

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

25 February 2022

PROPOSED CASH ACQUISITION
of
Mobil Producing Nigeria Unlimited (“MPNU”)
by
Seplat Energy Plc (“Seplat Energy” or the “Company”)

Lagos and London, 25 February 2022: Seplat Energy Plc, a leading Nigerian energy company listed on the Nigerian Exchange and the London Stock Exchange, is pleased to announce that it has entered into an agreement to acquire the entire share capital of Mobil Producing Nigeria Unlimited (“MPNU”) from Exxon Mobil Corporation, Delaware (“ExxonMobil”) (the “Transaction”). Completion of the Transaction is subject to Ministerial Consent and other required regulatory approvals.

Transaction summary

- Seplat Energy Offshore Limited, a wholly owned Nigerian subsidiary of Seplat Energy Plc, has entered into a Sale and Purchase Agreement to acquire the entire share capital of MPNU for a purchase price of \$1,283 million plus up to \$300 million contingent consideration, subject to lockbox, working capital and other adjustments at closing relative to the effective date.
- The Transaction encompasses the acquisition of the entire offshore shallow water business of ExxonMobil in Nigeria, which is an established, high-quality operation with a highly skilled local operating team and a track record of safe operations, producing 95 kboepd (W.I.) in 2020 (92% liquids).

Transformational impact

- The Transaction will create one of the largest independent energy companies on both the Nigerian and London Stock Exchanges, and bolster Seplat Energy’s ability to drive increased growth, profitability and overall stakeholder prosperity
- Based on 2020 pro forma working interest volumes for Seplat Energy and MPNU, the transaction delivers:
 - 186% increase in production from 51 kboepd to 146 kboepd
 - 170% increase in 2P liquids reserves, from 241 MMbbl to 650 MMbbl
 - 14% increase in 2P gas reserves from 1,501 Bscf to 1,712 Bscf, plus significant undeveloped gas potential of 2,910 Bscf (JV: 7,275 Bscf)
 - 89% increase in total 2P reserves from 499 MMboe to 945 MMboe¹
 - Includes offshore fields with dedicated, MPNU-operated export routes offering enhanced security and reliability

¹ Based on a 5.8 Mscf to boe conversion factor



Supporting Nigeria's energy transition and objectives of the Petroleum Industry Act

- This is the first transaction to be announced since the Nigerian Government's recently ratified Petroleum Industry Act ("PIA"), and supports its key objectives
- Seplat Energy is fully committed to working with the Nigerian Government to bring these strategically important national assets fully into Nigerian ownership alongside NNPC
- Development of MPNU's gas resources will support the Federal Government's objective to achieve a pragmatic, progressive and just energy transition for Nigeria

Details of the Transaction

- Seplat Energy will acquire the entire share capital of MPNU from Exxon Mobil Corporation, Delaware (USA Incorporated), with an effective date of 1 January 2021 for a consideration of \$1,283 million, subject to lockbox, working capital and other adjustments at closing relative to the effective date
- The Transaction agreement also includes potential additional contingent consideration of up to \$300 million in total, payable over the period 1 January 2022 to 31 December 2026, and contingent upon average Brent crude oil prices exceeding \$70 per barrel and subject to MPNU's average working interest production exceeding 60 kboepd (JV: 150 kboepd) in such calendar year
- The consideration implies an attractive EV / 2P metric of \$2.9/boe, with significant gas upside potential

A strong operating portfolio

The MPNU portfolio primarily consists of:

- A 40% operating ownership of four oil mining leases (OMLs 67, 68, 70, 104) and associated infrastructure (NNPC is the 60% partner)
- The Qua Iboe Terminal, one of Nigeria's largest export facilities
- 51% interest in Bonny River Terminal and Natural Gas Liquids Recovery Plants at EAP and Oso
- It does not include ExxonMobil's deep-water assets in Nigeria
- MPNU will operate as a standalone subsidiary of Seplat Energy and upon closing and following receipt of requisite regulatory approvals, Seplat Energy will align MPNU with its overall strategic goals and ESG objectives

Financing the Transaction

- The cash consideration payable under the Transaction will be funded through a combination of existing cash resources and credit facilities of Seplat Energy, and a new \$550 million senior term loan facility and \$275 million junior offtake facility
- Global financing syndicate comprising Nigerian and international banks, as well as commodity trading companies
- Contingent payments, if materialised on Brent oil price annual average above \$70/bbl, will be funded through share of net cash flows from operations

Timetable and Conditions

The Transaction is subject to customary closing conditions for a transaction of this nature, including Ministerial Consent and regulatory approvals from the Nigerian Upstream Petroleum Regulatory Commission and the Nigerian Federal Competition and Consumer Protection Commission.



The Transaction is classified as a reverse takeover for the purposes of UK Listing Rules relating to the Company's listing on the London Stock Exchange. Upon completion of the Transaction, Seplat Energy will need to re-apply for admission to the Official List. Accordingly, Seplat Energy will prepare a prospectus in respect of Seplat Energy as enlarged by MPNU in connection with the required re-application for listing of such shares on the Official List and to trading on the London Stock Exchange's Main Market for Standard-Listed securities.

Under the Sale and Purchase Agreement, Seplat Energy will pay a deposit of \$128 million, which will be applied towards the purchase price on closing. If the Transaction does not proceed, the deposit will be repaid to Seplat Energy where the agreement is terminated by Seplat Energy in certain circumstances.

The Transaction will not result in any changes to the Board of Seplat Energy. The Company currently expects the Transaction to close in H2 2022.

Dr. Bryant (ABC) Orjiako, Chairman of Seplat Energy, said:

"This is a transformational acquisition for Seplat Energy that strengthens our partnership with the national oil company, the NNPC, and consummates the spirit of the newly enacted PIA.

"As a significantly larger business, with a stronger resource base and greatly enhanced capabilities, we will be better positioned to provide sustainable energy solutions that drive growth and profitability for the benefit of all our stakeholders, particularly our host communities and the wider Nigerian economy.

"We fully support the aims of the Federal Government's "Decade of Gas", and this acquisition will accelerate our development of Nigeria's gas resources to help achieve a just transition for our rapidly growing country."

Roger Brown, CEO of Seplat Energy, said:

"This transaction underpins Seplat Energy's drive to be a leader in the growth of the indigenous independent energy sector in Nigeria.

The acquisition is a perfect fit with our strategy to build a sustainable business and deliver energy transition in Nigeria. Our financial strength has enabled us to attract high quality local and international capital providers to fund this transaction without diluting our existing shareholders and reflects our deliberate approach to capital allocation.

We are determined to drive our growth through the extensive low-cost and low-risk production opportunities it delivers in the near term, whilst also developing longer-term opportunities to monetise our significant gas resources through domestic and export opportunities.

This is a win-win for both companies. Together, we will strengthen our focus on profitability and cash generation to reinvest in Nigeria's energy development.

MPNU's employees and contractors have a strong reputation for safety and operational excellence, and I look forward to welcoming them to the Seplat Energy family."

The person responsible for arranging the release of this announcement on behalf of Seplat Energy is Emeka Onwuka, CFO Seplat Energy Plc.

Signed:

A handwritten signature in blue ink, appearing to read "Emeka Onwuka".

Mr. Emeka Onwuka

Chief Financial Officer



Presentation and webcast

At 10:00 GMT / 11.00 WAT on 25 February 2022, Seplat Energy's Executive Management team will host a conference call and webcast to present the proposed Transaction.

The webcast can be accessed remotely via a live webcast link and pre-registering details are below. After the meeting, the webcast recording will be made available and access details of this recording are also set out below.

A detailed investor presentation summarising the Transaction will shortly be made available on Seplat Energy's website at <http://seplatenergy.com/>.

Event Title:	Seplat Energy Presentation
Event Date:	10.00 GMT / 11.00 WAT, 25 February 2022
Webcast Live Event Link:	https://secure.emincote.com/client/seplat/seplat011
Conference call and pre-register Link:	https://secure.emincote.com/client/seplat/seplat011/vip_connect
Archive Link:	https://secure.emincote.com/client/seplat/seplat011

Please dial in 10 minutes ahead of the call. When dialling in, please follow the instructions that will be emailed to you following your registration.

Contacts

Seplat	+234 (0) 1 277 0400
Roger Brown, Chief Executive Officer Emeka Onwuka, Chief Financial Officer Edith Onwuchekwa, Director Legal/Company Secretary Chioma Nwachuku, Director, External Affairs and Sustainability Carl Franklin, Head of Investor Relations	
Scotiabank (Sole Financial Adviser to Seplat Energy)	+1 713 752 0900
Moncef Attia / Luke Kanczes	
Investec (Corporate Broker to Seplat Energy)	+44 207 597 4000
Chris Sim / Jarrett Silver / Cameron MacRitchie	
Citigroup Capital Markets Ltd (Corporate Broker to Seplat Energy)	+44 207 986 4000
Tom Reid / Luke Spells	
FTI Consulting (PR Adviser to Seplat Energy)	+44 (0) 20 3727 1000
Ben Brewerton / Christopher Laing / Rosie Corbett	



Information on Seplat Energy

Seplat Energy Plc is Nigeria's leading indigenous energy company. It is listed on the Premium Board of the Nigerian Exchange (NGX: SEPLAT) and the Main Market of the London Stock Exchange (LSE: SEPL).

Seplat Energy is pursuing a Nigeria-focused growth strategy and is well positioned to participate in future asset divestments by international oil companies, farm-in opportunities, and future licensing rounds. The Company is a leading supplier of gas to the domestic power generation market.

<http://seplatenergy.com>

Information on MPNU

MPNU is a Nigerian incorporated subsidiary of ExxonMobil with more than 60 years' operating experience in Nigeria.

MPNU's operated shallow water portfolio primarily comprises a 40% interest in four oil mining leases (OMLs 67, 68, 70 and 104) under a joint operating agreement with Nigerian National Petroleum Corporation ("NNPC"), along with the Qua Iboe Terminal and a 51% interest in the Bonny River Terminal and the Natural Gas Liquids Recovery Plants at EAP and Oso.

ExxonMobil's deep-water business in Nigeria will not be transferred.

The acquisition of MPNU includes MPNU's dedicated and highly experienced workforce consisting of approximately 1,000 employees and 500 contractors. Employees exclusively involved in ExxonMobil's deep-water business will not be transferred.

MPNU holds net working interest 2P liquids and gas reserves of 409 MMbbl liquids and 211 Bcf respectively derived from the ERCE report as of 1 January 2021 ("ERCE Report") which is primarily based on the estimates of ERC Equipoise Ltd ("ERCE") with respect to the quantities of natural gas and liquids in OMLs 67, 68, 70 and 104 which are classified as 2P reserves and/or resources. Produced gas has historically been used for fuel and re-injection providing a source of significant incremental value and MPNU's net working interest production was approximately 95 kboepd in 2020.

Further Information

Legal Advisors to Seplat Energy:

- White & Case LLP
- Olaniwun Ajayi LP
- Udo Udoma & Belo-Osagie



Important Notices

This announcement has been issued by and is the sole responsibility of the Company. No representation or warranty express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by Scotiabank or by any of its affiliates or agents as to or in relation to, the accuracy or completeness of this announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed. This announcement is not a prospectus but an advertisement.

Scotiabank is acting exclusively for the Company in connection with the Transaction and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Scotiabank nor for providing advice in connection with the Transaction or any other matters referred to in this document.

This announcement does not constitute or form part of any offer or invitation to purchase, otherwise acquire, issue, subscribe for, sell or otherwise dispose of any securities, nor any solicitation of any offer to purchase, otherwise acquire, issue, subscribe for, sell or, otherwise dispose of, any securities. This announcement is not an offer of securities for sale or a solicitation of an offer to purchase securities. The securities of the Company referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States unless they are registered with the U.S. Securities and Exchange Commission or an exemption from the registration requirements of the Securities Act is available.

The release, publication or distribution of this announcement in certain jurisdictions may be restricted by law and therefore persons in such jurisdictions into which this announcement is released, published or distributed should inform themselves about and observe such restrictions.

Certain statements in this announcement are forward-looking statements which are based on the Company's, expectations, intentions and projections regarding its future performance, anticipated events or trends and other matters that are not historical facts. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Given these risks and uncertainties, prospective investors are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date of such statements and, except as required by applicable law or regulation, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.