMcf)	3C (MMcf)
OML-53	Jisike	1,140	2,586	4,070	-	-	-
OML-53	Ohaji South - Deep Zone	8,092	24,644	39,467	86,485	222,561	416,622
OML-53	Ohaji South - Shallow Zone	2,739	5,232	6,727	-	-	-
OML-53	Omerelu	-	570	2,243	-	-	-
Total		11,971	33,032	52,507	86,485	222,561	416,622

Notes:

1. There is no certainty that it will be commercially viable to produce any portion of the contingent resources evaluated herein.
2. Contingent resources have an economic status of "Marginal"
3. Ohaji South Field Deep Zone is unitized at an estimated 20 percent working interest, based on the pre-unitization agreement signed by Shell and Chevron in 2006.
4. Numbers in this table may not add exactly due to rounding.

The estimated net oil and natural gas contingent resources for the properties evaluated in this report are summarized as follows, expressed in Mboe:

		Table 11		
		Working-Interest		
		Contingent Resources		
Block	OML	Oil Equivalent		
		1C (Mboe)	2C (Mboe)	3C (Mboe)
OML-53	Jisike	1,140	2,586	4,070
OML-53	Ohaji South - Deep Zone	23,003	63,017	111,298
OML-53	Ohaji South - Shallow Zone	2,739	5,232	6,727
OML-53	Omerelu	-	570	2,243
Total		26,882	71,405	124,338

Notes:

1. There is no certainty that it will be commercially viable to produce any portion of the contingent resources evaluated herein.
2. Contingent resources have an economic status of "Marginal"
3. Ohaji South Field Deep Zone is unitized at an estimated 20 percent working interest, based on the pre-unitization agreement signed by Shell and Chevron in 2006.
4. Numbers in this table may not add exactly due to rounding.

Procedure/Methodology

Estimates of contingent resources were prepared by the use of appropriate geologic, petroleum engineering, and evaluation principles and techniques that are in accordance with practices generally recognized by the petroleum industry and in accordance with definitions established by the PRMS. The method or combination of methods used in the analysis of each reservoir was tempered by experience with similar reservoirs, stage of development, quality and completeness of basic data, and production history.

When applicable, the volumetric method was used to estimate the OOIP and OGIP. Structure maps were prepared to delineate each reservoir, and net pay maps were constructed to estimate reservoir volume. Electrical logs, radioactivity logs, core analyses, and other available data were used to prepare these maps as well as to estimate representative values for porosity and water saturation.

Estimates of ultimate recovery were obtained after applying recovery factors to OOIP or OGIP. These recovery factors were based on consideration of the type of energy inherent in the reservoirs, analyses of the petroleum, the structural positions of the properties, and the production histories. When applicable, material-balance and other engineering methods were used to estimate recovery factors. An analysis of reservoir performance, including production rate, reservoir pressure, and GOR behavior, was used in the estimation of contingent resources.

In certain cases, when the previously named methods could not be used, contingent resources were estimated by analogy with similar wells or reservoirs for which more complete data were available.

Contingent resources estimates presented herein are based on data available through October 31, 2013.

Contingent resources estimated in this report are supported by details of drilling results through October 31, 2013, analyses of available geological data, well-test results, pressures, available core data, and production performance. This report takes into account all relevant information supplied to us by Seplat.

The oil, natural gas, and condensate contingent resources estimated in this report are expressed in terms of 42 United States gallons per barrel. Crude oil contingent resources are to be recovered by conventional field operations.

Condensate contingent resources are to be recovered from gas processing, and include C₅₊ fractions.

Gas quantities included in this report are expressed as marketable gas at a pressure base of 14.7 psia and a temperature base of 60 °Fahrenheit. Marketable gas is defined as wet gas after reduction for shrinkage resulting from field separation; processing, including removal of non-hydrocarbon gas to meet pipeline specifications and condensate extraction; and flare and other losses but not from fuel usage. Fuel gas is included as contingent resources. Wet gas is the total gas produced from the reservoir prior to processing or separation and includes all non-hydrocarbon components and the gas equivalent of condensate. The marketable gas is converted to boe by using a ratio of 5,800 cubic feet per boe.

Estimates of contingent resources as presented herein are based on the ongoing litigation against CNL for its interest in OML-53, the quantities of petroleum that may be produced after the expiration of an existing license agreement, that are associated with satellite fields to existing production operations for which a development plan has not been finalized or for which sufficient commitment has not been obtained to proceed with development, or that are currently identified from engineering and geological data to be potentially recoverable but will require additional data acquisition, assessment, or investigation.

SUMMARY AND CONCLUSIONS

Estimates of oil and natural gas contingent resources, attributable to the working interests of 40-percent which Seplat has agreed to acquire from CNL, and evaluated herein are listed as follows, expressed in Mbbl and MMcf:

	Table 12		
	Working-Interest Contingent Resource Summary		
	1C	2C	3C
Oil, Mbbl	11,971	33,032	52,507
Marketable Gas, MMcf	86,485	222,561	416,622

Notes:

1. There is no certainty that it will be commercially viable to produce any portion of the contingent resources evaluated herein.
2. Contingent resources have an economic status of "Marginal".

REFERENCES CITED

- Klett, T.R., Ahlbrandt, T.S., Schmoker, J.W., and Dolton, G.L. (1997). Ranking of the world's oil and gas provinces by known petroleum volumes: U.S. Geological Survey Open-File Report 97-463 (CD-ROM).
- Tuttle, M.L.W., Charpentier, R.R., Brownfield M.E. (1999). The Niger Delta Petroleum System: Niger Delta Province, Nigeria Cameroon, and Equatorial Guinea, Africa: US Geological Survey Open-File Report 99-50-H (pp. 4-14).

Professional Qualifications

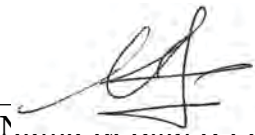
DeGolyer and MacNaughton Canada Limited is an Alberta Corporation with offices at 311 – 6th Avenue S.W., Suite 1430, Calgary, Alberta T2P 3H2, Canada. The firm is a subsidiary of DeGolyer and MacNaughton which has been providing petroleum consulting services throughout the world since 1936. The firm's professional engineers, geologists, geophysicists, petrophysicists, and economists are engaged in the independent appraisal of oil and gas properties, evaluation of hydrocarbon and other mineral prospects, basin evaluations, comprehensive field studies, equity studies, and studies of supply and economics related to the energy industry. Except for the provision of professional services on a fee basis, DeGolyer and MacNaughton Canada Limited has no commercial arrangement with Seplat.

The evaluation has been supervised by Ms. Nahla Boury. Ms. Boury, Vice President Engineering and Director with DeGolyer and MacNaughton Canada Limited, a Registered Professional Engineer in the Province of Alberta, has 23 years of oil and gas industry experience and 19 years of applicable evaluation experience.

Submitted,

DeGOLYER and MacNAUGHTON
CANADA LIMITED

SIGNED: February 27, 2014



Nahla Boury, P.Eng.

PERMIT TO PRACTICE DeGolyer and MacNaughton Canada Limited Signature _____  Date _____ February 27, 2014 _____ PERMIT NUMBER: P 5568 The Association of Professional Engineers and Geoscientists of Alberta

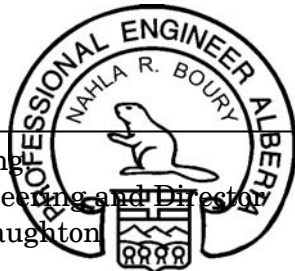
CERTIFICATE of QUALIFICATION

I, Nahla R. Boury, Professional Engineer, of 1430, 311 Sixth Avenue S.W., Calgary, Alberta, Canada hereby certify:

1. I am an employee of DeGolyer and MacNaughton Canada Limited, which prepared a competent person's report of certain Nigerian oil and gas properties of Seplat Petroleum Development Company Plc. The effective date of this report is October 31, 2013.
2. I do not have, nor do I expect to receive, any direct or indirect interest in the securities of Seplat Petroleum Development Company Plc or its affiliated companies.
3. I attended the University of Calgary and I graduated with a Bachelor of Science Degree in Chemical Engineering in 1990; I am a Registered Professional Engineer in the Province of Alberta and that I have in excess of twenty-three years' experience in the Petroleum Industry of which nineteen years' experience are in the conduct of evaluation and engineering studies relating to worldwide oil and gas fields.
4. A personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of the information available from public information and records, the files of Seplat Petroleum Development Company Plc, and the appropriate provincial regulatory authorities.

SIGNED: February 27, 2014


Nahla R. Boury, P.Eng.
Vice President Engineering and Director
DeGolyer and MacNaughton
Canada Limited



INDEX

APPENDIX

TABLES

Table A – Seplat’s Working Interest Contingent Resource Production Forecast – Total Company

Table B – Seplat’s Working Interest Contingent Resource Cost Forecast – Total Company

CORPORATE SUMMARIES – FORECAST PRICE CASE

CONTINGENT RESOURCES BASE CASE

1C Contingent Resources

Table 1A –Summary of Resources– Total Company

Table 1B –Summary of Production and Future Costs – Total Company

2C Contingent Resources

Table 2A –Summary of Resources– Total Company

Table 2B –Summary of Production and Future Costs– Total Company

3C Contingent Resources

Table 3A –Summary of Resources– Total Company

Table 3B –Summary of Production and Future Costs – Total Company

INDEX

TABLES

- Table A – Seplat’s Working Interest Contingent Resource Production Forecast
– Total Company
- Table B – Seplat’s Working Interest Contingent Resource Cost Forecast –
Total Company

Table A
Total Company
Seplat's Working Interest Contingent Resource Production Forecast
2C Contingent Resource

Year	Light Oil (Mbbl)	Heavy Oil (Mbbl)	Condensate (Mbbl)	Sales Gas (MMcf)
2013	86	-	-	-
2014	465	-	-	-
2015	1,269	-	-	-
2016	1,211	-	-	-
2017	1,156	-	-	-
2018	2,396	-	-	11,399
2019	3,527	-	-	22,612
2020	3,449	-	-	22,674
2021	3,102	-	-	22,612
2022	2,903	-	-	22,612
2023	2,783	-	-	22,612
2024	2,696	-	-	22,674
2025	2,344	-	-	20,732
2026	1,678	-	-	15,430
2027	1,173	-	-	11,191
2028	840	-	-	8,140
2029	599	-	-	5,892
2030	429	-	-	4,281
2031	307	-	-	3,112
2032	221	-	-	2,269
2033	158	-	-	1,646
2034	113	-	-	1,199
2035	81	-	-	873
2036	43	-	-	563
2037	2	-	-	36
Total	33,031	-	-	222,561

Table B
Total Company
Seplat's Working Interest Contingent Resource Cost Forecast
2C Contingent Resource

Year	Fixed OPEX (M\$)	G&A Costs	Crude Handling OPEX (M\$)	Variable Gas OPEX	Facilities CAPEX (M\$)	Recompletion CAPEX (M\$)	Drilling CAPEX (M\$)	Abandonment Costs (M\$)
2013	720	-	729	175	-	-	-	-
2014	4,367	-	4,035	935	8,750	-	-	-
2015	7,423	-	11,221	758	-	-	-	-
2016	7,572	-	10,923	664	-	-	-	-
2017	7,723	-	10,636	578	350,990	-	51,660	-
2018	9,332	-	22,482	15,124	-	-	-	-
2019	11,651	-	33,760	30,067	-	-	-	-
2020	12,862	-	33,671	30,833	2,256	-	11,280	-
2021	12,679	-	30,893	31,307	-	-	-	-
2022	12,933	-	29,485	31,897	-	-	-	-
2023	12,899	-	28,840	32,506	-	-	-	-
2024	10,347	-	28,495	33,225	-	-	-	-
2025	9,599	-	25,270	30,822	-	-	-	-
2026	7,530	-	18,446	23,311	-	-	-	1,169
2027	5,178	-	13,161	17,189	-	-	-	4,872
2028	5,282	-	9,615	12,734	-	-	-	-
2029	5,387	-	6,991	9,388	-	-	-	-
2030	5,495	-	5,103	6,947	-	-	-	-
2031	5,605	-	3,727	5,144	-	-	-	-
2032	5,717	-	2,731	3,820	-	-	-	-
2033	5,831	-	1,991	2,823	-	-	-	-
2034	5,948	-	1,458	2,094	-	-	-	-
2035	6,067	-	1,068	1,554	-	-	-	-
2036	4,541	-	582	1,006	-	-	-	-
2037	284	-	30	63	-	-	-	-
2038	-	-	-	-	-	-	-	39,999
Total	182,971	-	335,343	324,966	361,996	-	62,940	46,040

INDEX

CORPORATE SUMMARIES – FORECAST PRICE CASE CONTINGENT RESOURCES BASE CASE

1C Contingent Resources

Table 1A –Summary of Resources– Total Company

Table 1B –Summary of Production and Future Costs – Total Company

2C Contingent Resources

Table 2A –Summary of Resources– Total Company

Table 2B –Summary of Production and Future Costs– Total Company

3C Contingent Resources

Table 3A –Summary of Resources– Total Company

Table 3B –Summary of Production and Future Costs – Total Company

Table 1A
Summary of Resources - Total Company
1C Contingent Resources
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Feb 18, 14 16:14
Project : 021586

		Current Resource Cat.	Project : 021586											
Well	Zone		Avg. WI %	Light&Med Oil		Heavy Oil		Sales Gas		NGLs		Total BOE		
				Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	
				Mbb1	Mbb1	Mbb1	Mbb1	MMcf	MMcf	bbl	bbl	Mbb1	Mbb1	
Nigeria														
OML-53														
JISIKE				1140	946	-	-	-	-	-	-	1140	946	
OHAJI SOUTH-Deep Zone				8092	6716	-	-	86485	80431	-	-	23003	20584	
OHAJI SOUTH-Shallow Zone				2739	2273	-	-	-	-	-	-	2739	2273	
Total Company				11970	9935	-	-	86485	80431	-	-	26882	23803	

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 1B
Summary of Production and Future Costs - Total Company
1C Contingent Resources
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Avg. WI : 21.59%

Value Navigator 6.1.4.53
Run Date : Feb 18, 14 16:14
Project : 021586

RESOURCES AND PRODUCTION FORECAST

Light&Med Oil										Heavy Oil										Sales Gas									
Mbbbl										Mbbbl										MMcf									
		Price		Pool		Company Share				Price		Pool		Company Share						Price		Pool		Company Share					
Year	# of Wells	\$/bbl	bbl/d	Vol	Gross	Net				\$/bbl	bbl/d	Vol	Gross	Net						\$/Mcf	Mcf/d	Vol	Gross	Net					
2013	6	111.93	3478	212	85	70				-	-	-	-	-						-	-	-	-	-					
2014	6	107.77	2785	1016	407	337				-	-	-	-	-						-	-	-	-	-					
2015	10	105.62	7490	2734	1094	908				-	-	-	-	-						-	-	-	-	-					
2016	10	107.73	6852	2508	1003	833				-	-	-	-	-						-	-	-	-	-					
2017	9	110.52	5190	1894	758	629				-	-	-	-	-						-	-	-	-	-					
2018	12	113.46	9158	3343	851	707				-	-	-	-	-						3.22	63921	23331	4666	4340					
2019	12	116.88	14093	5144	1094	908				-	-	-	-	-						3.29	126800	46282	9256	8608					
2020	8	119.22	13451	4923	1003	833				-	-	-	-	-						3.35	126800	46409	9282	8632					
2021	4	121.60	13200	4818	964	800				-	-	-	-	-						3.42	126800	46282	9256	8608					
2022	4	124.03	13200	4818	964	800				-	-	-	-	-						3.49	126800	46282	9256	8608					
2023	4	126.52	12763	4658	932	773				-	-	-	-	-						3.56	124641	45494	9099	8462					
2024	4	129.04	10268	3758	752	624				-	-	-	-	-						3.61	112330	41113	8223	7647					
2025	4	131.62	8222	3001	600	498				-	-	-	-	-						3.67	100037	36514	7303	6792					
2026	4	134.25	5905	2155	431	358				-	-	-	-	-						3.74	75226	27458	5492	5107					
2027	4	136.94	4169	1522	304	253				-	-	-	-	-						3.81	54949	20056	4011	3730					
SUB				46505	11240	9329																379220	75844	70535					
REM				3651	730	606																53202	10640	9896					
TOT				50156	11970	9935																432423	86485	80431					

Condensate						Butane						Propane						Ethane						Sulphur					
Mbbbl						Mbbbl						Mbbbl						Mbbbl						LT					
		Price		Company Share		Price		Company Share		Price		Company Share		Price		Company Share		Price		Company Share		Price		Company Share		Price		Company Share	
Year		\$/bbl	Gross	Net		\$/bbl	Gross	Net		\$/bbl	Gross	Net		\$/bbl	Gross	Net		\$/bbl	Gross	Net		\$/LT	Gross	Net					
2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REM	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

COMPANY SHARE FUTURE COSTS

Year	Prod. Taxes		Oper Costs		Cap'l Costs	Aband Costs
	Pipe Losses		Fixed	Var		
	MM\$		MM\$	MM\$	MM\$	MM\$
2013	1.4		0.7	0.9	-	-
2014	6.6		4.4	4.4	8.8	-
2015	17.3		7.4	10.3	-	-
2016	16.2		7.3	9.4	-	-
2017	12.6		7.0	7.0	171.8	-
2018	14.5		7.4	14.1	-	-
2019	19.2		5.1	22.6	-	3.1
2020	17.9		3.4	22.2	-	-
2021	17.6		1.7	22.2	-	-
2022	17.9		1.7	22.7	-	-
2023	17.7		1.7	22.5	-	-
2024	14.5		1.8	19.7	-	-
2025	11.9		1.8	17.0	-	-
2026	8.7		1.8	12.8	-	-
2027	6.3		1.9	9.4	-	1.2
SUB	200.2		55.1	217.3	180.5	4.3
REM	16.0		14.8	25.6	-	17.0
TOT	216.2		69.9	242.9	180.5	21.4

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 2A
Summary of Resources - Total Company
2C Contingent Resources
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Feb 18, 14 16:14
Project : 021586

		Current Resource Cat.	Project : 021586											
Well	Zone		Avg. WI %	Light&Med Oil		Heavy Oil		Sales Gas		NGLs		Total BOE		
				Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	
				Mbb1	Mbb1	Mbb1	Mbb1	MMcf	MMcf	bbl	bbl	Mbb1	Mbb1	
Nigeria														
OML-53														
JISIKE				2586	2146	-	-	-	-	-	-	2586	2146	
OHAJI SOUTH-Deep Zone				24644	20454	-	-	222561	206982	-	-	63016	56141	
OHAJI SOUTH-Shallow Zone				5232	4342	-	-	-	-	-	-	5232	4342	
OMERELU				570	473	-	-	-	-	-	-	570	473	
Total Company				33031	27416	-	-	222561	206982	-	-	71403	63102	

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 2B
Summary of Production and Future Costs - Total Company
2C Contingent Resources
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Avg. WI : 21.27%

Value Navigator 6.1.4.53
Run Date : Feb 18, 14 16:15
Project : 021586

RESOURCES AND PRODUCTION FORECAST

Year	# of Wells	Light&Med Oil					Heavy Oil					Sales Gas				
		Mbbbl					Mbbbl					Bcf				
		Price	Pool		Company Share		Price	Pool		Company Share		Price	Pool		Company Share	
		\$/bbl	bbl/d	Vol	Gross	Net	\$/bbl	bbl/d	Vol	Gross	Net	\$/Mcf	Mcf/d	Vol	Gross	Net
2013	6	111.93	3515	214	86	71	-	-	-	-	-	-	-	-	-	-
2014	6	107.77	3188	1164	465	386	-	-	-	-	-	-	-	-	-	-
2015	10	105.62	8691	3172	1269	1053	-	-	-	-	-	-	-	-	-	-
2016	10	107.73	8271	3027	1211	1005	-	-	-	-	-	-	-	-	-	-
2017	10	110.52	7918	2890	1156	959	-	-	-	-	-	-	-	-	-	-
2018	20	113.46	25301	9235	2396	1988	-	-	-	-	-	3.24	156153	57	11	11
2019	20	116.88	41797	15256	3527	2927	-	-	-	-	-	3.30	309760	113	23	21
2020	21	119.22	41196	15078	3449	2862	-	-	-	-	-	3.37	309760	113	23	21
2021	20	121.60	38887	14194	3102	2575	-	-	-	-	-	3.44	309760	113	23	21
2022	20	124.03	37520	13695	2903	2409	-	-	-	-	-	3.50	309760	113	23	21
2023	20	126.52	36705	13397	2783	2310	-	-	-	-	-	3.57	309760	113	23	21
2024	18	129.04	36056	13197	2696	2238	-	-	-	-	-	3.65	309759	113	23	21
2025	16	131.62	31593	11532	2344	1946	-	-	-	-	-	3.71	284001	104	21	19
2026	15	134.25	22745	8302	1678	1392	-	-	-	-	-	3.78	211370	77	15	14
2027	11	136.94	16074	5867	1173	974	-	-	-	-	-	3.85	153297	56	11	10
SUB				130218	30237	25097				-	-			973	195	181
REM				13968	2794	2319				-	-			140	28	26
TOT				144186	33031	27416				-	-			1113	223	207

Year	Condensate			Butane			Propane			Ethane			Sulphur		
	Mbbbl			Mbbbl			Mbbbl			Mbbbl			LT		
	Price	Company Share		Price	Company Share		Price	Company Share		Price	Company Share		Price	Company Share	
	\$/bbl	Gross	Net	\$/bbl	Gross	Net	\$/bbl	Gross	Net	\$/bbl	Gross	Net	\$/LT	Gross	Net
2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REM	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

COMPANY SHARE FUTURE COSTS

	Prod. Taxes	Oper Costs		Cap'l Costs	Aband Costs
	Pipe Losses	Fixed	Var		
Year	MM\$	MM\$	MM\$	MM\$	MM\$
2013	1.4	0.7	0.9	-	-
2014	7.5	4.4	5.0	8.8	-
2015	20.1	7.4	12.0	-	-
2016	19.6	7.6	11.6	-	-
2017	19.2	7.7	11.2	402.6	-
2018	40.8	9.3	37.6	-	-
2019	61.8	11.7	63.8	-	-
2020	61.7	12.9	64.5	13.5	-
2021	56.6	12.7	62.2	-	-
2022	54.0	12.9	61.4	-	-
2023	52.8	12.9	61.3	-	-
2024	52.2	10.3	61.7	-	-
2025	46.3	9.6	56.1	-	-
2026	33.8	7.5	41.8	-	1.2
2027	24.1	5.2	30.3	-	4.9
SUB	551.8	132.8	581.4	424.9	6.0
REM	61.0	50.2	78.9	-	40.0
TOT	612.8	183.0	660.3	424.9	46.0

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 3A
Summary of Resources - Total Company
3C Contingent Resources
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Value Navigator 6.1.4.53
Run Date : Feb 18, 14 16:14
Project : 021586

Project : 021586													
Well	Zone	Current Resource Cat.	Avg. WI %	Light&Med Oil		Heavy Oil		Sales Gas		NGLs		Total BOE	
				Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
				Mbb1	Mbb1	Mbb1	Mbb1	MMcf	MMcf	bb1	bb1	Mbb1	Mbb1
<u>Nigeria</u>													
<u>OML-53</u>													
JISIKE				4070	3378	-	-	-	-	-	-	4070	3378
OHAJI SOUTH-Deep Zone				39467	32758	-	-	416622	387459	-	-	111299	99561
OHAJI SOUTH-Shallow Zone				6727	5584	-	-	-	-	-	-	6727	5584
OMERELU				2243	1862	-	-	-	-	-	-	2243	1862
Total Company				52507	43581	-	-	416622	387459	-	-	124338	110384

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



Table 3B
Summary of Production and Future Costs - Total Company
3C Contingent Resources
Seplat Petroleum Development Company Plc
Effective as of October 31, 2013
Forecast Price Case

Avg. WI : 21.13%

Value Navigator 6.1.4.53
Run Date : Feb 18, 14 16:15
Project : 021586

RESOURCES AND PRODUCTION FORECAST

Light&Med Oil							Heavy Oil					Sales Gas				
Mbbbl							Mbbbl					Bcf				
	# of	Price	Pool		Company Share		Price	Pool		Company Share		Price	Pool		Company Share	
Year	Wells	\$/bbl	bbl/d	Vol	Gross	Net	\$/bbl	bbl/d	Vol	Gross	Net	\$/Mcf	Mcf/d	Vol	Gross	Share
2013	6	111.93	3533	216	86	72	-	-	-	-	-	-	-	-	-	-
2014	6	107.77	3319	1212	485	402	-	-	-	-	-	-	-	-	-	-
2015	10	105.62	9380	3424	1369	1137	-	-	-	-	-	-	-	-	-	-
2016	10	107.73	9075	3322	1329	1103	-	-	-	-	-	-	-	-	-	-
2017	10	110.52	8801	3213	1285	1067	-	-	-	-	-	-	-	-	-	-
2018	21	113.46	32300	11789	2982	2475	-	-	-	-	-	3.22	228175	83	17	15
2019	21	116.88	54808	20005	4564	3788	-	-	-	-	-	3.29	452630	165	33	31
2020	24	119.22	57438	21022	4961	4118	-	-	-	-	-	3.35	452630	166	33	31
2021	24	121.60	55658	20315	4688	3891	-	-	-	-	-	3.42	452630	165	33	31
2022	24	124.03	53095	19380	4314	3580	-	-	-	-	-	3.49	452630	165	33	31
2023	24	126.52	51369	18750	4062	3371	-	-	-	-	-	3.56	452630	165	33	31
2024	24	129.04	50148	18354	3894	3232	-	-	-	-	-	3.63	452630	166	33	31
2025	23	131.62	48157	17577	3677	3052	-	-	-	-	-	3.70	446904	163	33	30
2026	23	134.25	40953	14948	3129	2597	-	-	-	-	-	3.76	412837	151	30	28
2027	21	136.94	34909	12742	2665	2212	-	-	-	-	-	3.83	384565	140	28	26
SUB				186267	43490	36097			-	-	-			1530	306	285
REM				43667	9017	7484			-	-	-			553	111	103
TOT				229935	52507	43581			-	-	-			2083	417	387

Condensate				Butane				Propane				Ethane				Sulphur			
Mbbbl				Mbbbl				Mbbbl				Mbbbl				LT			
	Price	Company Share		Price	Company Share		Price	Company Share		Price	Company Share		Price	Company Share					
Year	\$/bbl	Gross	Net	\$/bbl	Gross	Net	\$/bbl	Gross	Net	\$/bbl	Gross	Net	\$/LT	Gross	Share				
2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
2019	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
2023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
2024	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
2025	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
2026	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
2027	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
SUB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
REM	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
TOT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				

COMPANY SHARE FUTURE COSTS

Year	Prod. Taxes	Oper Costs		Cap'l Costs	Aband Costs
	Pipe Losses MMS	Fixed MMS	Var MMS	MMS	MMS
2013	1.4	0.7	0.9	-	-
2014	7.8	4.4	5.2	8.8	-
2015	21.7	7.4	12.9	-	-
2016	21.5	7.6	12.7	-	-
2017	21.3	7.7	12.5	536.8	-
2018	50.8	10.1	50.2	-	-
2019	80.0	12.2	87.4	-	-
2020	88.7	14.5	93.2	45.2	-
2021	85.5	15.5	92.2	-	-
2022	80.3	15.8	90.1	-	-
2023	77.1	16.1	89.2	-	-
2024	75.4	15.9	89.3	-	-
2025	72.6	15.8	87.9	-	-
2026	63.0	14.2	79.5	5.1	-
2027	54.7	14.0	72.4	-	1.2
SUB	801.8	171.7	875.9	595.8	1.2
REM	201.2	116.3	291.4	-	61.1
TOT	1003.1	288.0	1167.2	595.8	62.3

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.



PART XXI

DEPOSITARY INTERESTS

The following section of this Prospectus only applies to Ordinary Shares traded through the London Stock Exchange. The Company has entered into depositary arrangements to enable investors to settle and pay for interests in the Ordinary Shares through the CREST system. Pursuant to arrangements put in place by the Company, a depositary will hold the Ordinary Shares in trust for the shareholders and issue dematerialised Depositary Interests to individual shareholders' CREST accounts representing the underlying Ordinary Shares.

The Depositary will issue the dematerialised Depositary Interests. The Depositary Interests will be independent securities constituted under English law which may be held and transferred through the CREST system.

The Depositary Interests will be created pursuant to and issued on the terms of a deed poll dated 4 April 2014 and executed by the Depositary in favour of the holders of the Depositary Interests from time to time (the “**Deed Poll**”). Prospective holders of Depositary Interests should note that they will have no rights against Euroclear or its subsidiaries in respect of the underlying Ordinary Shares or the Depositary Interests representing them.

Ordinary Shares will be transferred to the Custodian and the Depositary will issue Depositary Interests to participating members and provide the necessary custodial services.

In relation to those Ordinary Shares held by shareholders in uncertificated form, although the Company's register shows the Custodian as the legal holder of the Ordinary Shares, the beneficial interest in the Ordinary Shares remains with the holder of Depositary Interests, who has the benefit of all the rights attaching to the Ordinary Shares as if the holder of Depositary Interests were named on the certificated Ordinary Share register itself.

Each Depositary Interest will be treated as one Ordinary Share for the purposes of determining, for example, eligibility for any dividends. The Depositary Interests will have the same ISIN number as the underlying Ordinary Shares and will not require a separate listing on the Official List of the FCA. The Depositary Interests can then be traded and settlement will be within the CREST system in the same way as any other CREST securities.

Application has been made for the Depositary Interests to be admitted to CREST with effect from Admission.

Deed Poll

In summary, the Deed Poll contains provisions to the following effect, which are binding on holder of Depositary Interests:

Holders of Depositary Interests warrant, inter alia, that Ordinary Shares held by the Depositary or the Custodian (on behalf of the Depositary) are free and clear of all liens, charges, encumbrances or third-party interests and that such transfers or issues are not in contravention of the Company's constitutional documents or any contractual obligation, law or regulation. Each holder of Depositary Interests indemnifies the Depositary for any losses the Depositary incurs as a result of a breach of this warranty.

The Depositary and any Custodian must pass on to holders of Depositary Interests and, so far as they are reasonably able, exercise on behalf of holders of Depositary Interests all rights and entitlements received or to which they are entitled in respect of the underlying Ordinary Shares which are capable of being passed on or exercised. Rights and entitlements to cash distributions, to information, to make choices and elections and to call for, attend and vote at meetings shall, subject to the Deed Poll, be passed on in the form in which they are received together with amendments and additional documentation necessary to effect such passing-on, or, as the case may be, exercised in accordance with the Deed Poll.

The Depositary will be entitled to cancel Depositary Interests and withdraw the underlying Ordinary Shares in certain circumstances including where a holder of Depositary Interests has failed to perform any obligation under the Deed Poll or any other agreement or instrument with respect to the Depositary Interests.

The Deed Poll contains provisions excluding and limiting the Depositary's liability. For example, the Depositary shall not be liable to any holder of Depositary Interests or any other person for liabilities in connection with the performance or non-performance of obligations under the Deed Poll or otherwise

except as may result from its negligence or wilful default or fraud. Furthermore, except in the case of personal injury or death, the Depositary's liability to a holder of Depositary Interests will be limited to the lesser of:

- (a) the value of the Ordinary Shares and other deposited property properly attributable to the Depositary Interests to which the liability relates; and
- (b) that proportion of £5 million which corresponds to the proportion which the amount the Depositary would otherwise be liable to pay to the holder of Depositary Interests bears to the aggregate of the amounts the Depositary would otherwise be liable to pay to all such holders in respect of the same act, omission or event which gave rise to such liability or, if there are no such amounts, £5 million.

The Depositary is not liable for any losses attributable to or resulting from the Company's negligence or wilful default or fraud or that of the CREST operator.

The Depositary is entitled to charge holders of Depositary Interests fees and expenses for the provision of its services under the Deed Poll.

Each holder of Depositary Interests is liable to indemnify the Depositary and any Custodian (and their respective agents, officers and employees) against all liabilities arising from or incurred in connection with, or arising from any act related to, the Deed Poll so far as they relate to the property held for the account of Depositary Interests held by that holder, other than those resulting from the wilful default, negligence or fraud of the Depositary, or the Custodian or any agent, if such Custodian or agent is a member of the Depositary's group, or, if not being a member of the same group, the Depositary shall have failed to exercise reasonable care in the appointment and continued use and supervision of such Custodian or agent.

The Depositary may terminate the Deed Poll by giving not less than 30 days' prior notice. During such notice period holders may cancel their Depositary Interests and withdraw their deposited property and, if any Depositary Interests remain outstanding after termination, the Depositary must as soon as reasonably practicable, among other things, deliver the deposited property in respect of the Depositary Interests to the relevant holder of Depositary Interests or, at its discretion, sell all or part of such deposited property. It shall, as soon as reasonably practicable, deliver the net proceeds of any such sale, after deducting any sums due to the Depositary, together with any other cash held by it under the Deed Poll pro rata to holders of Depositary Interests in respect of their Depositary Interests.

The Depositary or the Custodian may require from any holder, or former or prospective holder, information as to the capacity in which Depositary Interests are owned or held and the identity of any other person with any interest of any kind in such Depositary Interests or the underlying Ordinary Shares and holders are bound to provide such information requested. Furthermore, to the extent that the Company's constitutional documents require disclosure to the Company of, or limitations in relation to, beneficial or other ownership of, or interests of any kind whatsoever in, the Ordinary Shares, the holders of Depositary Interests are to comply with such provisions and with the Company's instructions with respect thereto.

It should also be noted that holders of Depositary Interests may not have the opportunity to exercise all of the rights and entitlements available to holders of Ordinary Shares in the Company, including, for example, the ability to vote on a show of hands. In relation to voting, it will be important for holders of Depositary Interests to give prompt instructions to the Depositary or its nominated Custodian, in accordance with any voting arrangements made available to them, to vote the underlying Ordinary Shares on their behalf or, to the extent possible, to take advantage of any arrangements enabling holders of Depositary Interests to vote such Ordinary Shares as a proxy of the Depositary or its nominated Custodian.

A copy of the Deed Poll can be obtained on request in writing to the Depositary.

Depositary Agreement

The terms of the depositary agreement dated 8 April 2014 between the Company and the Depositary (the "**Depositary Agreement**"), under which the Company appoints the Depositary to constitute and issue from time to time, upon the terms of the Deed Poll (as outlined above), a series of Depositary Interests representing securities issued by the Company and to provide certain other services in connection with such Depositary Interests are summarised below.

The Depositary agrees that it will comply, and will procure certain other persons comply, with the terms of the Deed Poll and that it and they will perform their obligations in good faith and with all reasonable skill and care. The Depositary assumes certain specific obligations, including the obligation to arrange for the Depositary Interests to be admitted to CREST as participating securities and to provide copies of and access to the register of Depositary Interests. The Depositary will either itself or through its appointed Custodian hold the deposited property on trust (which includes the securities represented by the Depositary Interests) for the benefit of the holders of the Depositary Interests as tenants in common, subject to the terms of the Deed Poll. The Company agrees to provide such assistance, information and documentation to the Depositary as is reasonably required by the Depositary for the purposes of performing its duties, responsibilities and obligations under the Deed Poll and the Depositary Agreement. In particular, the Company is to supply the Depositary with all documents it sends to its Shareholders so that the Depositary can distribute the same to all holders of Depositary Interests. The agreement sets out the procedures to be followed where the Company is to pay or make a dividend or other distribution.

The Company is to indemnify the Depositary for any loss it may suffer as a result of the performance of the Depositary Agreement except to the extent that any losses result from the Depositary's own negligence, fraud or wilful default. The Depositary is to indemnify the Company for any loss the Company may suffer as a result of or in connection with the Depositary's fraud, negligence or wilful default save that the aggregate liability of the Depositary to the Company over any 12-month period shall in no circumstances whatsoever exceed twice the amount of the fees payable to the Depositary in any 12-month period in respect of a single claim or in the aggregate.

Subject to earlier termination, the Depositary is appointed for a fixed term of one year and thereafter until terminated by either party giving not less than six months' notice.

In the event of termination, the parties agree to phase out the Depositary's operations in an efficient manner without adverse effect on the shareholders and the Depositary shall deliver to the Company (or as it may direct) all documents, papers and other records relating to the Depositary Interests which are in its possession and which is the property of the Company.

The Company is to pay certain fees and charges, including a set-up fee, an annual fee, a fee based on the number of Depositary Interests per year and certain CREST-related fees. The Depositary is also entitled to recover reasonable out of pocket fees and expenses.

PART XXII DEFINITIONS

In this Prospectus the following terms and abbreviations are used:

“£” or “Pounds Sterling”	the lawful currency of the United Kingdom
“2010 PD Amending Directive” . .	Directive 2003/73/EC which amends the Prospectus Directive
“Admission”	the Nigerian Admission together with the UK Admission
“Afrexim”	African Export-Import Bank, whose principal place of business is located at 72(B) El Maahad El Eshteraky Street, Heliopolis, Cairo 11341, Egypt
“Afrexim Bridge”	has the meaning given to it in Part XVII: “Additional Information”, section 10.6.1 of this Prospectus
“Afrexim Facility”	the term loans made available to the Company under the Afrexim Facility Agreement
“Afrexim Facility Agreement” . . .	the amended and restated term facility agreement dated 12 June 2012 between, amongst others, the Company and African Export-Import Bank, as described in Part XVII: “Additional Information”, section 10.6.1 of this Prospectus
“AGIP”	Nigerian AGIP Oil Company Limited, a company incorporated under the laws of Nigeria, whose principal place of business is at Churchgate Building, Plot 473 AO Constitution Avenue, Central Business Area, Abuja, Nigeria
“AGRA”	Associated Gas Re-injection Act 1979
“Agreement for Assignment” . . .	the agreement for assignment of a 45 per cent. participating interest in OMLs 4, 38 and 41 dated 31 January 2010 between the Company, as assignee, and SPDC, TOTAL and AGIP, as assignors
“AMNI”	Amni International Petroleum Development Company Limited, a company incorporated under the laws of Nigeria, whose principal place of business is at Plot 1377, Tihamiyu Savage Street, Victoria Island, Lagos, Nigeria
“APCO”	Abbeycourt Petroleum Company Limited, a company incorporated under the laws of Nigeria, whose principal place of business is at Plot 1034B, Ologun Agbaje Street, Victoria Island, Lagos, Nigeria
“API”	American Petroleum Institute, whose principal place of business is located at 1220 L Street NW, Washington, DC 20005-4070 USA
“Articles of Association” or “Articles”	the articles of association of the Company which were adopted by special resolution passed on 31 July 2013
“Assignors”	SPDC, TOTAL and AGIP
“Audit Committee”	the audit committee of the Board from time to time
“Azura Power”	Azura Power West Africa Ltd, a company incorporated under the laws of Nigeria, whose principal place of business is at St Nichols House (13th Floor), Catholic Mission Street, Lagos, Nigeria
“BelemaOil”	BelemaOil Producing Limited, a company incorporated under the laws of Nigeria, whose principal place of business is at 315 Pira Street, Port Harcourt, Nigeria

“Blakeney Group”	the following funds managed by Blakeney LLP: Blakeney Investors SICAV, Blakeney General Partners III Limited as General Partner of CC Development Partners, Blakeney General Partners IV Limited as General Partner of Blakeney LP, Blakeney General Partners III Limited as General Partner of Ithaca LP, Blakeney General Partners III Limited as General Partner of Austin Alpha LP, Blakeney General Partners III Limited as General Partner of Heviben LP, Blakeney General Partners III Limited as General Partner of Palo Alto LP, Blakeney General Partners III Limited as General Partner of Menafrika LP, Blakeney General Partners III Limited as General Partner of Blakeney Sand Hill LP and Blakeney General Partners III Limited as General Partner of Ron Stanley LP
“Board of Directors” or “Board”	the board of directors of the Company whose names appear on page 95 of this Prospectus
“BNP Paribas”	BNP Paribas, whose registered office is at 16, boulevard des Italiens, 75009 Paris, France
“Brittania U”	Brittania U Nigeria Limited, a company incorporated under the laws of Nigeria, whose principal place of business is at 14 Saka Tinubu Street, Victoria Island, Eti Osa, Lagos, Nigeria
“Brittania U Litigation”	the litigation and proceedings described at Part VI: “Letter from the Chairman and Information on the Group”, section 15 of this Prospectus
“BP Statistical Review”	BP Statistical Review of World Energy, June 2013
“Cardinal”	Cardinal Drilling Services Limited, a company incorporated under the laws of Nigeria, whose registered office is at 7, Second Avenue, Ikoyi, Lagos, Nigeria
“CAMA”	the Nigerian Companies and Allied Matters Act 2004
“CCI”	certificate of capital importation
“CEO”	chief executive officer of the Company
“CFO”	chief financial officer of the Company
“Chairman”	the chairman of the Board
“CHN”	Clearing House Number
“Chorus”	Chorus Energy Limited, a company incorporated under the laws of Nigeria, whose principal place of business is at Regus, 3 rd Floor Mulliner Towers, 39 Alfred Rewane Road, Ikoyi, Lagos, Nigeria
“CIT”	Companies Income Tax
“CITA”	Companies Income Tax Act 1990
“Citi”	Citigroup Global Markets Limited, a company incorporated under the laws of England and Wales, whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom
“City Code”	City Code on Takeovers and Mergers
“CNL”	Chevron Nigeria Limited, a company incorporated under the laws of Nigeria, whose principal place of business is at 2 Chevron Drive, Lekki Peninsula, Lagos, Nigeria
“CNL Assets”	the 40 per cent. participating interest in OMLs 52, 53 and 55 and any other assets being assigned to the CNL Assets Consortium pursuant to the CNL Assets SPA

“CNL Assets Acquisition”	the acquisition by the CNL Assets Consortium of the CNL Assets described in Part I: “Summary Information”, section B.3 of this Prospectus
“CNL Assets Acquisition Completion”	completion of the CNL Assets Acquisition in accordance with the terms of the CNL Assets SPA
“CNL Assets Acquisition Conditions”	the conditions precedent to the CNL Assets Acquisition Completion, the principal outstanding conditions being summarised in Part XVII: “Additional Information”, section 10.7.21 of this Prospectus
“CNL Assets Acquisition Deposit”	a deposit in the amount of US\$147 million, equivalent to 18.375 per cent. of the total purchase price, payable by the CNL Assets Consortium under the terms of the CNL Assets SPA
“CNL Assets Acquisition Effective Date”	1 July 2013, as set out in the CNL Assets SPA
“CNL Assets Consortium”	the consortium formed of AMNI, BelemaOil and the Company pursuant to the CNL Assets Consortium Agreement
“CNL Assets Consortium Agreement”	the amended and restated consortium agreement dated 14 November 2013 between the Company, AMNI and BelemaOil as described in Part XVII: “Additional Information”, section 10.7.20
“CNL Assets SPA”	the sale and purchase agreement dated 29 November 2013 between the CNL Assets Consortium and CNL as described in Part XVII: “Additional Information”, section 10.7.21
“CNOOC”	China National Offshore Oil Corporation Limited, a company incorporated under the laws of Hong Kong, whose registered office is at 65/F, Bank of China Tower, 1 Garden Road, Hong Kong
“Codes”	the Nigerian Code of Corporate Governance and the UK Corporate Governance Code
“Company”	SEPLAT Petroleum Development Company Plc, a company registered under the laws of Nigeria, whose registered office is at 25a Lugard Avenue, Ikoyi, Lagos, Nigeria
“ConocoPhillips”	ConocoPhillips Company
“Council of the NSE”	National Council of The Nigerian Stock Exchange
“CPRs”	the OMLs 4, 38 and 41 CPR, the Umuseti/Igbuku Fields CPR and the OML 53 CPR
“CREST”	the electronic, paperless transfer and settlement mechanism to facilitate the transfer of title of shares in uncertified form operated by Euroclear
“CREST Regulations”	Uncertificated Securities Regulations 2001 (SI 2001/3755)
“Crude Handling Agreement” . . .	the crude handling agreement dated 31 July 2010 between SPDC and the Company, as described in Part XVII, section 10.7.2 of this Prospectus
“Crude Transport Agreement” . .	the crude transport agreement dated 5 July 2011 between PanOcean and the Company, as described in Part XVII, section 10.7.9 of this Prospectus
“CSCS”	Central Securities Clearing Systems Plc, a company incorporated under the laws of Nigeria, whose registered office is at Stock Exchange Building, 2/4 Customs Street, Lagos, Nigeria

“CSR”	corporate social responsibility
“Custodian”	the custodian nominated by the Depositary
“Deed Poll”	the deed poll dated 4 April 2014 and executed by the Depositary in favour of the holders of the Depositary Interests from time to time
“DMCL”	DeGolyer and MacNaughton Canada Limited, 311 Sixth Avenue S.W. Suite 1430, Intact Place, East Tower, Calgary, Alberta, Canada T2P 3H2
“Depositary”	Computershare Investor Services Plc, The Pavillions, Bridgewater Road, Bristol BS96 6ZZ, United Kingdom
“Depositary Agreement”	the depositary agreement between the Company and the Depositary dated 8 April 2014
“Depositary Interests”	the dematerialised depositary interests in respect of the Ordinary Shares issued or to be issued by the Depositary
“Diamond Bank”	Diamond Bank Plc, a company incorporated under the laws of Nigeria whose principal place of business is at Plot 4, Block 5 BIS Way, off Lekki-Epe Expressway, Lekki, Lagos, Nigeria
“Directors”	the Executive Directors, Independent Non-Executive Directors and Non-Executive Directors of the Company
“Disclosure Notice”	notice in writing from the Company requiring any shareholder or any other person with a confirmed or apparent interest in the shares of the Company to disclose to the Company information relating to the beneficial ownership of, or any interest in, the shares in question
“Disclosure and Transparency Rules”	the disclosure and transparency rules made by the FCA under Part VI of FSMA
“DPR”	Department of Petroleum Resources in the Nigerian Federal Ministry of Petroleum Resources
“DPRA”	Downstream Petroleum Regulatory Agency
“DSO”	domestic supply obligations; the Company’s ongoing obligations to supply gas to the local market in Nigeria
“E&P”	exploration and production
“EEA”	European Economic Area
“EIA”	Environmental Impact Assessment
“EIA Act”	Environmental Impact Assessment Act 2004
“Energia”	Energia Limited, a company incorporated under the laws of Nigeria, whose principal place of business is at Plot 29 Prof. Kiumi Akingbehin Street, LEKKI Phase 1, Lekki Epe Expressway, Lagos, Nigeria
“Escravos Terminal”	the onshore terminal at Escravos belonging to and operated by Chevron Nigeria
“Etablissements Maurel et Prom”	Etablissements Maurel et Prom S.A., a company incorporated under the laws of France, whose registered office is at 51, rue d’Anjou, 75008 Paris, France
“Euroclear”	Euroclear UK and Ireland Limited, a company incorporated under the laws of England and Wales, whose principal place of business is at 33 Cannon Street, London EC4M 5SB, United Kingdom, the operator (as defined in the CREST Regulations) of CREST

“Exchange Act”	US Securities Exchange Act of 1934
“Exclusivity Payment”	the exclusivity payment as described in Part VI: “Letter from the Chairman and Information on the Group”, section 11.3.2
“Executive Directors”	Austin Avuru, Roger Brown and Stuart Connal
“FBN”	First Bank of Nigeria Limited, a company incorporated under the laws of Nigeria, whose principal place of business is at Samuel Asabia House, 35 Marina, Lagos, Nigeria
“FBN Facility”	the revolving loan facility of up to US\$100 million to be made available to the Company by FBN pursuant to the FBN Facility Agreement
“FBN Facility Agreement”	the facility agreement to be entered into between the Company and FBN
“FBN Letter of Credit”	the letter of credit issued by FBN in favour of the Company on 27 September 2013
“FCA”	Financial Conduct Authority
“Finance Committee”	the finance committee of the Board from time to time
“FIRS”	Federal Inland Revenue Service
“Forcados Terminal”	the onshore terminal at Forcados belonging to and operated by SPDC
“Founders”	MPI, Shebah, Mr. Orjiako, Professional Support, Platform Petroleum and Mr. Avuru
“FSMA”	UK Financial Services and Markets Act 2000 (as amended)
“Gas Master Plan” or “GMP”	Nigerian Gas Master Plan 2008
“GDP”	Gross Domestic Product
“Global Offer”	the issue of Ordinary Shares by the Company, comprising the International Offering and the Nigerian Offering, as described in Part XV: “Details of the Offer” of this Prospectus
“Global Offer Bonus”	the Company’s bonus plan to reward the contribution of Executive Directors and senior management in the period leading up to the Global Offer as set out under the LTIP
“GMOU”	Global Memorandum of Understanding between the Company and local communities
“Group”	the Company, its subsidiary undertakings and any other body corporate, legal entity, partnership or unincorporated joint venture in which the Company or any of its subsidiary undertakings holds a participating interest (as such term is defined by Section 1162 of the Companies Act 2006) from time to time and references to a “member of the Group” shall be construed accordingly
“GSAA”	Gas Supply and Aggregation Agreement
“High Networth Investor”	has the meaning given to it in Rule 321 of the Nigerian SEC Rules
“HMRC”	HM Revenue & Customs
“HSE”	health, safety and environment
“ICSID”	International Centre for Settlement of Investment Disputes
“IFRS”	International Financial Reporting Standards, as adopted for use in the EU

“Independent Non-Executive Director”	the Senior Independent Non-Executive Director and each of the other independent non-executive directors of the Company described in Part VII: “Directors, Senior Management, Corporate Governance and Dividend Policy” of this Prospectus
“International Offering”	the offer of Ordinary Shares (i) to qualified investors in certain Member States, including to certain institutional investors in the United Kingdom and elsewhere outside the United States and (ii) in the United States only to Qualified Institutional Buyers in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act
“International Underwriting Agreement”	the underwriting agreement entered into on 9 April 2014 between the Company, the Executive Directors, the Chairman and the Joint Bookrunners, as described in Part XVII: “Additional Information”, section 10.1 of this Prospectus
“IRS”	Internal Revenue Service
“ISA”	Nigerian Investments and Securities Act, No. 29, 2007
“Joint Bookrunners”	BNP Paribas, Standard Bank, RenCap, Citi and RBC Capital Markets
“Joint Global Co-ordinators” . . .	BNP Paribas and Standard Bank
“JV”	joint venture
“KCA Deutag”	KCA Deutag Drilling GmbH and KCA Deutag Nigeria Limited, together
“KEL/VPL JV”	Kaego Energy Limited/Virile Petroleum Limited Joint Venture
“LACT Unit”	Lease Automatic Custody Transfer Unit
“Lock-up Deeds”	the lock-up agreements entered into by the Locked-up Persons relating to those Ordinary Shares held by the Locked-up Persons immediately prior to Admission in favour of the Joint Bookrunners and the Company in relation to the lock-up arrangements described in Part XVII: “Additional Information”, section 10.5 of this Prospectus
“Locked-up NEDs”	Mr. Ofurhie, Mr. Okeahalam and Mr. Omiyi
“Locked-up Persons”	each of MPI, Shebah, Professional Support Limited, Abtrust Integrated Services Limited, Platform Petroleum Limited, Quantum Capital, Quantum Power, Mercuria Capital, the Blakeney Group, Mr. Orjiako, Mr. Avuru and the Locked-up NEDs
“London Stock Exchange”	London Stock Exchange plc
“Lonestar”	Lonestar Drilling Nigeria Limited, a company incorporated under the laws of Nigeria, whose corporate office is at Eneka/Igwuruta Road, Opposite NNPC Housing Complex Rumuo Kwurushi, Port Harcourt, Nigeria
“Longstop Date”	28 November 2014, as set forth in the CNL Assets Acquisition SPA
“LTIP”	Long-Term Incentive Plan
“LTIP Awards”	LTIP Restricted Shares, LTIP Options and LTIP Conditional Awards, collectively
“LTIP Conditional Awards”	conditional awards under the LTIP (i.e. a conditional right to acquire Ordinary Shares)
“LTIP Good Leaver Reason” . . .	as set out in Part XVII: “Additional Information”, section 7.6(j)

“LTIP Options”	nil cost options over Ordinary Shares under the LTIP
“LTIP Restricted Shares”	Ordinary Shares which are subject to restrictions and the risk of forfeiture under the LTIP
“Managers”	BNP Paribas, Standard Bank, RenCap, Renaissance Securities, Stanbic IBTC and the Nigerian Receiving Agents
“Member States”	member states of the EEA
“MEND”	Movement for the Emancipation of the Niger Delta
“Mercuria Capital”	Mercuria Capital Partners Limited, a company incorporated under the laws of the Republic of Cyprus, whose registered office is at c/o Archiepiskopou Makariou III & Kalograion 4 Nicolaides Sea View City, 4 th Floor, Flat/Office D16016 Larnaca, Cyprus
“Mercuria Energy”	Mercuria Energy Trading S.A., a company incorporated under the laws of Switzerland, whose registered office is at 50 Rue de Rhone, Geneva 1204, Switzerland
“Mercuria Off-take Agreement” .	the off-take agreement dated 17 December 2013 between the Company and Mercuria Energy
“Midwestern”	Midwestern Oil & Gas Company Limited, a company incorporated in Nigeria, whose head office is at 11, Abimbola Awoniyi Close, Off Kasumu Ekemode Street, Off Saka Tinubu Street, Victoria Island, Lagos, Nigeria
“Minister”	the Minister of Petroleum Resources of Nigeria
“MPI”	MPI S.A. (formerly Maurel et Prom Nigeria S.A.), a company incorporated under the laws of France, whose registered office is at 51 rue d’Anjou, 75008 Paris, France
“MPI Shareholder Loan”	the loan from MPI to the Company described in Part XVII “Additional Information”, section 10.6.2 of this Prospectus
“Model Code”	Model Code as published in the UK Listing Rules
“Naira or NGN”	the lawful currency of Nigeria
“National Assembly”	the bicameral legislature and the highest elective law-making body of Nigeria
“NCTL”	the Nembe Creek trunk line located in the Niger Delta
“NCTL Bid”	the bid by the Group to acquire an interest in the NCTL described in Part XI: “Operating and Financial Review,” section 2 of this Prospectus
“NDDC”	Niger Delta Development Commission
“Nerine”	Nerine Support Services Limited, a company incorporated under the laws of Nigeria, whose principal place of business is at 3rd Floor, Bankers House, 19 Adeola Hopewell Street, Victoria Island, Lagos, Nigeria
“NESREA”	National Environmental Standards and Regulations Enforcement Agency
“NESREA Act”	National Environmental Standards and Regulations Enforcement Agency Act 2006
“Newton Energy”	Newton Energy Limited, a company incorporated under the laws of Nigeria with registered number 920664, whose registered office is at 25a Lugard Avenue, Ikoyi, Lagos, Nigeria

“NGC”	Nigerian Gas Company Limited, a company incorporated under the laws of Nigeria, whose registered office is at 1 Odin Road, Ekpan P.M.B. 1288 Warri, Delta State, Nigeria
“NHT”	Nigerian Hydrocarbons Tax
“Niger Delta”	the oil-producing regional delta of the Niger River in Nigeria
“Nigeria”	The Federal Republic of Nigeria
“Nigerian Admission”	the listing of the Ordinary Shares on the NSE
“Nigerian Code of Corporate Governance”	Nigerian Code of Corporate Governance for Public Companies 2003 published by the Nigerian SEC
“Nigerian Content Act”	Nigerian Oil and Gas Industry Content Development Act 2010
“Nigerian Forex Act”	Foreign Exchange (Monitoring and Miscellaneous) Provisions Act 1995, Cap F34 LFN 2004
“Nigerian Joint Issuing Houses”	Renaissance Securities and Stanbic IBTC
“Nigerian National Assembly”	Nigeria’s Federal legislature
“Nigerian Offering”	the offer of Ordinary Shares to Qualified Institutional Investors and High Networth Investors as defined in Rule 78C of the Rules and Regulations of the Nigerian SEC
“Nigerian Receiving Agents”	Futureview Financial Services Limited, Vetiva Capital Management Limited, BGL Plc and FCMB Capital Markets Limited, which are capital market operators duly registered with the Nigerian SEC and authorised to receive commitment forms/orders from Qualified Institutional Investors in respect of the Global Offer
“Nigerian SEC”	Nigerian Securities and Exchange Commission
“Nigerian SEC Rules”	the Rules and Regulations of the Nigerian SEC 2013 (SECRR 2013)
“Nigerian Vending Agreement”	the vending agreement dated 9 April 2014 between the Company and the Nigerian Joint Issuing Houses, described in Part XVII: “Additional Information”, section 10.2 of this Prospectus
“NIPC”	Nigerian Investment Promotion Commission Act 1995
“NLNG”	Nigeria LNG Limited, a company incorporated under the laws of Nigeria, whose head office is at Intels Camp, KM 16 Port Harcourt, Aba Expressway, Port Harcourt, Rivers State, Nigeria
“NNPC”	Nigerian National Petroleum Corporation, a company incorporated under the laws of Nigeria, whose registered office is at NNPC Towers, Central Area, Herbert Macaulay Way, P.M.B. 190, Garki Abuja, Nigeria
“Nomination and Establishment Committee”	the nomination committee of the Board from time to time
“Non-Executive Directors”	each of the non-executive directors of the Company described in Part VII: “Directors, Senior Management, Corporate Governance and Dividend Policy” of this Prospectus
“NOC”	Nigerian Oil Company Plc
“NPAMC Ltd”	Nigerian Petroleum Assets Management Company Limited
“NPDC”	Nigerian Petroleum Development Company Limited, a company incorporated under the laws of Nigeria, whose head office is at 62/64 Sapele Road, Benin City, Edo State, Nigeria
“NSE”	The Nigerian Stock Exchange

“OECD”	Organisation for Economic Co-operation and Development
“OEL”	Oil Exploration Licence
“Offer Price”	210 pence per Ordinary Share in respect of the International Offering and 576 Naira per Ordinary Share in respect of the Nigerian Offering
“Official List”	the Official List of the UK Listing Authority
“Off-take Agreement”	the crude oil purchase agreement dated 31 July 2010 between Shell Trading and the Company, as described at Part VI: “Letter from the Chairman and Information on the Group”, section 11.2.1 and at Part XVII: “Additional Information”, section 10.7.3 of this Prospectus
“OML” or “Oil Mining Lease” . .	a lease granted by the Minister under the Petroleum Act to a lessee to search for, win, work, carry away and dispose petroleum from all the area covered by such lease
“OML 4”	the OML numbered 4 issued by the Nigerian government and in which the Company has a 45 per cent. participating interest
“OML 24”	the OML numbered 24 issued by the Nigerian government
“OML 29”	the OML numbered 29 issued by the Nigerian government
“OML 38”	the OML numbered 38 issued by the Nigerian government and in which the Company has a 45 per cent. participating interest
“OML 41”	the OML numbered 41 issued by the Nigerian government and in which the Company has a 45 per cent. participating interest
“OML 53”	the OML numbered 53 issued by the Nigerian government
“OML 53 CPR”	the Competent Person’s Report prepared by DMCL in respect of OML 53 set out in Part XX: “Competent Person’s Report on OML 53”
“OMLs 4, 38 and 41 CPR”	the Competent Person’s Report prepared by DMCL in respect of OMLs 4, 38 and 41 set out in Part XVIII: “Competent Person’s Report on OMLs 4, 38 and 41”
“OMLs 4, 38 and 41 Joint Operating Agreement”	the joint operating agreement entered into between NNPC and SPDC, AGIP and TOTAL dated 11 July 1991 (as assigned and novated pursuant to the assignment and novation agreement entered into between SPDC, AGIP, TOTAL, NNPC and the Company dated 30 July 2010)
“OMLs 4, 38 and 41 JV”	the unincorporated joint venture between NPDC and SEPLAT in relation to OMLs 4, 38 and 41
“OML 24 Bid”	the bid by the Group, through the OML 24 Consortium, to acquire a participating interest in OML 24 described in Part XI: “Operating and Financial Review,” section 2 of this Prospectus
“OML 24 Consortium”	the consortium formed of Newton Energy, Sahara Field Production Limited and DWC Exploration and Production Company Limited pursuant to the OML 24 Consortium Agreement
“OML 24 Consortium Agreement”	the agreement dated 4 February 2014 between the OML 24 Consortium for the OML 24 Bid
“OML 29 Bid”	the bid by the Group, through the OML 29 Consortium, to acquire a participating interest in OML 29 described in Part XI: “Operating and Financial Review,” section 2 of this Prospectus

“OML 29 Consortium”	the consortium formed of the Company, Vertex Energy Nigeria Limited and VP Global Integrated Energy Limited pursuant to the OML 29 Consortium Agreement and MPI
“OML 29 Consortium Agreement”	the agreement dated 20 February 2014 between the OML 29 Consortium for the OML 29 Bid
“OPA”	Oil Pipelines Act 1956
“OPEC”	Organisation of the Petroleum Exporting Countries
“OPL”	Oil Prospecting Licence
“OPL 283”	the OPL numbered 283 issued by the Nigerian government
“Order”	Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended
“Ordinary Shares”	ordinary shares of 0.50 Naira each in the capital of the Company
“Over-allotment Option”	the over-allotment option granted by the Company to the Stabilising Manager pursuant to the International Underwriting Agreement
“Over-allotment Shares”	the Ordinary Shares that are the subject of the Over-allotment Option
“Panel”	Panel on Takeovers and Mergers established under the City Code
“PanOcean”	Pan Ocean Oil Corporation (Nigeria), a company incorporated under the laws of Nigeria, whose registered office is at The Ark Towers, Plot 17, Ligali Ayorinde Street, Victoria Island Extension, Lagos, Nigeria
“Petrofac”	Petrofac International (Nigeria) Limited
“Petroleum Act”	Petroleum Act 2004
“Petroleum Industry Bill” or “PIB”	an act to establish the legal and regulatory framework, institutions and regulatory authorities for the Nigerian petroleum industry, to establish guidelines for the operation of the upstream and downstream sectors, and for purposes connected with the same
“Petroleum Profits Tax Act”	Petroleum Profits Tax Act 1990
“PFIC”	Passive Foreign Investment Company
“PHCF”	Petroleum Host Communities Fund
“Pillar Oil”	Pillar Oil Limited, a company incorporated under the laws of Nigeria, whose registered office is No. 10, Elsie Femi Pearce Street, Victoria Island, Lagos, Nigeria
“Platform”	Platform Petroleum Joint Ventures Limited, a company incorporated under the laws of the British Virgin Islands, whose principal place of business is at Nerine Chambers, P.O. Box 905, Road Town, Tortola, the British Virgin Islands
“Platform Group”	Platform Petroleum, Professional Support and Mr. Avuru
“Platform Nigeria”	Platform Petroleum Joint Ventures Limited, a company incorporated under the laws of Nigeria, whose principal place of business is at 30A Bankers House, 19 Adeola Hopewell Street, Victoria Island, Lagos, Nigeria
“Platform Petroleum”	Platform Petroleum Limited, a company incorporated under the laws of Nigeria, whose principal place of business is at 6 Lasode Crescent, Off Ozumba Mbadiwe Road, Victoria Island, Lagos, Nigeria

“PML”	petroleum mining lease
“PPPRA”	Petroleum Products Pricing Regulatory Agency
“PPT”	Petroleum Profit Tax
“PPTA”	Petroleum Profit Tax Act 1958
“PRMS”	2007 Petroleum Resources Management System (as defined by the Society of Petroleum Engineers, the American Association of Petroleum Geologists, the World Petroleum Council and the Society of Petroleum Evaluation Engineers)
“Premium Listing”	as defined by the London Stock Exchange in compliance with the super-equivalent European standards
“Professional Support”	Professional Support Limited, a company incorporated under the laws of Nigeria, whose registered office is at Lasode Crescent, Victoria Island, Lagos, Nigeria
“Prospectus”	the Prospectus of the Company
“Prospectus Directive”	Directive 2003/71/EC
“Prospectus Rules”	the rules made for the purposes of Part VI of the FSMA in relation to offers of securities to the public and admission of securities to trading on a regulated market
“PTDF”	Petroleum Technology Development Fund Act 1973
“PSC”	Production Sharing Contracts
“Qualified Institutional Buyer” or “QIB”	has the meaning given to it in Rule 144A under the US Securities Act
“Qualified Institutional Investors”	as defined in Rule 78C of the Rules and Regulations of the Securities and Exchange Commission, Nigeria
“Qualified Investors”	as defined in Article 49(2)(a) to (d) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended
“Quantum Capital”	Quantum Capital Partners Fund I LP, a company incorporated under the laws of Bermuda, whose registered office is at Canon’s Court, 22 Victoria Street, Hamilton, Bermuda
“Quantum Power”	Quantum Power International Holdings Limited, a company incorporated under the laws of the British Virgin Islands, whose registered office is at Trident Trust Company (B.V.I.) Limited, Trident Chambers, P.O. Box 146, Road Town, Tortola, the British Virgin Islands
“Quantum Power LOI”	the letter of intent dated 24 December 2013 between the Company and Quantum Power described in Part XVII: “Additional Information”, section 10.7.19 of this Prospectus
“RBC Capital Markets”	RBC Europe Limited, a company incorporated under the laws of England and Wales, whose registered office is at Riverbank House, 2 Swan Lake, London EC4R 3BF, United Kingdom
“Reciprocal Enforcement Act” . .	has the meaning given to it on page 45 of the Prospectus
“Reciprocal Enforcement Ordinance”	has the meaning given to it on page 45 of the Prospectus
“Regulation S”	Regulation S under the US Securities Act
“Relationship Agreement”	the relationship agreement dated 25 March 2014 between the Company and the Founders, as described in Part XVII: “Additional Information”, section 10.3 of this Prospectus

“Relevant Member State”	each Member State of the European Economic Area which has implemented the Prospectus Directive
“Remuneration Committee”	the remuneration committee of the Board from time to time
“Renaissance Securities”	Renaissance Securities (Nigeria) Limited, a company incorporated under the laws of Nigeria, whose principal place of business is at 5 th Floor, Plot 1B, Keystone Bank Crescent, Victoria Island, Lagos, Nigeria
“RenCap”	Renaissance Securities (Cyprus) Limited, a company incorporated in Cyprus, whose registered office is at 9 th Floor, Capital Centre 2-4 Archbishop Makarios III Avenue, 1505 Nicosia, Cyprus
“Risk Management, HSE and Communities Committee”	the risk management, health, safety and environment (HSE) and communities committee of the Board from time to time
“Rule 144A”	Rule 144A under the US Securities Act
“Sapele Shallow”	shallow reservoirs of circa 3,000 - 6,000 ft which are found in the Sapele field
“SDRT”	Stamp Duty Reserve Tax
“Senior Management”	the persons named as senior managers in Part VII: “Directors, Senior Management, Corporate Governance and Dividend Policy”
“SEPCOL”	Shebah Exploration and Production Company Limited, a company incorporated under the laws of Nigeria, whose principal place of business is at 25a Lugard Avenue, Ikoyi, Lagos, Nigeria
“SEPLAT”	SEPLAT Petroleum Development Company Plc
“SEPLAT East”	SEPLAT East Onshore Limited, a company incorporated under the laws of Nigeria with registered number RC1159289, whose principal place of business is at 25a Lugard Avenue, Ikoyi, Lagos, Nigeria
“SEPLAT East Swamp”	SEPLAT East Swamp Company Limited, a company incorporated under the laws of Nigeria with registered number RC1159288, whose principal place of business is at 25a Lugard Avenue, Ikoyi, Lagos, Nigeria
“SEPLAT Gas”	SEPLAT Gas Company Limited, a company incorporated under the laws of Nigeria with registered number RC1159188, whose principal place of business is at 25a Lugard Avenue, Ikoyi, Lagos, Nigeria
“SEPLAT UK”	SEPLAT Petroleum Development Company UK Limited, a company incorporated and registered under the laws of England and Wales with company number 08658708, whose registered office is at 50 Pall Mall, London SW1Y 5JH, United Kingdom
“Septa”	Septa Energy Nigeria Limited, a company incorporated under the laws of Nigeria, whose principal place of business is at 7 Anifowoshe Street, Victoria Island, Lagos, Nigeria
“Shebah”	Shebah Petroleum Development Company Limited, a company incorporated under the laws of the British Virgin Islands with registered number 1556775, whose registered office is at Nerine Chambers, P.O. Box 905, Road Town, Tortola, the British Virgin Islands
“Shebah Nigeria”	Shebah Petroleum Development Company Limited, a company incorporated under the laws of Nigeria with registered number RC 846369, whose principal place of business is at 25a Lugard Avenue, Ikoyi, Lagos, Nigeria
“Shell Group”	Royal Dutch Shell plc and any Affiliate thereof

“Shell Trading”	Shell Western Supply and Trading Limited, a company incorporated under the laws of Barbados, whose registered office is at P.O. Box 1343, Mahogany Court, Wildey Business Park, St. Michael, Barbados
“Shoreline-NPDC Joint Venture”	the joint venture between Shoreline Natural Resources Limited and NPDC
“Sinopec”	China Petrochemical Corporation, a company registered under the laws of the People’s Republic of China, whose registered office is at No. 22 Chaoyangmen North Street, Chaoyang district, Beijing, PRC
“Southfield Petroleum”	Southfield Petroleum Limited
“SPDC”	Shell Petroleum Development Company of Nigeria Limited, a company incorporated under the laws of Nigeria, whose registered office is at Shell Industrial Estate, Rumuobikani, Port Harcourt, Nigeria
“SPDC Assets Bid”	together, the OML 24 Bid, the OML 29 Bid and the NCTL Bid
“SPDC JV”	the joint venture between NPDC, SPDC, TOTAL and AGIP
“Stabilisation Period”	the period beginning on the date on which adequate public disclosure of the price of the Ordinary Shares is made and ending at any time but no later than 30 calendar days thereafter
“Stabilising Manager”	Standard Bank
“Stanbic IBTC”	Stanbic IBTC Capital Limited, a company incorporated in Nigeria with registered number 1031358
“Standard Bank”	Standard Bank plc, a company incorporated under the laws of England and Wales, whose registered office is at 20 Gresham Street, London EC2V 7JE, United Kingdom
“Standard Listing”	as defined by the London Stock Exchange in compliance with the minimum European standards
“Stock Lending Agreement”	means the stock lending agreement to be dated the date of the International Underwriting Agreement between Mercuria Capital and the Stabilising Manager
“Subsidiaries”	the subsidiaries (construed in accordance with Section 1159 of the Companies Act 2006) of the Company
“TOTAL”	Total (E&P) Nigeria Limited, a company incorporated under the laws of Nigeria, whose registered office is at 35 Kofo Abayomi Street, Victoria Island, Lagos, Nigeria
“Trans-Forcados Pipeline”	the 95-kilometre pipeline that starts at the Eriemu manifold located in OML 30 and ends at the Forcados Terminal
“Treasury Regulations”	the tax regulations issued by the IRS
“UAE”	United Arab Emirates
“UK” or “United Kingdom”	United Kingdom of Great Britain and Northern Ireland
“UK Admission”	admission of the Ordinary Shares to the Official List of the FCA and to trading on the London Stock Exchange’s main market for listed securities becoming effective in accordance with, respectively, the UK Listing Rules and the Admission and Disclosure Standards
“UK Corporate Governance Code”	UK Corporate Governance Code published by the Financial Reporting Council in September 2012

“UK Listing Authority”	Financial Conduct Authority in its capacity as the competent authority for the purposes of Part VI of the FSMA
“UK Listing Rules”	the rules relating to admission to the Official List of the FCA made in accordance with section 73A(2) of the FSMA
“Umuseti/Igbuku Fields”	the Umuseti and Igbuku marginal field area in the Niger Delta located in OPL 283
“Umuseti/Igbuku Fields CPR” . .	the Competent Person’s Report prepared by DMCL in respect of the Umuseti/Igbuku Fields set out in Part XIX: “Competent Person’s Report on the Umuseti/Igbuku Fields”
“Umuseti/Igbuku Fields Investment”	has the meaning given in Part VI: “Letter from the Chairman and Information on the Group”, section 1.1 of this Prospectus
“Umuseti/Igbuku Joint Operating Agreement”	the joint operating agreement dated 1 June 2013 between Pillar Oil and Newton Energy, as described in Part XVII: “Additional Information”, section 10.7.16 of this Prospectus
“Umuseti/Igbuku JV”	the unincorporated joint venture between Pillar Oil and Newton Energy in relation to the Umuseti/Igbuku fields
“United States” or “US”	the United States of America, its territories and possessions and the District of Columbia
“UPI”	Upstream Petroleum Inspectorate
“US Holder”	a beneficial owner of Ordinary Shares that is, for US federal income tax purposes, (i) an individual citizen or resident of the United States, a corporation created or organised under the laws of the United States or any state thereof, (ii) an estate the income of which is subject to US federal income tax without regard to its source or (iii) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more US persons have the authority to control all substantial decisions of the trust, or the trust has elected to be treated as a domestic trust for US federal income tax purposes
“US SEC”	US Securities and Exchange Commission
“US Securities Act”	United States Securities Act of 1933, as amended
“US\$” or “US Dollars”	the lawful currency of the United States
“VAT”	value added tax
WAGP	West African Gas Pipeline
“working interest”	the Company’s 45 per cent. working interest (pre-royalty) share in OMLs 4, 38 and 41
“Zenith”	Zenith Bank Plc, a company incorporated under the laws of Nigeria, whose principal place of business is at Plot 84, Ajose Adeogun Street, Victoria Island, Lagos, Nigeria
“Zenith Facility”	the term loan made available to the Company under the Zenith Facility Agreement
“Zenith Facility Agreement” . . .	the term facility agreement dated 27 February 2014 between the Company and Zenith

PART XXIII

GLOSSARY OF TECHNICAL TERMS

The following technical terms are used in this Prospectus. Grammatical variations of these terms should be interpreted in the same way.

1C	low estimate scenario of contingent resources
2C	best estimate scenario of contingent resources
3C	high estimate scenario of contingent resources
2D seismic	seismic data acquired in a single traverse or series of traverses. 2D seismic data provides single cross sections through the subsurface
3D seismic	seismic data acquired as multiple, closely spaced traverses. 3D seismic data typically provides a more detailed and accurate image of the subsurface than 2D seismic data
1P	proved
2P	proved plus probable
3P	proved plus probable plus possible
AG	associated gas
API	American Petroleum Institute
appraisal	the phase of petroleum operations immediately following a successful discovery. Appraisal is carried out to determine size, production rate and the most efficient development of a field
appraisal well	well drilled in order to assess characteristics (such as flow rate or volume) of a proven hydrocarbon accumulation
attic oil	the oil above the highest existing perforation in a reservoir
barrel or bbl	a unit of volume measurement used for petroleum and its products one barrel of oil; one barrel = 35 Imperial gallons (approx.), or 159 litres (approx.); 7.5 barrels = one tonne (approximately depending upon the oil density); 6.29 barrels = one cubic metre
bcf	billion cubic feet
bscf	billion standard cubic feet
block	term commonly used to describe areas over which there is a petroleum or production licence
boe	barrels of oil equivalent
boepd	barrels of oil equivalent per day
boom	a temporary floating barrier used to contain an oil spill
bopd	barrels of oil per day
Brent crude	a benchmark crude oil from the UK North Sea against which other crude oils are priced. It is widely used as an indicator of the price of oil beyond energy markets. It is traded on forward markets and is the basis of futures and options contracts listed on the International Petroleum Exchange in London
BSW	base sediment water
closure	the height from the apex of a reservoir structure to the lowest contour that contains the reservoir structure (spill). Measurements of both the areal closure and the distance from the apex to the lowest closing contour are typically used for the calculations of the estimated hydrocarbon content of a trap

commercial discovery	discovery of oil and gas which the Company determines to be commercially viable for appraisal and development
condensate	hydrocarbons which are in the gaseous state under reservoir conditions and which become liquid when temperature or pressure is reduced. A mixture of pentanes and higher hydrocarbons
contingent resources	those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies
crude oil	unrefined oil
decommission or decommissioning	the procedure or the process by which the facilities and the infrastructure related to the production of hydrocarbon from an oil field are demobilised and abandoned
deepwater	any area of water over 250m in depth
delta edge	the edge of the landform surrounding a delta
dip	the angle at which a rock stratum or structure is inclined from the horizontal
discovery	an exploration well which has encountered oil and gas for the first time in a structure
downthrown side	the sequence found in front of a normal fault, which has been displaced downwards as a result of movement along the fault
dry well	a well which does not encounter hydrocarbons in economically producible quantities
E&P	exploration and production
ESP	electronic submersive pump
exploration	the phase of operations which covers the search for oil or gas by carrying out detailed geological and geophysical surveys followed up where appropriate by exploratory drilling
exploration drilling	drilling carried out to determine whether oil and gas are present in a particular area or structure
exploration well	a well in an unproven area or prospect, may also be known as a "wildcat well"
farm in	a term used to describe when an oil and gas company buys a portion of the acreage in a block from another company, usually in return for consideration and for taking on a portion of the selling company's work commitments
farm out	a term used to describe when a company sells a portion of the acreage in a block to another company, usually in return for consideration and for the buying company taking on a portion of the selling company's work commitments
fault	a displacement (vertical, inclined or lateral) below the earth surface that acts to offset rock layers relative to one another. Faulting can create traps for hydrocarbons
field	a geographical area under which either a single oil or gas reservoir or multiple oil or gas reservoirs lie, all grouped on or related to the same individual geological structural feature and/or stratigraphic condition
FOB	free on board

formation	a body of rock identified by lithic characteristics and stratigraphic position which is mappable at the earth's surface or traceable in the subsurface
FPSO	a floating production, storage and offloading unit which is a vessel used for processing hydrocarbons
fluid content	fluid within the pore space of a rock
gas field	a field containing natural gas but no oil
geophysical	association with the earth science concerned with the physical properties. Geophysical exploration is concerned with measuring the earth's physical properties to delineate structure, rock type and fluid content; these measurements include electrical, seismic, gravity and magnetics
GLCC	gas-liquid cylindrical cyclone
GOR	gas to oil ratio
gross reserves	the total estimated petroleum to be produced from a field
gross resources	the total estimated petroleum that is potentially recoverable
growth fault	synsedimentary gravitational fault formed due to rapid sedimentation along the delta edge, often characterised by thickening of the sediments on the downthrown side of the fault
hydrocarbon	a compound containing only the elements hydrogen and carbon. May exist as a solid, a liquid or a gas. The term is mainly used in a catch-all sense for oil, gas and condensate
infrastructure	oil and gas processing, transportation and off-take facilities
km	kilometre
km²	square kilometre
licence	an exclusive right to explore for petroleum, usually granted by a national governing body
licence area	the area covered by a licence
LNG	natural gas that has been liquefied under high pressure and low temperature to reduce its volume to enable easier transportation
m	metres
MM	millions
MMbbl	million barrels
MMbpd	million barrels per day
Mbpd	thousand barrels per day
MMboe	million barrels of oil equivalent
MMBtu	million British thermal units
MMscfd	million standard cubic feet per day
MMstb	million stock tank barrels
MMt/y	million metric tonnes per year
NAG	non-associated gas
natural gas	gas, predominantly methane, occurring naturally, and often found in association with crude petroleum
offshore	that geographic area that lies seaward of the coastline

oil	a mixture of liquid hydrocarbons of different molecular weights
oil field	the mapped distribution of a proven oil-bearing reservoir or reservoirs
onshore	geographic area that lies landward of the coastline
operator	the company that has legal authority to drill wells and undertake production of oil and gas. The operator is often part of a consortium and acts on behalf of this consortium
participating interest	the proportion of exploration and production costs each party will bear and the proportion of production each party will receive, as set out in an operating agreement
petroleum	a generic name for oil and gas, including crude oil, natural gas liquids, natural gas and their products
petroleum system	geologic components and processes necessary to generate and store hydrocarbons, including a mature source rock, migration pathway, reservoir rock, trap and seal
phase	a distinct state of matter in a system, e.g. liquid phase or gas phase
possible reserves	those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recoverable than proved reserves and probable reserves
probable reserves	those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than proved reserves but more certain to be recovered than possible reserves
PRMS	2011 Petroleum Resources Management System (as defined by the Society of Petroleum Engineers, American Association of Petroleum Geologists, World Petroleum Council and the Society of Petroleum Evaluation Engineers)
prospect	an identified trap that may contain hydrocarbons. A potential hydrocarbon accumulation may be described as a lead or prospect depending on the degree of certainty in that accumulation. A prospect generally is mature enough to be considered for drilling
prospective resources	those quantities of petroleum which are estimated, on a given date, to be potentially recoverable from undiscovered accumulations
prospectivity	the likelihood of an area to contain potential hydrocarbon accumulations, i.e. prospects
proved reserves	reserves which, based on the available evidence and taking into account technical and economic factors, have at least a 90 per cent. chance of being produced
reserves	those quantities of petroleum which are anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions (reference should be made to the full PRMS definitions for the complete definitions and guidelines)
reservoir	an underground porous and permeable formation where oil and gas has accumulated
resources	contingent and prospective resources, unless otherwise specified
rig	the machine used to drill a wellbore
royalty	a percentage share of production, or the value derived from production, paid from a producing well

seal	a relatively impermeable rock, commonly shale, anhydrite or salt, that forms a barrier or cap above and around reservoir rock such that fluids cannot migrate beyond the reservoir. (A seal is a critical component of a complete petroleum system.)
seismic survey	a method by which an image of the earth's subsurface is created through the generation of shockwaves and analysis of their reflection from rock strata
spud	to start the well drilling process by removing rock and sediment with the drill bit
synsedimentary gravitational fault	listric faults which are active for a limited period during sediment deposition. Whilst active, the faults substantially influence sedimentation and a thicker, generally sand-dominated succession accumulates on the downthrown side of the fault
tcf	trillion cubic feet
Tertiary	the Tertiary Period is a geological period from approximately 65 million to 2.5 million years ago
trap	a trap is an essential component of a petroleum system and is a configuration of rocks suitable for containing hydrocarbons and sealed by a relatively impermeable formation through which hydrocarbons will not migrate. Traps are described as structural traps (in deformed strata such as folds and faults) or stratigraphic traps (in areas where rock types change, such as unconformities, pinch outs and reefs)
upstream	operations stages in the oil and gas industry that involve exploration and production
wellhead	all connections, valves, nozzles, pressure gauges, thermometers, installed at the exits from a production well

PART XXIV
NIGERIAN OFFERING COMMITMENT FORM

**THIS PART XXIV IS FOR THE PURPOSES OF THE NIGERIAN OFFERING ONLY AND SHOULD
NOT BE USED BY PARTICIPANTS IN THE INTERNATIONAL OFFERING**

COMMITMENT FORM

Joint Global Co-ordinators and Joint Bookrunners

 Book build Opens
Friday, 28 March 2014

 Book build closes
Tuesday, 08 April 2014


RBC Capital Markets*



Nigerian Receiving Agents



"Global offer of ordinary shares by SEPLAT Petroleum Development Company Plc (the "Company") and admission of such ordinary shares to the Official List of the Financial Conduct Authority of the United Kingdom (by way of a Standard Listing under Chapter 14 of the UK Listing Rules) and to trading on the London Stock Exchange's Main Market for listed securities and admission to the Official Trading List of The Nigerian Stock Exchange (the "Offer")."

Orders must be made in accordance with the instructions set out in this document. Care must be taken to follow these instructions as applications that do not comply may be rejected. If you are in any doubt, please consult your Stockbroker, Accountant, Banker, Solicitor or any professional adviser for guidance.

Please complete all relevant sections of this Form USING BLOCK LETTERS WHERE APPLICABLE

INVESTOR STATUS (PLEASE TICK)	DATE (DD/MM/YYYY)	CONTROL NO. (FOR REGISTRARS' USE ONLY)
☐ High Networth Investors	/ / 2 0 1 4	
☐ Fund Managers	DECLARATION ✓ I/We confirm that I am a/we are Qualified Institutional Investor(s) or High Networth Investor(s) in accordance with the applicable Rules and Regulations of the Securities and Exchange Commission and therefore eligible to participate in the Offer. ✓ I/We note that the Company and the Joint Global Co-ordinators are entitled in their absolute discretion to accept or reject this Order. ✓ I/We confirm that I/we have read the Red Herring Prospectus and that my/our Order(s) is/are made on the terms set therein. ✓ I/We hereby irrevocably undertake and confirm my/our Order for shares equivalent to the Amount set out below at the price to be discovered via the bookbuilding process ✓ I/We authorise you to enter my/our name in the Register of Holders as a holder(s) of the shares that may be allotted to me/us and to enter r my/our address as given below in the Register of Holders. ✓ I/We authorise the Joint Global Co-ordinators to amend the Red Herring Prospectus as may be required for the final Prospectus filed with the Securities and Exchange Commission without recourse to me/us ✓ I/we agree to accept the Amount as may be allocated to me/us subject to the terms of the Red Herring Prospectus	
☐ Pension Fund Administrators		
☐ Insurance Companies		
☐ Investment/Unit Trusts		
☐ Multilateral/Bilateral Institutions		
☐ Market Makers		
☐ Staff Schemes		
☐ Trustees/Custodians		
☐ Stockbroking Firms		
☐ Resident Corporate Investors		
☐ Non-Resident Investors		
☐ Hedge Funds		

INVESTOR DETAILS (INDIVIDUAL/CORPORATE/JOINT) (Please use one box per alphabet leaving one box blank between words)

SURNAME/CORPORATE NAME	
FIRST NAME (FOR INDIVIDUALS ONLY)	OTHER NAMES (FOR INDIVIDUALS ONLY)
JOINT APPLICANT'S FIRST NAME (IF APPLICABLE)	OTHER NAMES (FOR JOINT APPLICANT ONLY)
CONTACT PERSON (FOR CORPORATE APPLICANT)/ NEXT OF KIN (FOR INDIVIDUAL APPLICANT)	
ADDRESS IN FULL. (POST BOX NO. ALONE IS NOT SUFFICIENT)	
CITY	STATE
E-MAIL	
TEL.	

INVESTMENT AND ALLOTMENT DETAILS

1. No of Shares:	Bid Price:	Amount:
2. No of Shares:	Bid Price:	Amount:
3. No of Shares:	Bid Price:	Amount:

Please credit my/our CSCS Account as detailed below to the extent of the shares allotted:

INVESTOR'S CSCS ACCOUNT NO:	CLEARING HOUSE NUMBER (CHN)
NAME OF STOCKBROKER	

BANK DETAILS

BANK NAME	SORT CODE
ACCOUNT NO:	CITY/STATE

SIGNATURES

SIGNATURES	2ND SIGNATURE (Joint only)	OFFICIAL SEAL/RC. NO.
NAME OF AUTHORISED SIGNATORY (Corporate only)	NAME OF AUTHORISED SIGNATORY (Corporate only):	
DESIGNATION (Corporate only):	DESIGNATION (Corporate only):	



