

Company Registration Number: SC453751 (Scotland)

Savannah Energy 1 Limited

Annual report and financial statements
For the year ended 31 December 2020



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Corporate information

Directors

Isatou Semega-Janneh
Christopher Thomas
Nicholas Beattie
Jessica Kate Ross
Robin Drage

Resigned 12 August 2021
Appointed 26 February 2021
Appointed 26 February 2021
Resigned 26 February 2021
Appointed 12 August 2021

Registered Office

50 Lothian Road
Festival Square
Edinburgh
Scotland
EH3 9WJ

Company registration number

SC453751

Auditors

Grant Thornton UK LLP
110 Queen Street
Glasgow
G1 3BX
United Kingdom

Strategic report
For the year ended 31 December 2020

The Directors present their strategic report of Savannah Energy 1 Limited ("the Company"), for the year ended 31 December 2020.

Legal form

The Company is a private limited company and is registered in Scotland. The Company was incorporated on 3 July 2013 and is a wholly owned subsidiary Savannah Energy PLC. On 21 July 2020, the Company changed its name from Savannah Petroleum 1 Limited to Savannah Energy 1 Limited.

Principal activities

The principal activity of the Company is a holding company, holding an investment in its subsidiary, Savannah Energy 2 Limited, which in turn, holds an investment in its subsidiary Savannah Petroleum Niger SA, whose principal activity is the exploration of the hydrocarbons in the Republic of Niger. The Company is the employing entity of London based employees of Savannah Energy PLC and its subsidiaries ("the Savannah Energy Group").

Business review

The Company was incorporated on 3 July 2013 and is a wholly owned subsidiary of Savannah Energy PLC, which is also the ultimate parent company. Savannah Energy PLC is domiciled in the UK for tax purposes and its shares are listed on the Alternative Investments Market of the London Stock Exchange.

The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

Principal risks and uncertainties

As a holding company, the principal risks and uncertainties are driven by the performance of Savannah Energy 2 Limited, the Company's subsidiary.

Key performance indicators

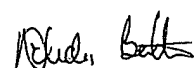
Savannah Energy PLC monitors, reviews and assesses its operations at geographical levels; therefore the Directors are of the opinion that analysis of the Company using KPIs is not appropriate for an understanding of the development, performance of the Company's position.

Financial performance and position

The Company made a loss of US\$62,423 (2019: US\$51,032) for the year ended 31 December 2020.

The Company has net liabilities of US\$2,810,968 (2019: US\$2,748,545) as at 31 December 2020.

Approved by the Board and signed on its behalf by:



Nicholas Beattie
Director
14 September 2021

Directors' report

For the year ended 31 December 2020

The Directors present their report and the audited financial statements for Savannah Energy 1 Limited for the year ended 31 December 2020.

Directors

The following served as Directors during the year and up to the date of this report, unless otherwise shown:

| | |
|----------------------|------------------------------|
| Isatou Semega-Janneh | (Resigned 12 August 2021) |
| Nicholas Beattie | (Appointed 26 February 2021) |
| Christopher Thomas | (Appointed 26 February 2021) |
| Jessica Kate Ross | (Resigned 26 February 2021) |
| Robin Drage | (Appointed 12 August 2021) |

Dividend

The Directors did not propose an interim dividend for the year ended 31 December 2020. The Directors have not proposed a final dividend (2019: nil).

Going concern

The financial statements have been prepared on a going concern basis.

The Company does not hold a bank account and therefore is reliant on the ultimate parent company, Savannah Energy PLC, and its subsidiaries ("the Group") to support the going concern assessment of the Company. The ultimate parent company has provided a letter of financial support to the Company confirming that it will provide the necessary financial support to enable the Company to meet its liabilities as they fall due for a period of at least 12 months from the date that the financial statements are approved. The Group places significant importance in managing its liquidity position and ensuring that all entities within the Group have appropriate funding as needed to meet their obligations. The Directors have considered the funding requirements of the Company and the ability of the Group to support these needs for the review period. The principal assumptions made in the Group's going concern assessment relate to (1) the timely payment of gas invoices from its customers, (2) forecast commodity price environment, and (3) continued access to FX markets. Considering this last point the Directors are highly confident that the entities in the Group will be able to continue to access US dollars as required to maintain going concern status. However, as described in note 2 (Going concern), a remote risk exists that the Group may not be able to continue to do so and/or the Group may not be able to amend its debt facilities and/or complete its planned debt refinancing at the Group's subsidiary, Accugas Limited. These facts indicate a material uncertainty exists. Notwithstanding this, the Directors have considered the adequacy of the ultimate parent company's and Group's cash resources and assessed that they are sufficient to meet its liabilities as they fall due and hence can continue as a going concern.

Share capital

On incorporation, the Company issued 1,000,000,020 ordinary B shares at a par value of US\$0.000000001 for US\$1.00.

On 28 November 2014, under the share option scheme, the Company issued 15,737,894 ordinary A1 shares and 2 ordinary A2 shares at par.

Directors' interests in share capital

As at 31 December 2020 certain Directors held 720,311 of A1 shares and one A2 share, under the share option scheme provided by the Company. Directors' interests are disclosed in the Savannah Energy Group annual report where applicable.

Post balance sheet events

The Directors are not aware of any events that occurred after the reporting date that require reporting.

Directors' and officers' liability insurance

All Directors and officers of the Company are covered by Directors' and officers' liability insurance.

Directors' report (continued)

Research and development

The Company does not undertake any material research and development activities.

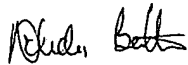
Political donations

No political donations were made in the year.

Appointment of auditors

Pursuant to Section 487 of the Companies Act 2006, following a tender process, a resolution to appoint BDO LLP as auditor for the year ended 31 December 2021 was approved at the Annual General Meeting of the ultimate parent, Savannah Energy PLC.

Approved by the Board and signed on its behalf by:



Nicholas Beattie
Director
14 September 2021

Statement of Directors' responsibilities

The Directors are responsible for the preparation of the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare the financial statements for each financial year. Under the law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

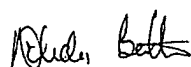
- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that:

- So far as each Director is aware, there is no relevant audit information needed by the Company's auditor in connection with preparing their report, of which the Company's auditor is unaware; and
- The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Approved by the Board and signed on its behalf by:



Nicholas Beattie
Director
14 September 2021

Independent auditor's report to the members of Savannah Energy 1 Limited

Opinion

We have audited the financial statements of Savannah Energy 1 Limited (the 'company') for the year ended 31 December 2020, which comprise the Statement of profit or loss and other comprehensive income, the Statement of financial position, the Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to the going concern note within note 2 in the financial statements, which indicates that the company is reliant on financial support from its ultimate parent company, Savannah Energy PLC, to meet its liabilities as they fall due. Savannah Energy PLC's main operating company, Accugas Limited, is currently working with its existing and new lenders to refinance its principal US\$371.0 million debt facility from US dollars to Naira and expects this process to be complete by the end of 2021. As stated in the going concern note within note 2, these events or conditions, along with the other matters as set forth in the going concern note within note 2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause company to cease to continue as a going concern.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Independent auditor's report to the members of Savannah Energy 1 Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of Savannah Energy 1 Limited (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the company and industry in which they operate. We determined that the following laws and regulations were most significant: FRS 101, the Companies Act 2006 and the relevant tax compliance regulations. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to bribery and corruption practices;
- We obtained an understanding of how the company is complying with those legal and regulatory frameworks by making inquiries of management and those responsible for legal and compliance procedures. We corroborated our inquiries through our review of board minutes;
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation; and
 - knowledge of the industry in which the company operates.
- In assessing the potential risks of material misstatement, we obtained an understanding of:

Independent auditor's report to the members of Savannah Energy 1 Limited (continued)

- the company's operations, including its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
- the applicable statutory provisions; and
- the company's control environment, including:
 - the adequacy of procedures for authorisation of transactions, internal review procedures over the company's compliance with regulatory requirements;
 - procedures to ensure that possible breaches of requirements are appropriately investigated and reported.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



James Chadwick

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Glasgow 14/9/2021

Statement of profit or loss and other comprehensive income
For the year ended 31 December 2020

| | | 31 December 2020 US\$ | 31 December 2019 US\$ |
|--|------|-----------------------------|-----------------------------|
| | Note | | |
| Operating expenses | 8 | (62,423) | (51,032) |
| Loss before taxation | | (62,423) | (51,032) |
| Taxation | 9 | - | - |
| Net loss and total comprehensive loss | | (62,423) | (51,032) |

The results for the year are derived solely from continuing operations.

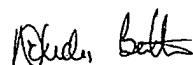
The notes on pages 14 to 20 form part of these financial statements.

Statement of financial position
As at 31 December 2020

| | Note | 2020 US\$ | 2019 US\$ |
|-------------------------------------|------|--------------------|--------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 10 | 153,441 | 204,030 |
| Investment in subsidiary | 11 | 1 | 1 |
| Total non-current assets | | 153,442 | 204,031 |
| Current assets | | | |
| Trade and other receivables | 12 | 58,467 | 111,594 |
| Cash and cash equivalents | 13 | 121 | - |
| Total current assets | | 58,588 | 111,594 |
| Total assets | | 212,030 | 315,625 |
| Equity and liabilities | | | |
| Capital and reserves | | | |
| Share capital | 14 | 1 | 1 |
| Capital contribution | | 60,528 | 60,528 |
| Retained deficit | | (2,871,497) | (2,809,074) |
| Total equity | | (2,810,968) | (2,748,545) |
| Current liabilities | | | |
| Trade and other payables | 15 | 3,022,997 | 3,064,170 |
| Total current liabilities | | 3,022,997 | 3,064,170 |
| Total equity and liabilities | | 212,030 | 315,625 |

The notes on pages 14 to 20 form part of these financial statements.

The financial statements of Savannah Energy 1 Limited (Company number: SC453751) were approved by the Board of Directors and authorised for issue on 14 September 2021 and are signed on its behalf by:



Nicholas Beattie
 Director

Statement of changes in equity
For the year ended 31 December 2020

| | Share capital US\$ | Capital contribution US\$ | Retained earnings US\$ | Total US\$ |
|-------------------------------|-----------------------|------------------------------|---------------------------|--------------------|
| As at 31 December 2018 | 1 | 60,528 | (2,758,042) | (2,697,513) |
| Total comprehensive loss | - | - | (51,032) | (51,032) |
| As at 31 December 2019 | 1 | 60,528 | (2,809,074) | (2,748,545) |
| Total comprehensive loss | - | - | (62,423) | (62,423) |
| As at 31 December 2020 | 1 | 60,528 | (2,871,497) | (2,810,968) |

The notes on pages 14 to 20 form part of these financial statements.

Notes to the financial statements

1. Corporate information

The financial statements of the Company for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the Board of Directors on 14 September 2021.

The Company was incorporated in Scotland as a private limited company on 3 July 2013. On 21 July 2020, the Company changed its name from Savannah Petroleum 1 Limited to Savannah Energy 1 Limited.

The Company's functional currency is US Dollars (US\$), and these financial statements are presented in US Dollars and all values are rounded to the nearest dollar (US\$), except when otherwise stated.

No dividends have been declared or paid since incorporation.

The Company's registered address is 50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ.

The Company's immediate parent and ultimate parent company is Savannah Energy PLC. Savannah Energy PLC, which is incorporated in England and Wales, is the parent undertaking of the largest and smallest group to consolidate these financial statements. Copies of the Group consolidated accounts may be obtained from the Company Secretary, 40 Bank Street, London, E14 5NR.

2. Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"), using historical cost convention, except for certain items measured at fair value.

In preparing these financial statements the Company applies the recognition, measurement and disclosure requirement of International Financial Reporting Standards, but makes amendments where necessary to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Exemptions

The company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

Summary of disclosure exemptions

The following disclosure exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- a) IFRS 7, 'Financial instruments: disclosures';
- b) Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- c) Paragraph 38 of IAS 1, 'Presentation of financial statements' to present comparative information in respect of paragraph 79(a)(iv) of IAS 1, 'Presentation of financial statements';
- d) Paragraphs 10(d), 10(f), 16, 38A, 38B, 40A to 40D, 111 and 134 to 136 of IAS 1, 'Presentation of financial statements';
- e) IAS 7, 'Statement of cash flows';
- f) Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors';
- g) Paragraphs 17 and 18A of IAS 24, 'Related party disclosures';
- h) The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- i) Paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36, 'Impairment of assets'.

Going concern

The financial statements have been prepared on a going concern basis.

The Company does not hold a bank account and therefore is reliant on the ultimate parent company and the wider Savannah Energy Group to support the going concern assessment of the Company. The ultimate parent company has provided a letter of financial support to the Company confirming that it will provide the necessary financial support to enable the Company to meet its liabilities as they fall due for a period of at least 12 months from the date that the financial statements are approved.

The Directors have considered the factors relevant to support a statement of going concern; in assessing the going concern assumption the Directors have reviewed the Group's forecasted cash flows as well as the funding requirements of the Group, including the Company, for the period under review. This forecast was prepared on an entity-by-entity basis and it reflects the Group's best estimate of costs and revenues for the period under review. The capital expenditure and operating costs used in this forecast are based on the Group's approved corporate budget which includes operating budgets for each of the operating subsidiaries and an estimate of the corporate general and administrative costs.

As reported in the Savannah Energy Group's Annual Report and Financial Statements for the year ended 31 December 2020, the Savannah Energy Group's main operating company, Accugas Limited, is currently working with its existing and new lenders to refinance its principal US\$371.0 million debt facility from US dollars to Naira and expects this process to complete by the end of 2021. The debt facility terms were amended such that no repayment was due at year-end, and subsequently further amended such that no repayments are required until November 2021. As at 31 December 2020, Accugas Limited agreed with its lending banks to set certain amounts for debt service purposes, pending completion of this re-financing process both of which require access to US dollars transaction (any FX loss incurred in this transaction would be recoverable under the terms of the Calabar GSA). Throughout 2020 the Group accessed US dollars as required to pay its non-Naira denominated expenditures. The Company and Accugas Limited's directors are highly confident that Accugas Limited will continue to be able to access US dollars as required to continue to provide funding support to the Company and to the ultimate parent company to maintain their going concern positions. However, a remote risk exists that Accugas Limited may not be able to continue to do so and/or Accugas Limited may not be able to amend its debt facilities and/or complete its planned debt refinancing which may impact the Company's access to future funding to settle its liabilities as they fall due. These facts indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

3. Significant accounting policies***New and amended IFRS standards***

The following relevant new standards, amendments to standards and interpretations were mandatory for the first time for the financial year beginning 1 January 2020:

| Standard | Key requirements | Effective date |
|---|--|-----------------------|
| Amendments to IFRS 3: Business Combinations | Amendments issued aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020. | 1 January 2020 |
| Interest rate benchmark reform, amendments to IFRS 9: Financial instruments | Phase 1 reforms issued as a first reaction to the potential effects the IBOR reform could have on financial reporting. Phase 1 deals with pre-replacement issues; issues affecting financial reporting the period before the replacement of an existing interest rate benchmark. Amendments to relevant standards are effective for annual reporting periods beginning on or after 1 January 2020. Phase 2, effective for annual reporting periods beginning on or after 1 January 2021, deals with replacement issues; issues that might affect financial reporting when an existing interest rate benchmark is replaced. | 1 January 2020 |

Amendments to IFRS 3: Business combinations

There have been no business combinations in 2020 and therefore the interpretation has no impact on the Company's financial information.

Interest rate benchmark reform, amendments to IFRS 9: Financial instruments

Phase 1 reforms and its associated amendments has no impact on the Company's financial information.

Standards issued but not yet effective

The following relevant new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning on 1 January 2020, and have not been early adopted:

| Standard | Key requirements | Effective date |
|---|--|----------------|
| Interest rate benchmark reform, amendments to IFRS 9: Financial instruments | Phase 2, effective for annual reporting periods beginning on or after 1 January 2021, deals with replacement issues; issues that might affect 2021 financial reporting when an existing interest rate benchmark is replaced. | 1 January |
| Amendments to IFRS 16: Leases | The IASB has issued an amendment to IFRS 16 <i>Leases</i> to make it easier for lessees to account for COVID-19 related rent concessions such as rent holidays and temporary rent reductions. The amendment is effective 1 June 2020 but, to ensure relief is available when needed most, lessees can apply the amendment immediately. | 1 June 2020 |

Foreign currency translation*Transactions and balances*

Transactions entered in a currency other than the functional currency are translated into the functional currency using the spot exchange rates prevailing at the dates of the transactions. At each statement of financial position date, the monetary assets and liabilities of the Company that are not in the functional currency of that entity are translated into the functional currency at exchange rates prevailing at the statement of financial position date. The resulting exchange differences are recognised in the statement of comprehensive income.

Functional and presentation currency

Management has concluded that the US Dollar is the functional currency of the Company due to it being the currency of the primary economic environment in which the Company operates.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided on a straight-line basis on fixtures and fittings over five to ten years and over three years for computer equipment.

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and if recognised in profit and loss.

Investment in subsidiaries

Investments in subsidiaries are stated in the statement of financial position at cost less any provisions for impairment. If a distribution is received from a subsidiary, then the investment in that subsidiary is assessed for an indication of impairment.

Financial assets*Other receivables*

Other receivables are measured at amortised cost using the effective interest method less any expected credit loss ("ECL").

Impairment of financial assets

For other receivables, the Company is required to follow a simplified approach in calculating ECLs if no significant financing component exists. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For receivables from related parties, the Company applies the general approach. The general approach involves tracking the changes in the credit risk and recognising a loss allowance based on a twelve-month ECL at each reporting date.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial liabilities at amortised cost

After initial recognition at fair value, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Equity instruments

Equity instruments issued by the Company are recorded at the fair value of the proceeds received or the fair value price of at the date of issue, net of direct issue costs, which are recorded to share capital (par value) and share premium.

Trade payables

Trade payables are measured at fair value.

Capital

The capital structure of the Company consists of equity attributable to the owners of the Company, comprising issued capital.

Share capital

Share capital comprises issued capital in respect of issued and paid-up shares, at their par value.

The Company's objective when managing capital is to maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term, and to maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Company is managed by the central treasury function of the Savannah Energy Group adjusted to reflect changes in economic conditions.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The Company believes that there are no specific judgements or estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5. Auditors' remuneration

The fees payable to the Company's auditors for the audit of the Company's financial statements was \$3,000 (2019: \$12,000). The auditors' remuneration has been borne by Savannah Energy PLC. Any fees paid to the Company's auditors and its associates for services other than the statutory audit of the Company are not disclosed in these financial statements since the consolidated financial statements of the Company's immediate parent, Savannah Energy PLC, are required to disclose non-audit fees on a consolidated basis.

6. Staff costs

The average monthly number of employees, (including executive directors) during the year was:

| Year ended 31 December | 2020 Number | 2019 Number |
|----------------------------|----------------|----------------|
| Administration and support | 21 | 7 |
| Operations | 4 | 2 |
| Management | 4 | 2 |
| | 29 | 11 |

The number of employees as at 31 December 2020 is 32 (2019: 24).

All staff costs are borne by Savannah Energy PLC, the immediate parent company.

7. Directors' remuneration

The Directors received no (2019: nil) remuneration for their services to the Company during the year. The Directors' remuneration costs are borne by Savannah Energy PLC, for carrying out services for the Savannah Energy Group as a whole. Where relevant, the details of such remuneration have been disclosed within the Directors Remuneration Report and Note 9 within the Annual Report of Savannah Energy PLC for the year ended 31 December 2020.

8. Operating expenses

| Year ended 31 December | 2020 US\$ | 2019 US\$ |
|--------------------------|---------------|---------------|
| General expenses | 11,026 | 43,970 |
| Depreciation | 49,251 | 7,062 |
| Foreign translation loss | 2,146 | - |
| | 62,423 | 51,032 |

9. Taxation

The tax (credit)/expense for the Company is:

| Year ended 31 December | 2020 US\$ | 2019 US\$ |
|------------------------|--------------|--------------|
| Tax | - | - |

The tax assessed for the year is lower than the UK corporation tax rate of 19% (2019: 19%) as explained below:

| Year ended 31 December | 2020 US\$ | 2019 US\$ |
|---|--------------|--------------|
| Loss before taxation | (62,423) | (51,032) |
| Loss before taxation multiplied by the UK corporation tax rate of 19% (2019: 19%) | (11,860) | (9,696) |
| Timing differences relating to deferred tax not recognised | 7,820 | 1,342 |
| Group relief surrendered for free | 4,040 | - |
| Losses not recognised | - | 8,354 |
| Tax | - | - |

The Company has no unrecognised deferred tax asset as at 31 December 2020 (2019: US\$18,772). No deferred tax asset has been recognised as it is not currently more likely than not that suitable taxable profits will arise in the future against which temporary differences can be offset.

10. Property, plant and equipment

| | Property, plant and equipment US\$ |
|------------------------------------|---------------------------------------|
| Cost | |
| Balance at 1 January 2019 | 54,829 |
| Additions | 204,030 |
| Balance at 31 December 2019 | 258,859 |
| Foreign translation adjustment | (1,338) |
| Balance at 31 December 2020 | 257,521 |
| Accumulated depreciation | |
| Balance at 1 January 2019 | 47,767 |
| Charge for the year | 7,062 |
| Balance at 31 December 2019 | 54,829 |
| Charge for the year | 49,251 |
| Balance at 31 December 2020 | 104,080 |
| Net book value | |
| 31 December 2020 | 153,441 |
| 31 December 2019 | 204,030 |

11. Investment in subsidiary

| | 2020 US\$ | 2019 US\$ |
|---------------------------|--------------|--------------|
| As at 31 December | | |
| Savannah Energy 2 Limited | 1 | 1 |

The Company holds 95% of the ordinary share capital of Savannah Energy 2 Limited, a company incorporated in the United Kingdom.

The Company's subsidiaries (direct and indirect) are disclosed below.

| Name | Nature of business | Country of incorporation | Type of share | Shareholding ¹ |
|-----------------------------|-------------------------|--------------------------|---------------|---------------------------|
| Savannah Energy 2 Limited | Holding company | United Kingdom | Ordinary | 95% ² |
| Savannah Petroleum Niger SA | Oil exploration company | Niger | Ordinary | 95% ³ |

¹ The Company shareholding is the effective shareholding in the entities held directly or indirectly.

² Held directly

³ Held indirectly

12. Trade and other receivables

| | 2020 US\$ | 2019 US\$ |
|--------------------------------------|---------------|----------------|
| As at 31 December | | |
| Other receivables and prepayments | - | 10,369 |
| Amounts owed from group undertakings | - | 42,262 |
| VAT receivable | 59 | - |
| Employee benefit trust loan | 58,408 | 58,963 |
| | 58,467 | 111,594 |

13. Cash and cash equivalents

| | 2020 US\$ | 2019 US\$ |
|---------------------------|--------------|--------------|
| As at 31 December | | |
| Cash and cash equivalents | 121 | - |
| | 121 | - |

The Directors consider that the carrying amount of cash and cash equivalents approximates their fair value.

14. Share capital

| As at 31 December | 2020 | 2019 |
|-----------------------------------|----------------------|---------------|
| Ordinary shares in issue (number) | 1,015,737,916 | 1,015,737,916 |
| Par value per share (US\$) | 0.000000001 | 0.000000001 |

| | No | Share capital US\$ |
|--|----------------------|-----------------------|
| A1 Ordinary | 15,737,894 | - |
| A2 Ordinary | 2 | - |
| B Ordinary | 1,000,000,020 | 1 |
| As at 31 December 2019 and 31 December 2020 | 1,015,737,916 | 1 |

On 3 July 2013, upon incorporation, the Company issued 1,000,000,020 ordinary B shares at a par value of US\$0.000000001.

On 28 November 2014, under the share option scheme, the Company issued 15,737,894 ordinary A1 shares and 2 ordinary A2 shares at a par value of US\$0.000000001.

Ordinary A shares have attached to them no right to vote at a general meeting of the Company, receive dividends or receive capital contributions (including on winding up) until immediately before they are transferred to the parent company.

Ordinary B shares have attached to the full voting, dividend and capital contribution (including on winding up) rights, they do not confer any rights of redemption.

15. Trade and other payables

| As at 31 December | 2020 US\$ | 2019 US\$ |
|------------------------------------|------------------|--------------|
| Trade payables | - | 10,151 |
| Amounts owed to group undertakings | 3,022,998 | 3,054,019 |
| | 3,022,998 | 3,064,170 |

16. Events after the reporting date

The Directors are not aware of any events that occurred after the reporting date that require reporting.