



Sirius Petroleum Plc
("Sirius" or "Company")

Group Operational and Commercial Update

London, 31 January 2023: Sirius, an African focused oil & gas production and development company, is pleased to provide a group operational and commercial update ahead of the Company's Annual General Meeting today.

OML65

On 14 December 2022 the Company announced the completion of the OML65 transaction under which the Company fulfilled all conditions precedent ("CPs") to drawing funds under the senior loan facility of up to US\$200m which was previously executed with Trafigura, including the approvals previously secured from Nigeria's national oil company, NNPC Limited ("NNPC") regarding commencement of Phase 1 of the OML65 Approved Work Programme ("AWP").

The Company's senior loan facility, combined with subordinated loan facilities of US\$15m with a range of international institutions, provides the funding required to undertake the anticipated OML65 AWP.

Governance and Management

Sirius holds a 30 per cent interest in the joint venture operating company, COPDC, and the process of integrating the management teams has commenced with Sirius appointees, Dami Onaiide and Bobo Kuti, appointed respectively as Managing Director and Vice-Chairman. Other Sirius appointees will be joining the management of COPDC in due course.

The conduct and execution of the OML65 FTSA is overseen by a Management Committee ("ManCom"), including 4 representatives from COPDC and 4 representatives from Nigeria Exploration and Production Limited ("NEPL"), formerly NPDC. The ManCom is responsible for the high-level review of the financial, operational, environmental and sustainability performance of the OML65 FTSA as well as approval of budgets and work programmes.

Under the terms of the OML65 FTSA, the day-to-day management and administration of the FTSA is overseen by the OML65 Joint Project Management Team ("JPMT") which consists of eight members: 4 from COPDC and 4 from NEPL. The COPDC operational team is led by Victor Ekong, who has over 25 years of senior management experience in upstream oil and gas with IOCs in Nigeria. Mr Ekong is supported by seasoned subsurface experts spanning geoscience and engineering, with significant operational experience in Nigeria, including with IOCs.

Abura Field – Phase 1 Development Programme

We are currently in the process of reviewing technical information related to historic production and well performance and studying the subsurface reservoir models and materials in preparation for the commencement of phase 1 of the AWP, which will focus on the further development of the producing Abura field.

The immediate subsurface plan is to review and update the existing static and dynamic models of the Abura field, incorporating the latest production and pressure history available. The

updated history-match of the dynamic model will then be used to optimise the location of this year's planned development wells. The data gathering requirements from these first wells will also be studied to ensure the necessary reservoir information is available in order to plan the future development of the shallower undeveloped reservoirs. The focus for the first two wells will be infill production from established reservoir horizons.

In depth drilling well design will commence directly after the upcoming ManCom, after which a detailed basis of well design ("BOD") will be produced, from which the long lead items, well heads, casing type and other equipment and materials will be identified and orders placed. Discussions are already ongoing with suppliers. This BOD will then be discussed and shared with the Baker Hughes OML65 technical team, allowing them to structure their operational personnel and ensure all equipment is ready to be deployed. Discussions are also ongoing regarding fit for purpose, drilling rig requirements, and 3 suppliers have been identified, with contract negotiations due to start within the next 28 days.

Proposed Angola Acquisitions

In May 2022 the Company announced its partnership with Somoil S.A., the largest privately owned Angolan oil company. The Sirius-Somoil consortium, ('the Sirius-Somoil Consortium' or 'the Consortium'), signed Sale and Purchase Agreements ("SPA") with Sonangol Pesquisa e Produção S.A. ("Sonangol"), Angola's state-owned oil company, to acquire participating interests of 8.28% and 10% respectively in the producing Angolan offshore Blocks 18 and 31 and a 25% participating interest in the exploration Block 27, for a total consideration of US\$335.5m ("the Proposed Acquisition").

Blocks 18 and 31 are currently achieving gross production of approximately 60,000 bopd each and are generating strong and stable cash flows, particularly in the current oil price environment. These are world class, supermajor operated assets with considerable medium term development potential and we are excited by the transformational impact that these acquisitions will have on the Company's long-term potential.

The economic effective date of the Transaction is 22 April 2022 and final completion is expected to take place once customary conditions precedent have been satisfied and the Consortium has received approval from the Angolan Ministry of Mineral Resources, Oil and Gas.

We are very pleased to be working with the senior management team at Somoil and confidently look forward to a long-term partnership, working alongside the other participating interest owners and the Angolan oil and gas authorities, to best effect for all stakeholders, particularly in relation to a number of sustainability community-based projects once the transaction has been completed.

Proposed Listing Process

The Company continues its work to prepare for a listing for the company's issued share capital on the LSEG's AIM market, and intends to undertake this once the proposed acquisition of the Angolan interests is completed.

Commenting, Bobo Kuti, CEO, Sirius Petroleum Plc, said: "In line with our group strategy, we are building a portfolio of world class producing and development assets, working in partnership with our excellent asset, funding and operational partners. We are establishing strong and long-lasting relationships with the national oil companies in Nigeria and Angola and have established a strong financial base from which to achieve our future growth plans."

Notes:

About OML65: a producing block located within the Greater Ughelli Depobelt, Niger Delta.

- The existing producing field, Abura, has been in production since the 1970s, has been ascribed 16.2 mmbbls remaining 2P reserves.
- OML65 also contains two further discovered fields with an estimated 34.9 mmbbls¹ additional 2P reserves, Owopole and Osioka. The fields have not been developed to date and will form part of the forward work programme.
- The recoverable volumes attributed to the Abura, Osioka and Owopole fields by Gaffney Cline are based on an assumed average recovery factor of 30%, which is conservative in the context of recovery factors typically achieved on analogous fields in the Niger Delta.
- Gaffney Cline has estimated 3P reserves of over 78mmbbls for Abura, Osioka and Owopole, implying an additional 27mmbbls of recoverable volumes in the high case.
- In addition, there are two targeted deeper prospects at Abura and Osioka containing an additional 227mmbbls¹ oil in place, to which Gaffney Cline have attributed P50 prospective resources of 91mmbbls, implying a recovery factor of 40%.
- The production facilities servicing the Abura field are capable of handling up to 40,000 bopd.

¹ Gaffney Cline & Associates June 2021 CPR

Proposed Acquisition of Interests in Angolan Offshore Blocks 18, 27 and 31

In May 2022, Sirius established local JV partner, Somoil S.A., the largest privately owned Angolan oil company, the joint Sirius-Somoil consortium, ('the Sirius-Somoil Consortium' or 'the Consortium'), signed a legally binding Sale and Purchase Agreement ("SPA") with Sonangol Pesquisa e Produção S.A. ("Sonangol"), Angola's state-owned oil company, to:

- Acquire participating interests of 8.28% and 10% respectively in the producing Angolan offshore Blocks 18 and 31.
- Acquire 25% participating interest in the exploration Block 27, for a total consideration of US\$335.5m ("the Proposed Acquisition").
- Prolific deepwater production assets with strong cash flow characteristics.
- Current gross production from Blocks 18+31 is averaging c.120,000 bopd.
- Net production entitlement to the Consortium expected to average 11,000 bopd.
- Significant cash flow entitlement given low operating costs and unrecovered costs
- Major medium and long-term development upside.
- Sirius-Somoil will be making targeted investments in Sonangol social projects in Angola as part of its committed strategy of working with partners to improve lives through sustainability initiatives in the community.

Block 31 – Producing

- Acquiring a 10.0% interest for a total consideration of US\$170m.
- Unrecovered development cost balance of c.\$14bn boosts contractor group entitlements, enhancing overall EBITDA/bbl and long-term returns.
- The Block is operated by BP Angola and is located offshore some 400 kilometres north west of Luanda.
- The block consists of four oil fields; Plutão, Saturno, Vénus and Marte ("PSVM"), which were discovered between 2002 and 2004 in water depths of up to 2,000 metres in the North East part of Block 31. PSVM is the second BP-operated development in Angola and

production started up in December 2012. Licence partners are currently BP (26.67%), Equinor (13.3%), Sinopec International (15%), Sonangol (45%).

- Current gross production from the block is averaging c.60,000 bopd.
- Gross 2P/2C reserves of 275mmbbls relate to existing production and sanctioned developments, according to the operator.
- Further gross 2C resources of 516 mmbbls from existing discoveries, according to Gaffney Cline & Associates.
- Future payments, on new developments within the block, are contingent on sustained high oil prices (\geq \$75/bbl) and first oil from long-term developments.

Block 18 – Producing

- Acquiring an 8.28% interest for a total consideration of US\$165m.
- The block is operated by BP Angola and is located offshore, 160 kilometres northwest of Luanda. Eight discoveries have been made in this block, of which the fields Galio, Cromio, Cobalto, Paladio, and Plutonio make up the first producing complex known as Greater Plutonio.
- Production started in 2007 and remains at material levels. Late last year the Platina project started production adding significant volumes and reserves to total block.
- production. Licence partners are currently BP (26.67%), Equinor (13.3%), Sinopec International (15%), Sonangol (45%).
- Current gross production from the block is averaging c.60,000 bopd.
- Gross 2P/2C reserves of 220mmbbls relate to existing production and sanctioned developments, according to the operator.
- Future payments, on new developments within the block, are contingent on sustained high oil prices (\geq \$75/bbl) and first oil from long-term developments.

Block 27 – Exploration

- The Consortium is acquiring a 25.0% non-operated interest in this deepwater exploration and appraisal block for a total consideration of US\$0.5m.
- The block is located offshore in the Kwanza basin, an area known for its gas potential.

Ends