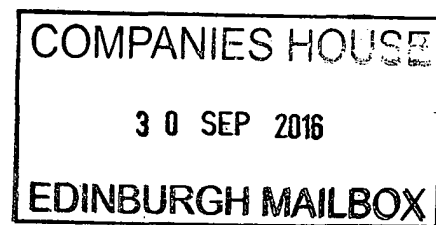


Registered Number SC467099

Savannah Petroleum 2 Limited

Audited Financial Statements

For the year ended 31 December 2015



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30/09/2016
COMPANIES HOUSE

Savannah Petroleum 2 Limited

Director report

The director present the report and the audited financial statements for Savannah Petroleum 2 Limited ("SP2L" or the "Company") for the year ended 31 December 2015.

Principal activities

The Company's principal activity is the management of its investment in Savannah Petroleum Niger R1/R2 S.A. whose principal activity is the exploration of hydrocarbons in the Republic of Niger. The Company is a subsidiary company of Savannah Petroleum 1 Limited. Savannah Petroleum 1 Limited is a subsidiary company of Savannah Petroleum PLC. Savannah Petroleum PLC is domiciled in the UK for tax purposes and its shares are listed on the Alternative Investments Market of the London Stock Exchange.

Results and dividends

The profit for the year ended 31 December 2015 was US\$1,873 (2014: US\$2,199). The Director does not propose the payment of a dividend for the period.

Directors

The director who held office throughout the period and to the date of the report except as noted were as follows:

A Knott

Registered office

50 Lothian Road
Festival Square
Edinburgh
Scotland
EH3 9WJ

Going concern

Capital and operational finance is provided by the Company's ultimate parent company Savannah Petroleum PLC and will continue to be provided for the foreseeable future. The Company has received a letter of support from its ultimate parent company. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the report and financial statements.

Auditor

The director has confirmed that, as far as he is aware, there is no relevant audit information of which the auditor is unaware. The director has confirmed that all steps have been taken that ought to have been taken as director, in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor. This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

Grant Thornton UK LLP has expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Small company provision

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

By order of the Board


A Knott

Director

Date: 28/09/2016

Savannah Petroleum 2 Limited

Statement of directors' responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. Under company law the director must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether Financial Reporting Standard 101 Reduced Disclosure Framework has been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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.

Savannah Petroleum 2 Limited

Independent auditor's report to the members of Savannah Petroleum 2 Limited

We have audited the financial statements of Savannah Petroleum 2 Limited for the year ended 31 December 2015 which comprise the statement of financial position, the statement of comprehensive income, the statement of comprehensive income, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

Savannah Petroleum 2 Limited

Independent auditor's report to the members of Savannah Petroleum 2 Limited



Christopher Smith

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London

Date:

30/9/16

Savannah Petroleum 2 Limited

Statement of Comprehensive Income Year ended 31 December 2015

	Year to 31 December 2015 US\$	Period from 10 January to 31 December 2014 US\$
Note		
Profit on ordinary activities	-	-
Finance income	1,873	2,199
Profit before taxation	1,873	2,199
Tax on profit on ordinary activities	2 -	-
Profit for the financial period and total comprehensive income	1,873	2,199

Savannah Petroleum 2 Limited

Statement of Financial Position At 31 December 2015

Registered number SC467099

	Note	2015 US\$	2014 US\$
Fixed assets			
Investment in subsidiaries	3	20,730	20,730
Current assets			
Intra group debtors		562,501	562,501
Creditors: Amounts falling due within one year			
Intra group creditors		(16,658)	(18,531)
Net current assets		<u>545,843</u>	<u>543,970</u>
Total assets less current liabilities		<u>566,573</u>	<u>564,700</u>
Capital and reserves			
Share capital	4	1	1
Share premium	4	562,500	562,500
Retained earnings		4,072	2,199
Shareholders funds		<u>566,573</u>	<u>564,700</u>

The financial statements were approved by the Board of Directors and authorised for issue on 28 September 2016 and signed on behalf of the Board of Directors



A Knott
Director

Savannah Petroleum 2 Limited

Statement of changes in equity Year ended 31 December 2015

	Note	Share capital US\$	Share premium US\$	Retained earnings US\$	Total US\$
Balance at incorporation		1	-	-	1
Profit for the period		-	-	2,199	2,199
Total comprehensive income for the period		-	-	2,199	2,200
Transactions with owners recognised directly in equity:					
Issue of share capital	4	-	562,500	-	562,500
Balance at 31 December 2014		1	562,500	2,199	564,700
Profit for the period		-	-	1,873	1,873
Balance at 31 December 2015		1	562,500	4,072	566,573

Savannah Petroleum 2 Limited

Notes to the financial statements Year ended 31 December 2015

1. Accounting policies

Statement of compliance

These financial statements have been prepared on a going concern basis in accordance with Financial Reporting Standards 100 issued by the Financial Reporting Council, and applicable legal and regulatory requirements of Company Law and reflect the following policies which have been adopted and applied consistently.

Basis of accounting

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, the financial statements have been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies adopted are set out below.

The financial statements have been prepared in US Dollars which is the Company's functional currency.

Consolidated accounts have not been prepared on the basis that the Company's ultimate parent company, Savannah Petroleum PLC, has prepared consolidated accounts for the group in accordance with EU adopted IFRS. Further details are at note 5.

Critical accounting judgements and key sources of estimation uncertainty

The directors have not had to make judgements or estimates in the application of these accounting policies that have had a significant effect on the financial statements.

Foreign currencies

The financial statements have been presented in US Dollars which is also the functional currency of the Company.

Transactions in foreign currency are recorded at the rates prevailing at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. These translation differences are recognised in profit and loss.

Going concern

After taking account of the trading and cashflow forecasts for the next 12 months, and the receipt of a letter of financial support from its ultimate parent company, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the report and financial statements.

Savannah Petroleum 2 Limited

Notes to the financial statements Year ended 31 December 2015

Accounting policies (continued)

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax is based on taxable profit for the period. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based upon tax rates that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Investments in subsidiaries

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

Capital

The capital structure of the Company consists of equity attributable to the owners of the Company, comprising issued share capital and retained earnings.

Share capital

Share capital comprises issued capital in respect of issued shares, at their par value.

Share premium

Share premium comprises the difference between the proceeds received and the par value of the issued shares.

Retained earnings

Retained earnings comprise the accumulated profit retained by the Company.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes party to the contractual provisions of the financial instrument. All of the Company's financial instruments are initially recognised at fair value and subsequently recognised as set out below.

Receivables comprise amounts due from group undertakings and are subsequently recognised at amortised cost under the effective interest method.

Financial liabilities held at amortised cost comprise amounts due to group undertakings.

Savannah Petroleum 2 Limited

Notes to the financial statements Year ended 31 December 2015

2. Taxation

	Year to 31 December 2015	Period to 31 December 2014
Tax charge	-	-
Factors affecting the tax charge for the period:		
The tax assessed for the period is lower than the effective UK corporation tax rate of 20% as explained below:	2015 US\$	2014 US\$
Profit before tax	1,873	2,199
At the tax rate	375	440
Group relief	(375)	(440)
Tax charge	-	-

3. Investment in subsidiary

	US\$
Cost:	
At 31 December 2014 and 31 December 2015	20,730

The Company holds 95% of the ordinary share capital of Savannah Petroleum Niger R1/R2 S.A. a company incorporated in the Republic of Niger.

Savannah Petroleum 2 Limited

Notes to the financial statements Year ended 31 December 2015

4. Share capital

	31 December 2015	31 December 2014
Ordinary shares in issue (number)	105,264	105,264
Par value per share in US\$	0.00001	0.00001

	Number of shares	Share capital US\$	Share premium US\$	Total US\$
At incorporation	1	1	-	1
Subdivision of shares	99,999	-	-	-
Shares issued	5,264	-	562,500	562,500
At 31 December 2014 and 31 December 2015	105,264	1	562,500	562,501

At incorporation on 10 January 2014, 1 share of US\$1 was issued.

On 25 July 2014, the 1 ordinary share of US\$1 was subdivided into 100,000 ordinary shares, each of US\$0.00001.

On 25 July 2014, 5,264 ordinary shares of US\$0.00001 were issued for a total consideration of US\$562,500.

US\$562,501 relating to issued shares remains unpaid at 31 December 2015.

5. Parent undertaking and controlling party

The immediate parent company is Savannah Petroleum 1 Limited, a company incorporated in Scotland.

The ultimate parent company and controlling entity, and the parent of the smallest and largest group that prepares consolidated financial statements and includes the company, is Savannah Petroleum PLC, a company incorporated in England. Copies of the group financial statements are available from Savannah Petroleum PLC, 40 Bank Street, London.