

Building long-term partnerships

Since inception, Seplat has been committed to a shared-value approach to its investment in Nigeria. Our local communities have been central in fulfilling this commitment.

Unwavering commitment to local stakeholders

Despite the market challenges that 2015 presented to the wider oil and gas industry, Seplat's strong relationships with its host communities have been unaffected. Sustainable community development remains a priority and we have continued to work collaboratively with our local partners to foster positive social and economic development. As an operator, creating positive partnerships has been central to the success of the business as it has allowed Seplat to invest in, develop and commercialise its assets with critical community support.

The original Global Memorandum of Understanding ('GMoU') Seplat entered into with the local communities that host its operations in 2010 has provided the framework within which both parties can work together to support impactful social investment. Under the terms of the GMoU, the Community Development Committee ('CDC'), which includes representation from each host community, coordinates the implementation of the social investment programmes. The selection process for these programmes is designed to prioritise local development objectives whilst remaining aligned to Seplat's business objectives. Following the expiration of the original GMoU in December 2015, the framework was jointly reviewed by

both parties and a new agreement was signed in January 2016 for another five-year period, with Seplat contributed funds to local social development programmes increasing from 300 million naira to 350 million naira.

Over the past five years, Seplat has invested US\$48.1 million in its social investment programmes, positively impacting stakeholders at the community level through immediate impact projects identified following the completion of all Environmental and Social Impact Assessment ('ESIA') studies. These programmes have extended across skills development, education, healthcare, infrastructure development and environmental stewardship initiatives.

Health, Safety and Environment – 2015 Performance Review:

Seplat's commitment to upholding industry best practice in all its activities is particularly relevant to its health and safety practices as well as its environmental performance. We have a strong health and safety culture and a sustained commitment to minimising the environmental impact of our operations. Our performance in these areas is measured and evaluated year on year to ensure Seplat continues to achieve industry-high standards.

Health and Safety – 2015 Performance Review

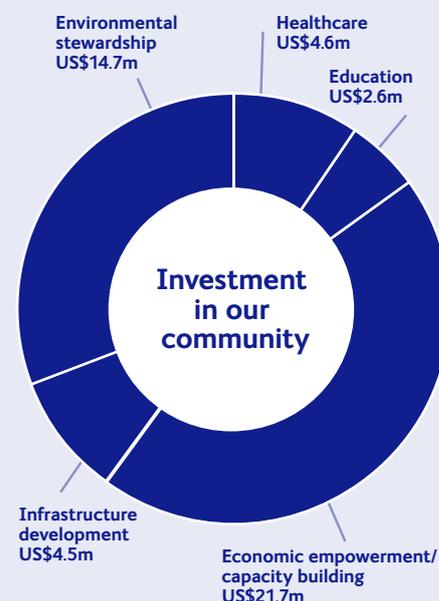
	2014	2015	2016 Targets
Fatalities (Employee and contractor)	0	0	0
Lost Time Injury Frequency ('LTIF')	0.4	0	0.0
Man hours without Lost Time Injury (% total)	67%	100%	100%

Environment – 2015 Performance Review

	2014	2015	2016 Targets
Flaring – million standard cubic feet ('MMscf')	9,465	7,642	6,200
Volume of oil spilled through own operations (thousand tonnes)	0.0004	0.1089	0.05
Volume of oil spilled through sabotage (thousand tonnes)	0.0014	0.0021	0.001
Groundwater contamination	Nil	Nil	Nil
Freshwater consumption (MMbbls)	1.18	1.5	1.5
Total Greenhouse Gas Emissions (mm tonnes CO ₂ equivalent)	N/A	0.01	<0.01

Social investment programmes:

The social investment programmes aim to target immediate impact projects at the community level, identified following the completion of all Environmental and Social Impact Assessment ('ESIA') studies. These include healthcare, education, economic empowerment/capacity building, infrastructure development and environmental stewardship initiatives as shown below.





Four strategic principles of the HSSE policy:

Safety and security of stakeholders



- Implementation of safety procedure systems
- Incident reporting and investigation procedure (to track performance and share lessons learned)
- Periodic health screening/survey of staff and contractor employees
- HSSE induction and awareness programme as well as competency training

Environmental safeguarding and conservation



- Environmental stewardship through the implementation of an approved Environmental Management Plan ('EMP')
- Conduct weekly monitoring of the quality of effluents, emissions and groundwater against statutory/international guidelines
- Implementation of rigorous waste management plan
- For projects, conduct applicable Environmental Impact Assessment ('EIA') studies and thereafter ensure periodic Environmental Evaluation Studies ('EES') to monitor impact of our operations and implement mitigation measures as appropriate

Ensuring mutual respect with host communities and local stakeholders



- Promoting proactive engagement with host communities and other stakeholders for peaceful co-existence in order to create an enabling environment for the Company's operations

Compliance with applicable statutory regulations and industry codes of practice



- Ensure compliance with applicable laws, regulations and permits to ensure violations are avoided
- Collaborate on the development of new or revised regulatory requirements via appropriate industry bodies to ensure performance as a best practice operator

Secondary schools in Delta and Edo States involved in PEARLS Quiz Programme

608

During 2015, our staff retention rate increased to

97.98%

During 2015, over

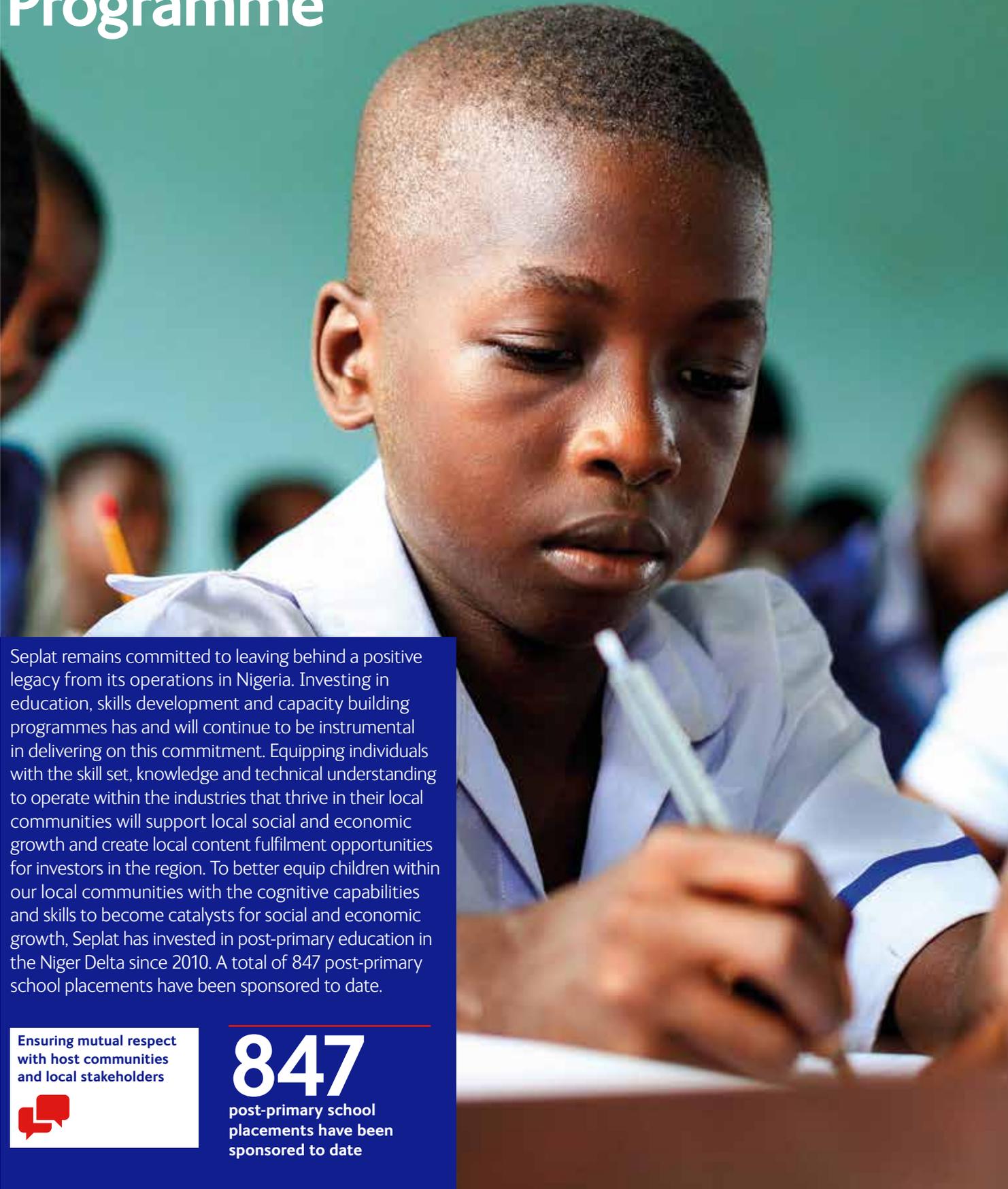
98%

of our employees were Nigerian

Zero

tolerance approach to bribery and corruption, and committed to transparency

Spotlight on Seplat's Post-Primary Scholarship Programme



Seplat remains committed to leaving behind a positive legacy from its operations in Nigeria. Investing in education, skills development and capacity building programmes has and will continue to be instrumental in delivering on this commitment. Equipping individuals with the skill set, knowledge and technical understanding to operate within the industries that thrive in their local communities will support local social and economic growth and create local content fulfilment opportunities for investors in the region. To better equip children within our local communities with the cognitive capabilities and skills to become catalysts for social and economic growth, Seplat has invested in post-primary education in the Niger Delta since 2010. A total of 847 post-primary school placements have been sponsored to date.

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Ensure access to affordable, reliable, sustainable and modern energy for all.

Goal 7, United Nations Sustainable Development Goals

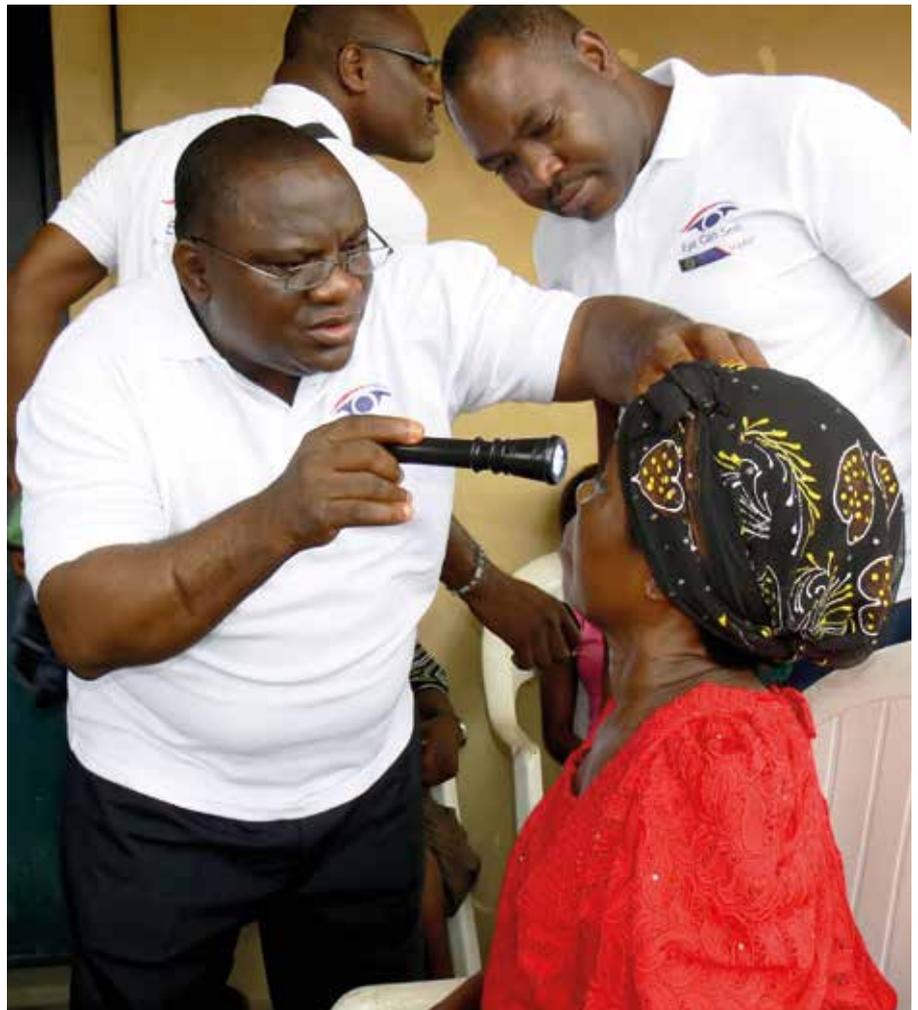


85 million

estimated number of people in Nigeria that lack access to electricity

The role of gas in powering social and economic growth in Nigeria

The gas opportunity within Nigeria does not only make commercial sense for Seplat, but in terms of fulfilling our commitment to leaving a positive legacy behind for our communities and the country, the case for scaling up our gas production is overwhelming. Africa is the most underpowered continent in the world, with six out of ten people lacking access to electricity. Whilst Nigeria has the largest GDP in Africa, electricity consumption in the country is almost one fifth lower than the Sub-Saharan Africa average at 126kWh per person compared with 150 kWh. South Africa and Nigeria will remain the largest commercial and industrial consumers of electricity over the next two decades, with both countries together accounting for more than 50% of 2040 demand.



Seplat's Eye Can See Programme

- The Eye Can See programme is in its fourth year of providing premium eye care to our host and neighbouring communities
- In 2015, the programme provided 3,000 reading glasses and carried out 350 cataract surgeries

Availability of power is the key to powering prosperity in Nigeria. The economic and social benefits from a country's electrification are undeniable. A third of all health centres and primary schools lack any access to electricity on the continent, translating into 90 million students and 255 million patients that are being educated and are receiving healthcare from places that have no power. Without reliable access to electricity from a national grid, many local businesses must run costly generators to keep operations functioning, costing somewhere between three and six times what electricity from the grid costs worldwide. Recognising the importance of power for sustainable development, it is the role of companies operating in the private sector within these markets, such as Seplat, to work together with the government and our communities to support transformational efforts to develop capacity and play a role in supporting universal energy access in the country.

The current state of the power sector in Nigeria is acting as a brake on development at present. Seplat is committed to increasing its gas supply to the domestic market, underpinning greater levels of power generation capacity.