Key performance indicators

Measuring our progress

Seplat measures its progress through certain key performance indicators that are closely linked to the successful delivery of its strategy.

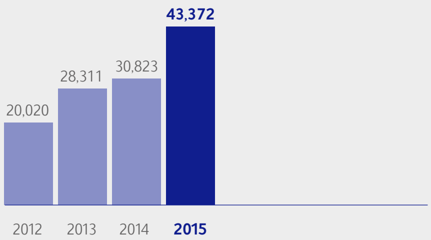
Strategic pillars

1	Maximise production and cash flows from operated assets
2	Move up 2C resources into 2P reserves category
3	Commercialise and produce gas reserves
4	Pursue a focused acquisition and farm-in strategy
5	Be a highly responsible corporate citizen

Our business model and strategy: page 22

Net average working interest production (boepd)

43,372



Delivering on our strategic pillars:

1/3/4

Definition
The Company's share of oil and gas produced during the year proportionate to its working interest in each producing block. Volumes expressed are as measured at the Company's facilities, prior to any reconciliation losses.

Relevance
An indicator of production strength at the Company's current blocks and the impact of development activities at organic and inorganic projects.

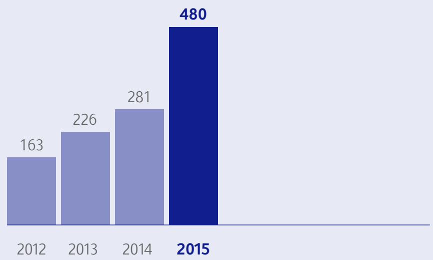
Progress
The Company has sustained an active drilling campaign at OMLs 4, 38 and 41 (albeit at a reduced level) that has seen daily output capacity steadily increase year on year. The average annual production rate is also influenced by the number of days third party export infrastructure is shut-in. 2015 production performance reflects an uptime level of 79% over the full year.

Outlook
The Company expects net average daily working interest production of 41,000 boepd to 48,000 boepd in 2016.

Risk management
The Company has an in depth understanding of the subsurface and constantly monitors individual well and reservoir performance in order to optimise the drawdown rate on each well and maximise long-term economic recovery of oil and gas from the reservoirs.

2P reserves movement (% increase/decrease)

+71%



Delivering on our strategic pillars:

2/3/4

Definition
The number of barrels of oil equivalent added to the 2P reserves base during the year, expressed as a percentage increase/decrease.

Relevance
An indicator of the Company's ability to capitalise on organic opportunities within its portfolio and inorganic opportunities to replenish its reserves base.

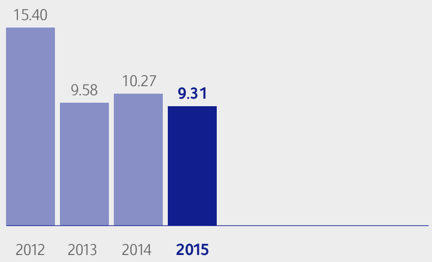
Progress
Working interest 2P reserves at end 2015 stood at 480 MMboe, an increase of +71% year on year. An organic reserve replacement ratio of 2x was achieved in 2015. Taking into account inorganic growth the reserve replacement ratio was 14x.

Outlook
The Company has a significant working interest 2C resource base of 98 MMboe that offers good additional reserves growth potential. The Company will also continue to evaluate acquisition opportunities and over the long term undertake a focused E&A drilling programme.

Risk management
The Company high grades its inventory of exploration and appraisal opportunities, each being subject to rigorous technical and commercial evaluation to de-risk them as far as possible prior to committing capital. When evaluating new acquisitions the Company is careful to maintain price discipline and undertake rigorous analysis.

Production Opex (US$/boe)

9.31



Delivering on our strategic pillars:

1/3/4

Definition
The operating costs (excluding non-cash flow expenses, and financing costs) net to the Company divided by the Company's working interest barrels of oil and equivalent produced in the period.

Relevance
An indicator of how cost efficiently the Company is able to produce its oil and gas reserves. By controlling its operating cost base the Company is able to be more resilient to periods of depressed oil prices.

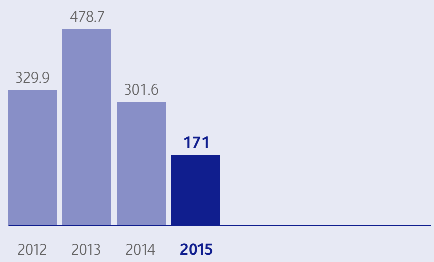
Progress
Opex costs per unit of production have remained substantially flat year on year and over the past three years have reduced overall as a result of increased volume output and operational efficiencies implemented over that period.

Outlook
The Company remains focused on cost control. Whilst increases in certain cost components are expected to increase year on year, there are areas where downwards pressure can be applied with the objective of achieving a stable unit cost.

Risk management
The Company carefully monitors expenditures and continually analyses its underlying cost base, making comparisons to prevailing market rates in order to ensure that the Company is identifying and able to action cost saving and efficiency gains, keeping it competitively positioned on the cost curve.

EBIT (US$ million)

171



Delivering on our strategic pillars:

1/3/4

Definition
The Company's earnings before the deduction of interest and tax expenses.

Relevance
An indicator of the Company's earnings ability. An increase in EBIT requires growth in revenue and/or strong cost control.

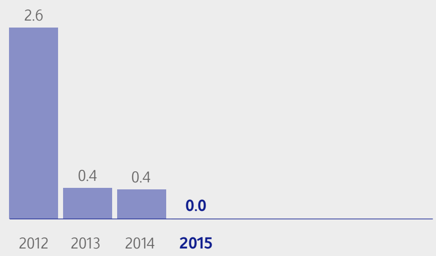
Progress
EBIT in 2015 reflects the lower oil price realisations year on year and has also been impacted by a number of non-recurring charges, in particular a one-off crude handling charge to balance reserved capacity versus utilised capacity in prior periods and costs associated with the major US$1 billion debt refinancing.

Outlook
Strong current oil production levels, tight cost control and anticipated growth in gas production at OMLs 4, 38 and 41 will ensure robust earnings potential in the future. Development of the recently acquired OML 53 and OML 55 will also enhance the future earnings profile.

Risk management
The Company has robust financial processes in place and carefully monitors revenues, cost of sales and administration costs to ensure continued strong profitability. Oil price is a major influencing factor on the Company's revenue. The Company is analysing hedging strategies to help mitigate exposure to oil price volatility.

LTIF (Number of incidents per million man hours)

0.0



Delivering on our strategic pillars:

1/2/3/5

Definition
The number of lost time incidents recorded per million man hours worked.

Relevance
An indicator of health and safety performance that is widely established within the oil and gas industry.

Progress
2015 was a very busy year operationally. The Company drilled eight wells over the year and of particular note completed the Phase I expansion of the Oben gas processing facility, together with other capital projects. The Company achieved an LTIF of zero during the year.

Outlook
In 2016 efforts will continue to minimise the frequency of lost time incidents in all areas of operations. The Company will continue to ensure high HSSE standards are met and assess opportunities to constantly improve its HSSE systems and protocols.

Risk management
The Company has in place extensive and well developed HSSE policies and reporting procedures with an emphasis on the early identification and mitigation of HSSE risks. The Company closely monitors its HSSE performance and is constantly evaluating ways to improve its performance.

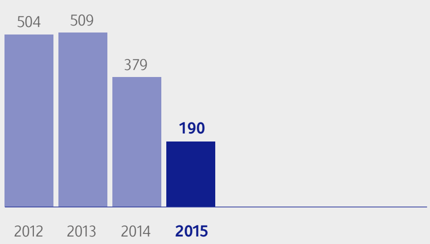
Additional performance metrics

Tracking our performance

In addition to its key performance indicators, Seplat also tracks performance against additional metrics that further assist in measuring progress.

Operating cash flow (US$ million)

190



Delivering on our strategic pillars:

1/3/4

Definition
The Company's operating cash flow in the year before taking into account movements in working capital.

Relevance
An indicator of the cash generative potential of the Company's producing oil and gas blocks.

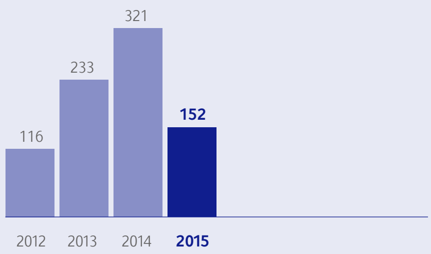
Progress
The Company's operating cash flow was mainly driven by production growth at OMLs 4, 38 and 41 during the year, although this was offset by lower realised oil prices. However, the contribution of the gas business increased significantly during the second half of the year following installation and commissioning of the new Oben gas processing facility and gas sales agreements being secured at progressively higher pricing levels.

Outlook
Strong current oil production levels and anticipated growth in gas production at OMLs 4, 38 and 41 will ensure robust cash flow generation in the future. Development of the recently acquired OML 53 and OML 55 blocks together with OPL 283 will also significantly augment future cash flow potential.

Risk management
Careful financial management and high levels of operating efficiency allow the Company to ensure positive cash generation from its operating activities.

Capital expenditure (US$ million)

152



Delivering on our strategic pillars:

1/2/3/4

Definition
The total amount of capital expenditure made during the year, excluding acquisition costs.

Relevance
An indicator of the Company's level of investment activities in production, development and exploration, and appraisal activities.

Progress
The Company has continued to invest in the development of its portfolio of blocks onshore the Niger Delta and in particular has prioritised acceleration of gas capacity development to supply the domestic market.

Outlook
The Company will continue to invest in the development of its portfolio, allocating capital to the opportunities that offer the best returns and volume growth potential whilst scaling and timing investments at appropriate levels to closely match cash flow generation.

Risk management
Project investments are monitored closely against budgets to minimise the risk of over-runs. The Company benchmarks every investment opportunity to ensure capital is deployed to only the highest return projects, and adheres to a price-disciplined acquisition strategy.

Strategic pillars

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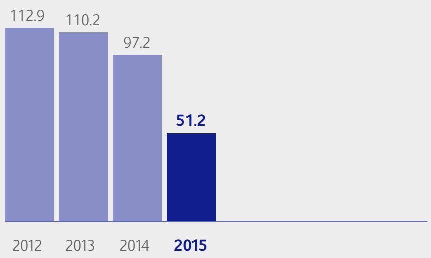
Our business model and strategy: page 22

Realised oil price (US$/bbl)

51.2



Delivering on our strategic pillars:

1/3

Definition
The average oil price per barrel sold by the Company during the period.

Relevance
The Company's financial performance is closely linked to the oil price.

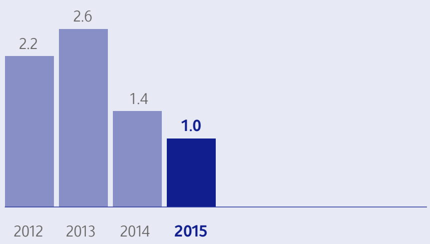
Progress
Oil prices continued to deteriorate over the course of 2015. In April the Company put in place deferred premium put options covering a volume of 4.4 MMbbls to year end at a strike price of US$52/bbl. This hedging programme has been rolled forward into 2016 when deferred premium put options covering a volume of 3.3 MMbbls have been put in place to mid year at a strike price of US$45/bbl.

Outlook
The Company sells its produced oil under the Forcados blend that has historically received a premium to a Brent marker price. Oil prices are expected to remain subject to macro-economic volatility.

Risk management
Management continue to closely monitor prevailing oil market dynamics and will consider further measures and take advantage of opportune periods to implement additional hedges to provide appropriate levels of cash flow assurance.

Staff turnover (%)

1.0



Delivering on our strategic pillars:

1/2/3/4/5

Definition
The rate at which full-time staff of Seplat choose to leave the Company voluntarily, expressed as a percentage of average full-time headcount during the year.

Relevance
An indicator of the Company's ability to attract and retain personnel. The loss of people can result in a skills shortage, loss of knowledge and higher recruitment costs.

Progress
The Company has continued to develop its employment policies with the aim of attracting and retaining high calibre industry talent.

Outlook
The industry is still expected, over the longer term, to continue to face skills shortages in key areas with competition for high-performing individuals amongst competitors being intense.

Risk management
The Company's policy is to provide industry-competitive benefits packages and provide progressive career opportunities to retain and attract high-performing employees.