



## Seplat Petroleum Development Company Plc

### Seplat announces acquisition of interest in OML 55 onshore Nigeria

**Lagos and London, 5 February 2015:** Seplat Petroleum Development Company Plc (“Seplat” or the “Company”), a leading Nigerian indigenous oil and gas company listed on both the Nigeria Stock Exchange and London Stock Exchange, today announces that it has concluded negotiations to purchase 56.25% of the share capital of Belemaoil Producing Limited (“Belemaoil”), a Nigerian special purpose vehicle (“SPV”) that has completed the acquisition of a 40.00% interest in the producing OML 55, located in the swamp to coastal zone of south eastern Niger Delta, (the “Acquisition”), from Chevron Nigeria Limited (“CNL”). NNPC holds the remaining 60.00% interest in OML 55. Seplat’s effective working interest in OML 55 as a result of the Acquisition is 22.50%.

The consideration for Seplat to acquire its 22.50% effective working interest in OML 55 is US\$132.2 million after adjustments. The adjustments to the consideration include a deferred payment of US\$11.6 million net to Seplat contingent on oil prices averaging US\$90/bbl or above for 12 consecutive months over the next five years. The Company has also advanced certain loans of US\$80.0 million to the other shareholders of Belemaoil to meet their share of investments and costs associated with Belemaoil. In addition, discussions are underway to determine repayment terms for the initial deposit against the acquisition of US\$52.5 million that Belemaoil funded with bank debt. This amount may subsequently be added to the total amount loaned to Belemaoil by Seplat. Under the agreed terms Seplat will recover the loaned amounts, together with an uplift premium of up to US\$20.6 million and annual interest of 10.00%, from 80.00% of the other shareholders oil lifting entitlements. The Company estimates net recoverable hydrocarbon volumes attributable to its 22.50% effective working interest to be approximately 20 MMbbls of oil and condensate and 156 Bscf of gas (total 46 MMboe). Current gross production at OML 55 is approximately 8,000 bopd (1,800 bopd on a 22.50% working interest basis). Pursuant to the Joint Operating Model approved by the Honourable Nigerian Minister of Petroleum Resources, Seplat has been designated operator of OML 55. The Company will also act as technical services provider to Belemaoil.

“The addition of OML 55 to our portfolio, together with the separately announced acquisition of OML 53, expands our footprint in the Niger Delta to six blocks and further cements our position as a leading indigenous independent E&P in Nigeria. OML 55 provides us with a number of attractive opportunities to boost oil and gas output, and is consistent with our strategy of prioritising those that offer near-term production growth, cash-flow and reserve replacement potential in the onshore and shallow water offshore areas of Nigeria,” said Austin Avuru, Seplat’s Chief Executive Officer. “We are pleased to have extended our operating partnership with NNPC who we look forward to working with in our capacity as Operator pursuant to the Joint Operating Model,” he added.

OML 55 covers an area of approximately 840km<sup>2</sup> and is located in the swamp to shallow water offshore areas in the south eastern Niger Delta. The block contains five producing fields (Robertkiri, Inda, Belema North, Idama and Jokka). The majority of production on the block is from the Robertkiri, Idama and Inda fields. The Robertkiri field is located in swamp at a water depth of five metres and has a production platform and utility platform installed. Production capacity at the Robertkiri facilities is 20,000 bpd and 10 MMscfd. Production facilities at the Idama field comprise a jack-up mobile offshore production unit (“MOPU”) and riser platform that have a capacity of 30,000 bpd of total fluids and 34 MMscfd. The Jokka field is produced through a manifold tied-back to the Idama facilities. Production facilities at the Inda field comprise a MOPU with a capacity of 30,000 bpd of total liquids and 34 MMscfd. Overall, the infrastructure on OML 55 comprises four flow-stations, a network of flow-lines and two eight-inch pipelines that connect to third party operated infrastructure. The Belema field is unitised with OML 25 and is produced via a flow-station on that block. All produced liquids from OML 55 are delivered via third party infrastructure to the Bonny terminal for processing and shipping. In addition to the oil potential on the block there is also an opportunity to develop the significant gas resources that have also been identified.

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**Notes to editors**

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

In July 2010, Seplat acquired a 45 percent participating interest in, and was appointed operator of, a portfolio of three onshore producing oil and gas leases in the Niger Delta (OMLs 4, 38 and 41), which includes the producing Oben, Ovhor, Sapele, Okporhuru, Amukpe and Orogho fields. Since acquisition, Seplat has more than tripled production from these OMLs.

In June 2013, Newton Energy Limited, a wholly-owned subsidiary of the Company, entered into an agreement with Pillar Oil Limited to acquire a 40 per cent participating interest in the Umuseti/Igbuku marginal field area within OPL 283.

Seplat is pursuing a Nigeria focused growth strategy and is well-positioned to participate in future divestment programmes by the international oil companies, farm-in opportunities and future licensing rounds.

For further information please refer to the company website, <http://seplatpetroleum.com/>