

Payments to governments (unaudited)

For the year ended 31 December 2016

The following information is included to comply with the Disclosure and Transparency Rules of the Financial Conduct Authority in the United Kingdom and is prepared in accordance with Directive 2013/34/EU (the EU Accounting Directive (2013)).

Basis for preparation

Reporting entities

The information includes payments to governments made by Seplat Petroleum Development Plc and its subsidiaries ('Seplat'). All payments to governments arise from operations within Nigeria.

Activities

Payments made by Seplat to governments arising from activities involving the exploration, prospecting, discovery, development and extraction of minerals, oil and natural gas deposits or other materials (extractive activities) are disclosed in this report. It excludes payments related to refining, natural gas liquefaction or gas-to-liquids activities. When payments cover both extractive and processing activities and cannot be split, the payments have been disclosed in full.

Government

Government includes any national, regional or local authority of a country to which Seplat has made payment related to these regulations, and includes any department, agency or entity that is controlled by such authority.

Project

Payments are reported at project level except for payments that are not attributable to a specific project; these are reported at entity level. A project is defined as operational activities which are governed by a single contract, licence, lease, concession or similar legal agreement, and form the basis for payment liabilities with a government. However, if multiple such agreements are substantially interconnected, this shall be considered as a project. Indicators of integration include, but are not limited to, geographic proximity, the use of shared infrastructure and common operational management.

Payments

The information is reported under the following payment types:

Production entitlements

These represent the government's share of production in the reporting period arising from projects operated by Seplat. It comprises crude oil and gas attributable to the Nigerian government by virtue of its participation as an equity holder in projects within its sovereign jurisdiction (Nigeria).

Production entitlements to the government are lifted independently by the relevant government agency.

Royalties

These are payments for the rights to extract oil and gas resources, typically at set percentage of revenue less any deductions that may be taken.

Licence fees, rental fees, entry fees and other considerations for licences and/or concessions

These are fees and other sums paid as consideration for acquiring a licence for gaining access to an area where extractive activities are performed. Administrative government fees that are not specifically related to the extractive sector, or to obtain access to extractive resources, are excluded. Also excluded are payments made in return for services provided by a government.

Other types of payments that are required to be disclosed in accordance with the Regulations are the following:

- Taxes
- Bonuses
- Dividends
- Infrastructure improvements

However, for the year ended 31 December 2016, there were no such reportable payments above the materiality threshold, made by Seplat to a government.

Materiality

For each payment type, total payments below £86,000 (€100,000) to a government agency are excluded from this Report.

Reporting currency

Payments disclosed in this report have been disclosed in US Dollars. Where actual payments have been recorded in a currency other than US Dollars, they have been translated using the annual average exchange rate.

Payments by government

US Dollars	Production entitlements	Royalties	Fees	Total
Governments				
Nigerian National Petroleum Corporation	242,333,835	–	–	242,333,835
Department of Petroleum Resources	–	30,700,153	39,364	30,739,517
Nigeria Export Supervision Scheme	–	–	128,751	128,751
Niger Delta Development Commission	–	–	24,044,724	24,044,724
Nigerian Content Development and Monitoring Board	–	–	773,662	773,662
Total	242,333,835	30,700,153	24,986,501	298,020,489

Payments by project

US Dollars	Production entitlements	Royalties	Fees	Total
Projects				
OML 53	18,907,800	–	–	18,907,800
OMLs 4, 38 and 41	223,426,035	30,700,153	24,986,501	279,112,689
Total	242,333,835	30,700,153	24,986,501	298,020,489

For the purpose of this report, production entitlement refers to the value of liftings made by the government agency on fields operated by Seplat. The volume of crude oil and gas lifted during the year was approximately 2.7 million barrels and 42.3 million MMScf respectively. The crude oil price applied is based on the monthly average crude oil price per barrel, while the price per MMScf of gas is based on the actual gas price on the transaction dates. The volumes of crude oil lifted by the government, and gas lifted on behalf of the government, is multiplied by the price, as defined above, to arrive at the production entitlement.

Notice of the fourth Annual General Meeting of Seplat Petroleum Development Company Plc.

(Registered with the Corporate Affairs Commission of Nigeria under number RC 824838)

NOTICE is hereby given that the fourth Annual General Meeting of Seplat Petroleum Development Company Plc (the 'Company') will be held at the Civic Centre, Ozumba Mbadiwe Road, Victoria Island, Lagos, Nigeria at 11:00 a.m. on Thursday, 1 June 2017 for the transaction of the following business:

To consider and, if thought fit, to pass the following resolutions, which will be proposed as ordinary resolutions:

1. To receive the annual accounts, Directors' report, Auditor's report for the year ended 31 December 2016 and the Audit Committee report.
2. To approve the Remuneration section of the Directors' Remuneration Report set out in the Annual Report and Accounts for the year ended 31 December 2016¹.
3. To re-appoint Ernst & Young Nigeria as auditors of the Company from the conclusion of this meeting until the conclusion of the next general meeting of the Company at which the Company's annual accounts are laid.
4. To authorise the Board of Directors of the Company to determine the auditor's remuneration.
5. To re-elect those Directors of the Company who are eligible for retirement by rotation.
6. To elect members of the Audit Committee.

Copies of the Annual Report and Accounts for Seplat Petroleum Development Company Plc for the financial year ended 31 December 2016 will be mailed to the shareholders and will be available on our website: www.seplatpetroleum.com. Printed versions can also be obtained by contacting DataMax Registrars in Nigeria at 2C Gbagada Expressway, Gbagada, Lagos, +234 1 7120008-11; or Computershare in the UK on +44 (0) 370 702 0000.

By Order of the Board.



Dr. Mirian Kene Kachikwu
FRC/2015/NBA/00000010739
General Counsel/Company Secretary
30 March 2017.

1. This is set out on pages 98 to 105 of the Annual Report and Accounts for the year ended 31 December 2016. In accordance with UK remuneration reporting rules, this is an advisory vote.

Notes:

1. PROXY:

A member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote in his/her/its place. A proxy need not be a member of the Company. For the appointment to be valid for the purposes of the meeting, a completed and duly stamped proxy form must be deposited at the office of the Registrar, DataMax Registrars Limited, 2C Gbagada Express Way, Gbagada, Lagos or at the head office of the Company, marked for the attention of the "Company Secretary" or by email to proxy@seplatpetroleum.com, not less than 48 hours before the time fixed for the meeting. For convenience purposes, a blank proxy form is attached to the 2016 Annual Report and Accounts, both of which are available at the Company's website: www.seplatpetroleum.com and at the Company's head office: 25a Lugard Avenue, Ikoyi, Lagos.

2. CLOSURE OF REGISTER:

The Register of Members and Transfer Books of the Company (Nigeria & UK) will be closed on Tuesday, 20 May 2017 in accordance with the provisions of section 89 of CAMA, to enable the Registrars to prepare for the Annual General Meeting.

3. E-DIVIDEND MANDATE:

Shareholders are kindly requested to advise DataMax Registrars Limited of their updated records and relevant bank accounts, by completing the e-mandate form. The e-mandate form can be downloaded from DataMax Registrars Limited's website at <http://www.datamaxregistrars.com>. The duly completed form(s) should be returned to DataMax Registrars Limited, No. 2c Gbagada Expressway, Gbagada Phase 1, Lagos.

4. NOMINATION FOR AUDIT COMMITTEE:

In accordance with section 359(4) & (5) of the Companies and Allied Matters Act 2004, the Audit Committee shall consist of an equal number of directors and representatives of the shareholders of the Company (subject to a maximum number of six (6) members). Any shareholder may nominate a shareholder as a member of the Audit Committee. Such nomination should be in writing and should reach the Company Secretary at least twenty-one (21) days before the Annual General Meeting.

5. RE-ELECTION OF DIRECTORS:

The following two Independent Non-Executive Directors who have stayed longest in office will retire and stand for re-election:

- i. Mr. Basil Omiyi; and
- ii. Dr. Charles Okeahalam.

The profiles of these Directors are available on pages 63 and 64 respectively, of the Annual Report and Accounts.

6. RIGHT OF SECURITIES' HOLDERS TO ASK QUESTIONS

In line with Rule 19.12(c) of the Listing Rules of the Nigerian Stock Exchange, Securities' Holders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting. Questions submitted prior to the Meeting should be addressed to the Company Secretary and must reach the head office of the Company no later than 7 days before the date of the Meeting (being 25 May 2017).

General information

Board of Directors:

A.B.C. Orjiako	Chairman
Ojunekwu Augustine Avuru	Managing Director and Chief Executive Officer
Stuart Connal	Chief Operating Officer (Executive Director)
Roger Brown	Chief Financial Officer (Executive Director)
Michel Hochard¹	Non-Executive Director
Macaulay Agbada Ofurhie	Non-Executive Director
Michael Alexander	Senior Independent Non-Executive Director
Ifueko Omoigui Okauru	Independent Non-Executive Director
Basil Omiyi	Independent Non-Executive Director
Charles Okeahalam	Independent Non-Executive Director
Lord Mark Malloch-Brown	Independent Non-Executive Director
Damian Dodo	Independent Non-Executive Director

1. Madame Nathalie Delapalme acts as alternate Director to Michel Hochard.

Company Secretary

Mirian Kachikwu

Registered office and business address of Directors

25a Lugard Avenue
Ikoyi
Lagos
Nigeria

Registered number

RC No. 824838

FRC number

FRC/2015/NBA/00000010739

Auditors

Ernst & Young (Chartered Accountants)
10th & 13th Floors, UBA House
57 Marina Lagos, Nigeria

Registrar

DataMax Registrars Limited
7 Anthony Village Road
Anthony
P.M.B 10014
Shomolu
Lagos, Nigeria

Custodian and Depositary

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS13 8AE
United Kingdom

Solicitors

Abraham Uhunmwagho & Co
Adepetun Caxton-Martins Agbor & Segun (‘ACAS-Law’)
Austin and Berns Solicitors
Chief J.A. Ororho & Co.
Consolex LP
Freshfields Bruckhaus Deringer LLP
G.C. Arubayi & Co.
Herbert Smith Freehills LLP
J.E. Okodaso & Company
Norton Rose Fulbright LLP
Ogaga Ovrawah & Co.
Olaniwun Ajayi LP
O. Obrik. Uloho and Co.
Streamsowers & Kohn
Thompson Okpoko & Partners
V.E. Akpoguma & Co.
Winston & Strawn London LLP

Bankers

Citibank Nigeria Limited
First Bank of Nigeria Limited
HSBC Bank
Skye Bank Plc
Stanbic IBTC Bank Plc
Standard Chartered Bank
United Bank for Africa Plc
Zenith Bank Plc

Brokers

Citigroup Global Markets
25 Canada Square,
Canary Wharf,
Canary Wharf Group,
London E14 5LB

Investec Bank plc
2 Gresham Street
London EC2V 7QP

Glossary of terms

AGM

Annual General Meeting

bbls

Barrels of oil

boe

Barrels of oil equivalent

Bscf

Billion standard cubic feet of gas

bopd

Barrels of oil per day

boepd

Barrels of oil equivalent per day

bn

Billion

Development well

A well drilled specifically into a previously discovered field

Degrees API

A measure of how heavy or light a petroleum liquid is compared to water

DTR

The FCA's Disclosure and Transparency Rules

E&P

Exploration and Production

Farm in

To acquire an interest in a licence from another party

Farm out

To assign an interest in a licence to another party

FCA

Financial Conduct Authority

ft

Feet

GBP/£

Pound sterling currency

HSSE

Health, Safety, Security and Environment

Hydrocarbons

Compounds containing only the elements hydrogen and carbon; they may exist as solids, liquids or gases

H1

First half of the year

H2

Second half of the year

IPO

Initial Public Offering

Joint venture/JV

A group of companies who share the cost and rewards of exploring for and producing oil or gas from a licence or block

km²

Square kilometres

LACT

Lease Automated Custody Transfer unit; facility used for accurately metering liquids production

LFN

Laws of the Federation of Nigeria

Licence/Block

Area of specified size, which is licensed to a company by the government for production of oil and gas

LSE

London Stock Exchange

m

Metres

Major IOC

Major international oil company

MMbbls

Million barrels

MMboe

Millions of barrels of oil equivalent

MMscfd

Million standard cubic feet of gas per day

MOU

Memorandum of Understanding

NSE

Nigerian Stock Exchange

₦

Nigerian Naira currency

OML

Oil Mining Licence

OPL

Oil Prospecting Licence

Q1

First quarter

Q2

Second quarter

Q3

Third quarter

Q4

Fourth quarter

Operator

A company which organises the exploration and production programmes in a block or licence on behalf of all the interest holders in the block or licence

Spud

To commence drilling a well

STOIIP

Stock Tank Oil Initially In Place

TFP/TFS

Trans Forcados Pipeline/System

Tscf

Trillion standard cubic feet of gas

US\$/

United States Dollar currency

US\$/m

Millions of United States Dollar currency

WI

Working interest

2D Seismic

Two-dimensional seismic

3D Seismic

Three-dimensional seismic

1P Reserves

Proven reserves

2P Reserves

Proven and probable reserves

3P Reserves

Proven, probable and possible reserves

Forward-looking statements

This document may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Company's control and all of which are based on the Company's current beliefs and expectations about future events. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's business, results of operations, financial position, liquidity, prospects, growth, strategies and the oil and gas business. Forward-looking statements speak only as of the date they are made and cannot be relied upon as a guide to future performance.



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