Audited results for the year ended 31 December 2024

4 March 2025

Reliable energy, limitless potential

(Expressed in Nigerian Naira and US Dollars)

Overview

Lagos and London, 4 March 2025: Seplat Energy PLC ("Seplat Energy" or "the Company"), a leading Nigerian independent energy Company listed on both the Nigerian Exchange and the London Stock Exchange, announces its audited results for the twelve months ended 31 December 2024.

Summary

Strong operational and strategic progress in 2024 culminating with the transformational acquisition of Mobil Producing Nigeria Unlimited ('MPNU') (renamed Seplat Energy Producing Nigeria Unlimited 'SEPNU'). Confidence in business outlook underpinned by special dividend, lifting total 2024 distribution to US$ 16.5 cents per share, up 10% on 2023.

Operational highlights

- Production (onshore assets) averaged 48,618 boepd up 2% from 2023 (47,758 boepd), and within guidance. Including 19 days of SEPNU production (annualised average contribution of 4,329 kboepd), reported production reached 52,947 boepd, 11% higher than 2023.
- YE 2024 independently audited 2P reserves up 85% to 886 MMboe (YE 2023: 478 MMboe), 65% liquids.
- Group 2P+2C increases by 125% to 1,217 MMboe (YE 2023: 540 MMboe), 55% liquids.
- Organic reserve replacement ratio in Seplat's onshore assets of 176%, reflects positive drilling results.
- ANOH gas plant is planning to test with third party dry gas in 1H 2025, tunnelling operations on OB3 resumed during 1Q 2025.
- Trans Niger Pipeline ('TNP') resumed 24hr operations in 4Q 2024. OML 53 oil production grew 60% on 2023, on improved export availability.
- Sapele Integrated Gas Plant ('IGP') was commissioned in 4Q 2024 and achieved first commercial gas sales in early 2025.
- Carbon emissions intensity for Seplat onshore assets: 32.3 kg CO2/boe (2023: 29.4 kg CO2/boe). End of routine flaring on track for H2 2025.
- Achieved more than 11.0 million hours (2023: 8.7 million hours) without Lost Time Injury (LTI) on Seplat-operated assets in 2024.

Financial highlights

- Revenue $1,116 million up 5% (FY 2023: $1,061 million), including 19 days contribution from SEPNU. Underlying adjusted revenue stable at $961 million (FY 2023: $962 million).
- Seplat Onshore unit production opex of $12.3/boe (2023: $10.4/boe)
- Cash generated from operations of $384 million, down 26% on 2023, impacted by; timing of liftings, one-off costs predominately associated with SEPNU acquisition and working capital acquired on consolidation of SEPNU.
- Cash capex of $208 million (FY 2023: 184 million).
- Balance sheet remains robust, year-end cash at bank $469.9 million (2023: $450.1 million), excluding $132.2 million restricted cash.
- Net debt at year end 2024 of $898 million (YE 2023: $306 million). Pro-forma ND/EBITDA 0.7x.

SEPNU highlights post completion

- Strong production performance since completion, averaging net 81.1 kboepd, FY 2024 average working interest production 69.4 kboepd.
- First 100 day integration plan well advanced.
- 2025 work program and budget discussions with JV partner progressed but subject to final approval. Strong alignment on increasing investment to improve integrity and reliability and strengthen the asset base for long term growth.

Special Dividend

- Q4 2024 declared dividend of US$ 3.6c/shr, total core dividend declared for 2024 of US 13.2c/shr, up 10% on 2023
- The Board recommends a US$ 3.3c/shr special dividend for 2024. Reflecting the strength of balance sheet and confidence in our outlook.
- Total dividend declared for 2024 US$ 16.5c/shr, also up 10% on 2023.

2025 Outlook

- 2025 average production guidance of 120-140 kboepd (Seplat Onshore 48-56 kboepd, SEPNU 72-84 kboepd).
- Initial 2025 capex guidance $260-320 million. (Seplat Onshore $180-220 million, SEPNU $80-100 million). Plan includes 13 new wells onshore, replacement of an inlet gas exchanger on East Area Project (EAP) NGL project offshore and other capex projects.
- Unit operating costs for the group are expected to be $14.0-15.0/boe. Strategic maintenance and integrity activities will be the focus for SEPNU in 2025. Targeting short cycle oil growth and laying a foundation for sustained improvements in uptime to support our longer term growth ambitions.
- Capital Markets Day in 3Q 2025, where we will detail our medium to long term growth ambitions.

Roger Brown, Chief Executive Officer, said:

"2024 was truly a defining year for Seplat Energy. In addition to delivering key growth projects in our existing onshore business, we closed out 2024 by completing the acquisition of SEPNU, the largest in the Company's history, which adds significant scale and attractive low-cost growth potential. In the first few months since the acquisition, it has already become clear that there is significant prize in the offshore shallow water, operating a closed loop system from well-head production to hydrocarbon sales at the terminal.

This year we will focus on re-opening previously shut in wells in SEPNU, alongside another full drilling campaign for our onshore assets and we look forward to delivering first gas at ANOH. We will also accelerate the subsurface work and contracting needed to commence an infill drilling campaign at SEPNU.

Our confidence in the future trajectory for the enlarged business, combined with our strong financial position, means that we are delighted to declare a special dividend again for 2024, lifting the total dividend for 2024 to $16.5 cents per share, an uplift of 10% from 2023.

The Seplat Energy team is rightly proud of its achievements in 2024, and we fully intend to continue our mission to create significant shared value and enhance prosperity for all our stakeholders in Nigeria and beyond."

Summary of performance

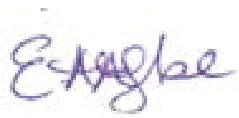
	$ million			₦ billion	
	FY 2024*	FY 2023	% change	**FY 2024***	FY 2023
Revenue **	**1,116.2**	1,061.3	5.2 %	**1,651.6**	696.9
Gross profit	**479.9**	532.0	(9.8)%	**710.1**	349.3
EBITDA ***	**539.0**	448.2	20.3 %	**796.4**	293.1
Operating profit (loss)	**437.9**	249.4	75.6 %	**647.9**	163.7
Profit (loss) before tax	**379.4**	191.2	98.4 %	**561.4**	125.5
Cash generated from operations	**383.5**	519.9	(26.2)%	**567.5**	340.6
Working interest production (boepd)	**52,947**	47,758	10.9 %		
Volumes lifted (MMbbls)	**12.4**	11.3	9.7 %		
Average realised oil price ($/bbl)	**80.04**	83.39	(4.0)%		
Average realised gas price ($/Mscf)	**3.06**	2.90	5.5 %		
LTIF	**—**	—			
CO_2 emissions intensity from operated assets, kg/boe	**32.3**	29.7	8.8 %		

*Throughout results FY24 reported figures consolidate SEPNU contribution from the completion date of 12 December 2024
** FY24 reported revenue excludes an underlift of $11 million, FY23 includes an overlift of $99 million
*** Adjusted for non-cash items

Responsibility for publication

This announcement has been authorised for publication on behalf of Seplat Energy by Eleanor Adaralegbe, Chief Financial Officer, Seplat Energy PLC.

Signed:



Eleanor Adaralegbe
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 because of new information, future events or otherwise, except to the extent legally required.

Investor call

At 12:00 GMT / 13.00 WAT on Tuesday 4th March 2025, the Executive Management team will host a conference call and webcast to present the Company's results.

The presentation can be accessed remotely via a live webcast link and pre-registering details are below. After the meeting, the webcast recording will be made available and access details of this recording are the same as for the webcast.

A copy of the presentation will be made available on the day of results on the Company's website at https://seplatenergy.com/ .

Event title:	**Seplat Energy Plc: Full year results**
Event date	12:00pm (London) 1:00pm (Lagos) Tuesday 4th March 2025
Webcast Live Event Link	Webcast link
Conference call and pre-register Link:	https://registrations.events/direct/LON2149418

The Company requests that participants dial in 10 minutes ahead of the call. When dialling in, please follow the instructions that will be emailed to you following your registration.

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About Seplat Energy

Seplat Energy PLC (Seplat) is Nigeria's leading indigenous energy company. Listed on the Nigerian Exchange Limited (NGX: SEPLAT) and the Main Market of the London Stock Exchange (LSE: SEPL). Through our strategy to Build a sustainable business and Deliver energy transition, we are transforming lives by delivering affordable, reliable and sustainable energy that drives social and economic prosperity.

Following the acquisition of Mobil Producing Nigeria Unlimited, Seplat Energy's enlarged portfolio consists of eleven oil and gas blocks in onshore and shallow water locations in the prolific Niger Delta region of Nigeria, which we operate with partners including the Nigerian Government and other oil producers. Furthermore, we have an operated interest in three export terminals including the Qua Iboe export terminal and Yoho FSO, as well as an operated interest in the Bonny River Terminal (BRT) NGL recovery plant. We operate two gas processing plants onshore, at Oben in OML 4 and Sapele in OML 41, and are soon to open the 300 MMscfd ANOH Gas Processing Plant in OML 53 as a joint venture with NGIC. Combined, these gas facilities augment Seplat Energy's position as a leading supplier of natural gas to the domestic power generation market.

For further information please refer to our website; https://www.seplatenergy.com/

Operating review

Reserves and Resources

Following completion of the acquisition of Mobil Producing Nigeria Unlimited ('MPNU'), now renamed Seplat Energy Producing Nigeria Unlimited ('SEPNU'), the Company's oil & gas portfolio now comprises direct interests in eleven oil and gas blocks all of which are located in shallow water, onshore and swamp areas of the Niger Delta. This portfolio provides the Group with a strong inventory of oil and gas reserves and production capacity, as well as material upside opportunities to add reserves through future development activities.

The Group's audited 2P reserves, were assessed independently by Ryder Scott Company, L.P for the onshore assets and by ERC Equipoise for the SEPNU assets. Total 2P reserves increased by 408 MMboe from 478 MMboe at the end of 2023 to 886 MMboe at the end of 2024. The increase in 2P reserves is attributed to 395 MMboe from SEPNU and positive revisions to reserves at OMLs 4, 38, 41 and OML 53.

Working interest 2P reserves as of 1st January 2025

		2P reserves at 31-Dec-2024				2P reserves at 31-Dec-2023			
	Seplat	**Liquids**	**Gas**	**NGLs**	**Total**	Liquids	Gas	NGLs	Total
Asset	%	**MMbbl**	**Bscf**	**MMbbl**	**MMboe**	MMbbl	Bscf	MMbbl	MMboe
OMLs 4, 38, 41	45 %	138	655	—	251	135	617	—	242
OML 40**	45 %	26	—	—	26	24	—	—	24
OML 53	40 %	49	789	—	185	51	747	—	180
OML 55	Fin Interest	3	—	—	3	3	—	—	3
OPL 283	40 %	9	81	—	22	9	81	—	23
Abiala	95 %	4	—	—	4	4	17	—	6
Seplat Onshore		**229**	**1,525**	**—**	**492**	**226**	**1,463**	**—**	**478**
OML 67, 68, 70	40 %	276	—	—	276	—	—	—	—
OML 104	40 %	41	—	—	41	—	—	—	—
SEPNU Gas*	40 %		248		43				
NGL	51 %	—	—	35	35	—	—	—	—
SEPNU		**317**	**248**	**35**	**395**	—	—	—	—
Seplat Group		**546**	**1,773**	**35**	**886**	**226**	**1,463**	**—**	**478**

*Due to integrated nature of the SEPNU fields, gas and NGLs resources have not been classified across individual assets
**Eland has a 45% working interest in OML40 until the Westport loan is fully repaid in accordance with the loan agreement, reverting to 20.25%
Quantities of oil equivalent are calculated using a gas-to-oil conversion factor of 5,800 scf of gas per barrel of oil equivalent.

The Group's audited 2C resources increased by 432% to 330 MMboe, comprising 89 MMbbls of oil & condensates and 1,402 Bscf of natural gas. The increase was supported by the MPNU acquisition, positive revisions on resources in place, and revision of Abiala 2P gas reserves to 2C resource. Excluding the impact of SEPNU, 2C resources rose 35% to 84 MMboe, comprising 46 MMboe oil & condensates and 220 Bscf of gas.

Working interest 2C reserves as of 1st January 2025

		2C reserves at 31-Dec-2024			2C reserves at 31-Dec-2023		
	Seplat	**Liquids**	**Gas**	**Total**	Liquids	Gas	Total
Asset	%	**MMbbl**	**Bscf**	**MMboe**	MMbbl	Bscf	MMboe
OMLs 4, 38, 41	45 %	31	122	52	29	111	48
OML 40	45 %	4	—	4	3	—	3
OML 53	40 %	10	80	24	4	32	10
OML 55	Fin Interest	—	—	—	—	—	—
OPL 283	40 %	1	4	2	1	4	2
Abiala	95 %	—	15	3	—	—	—
Seplat Onshore		**46**	**220**	**84**	**37**	**146**	**62**
OML 67, 68, 70	40 %	30	1,047	211	—	—	—
OML 104	40 %	12	134	36	—	—	—
SEPNU		**42**	**1,181**	**247**	—	—	—
Seplat Group		**89**	**1,402**	**330**	**37**	**146**	**62**

Consequently, the Group's working interest 2P reserves and 2C resources stood at 1,217 MMboe as of 31 December 2024, comprising 669 MMbbls liquids and 3,175 Bscf of natural gas (547 MMBoe). Onshore reserves & resources amounted to 575 MMboe (comprising 274 MMbbls of liquids and 1,745 Bscf of gas) and offshore amounted to 641 MMboe (comprising 394 MMbbls of liquids and 1,430 Bscf of gas).

Note: In the Operating review section, "Seplat Onshore" refers to the legacy assets owned by Seplat Energy prior to the acquisition of MPNU. "SEPNU/Seplat Offshore" refers to the recently acquired shallow water assets.

Group Production

Working interest production for the twelve months ended 31 December 2024

		FY 2024				FY 2023			
	Seplat WI	Liquid	Gas	NGLs	Total	Liquid	Gas	NGLs	Total
Asset	%	bopd	MMscfd	bpd	kboepd	bopd	MMscfd	bpd	kboepd
OMLs 4, 38, 41	45 %	14,992	108.0	—	33,614	14,866	114.1	—	34,538
OML 40	45 %	11,506	—	—	11,506	10,455	—	—	10,455
OML 40 - Abiala	95 %	19	—	—	19	—	—	—	—
OML 53	40 %	1,933	—	—	1,933	1,212	—	—	1,212
OPL 283	40 %	1,547	—	—	1,547	1,554	—	—	1,554
Seplat Onshore		**29,997**	**108.0**	**—**	**48,618**	**28,087**	**—**	**—**	**47,758**
OMLs 67, 68, 70	40 %	2,864	2.5	272	3,572	—	—	—	—
OML 104	40 %	556	—	—	556	—	—	—	—
OML 99 (A/K Field)	9.6 %	48	0.9		201	—	—	—	—
SEPNU		**3,468**	**3.4**	**272**	**4,329**	**—**	**—**	**—**	**—**
Total		**33,465**	**111.4**	**272**	**52,947**	**28,087**	**—**	**—**	**47,758**

2024 includes 19 days of SEPNU production averaged across the calendar year
Liquid production volumes as measured at the LACT (Lease Automatic Custody Transfer) unit for OMLs 4, 38 and 41; OML 40 and OPL 283 flow station.
Gas conversion factor of 5.8 boe per scf.
Volumes stated are subject to reconciliation and may differ from sales volumes within the period.

In 2024, total liquids production improved on 2023, as the Company produced 11.0 MMbbls of oil, 7.1% higher than 10.3 MMbbls delivered in 2023, on a like for like basis. Including the benefit of SEPNU assets from completion, production increased by 19.3% to 12..2 MMbbls. This was partially offset by gas production which was 5.1% lower at 39.5 Bcf (2023: 41.6 Bcf) when comparing on a like for like basis. Including SEPNU's post-completion gas production, total gas production closed at 40.8 Bcf, 2.1% lower than 2023's production. Following completion of the acquisition of MPNU, the Company produced 99.7 kbbls of NGLs in the final 19 days of the year. The production mix, including SEPNU, was 63.2% oil, 36.3% gas, and 0.5% NGLs.

2024 working interest production by quarter

		Q1 2024				Q2 2024				Q3 2024				Q4 2024			
	Seplat WI	Liquid	Gas	NGLs	Total	Liquid	Gas	NGLs	Total	Liquid	Gas	NGLs	Total	Liquid	Gas	NGLs	Total
Asset	%	bopd	MMscfd	bpd	kboepd	bopd	MMscfd	bpd	kboepd	bopd	MMscfd	bpd	kboepd	bopd	MMscfd	bpd	kboepd
OMLs 4, 38, 41	45 %	15.1	109.5	—	34.0	15.5	107.9	—	34.1	14.6	93.6	—	30.8	14.8	121.1	—	35.7
OML 40	45 %	12.5	—	—	12.5	10.6	—	—	10.6	11.3	—	—	11.3	11.6	—	—	11.6
OML 40 - Abiala	95 %	—	—	—	—	—	—	—	—	—	—	—	—	0.1	—	—	0.1
OML 53	40 %	1.3	—	—	1.3	1.2	—	—	1.2	2.1	—	—	2.1	3.2	—	—	3.2
OPL 283	40 %	1.6	—	—	1.6	1.7	—	—	1.7	1.6	—	—	1.6	1.3	—	—	1.3
Seplat Onshore		**30.5**	**109.5**	**—**	**49.4**	**29.0**	**107.9**	**—**	**47.6**	**29.6**	**93.6**	**—**	**45.8**	**31.0**	**121.1**	**—**	**51.8**
OMLs 67, 68, 70	40 %	—	—	—	—	—	—	—	—	—	—	—	—	11.4	10.0	1.1	14.2
OML 104	40 %	—	—	—	—	—	—	—	—	—	—	—	—	2.2	—	—	2.2
OML 99 (A/K Field)	9.6 %	—	—	—	—	—	—	—	—	—	—	—	—	0.2	3.5	—	0.8
SEPNU		**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**13.8**	**13.5**	**1.1**	**17.2**
Total		**30.5**	**109.5**	**—**	**49.4**	**29**	**107.9**	**—**	**47.6**	**29.6**	**93.6**	**—**	**45.8**	**44.8**	**134.6**	**1.1**	**69.0**

4Q 2024 includes 19 days of SEPNU production averaged across the quarter
Liquid production volumes as measured at the LACT (Lease Automatic Custody Transfer) unit for OMLs 4, 38 and 41; OML 40 and OPL 283 flow station.
Gas conversion factor of 5.8 boe per scf.
Volumes stated are subject to reconciliation and may differ from sales volumes within the period.

Average daily working interest production, excluding SEPNU's production contribution, increased by 1.8% to 48,618 boepd, modestly above the midpoint of our guidance range (46,000-50,000 boepd). The improvement in production was broadly supported by higher production on our Eastern assets following resumption of evacuation via the Trans Niger Pipeline (TNP). In addition, strong well performance from the 2023 drilling program at OML 40 contributed to sustained strong production during the period. Average daily working interest production (inclusive of SEPNU's production) increased by 10.9% to 52,947 boepd in 2024, compared to 47,758 boepd in 2023. As such, reported production, was delivered above the top end of our guidance range.

Seplat Energy Producing Nigeria Unlimited (SEPNU)

Seplat completed the acquisition of SEPNU (previously Mobil Producing Nigeria Unlimited, MPNU) on 12 December 2024. The cash consideration on closing was $800 million, including $128.3 million deposit paid in 2022. All operations have been consolidated since this point and are included in reported accounts. Since the completion of the transaction Seplat has focused on integration of the businesses across people and systems, and budget planning for 2025. These workstreams are progressing well. As part of the transaction up to $300 million may also be paid, subject to certain performance conditions over the period 5 year period 2022-2026. For 2022 and 2023 a total of $43 million was paid (included in closing consideration). For 2024 contingent payment three (CP3) was not paid as the volume performance target was not met.

For the full year 2024, MPNU recorded average working interest production of 69.4 kboepd, down 9% on 2023. Across product lines, 85% was Crude and Condensate, 4% NGL, 12% gas. The Amenam-Kpono field (A/K) contributed 4.0 kboepd to average daily production.

From 12 December 2024 to year end the annualised average contribution of SEPNU to Seplat daily average working interest production was 4,329 boepd (Liquids: 3,468 bopd, NGLs: 272 bpd, Gas: 3.1 MMscfd).

Since completion of the acquisition the key focus points have been; integration and 2025 budget planning with our JV partner. These discussions have commenced with strong partner alignment to increase opex and capex activities, which are designed to improve integrity, reliability and deliver sustained production growth. The most significant 2025 investments include contracting two additional barges (one for integrity work and the other for well work to restore production from idle wells) and replacement of the Inlet Gas Exchanger (IGE) on EAP NGL facility.

In addition a number of projects will be undertaken, within operating and maintenance ('O&M'). The work program is designed to provide a strong foundation that will lead to improved uptime supporting further production growth in 2026 and beyond.

The Company has also begun planning for longer term growth activities including drilling of new production well stock, which requires contracting a jack-up rig, and other key growth opportunities such as new field developments and commercialisation of the large gas resource base.

Seplat Onshore

Western Assets

In OMLs 4, 38, & 41, working interest liquids production rose by 0.8% to 14,992 bopd (2023: 14,866 bopd). The marginal improvement in liquids production was due to improved export route availability through the year compared to 2023 when the Trans Forcados Pipeline (TFP) - Forcados Oil Terminal (FOT) export route was unavailable for a combined 69 days in the second half of 2023. Some operational challenges on the TFP-FOT route were experienced as leak repairs were carried out on the line in September and October incurring 40-days downtime. However, due to availability of the AEP-EOT route, impact on operations was minimal, again highlighting the benefit of having multiple evacuation route options. Total deferments on our western assets for 2024 was 18%, a significant improvement on 2023's 26%.

Elcrest

Production at OML 40 continued to improve during the year as average daily working interest production rose by 10.1% to 11,506 bopd, from 10,455 bopd in 2023. The improved production is due to the impact of a successful drilling campaign, improved well performance, and improved availability of evacuation routes during the year. For context, overlapping downtime on our alternative evacuation routes was one day in 2024. Total deferments on OML 40 was 13%, significantly lower than 30% recorded in 2023.

Sibiri oil field

In our FY 2023 results, we communicated the receipt of regulatory approval for the full lifecycle field development plan for Sibiri oil discovery in February 2024. The well performance recorded at Sibiri has been strong, reflected in OML 40 growth 2024 vs. 2023) and supports additional development drilling.

We are pleased to confirm plans to drill three wells (Sibiri-C, Sibiri-D, & Sibiri-E) at the Sibiri field in the 2025 drilling program as part of the development phase of the project. The Sibiri well program will commence in H2-2025, and are expected to produce at a gross rate of approximately 4,800 bopd when onstream.

Abiala oil development

We achieved first oil at the Abiala Marginal Field on 15th September following completion of an extended well test at Abiala-01. Abiala produced crude through an extended well test ('EWT') during part of Q4 2024, resulting in the production of 6,978 barrels of oil (annualised average 19 bopd) which was barged and trucked to storage.

The EWT was renewed in January 2025 and the well has been producing, via a single production string, at c.1,000 bopd through the test separator. On 13th February 2025 the field development approval ('FDP') was received from the Nigerian Upstream Petroleum Regulatory Commission (NUPRC), and as such, work has commenced to begin production from all four production strings across the two wells (Abiala 1 W/O and Abiala-2). We retain our target for gross field production at c.5,000 bopd, and forecast reaching this level in Q2 2025.

Eastern Assets

In OML 53, daily working interest production increased 60% to 1,933 bopd in 2024, from 1,212 bopd in 2023, due to improved access to evacuation routes for the asset during the year. We reported in our Q1 2024 results that the TNP export line resumed preliminary operations before progressing to daylight operations, and during Q4 2024 the pipeline re-commenced 24-hour operations. Production from our Ohaji field is now split between the Waltersmith refinery (WSR) and the TNP line for export via the Bonny terminal.

Production from our Jisike field improved significantly in the final quarter of the year as the reliability of the Antan-Ebocha-Brass terminal route improved. The line had an uptime of 89% in the final four months of the year, compared to 31% in the first eight months. For context, the magnitude of improvement in production from OML 53 in Q3 and Q4 2024 is reflected in production increasing by 85% and 129% respectively.

In OPL 283, production declined marginally by 0.5% to 1,547 bopd (2023: 1,554 bopd).

Drilling activities

In our 2024 drilling programme, we completed 11 of the 13 well plan during the year, with the final two wells completing shortly after year end. The campaign focused on our assets in OMLs 4, 38, & 41 and OML 40. Eight wells from the 2024 programme are currently contributing to production, adding a combined 6,000 bopd and 46 MMscf/d on a gross basis.

In OML 4, 38, & 41, we delivered seven wells (Ovhor-21, Ovhor-22, Ovhor-23, Sapele-38, Oben-55, Oben-56, & Oben-54) within the financial year. All the completed wells except Ovhor-23 are now onstream and contributing to production. Ovhor-23 which has been completed is currently shut-in, pending completion of bottom hole pressure (BHP) survey. The final two wells in the 2024 plan, Ovhor-24 and Oben-57 finalised installation of their respective production strings early in 2025. The wells are expected to produce at a combined gross rate of 3,500 bopd and 3.9 MMscfd, once onstream.

At OML 40 and Abiala marginal field, we completed the four wells in the drilling program for 2024. Gbetiokun-12, Gbetiokun-13, Abiala-1 W/O, and Abiala-2 were the wells completed during the year. Production has commenced from Gbetiokun-12. Production is expected to commence from Gbetiokun-13, Abiala-1 W/O and Abiala-2 in Q1-2025 with a combined target gross production of approximately 6,500 bopd.

Midstream Gas business performance

Seplat Energy continues to play a critical role in expanding the domestic gas market to fuel the Nigerian economy's growth. During the period, the Company delivered 40.8 Bcf (2023: 41.6 Bcf) of gas, and 39.5 Bcf excluding the contribution from SEPNU. The average daily working interest gas production volumes decreased by 2.3% to 111.4 MMscfd, from 114.1 MMscfd in 2023. Excluding SEPNU's production, average daily working interest gas production volumes decreased by 5.3% to 108.0 MMscfd. The decline in gas production was due to the two-week shutdown of the Oben gas plant for the turnaround maintenance (TAM) activities as well as the impact of delays in bringing new gas wells onstream in the first half of the year. As detailed below, progress on major onshore gas midstream projects continues and we expect onshore gas production to grow in 2025.

The business continues to pursue growth opportunities to maximise the utilisation of the Oben gas plant. During the year, the Company signed three new Gas Sales Agreements (GSA) in addition to existing contracts. The new off-takers are taking up to a combined 100 MMscfd. We continue to negotiate with additional potential buyers for new gas sales contracts as gas demand continues to grow in the domestic market.

Oben Gas Plant

The turnaround maintenance (TAM) activities of the Oben gas plant were successfully carried out during August. The TAM was completed ahead of schedule and under budget with the gas plant restarting on August 28th, one day ahead of plan. Alongside statutory activities, a number of additional activities were delivered concurrently, such as; debottlenecking of condensate separators, conversion of in-let valves to support lower pressure production, tie-ins for western assets flares out projects, an upgrade of the gas metering system and a power upgrade for a new 1.2 MVA gas Gen Set, delivering on our corporate diesel displacement initiatives.

Following completion of the TAM activities, gas production has significantly improved, with average daily working interest production of 121.1 MMscfd in Q4 2024, this includes peak working interest daily production of 132.3 MMscfd recorded on 11 December.

Sapele Gas Plant

The Sapele Gas Plant is an 90 MMscfd plant, capable of processing both Non-Associated Gas (NAG) and Associated Gas (AG) which meets export specifications and LPG processing module which would supply LPG to the domestic market. The project will also contribute significantly to Seplat's target to end routine flaring by the end of 2025.

Work at the new Sapele Gas Plant has continued through the year. The initial 30 MMscfd Mechanical Refrigeration Unit ('MRU') was completed in Q4 2024, inline with expectations. The start of commercial operations began in February 2025, and the first module is currently ramping up to full capacity.

In 2025, work will continue for the second MRU, which will lift total production capacity to 90 MMscfd. The upgraded facility will produce gas that meets export specifications, and the LPG processing module will enhance the economics of the plant and eliminate routine gas flaring.

We note that in early 2025, the combination of Oben and Sapele gas plants in operation has seen onshore gas production regularly exceed 300 MMscfd on a gross basis (>135 MMscfd on a working interest basis).

ANOH Gas

In 2024, AGPC achieved 14.7 million man-hours without Lost Time Injury. We are pleased to note that the ANOH gas plant is now ready to receive commissioning gas, doing so in the early part of 2025.

The river crossing element of the OB3 line in H2 2024 has continued to prove technically challenging for NGIC and at the year end the tunnelling operations remained at 1.12 km of the 1.85 km of the river crossing. Significant additional equipment has been delivered to site and tunnelling should be restarted this week with a target completion in early 2Q 2025. This is a top priority for NNPC as well as the government, and we monitor progress on a continuous basis.

The ANOH gas plant commissioning plan continues to progress. The original plan was to use processed gas (dry gas) from the OB3 pipeline to commission the plant, but given the segment of the OB3 line needed is not yet operational, the Company has opted to purchase gas from a third party to complete plant commissioning, which will enable the plant to be ready for startup during 2Q 2025, in line with our revised plan.

As reported previously the upstream wells and partner operated spur line are in a state of readiness for operation.

With support of our partner, we are advancing discussions with 3rd party gas offtakers in the Eastern part of Nigeria who do not require the OB3 (one of which had previously executed a 50MMScfd gas supply agreement, with a desire to increase to 100MMscfd in the first half of 2026) thereby allowing the startup of the ANOH gas plant, while we wait for completion of the OB3 pipeline to enable the plant to reach full production. We expect volumes of gas to flow to other customers from 3Q 2025 with a potential to flow up to half the capacity of the plant.

As we have done in the past, we have added 6 months to the expected date for commissioning of the pipeline as communicated by our partner and thus we have subsequently moved the date for transporting gas through the OB3 to 4Q 2025.

New Energy Business

In line with our strategy to deliver energy transition, we continue to assess various midstream gas, power, and renewable investment opportunities that are focused on increasing energy supply and reliability, while lowering costs and reducing the carbon intensity of Nigeria's electricity consumption.

In 2024, following detailed review, we decided not to progress a potential investment in the power sector due to timing in relation to closing out the MPNU acquisition. In 2025 we continue to assess a number of potential investment opportunities, and in the early part of the year are interrogating an opportunity in Compressed Natural Gas (CNG) market. Furthermore we are exploring options to bring third party gas into Oben gas plant in order to increase long term gas plant utilisation.

Ending routine flaring

Reducing the carbon intensity of our operations is a key strategic focus. Seplat has implemented its end of routine flaring (EORF) roadmap, which includes investments across our production facilities to minimise Scope 1 & 2 greenhouse gas emissions and improve overall energy efficiency.

The carbon intensity recorded on Seplat onshore for the period was 32.3 kg CO2/boe, higher than the 29.4 kg CO2/boe recorded in 2023. The increase in carbon intensity was primarily driven by increased production from our Eastern assets following reinstatement of TNP Zone 6. Wells in our Eastern asset are gas-rich which leads to associated gas emissions as production increases. The shutdown of the Oben Gas Plant during the TAM activities carried out in August led to higher emissions during the two-week period, also contributing to higher carbon intensity compared to last year.

As we stated in earlier sections (Sapele Gas Plant), the first module of SIGP has commenced operations and is now producing. Once the plant is operating at capacity, expected during 2025, it has the potential to materially reduce the Group Scope 1 emissions.

Other ongoing key flare-out projects, including the Western Asset Flares Out (installation of vapour recovery unit compressors), Sapele LPG Storage & Offloading Facility, Oben LPG Project and Ohaji Flares Out Project. The Company is on track to end routine flaring of gas across its onshore assets in 2H 2025.

We are currently assessing the flaring regime within SEPNU, and will report on emissions from 2025. Current planning includes potential strategies which may be deployed to reduce emissions.

HSE Performance

The Company achieved a total of 11.0-million hours without any Lost Time Injury (LTI) on its operated assets in 2024 (2023: 8.7-million hours), which reflects the Company's strong focus on safety and the dedication of its workforce to maintaining a secure work environment. Till date, the Company has achieved a cumulative 21.5-million-man hours since last LTI recorded (on 13th October 2022). In addition, TRIR was flat at 0.046 with five medical cases reported during this period. No Tier 2 Process Safety Loss of Primary Containment (LOPC) incident were recorded during the period. We note that there we no LTIs, nor TRIRs on SEPNU assets in the period post completion.

The Company is on a path to achieve ISO 45001 and 14001 standards certifications, demonstrating its commitment to top-tier safety and environmental performance. During the year, we completed stage one regulatory audit for ISO 14001 while stage one regulatory audit for ISO 45001 is expected to be completed in March. Overall, we expect to achieve these standards certifications by the end of Q2-2025 after completion of stage two regulatory audits. These certifications are globally acknowledged benchmarks for occupational health and safety management systems and environmental management systems, respectively.

Several activities took place during the year as part of efforts to continue to strengthen our safety protocols. We conducted stakeholder engagement on work at height, lifting & hoisting, and excavation procedures to ensure safety excellence in operations. We also completed biodiversity action plans (BAP) field data gathering, GHG scope 3 emissions employee surveys, and installation of water meters across all our assets.

Petroleum Industry Act (PIA) Implementation Status

Seplat made a conditional application to convert its onshore assets to the PIA in October 2022 and executed conversion contracts with the commission in February 2023 to preserve its right to convert to the PIA subject to the evolution and resolution of the regulatory landscape. Through 2024, the Company undertook extensive technical reviews with the commission to delineate its acreages with the purpose of determining mining leases and prospecting license areas for retention, areas for relinquishment as well as the minimum work program commitments on retained license areas. These engagements were completed in November 2024 and Seplat made its final submission to the Commission in December 2024 based on agreed position. Seplat is pleased with the completion of this technical process which has been on the critical path to completing the Company's PIA conversion process.

After the period end, On 25th February, 2025 the Commission wrote to Seplat acknowledging that delineation has been made based on principles established in section 93 of the PIA, 2021. The Commission has requested documentations from Seplat that would facilitate the preparation of legal transfer documents on the retained PMLs and PPLs. Seplat will progress this accordingly.

Following the acquisition of MPNU, Seplat will be engaging with the Commission to resume the process of conversion of its offshore assets to PIA. Further updates will be provided in due course.

Outlook

Production guidance

Seplat Energy's production operations were robust in 2024, supported by measures to diversify evacuation routes and continued positive security environment. This is expected to continue in 2025 where we target growth from both onshore and offshore operations.

Initial 2025 production guidance is set at 120-140 kboepd. This includes:

- Seplat Onshore: 48-56 kboepd. mid-point delivers 7% growth on 2024. Production in 2025 is set to benefit from well stock delivered in 2024, plus contribution from ANOH from 2H25, Sapele Gas Plant and Abiala through the year. We also see growth on OML 53 oil given resumption of 24-hour operations on TNP.
- SEPNU: 72-84 kboepd. mid-point delivers 12% growth on 2024. We are targeting growth from restoration of idle wells, investment in improving reliability of the NGL facilities and other activities which will improve uptime and provide the basis for longer term growth plans.

Capex guidance

Working interest capital expenditure for 2025 is expected to be in the range of $260-$320 million.

- Seplat Onshore: $180-220 million. Key focus is new well stock to offset natural decline
  - Program includes drilling 13 new wells: OMLs 4, 38 & 41: Seven, OML 53: Two, OML 40: Four. Of these, 9 are oil wells and 4 are gas wells
  - Completion of the second MRU at the Sapele IGP
  - Delivery of Oben, Amukpe, Sapele & Ohaji flares out projects

- SEPNU: $80-100 million. Key focus on capital projects and long term planning to improve reliability, uptime and safety
  - Installation of the Inlet Gas Exchanger on the East Area Project (EAP) NGL facility
  - Long lead items for 2026+ drilling program

Opex guidance

Unit operating costs for the Company are expected be in the range of $14.0-15.0/boe. This increase in unit operating costs versus prior years reflects increased investment in O&M activities across our offshore assets, mainly re-opening previously shut-in wells. Our expectation is that unit opex will moderate post 2025 as production grows and as investment pivots towards capital projects. In 2025 the major cost items are:

- Contracting two barges to operate across the offshore license area from early 2Q 2025, one targeting integrity works and the other working on idle wells, targeting 20+ wells in 2025.

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The primary goal of the 2025 opex plan is to increase reliability and integrity offshore which will set a solid foundation from which to grow production over time. Due to the nature of the installed infrastructure offshore, the 2025 plan necessitates partial asset shut-downs, particularly in 2Q and 3Q 2025.

Sustainability

Our ESG (Environmental, Social, and Governance) performance and 2025 targets reflect our continued emphasis on ESG measurement and reporting. In line with our climate strategy, which includes a commitment to achieving carbon neutrality by 2050, our immediate priority is to eliminate routine flares across our onshore assets by the end of 2025. This is a major project covering multiple production locations, completion is planned for 2H 2025 and will align our commitment to environmental sustainability and regulatory compliance. This initiative will significantly reduce our carbon intensity and contribute to our broader sustainability objectives.

We recognise the importance of the sustainability of our evacuation options and strive to bolster security measures along our evacuation routes to safeguard our operations. These initiatives are geared towards maximising the volume of oil sales and revenue for the Company, highlighting our commitment to operational efficiency and financial sustainability. These deliverables underscore our dedication to innovation, sustainability, and value creation across all operations.

Financial & Strategic guidance

Our financial strategy ensures we can appropriately fund our capital expenditure, meet necessary debt repayments, and return cash to our shareholders. It is a strategy which provides the flexibility required to realise the value of our asset base. Our revenue stream is biased to US dollar denominated oil exports, while we also have a Naira revenue stream via gas sales and domestic oil supply that funds our significant Naira cost base. We continue to closely monitor the performances of oil prices, currency fluctuations and evacuation routes, and their implications on cash generation to appropriately scale and phase our capital allocation, ensuring that we have a sound financial platform from which we can grow.

The tenor of the Company's $350m revolving credit facility is tied to the refinancing of the $650 million notes, whereby the current final maturity date of 30 June 2025 will automatically extend to 31 December 2026 if the notes are refinanced before 30 May 2025.

With respect to G&A, in 2025, we forecast normalisation of cost coupled with the benefit of higher group production levels, as such we forecast unit G&A in a $4.5-5.0/boe range.

With respect to shareholder returns, we will maintain our policy of paying a progressive quarterly core dividend in the near term, with an option of a special dividend subject to performance.

In order to provide more granular details on our medium and long term plans for SEPNU and the business as a whole we will host a Capital Markets Day, which is planned for 3Q 2025. We will also present an updated CPR which reconciles the reserves and resources indicated by the ERCE and the SEPNU management estimates as carried by Exxon prior to the sale.

Financial review

2024 results benefited from higher production, particularly oil production. This was partially offset by Brent oil price which averaged 3% lower than in 2023 at $79.86/bbl, and lower gas production. Our onshore operations, recorded average realised oil price of $81.48/bbl, a $1.62/bbl premium to Brent, while our blended realised gas price delivered strong growth, averaging $3.16/Mscf, a 9% increase on 2023. SEPNU's operations have been consolidated post 12 December 2024 completion, as such average realised oil and gas prices reported for 2024 were modestly lower at $80.04/bbl, principally given weaker commodity pricing in 4Q 2024 while average realised gas price was $3.06/Mscf for the enlarged group.

Revenue

Description	Units	Reported FY-2024	Reported y/y change*	Onshore FY-2024	Onshore LfL y/y change	Reported FY-2023
Oil volumes lifted	mmbbl	12.4	10 %	9.8	(13) %	11.3
Gas sales volume	Bscf	40.8	(2) %	39.5	(5) %	41.6
Average realised oil price	US$/bbl	80.04	(4) %	81.48	(2) %	83.39
Average Brent crude oil price	US$/bbl	79.86	(3) %	79.86	(3) %	82.15
Premium (discount) to Brent	US$/bbl	0.18	(85) %	1.62	31 %	1.24
Average realised gas price	US$/mscf	3.06	6 %	3.16	9 %	2.90
Crude oil revenue	US$m	991.0	6 %	798.5	(15) %	937.9
Gas revenue	US$m	124.9	1 %	121.8	(1) %	123.4
NGLs revenue	US$m	0.3	nm	—	— %	—
Total revenue	**US$m**	**1,116.2**	**5 %**	**920.3**	**(13)%**	**1,061.3**
(Overlift)/underlift	kbbls	na	nm	382	(120) %	(1,865)
(Overlift)/underlift	US$m	10.5	(111) %	40.9	(141) %	(98.9)
Total revenue adjusted for (overlift)/underlift	**US$m**	**1,126.7**	**17 %**	**961.2**	**— %**	**962.4**
Crude oil revenue adjusted for (overlift)/underlift	US$m	1,001.5	19 %	839.4	— %	839.0

Total revenue from oil and gas sales for 2024, including the consolidation of SEPNU, rose 5.2% to $1,116.2 million from $1,061.3 million in 2023. Adjusting reported revenue for 2024 underlifts and 2023 overlifts, total oil and gas sales were $1,126.7 million ($10.5 million underlift), 17.1% higher than 2023's equivalent revenue figure of $962.4 million ($98.9 million overlift).

Excluding the impact of SEPNU, and adjusting for underlift(overlift), total oil & gas revenue was stable at $961.2 million.

Reported crude oil revenue, including consolidation of SEPNU, rose 6% to $991.0 million in 2024 from $937.9 million in 2023, supported by 2.6 MMbbls of crude lifted in SEPNU between completion and year end 2024. Excluding the impact of SEPNU, crude oil revenue fell 14.9% to $798.5 million in 2024. The lower crude oil revenue on our onshore assets was principally due to lower liftings during the period. Total onshore crude oil liftings in 2024 fell 13% to 9.8 MMbbls in 2024 (2023: 11.3 MMbbls).

Reported gas revenue rose by 1.3%, reaching $124.9 million in 2024, compared to $123.4 million in 2023. Gas sales represented 11% of total reported revenue in 2024. Excluding the impact of SEPNU, gas sales for the onshore business was $121.8 million (2023: $123.4 million), representing 13% of total sales. The decline in gas sales is attributed to the 5.0% decline in gas sales volume, which offset the 9.0% increase in realised gas prices by Seplat Onshore.

The business recorded $0.3 million revenue from Natural Gas Liquids (NGLs) sales during the 19-day operating period of SEPNU in 2024.

The group's average reconciliation loss factor remained stable at 3.4% in 2024 (compared to 3.5% in 2023), attributed to enhanced security measures and strengthened asset integrity management during the period.

Note: throughout the Financial review section (pages 11-15) "FY-2024 Reported" includes 19 days of SEPNU on the income statement and cashflow items. "FY2024 Onshore" reflects the Company's 2024 performance excluding SEPNU. This has been included to illustrate the underlying performance of the Company prior to the combination. "FY-2023 Reported" reflects the Company's 2023 performance. The 2024 balance sheet is consolidated.

Gross profit

Description	Units	Reported FY-2024	Reported *y/y change	Onshore FY-2024	Onshore LfL y/y change	Reported FY-2023
Non-Production Cost:						
Royalties	US$'m	146.0	(20)%	156.6	(15)%	183.4
Depletion, Depreciation, & Amortisation	US$'m	179.3	20 %	153.3	2 %	149.6
Production Cost:						
Crude Handling Fees	US$'m	66.9	— %	66.9	— %	66.7
Barging & Trucking	US$'m	17.1	(24)%	17.1	(24)%	22.5
Operational & Maintenance Expenses	US$'m	215.3	132 %	142.5	53 %	92.9
Others	US$'m	11.6	(18)%	21.4	52 %	14.1
Production Opex per boe	**US$/boe**	**15.2**	**45 %**	**12.3**	**17 %**	**10.5**
Cost of Sales	US$'m	636.2	20 %	557.8	5 %	529.2
Gross Profit	**US$'m**	**479.9**	**(10)%**	**362.5**	**(32)%**	**532.0**

In 2024, gross profit fell 9.8% to $479.9 million, from $532.0 million in 2023. Excluding the impact of SEPNU, gross profit declined 31.9% to $362.5 million. The decline is attributed to lower oil liftings and higher direct operating costs.

Direct operating costs, which encompass expenses related to crude-handling charges (CHC), barging/trucking, operations & maintenance, amounted to $295.5 million in 2024, of which $75.8 million were related to SEPNU operations. SEPNU operating cost included certain costs related to the transaction which are not expected to repeat in 2025. Excluding the impact of SEPNU direct operating costs rose to $219.7 million, a 20.6% increase on the $182.2 million incurred in 2023. The increase in costs was principally due to due exceptional costs of $21.9 million related to legacy regulatory payments and due to a higher gas flare penalty which rose $16.1 million to $27.7 million, following an upward revision in the unit cost basis of the gas flare penalty by the Nigerian government.

Non-production costs decreased by 2.3% to $325.3 million, made up of $146.0 million in royalties (2023: $183.4 million), of which SEPNU contributed -$10.6 million, and $179.3 million in depreciation, depletion, and amortisation (2023: $149.6 million), of which SEPNU contributed $26.0 million. The lower royalties payment in 2024 is due to recovery of OML 53 JV partner share of royalties incurred on sale of crude to the Walter Smith Refinery ("WSR") between 2022 and 2024. Prior to the agreement reached with NUIMS to begin sharing in crude sales to WSR, Seplat had been the lone seller in the JV and as a result incurred 100% of the royalties. With an agreement now in place to net off the overlift position against outstanding cash calls, we were able to recover NUIMS 60% share of the royalties.

Considering the cost per barrel equivalent basis, on a reported basis production operating expenses (opex) were $15.2/boe. Excluding the impact of SEPNU, unit opex in the onshore business amounted to $12.3/boe in 2024, elevated due to items noted above and higher than the to $10.4/boe in 2023.

Operating profit

Description	Units	**Reported FY-2024**	Reported *y/y change	**Onshore FY-2024**	Onshore y/y change	Reported FY-2023
Other Income/(Loss)	US$'m	37.2	(131)%	67.3	(155.2)%	(121.9)
Gain on bargain purchase	US$'m	86.0	nm	86.0		—
General and Administrative Expenses	US$'m	(147.2)	3 %	(144.2)	0.4 %	(143.6)
Impairment Loss on Financial Assets	US$'m	(10.6)	(17)%	(10.6)	(16.5)%	(12.7)
Fair Value Loss	US$'m	(7.3)	62 %	(6.0)	33.3 %	(4.5)
Operating Profit	US$'m	**437.9**	**76 %**	**355.1**	**42.4 %**	**249.4**
Adjusted EBITDA	US$'m	**539.0**	**20 %**	**440.0**	**(1.8)%**	**447.9**

In 2024, reported operating profit rose 75.6% to $437.9 million, from $249.4 million in 2023. Excluding the impact of SEPNU, operating profit grew by 42.4% to $355.1 million.

The increase in reported operating profit was driven primarily by the gain on bargain purchase of $86.0 million recorded on the acquisition of Mobil Producing Nigeria Unlimited ("MPNU"). Other drivers include FX gain of $30.1 million and underlift of $10.5 million in 2024 compared to FX loss of $27.5 million and overlift of $98.9 million in 2023. The FX gain reported in the period is further to the agreement with our JV partner, NUIMS, to net off outstanding cash calls in OML 53 and our subsequent re-denomination of overlift liabilities in Naira. This is in contrast to the FX loss reported in prior year arising from the Naira devaluation. The FX gain reported in the period is further to the agreement with our JV partner, NUIMS, to net off outstanding cash calls in OML 53 and our subsequent re-denomination of overlift liabilities in Naira. This is in contrast to the FX loss reported in prior year arising from the Naira devaluation.

Reported G&A expenses amounted to $147.2 million, modestly higher than the figure reported in the prior year (2023: $143.6 million). G&A expenses have been elevated since 2022, in 2024 the higher G&A costs were principally due to fees associated with the acquisition of MPNU. These are not expected to repeat in 2025. Reported unit G&A cost for the year was $8.2/boe, excluding exceptional items, unit G&A expenses for Seplat Onshore and the enlarged group would have been approximately $5.7/boe and $5.2/boe respectively.

Seplat remains committed to managing costs across the business effectively in 2025. We also expect some of the one-off costs in recent years associated with professional fees to wind down in 2025.

Adj. EBITDA

After adjusting for non-cash items such as impairment, fair value, and exchange losses, the adjusted EBITDA for the period was $539.0 million (2023: $447.9 million), resulting in a margin of 48.3% (2023: 42.2%). Excluding the impact of SEPNU, adjusted EBITDA was $440.0 million resulting in a margin of 47.8%.

Taxation

The income tax expense of $234.7 million (2023: $67.3 million) includes a current tax charge of $193.7 million (2023: $84.1 million) and a deferred tax charge of $41.0 million (2023: $16.8 million credit). Excluding the impact of SEPNU, the total income tax expense for the onshore business was $170.5 million, including a deferred tax liability of $97.7 million (2023: deferred tax asset of $16.8 million). We note that current tax expense component for Seplat onshore of $72.8 million is lower than 2023 ($84.1 million) after adjusting for the impact SEPNU's current tax expense.

Cash taxes paid in 2024 was $68.0 million, modestly higher than the $62.1 million paid in 2023, representing approximately 17.7% of operating cash flow. The cash tax paid reflects continuing investments across our asset base.

Net result

On a reported basis profit before tax rose 98.4%, amounting to $379.4 million, compared to $191.2 million in 2023. Profit after tax grew by 16.9% to $144.8million in 2024, from $123.9 million in 2023. Excluding the impact of SEPNU, profit after tax was flat at $122.9 million.

The profit attributable to equity holders of the parent Company, representing shareholders, was $153.3 million in 2024, which resulted in basic earnings per share of $0.26 for the period (2023: $0.14/share).

Description	Units	**Reported FY-2024**	Reported *y/y change	**Onshore FY-2024**	Onshore y/y change	Reported FY-2023
Profit before Tax	US$'m	379.4	98 %	293.4	53 %	191.2
Total Income tax expense:		(234.7)	249 %	(170.5)	153 %	(67.3)
Current Tax	US$'m	(193.7)	130 %	(72.8)	(13)%	(84.1)
Deferred Tax	US$'m	(41.0)	nm	(97.7)	(682)%	16.8
Net Income/(Loss)	**US$'m**	**144.7**	**17 %**	**122.9**	**(1)%**	**123.9**
Profit Attributable to Holders of Equity	US$'m	153.3	84 %	131.4	58 %	83.1
Earnings per Share	**US$'shr**	**0.26**	**86 %**	**0.22**	**57 %**	**0.14**

Cash flows from operating activities

During the period, the Company generated $383.5million in cash from its operating activities, a 26.2% decrease from the $519.9 million generated in 2023 predominantly due to, the underlift reported in the period, alongside transaction costs and the working capital effects associated with consolidating SEPNU. Excluding these elements, cash flow from operations would have been approximately $83 million higher.

Net cash flow from operating activities amounted to $310.0 million in 2024, compared to $442.0 million in 2023. This figure includes modestly higher cash tax payments of $68.0 million and a hedging premium of $5.0 million paid during the current period, while in the previous year, cash tax payments were $62.1 million, and the hedging premium paid was $5.4 million.

Seplat Onshore had a strong year for cash call collection, highlighting our continued good relationship with our JV partners. On the NEPL/Seplat JV for OML 4, 38, 41, we received a total of $352 million in cash call settlement for 2024, bringing the cash call receivable balance for the year to $69 million (2023: $83 million). On the NUIMS/Seplat JV for OML 53, we received $66 million in cash call settlement which brought the year end balance to $16 million (2023: $21 million). Total cash call payments received in 2024 was 47% higher than 2023 receipts.

Due to the SEPNU acquisition, we took over several working capital balances that impacted cash flow from operating activities in 2024.

Cash flows from investing activities

In 2024, the total net cash outflow from investing activities was $658.9 million, an increase on the $159.3 million expended in 2023. The significant increase in net cash outflow from investing activities is primarily due to the costs associated with the MPNU acquisition. Net transaction cost of $489.6 million, reflects the completion amount of $672.3 million net of $182.7 million cash balance acquired on closing.

The cash capital expenditure on oil & gas assets during the period was $202.6 million (2023: $179.0 million), including $139.0 million in drilling activities and $63.5 million in engineering projects. Total capex (including other fixed assets) was $208.1 million (2023: $183.9 million). Capital expenditure was slightly above plan in the year, predominantly due to higher drilling costs.

During the year, the Company completed the negotiation for the sale of Turnkey rigs (formerly known as Cardinal Drilling Rigs) for the sum of $12.3 million. At year end the Company had received $8.5 million, a further $1.0 million was received in January 2025. In addition, we received $6.2 million related to our disposal of Ubima, and $10.9 million related to our interest in OML 55.

Cash flows from financing activities

Net cash inflow from financing activities was $409.6 million, compared to an outflow of $196.7 million in 2023.

The net cash inflow recorded in 2024 is reflective of proceeds from RCF drawdown and Advanced Payment Facility with ExxonMobil Trading, totalling $650.0 million. The proceeds were used to fund the completion payment for the MPNU acquisition. Outflows included dividends paid to Shareholders amounting to $91.4 million (2023: $98.8 million paid) and a charge of $19.5 million relating to Seplat Energy's Long-Term Incentive Plan. The Trustees hold the shares under a Trust for the benefit of Seplat Energy employee beneficiaries covered under the Trust. In addition, $62.5 million for interest on loans and borrowings, was flat versus 2023. A further $21.5 million for other financing charges is associated with commitment fees and other transaction costs incurred on interest-bearing loans and borrowings. The loan repayments of $38.5 million, in two $19.25 million tranches, during the period represent principal repayments of the Eland Senior RBL Facility.

Debt Repayments

The $110 million Westport RBL Facility (RBL Facility) commenced amortising on 31 March 2023. The reduction in facility commitments will be on a semi-annual basis on March and September of each year until final maturity in 2026. In 2024, Seplat paid $38.5 million in principal repayments under the RBL Facility in two tranches on 31 March 2024 and 30 September 2024 As at 31 December 2024, $49.5 million is outstanding under the RBL Facility. The next reduction in commitments will be on 31 March 2025 for an amount of $19.25 million.

As the Company continuously reviews its funding and maturity profile, it continues to monitor the market to ensure that it is well positioned for any refinancing and or buyback opportunities for the current debt facilities – including potentially the $650 million 7.75% 144A/Reg S bond which matures in April 2026.

The tenor of the Company's $350m revolving credit facility is tied to the refinancing of the $650 million notes, whereby the current final maturity date of 30 June 2025 will automatically extend to 31 December 2026 if the notes are refinanced before 30 May 2025.

Liquidity

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

Description	Units	**Reported FY-2024**	Reported y/y change	**Onshore FY-2024**	Onshore LfL y/y change	Reported FY-2023
Senior loan notes	US$'m	639.1	(2) %	639.1	(2) %	654.2
Westport Reserve Based Lending (RBL) facility	US$'m	51.1	(44) %	51.1	(44) %	91.0
Offtake facilities	US$'m	10.3	1 %	10.3	1 %	10.2
Revolving credit facility	US$'m	370.1	nm	—	nm	—
Advance payment facility	US$'m	297.0	nm	—	nm	—
Total borrowings	US$'m	**1,367.6**	**81 %**	**700.5**	**(7)%**	**755.4**
Cash and cash equivalents (exclusive of restricted cash)	US$'m	**469.9**	**4 %**	**337.0**	**(25)%**	**450.1**
Net Debt	US$'m	897.7	194 %	363.5	19 %	305.3
Adjusted EBITDA ***	US$'m	1,353.5	202 %	440.0	(2) %	447.9
Net Debt-to-TTM EBITDA	x	0.66x	nm	0.83x	nm	0.68x

* Including amortised interest and
** accrual for the RCF (undrawn) commitment fee
*** $1,353.5 million in adjusted EBITDA 2024 represents the FY 2024 pro-forma adjusted EBITDA for Seplat and SEPNU combined

Seplat Energy ended the year with gross debt of $1,367.6 million (2023: $755.4 million) and cash at bank of $469.9 million (2023: $450.1 million), leaving net debt at $897.7 million (2023: $305.3 million). The increase in the debt balance reflects the addition of the $350 million RCF and the $300 million advance payment facility, both drawn to fund the completion payment of the MPNU acquisition. Excluding the impact of MPNU related borrowings, gross debt would have declined by 7.3% to $700.5 million.

We continue to monitor the Net Debt-to-EBITDA ratio of the Company with a focus to keep it under 2.0x (Debt covenant - 3.0x). At the end of 2024, proforma Net Debt-to-EBITDA ratio closed at 0.66x, from 0.68x in 2023.

Dividend

The Board has approved/recommended a core dividend of US$ 3.6 cents per share for the final quarter 2024 (subject to appropriate WHT). This brings the total core dividend declared for 2024 to US$ 13.2 cents per share, a 10% increase on 2023. In addition, following a review of Seplat's operational performance and business outlook, the Board has decided to declare an additional special dividend of US$ 3.3 cents per share (subject to appropriate WHT). The 4Q 2024 and special dividends will be paid to shareholders whose names appear in the Register of Members as at the close of business on 9 May 2025 (LSE), 12 May 2025 (NGX). This brings the total dividend declared for 2024 to US$ 16.5 cents per share, a 10% increase on 2023. The payment of the special dividend reflects the Board's continued confidence in the outlook for the Company and is underpinned by a strong balance sheet. The Company will review its dividend policy through 2025 as part of the overall capital allocation policy of the enlarged group.

Reporting Period	Proposed Dividend (US$ cents per share)	Announcement Date	Qualification Date (LSE)	Qualification Date (NGX)	Payment Date
Q1 2024	3.0				14. June 2024
Q2 2024	3.0				28. August 2024
Q3 2024	3.6				27. November 2024
Q4 2024	**3.6**	**4. March 2025**	**9. May 2025**	**12. May 2025**	**23. May 2025**
Special	**3.3**	**4. March 2025**	**9. May 2025**	**12. May 2025**	**23. May 2025**
Total	**16.5**				

Hedging

Seplat Energy's hedging policy aims to guarantee appropriate levels of cash flow assurance in times of oil price weakness and volatility. The total volume hedged in 2024 was 6.0 MMbbls at a weighted average premium of $0.81/bbl and a weighted average strike price of $60.0/bbl.

2024 Oil Hedges (Brent Deferred Premium Put Options)	Unit	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Volumes hedged	MMbbls	1.5	1.5	1.5	1.5

Price hedged	US$/bbl	65	55	60	60
Puts cost	US$/bbl	1.08	0.86	0.86	0.435

The 2025 hedging program has commenced using an equivalent strategy as previously employed, at larger scale. Year to date 15.75 MMbbls have been hedged for 1Q-3Q 2025 at a weighted average premium of $0.76/bbl and a weighted average strike price of $55.0/bbl. Additional barrels are expected to be hedged for 4Q 2025 later in the year. The Board and management team closely monitor prevailing oil market dynamics and given the relatively softer oil price outlook for 2025 have hedged three quarters in advance, providing longer dated cash flow assurance than our typical, two quarter in advance, strategy.

2025 Oil Hedges (Brent Deferred Premium Put Options)	Unit	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Volumes hedged	MMbbls	5.25	5.25	5.25	
Price hedged	US$/bbl	55	55	55	
Puts cost	US$/bbl	0.44	0.97	0.87	

Credit ratings

Seplat maintains corporate credit ratings with Moody's Investor Services (Moody's), Standard & Poor's (S&P) Rating Services and Fitch. The current corporate ratings are as follows: (i) Moody's Caa1 (positive) (ii) S&P B (stable) (iii) Fitch B- (positive).

In October 2024 Fitch maintained our corporate rating at B-, but upgraded our outlook to positive, this was linked to an upgraded outlook for the Nigerian sovereign long term rating and the agency's view of a stronger business profile post the completion of the MPNU acquisition. Our ratings with S&P and Moody's were reaffirmed in April 2024 and December 2024 respectively.

General information

Board of Directors		
Udoma Udo Udoma	Independent Chairman	Nigerian
Roger Brown	Chief Executive Officer	British
Samson Ezugworie	Chief Operating Officer / Executive Director	Nigerian
Eleanor Adaralegbe	Chief Financial Officer / Executive Director	Nigerian
Bello Rabiu	Senior Independent Non-Executive Director	Nigerian
Olivier De Langavant	Non-Executive Director	French
Ernest Ebi	Non-Executive Director	Nigerian
Kazeem Raimi	Non-Executive Director	Nigerian
Nathalie Delapalme	Non-Executive Director	French
Emma FitzGerald	Independent Non-Executive Director	British
Bashirat Odunewu	Independent Non-Executive Director	Nigerian
Koosum Kalyan	Independent Non-Executive Director	South African
Christopher Okeke	Independent Non-Executive Director	Nigerian
Babs Omotowa	Independent Non-Executive Director	Nigerian
Company Secretary	Edith Onwuchekwa	
Registered office and business Address of Directors	16A Temple Road (Olu Holloway) Ikoyi, Lagos, Nigeria	
Registered number	RC No. 824838	
FRC number	FRC/2014/00000002714	
Auditor	PricewaterhouseCoopers Landmark Towers, 5b Water Corporation Road Victoria Island, Lagos,	
Registrar	DataMax Registrars Limited 2c Gbagada Expressway Gbagada Phase 1, Lagos Nigeria	

Solicitors	Albert Akpomudje SAN & Partners Allen & Overy LLP Ama Etuwewe SAN & Co. Ashurt LLP Bayo Osipitan & Co. Bracewell (UK) LLP Banwo & Ighodalo Dentons – ACAS Law D.D. Dodo & Co Gbenga Biobaku & Co. G.C. Arubayi & Co. Giwa Osagie & Co J.A. Orhorho & Co J.E. Okodaso & Co Kenna Partners Lexsetters LLP Mas Tax & Legal Matthew Burkaa & Co O.A. Omonuwa (SAN) & Co. Obrik Uloho & Co Odujinrin & Adefulu Ogaga Ovrawah & Co Olaniwun Ajayi LP Olayinka Olajuwon & Co. Ovie Abenabe & Co. Pentagon Partners Legal Practitioners Pinheiro LP Streamsowers & Kohn Templars Thompson Okpoko & Partners Udo Udoma & Belo-Osagie V.E. Akpoguma & Co. White & Case LLP Wole Olanipekun
Bankers	Citibank, N.A Nedbank Limited The Standard Bank of South Africa Limited Stanbic IBTC Capital Limited FirstRand Bank Limited The Mauritius Commercial Bank Limited J.P. Morgan Securities PLC Standard Chartered Bank First City Monument Bank Limited BP Oil International Limited Zenith Bank PLC United Bank for Africa PLC

Report of the Directors

The Directors are pleased to present to the shareholders of the Company their report with the audited financial statements for the year ended 31 December 2024.

Principal activity

The Company is principally engaged in oil and gas exploration and production.

Operating results

	₦ million		$'000	
	2024	2023	2024	2023
Revenue	1,651,571	696,867	1,116,168	1,061,271
Operating profit(loss)	647,926	163,728	437,881	249,360
Profit before taxation (loss)	561,421	125,539	379,420	191,201
Profit for the year (loss)	214,245	81,329	144,791	123,872

Dividend

During the year, the Directors recommended and paid to members quarterly interim dividends of US$3.0cents/share, US$3.0cents/share, and US$3.6cents/share declared in April, July and October in line with our normal dividend distribution timetable. In addition to this, the Board of Seplat is recommending a final dividend of US3.6 cents per share and a special dividend of US3.3cents per share. The final dividend is subject to approval of shareholders, at the AGM which will be held on 14 May 2025 in Lagos, Nigeria.

Unclaimed dividend

The total amount outstanding as at 31 December 2024 is US$284,365.91 and ₦1,094,049,094.20. A list of shareholders and corresponding unclaimed dividends is available on the Company's website: www.seplatenergy.com

Changes in property, plant, and equipment

Movements in property, plant and equipment and significant additions thereto are shown in Note 18 to the financial statements.

Rotation of Directors

In accordance with the provisions of Section 285 of the Companies and Allied Matters Act, 2020, one third of the Directors of the Company shall retire from office. The Directors to retire every year shall be those who have been longest in office since their last election.

However, in accordance with Article 131 of the Company's Articles of Association, the Executive Directors and any Director appointed by a Founder Shareholder shall not be subject to retirement by rotation or taken into consideration in determining the number of Directors to retire each year. Apart from the Executive Directors and Directors appointed by the Founder Shareholders, all other Directors are appointed for fixed terms and are eligible for re-appointment/retirement by rotation.

The Directors who are eligible for re-appointment this year are Mr. Bello Rabiu, Madame Nathalie Delapalme and Ms. Koosum Kalyan.

Board changes

Appointments

Mr. Babs Omotowa joined the Board on 1 April 2024 as an Independent Non-Executive Director. Mr. Babs Omotowa is an international leader in the Energy industry across Europe Africa, the United States of America, Asia, and the Middle East, in organisation leadership, commercial, strategy and operational roles spanning over 26 years. Mr. Omotowa holds a B.Sc. in Industrial Chemistry, Master's Degrees in Business Administration specialising in Operations Research and Supply Chain Management, and an Honorary Doctor of Science.

Mr. Omotowa has attended several Leadership programs, at Harvard, INSEAD and IMD. His professional leadership includes being the Global President for the Chartered Institute of Procurement and Supply, based in London, UK, and with over 100,000 members globally. Mr. Omotowa was the Managing Director/CEO of Nigeria LNG Limited for almost 5 years from December 2011 to September 2016. Prior to joining Nigeria LNG, he served in different capacities including as a Vice-President Shell Sub-Saharan Africa, Director at Shell Petroleum Development Company, a Non-Executive Director of West Africa Gas Pipeline Company, amongst others.

After his role as MD, NLNG, he served as a Vice President of Shell Global Upstream E&P and later as Special Adviser to the Shell Global Upstream Director. He is the Chairman of the Advisory Board of Montserrado Oil and Gas B.V, an Independent Director on the Boards of Pearlhill Technology USA, Stanbic IBTC Holding Plc, and CAP Plc, and Founding President of the Nigerian University of Technology and Management.

Mrs Eleanor Adaralegbe was appointed to the Board as an Executive Director on 1 May 2024 and as Chief Financial Officer on 21 May 2024. Mrs Adaralegbe joined Seplat Energy in February 2015 and brings three decades of diverse experience in both the oil and gas and professional services industries and has held impactful roles in Ernst & Young, ConocoPhillips, Ocean Energy (a subsidiary of Devon Energy), and Addax Petroleum. Until her appointment as CFO Designate in July 2023, Mrs Adaralegbe served as the VP of Finance at Seplat Energy Plc. Mrs Adaralegbe has held various leadership positions in Seplat Energy, including oversight roles over – the Finance, Tax, and Supply Chain Management functions, and serves as chairperson on contracts tender board and a Director on the Board of Elcrest. She has consistently demonstrated exceptional skills in managing key stakeholders within Nigeria's energy sector and fostering strong relationships with the global investor community.

Mrs Adaralegbe is a Chartered Accountant, and a Fellow of the Institute of Chartered Accountants of Nigeria. She holds a Mathematics Degree from the University of Nigeria, Nsukka, and an MSc in Global Finance from City University of London (Now Bayes Business School, London). She is also an alumnus of Harvard Business School.

Retirements and Resignations

Mr. Basil Omiyi retired from the Board on 31 March 2024. Mr. Omiyi who joined the Board on 1 March 2013 as an Independent Non-Executive Director, was appointed as the Senior Independent Non-Executive Director on 1 February 2021 and as the Chairman of the Board on 18 May 2022. Mr. Omiyi dedicated his time, and contributed his experience and wealth of knowledge towards the growth of the Company.

Dr Charles Okeahalam retired from the Board on 31 March 2024. Dr Okeahalam joined the Board as an Independent Non-Executive Director on 1 March 2013 and was appointed as the Senior Independent Non-Executive Director on 18 May 2022. During his time on the Board, Dr Okeahalam was committed to the excellence and growth of Seplat and wasted no effort in ensuring this.

Mr. Emeka Onwuka retired from the Board on 1 May 2024. Mr. Onwuka joined the Board August 1, 2020, as an Executive Director and Chief Financial Officer. From his appointment up till his retirement, Mr. Onwuka committed his wealth of knowledge and financial know-how to the growth of Seplat.

The appointment and removal or reappointment of Directors is governed by its Articles of Association and the Companies and Allied Matters Act, 2020. It also sets out the powers of Directors.

Corporate Governance

The Board of Directors is committed to sound corporate governance and ensures that the Company complies with the Nigerian and UK corporate governance regulations as well as international best practice. The Board is aware of the Corporate Governance Guidelines issued by the Securities and Exchange Commission, the Nigerian Code of Corporate Governance 2018, issued by the Financial Reporting Council of Nigeria and the UK Corporate Governance Code 2024, issued by the UK Financial Reporting Council and ensures that the Company complies with them. The Board is responsible for keeping proper accounting records with reasonable accuracy. It is also responsible for safeguarding the assets of the Company through prevention and detection of fraud and other irregularities. In order to carry out its responsibilities, the Board has established six Board Committees and the Statutory Audit Committee and has delegated aspects of its responsibilities to them. All seven Committees have terms of reference that guide their members in the execution of their duties, and these terms of reference are available for review by the public. All the Committees present a report to the Board with recommendations on the matters within their purview.

Board Committees and Record of Attendance at Meetings

The Board held 7 meetings during the year and at least once every quarter in line with Section 10.1 of the Nigerian Code of Corporate Governance (NCCG). Board meetings were well attended with attendance of all Directors exceeding two-thirds. The record of attendance of Directors at Board meetings and that of its Committees in the year under review is published herewith:

Board of Directors

S/N	Name		meetings in the year	No. of times in attendance
1	Udoma Udo Udoma[1]	Chairman	7	7
2	Roger Brown	Chief Executive Officer	7	7
3	Samson Ezugworie	Chief Operating Officer	7	7
4	Eleanor Adaralegbe[2]	Chief Financial Officer	4	4
5	Bello Rabiu[1]	Senior Independent Non-Executive Director	7	7
6	Olivier De Langavant	Non-Executive Director	7	7
7	Ernest Ebi	Non-Executive Director	7	7
8	Kazeem Raimi	Non-Executive Director	7	7
9	Nathalie Delapalme	Non-Executive Director	7	7
10	Emma FitzGerald	Independent Non-Executive Director	7	7
11	Bashirat Odunewu	Independent Non-Executive Director	7	6
12	Koosum Kalyan	Independent Non-Executive Director	7	7
13	Christopher Okeke	Independent Non-Executive Director	7	7
14	Babs Omotowa[3]	Independent Non-Executive Director	5	5
15	Basil Omiyi[1]	Chairman	2	2
16	Charles Okeahalam[1]	Senior Independent Non-Executive Director	2	2
17	Emeka Onwuka[2]	Chief Financial Officer	3	3

Meeting dates: 24 January; 28 February; 25&26 April; 20 May; 29 July; 28 October; and 02&09 December.

1. Mr Udoma Udo Udoma and Mr Bello Rabiu were appointed as Independent Board Chairman and Senior Independent Non-Executive Director respectively to replace Mr. Basil Omiyi and Dr Charles Okeahalam who both retired from the Board on 31 March 2024.
2. On 1 May 2024, Mrs Eleanor Adaralegbe was appointed as an Executive Director to replace Mr Emeka Onwuka who retired from the Board on 1 May, 2024. On 21 May 2024, Mrs Adaralegbe was appointed the Chief Financial Officer.
3. On 1 April 2024, Mr. Babs Omotowa joined the Board as an Independent Non-Executive Director.

Board Finance & Audit Committee

S/N	Name		No. of meetings in the year	No. of times in attendance
1	Bashirat Odunewu[1]	Member/Chairman	4	4
2	Emma FitzGerald	Member	4	4
3	Bello Rabiu	Member	4	4
4	Babs Omotowa[2]	Member	3	3
5	Charles Okeahalam[1]	Chairman	1	1
6	Udoma Udo Udoma[3]	Member	1	1

Meeting dates: 20 February, 18 April, 22 July, 22 October

1) Mrs. Bashirat Odunewu was appointed as the Chairman of the Board Finance and Audit Committee in April 2024 to replace Dr Charles Okeahalam who retired from the Board on 31 March 2024.
2) Mr. Babs Omotowa joined the Board as an Independent Non-Executive Director on April 1, 2024, and was appointed to the Board Finance and Audit Committee in April 2024.
3) Mr. Udoma Udo Udoma joined the Board in December 2023 and was appointed to the Board Finance and Audit Committee in January 2024. Mr. Udoma Udo Udoma exited the Board Finance and Audit Committee in April 2024 following his appointment as the Board Chairman

Nomination and Governance Committee

S/N	Name		No. of meetings in the year	No. of times in attendance
1	Bello Rabiu	Chairman	5	5
2	Bashirat Odunewu	Member	5	5
3	Koosum Kalyan[1]	Member	4	4
4	Christopher Okeke[1]	Member	4	4
5	Charles Okeahalam[2]	Member	1	1
6	Udoma Udo Udoma[3]	Member	1	1

Meeting dates: 19 February, 17 April, 20 June, 16 July, 17 October

1) Ms Koosum Kalyan and Mr. Christopher Okeke were appointed to the Nominations and Governance Committee in April 2024.
2) Dr Charles Okeahalam retired from the Board on 31 March 2024.
3) Mr. Udoma Udo Udoma joined the Board in December 2023 and was appointed to the Nominations and Governance Committee in January 2024. Mr Udoma Udo Udoma exited the Nominations and Governance Committee in April 2024 following his appointment as the Board Chairman.

Remuneration Committee

S/N	Name		No. of meetings in the year	No. of times in attendance
1	Emma FitzGerald	Chairman	5	5
2	Bello Rabiu	Member	5	5
3	Koosum Kalyan	Member	5	5
4	Christopher Okeke[1]	Member	5	5
5	Charles Okeahalam[2]	Member	1	1

Meeting dates: 6 February, 16 April, 9 July, 15 October, 11 December

1) Mr. Christopher Okeke joined the Board in December 2023 and was appointed to the Remuneration Committee in January 2024.
2) Dr Charles Okeahalam retired from the Board on 31 March 2024

Risk Management and HSSE Committee

S/N	Name		No. of meetings in the year	No. of times in attendance
1	Babs Omotowa	Chairman	3	3
2	Olivier De Langavant	Member	4	4
3	Ernest Ebi	Member	3	3
4	Kazeem Raimi	Member	4	4
5	Samson Ezugworie	Member	4	4
6	Bello Rabiu	Chairman	1	1
7	Koosum Kalyan	Member	1	1

Meeting dates: 17 January, 16 April, 11 July, 15 October

In April 2024, the Board refreshed the membership of the Risk Management and HSSE Committee by appointing Mr. Babs Omotowa to replace Mr. Bello Rabiu as the Chairman and Mr. Ernest Ebi to replace Ms. Koosum Kalyan as a member.

Sustainability Committee

S/N	Name		No. of meetings in the year	No. of times in attendance
1	Nathalie Delapalme	Chairman	4	4
2	Koosum Kalyan	Member	4	4
3	Ernest Ebi	Member	4	4
4	Kazeem Raimi[1]	Member	3	3
5	Olivier De Langavant[1]	Member	3	3
6	Udoma Udo Udoma[2]	Member	1	1

Meeting dates: 17 January, 17 April, 17 July, 17 October

1) In April 2024, the Board appointed Mr Kazeem Raimi and Mr Olivier De Langavant to the Sustainability Committee.
2) Mr. Udoma Udo Udoma joined the Board in December 2023 and was appointed to the Sustainability Committee in January 2024. Mr Udoma Udo Udoma exited the Sustainability Committee in April 2024 following his appointment as the Board Chairman.

Energy Transition Committee

S/N	Name		No. of meetings in the year	No. of times in attendance
1	Mr. Christopher Okeke[1]	Chairman	5	5
2	Emma FitzGerald	Member	6	6
3	Nathalie Delapalme	Member	6	6
4	Ernest Ebi	Member	6	5
5	Babs Omotowa[2]	Member	5	4
6	Bashirat Odunewu[1]	Chairman	1	1
7	Charles Okeahalam[1]	Member	1	1

Meeting dates: 6 February, 15 April, 9 July, 8 August, 15 October, 7 November.

1) In Apil 2024, the Board refreshed the membership of the Energy Transition Committee by appointing Mr. Christopher Okeke to replace Mrs. Bashirat Odunewu as the Chairman while Dr Charles Okeahalam retired from the Board on 31 March 2024.
2) Mr. Babs Omotowa did not attend the 7 November meeting due to a conflict.

Statutory Audit Committee

S/N	Name		No. of meetings in the year	No. of times in attendance
1	Abayomi Adeyemi	Shareholder Member, (Chairman)	4	4
2	Hauwa Umar	Shareholder Member	4	4
3	Nornah Awoh	Shareholder Member	4	4
4	Bashirat Odunewu	Director Member	4	4
5	Kazeem Raimi	Director Member	4	4

Meeting dates: 20 February, 18 April, 22 July, 22 October

Directors' Interest in Shares

In accordance with Section 301 of the Companies and Allied Matters Act, 2020, the interests of the Directors (and of persons connected with them) in the share capital of the Company (all of which are beneficial unless otherwise stated) are as follows:

	31 December 2023	31 December 2024		3 March 2025	
	No. of Ordinary Shares	No. of Ordinary Shares	As a percentage of Ordinary Shares in issue	No. of Ordinary Shares	As a percentage of Ordinary Shares in issue
Udoma Udo Udoma	0	55,071	0.01 %	55,071	0.01 %
Roger Brown	4,831,379	4,006,169	0.68 %	4,153,776[1]	0.71 %
Samson Ezugworie	257,288	547,983[2]	0.09 %	547,983	0.09 %
Bello Rabiu	20,000	20,000	— %	20,000	— %
Eleanor Adaralegbe	n/a	234,209	0.04 %	445,868[3]	0.08 %
Oliver De Langavant	0	0	— %	0	— %
Nathalie Delapalme	0	0	— %	0	— %
Emma FitzGerald	0	0	— %	0	— %
Kazeem Raimi	0	6,577	— %	6,577	— %
Bashirat Odunewu	0	0	— %	0	— %
Ernest Ebi	50,000	50,000	0.01 %	50,000	0.01 %
Koosum Kalyan	0	0	— %	0	— %
Christopher Okeke	0	0	— %	0	— %
Babs Omotowa	n/a	20,000	— %	20,000	— %
Charles Okeahalam	700,000	n/a	n/a	n/a	n/a
Basil Omiyi	495,238	n/a	n/a	n/a	n/a
Emeka Onwuka	141,779	n/a	n/a	n/a	n/a
Total	**6,495,684**	**4,940,009**	**0.84 %**	**5,299,275**	**0.90 %**

1) Additional shares transferred as LTIP vested shares at nil cost.
2) 290,695 shares acquired at nil-cost through vesting of sign-on share award and Executive Deferred Bonus (EDB) Award.
3) 211,659 shares transferred as LTIP vested shares at nil cost.

Directors' Interest in Contracts

In relation to the reporting period, no director has direct or indirect interest in contracts with which the Company was involved. The former Chairman and a Non-Executive Director have disclosable indirect interest in contracts with which the Company was involved at in the prior year (31 December 2024) for the purpose of section 303 of the Companies and Allied Matters Act, 2020. These have been disclosed in Note 41.

Substantial Interest in Shares

At 31 December 2024, the following shareholders held more than 5.0% of the issued share capital of the Company:

Shareholder	Number of holdings	%
Maurel & Prom Group	120,402,000	20.46
Petrolin Group	81,015,319	13.77
Sustainable Capital	57,492,183	9.77
Professional support	50,019,178	8.50
Allan Gray Investment Management	33,038,113	5.57

Free Float

With a free float of 28.1% as at 31 December 2024, Seplat Energy PLC is compliant with the Nigerian Exchange's free float requirements for companies listed on the Premium Board.

Share Dealing Policy

We confirm that to the best of our knowledge that there has been compliance with the Company's Share Dealing Policy during the period.

Shareholding Analysis

The distribution of shareholders at 31 December 2024 is as stated below:

Share range	Number of shareholders	% of shareholders	Number of shares held	% of shareholding
1-10,000	3365	91.69	1,613,647	0.27
10,001-50,000	166	4.52	4,174,019	0.71
50,001-100,000	45	1.23	3,439,663	0.58
100,001-500,000	60	1.63	13,034,927	2.22
500,001-1,000,000	9	0.25	6,067,583	1.03
1,000,001-5,000,000	19	0.52	44,379,459	7.54
5,000,001-10,000,000	5	0.14	36,295,426	6.17
100,000,001-500,000,0001*	1	0.03	479,439,837	81.48
Total	**3,670**	**100**	**588,444,561**	**100**

* Includes shares held by Computer Share on the London Stock Exchange

Share Capital History

Year	Authorised increase	Cumulative	Issued increase/ cancelled	Cumulative	Consideration
Jun-09	–	100,000,000	100,000,000	100,000,000	cash
Mar-13	100,000,000	200,000,000	100,000,000	200,000,000	stock split from N1.00 to 50k
Jul-13	200,000,000	400,000,000	200,000,000	400,000,000	bonus (1 for 2)
Aug-13	600,000,000	1,000,000,000	153,310,313	553,310,313	cash
Dec-14	–	1,000,000,000	–	553,310,313	No change
Dec-15	–	1,000,000,000	10,134,248	563,444,561	staff share scheme
Dec-16	–	1,000,000,000	–	563,444,561	No change
Dec-17	–	1,000,000,000	–	563,444,561	No change
Feb-18	–	1,000,000,000	25,000,000	588,444,561	staff share scheme
Dec-19	-	1,000,000,000	-	588,444,561	No change
Dec-20	-	1,000,000,000	-	588,444,561	No change
Dec-21	-	1,000,000,000	-	588,444,561	No change
Dec-22	-	1,000,000,000	(411,555,439)	588,444,561	cancellation*
Dec-23	-		-	588,444,561	No change
Dec-24	-		-	588,444,561	No change

* By virtue of s.124, CAMA 2020 and Regulation 13, Companies Regulations 2021, CAC mandated companies with unissued shares to issue all unissued/unallotted shares not later than 31 December 2023. The consequence of non-compliance is that any unissued share capital at the relevant date will not be recognised as forming part of the share capital of the company until it is issued or reduced through the share capital reduction process. In compliance with the above directive and having obtained Shareholders' approval at the AGM held on 18th May 2022, the Company cancelled 411,555,439 unissued shares.

Donations and sponsorships

The following donations were made by the Group during the year (2023: ₦392,056,600, $597,074)

Beneficiary	NG₦	$
Chartered Institute of Arbitrators Nigeria	1,880,274	1,271
Nog Energy Week Conference and Exhibition 2024	26,759,391	18,085
Falcon Golf Development Company Limited	920,257	622
Fasapillars Limited	574,915	389
Institute of Directors	881,179	596
Lawyers In Oil and Gas Network	1,052,807	712
Nigerian Association of Petroleum Explorationists	19,775,538	13,365
Nigerian Institute of Public Relations	1,878,720	1,270
Nigerian Society of Engineers Sapele Branch	2,497,522	1,688
Oil Council- Clarion Events Ltd	29,177,810	19,719
Petroleum Technology Association	4,503,939	3,044
SPE Ventures (Society of Petroleum Engineers)	15,484,659	10,465
The Institute of Internal Auditors Nigeria	2,778,277	1,878
The Nigerian Economic Summit Group	4,696,830	3,174
The Nigerian Society of Engineers	1,842,660	1,245
Women In Management (Wimbiz)	11,179,471	7,555
Others	7,607,523	5,141
Brevity Anderson Ltd	28,839,156	19,490
Ansymill Global Services	339,794	230
Total	**162,670,722**	**109,936**

Employment and Employees

Employee involvement and training: The Company continues to observe industrial relations practices such as the Joint Consultative Committee and briefing employees on the developments in the Company during the year under review. Various incentive schemes for staff were maintained during the year while regular training courses were carried out for the employees. Educational assistance is provided to members of staff. Different cadres of staff were also assisted with payment of subscriptions to various professional bodies during the year. The Company provides appropriate HSE training to all staff, and Personal Protective Equipment ('PPE') to the appropriate staff.

Health, safety and welfare of employees: The Company continues to enforce strict health and safety rules and practices at the work environment which are reviewed and tested regularly. The Company provides free medical care for its employees and their families through designated hospitals and clinics. Fire prevention and fire-fighting equipment is installed in strategic locations within the Company's premises. The Company operates Group life insurance cover for the benefit of its employees. It also complies with the requirements of the Pension Reform Act, 2004 regarding its employees.

Employment of disabled or physically challenged persons: The Company has a policy of fair consideration of job applications by disabled persons having regard to their abilities and aptitude. The Company's policy prohibits discrimination of disabled persons in the recruitment, training and career development of its employees. As at the end of the reporting period, the Group has no disabled persons in employment.

Auditor

The auditor, PricewaterhouseCoopers ("PwC"), has indicated its willingness to continue in office in accordance with Section 401(2) of the Companies and Allied Matters Act, 2020. A resolution will be proposed at the AGM for the re-appointment of PwC as the Company's auditor and for authorisation to the Board of Directors to fix the auditors' remuneration.

By Order of the Board

Edith Onwuchekwa
FRC/2013/NBA/00000003660
Company Secretary

Seplat Energy Plc

16A Temple Road, Ikoyi, Lagos, Nigeria

04 March 2025

Sustainability-related financial disclosures (abridged)

31 December 2024

1. Group structure and reporting Boundary

Group and Group structure

Please see Note 1 of the audited financial statement for this information

Basis of Statement of Compliance with IFRS Sustainability Disclosures

This abridged sustainability related financial disclosures of Seplat Energy Plc, and its subsidiaries (the 'Group') is an extract from the Group's general Sustainability Report included in the Group's Annual Report as at 31 December 2024. This abridged report has been prepared in accordance with IFRS Sustainability Disclosure Standards as issued by the International Sustainability Standards Board (ISSB). In line with paragraph 55(a) of IFRS S1, other standards and frameworks that have applied in the preparation of some disclosure topics are Sustainability Accounting Standards Board – SASB Oil & Gas Extraction & Production Standard, the International Integrated Reporting Framework (IR), Companies and Allied Matters Act, 2020, Financial Reporting Council of Nigeria Act, No.6, 201; UK Financial Conduct Authority (FCA), Listing rules; International Petroleum Industry Environmental Conservation Association (IPIECA), Green House Gas Protocols and United Nations Global Compact.

Connectivity to the financial statement

This abridged sustainability-related financial information has been prepared for the Seplat Group and should be read in conjunction with the Group's consolidated financial statements prepared in accordance with International Financial Reporting Standards [IFRS] as issued by the International Accounting Standards Board [IASSB] and adopted by the Financial Reporting Council of Nigeria [FRC]. The report covers a 12-month period for the year ended 31 December 2024 which is consistent with the reporting period of the related consolidated financial statements of the Group. This abridged sustainability-related risk and opportunities report is aligned with the Group's sustainability report as included in the Annual Report of the Group for the year ended 31 December 2024.

Definition of time

Management often defines time for strategic decision making. The same timeline underpins the preparation of this report by considering when the sustainability-related risks and opportunities could reasonably be expected to occur. As of the end of the reporting period the following time-horizons were identified:

Short term (ST):	0 to 2 years
Medium term (MT):	2 to 5 years
Long term (LT):	beyond 5 years

The sustainability-related financial disclosures cover the same reporting period related to the consolidated financial statements of the Seplat Group as the reporting entity. The reporting entity includes the Seplat Energy Plc and its subsidiaries. In preparing this sustainability-related financial disclosures, the Group has assessed its own operations and its value chain which includes, amongst others, joint ventures, associates and other assets of the Group.

Meeting primary users' information needs

The objective of ISSB sustainability disclosures standards is to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of its general-purpose financial reports in making decisions relating to providing resources to the entity. Assessing whether information could reasonably be expected to influence decisions made by the primary users of Group's general purpose financial report (GPFR), the Group considers the characteristics of those users and its own circumstances. General purpose financial reports include—but are not restricted the Group's general purpose financial statements and sustainability-related financial disclosures. The primary users of the Group's GPFR are consistent with those included in the ISSB disclosure framework which are existing and potential investors, lenders and other creditors to the Group. To meet the common information needs of its primary users, the Group first separately identifies the information needs of one of the three types of primary users—for example, investors (existing and potential). The Group then repeats the assessment for the two remaining types—lenders (existing and potential) and other creditors (existing and potential). The combined information needs identified by these assessments form the set of common information needs that the entity aims to meet.

Business Activities and Geographical location reference

Note 1 of the audited financial statements provides information about the business activities of the Group.

Risk Concentration

Sales from the key product segments of the Group as contained in Note 6 of this audited financial statements provides information about our risk concentrations.

Our strategy and sustainability related goals

The Group plans to invest and deploy its capitals to support its growth agenda. The business strategy is enabled by a strong framework of corporate governance and supported by the values that guide how we conduct our business. In line with our overall goal of creating a sustainable business, the Group has set some overall sustainability-related goals. The goals are aligned with the Group's growth ambitions for its business activities. Key sustainability goals of the Group are to deliver environmental care; deliver robust social development and deliver leading corporate governance.

Our value chain

In delivering our business, we interact with major stakeholders as suppliers, investors, customers, and the natural environments. Refer to the annual report for the Group's business model which covers its value chain and risk concentration.

Reporting boundaries and changes in reporting boundaries

The performance indicators are tailored to match the company's objectives and reflect the potential impacts of Seplat Energy's activities. Specifically:

- Health, safety, climate, and ecological impact metrics cover Seplat Energy subsidiaries, Companies in joint arrangements, and associated companies, as detailed in Note 3.5.
- The waste management, end of routine flares roadmap, net zero target and other ESG targets cover volumes for Seplat Energy operated assets.
- Social investment, people, diversity and inclusion, as well as ethics and anti-corruption data encompasses Seplat Energy and its subsidiaries.
- The equity approach is used to calculate greenhouse gas emissions, acid gases, and water.

Performance comments are based on these parameters. For all other data, the perimeter aligns with relevant legislation and comprises companies consolidated line by line to prepare Seplat Energy Group's consolidated financial statements.

During the year, the Group acquired MPNU which resulted in a change in the reporting entity compared to 31 December 2023. MPNU is now SEPNU. Even though SEPNU (MPNU) is consolidated in our financial reports, we have not included it in our non-financial reporting, as the acquisition has only recently been concluded (12 December 2024). We will include SEPNU (MPNU) in subsequent reports.

2. Governance and process overview

Governance of sustainability and climate-related risks

The Board of Seplat Energy is ultimately accountable for overseeing the Company's sustainability and climate strategy, ensuring that these considerations are fully integrated into our overall risk management and financial decision-making frameworks in line with IFRS S1 and IFRS S2 requirements.

Board Oversight and Committee Structure

To manage and oversee sustainability and climate-related risks effectively, the Board has established dedicated committees:

- **Sustainability Committee:** This committee focuses on setting and monitoring sustainability targets, including evaluating material sustainability risks and opportunities. It also reviews key performance indicators (KPIs) that directly impact financial performance, ensuring alignment with IFRS S1 disclosures.
- **Risk Management & HSSE Committee:** This committee incorporates sustainability and climate-related risk assessments into the enterprise risk management framework. On a quarterly basis, it evaluates management's mitigation measures and provides recommendations for further enhancements.
- **Energy Transition Committee:** Oversees the strategic planning and implementation of initiatives related to the energy transition, including capital allocation decisions and investments in low-carbon technologies.
- **Board Finance and Audit Committee:** plays a vital role in verifying that the disclosures related to sustainability and climate risks are accurate, complete, and consistent with our corporate governance policies.

Roles, Responsibilities, and Reporting

The day-to-day execution of Seplat Energy's sustainability strategy is led by the CEO and supported by the Senior Leadership Team (SLT) through a dedicated Sustainability Management Committee (SMC). The SMC is responsible for:

- Designing and monitoring activities integrating sustainability and climate risk considerations into our operations.
- Proposing and tracking KPIs that measure short-, medium-, and long-term performance against sustainability targets.
- Coordinating and ensuring transparent reporting of ESG and climate-related performance, including quantitative metrics and forward-looking scenario analyses, are essential to our IFRS S1 and S2 disclosures.

The SMC meets monthly and reports its findings and recommendations to the SLT and the Board. This process ensures that emerging risks, such as those identified through regular skill and competency assessments and benchmarking against industry best practices, are promptly addressed.

Skills, Competencies, and Continuous Improvement

The Board Sustainability Committee, in collaboration with the SLT and the SMC, regularly evaluates the skills and competencies required to oversee sustainability and climate-related risks. This includes:

- Conducting periodic skills gap analyses and scenario-based stress tests.
- Implementing tailored training programs focused on new developments in sustainability reporting standards, emerging regulations, and best practices in climate risk management.
- Integrating feedback from external advisers and industry peers ensures our governance practices remain robust and forward-looking.

Through a clear allocation of responsibilities, rigorous oversight mechanisms, and continuous enhancement of skills and competencies, Seplat Energy ensures that sustainability and climate-related risks are managed effectively and transparently. This comprehensive approach meets the requirements of IFRS S1 and IFRS S2 and reinforces our commitment to sustainable long-term value creation.

Board and committee meetings are held at least quarterly, with additional sessions convened as needed to address emerging risks or regulatory changes. This ensures that our governance framework remains responsive, and that all material sustainability and climate-related information is consistently communicated to stakeholders.

Remuneration Committee and alignment with sustainability and climate goals

The Remuneration Committee plays a critical role in ensuring that our remuneration policy drives the successful execution of Seplat Energy's strategic objectives, including our commitment to sustainability and the energy transition. Oversight by the Board ensures that incentive structures are closely linked to both short-term performance and long-term sustainability targets in accordance with the principles of IFRS S1 and IFRS S2.

Integration of sustainability and climate-related KPIs

The Committee sets and regularly reviews the Corporate Scorecard—a comprehensive framework that integrates a range of performance indicators, including specific climate-related KPIs designed to:

- **Measure and incentivize progress** toward our sustainability objectives and energy transition goals.
- **Incorporate forward-looking climate risk assessments** and scenario analyses that align with evolving international standards.

For instance, in 2024, 27.5% of the KPIs on our Corporate Scorecard were dedicated to sustainability targets. Within this, a 5% component was explicitly tied to achieving key milestones of Seplat's end-of-routine flaring program, with all key milestones fully achieved during the year. This direct linkage demonstrates our commitment to integrating environmental performance with executive remuneration.

Quantitative Weightings and Broader Objectives

Sustainability objectives are not only embedded in the Company's operational targets but also our remuneration framework:

- **Climate and Environmental Targets:** This is evidenced by the 5% weighting of our flaring program milestones and other climate-related KPIs.
- **Social Objectives:** With a 7.5% weighting on social targets covering community development and employee engagement.
- Safety Standards: Recognized with a 10% weighting, ensuring operational safety remains a priority.
- **Governance:** 5% for closed audit actions

This multi-faceted approach underscores our proactive strategy, ensuring that all levels of management are accountable for progress on sustainability and climate-related initiatives.

Continuous improvement and External Alignment

The Remuneration Committee continually refines the Corporate Scorecard based on evolving industry practices and external disclosure requirements, including those outlined in IFRS S1 and S2. By integrating external benchmarks and forward-looking climate scenarios, we ensure that our incentive structures remain robust and aligned with global best practices.

Through the diligent work of the Remuneration Committee, Seplat Energy demonstrates its commitment to aligning executive and employee incentives with achieving sustainability and climate-related goals. This alignment is a key component of our broader corporate strategy and governance framework, ensuring that financial incentives drive meaningful, long-term environmental and social impact. Detailed performance indicators are shown in the 2024 annual report and summarised on page 34, reflecting our ongoing commitment to transparency and accountability.

Overview of Materiality assessment and reporting process

Materiality in the context of the International Sustainability Standards Board (ISSB) sustainability disclosures refers to the process of determining which sustainability-related information is significant enough to be disclosed in general purpose financial report. The ISSB aims to provide a framework for companies to report on sustainability matters that could impact their financial performance and the interests of investors; The Group follows the procedures below:

1. **Identify Stakeholders:** As the first step in our materiality assessment, the Group determines who the stakeholders are, including investors, lenders, other creditors regulators, customers, and the community, to understand their information needs.
2. **Define Materiality Criteria:** The Group establishes criteria for what constitutes material information. This often includes factors such as the potential impact on financial performance, regulatory requirements, and stakeholder concerns.
3. **Assess Sustainability Risks and Opportunities:** Evaluate the sustainability risks and opportunities that could affect the Group's performance. This includes analysing environmental, social, and governance (ESG) factors.
4. **Engage with Stakeholders:** Conduct consultations and surveys with stakeholders to gather insights on what they consider material. This engagement helps the Group to align its disclosures with stakeholder expectations.
5. **Prioritize Issues:** Rank the identified sustainability issues based on their significance to both the organization and its stakeholders. This prioritization helps the Group to focus on the most critical areas for disclosure.
6. **Document the Process:** Maintain clear documentation of the materiality assessment process, including the criteria used, stakeholder engagement, and the rationale for the identified material issues.
7. **Review and Update:** Materiality is not a one-time assessment. Regularly the Group reviews and updates the materiality assessment to reflect changes in the business environment, stakeholder expectations, and regulatory requirements.
8. **Disclose Material Information:** Finally, disclose the identified material sustainability information in the organization's financial statements and sustainability reports, ensuring compliance with ISSB standards.

To identify the sustainability-related risks and opportunities that could reasonably be expected to affect the Group's cost of funds and cash flows over the short, medium and long term, and also identify material information to be disclosures about those sustainability-related risks and opportunities, the Group takes the following steps:

1. The Group first identify sustainability-related risk and opportunities by reviewing its own internal operations and activities, and external constituents including resources and relationships along its value chain and other sources of information such as regulations, sustainability related risks and opportunities identified by peers, ISSB educational materials and sustainability consultants.
2. Once the sustainability-related risks and opportunities have been identified, the Group will identify them with the material information that should be disclosed about each matter considering qualitative and quantitative characteristics.
3. Finally, the Group plots the results of the assessments into matrix and apply a combination of logics and judgment to identify those risks and opportunities that could reasonably be expected to affect the Group's prospects, and the related material information to be disclosed.

The following have been identified as material issues

- Climate change
- Employee health, safety and security
- Diversity and inclusion
- Business ethics and transparency
- Ecological impact
- Critical incident risk management
- Human rights and community relations
- Regulatory compliance
- Water and wastewater management
- Human capital management
- Supply chain management

3. Sustainability-related and climate-related risks and opportunities

Topics	Risks	Opportunities
Climate Change Adaptation	• High Financial Costs • Operational Disruptions • Supply Chain Vulnerabilities • Technological Challenges	• Proactive Risk Management • Innovation in Sustainable Practices • Strengthened Community Relations • Regulatory Compliance and Incentives
Climate Change Mitigation	• Regulatory Compliance Costs • Market Transition Risks • Reputational Risks • Legal Liabilities	• Investment in Low-Carbon Technologies • Diversification into Renewable Energy • Enhanced Operational Efficiency • Leadership in Sustainability
Energy	• Price Volatility • Regulatory Changes • Supply Chain Disruptions • Environmental Impact and Compliance Risks	• Investment in Renewable Energy Sources • Technological Innovations • Development of New Markets • Strategic Partnerships and Collaborations
Pollution of Air	• Regulatory Fines and Penalties • Health Impacts on Workers and Communities • Reputational Damage • Legal Liabilities	• Investment in Clean Technologies • Development of Air Quality Monitoring Systems • Adoption of Sustainable Practices • Opportunities for Innovation in Emission Reduction
Pollution of Soil	• Regulatory Fines and Penalties • Decreased Land Value • Health Risks to Communities • Legal Liabilities	• Investment in Soil Remediation Technologies • Development of Sustainable Agricultural Practices • Opportunities for Bioremediation Solutions • Collaboration with Environmental Organizations
Water Management	• Regulatory Compliance Costs • Water Scarcity and Availability • Pollution of Water Sources • Legal Liabilities	• Investment in Water Recycling Technologies • Development of Sustainable Water Management Practices • Opportunities for Innovation in Wastewater Treatment • Collaboration with Local Communities and Stakeholders
Employee Health and Safety	• Workplace Accidents and Injuries • Compliance with Health and Safety Regulations • Mental Health Issues • Legal Liabilities • Inadequate Emergency Response Plans • Lack of Communication During Incidents • Regulatory Non-Compliance • Legal Liabilities	• Investment in Safety Training Programs • Development of Health and Wellness Initiatives • Implementation of Advanced Safety Technologies • Opportunities for Continuous Improvement in Safety Practices • Investment in Crisis Management Training • Development of Advanced Incident Reporting Systems • Enhanced Collaboration with Emergency Services • Implementation of Proactive Risk Assessment Strategies
Working Conditions	• Poor Ergonomics and Workplace Design • Inadequate Lighting and Ventilation • Exposure to Hazardous Materials • High Stress Levels	• Investment in Ergonomic Solutions • Development of Health and Safety Programs • Opportunities for Workplace Wellness Initiatives • Implementation of Flexible Work Arrangements
Workplace Culture and Policy	• Lack of Diversity and Inclusion • Poor Employee Engagement • Ineffective Communication • Legal Liabilities from Non-Compliance	• Investment in Diversity and Inclusion Programs • Development of Positive Workplace Culture Initiatives • Opportunities for Employee Feedback Mechanisms • Enhanced Training on Company Policies and Values
Communities' Economic and Social Development	• Economic Displacement of Local Communities • Social Inequality and Unrest • Environmental Degradation • Negative Impact on Community Health	• Investment in Local Economic Development Projects • Development of Community Engagement Programs • Opportunities for Sustainable Development Initiatives • Enhanced Corporate Social Responsibility Programs
Rights of Indigenous People	• Violation of Land Rights • Cultural Erosion • Lack of Consultation and Engagement • Legal Liabilities from Non-Compliance	• Investment in Respectful Land Use Agreements • Development of Cultural Preservation Initiatives • Opportunities for Meaningful Stakeholder Engagement • Enhanced Partnerships with Indigenous Communities
Management of Relationships with Suppliers	• Disruption of Supply Chain • Payment Delays and Disputes • Quality Control Issues • Reputational Damage from Poor Practices	• Investment in Strong Supplier Relationships • Development of Fair Payment Practices • Opportunities for Collaborative Quality Improvement • Implementation of Supplier Performance Metrics
Business Ethics and Transparency	• Corruption and Fraud • Lack of Transparency in Operations • Reputational Damage • Legal Liabilities from Non-Compliance	• Investment in Ethics Training Programs • Development of Clear Communication Channels • Opportunities for Stakeholder Engagement • Enhanced Reporting and Accountability Mechanisms
Bribery and Corruption	• Legal Liabilities and Penalties • Reputational Damage • Loss of Business Opportunities • Erosion of Trust with Stakeholders	• Investment in Anti-Corruption Training • Development of Strong Compliance Programs • Opportunities for Ethical Business Practices • Implementation of Whistleblower Mechanisms
Regulatory Compliance	• Legal Penalties and Fines • Operational Disruptions due to Non-Compliance • Reputational Damage • Increased Scrutiny from Regulators	• Investment in Compliance Training Programs • Development of Robust Compliance Management Systems • Opportunities for Process Improvement • Enhanced Stakeholder Trust through Transparency

Effects of sustainability-related and climate-related risks and opportunities

Topics	Time	Current Effects	Anticipated Effects	Areas of Concentration
Climate Change Mitigation	MT, LT	• Increased compliance costs due to regulations • Pressure from stakeholders for sustainable practices	• Potential shifts in investment towards renewable energy sources • Enhanced reputation and market positioning as a sustainable operator	• Operations in Nigeria, particularly in regions vulnerable to climate impacts • Facilities involved in oil and gas production
Climate Change Adaptation	MT, LT	• Operational disruptions due to extreme weather events • Higher costs associated with adapting to climate impacts	• Increased investment in resilient infrastructure and technologies • Strengthened community relations through proactive adaptation efforts	• Production sites and infrastructure in climate-sensitive areas • Local communities affected by climate change
Energy	MT, LT	• Price volatility affecting operational planning • Regulatory changes impacting business operations	• Increased investment in renewable energy projects • Opportunities for technological innovations in energy efficiency	• Oil and gas production areas in Nigeria • Facilities involved in energy production
Pollution of Air	MT, LT	• Regulatory fines and penalties impacting profitability • Negative health impacts affecting workforce productivity	• Increased operational costs for compliance with air quality standards • Opportunities for investment in clean technologies to improve air quality	• Processing plants and production facilities • Urban areas near production sites
Pollution of Soil	MT, LT	• Legal liabilities and remediation costs • Damage to reputation due to environmental incidents	• Enhanced focus on sustainable agricultural practices in surrounding communities • Potential partnerships with local communities for soil restoration initiatives	• Land surrounding production facilities • Agricultural areas impacted by operations
Waste Management	ST, MT	• Regulatory scrutiny affecting operational permits • Increased costs associated with water scarcity	• Investment in water recycling and management technologies to ensure sustainability • Opportunities for innovation in wastewater treatment and management	• Water sources and treatment facilities • Areas reliant on local water resources
Employee Health and Safety	ST	• Increased workplace accidents affecting productivity • Compliance costs related to health and safety regulations	• Enhanced safety protocols leading to improved employee morale and retention • Investment in health and wellness programs improving overall workforce productivity	• All operational facilities and sites • Work environments across various locations
Process safety	ST	• Inadequate emergency response plans affecting safety • Lack of communication during incidents leading to confusion	• Investment in crisis management training improving response times • Development of advanced incident reporting systems enhancing safety	• All operational sites and facilities • Areas with high operational risks
Working Conditions	ST	• High turnover rates due to poor working conditions • Legal risks associated with non-compliance	• Improved working conditions leading to higher employee satisfaction and retention • Opportunities for creating a positive workplace culture enhancing brand reputation	• All facilities and operational sites • Locations with significant labor forces
Workplace Culture and Policy	MT	• Poor employee engagement affecting productivity • Ineffective communication leading to misunderstandings	• Investment in diversity and inclusion programs enhancing workplace culture • Opportunities for employee feedback mechanisms improving morale	• All operational areas and corporate governance • All facilities and operational sites

Topics	Time	Current Effects	Anticipated Effects	Areas of Concentration
Communities' Economic and Social Development	MT	• Economic displacement of local communities • Social inequality and unrest affecting operations	• Investment in local economic development projects benefiting communities • Development of community engagement programs enhancing relationships	• Areas surrounding operational facilities • Regions with significant community interactions
Rights of Indigenous People	ST, MT	• Social unrest affecting operations in local communities • Legal challenges impacting project timelines	• Strengthened relationships with indigenous communities through respectful engagement • Opportunities for collaboration on community development initiatives	• Areas with indigenous populations near operations • Regions where indigenous rights are a concern
Management of Relationships with Suppliers	ST, MT	• Disruptions in supply chain affecting production • Payment disputes impacting supplier trust	• Strengthened supplier relationships leading to improved quality and reliability • Opportunities for fair payment practices enhancing supplier loyalty	• Supply chain networks across Nigeria • Facilities reliant on local suppliers
Business Ethics and Transparency	ST, MT, LT	• Reputational damage from unethical practices • Legal liabilities impacting financial performance	• Increased stakeholder trust through transparent operations • Opportunities for ethical business practices enhancing market competitiveness	• Corporate governance and operational practices • All operational areas and stakeholder interactions
Bribery and Corruption	ST	• Reputational damage • Legal liabilities and penalties impacting operations	• Investment in anti-corruption training enhancing compliance • Development of strong compliance programs improving trust	• Corporate governance and operational practices • All operational areas and stakeholder interactions
Regulatory compliance	ST, MT	• Legal penalties and fines impacting profitability • Reputational damage due to non-compliance • Operational disruptions due to non-compliance	• Investment in compliance training programs enhancing operations • Development of robust compliance management systems improving governance • Opportunities for process improvement enhancing efficiency	• All operational facilities and locations in Nigeria • Areas with significant regulatory oversight • All operational areas and stakeholder interactions

The financial effects of the sustainability-related and climate-related risks and opportunities are shown below:

Financial statement line	Impact of sustainability -related risk and opportunities
Oil and gas properties	**Air quality and biodiversity** Our operations have an impact on both the air and the ground. Our drilling activities involve penetrating the subsurface to access oil and gas reservoirs. To minimize our ecological footprint, we adhere to strict health and safety guidelines. We are on track to eliminate routine flaring in our Western and Eastern Assets by the second half of 2025. In 2024, we invested \$27.5 million (₦40.7 billion) in key projects driving this initiative (included in "payments for acquisition of oil and gas properties" additions to oil and gas properties" in Note 18). Investments in these projects will continue in 2025, leading to increased cash outflows from investing activities while also adding oil and gas properties in the statement of financial position. Additionally, we are addressing non-routine flaring through the incinerator project at our Amukpe facility. We invested \$0.3 million (₦443.9 million) in this project in 2024 (included in "payments for acquisition of oil and gas properties" in the cash flow statement and "additions to oil and gas properties" in Note 18), with completion expected in 2025.
Other Property Plant and Equipment	**Human Capital Management** The Group offers an Employee Assistance Program (EAP) and invests in ergonomic solutions. During the year, the company invested in ergonomic furniture and fittings across its various office locations to enhance employee wellness. The cost of these furniture and fittings is included in "Payments for Acquisition of Other Property, Plant, and Equipment" in the cash flow statement and "Additions to Property, Plant, and Equipment" in Note 18. **Critical Risk Incident Management** The Group provides training for employees on incident management and reporting. During the year, \$0.7 million (₦1 billion) was invested in acquiring water tankers, fire trucks, and rapid intervention vehicles for the Western Asset operations. This investment is included in "Payments for Acquisition of Other Property, Plant, and Equipment" in the cash flow statement and "Additions to Property, Plant, and Equipment" in Note 18.
Revenue	**Water Management** We reinject produced water into the reservoir as an environmentally friendly alternative to disposal. This approach minimizes surface disposal risks while enhancing oil recovery and maintaining reservoir pressure. It also improves overall recovery rates, leading to higher revenue (Note 8) **Employee health, safety and security** The Group has implemented various initiatives and programs to manage employee health, safety, and security. These include the Employee Assistance Program (EAP), monthly health and safety meetings, annual medical check-ups, and wellness initiatives. These efforts have fostered a health and safety-conscious workforce, contributing to sustained strong production, which underpins our revenue performance (Note 8).
Cost of Sales	**Waste Management** The reinjection of produced water into the reservoir results in lower crude handling charges (Note 9) by reducing the water content in crude injected into third-party crude evacuation pipelines. During the financial year, we developed our water management strategy and installed water meters across our Western Asset operations (included in operation and maintenance costs in Note 9). This initiative supports the implementation of our water management strategy and helps monitor our water consumption intensity. **Communities' Economic and Social Development** The company actively contributes to the social and economic development of its host communities through strategic social investments in areas such as healthcare, electrification, education, road construction, and entrepreneurship, among others. During the year, \$6.7 million (₦10 billion) was invested in community development (included in operations and maintenance costs in Note 9). Please see details of our programmes in our 2024 Social Performance Report. Key highlights of our impact programmes included on page 33. Additionally, we empower our host communities by reserving key service opportunities exclusively for vendors within our operating areas. **Air quality and biodiversity** The elimination routine will help reduce gas flaring penalties while also supporting future revenue and cash flow growth. During the period, the company incurred \$27.7 million (₦40.9 billion) on gas flare penalty (included in operational and maintenance expenses in Note 9. Following the elimination of routine gas flaring by the end of 2025, the cost of gas flare penalty is expected to reduce significantly for future periods.

Financial statement line	Impact of climate-related risk and opportunities
Oil and gas properties	**Climate Change Adaptation** As part of our energy transition strategy, the Board, through its Energy Transition Committee, provides oversight in evaluating new midstream gas expansion, power, and renewable energy investment opportunities. This transition initiative is expected to drive substantial future cash outflows for investment activities in the gas midstream and renewable energy sectors. This investment will help reduce gas flaring in our operations, reducing our carbon footprint. **Energy market** The downward pressure on future oil prices could reduce the valuation of our reserves and result in impairment if the netbook value of the oil and gas properties is significantly lower than the recoverable value of the asset. In conducting the impairment assessment for the cash generating unit, management evaluated the recoverable value of each cash generating unit (CGU) using different price scenarios including the IEA scenarios- NZE, APS and STEPS. The recoverable values of CGUs used in testing for impairment in the current period were derived from on market oil price expectation which indicated no impairment. Minor impairments recognized in the business on other areas are captured in Note 13.
Revenue	**Climate Change Adaptation** The rise in temperature accelerates the corrosion of our production and evacuation facilities, leading to a higher frequency of asset integrity interventions. This, in turn, increases short-term production deferment and raises the cost of maintaining facility integrity. During the current year, we experienced production deferments due to repairs on leakages in third-party evacuation infrastructure, which were partly caused by corrosion and vandalism. However, the availability of alternative evacuation routes, particularly from our Western Asset operations, helped mitigate the revenue (Note 8) impact of production deferments related to facility corrosion. The impact of this is lower than in the prior year. **Energy Market** Global energy transition drive to sustainable and environmental energy sources have contributed to the declining growth in global crude demand thereby putting downward pressure on oil prices in the global oil market. While the energy transition put a downward pressure on crude oil prices, the dynamic around the implementation of energy transition policies by governments has contributed to oil price volatility. Realized oil price in the current year was 4% lower than realized oil price in prior period with a resultant impact on the cashflow generated from operations (Note 17).
Cost of Sales	**Climate Change Mitigation** During the current reporting period, the cost of sales was impacted by regulatory expenses on gas flaring, in line with the Nigerian government's initiative to curb gas flaring. The increase in government tariffs on gas flaring led to a significant increase in gas flare penalty (included in operations and maintenance in Note 9) from $16.1 million (₦7.6 billion) in 2023 to $27.7 million (₦40.9 billion) in 2024, resulting in a reduction in earnings before tax and cash flow from operations. In the short term, Management's priority remains executing routine flare reduction projects, which are scheduled to come online in the second half of 2025. Once completed, these projects will significantly reduce gas flaring penalties while also contributing to future revenue growth. Furthermore, during the current reporting period, we installed and commissioned a new flare metering system at the Oben and Sapele flow stations to ensure accurate tracking and measurement of flares. The combination of improved measurements and flare reduction from our Western and Eastern assets will result in lower cost of flaring.
Finance Cost	**Climate Change Adaptation** The impact of climate change on our current financing costs remains limited compared to the previous period. However, as our short- to medium-term strategy focuses on raising capital through traditional financing methods such as bank loans and bonds, our financing costs (Note 15) will be relatively higher compared to utilizing green financing alternatives.

4. Climate resilience

Climate-related scenario analysis

Scenario analysis and portfolio robustness

We have conducted a quantitative climate modelling assessment across our value chain to assess our portfolio's resilience to the impact of climate change. The NPV of Seplat Energy's portfolio under the selected scenarios is compared to the NPV15, 01.01.2025+ of the portfolio valued at Seplat Energy's latest economic assumptions for the 2024 long term Business Plan (BP). The outcome of this analyses supports our expectations that, in most of the scenarios, all cash-generating assets would successfully navigate these risks.

The International Energy Agency (IEA)'s Global Energy and Climate (GEC) model was adopted in conducting the scenario analysis. The GEC model uses macro drivers, techno-economic inputs and policies as input data to design and arrive at these scenarios. The three GEC model scenarios are:

1. The Net Zero Emissions by 2050 Scenario (NZE Scenario)
2. The Announced Pledges Scenario (APS)
3. The Stated Policies Scenarios (STEPS)

Outcomes

Using the IEA scenarios, all assets have been evaluated to generate their net present value [NPV_{15}]. Comparing these values to Seplat's long term business plan (BP) values, Seplat's portfolio is shown to remain resilient under two of IEA scenarios, the APS and STEPS scenarios. The STEPS sees a slow downward pressure on oil prices all the way through 2050 at $75/bbl while the APS experiences a stronger decline in demand and oil price falling to $58/bbl in 2050. In these scenarios, all Seplat's assets are greater value than the BP, which indicates the impact of the higher prices compared to the BP. In the NZE scenario however, Seplat portfolio's demonstrates lower resilience when compared to our BP. This is attributed to the more pessimistic NZE price forecast, where oil price falls sharply to $30/bbl in 2030 and $25/bbl in 2050, marked by a decline in demand for the commodity.

To mitigate some of the transition risks posed by climate climate, the Company continues to prioritise investments in gas development as gas is recognized as the transition fuel in Nigeria. This is demonstrated by our supply of substantial gas volumes to the domestic power market (25-30% of gas to power supply in Nigeria). The Company is committed to continuous growth of its gas business by developing the significant gas resources within its assets.

Physical risks

Climate change poses significant challenges to the global energy sector, with physical risks increasingly impacting operations, infrastructure, and financial performance. We conducted physical risk analysis to determine the potential harm or disruption to assets, operations, and supply chains caused by acute events (e.g., floods, storms, and heatwaves) or chronic changes (e.g., rising sea levels, temperature shifts, and prolonged droughts) resulting from climate change. The assessment focused on identifying, evaluating, and mitigating the potential impacts of climate-related physical risks on the Group's assets and operations. The assessment considered the Hazard -which is the probability of occurrence of a hazardous event at a given intensity, Exposure which considers the number of people or assets present in a given location potentially affected by the selected hazard and vulnerability, and expected percentage of loss of the exposure, should an event of a specific intensity occur.

The results of the assessment show a moderate impact of physical climate risk and financial implication of our assets which have been incorporated in our governance and polices, business model, strategy, and metrics across the Group.

Managing our carbon footprint

As an energy company, we recognise the impact of our carbon footprint and remain committed to reducing emissions across our operations. Our Scope 1 emissions are primarily carbon dioxide (CO_2) and methane (CH_4) from both combusted and uncombusted sources, including flaring, process and production facilities, drilling rigs, offices and fugitive emissions.

Our approach to emissions reduction is embedded in our decarbonisation strategy, which outlines our short-term, medium-term, and long-term commitments to lowering emissions. Specific targets, performance and achievements are detailed in our Annual Report.

Reserves valuation and capital expenditures

Testing the sensitivity of hydrocarbon reserve levels to future price projections scenarios that account for price on carbon emission did not highlight significant sustainability related risk.

5. ESG performance in our focus areas

Below are the short term, medium term and long term targets and performance achieved as of 31 December 2024

Description of performance measure Our Commitments/Targets are set for only our operated assets (excluding SEPNU)		Performance Base year	**2024**	2023	Commentary
Gross Scope 1 emissions- reduction (ktCO2e)	End of routine flares by 2026- 70% Scope 1 emissions reduction from our 2020 baseline	1422	**1028**	915	27.8% reduction achieved in 2024 compared to base year (2020) but a 12.4% increase compared to 2023 because of increased production from our Eastern assets and significant non-routine flares during the turnaround maintenance of the Oben Gas Plant which account for c.30% of Oben flares in 2024
Methane emissions- reduction (tC02e)	40-50% reduction from 2020 baseline in methane emissions by 2026	301	**252**	244	We have achieved 16.3% reduction from our baseline in 2024. But slightly higher than the 2023 level because of reasons described above
Scope 3 emissions- reporting (number of categories reported)	Report eight Scope 3 emissions categories by 2026 report	2	**6**	2	We are reporting 4 additional categories for Scope 3 in our 2024 annual report including Purchased Goods and Services, Waste Generated in Operations, Business Travel, Employee Commuting, Use of Sold Products, Investments.
Afforestation (number of trees planted)	Tree4life Project- Plant 1 million trees by 2030	0	**30820**	0	Pilot phase completed. Located within Ehor Forest Reserve, Edo State in alignment with Edo State Reforestation initiative
Biodiversity	Establish baseline of biodiversity priority in 2024	In 2024, the company completed Biodiversity field data gathering and survey that covered our WA and EA operational areas, through which we documented the existing and historic species/ ecosystem services.			
Biodiversity	Achieve assessment in 100% of operated sites and implement BAP in 2025	Following the completion of the field surveys, we will complete and issue biodiversity action plan (BAP) report and thereafter identify areas of high biodiversity values and priorities within Seplat operational areas and develop additional specific conservation actions if applicable in 2025.			
Water & Wastewater management	Develop water management strategy in 2024	Seplat developed a water management strategy for its operations and furthermore completed the installation of water meters across its operational facilities to monitor direct water consumption and usage.			
Water & Wastewater management (number of meters installed)	Complete water metering at operated sites by 2026- installation of 14 meters	0	**15**	2	This was completed ahead of schedule with 15 meters installed across our Western and Eastern assets.
Diversity & Inclusion (% women)	30% women in overall workforce by 2030 from our 2023 baseline	24 %	**25 %**	24 %	We have launched targeted initiatives—including flexible work arrangements and tailored recruitment and retention programs—to achieve our goal
Diversity & Inclusion (% women)	40% women in the senior leadership team by 2030 from our 2023 baseline	28 %	**29 %**	28 %	We have implemented targeted initiatives, including enhanced leadership development programs and dedicated mentorship opportunities.
Employee health & safety	Achieve ISO 45001 Certification (OHS) for OMLs 4, 38, 41 & 53 (2026)	• Stage one audit complete • Mock audit in March • Stage 2 audit and certification expected in Q1 2025			
Employee health & safety	Achieve ISO 55001 Certification (AMS) for OML 53 by 2026	In 2024, we completed the BSI lead Stage 1 and Stage 2 certification audits, successfully earning the ISO 55001 AMS Certification, with no major nonconformities recorded.			
Employee health & safety (TRIR)	TRIR threshold of less than 0.348 incidents by 2030 from our 2023 baseline	0.461	**0.455**	0.461	Five medical treatment cases recorded in 2024 over 10.9 million hours.
Critical incident risk management	Achieve ISO 45001 Certification (OHS) for OMLs 4, 38, 41 & 53	• Stage one audit complete • Mock audit in March • Stage 2 audit and certification expected in Q1 2025			
Human capital management (%)	Improve employee engagement score to 79% by 2030 (2023 baseline)	77 %	**80 %**	77 %	Surpassed our target of 79% in 2024; reflects the effectiveness of our ongoing initiatives and commitment of our teams
Corporate social investment	Deliver CSI initiatives in health, education and access to energy	• 352 teachers impacted in the 2024 edition of STEP • 6,373 students impacted during the 2024 Pearls Quiz • 4 STEAM Labs equipped in 4 secondary schools • 9,780 impacted in the 2024 Eye Can See Programme • Energy solutions delivered in 6 schools and 3 hospitals completed			

6. Judgements and measurement uncertainties

In the process of preparing this sustainability related risk and opportunity disclosures, management has exercised judgement in several areas, including the process of identifying sustainability-related risks and opportunities and identifying material information to report. Additionally, management made use of estimates for certain amounts which could not be measured directly. Management also made use of estimates where sustainability related information across the Group's value chain could not be obtained directly. These cover areas relating to forward-looking information or where there is data limitations. Critical judgements made by management in preparing this sustainability report as well as the amounts that are subject to a high degree of measurement uncertainty and the source of estimation uncertainty are discussed below.

6.1 Materiality process

Management applied significant judgement to identify the sustainability-related risks and opportunities that are relevant to the Group, as well as the material information related to those risks and opportunities. The process that the Group followed in making the assessment of what information could reasonably impact the Group's financial prospects and influence decisions of primary users is detailed above. The Group also applied judgement in considering which metrics are included within the disclosure topics. The Group made use of some industry-based standards such SASB standards in the reporting of some topics.

6.2 Setting the boundary for GHG emissions

The Group applies the equity share approach to determine its organizational boundary for reporting GHG emissions. The equity share approach requires the Group to identify the extent to which its equity interests reflect the economic interest of the Group, consistent with the Groups exposures to and rights to the variable returns of the investee. Judgement is applied in the choice of the equity method rather that the use of operational approach. The Group also reports emissions from its operated assets to support effective target setting and emissions reduction planning.

6.3 GHG emissions measurement, and calculation methods

In line with IFRS S2, the Group measures its greenhouse gas emissions in accordance with the Greenhouse Gas (GHG) Protocol. The Group applies a combination of different calculation methods including the use of consultants to determine its scope 3 GHG emissions. In applying these, management applies judgement in determining the calculation methods that are most appropriate for each category depending on availability and quality of data. The Group prioritizes the use of supplier- specific data where available with sufficient quality.

6.3.1 Others

In preparing this ISSB disclosure report of the Group management made several significant judgements in its financial reporting. Some of these judgements are also relevant to this sustainability report.

6.4 Measurement uncertainty

The following metrics have been determined to have a high degree of inherent measurement uncertainties.

6.5 GHG-related metrics

The Group measures its GHG emissions in accordance with the GHG Protocol unless otherwise stated as required by IFRS S2. The related disclosed metrics are subject to inherent high uncertainties arising from reliance on activity data and emission factors obtained from third parties. Where activity data and emission factors cannot be obtained on a timely basis, or are incomplete, estimation is used.

6.5.1 Others

In many cases, entities use significant estimates to disclose anticipated financial effects, which cannot be measured directly and can only be estimated. Factors such as uncertainties related to long-term risks, the financial impact or its timing might increase this uncertainty. For the purposes of this disclosures, the Group has assessed that none of the metrics disclosed for anticipated financial effects contain significant estimates in their measurement.

6.6 Changes in estimates

A change in estimate takes place when the Group needs to revise the estimate in the preceding year because additional information becomes known, and the new information provides evidence of circumstances that existed in that period. The standard requires revision in estimates and comparatives information if this is the case. The standard also requires explanation for such revision. The carbon intensity for operated assets was revised from 27.9 kg/boe reported in 2023 to 29.4 kg/boe. The revised figures reflect a more comprehensive inclusion of emissions sources previously underreported, ensuring the numbers more accurately represent the true emissions intensity.

6.7 Material errors

Prior period errors are omissions from and misstatements in the entity's sustainability-related financial disclosures for one or more prior periods. Such errors arise from a failure to use, or the misuse of, reliable information that was available when the sustainability-related financial disclosures for that period(s) were authorized for issue; that could reasonably be expected to have been obtained and considered in the preparation of those disclosures. If the Group identifies a material error in its prior period(s) sustainability-related financial disclosures, it discloses ; a] the nature of the prior period error; b] the correction, to the extent practicable, for each prior period disclosed; and c] if correction of the error is impracticable, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected.

E. Adaralegbe
FRC/2017/ICAN/00000017591
Chief Financial Officer
04 March 2025

Statement of Director's Responsibilities

For the year ended 31 December 2024

The Companies and Allied Matters Act, 2020, requires the Directors to prepare financial statements for each financial year that gives a true and fair view of the state of financial affairs of the Group at the end of the year and of its profit or loss. The responsibilities include ensuring that the Group:

1) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and comply with the requirements of the Companies and Allied Matters Act, 2020;
2) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
3) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates and are consistently applied.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS), the requirements of the Companies and Allied Matters Act, 2020 and Financial Reporting Council of Nigeria Act, No. 6, 2011.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Group and of its financial performance and cashflows for the year. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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 this statement.

Signed on behalf of the Directors by:

U.U. Udoma
Chairman

FRC/2013/NBA/00000001796

04 March 2025

R.T. Brown
Chief Executive Officer

FRC/2014/PRO/DIR/003/00000017939

04 March 2025

Statutory Audit Committee report

For the year ended 31 December 2024

To the members of Seplat Energy Plc:

In accordance with the provisions of Section 404 (7) of the Companies and Allied Matters Act, CAMA 2020, we the members of the Audit Committee of Seplat Energy Plc hereby report on the financial statements of the Group for the year ended 31 December 2024 as follows:

- That the scope and plan of the audit for the year ended 31 December 2024 were adequate;
- We have reviewed the financial statements and are satisfied with the explanations and comments obtained;
- We have reviewed the external auditors' management letter for the year and are satisfied with the management's responses and that management has taken appropriate steps to address the issues raised by the Auditors;
- We are of the opinion that the accounting and reporting policies of the Company are in accordance with legal requirements and ethical practices.

The external Auditors confirmed having received full co-operation from the Company's management in the course of the statutory audit and that the scope of their work was not restricted in any way.

Mr. Abayomi Adeyemi, FCA, CFA
Chairman, Statutory Audit Committee

FRC/2014/CISN/00000005607

04 March 2025

Statutory Audit Committee Members

Mr. Abayomi Adeyemi	Chairman / Shareholder Member
Mrs. Hauwa Umar	Shareholder Member
Mr. Nornah Awoh	Shareholder Member
Mrs. Bashirat Odunewu	Independent Non-Executive Director
Mr. Kazeem Raimi	Non-Executive Director

Statement of Corporate Responsibility for financial reports

For the year ended 31 December 2024

In line with the provision of S.405 of CAMA 2020, we have reviewed the audited financial statements of the Group for the year ended 31 December 2024 and based on our knowledge confirm as follows:

- The audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading
- The audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for, the period ended 31 December 2024
- The Company's internal controls has been designed to ensure that all material information included relating to the Company and its subsidiaries is received and provided to the Auditors in the course of the Audit
- The Company's internal controls were evaluated within ninety days of the financial reporting date and are effective as of 31 December 2024
- That we have disclosed to the Company's Auditor's and the Audit Committee the following information:

1. There are no significant deficiencies in the design or operation of the Company's internal control which could adversely affect the Company's ability to record, process, summarise and report financial data, and have discussed with the auditors any weaknesses in internal controls observed in the cause of the Audit
2. There is no fraud involving management or other employ needs which could have any significant role in the Company's internal control

- There are no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of this audit, including any corrective actions with regard to any observed deficiencies and material weaknesses

R.T. Brown
FRC/2014/PRO/DIR/003/00000017939
Chief Executive Officer

04 March 2025

E. Adaralegbe
FRC/ /2017/ICAN/00000017591
Chief Financial Officer

04 March 2025

Management's Annual Assessment of, and Report on, Seplat Energy Plc's Internal Control over Financial Reporting

Annual Report and Financial Statements for the year ended 31 December 2024

To comply with the provisions of Section 1.3 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, we hereby make the following statements regarding the Internal Controls of Seplat Energy Plc for the year ended 31 December 2024:

1. Seplat Energy Plc's management is responsible for establishing and maintaining a system of internal control over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.
2. Seplat Energy Plc's management used the Committee of Sponsoring Organization of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the entity's ICFR;
3. Seplat Energy Plc's management has assessed that the entity's ICFR as of the end of 31 December 2024 is effective.
4. Seplat Energy Plc's external auditor Messrs PricewaterhouseCoopers that audited the financial statements, included in the annual report, has issued an attestation report on management's assessment of the entity's internal control over financial reporting.

The attestation report of Messrs PricewaterhouseCoopers that audited its financial statements will be filed as part of Seplat Energy Plc's annual report.

Udoma Udo Udoma, CON
Chairman
FRC/2013/NBA/00000001796

Roger Brown
Chief Executive Officer
FRC/2014/PRO/DIR/003/00000017939

Certification of management's assessment on internal control over financial reporting

Annual Report and Financial Statements for the year ended 31 December 2024

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, I hereby make the following statements regarding the Internal Controls of Seplat Energy Plc for the year ended 31 December 2024.

I, Roger Brown, certify that:

1. I have reviewed this management assessment on internal control over financial reporting of Seplat Energy Plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;
4. The entity's other certifying officer and I:
    a. are responsible for establishing and maintaining internal controls;
    b. have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    c. have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    d. have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
5. The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.
6. The entity's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

Roger Brown
Chief Executive Officer
FRC/2014/PRO/DIR/003/00000017939

4 March 2025

Certification of Management assessment on internal control over financial reporting

Annual Report and Financial Statements for the year ended 31 December 2024

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, I hereby make the following statements regarding the Internal Controls of Seplat Energy Plc for the year ended 31 December 2024.

I, Eleanor Adaralegbe, certify that:

1. I have reviewed this Management assessment on internal control over financial reporting of Seplat Energy Plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;
4. The entity's other certifying officer and I:
    a. are responsible for establishing and maintaining internal controls;
    b. have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    c. have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    d. have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
5. The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.
6. The entity's other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

Eleanor Adaralegbe
Chief Financial Officer

FRC/2017/ICAN/00000017591

4 March 2025

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Independent auditor's report

To the Members of Seplat Energy Plc

Report on the audit of the consolidated financial statements and separate financial statements

Our opinion

In our opinion, the consolidated financial statements and separate financial statements give a true and fair view of the consolidated and separate financial position of Seplat Energy Plc ("the company") and its subsidiaries (together "the group") as at 31 December 2024, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with international financial reporting standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

What we have audited

Seplat Energy Plc's consolidated financial statements and separate financial statements comprise:

- the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024;
- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the notes to the consolidated financial statements, which include a summary of material accounting policies;
- the separate statement of profit or loss and other comprehensive income for the year ended 31 December 2024;
- the separate statement of financial position as at 31 December 2024;
- the separate statement of changes in equity for the year then ended;
- the separate statement of cash flows for the year then ended;
- the notes to the separate financial statements, which include a summary of material accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements and separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements and separate financial statements of the current period. These matters were

PricewaterhouseCoopers Chartered Accountants, Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria addressed in the context of our audit of the consolidated financial statements and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
The impact of crude oil and gas reserves on oil and gas properties (Depletion, Depreciation, and Amortisation – DD&A), provision for decommissioning obligation, and recognition of deferred tax assets This is considered a key audit matter due to the significant judgement made by management through the use of experts, when determining the proved and probable oil and gas reserves contained in the Competent Person's Report (CPR). The oil and gas reserves are used in determining the extent of depletion of oil and gas properties, determining the timing of decommissioning, and in determining the expected future cash flows to assess the realisability of the group's deferred tax assets. (a) Depletion of all capitalised costs of proved oil and gas properties (included in DD&A) are expensed using the unit-of-production method as the proved reserves estimated in the CPR are produced. The group's upstream oil and gas assets net balance was ₦5,075 billion ($3.305 billion) as of 31 December 2024, and related depletion expense was ₦265 billion ($179 million). (b) The estimation of the provision for decommissioning obligations is a highly judgmental area as it involves a number of key estimates including the timing of decommissioning. The timing of decommissioning activities is dependent on the cessation of production (CoP) dates- which represent the date at which it is no longer economically viable to produce from the reserves. As at 31 December 2024, the present value of the group's future decommissioning obligation was ₦1,195 billion ($778 million). (c) The expected future cash flows of oil and gas properties are a fundamental input in the group's assessment of the probability that taxable profit will be available against which deductible temporary differences or unused tax losses or credits can be utilised. This assessment is required for the recognition of deferred tax assets. The group's deferred tax asset balance was ₦354 billion ($231 million) as of 31 December 2024. The accounting policies, estimates, and disclosure are set out in Notes 3.9, 4.1 ii, 4.2 iv, 16.4, 18.1, and 35. This was considered a key audit matter in the consolidated financial statements only.	Our procedures were as follows: • We evaluated the competence, independence, and objectivity of management's expert. We understood their methods and evaluated the relevance and reasonableness of the assumption used in determining the proved and probable oil and gas reserves. This includes evaluating the reasonableness of the assumptions to current and past performance of the group. • We recalculated the unit-of production rate to determine the depletion expense included in the DD&A of the group's cash generating units (CGUs). • We assessed changes in assumptions for the estimated date of decommissioning and evaluated whether CoP dates used for decommissioning estimation are aligned with CoP assumptions contained in the CPR. • We checked the inputs to the cashflows forecast and agreed this to the CPR which shows estimate of reserves, future production, and income, from the independent consultant. All significant assumptions relating to revenue (future crude and gas prices, crude and gas volumes), royalty, operating expenses and levies have been assessed for reasonableness by comparing with publicly available information and benchmarking against actual performance in the current year. • We estimated the future taxable profits based on the cash flow projections and used it to assess the recoverability of the deferred tax asset recognised. • We evaluated the adequacy of the disclosures in the consolidated financial statements.

Business Combination: Accounting for business combination	
On 12 December 2024, Seplat Energy Plc completed the acquisition of a 100% interest in Mobil Producing Nigeria Unlimited (MPNU) from Mobil Development Nigeria Inc. and Mobil Exploration Nigeria Inc. The adjusted purchase consideration for the acquisition was ₦1,621 billion ($1.058 billion) while the fair value of the net identifiable assets acquired was ₦1.748 billion ($1.144 billion) resulting in a provisional gain on bargain purchase of ₦127.23 billion ($85.99 million). The fair valuation of property, plant and equipment, currently at carrying value will be completed within the one-year measurement period in line with the accounting standard (IFRS 3 Business Combination). The business combination is a key audit matter due to the financial magnitude of the transaction, its substantial impact on the group's total assets and liabilities, and the significant judgment and estimation involved. Management, through the use of experts, applied methodologies, inputs and key assumptions to determine the fair values of the acquired assets and assumed liabilities, as well as to allocate the purchase price appropriately. The accounting policies, estimates, and disclosure are set out in Notes 3.28, 7, and 44. This was considered a key audit matter in the consolidated financial statements only.	Our procedures were as follows: • We reviewed transaction documents to gain an understanding of the transaction, key terms, and conditions. • We assessed the independence, objectivity, and competence of management's experts to determine whether they were appropriately qualified to carry out the valuation. • We assessed the methodologies, key assumptions, and inputs used by management's experts in measuring the fair values of the acquired assets and assumed liabilities. • We evaluated the adequacy of the disclosures in the consolidated financial statements.

Other information

The directors are responsible for the other information. The other information comprises Overview, Operating review, Outlook, Financial review, General information, Report of the Directors, Sustainability-related financial disclosures (abridged), Statement of Director's Responsibilities, Statutory Audit Committee report, Statement of Corporate Responsibility for financial reports, Management's Annual Assessment of, and Report on, Seplat Energy Plc's Internal Control over Financial Reporting, Certification of management's assessment on internal control over financial reporting, Statement of value added, Five-year financial summary and Supplementary financial information (unaudited) but does not include the consolidated financial statements and separate financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the other sections of the Seplat Energy Plc 2024 Annual Report, which are expected to be made available to us after that date.

Our opinion on the consolidated financial statements and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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When we read the other sections of the Seplat Energy Plc 2024, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors and those charged with governance for the consolidated financial statements and separate financial statements

The directors are responsible for the preparation of the consolidated financial statements and separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements and separate financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and separate financial statements, including the disclosures, and whether the consolidated financial statements and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

The Companies and Allied Matters Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) the company has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from locations not visited by us;

iii) the company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

In accordance with the requirements of the Financial Reporting Council, we performed a limited assurance engagement and reported on management's assessment of Seplat Energy Plc's internal control over financial reporting as of 31 December 2024. The work performed was done in accordance with FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting issued by the Financial Reporting Council of Nigeria, and we have issued an unqualified opinion in our report dated 4 March 2025.

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0168673

4 March 2025

Pedro Omontuemhen

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

Engagement Partner: Pedro Omontuemhen
FRC/2013/PRO/ICAN/004/00000000739

Independent practitioner's report

To the Members of Seplat Energy Plc

Report on an assurance engagement performed by an independent practitioner to report on management's assessment of controls over financial reporting

Our opinion

In our opinion, nothing has come to our attention that the internal control procedures over financial reporting put in place by management of Seplat Energy Plc ("the company's") and its subsidiaries (together "the group") are not adequate as of 31 December 2024, based on the SEC Guidance on Implementation of Section 60 – 63 of The Investments and Securities Act 2007 issued by The Securities and Exchange Commission.

What we have performed

We have performed an assurance engagement on Seplat Energy Plc's internal control over financial reporting as of 31 December 2024, based on FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria. The company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying management's assessment of, and report on, Seplat Energy Plc's internal control over financial reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our assurance engagement.

Basis for opinion

We conducted our assurance engagement in accordance with the Guidance, which requires that we plan and perform the assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement. As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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Other matter

We also have audited, in accordance with the International Standards on Auditing, the consolidated financial statements and separate financial statements of Seplat Energy Plc and our report dated 4 March 2025.

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria
FRC/2023/COY/176894

4 March 2025

Engagement Partner: Pedro Omontuemhen
FRC/2013/PRO/ICAN/004/00000000739

Group Accounts

For the year ended 31 December 2024

4 March 2025

(Expressed in Nigerian Naira and US Dollars)

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2024

	Notes	31 Dec 2024 ₦ million	31 Dec 2023 ₦ million	31 Dec 2024 $'000	31 Dec 2023 $'000
Revenue from contracts with customers	8	**1,651,571**	696,867	**1,116,168**	1,061,271
Cost of sales	9	**(941,472)**	(347,534)	**(636,270)**	(529,275)
Gross profit		**710,099**	349,333	**479,898**	531,996
Other income/(loss) -net	10	**54,955**	(80,066)	**37,140**	(121,930)
Gain on bargain purchase	11	**127,230**	–	**85,985**	–
General and administrative expenses	12	**(217,841)**	(94,282)	**(147,223)**	(143,564)
Impairment loss on financial assets	13	**(15,640)**	(8,310)	**(10,570)**	(12,656)
Fair value losses	14	**(10,875)**	(2,946)	**(7,349)**	(4,486)
Operating profit		**647,928**	163,729	**437,881**	249,360
Finance income	15	**19,525**	6,277	**13,196**	9,559
Finance costs		**(136,512)**	(45,438)	**(92,257)**	(69,199)
Finance cost - net	15	**(116,987)**	(39,161)	**(79,062)**	(59,640)
Share of profit from joint venture accounted for using the equity method	23.3.1.2	**30,482**	972	**20,601**	1,481
Profit before taxation		**561,423**	125,540	**379,421**	191,201
Income tax expense	16	**(347,176)**	(44,210)	**(234,629)**	(67,329)
Profit for the year		**214,247**	81,330	**144,792**	123,872
Attributable to:					
Equity holders of the parent		**226,910**	54,577	**153,350**	83,130
Non-controlling interests		**(12,663)**	26,753	**(8,558)**	40,742
		214,247	81,330	**144,792**	123,872
Earnings per share for the year					
Basic earnings per share ₦/$	39	**385.61**	92.75	**0.26**	0.14
Diluted earnings per share ₦/$	39	**385.61**	92.75	**0.26**	0.14

Notes 1 to 46 on pages 56 to 138 are an integral part of these financial statements.

	Notes	31 Dec 2024 ₦ million	31 Dec 2023 ₦ million	31 Dec 2024 $'000	31 Dec 2023 $'000
Profit for the year		**214,247**	81,330	**144,792**	123,872
Other comprehensive income:					
Items that may be reclassified to profit or loss (net of tax):					
Foreign currency translation difference		**1,142,124**	804,113	**(583)**	194
Remeasurement loss on defined benefits obligations		**(5,105)**	(555)	**(3,450)**	(845)
Deferred tax credit on remeasurement gain		**1,685**	183	**1,139**	279
Other comprehensive income/(loss) for the year		**1,138,704**	803,741	**(2,894)**	(372)
Total comprehensive income for the year (net of tax)		**1,352,951**	885,071	**141,897**	123,500
Attributable to:					
Equity holders of the parent		**1,365,614**	858,318	**150,455**	82,758
Non-controlling interests		**(12,663)**	26,753	**(8,558)**	40,742
		1,352,951	885,071	**141,897**	123,500

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

Consolidated statement of financial position

As at 31 December 2024

	Notes	31 Dec 2024 ₦ million	31 Dec 2023 ₦ million	31 Dec 2024 $'000	31 Dec 2023 $'000
Assets					
Non-current assets					
Oil & gas properties	18.1	**5,074,590**	1,465,354	**3,305,233**	1,629,271
Other Property, plant and Equipment	18.2	**346,574**	25,744	**225,734**	28,624
Right-of-use assets	20	**198,918**	1,946	**129,561**	2,164
Intangible assets	21	**383,257**	106,583	**249,627**	118,506
Other Assets	19	**139,431**	91,478	**90,815**	101,711
Investment accounted for using equity method	23.3.1	**374,641**	200,937	**244,015**	223,414
Long-term prepayments	22	**48,018**	37,978	**31,276**	42,227
Deferred tax assets	16.3	**353,954**	261,529	**230,541**	290,784
Total non-current assets		**6,919,383**	2,191,549	**4,506,802**	2,436,701
Current assets					
Inventory	24	**725,565**	47,154	**472,582**	52,428
Trade and other receivables	25	**1,156,593**	368,898	**753,321**	410,165
Prepayments	22	**52,596**	9,477	**34,257**	10,536
Contract assets	26	**23,918**	7,240	**15,579**	8,049
Restricted cash	28.2	**202,983**	24,311	**132,209**	27,031
Cash and cash equivalents	28	**721,385**	404,825	**469,862**	450,109
Total current assets		**2,883,040**	861,905	**1,877,810**	958,318
Asset held for sale	29	**18,838**	—	**12,270**	—
Total assets		**9,821,261**	3,053,454	**6,396,882**	3,395,019
Equity and liabilities					
Equity attributable to shareholders					
Issued Share Capital	30	**297**	297	**1,864**	1,864
Share Premium	30.3	**87,375**	90,138	**518,564**	520,431
Share Based Payment Reserve	30.4	**15,558**	12,255	**36,747**	34,515
Treasury shares	30.5	**(3,570)**	(1,612)	**(5,609)**	(4,286)
Capital Contribution		**5,932**	5,932	**40,000**	40,000
Retained Earnings		**319,013**	230,708	**1,233,128**	1,173,450
Foreign currency translation reserve	32	**2,393,251**	1,251,127	**2,233**	2,816
Non-controlling interest		**11,127**	23,790	**15,679**	24,237
Total shareholder's equity		**2,828,983**	1,612,635	**1,842,606**	1,793,027
Non-current liabilities					
Interest bearing loans and borrowings	33	**1,409,480**	599,434	**918,036**	666,487
Lease liabilities	34	**88,530**	—	**57,663**	—
Provision for decommissioning obligation	35	**1,194,818**	117,489	**778,221**	130,631
Deferred tax liability	16.5	**1,615,677**	88,381	**1,052,339**	98,267
Defined benefit plan	36.2	**76,900**	1,810	**50,087**	2,013
Total non-current liabilities		**4,385,405**	807,114	**2,856,346**	897,398
Current liabilities					
Interest bearing loans and borrowings	33	**690,270**	80,265	**449,593**	89,244
Lease liabilities	34	**24,415**	1,207	**15,902**	1,342
Derivative financial liability	27	**6,073**	1,444	**3,955**	1,606
Trade and other payables	37	**1,684,706**	480,136	**1,097,297**	533,845
Other provisions	38	**5,088**	—	**3,314**	—
Current tax liabilities	16.2	**196,321**	70,653	**127,869**	78,557
Total current liabilities		**2,606,873**	633,705	**1,697,930**	704,594
Total liabilities		**6,992,278**	1,440,819	**4,554,276**	1,601,992
Total shareholders' equity and liabilities		**9,821,261**	3,053,454	**6,396,882**	3,395,019

Notes 1 to 46 on pages 56 to 138 are an integral part of these financial statements.

The financial statements of Seplat Energy Plc and its subsidiaries (The Group) for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Directors on 4 March 2025 and were signed on its behalf by:

U. U. Udoma
FRC/2013/NBA/00000001796
Chairman
4 March 2025

R.T Brown
FRC/2014/PRO/DIR/00000017939
Chief Executive Officer
4 March 2025

E. Adaralegbe
FRC/2017/ICAN/006/00000017591
Chief Financial Officer
4 March 2025

Consolidated statement of changes in equity

As at 31 December 2024

	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 2023	**297**	**91,317**	**5,936**	**(2,025)**	**5,932**	**241,386**	**447,014**	**(2,963)**	**786,894**
Profit for the year	–	–	–	–	–	54,577	–	26,753	81,330
Other comprehensive (loss)/income	–	–	–	–	–	(372)	804,113	–	803,741
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**54,205**	**804,113**	**26,753**	**885,071**
Transactions with owners in their capacity as owners:									
Dividend paid	–	–	–	–	–	(64,883)	–	–	(64,883)
Share based payments	–	–	7,717	–	–	–	–	–	7,717
Vested shares	3	1,395	(1,398)	–	–	–	–	–	–
PAYE tax withheld on vested shares		(1,179)							(1,179)
Issued vested shares	(3)	(1,395)	–	1,398	–	–	–	–	–
Shares re-purchased	–	–	–	(985)	–	–	–	–	(985)
Total	**–**	**(1,179)**	**6,319**	**413**	**–**	**(64,883)**	**–**	**–**	**(59,330)**
At 31 December 2023	**297**	**90,138**	**12,255**	**(1,612)**	**5,932**	**230,708**	**1,251,127**	**23,790**	**1,612,635**
At 1 January 2024	**297**	**90,138**	**12,255**	**(1,612)**	**5,932**	**230,708**	**1,251,127**	**23,790**	**1,612,635**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**226,910**	**–**	**(12,663)**	**214,247**
Other comprehensive (loss)/ income	**–**	**–**	**–**	**–**	**–**	**(3,420)**	**1,142,124**	**–**	**1,138,704**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**223,490**	**1,142,124**	**(12,663)**	**1,352,951**
Transactions with owners in their capacity as owners:									
Dividend paid	**–**	**–**	**–**	**–**	**–**	**(135,185)**	**–**	**–**	**(135,185)**
Share based payments	**–**	**–**	**30,211**	**–**	**–**	**–**	**–**	**–**	**30,211**
Vested shares	**–**	**–**	**(26,908)**	**26,908**	**–**	**–**	**–**	**–**	**–**
PAYE tax witheld on vested shares	**–**	**(2,763)**	**–**	**–**	**–**	**–**	**–**	**–**	**(2,763)**
Share re-purchased	**–**	**–**	**–**	**(28,866)**	**–**	**–**	**–**	**–**	**(28,866)**
Total	**–**	**(2,763)**	**3,303**	**(1,958)**	**–**	**(135,185)**	**–**	**–**	**(136,603)**
At 31 December 2024	**297**	**87,375**	**15,558**	**(3,570)**	**5,932**	**319,013**	**2,393,251**	**11,127**	**2,828,983**

Notes 1 to 46 on pages 56 to 138 are an integral part of these financial statements.

	Issued Share Capital	Share Premium	Share Based Payment Reserve	Treasury shares	Capital Contribution	Retained Earnings	Foreign Currency Translation Reserve	Non-controlling interest	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance as at 1 January 2023	**1,864**	**522,227**	**24,893**	**(4,915)**	**40,000**	**1,189,697**	**2,622**	**(16,505)**	**1,759,883**
Profit for the year	–	–	–	–	–	83,128	–	40,742	123,870
Other comprehensive (loss)/ income	–	–	–	–	–	(564)	194	–	(370)
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**82,564**	**194**	**40,742**	**123,500**
Transactions with owners in their capacity as owners:									
Dividend paid	–	–	–	–	–	(98,811)	–	–	(98,811)
Share based payments	–	–	11,751	–	–	–	–	–	11,751
Vested shares	5	2,124	(2,129)	–	–	–	–	–	–
PAYE tax witheld on vested shares		(1,796)							(1,796)
Issued vested shares	(5)	(2,124)	–	2,129	–	–	–	–	–
Share repurchased	–	–	–	(1,500)	–	–	–	–	(1,500)
Total	**–**	**(1,796)**	**9,622**	**629**	**–**	**(98,811)**	**–**	**–**	**(90,356)**
As at 31 December 2023	**1,864**	**520,431**	**34,515**	**(4,286)**	**40,000**	**1,173,450**	**2,816**	**24,237**	**1,793,027**
Balance at 1 January 2024	**1,864**	**520,431**	**34,515**	**(4,286)**	**40,000**	**1,173,450**	**2,816**	**24,237**	**1,793,027**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**153,350**	**–**	**(8,558)**	**144,792**
Other Comprehensive income	**–**	**–**	**–**	**–**	**–**	**(2,311)**	**(583)**	**–**	**(2,894)**
Total comprehensive income/(loss) for the period	**–**	**–**	**–**	**–**	**–**	**151,039**	**(583)**	**(8,558)**	**141,898**
Transactions with owners in their capacity as owners:									
Dividend paid	**–**	**–**	**–**	**–**	**–**	**(91,361)**	**–**	**–**	**(91,361)**
Share based payments	**–**	**–**	**20,417**	**–**	**–**	**–**	**–**	**–**	**20,417**
Vested Shares	**–**	**–**	**(18,185)**	**18,185**	**–**	**–**	**–**	**–**	**–**
PAYE tax witheld on vested shares	**–**	**(1,867)**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,867)**
Share repurchased	**–**	**–**	**–**	**(19,508)**	**–**	**–**	**–**	**–**	**(19,508)**
Total	**–**	**(1,867)**	**2,232**	**(1,323)**	**–**	**(91,361)**	**–**	**–**	**(92,319)**
As at 31 December 2024	**1,864**	**518,564**	**36,747**	**(5,609)**	**40,000**	**1,233,128**	**2,233**	**15,679**	**1,842,606**

Notes 1 to 46 on pages 56 to 138 are an integral part of these financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2024

	Notes	31 Dec 2024 ₦ million	31 Dec 2023 ₦ million	31 Dec 2024 $'000	31 Dec 2023 $'000
Cash flows from operating activities					
Cash generated from operations	17	**567,459**	340,570	**383,499**	519,864
Income tax paid	16.2	**(100,672)**	(40,767)	**(68,036)**	(62,085)
PAYE tax on vested shares paid	30.2	**(2,763)**	(1,179)	**(1,867)**	(1,796)
Contribution to plan assets	36	**(1,317)**	(3,000)	**(890)**	(5,529)
Restricted Cash	28.3	**3,399**	(2,027)	**2,297**	(3,087)
Hedge premium paid	14	**(7,398)**	(3,533)	**(5,000)**	(5,380)
Net cash inflows from operating activities		**458,708**	290,064	**310,003**	441,987
Cash flows from investing activities					
Payment for acquisition of oil and gas properties	18.1	**(297,483)**	(117,539)	**(202,553)**	(179,002)
Proceeds from disposal of oil and gas properties	18.3.2	**9,134**	9,889	**6,173**	15,060
Payment for acquisition of other property, plant and equipment	18.2	**(8,273)**	(3,238)	**(5,591)**	(4,931)
Proceeds from disposal of other property, plant and equipment***	18.3.1	**12**	–	**8**	–
Receipts from other asset****	19	**16,123**	–	**10,896**	–
Payment for acquisition of subsidiary	7	**(1,029,964)**	–	**(672,300)**	–
Cash acquired from acquiree	7	**279,885**	–	**182,693**	–
Initial deposit for asset held for sale	37	**12,629**	–	**8,535**	–
Interest received	15	**19,526**	6,277	**13,196**	9,559
Net cash outflows used in investing activities		**(998,411)**	(104,611)	**(658,943)**	(159,314)
Cash flows from financing activities					
Repayments of loans and borrowings	33.1	**(56,981)**	6,277	**(38,509)**	(22,000)
Proceeds from loans and borrowings	33.1	**961,792**	–	**650,000**	–
Dividend paid	40	**(135,185)**	(64,883)	**(91,361)**	(98,811)
Shares purchased for employees*	30.4	**(28,866)**	(1,179)	**(19,508)**	(1,500)
Interest paid on lease liability	34	**(4,017)**	(35)	**(2,715)**	(54)
Lease payment - principal portion	34	**(6,401)**	(2,988)	**(4,326)**	(4,551)
Payments of other financing charges**	33.1	**(31,775)**	(5,343)	**(21,474)**	(8,137)
Interest paid on loans and borrowings	33.1	**(92,504)**	(40,455)	**(62,516)**	(61,610)
Net cash inflows/(outflows) used in financing activities		**606,063**	(108,606)	**409,591**	(196,663)
Net (decrease)/increase in cash and cash equivalents		**66,360**	76,847	**60,651**	86,010
Cash and cash equivalents at beginning of the year		**404,825**	180,786	**450,109**	404,336
Effects of exchange rate changes on cash and cash equivalents		**250,200**	147,192	**(40,898)**	(40,237)
Cash and cash equivalents at end of the year	28	**721,385**	404,825	**469,862**	450,109

*Shares purchased for employees of $19.5 million, ₦28.9 billion represent shares purchased for the company's LTIP scheme.
**Other financing charges of $21.5 million, ₦31.8 billion relate to commitment fees and other transaction costs incurred on interest bearing loans and borrowings ($350 million Revolving Credit Facility, $300 million Advance Payment Facility, $110 million Reserved Based Lending Facility and $50 million Junior Facility).
***This relates to oil and gas assets disposed in the prior year, however the cash proceeds were received during the year. The agreed disposed amount was recognised within receivables in prior year.
****Receipt from Other asset relates to proceeds from the financial interest in OML 55.

Notes 1 to 46 on pages 56 to 138 are an integral part of these financial statements.

Notes to the consolidated financial statements

For the year ended 31 December 2024

1. Corporate structure and business

Seplat Energy Plc (formerly called Seplat Petroleum Development Company 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.

On 7 November 2010, 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 27 March 2013, the Group incorporated a subsidiary, MSP Energy Limited. The Company was incorporated for oil and gas exploration and production.

On 11 December 2013, the Group incorporated a new subsidiary, Seplat East Swamp Company Limited with the principal activity of oil and gas exploration and production.

On 11 December 2013, 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 21 August 2014, the Group incorporated a new subsidiary, Seplat Energy UK Limited (formerly called Seplat Petroleum Development UK Limited). The subsidiary provides technical, liaison and administrative support services relating to oil and gas exploration activities.

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

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. The Group divested some of its ownership interest in this Company to Nigerian Gas Processing and Transportation Company (NGPTC) which was effective from 18 April 2019, hence this investment qualifies as a joint arrangement and has continued to be recognised as investment in joint venture.

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 Plc.

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. (See details in Note 4.1.v) 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. In 2022, Wester Ord Oil and Gas (Nigeria) divested it's interest in Ubima.

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.

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 the 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.

On 5 July 2022, the Group incorporated a subsidiary, Turnkey Drilling Services Limited. The Company was incorporated for the purpose of drilling chemicals, material supply, directional drilling, drilling support services and exploration services.

On 26 April 2023, Seplat Gas Company Limited was changed to Seplat Midstream Company Limited. This subsidiary was incorporated to engage in oil and gas exploration and production and gas processing. The company is yet commence operations.

On 14 June 2023, the Group entered into a joint venture agreement with Pol Gas Limited which birthed Pine Gas Processing Limited. Both parties subscribed to equal proportion of ordinary shares. The Company was incorporated for processing natural gas, storage, marketing, transportation, trading, supply and distribution of natural gas and petroleum products derived from natural gas. The company is yet to commence operations.

On 7 August 2024, the Group incorporated a subsidiary, Seplat Energy Investment Limited. The Company was incorporated for oil and gas exploration and production.

On 12 December 2024, the Group acquired 100% of Mobil Producing Nigeria Unlimited and later changed the name on 19 December 2024 to Seplat Energy Producing Nigeria Unlimited. The Company was acquired for the purpose of 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
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
Brineland Petroleum Limited	18 February 2013	Nigeria	49%	Dormant	Indirect
MSP Energy Limited	27 March 2013	Nigeria	100%	Oil and Gas exploration and production	Direct
Newton Energy Limited	1 June 2013	Nigeria	99.9%	Oil & gas exploration and production	Direct
Seplat East Swamp Company Limited	11. December 2013	Nigeria	99.9%	Oil & gas exploration and production	Direct
Seplat Midstream Company Limited	11 December 2013	Nigeria	99.9%	Oil and Gas exploration and production and gas processing	Direct
Tarland Oil Holdings Limited	16 July 2014	Jersey	100%	Holding Company	Indirect
Wester Ord Oil and Gas Limited	16 July 2014	Jersey	100%	Holding Company	Indirect
Wester Ord Oil & Gas (Nigeria) Limited	18 July 2014	Nigeria	100%	Oil and Gas Exploration and Production	Indirect
Seplat Energy UK Limited	21 August 2014	United Kingdom	100%	Technical, liaison and administrative support services relating to oil & gas exploration and production	Direct
Seplat East Onshore 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
Seplat Energy Offshore Limited	7 February 2022	Nigeria	100%	Oil and Gas exploration and production	Direct
Turnkey Drilling Services Limited	5 July 2022	Nigeria	100%	Drilling services	Direct
Seplat Energy Investment Limited	07 August , 2024	Nigeria	100%	Oil and Gas exploration and production	Direct
Seplat Energy Producing Nigeria Unlimited	19 December , 2024	Nigeria	100%	Oil and Gas exploration and production	Direct

2. Significant changes in the current accounting period

The following significant changes occurred during the reporting period ended 31 December 2024:

- On 1 April 2024, Mr. Udoma Udo Udoma became Independent Non-Executive Chairman and Mr. Bello Rabiu became Senior Independent Non-Executive Director of the Seplat Energy Board.
- On 1 May 2024, Mrs. Eleanor Adaralegbe joined the Board of Seplat as an Executive Director and succeeded Mr. Emeka Onwuka as Chief Financial Officer on 21 May 2024.
- Received Ministerial Consent for acquisition of entire issued share capital of Mobil Producing Nigeria Unlimited ('MPNU') and achieved Change in Control (CIC) on December 12 2024.

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 consolidated financial statements. These accounting policies have been applied to all the periods presented, unless otherwise stated. The Consolidated financial statements are for the Group consisting of Seplat Energy Plc and its subsidiaries.

3.2 Basis of preparation

The consolidated financial statements of the Group for the year ended 31 December 2024 have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the IFRS Interpretations Committee (IFRS IC). The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). Additional information required by National regulations is included where appropriate.

The financial statements comprise the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes to the financial statements.

The financial statements have been prepared under the going concern and historical cost convention, except for financial instruments measured at fair value on initial recognition, derivative financial instruments, and 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, except for the adoption of new and amended standard which are 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 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

a) Amendments to IAS 1: Classification of Liabilities as Current and Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:

- What is meant by a right to defer settlement.
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively.

b) Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

c) Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

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 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:

a) Amendments to IFRS 10 and IAS 28: Selection or contribution of assets between an investor or joint venture

The IASB has made limited scope amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures.

The amendments clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a "business' (as defined in IFRS 3 Business Combinations).

Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively. There is currently no effective date for this amendment.

b) IFRS 18 - Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

c) IFRS 19 - Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

d) Lack of exchangeability - Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Group's financial statements.

3.5 Basis of consolidation

i. Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control.

The consolidated financial information comprises the financial statements of the Company and its subsidiaries as at 31 December 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Subsidiaries are consolidated from the date on which control is obtained by the Group and are deconsolidated from the date control ceases.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

ii. Change in the ownership interest of subsidiary

The acquisition method of accounting is used to account for business combinations by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

Intercompany transaction balances and unrealized gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

iii. Disposal of subsidiary

Where the Group disposes a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and

- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

iv. Joint arrangements

Under IFRS 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Interest in the joint venture is accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position. All other joint arrangements of the Group are joint operations.

v. Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investment in associates is accounted for using the equity method of accounting (see (vi) below) after initially being recognised at cost.

vi. Equity method

Under the equity method of accounting, the Group's investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of loss in an equity accounting investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other party.

Unrealised gains on transactions between the Group and its associate and joint venture are eliminated to the extent of the Group's interest in the entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of equity accounted investees are changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments is tested for impairment in accordance with the policy described in Note 3.14.

vii. Changes in ownership interest

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the group.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

viii. Accounting for loss of control

When the Group ceases to consolidate a subsidiary because of a joint control, it does the following:

- deconsolidates the assets (including goodwill), liabilities and non-controlling interest (including attributable other comprehensive income) of the former subsidiary from the consolidated financial position;
- any retained interest (including amounts owed by and to the former subsidiary) in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or a joint venture;
- any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings if required by other IFRSs;
- the resulting gain or loss, on loss of control, is recognised together with the profit or loss from the discontinued operation for the period before the loss of control; and
- the gain or loss on disposal will comprise of the gain or loss attributable to the portion disposed of and the gain or loss on remeasurement of the portion retained. The latter is disclosed separately in the notes to the financial statements. If the ownership interest in a joint venture is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

ix. Non-controlling interest

The Group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis.

x. Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

ix. Gain on bargain purchase

A gain on bargain purchase arises when the fair value of the identifiable net assets acquired in a business combination exceeds the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree, if any.

The Group recognises, any gain on a bargain purchase immediately in profit or loss. The gain is measured as the excess of the fair value of the identifiable net assets acquired over the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree, if any.

3.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'), which is the US dollar. The financial statements are presented in Nigerian Naira and the US Dollars.

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

i. Transaction 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.
- Equity items for each statement of financial position presented are translated at the historical rates.

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.

3.7 Oil and gas accounting

i. Pre-licensing costs

Pre-license costs are expensed in the period in which they are incurred.

ii. Exploration license cost

Exploration license costs are capitalised within intangible assets. License costs paid in connection with a right to explore in an existing exploration area are capitalised and amortised on a straight-line basis over the life.

License costs are reviewed at each reporting date to confirm that there is no indication that the carrying amount exceeds the recoverable amount. This review includes confirming that exploration drilling is still under way or firmly planned, or that it has been determined, or work is under way to determine that the discovery is economically viable based on a range of technical and commercial considerations and sufficient progress is being made to establish development plans and timing. If no future activity is planned or the license has been relinquished or has expired, the carrying value of the license is written off through profit or loss. The exploration license costs are initially recognised at cost and subsequently amortised on a straight line based on the economic life. They are subsequently carried at cost less accumulated amortisation and impairment losses. The amortization rate for the intangible asset is 5% with useful life of 20 years.

iii. Acquisition of producing assets

Upon acquisition of producing assets which do not constitute a business combination, the Group identifies and recognises the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in IAS 38 Intangible Assets) and liabilities assumed. The purchase price paid for the group of assets is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase.

iv. Exploration and evaluation expenditures

Geological and geophysical exploration costs are charged to profit or loss as incurred.

Exploration and evaluation expenditures incurred by the entity are accumulated separately for each area of interest. Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure, but do not include general overheads or administrative expenditure that is not directly related to a particular area of interest. Each area of interest is limited to a size related to a known or probable hydrocarbon resource capable of supporting an oil operation.

Costs directly associated with an exploration well, exploratory stratigraphic test well and delineation wells are temporarily suspended (capitalised) until the drilling of the well is complete and the results have been evaluated. These costs include employee remuneration, materials and fuel used, rig costs, delay rentals and payments made to contractors. If hydrocarbons ('proved reserves') are not found, the exploration expenditure is written off as a dry hole and charged to profit or loss. If hydrocarbons are found, the costs continue to be capitalised.

Suspended exploration and evaluation expenditure in relation to each area of interest is carried forward as an asset provided that one of the following conditions is met:

- the costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively, by its sale;
- exploration and/or evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves; and
- active and significant operations in, or in relation to, the area of interest.

Exploration and/or evaluation expenditures which fail to meet at least one of the conditions outlined above are written off. In the event that an area is subsequently abandoned or exploration activities do not lead to the discovery of proved or probable reserves, or if the Directors consider the expenditure to be of no value, any accumulated costs carried forward relating to the specified areas of interest are written off in the year in which the decision is made. While an area of interest is in the development phase, amortisation of development costs is not charged pending the commencement of production. Exploration and evaluation costs are transferred from the exploration and/or evaluation phase to the development phase upon commitment to a commercial development.

v. Development expenditures

Development expenditure incurred by the Group is accumulated separately for each area of interest in which economically recoverable reserves have been identified to the satisfaction of the Directors. Such expenditure comprises net direct costs and, in the same manner as for exploration and evaluation expenditure, an appropriate portion of related overhead expenditure directly related to the development property. All expenditure incurred prior to the commencement of commercial levels of production from each development property is carried forward to the extent to which recoupment is expected to be derived from the sale of production from the relevant development property.

3.8 Revenue recognition (IFRS 15)

IFRS 15 uses a five-step model for recognising revenue to depict transfer of goods or services. The model distinguishes between promises to a customer that are satisfied at a point in time and those that are satisfied over time.

It is the Group's policy to recognise revenue from a contract when it has been approved by both parties, rights have been clearly identified, payment terms have been defined, the contract has commercial substance, and collectability has been ascertained as probable. Collectability of customer's payments is ascertained based on the customer's historical records, guarantees provided, the customer's industry and advance payments made if any.

Revenue is recognised when control of goods sold has been transferred. Control of an asset refers to the ability to direct the use of and obtain substantially all of the remaining benefits (potential cash inflows or savings in cash outflows) associated with the asset. For crude oil, this occurs when the crude products are lifted by the customer (buyer) Free on Board at the Group's loading facility. Revenue from the sale of oil is recognised at a point in time when performance obligation is satisfied. For gas sales, revenue is recognised when the product passes through the custody transfer point to the customer. Revenue from the sale of gas is recognised over time using the practical expedient of the right to invoice.

The surplus or deficit of the product sold during the period over the Group's share of production is termed as an overlift or underlift. With regard to underlifts, if the over-lifter does not meet the definition of a customer or the settlement of the transaction is non-monetary, a receivable and other income is recognised. Initially, when an overlift occurs, cost of sale is debited, and a corresponding liability is accrued. Overlifts and underlifts are initially measured at the market price of oil at the date of lifting, consistent with the measurement of the sale and purchase. Subsequently, they are remeasured at the current market value. The change arising from this remeasurement is included in the profit or loss as other income/expenses-net.

Definition of a customer

A customer is a party that has contracted with the Group to obtain crude oil or gas products in exchange for a consideration, rather than to share in the risks and benefits that result from sale. The Group has entered into collaborative arrangements with its Joint arrangement partners to share in the production of oil. Collaborative arrangements with its Joint arrangement partners to share in the production of oil are accounted for differently from arrangements with customers as collaborators share in the risks and benefits of the transaction, and therefore, do not meet the definition of customers. Revenue arising from these arrangements are recognised separately in other income.

Contract enforceability and termination clauses

It is the Group's policy to assess that the defined criteria for establishing contracts that entail enforceable rights and obligations are met. The criteria provide that the contract has been approved by both parties, rights have been clearly identified, payment terms have been defined, the contract has commercial substance, and collectability has been ascertained as probable. Revenue is not recognised for contracts that do not create enforceable rights and obligations to parties in a contract. The Group also does not recognise revenue for contracts that do not meet the revenue recognition criteria. In such cases where consideration is received it recognises a contract liability and only recognises revenue when the contract is terminated.

The Group may also have the unilateral rights to terminate an unperformed contract without compensating the other party. This could occur where the Group has not yet transferred any promised goods or services to the customer and the Group has not yet received, and is not yet entitled to receive, any consideration in exchange for promised goods or services.

Identification of performance obligation

At inception, the Group assesses the goods or services promised in the contract with a customer to identify as a performance obligation, each promise to transfer to the customer either a distinct good or series of distinct goods. The number of identified performance obligations in a contract will depend on the number of promises made to the customer. The delivery of barrels of crude oil or units of gas are usually the only performance obligation included in oil and gas contract with no additional contractual promises. Additional performance obligations may arise from future contracts with the Group and its customers.

The identification of performance obligations is a crucial part in determining the amount of consideration recognised as revenue. This is due to the fact that revenue is only recognised at the point where the performance obligation is fulfilled, Management has therefore developed adequate measures to ensure that all contractual promises are appropriately considered and accounted for accordingly.

Transaction price is the amount allocated to the performance obligations identified in the contract. It represents the amount of revenue recognised as those performance obligations are satisfied. Complexities may arise where a contract includes variable consideration, significant financing component or consideration payable to a customer.

Variable consideration not within the Group's control is estimated at the point of revenue recognition and reassessed periodically. The estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. As a practical expedient, where the Group has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date, the Group may recognise revenue in the amount to which it has a right to invoice.

Significant financing component (SFC) assessment is carried out (using a discount rate that reflects the amount charged in a separate financing transaction with the customer and also considering the Group's incremental borrowing rate) on contracts that have a repayment period of more than 12 months.

As a practical expedient, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between when it transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

Instances when SFC assessment may be carried out include where the Group receives advance payment for agreed volumes of crude oil or receives take or pay deficiency payment on gas sales. Take or pay gas sales contract ideally provides that the customer must sometimes pay for gas even when not delivered to the customer. The customer, in future contract years, takes delivery of the product without further payment. The portion of advance payments that represents significant financing component will be recognised as interest expense.

Consideration payable to a customer is accounted for as a reduction of the transaction price unless the payment to the customer is in exchange for a distinct goods or services that the customer transfers to the Group.

Breakage

The Group enters into take or pay contracts for sale of gas where the buyer may not ultimately exercise all of their rights to the gas. The take or pay quantity not taken is paid for by buyer called take or pay deficiency payment. The Group assesses if there is a reasonable assurance that it will be entitled to a breakage amount. Where it establishes that a reasonable assurance exists, it recognises the expected breakage amount as revenue in proportion to the pattern of rights exercised by the customer. However, where the Group is not reasonably assured of a breakage amount, it would only recognise the expected breakage amount as revenue when the likelihood of the customer exercising its remaining rights becomes remote.

Contract modification and contract combination

Contract modifications relate to a change in the price and/or scope of an approved contract. Where there is a contract modification, the Group assesses if the modification will create a new contract or change the existing enforceable rights and obligations of the parties to the original contract. Contract modifications are treated as new contracts when the performance obligations are separately identifiable and transaction price reflects the standalone selling price of the crude oil or the gas to be sold. Revenue is adjusted prospectively when the crude oil or gas transferred is separately identifiable and the price does not reflect the standalone selling price. Conversely, if there are remaining performance obligations which are not separately identifiable, revenue will be recognised on a cumulative catch-up basis when crude oil or gas is transferred.

The Group combines contracts entered into at near the same time (less than 12 months) as one contract if they are entered into with the same or related party customer, the performance obligations are the same for the contracts and the price of one contract depends on the other contract.

Portfolio expedients

As a practical expedient, the Group may apply the requirements of IFRS 15 to a portfolio of contracts (or performance obligations) with similar characteristics if it expects that the effect on the financial statements would not be materially different from applying IFRS to individual contracts within that portfolio.

Contract assets and liabilities

The Group recognises contract assets for unbilled revenue from crude oil and gas sales. The Group recognises contract liability for consideration received for which performance obligation has not been met.

Disaggregation of revenue from contract with customers

The Group derives revenue from two types of products, oil and gas. The Group has determined that the disaggregation of revenue based on the criteria of type of products meets the disaggregation of revenue disclosure requirement of IFRS 15. It depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. See further details in note 6.1.1.

3.9 Property, plant and equipment

Oil and gas properties and other plant and equipment are stated at cost, less accumulated depreciation, and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of any decommissioning obligation and, for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Expenditure on major maintenance refits or repairs comprises the cost of replacement assets or parts of assets, inspection costs and overhaul costs. Where an asset or part of an asset that was separately depreciated and is now written off is replaced and it is probable that future economic benefits associated with the item will flow to the entity, the expenditure is capitalised. Inspection costs associated with major maintenance programmes are capitalised and amortised over the period to the next inspection. Overhaul costs for major maintenance programmes are capitalised as incurred as long as these costs increase the efficiency of the unit or extend the useful life of the asset. All other maintenance costs are expensed as incurred.

Depreciation

Production and field facilities are depreciated on a unit-of-production basis over the estimated 1P reserves for its onshore assets and proved developed reserves shallow offshore assets. Gas plant is depreciated on a straight-line basis over its useful lives. Assets under construction are not depreciated. Other property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Depreciation commences when an asset is available for use. The depreciation rate for each class is as follows:

Plant and machinery	10%-20%
Motor vehicles	25%-30%
Office furniture and IT equipment	10%-33.33%
Building	4%
Land	-
Intangible assets	5%
Leasehold improvements	Over the unexpired portion of the lease

The expected useful lives and residual values of property, plant and equipment are reviewed on an annual basis and, if necessary, changes in useful lives are accounted for prospectively.

Gains or losses on disposal of property, plant and equipment are determined as the difference between disposal proceeds and carrying amount of the disposed assets. These gains or losses are included in the statement of profit or loss.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

3.10 Right-of-use assets

The Group recognises right-of-use assets at the commencement date of a lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets include the amount of lease liabilities recognised, initial direct costs incurred, decommissioning costs (if any), and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Short-term leases and leases of low value

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (i.e. low value assets). Low-value assets are assets with lease amount of less than $5,000 when new. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

3.11 Lease liabilities

At the commencement date of a lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The weighted average incremental borrowing rate for the Group is 10.4%. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. The lease term refers to the contractual period of a lease.

The Group has elected to exclude non-lease components in calculating lease liabilities and instead treat the related costs as an expense in the statement of profit or loss.

3.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. These costs may arise from; specific borrowings used for the purpose of financing the construction of a qualifying asset, and those that arise from general borrowings that would have been avoided if the expenditure on the qualifying asset had not been made. The general borrowing costs attributable to an asset's construction is calculated by reference to the weighted average cost of general borrowings that are outstanding during the period.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit or loss in the period in which they are incurred.

3.13 Finance income and costs

Finance income

Finance income is recognised in the statement of profit or loss as it accrues using the effective interest rate (EIR), which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the amortised cost of the financial instrument. The determination of finance income takes into account all contractual terms of the financial instrument as well as any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate (EIR), but not future credit losses.

Finance costs

Finance costs includes borrowing costs, interest expense calculated using the effective interest rate method, finance charges in respect of lease liabilities, the unwinding of the effect of discounting provisions, and the amortisation of discounts and premiums on debt instruments that are liabilities.

The Group applies the IBOR reform Phase 2 amendments which allows as a practical expedient for changes to the basis for determining contractual cash flows to be treated as changes to a floating rate of interest, provided certain conditions are met. The conditions include that the change is necessary as a direct consequence of IBOR reform and that the transition takes place on an economically equivalent basis.

3.14 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently. Other non –financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. This should be at a level not higher than an operating segment.

If any such indication of impairment exists or when annual impairment testing for an asset group is required, the entity makes an estimate of its recoverable amount. Such indicators include changes in the Group's business plans, changes in commodity prices, evidence of physical damage and, for oil and gas properties, significant downward revisions of estimated recoverable volumes or increases in estimated future development expenditure.

The recoverable amount is the higher of an asset's fair value less costs of disposal ('FVLCD') and value in use ('VIU'). The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets, in which case, the asset is tested as part of a larger cash generating unit to which it belongs. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

In calculating VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset/CGU. In determining FVLCD, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment – exploration and evaluation assets

Exploration and evaluation assets are tested for impairment once commercial reserves are found before they are transferred to oil and gas assets, or whenever facts and circumstances indicate impairment. An impairment loss is recognised for the amount by which the exploration and evaluation assets' carrying amount exceeds their recoverable amount. The recoverable amount is the higher of the exploration and evaluation assets' fair value less costs to sell and their value in use.

Impairment – proved oil and gas production properties

Proven oil and gas properties are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

3.15 Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows comprise cash at banks and at hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3.16 Inventories

Inventories represent the value of tubulars, casings, spares, wellheads and crude stocks. These are stated at the lower of cost and net realisable value. Cost is determined using the invoice value and all other directly attributable costs to bringing the inventory to the point of use determined on a weighted average pricing basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated cost necessary to make the sale.

3.17 Contract asset

Contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due. The impairment of contract assets is measured, presented and disclosed on the same basis as financial assets that are within the scope of IFRS 9.

3.18 Other asset

The Group's interest in the oil and gas reserves of OML 55 has been classified as other asset. On initial recognition, it is measured at the fair value of future recoverable oil and gas reserves. Subsequently, the other asset is recognised at fair value through profit or loss.

3.19 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 Senior leadership team to assess the financial performance and position of the Group and makes strategic decisions. The Senior leadership team consist of Chief Executive Officer; Chief Financial Officer; Chief Operating Officer; Director New Energy; Technical Director; Managing Director, Seplat West; Managing Director, Seplat East; Managing Director, Elcrest Exploration and Production Limited; Director Legal; Director, Corporate Services; Director, External Affairs and Social Performance, Managing Director, ANOH Gas Processing Company (AGPC); Director , Strategy, Planning and Business Development. See further details in note 6.

3.20 Financial instruments

IFRS 9 provides guidance on the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 Financial Instruments: Disclosures.

a) Classification and measurement

Financial assets

It is the Group's policy to initially recognise financial asset at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss which are expensed in profit or loss.

Classification and subsequent measurement are dependent on the Group's business model for managing the asset and the cash flow characteristics of the asset. On this basis, the Group may classify its financial instruments at amortised cost, fair value through profit or loss and at fair value through other comprehensive income.

All the Group's financial assets as at 31 December 2024 satisfy the conditions for classification at amortised cost under IFRS 9 except for derivatives which are classified at fair value through profit or loss.

The Group's financial assets include trade receivables, NEPL receivables, NUIMS receivables, other receivables, cash and bank balances and derivatives. They are included in current assets, except for maturities greater than 12 months after the reporting date. Interest income from these assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in finance income/cost.

Financial liabilities

Financial liabilities of the Group are classified and measured at fair value on initial recognition and subsequently at amortised cost net of directly attributable transaction costs, except for derivatives which are classified and subsequently recognised at fair value through profit or loss.

Fair value gains or losses for financial liabilities designated at fair value through profit or loss are accounted for in profit or loss except for the amount of change that is attributable to changes in the Group's own credit risk which is presented in other comprehensive income. The remaining amount of change in the fair value of the liability is presented in profit or loss. The Group's financial liabilities include trade and other payables and interest-bearing loans and borrowings.

b) Impairment of financial assets

Recognition of impairment provisions under IFRS 9 is based on the expected credit loss (ECL) model. The ECL model is applicable to financial assets classified at amortised cost and contract assets under IFRS 15: Revenue from Contracts with Customers. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date, about past events, current conditions and forecasts of future economic conditions.

The Group applies the simplified approach or the three-stage general approach to determine impairment of receivables depending on their respective nature. The simplified approach is applied for trade receivables and contract assets while the general approach is applied to NEPL receivables, NUIMS receivables, other receivables and cash and bank balances.

The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables. This involves determining the expected loss rates using a provision matrix that is based on the Group's historical default rates observed over the expected life of the receivable and adjusted forward-looking estimates. This is then applied to the gross carrying amount of the receivable to arrive at the loss allowance for the period.

The three-stage approach assesses impairment based on changes in credit risk since initial recognition using the past due criterion and other qualitative indicators such as increase in political concerns or other macroeconomic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance.

Financial assets classified as stage 1 have their ECL measured as a proportion of their lifetime ECL that results from possible default events that can occur within one year, while assets in stage 2 or 3 have their ECL measured on a lifetime basis.

Under the three-stage approach, the ECL is determined by projecting the probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each ageing bucket and for each individual exposure. The PD is based on default rates determined by external rating agencies for the counterparties. The LGD is determined based on management's estimate of expected cash recoveries after considering the historical pattern of the receivable, and it assesses the portion of the outstanding receivable that is deemed to be irrecoverable at the reporting period. The EAD is the total amount of outstanding receivable at the reporting period. These three components are multiplied together and adjusted for forward looking information, such as the gross domestic product (GDP) in Nigeria and crude oil prices, to arrive at an ECL which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the related financial assets and the amount of the loss is recognised in profit or loss.

c) Significant increase in credit risk and default definition

The Group assesses the credit risk of its financial assets based on the information obtained during periodic review of publicly available information, industry trends and payment records. Based on the analysis of the information provided, the Group identifies the assets that require close monitoring.

Furthermore, financial assets that have been identified to be more than 30 days past due on contractual payments are assessed to have experienced significant increase in credit risk. These assets are grouped as part of Stage 2 financial assets where the three-stage approach is applied.

In line with the Group's credit risk management practices, a financial asset is defined to be in default when contractual payments have not been received at least 90 days after the contractual payment period. Subsequent to default, the Group carries out active recovery strategies to recover all outstanding payments due on receivables. Where the Group determines that there are no realistic prospects of recovery, the financial asset and any related loss allowance is written off either partially or in full.

d) Write off policy

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include;

- ceasing enforcement activity and;
- where the Group's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

The Group may write - off financial assets that are still subject to enforcement activity. The outstanding contractual amounts of such assets written off during the year ended 31 December 2024 was nil (2023: Nil).

The Group seeks to recover amounts it legally owed in full, but which have been partially written off due to no reasonable expectation of full recovery.

e) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and the transfer qualifies for derecognition. Gains or losses on derecognition of financial assets are recognised as finance income/cost.

Financial liabilities

The Group derecognises a financial liability when it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised immediately in the statement of profit or loss.

In the context of IBOR reform, the Group's assessment of whether a change to an amortised cost financial instrument is substantial, is made after applying the practical expedient introduced by IBOR reform Phase 2. This requires the transition from an IBOR to an RFR to be treated as a change to a floating interest rate, as described in Note 3.13 above.

f) Modification

When the contractual cash flows of a financial instrument are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial instrument, the Group recalculates the gross carrying amount of the financial instrument and recognises a modification gain or loss immediately within finance income/(cost)-net at the date of the modification. The gross carrying amount of the financial instrument is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial instrument's original effective interest rate.

g) Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when and only when there is legally enforceable right to offset the recognised amount, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The legally enforceable right is not contingent on future events and is enforceable in the normal course of business, and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

h) Derivatives

The Group uses derivative financial instruments such as forward exchange contracts to hedge its foreign exchange risks as well as put options to hedge against its oil price risk. However, such contracts are not accounted for as designated hedges. Derivatives are initially recognised at fair value on the date a derivative contract is entered and subsequently remeasured to their fair value at the end of each reporting period. Any gains or losses arising from changes in the fair value of derivatives are recognised within operating profit in the statement of profit or loss for the period. An analysis of the fair value of derivatives is provided in Note 5, Financial risk Management.

The Group accounts for financial assets with embedded derivatives (hybrid instruments) in their entirety on the basis of its contractual cash flow features and the business model within which they are held, thereby eliminating the complexity of bifurcation for financial assets. For financial liabilities, hybrid instruments are bifurcated into hosts and embedded features. In these cases, the Group measures the host contract at amortised cost and the embedded features is measured at fair value through profit or loss.

For the purpose of the maturity analysis, embedded derivatives included in hybrid financial instruments are not separated. The hybrid instrument, in its entirety, is included in the maturity analysis for non-derivative financial liabilities.

i) Fair value of financial instruments

The Fair value is 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. When available, the Group measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, the Group establishes fair value using valuation techniques. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, and discounted cash flow analysis. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Group, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments.

Inputs to valuation techniques reasonably represent market expectations and measure the risk-return factors inherent in the financial instrument. The Group calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price – i.e., the fair value of the consideration given or received. However, in some cases, the fair value of a financial instrument on initial recognition may be different to its transaction price. If such fair value is evidenced by comparison with other observable current market transactions in the same instrument (without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets, then the difference is recognised in the income statement on initial recognition of the instrument. In other cases, the difference is not recognised in the income statement immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred, or sold, or the fair value becomes observable.

3.21 Share capital

On issue of ordinary shares, any consideration received net of any directly attributable transaction costs is included in equity. Issued share capital has been translated at the exchange rate prevailing at the date of the transaction and is not retranslated after initial recognition.

3.22 Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium.

3.23 Earnings per share and dividends

Basic EPS

Basic earnings per share is calculated on the Company's profit or loss after taxation and based on the weighted average of issued and fully paid ordinary shares at the end of the year.

Diluted EPS

Diluted EPS is calculated by dividing the profit or loss after taxation by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares (after adjusting for outstanding share options arising from the share-based payment scheme) into ordinary shares.

Dividend

Dividends on ordinary shares are recognised as a liability in the period in which they are approved.

3.24 Post-employment benefits

Defined contribution scheme

The Group contributes to a defined contribution scheme for its employees in compliance with the provisions of the Pension Reform Act 2014. The scheme is fully funded and is managed by licensed Pension Fund Administrators. Membership of the scheme is automatic upon commencement of duties at the Group. The Group's contributions to the defined contribution scheme are charged to the statement of profit and loss account in the year to which they relate.

The employer contributes 17% while the employee contributes 3% of the qualifying employee's salary.

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment. The Group operates a defined contribution plan and it is accounted for based on IAS 19 Employee benefits.

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Under defined contribution plans the entity's legal or constructive obligation is limited to the amount that it agrees to contribute to the fund.

Thus, the amount of the post-employment benefits received by the employee is determined by the amount of contributions paid by an entity (and perhaps also the employee) to a post-employment benefit plan or to an insurance company, together with investment returns arising from the contributions. In consequence, actuarial risk (that benefits will be less than expected) and investment risk (that assets invested will be insufficient to meet expected benefits) fall, in substance, on the employee.

Defined benefit scheme

The Group operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The Group also provides certain additional post-employment benefits to employees. These benefits are unfunded.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method and calculated annually by independent actuaries. The liability or asset recognised in the statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using government bonds.

Remeasurements gains and losses, arising from changes in financial and demographic assumptions and experience adjustments, are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment; and
- The date that the Group recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit obligation and the fair value of the plan assets.

The Group recognises the following changes in the net defined benefit obligation under employee benefit expenses in general and administrative expenses:

- Service costs comprises current service costs, past-service costs, gains and losses on curtailments and non-routine settlements.
- Net interest cost

3.25 Provisions

Provisions are recognised when

i) the Group has a present legal or constructive obligation as a result of past events;
ii) it is probable that an outflow of economic resources will be required to settle the obligation as a whole; and
iii) the amount can be reliably estimated.

Provisions are not recognised for future operating losses. In measuring the provision:

- risks and uncertainties are taken into account;
- the provisions are discounted (where the effects of the time value of money is considered to be material) using a pre-tax rate that is reflective of current market assessments of the time value of money and the risk specific to the liability;
- when discounting is used, the increase of the provision over time is recognised as interest expense;
- future events such as changes in law and technology, are taken into account where there is subjective audit evidence that they will occur; and
- gains from expected disposal of assets are not taken into account, even if the expected disposal is closely linked to the event giving rise to the provision.

Decommissioning

Liabilities for decommissioning costs are recognised as a result of the constructive obligation of past practice in the oil and gas industry, when it is probable that an outflow of economic resources will be required to settle the liability and a reliable estimate can be made. The estimated costs, based on current requirements, technology and price levels, prevailing at the reporting date, are computed based on the latest assumptions as to the scope and method of abandonment.

Provisions are measured at the present value of management's best estimates of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost. The corresponding amount is capitalised as part of the oil and gas properties and is amortised on a unit-of-production basis as part of the depreciation, depletion and amortisation charge. Any adjustment arising from the estimated cost of the restoration and abandonment cost is capitalised, while the charge arising from the accretion of the discount applied to the expected expenditure is treated as a component of finance costs.

If the change in estimate results in an increase in the decommissioning provision and, therefore, an addition to the carrying value of the asset, the Company considers whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment in accordance with IAS 36. If, for mature fields, the revised oil and gas assets net of decommissioning provisions exceed the recoverable value, that portion of the increase is charged directly to expense.

3.26 Contingencies

A contingent asset or contingent liability is a possible asset or obligation that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events. The assessment of the existence of the contingencies will involve management judgement regarding the outcome of future events.

3.27 Income taxation

i. Current income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

ii. Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

iii. Uncertainty over income tax treatments

The Group examines where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. It considers each uncertain tax treatment separately or together as a group, depending on which approach better predicts the resolution of the uncertainty. The factors it considers include:

- how it prepares and supports the tax treatment; and
- the approach that it expects the tax authority to take during an examination.

If the Group concludes that it is probable that the tax authority will accept an uncertain tax treatment that has been taken or is expected to be taken on a tax return, it determines the accounting for income taxes consistently with that tax treatment. If it concludes that it is not probable that the treatment will be accepted, it reflects the effect of the uncertainty in its income tax accounting in the period in which that determination is made (for example, by recognising an additional tax liability or applying a higher tax rate).

The Group measures the impact of the uncertainty using methods that best predicts the resolution of the uncertainty. The Group uses the most likely method where there are two possible outcomes, and the expected value method when there are a range of possible outcomes.

The Group assumes that the tax authority with the right to examine and challenge tax treatments will examine those treatments and have full knowledge of all related information. As a result, it does not consider detection risk in the recognition and measurement of uncertain tax treatments. The Group applies consistent judgements and estimates on current and deferred taxes. Changes in tax laws or the presence of new tax information by the tax authority is treated as a change in estimate in line with IAS 8 - Accounting policies, changes in accounting estimates and errors.

Judgements and estimates made to recognise and measure the effect of uncertain tax treatments are reassessed whenever circumstances change or when there is new information that affects those judgements. New information might include actions by the tax authority, evidence that the tax authority has taken a particular position in connection with a similar item, or the expiry of the tax authority's right to examine a particular tax treatment. The absence of any comment from the tax authority is unlikely to be, in isolation, a change in circumstances or new information that would lead to a change in estimate.

3.28 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

3.29 Share based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

a) Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised in employee benefits expense together with a corresponding increase in equity (share-based payment reserve), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date and for fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award provided the original terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss. The dilutive effect of outstanding awards is reflected as additional share dilution in the computation of diluted earnings per share.

4. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated historical financial information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

4.1 Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated historical financial information:

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. 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 was 10% higher or lower, revenue in Naira would have increased/decreased by ₦40.4 billion (2021: ₦29 billion). See Note 47 for the applicable translation rates.

iv. 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 controlling power over Elcrest due to its representation on 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.

v. 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 receive and consume 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.

vi. 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.

vii. 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.

viii. Leases

Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). For leases of warehouses, retail stores and equipment, the following factors are normally the most relevant

- If there are significant penalty payments to terminate (or not extend), the group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the group is typically reasonably certain to extend (or not terminate).
- Otherwise, the group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Most extension options in offices and vehicles leases have not been included in the lease liability, because the group could replace the assets without significant cost or business disruption.

4.2 Estimates and assumptions

The key assumptions concerning the future and the other key source of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

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 assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 27.4.

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.

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.

During the year, the Group carried out an impairment assessment on OML 4,38 and 41, OML 56, OML 53, OML 40, OML 67, OML 68, OML 70 and OML 104. The Group used 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 (see note 16.1).

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. Details of the key assumptions and inputs used are disclosed in note 5.1.3.

ix. Intangible assets

The contract based intangible assets (licence) 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 remaining useful lives 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.

x. Inventories

The net realisable value of crude oil and refined products is based on the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

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 the relevant cash outflows to mitigate any potential foreign exchange risk.
Market risk – interest rate	Long term borrowings at variable rate	Sensitivity analysis	None
Market risk – commodity prices	Derivative financial instruments	Sensitivity analysis	Oil price hedges
Credit risk	Cash and bank balances, trade receivables and derivative financial instruments.	Ageing 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 Market risk

Market risk is the risk of loss that may arise from changes in market factors such as foreign exchange rates, interest rates and commodity prices.

i. Commodity price risk

The Group is exposed to the risk of fluctuations on crude oil prices. The uncertainty around the rate at which oil prices increase or decline led to the Group's decision to enter into an option contract to insure the Group's revenue against adverse oil price movements.

Crude Hedge

During the last quarter of 2024, the Group entered into an economic crude oil hedge contract with an average strike price of ₦81,382 ($55/bbl.) for 10.5 million barrels at an average premium price of ₦1,036 ($0.70 /bbl.) was agreed at the contract dates.

These contracts, which will commence on 1 January 2025, are expected to reduce the volatility attributable to price fluctuations of oil. The Group did not pre-pay any premium in the current year but the premium for 10.5 million barrels will be settled on a deferred basis. An unrealized fair value gain of ₦3.6 billion, $2.5 million have been recognized in 2024.

The termination date is 31 March and 30 June 2025 respectively. Hedging the price volatility of forecast oil sales is in accordance with the risk management strategy of the Group.

The maturity of the crude oil hedge contracts the Group holds is shown in the table below:

	Less than 6 months	6 to 9 months	9 to 12 months	Above 12 months	Total	Fair value ₦ million	Fair value $'000
As at 31 December 2024	–						
Crude oil hedges Volume (bbl.)	**3,000,000**	**—**	**—**	**—**	**3,000,000**	**6,073**	**3,955**
				—		**6,073**	**3,955**

	Less than 6 months	6 to 9 months	9 to 12 months	Above 12 months	Total	Fair value ₦ million	Fair value $'000
As at 31 December 2023							
Crude oil hedges Volume (bbl.)	3,000,000	–	–	–	3,000,000	1,444	1,606
						1,444	1,606

The following table summarises the impact of the commodity options on the Group's profit before tax due to a 10 % change in market inputs, with all other variables held constant:

Increase/decrease in Market inputs	**Effect on profit/(loss) before tax**	**Effect on other components of equity before tax**	Effect on profit/(loss) before tax	Effect on other components of equity before tax
	2024	**2024**	2023	2023
	₦ million	**₦ million**	₦ million	₦ million
+10%	**607**	**—**	142	—
-10%	**(607)**	**—**	(142)	—

Increase/decrease in Market inputs	**Effect on profit/(loss) before tax**	**Effect on other components of equity before tax**	Effect on profit/(loss) before tax	Effect on other components of equity before tax
	2024	**2024**	2023	2023
	$'000	**$'000**	$'000	$'000
+10%	**396**	**—**	161	—
-10%	**(396)**	**—**	(161)	—

The Group may be exposed to business risks from fluctuations in the future prices of crude oil and gas. The following table summarises the impact on the Group's profit before tax of a 10% change in crude oil prices, with all other variables held constant:

Increase/decrease in crude oil prices	**Effect on profit/(loss) before tax**	**Effect on other components of equity before tax**	Effect on profit/(loss) before tax	Effect on other components of equity before tax
	2024	**2024**	2023	2023
	₦ million	**₦ million**	₦ million	₦ million
+10%	**146,635**	**—**	61,587	—
-10%	**(146,635)**	**—**	(61,587)	—

Increase/decrease in crude oil prices	**Effect on profit/(loss) before tax**	**Effect on other components of equity before tax**	Effect on profit/(loss) before tax	Effect on other components of equity before tax
	2024	**2024**	2023	2023
	$'000	**$'000**	$'000	$'000
+10%	**99,099**	**—**	93,791	—
-10%	**(99,099)**	**—**	(93,791)	—

The following table summarises the impact on the Group's profit before tax of a 10% change in gas prices, with all other variables held constant:

Increase/decrease in gas prices	**Effect on profit/(loss) before tax**	**Effect on other components of equity before tax**	Effect on profit/(loss) before tax	Effect on other components of equity before tax
	2024	**2024**	2023	2023
	₦ million	**₦ million**	₦ million	₦ million
+10%	**18,483**	**—**	8,100	—
-10%	**(18,483)**	**—**	(8,100)	—

Increase/decrease in gas prices	**Effect on profit/(loss) before tax**	**Effect on other components of equity before tax**	Effect on profit/(loss) before tax	Effect on other components of equity before tax
	2024	**2024**	2023	2023
	$'000	**$'000**	$'000	$'000
+10%	**12,491**	**—**	12,336	—
-10%	**(12,491)**	**—**	(12,336)	—

ii. Cash flow and fair value interest rate risk

The Group's exposure to interest rate risk relates primarily to interest bearing loans and borrowings. The Group has both variable and fixed interest rate borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and short-term fixed deposit held at variable rates. Fixed rate borrowings only give rise to interest rate risk if measured at fair value. The Group's borrowings are not measured at fair value and are denominated in US dollars. The Group is exposed to cash flow interest rate risk on short-term deposits to the extent that the significant increases and reductions in market interest rates would result in a decrease in the interest earned by the Group.

The contractual re-pricing date of the interest-bearing loans and borrowings is between 3-6 months. The exposure of the Group's variable interest-bearing loans and borrowings at the end of the reporting period is shown below.

	2024	2023	**2024**	2023
	₦ million	₦ million	**$'000**	$'000
Corporate loan	**15,868**	9,179	**10,335**	10,206

The following table demonstrates the sensitivity of the Group's profit before tax to changes in SOFR rate, with all other variables held constant.

	Effect on profit/(loss) before tax	**Effect on other components of equity before tax**	**Effect on profit/(loss) before tax**	**Effect on other components of equity before tax**
	2024	**2024**	**2024**	**2024**
Increase/decrease in interest rate	**₦ million**	**₦ million**	**$'000**	**$'000**
+2%	**317**	**—**	**207**	**—**
-2%	**(317)**	**—**	**(207)**	**—**

	Effect on profit/(loss) before tax	Effect on other components of equity before tax	Effect on profit/(loss) before tax	Effect on other components of equity before tax
	2023	2023	2023	2023
Increase/decrease in interest rate	₦ million	₦ million	$'000	$'000
+2%	184	–	204	—
-2%	(184)	–	(204)	—

5.1.2 Foreign exchange risk

The Group has transactional currency exposures that arise from sales or purchases in currencies other than the respective functional currency. The Group is exposed to exchange rate risk to the extent that balances and transactions are denominated in a currency other than the US dollar.

The Group holds most of its cash and bank balances in US dollar. However, the Group maintains deposits in Naira in order to fund ongoing general and administrative activities and other expenditure incurred in this currency. Other monetary assets and liabilities which give rise to foreign exchange risk include trade and other receivables, trade and other payables. The following table demonstrates the carrying value of monetary assets and liabilities exposed to foreign exchange risks for Naira exposures at the reporting date:

	2024	2023	**2024**	2023
	₦ million	₦ million	**$'000**	$'000
Financial assets				
Cash and cash equivalents	**79,448**	47,539	**51,747**	52,857
Trade and other receivables	**67,824**	85,746	**44,176**	95,338
Contract asset	**23,918**	7,239	**15,579**	8,049
Restricted cash	**1,448**	1,155	**943**	1,310
	172,638	141,679	**112,445**	157,554
Financial liabilities				
Trade and other payables	**(114,708)**	(85,604)	**(74,713)**	(95,180)
Net exposure to foreign exchange risk	**57,930**	56,075	**37,732**	62,374

The following table demonstrates the carrying value of monetary assets and liabilities exposed to foreign exchange risks for Pound exposures at the reporting date:

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Financial assets				
Cash and cash equivalents	**3,017**	1,564	**1,965**	1,739
Trade and other receivables	**11,028**	13	**7,183**	14
	14,045	1,577	**9,148**	1,753
Financial liabilities				
Trade and other payables	**–**	–	**–**	–
Net exposure to foreign exchange risk	**14,045**	1,577	**9,148**	1,753

Sensitivity to foreign exchange risk is based on the Group's net exposure to foreign exchange risk due to Naira and pound denominated balances. If the Naira strengthens or weakens by the following thresholds, the impact is as shown in the table below:

Increase/decrease in foreign exchange risk	Effect on profit before tax 2024 ₦ million	Effect on other components of equity before tax 2024 ₦ million	Effect on profit before tax 2024 $'000	Effect on other components of equity before tax 2024 $'000
+10%	**(5,266)**	**—**	**(3,430)**	**—**
-10%	**6,437**	**—**	**4,192**	**—**

Increase/decrease in foreign exchange risk	Effect on profit before tax 2023 ₦ million	Effect on other components of equity before tax 2023 ₦ million	Effect on profit before tax 2023 $'000	Effect on other components of equity before tax 2023 $'000
+10%	(5,100)	—	(5,670)	—
-10%	6,233	—	6,930	—

If the Pound strengthens or weakens by the following thresholds, the impact is as shown in the table below:

Increase/decrease in foreign exchange risk	Effect on profit before tax 2024 ₦ million	Effect on other components of equity before tax 2024 ₦ million	Effect on profit before tax 2024 $'000	Effect on other components of equity before tax 2024 $'000
+10%	**(1,277)**	**—**	**(832)**	**—**
-10%	**1,561**	**—**	**1,016**	**—**

Increase/decrease in foreign exchange risk	Effect on profit before tax 2023 ₦ million	Effect on other components of equity before tax 2023 ₦ million	Effect on profit before tax 2023 $'000	Effect on other components of equity before tax 2023 $'000
+10%	(143)	–	(159)	–
-10%	175	–	195	–

5.1.3 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., NUIMS receivables, NEPL receivables and other receivables)

a) Risk management

The Group is exposed to credit risk from its sale of crude oil to Mercuria, Exxonmobil, Waltersmith, Chevron 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 expires in March 2025. The Group also has an off-take agreement with Shell Western Supply and Trading Limited which expires in March 2025. The Group is exposed to further credit risk from outstanding cash calls from NEPL and NUIMS.

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

The credit risk on cash and bank 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) Impairment of financial assets

The Group financial assets that are subject to IFRS 9's expected credit loss model are listed below. Contract assets are also subject to the expected credit loss model, even though they are not financial assets, as they have substantially the same credit risk characteristics as trade receivables. The impairment of receivables is disclosed in the table below.

- JV partners receivables
- Trade receivables
- Contract assets
- Other receivables
- Cash and bank balances
- Reconciliation of impairment on financial assets;

	Notes	**₦ million**	**$'000**
As at 1 January 2024		**41,969**	**94,120**
Decrease in provision for Nigerian National Corporation Exploration Limited (NEPL) receivables	25.2	**(2,473)**	**(1,671)**
Decrease in provision for NNPC Upstream Investment Management Services (NUIMS) receivables	25.3	**(1,126)**	**(761)**
Increase in provision for trade receivables	25.1	**14,137**	**9,554**
Decrease in provision for receivables from Joint Venture (ANOH)	25.5	**(4,433)**	**(2,996)**
Increase in provision for other receivables	25.4	**9,711**	**6,563**
Decrease in provision for contract asset	26	**(176)**	**(119)**
Impairment charge to the profit or loss		**15,640**	**10,570**
Exchange difference			
As at 31 December 2024		**57,609**	**104,690**

	Notes	₦ million	US $'000
As at 1 January 2023		33,638	81,464
Increase in provision for Nigerian National Corporation Exploration Limited (NEPL) receivables	25.2	1,228	1,870
Decrease in provision for NNPC Upstream Investment Management Services (NUIMS) receivables	25.3	229	349
Increase in provision for trade receivables	25.1	2,140	3,259
Increase in provision for receivables from joint venture (ANOH)	25.5	3,768	5,738
Increase in provision of other receivables	25.4	868	1,322
Increase in provision for contract asset	26	77	118
Impairment charge to the profit or loss		8,330	12,656
Exchange difference		—	—
As at 31 December 2023		41,969	94,120

The parameters used to determine impairment for NEPL receivables, NUIMS receivables, other receivables and short term fixed deposits are shown below. For all receivables presented in the table, the respective 12-month Probability of Default (PD) equate the lifetime PD for stage 2 as the maximum contractual period over which the Group is exposed to credit risk arising from the receivables is less than 12 months.

	NNPC Exploration and Production Company Limited (NEPL) receivables	NNPC Upstream Investment Management Services(NUIMS) receivables	Other receivables	Short term fixed deposits
Probability of Default (PD)	The 12-month sovereign cumulative PD for base case, downturn and upturn respectively is 2.05%, 2.06%, and 2,04%, for stage 1 and stage 2. The PD for stage 3 is 100%.	The 12-month sovereign cumulative PD for base case, downturn and upturn respectively is 2.05%, 2.06%, and 2,04%, for stage 1 and stage 2. The PD for stage 3 is 100%.	The PD for stage 3 is 100%.	The 12-month sovereign cumulative PD for base case, downturn and upturn respectively is 2.05%, 2.06%, and 2,04%, for stage 1 and stage 2. The PD for stage 3 is 100%.
Loss Given Default (LGD)	The 12-month LGD and lifetime LGD were determined using Moody's recovery rate and mapped based on the priority rating of the receivable, for emerging economies.	The 12-month LGD and lifetime LGD were determined using Moody's recovery rate and mapped based on the priority rating of the receivable, for emerging economies.	The 12-month LGD and lifetime LGD were determined using Management's estimate of expected cash recoveries. The Management's estimates is based on historical pattern of recoveries.	The 12-month LGD and lifetime LGD were determined using Moody's recovery rate and mapped based on the priority rating of the receivable, for emerging economies.
Exposure at default (EAD)	The EAD is the maximum exposure of the receivable to credit risk.	The EAD is the maximum exposure of the receivable to credit risk.	The EAD is the maximum exposure of the receivable to credit risk.	The EAD is the maximum exposure of the short-term fixed deposits to credit risk.
Macroeconomic indicators	The historical inflation and Brent oil price were used.	The historical inflation and Brent oil price were used.	The historical gross domestic product (GDP) growth rate in Nigeria and crude oil price were used.	The historical gross domestic product (GDP) growth rate in Nigeria and crude oil price were used.
Probability weightings	23.02%, 34.92%, and 42.06%, was used as the weights for the base, upturn and downturn ECL modelling scenarios respectively.	23.02%, 34.92%, and 42.06%, was used as the weights for the base, upturn and downturn ECL modelling scenarios respectively.	23.02%, 34.92%, and 42.06%, was used as the weights for the base, upturn and downturn ECL modelling scenarios respectively.	23.02%, 34.92%, and 42.06%, was used as the weights for the base, upturn and downturn ECL modelling scenarios respectively.

The Group considers both quantitative and qualitative indicators in classifying its receivables into the relevant stages for impairment calculation as shown below:

- Stage 1: This stage includes financial assets that are less than 30 days past due (Performing).
- Stage 2: This stage includes financial assets that have been assessed to have experienced a significant increase in credit risk using the days past due criteria (i.e. the outstanding receivables amounts are more than 30 days past due but less than 90 days past due) and other qualitative indicators such as the increase in political risk concerns or other macro-economic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance.
- Stage 3: This stage includes financial assets that have been assessed as being in default (i.e., receivables that are more than 90 days past due) or that have a clear indication that the imposition of financial or legal penalties and/or sanctions will make the full recovery of indebtedness highly improbable.

i. NEPL receivables

NEPL receivables represent the outstanding cash calls due to Seplat from its Joint venture partner, Nigerian National Petroleum Corporation Exploration Limited. The Group applies the IFRS 9 general model for measuring expected credit losses (ECL). This requires a three-stage approach in recognising the expected loss allowance for NEPL receivables.

The ECL recognised for the period is a probability-weighted estimate of credit losses discounted at the effective interest rate of the financial asset. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The following analysis provides further detail about the calculation of ECLs related to these assets. The Group considers the model and the assumptions used in calculating these ECLs as key sources of estimation uncertainty

There was no write-off during the year (2023: Nil). (See details in Note 25.2).

31 December 2024	Stage 1 12-month ECL ₦ million	Stage 2 Lifetime ECL ₦ million	Stage 3 Lifetime ECL ₦ million	Total ₦ million
Gross Exposure at Default (EAD)	—	67,954	—	67,954
Loss Allowance	—	(4,339)	—	(4,339)
Net Exposure at Default (EAD)	—	63,615	—	63,615

31 December 2023	Stage 1 12-month ECL ₦ million	Stage 2 Lifetime ECL ₦ million	Stage 3 Lifetime ECL ₦ million	Total ₦ million
Gross Exposure at Default (EAD)	—	116,421	—	116,421
Loss Allowance	—	(4,367)	—	(4,367)
Net Exposure at Default (EAD)	—	112,054	—	112,054

31 December 2024	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Gross Exposure at Default (EAD)	—	44,260	—	44,260
Loss Allowance	—	(2,826)	—	(2,826)
Net Exposure at Default (EAD)	—	41,434	—	41,434

31 December 2023	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Gross Exposure at Default (EAD)	—	129,444	—	129,444
Loss Allowance	—	(4,856)	—	(4,856)
Net Exposure at Default (EAD)	—	124,588	—	124,588

ii. NIUMS receivables

NUIMS receivables represent the outstanding cash calls due to Seplat from its Joint Operating Agreement (JOA) partner, NNPC Upstream Investment Management Services. The Group applies the general model for measuring expected credit losses (ECL) which uses a three-stage approach in recognising the expected loss allowance for NUIMS receivables.

The ECL was calculated based on actual credit loss experience from 2016, which is the date the Group initially became a party to the contract. The following analysis provides further detail about the calculation of ECLs related to these assets. The Group considers the model and the assumptions used in calculating these ECLs as key sources of estimation uncertainty. The tables below show the expected credit losses for the year ended 31 December 2024 and 31 December 2023.

31 December 2024	Stage 1 12-month ECL ₦ million	Stage 2 Lifetime ECL ₦ million	Stage 3 Lifetime ECL ₦ million	Total ₦ million
Gross Exposure at Default (EAD)	—	454,571	—	454,571
Net Exposure at Default (EAD)	—	454,571	—	454,571

31 December 2023	Stage 1 12-month ECL ₦ million	Stage 2 Lifetime ECL ₦ million	Stage 3 Lifetime ECL ₦ million	Total ₦ million
Gross Exposure at Default (EAD)	—	19,099	—	19,099
Loss Allowance	—	(684)	—	(684)
Net Exposure at Default (EAD)	—	18,415	—	18,415

31 December 2024	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total US$'000
Gross Exposure at Default (EAD)	—	296,075	—	296,075
Net Exposure at Default (EAD)	—	296,075	—	296,075

31 December 2023	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Gross Exposure at Default (EAD)	—	21,236	—	21,236
Loss Allowance	—	(761)	—	(761)
Net Exposure at Default (EAD)	—	20,475	—	20,475

iii. Trade receivables (Geregu Power, Sapele Power, Nigerian Gas Marketing Company and others)

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.The impairment of trade receivables (Geregu Power, Sapele Power, NGMC and others) was estimated by applying the provision matrix. The expected loss rate was calculated as the percentage of the receivable that is deemed uncollectible during a particular period. The expected loss rates as at 31 December 2024 and 31 December 2023 are as follows:

31 December 2024	**Current ₦ million**	**30-60 days ₦ million**	**61-90 days ₦ million**	**91-180 days ₦ million**	**181-365 days ₦ million**	**Above 365 days ₦ million**	**Total ₦ million**
Gross carrying amount	**16,058**	**5,707**	**3,479**	**8,101**	**11,671**	**17,492**	**62,508**
Expected loss rate	**4 %**	**9 %**	**17 %**	**41 %**	**66 %**	**100 %**	
Lifetime ECL	**(688)**	**(534)**	**(603)**	**(3,291)**	**(7,742)**	**(17,492)**	**(30,350)**
Total	**15,371**	**5,173**	**2,876**	**4,810**	**3,929**	**–**	**32,158**

31 December 2023	Current ₦ million	30-60 days ₦ million	61-90 days ₦ million	91-180 days ₦ million	181-365 days ₦ million	Above 365 days ₦ million	Total ₦ million
Gross carrying amount	4,573	286	248	256	256	213	5,832
Expected loss rate	4 %	4 %	4 %	83 %	83 %	93%	
Lifetime ECL	(168)	(11)	(10)	(212)	(212)	(198)	(811)
Total	4,405	275	238	44	44	15	5,021

31 December 2024	**Current $'000**	**30-60 days $'000**	**61-90 days $'000**	**91-180 days $'000**	**181-365 days $'000**	**Above 365 days $'000**	**Total $'000**
Gross carrying amount	**10,459**	**3,717**	**2,266**	**5,276**	**7,602**	**11,393**	**40,713**
Expected loss rate	**4 %**	**9 %**	**17 %**	**41 %**	**66 %**	**100 %**	**—**
Lifetime ECL	**(448)**	**(348)**	**(393)**	**(2,143)**	**(5,043)**	**(11,393)**	**(19,768)**
Total	**10,011**	**3,369**	**1,873**	**3,133**	**2,559**	**—**	**20,945**

31 December 2023	Current $'000	30-60 days $'000	61-90 days $'000	91-180 days $'000	181-365 days $'000	Above 365 days $'000	Total $'000
Gross carrying amount	6,980	437	378	390	390	325	8,900
Expected loss rate	4 %	4 %	4 %	42 %	42 %	93 %	
Lifetime ECL	(257)	(16)	(15)	(162)	(162)	(303)	(915)
Total	6,723	421	363	228	228	22	7,985

iv. Contract assets

The expected credit losses on contract assets was estimated by applying the provision matrix. The expected loss rate was calculated as the percentage of the receivable that is deemed uncollectible during a particular period. The expected loss rates as at 31 December 2024 and 2023 are shown below:

31 December 2024	**Current ₦ million**	**1-30 days ₦ million**	**31-60 days ₦ million**	**61-90 days ₦ million**	**181-365 days ₦ million**	**Above 365 days ₦ million**	**Total ₦ million**
Gross carrying amount	**23,918**	**—**	**—**	**—**	**—**	**—**	**23,918**
Expected loss rate	**1.07 %**	**1.65 %**	**2.32 %**	**2.95 %**	**4.56 %**	**100 %**	
Lifetime ECL	**(255)**	**—**	**—**	**—**	**—**	**—**	**(255)**
Total	**23,663**	**—**	**—**	**—**	**—**	**—**	**23,663**

31 December 2023	Current ₦ million	1-30 days ₦ million	31-60 days ₦ million	1-30 days ₦ million	31-60 days ₦ million	61-90 days ₦ million	91-120 days ₦ million
Gross carrying amount	7,496	—	—	—	—	—	7,496
Expected loss rate	3.42 %	3.94 %	3.94 %	4.29 %	4.29 %	88.61%	
Lifetime ECL	(256)	—	—	—	—	—	(256)
Total	7,240	—	—	—	—	—	7,240

31 December 2024	**Current US$'000**	**1-30 days US$'000**	**31-60 days US$'000**	**61-90 days US$'000**	**181-365 days US$'000**	**Above 365 days $'000**	**Total $'000**
Gross carrying amount	**15,745**			**—**	**—**	**—**	**15,745**
Expected loss rate	**1.06 %**	**1.65 %**	**2.32 %**	**2.95 %**	**4.56 %**	**100 %**	
Lifetime ECL	**(166)**			**—**	**—**	**—**	**(166)**
Total	**15,579**	**—**	**—**	**—**	**—**	**—**	**15,579**

31 December 2023	Current US$'000	1-30 days US$'000	31-60 days US$'000	61-90 days US$'000	181-365 days US$'000	Above 365 days $'000	Total $'000
Gross carrying amount	8,334			—	—	—	8,334
Expected loss rate	3.42 %	3.94 %	3.94 %	4.29 %	4.29 %	88.61 %	
Lifetime ECL	(285)	—	—	—	—	—	(285)
Total	8,049	—	—	—	—	—	8,049

v. Other receivables

Other receivables are amounts outside the usual operating activities of the Group. Included in other receivables is a receivable amount on an investment that is no longer being pursued. The Group applied the general approach in estimating the expected credit loss.

31 December 2024	**Stage 1 12-month ECL ₦ million**	**Stage 2 Lifetime ECL ₦ million**	**Stage 3 Lifetime ECL ₦ million**	**Total ₦ million**
Gross Exposure at Default (EAD)	**—**	**—**	**182,884**	**182,884**
Loss Allowance	**—**	**—**	**(79,667)**	**(79,667)**
Net Exposure at Default (EAD)	**—**	**—**	**103,218**	**103,218**

31 December 2023	Stage 1 12-month ECL ₦ million	Stage 2 Lifetime ECL ₦ million	Stage 3 Lifetime ECL ₦ million	Total ₦ million
Gross Exposure at Default (EAD)	–	–	74,727	74,727
Loss Allowance	–	–	(48,564)	(48,564)
Net Exposure at Default (EAD)	–	–	26,163	26,163

31 December 2024	**Stage 1 12-month ECL $'000**	**Stage 2 Lifetime ECL $'000**	**Stage 3 Lifetime ECL $'000**	**Total $'000**
Gross Exposure at Default (EAD)	**—**	**—**	**119,118**	**119,118**
Loss Allowance	**—**	**—**	**(58,258)**	**(58,258)**
Net Exposure at Default (EAD)	**—**	**—**	**60,860**	**60,860**

31 December 2023	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Gross Exposure at Default (EAD)	—	—	83,086	83,086
Loss Allowance	—	—	(53,996)	(53,996)
Net Exposure at Default (EAD)	—	—	29,090	29,090

vi. Cash and cash equivalent

Short term fixed deposits

The Group applies the IFRS 9 general model for measuring expected credit losses (ECL) which uses a three-stage approach in recognising the expected loss allowance for cash and cash equivalents. The ECL was calculated as the probability weighted estimate of the credit losses expected to occur over the contractual period of the facility after considering macroeconomic indicators.

31 December 2024	Stage 1 12-month ECL ₦ million	Stage 2 Lifetime ECL ₦ million	Stage 3 Lifetime ECL ₦ million	Total ₦ million
Gross Exposure at Default (EAD)	**202,123**	**—**	**—**	**202,123**
Loss Allowance	**(376)**	**—**	**—**	**(376)**
Net Exposure at Default (EAD)	**201,747**	**—**	**—**	**201,747**

31 December 2023	Stage 1 12-month ECL N million	Stage 2 Lifetime ECL N million	Stage 3 Lifetime ECL N million	Total N million
Gross Exposure at Default (EAD)	90,693	—	—	90,693
Loss Allowance	(221)	—	—	(221)
Net Exposure at Default (EAD)	90,472	—	—	90,472

31 December 2024	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Gross Exposure at Default (EAD)	**131,649**	**—**	**—**	**131,649**
Loss Allowance	**(246)**	**—**	**—**	**(246)**
Net Exposure at Default (EAD)	**131,403**	**—**	**—**	**131,403**

31 December 2023	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Gross Exposure at Default (EAD)	101,636	—	—	101,636
Loss Allowance	(246)	—	—	(246)
Net Exposure at Default (EAD)	101,390	—	—	101,390

Other cash, bank balances and restricted cash

The group assessed the other cash, bank and restricted cash balances to determine their expected credit losses. Based on the assessment performed, the expected credit loss figures were insignificant and not recognised due to materiality as at 31 December 2024 (2023: nil). The assets are assessed to be in stage 1.

Credit quality of cash and cash equivalents (including restricted cash)

The credit quality of the Group's cash and bank balances are assessed on the basis of external credit ratings (Fitch national long-term ratings) as shown below cash and bank balances are all in Stage 1 based on the ECL assessment:

	Dec 2024 ₦ million	Dec 2023 ₦ million	Dec 2024 $'000	Dec 2023 $'000
B-	**449,688**	—	**292,895**	—
BBB-	**1**	28,674	**1**	31,882
BBB+	**1,809**	—	**1,179**	—
A	**376**	944	**245**	1,050
A+	**361,729**	302,533	**235,605**	336,375
AA-	**67,543**	33,295	**43,992**	37,019
AAA	**43,666**	63,911	**28,441**	71,060
Non-rated	**(64)**	—	**(42)**	—
	924,748	429,357	**602,316**	477,386
Allowance for impairment recognised during the year (Note 18)	**(376)**	(217)	**(245)**	(246)
Net cash and cash bank balances	**924,372**	429,140	**602,071**	477,140

c. Maximum exposure to credit risk – financial instruments subject to impairment

The Group estimated the expected credit loss on NEPL receivables, NUIMS receivables and short-term fixed deposits by applying the general model. The gross carrying amount of financial assets represents the Group's maximum exposure to credit risks on these assets.

All financial assets impaired using the General model (NEPL, NUIMS and short-term fixed deposits) are graded under the standard monitoring credit grade (rated B- under Standard and Poor's unmodified ratings) and are classified under Stage 1, except for the other receivables which are graded under the investment grade (rated AA under Standard and Poor's unmodified ratings) and classified in Stage 2 and Stage 3.

d) Roll forward movement in loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stage 2 or Stage 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit impaired in the period, and the consequent "step up" (or "step down") between 12-month and lifetime ECL;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments derecognised in the period;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;
- Discount unwind within ECL due to passage of time, as ECL is measured on a present value basis;
- Foreign exchange retranslation for assets denominated in foreign currencies and other movements; and
- Financial assets derecognised during the period and write-off of receivables and allowances related to assets.

The following tables explain the changes in the loss allowance between the beginning and end of the annual period due to these factors:

NEPL receivables

31 December 2024	Stage 1 12-month ECL N million	Stage 2 Lifetime ECL N million	Stage 3 Lifetime ECL N million	Total N million
Loss allowance as at 1 January 2024	—	4,367	—	4,367
Movements in profit due to increase in receivables	(2,473)	—	—	(2,473)
Exchange difference	2,473	(28)	—	2,445
Loss allowance as at 31 December 2024	—	4,339	—	4,339

31 December 2024	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Loss allowance as at 1 January 2024	—	4,856	—	4,856
Movements in profit due to increase in receivables	(1,671)	—	—	(1,671)
Foreign exchange revaluation impact	(359)			(359)
Loss allowance as at 31 December 2024	(2,030)	4,856	—	2,826

NUIMS receivables

31 December 2024	Stage 1 12-month ECL N million	Stage 2 Lifetime ECL N million	Stage 3 Lifetime ECL N million	Total N million
Loss allowance as at 1 January 2024	—	684	—	684
Movements in profit due to increase in receivables	—	(1,126)	—	(1,126)
Exchange difference	—	442	—	442
Loss allowance as at 31 December 2024	—	—	—	—

31 December 2024	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Loss allowance as at 1 January 2024	—	761	—	761
Movements in profit due to increase in receivables	—	(761)	—	(761)
Loss allowance as at 31 December 2024	—	—	—	—

Other receivables

31 December 2024	Stage 1 12-month ECL N million	Stage 2 Lifetime ECL N million	Stage 3 Lifetime ECL N million	Total N million
Loss allowance as at 1 January 2024	—	—	48,564	48,564
Movements in profit due to increase in receivables	—	—	9,711	9,711
Exchange difference	—	—	21,391	21,391
Loss allowance as at 31 December 2024	—	—	79,665	79,665

31 December 2024	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Loss allowance as at 1 January 2024	—	—	53,996	53,996
Movements in profit due to increase in receivables	—	—	6,563	6,563
Foreign exchange revaluation impact			(2,301)	
Loss allowance as at 31 December 2024	—	—	58,258	58,258

Short-term fixed deposit

31 December 2024	Stage 1 12-month ECL N million	Stage 2 Lifetime ECL N million	Stage 3 Lifetime ECL N million	Total N million
Loss allowance as at 1 January 2024	(221)	—	—	(221)
Exchange difference	(155)			(155)
Loss allowance as at 31 December 2024	(376)	—	—	(376)

Short-term fixed deposit

31 December 2024	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Loss allowance as at 1 January 2024	(246)	—	—	(246)
Loss allowance as at 31 December 2024	(246)	—	—	(246)

e. Estimation uncertainty in measuring impairment loss

The table below shows information on the sensitivity of the carrying amounts of the Company'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.

i. Expected cashflow recoverable

The table below demonstrates the sensitivity of the Company's profit before tax to a 20% change in the expected cashflows from financial assets, with all other variables held constant:

Increase/decrease in estimated cash flows	Effect on profit before tax 2024 ₦ million	Effect on other components of profit before tax 2024 ₦ million	Effect on profit before tax 2024 $'000	Effect on other components of profit before tax 2024 $'000
+20%	(13,916)	–	(9,064)	–
-20%	13,916	–	9,064	–

Increase/decrease in estimated cash flows	Effect on profit before tax 2023 ₦ million	Effect on other components of profit before tax 2023 ₦ million	Effect on profit before tax 2023 $'000	Effect on other components of profit before tax 2023 $'000
+20%	(7,990)	–	(9,064)	–
-20%	7,990	–	9,064	–

ii) Significant unobservable inputs

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

Increase/decrease in loss given default	Effect on profit before tax 2024 ₦ million	Effect on other components of equity before tax 2024 ₦ million	Effect on profit before tax 2024 $'000	Effect on other components of equity before tax 2024 $'000
+10%	(208)	—	(141)	—
-10%	208	—	141	—

Increase/decrease in loss given default	Effect on profit before tax 2023 ₦ million	Effect on other components of equity before tax 2023 ₦ million	Effect on profit before tax 2023 $'000	Effect on other components of equity before tax 2023 $'000
+10%	(104)	—	(158)	—
-10%	104	—	158	—

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:

Increase/decrease in probability of default	**Effect on profit before tax 2024 ₦ million**	**Effect on other components of equity before tax 2024 ₦ million**	**Effect on profit before tax 2024 $'000**	**Effect on other components of equity before tax 2024 $'000**
+10%	**(218)**	**—**	**(147)**	**—**
-10%	**218**	**—**	**147**	**—**

Increase/decrease in probability of default	Effect on profit before tax 2023 ₦ million	Effect on other components of equity before tax 2023 ₦ million	Effect on profit before tax 2023 $'000	Effect on other components of equity before tax 2023 $'000
+10%	(109)	—	(166)	—
-10%	109	—	166	—

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

Increase/decrease in forward looking macroeconomic indicators	**Effect on profit before tax 2024 ₦ million**	**Effect on other components of equity before tax 2024 ₦ million**	**Effect on profit before tax 2024 $'000**	**Effect on other components of equity before tax 2024 $'000**
+10%	**(63)**	**–**	**(42)**	**–**
-10%	**63**	**–**	**42**	**–**

Increase/decrease in forward looking macroeconomic indicators	Effect on profit before tax 2023 ₦ million	Effect on other components of equity before tax 2023 ₦ million	Effect on profit before tax 2023 $'000	Effect on other components of equity before tax 2023 $'000
+10%	(37)	—	(57)	—
-10%	37	—	57	—

5.1.4 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.

31 December 2024	Effective interest rate %	Less than 1 year ₦ million	1 – 2 year ₦ million	2 – 3 years ₦ million	Total ₦ million
Non-derivatives					
Fixed interest rate borrowings					
650 million Senior notes	7.75%	77,342	1,036,629	—	1,113,971
Variable interest rate borrowings					
The Mauritius Commercial Bank Ltd	8% + SOFR	23,378	6,274	—	29,652
Stanbic IBTC Bank Plc	8% + SOFR	23,867	6,403	—	30,270
Standard Bank of South Africa	8% + SOFR	13,638	3,660	—	17,298
First City Monument Ltd (FCMB)	8% + SOFR	6,088	1,634	—	7,722
Shell Western Supply & Trading Limited	10.5% + SOFR	2,598	2,598	18,184	23,380
$350 million RCF					
Citibank N.A. London	5% + SOFR	15,354	—	—	15,354
Nedbank Limited, London Branch	5% + SOFR	69,090	—	—	69,090
Stanbic Ibtc Bank Plc	5% + SOFR	76,766	—	—	76,766
The Standard Bank of South Africa Limited	5% + SOFR	—	—	—	—
RMB International (Mauritius) Limited	5% + SOFR	99,796	—	—	99,796
The Mauritius Commercial Bank Ltd	5% + SOFR	69,090	—	—	69,090
JP Morgan Chase Bank, N.A London	5% + SOFR	46,060	—	—	46,060
Standard Chartered Bank	5% + SOFR	46,060	—	—	46,060
Natixis	5% + SOFR	—	—	—	—
Societe Generale Bank, London Branch	5% + SOFR	—	—	—	—
Zenith Bank Plc	5% + SOFR	23,030	—	—	23,030
Zenith Bank (UK) Limited	5% + SOFR	30,707	—	—	30,707
United Bank for Africa Plc	5% + SOFR	23,030	—	—	23,030
First City Monument Bank Limited	5% + SOFR	30,707	—	—	30,707
BP	5% + SOFR	7,677	—	—	7,677
$300 million Advance Payment Facility (APF)					
ExxonMobil Financing	5% + SOFR + CAS	44,547	44,547	504,533	593,627
Total variable interest borrowings		651,483	65,116	522,717	1,239,316
Other non-derivatives					
Trade and other payables**		1,684,706	—	—	1,684,706
Lease liability		24,415	—	—	24,415
		1,709,121	—	—	1,709,121
Total		2,437,946	1,101,745	522,717	4,062,408

'31 December 2023	Effective interest rate %	Less than 1 year ₦ million	1 – 2 year ₦ million	2 – 3 years ₦ million	3 – 5 years ₦ million	Total ₦ million
Non-derivatives						
Fixed interest rate borrowings						
650 million Senior notes	7.75%	45,838	45,306	607,259	—	698,403
Variable interest rate borrowings						
The Mauritius Commercial Bank Ltd	8% + SOFR	15,426	13,782	3,688	—	32,896
Stanbic IBTC Bank Plc	8% + SOFR	15,749	14,068	3,764	—	33,581
Standard Bank of South Africa	8% + SOFR	8,999	8,039	2,150	—	19,188
First City Monument Ltd (FCMB)	8% + SOFR	4,018	3,589	960	—	8,567
Shell Western Supply & Trading Limited	10.5% + SOFR	1,595	1,590	1,590	10,685	15,460
Total variable interest borrowings		45,787	41,068	12,152	10,685	109,692
Other non-derivatives						
Trade and other payables**		480,136	—	—	—	480,136
Lease liability		1,207	—	—	—	1,207
		481,343	—	—	—	481,343
Total		572,968	86,374	619,411	10,685	1,289,438

31 December 2024	Effective interest rate %	Less than 1 year $'000	1 – 2 year $'000	2 – 3 years $'000	Total $'000
Non-derivatives					
Fixed interest rate borrowings					
650 million Senior notes	7.75%	50,375	675,188	—	725,563
Variable interest rate borrowings					
The Mauritius Commercial Bank Ltd	8% + SOFR	15,227	4,086	—	19,313
Stanbic IBTC Bank Plc	8% + SOFR	15,545	4,171	—	19,716
Standard Bank of South Africa	8% + SOFR	8,883	2,384	—	11,267
First City Monument Ltd (FCMB)	8% + SOFR	3,965	1,064	—	5,029
Shell Western Supply & Trading Limited	10.5% + SOFR	1,692	1,692	11,844	15,228
350 million Seplat RCF					
Citibank N.A. London	5% + SOFR	10,000	—	—	10,000
Nedbank Limited, London Branch	5% + SOFR	45,000	—	—	45,000
Stanbic Ibtc Bank Plc	5% + SOFR	50,000	—	—	50,000
The Standard Bank of South Africa Limited	5% + SOFR	—	—	—	—
RMB International (Mauritius) Limited	5% + SOFR	65,000	—	—	65,000
The Mauritius Commercial Bank Ltd	5% + SOFR	45,000	—	—	45,000
JP Morgan Chase Bank, N.A London	5% + SOFR	30,000	—	—	30,000
Standard Chartered Bank	5% + SOFR	30,000	—	—	30,000
Natixis	5% + SOFR	—	—	—	—
Societe Generale Bank, London Branch	5% + SOFR	—	—	—	—
Zenith Bank Plc	5% + SOFR	15,000	—	—	15,000
Zenith Bank (UK) Limited	5% + SOFR	20,000	—	—	20,000
United Bank for Africa Plc	5% + SOFR	15,000	—	—	15,000
First City Monument Bank Limited	5% + SOFR	20,000	—	—	20,000
BP	5% + SOFR	5,000	—	—	5,000
$300 million Advance Payment Facility (ADF)					
ExxonMobil Financing	5% + SOFR + CAS	29,015	29,015	328,617	386,647
Total variable interest borrowings		424,327	42,412	340,461	807,200
Other non-derivatives					
Trade and other payables[2]		1,097,297	—	—	1,097,297
Lease liability		15,902	—	—	15,902
		1,113,199	—	—	1,113,199
Total		1,587,901	717,600	340,461	2,645,962

'31 December 2023	Effective interest rate %	Less than 1 year $'000	1 – 2 year $'000	2 – 3 years $'000	3 – 5 years $'000	Total $'000
Non-derivatives						
Fixed interest rate borrowings						
650 million Senior notes	7.75%	50,375	50,375	675,188	—	777,938
Variable interest rate borrowings						
The Mauritius Commercial Bank Ltd	8% + SOFR	17,153	15,323	4,099	—	36,575
Stanbic IBTC Bank Plc	8% + SOFR	17,511	15,642	4,185	—	37,338
Standard Bank of South Africa	8% + SOFR	10,006	8,938	2,391	—	21,335
First City Monument Ltd (FCMB)	8% + SOFR	4,467	3,990	1,067	—	9,524
Shell Western Supply & Trading Limited	10.5% + SOFR	1,773	1,768	1,768	11,881	17,190
Total variable interest borrowings		50,910	45,661	13,510	11,881	121,962
Other non-derivatives						
Trade and other payables**		533,845	—	—	—	533,845
Lease liability		1,342	—	—	—	1,342
		535,187	—	—	—	535,187
Total		636,472	96,036	688,698	11,881	1,433,087

1. Derivative liability of $3.9 million, ₦6.1 billion (2023: $1.6 million, ₦1.4 billion) are expected to be settled within the next 12 months. Hence, it would be classified under less than one year for the purpose of liquidity and maturity analysis.
2. Trade and other payables (exclude non-financial liabilities such as provisions, taxes, pension and other non-contractual payables)

5.1.5 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	
	2024	2023	**2024**	2023
	₦ million	₦ million	**₦ million**	₦ million
Financial assets measured at amortised cost				
Trade and other receivables*	**1,149,130**	249,938	**1,149,130**	249,938
Contract asset	**23,919**	7,240	**23,919**	7,240
Cash and cash equivalents	**721,385**	404,825	**721,385**	404,825
	1,894,434	662,003	**1,894,434**	662,003
Financial liabilities				
Interest bearing loans borrowings	**2,099,748**	679,367	**2,080,360**	688,438
Trade and other payables**	**1,615,528**	349,997	**1,615,528**	349,997
	3,715,276	1,029,364	**3,715,276**	1,038,435
Financial liabilities at fair value				
Derivative financial instruments (Note 27)	**(6,073)**	(1,444)	**(6,073)**	(1,444)
	(6,073)	(1,444)	**(6,073)**	(1,444)

	Carrying amount		Fair value	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Financial assets at amortised cost				
Trade and other receivables*	**748,463**	277,898	**748,463**	277,898
Contract Asset	**15,579**	8,049	**15,579**	8,049
Cash and cash equivalents	**470,107**	450,109	**470,107**	450,109
	1,234,149	736,056	**1,234,149**	736,056
Financial liabilities				
Interest bearing loans and borrowings	**1,367,629**	755,362	**1,355,001**	765,447
Trade and other payables**	**1,052,243**	389,149	**1,052,243**	389,149
	2,419,872	1,144,511	**2,407,244**	1,154,596
Financial liabilities at fair value				
Derivative financial instruments (Note 27)	**(3,955)**	(1,606)	**(3,955)**	(1,606)
	(3,955)	(1,606)	**(3,955)**	(1,606)

1. Trade and other receivables exclude Geregu Power, Sapele Power and NGMC VAT receivables, cash advances and advance payments. In determining the fair value of the interest-bearing loans and borrowings, non-performance risks of the Group as at year-end were assessed to be insignificant.
2. Trade and other payables (excluding non-financial liabilities such as provisions, taxes, pension and other non-contractual payables), trade and other receivables (excluding prepayments), 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.

5.1.6 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.

Recurring fair value measurements

	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
31 December 2024	**₦ million**	**₦ million**	**₦ million**	**$'000**	**$'000**	**$'000**
Financial liabilities:						
Derivative financial instruments	—	**6,073**	—	—	**3,955**	—

31 December 2023	Level 1 ₦ million	Level 2 ₦ million	Level 3 ₦ million	Level 1 $'000	Level 2 $'000	Level 3 $'000
Financial liabilities:						
Derivative financial instruments	—	1,444	—	—	1,606	—

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.

31 December 2024	**Level 1 ₦ million**	**Level 2 ₦ million**	**Level 3 ₦ million**	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**
Financial liabilities:						
Interest bearing loans and borrowings	**—**	**2,080,360**	**—**	**—**	**1,355,001**	**—**

31 December 2023	Level 1 ₦ million	Level 2 ₦ million	Level 3 ₦ million	Level 1 $'000	Level 2 $'000	Level 3 $'000
Financial liabilities:						
Interest bearing loans and borrowings	—	657,973	—	—	731,575	—

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.

Non-recurring fair value measurements

31 December 2024	**Level 1 ₦ million**	**Level 2 ₦ million**	**Level 3 ₦ million**	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**
Assets						
Non-current asset held for sale	**—**	**18,838**	**—**	**—**	**12,270**	**—**

The fair value of the property, plant and equipment (oil rig) held for sale is determined using the replacement cost of the asset and the actual values market participants are willing to pay for the asset. These assets are of specialised nature and has been recognised under level 2.

The valuation process

The finance & planning team of the Group performs the valuations of financial and non-financial assets required for financial reporting purposes, including level 3 fair values. 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.

5.1.7 Capital management

Risk management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, to maintain optimal capital structure and reduce cost of capital. Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio, net debt divided by total capital. Net debt is calculated as total borrowings less cash and bank balances.

	2024 ₦ million	2023 ₦ million	**2024 $'000**	2023 $'000
Interest bearing loans and borrowings	**2,099,750**	679,699	**1,368**	756
Lease liabilities	**112,945**	1,207	**74**	1
Less: cash and cash equivalents	**(721,385)**	(404,825)	**(470)**	(450)
Net debt	**1,491,310**	276,081	**971**	307
Total equity	**2,828,983**	1,612,635	**1,843**	1,793
Total capital	**4,320,293**	1,888,716	**2,814**	2,100
Net debt (net debt/total capital) ratio	**35 %**	15 %	**35 %**	15 %

During the year, the Group's strategy which was unchanged from prior year, was to maintain a net debt gearing ratio of 15% to 40%. Capital includes share capital, share premiums, capital contribution and all other equity reserves

As the Group continuously reviews its funding and maturity profile, it continues to monitor the market in ensuring that its well positioned for any refinancing and or buy back opportunities for the current debt facilities.

Loan covenants

Under the terms of the major borrowing facilities, the Group is required to comply with the following financial covenants:

- Total net financial indebtedness to annualised EBITDA is not to be greater than 3:1;
- The sources of funds exceed the relevant expenditures in each semi-annual period within the 18 months shown in the Group's liquidity plan.
- The minimum production levels stipulated for each 6-month period must be achieved.
- The Cash Adjusted Debt Service Cover Ratio should equal to or greater than 1.20 to 1 for each Calculation Period through to the applicable Termination Date.

The Group has complied with these covenants throughout the 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 year ended 31 December 2024, revenue from the gas segment of the business constituted 12% (2023: 12%) 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 inter segment 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.

6.1 Segment profit disclosure

	2024	2023	2024	2023
	₦ million	₦ million	**$'000**	$'000
Oil	**108,784**	75,916	**73,519**	115,628
Gas	**105,461**	5,413	**71,272**	8,244
Total profit for the period	**214,245**	81,330	**144,791**	123,872

	2024	2023	2024	2023
Oil	**₦ million**	₦ million	**$'000**	$'000
Revenue from contracts with customers				
Crude oil sales (Note 8)	**1,466,349**	615,866	**990,991**	937,913
Cost of sales and general and administrative expenses	**(1,127,873)**	(426,935)	**(762,243)**	(650,171)
Other income	**201,769**	(21,932)	**136,360**	(33,400)
Operating profit before impairment	**540,242**	167,000	**365,108**	254,342
Impairment	**(3,412)**	(5,341)	**(2,306)**	(8,134)
Operating profit	**536,830**	161,659	**362,802**	246,208
Finance income (Note 15)	**19,525**	6,277	**13,195**	9,559
Finance expenses (Note 15)	**(136,512)**	(45,438)	**(92,258)**	(69,199)
Fair value (losses)	**(10,875)**	(2,946)	**(7,349)**	(4,486)
Profit before taxation	**408,968**	119,552	**276,391**	182,082
Income tax expense (Note 16)	**(300,184)**	(43,636)	**(202,872)**	(66,454)
Profit for the year	**108,784**	75,916	**73,519**	115,628

Other income in the Oil business is made up of other income/loss (Note 10) and gain on bargain purchase (Note 11).

Gas	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Revenue from contracts with customers				
Gas sales	**184,833**	81,001	**124,914**	123,358
Natural gas liquid	**389**	–	**263**	–
Cost of sales and general and administrative expenses	**(31,442)**	(14,884)	**(21,250)**	(22,667)
Other income	**(19,584)**	(58,132)	**(13,235)**	(88,530)
Operating profit before impairment	**134,199**	7,985	**90,694**	12,161
Impairment	**(12,228)**	(2,970)	**(8,264)**	(4,523)
Operating profit	**121,973**	5,015	**82,429**	7,638
Share of (loss)/profit from joint venture accounted for using the equity method	**30,482**	972	**20,601**	1,481
Profit before taxation	**152,454**	5,988	**103,030**	9,119
Income tax expense (Note 16)	**(46,992)**	(575)	**(31,757)**	(876)
Profit for the period	**105,461**	5,413	**71,273**	8,244

During the reporting period, impairment losses recognised in the oil segment relate to trade receivables and other receivables (Pillar, Pan Ocean, Oghareki, Summit, NEPL and NUIMS). Impairment losses recognised in the gas segment relates to Geregu Power, Sapele Power and NGMC. See Note 13 for further details. In addition, the Gas segment suffered foreign exchange losses arising from devaluation and therefore 2024 operating profit has been impacted by volatility in Naira exchange to the USD. However, the foreign exchange loss in 2024 was lower than what was experienced in 2023

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.

	2024 Oil ₦ million	2024 Gas ₦ million	2024 Natural Gas Liquid ₦ million	2024 Total ₦ million	2024 Oil $'000	2024 Gas $'000	2024 Natural Gas Liquid $'000	2024 Total $'000
Geographical markets								
Bahamas	**550,442**	**—**	**—**	**550,442**	**372,001**	**—**	**—**	**372,001**
Nigeria	**65,208**	**184,833**	**—**	**250,041**	**44,069**	**124,914**	**—**	**168,983**
Italy	**93,415**	**—**	**—**	**93,415**	**63,132**	**—**	**—**	**63,132**
Switzerland	**274,916**	**—**	**—**	**274,916**	**185,795**	**—**	**—**	**185,795**
England	**197,527**	**—**	**—**	**197,527**	**133,493**	**—**	**—**	**133,493**
Singapore	**284,840**	**—**	**389**	**285,229**	**192,501**		**263**	**192,764**
Revenue from contracts with customers	**1,466,349**	**184,833**	**389**	**1,651,571**	**990,990**	**124,914**	**263**	**1,116,168**

	2024 Oil ₦ million	2024 Gas ₦ million	2024 Natural Gas Liquid ₦ million	2024 Total ₦ million	2024 Oil $'000	2024 Gas $'000	2024 Natural Gas Liquid $'000	2024 Total $'000
Timing of revenue recognition								
At a point in time	**1,466,349**	**—**	**389**	**1,466,349**	**990,990**	**—**	**263**	**990,990**
Over time	**—**	**184,833**	**—**	**185,223**	**—**	**124,914**	**—**	**125,177**
Revenue from contracts with customers	**1,466,349**	**184,833**	**389**	**1,651,571**	**990,990**	**124,914**	**263**	**1,116,168**

	2023 Oil ₦ million	2023 Gas ₦ million	2023 Total ₦ million	2023 Oil $'000	2023 Gas $'000	2023 Total $'000
Geographical markets						
Bahamas	239,218	—	239,218	364,310	—	364,310
Nigeria	53,612	81,001	134,613	81,647	123,358	205,005
Italy	2,932	—	2,932	4,465	—	4,465
Switzerland	191,178	—	191,178	291,148	—	291,148
England	128,926	—	128,926	196,343	—	196,343
Revenue from contracts with customers	**615,867**	**81,001**	**696,868**	**937,913**	**123,358**	**1,061,271**

	2023 Oil ₦ million	2023 Gas ₦ million	2023 Total ₦ million	2023 Oil $'000	2023 Gas $'000	2023 Total $'000
Timing of revenue recognition						
At a point in time	615,866	—	615,866	937,913	—	937,913
Over time	—	81,001	81,001	—	123,358	123,358
Revenue from contracts with customers	**615,866**	**81,001**	**696,867**	**937,913**	**123,358**	**1,061,271**

The Group's transactions with its major customers, Shell Western, Mercuria, Chevron, Waltersmith and Exxon, constitute more than 80% ($924 million, N1.4 trillion) of the total revenue from oil segment and the Group as a whole. Also, the Group's transactions with Geregu Power, Sapele Power, NGMC, MSNE and Azura ($119.9 million, ₦177.4 billion) accounted for most of the revenue from gas segment.

6.1.2 Impairment (losses)/reversal on financial assets by reportable segments

	2024			2023		
	Oil ₦ million	**Gas ₦ million**	**Total ₦ million**	Oil ₦ million	Gas ₦ million	Total ₦ million
Impairment (losses)/reversal recognised during the year	**(3,412)**	**(12,228)**	**(15,640)**	(5,341)	(2,969)	(8,310)

	2024			2023		
	Oil $'000	**Gas $'000**	**Total $'000**	Oil $'000	Gas $'000	Total $'000
Impairment (losses)/reversal recognised during the year	**(2,306)**	**(8,264)**	**(10,570)**	(4,392)	(8,264)	(12,656)
			–			

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 December 2024	**8,744,398**	**1,076,863**	**9,821,261**	**5,695,489**	**701,393**	**6,396,882**
31 December 2023	2,458,176	595,278	3,053,454	2,733,153	661,866	3,395,019

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 December 2024	**6,407,278**	**585,000**	**6,992,278**	**4,173,248**	**381,028**	**4,554,276**
31 December 2023	1,069,025	371,794	1,440,819	1,188,609	413,383	1,601,992

7. Business Combinations

Summary of Acquisition

On 25 February 2022, Seplat Energy Plc ("Seplat Energy" or "Seplat"), announced that it had entered into an agreement to acquire the entire share capital of Mobil Producing Nigeria Unlimited ("MPNU"). Under the terms of the acquisition, the former owners of MPNU - (Mobil Development Nigeria Inc. and Mobil Exploration Nigeria Inc.) are entitled to receive cash as stated below in exchange for MPNU's shares. The cash consideration payable under the acquisition was wholly funded through a combination of existing cash resources of Seplat and loan facilities available to Seplat. The transaction was completed on the 12 December 2024 (the acquisition date) and from that date Seplat Energy will be expected to align MPNU with its overall strategic goals and ESG objectives.

Mobil Producing Nigeria Unlimited (MPNU) is a former Nigerian incorporated subsidiary of ExxonMobil with more than 55 years operating experience in Nigeria. MPNU's operated shallow water portfolio primarily comprises a 40% interest in four oil mining leases (OMLs 67, 68, 70 and 104) under a joint operating agreement with Nigerian National Petroleum Corporation ("NNPC"), along with the Qua Iboe Terminal and a 51% interest in the Bonny River Terminal and the Natural Gas Liquids Recovery Plants at East Area Project (EAP) and Oso.

On 19 December 2024, Seplat Energy changed the name of the newly acquired subsidiary -MPNU to Seplat Energy Producing Nigeria Unlimited ("SEPNU") following this change the former name of the acquiree was retired.

Asset acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Mobil Producing Nigeria Unlimited (MPNU) as at the date of acquisition were:

Assets	₦ million	$'000
Oil and gas property, plant & equipment	2,580,294	1,684,265
Other property, plant & equipment	332,209	216,847
Right of use assets	114,212	74,551
Inventories	699,307	459,401
Trade and other receivables	448,438	292,714
Bank balances	279,885	182,693
Restricted cash	164,652	107,475
License-based identifiable intangible asset on acquisition*	220,080	143,656
	4,839,077	**3,161,602**
Liabilities		
Retirement benefit obligation	(71,588)	(46,728)
Deferred tax liabilities	(1,266,157)	(826,473)
Deferred tax impact on the fair value adjustment	(226,765)	(148,019)
Provision for decommissioning obligation	(1,107,702)	(723,043)
Other provisions	(5,028)	(3,282)
Lease liabilities	(24,437)	(15,951)
Trade, other payables and taxes	(389,620)	(254,321)
	(3,091,298)	**(2,017,817)**
Total identifiable net assets at fair value	**1,747,779**	**1,143,785**
Gain on bargain purchase arising on acquisition	**(127,230)**	**(85,985)**
Net Purchase consideration	**1,620,550**	**1,057,800**

The net assets recognised in the 31 December 2024 financial statements were based on assessment of their fair value on the date of acquisition using the income, cost and market approach as required by the IFRS 3 fair value assessment. Valuation of Items such as property, plant and equipment valued using the replacement cost approach will be concluded within the measurement periods in line with the requirements of IFRS 3 and the fair values would be adjusted. This adjustment will impact on the gain on bargain purchase already reported in the financial statements.

***License-based identifiable intangible asset on acquisition**

The license-based intangible asset in relation to MPNU's OML of $143.66 million, ₦220.1 billion was 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 based on the timing of projected cash flows of the licences' estimated useful lives.

Trade and other receivables

The acquisition date fair value of the trade and other receivables amounts to ($292.7 million, ₦448 billion). The gross amount of trade and other receivables is ($390.8 million, ₦598.7 billion) and with impairment allowance of ($8.3 million, ₦12.7 billion). The trade and other receivables relates to amount due from trade receivables, JV receivable from Partners, employee receivables, other receivables, insurance and other claims receivables it is expected that the full contractual amounts can be collected. .

Trade, other payables and taxes

The acquisition date fair value of the trade and other payables amounts to ($254.3 million, ₦389.6 billion). These payables relates to the trade payables, retention from contractors payable upon contract completion, accrued expenses and other regulatory fees payable. It is expected that the full contractual amounts will be settled.

Right of use assets.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the favourable terms of the lease relative to market terms. The weighted average incremental borrowing rate of Seplat Group - 9.66% was used to present value the expected future cashflows.

Gain on bargain purchase arising from acquisition

The gain on bargain purchase of ($85.99 million, ₦127.2 billion) comprises the value of expected synergies arising from the acquisition and a right to proved and unproved reserves, which was not previously recognised. The gain on bargain purchase recognised is not expected to be deductible for income tax purposes.

Revenue and profit

From the date of acquisition, SEPNU contributed ($195.9 million, ₦289.8 billion) of revenue and ($16.7 million, ₦24.6 billion) to profit before tax from continuing operations of the Group. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been ($1.9 billion, ₦2.9 trillion) and profit before tax from continuing operations for the Group would have been ($98.3 million, ₦145.5 billion).

Property, plant & equipment (PPE)

From the date of acquisition, SEPNU acquisition increased the Group's PPE by ($1.9 billion, ₦2 .9 trillion). The PPE asset acquired includes Production wells, NGL facilities, WIP capital construction, Production platform facilities and Pipeline gathering systems, Building, Motor vehicles, Furniture, fittings and other equipment.

Inventories

From the date of acquisition, SEPNU acquisition increased the Group's inventories by ($459.4 million, ₦699.3 billion). The inventories includes Material and supplies such as casing, tubing, transformer, diffuser, cable, casing, lubricant, valve, etc and Crude/Petroleum products from the fields.

Bank balances

Bank balances acquired relates to bank balances in various banks used by the acquiree as at the acquisition date. These balances also includes restricted cash deposits set aside as required by law for the Host community Development Trust Fund (HCDTF) within the designated bank accounts and pre-sale decommissioning and abandonment cash backed fund.

Retirement benefit obligation

This relates to the defined benefit plan for funded pension trust fund for employees at exit. The value has been determined in line with the requirements of IAS 19 based on the values reported on the actuarial valuation reports.

Deferred tax liabilities

The deferred tax relates to timing differences arising from property, plant and equipment, inventory, annuities and pensions, miscellaneous items and right of use asset. This also includes deferred tax impact of all acquiree's asset and liabilities that has been fair valued in line with the requirement of IFRS 3.

Provisions for decommissioning obligations

This relates to the provisions made for the abandonment and decommissioning of the oil facilities. The abandonment facilities consist of the wells and the associated infrastructure.

Other provisions

This relates to estimated liabilities from the litigation and disputes on payee tax liabilities, end of contract provision for the temporary staff, provision for spy police and provision for oil spill penalties.

Lease liabilities

The Lease liabilities relate to aircraft fleets rentals. The carrying amounts have been adjusted for the impact of IFRS 16.

7.1. Summary of acquisition

On 12 December 2024 Seplat acquired 100% of the issued share capital of Mobil Producing Nigeria Unlimited ("MPNU") for a net purchase consideration of $1.06 billion, ₦1.62 trillion. MPNU is an oil and gas exploration and production company that holds interests in various joint ventures. The assets and liabilities acquired were valued as at the acquisition date – 12 December 2024. Details of the purchase considerations and cash payable on acquisition are as follows:

Purchase Consideration	₦ million	$'000
Headline Purchase consideration	1,965,556	1,283,000
Less adjustments:		
Adjustments per share purchase agreement	789,286	515,200
Lockedbox adjustments	(1,134,293)	(740,400)
Adjusted Purchase Consideration	**1,620,550**	**1,057,800**

Cash consideration payable to the Seller	₦ million	$'000
Total consideration at closing	1,226,060	800,300
Deposit paid in February 2022	(196,096)	(128,000)
Balance payable at completion	**1,029,964**	**672,300**

To be funded as follows:	₦ million	$'000
Acquisition finance	459,600	300,000
Revolving credit facility	536,200	350,000
Cash	34,164	22,300
Balance payable at completion	**1,029,964**	**672,300**

Analysis of cash flows on acquisition:	₦ million	$'000
Purchase consideration	1,620,550	1,057,800
Less : Adjustments		
Deferred amount	(394,490)	(257,500)
Cash consideration at completion	1,226,060	800,300
Cash deposits initially paid	(196,096)	(128,000)
Foreign exchange differences	(279,885)	—
Net payment to the seller	**1,029,964**	**672,300**
Less: Cash acquired	(279,885)	(182,693)
Net outflow of cash – investing activities	**750,079**	**489,607**

Adjustments of $0.52 billion, ₦797 billion per the share price agreement include purchase price interest payments of $464.1 million, ₦711 billion Cash contributions of $67.3 million, ₦103.1 billion contingent payments $43.5m, less leakage adjustments of $59.7 million, ₦91.5 billion representing refunds made as part of agreements in the Share Purchase Agreement (SPA).

Locked box adjustments are calculated as net cash amounts accrued since effective date 1st January 2021 and have been adjusted for interest accrued in the lock box of $42.8 million, ₦65.6 billion including other adjustments of $1 million, ₦1.5 billion for the Exxon deep-water operations in Nigeria.

Deferred payments of $257.5 million, ₦394.5 billion are sums agreed to be settled in December 2025 and relate to staff payments, Environment costs, decommissioning obligations.

Cash at close represents cash balances held at MPNU at completion date and available to settle MPNU obligations including vendor and staff payments.

The Company for the purpose of the acquisition drew down $350 million from the existing Revolving Credit Facility (RCF), $300 million from the Advance Payment Facility (APF) and utilised existing cash resources of about $22.3 million.

Transactions costs of $30 million, ₦46 billion tied to the acquisition not included in the table above have been recognised in profit or loss as these costs were incurred by Seplat for the acquisition. They include fees for lawyers, transaction advisers, brokers, IT & personnel costs. services rendered as part of the operations readiness work amongst others.

Contingent consideration

In line with SPA, a contingent consideration capped at $300m over 5 years effective 2022 will be payable(from 2023 to 2027) if the average Brent crude price exceeds $70/bbl and MPNU's working interest exceeds 60kboepd.

$43 million, ₦65.9 billion contingent payments have now been settled out of the $300m contingent payments representing payments from 2022 and 2023 due in 2023 and 2024 and as such been included in the final consideration of $800m, ₦1,226.1 billion. Payments for 2025 have been assessed and no contingent considerations is due or payable for 2025 as conditions were not met. Future contingent payments for 2026 and 2027 will be assessed but as of date, based on current conditions, we do not expect to pay any material obligations arising from this.

Post acquisition settlement reconciliation

The completion statements review between the Acquirer and the Sellers of MPNU will continue up until 31 March 2025. Within this period, the parties will address instances of discrepancies in final settlements and to also review and finalise all assets and liabilities acquired relating to the acquisition. See Note 44 for more details.

8. Revenue from contract with customers

	2024	2023	**2024**	2023
	₦ million	₦ million	**$'000**	$'000
Crude oil sales	**1,466,349**	615,866	**990,991**	937,913
Gas sales	**184,833**	81,001	**124,914**	123,358
Natural gas liquid	**389**	–	**263**	–
	1,651,571	696,867	**1,116,168**	1,061,271

The major off-takers for crude oil are Mercuria, Shell West, Chevron and Exxon. The major off-takers for gas are Geregu Power, Sapele Power, Nigerian Gas Marketing Company and Azura. The major off-taker for natural gas liquid is ExxonMobil.

Included in the current period is Crude oil sales of $193 million, ₦285.6 billion Gas and Natural gas liquid sales of $3.4 million, ₦5 billion from acquired business SEPNU.

9. Cost of Sales

	2024	2023	**2024**	2023
	₦ million	₦ million	**$'000**	$'000
Royalties	**216,047**	120,408	**146,009**	183,372
Depletion, Depreciation and Amortisation	**265,342**	98,224	**179,324**	149,587
Crude handling fees	**99,007**	43,807	**66,911**	66,714
Nigeria Export Supervision Scheme (NESS) fee	**1,039**	705	**702**	1,074
Niger Delta Development Commission	**16,156**	8,578	**10,918**	13,064
Barging/Trucking	**25,320**	14,793	**17,112**	22,529
Operations & Maintenance Costs	**318,562**	61,019	**215,294**	92,935
	941,472	347,534	**636,270**	529,275

Royalties dropped in 2024 due to the recovery of OML 53 JV partner share of royalties incurred on sale of crude to the WalterSmith Refinery (WSR) between 2022 and 2024.

Depletion, Depreciation and Amortisation includes $11.1 million, ₦16.4 billion from acquired business SEPNU.

Operational & maintenance expenses relates mainly 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 $27.7 million, ₦40.9 billion (2023: $11.6 million, ₦7.6 billion). The significant increase in gas flare penalty is attributable to an upward of gas flare penalty by the government.

Operations and maintenance expenses includes $75.8 million, ₦112.2 billion from acquired business SEPNU.

Barging and Trucking costs relates to costs on the OML 40 Gbetiokun field.

10. Other income/(loss)

	2024	2023	**2024**	2023
	₦ million	₦ million	**$'000**	$'000
Underlift/(Overlifts)	**15,583**	(64,944)	**10,531**	(98,904)
Gain/(Loss) on foreign exchange	**44,920**	(18,040)	**30,358**	(27,470)
Loss on disposal of property, plant & equipment	**(308)**	–	**(208)**	–
Fair value loss on asset held for sales	**(15,807)**	–	**(10,683)**	–
Tariffs	**6,076**	2,547	**4,106**	3,879
Others	**4,491**	371	**3,036**	565
	54,955	(80,066)	**37,140**	(121,930)

(Overlifts)/Underlifts are (surplus)/shortfalls of crude lifted (above)/below the share of production. It may exist when the crude oil lifted by the Group during the period is (more)/less than its ownership share of production. The (surplus)/shortfall is initially measured at the market price of oil at the date of lifting and recognised as other (loss)/income. At each reporting period, the (surplus)/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 (loss)/income.

Foreign exchange gain during the period was driven by the redenomination of overlift following agreements with our OML 53 JV Partner to net off cash calls and overlift positions.

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

Others represents other income, joint venture billing interest and joint venture billing finance fees.

As of 31 December 2024, the Company has classified certain non-current assets as held for sale. These assets primarily consist of Turnkey rigs and accessories. The assets have been classified as held for sale following the decision by management to sell the assets. A buyer has been secured for rigs with a deposit of $8.53 million,N12.6 billion received as of the reporting date and balance of the disposal consideration expected with the next 12 months. The assets held for sale are measured at the disposal consideration which reflects the fair value less costs to sell. As of 31 December 2024, the carrying amount and fair value less costs to sell of the assets was $12.27 million, N18.8 billion with an impairment value of $10.68 million,N16.4 billion.

11. Gain on bargain purchase

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Gain on bargain purchase from acquisition	**127,230**	–	**85,985**	–
	127,230	–	**85,985**	–

Gain on bargain purchase relates to gain from the acquisition of Seplat Energy Producing Nigeria Unlimited (SEPNU). The gain is the excess of the fair values of net asset acquired over the purchase consideration agreed. See Note 7 for more details.

12. General and administrative expenses

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Depreciation (Note 18.2)	**8,375**	2,679	**5,660**	4,081
Depreciation of right of use assets (Note 20)	**11,469**	2,705	**7,751**	4,119
Professional & Consulting Fees	**70,992**	30,023	**47,978**	45,721
Auditor's remuneration	**2,203**	630	**1,489**	959
Directors Emoluments (Execs)	**5,665**	2,076	**3,828**	3,162
Directors Emoluments (Non - Execs)	**6,887**	2,493	**4,654**	3,797
Employee benefits (Note 12.1)	**79,804**	30,489	**53,933**	46,432
Share-based benefits (Note 12.1)	**30,211**	7,717	**20,417**	11,751
Donation	**163**	392	**110**	597
Flights and other travel costs	**13,470**	5,142	**9,105**	7,820
Other general expenses	**(11,396)**	9,936	**(7,702)**	15,125
	217,843	94,282	**147,223**	143,564

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

The increase in share-based benefits for the current period, compared to the previous period, is attributable to the increase in share price in 2024 relative to prior period.

Other general expenses include guest house rent of $1.34 million, ₦1,988.06 million (2023: $0.31 million, ₦204 million) of which the entity had adopted IFRS 16 recognition exemption for short-term leases. Also contained in other general expenses is security expenses of $1.30 million, ₦1,927.19 million (2023: $1.1 million, ₦722 million), dues and subscription of $0.77 million, ₦1,144 million (2023: $0.73 million, ₦479 million), IT expenses of $1.18 million, ₦1,742 million (2023: $0.41 million, ₦269 million), Contract labour expenses of $5.50 million, ₦8 billion (2023: $5.5 million, ₦3.6 billion), ($9.3 million, ₦13.76 billion) recovered from JV partners for the lease payment of office rental among others.

The other general expenses in the current reporting period is in credit due to accruals no longer required which was reversed during the period.

Professional and consulting fees increase in the current period is mainly due to professional fees associated with the MPNU transaction.

The increase in Employee benefits of $12 .4 million, ₦18.3 billion is driven by the acquisition of SEPNU from the date of control till the reporting date. The increase in emoluments for Executive and Non-Executive Directors in the current period, in comparison to the prior period is attributed to exit payments made to retired Executive and Non-Executive Directors included in 2024 results.

The increase in auditor's remuneration is attributed to the acquisition of Mobil Producing Nigeria Unlimited ("MPNU") that occurred during the year.

12.1 Employee benefits - Salaries and employee related costs include the following:

	31 Dec 2024 ₦ million	31 Dec 2023 ₦ million	31 Dec 2024 $'000	31 Dec 2023 $'000
Short term employee benefits:				
Basic salary	**55,384**	19,325	**37,430**	29,431
Housing allowances	**4,837**	2,045	**3,269**	3,113
Other allowances	**946**	5,540	**639**	8,437
Post-employment benefits:				
Defined contribution expenses	**3,540**	2,200	**2,392**	3,351
Defined benefit expenses (Note 36.2)	**15,097**	1,379	**10,203**	2,100
	79,804	30,489	**53,933**	46,432
Other employee benefits:				
Share based payment expenses (Note 30.4)	**30,211**	7,717	**20,417**	11,751
	110,015	38,206	**74,350**	58,183

12.2 Below are details of non-audit services provided by the auditors:

Entity	Service	PwC office	Fees ($)	Year
Seplat Energy Plc	Remuneration committee advice	PwC UK	249,515	2024
Seplat Energy Plc	Reporting accountant services for the acquisition of MPNU (project Apollo)	PwC UK and Nigeria	860,250	2024

12.3 Below are details of assurance service providers to the Group during the year:

S/N	Name of Signer	Name of firm	Service rendered
1	Tosin Famurewa FRC/2023/PRO/COREN/004/983976	Ryder Scott Company	Reserve valuation
2	Alfie Gooch*	ERC Equipoise Limited	Reserve valuation
3	Chidiebere Orji (FRC/2021/004/00000022718)	Logic Professional Service (FRC/2025/COY/562144)	Actuarial valuation service
4	Miller Kingsley (FRC/2012/NAS/00000002392)	Ernst & Young (FRC/2023/COY/209403)	Actuarial valuation service

*The signers and firms do not have FRCN numbers.

The Financial Reporting Council On Nigeria (FRCN) has granted the Group a waiver which allows the underlisted professionals and professional firms to provide assurance services to the Group and for their opinions to be used by the Group in the preparation of its annual reports and audited financial statements for the period (Mr. Simon William McDonald of ERC Equipoise Limited, ERC Equipoise Limited, Ryder Scott Petroleum Consultants).

13. Impairment loss

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Impairment losses on financial assets-net (Note 13.1)	**15,640**	8,310	**10,570**	12,656
	15,640	8,310	**10,570**	12,656

13.1 Impairment reversal/(losses) on financial assets - net

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Impairment losses/(reversal) on:				
NUIMS receivables	**(1,126)**	229	**(761)**	349
NEPL receivables	**(2,473)**	1,228	**(1,671)**	1,870
Trade receivables (Geregu power, Sapele Power and NGMC)	**14,137**	2,140	**9,554**	3,259
Receivables from Joint Venture (ANOH)	**(4,433)**	3,768	**(2,996)**	5,738
Contract asset	**(178)**	56	**(119)**	86
Other receivables	**9,711**	889	**6,563**	1,354
Total impairment loss allowance	**15,640**	8,310	**10,570**	12,656

14. Fair value gain/(loss)

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Hedge premium expenses	**(7,180)**	(3,533)	**(4,852)**	(5,380)
Fair value (loss)/gain on derivatives (Note 27)	**(3,694)**	587	**(2,497)**	894
	(10,874)	(2,946)	**(7,349)**	(4,486)

Fair value loss on derivatives represents changes in the fair value of hedging receivables charged to profit or loss.

15. Finance income/(cost)

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Finance Income				
Interest income	**19,525**	6,277	**13,196**	9,559
Finance Charges				
Interest on debt factoring	**–**	(391)	**–**	(595)
Interest on bank loan	**(118,896)**	(40,067)	**(80,352)**	(61,019)
Other financing charges	**(4,089)**	–	**(2,763)**	–
Interest on lease liabilities	**(4,018)**	(35)	**(2,715)**	(54)
Unwinding of discount on provision for decommissioning	**(9,510)**	(4,945)	**(6,427)**	(7,531)
	(136,512)	(45,438)	**(92,258)**	(69,199)
Finance cost - net	**(116,987)**	(39,161)	**(79,062)**	(59,640)

Finance income represents interest on short-term fixed deposits.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's general borrowings denominated in dollars during the year, in this case 10.4% (2023: 7.56%). The amount capitalised during the year is ($4 million, (₦5.9 billion) (2023: ₦10.7 billion, $16.3 million).

Interest on bank loans increased during the reporting period due to interest accrued and commitment fees from the two new loans of $350 million Revolving Credit Facility (RCF) and $300 million Advance Payment Facility (APF) drawn during the reporting period.

16. Taxation

The major components of income tax expense for the years ended 31 December 2024 and 2023 are:

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Current tax:				
Current tax expense on profit for the year	**276,427**	45,949	**186,816**	69,977
Education Tax	**9,215**	8,968	**6,228**	13,658
NASENI Levy	**906**	321	**612**	489
Police Levy	**13**	4	**9**	6
Total current tax	**286,561**	55,242	**193,665**	84,130
Deferred tax:				
Deferred tax expense in profit or loss (Note 16.3)	**60,615**	(11,032)	**40,965**	(16,801)
Total tax expense in statement of profit or loss	**347,176**	44,210	**234,630**	67,329
Deferred tax recognised in other comprehensive income (Note 16.3)	**(1,685)**	(183)	**(1,139)**	(279)
Total tax charged for the period	**345,491**	44,027	**233,491**	67,050
Effective tax rate	**62 %**	35 %	**62 %**	35 %

16.1 Reconciliation of effective tax rate

The 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 annual tax rate used for the year ended 31 December 2024 is 85% for crude oil activities and 30% for gas activities. As at 31 December 2023, the applicable tax rate was 85% and 30% respectively.

The effective tax rate for the period was 62% (2023: 35%).

A reconciliation between income tax expense and accounting profit before income tax multiplied by the applicable statutory tax rate is as follows:

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Profit before taxation	**561,423**	125,540	**379,420**	191,201
Tax rate of 85% and 30%	**276,465**	91,418	**186,841**	139,222
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Income not subject to tax	**(362,116)**	(57,423)	**(244,726)**	(87,450)
Expenses not deductible for tax purposes	**422,693**	922	**285,665**	1,404
Education tax	**9,215**	8,968	**6,228**	13,658
NASENI Levy	**906**	321	**612**	489
Police Levy	**13**	4	**9**	6
Total tax charge in statement of profit or loss	**347,176**	44,210	**234,629**	**67,329**

16.2 Current tax liabilities

The movement in the current tax liabilities is as follows:

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
As at 1 January 2024	**70,653**	25,268	**78,557**	56,512
Tax charge	**286,561**	55,242	**193,664**	84,130
Tax paid	**(100,671)**	(40,767)	**(68,036)**	(62,085)
Acquired from business combination	**(116,916)**	—	**(76,316)**	—
Exchange difference	**56,694**	30,910	**—**	—
As at 31 December 2024	**196,321**	70,653	**127,869**	78,557

16.3 Deferred tax

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

	Balance as at 31 December 2023	(Charged) / credited to profit or loss	Credited to other comprehensive income	Exchange difference	Impact of net off	Acquired in Business combination	Balance as at 31 December 2024
	₦ million	**₦ million**	**₦ million**	**₦ million**	**₦ million**	**₦ million**	**₦ million**
Deferred tax assets (Note 16.4)	261,529	**(58,074)**	**1,685**	**181,565**	**(32,751)**	**—**	**353,954**
Deferred tax liabilities (Note 16.5)	(88,381)	**(2,540)**	**—**	**(64,590)**	**32,751**	**(1,492,917)**	**(1,615,677)**
	173,148	**(60,615)**	**1,685**	**116,976**	**—**	**(1,492,917)**	**(1,261,723)**

	Balance as at 31 December 2023	(Charged) / credited to profit or loss	Credited to other comprehensive income	Impact of net off	Acquired in Business combination	Balance as at 31 December 2024
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Deferred tax assets (Note 16.4)	290,784	**(39,248)**	**1,139**	**(22,134)**	**—**	**230,541**
Deferred tax liabilities (Note 16.5)	(98,267)	**(1,717)**	**—**	**22,134**	**(974,492)**	**(1,052,339)**
	192,517	**(40,965)**	**1,139**	**—**	**(974,492)**	**(821,798)**

16.4 Deferred tax assets

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.

	Balance as at 1 January 2024	(Charged) / credited to profit or loss	Credited to other comprehensive income	Impact of net off	Exchange difference	Balance as at 31 December 2024
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Accelerated capital deduction	**241,614**	**(13,841)**	**—**	**(32,751)**	**169,085**	**364,107**
Provision for abandonment	**26,315**	**(15,213)**	**—**	**—**	**18,033**	**29,135**
Provision for defined benefit	**771**	**(1,203)**	**—**	**—**	**501**	**69**
Overlift	**71,450**	**(113,718)**	**—**	**—**	**46,241**	**3,973**
Unrealised foreign exchange loss	**12,424**	**(69,377)**		**—**	**6,173**	**(50,780)**
Defined benefits	**1,154**	**(3,585)**	**1,685**	**—**	**746**	**—**
Impairment provision on financial assets	**4,991**	**(1,031)**	**—**	**—**	**3,490**	**7,450**
Leases	**(24,517)**	**40,333**	**—**	**—**	**(15,816)**	**—**
Property, plant and equipments	**(72,674)**	**119,563**	**—**	**—**	**(46,889)**	**—**
	261,528	**(58,073)**	**1,685**	**(32,751)**	**181,565**	**353,954**

	Balance as at 1 January 2024	(Charged) / credited to profit or loss	Credited to other comprehensive income	Impact of net off	Balance as at 31 December 2024
	$'000	$'000	$'000	$'000	$'000
Accelerated capital deduction	**268,641**	**(9,354)**	**—**	**(22,134)**	**237,153**
Provision for abandonment	**29,258**	**(10,281)**	**—**	**—**	**18,977**
Provision for defined benefit	**858**	**(813)**	**—**	**—**	**45**
Overlift	**79,441**	**(76,853)**	**—**	**—**	**2,588**
Unrealised foreign exchange loss	**13,813**	**(46,887)**	**—**	**—**	**(33,074)**
Defined benefits	**1,284**	**(2,423)**	**1,139**	**—**	**—**
Impairment provision on financial assets	**5,549**	**(697)**	**—**	**—**	**4,852**
Leases	**(27,258)**	**27,258**	**—**	**—**	**—**
Property, plant and equipments	**(80,803)**	**80,803**		**—**	**—**
	290,783	**(39,247)**	**1,139**	**(22,134)**	**230,541**

*Other temporary differences include provision for defined benefit, provision for abandonment, share equity reserve.

16.5 Deferred tax liabilities

Deferred tax liabilities are recognised for amounts of income taxes payable in future periods in respect of taxable temporary difference.

	Balance as at 1 January 2024	(Charged) / credited to profit or loss	Acquired in Business combination	Impact of net off	Exchange difference	Balance as at 31 December 2024
	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Provision for abandonment	3,826	17,079	569,126	—	4,580	594,611
Provision for defined benefit	4,971	141,154	60,850	—	8,954	215,929
Share based payment plan	30,020	24,905	—	—	22,162	77,087
Unrealised foreign exchange loss	40,331	32,498	—	—	29,739	102,568
Overlift	39,169	226,452	(172,895)	—	35,835	128,561
Expected credit loss	103,626	10,441	—	—	73,663	187,730
Property, plant and equipment	(295,988)	(177,279)	(1,970,756)	32,751	1,396,706	(2,630,260)
Defined benefits	(13,414)	(113,718)	—	—	(13,760)	(140,892)
Hedging gain	(999)	4,989	—	—	(519)	3,471
Deferred tax liabilities on defined benefit remeasurement	251	(1,031)	—	—	139	(641)
Unrealised forex	(174)	(7,707)	—	—	(516)	(8,397)
Right of Use assets			9,019			9,019
Lease Liability		(25,301)	(746)		(953)	(27,000)
Contract based identifiable intangible asset on acquisition			(57,476)			(57,476)
Others		(135,020)	69,953		(4,939)	(70,006)
	(88,381)	(2,538)	(1,492,925)	32,751	1,551,091	(1,615,577)

	Balance as at 1 January 2024	(Charged) / credited to profit or loss	Acquired in Business combination (Note 7)	Impact of net off	Balance as at 31 December 2024
	$'000	$'000	$'000	$'000	$'000
Provision for abandonment	4,254	11,542	371,492	—	387,288
Provision for defined benefit	5,527	95,395	39,719	—	140,641
Share based payment plan	33,378	16,831	—	—	50,209
Unrealised foreign exchange loss	44,843	21,963	—	—	66,806
Overlift	43,550	153,041	(112,855)	—	83,736
Expected credit loss	115,218	7,057	—	—	122,275
Property, plant and equipment	(329,098)	(119,809)	(1,286,394)	22,134	(1,713,167)
Defined benefits	(14,914)	(76,853)	—	—	(91,767)
Hedging gain	(1,111)	3,371	—	—	2,260
Deferred tax liabilities on defined benefit remeasurement	279	(697)	—	—	(418)
Unrealised forex	(193)	(5,209)	—	—	(5,402)
Right of Use assets	—	—	5,887	—	5,887
Lease Liability	—	(17,099)	(487)	—	(17,586)
Contract based identifiable intangible asset on acquisition	—	—	(37,517)	—	(37,517)
Others	—	(91,250)	45,661	—	(45,589)
	(98,267)	(1,717)	(974,494)	22,134	(1,052,339)

16.6 Unrecognised deferred tax assets

There were no temporary differences associated with investments in the Group's subsidiaries for which a deferred tax asset would have been recognised in the periods presented.

16.7 Unrecognised deferred tax liabilities

There were no temporary differences associated with investments in the Group's subsidiaries for which a deferred tax liability would have been recognised in the periods presented.

17. Computation of cash generated from operations

	Notes	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Profit before tax		**561,423**	125,540	**379,421**	191,201
Adjusted for:					
Depletion, depreciation and amortisation	18.4	**290,300**	107,186	**196,191**	163,235
Depreciation of right-of-use asset	20	**11,469**	2,705	**7,751**	4,119
Impairment losses on financial assets	13.1	**15,640**	8,310	**10,570**	12,656
Gain on bargain purchase	11	**(127,230)**	–	**(85,985)**	–
Loss on disposal of other property, plant and equipment	18.3.1	**308**	–	**208**	–
Fair value on asset held for sale		**15,807**	–	**10,683**	–
Interest income	15	**(19,525)**	(6,277)	**(13,196)**	(9,559)
Interest expense on bank loans	33	**118,896**	40,067	**80,352**	61,019
Interest expense on debt factoring	15	**–**	(391)	**–**	595
Interest on lease liabilities	34	**4,018**	35	**2,715**	54
Unwinding of discount on provision for decommissioning	35	**9,510**	4,945	**6,427**	7,531
Unrealised fair value loss/(gain) on derivatives financial instrument	14	**5,531**	(587)	**3,738**	(894)
*Realised fair value (gain)/ loss on derivatives	14	**5,344**	3,772	**3,611**	5,745
Unrealised foreign exchange (gain)/loss	10	**(44,920)**	18,038	**(30,358)**	27,470
Share based payment expenses	30.4	**30,211**	7,716	**20,417**	11,751
Share of (loss)/ profit from joint venture	23.3.	**(30,483)**	(972)	**(20,601)**	(1,481)
Defined benefit plan	36.2	**35,930**	1,379	**24,283**	2,100
Changes in working capital: (excluding the effects of exchange differences)					
Trade and other receivables		**(289,852)**	(32,127)	**(195,888)**	(48,928)
Inventories		**52,893**	1,955	**35,746**	2,978
Prepayments		**(18,896)**	3,917	**(12,770)**	5,965
Contract assets		**(10,966)**	(498)	**(7,411)**	(759)
Trade and other payables		**(47,997)**	55,857	**(32,437)**	85,066
Provisions		**47**	–	**32**	–
Net cash from operating activities		**567,459**	340,570	**383,500**	519,864

* Realised fair value loss on derivatives relates to premium accrued of $0.2 million, ₦322 million (see note 27) and hedge premium expenses of $4.9 million, ₦7.2 billion (see note 14) for the period.

Seplat Energy

18. Property, plant and equipment

18.1 Oil and gas properties

Cost	Production and field facilities ₦ million	Assets under construction ₦ million	Exploration and Evaluation assets ₦ million	Total ₦ million
At 1 January 2024	**2,023,318**	**468,170**	**54,368**	**2,545,856**
Additions	—	362,815	—	362,815
Transfer	472,259	(472,259)	—	—
Changes in decommissioning (Note 35)	(121,156)	—	—	(121,156)
Interest capitalized (Note 33.1)	—	5,985	—	5,985
Reclassification to intangible assets	(79,632)	40,354	—	(39,278)
Acquired in business combination (note 7)	2,319,787	260,507	—	2,580,294
Exchange differences	1,445,850	329,217	38,442	1,813,509
At 31 December 2024	**6,060,426**	**994,789**	**92,810**	**7,148,025**
Depreciation				
At 1 January 2024	**1,053,338**	**27,164**	**—**	**1,080,502**
Charge for the year	265,342	—	—	265,342
Reclassification to intangible assets	—	(44,691)	—	(44,691)
Exchange differences	754,754	17,527	—	772,281
At 31 December 2024	**2,073,434**	**—**	**—**	**2,073,434**
NBV				
At 31 December 2024	**3,986,992**	**994,789**	**92,810**	**5,074,591**

Additions of ₦362.8 billion to oil and gas properties during the year comprises of cash addition of ₦297.5 billion and accruals of ₦65.3 billion.

Cost	Production and field facilities ₦ million	Assets under construction ₦ million	Exploration and Evaluation assets ₦ million	Total ₦ million
At 1 January 2023	994,075	177,013	27,029	1,198,117
Additions	25,867	91,671	–	117,538
Transfer	42,280	(42,280)	–	–
Changes in decommissioning (Note 35)	(46,448)	–	–	(46,448)
Interest capitalized (Note 30.1)	–	10,675	–	10,675
Reclassifications	(4,355)	4,355	–	–
Reclassification from intangible assets	–	17,431	–	17,431
Exchange differences	1,011,898	209,305	27,339	1,248,542
At 31 December 2023	2,023,318	468,170	54,368	2,545,856
Depreciation				
At 1 January 2023	456,778	–	–	456,778
Charge for the year	98,224	–	–	98,224
Reclassification from intangible assets	–	19,833	–	19,833
Exchange differences	498,336	7,331	–	505,667
At 31 December 2023	1,053,338	27,164	–	1,080,502
NBV				
At 31 December 2023	969,980	441,006	54,368	1,465,354

Cost	Production and field facilities $'000	Assets under construction $'000	Exploration and Evaluation assets $'000	Total $'000
At 1 January 2024	**2,249,650**	**520,540**	**60,450**	**2,830,640**
Additions	–	245,198	–	245,198
Transfer	319,163	(319,163)	–	–
Changes in decommissioning (Note 35)	(81,880)	–	–	(81,880)
Interest capitalized (Note 33.1)	–	4,045	–	4,045
Reclassification to intangible assets	(53,817)	27,272	–	(26,545)
Acquired in business combination (note 7)	1,514,221	170,044	–	1,684,265
At 31 December 2024	**3,947,337**	**647,936**	**60,450**	**4,655,723**
Depreciation				
At 1 January 2024	**1,171,166**	**30,203**	**–**	**1,201,369**
Charge for the year	179,324	–	–	179,324
Reclassification to intangible assets	–	(30,203)	–	(30,203)
At 31 December 2024	**1,350,490**	**–**	**–**	**1,350,490**
NBV				
At 31 December 2024	**2,596,847**	**647,936**	**60,450**	**3,305,233**

Additions of $245.2 million to oil and gas properties during the year comprises of cash addition of $202.6 million and accruals of $42.6 million.

Cost	Production and field facilities $'000	Assets under construction $'000	Exploration & Evaluation assets $'000	Total $'000
At 1 January 2023	2,223,236	395,886	60,450	2,679,572
Additions	39,393	139,609	–	179,002
Transfer	64,389	(64,389)	–	–
Changes in decommissioning (Note 35)	(70,736)	–	–	(70,736)
Interest capitalized (Note 30.1)	–	16,256	–	16,256
Reclassifications	(6,632)	6,632	–	–
Reclassification from intangible assets		26,546	–	26,546
At 31 December 2023	2,249,650	520,540	60,450	2,830,640
Depreciation				
At 1 January 2023	1,021,579	–	–	1,021,579
Charge for the year	149,587	–	–	149,587
Reclassification from intangible assets	–	30,203	–	30,203
At 31 December 2023	1,171,166	30,203	–	1,201,369
NBV				
At 31 December 2023	1,078,484	490,337	60,450	1,629,271

Assets under construction represent costs capitalised in connection with the development of the Group's oil fields and other property, plant and equipment not yet ready for their intended use. Some of which are qualifying assets that take a substantial period to get ready for its intended use. A capitalisation rate of 10.4% (2023: 7.56%) has been determined and applied to the Group's general borrowing to determine the borrowing cost capitalised as part of the qualifying assets.

* Transfers within the Oil and Gas assets relates to completed projects, previously under development moved to production and field facilities.

Borrowing costs capitalised during the year amounted to ₦5.99 billion, $4.05 million (2023: ₦10.7 billion, $16.3 million). There was no oil and gas property pledged as security during the reporting period.

Impairment testing

There was no impairment loss recorded for OMLs 4, 38 and 41; OML 40; OML 53; OML 56; OMLs 67, 68, and 70; and OML 104 as there was no observable impairment trigger during the year ended (2023: nil).

18.2 Other property, plant and equipment

Cost	Plant & machinery ₦ million	Motor vehicles ₦ million	Office furniture & IT equipment ₦ million	Leasehold improvements ₦ million	Land ₦ million	Building ₦ million	Total ₦ million
At 1 January 2024	**35,351**	**9,120**	**23,638**	**5,964**	**60**	**3,499**	**77,632**
Transfer to held for sale	(28,783)	–	–	–	–	–	(28,783)
Additions	1,247	809	3,886	2,329	–	–	8,271
Disposals	–	(573)	–	–	–	–	(573)
Acquired in business combination (note 7)	243,455	196	1,161	–	–	87,396	332,208
Exchange differences	24,488	6,456	16,864	4,306	44	2,663	54,821
At 31 December 2024	**275,759**	**16,009**	**45,549**	**12,599**	**104**	**93,558**	**443,578**
Depreciation							
At 1 January 2024	**18,340**	**7,032**	**20,892**	**4,995**	**–**	**629**	**51,888**
Charge for the year	3,812	1,453	2,102	774	–	234	8,375
Disposal	–	(253)	–	–	–	–	(253)
Exchange differences	13,112	5,016	14,852	3,562	–	453	36,995
At 31 December 2024	**35,263**	**13,248**	**37,845**	**9,331**	**–**	**1,317**	**97,004**
NBV							
At 31 December 2024	**240,496**	**2,761**	**7,704**	**3,268**	**104**	**92,241**	**346,573**
Cost							
At 1 January 2023	17,294	4,324	10,567	2,771	30	1,740	36,726
Additions	412	800	1,740	286	–	–	3,238
Disposals	–	(491)	–	–	–	–	(491)
Exchange differences	17,645	4,487	11,331	2,907	30	1,759	38,159
At 31 December 2023	35,351	9,120	23,638	5,964	60	3,499	77,632
Depreciation							
At 1 January 2023	9,062	3,189	9,524	2,288	–	242	24,305
Charge for the year	81	941	1,266	287	–	104	2,679
Disposal	–	(491)	–	–	–	–	(491)
Exchange differences	9,197	3,393	10,102	2,420	–	283	25,394
At 31 December 2023	18,340	7,032	20,892	4,995	–	629	51,888
NBV							
At 31 December 2023	17,011	2,088	2,746	969	60	2,870	25,744

Cost	Plant & machinery $'000	Motor vehicles $'000	Office furniture & IT equipment $'000	Leasehold improvements $'000	Land $'000	Building $'000	Total $'000
At 1 January 2024	**39,306**	**10,139**	**26,282**	**6,632**	**68**	**3,890**	**86,317**
Transfer to held for sale	(19,452)	–	–	–	–	–	(19,452)
Additions	843	547	2,626	1,575	–	–	5,591
Disposals	–	(387)	–	–	–	–	(387)
Acquired in business combination (note 7)	158,913	128	758	–	–	57,047	216,846
At 31 December 2024	**179,610**	**10,427**	**29,666**	**8,207**	**68**	**60,937**	**288,915**
Depreciation							
At 1 January 2024	**20,392**	**7,818**	**23,229**	**5,554**	**–**	**699**	**57,692**
Charge for the year	2,576	982	1,421	523	–	158	5,660
Disposal	–	(171)	–	–	–	–	(171)
At 31 December 2024	**22,968**	**8,629**	**24,650**	**6,077**	**–**	**857**	**63,181**
NBV							
At 31 December 2024	**156,642**	**1,798**	**5,016**	**2,130**	**68**	**60,080**	**225,734**
Cost							
At 1 January 2023	38,678	9,669	23,632	6,196	68	3,890	82,133
Additions	628	1,217	2,650	436	–	–	4,931
Disposals	–	(747)	–	–	–	–	(747)
At 31 December 2023	39,306	10,139	26,282	6,632	68	3,890	86,317
Depreciation							
At 1 January 2023	20,268	7,133	21,301	5,116	–	541	54,359
Charge for the year	125	1,432	1,928	438	–	158	4,081
Disposal	–	(747)	–	–	–	–	(747)
At 31 December 2023	20,393	7,818	23,229	5,554	–	699	57,693
NBV							
At 31 December 2023	18,913	2,321	3,053	1,078	68	3,191	28,624

18.3 Loss on disposal

18.3.1 Loss on disposal of other property, plant and equipment

	2024 ₦ million	2023 ₦ million	**2024 $'000**	2023 $'000
Proceeds from disposal of assets	**12**	–	**8**	–
Less net book value of disposed assets	**(332)**	–	**(216)**	–
Loss on disposal of motor vehicles	**(319)**	–	**(208)**	–

18.4 Depletion, depreciation and amortisation

	2024 ₦ million	2023 ₦ million	**2024 $'000**	2023 $'000
Oil and gas properties (Note 18.1)	**265,342**	98,224	**179,324**	149,587
Amortisation of intangible asset (Note 21)	**16,583**	6,282	**11,207**	9,567
Charged to cost of sales	**281,925**	104,506	**190,531**	159,154
Other property, plant and equipment charged to general and administrative expense (Note 18.2)	**8,375**	2,679	**5,660**	4,081
Right of use assets (Note 20)	**11,469**	2,705	**7,751**	4,119
Total depletion, depreciation and amortisation	**301,768**	109,890	**203,942**	167,354

19. Other assets

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Fair value at the beginning of the year	**91,478**	45,478	**101,711**	101,711
Receipts from crude oil lifted	**(16,122)**	—	**(10,896)**	—
Exchange Difference	**64,075**	46,000	**—**	—
Fair value at the end of the year	**139,431**	91,478	**90,815**	101,711

Other assets represent the Group's rights to receive the discharge sum of $179.02 million, ₦274.85 billion (2023: $190million, ₦170.88 billion), from the crude oil reserves of OML 55. The asset is measured at fair value through profit or loss (FVTPL) and receipts from crude oil lifted reduce the value of the asset. At each reporting date, the fair value of the discharge sum is determined using the income approach in line with IFRS 13: Fair Value Measurement (discounted cash flow). This asset is categorised within Level 3 of the fair value hierarchy amounting to $107 million (2023: $142.4 million).

A further increase/(decrease) in the discount rate of 15% used in the model would result in the following:

Percentage	Fair value $'000	Impact on profit or loss $'000
+2%	103,063	(3,928)
-2%	111,234	4,243

20. Right of use assets

Cost	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
At 1 January	**20,513**	8,166	**22,809**	20,941
Additions during the year (Note 34)	**89,665**	1,227	**60,597**	1,868
Acquired in business combination (Note 7)	**114,212**	—	**74,551**	—
Exchange differences	**18,125**	11,120	**—**	—
At 31 December	**242,515**	20,513	**157,957**	22,809
Depreciation			**—**	—
At 1 January	**18,567**	6,192	**20,645**	16,526
Charge for the period	**11,469**	2,705	**7,751**	4,119
Exchange difference	**13,561**	9,670		
At 31 December	**43,597**	18,567	**28,396**	20,645
NBV				
At 31 December	**198,918**	1,946	**129,561**	2,164

The Group entered into lease extension agreements for the office buildings in Lagos and Aberdeen and a new lease agreement for the London office recognized at the gross amounts of the lease contracts.

The addition reflects the recognition of the new leases entered during the period at the gross amounts of the contracts. The new leases relates to Temple office, Penthouse, WTC Abuja leases, London office, Aberdeen office leases and SEPNU lease renewal.

There is no restriction on any of the leased assets.

Seplat Energy

21. Intangible assets

Cost	Licence ₦ million	Total ₦ million	Licence $'000	Total $'000
At 1 January 2024	**118,110**	**118,110**	**131,322**	**131,322**
Additions	3,449	3,449	2,331	2,331
Identifiable intangible asset acquired in business combination (note 7)	220,081	220,081	143,656	143,656
Reclassification from oil and gas assets	(5,226)	(5,226)	(3,532)	(3,532)
Exchange difference	83,921	83,921	–	–
At 31 December 2024	**420,335**	**420,335**	**273,777**	**273,777**
Amortisation and impairment				
At 1 January 2024	**11,527**	**11,527**	**12,816**	**12,816**
Amortisation	16,583	16,583	11,207	11,207
Reclassification from oil and gas assets	188	188	127	127
Exchange difference	8,780	8,780	–	–
At 31 December 2024	**37,078**	**37,078**	**24,150**	**24,150**
NBV				
At 31 December 2024	**383,257**	**383,257**	**249,627**	**249,627**

Cost	Licence ₦ million	Total ₦ million	Licence $'000	Total $'000
At 1 January 2023	**70,588**	**70,588**	**157,868**	**157,868**
Reclassification to oil and gas property - AUC	(17,431)	(17,431)	(26,546)	(26,546)
Exchange difference	64,953	64,953	–	–
At 31 December 2023	118,110	118,110	131,322	131,322
Amortisation and impairment				
At 1 January 2023	**14,958**	**14,958**	**33,453**	**33,453**
Reclassification to oil and gas property	(19,833)	(19,833)	(30,204)	(30,204)
Amortisation charge	6,282	6,282	9,567	9,567
Exchange difference	10,120	10,120	–	–
At 31 December 2023	**11,527**	**11,527**	**12,816**	**12,816**
NBV				
At 31 December 2023	**106,583**	**106,583**	**118,506**	**118,506**

License relates to costs incurred in connection with the renewal of a right for exploration of an oil mining lease field. See Note (iii) supplementary financial information for the remaining amortisation period on the licences.

Seplat Energy

22. Prepayments

Non current	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Advances to suppliers	**48,018**	37,978	**31,276**	42,227
	48,018	37,978	**31,276**	42,227
Current				
Rent	**4,339**	4,797	**2,826**	5,334
Other prepayments	**48,257**	4,679	**31,431**	5,202
	52,596	9,476	**34,257**	10,536
	100,614	47,454	**65,533**	52,763

22.1 Rent

Rent relates to short-term leases of residential buildings, car parks and office buildings with contractual lease term of less than or equal to 12 months. At the end of the reporting period, rental expense $0.1 million, ₦177 million (2023: $0.31 million, ₦279 million) was recognised within general and administrative expenses for these leases. The Group's payment for short-term lease commitments at the end of the reporting period are ₦4.3 billion, $2.8 million (2023: ₦4.7 billion, $5.3 million).

22.2 Advances to suppliers

Advances to suppliers relate to a milestone payment made to finance the construction of the Amukpe Escravos Pipeline Project and other related facilities. The project has been completed and recoveries have commenced. At the end of the reporting period, the outstanding amount net of recoveries is ₦48.0 billion, $31.3 million, (2023: ₦37.9 billion, $42.2 million).

22.3 Other prepayments

Included in other prepayments are prepaid service charge expenses for office buildings, health insurance, software license maintenance, motor insurance premium and crude oil handling fees. These prepaid expenses are short term in nature

23. Interest in other entities

23.1 Material subsidiaries

The Group's principal subsidiaries as at 31 December 2024 are set in Note 1. Unless otherwise stated, their share capital consists solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business. The Group exercised significant judgement in consolidating Elcrest. Please see Note 4.1 for details. Also, there were no significant restrictions on any of the entities.

23.2 Non-controlling interest (NCI)

Summarised financial information in respect of Elcrest Exploration and Production Nigeria Limited which has a material non-controlling interest is set out below.

The information disclosed reflects amounts presented in the financial statements of the subsidiary amended to reflect fair value adjustments made by the Group, and modifications for differences in accounting policy during the business combination.

23.2.1 Statement of financial position

	As at 31 December 2024 ₦ million	As at 31 December 2023 ₦ million	As at 31 December 2024 $'000	As at 31 December 2023 $'000
Current assets	**227,720**	207,373	**163,923**	222,142
Current liabilities	**(1,056,848)**	(679,436)	**(688,625)**	(751,040)
Current net liabilities	**(829,128)**	(472,063)	**(524,702)**	(528,898)
Non-current assets	**936,864**	564,185	**610,205**	627,298
Non-current liabilities	**(87,505)**	(48,867)	**(56,995)**	(54,333)
Non-current net assets	**849,359**	515,318	**553,210**	572,965
Net assets	**20,231**	43,255	**28,508**	44,067
Accumulated NCI at 55%	**11,127**	23,790	**15,679**	24,237

23.2.2 Statement of profit or loss and other comprehensive income

	As at 31 December 2024 ₦ million	As at 31 December 2023 ₦ million	As at 31 December 2024 $'000	As at 31 December 2023 $'000
Revenue	**460,395**	217,016	**311,145**	330,499
Cost of sales	**(349,992)**	(132,217)	**(236,532)**	(201,357)
Operating expenses	**(13,818)**	(4,918)	**(9,339)**	(7,490)
Finance income/(cost)	**(27,219)**	(38,905)	**(18,395)**	(59,249)
Profit before tax	**69,366**	40,976	**46,879**	62,403
Income tax (charge)/ credit	**(92,389)**	7,667	**(62,439)**	11,674
(Loss)/profit for the year	**(23,023)**	48,643	**(15,560)**	74,077
Total comprehensive (loss)/ income	**(23,023)**	48,643	**(15,560)**	74,077

23.2.3 Statement of cash flows

	As at 31 December 2024 ₦ million	As at 31 December 2023 ₦ million	As at 31 December 2024 $'000	As at 31 December 2023 $'000
Operating activities	**253,762**	316,760	**171,498**	482,403
Investing activities	**(130,025)**	(3,556)	**(84,689)**	(3,954)
Financing activities	**(147,819)**	(460,589)	**(99,899)**	(512,113)

23.3.2 Equity-accounted investment

	As at 31 December 2024 ₦ million	As at 31 December 2023 ₦ million	As at 31 December 2024 $'000	As at 31 December 2023 $'000
Investment in joint venture Anoh gas (note 23.3.1)	**374,593**	200,909	**243,984**	223,383
*Investment in joint venture (Pine Gas)	**48**	28	**31**	31
	374,641	200,937	**244,015**	223,414

The amount recognised as investment in Pine Gas relates to incorporation cost and other legal fees.

23.3.1 Interest in joint ventures

The shareholders agreement between the Group and Nigerian Gas Processing and Transportation Company (NGPTC) requires both parties to have equal shareholding in ANOH. For the ownership structure, the Group has assessed its retained interest in ANOH and determined that it has joint control. The Group's interest in ANOH is accounted for in the consolidated financial statements using the equity method because the Group interest in ANOH (Joint venture) is assessed to be a joint venture.

Set below is the information on the material joint venture of the Group, ANOH. The Company has share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also its principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held. The Company is a private entity hence no quoted price is available.

As at the reporting date, Pine Gas Processing Limited is yet to commence operations.

As at the reporting period, the Group had no capital commitment neither had it incurred any contingent liabilities jointly with its joint venture partner.

		Percentage of ownership interest		Carrying amount			
Name of entity	Country of incorporation and place of business	As at 31 December 2024 %	As at 31 December 2023 %	As at 31 December 2024 ₦ million	As at 31 December 2023 ₦ million	As at 31 December 2024 $'000	As at 31 December 2023 $'000
ANOH Gas Processing Company Limited	Nigeria	**50**	50	**374,593**	200,909	**243,984**	223,383
Pine Gas Processing Limited	Nigeria	**50**	50	**48**	28	**31**	31

23.3.1.1 Summarised statement of financial position of ANOH

	As at 31 December 2024 ₦ million	As at 31 December 2023 ₦ million	As at 31 December 2024 $'000	As at 31 December 2023 $'000
Current assets:				
Cash and bank balances	**29,013**	40,443	**18,897**	44,967
Other current assets	**91**	193	**59**	215
Total current assets	**29,104**	40,636	**18,956**	45,182
Non-current assets	**1,200,259**	618,996	**781,765**	688,240
Total assets	**1,229,363**	659,632	**800,721**	733,422
Current liabilities:				
Other current liabilities	**(21,840)**	(7,554)	**(14,225)**	(8,399)
Non-current liabilities				–
Financial liabilities (excluding trade payables)	**(458,336)**	(250,260)	**(298,528)**	(278,257)
Total liabilities	**(480,176)**	(257,814)	**(312,753)**	(286,656)
Net assets	**749,186**	401,818	**487,968**	446,766

Reconciliation to carrying amount:

	As at 31 December 2024 ₦ million	As at 31 December 2023 ₦ million	As at 31 December 2024 $'000	As at 31 December 2023 $'000
Opening net assets	**401,820**	198,438	**446,766**	443,804
Profit for the period	**60,966**	1,945	**41,202**	2,962
Exchange difference	**286,400**	193,459	**–**	–
Closing net assets	**749,186**	401,818	**487,968**	446,766
Group's share (%)	**50 %**	50 %	**50 %**	50 %
Net asset in group account	**374,593**	200,909	**243,984**	223,383
Carrying amount	**374,593**	200,909	**243,984**	223,383

23.3.1.2 Summarised statement of profit or loss and other comprehensive income of ANOH

	As at 31 December 2024 ₦ million	As at 31 December 2023 ₦ million	As at 31 December 2024 $'000	As at 31 December 2023 $'000
General and administrative	**–**	(753)	**—**	(1,147)
Depreciation and amortisation	**(2,156)**	(842)	**(1,457)**	(1,283)
Other income	**61,192**	2,399	**41,355**	3,654
Finance income	**1,930**	1,190	**1,304**	1,813
Profit before taxation	**60,966**	1,994	**41,202**	3,037
Taxation	**–**	(49)	**—**	(75)
Profit for the year	**60,966**	1,945	**41,202**	2,962
Group's share (%)	**50 %**	50 %	**50 %**	50 %
Group's share of profit for the year	**30,482**	972	**20,601**	1,481

23.3.1.3 Investment in joint venture

	As at 31 December 2024 ₦ million	As at 31 December 2023 ₦ million	As at 31 December 2024 $'000	As at 31 December 2023 $'000
Opening balance	**200,909**	99,219	**223,383**	221,902
Exchange difference	**143,201**	100,718	**–**	–
Share of profit from joint venture accounted for using equity method	**30,483**	972	**20,601**	1,481
	374,593	200,909	**243,984**	223,383

24. Inventories

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Tubular, casing and wellheads	**463,250**	47,154	**301,729**	52,428
Crude and petroleum products	**262,315**	—	**170,854**	—
	725,565	47,154	**472,582**	52,428

Inventory includes the value of tubulars, casings, material, supplies ,wellheads, crude and petroleum. The inventory is carried at the lower of cost and net realisable value. There is no Inventory charged to profit or loss and included in cost of sales during the year (2023: nil).

Included in inventory is $459.4 million, ₦699.3 billion from business combination. This is made of material, supplies of $252 million, ₦386 billion and crude/petroleum products of $207.4 million, ₦317.7 billion from the fields stored in tanks for future sale (see Note 7). As at year end, the value of the made of material, supplies from SEPNU has increased to $256 million, ₦393 billion, while the crude supplies has reduce to $40.8 million, ₦62 .6 billion

25. Trade and other receivables

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Trade receivables (Note 25.1)	**534,917**	92,741	**348,407**	103,117
NEPL receivables (Note 25.2)	**63,615**	112,054	**41,434**	124,588
NUIMS receivables (Note 25.3)	**454,571**	18,415	**296,075**	20,475
Advances to suppliers-others	**7,461**	3,568	**4,859**	3,967
Advance for New Business (Note 25.6)	**–**	115,392	**–**	128,300
Receivables from ANOH (Note 25.5)	**2,589**	565	**1,686**	628
Other receivables (Note 25.4)	**93,440**	26,163	**60,860**	29,090
	1,156,593	368,898	**753,321**	410,165

Included in trade and other receivables is $292.7 million, ₦448 billion from business combination (see Note 7)

25.1 Trade receivables

Included in the trade receivables are:

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Geregu	**18,001**	11,691	**11,725**	12,999
Waltersmith	**8,079**	10,971	**5,262**	12,198
Sapele Power	**11,271**	5,491	**7,341**	6,105
NGMC	**1,274**	1,240	**830**	1,379
MSN ENERGY	**25,526**	3,260	**16,626**	3,625
Pillar	**7,634**	5,875	**4,972**	6,532
Shell Western	**50,503**	63,228	**32,894**	70,301
Mercuria	**–**	4,175	**–**	4,643
Azura	**3,359**	–	**2,188**	–
Transcorp Power	**2,556**	–	**1,665**	–
Exxon Mobil	**438,326**	–	**285,495**	–
Others - crude injectors	**522**	1,940	**339**	2,157
Impairment allowance	**(32,134)**	(15,130)	**(20,930)**	(16,822)
Total	**534,917**	92,741	**348,407**	103,117

Reconciliation of trade receivables

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Balance as at 1 January	**107,871**	30,462	**119,939**	68,131
Additions during the year	**1,703,543**	913,583	**1,109,569**	1,015,777
Receipt for the year	**(1,393,036)**	(619,033)	**(941,444)**	(942,737)
Acquired from business combination	**141,601**	–	**92,229**	–
Exchange difference	**7,072**	(217,141)	**(10,956)**	(21,232)
Gross carry amount	**567,051**	107,871	**369,337**	119,939
Less: Impairment allowance	**(32,134)**	(15,130)	**(20,930)**	(16,822)
Balance as at 31 December	**534,916**	92,741	**348,407**	103,117

Reconciliation of impairment allowance on trade receivables

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Loss allowance as at 1 Jan	**15,130**	10,982	**16,822**	24,560
Increase in loss allowance	**14,137**	2,140	**9,554**	3,259
Revaluation impact	**–**	–	**(5,446)**	(10,997)
Exchange difference	**2,867**	2,008	**–**	–
Loss allowance as at 31 December	**32,134**	15,130	**20,930**	16,822

25.2 NEPL receivables

The outstanding cash calls due to Seplat from its JOA partner, NEPL is ₦112.1 billion (2023: ₦40.4 billion) $124.6million (2023: $90.3 million).

Reconciliation of NEPL receivables

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Balance as at 1 January	**116,421**	41,853	**129,444**	93,602
Addition during the year	**495,804**	309,094	**322,932**	343,670
Receipts during the year	**(601,059)**	(207,716)	**(406,209)**	(316,334)
Exchange difference	**56,788**	(26,811)	**(1,907)**	8,506
Gross carrying amount	**67,954**	116,421	**44,260**	129,444
Less: impairment allowance	**(4,339)**	(4,367)	**(2,826)**	(4,856)
Balance as at 31 December	**63,615**	112,054	**41,434**	124,588

Reconciliation of impairment allowance on NEPL receivables

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Loss allowance as at 1 Jan	**4,367**	1,467	**4,856**	3,280
Increase in loss allowance	**(2,473)**	1,228	**(1,671)**	1,870
Foreign exchange revaluation impact	**—**	—	**(359)**	(294)
Exchange difference	**2,445**	1,672	**–**	–
Loss allowance as at 31 December	**4,339**	4,367	**2,826**	4,856

25.3 NUIMS receivables

Reconciliation of NUIMS receivables

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Balance as at 1 January	**19,099**	15,791	**21,236**	35,316
Addition during the year	**386,723**	34,604	**251,884**	38,475
Receipts during the year	**(246,960)**	(26,574)	**(166,901)**	(40,470)
Acquired on business combination	**300,562**	–	**196,189**	
Exchange difference	**(4,853)**	(4,722)	**(6,333)**	(12,085)
Gross carrying amount	**454,571**	19,099	**296,075**	21,236
Less: impairment allowance	**–**	(684)	**–**	(761)
Balance as at 31 December	**454,571**	18,415	**296,075**	20,475

Reconciliation of impairment allowance on NUIMS receivables

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Loss allowance as at 1 January	**684**	380	**761**	849
Increase/(decrease) in loss allowance during the period	**(1,126)**	229	**(761)**	348
Foreign exchange revaluation impact	**–**	–	**–**	(436)
Exchange difference	**442**	75	**–**	–
Loss allowance as at 31 December	**–**	684	**–**	761

25.4 Other receivables

Reconciliation of other receivables

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Balance as at 1 January	**74,727**	47,364	**83,086**	105,924
Addition during the year	**59,686**	11,617	**38,875**	12,916
Receipts for the year	**(16,491)**	(16,986)	**(11,145)**	(25,868)
Acquired from business combination	**6,583**	–	**4,297**	–
Exchange difference	**58,380**	32,732	**4,005**	(9,886)
Gross carrying amount	**182,885**	74,727	**119,118**	83,086
Less: impairment allowance	**(79,667)**	(48,564)	**(58,258)**	(53,996)
Balance as at 31 December	**103,218**	26,163	**60,860**	29,090

Other receivables include sundry receivables, WHT receivables, staff receivables, and Tariff receivables. WHT receivables of $0.6 million, ₦ billion (2023: $0.9 million, ₦0.8 billion) and NGC VAT receivables of nil (2023: $2.8 million, ₦2.5 billion) were not assessed for impairment as these are non-financial assets.

Reconciliation of impairment allowance on other receivables

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Loss allowance as at 1 January	**48,564**	25,612	**53,996**	57,280
Increase in loss allowance during the period	**9,711**	868	**6,563**	1,322
Foreign exchange revaluation impact	**—**	—	**(2,301)**	(4,606)
Acquired from business combination	**—**	–	**—**	–
Exchange difference	**21,391**	22,084	**–**	–
Loss allowance as at 31 December	**79,667**	48,564	**58,258**	53,996

25.5 Receivables from joint venture (ANOH)

Receivables from joint venture (ANOH)	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Balance as at 1 January	**5,992**	5,188	**6,662**	11,604
Additions during the year	**775**	1,242	**505**	1,381
Receipts for the year	**(616)**	(917)	**(416)**	(1,396)
Exchange difference	**1,101**	479	**(2,027)**	(4,927)
Gross carrying amount	**7,253**	5,992	**4,724**	6,662
Less: Impairment reversal/(charge)	**(4,664)**	(5,427)	**(3,038)**	(6,034)
Balance as at 31 December	**2,589**	565	**1,686**	628

Reconciliation of impairment allowance on receivables from joint venture (ANOH)

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Loss allowance as at 1 January	**5,427**	132	**6,034**	296
Increase in loss allowance during the period	**(4,433)**	3,768	**(2,996)**	5,738
Foreign exchange revaluation impact	**–**	–	**–**	–
Exchange difference	**3,670**	1,527	**–**	–
Loss allowance as at 31 December	**4,664**	5,427	**3,038**	6,034

25.6 Advances for New Business

Advances for new business is nil (2023: ₦115.4 billion, $128.3million) after the acquisition of the entire share capital of Mobil Producing Nigeria Unlimited from Exxon Mobil Corporation, Delaware.

26. Contract assets

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Revenue on gas sales	**12,622**	7,496	**8,221**	8,334
Revenue on oil sales	**11,551**	–	**7,524**	–
Impairment loss on contract assets	**(255)**	(256)	**(166)**	(285)
	23,918	7,240	**15,579**	8,049

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 Sapele Power, Azura, NGMC, Transcorp Power, MSN Energy, Waltersmith and Pillar for the delivery of oil and gas supplies which these customers have 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 crystalises. The right to the unbilled receivables is recognised as a contract asset. At the point where the gas receipt certificates and crude invoices are obtained from the customers (Sapele Power, Azura, NGMC, Transcorp Power, MSN Energy, Waltersmith and Pillar) upon volumes reconciliation with offtakers authorising the quantities, this will be reclassified from contract assets to trade receivables.

26.1 Reconciliation of contract assets

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

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Balance as at 1 January 2024	**7,496**	3,493	**8,334**	7,811
Additions during the period	**167,015**	104,819	**112,872**	159,631
Amount billed during the year	**(156,049)**	(104,476)	**(105,461)**	(159,108)
Exchange difference	**5,711**	3,660	**–**	–
Gross revenue on gas and oil	**24,173**	7,496	**15,745**	8,334
Impairment charge	**(255)**	(256)	**(166)**	(285)
Balance as at 31 December 2024	**23,918**	7,240	**15,579**	8,049

27. 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.

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Opening Balance	**(1,444)**	(954)	**(1,606)**	(2,135)
Realised fair value (Note14)	**1,836**	1,402	**1,241**	2,135
Prior year premium paid	**540**	–	**365**	–
Premium Accrued	**(322)**	(240)	**(217)**	(365)
Unrealised fair value (Note14)	**(5,531)**	(815)	**(3,738)**	(1,241)
Exchange difference	**(1,152)**	(838)	**–**	–
	(6,073)	(1,444)	**(3,955)**	(1,606)

In 2024, the Group entered into economic crude oil hedge contracts with an average strike price of ₦81,382, $55/bbl (2023: ₦52,892, $60/bbl) for 3 million barrels (2023: 3 million barrels) at a cost of ₦7.6 billion, $4.9 million (2023: ₦2.6 billion, $2.9 million).

28. Cash and cash equivalents

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

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Short-term fixed deposits	**202,123**	91,411	**131,649**	101,636
Cash at bank	**519,638**	313,635	**338,458**	348,719
Gross cash and cash equivalents	**721,761**	405,046	**470,107**	450,355
Loss allowance	**(376)**	(221)	**(245)**	(246)
Net cash and cash equivalents	**721,385**	404,825	**469,862**	450,109

Included in cash and cash equivalent is the Bank balance of $182.7 million, ₦279.9 billion acquired from business combination (see Note 7)

28.1 Reconciliation of impairment allowance on cash and cash equivalents

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Loss allowance as at 1 January 2024	**221**	110	**246**	246
Increase/ (decrease) in loss allowance during the period	**–**	–	**–**	–
Exchange difference	**155**	111	**–**	–
Loss allowance as at 31 December 2024	**376**	221	**246**	246

28.2 Restricted cash

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Restricted cash	**202,983**	24,311	**132,209**	27,031
	202,983	24,311	**132,209**	27,031

28.3 Movement in restricted cash

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Opening balance	**24,311**	10,706	**27,031**	23,944
Increase in restricted cash	**155,630**	2,027	**105,178**	3,087
Exchange difference	**23,042**	11,578	**–**	–
Closing balance	**202,983**	24,311	**132,209**	27,031

Included in the restricted cash balance is $2 .4 million, ₦3.7billion and $21.4 million, ₦32 .8 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 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 $0.4 million, ₦0.6 billion for unclaimed dividend.

A garnishee order of $0.5 million, ₦0.7 billion is included in the restricted cash balance as at the end of the reporting period.

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

Included in restricted cash is $107.5 million, ₦164.7 billion from business combination (see Note 7)

29. Asset held for sale

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Carrying amount reclassified from inventory to asset held for sale (note 24)	**5,375**	–	**3,501**	–
Carrying amount reclassified from PPE to asset held for sale (note 18.1)	**29,865**	–	**19,452**	–
Total carrying amount from assets held for sales	**35,240**		**22,953**	
Fair value loss	**(16,402)**	–	**(10,683)**	–
Fair value of asset held for sales	**18,838**	–	**12,270**	–

As of 31 December 2024, the Company has classified certain non-current assets as held for sale. These assets primarily consist of Turnkey rigs and accessories. The assets have been classified as held for sale following the decision by management to sell the assets. A buyer has been secured for rigs with a deposit of $8.53 million,N12.6 billion received as of the reporting date and balance of the disposal consideration expected with the next 12 months. The assets held for sale are measured at the disposal consideration which reflects the fair value less costs to sell. As of 31 December 2024, the carrying amount and fair value less costs to sell of the assets was $12.27 million, N18.8 billion with an impairment value of $10.68 million,N16.4 billion.

30. Share capital

30.1 Authorised and issued share capital

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Authorised ordinary share capital				–
588,444,561 ordinary shares denominated in Naira of 50 kobo per share	**297**	297	**1,864**	1,864
Issued and fully paid				
588,444,561 (2023:588,444,561) issued shares denominated in Naira of 50 kobo per share	**297**	297	**1,864**	1,864

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

30.2 Movement in share capital and other reserves

	Number of shares Shares	Issued share capital ₦ million	Share premium ₦ million	Share based payment reserve ₦ million	Treasury shares ₦ million	Total ₦ million
Opening balance as at 1 January 2024	**588,444,561**	**297**	**90,138**	**12,255**	**(1,612)**	**101,078**
Additions to share based during the year	–	–	–	**39,320**	–	**39,320**
Vested shares during the year	–	–	–	**(26,906)**	**26,906**	–
Forfeited shares	–	–	–	**(1,857)**	–	**(1,857)**
PAYE tax withheld on vested shares	–	–	**(2,764)**	–	–	**(2,764)**
Impact on forfeited rate assumption	–	–	–	**(7,250)**	–	**(7,250)**
Share repurchased	–	–	–	–	**(28,866)**	**(28,866)**
Closing balance as at 31 December 2024	**588,444,561**	**297**	**87,374**	**15,562**	**(3,572)**	**99,661**

	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 2024	**588,444,561**	**1,864**	**520,431**	**34,515**	**(4,286)**	**552,524**
Additions to share based during the period	**–**	**–**	**–**	**26,573**	**–**	**26,573**
Vested shares during the year	**–**	**–**	**–**	**(18,184)**	**18,184**	**–**
Forfeited shares	**–**	**–**	**–**	**(1,255)**	**–**	**(1,255)**
PAYE tax withheld on vested shares	**–**	**–**	**(1,867)**	**–**	**–**	**(1,867)**
Impact on forfeited rate assumption	**–**	**–**	**–**	**(4,900)**	**–**	**(4,900)**
Share repurchased	**–**	**–**	**–**	**–**	**(19,508)**	**(19,508)**
Closing balance as at 31 December 2024	**588,444,561**	**1,864**	**518,564**	**36,749**	**(5,610)**	**551,567**

30.3 Share Premium

	2024	2023	**2024**	2023
	₦ million	₦ million	**$'000**	$'000
Share premium	**87,375**	90,138	**518,564**	520,431

Section 120.2 of Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 requires that where a company issue shares at premium (i.e., above the par value), the value of the premium should be transferred to share premium.

During the year, an additional 17,567,776 shares vested with a fair value of $20.30 million. The excess of $18.18 million above the nominal value of ordinary shares have been recognised in share premium.

30.4 Employee share-based payment scheme

As at 31 December 2024, the Group had 53,305,512 shares which are yet to fully vest. These shares have been assigned to certain employees and senior executives in line with its share-based incentive scheme. Included in the share-based incentive schemes is three additional schemes (2024 LTIP scheme, 2024 Deferred bonus scheme and sign on Bonus) awarded during the reporting period.

During the reporting period, 18,962,222 shares had vested out of which 1,394,446 shares were forfeited in relation to participants who could not meet the vesting conditions during the period. The average forfeiture rate due to failure to meet non-market vesting condition is 18.14% while the average due to staff exit is 17.72%.

The impact of applying the forfeiture rate of 35.87% on existing LTIP awards which are yet to vest will result in a reduction of share-based compensation expense for the year by $4,889,920. The number of shares that eventually vested during the year after the forfeiture and conditions above is 17,567,776 (Dec 2023: 4,709,289 shares were vested).

i. Description of the awards valued

The Company has made a number of share-based awards under incentive plans since its IPO in 2014: IPO-related grants to Executive and Non-Executive Directors, 2018/2020 deferred bonus awards and 2020 Long-term Incentive plan ('LTIP') awards. Shares under these incentive plans were awarded at the IPO in April 2014, 2015, 2016, 2017,2018 and 2020 conditional on the Nigerian Stock Exchange ('NSE') approving the share delivery mechanism proposed by the Company. A number of these awards have fully vested.

Seplat Deferred Bonus Award

25% of each Executive Director's 2023 bonus (paid in 2024) has been deferred into shares and would be released in 2025 subject to continued employment over the vesting period. 2022 deferred bonus was approved by the Board and vested in 2024. No performance criteria are attached to this award. As a result, the fair value of these awards is calculated using a Black Scholes model.

Long Term Incentive Plan (LTIP) awards

Under the LTIP Plan, shares are granted to management staff of the organisation at the end of every year. The shares were granted to the employees at no cost. The shares vest (after 3 years) based on the following conditions.

- 25% vesting for median relative TSR performance rising to 100% for upper quartile performance on a straight-line basis.
- Relative TSR vesting reduced by 75% if 60% and below of operational and technical bonus metrics are achieved, with 35% reduction if 70% of operational and technical bonus metrics are achieved and no reduction for 80% or above achievement.
- If the Company outperforms the median TSR performance level with the LTIP exploration and production comparator group.

The LTIP awards have been approved by the NSE.

ii. Share based payment expenses

The expense recognised for employee services received during the year is shown in the following table:

	2024	2023	**2024**	2023
	₦ million	₦ million	**$'000**	$'000
Expense arising from equity-settled share-based payment transactions	**30,211**	7,717	**20,417**	11,751

There were no cancellations to the awards in 2024. The share awards granted to Executive Directors and confirmed employees are summarised below:

Scheme	Deemed grant date	Start of Service Period	End of service period	Vesting status	Number of awards
2022 Long term incentive Plan	30 May 2022	30 May 2022	30 May 2025	Partially	13,811,252
2023 Long term incentive Plan	16 May 2023	16 May 2023	16 May 2026	Partially	23,274,458
2023 Deferred Bonus	28 May 2024	28 May 2024	31 December 2025	Partially	537,319
2024 Long term incentive Plan	28 May 2024	28 May 2024	28 May 2027	Partially	15,637,253
Sign on Bonus - IR Mgr	28 May 2024	19 June 2023	19 June 2025	Partially	45,230
					53,305,512

iii. Determination of Share awards outstanding

Share awards used in the calculation of diluted earnings per shares are based on the outstanding shares as at 31 December 2024, however these shares were repurchased from the existing shareholders.

Share award scheme (all awards)	**2024 Number**	**2024 WAEP ₦**	2023 Number	2023 WAEP ₦
Outstanding at 1 January	**25,534,795**	**669**	20,015,736	442
Granted during the year	**21,308,358**	**1,300**	17,831,904	827
Exercise during the year	**(17,567,776)**	**552**	(4,709,289)	840
Forfeited during the year	**(1,394,446)**	**429**	(7,603,556)	568
Outstanding at 31 December	**27,880,931**	**738**	25,534,795	669

Share award scheme (all awards)	**2024 Number**	**2024 WAEP $**	2023 Number	2023 WAEP $
Outstanding at 1 January	**25,534,795**	**1.14**	20,015,736	1.10
Granted during the year	**21,308,358**	**1.44**	17,831,904	1.28
Exercised during the year	**(17,567,776)**	**1.18**	(4,709,289)	1.30
Forfeited during the year	**(1,394,446)**	**0.90**	(7,603,556)	0.88
Outstanding at 31 December	**27,880,931**	**1.17**	25,534,795	1.14

The following table illustrates the number and weighted average exercise prices ('WAEP') of and movements in deferred bonus scheme and long-term incentive plan during the year for each available scheme.

Deferred Bonus Scheme	**2024 Number**	**2024 WAEP ₦**	2023 Number	2023 WAEP ₦
Outstanding at 1 January	**502,050**	**678**	306,996	541
Granted during the year	**556,718**	**1,643**	634,962	782
Exercised during the year	**(833,065)**	**585**	(439,908)	711
Outstanding at 31 December	**225,703**	**969**	502,050	678

Deferred Bonus Scheme	**2024 Number**	**2024 WAEP $**	2023 Number	2023 WAEP $
Outstanding at 1 January	**502,050**	**1.19**	306,996	1.27
Granted during the year	**556,718**	**1.65**	634,962	1.21
Exercised during the year	**-833,065**	**1.35**	(439,908)	1.1
Outstanding at 31 December	**225,703**	**1.40**	502,050	1.19

The fair value of the modified options was determined using the same models and principles as described in the table below based on the inputs to the models used for the scheme.

Long term incentive Plan (LTIP)	**2024 Number**	**2024 WAEP ₦**	2023 Number	2023 WAEP ₦
Outstanding at 1 January	**25,032,745**	**553**	19,708,740	492
Granted during the year	**20,751,640**	**957**	17,196,942	581
Exercised during the year	**(16,734,711)**	**519**	(4,269,381)	568
Forfeited during the year	**(1,394,446)**	**429**	(7,603,556)	568
Outstanding at 31 December	**27,655,228**	**614**	25,032,745	553

Long term incentive Plan (LTIP)	**2024 Number**	**2024 WAEP $**	2023 Number	2023 WAEP $
Outstanding at 1 January	**25,032,745**	**0.94**	19,708,740	1.10
Granted during the year	**20,751,640**	**1.24**	17,196,942	0.90
Exercised during the year	**(16,734,711)**	**1.02**	(4,269,381)	0.88
Forfeited during the year	**(1,394,446)**	**0.90**	(7,603,556)	0.88
Outstanding at 31 December	**27,655,228**	**1.02**	25,032,745	0.94

The shares are granted to the employees at no cost. The weighted average remaining contractual life for the share awards outstanding as at 31 December 2024 range from 0.4 to 2 .4 years (2023: 0.8 to 2 .4 years).

The weighted average fair value of awards granted during the year range from ₦3,200 to ₦3,209 (2023: ₦332 to ₦1,286), $2 .10 to $2 .17 (2023: $0.37 to $1.43).

The long term incentive plan is independently determined using the Monte Carlo valuation method which takes into account the term of the award, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the award and the correlations and volatilities of the peer group companies.

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

iv. Inputs to the models

The following table lists the inputs to the models used for the share awards outstanding in the respective plans for the year ended 31 December 2024:

	2021 LTIP	2021 LTIP - Execs	2022 LTIP	2023 LTIP	**2024 LTIP**
date					
Dividend yield (%)	0.00%	0.00%	0.00%	0.00%	**0.00%**
Expected volatility (%)	51.68 %	59.29%	59.86%	42.08%	**40.20%**
Risk–free interest rate (%)	0.31 %	2.17%	2.53%	4.16%	**4.37%**
Expected life of share options	3.00	2.64%	3.00	3.00	**3.00**
Share price at grant date ($)	0.66	1.12	1.18	1.00	**2.10**
Share price at grant date (₦)	264.32	415.84	415.07	460.70	**2,787.83**
Model used	Monte Carlo	Monte Carlo	Monte Carlo	Monte Carlo	**Monte Carlo**

30.5 Treasury shares

This relates to shares purchased from the market to fund the 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.

31. Capital contribution

This represents M&P additional cash contribution to the Group. In accordance with the Shareholders' Agreement, the amount was used by the Group for working capital as was required at the commencement of operations.

	2024 ₦ million	2023 ₦ million	**2024 $'000**	2023 $'000
Capital contribution	**5,932**	5,932	**40,000**	40,000

32. Foreign currency translation reserve

Cumulative foreign exchange differences arising from translation of the Group's results and financial position into the presentation currency and from the translation of foreign subsidiary is recognised in foreign currency translation reserve.

33. Interest bearing loans and borrowings

33.1 Reconciliation of interest bearings loans and borrowings

Below is the reconciliation on interest bearing loans and borrowings for 2024:

	Borrowings within 1 year ₦ million	Borrowings above 1 year ₦ million	Total ₦ million	Borrowings within 1 year $'000	Borrowings above 1 year $'000	Total $'000
Balance as at 1 January 2024	**80,265**	**599,434**	**679,699**	**89,244**	**666,487**	**755,731**
Additions	**517,888**	**443,904**	**961,792**	**350,000**	**300,000**	**650,000**
Interest accrued	**118,896**	**–**	**118,896**	**80,352**	**–**	**80,352**
Borrowing cost capitalized	**5,985**	**–**	**5,985**	**4,045**	**–**	**4,045**
Principal paid	**(56,981)**	**–**	**(56,981)**	**(38,509)**	**–**	**(38,509)**
Interest repayment	**(92,504)**	**–**	**(92,504)**	**(62,516)**	**–**	**(62,516)**
Other financing charges	**(31,775)**	**–**	**(31,775)**	**(21,474)**	**–**	**(21,474)**
Transfers	**71,692**	**(71,692)**	**–**	**48,451**	**(48,451)**	**–**
Exchange differences	**76,804**	**437,834**	**514,638**	**–**	**–**	**–**
Carrying amount as at 31 December 2024	**690,270**	**1,409,480**	**2,099,750**	**449,593**	**918,036**	**1,367,629**

Interest bearing loans and borrowings is made up of ₦2.1 trillion, $1.4 billion, which relates to amortised loan facilities, out of this ₦9.34 million, $6.3 million relates to accrued commitment fees on the undrawn $350 million Revolving Credit Facility (RCF).

Other finance charges include commitment fee, transaction cost on the newly acquired loans plus existing $110 million Senior RBL and $50m Junior RBL.

Below is the reconciliation on interest bearing loans and borrowings 2023:

	Borrowings within 1 year ₦ million	Borrowings due above 1 year ₦ million	Total ₦ million	Borrowings within 1 year $'000	Borrowings above 1 year $'000	Total $'000
Balance as at 1 January 2023	33,232	311,149	344,381	74,322	695,881	770,203
Interest accrued	35,015	–	35,015	53,325	–	53,325
Interest capitalized	10,675	–	10,675	16,256	–	16,256
Other financing charges (Commitment fees)	5,052	–	5,052	7,694	–	7,694
Principal repayment	(14,446)	–	(14,446)	(22,000)	–	(22,000)
Interest repayment	(40,455)	–	(40,455)	(61,610)	–	(61,610)
Other financing charges	(5,343)	–	(5,343)	(8,137)	–	(8,137)
Transfers	19,301	(19,301)	–	29,394	(29,394)	–
Exchange differences	37,234	307,586	344,820	–	–	–
Carrying amount as at 31 December 2023	80,265	599,434	679,699	89,244	666,487	755,731

Other financing charges include term loan arrangement and commitment fees, annual bank charges, technical bank fee, agency fee and analytical services in connection with annual service charge. These costs do not form an integral part of the effective interest rate. As a result, they are not included in the measurement of the interest-bearing loan.

33.2 Amortised cost of borrowings

	2024 **₦ million**	2023 ₦ million	**2024** **$'000**	2023 $'000
Senior loan notes	**1,009,628**	588,351	**657,601**	654,164
Revolving loan facilities	**15,868**	9,197	**10,335**	10,206
Reserve based lending (RBL) facility	**78,521**	81,838	**51,143**	90,992
$350 million RCF	**539,722**	–	**351,537**	–
$300 million Advance Payment Facility	**456,010**	–	**297,013**	–
	2,099,748	679,386	**1,367,629**	755,362

$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 $657.6 million, ₦1,009 billion (2023: $654.16 million, ₦ 576.67 billion) although the principal is $650 million.

$110 million Senior reserve-based lending (RBL) facility – March 2021

The Group through its subsidiary Westport on 28 November 2018 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, now SOFR (Secured Overnight Financing Rate), which came into effect in August 2023. and a final settlement date of March 2026. The original facility of $90 million was increased to $ 100 million on 4 February in 2020 and then again to $ 110 million on 24 May 2021.

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. At the 2024 autumn redetermination which was finalized in early October, the technical and modelling bank calculated a borrowing base of $54.61 million. This was capped at the current available commitment level of $49.5 million.

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

In July 2021, the Group through its subsidiary Westport raised a $50 million offtake facility also secured on Elcrest's assets, including OML 40, in addition to the Senior Reserved Based Lending Facility. The offtake facility has a 6-year tenor, maturing in 2027. As of the period under review, $11 million has been drawn on this facility. The amortised cost for this as at the reporting period is $9.7 million (Dec 2023: $10.2 million), although the principal outstanding is $11 million, with the facility size having reduced to $40 million as at 31 December 2024.

The margin is 2% over the then-prevalent senior margin (resulting in a margin of SOFR, including the CAS, plus 10%). LIBOR rates were replaced by the financial institutions to Secured Overnight Financing Rate (SOFR) plus a credit adjustment spread (CAS) in June 2023.

$350 million Revolving credit facility

Seplat Energy Plc successfully amended its existing $350million revolving credit facility due in December 2024 with a new three-year $350 million revolving credit facility due in June 2025 (the "RCF"). The amended facility now has a bullet repayment instead of an amortizing schedule, though final maturity remains the same on 30 June 2025. However, should the bond (due April 2026) be refinanced in full by May 2025, final maturity will automatically extend to 31 December 2026.The RCF margin was also reduced from 6% to 5% in February 2023 as the production flowing through the Amukpe-to-Escravos pipeline is stabilized at an average working interest production of at least 15,000 bpd over a 45 consecutive day period, meeting the requirements required under the RCF. The facility was drawn in full for the completion of the MPNU acquisition. The amortised cost for the RCF as at the reporting period is $351.5 million, ₦539.7 billion (2023: nil) although the principal is $350 million.

$300 million Advance payment facility

On 6 December 2024, Seplat Energy Offshore Limited entered into an up to $300m Advance Payment Facility ("APF") with ExxonMobil Financial Investment Company Limited, a fully owned subsidiary of ExxonMobil. The APF can be used for general corporate purposes and was used to provide financing in the completion of the MPNU acquisition.

The security package of the APF covers shares in Seplat Energy Offshore Limited ("SEOL") and Seplat Energy Investment Limited ("SEIL"), as well as, security over the onshore collection account and the offshore proceeds account, and an assignment by way of security of SEPNU's rights as seller under the offtake agreement.

The APF is currently fully drawn and will bear interest at a rate of the aggregate of Term SOFR (including a credit adjustment spread of 0.25% per annum) plus 5% per annum. This is the same pricing as our RCF.

Financial covenants under the APF include a forward-looking DSCR of 1.20x, with a cure period of 30 business days.

The amortised cost for the RCF as at the reporting period is $297 million, ₦456 billion (2023: nil) although the principal is $300 million. Final maturity is three years following the date of the agreement, i.e., December 2027.

33.3 Outstanding principal exposures

The table below provides an overview of related exposure by currency and nature of financial instruments as at December 2024.

31 December 2024	**2024 USD SOFR ₦ million**	2023 USD SOFR ₦ million	**2024 USD SOFR $'000**	2023 USD SOFR $'000
Non-derivative financial liabilities				
Interest bearing loans -Fixed	**997,958**	584,605	**650,000**	650,000
Interest bearing loans -Variable	**1,090,851**	89,040	**710,500**	99,000
	2,088,809	673,645	**1,360,500**	749,000

The table below shows the analysis of the principal outstanding showing the lenders of the facility as at the year-end:

31 December 2024	Interest	Current ₦ million	Non-Current ₦ million	Total ₦ million	Current $'000	Non-Current $'000	Total $'000
Fixed interest rate							
Fixed interest rate borrowings							
Senior notes	**–**	**–**	**997,958**	**997,958**		**650,000**	**650,000**
Variable interest rate borrowings (bank loans) :							
The Mauritius Commercial Bank Ltd	**8% + SOFR**	**20,635**	**5,896**	**26,531**	**13,440**	**3,840**	**17,280**
The Stanbic IBTC Bank Plc	**8% + SOFR**	**21,065**	**6,018**	**27,083**	**13,720**	**3,920**	**17,640**
Standard Bank of South Africa Limited	**8% + SOFR**	**12,037**	**3,439**	**15,476**	**7,840**	**2,240**	**10,080**
First City Monument Bank Limited	**8% + SOFR**	**5,374**	**1,535**	**6,909**	**3,500**	**1,000**	**4,500**
Shell Western Supply and Trading Limited	**10.5% + SOFR**	**–**	**16,889**	**16,889**	**–**	**11,000**	**11,000**
350 million Seplat RCF							
Citibank N.A. London	**5% + SOFR**	**15,354**	**–**	**15,354**	**10,000**		**10,000**
Nedbank Limited, London Branch	**5% + SOFR**	**69,090**	**–**	**69,090**	**45,000**		**45,000**
Stanbic Ibtc Bank Plc	**5% + SOFR**	**76,766**	**–**	**76,766**	**50,000**		**50,000**
RMB International (Mauritius) Limited	**5% + SOFR**	**99,796**	**–**	**99,796**	**65,000**		**65,000**
The Mauritius Commercial Bank Ltd	**5% + SOFR**	**69,090**	**–**	**69,090**	**45,000**		**45,000**
JP Morgan Chase Bank, N.A London	**5% + SOFR**	**46,060**	**–**	**46,060**	**30,000**		**30,000**
Standard Chartered Bank	**5% + SOFR**	**46,060**	**–**	**46,060**	**30,000**		**30,000**
Zenith Bank Plc	**5% + SOFR**	**23,030**	**–**	**23,030**	**15,000**		**15,000**
Zenith Bank (UK) Limited	**5% + SOFR**	**30,707**	**–**	**30,707**	**20,000**		**20,000**
United Bank for Africa Plc	**5% + SOFR**	**23,030**	**–**	**23,030**	**15,000**		**15,000**
First City Monument Bank Limited	**5% + SOFR**	**30,707**	**–**	**30,707**	**20,000**		**20,000**
BP	**5% + SOFR**	**7,677**	**–**	**7,677**	**5,000**		**5,000**
$300 million Advance Payment Facility (APF)							
ExxonMobil Financing	**5% + SOFR + CAS**	**–**	**460,596**	**460,596**		**300,000**	**300,000**
Total outstanding principal on interest borrowings		**596,478**	**1,492,331**	**2,088,809**	**388,500**	**972,000**	**1,360,500**

31 December 2023	Interest	Current ₦ million	Non-Current ₦ million	Total ₦ million	Current $'000	Non-Current $'000	Total $'000
Fixed interest rate borrowings							
Senior notes	–	–	584,605	584,605		650,000	650,000
Variable interest rate borrowings (bank loans) :							
The Mauritius Commercial Bank Ltd	8% + SOFR	–	27,629	27,629	–	30,720	30,720
The Stanbic IBTC Bank Plc	8% + SOFR	–	28,205	28,205	–	31,360	31,360
Standard Bank of South Africa Limited	8% + SOFR	–	16,117	16,117	–	17,920	17,920
First City Monument Bank Limited	8% + SOFR	–	7,195	7,195	–	8,000	8,000
Shell Western Supply and Trading Limited	10.5% + SOFR	–	9,893	9,893	–	11,000	11,000
Total outstanding principal on interest borrowings		–	673,645	673,645	–	749,000	749,000

34. Lease liabilities

	Dec 2024 ₦ million	Dec 2023 ₦ million	Dec 2024 $'000	Dec 2023 $'000
Lease liability as at 1 January	**1,207**	1,800	**1,343**	4,025
Additions during the year	**89,665**	1,227	**60,597**	1,868
Payments during the year	**(10,418)**	(3,023)	**(7,041)**	(4,605)
Acquired in business combination (Note 7)	**24,437**	–	**15,951**	–
Interest on lease liabilities	**4,018**	35	**2,715**	54
Exchange difference	**4,036**	1,168		
As at 31 December	**112,945**	1,207	**73,565**	1,342

The Group entered into lease extension agreements for the office buildings in Lagos and Aberdeen and a new lease agreement for the London office recognized at the gross amounts of the lease contracts.

The Group's lease liability as at 31 December 2024 is split into current and non-current portions as follows:

	Dec 2024 ₦ million	Dec 2023 ₦ million	Dec 2024 $'000	Dec 2023 $'000
Non-Current	**88,530**	–	**57,663**	–
Current	**24,415**	1,207	**15,902**	1,342
	112,945	1,207	**73,565**	1,342

The following amount are recognised in profit or loss:

	Dec 2024 ₦ million	Dec 2023 ₦ million	Dec 2024 $'000	Dec 2023 $'000
Depreciation expense of right-of-use assets	**11,469**	2,705	**7,751**	4,119
Interest expense on lease liabilities	**4,018**	35	**2,715**	54
Expense relating to short-term leases	**1,134**	1,988	**310**	204
	16,621	4,728	**10,776**	4,377

The following are the impact of the lease on cash flow:

	Dec 2024 ₦ million	Dec 2023 ₦ million	Dec 2024 $'000	Dec 2023 $'000
Depreciation expense of right-of-use assets	**11,469**	2,705	**7,751**	4,119
Interest expense on lease liabilities	**4,018**	35	**2,715**	54
Net cash flows from operating activities	**15,487**	2,740	**10,466**	4,173
Lease payments	**(10,418)**	(3,023)	**(7,041)**	(4,605)
Net cash flows from financing activities	**(10,418)**	(3,023)	**(7,041)**	(4,605)

35. Provision for decommissioning obligations

	2024 ₦ million	2024 $'000
At 1 January 2024	**117,489**	**130,631**
Acquired in business combination (Note 7)	**1,107,702**	**723,043**
Unwinding of discount due to passage of time	**9,510**	**6,427**
Change in estimate	**(121,156)**	**(81,880)**
Exchange difference	**81,273**	**–**
At 31 December 2024	**1,194,818**	**778,221**

	2023 ₦ million	2023 $'000
At 1 January 2023	86,671	193,836
Unwinding of discount due to passage of time	4,945	7,531
Change in estimate	(46,448)	(70,736)
Exchange difference	72,322	–
At 31 December 2023	117,489	130,631

The Group makes full provision for the future cost of decommissioning oil production facilities on a discounted basis upon commencement of new well drills and facility construction and development so long the estimates can be reliably determined. This relates to the removal of assets as well as their associated restoration costs. This obligation is recorded in the period in which the liability meets the definition of a "probable future sacrifice of economic benefits arising from a present obligation", and in which it can be reasonably measured.

The provision represents the present value of estimated future expenditure to be incurred as highlighted in the table below which is the current expectation as to when the producing facilities are expected to cease operations. Management engaged a third party to assist with an estimate of the future expenditure to be incurred. The estimates for 2024 were computed by Management using the cessation of production (CoP) dates contained in the Competent Person's Reports (CPRs) provided by Ryder Scott and ERCE for all the OMLs based on current assumptions of the economic environment which management believes to be a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to consider any material changes to the assumptions. However, actual decommissioning costs will ultimately depend upon future market prices for necessary decommissioning works required that will reflect market conditions at the relevant time.

However, actual decommissioning costs will ultimately depend upon future market prices for necessary decommissioning works required that will reflect market conditions at the relevant time.

Furthermore, the timing of decommissioning is likely to depend on when the fields cease to produce at economically viable rates.

	Current estimated life span of reserves	
	2024	2023
Seplat West Limited:		
OML 4	**2043**	2041
OML 38	**2030 - 2043**	2030 - 2045
OML 41	**2038 - 2043**	2038 - 2041
Newton Energy Limited (OPL 283)	**2047**	2034 - 2047
Seplat East Onshore Ltd (OML 53)	**2036**	2030 - 2053
Elcrest (OML 40)	**2034**	2033
OML 67	**2050**	—
OML 68	**2050**	—
OML 70	**2050**	—
OML 104	**2050**	—

*OML 67, 68, 70, and 104 all belongs to SEPNU

36. Employee benefit obligation

36.1 Defined contribution plan

The Group contributes to a funded defined contribution retirement benefit scheme for its employees in compliance with the provisions of the Pension Reform Act 2014. A defined contribution plan is a pension plan under which the Group pays fixed contributions to an approved Pension Fund Administrator ('PFA') – a separate entity. The assets of the scheme are managed by various Pension Fund Administrators patronised by employees of the Group. The Group's contributions are charged to the profit and loss account in the year to which they relate.

36.2 Defined benefit plan

i. Investment management strategy and policy

The Group operates a partly funded defined benefit pension plan in Nigeria under the regulation of National Pension Commission. The plan provides benefits to all the employees (excluding Directors holding salaried employment in the Group) who have been employed by the Group for a continuous period of six months and whose employment have been confirmed. The employee's entitlement to the accrued benefits occurs on retirement from the Group. The level of benefits provided on severance depends on members' length of service and salary at retirement age.

The overall investment philosophy of the defined benefit plan fund is to ensure safety, optimum returns and liquidity inline with the regulation and guidelines of the Pension Reform Act 2014 or guidelines that may be issued from time to time by National Pension Commission.

Plan assets are held in trust. Responsibility for supervision of the plan assets (including investment decisions and contributions schedules) lies jointly with the trustees and the pension fund managers. The trustees are made up of members of the Group's senior management appointed by the Chief Executive Officer. The Group does not have an investment strategy of matching plan assets with the defined obligations as they fall due, however, the Group has an obligation to settle shortfalls in the plan asset upon annual actuarial valuations.

The provision for the defined benefit plan is based on an independent actuarial valuation performed by Logic Professional Services ("LPS") for Seplat Energy Plc and Ernest and Young Nigeria for "SEPNU" using the projected credit unit method. The provision is adjusted for inflation, interest rate risks, changes in salary and changes in the life expectancy for the beneficiaries.

The amount payable as at 31 December 2024 was ₦76.9 billion, $50.1 million (2023: ₦1.8 billion, $2 million).

The group does not have any funding arrangement or policy that impacts future contributions to the plan assets.

The following tables summarise the components of net defined benefit expense recognised in the statement of profit or loss and other comprehensive income and in the statement of financial position for the respective plans:

ii. Liability recognised in the financial position

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Defined benefit obligation	205,037	9,110	133,547	10,129
Fair value of plan assets	(128,137)	(7,299)	(83,460)	(8,116)
	76,900	1,810	50,087	2,013

*The funding gap between the defined benefit obligation and fair value of plan assets has reduced significantly subsequent to year end due to increase in funding.

iii. Amount recognised in profit or loss

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Current service cost	1,342	1,022	907	1,557
Interest cost on defined benefit obligation	1,748	1,020	1,181	1,553
Plan amendment	34,303	–	23,183	–
	37,393	2,042	25,271	3,110
Return on plan assets	(1,463)	(663)	(989)	(1,010)
	35,930	1,379	24,282	2,100

*Plan amendment relate to gain on curtailments and settlements made during the reporting period.

The Group recognises a part of its defined benefit expenses in profit or loss and recharges the other part to its joint operations partners, this is recognised as a receivable from the partners. Below is the breakdown:

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Charged to profit or loss	15,097	621	10,203	945
Charged to receivables	20,833	758	14,079	1,155
Balance as at 31 December	35,930	1,379	24,282	2,100

iv. Re-measurement (gains)/losses in other comprehensive income

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Remeasurement losses / (gains) due to changes in financial and demographic assumptions	**2,928**	109	**1,979**	166
Remeasurement losses due to experience adjustments	**1,719**	477	**1,162**	726
Remeasurement gain on plan assets	**458**	(31)	**309**	(47)
	5,105	555	**3,450**	845
Deferred tax (expense) on measurement gains	**(1,685)**	(183)	**(1,139)**	(279)
Balance as at 31 December	**3,420**	372	**2,311**	566

Below is the breakdown of remeasurement losses recognised in other comprehensive income:

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Charged/credited to other comprehensive income	**5,105**	555	**3,450**	845
Remeasurement (gains)/losses due to changes in financial and demographic assumptions	**5,105**	555	**3,450**	845

v. Deferred tax (expense)/credit on re- measurement (gains)/losses

The Group recognises deferred tax (credit on a part of the remeasurement (gain)/ losses in other comprehensive income/(loss). Below is the breakdown:

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Charged to other comprehensive income	**(1,685)**	(183)	**(1,139)**	(279)
Deferred tax on remeasurement losses	**(1,685)**	(183)	**(1,139)**	(279)

vi. Changes in the present value of the defined benefit obligation are as follows:

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Defined benefit obligation as at 1 January	**9,110**	7,011	**10,129**	15,680
Current service cost	**1,342**	1,022	**907**	1,557
Interest cost on benefit obligation	**1,748**	1,020	**1,181**	1,553
Plan amendment/settlement	**34,305**	–	**23,184**	–
Remeasurement loss/(gain) due to changes in financial and demographic assumptions	**2,928**	108	**1,979**	164
Remeasurement loss/(gain) due to experience adjustment	**1,719**	477	**1,162**	726
Acquired in business combinations (Note 7)	**190,783**	–	**124,532**	–
Benefits from the fund	**(1,175)**	(528)	**(794)**	(804)
Exchange differences	**(35,723)**	–	**(28,732)**	(8,747)
Defined benefit obligation at 31 December	**205,037**	9,110	**133,548**	10,129

vii. The changes in the fair value of plan assets is as follows:

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Balance as at 1 January	**(7,299)**	(4,133)	**(8,116)**	(9,243)
Employer contribution	**(1,317)**	(3,000)	**(890)**	(5,529)
Return on plan assets	**(1,463)**	(663)	**(989)**	(1,010)
Benefits paid from fund	**1,175**	528	**794**	804
Remeasurement loss on plan assets	**457**	(31)	**309**	(47)
Acquired in business combinations (Note 7)	**(119,195)**	–	**(77,803)**	–
Exchange differences	**(495)**	–	**3,235**	6,910
Balance as at 31 December	**(128,137)**	(7,299)	**(83,460)**	(8,116)

The net liability disclosed above relates to funded plans as follows:

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Present value of funded obligations	**205,037**	9,110	**133,547**	10,129
Fair value of plan assets	**(128,137)**	(7,299)	**(83,460)**	(8,116)
Deficit of funded plans	**76,900**	1,810	**50,087**	2,013

The net liability acquired from business combination:

Acquired in business combinations (Note 7)	2024 ₦ million	2024 $'000
Defined benefit obligation	**190,783**	**124,532**
Fair value of plan assets	**(119,195)**	**(77,803)**
	71,588	**46,729**

The fair value of the plan asset of the Group at the end of the reporting period was determined using the market values of the comprising assets as shown below:

	2024			2024		
	Quoted ₦ million	Not quoted ₦ million	Total ₦ million	Quoted $'000	Not quoted $'000	Total $'000
Quoted Equity	**7,149**	**—**	**7,149**	**4,656**	**—**	**4,656**
Real estate	**—**	**254**	**254**	**—**	**165**	**165**
Money market	**35,794**	**—**	**35,794**	**23,314**	**—**	**23,314**
Money on call + credit interest	**1,815**	**—**	**1,815**	**1,182**	**—**	**1,182**
FGN Govt bonds	**46,555**	**—**	**46,555**	**30,322**	**—**	**30,322**
Treasury bills	**31,223**	**—**	**31,223**	**20,336**	**—**	**20,336**
Corporate bond	**4,299**	**—**	**4,299**	**2,800**	**—**	**2,800**
Supranational bond	**303**	**—**	**303**	**198**	**—**	**198**
Eurobond	**93**	**—**	**93**	**60**	**—**	**60**
Cash at bank	**—**	**41**	**41**	**—**	**27**	**27**
Payables	**—**	**(66)**	**(66)**	**—**	**(43)**	**(43)**
Receivables	**—**	**277**	**277**	**—**	**181**	**181**
Interest receivables	**—**	**255**	**255**	**—**	**166**	**166**
Accrued fees	**—**	**(53)**	**(53)**	**—**	**(35)**	**(35)**
Total plan asset as at 31 December	**127,231**	**708**	**127,939**	**82,868**	**461**	**83,329**

	2023			2023		
	Quoted ₦ million	Not quoted ₦ million	Total ₦ million	Quoted $'000	Not quoted $'000	Total $'000
Equity instrument	325	–	325	362	–	362
FGN Bonds	3,450	–	3,450	3,836	–	3,836
Treasury Bills Fair Value	269	–	269	299	–	299
Corporate Bonds	82	–	82	91	–	91
Money Market Instruments	2,897	–	2,897	3,221	–	3,221
Real Estate	–	145	145	–	161	161
Cash at bank	–	143	143	–	159	159
Payables	–	(15)	(15)	–	(16)	(16)
Receivables	–	2	2	–	3	3
Total plan asset as at 31 December	7,023	276	7,299	7,809	307	8,116

viii. The principal assumptions used in determining defined benefit obligations for the Group's plans are shown below:

	2024	2023
	%	%
Discount rate	**18**	17
Average future pay increase	**17**	15
Average future rate of inflation	**15**	14

a) Mortality in service

	Number of deaths in year out of 10,000 lives	
Sample age	**2024**	2023
25	**7**	7
30	**7**	7
35	**9**	9
40	**14**	14
45	**25**	26

Withdrawal from service

	Rates	
Age band	**2024**	2023
Less than or equal to 30	**6.0%**	1.0%
31 - 39	**3.0%**	1.5%
40 - 44	**2.0%**	1.5%
45 - 55	**2.0%**	1.0%
56 - 60	**1.0%**	0.0%

A quantitative sensitivity analysis for significant assumption is as shown below

		Discount Rate		Salary increases		Mortality	
		1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
Assumptions	Base	₦ million	₦ million	₦ million	₦ million	₦ million	₦ million
Sensitivity Level: Impact on the net defined benefit obligation							
31 December 2024	**15,196**	**(14,018)**	**16,532**	**16,597**	**(13,944)**	**15,199**	**(15,194)**
31 December 2023	9,110	(8,350)	9,976	10,028	(8,295)	9,116	(9,104)

		Discount Rate		Salary increases		Mortality	
		1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
Assumptions	Base	$'000	$'000	$'000	$'000	$'000	$'000
Sensitivity Level: Impact on the net defined benefit obligation							
31 December 2024	**9,898**	**(9,474)**	**11,173**	**11,216**	**(9,424)**	**10,271**	**(10,269)**
31 December 2023	10,129	(12,716)	15,193	15,272	(12,633)	13,883	(13,865)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The methods and assumptions used in preparing the sensitivity analysis did not change compared to prior period.

The sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated.

The expected maturity analysis of the undiscounted defined benefit plan obligation is as follows:

	2024	2023	2024	2023
	₦ million	₦ million	**$'000**	$'000
Within the next 12 months (Next annual reporting period)	**1,030**	383	**671**	426
Between 2 and 5 years	**7,043**	4,149	**4,587**	4,613
Between 6 and 10 years	**31,435**	18,967	**20,475**	21,089
Beyond 10 years	**442,174**	298,862	**288,002**	332,293
	481,682	322,361	**313,735**	358,421

The weighted average liability duration for the Plan is 8.55 years (2023: 11.52 years). The longest weighted duration for Nigerian Government bond as at 31 December 2024 was about 6.32 years (2023: 6.57 years) with a gross redemption yield of about 17.5% (2023: 16%).

a) Risk exposure

Through its defined benefit pension plans, the Group is exposed to several risks. The most significant of which are detailed below:

b) Liquidity risk

The plan liabilities are not fully funded and as a result, there is a risk that the Group may not have the required cash flow to fund future defined benefit obligations as they fall due.

c) Inflation risk

This is the risk of an unexpected significant rise/fall of market interest rates. A rise leads to a fall in long term asset values and a rise in liability values.

d) Life expectancy

The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant, where inflationary increases result in higher sensitivity to changes in life expectancy

e) Asset volatility

The Group holds a significant proportion of its plan assets in fixed income securities and money market instruments, with limited exposure to equities.

Details of the Actuary is shown below:

Name of signer	Name of firm	FRC number	Services rendered
Chidiebere Orji	Logic Professional Services - FRC/2020/00000013617	FRC/2021/004/00000022718	Actuary valuation services
Miller Kingsley	Ernst & Young Global Limited	FRC/2012/NAS/00000002392	Actuary valuation services

37. Trade and other payables

	Dec 2024 ₦ million	Dec 2023 ₦ million	**Dec 2024 $'000**	Dec 2023 $'000
Trade payable	**562,913**	109,046	**366,642**	121,244
Accruals and other payables	**865,972**	176,416	**564,032**	196,150
NDDC levy	**11,715**	6,897	**7,630**	7,669
Royalties payable	**174,932**	57,638	**113,938**	64,086
Overlift	**69,174**	130,139	**45,055**	144,696
	1,684,706	480,136	**1,097,297**	533,845

Included in accruals and other payables are field accruals of $96..3 million, ₦147.8 billion (2023: $80 million, ₦72 billion), deposit received for asset held for sale of $8.5 million, ₦12.6 billion and other vendor payables of $459..2 million, ₦705.6 billion (Dec 2023: $116.2 million, ₦41.6 billion). Royalties payable include accruals in respect of crude oil and gas production for which payment is outstanding at the end of the period.

Also included within trade and other payables is $330.6 million, ₦506.5 billion acquired from business combination (See Note 7 for details).

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.

38. Other provisions

	Dec 2024 ₦ million	Dec 2023 ₦ million	**Dec 2024 $'000**	Dec 2023 $'000
Provision	**5,088**	–	**3,314**	–
	5,088	**–**	**3,314**	**–**

This relates to estimated liabilities from the litigation and disputes on payee tax liabilities, end of contract provision for the temporary staff, provision for spy police and provision for oil spill penalties.

Included in provisions is $3.3 million, ₦5 billion from business combination (see Note 7).

39. Earnings per share (EPS)

Basic

Basic EPS is calculated on the Group's profit after taxation attributable to the parent entity, which is based on the 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.

	2024	2023	**2024**	2023
	₦ million	₦ million	**$'000**	$'000
Profit attributable to Equity holders of the parent	**226,910**	54,578	**153,350**	83,130
(Loss)/Profit attributable to Non-controlling interests	**(12,663)**	26,753	**(8,558)**	40,742
Profit for the year	**214,247**	81,331	**144,792**	123,872

	Shares '000	Shares '000	**Shares '000**	Shares '000
Weighted average number of ordinary shares in issue	**588,445**	588,445	**588,445**	588,445
Outstanding share based payments (shares)	**–**	–	**–**	–
Weighted average number of ordinary shares adjusted for the effect of dilution	**588,445**	588,445	**588,445**	588,445

*There were no shares issued during the year that could potentially dilute the earnings per share

Basic earnings per share for the period	**₦**	₦	**$**	$
Basic earnings per share	**385.61**	92.75	**0.26**	0.14
Diluted earnings per share	**385.61**	92.75	**0.26**	0.14
Profit used in determining basic/diluted earnings per share	**226,910**	54,578	**153,350**	83,130

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.

40. Dividends paid and proposed

As at 31 December 2024, the final proposed dividend for the Group is ₦55.27, $0.036 (2023: ₦26.45, $0.03) per share and the proposed Special Dividend is ₦50.67, $0.033 per share (2023: ₦26.45, $0.03)

	2024	2023	**2024**	2023
	₦ million	₦ million	**$'000**	$'000
Cash dividends on ordinary shares declared and paid:				
Dividend for 2024: ₦239.51 ($0.156) per share 588,444,561 shares in issue (2023: ₦101.32 ($0.165) per share, 588,444,561 shares in issue)	**135,185**	64,883	**91,361**	98,811
Proposed dividend on ordinary shares:				
Final proposed dividend for the year 2024: ₦55.27 ($0.036) (2023: ₦26.45 ($0.03) per share	**32,522**	15,562	**21,184**	17,653
Special proposed dividend for the year 2024: ₦50.67 ($0.033) (2023: ₦26.45 ($0.03)) per share	**29,812**	15,562	**19,419**	17,653

During the year, ₦54.2 billion, $35.3 million of dividend was paid at ₦92 .12, $0.060 per share as final dividend for 2023. As at 31 March 2024, ₦ 27.1 billion, $ 17.7 million was paid at ₦44.39, $0.03 per share for 2024 Q1; As at 30 June 2024, ₦ 27.1 billion, $ 17.7 million was paid at ₦44.39, $0.03 per share for 2024 Q2; As at 30 September 2024, ₦ 32 .52 billion, $ 21.18 million was paid at ₦53.27, $0.036 per share for 2024 Q3. Final Naira dividend payments will be based on the Naira/Dollar rates on the date for determining the exchange rate. The payment is subject to shareholders' approval at the 2024 Annual General Meeting. The tax effect of dividend paid during the year was $8.67 million (₦12 .8 billion).

41. Related party relationships and transactions

The Group is controlled by Seplat Energy Plc (the parent Company). A.B.C Orjiako (SPDCL(BVI)) and members of his family hold an interest in the Parent company. The remaining shares in the parent Company are widely held.

The goods and services provided by the related parties relates to prior year and are disclosed below.

i. Shareholders of the parent company

Amaze Limited: Dr. A.B.C Orjiako is a director and shareholder of Amaze Limited. The company provided consulting services to Seplat in prior year - 2023. Services provided to the Group during the period amounted to nil (Dec 2023: $0.6 million, ₦528.3 million).

42. Information relating to employees

42.1 Key management compensation

Key management includes executive and members of the leadership team. The compensation paid or payable to key management for employee services is shown below:

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Salaries and other short-term employee benefits	**5,344**	3,055	**3,611**	4,653
Post-employment benefits	**321**	316	**217**	481
Share based payment expenses	**6,025**	2,557	**4,072**	3,895
	11,690	5,928	**7,900**	9,029

42.2 Chairman and Directors' emoluments

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Chairman (Non-executive)	**1,992**	569	**1,346**	867
Chief Executive Officer	**3,909**	1,658	**2,642**	2,526
Executive Directors	**4,133**	1,493	**2,793**	2,275
Non-Executive Directors	**4,896**	1,707	**3,309**	2,599
Total	**14,930**	5,427	**10,090**	8,267

The increase in emoluments for Executive and Non-Executive Directors in the current period, in comparison to the prior period is attributed to exit payments made to retired Executive and Non-Executive Directors included in 2024 results.

42.3 Highest paid Director

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Highest paid Director	**3,909**	1,658	**2,642**	2,526

Emoluments are gross amounts inclusive of income taxes and the prior year has now been presented in line with the current year.

42.4 Number of directors

The number of Directors (excluding the Chairman) whose emoluments fell within the following ranges was:

	2024 Number	2023 Number
Zero – ₦150,000,000	**–**	–
₦150,000,001 – ₦375,000,000	**–**	–
₦375,000,001 – ₦750,000,000	**–**	–
Above ₦750,000,001	**4**	3
	4	3

	2024 Number	2023 Number
Zero – $100,000	**–**	–
$100,001 – $250,000	**–**	–
$250,001 – $500,000	**–**	–
Above $500,000	**4**	3
	4	3

This reflects the remuneration range of the Group's executive directors during the reporting period, including the former Chief Financial Officer (CFO) who retired during the period.

42.5 Employees

The number of employees (other than the Directors) inclusive of 863 staff acquired from business combination in December 2024, whose duties were wholly or mainly discharged within Nigeria, and who received remuneration (excluding pension contributions) in the following ranges:

	2024 Number
Less than $80,000 (₦118,374,400)	**395**
$80,001(₦118,374,401) – $200,000 (₦295,936,000)	**425**
$200,001(₦295,936,001) – $300,000 (₦443,904,000)	**450**
Above $300,000 (₦443,904,000)	**176**
	1,446

	2023 Number
Less than $80,000 (₦52,531,057)	257
$80,001(₦52,531,058) – $200,000 (₦131,326,000)	256
$200,001 (₦131,326,001) – $300,000 (₦196,989,000)	50
Above $300,000 (₦196,989,000)	25
	588

42.6 Number of persons employed during the year

The number of persons (excluding Directors) in employment during the year inclusive of 863 staff acquired from business combination in December 2024 is presented as follows:

	2024 Number	2023 Number
Senior management	**45**	41
Managers	**332**	165
Senior staff	**1,022**	343
Junior staff	**47**	39
	1,446	588

42.7 Employee cost

Seplat's staff costs (excluding pension contribution) in respect of the above employees amounted to the following:

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Salaries & wages	**71,718**	17,772	**48,468**	27,127
	71,718	17,772	**48,468**	27,127

43. Commitments and contingencies

43.1 Contingent liabilities

The Group is involved in a number of legal suits as defendant. The estimated value of the contingent liabilities for the year ended 31 December 2024 is ₦724 million, $0.471 million (2023: ₦198 million, $0.22 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 Group's solicitors are of the opinion that the Group will suffer no loss from these claims.

Under the OML 40 Joint Operating Agreement ('JOA'), the Group is responsible for its share of expenditures incurred on OML 40 in respect of its participating interest, on the basis that the operator's estimated expenditures are reasonably incurred based on the approved work program and budget. From time to time, management disputes such expenditures on the basis that they do not meet these criteria, and when this occurs management accrues at the period end for its best estimate of the amounts payable to the operator. Consequently, the amounts recognised as accruals as of 31 December 2024 reflect management's best estimate of amounts that have been incurred in accordance with the JOA and that will ultimately be paid to settle its obligations in this regard.

However, management recognises there are a range of possible outcomes, which may be higher or lower than the management's estimate of accrued expenditure. It is estimated that around $493,000 (2023: $5,384,235) of possible expenditure currently remains under dispute. The movement in the current period is driven by resolution of disputed JV cost and revaluation of the Naira components of the disputed items for 2014 - 2019 using the 31 December 2024 CBN rate.

Management considers the merits for these cost items which remains rejected to be very high, but in recognition of possible range of outcomes has included them in the contingent liability.

44. Events after the reporting period

Post acquisition settlement reconciliation between Seplat Energy Plc and the Sellers of MPNU

The Share Sale and Purchase Agreement (SPA) between Mobil Development Nigeria Inc, and Mobil Exploration Nigeria Inc (together Sellers) and Seplat Energy (Buyer) governs the sale and purchase of the entire share capital of MPNU. The transaction between the parties was closed on 12th December 2024.

However, the SPA includes a provision to true up potential discrepancies in the Completion Statement calculations (prepared at closing) that come to light post closing (the Final Settlement Statement). Such a mechanism is a common provision in sales agreements related to complex transactions/businesses. Under the SPA, reconciliation in relation to the Final Settlement are due to be concluded 31 March 2025.

Seplat is currently seeking further information and documentation from the Sellers in line with the agreement under the SPA.

45. Reclassification

Certain comparative figures have been reclassified in line with the current year's presentation.

46. 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 Dec 2024 N/$	31 Dec 2023 N/$
Property, plant & equipment – opening balances	Historical rate	**899.39**	447.13
Property, plant & equipment – additions	Average rate	**1,479.68**	656.63
Property, plant & equipment - closing balances	Closing rate	**1535.32**	899.39
Current assets	Closing rate	**1535.32**	899.39
Current liabilities	Closing rate	**1535.32**	899.39
Equity	Historical rate	**Historical**	Historical
Income and Expenses:	Overall Average rate	**1,479.68**	656.63

Statement of value added

For the year ended 31 December 2024

	31 Dec 2024 ₦ million	%	31 Dec 2023 ₦ million	%	31 Dec 2024 $'000	%	31 Dec 2023 $'000	%
Other income/(loss) -net	**100,593**		(5,064)		**67,983**		(7,709)	
Finance income	**12,190**		5,350		**8,238**		8,147	
Cost of goods and other services:								
Local	**(48,329)**		(24,695)		**(32,660)**		(37,609)	
Foreign	**(32,219)**		(16,462)		**(21,774)**		(25,073)	
Value added	**32,235**	**100 %**	(40,871)	100 %	**21,787**	**100 %**	(62,244)	100 %

Applied as follows:

	31 Dec 2024 ₦ million	%	31 Dec 2023 ₦ million	%	31 Dec 2024 $'000	%	31 Dec 2023 $'000	%
To employees: – as salaries and labour related expenses	**5,473**	**12 %**	1,650	(4)%	**3,699**	**12 %**	2,511	(4)%
To Government: - as company taxes	**–**	**15 %**	–	(11)%	**–**	**15 %**	–	(8)%
Retained for the Company's future: - For asset replacement – depreciation, depletion & amortisation	**645**	**29 %**	291	(1)%	**436**	**29 %**	444	(1)%
Profit/(loss) for the year	**26,116**	**23 %**	(42,811)	116 %	**17,652**	**23 %**	(65,199)	113 %
Value eroded	**32,235**	**100 %**	(40,871)	100 %	**21,787**	**100 %**	(62,244)	100 %

The value eroded represents the wealth utilized through the use of the Company's assets by its own and its employees' efforts. This statement shows the distribution of loss to employees, providers of finance, shareholders, government and that retained for the creation of future wealth.

Statement of value added

For the year ended 31 December 2024

	2024		2023		2024		2023	
	₦ million	**%**	₦ million	%	**$'000**	**%**	$'000	%
Revenue from contracts with customers	**1,651,571**	**–%**	696,867		**1,116,168**		1,061,271	
Other income/(loss)	**54,955**	**–%**	(80,066)		**37,141**		(121,932)	
Finance income/ (costs)	**19,525**	**–%**	6,277		**13,196**		9,559	
Cost of goods and other services:								
Local	**(386,631)**	**–%**	(187,807)		**(261,295)**		(286,009)	
Foreign	**(257,754)**	**–%**	(125,205)		**(174,196)**		(190,672)	
Value added	**1,081,666**	**100%**	310,066	100%	**731,013**	**100%**	472,217	100%
Applied as follows:								
To employees: – as salaries and labour related expenses	**110,015**	**12%**	38,206	13%	**74,350**	**12%**	58,183	6%
To external providers of capital:	**136,512**	**15%**	45,438	22%	**92,258**	**15%**	69,199	11%
– as interest To Government:								
- as company taxes Retained for the Company's future:	**286,561**	**15%**	55,242	–%	**193,664**	**15%**	84,130	11%
- For asset replacement – depreciation, depletion & amortisation	**273,716**	**29%**	100,903	42%	**184,984**	**29%**	153,668	21%
Deferred tax	**60,615**	**7%**	(11,032)	–%	**40,965**	**7%**	(16,801)	27%
Proft for the year	**214,247**	**23%**	81,309	24%	**144,791**	**23%**	123,838	24%
Value added	**1,081,666**	**100%**	310,066	100%	**731,012**	**100%**	472,217	100%

The value added represents the additional wealth which the Group has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth to employees, providers of finance, shareholders, government and that retained for the creation of future wealth.

Five-year financial summary

For the year ended 31 December 2024

	2024 ₦ million	2023 ₦ million	2022 ₦ million	2021 ₦ million	2020 ₦ million
Revenue from contracts with customers	**1,651,571**	696,867	403,913	293,631	190,922
Profit before taxation	**561,423**	125,540	86,730	71,028	(28,872)
Income tax expense	**(347,176)**	(44,210)	(42,297)	(24,097)	(1,840)
Profit for the period	**214,247**	**81,330**	**44,433**	**46,931**	**(30,712)**
Capital employed:					
Issued share capital	**297**	297	297	296	293
Share premium	**87,375**	90,138	91,317	90,383	86,917
Share based payment reserve	**15,558**	12,255	5,936	4,914	7,174
Treasury shares	**(3,570)**	(1,612)	(2,025)	(2,025)	–
Capital Contribution	**5,932**	5,932	5,932	5,932	5,932
Retained Earnings	**319,013**	230,708	241,386	239,429	211,790
Foreign currency translation reserve	**2,393,251**	1,251,127	447,014	385,348	331,289
Non-controlling interest	**11,127**	23,790	(2,963)	(20,913)	(11,058)
Total equity	**2,828,983**	**1,612,635**	**786,894**	**703,364**	**632,337**
Represented by:					
Non-current assets	**6,919,383**	2,191,549	1,095,237	1,324,724	1,083,683
Current assets	**2,901,878**	861,905	394,743	278,812	227,154
Non-current liabilities	**(4,385,405)**	(807,114)	(435,729)	(702,070)	(499,349)
Current liabilities	**(2,606,873)**	(633,705)	(267,357)	(198,102)	(179,151)
Net assets	**2,828,983**	**1,612,635**	**786,894**	**703,364**	**632,337**

	2024 $'000	2023 $'000	2022 $'000	2021 $'000	2020 $'000
Revenue from contracts with customers	**1,116,168**	1,061,271	951,795	733,188	530,467
Profit before taxation	**379,421**	191,201	204,376	177,345	(80,209)
Income tax expense	**(234,629)**	(67,329)	(99,670)	(60,169)	(5,113)
Profit for the period	**144,792**	**123,872**	**104,706**	**117,176**	**(85,322)**
Capital employed:					
Issued share capital	**1,864**	1,864	1,864	1,862	1,855
Share premium	**518,564**	520,431	522,227	520,138	511,723
Share based payment reserve	**36,747**	34,515	24,893	22,190	27,592
Treasury shares	**(5,609)**	(4,286)	(4,915)	(4,915)	–
Capital Contribution	**40,000**	40,000	40,000	40,000	40,000
Retained Earnings	**1,233,128**	1,173,450	1,189,697	1,185,082	1,116,079
Foreign currency translation reserve	**2,233**	2,816	2,622	1,933	992
Non-controlling interest	**15,679**	24,237	(16,505)	(58,804)	(34,196)
Total equity	**1,842,606**	**1,793,027**	**1,759,883**	**1,707,486**	**1,664,045**
Represented by:					
Non-current assets	**4,506,802**	2,436,701	2,449,482	3,215,899	2,851,803
Current assets	**1,890,080**	958,318	882,842	676,835	597,770
Non-current liabilities	**(2,856,346)**	(897,398)	(974,503)	(1,704,343)	(1,314,076)
Current liabilities	**(1,697,930)**	(704,594)	(597,938)	(480,905)	(471,452)
Net assets	**1,842,606**	**1,793,027**	**1,759,883**	**1,707,486**	**1,664,045**

Supplementary financial information (unaudited)

For the year ended 31 December 2024

i. Estimated quantities of proved plus probable reserves

	Oil & NGLs MMbbls	Natural Gas Bscf	Oil Equivalent MMboe
At 31 December 2023	225.7	1,462.5	477.8
Revisions of previous estimates	6.4	10.9	8.3
Discoveries and extensions	7.5	91.0	23.2
Acquired through business combinations	352.0	248.0	394.8
Production	(11.0)	(39.5)	(17.8)
At 31 December 2024	**580.6**	**1772.9**	**886.3**

Reserves are those quantities of crude oil, natural gas and natural gas liquid that, upon analysis of geological and engineering data, appear with reasonable certainty to be recoverable in the future from known reservoirs under existing economic and operating conditions.

Elcrest holds a 45% participating interest in OML40. Eland holds a 45% interest in Elcrest although has control until such point as Westport loan is fully repaid.

As additional information becomes available or conditions change, estimates are revised.

ii. Capitalised costs related to oil producing activities

	2024 ₦ million	2023 ₦ million	**2024 $'000**	2023 $'000
Capitalised costs:				
Proved properties	**7,148,025**	2,545,856	**4,655,723**	2,830,640
Total capitalised costs	**7,148,025**	2,545,856	**4,655,723**	2,830,640
Accumulated deprecation	**(2,073,434)**	(1,100,334)	**(1,350,490)**	(1,201,370)
Net capitalised costs	**5,074,591**	1,465,354	**3,305,233**	1,629,271

Capitalised costs include the cost of equipment and facilities for oil producing activities. Unproved properties include capitalised costs for oil leaseholds under exploration, and uncompleted exploratory well costs, including exploratory wells under evaluation. Proved properties include capitalised costs for oil leaseholds holding proved reserves, development wells and related equipment and facilities (including uncompleted development well costs) and support equipment.

iii. Concessions

The original, expired and unexpired terms of concessions granted to the Group as at 31 December 2024 are:

		Original	Term in years expired	Unexpired
Seplat West Limited	OMLs 4, 38 & 41	38	24	14
Newton	OML 56	16	14	2
Seplat East Onshore	OML 53	30	26	4
Seplat East Swamp	OML 55	30	26	4
Elcrest	OML 40	18.8	5	13.8
Seplat Energy Producing Unlimited	OMLs 67, 68 & 70	20	13	7
Seplat Energy Producing Unlimited	OML 104	20	6	14

iv. Results of operations for oil producing activities

	2024 ₦ million	2023 ₦ million	**2024 $'000**	2023 $'000
Revenue from contracts with customers	**1,466,350**	615,866	**990,991**	937,913
Other income - net	**201,769**	(21,932)	**136,360**	(33,400)
Production and administrative expense	**(973,810)**	(364,526)	**(658,123)**	(555,143)
Impairment loss	**(3,412)**	(5,341)	**(2,306)**	(8,134)
Depreciation and amortisation	**(281,925)**	(104,506)	**(190,531)**	(159,154)
Profit/(loss) before taxation	**408,972**	119,561	**276,391**	182,082
Taxation	**(300,186)**	(43,636)	**(202,872)**	(66,454)
Profit/(loss) for the year	**108,786**	75,925	**73,519**	115,628

Company Accounts

For the year ended 31 December 2024

4 March 2025

(Expressed in Nigerian Naira and US Dollars)

Separate financial statements

Separate statement of profit or loss and other comprehensive income

For the year ended 31 December 2024

	Notes	31 Dec 2024 ₦ million	31 Dec 2023 ₦ million	31 Dec 2024 $'000	31 Dec 2023 $'000
Other Income/(loss)	7	**100,593**	(5,064)	**67,984**	(7,709)
General and administrative expenses	8	**(86,667)**	(39,498)	**(58,570)**	(60,152)
Impairment loss on financial assets	9	**–**	(3,602)	**–**	(5,485)
Operating profit/(loss)		**13,926**	(48,164)	**9,414**	(73,346)
Finance income	10	**12,190**	5,350	**8,238**	8,147
Profit/(loss) before taxation		**26,116**	(42,814)	**17,652**	(65,199)
Profit/(loss) for the year		**26,116**	(42,814)	**17,652**	(65,199)
Other comprehensive income:					
Items that may be reclassified to profit or loss:					
Foreign currency translation difference		**928,326**	695,770	**–**	–
Other comprehensive income for the year		**928,326**	695,770	**–**	–
Total comprehensive income/(loss) for the year		**954,442**	652,956	**17,652**	(65,199)
Basic earnings per share ₦/$	23	**44.38**	(72.76)	**0.03**	(0.11)
Diluted earnings per share ₦/$	23	**44.38**	(72.76)	**0.03**	(0.11)

Notes 1 to 29 on pages 148 to 178 are an integral part of these financial statements.

Separate financial statements

Separate statement of financial position

As at 31 December 2024

	Notes	31 Dec 2024 ₦ million	31 Dec 2023 ₦ million	31 Dec 2024 $'000	31 Dec 2023 $'000
Assets					
Non-current assets					
Property, plant and equipment	13	**1,067**	980	**694**	1,089
Investment in subsidiaries	15	**3,036,437**	1,761,843	**1,977,722**	1,958,924
Investment in Joint ventures	16	**322,442**	188,887	**210,016**	210,016
Total non-current assets		**3,359,946**	1,951,710	**2,188,432**	2,170,029
Current assets					
Trade and other receivables	17	**4,288,158**	1,512,473	**2,793,006**	1,681,660
Prepayments	14	**7,423**	362	**4,835**	402
Cash and cash equivalents	18	**255,944**	171,265	**166,704**	190,421
Restricted cash	18.1	**3,736**	8,572	**2,433**	9,531
Total current assets		**4,555,261**	1,692,672	**2,966,978**	1,882,014
Total assets		**7,915,207**	3,644,382	**5,155,410**	4,052,043
Equity and liabilities					
Equity attributable to shareholders					
Issued Share Capital	19	**297**	297	**1,864**	1,864
Share Premium	19.3	**87,375**	90,138	**518,564**	520,431
Share Based Payment Reserve	19.4	**15,729**	12,425	**36,747**	34,515
Treasury shares	19.5	**(3,570)**	(1,612)	**(5,609)**	(4,286)
Capital Contribution	20	**5,932**	5,932	**40,000**	40,000
Retained Earnings		**(40,630)**	68,439	**800,111**	873,820
Foreign currency translation reserve		**2,071,525**	1,143,200		
Total shareholder's equity		**2,136,658**	1,318,819	**1,391,677**	1,466,344
Trade and other payables	22	**5,778,549**	2,325,563	**3,763,733**	2,585,699
Total current liabilities		**5,778,549**	2,325,563	**3,763,733**	2,585,699
Total liabilities		**5,778,549**	2,325,563	**3,763,733**	2,585,699
Total equity and liabilities		**7,915,207**	3,644,382	**5,155,410**	4,052,043

Notes 1 to 29 on pages 148 to 178 are an integral part of these financial statements.

The financial statements of Seplat Energy Plc for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Directors on 4 March 2025 and were signed on its behalf by:

U. U. Udoma
FRC/2013/NBA/00000001796
Chairman
4 March 2025

R.T Brown
FRC/2014/PRO/DIR/00000017939
Chief Executive Officer
4 March 2025

E. Adaralegbe
FRC/2017/ICAN/006/00000017591
Chief Financial Officer
4 March 2025

Separate financial statements

Separate statement of changes in equity

For the year ended 31 December 2024

	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 2023	297	91,317	6,108	(2,025)	5,932	176,136	447,429	–	725,195
Loss for the period	–	–	–	–	–	(42,814)	–	–	(42,814)
Other Comprehensive loss	–	–	–	–	–	–	695,770	–	695,770
Total comprehensive income/(loss) for the period	–	–	–	–	–	(42,814)	695,770	–	652,956
Transactions with owners in their capacity as owners:									
Dividend paid	–	–	–	–	–	(64,883)	–	–	(64,883)
Share based payments (Note 19)	–	–	530	–	–	–	–	–	530
Additional investment in subsidiaries – Share-based payment (Note 19)	–	–	7,186	–	–	–	–	–	7,186
Vested shares	3	1,395	(1,398)	–	–	–	–	–	–
PAYE tax withheld on vested shares	–	(1,179)	–	–	–	–	–	–	(1,179)
Issued vested shares	(3)	(1,395)	–	1,398	–	–	–	–	—
Share re-purchased	–	–	–	(985)	–	–	–	–	(985)
Total	–	(1,179)	6,318	413	–	(64,883)	–	–	(59,331)
At 31 December 2023	297	90,138	12,426	(1,612)	5,932	68,439	1,143,199	–	1,318,819
At 1 January 2024	**297**	**90,138**	**12,426**	**(1,612)**	**5,932**	**68,439**	**1,143,199**	**–**	**1,318,819**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**26,116**	**–**	**–**	**26,116**
Other Comprehensive income/(loss)	**–**	**–**	**–**	**–**	**–**	**–**	**928,326**	**–**	**928,326**
Total comprehensive income/(loss) for the period	**–**	**–**	**–**	**–**	**–**	**26,116**	**928,326**	**–**	**954,442**
Transactions with owners in their capacity as owners:									
Dividend paid	**–**	**–**	**–**	**–**	**–**	**(135,185)**	**–**	**–**	**(135,185)**
Share based payments	**–**	**–**	**2,404**	**–**	**–**	**–**	**–**	**–**	**2,404**
Additional investment in subsidiary- share based payment	**–**	**–**	**27,807**	**–**	**–**	**–**	**–**	**–**	**27,807**
Vested shares	**–**	**–**	**(26,908)**	**26,908**	**–**	**–**	**–**	**–**	**–**
PAYE tax with held on vested shares	**–**	**(2,763)**	**–**	**–**	**–**	**–**	**–**	**–**	**(2,763)**
Share re-purchased	**–**	**–**	**–**	**(28,866)**	**–**	**–**	**–**	**–**	**(28,866)**
Total	**–**	**(2,763)**	**3,303**	**(1,958)**	**–**	**(135,185)**	**–**	**–**	**(136,603)**
At 31 December 2024	**297**	**87,375**	**15,729**	**(3,570)**	**5,932**	**(40,630)**	**2,071,525**	**–**	**2,136,658**

Notes 1 to 29 on pages 150 to 180 are an integral part of these financial statements.

	Issued Share Capital	Share Premium	Share Based Payment Reserve	Treasury shares	Capital Contribution	Retained Earnings	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance as at 1 January 2023	1,864	522,227	24,893	(4,915)	40,000	1,037,830	1,621,899
Loss for the period	–	–	–	–	–	(65,199)	(65,199)
Total comprehensive income for the period	–	–	–	–	–	(65,199)	(65,199)
Transactions with owners in their capacity as owners:							
Dividends	–	–	–	–	–	(98,811)	(98,811)
Share based payments	–	–	807	–	–	–	807
Additional investment in subsidiaries - Share based payment (Note 19)	–	–	10,944	–	–	–	10,944
Vested shares	5	2,124	(2,129)	–	–	–	–
PAYE tax withheld on vested shares	–	(1,796)	–	–	–	–	(1,796)
Issued vested shares	(5)	(2,124)	–	2,129	–	–	—
Share re-purchased	–	–	–	(1,500)	–	–	(1,500)
Total	—	(1,796)	9,622	629	–	(98,811)	(90,356)
As at 31 December 2023	1,864	520,431	34,515	(4,286)	40,000	873,820	1,466,344
Profit for the period	**–**	**–**	**–**	**–**	**–**	**17,652**	**17,652**
Other Comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive income/(loss) for the period	**–**	**–**	**–**	**–**	**–**	**17,652**	**17,652**
Transactions with owners in their capacity as owners:							**–**
Dividend paid	**–**	**–**	**–**	**–**	**–**	**(91,361)**	**(91,361)**
Share based payments	**–**	**–**	**1,625**	**–**	**–**	**–**	**1,625**
Additional investment in subsidiary- share based payment	**–**	**–**	**18,792**	**–**	**–**	**–**	**18,792**
Vested shares	**–**	**–**	**(18,188)**	**18,188**	**–**	**–**	**–**
PAYE tax witheld on vested shares	**–**	**(1,867)**	**–**	**–**	**–**	**–**	**(1,867)**
Share re-purchased	**–**	**–**	**–**	**(19,508)**	**–**	**–**	**(19,508)**
Total	**–**	**(1,867)**	**2,229**	**(1,320)**	**–**	**(91,361)**	**(92,319)**
As at 31 December 2024	**1,864**	**518,564**	**36,744**	**(5,606)**	**40,000**	**800,111**	**1,391,677**

Notes 1 to 29 on pages 150 to 180 are an integral part of these financial statements.

Separate financial statements

Separate statement of cash flows

For the year ended 31 December 2024

	Notes	31 Dec 2024 ₦ million	31 Dec 2023 ₦ million	31 Dec 2024 $'000	31 Dec 2023 $'000
Cash flows from operating activities					
Cash generated from operations	12	**8,500**	96,532	**5,747**	147,014
PAYE tax on vested shares paid	19.2	**(2,763)**	(1,179)	**(1,867)**	(1,796)
Net cash inflows from operating activities		**5,737**	95,353	**3,880**	145,218
Cash flows from investing activities					
Payment for acquisition of other property, plant and equipment	13	**(292)**	(10)	**(197)**	(15)
Investment in subsidiary	15	**(9)**	–	**(6)**	–
Dividend received	7	**118,374**	–	**80,000**	–
Restricted Cash	18.2	**10,503**	87	**7,098**	133
Interest received	10	**12,190**	5,350	**8,238**	8,147
Net cash outflows used in investing activities		**140,766**	5,427	**95,133**	8,265
Cash flows from financing activities					
Dividend paid	24	**(135,185)**	(64,883)	**(91,361)**	(98,811)
Shares purchased for employees*	19.2	**(28,866)**	(985)	**(19,508)**	(1,500)
Net cash outflows used in financing activities		**(164,051)**	(65,868)	**(110,869)**	(100,311)
Net (decrease)/increase in cash and cash equivalents		**(17,548)**	34,912	**(11,856)**	53,172
Cash and cash equivalents at beginning of the year	18	**171,265**	64,913	**190,421**	145,185
Effects of exchange rate changes on cash and cash equivalents		**102,227**	71,440	**(11,861)**	(7,936)
Cash and cash equivalents at end of the period		**255,944**	171,265	**166,704**	190,421

*Shares purchased for employees of $19.59 million, ₦28.99 billion (2023: $ 1.5 million, ₦ 0.99 billion) represent shares purchased in the open market for employees of the Company.

Notes 1 to 29 on pages 150 to 180 are an integral part of these financial statements.

Notes to the separate financial statements

For the year ended 31 December 2024

1. Corporate information and business

Seplat Energy Plc (formerly called Seplat Petroleum Development Company Plc, hereafter referred to as 'Seplat' or the 'Company') 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.

The Company's registered address is: 16a Temple Road, Ikoyi, Lagos, Nigeria.

The Company acquired, pursuant to an agreement for assignment dated 31 January 2010 between the Company, Shell Petroleum Development Company, TOTAL and AGIP, a 45% participating interest in the following producing assets:

OML 4, OML 38 and OML 41 located in Nigeria. The total purchase price for these assets was ₦104 billion ($340 million) paid at the completion of the acquisition on 31 July 2010 and a contingent payment of ₦10 billion ($33 million) payable 30 days after the second anniversary, 31 July 2012, if the average price per barrel of Brent Crude oil over the period from acquisition up to 31 July 2012 exceeds ₦24,560 ($80) per barrel. ₦110 billion ($358.6 million) was allocated to the producing assets including ₦5.7 billion ($18.6 million) as the fair value of the contingent consideration as calculated on acquisition date. The contingent consideration of ₦10 billion ($33 million) was paid on 22 October 2012.

On 1 January 2021, 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.

On 20 May 2022, 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 the Companies and Allied Matters Act 2021.

2. Significant changes in the current accounting period

The following significant changes occurred during the reporting year ended 31 December 2024:

- On 1 April 2024, Mr. Udoma Udo Udoma became Independent Non-Executive Chairman and Mr. Bello Rabiu became Senior Independent Non-Executive Director of the Seplat Energy Board.
- On 1 May 2024, Mrs. Eleanor Adaralegbe joined the Board of Seplat as an Executive Director and succeeded Mr. Emeka Onwuka as Chief Financial Officer on 21 May 2024

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 financial statements. These accounting policies have been applied to all the years presented, unless otherwise stated.

3.2 Basis of preparation

The financial statements for the year ended 31 December 2024 have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the IFRS Interpretations Committee (IFRS IC). The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). Additional information required by National regulations is included where appropriate.

The financial statements comprise the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes to the financial statements.

The financial statements have been prepared under the going concern assumption and historical cost convention, except for contingent liability and consideration, and 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 Company will not remain a going concern for at least twelve months from the date of this statement.

3.3 New and amended standards adopted by the Group

The following standards and amendments became effective for annual periods beginning on or after 1 January 2024. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

a) Amendments to IAS 1: Classification of Liabilities as Current and Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:

- What is meant by a right to defer settlement.
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively.

b) Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

c) Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

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 Company's interim financial statements are disclosed below. The Company 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:

a) Amendments to IFRS 10 and IAS 28: Selection or contribution of assets between an investor or joint venture

The IASB has made limited scope amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures.

The amendments clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a "business' (as defined in IFRS 3 Business Combinations).

Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively.

b) IFRS 18 - Presentation and Disclosure in Financial Statements

I In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

c) IFRS 19 - Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards. IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

d) Lack of exchangeability - Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Group's financial statements.

. Basis of consolidation

i. Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Parent has control.

The consolidated financial information comprises the financial statements of the Company and its subsidiaries as at 31 December 2024.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability

to affect those returns through its power over the investee. Specifically, the Parent controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Subsidiaries are consolidated from the date on which control is obtained by the Group and are deconsolidated from the date control ceases.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements

- The Group's voting rights and potential voting rights

ii. Change in the ownership interest of subsidiary

The acquisition method of accounting is used to account for business combinations by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

Intercompany transaction balances and unrealized gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

iii. Disposal of subsidiary

Where the Group disposes a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

iv. Joint arrangements

Under IFRS 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Interest in the joint venture is accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position. All other joint arrangements of the Group are joint operations.

v. Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investment in associates is accounted for using the equity method of accounting (see (vi) below) after initially being recognised at cost.

vi. Equity method

Under the equity method of accounting, the Group's investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of loss in an equity accounting investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other party.

Unrealised gains on transactions between the Group and its associate and joint venture are eliminated to the extent of the Group's interest in the entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of equity accounted investees are changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments is tested for impairment in accordance with the policy described in Note 3.14.

vii. Changes in ownership interest

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group.

A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Group.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

viii. Accounting for loss of control

When the Group ceases to consolidate a subsidiary because of a joint control, it does the following:

- deconsolidates the assets (including goodwill), liabilities and non-controlling interest (including attributable other comprehensive income) of the former subsidiary from the consolidated financial position;
- any retained interest (including amounts owed by and to the former subsidiary) in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or a joint venture;
- any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings if required by other IFRSs;
- the resulting gain or loss, on loss of control, is recognised together with the profit or loss from the discontinued operation for the period before the loss of control; and
- the gain or loss on disposal will comprise of the gain or loss attributable to the portion disposed of and the gain or loss on remeasurement of the portion retained. The latter is disclosed separately in the notes to the financial statements. If the ownership interest in a joint venture is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

ix. Non-controlling interest

The Group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis.

x. Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

3.5 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'), which is the US dollar. The financial statements are presented in Nigerian Naira and the US Dollars.

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

i. Transaction 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.

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.

3.6 Joint arrangements

Under IFRS 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The company accounts for Interest in the joint venture at cost.

3.7 Investment in subsidiaries and joint venture

Investment in subsidiaries and joint venture are accounted for at cost in accordance with IAS 28.

3.8 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of any decommissioning obligation and, for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Expenditure on major maintenance refits or repairs comprises the cost of replacement assets or parts of assets, inspection costs and overhaul costs. Where an asset or part of an asset that was separately depreciated and is now written off is replaced and it is probable that future economic benefits associated with the item will flow to the entity, the expenditure is capitalised. Inspection costs associated with major maintenance programs are capitalised and amortised over the period to the next inspection. Overhaul costs for major maintenance programmes are capitalised as incurred as long as these costs increase the efficiency of the unit or extend the useful life of the asset. All other maintenance costs are expensed as incurred.

Depreciation

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Depreciation commences when an asset is available for use. The depreciation rate for each class is as follows:

Plant and machinery	20%
Motor vehicles	25%-30%
Office furniture and IT equipment	10%-33.33%
Building	4%
Land	-
Intangible assets	5%
Leasehold improvements	Over the unexpired portion of the lease

The expected useful lives and residual values of property, plant and equipment are reviewed on an annual basis and, if necessary, changes in useful lives are accounted for prospectively.

Gains or losses on disposal of property, plant and equipment are determined as the difference between disposal proceeds and carrying amount of the disposed assets. These gains or losses are included in profit or loss.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized.

3.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. These costs may arise from; specific borrowings used for the purpose of financing the construction of a qualifying asset, and those that arise from general borrowings that would have been avoided if the expenditure on the qualifying asset had not been made. The general borrowing costs attributable to an asset's construction is calculated by reference to the weighted average cost of general borrowings that are outstanding during the period.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.10 Finance income and costs

Finance income

Finance income is recognised in the statement of profit or loss as it accrues using the effective interest rate (EIR), which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the amortised cost of the financial instrument. The determination of finance income considers all contractual terms of the financial instrument as well as any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate (EIR), but not future credit losses.

Finance costs

Finance costs includes borrowing costs, interest expense calculated using the effective interest rate method, finance charges in respect of lease liabilities, the unwinding of the effect of discounting provisions, and the amortisation of discounts and premiums on debt instruments that are liabilities.

3.11 Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently. Other non–financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. This should be at a level not higher than an operating segment.

If any such indication of impairment exists or when annual impairment testing for an asset group is required, the entity makes an estimate of its recoverable amount. Such indicators include changes in the Company's business plans, changes in commodity prices, evidence of physical damage and, for oil and gas properties, significant downward revisions of estimated recoverable volumes or increases in estimated future development expenditure.

The recoverable amount is the higher of an asset's fair value less costs of disposal ('FVLCD') and value in use ('VIU'). The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets, in which case, the asset is tested as part of a larger cash generating unit to which it belongs. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount.

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

In calculating VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset/CGU. In determining FVLCD, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

3.12 Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows comprise cash at banks and at hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3.13 Financial instruments

IFRS 9 provides guidance on the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 Financial Instruments: Disclosures.

a) Classification and measurement

Financial assets

It is the Company's policy to initially recognise financial assets at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss which are expensed in profit or loss.

Classification and subsequent measurement are dependent on the Company's business model for managing the asset and the cashflow characteristics of the asset. On this basis, the Company may classify its financial instruments at amortised cost, fair value through profit or loss and at fair value through other comprehensive income.

All the Company's financial assets as at 31 December 2024 satisfy the conditions for classification at amortised cost under IFRS 9 except for derivatives which are reclassified at fair value through profit or loss.

The Company's financial assets include intercompany receivables, other receivables, cash and cash equivalents. They are included in current assets, except for maturities greater than 12 months after the reporting date. Interest income from these assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in finance income/cost.

Financial liabilities

Financial liabilities of the Company are classified and measured at fair value on initial recognition and subsequently at amortised cost net of directly attributable transaction costs, except for derivatives which are classified and subsequently recognised at fair value through profit or loss.

Fair value gains or losses for financial liabilities designated at fair value through profit or loss are accounted for in profit or loss except for the amount of change that is attributable to changes in the Company's own credit risk which is presented in other comprehensive income. The remaining amount of change in the fair value of the liability is presented in profit or loss. The Company's financial liabilities include trade and other payables.

b) Impairment of financial assets

Recognition of impairment provisions under IFRS 9 is based on the expected credit loss (ECL) model. The ECL model is applicable to financial assets classified at amortised cost and contract assets under IFRS 15: Revenue from Contracts with Customers. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date, about past events, current conditions and forecasts of future economic conditions.

The Company applies the simplified approach or the three-stage general approach to determine impairment of receivables depending on their respective nature.

The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables. This involves determining the expected loss rates using a provision matrix that is based on the Company's historical default rates observed over the expected life of the receivable and adjusted forward-looking estimates. This is then applied to the gross carrying amount of the receivable to arrive at the loss allowance for the period.

The three-stage approach assesses impairment based on changes in credit risk since initial recognition using the past due criterion and other qualitative indicators such as increase in political concerns or other macroeconomic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance. Financial assets classified as stage 1 have their ECL measured as a proportion of their lifetime ECL that results from possible default events that can occur within one year, while assets in stage 2 or 3 have their ECL measured on a lifetime basis.

Under the three-stage approach, the ECL is determined by projecting the probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each ageing bucket and for each individual exposure. The PD is based on default rates determined by external rating agencies for the counterparties. The LGD is determined based on management's estimate of expected cash recoveries after considering the historical pattern of the receivable, and it assesses the portion of the outstanding receivable that is deemed to be irrecoverable at the reporting period. The EAD is the total amount of outstanding receivable at the reporting period. These three components are multiplied together and adjusted for forward looking information, such as the gross domestic product (GDP) in Nigeria and crude oil prices, to arrive at an ECL which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the related financial assets and the amount of the loss is recognised in profit or loss.

c) Significant increase in credit risk and default definition

The Company assesses the credit risk of its financial assets based on the information obtained during periodic review of publicly available information, industry trends and payment records. Based on the analysis of the information provided, the Company identifies the assets that require close monitoring.

Furthermore, financial assets that have been identified to be more than 30 days past due on contractual payments are assessed to have experienced significant increase in credit risk. These assets are grouped as part of Stage 2 financial assets where the three-stage approach is applied.

In line with the Company's credit risk management practices, a financial asset is defined to be in default when contractual payments have not been received at least 90 days after the contractual payment period. Subsequent to default, the Company carries out active recovery strategies to recover all outstanding payments due on receivables. Where the Company determines that there are no realistic prospects of recovery, the financial asset and any related loss allowance is written off either partially or in full.

d) Write off policy

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include:

- ceasing enforcement activity and;
- where the Company's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

The Company may write-off financial assets that are still subject to enforcement activity. The outstanding contractual amounts of such assets written off during the year ended 31 December 2024 was nil, (2023: nil). The Company seeks to recover amounts it its legally owed in full but which have been partially written off due to no reasonable expectation of full recovery.

e) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and the transfer qualifies for derecognition. Gains or losses on derecognition of financial assets are recognised as finance income/cost.

Financial liabilities

The Company derecognises a financial liability when it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised immediately in the statement of profit or loss.

f) Modification

When the contractual cash flows of a financial instrument are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial instrument, the Company recalculates the gross carrying amount of the financial instrument and recognises a modification gain or loss immediately within finance income/(cost)-net at the date of the modification. The gross carrying amount of the financial instrument is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial instrument's original effective interest rate.

g) Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when and only when there is legally enforceable right to offset the recognised amount, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The legally enforceable right is not contingent on future events and is enforceable in the normal course of business, and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

i) Fair value of financial instruments

The fair value is 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. When available, the Company measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, the Company establishes fair value using valuation techniques. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, and discounted cash flow analysis. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Company, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments.

Inputs to valuation techniques reasonably represent market expectations and measure the risk-return factors inherent in the financial instrument. The Company calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price – i.e. the fair value of the consideration given or received. However, in some cases, the fair value of a financial instrument on initial recognition may be different to its transaction price. If such fair value is evidenced by comparison with other observable current market transactions in the same instrument (without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets, then the difference is recognised in the income statement on initial recognition of the instrument. In other cases, the difference is not recognised in the income statement immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.

3.14 Share capital

On issue of ordinary shares any consideration received net of any directly attributable transaction costs is included in equity. Issued share capital has been translated at the exchange rate prevailing at the date of the transaction and is not retranslated subsequent to initial recognition.

3.15 Earnings per share and dividends

Basic EPS

Basic earnings per share is calculated on the Company's profit or loss after taxation and based on the weighted average of issued and fully paid ordinary shares at the end of the year.

Diluted EPS

Diluted EPS is calculated by dividing the profit or loss after taxation by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares (after adjusting for outstanding share options arising from the share-based payment scheme) into ordinary shares.

Dividend

Dividends on ordinary shares are recognised as a liability in the period in which they are approved.

3.16 Post-employment benefits

Defined contribution scheme

The Company contributes to a defined contribution scheme for its employees in compliance with the provisions of the Pension Reform Act 2014. The scheme is fully funded and is managed by licensed Pension Fund Administrators. Membership of the scheme is automatic upon commencement of duties at the Company. The Company's contributions to the defined contribution scheme are charged to the profit and loss account in the year to which they relate.

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment. The Company operates a defined contribution plan, and it is accounted for based on IAS 19 Employee benefits.

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Under defined contribution plans the entity's legal or constructive obligation is limited to the amount that it agrees to contribute to the fund.

Thus, the amount of the post-employment benefits received by the employee is determined by the amount of contributions paid by an entity (and perhaps also the employee) to a post-employment benefit plan or to an insurance company, together with investment returns arising from the contributions. In consequence, actuarial risk (that benefits will be less than expected) and investment risk (that assets invested will be insufficient to meet expected benefits) fall, in substance, on the employee.

3.17 Provisions

Provisions are recognised when (i) the Company has a present legal or constructive obligation as a result of past events; (ii) it is probable that an outflow of economic resources will be required to settle the obligation as a whole; and (iii) the amount can be reliably estimated. Provisions are not recognised for future operating losses.

In measuring the provision:

- risks and uncertainties are taken into account;
- the provisions are discounted (where the effects of the time value of money is considered to be material) using a pre-tax rate that is reflective of current market assessments of the time value of money and the risk specific to the liability;
- when discounting is used, the increase of the provision over time is recognised as interest expense;
- future events such as changes in law and technology, are taken into account where there is subjective audit evidence that they will occur; and
- gains from expected disposal of assets are not taken into account, even if the expected disposal is closely linked to the event giving rise to the provision.
- Decommissioning

Liabilities for decommissioning costs are recognised as a result of the constructive obligation of past practice in the oil and gas industry, when it is probable that an outflow of economic resources will be required to settle the liability and a reliable estimate can be made. The estimated costs, based on current requirements, technology and price levels, prevailing at the reporting date, are computed based on the latest assumptions as to the scope and method of abandonment.

Provisions are measured at the present value of management's best estimates of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost. The corresponding amount is capitalised as part of the oil and gas properties and is amortised on a unit-of-production basis as part of the depreciation, depletion and amortisation charge. Any adjustment arising from the estimated cost of the restoration and abandonment cost is capitalised, while the charge arising from the accretion of the discount applied to the expected expenditure is treated as a component of finance costs.

If the change in estimate results in an increase in the decommissioning provision and, therefore, an addition to the carrying value of the asset, the Company considers whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment in accordance with IAS 36. If, for mature fields, the revised oil and gas assets net of decommissioning provisions exceed the recoverable value, that portion of the increase is charged directly to expense.

3.18 Income taxation

i. Current income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, based on amounts expected to be paid to the tax authorities.

ii. Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

iii. Uncertainty over income tax treatments

The Company examines where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. It considers each uncertain tax treatment separately, depending on which approach better predicts the resolution of the uncertainty. The factors it considers include:

- how it prepares and supports the tax treatment; and
- the approach that it expects the tax authority to take during an examination.

If the Company concludes that it is probable that the tax authority will accept an uncertain tax treatment that has been taken or is expected to be taken on a tax return, it determines the accounting for income taxes consistently with that tax treatment. If it concludes that it is not probable that the treatment will be accepted, it reflects the effect of the uncertainty in its income tax accounting in the period in which that determination is made (for example, by recognising an additional tax liability or applying a higher tax rate).

The Company measures the impact of the uncertainty using methods that best predicts the resolution of the uncertainty. The Company uses the most likely method where there are two possible outcomes, and the expected value method when there are a range of possible outcomes.

The Company assumes that the tax authority with the right to examine and challenge tax treatments will examine those treatments and have full knowledge of all related information. As a result, it does not consider detection risk in the recognition and measurement of uncertain tax treatments. The Company applies consistent judgements and estimates on current and deferred taxes. Changes in tax laws or the presence of new tax information by the tax authority is treated as a change in estimate in line with IAS 8 - Accounting policies, changes in accounting estimates and errors.

Judgements and estimates made to recognise and measure the effect of uncertain tax treatments are reassessed whenever circumstances change or when there is new information that affects those judgements. New information might include actions by the tax authority, evidence that the tax authority has taken a particular position in connection with a similar item, or the expiry of the tax authority's right to examine a particular tax treatment. The absence of any comment from the tax authority is unlikely to be, in isolation, a change in circumstances or new information that would lead to a change in estimate.

3.19 Share based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

a) Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised in employee benefits expense together with a corresponding increase in equity (share-based payment reserve), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date and for fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss. The dilutive effect of outstanding awards is reflected as additional share dilution in the computation of diluted earnings per share.

4. Significant accounting judgements, estimates and assumptions

The preparation of the Company's historical financial information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

4.1. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. 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 Company measures the fair value of equity-settled transactions with employees at the grant date. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 19.4.

The Company 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.

ii. Useful life of other property, plant and equipment

The Company 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 Company may accelerate depreciation charges to reflect the remaining useful life of the asset or record an impairment loss.

Seplat Energy

5. Financial risk management

5.1 Financial risk factors

The Company's activities expose it to a variety of financial risks such as market risk (foreign exchange risk), credit risk and liquidity risk. The Company's risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company'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, 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 the relevant cash outflows to mitigate any potential foreign exchange risk.
Market risk – interest rate	Long term borrowings at variable rate	Sensitivity analysis	None
Market risk – commodity prices	Derivative financial instruments	Sensitivity analysis	Oil price hedges
Credit risk	Cash and bank balances, trade receivables and derivative financial instruments.	Ageing 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 Foreign exchange risk

The Company has transactional currency exposures that arise from sales or purchases in currencies other than the respective functional currency. The Company is exposed to exchange rate risk to the extent that balances and transactions are denominated in a currency other than the US dollar.

The Company holds the majority of its bank balances equivalents in US dollar. However, the Company does maintain deposits in Naira in order to fund ongoing general and administrative activities and other expenditure incurred in this currency. Other monetary assets and liabilities which give rise to foreign exchange risk include trade and other receivables, trade and other payables.

The following table demonstrates the carrying value of monetary assets and liabilities (denominated in Naira) exposed to foreign exchange risks at the reporting date:

	31 Dec 2024 ₦ million	31 Dec 2023 ₦ million	**31 Dec 2024 $'000**	31 Dec 2023 $'000
Financial assets				
Cash and cash equivalents	**79,448**	153,478	**153,018**	170,646
Trade and other receivables	**67,824**	1,504	**2,736**	1,672
	147,272	**154,982**	**155,754**	**172,318**
Financial liabilities				
Trade and other payables	**(18,883)**	(599)	**(12,299)**	(666)
Net exposure to foreign exchange risk	**128,389**	**154,383**	**143,455**	**171,652**

The following table demonstrates the carrying value of monetary assets and liabilities exposed to foreign exchange risks for pound exposures at the reporting date:

	31 Dec 2024 ₦ million	31 Dec 2023 ₦ million	**31 Dec 2024 $'000**	31 Dec 2023 $'000
Financial assets				
Cash and cash equivalents	**2,774**	1,175	**1,807**	1,306
Trade and other receivables	**5,177**	–	**3,372**	–
	7,951	1,175	**5,179**	1,306

Sensitivity to foreign exchange risk is based on the Company's net exposure to foreign exchange risk due to Naira and pound denominated balances. If the Naira strengthens or weakens by the following thresholds, the impact is as shown in the table below:

Increase/decrease in foreign exchange risk	Effect on profit before tax 2024 ₦ million	Effect on other components of equity before tax 2024 ₦ million	Effect on profit before tax 2024 $'000	Effect on other components of equity before tax 2024 $'000
+10%	**(200,115)**		**(130,341)**	
-0.1	**24,471**		**15,939**	

Increase/decrease in foreign exchange risk	Effect on profit before tax 2023 ₦ million	Effect on other components of equity before tax 2023 ₦ million	Effect on profit before tax 2023 $'000	Effect on other components of equity before tax 2023 $'000
+10%	(14,035)	–	(15,605)	–
(10)%	17,154	–	19,072	–

If the Pound strengthens or weakens by the following thresholds, the impact is as shown in the table below:

Increase/decrease in foreign exchange risk	Effect on profit before tax 2024 ₦ million	Effect on other components of equity before tax 2024 ₦ million	Effect on profit before tax 2024 $'000	Effect on other components of equity before tax 2024 $'000
+10%	**(723)**	**(723)**	**(471)**	**–**
(10)%	**883**	**883**	**575**	**–**

Increase/decrease in foreign exchange risk	Effect on profit before tax 2023 ₦ million	Effect on other components of equity before tax 2023 ₦ million	Effect on profit before tax 2023 $'000	Effect on other components of equity before tax 2023 $'000
+10%	(107)	–	(119)	–
(10)%	131	–	145	–

5.1.2 Credit risk

Credit risk refers to the risk of a counterparty defaulting on its contractual obligations resulting in financial loss to the Company. Credit risk arises from cash and intercompany receivables.

a) Risk management

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

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Trade and other receivables (Gross)	**4,289,003**	1,512,862	**2,793,006**	1,682,096
Cash and cash equivalent (Gross)	**259,185**	179,218	**166,871**	199,265
Gross amount	**4,548,188**	1,692,080	**2,959,877**	1,881,361
Impairment reversal /(charge) of receivables	**(8,421)**	(3,602)	**(5,485)**	(5,485)
Net amount	**4,539,767**	1,688,478	**2,954,392**	1,875,876

b) Impairment of financial assets

The Company has two types of financial assets that are subject to IFRS 9's expected credit loss model. The impairment of receivables is disclosed in the table below.

- Cash and cash equivalents
- Intercompany receivables

Reconciliation of impairment on financial assets;

	Notes	₦ million	$'000
As at 1 January 2024		**3,638**	**5,485**
Decrease in provision for Intercompany receivables	17.2	**—**	**—**
Exchange difference		**4,783**	**—**
As at 31 December 2024		**8,421**	**5,485**

	Notes	₦ million	US $'000
As at 1 January 2023		23	52
Decrease in provision for Intercompany receivables	17.2	3,602	5,485
Exchange difference		13	—
Impairment charge to the profit or loss		3,615	5,485
As at 31 December 2023		3,638	5,537

The parameters used to determine impairment for intercompany receivables are shown below. For all receivables presented in the table, the respective 12-month Probability of Default (PD) equate the Lifetime PD for stage 2 as the maximum contractual period over which the Company is exposed to credit risk arising from the receivables is less than 12 months.

	Intercompany receivables	Short-term fixed deposits
Probability of Default (PD)	The 12-month sovereign cumulative PD for base case, ownturn and upturn respectively is 5.44%, 5.55%, and 5.36%, for stage 1 and stage 2. The PD for stage 3 is 100%.	The PD for base case, downturn and upturn is 5.44%, 5.55%, and 5.36%, respectively for stage 1 and stage 2. The PD for stage 3 is 100%.
Loss Given Default (LGD)	The 12-month LGD and lifetime LGD were determined using Moody's recovery rate and mapped based on the priority ating	The 12-month LGD and lifetime LGD were determined using Moody's recovery rate and mapped based on the priority rating of the receivable, for emerging economies
Exposure at default (EAD)	The EAD is the maximum exposure of the receivable to credit risk.	The EAD is the maximum exposure of the short-term fixed deposits to credit risk.
Macroeconomic indicators	The historical inflation and Brent oil price were used.	The historical gross domestic product (GDP) growth rate in Nigeria and crude oil price were used.
Probability weightings	29.69%, 32.03%, and 38.28%, was used as the weights for the base, upturn and downturn ECL modelling scenarios	29.69%, 32.03%, and 38.28%, was used as the weights for the base, upturn and downturn ECL modelling scenarios respectively.

The Company considers both quantitative and qualitative indicators in classifying its receivables into the relevant stages for impairment calculation.

Impairment of financial assets are recognised in three stages on an individual or collective basis as shown below:

- Stage 1: This stage includes financial assets that are less than 30 days past due (Performing).
- Stage 2: This stage includes financial assets that have been assessed to have experienced a significant increase in credit risk using the days past due criteria (i.e. the outstanding receivables amounts are more than 30 days past due but less than 90 days past due) and other qualitative indicators such as the increase in political risk concerns or other micro-economic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance.
- Stage 3: This stage includes financial assets that have been assessed as being in default (i.e. receivables that are more than 90 days past due) or that have a clear indication that the imposition of financial or legal penalties and/or sanctions will make the full recovery of indebtedness highly improbable.

i. Cash and cash equivalent

Short term fixed deposits

The Company applies the IFRS 9 general model for measuring expected credit losses (ECL) which uses a three-stage approach in recognising the expected loss allowance for cash and cash equivalents. The ECL was calculated as the probability weighted estimate of the credit losses expected to occur over the contractual period of the facility after considering macroeconomic indicators. Based on this assessment, they identified the expected credit loss to be nil as at 31 December 2024.

ii. Other cash and cash equivalents

The company assessed the other cash and cash equivalents to determine their expected credit losses. Based on this assessment, they identified the expected credit loss to be nil as at 31 December 2024 (2023: nil). The assets are assessed to be in stage 1.

Credit quality of cash and cash equivalents (including restricted cash)

The credit quality of the Company's cash and cash equivalents is assessed based on external credit ratings (Fitch national long-term ratings) as shown below:

	Dec 2024 ₦ million	Dec 2023 ₦ million	Dec 2024 $'000	Dec 2023 $'000
Non rated	9,757	127,367	6,355	141,614
BBB-	–	35,780	–	39,782
B-	20,415		13,297	
A	212,100	16,097	138,147	17,898
A+	1,122	128	731	142
AA-	15,528		10,114	
AAA	1,013	614	660	683
	259,936	179,986	169,304	200,119
Allowance for impairment recognised during the year (Note 18)	(256)	(150)	(167)	(167)
Net cash and cash bank balances	259,679	179,836	169,137	199,952

iii. Intercompany receivables

Dec 2024	Stage 1 12-month ECL ₦ million	Stage 2 Lifetime ECL ₦ million	Stage 3 Lifetime ECL ₦ million	Total ₦ million
Gross Exposure at Default (EAD)	4,289,787	–	–	4,289,787
Loss Allowance	(8,421)	–	–	(8,421)
Net Exposure at Default (EAD)	4,281,366	–	–	4,281,366

Dec 2023	Stage 1 12-month ECL ₦ million	Stage 2 Lifetime ECL ₦ million	Stage 3 Lifetime ECL ₦ million	Total ₦ million
Gross Exposure at Default (EAD)	1,514,359	–	–	1,514,359
Loss Allowance	(4,933)	–	–	(4,933)
Net Exposure at Default (EAD)	1,509,426	–	–	1,509,426

Dec 2024	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Gross Exposure at Default (EAD)	2,794,067	–	–	2,794,067
Loss Allowance	(5,485)	–	–	(5,485)
Net Exposure at Default (EAD)	2,788,582	–	–	2,788,582

Dec 2023	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Gross Exposure at Default (EAD)	1,683,756	–	–	1,683,756
Loss Allowance	(5,485)	–	–	(5,485)
Net Exposure at Default (EAD)	1,678,271	–	–	1,678,271

v. Receivables from ANOH

Dec 2024	Stage 1 12-month ECL ₦ million	Stage 2 Lifetime ECL ₦ million	Stage 3 Lifetime ECL ₦ million	Total ₦ million
Gross Exposure at Default (EAD)	1,117	–	–	1,117
Loss Allowance	(80)	–	–	(80)
Net Exposure at Default (EAD)	1,038	–	–	1,038

Dec 2024	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total US$'000
Gross Exposure at Default (EAD)	728	–	—	728
Loss Allowance	(52)	–	—	(52)
Net Exposure at Default (EAD)	676	–	—	676

Dec 2023	Stage 1 12-month ECL ₦ million	Stage 2 Lifetime ECL ₦ million	Stage 3 Lifetime ECL ₦ million	Total ₦ million
Gross Exposure at Default (EAD)	830	—	—	830
Loss Allowance	(47)	—	—	(47)
Net Exposure at Default (EAD)	783	—	—	783

Dec 2023	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total US$'000
Gross Exposure at Default (EAD)	975	—	—	975
Loss Allowance	(52)	—	—	(52)
Net Exposure at Default (EAD)	923	—	—	923

c. Maximum exposure to credit risk – financial instruments subject to impairment

The Company estimated the expected credit loss on Intercompany receivables and fixed deposits by applying the general model. The gross carrying amount of financial assets represents the Company's maximum exposure to credit risks on these assets.

All financial assets impaired using the General model (Intercompany and Fixed deposits) are graded under the standard monitoring credit grade (rated B under Standard and Poor's unmodified ratings) and are classified under Stage 1.

d) Roll forward movement in loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments derecognised in the period;
- Discount unwind within ECL due to passage of time, as ECL is measured on a present value basis;
- Foreign exchange retranslation for assets dominated in foreign currencies and other movements; and Financial assets derecognised during the period and write-off of receivables and allowances related to assets.

e. Estimation uncertainty in measuring impairment loss

The table below shows information on the sensitivity of the carrying amounts of the Company'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 Company's financial assets.

i. Expected cashflow recoverable

The table below demonstrates the sensitivity of the Company's profit before tax to a 20% change in the expected cashflows from financial assets, with all other variables held constant:

	Effect on profit before tax	Effect on other components of profit before tax	Effect on profit before tax	Effect on other components of profit before tax
	2024	2024	2024	2024
	₦ million	₦ million	$'000	$'000
Increase/decrease in estimated cash flows				
+20%	**(4,341)**	**–**	**(2,827)**	**–**
-20%	**4,341**	**–**	**2,827**	**–**

	Effect on profit before tax	Effect on other components of profit before tax	Effect on profit before tax	Effect on other components of profit before tax
	2023	2023	2023	2023
	₦ million	₦ million	$'000	$'000
Increase/decrease in estimated cash flows				
+20%	(3,754)	–	(4,174)	–
-20%	3,754	–	4,174	–

ii) Significant unobservable inputs

The table below demonstrates the sensitivity of the Company's profit before tax to movements in the probability of default (PD) and 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
	2024	2024	2024	2024
Increase/decrease in loss given default	₦ million	₦ million	$'000	$'000
+10%	**(172)**	**–**	**(262)**	**–**
-10%	**172**	**–**	**262**	**–**

	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
	2023	2023	2023	2023
Increase/decrease in loss given default	₦ million	₦ million	$'000	$'000
+10%	(172)	–	(262)	–
-10%	172	–	262	–

The table below demonstrates the sensitivity of the Company'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
	2024	2024	2024	2024
Increase/decrease in probability of default	₦ million	₦ million	$'000	$'000
+10%	**(139)**	**–**	**(212)**	**–**
-10%	**139**	**–**	**212**	**–**

	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
	2023	2023	2023	2023
Increase/decrease in probability of default	₦ million	₦ million	$'000	$'000
+10%	(139)	–	(212)	–
-10%	139	–	212	–

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

Increase/decrease in forward looking macroeconomic indicators	Effect on profit before tax 2024 ₦ million	Effect on other components of equity before tax 2024 ₦ million	Effect on profit before tax 2024 $'000	Effect on other components of equity before tax 2024 $'000
+10%	**(149)**	**–**	**(227)**	**–**
-10%	**149**	**–**	**227**	**–**

Increase/decrease in forward looking macroeconomic indicators	Effect on profit before tax 2023 ₦ million	Effect on other components of equity before tax 2023 ₦ million	Effect on profit before tax 2023 $'000	Effect on other components of equity before tax 2023 $'000
+10%	(149)	—	(227)	—
-10%	149	—	227	—

5.1.3 Liquidity risk

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

The Company uses both long-term and short-term cash flow projections to monitor funding requirements for activities and to ensure there are enough cash resources to meet operational needs. Cash flow projections take into consideration the Company'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 Company'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 Company can be required to pay.

The table below represents the trade and other payable for 2024.

	Effective interest rate %	Less than 1 year ₦ million	1 – 2 year ₦ million	2 – 3 years ₦ million	3 – 5 years ₦ million	Total ₦ million
31 December 2024						
Trade and other payables		**5,778,548**	**-**	**-**	**-**	**5,778,548**
Total		**5,778,548**	**-**	**-**	**-**	**5,778,548**

	Effective interest rate %	Less than 1 year $'000	1 – 2 year $'000	2 – 3 years $'000	3 – 5 years $'000	Total $'000
31 December 2024						
Trade and other payables		**3,763,734**	**-**	**-**	**-**	**3,763,734**
Total		**3,763,734**	**-**	**-**	**-**	**3,763,734**

5.1.4 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	
	31 Dec 2024	31 Dec 2023	**31 Dec 2024**	31 Dec 2023
	₦ million	₦ million	**₦ million**	₦ million
Financial assets measured at amortised cost				
Trade and other receivables	**4,288,158**	1,512,473	**4,288,158**	1,512,473
Cash and cash equivalents	**255,944**	171,265	**255,944**	171,265
	4,544,102	1,683,738	**4,544,102**	1,683,738
Financial liabilities measured at amortised cost				
Trade and other payables	**5,778,549**	2,325,563	**5,778,549**	2,325,563
	5,778,549	2,325,563	**5,778,549**	2,325,563

	Carrying amount		Fair value	
	31 Dec 2024	31 Dec 2023	**31 Dec 2024**	31 Dec 2023
	$'000	$'000	**$'000**	$'000
Financial assets at amortised cost				
Trade and other receivables	**2,793,006**	1,681,660	**2,793,006**	1,681,660
Cash and cash equivalents	**166,871**	190,421	**166,871**	190,421
	2,959,877	1,872,081	**2,959,877**	1,872,081
Financial liabilities measured at amortised cost				
Trade and other payables	**3,763,815**	2,585,699	**3,763,815**	2,585,699
	3,763,815	2,585,699	**3,763,815**	2,585,699

Trade and other payables (exclude non-financial liabilities such as provisions, taxes, pension and other non-contractual payables), trade and other receivables (excluding prepayments) and cash and cash equivalents are financial instruments whose carrying amounts as per the financial statements approximate their fair values. This is mainly due to their short-term nature.

5.1.5 Fair Value Hierarchy

As at the reporting period, the Company had classified its financial instruments into the three levels prescribed under the accounting standards. These are all recurring fair value measurements. 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 carrying amounts of the financial instruments are the same as their fair values.

5.2 Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, to maintain optimal capital structure and reduce cost of capital. Consistent with others in the industry, the Company monitors capital based on the following gearing ratio, net debt divided by total capital. Net debt is calculated as trade and other payables less cash and cash equivalents.

	2024	2023	**2024**	2023
	₦ million	₦ million	**$'000**	$'000
Trade and other payables	**5,778,549**	2,325,563	**3,763,733**	2,585,699
Less: cash and cash equivalents	**(255,939)**	(171,265)	**(166,704)**	(190,421)
Net debt	**5,522,610**	2,154,298	**3,597,030**	2,395,278
Total equity	**2,136,659**	1,318,819	**1,391,677**	1,466,344
Total capital	**7,659,269**	3,473,117	**4,988,706**	3,861,622
Net debt (net debt/total capital) ratio	**72 %**	62 %	**72 %**	62 %

Capital includes share capital, share premium, capital contribution and all other equity reserves.

6. Segment reporting

The Company have no operating or reportable segment.

7. Other Income/(loss)

	31 Dec 2024 ₦ million	31 Dec 2023 ₦ million	31 Dec 2024 $'000	31 Dec 2023 $'000
Loss on foreign exchange	**(17,551)**	(5,064)	**(11,861)**	(7,709)
Dividend income	**118,374**	–	**80,000**	–
Loss on disposal of property, plant & equipment	**(230)**	–	**(155)**	–
	100,593	(5,064)	**67,984**	(7,709)

Dividend income relates to dividend of ($80 million, ₦ 118.4 billion) from Eland a subsidiary of Seplat Plc.

8. General and administrative expenses

	31 Dec 2024 ₦ million	31 Dec 2023 ₦ million	31 Dec 2024 $'000	31 Dec 2023 $'000
Depreciation (Note 13)	**645**	291	**436**	444
Professional & Consulting Fees	**57,886**	26,537	**39,120**	40,414
Auditor's remuneration	**194**	7	**131**	11
Directors' emoluments (executives)	**88**	175	**59**	267
Directors' emoluments (non - executive)	**6,887**	2,493	**4,654**	3,797
Employee benefits (Note 8.1)	**5,473**	1,650	**3,699**	2,511
Flights and other travel costs	**5,919**	2,325	**4,000**	3,540
Other general expenses	**9,575**	6,020	**6,471**	9,168
	86,667	**39,498**	**58,570**	**60,152**

Seplat Energy Plc Executive Directors' emoluments are largely borne by its subsidiaries.

Other general expenses relate to costs such as office maintenance costs, telecommunication costs, logistics costs and others.

Professional and consulting fees in the current period is mainly due to professional fees associated with the MPNU transaction..

8.1 Salaries and employee related costs include the following:

	31 Dec 2024 ₦ million	31 Dec 2023 ₦ million	31 Dec 2024 $'000	31 Dec 2023 $'000
Basic salary	**2,705**	972	**1,829**	1,481
Other allowances	**364**	148	**245**	223
Share based payment expenses	**2,404**	530	**1,625**	807
	5,473	1,650	**3,699**	2,511

9. Impairment losses on financial assets

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Impairment loss on intercompany receivables - net	**–**	3,602	**–**	5,485
	–	3,602	**–**	5,485

10. Finance income

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Interest income	**12,190**	5,350	**8,238**	8,147
Finance costs - net	**12,190**	5,350	**8,238**	8,147

Finance income represents interest on short-term fixed deposits.

11. Taxation

Deferred tax assets have not been recognised in respect of the following items because of the uncertainty around the availability of future taxable profits against which the Company can use the benefits therefrom.

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Unutilised capital allowance	**1,796**	1,052	**1,170**	1,170
Unrealised foreign exchange	**4,938**	2,892	**3,216**	3,216
Unrecognised deferred tax asset	**6,734**	3,944	**4,386**	4,386

12. Computation of cash generated from operations

	Notes	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Profit/(loss) before tax		**26,116**	(42,814)	**17,652**	(65,199)
Adjusted for:					
Depreciation of property, plant and equipment	8	**645**	292	**436**	444
Interest income	10	**(12,190)**	(5,350)	**(8,238)**	(8,147)
Impairment loss/(gain) on financial assets	9	**–**	3,602	**–**	5,485
Unrealised foreign exchange (gain)/loss	10	**17,551**	(5,062)	**11,861**	(7,709)
Share based payment expenses	8.1	**2,404**	530	**1,625**	807
Loss on disposal of other PPE	7	**230**	–	**155**	
Dividend income	7	**(118,374)**	–	**(80,000)**	–
Changes in working capital: (excluding the effects of exchange differences)					
Trade and other receivables		**(1,644,436)**	(47,044)	**(1,111,346)**	(71,644)
Prepayments		**(6,559)**	(121)	**(4,433)**	(184)
Trade and other payables		**1,743,113**	192,499	**1,178,033**	293,161
Net cash from operating activities		**8,500**	96,532	**5,747**	147,014

13. Property, plant and equipment

Cost	Plant & machinery ₦ million	Motor vehicle ₦ million	Office furniture & IT Equipment ₦ million	Leasehold improvements ₦ million	Total ₦ million
As at 1 January 2024	**37**	**1,415**	**171**	**197**	**1,820**
Additions	**–**	**252**	**418**	**(378)**	**292**
Reclassification	**39**	**(88)**	**(44)**	**93**	**–**
Disposal	**–**	**(304)**	**–**	**–**	**(304)**
Exchange difference	**28**	**994**	**132**	**130**	**1,283**
As at 31 December 2024	**104**	**2,269**	**677**	**42**	**3,091**
Depreciation					
As at 1 January 2024	**25**	**648**	**160**	**7**	**840**
Charge for the year	**13**	**413**	**211**	**8**	**645**
Disposal	**–**	**(74)**	**–**	**–**	**(74)**
Exchange difference	**17**	**470**	**121**	**6**	**614**
As at 31 December 2024	**55**	**1,457**	**492**	**21**	**2,024**
NBV	**49**	**813**	**185**	**21**	**1,067**
Cost					
As at 1 January 2023	18	601	83	196	898
Additions	–	7	3	–	10
Reclassification	–	–	–	(145)	–
Exchange difference	19	662	85	146	912
As at 31 December 2023	37	1,415	171	197	1,820
Depreciation					
As at 1 January 2023	9	194	14	1	218
Charge for the year	5	186	97	3	291
Exchange difference	11	268	49	3	331
As at 31 December 2023	25	648	160	7	840
NBV					
At 31 December 2023	12	767	11	190	980

Cost	Plant & machinery $'000	Motor vehicle $'000	Office furniture & IT Equipment $'000	Leasehold improvements $'000	Total $'000
As at 1 January 2024	**41**	**1,573**	**189**	**218**	**2,021**
Additions	**–**	**170**	**282**	**(255)**	**197**
Reclassification	**27**	**(59)**	**(30)**	**64**	**–**
Disposal	**–**	**(206)**	**–**	**–**	**(206)**
As at 31 December 2024	**68**	**1,478**	**441**	**27**	**2,013**
Depreciation					
At 1 January 2024	**27**	**720**	**178**	**8**	**933**
Charge for the year	**8**	**279**	**143**	**6**	**436**
Impairment loss	**–**	**–**	**–**	**–**	**–**
Disposal	**–**	**(50)**	**–**	**–**	**(50)**
At 31 December 2024	**35**	**949**	**321**	**14**	**1,319**
NBV	**32**	**529**	**121**	**13**	**694**
Cost					
At 1 January 2023	41	1,342	184	439	2,006
Additions	–	10	5	–	15
Reclassification	–	221	–	(221)	–
At 31 December 2023	**41**	**1,573**	**189**	**218**	**2,021**
Depreciation					
At 1 January 2023	19	437	30	3	489
Charge for the year	8	283	147	5	444
At 31 December 2023	**27**	**720**	**177**	**8**	**933**
NBV					
At 31 December 2023	14	853	12	210	1,089

14. Prepayments

Non current	**Dec 2024 ₦ million**	Dec 2023 ₦ million	**Dec 2024 $'000**	Dec 2023 $'000
Short term prepayments	**7,423**	362	**4,835**	402
	7,423	362	**4,835**	402

14.1 Short term prepayments

Included in short term prepayment are prepaid service charge expenses for health insurance and motor insurance premium.

15. Investment in subsidiaries

	2024 ₦ million	2023 ₦ million	**2024 $'000**	2023 $'000
Newton Energy Limited	**1,459**	855	**950**	950
Seplat Energy UK Limited	**77**	45	**50**	50
Seplat East Onshore Limited	**4,694**	1,446	**3,057**	1,608
Seplat East Swamp Company Limited	**49**	29	**32**	32
Seplat Gas Company Limited	**49**	29	**32**	32
Eland Oil and Gas Limited	**748,749**	438,619	**487,683**	487,683
Seplat West Limited	**2,281,278**	1,320,778	**1,485,865**	1,468,521
Seplat Energy Investment Limited	**10**	–	**6**	–
Turnkey Drilling Limited	**35**	21	**23**	23
Seplat Energy Offshore Limited	**37**	22	**24**	24
	3,036,437	1,761,844	**1,977,722**	1,958,923

15.1 Interest in subsidiaries

Name of entity	Country of incorporation & place of business	Percentage of ownership interest		Carrying amount			
		As at 31 December 2024	As at 31 December 2023	**As at 31 December 2024**	As at 31 December 2023	**As at 31 December 2024**	As at 31 December 2023
		%	%	**₦ million**	₦ million	**$'000**	$'000
Newton Energy Limited	Nigeria	**99.9**	99.9	**855**	855	**950**	950
Seplat Energy UK Limited	United Kingdom	**100**	100	**77**	45	**50**	50
Seplat East Onshore Limited	Nigeria	**99.9**	99.9	**4,694**	1,446	**3,057**	1,608
Seplat East Swamp Company Limited	Nigeria	**99.9**	99.9	**49**	29	**32**	32
Seplat Gas Company Limited	Nigeria	**99.9**	99.9	**49**	29	**32**	32
Eland Oil and Gas Limited	United Kingdom	**100**	100	**748,749**	438,619	**487,683**	487,683
Seplat West Limited	Nigeria	**99.9**	99.9	**2,281,278**	1,320,778	**1,485,865**	1,468,521
Seplat Energy Investment Limited	Nigeria	**100**	–	**10**	–	**6**	–
Turnkey Drilling Limited	Nigeria	**100**	100	**35**	21	**23**	23
Seplat Energy Offshore Limited	Nigeria	**100**	100	**37**	22	**24**	24

15.2 Reconciliation of investment in subsidiary

	2024	**2024**
	₦ million	**$'000**
As at 1 January 2024	**1,761,842**	**1,958,923**
Additional investment in subsidiaries – East Onshore	**2,145**	**1,449**
Additional investment in subsidiary - Seplat West Limited	**25,663**	**17,344**
Seplat Energy Investment Limited	**9**	**6**
Exchange difference	**1,246,777**	**—**
As at 31 December 2024	**3,036,437**	**1,977,722**

	2023	2023
	₦ million	$'000
As at 1 January 2023	871,000	1,947,980
Additional investment in subsidiaries – East Onshore	365	556
Additional investment in subsidiary - Seplat West Limited	6,805	10,364
Additional investment in subsidiary - Seplat Energy Offshore	16	24
Exchange difference	883,656	—
As at 31 December 2023	1,761,842	1,958,924

16. Investment in Joint ventures

	2024	2023	**2024**	2023
	₦ million	₦ million	**$'000**	$'000
Cost	**322,442**	188,887	**210,016**	210,016

16.1 Reconciliation of investment in joint venture

	2024	2023	**2024**	2023
	₦ million	₦ million	**$'000**	$'000
As 1 January	**188,887**	93,904	**210,016**	210,016
Exchange difference	**133,555**	94,983	**—**	—
At 31 December	**322,442**	188,887	**210,016**	210,016

Name of entity	Country of incorporation & place of business	Percentage of ownership interest		Carrying amount			
		As at 31 Dec 2024	As at 31 Dec 2023	**As at 31 Dec 2024**	As at 31 Dec 2023	**As at 31 Dec 2024**	As at 31 Dec 2023
		%	%	**₦ million**	₦ million	**$'000**	$'000
ANOH Gas Processing Company Limited	Nigeria	**50**	50	**322,442**	188,887	**210,016**	210,016

17. Trade and other receivables

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Advances to suppliers	**–**	423	**–**	470
Intercompany receivables	**4,281,366**	1,509,426	**2,788,582**	1,678,271
Receivables from Joint Venture (Anoh)	**1,038**	783	**676**	871
Other receivables	**5,754**	1,841	**3,748**	2,048
Total	**4,288,158**	1,512,473	**2,793,006**	1,681,660

17.1 Intercompany receivables breakdown

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Seplat West Limited	**2,641,424**	1,265,018	**1,720,439**	1,406,524
Newton Energy Limited	**19,578**	15,483	**12,752**	17,215
Seplat Energy UK	**5,177**	–	**3,372**	–
Seplat East Limited	**283,816**	98,970	**184,858**	110,041
AHOH Gas Limited	**30,343**	16,982	**19,763**	18,882
Elcrest E&P Nigeria Limited	**2,510**	791	**1,635**	879
Seplat Energy Offshore Limited	**1,228,778**	115,392	**800,340**	128,300
Seplat East Swamp Company Limited	**5,859**	164	**3,816**	182
Seplat Gas Limited	**6**	4	**4**	5
Seplat Energy Investment Limited	**15**	9	**10**	10
Eland Oil and Gas Limited	**2,627**	1,546	**1,711**	1,718
Seplat Energy Producing Nig. Unlimited	**69,650**	–	**45,365**	–
Turnkey Drilling Services Limited	**3**	–	**2**	–
Balance as at 31 December	**4,289,787**	1,514,359	**2,794,067**	1,683,756

17.2 Reconciliation of intercompany receivables

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Balance as at 1 January	**1,514,359**	658,639	**1,683,756**	1,473,033
Addition during the year	**1,827,084**	370,781	**1,234,783**	412,256
Exchange difference	**948,344**	484,939	**(124,472)**	(201,533)
Gross carrying amount	**4,289,787**	1,514,359	**2,794,067**	1,683,756
Less: impairment allowance	**(8,421)**	(4,933)	**(5,485)**	(5,485)
Balance as at 31 December	**4,281,366**	1,509,426	**2,788,582**	1,678,271

17.3 Reconciliation of impairment allowance on intercompany receivables

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Loss allowance as at 1 January	**4,933**	–	**5,485**	–
Increase/(decrease) in loss allowance during the period	**–**	3,602	**–**	5,485
Exchange difference	**3,488**	1,331	**–**	–
Loss allowance at the end of the period	**8,421**	4,933	**5,485**	5,485

17.4 Reconciliation of receivables from joint venture (ANOH)

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Balance as at 1 January	**830**	894	**923**	1,999
Additions during the year	**950**	1,108	**619**	1,232
Receipts for the year	**(1,251)**	(1,255)	**(814)**	(1,396)
Exchange difference	**588**	83	**–**	(912)
Gross carrying amount	**1,117**	830	**728**	923
Less: Impairment reversal/(charge)	**(80)**	(47)	**(52)**	(52)
Balance as at 31 December	**1,038**	783	**676**	871

17.5 Reconciliation of impairment allowance on receivables from joint venture (ANOH)

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Loss allowance as at 1 January	**47**	23	**52**	52
Exchange difference	**33**	24	**—**	—
Loss allowance as at 31 December	**80**	47	**52**	52

18. Cash and cash equivalents

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

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Fixed deposits	**5,241**	90,457	**3,414**	100,575
Cash at bank	**250,959**	80,957	**163,457**	90,013
Gross cash and cash equivalents	**256,200**	171,414	**166,871**	190,588
Less: impairment allowance	**(256)**	(149)	**(167)**	(167)
Net cash and cash equivalents	**255,944**	171,265	**166,704**	190,421

18.1 Restricted cash

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Restricted cash (Note 18.2)	**3,736**	8,572	**2,433**	9,531
	3,736	8,572	**2,433**	9,531

18.2 Movement in restricted cash

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Opening balance	**8,572**	4,321	**9,531**	9,664
(Decrease)/Increase in restricted cash	**(10,897)**	(87)	**(7,098)**	(133)
Exchange difference	**6,061**	4,338	**–**	–
Closing balance	**3,736**	8,572	**2,433**	9,531

In restricted cash, is a balance of $2.4 million (N3.6 billion) set aside in the Stamping Reserve account for the revolving credit facility (RCF). 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).

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

19. Share capital

19.1 Authorised and issued share capital

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Authorised ordinary share capital				**–**
588,444,561 ordinary shares denominated in Naira of 50 kobo per share	**297**	297	**1,864**	1,864
Issued and fully paid				
588,444,561 (2023:588,444,561) issued shares denominated in Naira of 50 kobo per share	**297**	297	**1,864**	1,864

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

19.2 Movement in share capital and other reserves

	Number of shares **Shares**	**Issued share capital** **₦ million**	**Share premium** **₦ million**	**Share based payment reserve** **₦ million**	**Treasury shares** **₦ million**	**Total** **₦ million**
Opening balance as at 1 January 2024	**588,444,56**	**297**	**90,138**	**12,426**	**(1,612)**	**101,249**
Additions to share based during the period	–	–	–	39,320		39,320
Vested shares during the year	–	–	–	(26,906)	26,906	–
Forfeited shares	–	–	–	(1,857)	–	(1,857)
PAYE tax withheld on vested shares	–	–	(2,764)	–	–	(2,764)
Impact on forfeited rate assumption	–	–	–	(7,250)	–	(7,250)
Share repurchased	–	–	–	–	(28,866)	(28,866)
Closing balance as at 31 December 2024	**588,444,56**	**297**	**87,374**	**15,562**	**(3,572)**	**99,661**

	Number of shares Shares	Issued share capital $'000	Share premium $'000	Share based payment reserve $'000	Treasury shares $'000	Total $'000
Opening balance as at 1 January 2024	**588,444,56**	**1,864**	**520,431**	**34,515**	**(4,286)**	**552,524**
Share based payments				**1,625**		**1,625**
Additions to share based during the period	**–**	**–**	**–**	**18,792**	**–**	**18,792**
Vested shares during the year	**–**	**–**	**–**	**(18,188)**	**18,188**	**–**
Forfeited shares	**–**	**–**	**–**		**–**	
PAYE tax withheld on vested shares	**–**	**–**	**(1,867)**	**–**	**–**	**(1,867)**
Impact on forfeited rate assumption	**–**	**–**	**–**			
Share repurchased	**–**	**–**	**–**	**–**	**(19,508)**	**(19,508)**
Closing balance as at 31 December 2024	**588,444,56**	**1,864**	**518,564**	**36,744**	**(5,606)**	**551,566**

Shares repurchased for employees during the year of $19.6 million, ₦29 billion (2023: $1.5 million, ₦1.3 billion) relates to share buy-back programme for Company'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 Company's employee beneficiaries covered under the Trust.

19.3 Share Premium

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Share Premium	**87,375**	90,138	**520,431**	520,431

Section 120.2 of Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 requires that where a Company issues shares at premium (i.e., above the par value), the value of the premium should be transferred to share premium.

During the year, an additional 17,567,776 shares vested with a fair value of $20.30 million. The excess of $2.12 million above the nominal value of ordinary shares have been recognised in share premium.

19.4 Employee share-based payment scheme

As at 31 December 2024, the company had awarded 53,305,512 shares (2023: 56,047,932 shares) to certain employees and senior executives in line with its share-based incentive scheme. Included in the share-based incentive schemes is three additional schemes (2024 LTIP scheme, 2024 Deferred bonus scheme and sign on Bonus) awarded during the reporting period. During the reporting period, 18,962,222 shares had vested out of which 1,394,446 shares were forfeited in relation to participants who could not meet the vesting conditions during the period. The average forfeiture rate due to failure to meet non-market vesting condition is 18.14% while the average due to staff exit is 17.72%. The impact of applying the forfeiture rate of 35.87% on existing LTIP awards which are yet to vest will result in a reduction of share-based compensation expense for the year by $4,889,920. The number of shares that eventually vested during the year after the forfeiture and conditions above is 17,567,776 (Dec 2023: 4,709,289 shares were vested).

i. Description of the awards valued

The Company has made a number of share-based awards every year since first award in 2014. The most recent awards are LTIP 2024 and 2023 deferred bonus A number of these awards have fully vested.

Seplat Deferred Bonus Award

25% of each Executive Director's 2023 bonus (paid in 2024) has been deferred into shares and would be released in 2025 subject to continued employment over the vesting period. 2022 deferred bonus was approved by the Board and vested in 2024. No performance criteria are attached to this award. As a result, the fair value of these awards is calculated using a Black Scholes model.

Long Term Incentive Plan (LTIP) awards

Under the LTIP Plan, shares are granted to management staff of the organisation at the end of every year. The shares were granted to the employees at no cost. The shares vest (after 3 years) based on the following conditions.

- 25% vesting for median relative TSR performance rising to 100% for upper quartile performance on a straight-line basis.
- Relative TSR vesting reduced by 75% if 60% and below of operational and technical bonus metrics are achieved, with 35% reduction if 70% of operational and technical bonus metrics are achieved and no reduction for 80% or above achievement.
- If the Company outperforms the median TSR performance level with the LTIP exploration and production comparator group.

The LTIP awards have been approved by the NSE.

ii. Share based payment expenses

The expense recognised for employee services received during the year is shown in the following table:

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Expense arising from equity-settled share-based payment transactions	**2,404**	530	**1,625**	807

The asset arising as a result of share-based payment expenses incurred on employees of subsidiaries during the year is shown in the following table:

	2024 ₦ million	2023 ₦ million	2024 $'000	2023 $'000
Additional investment in subsidiaries – Share-based payment (Note 15.2)	**27,807**	7,186	**18,793**	10,944

There were no cancellations to the awards in 2024. The share awards granted to Executive Directors and confirmed employees are summarised below:

Scheme	Deemed grant date	Start of Service Period	End of service period	Vesting status	Number of awards
2022 Long term incentive Plan	30 May 2022	30 May 2022	30 May 2025	Partially	13,811,252
2023 Long term incentive Plan	16 May 2023	16 May 2023	16 May 2026	Partially	23,274,458
2023 Deferred Bonus	28 May 2024	28 May 2024	31 December 2025	Partially	537,319
2024 Long term incentive Plan	28 May 2024	28 May 2024	28 May 2027	Partially	15,637,253
Sign on Bonus	28 May 2024	19 June 2023	19 June 2025	Partially	45,230
					53,305,512

iii. Determination of Share awards outstanding

Share awards used in the calculation of diluted earnings per shares are based on the outstanding shares as at 31 December 2024.

Share award scheme (all awards)	2024 Number	2024 WAEP ₦	2023 Number	2023 WAEP ₦
Outstanding at 1 January	**25,534,795**	**669**	20,015,736	442
Granted during the year	**21,308,358**	**1300**	17,831,904	827
Exercise during the year	**(17,567,776)**	**552**	(4,709,289)	840
Forfeited during the year	**(1,394,446)**	**429**	(7,603,556)	568
Outstanding at 31 December	**27,880,931**	**738**	25,534,795	669

Share award scheme (all awards)	2024 Number	2024 WAEP $	2023 Number	2023 WAEP $
Outstanding at 1 January	**25,534,795**	**1.14**	20,015,736	1.10
Granted during the year	**21,308,358**	**1.44**	17,831,904	1.28
Exercised during the year	**(17,567,776)**	**1.18**	(4,709,289)	1.30
Forfeited during the year	**(1,394,446)**	**0.90**	(7,603,556)	0.88
Outstanding at 31 December	**27,880,931**	**1.17**	25,534,795	1.14

The following table illustrates the number and weighted average exercise prices ('WAEP') of and movements in deferred bonus scheme and long-term incentive plan during the year for each available scheme.

Deferred Bonus Scheme	2024 Number	2024 WAEP ₦	2023 Number	2023 WAEP ₦
Outstanding at 1 January	**502,050**	**678**	306,996	541
Granted during the year	**556,718**	**1,643**	634,962	782
Exercised during the year	**(833,065)**	**585**	(439,908)	711
Outstanding at 31 December	**225,703**	**969**	502,050	678

Deferred Bonus Scheme	2024 Number	2024 WAEP $	2023 Number	2023 WAEP $
Outstanding at 1 January	**502,050**	**1.19**	306,996	1.27
Granted during the year	**556,718**	**1.65**	634,962	1.21
Exercised during the year	**(833,065)**	**1.35**	(439,908)	1.10
Outstanding at 31 December	**225,703**	**1.40**	502,050	1.19

The fair value of the modified options was determined using the same models and principles as described in the table below on the inputs to the models used for the scheme.

Long term incentive Plan (LTIP)	2024 Number	2024 WAEP ₦	2023 Number	2023 WAEP ₦
Outstanding at 1 January	**25,032,745**	**553**	19,708,740	492
Granted during the year	**20,751,640**	**957**	17,196,942	581
Exercised during the year	**(16,734,711)**	**519**	(4,269,381)	568
Forfeited during the year	**(1,394,446)**	**429**	(7,603,556)	568
Outstanding at 31 December	**27,655,228**	**614**	24,032,745	553

Long term incentive Plan (LTIP)	2024 Number	2024 WAEP $	2023 Number	2023 WAEP $
Outstanding at 1 January	**25,032,745**	**0.94**	19,708,740	1.10
Granted during the year	**20,751,640**	**1.24**	17,196,942	0.90
Exercised during the year	**(16,734,711)**	**1.02**	(4,269,381)	0.88
Forfeited during the year	**(1,394,446)**	**0.90**	(7,603,556)	0.88
Outstanding at 31 December	**27,655,228**	**1.02**	24,032,745	0.94

The shares are granted to the employees at no cost. The weighted average remaining contractual life for the share awards outstanding as at 31 December 2024 range from 0.4 to 2 .4 years (2023: 0.8 to 2 .4 years).

The weighted average fair value of awards granted during the year range from ₦3,200 to ₦3,209 (2023: ₦332 to ₦1,286), $2 .10 to $2 .17 (2023: $0.37 to $1.43).

The long term incentive plan is independently determined using the Monte Carlo valuation method which takes into account the term of the award, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the award and the correlations and volatilities of the peer group companies.

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

iv. Inputs to the models

The following table lists the inputs to the models used for the share awards outstanding in the respective plans for the year ended 31 December 2024:

	2021 LTIP	2022 LTIP	2023 LTIP	2023 LTIP - Execs	**2024 LTIP**
Weighted average fair values at the measurement date					
Dividend yield (%)	0.00%	0.00%	0.00%	0.00%	**0.00%**
Expected volatility (%)	51.68 %	59.29%	59.86%	42.08%	**40.20%**
Risk–free interest rate (%)	0.31 %	2.17%	2.53%	4.16%	**4.73%**
Expected life of share options	3.00	2.64%	3.00	3.00	**3.00**
Share price at grant date ($)	0.66	1.12	1.18	1.00	**2.10**
Share price at grant date (₦)	264.32	415.84	415.07	460.70	**2,787.83**
Model used	Monte Carlo	Monte Carlo	Monte Carlo	Monte Carlo	**Monte Carlo**

19.5 Treasury shares

This relates to Share buy-back programme for Company'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 Company's employee beneficiaries covered under the Trust.

20. Capital contribution

In accordance with the Shareholders' Agreement, the amount was used by the Company for working capital as was required at the commencement of operations.

	2024 ₦ million	2023 ₦ million	**2024 $'000**	2023 $'000
Capital contribution	**5,932**	5,932	**40,000**	40,000

21. Foreign currency translation reserve

Cumulative exchange difference arising from translation of the Company's results and financial position into the presentation currency and from translation of foreign subsidiary is taken to foreign currency translation reserve through other comprehensive income.

22. Trade and other payables

Trade and other payables	**Dec 2024 ₦ million**	Dec 2023 ₦ million	**Dec 2024 $'000**	Dec 2023 $'000
Trade payable	**10,615**	1,064	**6,914**	1,183
Accruals and other payables	**30,168**	2,119	**19,641**	2,352
Intercompany payables	**5,737,766**	2,322,380	**3,737,179**	2,582,164
	5,778,549	2,325,563	**3,763,733**	2,585,699

Intercompany payables breakdown	**Dec 2024 ₦ million**	Dec 2023 ₦ million	**Dec 2024 $'000**	Dec 2023 $'000
Seplat West Limited	**4,652,715**	2,027,560	**3,030,453**	2,254,364
Seplat Energy UK	**955**	1,211	**622**	1,347
Newton Energy Limited	**144,446**	64,072	**94,082**	71,239
Seplat East Onshore Limited	**369,573**	172,272	**240,714**	191,543
Seplat East Swamp Company Limited	**110,580**	54,858	**72,024**	60,994
Turnkey Drilling Services Limited	**11**	10	**7**	11
Seplat Energy Offshore Limited	**80**	10	**52**	11
Seplat Energy Producing Nig. Unlimited	**453,616**	–	**295,454**	–
Seplat Energy Investment Limited	**11**	–	**7**	–
Eland Oil and Gas Ltd	**5,779**	2,387	**3,764**	2,654
	5,737,766	2,322,380	**3,737,179**	2,582,164

23. Earnings per share (EPS)

Basic

Basic EPS is calculated on the Company's profit after taxation attributable to the company and based on 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 company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares (arising from outstanding share awards in the share-based payment scheme) into ordinary shares.

	Dec 2024	Dec 2023	**Dec 2024**	Dec 2023
	₦ million	₦ million	**$'000**	$'000
Profit/(loss) for the year	**26,116**	(42,814)	**17,652**	(65,199)
	Shares '000	Shares '000	**Shares '000**	Shares '000
Weighted average number of ordinary shares in issue	**588,445**	588,445	**588,445**	588,445
Outstanding share based payments (shares)	**–**	–	**–**	–
Weighted average number of ordinary shares adjusted for the effect of dilution	**588,445**	588,445	**588,445**	588,445

*There were no shares issued during the year that could potentially dilute the earnings per share

	₦	₦	**$**	$
Basic earnings/(loss) per share	**45.00**	(72.76)	**0.11**	(0.11)
Diluted earnings/(loss) per share	**45.00**	(72.76)	**0.11**	(0.11)

The shares were weighted for the proportion of the number of months they were in issue during the reporting period.

24. Dividends paid and proposed

As at 31 December 2024, the final proposed dividend for the Company is ₦55.27, $0.036 (2023: ₦26.45, $0.03) per share and the proposed Special Dividend is ₦50.67, $0.033 per share (2023: ₦26.45, $0.03)

	Dec 2024	Dec 2023	**Dec 2024**	Dec 2023
	₦ million	₦ million	**$'000**	$'000
Cash dividends on ordinary shares declared and paid:				
Dividend for 2024: ₦239.51 ($0.156) per share 588,444,561 shares in issue (2023: ₦101.32 ($0.165) per share, 588,444,561 shares in issue)	**135,185**	64,883	**91,361**	98,811
Proposed dividend on ordinary shares:				
Final proposed dividend for the year 2024: ₦55.27 ($0.036) (2023: ₦26.45 ($0.03) per share	**32,522**	15,562	**21,184**	17,653
Special proposed dividend for the year 2024: ₦50.67 ($0.033) (2023: ₦26.45 ($0.03)) per share	**29,812**	15,562	**19,419**	17,653

During the year, ₦54.2 billion, $35.3 million of dividend was paid at ₦92 .12, $0.060 per share as final dividend for 2023. As at 31 March 2024, ₦ 27.1 billion, $ 17.7 million was paid at ₦44.39, $0.03 per share for 2024 Q1; As at 30 June 2024, ₦ 27.1 billion, $ 17.7 million was paid at ₦44.39, $0.03 per share for 2024 Q2; As at 30 September 2024, ₦ 32 .52 billion, $ 21.18 million was paid at ₦53.27, $0.036 per share for 2024 Q3. Final Naira dividend payments will be based on the Naira/Dollar rates on the date for determining the exchange rate. The payment is subject to shareholders' approval at the 2024 Annual General Meeting. The tax effect of dividend paid during the year was $8.67 million (₦12 .8 billion).

25. Related party relationships and transactions

A.B.C Orjiako (SPDCL(BVI)) and members of his family hold an interest in the Company either directly or by entities controlled by him. The remaining shares in the parent Company are widely held.

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

25.1 Shareholders of the parent company

Amaze Limited: Dr. A.B.C Orjiako is a director and shareholder of Amaze Limited. The company provided consulting services to Seplat in prior year - 2023. Services provided to the Group during the period amounted to nil (Dec 2023: $804.6 thousand, ₦528.3 million).

26. Information relating to employees

26.1 Number of directors

The number of Directors whose emoluments fell within the following ranges was:

	2024 Number	2023 Number
Zero – ₦150,000,000	**-**	-
₦150,000,001 – ₦375,000,000	**-**	-
₦375,000,001 – ₦750,000,000	**-**	-
Above ₦750,000,001	**4**	3
	4	3

	2024 Number	2023 Number
Zero – $100,000	**-**	-
$100,001 – $250,000	**-**	-
$250,001 – $500,000	**-**	-
Above $500,000	**4**	3
	4	3

This represents the remuneration details of the Company for the period including the retired Chief Financial Officer (CFO)

26.2 Employees

The number of employees (other than the Directors) whose duties were wholly or mainly discharged within Nigeria, and who received remuneration (excluding pension contributions) in the following ranges:

	2024 Number
Less than $80,000 (₦118,374,400)	**347**
$80,001(₦118,374,401) – $200,000 (₦295,936,000)	**141**
$200,001(₦295,936,001) – $300,000 (₦443,904,000)	**15**
Above $300,000 (₦443,904,000)	**6**
	509

	2023 Number
Less than $80,000 (₦52,531,057)	**219**
$80,001(₦52,531,058) – $200,000 (₦131,326,000)	**232**
$200,001 (₦131,326,001) – $300,000 (₦196,989,000)	**37**
Above $300,000 (₦196,989,000)	**24**
	512

26.3 Number of persons employed during the year

The average number of persons (excluding Directors) in employment during the year was as follows:

	2024 Number	2023 Number
Senior management	**32**	32
Managers	**131**	141
Senior staff	**302**	305
Junior staff	**44**	34
	509	512

27. Commitments and contingencies

27.1 Contingent liabilities

The Company is involved in a number of legal suits as defendant. The estimated value of the contingent liabilities for the year ended 31 December 2024 is ₦724 million, $0.471 million (2023: ₦198 million, $0.22 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..

28. Events after the reporting period

The Company has no subsequent events that happened after the reporting date that will impact the financial statements.

29. 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 Dec 2024 N/$	31 Dec 2023 N/$
Property, plant & equipment – opening balances	Historical rate	**899.39**	447.13
Property, plant & equipment – additions	Average rate	**1,479.68**	656.63
Property, plant & equipment - closing balances	Closing rate	**1535.32**	899.393
Current assets	Closing rate	**1535.32**	899.393
Current liabilities	Closing rate	**1535.32**	899.393
Equity	Historical rate	**Historical**	Historical
Income and Expenses:	Overall Average rate	**1,479.68**	656.63

Five-years financial summary

For the year ended 31 December 2024

	31 Dec 2024 ₦ million	2023 ₦ million	2022 ₦ million	2021 ₦ million	2020 ₦ million
Revenue from contracts with customers	**–**	–	–	–	–
Profit/(loss) before taxation	**26,116**	(42,814)	(19,107)	(6,473)	(7,160)
Income tax expense	**–**	–	–	–	–
Profit/(loss) for the period	**26,116**	(42,814)	(19,107)	(6,473)	(7,160)

	31 Dec 2024 ₦ million	2023 ₦ million	2022 ₦ million	2021 ₦ million	2020 ₦ million
Capital employed					
Issued share capital	**297**	297	297	296	293
Share premium	**87,375**	90,138	91,317	90,383	86,917
Share based payment reserve	**15,729**	12,425	6,108	4,914	7,174
Treasury shares	**(3,570)**	(1,612)	(2,025)	(2,025)	–
Capital Contribution	**5,932**	5,932	5,932	5,932	5,932
Retained Earnings	**(40,630)**	68,439	176,136	220,215	255,859
Foreign currency translation reserve	**2,071,525**	1,143,200	447,429	388,690	393,687
Total equity	**2,136,658**	1,318,819	725,194	708,405	749,862
Represented by:					
Non-current assets	**3,359,946**	1,951,710	965,584	885,581	877,795
Current assets	**4,555,261**	1,692,672	791,671	598,851	73,124
Non-current liabilities	**–**	–	–	–	–
Current liabilities	**(5,778,549)**	(2,325,563)	(1,032,061)	(776,027)	(201,057)
Net assets	**2,136,658**	1,318,819	725,194	708,405	749,862

	31 Dec 2024 $'000	2023 $'000	2022 $'000	2021 $'000	2020 $'000
Revenue from contracts with customers	**–**	–	–	–	–
Profit/(loss) before taxation	**17,652**	(65,199)	(45,002)	(16,151)	(19,897)
Income tax expense	**–**	–	–	–	–
Profit/(loss) for the period	**17,652**	(65,199)	(45,002)	(16,151)	(19,897)

	31 Dec 2024 $'000	2023 $'000	2022 $'000	2021 $'000	2020 $'000
Capital employed					
Issued share capital	**1,864**	1,864	1,864	1,862	1,855
Share premium	**518,564**	520,431	522,227	520,138	511,723
Share based payment reserve	**36,747**	34,515	24,893	22,190	27,592
Treasury shares	**(5,609)**	(4,286)	(4,915)	(4,915)	–
Capital Contribution	**40,000**	40,000	40,000	40,000	40,000
Retained Earnings	**800,111**	873,820	1,037,830	1,141,677	1,230,666
Total equity	**1,391,677**	1,466,344	1,621,899	1,720,952	1,811,836
Represented by:					
Non-current assets	**2,188,433**	2,170,029	2,159,515	2,151,068	2,148,506
Current assets	**2,966,978**	1,882,014	1,770,568	1,453,769	192,430
Current liabilities	**(3,763,734)**	(2,585,699)	(2,308,184)	(1,883,885)	(529,100)
Net assets	**1,391,677**	1,466,344	1,621,899	1,720,952	1,811,836