

Operational overview

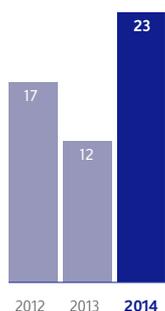
Asset overview



Stuart Connal
Chief Operating Officer

Since inception, Seplat has acquired an attractive portfolio of assets in the prolific Niger Delta region and consistently grown reserves and production year-on-year. We have done this through good reservoir management, production optimisation, the efficient development of new reservoirs and the expansion of our surface facilities.

High levels of rig based activity
(Number of wells)



Overview

Since inception, Seplat has acquired an attractive portfolio of assets in the prolific Niger Delta region. The Company's portfolio provides a robust platform of oil and natural gas reserves and production together with material upside opportunities through 2C to 2P conversion and exploration and appraisal drilling. Seplat's initial focus has been on securing assets in the onshore regions of the Niger Delta, but the Company also views the shallow water offshore areas of the Niger Delta as an appealing opportunity set and one it aims to access in the future.

In 2014, Seplat achieved full year average working interest production as measured at the LACT unit of 24,25 bopd and 39.4 MMscfd (total 30,822 boepd), in line with full year 2014 guidance of 29,000 - 33,000 boepd. The Company achieved a new production record when gross daily liquids production at OMLs 4, 38 and 41 exceeded 76,000 bopd in December 2014. At its capital projects, the Company made good progress on fabrication and installation of new 150 MMscfd gas processing plant at the Oben field to allow commissioning work to take place during the first quarter of 2015, making additional gas volumes available to the domestic market. The gas lift project at Amukpe, targeting the Ovhor field, was completed and became operational around year end. High levels of rig based activity continued throughout 2014 at OMLs 4, 38 and 41 where up to seven rigs were operating at any one time. During the year we drilled and completed 23 wells and workovers.

Working interest 2P reserves as assessed independently by DeGolyer and MacNaughton were 281 MMMboe at 31 December 2014, split equally between oil and gas. This represents an overall increase of 24% year on year and since 2010 a compound annual growth rate of 18% for oil and 19% for gas.

In 2014 Seplat also completed its first exploration well, the results of which have provided encouraging indications of additional potential in a new deeper play on OML 38 that is considered to be prospective beneath current well locations in surrounding fields. The exploration potential of the newly acquired OML 53 and OML 55 is also being assessed.

In 2015 we will continue to actively develop our portfolio, high grading our inventory of opportunities and maximising value by focusing on those that offer the best cash returns. We have entered an exciting phase in Seplat's journey, and remain on track to further establish ourselves as a leading indigenous independent E&P operator in Nigeria over the coming years, underpinned by a substantial and high quality reserves and production base from which we can go from strength to strength.

Block summary and production overview

Block	Seplat %	Operator	Major fields	Average gross 2014 production boepd	Average net 2014 production boepd
OML 4	45%	Seplat	Oben	21,871	9,842
OML 38	45%	Seplat	Ovhor, Amukpe, Okporhuru	34,522	15,535
OML 41	45%	Seplat	Sapele, Ovhor	10,665	4,799
OPL 283	40%	Pillar	Umuseti, Igbuku	1,617	647
OML 53*	40%	Seplat	Jisike, Ohaji South	n/a	n/a
OML 55*	22.5%	Seplat	Robertkiri, Idama, Inda	n/a	n/a
Total				68,675	30,823

* The acquisition of an interest in OML 53 and OML 55 was completed post period end.

Operational overview continued

OMLs 4, 38 and 41

OMLs 4, 38 and 41

Seplat has a 45% working interest in OMLs 4, 38 and 41 which are located in Edo (OML 4) and Delta (OMLs 38 and 41) States onshore Nigeria. Seplat is operator of the three blocks on behalf of the NPDC/Seplat Joint Venture and, to date, is the only company that has secured NPDC approval for operatorship over blocks acquired as part of recent divestment programmes by the major IOCs. As operator, Seplat is empowered with running the day-to-day operations activities and is able to set production and operational improvement goals and lead exploration activities, subject to the approval of its partner. Production is predominantly from six fields, namely Amukpe, Oben, Okporhuru, Ovhor, Orogho and Sapele, and the partners aim to bring additional fields onstream in the future.

Since acquiring the blocks in July 2010, the Company has consistently grown oil production, primarily through the drilling of new wells and employing advanced and proven technologies to increase production in mature fields. The Company also became the first operator in the Niger Delta to install a LACT unit, enabling significantly improved measurement of produced oil prior to injection into the Trans Forcados Pipeline system. This has greatly reduced the reconciliation losses applied to the Company's oil production to a level of approximately 10%, compared to an average of approximately 18% prior to installation of the LACT unit. The installation and commissioning of a new liquids pipeline in 2014, linking the Company's fields directly to the Warri Refinery, will mitigate sole reliance on one export pipeline system and offer scope to further reduce losses in the future.

Alongside the oil business, the Company has also prioritised the commercialisation and development of the substantial gas reserves and resources identified at OMLs 4, 38 and 41 and is today a leading supplier of gas to the domestic market in Nigeria. Going forward, Seplat plans to further increase its gas production and processing capacity to help meet Nigeria's growing demand, particularly in the gas to power sector. A major step forward in this respect is the modular build-up of processing capacity at the Oben facility to create a strategic gas hub ideally located to aggregate and supply gas to Nigeria's main demand centres.

OML 4

Operator	Seplat
Working interest	45.0%
Partner	NPDC
Main fields	Oben (producing)
2014 gross liquids production (bopd)	10,105
2014 gross gas production (MMscfd)	70.6
Gross remaining 2P oil reserves	61 MMbbls
Gross remaining 2P gas reserves	1,240 Bscf
2015 activities	Production and development



“Seplat's development of its gas business will help meet the growing domestic demand and diversify the Company's revenue streams.”

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Background

OML 4 covers an area of 267km² and is located 78km north east of Warri, Delta State. The Oben field is located in OML 4 and is the main producing field on the block. Facilities on the block include a 60,000 bpd capacity flow station and a 90 MMscfd capacity non-associated gas plant. The gas plant exports gas to the Nigerian gas network via the ELPS. The Company expects to complete installation and commissioning of a new 150 MMscfd gas processing plant in Oben by early 2015. Oil exports from the Oben flow station are routed via the Oben – Amukpe pipeline to the Amukpe facilities and onwards to either the Forcados terminal or Warri Refinery. Also expected for installation and commissioning in the first quarter of 2015 is a new 30 MMscfd associated MMscfd gas processing and compressor station to eliminate and monetise currently flared associated gas from the Oben flow station. Production operations and facilities are supported by the Oben Field Logistics Base. The Oben field in particular is central to the Company's future gas expansion plans and is strategically located as an important gas hub with access to Nigeria's main gas demand centres. The licence was renewed in 1989 for a further 30 years and is due to expire on 30 June 2019.

2014 activity

In 2014, fabrication work was completed and the Company took delivery of the new 150 MMscfd gas processing facility and commenced installation work at the Oben field location. This represents the first phase of a programme designed to expand gas processing capacity, at the Oben field to 300 MMscfd in 2015 and at least 450 MMscfd by 2017. Installation work was ongoing at year end with commissioning work underway in the first quarter of 2015 that will make additional gas volumes available to the domestic market. Also in 2014, three units of 10 MMscfd capacity associated gas compressors and ancillary equipment were delivered to the Oben field in the fourth quarter for the purpose of building the new compressor station that will provide an associated gas solution for the Oben flow station. Installation is ongoing and commissioning is planned to begin at the end of the first quarter of 2015. During the year, the partners drilled two appraisal wells, eight development wells and two workover wells on the block.

OML 38

Operator	Seplat
Working interest	45.0%
Partner	NPDC
Main fields	Amukpe, Ovhor, Okporhuru (producing); Mosogar, Orogho, Jesse (discoveries)
2014 gross liquids production (bopd)	34,522
2014 gross gas production (MMscfd)	n/a
Gross remaining 2P oil reserves	104 MMbbls
Gross remaining 2P gas reserves	129 Bscf
2015 activities	Production, development, appraisal and exploration

Background

OML 38 covers an area of 2,094 km² and is located 48km north of Warri, Delta State. The Amukpe field is one of the three producing fields in the block. The second producing field, Ovhor, straddles OML 38 and OML 41. The Company commenced production from the third producing field, Okporhuru, in May 2013. There are three further discoveries on OML 38 that have not been brought into production, the Mosogar, Orogho and Jesse discoveries. Facilities on the block include a 45,000 bpd capacity flow station located at Amukpe. The licence was renewed in 1989 for a further 30 years expiring on 30 June 2019.

2014 activity

In 2014, the Company commissioned a new liquid treatment facility ('LTF') which is located adjacent to the flow station and has a 100,000 bpd capacity. The LTF has been designed and located to receive and de-water liquids production for the Oben, Amukpe and Sapele flow stations. The produced oil is then exported via the existing Amukpe – Rapele pipeline and onwards to either the Forcados

terminal or Warri Refinery. Modification work is ongoing to address issues with the composition of separated water to enable full continuous injection.

During the year, the partners drilled two appraisal wells and three development wells on the block and one exploration well on the Ogegere prospect. The Ogegere-1 exploration well encountered oil bearing sands at depths below the primary target, indicating potential for a new exploration play on the block. The well was suspended for further evaluation. Work also commenced and good progress was made on the construction and installation of two new 50,000 barrel oil storage tanks at the Amukpe field, the completion and commissioning of which will occur in 2015. The integrated Amukpe Associated gas flare-out and Ovhor gas-lift project became operational towards the end of the period. The project will provide artificial lift in the Ovhor field for improved oil recovery by re-injecting the associated gas produced at Amukpe.

OML 41

Operator	Seplat
Working interest	45.0%
Partner	NPDC
Main fields	Sapele, Ovhor (producing); Sapele Shallow, Ubaleme, Okoporo (discoveries)
2014 gross liquids production (bopd)	7,830
2014 gross gas production (MMscfd)	17.0
Gross remaining 2P oil reserves	118 MMbbls
Gross remaining 2P gas reserves	272 Bscf
2015 activities	Production, development, appraisal

Background

OML 41 covers an area of 291 km² and is located 50 km from Warri, Delta State. The block contains two producing fields, Sapele and Ovhor (which straddles OML 41 and OML 38), and two discoveries with contingent resources, Ubaleme and Okoporo. Overlying the main productive reservoirs in the Sapele field is the Sapele Shallow discovery, a significant accumulation of oil that has remained largely undeveloped due to the heavier nature of the oil (21° API) relative to that in neighbouring blocks. The Company believes that full development of Sapele Shallow represents a material upside opportunity and intends to pursue this in the near term. Facilities on the block include a flow station with 60,000 bpd capacity, a 60 MMscfd capacity non associated gas plant and a 26 MMscfd NGC owned compressor station. Produced oil is exported via the Sapele – Amukpe delivery line to the Amukpe facilities and onwards to either the Forcados terminal or Warri Refinery. The condensate stream is combined with the oil for export and produced gas is exported via the NGC owned Oben-Sapele pipeline system which feeds into the Sapele power plant. The licence

was renewed in 1989 for a further 30 years expiring on 30 June 2019.

2014 activity

The integrated Amukpe Associated gas flare-out and Ovhor gas-lift project became operational towards the end of the period. The project will provide artificial lift in the Ovhor field, which straddles OMLs 41 and 38, for improved oil recovery by re-injecting the associated gas produced at Amukpe. During the year, the partners drilled two appraisal wells, three development wells and three workover wells on the block.



Operational overview continued

OPL 283 Marginal Field Area (Pillar)

OPL 283

Operator	Pillar Oil/OPGC
Working interest	40.0%
Partner	Pillar Oil
Main fields	Umuseti and Igbuku
2014 gross liquids production (bopd)	1,617
2014 gross gas production (MMscfd)	n/a
Gross remaining 2P oil reserves	23 MMbbls
Gross remaining 2P gas reserves	199 Bscf
2015 activities	Production

Background

Seplat has a 40% non-operated working interest in OPL 283 Marginal Field Area. The block is located in the northern onshore depo-belt of the Niger Delta and contains the Umuseti and Igbuku fields. The block is operated by Pillar Oil. The Umuseti field came onstream in May 2012 and is currently producing from three development wells. There are 14 identified oil bearing reservoirs in Umuseti with an average sand thickness of 30 feet. Production currently comes from four of these reservoirs and more wells will be needed to drain the remaining reservoirs. The Igbuku field that contains predominantly gas and condensate is currently undergoing appraisal prior to development. The block also contains two satellite exploration leads, Igbuku North and Umuseti East, that the operating partners intend to further evaluate. Facilities on the block include a 5,000 bopd Early Production Facility ("EPF") and Crude Storage Tanks. The operator plans to install additional production handling facilities and increase storage capacity as new wells are drilled and additional production is brought onstream. Umuseti production is evacuated to a Group

Gathering Facility ("GGF") where it is metered and thereafter exported via Agip's Kwale facilities to Brass terminal and NPDC's pipeline to Forcados.

2014 activity

Activity in 2014 focused on running production operations at the existing oil wells in the Umuseti field and ongoing studies to define the optimal development strategy to access additional oil reservoirs in the Umuseti field and monetisation of the Igbuku gas reserves. During the year the partners completed one development well that was spudded in 2013 and drilled one new development well. The completion and commissioning of two new 20,000 bbls crude storage tanks in the last quarter of the year brought about a significant reduction in down-time. As a result of this, the daily oil production rate was optimised, averaging 3,000 bopd in December.



Acquisition of new blocks post period-end

In February 2015, the Company announced that it had acquired a 40% working interest in OML 53 and an effective 22.5% working interest in OML 55.

OML 53

Operator	Seplat
Working interest	40.0%
Partner	NNPC
Main fields	Jisike (Producing); Ohaji South (discovery)

OML 53 covers an area of approximately 1,585km² and is located onshore in the north eastern Niger Delta. The Jisike oil field, located in the north western area of the block, is currently the only producing field on OML 53. Gross production from Jisike at the time of acquisition was approximately 2,000 bopd (approximately 800 bopd on a working interest basis). Existing infrastructure on OML 53 at Jisike comprises flow-lines, phase one separation facilities and a flow station with a design capacity of 12,000 bopd and 8 MMscfd. Oil production is then sent for further processing at the nearby Izombe facilities on OML 124 from where it is exported via pipeline to the Brass oil terminal. The block also contains the large undeveloped Ohaji South gas and condensate field, the development of which will be coordinated with the SPDC operated Assa North field on adjacent OML 21, together referred to as the ANOS project. The expectation is that future gas production from the ANOS project will supply the domestic market, for which significant work on commercialisation terms and development concepts has been undertaken. There is also

shallow oil development potential at Ohaji South that could be pursued as a separate standalone project in the near term. Prior to initiating development of the ANOS project, Seplat expects to focus efforts on increasing oil production at the Jisike field and development of the shallow oil reservoirs in Ohaji South.

The Company estimates net recoverable hydrocarbon volumes attributable to its 40.0% working interest to be approximately 51 MMbbls of oil and condensate and 611 Bscf of gas (total 151 MMboe).

Seplat is designated operator of OML 53. Seplat's partner on the block is NNPC (60%).

OML 55

Operator	Seplat
Working interest	22.5%
Partners	NNPC, Belemaoil
Main fields	Robertkiri, Idama, Inda (producing)

OML 55 covers an area of approximately 840km² 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). Gross production at the time of acquisition was approximately 8,000 bopd (1,800 bopd on a working interest basis). 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.

The Company estimates net recoverable hydrocarbon volumes attributable to its 22.5% working interest to be approximately 20 MMbbls of oil and condensate and 156 Bscf of gas (total 46 MMboe).

Seplat is designated operator of OML 55. Seplat's partners on the block are NNPC (60%) and Belemaoil (17.5%).