Unaudited results for the three months ended 31 March 2022

28 April 2022

Reliable energy,
limitless potential

Lagos and London, 28 April 2022: Seplat Energy Plc ("Seplat Energy" or "the Company"), a leading Nigerian independent energy company listed on both the Nigerian Exchange Limited and the London Stock Exchange, announces its unaudited results for the three months ended 31 March 2022.

Operational highlights

- Strong safety record extended to 26.1 million hours without LTI from Seplat Energy operated assets (2.0m hours in Q1 2022)
- Working interest production averaged 47,603 boepd (liquids 29,079 bopd, gas 18,524 boepd)
- Full-year guidance remains unchanged at 50-60 kboepd
- Amukpe-Escravos Pipeline mechanically completed, all commercial terms have been agreed and are moving through counterparty approval processes for signature. Expected to be fully operational by end of Q2 2022.
- Sibiri exploration well drilled and successful, data analysis underway, working with partner to secure regulatory approval for Extended Well Test
- Decision to exit Ubima to focus on more profitable assets; agreement reached to sell Seplat Energy's share to its JV partner for $55 million. 2P reserves reduce by 2 MMboe from 457mmboe to 455 MMboe.

Financial highlights

- Revenues up 58.6% to $241.8 million
- EBITDA up 81.6% to $147.4 million (adjusted for non-cash items)
- Strong cash generation of $178.7 million, capex of $25.7 million
- Strong balance sheet with $312.2 million cash at bank, net debt of $442.6 million
- Q1 interim dividend of US2.5 cents per share

Update on proposed acquisition of Mobil Producing Nigeria Unlimited

- Sales & Purchase Agreement signed on 25 February to acquire Exxon's shallow water operations in Nigeria, Mobil Producing Unlimited, Nigeria (MPNU)
- Acquisition remains on track and awaiting necessary approvals, expected to complete in H2 2022

Roger Brown, Chief Executive Officer, said:

"Seplat Energy delivered a good quarter that benefited from higher oil pricing, which offset lower production owing to continuing problems with the Trans Forcados Pipeline. However, the alternative Amukpe-Escravos Pipeline is mechanically complete and once we have signed the commercial agreements, we expect Chevron to be lifting our oil through the Escravos Terminal in the third quarter.

Our proposed acquisition of MPNU remains on course. We are awaiting the necessary approvals from government and regulators and expect the transaction to complete in the second half of this year. The effective date of 1 January 2021 means we will benefit from higher recent oil prices and as we have previously reported, the addition of MPNU will nearly treble our production and double our reserves on a pro forma 2020 basis. The acquisition will reinforce our leadership of Nigeria's indigenous energy sector and enabling us to generate strong future cash flows that will underpin our investment in Nigeria's energy transition and improve our overall stakeholder returns. It will also bring a significant undeveloped gas resource base which, alongside our ANOH gas project development, will underpin Nigeria's energy transition and drive domestic and export revenues when developed.

We announce the decision to divest the Group's interest in the Ubima marginal field for a consideration of $55million, which marginally reduces the company's 2P reserves by 2 MMboe to 455 MMboe.

We have proven we have the financial strength and credibility to attract international finance into Nigeria's energy sector and this will help us in our aim to deliver energy transition and provide cleaner, more reliable and more affordable energy for Nigeria's young and growing population."

Summary of performance

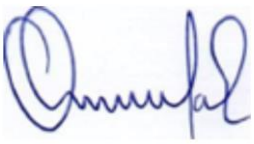
	$ million			₦ billion	
	3M 2022	3M 2021	% change	3M 2022	3M 2021
Revenue	241.8	152.448	58.6%	100.6	57.9
Gross profit	117.3	52.8	122.3%	48.8	20.1
EBITDA *	147.4	81.2	81.6%	61.3	30.8
Operating profit (loss)	102.1	44.4	130.0%	42.5	16.9
Profit (loss) before tax	83.4	28.0	197.8%	34.7	10.6
Cash generated from operations	178.7	4.4	3,961%	74.4	1.7
Working interest production (boepd)	47,603	48,239	(1.3%)		
Average realised oil price ($/bbl)	$97.53	$60.76	60.5%		
Average realised gas price ($/Mscf)	$2.76	$2.76	0%		

* Adjusted for non-cash items

Responsibility for publication

This announcement has been authorised for publication on behalf of Seplat Energy by Emeka Onwuka, Chief Financial Officer, Seplat Energy Plc.

Signed:



Mr. Emeka Onwuka

Chief Financial Officer

Important notice

The information contained within this announcement is unaudited and deemed by the Company to constitute inside information as stipulated under Market Abuse Regulations. Upon the publication of this announcement via Regulatory Information Services, this inside information is now considered to be in the public domain.

Certain statements included in these results contain forward-looking information concerning Seplat Energy's strategy, operations, financial performance or condition, outlook, growth opportunities or circumstances in the countries, sectors, or markets in which Seplat Energy operates. By their nature, forward-looking statements involve uncertainty because they depend on future circumstances and relate to events of which not all are within Seplat Energy's control or can be predicted by Seplat Energy. Although Seplat Energy believes that the expectations and opinions reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations and opinions will prove to have been correct. Actual results and market conditions could differ materially from those set out in the forward-looking statements. No part of these results constitutes, or shall be taken to constitute, an invitation or inducement to invest in Seplat Energy or any other entity and must not be relied upon in any way in connection with any investment decision. Seplat Energy undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

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Notes to editors

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

Seplat Energy is pursuing a Nigeria-focused growth strategy through participation in 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. For further information please refer to the Company website, http://seplatenergy.com/

Operating review

HSE performance

Safe and responsible operations are critical to the delivery of Seplat Energy's strategy. Staff and contractors worked a total of 2.0 million man-hours with no fatalities, lost-time injuries, or major injuries in the period.

The Company has now achieved more than 26 million man-hours without LTI on its operated assets. There were 20 HSE incidents in total, compared to 22 incidents in the first three months of 2021, including one reportable spill and two gas leaks, all of which were remediated with limited environmental impact. The Group established appropriate processes and safeguards for its people and operations against Covid-19.

By the end of March 2022, we had conducted nearly 18,000 Covid-19 tests since the start of the pandemic, with a positivity rate of 2.8%. We have a vaccination policy for Covid-19 management and continue to enforce all Covid-19 control protocols at our field operations and offices, with no major Covid-19 related incidents.

Working interest production for the three months ended 31 March 2022

		3M 2022			3M 2021		
		Liquids[1]	Gas	Total	Liquids	Gas	Total
	Seplat %	bopd	MMscfd	boepd	bopd	MMscfd	boepd
OMLs 4, 38 & 41	45%	17,655	107.4	36,180	19,842	114	39,540
OML 40	45%	7,420	-	7,420	3,615	-	3,615
OML 53	40%	2,712	-	2,712	3,570	-	3.570
OPL 283	40%	1,291	-	1,291	1,178	-	1,178
Ubima	82%	-	-	-	337	-	337
Total		**29,078**	**107.4**	**47,603**	**28,541**	**114**	**48,239**

Liquid production volumes as measured at the LACT unit for OMLs 4, 38 and 41; OML 40 and OPL 283 flow station.
Volumes stated are subject to reconciliation and may differ from sales volumes within the period.

Working interest production for 3M 2022 averaged 47,603 boepd, (3M 2021: 48,239), with an oil and gas mix of 61% and 39% respectively. Within this, liquids production was up 1.9% year-on-year, to 29,078 bopd, with significantly higher volumes from OML 40 slightly offsetting lower volumes from OML 4, 38 and 41 due to further outages in the Trans Forcados System, which experienced higher than planned downtime of 18% in the first three months of this year. The impact of future FOT outages on production from OMLs 4, 38 and 41 will be alleviated by our use of the long-delayed Amukpe-Escravos Pipeline, which, having been completed mechanically, awaits finalisation of commercial agreements. We expect to be using the AEP by July 2022.

Despite 23% downtime as a result of outages on the TEP and the TFP, produced volumes from OML 40 were higher than Q1 2021, as the four Gbetiokun wells drilled in the previous year came onstream. We expect to sustain higher production throughout the year.

Gas volumes were down 6.1% year-on-year to 107.4 impacted by lower gas demand due to price renegotiation and issues with the hot oil burner at Oben that affected production. Price discussions with customers have been concluded and a new Burner-C was installed and commissioned late February, and gas production volumes have subsequently improved in March.

We have not reported any production for Ubima in Q1 2022 as the Seplat Energy Board approved an exit from the Ubima asset in April 2022. The Ubima asset, operated by All Grace Energy Limited (AGEL) was acquired in 2019 as part of the Eland acquisition. A settlement agreement of $55 million has been agreed with AGEL and we expect to receive payments in due course.

Ubima is in a high operating cost environment, with major evacuation challenges currently being experienced in the Niger Delta. Because substantial capital expenditure would be required to create more secure evacuation routes, the decision to exit will enable us to invest in other parts of our business that generate higher returns. Current reserves in Ubima stand at approximately 2 MMbbls and necessary adjustments to the financial statements will be made in the second quarter and reported in the 6M 2022 results.

Drilling activities

During the period, we spudded two wells (Amukpe and Sibiri) and completed a Gbetiokun well that was spudded in 2021.

In OML 38, the Amukpe-05 drilling commenced and is expected to be completed by the end of April 2022. In OML 53, we spudded the Owu appraisal well in early April and drilling operations are progressing.

Project activities associated with preparation for drilling the high-impact, near-field Sibiri (formerly Amobe) exploration well in OML 40 were completed in 2021 and the well was drilled in Q1 2022. The well has been drilled to TD, with initial indications it has encountered eight oil-bearing reservoirs with 353 ft of gross hydrocarbon pay, net pay of 229 ft. Further data acquisition and analysis on the well is underway. We are working with our partners to secure regulatory approval to carryout extended well testing (EWT), to confirm producibility, among other parameters critical to full field development.

The Gbetiokun-09 well, drilled late 2021 came onstream in the first quarter and is producing c.3.5 kbopd from both long and short strings, taking the Gbetiokun field to a production rate of c.21 kbopd IPSC. For the three-infill development wells campaign, the first Opuama well (OP-12) was spudded in April 2022 with drilling progressing according to plan with on stream date estimated to be late May 2022.

Oil business performance

Seplat Energy's liquids (oil and condensate) operations produced 2.6 MMbbls on a working interest basis in 3M 2022 (3M 2021: 2.6 MMbbls). The average realised price per barrel in the period was $97.53 (3M 2021: $60.76), the increase being mostly attributable to the impact of the Ukraine conflict on global energy prices.

Amukpe-Escravos pipeline commissioning

Following the introduction of hydrocarbons into the pipeline in December 2021 as part of the start-up and testing process, mechanical completion has now been achieved. Commercial terms have been agreed and are moving through counterparty approval processes for signature. Once we have signed the commercial agreements, we expect Chevron to be lifting our oil through the Escravos Terminal in the third quarter.

Gas business performance

Working interest gas volumes for the period was 107.4 MMscfd at an average selling price of $2.76/Mscf (3M 2021: 114 MMscfd, $2.76/Mscf). The Gas business contributed 38.9% of the Group's volumes on a boepd basis and 10.6% of Group revenues. During the period we signed GSAs with three new customers, two of which commenced offtake at a combined rate of 66 MMscfd in January and March.

ANOH Gas Processing Plant

We have made progress on the ANOH plant but have seen some delays in shipments and releasing equipment essential to the project from the ports. To date, we have achieved 85% overall project completion at the gas plant site. Our government partner, the Nigerian Gas Company, (NGC) is delivering the pipelines that will take the gas from ANOH to Oben, namely the 23km spur line and the Obiafu-Obrikom-Oben (OB3) pipeline.

The OB3 pipeline project has seen a number of failed attempts to complete the 1.85km river crossing, which is needed to complete the pipeline. However, the latest contractor is making progress and the HDD drilling stands at around 25% complete. We do not anticipate the OB3 pipeline to delay the completion of the overall ANOH project.

The Spur Line project has seen significant delays due to contracting issues and payments. We have been informed that the milling of the line pipes, which is being undertaken in China, will now commence in Q2 and therefore will not arrive in Nigeria until later this year. The latest schedule provided by NGC shows completion in Q1 2023.

We had earlier communicated a first gas date by mid-year 2022, but based on our current risking, we now expect further delays of between 9-12 months to the original timeline, with the spur line expected to be the last piece of infrastructure delivered. The upstream development, including the drilling of six production wells, will be delivered by the upstream unit operator SPDC. We expect that the two wells on which drilling commenced in 2021 will be completed this year.

Outlook and update on MPNU acquisition

The proposed acquisition of MPNU remains on track and necessary regulatory approvals are anticipated. We expect completion to occur in the second half of 2022 and MPNU will then operate as a standalone subsidiary of Seplat Energy.

Full-year production guidance for 2022 remains at 50,000 to 60,000 boepd on a working interest basis, comprising 30,000 to 35,000 bopd liquids and 116 to 150 MMscfd (20,000 to 25,000 boepd) gas production. This guidance does not include any contribution from MPNU and the ANOH Gas Plant.

Capital expenditure for 2022 is expected to be around $160 million. We expect to drill a minimum of ten wells, including the Sibiri exploration well completed and the Owu appraisal well already spudded; we plan to complete ongoing projects, invest in maintenance capex to secure the existing assets, and continue investments in gas. The 2022 drilling programme is designed to address production decline and along with completion of maintenance activities, will support long-term production levels from the assets.

Financial review

Revenue and other income

Revenue from oil and gas sales in 3M 2022 was $241.8 million, a 58.6% increase from the $152.4 million achieved in 3M 2021. Adjusted for an underlift of $13.6 million, total revenues were $255.5 million.

Crude oil revenue was 74.2% higher at $216.2 million (3M 2021: $124.1 million), reflecting higher average realised oil prices of $97.53/bbl for the period (3M 2021: $60.76/bbl). The total volume of crude lifted in the year was 2.2 MMbbls, higher than the 2.1 MMbbls lifted in 3M 2021. In addition, the Group's 3M 2022 produced liquid volumes were subject to reconciliation losses of 10.2%. We expect these to improve when we evacuate the bulk of our crude through the Amukpe-Escravos underground pipeline.

Gas sales revenue decreased by 9.7% to $25.6million (3M 2021: $28.4 million), due to lower gas sales volumes of 9.7 Bscf compared to 10.3 Bscf in 3M 2021, as a result of lower customer offtake, production stoppages at Oben in February and March, as well as TFP outages during the same months.

The average realised gas price was unchanged at $2.76/Mscf and this reflects the reduction applied to the DSO gas-to-power volumes from August 2021.

Other income of $8.9 million includes an underlift of $13.6 million (shortfalls of crude lifted below Seplat's share of production, which is priced at the date of lifting and recognised as other income) representing 214 kbbls, as well as a $0.4 million tariff income generated from the use of the Company's pipelines, offset by an unrealised $6.0 million loss on foreign exchange.

Gross profit

Gross profit increased by 122.3% to $117.3 million (3M 2021: $52.8million). Non-production costs consisted primarily of $50.2 million royalties and DD&A of $33.8 million, compared to $28.4 million royalties and $30.9 million DD&A in the prior year. The higher royalties were the result of higher oil prices.

Direct operating costs, which include crude-handling fees and operation and maintenance costs, amounted to $37.4 million in 3M 2022 (3M 2021: $37.4 million).

On a cost-per-barrel equivalent basis, production opex was $8.7/boe, in line with 3M 2021.

Operating profit

The operating profit for the first quarter was $102.1 million, compared to $44.4 million in 3M 2021, an increase of 130%.

General and administrative expenses remained largely flat at $19.0 million (3M 2021: $18.2 million).

An EBITDA of $147.8 million adjusts for non-cash items which include impairment and exchange losses, equating to a margin of 60.9% for the year (3M 2021: $81.2 million; 53.2%).

Net result

The profit before tax was $83.4 million (3M 2021: $28.0 million). The income tax expense of $63.5 million includes a current tax charge of $17.9 million and deferred tax charge of $45.6 million. The deferred tax charge is mainly driven by the unwinding of previously unutilised capital allowances and higher under-lift in current year. The effective tax rate for the period was 76% (2021: 11%)

The profit for the period was $19.9 million (3M 2021: $24.9 million) with a resultant basic earnings per share of $0.03 in 3M 2022, compared to $0.06 per share in 3M 2021.

Cash flows from operating activities

Cash generated from operations in 3M 2022 was $180.9 million (3M 2021: $5.6 million). Net cash flows from operating activities were $178.7 million (3M 2021: $4.4 million), after accounting for tax payments of $0.4 million (3M 2021: $0.3 million) and a hedge premium of $1.8 million (3M 2021: $1.5 million).

In Q1 2022 the Group received $95.0 million from the JV partners towards the settlement of cash calls. The major JV receivable balance now stands at $51.0 million, down from $83.9 million at the end of 2021.

Cash flows from investing activities

Net capital expenditure of $26.0 million included $16.0 million invested in drilling and $8.6 million in engineering projects.

An outflow of $128.3 million was recorded as deposit for the Company's proposed acquisition of Mobil Producing Nigeria Unlimited, announced in February.

Cash flows from financing activities

Net cash outflows from financing activities were $30.6 million (3M 2021: $20.4 million), including $28.4 million interest paid on loans and $2.1 million commitment fee incurred on the $350 million revolving credit facility.

Liquidity

The balance sheet continues to remain healthy with a solid liquidity position.

Net debt reconciliation at 31 March 2022	$ million	$ million drawn	Coupon	Maturity
Senior notes*	636.1	650.0	7.75%	April 2026
Westport RBL*	108.4	110.0	Libor+8%	March 2026
Off-take facility*	10.3	11.0	Libor+10.5%	April 2027
Total borrowings	754.8	771.0		
Cash and cash equivalents (exclusive of restricted cash)	312.2	312.2		
Net debt	**442.6**			

* Including amortised interest

Seplat Energy ended the first quarter with gross debt of $754.8 million (with maturities in 2026 and 2027) and cash at bank of $312.2 million, leaving net debt at $442.6 million.

Dividend

The Board has approved the Q1 2022 interim dividend of US2.5 cents per share (subject to appropriate WHT) to be paid to shareholders whose names appear in the Register of Members as at the close of business on 30 May 2022.

Hedging

Seplat's hedging policy aims to guarantee appropriate levels of cash flow assurance in times of oil price weakness and volatility. For 2022, the Group has dated Brent put options of 6.0 MMbbls through Q3 2022 at an average premium of $1.42/bbl as follows: (i) for Q1, 1.0 MMbbls at a strike price of $50/bbl and 1.0 MMbbls at a strike price of $55/bbl; (ii) for Q2, 2.0 MMbbls at a strike price of $55/bbl; and (iii) for Q3, 1.0 MMbbls at a strike price of $55/bbl and 1.0mmbbls are protected at $60/bbl. Further barrels are expected to be hedged for 2022 in the coming months in line with the approach to target hedging two quarters in advance.

The Board and management team continue to closely monitor prevailing oil market dynamics and will consider further measures to provide appropriate levels of cash flow assurance in times of oil price weakness and volatility.

Elimination of related-party transactions

In our continuous efforts to promote world-class governance, related-party transactions (RPT) were eliminated from 1 January 2022.

Share dealing policy

We confirm that, to the best of our knowledge, there has been compliance with the Company's share dealing policy during the period.

Board appointments

On 22 April 2022, the Company announced the appointment of three new directors: Mrs. Bashirat Odunewu will join as an Independent Non-Executive Director of the Company; Mr. Kazeem Raimi will join as a Non-Executive Director and nominee of Platform Petroleum Limited replacing Mr. Austin Avuru, who stepped down from the Board of Seplat Energy on 1st March 2022; and Mr. Ernest Ebi will join as a Non-Executive Director and a nominee of Shebah Petroleum Development Company Limited (BVI), replacing Dr. A.B.C. Orjiako who will step down from the Board on 18th May 2022 after the Annual General Meeting. The three appointees will join the Seplat Energy Board with effect from 18 May 2022.

The Board is pleased to welcome the new Directors and looks forward to the contributions they will make to the Group.

Interim Consolidated Financial Statements (Unaudited)

For the three months ended 31 March 2022

(Expressed in Nigerian Naira and US Dollars)

Interim condensed consolidated statement of profit or loss and other comprehensive income

For the three months ended 31 March 2022

	Notes	3 Months ended 31 March 2022 Unaudited ₦ million	3 Months ended 31 March 2021 Unaudited ₦ million	3 Months ended 31 March 2022 Unaudited $'000	3 Months ended 31 March 2021 Unaudited $'000
Revenue from contracts with customers	7	100,618	57,930	241,837	152,448
Cost of sales	8	(51,785)	(37,871)	(124,490)	(99,659)
Gross profit		**48,833**	**20,059**	**117,347**	**52,789**
Other income	9	3,710	5,781	8,916	15,214
General and administrative expenses	10	(7,913)	(6,919)	(19,018)	(18,220)
Impairment loss on financial assets	11	(509)	(269)	(1,223)	(707)
Fair value loss	12	(1,639)	(1,776)	(3,941)	(4,676)
Operating profit		**42,482**	**16,876**	**102,081**	**44,400**
Finance income	13	13	3	32	7
Finance cost	13	(7,731)	(6,391)	(18,582)	(16,817)
Finance cost-net		(7,718)	(6,388)	(18,550)	(16,810)
Share of (loss)/profit from joint venture accounted for using the equity method		(52)	159	(124)	418
Profit before taxation		**34,712**	10,647	**83,407**	28,008
Income tax expense	14	(26,422)	(1,198)	(63,505)	(3,152)
Profit for the period		**8,290**	**9,449**	**19,902**	**24,856**
Attributable to:					
Equity holders of the parent		6,868	13,550	16,484	35,647
Non-controlling interests		1,422	(4,101)	3,418	(10,791)
		8,290	**9,449**	**19,902**	**24,856**
Other comprehensive income:					
Items that may be reclassified to profit or loss:					
Foreign currency translation difference		7,374	-	-	-
Total comprehensive income for the period (net of tax)		**15,664**	**9,449**	**19,902**	**24,856**
Earnings per share attributable to the equity shareholders:					
Basic earnings per share ₦/$	26	**11.76**	23.29	**0.03**	0.06
Diluted earnings per share ₦/$	26	**11.70**	23.03	**0.03**	0.06

The above interim condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Interim condensed consolidated statement of financial position

As at 31 March 2022

	Notes	31 March 2022	31 December 2021	31 March 2022	31 December 2021
		Unaudited	Audited	Unaudited	Audited
		₦ million	₦ million	$'000	$'000
Assets					
Non-current assets					
Oil & gas properties	15	665,025	660,745	1,597,662	1,604,025
Other property, plant and equipment		10,902	11,228	26,190	27,255
Right-of-use assets		2,685	3,050	6,450	7,404
Intangible assets	16	54,291	54,045	130,430	131,200
Other assets		46,849	46,363	112,551	112,551
Investment accounted for using equity accounting	17	93,722	92,795	225,158	225,270
Prepayments		27,814	27,512	66,820	66,788
Deferred tax asset	14.1	433,485	428,986	1,041,406	1,041,406
Total non-current assets		**1,334,773**	**1,324,724**	**3,206,667**	**3,215,899**
Current assets					
Inventories		30,884	30,878	74,196	74,957
Trade and other receivables	18	140,464	105,274	337,455	255,557
Prepayments		1,063	711	2,554	1,726
Contract assets	19	3,298	1,679	7,922	4,076
Cash and cash equivalents	21	129,973	133,667	312,242	324,490
Restricted cash	21.1	6,732	6,603	16,172	16,029
Total current assets		**312,414**	**278,812**	**750,541**	**676,835**
Total assets		**1,647,187**	**1,603,536**	**3,957,208**	**3,892,734**
Equity and Liabilities					
Equity					
Issued share capital	22	296	296	1,862	1,862
Share premium	22	90,383	90,383	520,138	520,138
Share based payment reserve	22	5,454	4,914	23,487	22,190
Treasury shares		(2,027)	(2,025)	(4,920)	(4,915)
Capital contribution		5,932	5,932	40,000	40,000
Retained earnings		246,372	239,429	1,201,747	1,185,082
Foreign currency translation reserve		392,722	385,348	1,933	1,933
Non-controlling interest		(19,491)	(20,913)	(55,386)	(58,804)
Total shareholders' equity		**719,641**	**703,364**	**1,728,861**	**1,707,486**
Non-current liabilities					
Interest bearing loans and borrowings	23	288,950	290,803	694,174	705,953
Lease Liabilities		607	198	1,459	481
Provision for decommissioning obligation		64,620	63,709	155,244	154,659
Deferred tax liabilities	14.1	365,755	343,179	878,693	833,101
Defined benefit plan		4,900	4,181	11,772	10,149
Total non-current liabilities		**724,832**	**702,070**	**1,741,342**	**1,704,343**
Current liabilities					
Interest bearing loans and borrowings	23	25,250	24,988	60,661	60,661
Lease Liabilities		871	1,273	2,092	3,090
Derivative financial instruments	20	1,848	1,543	4,439	3,745
Trade and other payables	24	148,162	151,204	355,949	367,058
Current tax liabilities		26,583	19,094	63,864	46,351
Total current liabilities		**202,714**	**198,102**	**487,005**	**480,905**
Total liabilities		**927,546**	**900,172**	**2,228,347**	**2,185,248**
Total shareholders' equity and liabilities		**1,647,187**	**1,603,536**	**3,957,208**	**3,892,734**

Interim condensed consolidated statement of financial position - continued

As at 31 March 2022

The above interim condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

The Group financial statements of Seplat Energy Plc and its subsidiaries (The Group) for three months ended 31 March 2022 were authorised for issue in accordance with a resolution of the Directors on 28 April 2022 and were signed on its behalf by:

A. B. C. Orjiako	R.T. Brown	E. Onwuka
FRC/2013/IODN/00000003161	FRC/2014/ANAN/00000017939	FRC/2020/003/00000020861
Chairman	Chief Executive Officer	Chief Financial Officer
28 April 2022	28 April 2022	28 April 2022

Interim condensed consolidated statement of changes in equity

For the three months ended 31 March 2022

	Issued share capital	Share premium	Share based payment reserve	Treasury shares	Capital contribution	Retained earnings	Foreign currency translation reserve	Non-controlling interest	Total equity
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
At 1 January 2021	293	86,917	7,174	-	5,932	211,790	331,289	(11,058)	632,337
Profit/(Loss) for the period	-	-	-	-	-	13,550	-	(4,101)	9,449
Other comprehensive income	-	-	-	-	-	-	-		-
Total comprehensive income/(loss) for the period	-	-	-	-	-	13,550	-	(4,101)	9,449
Transactions with owners in their capacity as owners:									
Unclaimed dividend	-	-	-	-	-	46	-	-	46
Share based payments	-	-	544	-	-	-	-	-	544
Vested shares	-	-	(760)	-	-	-	-	-	(760)
Total	-	-	(216)	-	-	46	-	-	(170)
At 31 March 2021 (unaudited)	**293**	**86,917**	**6,958**	**-**	**5,932**	**225,386**	**331,289**	**(15,159)**	**641,616**
At 1 January 2022	296	90,383	4,914	(2,025)	5,932	239,429	385,348	(20,913)	703,364
Profit for the period	-	-	-	-	-	6,868	-	1,422	8,290
Other comprehensive income	-	-	-	-	-	-	7,374	-	7,374
Total comprehensive income for the period	-	-	-	-	-	6,868	7,374	1,422	15,664
Transactions with owners in their capacity as owners:									
Unclaimed dividend	-	-	-	-	-	75	-	-	75
Share based payments	-	-	540	-	-	-	-	-	540
Vested shares		-	-	-	-	-	-	-	-
Shares re-purchased	-	-	-	(2)	-	-	-	-	(2)
Total	-	-	540	(2)	-	75	-	-	613
At 31 March 2022 (unaudited)	**296**	**90,383**	**5,454**	**(2,027)**	**5,932**	**246,372**	**392,722**	**(19,491)**	**719,641**

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Interim condensed consolidated statement of changes in equity - continued

For the three months ended 31 March 2022

	Issued share capital $'000	Share premium $'000	Share based payment reserve $'000	Treasury shares $'000	Capital contribution $'000	Retained earnings $'000	Foreign currency translation reserve $'000	Non-controlling interest $'000	Total equity $'000
At 1 January 2021	**1,855**	**511,723**	**27,592**	-	**40,000**	**1,116,079**	**992**	**(34,196)**	**1,664,045**
Profit/(Loss) for the period	-	-	-	-	-	35,647	-	(10,791)	24,856
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	-	-	-	35,647	-	(10,791)	24,856
Transactions with owners in their capacity as owners:									
Unclaimed dividend	-	-	-	-	-	120	-	-	120
Share based payments	-	-	1,431	-	-	-	-	-	1,431
Vested shares	-	-	(2,000)	-	-	-	-	-	(2,000)
Total	-	-	(569)	-	-	120	-	-	(449)
At 31 March 2021(Unaudited)	**1,855**	**511,723**	**27,023**	**-**	**40,000**	**1,151,846**	**992**	**(44,987)**	**1,688,452**

	Issued share capital $'000	Share premium $'000	Share based payment reserve $'000	Treasury shares $'000	Capital contribution $'000	Retained earnings $'000	Foreign currency translation reserve $'000	Non-controlling interest $'000	Total equity $'000
At 1 January 2022	1,862	520,138	22,190	(4,915)	40,000	1,185,082	1,933	(58,804)	1,707,486
Profit for the period	-	-	-	-	-	16,484	-	3,418	19,902
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	16,484	-	3,418	19,902
Transactions with owners in their capacity as owners:									
Unclaimed dividend	-	-	-	-	-	181	-	-	181
Share based payments	-	-	1,297	-	-	-	-	-	1,297
Vested shares	-	-	-	-	-	-	-	-	-
Shares re-purchased	-	-	-	(5)	-	-	-	-	(5)
Total	-	-	1,297	(5)	-	181	-	-	1,473
At 31 March 2022(Unaudited)	**1,862**	**520,138**	**23,487**	**(4,920)**	**40,000**	**1,201,747**	**1,933**	**(55,386)**	**1,728,861**

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Interim condensed consolidated statement of cash flows

For the three months ended 31 March 2022

	Note	3 months ended 31-Mar-22 ₦ million	3 months ended 31-Mar-21 ₦ million	3 months ended 31-Mar-22 $'000	3 months ended 31-Mar-21 $'000
Cash flows from operating activities					
Cash generated from operations	25	75,280	2,127	180,906	5,586
Hedge premium paid		(743)	(562)	(1,787)	(1,480)
Income tax (paid)/credit		(166)	95	(400)	251
Net cash inflows from operating activities		**74,371**	**1,660**	**178,719**	**4,357**
Cash flows from investing activities					
Payment for acquisition of oil and gas properties		(10,721)	(12,382)	(25,767)	(32,585)
Deposit for investment		(53,405)	-	(128,300)	-
Payment for acquisition of other property, plant and equipment		(114)	(17)	(273)	(45)
Proceeds from disposal of other property, plant and equipment		2	-	4	-
Receipts from other assets		-	1,861	-	4,897
Interest received		13	3	32	7
Net cash outflows from investing activities		**(64,225)**	**(10,535)**	**(154,304)**	**(27,726)**
Cash flows from financing activities					
Shares purchased for employees*		(2)	-	(5)	-
Interest paid on lease liability		(20)	-	(47)	-
Lease payment		(21)	(2)	(51)	(4)
Payments for other financing charges**		(874)	-	(2,100)	-
Interest paid on loans		(11,821)	(7,746)	(28,412)	(20,384)
Net cash outflows from financing activities		**(12,738)**	**(7,748)**	**(30,615)**	**(20,388)**
Net decrease in cash and cash equivalents		(2,592)	(16,623)	(6,200)	(43,757)
Cash and cash equivalents at beginning of the year		133,667	85,554	324,490	225,137
Effects of exchange rate changes on cash and cash equivalents		(1,102)	225	(6,048)	607
Cash and cash equivalents at end of the period		**129,973**	**69,156**	**312,242**	**181,987**

Included in the restricted cash balance is $8 million, ₦3.3 billion and $6.2 million, ₦2.6 billion set aside in the stamping reserve account and debt service reserve account respectively for the revolving credit facility. Also included in the restricted cash balance is $0.9 million, ₦0.4 billion and $1.1 million, ₦0.4 billion for rent deposit and unclaimed dividend respectively.

*Shares purchased for employees of $5,000, ₦2 million represent shares purchased in the open market for employees for the long-term incentive plan of the Group.

**Other financing charges include $2.1 million commitment fee incurred on the $350 million Revolving Credit Facility.

The above interim condensed consolidated statement of cashflows should be read in conjunction with the accompanying notes.

Notes to the interim condensed consolidated financial statements

1. Corporate Structure and business

Seplat Energy Plc (hereinafter referred to as 'Seplat' or the 'Company'), the parent of the Group, was incorporated on 17 June 2009 as a private limited liability company and re-registered as a public company on 3 October 2014, under the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004. The Company commenced operations on 1 August 2010. The Company is principally engaged in oil and gas exploration and production and gas processing activities. The Company's registered address is: 16a Temple Road (Olu Holloway), Ikoyi, Lagos, Nigeria.

The Company acquired, pursuant to an agreement for assignment dated 31 January 2010 between the Company, SPDC, TOTAL and AGIP, a 45% participating interest in OML 4, OML 38 and OML 41 located in Nigeria.

In 2013, Newton Energy Limited ('Newton Energy'), an entity previously beneficially owned by the same shareholders as Seplat, became a subsidiary of the Company. On 1 June 2013, Newton Energy acquired from Pillar Oil Limited ('Pillar Oil') a 40% Participant interest in producing assets: the Umuseti/Igbuku marginal field area located within OPL 283 (the 'Umuseti/Igbuku Fields').

On 21 August 2014, the Group incorporated a new subsidiary, Seplat Petroleum Development UK Limited. The subsidiary provides technical, liaison and administrative support services relating to oil and gas exploration activities.

On 12 December 2014, Seplat Gas Company Limited ('Seplat Gas') was incorporated as a private limited liability company to engage in oil and gas exploration and production and gas processing. On 12 December 2014, the Group also incorporated a new subsidiary, Seplat East Swamp Company Limited with the principal activity of oil and gas exploration and production.

In 2015, the Group purchased a 40% participating interest in OML 53, onshore north eastern Niger Delta (Seplat East Onshore Limited), from Chevron Nigeria Ltd for $259.4 million.

On 16 January 2018, the Group incorporated a subsidiary, Seplat West Limited ('Seplat West'). Seplat West was incorporated to manage the producing assets of Seplat Energy Plc.

In 2017, the Group incorporated a new subsidiary, ANOH Gas Processing Company Limited. The principal activity of the Company is the processing of gas from OML 53 using the ANOH gas processing plant.

In order to fund the development of the ANOH gas processing plant, on 13 August 2018, the Group entered into a shareholder's agreement with Nigerian Gas Processing and Transportation Company (NGPTC). Funding is to be provided by both parties in equal proportion representing their ownership share and will be used to subscribe for the ordinary shares in ANOH. The agreement was effective on 18 April 2019, which was the date the Corporate Affairs Commission (CAC) approval was received. Given the change in ownership structure as at 31 December 2019, the Group no longer exercises control and has deconsolidated ANOH in the consolidated financial statements. However, its retained interest qualifies as a joint arrangement and has been recognised accordingly as investment in joint venture.

On 31 December 2019, Seplat Energy Plc acquired 100% of Eland Oil and Gas Plc's issued and yet to be issued ordinary shares. Eland is an independent oil and gas company that holds interest in subsidiaries and joint ventures that are into production, development and exploration in West Africa, particularly the Niger Delta region of Nigeria.

On acquisition of Eland Oil and Gas Plc (Eland), the Group acquired indirect interest in existing subsidiaries of Eland.

Eland Oil & Gas (Nigeria) Limited, is a subsidiary acquired through the purchase of Eland and is into exploration and production of oil and gas.

Westport Oil Limited, which was also acquired through purchase of Eland is a financing company.

Elcrest Exploration and Production Company Limited (Elcrest) who became an indirect subsidiary of the Group purchased a 45 percent interest in OML 40 in 2012. Elcrest is a Joint Venture between Eland Oil and Gas (Nigeria) Limited (45%) and Starcrest Nigeria Energy Limited (55%). It has been consolidated because Eland is deemed to have power over the relevant activities of Elcrest to affect variable returns from Elcrest at the date of acquisition by the Group. The principal activity of Elcrest is exploration and production of oil and gas.

Wester Ord Oil & Gas (Nigeria) Limited, who also became an indirect subsidiary of the Group acquired a 40% stake in a licence, Ubima, in 2014 via a joint operations agreement. The principal activity of Wester Ord Oil & Gas (Nigeria) Limited is exploration and production of oil and gas.

Other entities acquired through the purchase of Eland are Tarland Oil Holdings Limited (a holding company), Brineland Petroleum Limited (dormant company) and Destination Natural Resources Limited (dormant company).

On 1 January 2020, Seplat Energy Plc transferred its 45% participating interest in OML 4, OML 38 and OML 41 ("transferred assets") to Seplat West Limited. As a result, Seplat ceased to be a party to the Joint Operating Agreement in respect of the transferred assets and became a holding company. Seplat West Limited became a party to the Joint Operating Agreement in respect of the transferred assets and assumed its rights and obligations.

Notes to the interim condensed consolidated financial statements - continued

On 20 May 2021, following a special resolution by the Board in view of the Company's strategy of transitioning into an energy Company promoting renewable energy, sustainability, and new energy, the name of the Company was changed from Seplat Petroleum Development Company Plc to Seplat Energy Plc under Companies and Allied Matters Act 2020.

On 7 February 2022, the Group incorporated a subsidiary, Seplat Energy Offshore Limited. The Company was incorporated for oil and gas exploration and production.

The Company together with its subsidiaries as shown below are collectively referred to as the Group.

Subsidiary	Date of incorporation	Country of incorporation and place of business	Percentage holding	Principal activities	Nature of holding
Newton Energy Limited	1 June 2013	Nigeria	99.9%	Oil & gas exploration and production	Direct
Seplat Energy UK Limited	21 August 2014	United Kingdom	100%	Corporate, technical, liaison and administrative support services relating to oil & gas exploration and production	Direct
Seplat Gas Company Limited	12 December 2014	Nigeria	99.9%	Oil & gas exploration and production and gas processing	Direct
Seplat East Onshore Limited	12 December 2014	Nigeria	99.9%	Oil & gas exploration and production	Direct
Seplat East Swamp Company Limited	12 December 2014	Nigeria	99.9%	Oil & gas exploration and production	Direct
Seplat West Limited	16 January 2018	Nigeria	99.9%	Oil & gas exploration and production	Direct
Eland Oil & Gas Limited	28 August 2009	United Kingdom	100%	Holding company	Direct
Eland Oil & Gas (Nigeria) Limited	11 August 2010	Nigeria	100%	Oil and Gas Exploration and Production	Indirect
Elcrest Exploration and Production Nigeria Limited	6 January 2011	Nigeria	45%	Oil and Gas Exploration and Production	Indirect
Westport Oil Limited	8 August 2011	Jersey	100%	Financing	Indirect
Tarland Oil Holdings Limited	16 July 2014	Jersey	100%	Holding Company	Indirect
Brineland Petroleum Limited	18 February 2013	Nigeria	49%	Dormant	Indirect
Elandale Nigeria Limited	17 January 2019	Nigeria	40%	Receive, store, handle, transport, deliver $ discharge petroleum and petroleum products	Indirect
Wester Ord Oil & Gas (Nigeria) Limited	18 July 2014	Nigeria	100%	Oil and Gas Exploration and Production	Indirect
Wester Ord Oil and Gas Limited	16 July 2014	Jersey	100%	Holding Company	Indirect
Destination Natural Resources Limited	-	Dubai	70%	Dormant	Indirect
Seplat Energy Offshore Limited	7 February 2022	Nigeria	100%	Oil and Gas exploration and production	Direct
MSP Energy Limited	27 March 2013	Nigeria	100%	Oil and Gas exploration and production	Direct

Notes to the interim condensed consolidated financial statements - continued

2. Significant changes in the current reporting period

The following significant changes occurred during the reporting period ended 31 March 2022:

- During the period, Seplat Energy Offshore Limited was incorporated on 7 February 2022. The percentage ownership of the Company is 100%.
- The Group made a deposit of $128.3 million to Exxon Mobil Corporation, Delaware as part of the consideration to acquire the entire share capital of Mobil Producing Nigeria Unlimited. The completion of the transaction is subject to ministerial consent and other required regulatory approvals.

3. Summary of significant accounting policies

3.1 Introduction to summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these interim condensed consolidated financial statements. These accounting policies have been applied to all the periods presented, unless otherwise stated. The interim financial statements are for the Group consisting of Seplat Energy Plc and its subsidiaries.

3.2 Basis of preparation

The interim condensed consolidated financial statements of the Group for the first quarter ended 31 March 2022 have been prepared in accordance with the accounting standard IAS 34 Interim financial reporting. This interim condensed consolidated financial statement does not include all the notes normally included in an annual financial statement of the Group. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2021 and any public announcements made by the Group during the interim reporting period.

The financial statements have been prepared under the going concern assumption and historical cost convention, except for financial instruments measured at fair value on initial recognition, defined benefit plans – plan assets measured at fair value. The financial statements are presented in Nigerian Naira and United States Dollars, and all values are rounded to the nearest million (₦'million) and thousand ($'000) respectively, except when otherwise indicated.

Nothing has come to the attention of the directors to indicate that the Group will not remain a going concern for at least twelve months from the date of these financial statements.

The accounting policies adopted are consistent with those of the previous financial year end corresponding interim reporting period, except for the adoption of new and amended standard which is set out below.

3.3 New and amended standards adopted by the Group

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

a) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

In accordance with the transitional provisions, the Group applies the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application) and has not restated its comparative information.

b) Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

Notes to the interim condensed consolidated financial statements - continued

These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no contingent assets, liabilities and contingent liabilities within the scope of these amendments arisen during the period.

c) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

d) IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as it is not a first-time adopter.

e) IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no modifications of the Group's financial instruments during the period.

3.4 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's interim financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. Details of these new standards and interpretations are set out below:

- IFRS 17 Insurance Contracts - Effective for annual periods beginning on or after 1 January 2023
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current - Effective for annual periods beginning on or after 1 January 2023
- Amendments to IAS 8 Accounting Policies and Accounting Estimates: Definition of Accounting Estimates - Effective date for annual periods beginning on or after 1 January 2023
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2- Effective date for annual periods beginning on or after 1 January 2023
- Amendments regarding deferred tax on leases and decommissioning obligations - Effective date for annual periods beginning on or after 1 January 2023

3.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2022.

This basis of consolidation is the same adopted for the last audited financial statements as at 31 December 2021.

3.6 Functional and presentation currency

Items included in the financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which the subsidiaries operate ('the functional currency'), which is the US dollar except the UK subsidiary which is the Great Britain Pound. The interim condensed consolidated financial statements are presented in Nigerian Naira and the US Dollars.

The Group has chosen to show both presentation currencies and this is allowable by the regulator.

Notes to the interim condensed consolidated financial statements - continued

i. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end are generally recognised in profit or loss. They are deferred in equity if attributable to net investment in foreign operations.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss or other comprehensive income depending on where fair value gain or loss is reported.

ii. Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the reporting date.
- income and expenses for statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not - a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and all resulting exchange differences are recognised in other comprehensive income.

On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

4. Significant accounting judgements estimates and assumptions

4.1 Judgements

Management judgements at the end of the first quarter are consistent with those disclosed in the 2021 Annual financial statements. The following are some of the judgements which have the most significant effect on the amounts recognised in this interim consolidated financial statement.

i. OMLs 4, 38 and 41

OMLs 4, 38, 41 are grouped together as a cash generating unit for the purpose of impairment testing. These three OMLs are grouped together because they each cannot independently generate cash flows. They currently operate as a single block sharing resources for generating cash flows. Crude oil and gas sold to third parties from these OMLs are invoiced when the Group has an unconditional right to receive payment.

ii. Deferred tax asset

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable.

iii. Lease liabilities

In 2018, the Group entered into a lease agreement for its new head office building. The lease contract contains an option to purchase and right of first refusal upon an option of sales during the initial non-cancellable lease term of five (5) years.

In determining the lease liability/right-of-use assets, management considered all fact and circumstances that create an economic incentive to exercise the purchase option. Potential future cash outflow of $45 million, which represents the purchase price, has not been included in the lease liability because the Group is not reasonably certain that the purchase option will be exercised. This assessment will be reviewed if a significant event or a significant change in circumstances occurs which affects the initial assessment and that is within the control of the management.

iv. Foreign currency translation reserve

The Group has used the CBN rate to translate its Dollar currency to its Naira presentation currency. Management has determined that this rate is available for immediate delivery. If the rate used was 10% higher or lower, revenue in Naira would have increased/decreased by ₦10 billion, 2021: ₦5.8 billion.

v. Consolidation of Elcrest

On acquisition of 100% shares of Eland Oil and Gas Plc, the Group acquired indirect holdings in Elcrest Exploration and Production (Nigeria) Limited. Although the Group has an indirect holding of 45% in Elcrest, Elcrest has been consolidated as a subsidiary for the following basis:

- Eland Oil and Gas Plc has power over Elcrest through due representation of Eland in the board of Elcrest, and clauses contained in the Share Charge agreement and loan agreement which gives Eland the right to control 100% of the voting rights of shareholders.
- Eland Oil and Gas Plc is exposed to variable returns from the activities of Elcrest through dividends and interests.
- Eland Oil and Gas Plc has the power to affect the amount of returns from Elcrest through its right to direct the activities of Elcrest and its exposure to returns.

vi. Revenue recognition

Performance obligations

The judgments applied in determining what constitutes a performance obligation will impact when control is likely to pass and therefore when revenue is recognised i.e. over time or at a point in time. The Group has determined that only one performance obligation exists in oil contracts which is the delivery of crude oil to specified ports. Revenue is therefore recognised at a point in time.

For gas contracts, the performance obligation is satisfied through the delivery of a series of distinct goods. Revenue is recognised over time in this situation as gas customers simultaneously receives and consumes the benefits provided by the Group's performance. The Group has elected to apply the 'right to invoice' practical expedient in determining revenue from its gas contracts. The right to invoice is a measure of progress that allows the Group to recognise revenue based on amounts invoiced to the customer. Judgement has been applied in evaluating that the Group's right to consideration corresponds directly with the value transferred to the customer and is therefore eligible to apply this practical expedient.

Significant financing component

The Group has entered into an advance payment contract with Mercuria for future crude oil to be delivered. The Group has considered whether the contract contains a financing component and whether that financing component is significant to the contract, including both of the following;

a) The difference, if any, between the amount of promised consideration and cash selling price and;
b) The combined effect of both the following:

- The expected length of time between when the Group transfers the crude to Mercuria and when payment for the crude is received and;
- The prevailing interest rate in the relevant market.

The advance period is greater than 12 months. In addition, the interest expense accrued on the advance is based on a comparable market rate. Interest expense has therefore been included as part of finance cost.

Transactions with Joint Operating arrangement (JOA) partners

The treatment of underlift and overlift transactions is judgmental and requires a consideration of all the facts and circumstances including the purpose of the arrangement and transaction. The transaction between the Group and its JOA partners involves sharing in the production of crude oil, and for which the settlement of the transaction is non-monetary. The JOA partners have been assessed to be partners not customers. Therefore, shortfalls or excesses below or above the Group's share of production are recognised in other income/ (expenses) - net.

Exploration and evaluation assets

The accounting for exploration and evaluation ('E&E') assets require management to make certain judgements and assumptions, including whether exploratory wells have discovered economically recoverable quantities of reserves. Designations are sometimes revised as new information becomes available. If an exploratory well encounters hydrocarbon, but further appraisal activity is required in order to conclude whether the hydrocarbons are economically recoverable, the well costs remain capitalised as long as sufficient progress is being made in assessing the economic and operating viability of the well. Criteria used in making this determination include evaluation of the reservoir characteristics and hydrocarbon properties, expected additional development activities, commercial evaluation and regulatory matters. The concept of 'sufficient progress' is an area of judgement, and it is possible to have exploratory costs remain capitalised for several years while additional drilling is performed or the Group seeks government, regulatory or partner approval of development plans.

Notes to the interim condensed consolidated financial statements - continued

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of directors has appointed a steering committee which assesses the financial performance and position of the Group and makes strategic decisions. The steering committee, which has been identified as being the chief operating decision maker, consists of the chief financial officer, the Vice President (Finance), the Director (New Energy) and the financial reporting manager. See further details in note 6.

4.2. Estimates and assumptions

The key assumptions concerning the future and the other key source of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are disclosed in the most recent 2021 annual financial statements.

The following are some of the estimates and assumptions made.

i. Defined benefit plans

The cost of the defined benefit retirement plan and the present value of the retirement obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and changes in inflation rates.

Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers market yield on federal government bonds in currencies consistent with the currencies of the post-employment benefit obligation and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

The rates of mortality assumed for employees are the rates published in 67/70 ultimate tables, published jointly by the Institute and Faculty of Actuaries in the UK.

ii. Oil and gas reserves

Proved oil and gas reserves are used in the units of production calculation for depletion as well as the determination of the timing of well closure for estimating decommissioning liabilities and impairment analysis. There are numerous uncertainties inherent in estimating oil and gas reserves. Assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may ultimately result in the reserves being restated.

iii. Share-based payment reserve

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share award or appreciation right, volatility and dividend yield and making assumptions about them. The Group measures the fair value of equity-settled transactions with employees at the grant date.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Such estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

iv. Provision for decommissioning obligations

Provisions for environmental clean-up and remediation costs associated with the Group’s drilling operations are based on current constructions, technology, price levels and expected plans for remediation. Actual costs and cash outflows can differ from estimates because of changes in public expectations, prices, discovery and analysis of site conditions and changes in clean-up technology.

Notes to the interim condensed consolidated financial statements - continued

v. Property, plant and equipment

The Group assesses its property, plant and equipment, including exploration and evaluation assets, for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable, or at least at every reporting date.

If there are low oil prices or natural gas prices during an extended period, the Group may need to recognise significant impairment charges. The assessment for impairment entails comparing the carrying value of the cash-generating unit with its recoverable amount, that is, higher of fair value less cost to dispose and value in use. Value in use is usually determined on the basis of discounted estimated future net cash flows. Determination as to whether and how much an asset is impaired involves management estimates on highly uncertain matters such as future commodity prices, the effects of inflation on operating expenses, discount rates, production profiles and the outlook for regional market supply-and-demand conditions for crude oil and natural gas.

The Group uses the higher of the fair value less cost to dispose and the value in use in determining the recoverable amount of the cash-generating unit. In determining the value, the Group uses a forecast of the annual net cash flows over the life of proved plus probable reserves, production rates, oil and gas prices, future costs (excluding (a) future restructurings to which the entity is not yet committed; or (b) improving or enhancing the asset's performance) and other relevant assumptions based on the year end Competent Persons Report (CPR). The pre-tax future cash flows are adjusted for risks specific to the forecast and discounted using a pre-tax discount rate which reflects both current market assessment of the time value of money and risks specific to the asset.

Management considers whether a reasonable possible change in one of the main assumptions will cause an impairment and believes otherwise.

vi. Useful life of other property, plant and equipment

The Group recognises depreciation on other property, plant and equipment on a straight-line basis in order to write-off the cost of the asset over its expected useful life. The economic life of an asset is determined based on existing wear and tear, economic and technical ageing, legal and other limits on the use of the asset, and obsolescence. If some of these factors were to deteriorate materially, impairing the ability of the asset to generate future cash flow, the Group may accelerate depreciation charges to reflect the remaining useful life of the asset or record an impairment loss.

vii. Income taxes

The Group is subject to income taxes by the Nigerian tax authority, which does not require significant judgement in terms of provision for income taxes, but a certain level of judgement is required for recognition of deferred tax assets. Management is required to assess the ability of the Group to generate future taxable economic earnings that will be used to recover all deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. The estimates are based on the future cash flow from operations taking into consideration the oil and gas prices, volumes produced, operational and capital expenditure.

viii. Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default, expected loss rates and maximum contractual period. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

ix. Intangible asset

The contract based intangible assets were acquired as part of a business combination. They are recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line bases over their estimated useful lives which is also the economic life of the asset.

The fair value of contract based intangible assets is estimated using the multi period excess earnings method. This requires a forecast of revenue and all cost projections throughout the useful life of the intangible assets. A contributory asset charge that reflects the return on assets is also determined and applied to the revenue but subtracted from the operating cash flows to derive the pre-tax cash flow. The post-tax cashflows are then obtained by deducting out the tax using the effective tax rate.

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service.

Notes to the interim condensed consolidated financial statements - continued

5. Financial risk management

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks such as market risk (including foreign exchange risk, interest rate risk and commodity price risk), credit risk and liquidity risk. The Group's risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the treasury department under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

Risk	Exposure arising from	Measurement	Management
Market risk – foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in US dollars.	Cash flow forecasting Sensitivity analysis	Match and settle foreign denominated cash inflows with foreign denominated cash outflows.
Market risk – interest rate	Interest bearing loans and borrowings at variable rate	Sensitivity analysis	Review refinancing opportunities
Market risk – commodity prices	Future sales transactions	Sensitivity analysis	Oil price hedges
Credit risk	Cash and bank balances, trade receivables and derivative financial instruments.	Aging analysis Credit ratings	Diversification of bank deposits.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

5.1.1 Credit risk

Credit risk refers to the risk of a counterparty defaulting on its contractual obligations resulting in financial loss to the Group. Credit risk arises from cash and bank balances as well as credit exposures to customers (i.e. Mercuria, Shell western, Pillar, Azura, Geregu Power, Sapele Power and Nigerian Gas Marketing Company (NGMC) receivables), and other parties (i.e. NAPIMS receivables, NPDC receivables and other receivables).

a) Risk management

The Group is exposed to credit risk from its sale of crude oil to Mercuria and Shell western. There is a 30-day payment term after Bill of Lading date in the off-take agreement with Mercuria (OMLs 4, 38 &41) which expired in February 2022. The Group also has an off-take agreement with Shell Western Supply and Trading Limited which expires in September 2023. The Group is exposed to further credit risk from outstanding cash calls from Nigerian Petroleum Development Company (NPDC) and Nigerian National Petroleum Corporation (NNPC).

In addition, the Group is exposed to credit risk in relation to its sale of gas to its customers.

The credit risk on cash and cash balances is managed through the diversification of banks in which the balances are held. The risk is limited because the majority of deposits are with banks that have an acceptable credit rating assigned by an international credit agency. The Group's maximum exposure to credit risk due to default of the counterparty is equal to the carrying value of its financial assets.

b) Estimation uncertainty in measuring impairment loss

The table below shows information on the sensitivity of the carrying amounts of the Group's financial assets to the methods, assumptions and estimates used in calculating impairment losses on those financial assets at the end of the reporting period. These methods, assumptions and estimates have a significant risk of causing material adjustments to the carrying amounts of the Group's financial assets.

Notes to the interim condensed consolidated financial statements - continued

i. Significant unobservable inputs

The table below demonstrates the sensitivity of the Group's profit before tax to movements in the loss given default (LGD) for financial assets, with all other variables held constant:

	Effect on profit before tax	Effect on other components of equity before tax	Effect on profit before tax	Effect on other components of equity before tax
	31 March 2022	31 March 2022	31 March 2022	31 March 2022
	₦ million	₦ million	$'000	$'000
Increase/decrease in loss given default				
+10%	(179)	-	(450)	-
-10%	179	-	450	-

	Effect on profit before tax	Effect on other components of equity before tax	Effect on profit before tax	Effect on other components of equity before tax
	31 Dec 2021	31 Dec 2021	31 Dec 2021	31 Dec 2021
	₦ million	₦ million	$'000	$'000
Increase/decrease in loss given default				
+10%	(717)	-	(1,800)	-
-10%	717	-	1,800	-

The table below demonstrates the sensitivity of the Group's profit before tax to movements in probabilities of default, with all other variables held constant:

	Effect on profit before tax	Effect on other components of equity before tax	Effect on profit before tax	Effect on other components of equity before tax
	31 March 2022	31 March 2022	31 March 2022	31 March 2022
	₦ million	₦ million	$'000	$'000
Increase/decrease in probability of default				
+10%	(170)	-	(426)	-
-10%	170	-	426	-

Notes to the interim condensed consolidated financial statements - continued

	Effect on profit before tax	Effect on other components of equity before tax	Effect on profit before tax	Effect on other components of equity before tax
	31 Dec 2021	31 Dec 2021	31 Dec 2021	31 Dec 2021
	₦ million	₦ million	$'000	$'000
Increase/decrease in probability of default				
+10%	(679)	-	(1,704)	-
-10%	679	-	1,704	-

The table below demonstrates the sensitivity of the Group's profit before tax to movements in the forward-looking macroeconomic indicators, with all other variables held constant:

	Effect on profit before tax	Effect on other components of equity before tax	Effect on profit before tax	Effect on other components of equity before tax
	31 March 2022	31 March 2022	31 March 2022	31 March 2022
	₦ million	₦ million	$'000	$'000
Increase/decrease in forward looking macroeconomic indicators				
+10%	(5)	-	(12)	-
-10%	5	-	12	-

	Effect on profit before tax	Effect on other components of equity before tax	Effect on profit before tax	Effect on other components of equity before tax
	31 Dec 2021	31 Dec 2021	31 Dec 2021	31 Dec 2021
	₦ million	₦ million	$'000	$'000
Increase/decrease in forward looking macroeconomic indicators				
+10%	(19)	-	(48)	-
-10%	19	-	48	-

5.1.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by ensuring that sufficient funds are available to meet its commitments as they fall due.

The Group uses both long-term and short-term cash flow projections to monitor funding requirements for activities and to ensure there are sufficient cash resources to meet operational needs. Cash flow projections take into consideration the Group's debt financing plans and covenant compliance. Surplus cash held is transferred to the treasury department which invests in interest bearing current accounts and time deposits.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed maturity periods. The table has been drawn based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the Group can be required to pay.

Notes to the interim condensed consolidated financial statements - continued

	Effective interest rate	Less than 1 year	1 - 2 year	2 - 3 years	3 - 6 years	Total
	%	₦ million	₦ million	₦ million	₦ million	₦ million
31 March 2022						
Non - derivatives						
Fixed interest rate borrowings						
Senior notes	7.75%	**10,776**	**21,260**	**21,318**	**302,481**	**355,835**
Variable interest rate borrowings						
The Mauritius Commercial Bank Ltd	8.00% + USD LIBOR	1,322	4,452	6,539	7,738	20,051
The Stanbic IBTC Bank Plc	8.00% + USD LIBOR	1,350	4,545	6,675	7,899	20,469
The Standard Bank of South Africa Limited	8.00% + USD LIBOR	771	2,597	3,814	4,514	11,696
First City Monument Bank Limited	8.00% + USD LIBOR	344	1,159	1,703	2,015	5,222
Shell Western Supply and Trading Limited	10.5% + USD LIBOR	495	940	892	4,479	6,806
Total variable interest borrowings		**4,282**	**13,695**	**19,623**	**26,644**	**64,243**
Other non - derivatives						
Trade and other payables**		157,015	-	-	-	**157,015**
Lease liability		1,970	67	28	-	2,065
		158,985	**67**	**28**	**-**	**159,081**
Total		**174,043**	**35,021**	**40,969**	**329,125**	**579,159**

	Effective interest rate	Less than 1 year	1 - 2 year	2 - 3 years	3 - 5 years	Total
	%	₦ million	₦ million	₦ million	₦ million	₦ million
31 December 2021						
Non - derivatives						
Fixed interest rate borrowings						
Senior notes	7.75%	**20,751**	**20,751**	**20,751**	**298,881**	**361,134**
Variable interest rate borrowings						
The Mauritius Commercial Bank Ltd	8.00% + USD LIBOR	1,298	4,390	6,456	7,650	19,794
The Stanbic IBTC Bank Plc	8.00% + USD LIBOR	1,324	4,481	6,590	7,810	20,205
The Standard Bank of South Africa Limited	8.00% + USD LIBOR	757	2,561	3,766	4,463	11,547
First City Monument Bank Limited	8.00% + USD LIBOR	338	1,143	1,681	1,992	5,154
Shell Western Supply and Trading Limited	10.5% + USD LIBOR	486	924	876	4,422	6,708
Total variable interest borrowings		**4,203**	**13,499**	**19,369**	**26,337**	**63,408**
Other non - derivatives						
Trade and other payables**		151,204	-	-	-	151,204
Lease liability		1,950	66	28	-	2,044
		153,154	66	28	-	153,248
Total		**178,108**	**34,316**	**40,148**	**325,218**	**577,790**

Notes to the interim condensed consolidated financial statements - continued

	Effective interest rate %	Less than 1 year $'000	1 - 2 year $'000	2 - 3 years $'000	3 - 6 years $'000	Total $'000
31 March 2022						
Non - derivatives						
Fixed interest rate borrowings						
Senior notes	7.75%	**25,887**	**51,075**	**51,215**	**726,682**	**854,858**
Variable interest rate borrowings						
The Mauritius Commercial Bank Ltd	8.00% + USD LIBOR	3,176	10,697	15,709	18,589	48,170
The Stanbic IBTC Bank Plc	8.00% + USD LIBOR	3,242	10,919	16,036	18,976	49,174
The Standard Bank of South Africa Limited	8.00% + USD LIBOR	1,853	6,240	9,164	10,843	28,099
First City Monument Bank Limited	8.00% + USD LIBOR	827	2,786	4,091	4,841	12,544
Shell Western Supply and Trading Limited	10.5% + USD LIBOR	1,189	2,259	2,143	10,760	16,350
Total variable interest borrowings		**10,286**	**32,900**	**47,142**	**64,009**	**154,338**
Other non - derivatives						
Trade and other payables**		377,217	-	-	-	**377,217**
Lease liability		4,733	160	67	-	4,960
		381,950	**160**	**67**	**-**	**382,177**
Total		**418,123**	**84,135**	**98,424**	**790,691**	**1,391,373**

	Effective interest rate %	Less than 1 year $'000	1 - 2 year $'000	2 - 3 years $'000	3 - 5 years $'000	Total $'000
31 December 2021						
Non - derivatives						
Fixed interest rate borrowings						
Senior notes	7.75%	**50,375**	**50,375**	**50,375**	**725,563**	**876,688**
Variable interest rate borrowings						
The Mauritius Commercial Bank Ltd	8.00% + USD LIBOR	3,150	10,656	15,672	18,572	48,050
The Stanbic IBTC Bank Plc	8.00% + USD LIBOR	3,215	10,878	15,998	18,959	49,050
The Standard Bank of South Africa Limited	8.00% + USD LIBOR	1,837	6,216	9,142	10,834	28,029
First City Monument Bank Limited	8.00% + USD LIBOR	820	2,775	4,081	4,836	12,512
Shell Western Supply and Trading Limited	10.5% + USD LIBOR	1,179	2,243	2,126	10,734	16,282
Total variable interest borrowings		**10,201**	**32,768**	**47,019**	**63,935**	**153,923**
Other non - derivatives						
Trade and other payables**		367,058	-	-	-	367,058
Lease liability		4,733	160	67	-	4,960
		371,791	**160**	**67**	**-**	**372,018**
Total		**432,367**	**83,303**	**97,461**	**789,498**	**1,402,629**

** Trade and other payables (exclude non-financial liabilities such as provisions, taxes, pension and other non-contractual payables).

Notes to the interim condensed consolidated financial statements - continued

5.1.3 Fair value measurements

Set out below is a comparison by category of carrying amounts and fair value of all financial instruments:

	Carrying amount		Fair value	
	As at 31 March 2022	As at 31 Dec 2021	As at 31 March 2022	As at 31 Dec 2021
	₦ million	₦ million	₦ million	₦ million
Financial assets at amortised cost				
Trade and other receivables*	71,449	78,869	71,449	78,869
Contract assets	3,298	1,679	3,298	1,679
Cash and bank balances	129,973	133,667	129,973	133,667
	204,720	**214,215**	**204,720**	**214,215**
Financial liabilities at amortised cost				
Interest bearing loans and borrowings	314,200	315,791	318,143	307,447
Trade and other payables**	142,464	136,619	142,464	136,619
	456,664	**452,410**	**460,607**	**444,066**
Financial liabilities at fair value				
Derivative financial instruments (Note 20)	1,848	1,543	1,848	1,543
	1,848	**1,543**	**1,848**	**1,543**

	Carrying amount		Fair value	
	As at 31 March 2022	As at 31 Dec 2021	As at 31 March 2022	As at 31 Dec 2021
	$'000	$'000	$'000	$'000
Financial assets at amortised cost				
Trade and other receivables*	171,651	191,463	171,651	191,463
Contract assets	7,922	4,076	7,922	4,076
Cash and bank balances	312,242	324,490	312,242	324,490
	491,815	**520,029**	**491,815**	**520,029**
Financial liabilities at amortised cost				
Interest bearing loans and borrowings	754,835	766,614	764,308	746,358
Trade and other payables**	342,260	331,655	342,260	331,655
	1,097,095	**1,098,269**	**1,106,568**	**1,078,013**
Financial liabilities at fair value				
Derivative financial instruments (Note 20)	4,439	3,745	4,439	3,745
	4,439	**3,745**	**4,439**	**3,745**

* Trade and other receivables exclude Geregu power, Sapele power, NGMC VAT receivables, cash advances and advance payments.
** Trade and other payables (exclude non-financial liabilities such as provisions, taxes, pension and other non-contractual payables), trade and other receivables (excluding non-financial assets), contract assets and cash and bank balances are financial instruments whose carrying amounts as per the financial statements approximate their fair values. This is mainly due to their short-term nature.

5.1.4 Fair Value Hierarchy

As at the reporting period, the Group had classified its financial instruments into the three levels prescribed under the accounting standards. There were no transfers of financial instruments between fair value hierarchy levels during the year.

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair value of the financial instruments is included at the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of the Group's derivative financial instruments has been determined using a proprietary pricing model that uses marked to market valuation. The valuation represents the mid-market value and the actual close-out costs of trades involved. The market inputs to the model are derived from observable sources. Other inputs are unobservable but are estimated based on the market inputs or by using other pricing models. The derivative financial instruments are in level 2.

The fair value of the Group's interest-bearing loans and borrowings is determined by using discounted cash flow models that use market interest rates as at the end of the period. The interest-bearing loans and borrowings are in level 2.

The fair value of the Group's contingent consideration is determined using the discounted cash flow model. The cash flows were determined based on probable future oil prices. The estimated future cash flow was discounted to present value using a discount rate.

The valuation process

The finance & planning team of the Group performs the valuations of financial and non-financial assets required for financial reporting purposes. This team reports directly to the General Manager (GM) Commercial who reports to the Chief Financial Officer (CFO) and the Audit Committee (AC). Discussions of valuation processes and results are held between the GM and the valuation team at least once every quarter, in line with the Group's quarterly reporting periods.

6. Segment reporting

Business segments are based on the Group's internal organisation and management reporting structure. The Group's business segments are the two core businesses: Oil and Gas. The Oil segment deals with the exploration, development and production of crude oil while the Gas segment deals with the production and processing of gas. These two reportable segments make up the total operations of the Group.

For the period ended 31 March 2022, revenue from the gas segment of the business constituted 11% of the Group's revenue. Management is committed to continued growth of the gas segment of the business, including through increased investment to establish additional offices, create a separate gas business operational management team and procure the required infrastructure for this segment of the business. The gas business is positioned separately within the Group and reports directly to the (chief operating decision maker). As the gas business segment's revenues, results and cash flows are largely independent of other business units within the Group, it is regarded as a separate segment.

The result is two reporting segments, Oil and Gas. There were no intersegment sales during the reporting periods under consideration, therefore all revenue was from external customers.

Amounts relating to the gas segment are determined using the gas cost centres, with the exception of depreciation. Depreciation relating to the gas segment is determined by applying a percentage which reflects the proportion of the Net Book Value of oil and gas properties that relates to gas investment costs (i.e., cost for the gas processing facilities).

The Group accounting policies are also applied in the segment reports.

Notes to the interim condensed consolidated financial statements - continued

6.1 Segment profit disclosure

	3 Months ended 31 March 2022	3 Months ended 31 March 2021	3 Months ended 31 March 2022	3 Months ended 31 March 2021
	₦'million	₦'million	$'000	$'000
Oil	2,400	3,895	5,746	10,240
Gas	5,890	5,554	14,156	14,616
Total profit from continued operations for the period	**8,290**	**9,449**	**19,902**	**24,856**

Oil

	3 Months ended 31 March 2022	3 Months ended 31 March 2021	3 Months ended 31 March 2022	3 Months ended 31 March 2021
	₦'million	₦'million	$'000	$'000
Revenue from contract with customers				
Crude oil sales	89,955	47,152	216,209	124,084
Operating profit before depreciation, depletion and amortisation	49,051	20,092	117,865	52,862
Depreciation and impairment	(15,172)	(12,311)	(36,460)	(32,398)
Operating profit	**33,879**	**7,781**	**81,405**	**20,464**
Finance income	13	3	32	7
Finance costs	(7,731)	(6,391)	(18,582)	(16,817)
Profit before taxation	**26,161**	**1,393**	**62,855**	**3,654**
Income tax (expense)/credit	(23,761)	2,502	(57,109)	6,586
Profit for the period	**2,400**	**3,895**	**5,746**	**10,240**

Gas

	3 Months ended 31 March 2022	3 Months ended 31 March 2021	3 Months ended 31 March 2022	3 Months ended 31 March 2021
	₦'million	₦'million	$'000	$'000
Revenue from contract with customer				
Gas sales	10,663	10,778	25,628	28,364
Operating profit before depreciation, depletion and amortisation	8,868	9,112	21,314	23,980
Depreciation, amortization and impairment	(265)	(17)	(638)	(44)
Operating profit	**8,603**	**9,095**	**20,676**	**23,936**
Share of (loss)/profit from joint venture accounted for using equity accounting	(52)	159	(124)	418
Profit before taxation	8,551	9,254	20,552	24,354
Income tax expense	(2,661)	(3,700)	(6,396)	(9,738)
Profit for the period	**5,890**	**5,554**	**14,156**	**14,616**

Notes to the interim condensed consolidated financial statements - continued

6.1.1 Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of commodities at a point in time or over time and from different geographical regions.

	3 Months ended March 2022	3 Months ended March 2022	3 Months ended March 2022	3 Months ended March 2021	3 Months ended March 2021	3 Months ended March 2021
	Oil	Gas	Total	Oil	Gas	Total
	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million
Geographical markets						
Bahamas	10,022	-	10,022	-	-	-
Nigeria	-	10,663	10,663	11,587	10,778	22,365
Switzerland	69,564	-	69,564	35,565	-	35,565
United Kingdom	10,369	-	10,369	-	-	-
Revenue from contract with customers	**89,955**	**10,663**	100,618	**47,152**	**10,778**	**57,930**
Timing of revenue recognition						
At a point in time	89,955	-	89,955	47,152	-	47,152
Over time	-	10,663	10,663	-	10,778	10,778
Revenue from contract with customers	**89,955**	**10,663**	**100,618**	**47,152**	**10,778**	**57,930**

	3 Months ended March 2022	3 Months ended March 2022	3 Months ended March 2022	3 Months ended March 2021	3 Months ended March 2021	3 Months ended March 2021
	Oil	Gas	Total	Oil	Gas	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Geographical markets						
Bahamas	24,088	-	24,088	-	-	-
Nigeria	-	25,628	25,628	30,492	28,364	58,856
Switzerland	167,199	-	167,199	93,592	-	93,592
United Kingdom	24,922	-	24,922	-	-	-
Revenue from contract with customers	**216,209**	**25,628**	241,837	**124,084**	**28,364**	**152,448**
Timing of revenue recognition						
At a point in time	216,209	-	216,209	124,084	-	124,084
Over time	-	25,628	25,628	-	28,364	28,364
Revenue from contract with customers	**216,209**	**25,628**	**241,837**	**124,084**	**28,364**	**152,448**

The Group's transactions with its major customer, Mercuria, constitutes more than 69% (₦69.6 billion, $167 million) of the total revenue from the oil segment and the Group as a whole. Also, the Group's transactions with Geregu Power, Sapele Power, NGMC and Azura (₦10.7 billion, $25.6 million) accounted for the total revenue from the gas segment.

6.1.2 Impairment loss on financial assets by reportable segments

	3 Months ended March 2022	3 Months ended March 2022	3 Months ended March 2022	3 Months ended March 2021	3 Months ended March 2021	3 Months ended March 2021
	Oil	Gas	Total	Oil	Gas	Total
	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million
Impairment loss	82	427	509	252	17	269

	3 Months ended March 2022	3 Months ended March 2022	3 Months ended March 2022	3 Months ended March 2021	3 Months ended March 2021	3 Months ended March 2021
	Oil	Gas	Total	Oil	Gas	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Impairment loss	196	1,027	1,223	663	44	707

Notes to the interim condensed consolidated financial statements - continued

6.2 Segment assets

Segment assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the reporting segment and the physical location of the asset. The Group had no non-current assets domiciled outside Nigeria.

Total segment assets	Oil ₦'million	Gas ₦'million	Total ₦'million	Oil $'000	Gas $'000	Total $'000
31 March 2022	1,417,916	229,271	1,647,187	3,406,408	550,800	3,957,208
31 December 2021	1,393,987	209,549	1,603,536	3,384,033	508,701	3,892,734

6.3 Segment liabilities

Segment liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

Total segment liabilities	Oil ₦'million	Gas ₦'million	Total ₦'million	Oil $'000	Gas $'000	Total $'000
31 March 2022	786,267	141,279	927,546	1,888,937	339,410	2,228,347
31 December 2021	775,644	124,528	900,172	1,882,945	302,203	2,185,248

7. Revenue from contracts with customers

	3 months ended 31 March 2022 ₦ million	3 months ended 31 March 2021 ₦ million	3 months ended 31 March 2022 $'000	3 months ended 31 March 2021 $'000
Crude oil sales	89,955	47,152	216,209	124,084
Gas sales	10,663	10,778	25,628	28,364
	100,618	**57,930**	**241,837**	**152,448**

The major off takers for crude oil are Mercuria and Shell West. The major off takers for gas are Geregu Power, Sapele Power, Nigerian Gas Marketing Company and Azura.

8. Cost of sales

	3 months ended 31 March 2022 ₦ million	3 months ended 31 March 2021 ₦ million	3 months ended 31 March 2022 $'000	3 months ended 31 March 2021 $'000
Royalties	20,883	10,793	50,195	28,404
Depletion, depreciation and amortisation	14,083	11,748	33,848	30,915
Crude handling fees	5,370	4,749	12,908	12,498
Nigeria Export Supervision Scheme (NESS) fee	90	55	217	145
Niger Delta Development Commission Levy	1,193	977	2,867	2,571
Barging/Trucking	1,230	824	2,957	2,167
Operational & maintenance expenses	8,936	8,725	21,498	22,959
	51,785	**37,871**	**124,490**	**99,659**

Operational & maintenance expenses mainly relates to maintenance costs, warehouse operations expenses, security expenses, community expenses, clean-up costs, fuel supplies and catering services. Also included in operational and maintenance expenses is gas flare penalty of ₦686 million, $1.7 million.

Barging and Trucking costs relates to costs on the OML 40 Gbetiokun field and OML 17 Ubima field respectively under Eland Group.

Notes to the interim condensed consolidated financial statements - continued

9. Other income.

	3 months ended 31 March 2022 ₦ million	3 months ended 31 March 2021 ₦'million	3 months ended 31 March 2022 $'000	3 months ended 31 March 2021 $'000
Underlift	5,666	3,115	13,618	8,198
(Loss)/gains on foreign exchange	(2,517)	114	(6,048)	301
Others	375	25	900	66
Tariffs	186	2,527	446	6,649
	3,710	**5,781**	**8,916**	**15,214**

Underlifts are shortfalls of crude lifted below the share of production. It may exist when the crude oil lifted by the Group during the period is less than its ownership share of production. The shortfall is initially measured at the market price of oil at the date of lifting and recognised as other income. At each reporting period, the shortfall is remeasured at the current market value. The resulting change, as a result of the remeasurement, is also recognised in profit or loss as other income.

(Loss)/gains on foreign exchange are principally as a result of translation of Naira, Pounds and Euro denominated monetary assets and liabilities.

Tariffs which is a form of crude handling fee, relate to income generated from the use of the Group's pipeline.

10. General and administrative expenses

	3 months ended 31 March 2022 ₦ million	3 months ended 31 March 2021 ₦'million	3 months ended 31 March 2022 $'000	3 months ended 31 March 2021 $'000
Depreciation	435	532	1,042	1,404
Depreciation of right-of-use assets	410	315	985	830
Professional and consulting fees	972	1,082	2,336	2,848
Directors' emoluments (executive)	319	263	766	692
Directors' emoluments (non-executive)	561	548	1,348	1,441
Employee benefits	4,432	3,975	10,657	10,467
Loss on disposal of property, plant & equipment	5	-	12	-
Donation	11	-	26	-
Flights and other travel costs	702	198	1,687	522
Rentals	66	6	159	16
	7,913	**6,919**	**19,018**	**18,220**

Directors' emoluments have been split between executive and non-executive directors.

11. Impairment loss

	3 months ended 31 March 2022 ₦ million	3 months ended 31 March 2021 ₦ million	3 months ended 31 March 2022 $'000	3 months ended 31 March 2021 $'000
Impairment loss on financial assets	509	269	1,223	707
	509	269	**1,223**	707

Notes to the interim condensed consolidated financial statements - continued

12. Fair value loss

	3 months ended 31 March 2022	3 months ended 31 March 2021	3 months ended 31 March 2022	3 months ended 31 March 2021
	₦ million	₦ million	$'000	$'000
Realised fair value loss on derivatives	743	562	1,787	1,480
Unrealised fair value loss on derivatives	896	1,214	2,154	3,196
	1,639	**1,776**	**3,941**	**4,676**

Fair value loss on derivatives represents changes arising from the valuation of the crude oil economic hedge contracts charged to profit or loss.

13. Finance income/(cost)

	3 months ended 31 March 2022	3 months ended 31 March 2021	3 months ended 31 March 2022	3 months ended 31 March 2021
	₦ million	₦ million	$'000	$'000
Finance income				
Interest income	13	3	32	7
Finance cost				
Interest on bank loans	(7,468)	(6,222)	(17,950)	(16,373)
Interest on lease liabilities	(20)	(57)	(47)	(149)
Unwinding of discount on provision for decommissioning	(243)	(112)	(585)	(295)
	(7,731)	**(6,391)**	**(18,582)**	**(16,817)**
Finance (cost) - net	**(7,718)**	**(6,388)**	**(18,550)**	**(16,810)**

Finance income represents interest on short-term fixed deposits.

14. Taxation

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the period to 31 March 2022 is 85% for crude oil activities and 30% for gas activities.

The effective tax rate for the period was 76% (2021: 11.25%)

The major components of income tax expense in the interim condensed consolidated statement

	3 months ended 31 March 2022	3 months ended 31 March 2021	3 months ended 31 March 2022	3 months ended 31 March 2021
	₦ million	₦ million	$'000	$'000
Current tax:				
Current tax expense on profit for the period	(6,347)	(2,565)	(15,255)	(6,750)
Education tax	(1,106)	(456)	(2,658)	(1,199)
Total current tax	**(7,453)**	(3,021)	**(17,913)**	(7,949)
Deferred tax:				
Deferred tax (expense)/credit in profit or loss	(18,969)	1,823	(45,592)	4,797
Total tax expense in statement of profit	**(26,422)**	**(1,198)**	**(63,505)**	**(3,152)**

Notes to the interim condensed consolidated financial statements - continued

14.1 Deferred tax

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	As at 31 March 2022	As at 31 Dec 2021	As at 31 March 2022	As at 31 Dec 2021
	₦'million	₦'million	$'000	$'000
Deferred tax assets				
Deferred tax asset to be recovered in less than 12 months	40,703	40,280	97,785	97,785
Deferred tax asset to be recovered after more than 12 months	392,782	388,706	943,621	943,621
	433,485	**428,986**	**1,041,406**	**1,041,406**

	As at 31 March 2022	As at 31 Dec 2021	As at 31 March 2022	As at 31 Dec 2021
	₦'million	₦'million	$'000	$'000
Deferred tax liabilities				
Deferred tax liabilities to be settled in less than 12 months	(117,085)	(121,995)	(281,286)	(296,156)
Deferred tax liabilities to be settled after more than 12 months	(248,670)	(221,184)	(597,406)	(536,945)
	(365,755)	**(343,179)**	**(878,693)**	**(833,101)**
Net deferred tax asset	**67,730**	**85,807**	**162,713**	**208,305**

15. Oil & Gas properties

During the three months ended 31 March 2022, the Group acquired assets amounting to ₦10.7 billion, $25.8 million (Dec 2021: ₦54.6 billion, $136.4 million).

16. Intangible Asset

	License	Total	License	Total
Cost	₦ million	₦ million	$'000	$'000
At 1 January 2022	60,435	60,435	146,713	146,713
Additions	-	-	-	-
Exchange difference	634	634	-	-
At 31 March 2022	**61,069**	**61,069**	**146,713**	**146,713**
Amortisation				
At 1 January 2022	6,390	6,390	15,513	15,513
Charge for the period	320	320	770	770
Exchange difference	68	68	-	-
At 31 March 2022	**6,778**	**6,778**	**16,283**	**16,283**
Net Book Value (NBV)				
At 31 March 2022	**54,291**	**54,291**	**130,430**	**130,430**
At 31 December 2021	**54,045**	**54,045**	**131,200**	**131,200**

Notes to the interim condensed consolidated financial statements - continued

17. Investment accounted for using equity method

	31 March 2022 ₦ million	31 Dec 2021 ₦ million	31 March 2022 $'000	31 Dec 2021 $'000
Investment in Joint venture (ANOH)	93,722	92,795	225,158	225,270
Total	**93,722**	**92,795**	**225,158**	**225,270**

18. Trade and other receivables

	31 March 2022 ₦ million	31 Dec 2021 ₦ million	31 March 2022 $'000	31 Dec 2021 $'000
Trade receivables	15,860	25,923	38,101	62,929
Nigerian Petroleum Development Company (NPDC) receivables	21,247	34,571	51,046	83,924
Nigerian National Petroleum Corporation (NNPC) receivables	12,637	10,154	30,359	24,650
Underlift	24,018	20,657	57,702	50,147
Advances to suppliers	6,312	5,746	15,163	13,947
Receivables from ANOH	5,154	5,259	12,382	12,766
Other receivables	55,236	2,964	132,702	7,194
Total	**140,464**	**105,274**	**337,455**	**255,557**

18.1 Trade receivables

Included in trade receivables is an amount due from Geregu Power ₦8.17 billion, $19.6 million (Dec 2021: ₦7.1 billion, $17.1 million), Sapele Power ₦2.25 billion, $5.40 million (Dec 2021: ₦ 2.4 billion, $5.9 million) and Nigerian Gas Marketing Company (NGMC) ₦4.23 billion, $10.2 million (Dec 2021: ₦3 billion, $7.3 million) totalling ₦14.65 billion, $35.17 million (Dec 2021: ₦12.5 billion, $30.3 million) with respect to the sale of gas. Also included in trade receivables is an amount of ₦1.67 million (Dec 2021: ₦3.04 billion) $4 thousand (Dec 2021: $7.4 million) and nil (Dec 2021: ₦11.6 billion) nil (Dec 2021: $28.1 million) million due from Mercuria and Shell Western for sale of crude respectively.

18.2 NPDC receivables

The outstanding cash calls due to Seplat from its JOA partner, NPDC is ₦21.2 billion (Dec 2021: ₦ 34.6 billion) $51 million (Dec 2021: $83.9 million).

18.3 Other receivables

Other receivables include a deposit of $128.3 million transferred to Exxon Mobil Corporation, Delaware as part of the consideration to acquire the entire share capital of Mobil Producing Nigeria Unlimited. All other receivables are amounts outside the usual operating activities of the Group.

18.4 Reconciliation of trade receivables

	31 March 2022 ₦ million	31 Dec 2021 ₦ million	31 March 2022 $'000	31 Dec 2021 $'000
Gross carrying amount	24,616	34,698	59,136	84,230
Less: Impairment allowance	(8,756)	(8,775)	(21,035)	(21,301)
Balance as at 31 March 2022	**15,860**	**25,923**	**38,101**	**62,929**

Notes to the interim condensed consolidated financial statements - continued

18.5 Reconciliation of NPDC receivables

	31 March 2022 ₦ million	31 Dec 2021 ₦ million	31 March 2022 $'000	31 Dec 2021 $'000
Gross carrying amount	26,255	39,514	63,077	95,924
Less: Impairment allowance	(5,008)	(4,943)	(12,031)	(12,000)
Balance as at 31 March 2022	**21,247**	**34,571**	**51,046**	**83,924**

18.6 Reconciliation of NNPC receivables

	31 March 2022 ₦ million	31 Dec 2021 ₦ million	31 March 2022 $'000	31 Dec 2021 $'000
Gross carrying amount	13,465	10,819	32,348	26,265
Less: Impairment allowance	(828)	(665)	(1,989)	(1,615)
Balance as at 31 March 2022	**12,637**	**10,154**	**30,359**	**24,650**

18.7 Reconciliation of other receivables

	31 March 2022 ₦ million	31 Dec 2021 ₦ million	31 March 2022 $'000	31 Dec 2021 $'000
Gross carrying amount	74,100	21,632	178,021	52,513
Less: Impairment allowance	(18,864)	(18,668)	(45,319)	(45,319)
Balance as at 31 March 2022	**55,236**	**2,964**	**132,702**	**7,194**

19. Contract assets

	31 March 2022 ₦'million	31 Dec 2021 ₦'million	31 March 2022 $'000	31 Dec 2021 $'000
Revenue on gas sales	3,298	1,679	7,923	4,077
Impairment on contract assets	-	-	(1)	(1)
	3,298	1,679	7,922	4,076

A contract asset is an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer. The Group has recognised an asset in relation to a contract with Geregu power, Sapele power and NGMC for the delivery of gas supplies which the three Companies has received but which has not been invoiced as at the end of the reporting period.

The terms of payments relating to the contract is between 30- 45 days from the invoice date. However, invoices are raised after delivery between 14-21 days when the receivable amount has been established and the right to the receivables crystallizes. The right to the unbilled receivables is recognised as a contract asset. At the point where the final billing certificate is obtained from Geregu power, Sapele Power and NGMC authorising the quantities, this will be reclassified from contract assets to trade receivables.

Notes to the interim condensed consolidated financial statements - continued

19.1 Reconciliation of contract assets

The movement in the Group's contract assets is as detailed below:

	31 March 2022 ₦'million	31 Dec 2021 ₦'million	31 March 2022 $'000	31 Dec 2021 $'000
Balance as at 1 January	1,679	2,343	4,076	6,167
Addition during the period	3,296	44,849	7,923	111,987
Receipts for the period	(1,696)	(45,662)	(4,077)	(114,017)
Price Adjustments	-	(24)	-	(60)
Impairment	-	-	-	(1)
Exchange difference	19	173	-	-
Balance as at 31 December	**3,298**	**1,679**	**7,922**	**4,076**

20. Derivative financial instruments

The Group uses its derivatives for economic hedging purposes and not as speculative investments. Derivatives are measured at fair value through profit or loss. They are presented as current liability to the extent they are expected to be settled within 12 months after the reporting period.

The fair value has been determined using a proprietary pricing model which generates results from inputs. The market inputs to the model are derived from observable sources. Other inputs are unobservable but are estimated based on the market inputs or by using other pricing models.

	31 March 2022 ₦'million	31 Dec 2021 ₦'million	31 March 2022 $'000	31 Dec 2021 $'000
Foreign currency options-crude oil hedges	1,848	1,543	4,439	3,745
	1,848	**1,543**	**4,439**	**3,745**

21. Cash and bank equivalents

Cash and bank balances in the statement of financial position comprise of cash at bank and on hand, short-term deposits with a maturity of three months or less.

	31 March 2022 ₦'million	31 Dec 2021 ₦'million	31 March 2022 $'000	31 Dec 2021 $'000
Cash on hand	12,583	5,916	30,233	14,361
Short-term fixed deposits	203	29,040	488	70,498
Cash at bank	117,289	98,812	281,767	239,877
Gross cash and cash equivalent	**130,075**	133,768	**312,488**	324,736
Loss allowance	(102)	(101)	(246)	(246)
Net Cash and cash equivalents	**129,973**	**133,667**	**312,242**	**324,490**

21.1 Restricted cash

	31 March 2022 ₦'million	31 Dec 2021 ₦'million	31 March 2022 $'000	31 Dec 2021 $'000
Restricted cash (Current)	6,732	6,603	16,172	16,029
	6,732	**6,603**	**16,172**	**16,029**

Included in the restricted cash balance is $8 million, ₦3.3 billion and $6.2 million, ₦2.6 billion set aside in the stamping reserve account and debt service reserve account respectively for the revolving credit facility. The amount is to be used for the settlement of all fees and costs payable for the purposes of stamping and registering the Security Documents at the stamp duties office and at the Corporate Affairs Commission (CAC).

Also included in the restricted cash balance is $0.9 million, ₦0.4 billion and $1.1 million, ₦0.4 billion for rent deposit and unclaimed dividend respectively.

These amounts are subject to legal restrictions and are therefore not available for general use by the Group.

Notes to the interim condensed consolidated financial statements - continued

22. Share Capital

22.1 Authorised and issued share capital

	31 March 2022 ₦'million	31 Dec 2021 ₦'million	31 March 2022 $'000	31 Dec 2021 $'000
Authorised ordinary share capital				
1,000,000,000 ordinary shares denominated in Naira of 50 kobo per share	500	500	3,335	3,335
Issued and fully paid				
584,035,845 (2021: 584,035,845) issued shares denominated in Naira of 50 kobo per share	296	296	1,862	1,862

Fully paid ordinary shares carry one vote per share and the right to dividends. There were no restrictions on the Group's share capital.

22.2 Movement in share capital and other reserves

	Number of shares	Issued share capital	Share Premium	Share based payment reserve	Treasury shares	Total
	Shares	₦'million	₦'million	₦'million	₦'million	₦'million
Opening balance as at 1 January 2022	584,035,845	296	90,383	4,914	(2,025)	93,568
Share based payments	-	-	-	540	-	540
Share re-purchased	-	-	-	-	(2)	(2)
Closing balance as at 31 March 2022	**584,035,845**	**296**	**90,383**	**5,454**	**(2,027)**	**94,106**

	Number of shares	Issued share capital	Share Premium	Share based payment reserve	Treasury shares	Total
	Shares	$'000	$'000	$'000	$'000	$'000
Opening balance as at 1 January 2022	584,035,845	1,862	520,138	22,190	(4,915)	539,275
Share based payments	-	-	-	1,297	-	1,297
Share re-purchased	-	-	-	-	(5)	(5)
Closing balance as at 31 March 2022	**584,035,845**	**1,862**	**520,138**	**23,487**	**(4,920)**	**540,567**

22.3 Employee share-based payment scheme

As at 31 March 2022, the Group had awarded 79,272,577 shares (Dec 2021: 73,966,540 shares) to certain employees and senior executives in line with its share-based incentive scheme. During the three months ended 31 March 2022, no new shares were vested (Dec 2021: 7,151,098 shares).

22.4 Treasury shares

This relates to Share buy-back programme for Group's Long-Term Incentive Plan. The programme commenced from 1 March 2021 and are held by the Trustees under the Trust for the benefit of the Group's employee beneficiaries covered under the Trust.

Notes to the interim condensed consolidated financial statements - continued

23. Interest bearing loans and borrowings

23.1 Net debt reconciliation

Below is the net debt reconciliation on interest bearing loans and borrowings for 31 March 2022:

	Borrowings due within 1 year	Borrowings due above 1 year	Total	Borrowings due within 1 year	Borrowings due above 1 year	Total
	₦ million	₦ million	₦ million	$'000	$'000	$'000
Balance as at 1 January 2022	24,988	290,803	315,791	60,661	705,953	766,614
Addition	-	-	-	-	-	-
Interest accrued	7,468	-	7,468	17,950	-	17,950
Interest capitalized	326	-	326	783	-	783
Principal repayment	-	-	-	-	-	-
Interest repayment	(11,821)	-	(11,821)	(28,412)	-	(28,412)
Other financing charges	(874)	-	(874)	(2,100)	-	(2,100)
Transfers	4,901	(4,901)	-	11,779	(11,779)	-
Exchange differences	262	3,048	3,310	-	-	-
Carrying amount as at 31 March 2022	**25,250**	**288,950**	**314,200**	**60,661**	**694,174**	**754,835**

Below is the net debt reconciliation on interest bearing loans and borrowings for 31 December 2021:

	Borrowings due within 1 year	Borrowings due above 1 year	Total	Borrowings due within 1 year	Borrowings due above 1 year	Total
	₦ million	₦ million	₦ million	$'000	$'000	$'000
Balance as at 1 January 2021	35,518	229,880	265,398	93,468	604,947	698,415
Additions	268,725	-	268,725	671,000	-	671,000
Interest accrued	29,765	-	29,765	74,322	-	74,322
Interest capitalized	4,995	-	4,995	12,473	-	12,473
Principal repayment	(240,291)	-	(240,291)	(600,000)	-	(600,000)
Interest repayment	(27,728)	-	(27,728)	(69,236)	-	(69,236)
Other financing charges	(8,154)	-	(8,154)	(20,360	-	(20,360)
Transfers	(40,451)	40,451	-	(101,006)	101,006	-
Exchange differences	2,609	20,472	23,081	-	-	-
Carrying amount as at 31 December 2021	**24,988**	**290,803**	**315,791**	**60,661**	**705,953**	**766,614**

650 million Senior notes – April 2021

In March 2021, the Group offered 7.75% senior notes with an aggregate principal of $650 million due in April 2026. The notes, which were priced on 25 March and closed on 1 April 2021, were issued by the Group in March 2021 and guaranteed by certain of its subsidiaries.

The gross proceeds of the Notes were used to redeem the existing $350 million 9.25% senior notes due in 2023, to repay in full drawings of $250 million under the existing $350 million revolving credit facility for general corporate purposes, and to pay transaction fees and expenses. The amortised cost for the senior notes as at the reporting period is $636.1 million, although the principal is $650 million.

$110 million Reserved based lending (RBL) facility – March 2021

The Group through its subsidiary Westport on 5th December 2019 entered into a five-year loan agreement with interest payable semi-annually. The RBL facility has an initial contractual interest rate of 8% + USD LIBOR as at March 2022 (8.2%) and a settlement date of 29 November 2023.

The RBL is secured against the Group's producing assets in OML 40 via the Group's shares in Elcrest, and by way of a debenture which creates a charge over certain assets of the Group, including its bank accounts.

The available facility is capped at the lower of the available commitments and the borrowing base. The current borrowing base is more than $100 million, with the available commitments at $100 million. The commitments were scheduled to reduce to $87.5 million on 31 March 2021. The first reduction in the commitments occurred on 31st December 2019 in line

with the commitment reduction schedule contained within the Facility Agreement. This resulted in the available commitments reducing from $125.0 million to $122.5million, with a further reduction to $100.0 million as at December 2020. The RBL is secured against the Group's producing assets in OML 40 via the Group's shares in Elcrest, and by way of a debenture which creates a charge over certain assets of the Group, including its bank accounts.
The RBL has a maturity of five years, the repayments of principal are due on a semi-annual basis so that the outstanding balance of the RBL will not exceed the lower of (a) the borrowing base amount and (b) the total commitments. Interest rate payable under the RBL is USD LIBOR plus 8%, as long as more than 50% of the available facility is drawn.
On 4th February 2020 Westport drew down a further $10 million increasing the debt utilised under the RBL from $90 million to $100 million.

The interest rate of the facility is variable. The interest accrued at the reporting period is $2.2 million using an effective interest rate of 8.2%. The interest paid was determined using 6-month USD LIBOR rate + 8 % on the last business day of the reporting period.
On 17th March 2021, Westport signed an amendment and restatement agreement regarding the RBL. As part of the new agreement, the debt utilised and interest rate remain unchanged at $100 million and 8% + USD LIBOR respectively, however, the maturity date was extended by either five years after the effective date of the loan (March 2026) or by the reserves tail date (expected to be March 2025). Due to the modification of the original agreement and based on the facts and circumstances, it was determined that the loan modifications were substantial. Therefore, the existing facility was derecognised, and a new liability was recognised, and the present value of the loan commitment was moved to long term liabilities (Borrowings due above 1 year).
On 24 May 2021 Westport drew down a further $10 million increasing the debt utilized under the RBL from $100 million to $110 million. The amortized cost for this as at the reporting period is $108.4 million (Dec 2021: $108.8 million), although the principal is $110 million.

$50 million Reserved based lending (RBL) facility – July 2021

In July 2021, the Group raised a $50 million offtake line to the Reserved Based Lending Facility. The Facility has a 6-year tenor, maturing in 2027. The amortised cost for this as at the reporting period is $10.3 million, although the principal is $11 million.

24. Trade and other payables

	31 March 2022	31 Dec 2021	31 March 2022	31 Dec 2021
	₦ million	₦ million	$'000	$'000
Trade payable	27,933	49,607	67,107	120,426
Accruals and other payables	76,878	67,630	184,694	164,175
NDDC levy	6,133	5,283	14,734	12,826
Royalties payable	25,005	14,100	60,073	34,228
Overlift	12,213	14,584	29,341	35,403
	148,162	**151,204**	**355,949**	**367,058**

Included in accruals and other payables are field accruals of ₦17.1 billion (Dec 2021: ₦34.4 billion) $41.2 million (Dec 2021: $83.5 million), and other vendor payables of ₦33.33 billion (Dec 2021: ₦6.4 billion) $80.07 million (Dec 2021: $15.6 million). Royalties payable include accruals in respect of crude oil and gas production for which payment is outstanding at the end of the period.

Overlifts are excess crude lifted above the share of production. It may exist when the crude oil lifted by the Group during the period is above its ownership share of production. Overlifts are initially measured at the market price of oil at the date of lifting and recognised in profit or loss. At each reporting period, overlifts are remeasured at the current market value. The resulting change, as a result of the remeasurement, is also recognised in profit or loss and any amount unpaid at the end of the year is recognised in overlift payable.

Notes to the interim condensed consolidated financial statements - continued

25. Computation of cash generated from operations

	3 months ended	3 months ended	3 months ended	3 months ended
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	₦ million	₦ million	$'000	$'000
Profit before tax	34,712	10,647	83,407	28,008
Adjusted for:				
Depletion, depreciation and amortization	14,518	12,281	34,890	32,319
Depreciation of right-of-use asset	410	315	985	830
Impairment losses on financial assets	509	269	1,223	707
Interest income	(13)	(3)	(32)	(7)
Interest expense on bank loans	7,468	6,222	17,950	16,373
Interest on lease liabilities	20	57	47	149
Unwinding of discount on provision for decommissioning	243	112	585	295
Unrealised fair value loss on derivatives	896	1,214	2,154	3,196
Realised fair value loss on derivatives	743	562	1,787	1,480
Unrealised foreign exchange loss/(gain)	2,517	(114)	6,048	(301)
Loss on disposal of property, plant & equipment	5	-	12	-
Share based payment expenses	540	544	1,297	1,431
Share of loss/(profit) in joint venture	52	(159)	124	(418)
Defined benefit expenses	675	-	1,623	-
Changes in working capital:				
Trade and other receivables	18,308	(11,844)	44,004	(31,169)
Prepayments	(358)	(1,148)	(860)	(3,022)
Contract assets	(1,601)	(919)	(3,847)	(2,419)
Trade and other payables	(4,622)	(7,647)	(11,109)	(20,124)
Restricted Cash	(59)	(7,955)	(143)	(20,935)
Inventories	317	(307)	761	(807)
Net cash inflow from operating activities	**75,280**	**2,127**	**180,906**	**5,586**

Notes to the interim condensed consolidated financial statements - continued

26. Earnings per share (EPS)

Basic
Basic EPS is calculated on the Group's profit after taxation attributable to the parent entity and on the basis of weighted average number of issued and fully paid ordinary shares at the end of the year.

Diluted
Diluted EPS is calculated by dividing the profit after taxation attributable to the parent entity by the weighted average number of ordinary shares outstanding during the year plus all the dilutive potential ordinary shares (arising from outstanding share awards in the share-based payment scheme) into ordinary shares.

	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	₦ million	₦ million	$'000	$'000
Profit attributable to Equity holders of the parent	6,868	13,550	16,484	35,647
(Loss) attributable to Non-controlling interests	1,422	(4,101)	3,418	(10,791)
Profit for the year	8,290	**9,449**	**19,902**	**24,856**
	Shares '000	Shares '000	Shares '000	Shares '000
Weighted average number of ordinary shares in issue	584,036	581,841	584,036	581,841
Outstanding share-based payments (shares)	2,801	6,604	2,801	6,604
Weighted average number of ordinary shares adjusted for the effect of dilution	**586,837**	**588,445**	**586,837**	**588,445**
Basic earnings per shares	₦	₦	$	$
Total basic earnings per share attributable to the ordinary equity holders of the Group	11.76	23.29	0.03	0.06
Diluted earnings per shares	₦	₦	$	$
Total diluted earnings per share attributable to the ordinary equity holders of the Group	11.70	23.03	0.03	0.06

The weighted average number of issued shares was calculated as a proportion of the number of months in which they were in issue during the reporting period.

The decrease in the weighted average number of ordinary shares adjusted for the effect of dilution was due to the shares forfeited (share award scheme) in 2021.

27. Proposed dividend
The Group's directors proposed an interim dividend of 2.5 cents per share for the reporting period (2021: 2.5 cents).

28. Related party relationships and transactions
The Group is controlled by Seplat Energy Plc (the parent Company). The parent Company is owned 6.43% either directly or by entities controlled by A.B.C Orjiako (SPDCL(BVI)) and members of his family and 12.19% either directly or by entities controlled by Austin Avuru (Professional Support Limited and Platform Petroleum Limited). The remaining shares in the parent Company are widely held.

The goods and services provided by the related party is disclosed below. The outstanding balances payable to/receivable from related parties are unsecured and are payable/receivable in cash.

Shebah Petroleum Development Company Limited SPDCL ('BVI'): The Chairman of Seplat is a director and shareholder of SPDCL (BVI). The company provided consulting services to Seplat. Services provided to the Group during the period amounted to $430,206, ₦179 million (2021: $203,661, ₦77.3 million). Payables amounted to $532,037, ₦221 million (2021: $101.8 thousand, ₦41.9 million).

Notes to the interim condensed consolidated financial statements - continued

29. Commitments and contingencies

29.1 Contingent liabilities

The Group is involved in a number of legal suits as defendant. The estimated value of the contingent liabilities is ₦11.5 billion, $27.6 million (Dec 2021: ₦7.9 billion, $19.2 million). The contingent liability for the year is determined based on possible occurrences, though unlikely to occur. No provision has been made for this potential liability in these financial statements. Management and the Company's solicitors are of the opinion that the Company will suffer no loss from these claims.

30. Events after the reporting period

During the period, the Group agreed a $55 million settlement with the operator (All Grace Energy Limited) of Ubima asset which was acquired in 2019 during the acquisition of Eland, the agreed settlement will be paid in due course. The board approved an exit from the asset's operations in April 2022. The current reserve of the asset stands at circa 2mmbbls. However, the Group did not report any production under Ubima in the interim financial statements.

31. Exchange rates used in translating the accounts to Naira

The table below shows the exchange rates used in translating the accounts into Naira.

	Basis	31 March 2022	31 March 2021	31 Dec 2021
		₦/$	₦/$	₦/$
Fixed assets – opening balances	Historical rate	Historical	Historical	Historical
Fixed assets - additions	Average rate	416.06	380.00	400.48
Fixed assets - closing balances	Closing rate	416.25	380.00	411.93
Current assets	Closing rate	416.25	380.00	411.93
Current liabilities	Closing rate	416.25	380.00	411.93
Equity	Historical rate	Historical	Historical	Historical
Income and Expenses:	Overall Average rate	416.06	380.00	400.48