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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

15 October 2019

**RECOMMENDED CASH ACQUISITION**

of

**Eland Oil & Gas PLC (“Eland”)**

by

**Seplat Petroleum Development Company Plc (“Seplat”)**

**to be effected by means of a Scheme of Arrangement**

**under Part 26 of the Companies Act 2006**

**Summary and Highlights**

- The boards of Seplat and Eland are pleased to announce that they have reached agreement on the terms of a recommended cash acquisition of the entire issued and to be issued ordinary share capital of Eland by Seplat (the “**Acquisition**”). The Acquisition is to be effected by means of a scheme of arrangement under Part 26 of the Companies Act.
- Under the terms of the Acquisition, each Eland Shareholder will be entitled to receive:  
**for each Eland Share** **166 pence in cash**
- The Acquisition values the entire issued and to be issued ordinary share capital of Eland at approximately £382 million on a fully diluted basis, and represents:
  - a premium of approximately 28.5 per cent. to the Closing Price per Eland Share of 129.2 pence on 14 October 2019 (being the latest practicable date prior to this Announcement);
  - a premium of approximately 32.6 per cent. to the three-month volume weighted average price per Eland Share as of 14 October 2019 of 125.2 pence; and
  - a premium of approximately 32.7 per cent. to the six-month volume weighted average price per Eland Share as of 14 October 2019 of 125.1 pence.
- In addition, Eland Shareholders on the register at the close of business on 18 October 2019 will be entitled to receive and retain the interim dividend of 1 pence per Eland Share to be paid on 31 October 2019.

**Eland Recommendation**

- The Eland Directors, who have been so advised by Evercore as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In

providing its advice to the Eland Directors, Evercore has taken into account the commercial assessments of the Eland Directors. Evercore is providing independent financial advice to the Eland Directors for the purposes of Rule 3 of the Code.

- Accordingly, the Eland Directors unanimously intend to recommend that Eland Shareholders vote in favour of: (i) the Scheme at the Court Meeting; and (ii) the Resolution at the General Meeting, in each case as the Eland Directors who are interested in Eland Shares have irrevocably undertaken to do in respect of those Eland Shares in respect of which they are able to control the exercise of voting rights, amounting in aggregate to 609,657 Eland Shares and representing approximately 0.28 per cent. of the issued share capital of Eland.

### **Irrevocable Undertakings**

- In addition to the above-mentioned irrevocable undertakings from the Eland Directors, Seplat has also received irrevocable undertakings from Helios Natural Resources Limited (“**Helios**”), Lombard Odier Asset Management (Europe) Limited (“**LOAME**”) and Richard I Griffiths to vote, or procure the voting, to approve the Scheme at the Court Meeting and vote, or procure the voting, in favour of the Resolution at the General Meeting in respect of a total of 129,118,048 Eland Shares, representing approximately 59.89 per cent. of the existing issued ordinary share capital of Eland.
- Therefore, as at the date of this Announcement, Seplat has received irrevocable undertakings to vote, or procure the voting, to approve the Scheme at the Court Meeting and vote, or procure the voting, in favour of the Resolution at the General Meeting with respect to a total of 129,727,705 Eland Shares, representing approximately 60.17 per cent. of the existing issued ordinary share capital of Eland. Further details of the above-mentioned irrevocable undertakings are set out in Appendix III to this Announcement.

### **Information on Seplat**

- Seplat is a leading independent oil and natural gas producer in the Niger Delta area of Nigeria, and a leading supplier of processed natural gas to the domestic market, fully listed on both the Nigerian Stock Exchange and the London Stock Exchange since April 2014. As a full cycle upstream oil and gas exploration and production company, Seplat’s focus is on maximising hydrocarbon production and recovery from existing production and development assets, realising the upside potential within the portfolio through focused appraisal and exploration activities and farm-in into new opportunities in Nigeria. Seplat’s existing portfolio comprises of direct interests in five blocks in the Niger Delta area and a revenue interest in an additional block.

### **Information on Eland**

- Eland is an independent oil and gas company focused on production, development and exploration in West Africa, particularly the Niger Delta region of Nigeria. Eland was founded in 2009 with a strategy to deliver exceptional shareholder returns through a combination of development, production growth and exploration success. In 2012 Eland, through its joint venture company, Elcrest, purchased a 45 per cent. interest in OML 40 and in 2014 acquired a 40 per cent. stake in a second licence, Ubima. Led by its experienced senior management and operating team, the Eland Group took gross production on OML 40 from 3,338bopd average daily production for producing days in

2014 to a peak 2018 production rate of over 31,000bopd, an increase of over 800 per cent. Eland's headquarters are in Aberdeen, with additional offices in London, Lagos, Benin City and Abuja.

## Financing

- The cash consideration payable under the Acquisition is being wholly funded through a combination of existing cash resources of Seplat and a new loan facility available to Seplat.
- In accordance with Rule 2.7(d) of the Code, Citi, as sole financial adviser to Seplat, is satisfied that sufficient resources are available to Seplat to satisfy in full the cash consideration payable to Eland Shareholders under the terms of the Acquisition.

## Timetable and Conditions

- The Acquisition will be put to Eland Shareholders at the Court Meeting and at the General Meeting. In order to become Effective, the Scheme must be approved by a majority in number of the Eland Shareholders voting at the Court Meeting, either in person or by proxy, representing at least 75 per cent. in value of the Eland Shares voted. In addition, a special resolution, to deal with certain matters ancillary to the Scheme, must be passed by Eland Shareholders representing at least 75 per cent. of the votes cast at the General Meeting.
- Subject to, among other things, the satisfaction or the waiver of the Conditions, the Scheme is expected to become Effective in late 2019.
- The Scheme Document, containing further information about the Acquisition and notices of the Court Meeting and the General Meeting, will be published as soon as practicable and, in any event, within 28 days of this Announcement.

Commenting on the Acquisition, George Maxwell, CEO of Eland, said:

*"This recommended offer from Seplat represents the culmination of a very successful journey by Eland, the management team and all of its stakeholders. Since founding Eland, we have, jointly with our partners in Elcrest, acquired our interests in OML 40, a non-producing asset, achieved an all-time record production on this asset and become a significant independent producer in Nigeria's E&P landscape and one of the biggest oil producers on London's AIM market.*

*Eland has, in a period which has seen a significant cyclical downturn in our industry, outperformed most of its peers and the AIM Oil & Gas Index. This transaction represents a record share price for Eland and crystallises Eland's stated goal to maximise shareholder value."*

Russell Harvey, Chairman of Eland, commented:

*"We are pleased to announce this recommended Acquisition by Seplat. Eland's management team has done an excellent job executing our strategy. We have demonstrated a strong track record of operational delivery and value creation in Nigeria from our high-quality assets. This offer allows Eland Shareholders to benefit from an accelerated and enhanced realisation of this value through a cash offer at a significant premium to the current market value. In addition, the business will benefit from the opportunity to become part of a more significant player in the*

*Nigerian oil and gas market. For these reasons, the Eland Board unanimously intends to recommend the offer to Eland Shareholders.”*

Commenting on the Acquisition, Dr. Bryant Orjiako, Chairman of Seplat, said:

*“Since Seplat acquired its first blocks and commenced production in 2010, we have increased oil and gas production and grown reserves in each year of operation, delivering significant growth and value for our shareholders. We firmly believe that Eland is a complementary fit with Seplat and that there will be enhanced scale and a wider range of capabilities made available to the enlarged group through the combination.*

*This acquisition signals the next step in our journey that will underpin Seplat’s ambition to be the leading independent E&P in Nigeria.”*

Austin Avuru, CEO of Seplat, commented:

*“We are pleased to have reached an agreement to acquire Eland and its portfolio of assets that will enhance our existing operations. Eland is an excellent fit with Seplat and the combination should achieve for us growth and increased profitability, creating value for our shareholders, employees and other stakeholders while offering an attractive upfront premium to Eland Shareholders. The Acquisition, made possible by our robust operational platform and headroom in our capital structure, is in line with a key part of our established strategy which is to pursue opportunities in the onshore and offshore areas of Nigeria that offer near term production with cash flow and reserves potential.*

*The Acquisition reinforces Seplat’s status as one of Nigeria’s leading indigenous, independent E&Ps and will create a Nigerian E&P champion with the footprint and technical capabilities to further grow and consolidate in Nigeria.”*

***This Summary should be read in conjunction with, and is subject to, the full text of this Announcement. The Acquisition will be subject to the Conditions and further terms set out in Appendix I to this Announcement and to the full terms and conditions which will be set out in the Scheme Document. Appendix II to this Announcement contains the sources and bases of certain information contained in this Announcement, Appendix III contains a summary of the irrevocable undertakings received in relation to the Acquisition and Appendix IV contains definitions of certain expressions used in the Summary and in this Announcement.***

## **Further Information**

White & Case LLP and Olaniwun Ajayi LP are providing legal advice to Seplat. Mayer Brown International LLP, Stronachs LLP and Streamsowers & Köhn are providing legal advice to Eland.

## **Enquiries:**

**Eland**

**+44 (0) 20 7016 3180**

George Maxwell, Chief Executive Officer

Ron Bain, Chief Financial Officer  
Finlay Thomson, Investor Relations Manager

**Evercore (Sole Financial Adviser to Eland) +44 (0) 20 7653 6000**

David Waring  
Edward Banks  
Gent Kadare

**Peel Hunt (Nominated Adviser and Joint Broker to Eland) +44 (0) 20 7418 8900**

Richard Crichton  
Michael Nicholson  
David McKeown

**Stifel (Joint Broker to Eland) +44 (0) 20 7710 7600**

Callum Stewart  
Nicholas Rhodes  
Ashton Clanfield

**Camarco (PR Adviser to Eland) +44 (0) 20 3757 4980**

Billy Clegg

**Seplat +234 (0) 1 277 0400**

Austin Avuru, Chief Executive Officer  
Roger Brown, Chief Financial Officer  
Chioma Nwachuku, GM - External Affairs and Communications  
Ayeesha Aliyu, Investor Relations

**Citi +44 (0) 20 7986 4000  
(Sole Financial Adviser and Joint Corporate Broker to  
Seplat)**

Luke Spells  
Shreyas Bordia  
Tom Reid (Corporate Broking)

**Investec**  
**(Joint Corporate Broker to Seplat)**

**+44 (0) 20 7597 4000**

Chris Sim  
Tejas Padalkar  
Lawrence Killian

**FTI Consulting (PR Adviser to Seplat)**

**+44 (0) 20 3727 1000**

Ben Brewerton  
Sara Powell

### ***Important Notices***

*Citigroup Global Markets Limited ("Citi"), which is authorised by the Prudential Regulation Authority and regulated in the UK by the Financial Conduct Authority and the Prudential Regulation Authority, is acting as sole financial adviser for Seplat and for no one else in connection with the Acquisition and other matters described in this Announcement, and will not be responsible to anyone other than Seplat for providing the protections afforded to clients of Citi nor for providing advice in connection with Acquisition, the contents of this Announcement or any other matters referred to in this Announcement. Neither Citi nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, in delict, under statute or otherwise) to any person who is not a client of Citi in connection with this Announcement, any statement contained herein, the Acquisition or otherwise.*

*Investec Bank plc ("Investec") which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority, is acting as joint corporate broker to Seplat and for no one else in connection with the Acquisition and will not be responsible to anyone other than Seplat for providing the protections afforded to its clients or for providing advice in relation to the Acquisition, the contents of this Announcement or any other matters referred to in this Announcement.*

*Apart from the responsibilities and liabilities, if any, which may be imposed on Investec by the Financial Services and Markets Act 2000 (as amended) or the regulatory regime established thereunder, Investec does not make any representation express or implied in relation to, nor accepts any responsibility whatsoever for, the Acquisition, the contents of this Announcement or any other matters referred to in this Announcement. Investec (and its affiliates) accordingly, to the fullest extent permissible by law, disclaims all and any responsibility or liability (save for any statutory liability) whether arising in tort, delict, contract or otherwise which it might have in respect of the Acquisition, the contents of this Announcement or any other matters referred to in this Announcement.*

*Evercore Partners International LLP ("Evercore"), which is authorised and regulated by the Financial Conduct Authority in the UK, is acting exclusively as financial adviser to Eland and no*

one else in connection with the matters described in this Announcement and will not be responsible to anyone other than Eland for providing the protections afforded to clients of Evercore nor for providing advice in connection with the matters referred to herein. Neither Evercore nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, in delict, under statute or otherwise) to any person who is not a client of Evercore in connection with this Announcement, any statement contained herein, any offer or otherwise. Apart from the responsibilities and liabilities, if any, which may be imposed on Evercore by the Financial Services and Markets Act 2000, or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, neither Evercore nor any of its affiliates accepts any responsibility or liability whatsoever for the contents of this Announcement, and no representation, express or implied, is made by it, or purported to be made on its behalf, in relation to the contents of this Announcement, including its accuracy, completeness or verification of any other statement made or purported to be made by it, or on its behalf, in connection with Eland or the matters described in this document. To the fullest extent permitted by applicable law, Evercore and its affiliates accordingly disclaim all and any responsibility or liability whether arising in tort, in delict, contract or otherwise (save as referred to above) which they might otherwise have in respect of this Announcement or any statement contained herein.

Peel Hunt LLP (“Peel Hunt”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Eland and no one else in connection with the Acquisition, the other matters referred to in this Announcement and the Scheme Document, and will not be responsible to anyone other than Eland for providing the protections afforded to clients of Peel Hunt or for providing advice in connection with the Acquisition or any matter or arrangement referred to herein.

Stifel Nicolaus Europe Limited (“Stifel”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Eland and no one else in connection with the Acquisition, the other matters referred to in this Announcement and the Scheme Document, and will not be responsible to anyone other than Eland for providing the protections afforded to clients of Stifel or for providing advice in connection with the Acquisition or any matter or arrangement referred to herein.

### **Further Information**

This Announcement is for information purposes only and does not constitute an offer to sell or an invitation to purchase any securities or the solicitation of an offer to buy any securities, pursuant to the Acquisition or otherwise. The Acquisition will be made solely by means of the Scheme Document or any document by which the Acquisition is made which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition.

This Announcement has been prepared for the purpose of complying with English law, Scots law, Nigerian law, the Code and the NSE Rules and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom and Nigeria.

This Announcement does not constitute a prospectus or prospectus equivalent document.

## **Overseas Shareholders**

*The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to the laws of other jurisdictions should inform themselves of, and observe, any applicable requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.*

*Unless otherwise determined by Seplat or required by the Code and permitted by applicable law and regulation, the Acquisition will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Announcement and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this Announcement and all documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.*

*The availability of the Acquisition to Eland Shareholders who are not resident in the United Kingdom (and, in particular, their ability to vote their Eland Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf) may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements, as any failure to comply with such requirements may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.*

*This Announcement does not constitute a prospectus or prospectus equivalent document.*

## **Additional Information for US Investors**

*The Acquisition is being made to acquire the securities of a Scottish company by means of a scheme of arrangement provided for under the laws of Scotland. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules under the US Exchange Act. Accordingly, the Scheme will be subject to disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement, which are different from the disclosure requirements of the US tender offer rules. The financial information included in this Announcement and the Scheme documentation has been or will have been prepared in accordance with IFRS and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US. If Seplat were to elect to implement the Acquisition by means of a takeover offer, such takeover offer would be made in compliance with applicable US*

laws and regulations, including Section 14(e) of the US Exchange Act and Regulation 14E thereunder. Such a takeover would be made in the United States by Seplat and no one else.

The receipt of cash pursuant to the Acquisition by a US holder as consideration for the transfer of its Eland Shares pursuant to the Scheme will likely be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other, tax laws. Each Eland Shareholder is urged to consult his independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to him.

It may be difficult for US holders to enforce their rights and claims arising out of the US federal securities laws, since Seplat and Eland are located in countries other than the US, and some or all of their officers and directors may be residents of countries other than the US. US holders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Seplat, certain affiliated companies and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Eland outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes Effective, lapses or is otherwise withdrawn. Also, in accordance with Rule 14e-5(b) of the US Exchange Act, Citi will continue to act as an exempt principal trader in Eland Shares on the London Stock Exchange. If such purchases or arrangements to purchase were to be made they would occur either in the open market at prevailing prices or in private transactions at negotiated prices and comply with applicable law, including the US Exchange Act. Any information about such purchases or arrangements to purchase will be disclosed as required in the United Kingdom, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).

### **Additional Information for Nigerian Investors**

This Announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for, or otherwise invest in Seplat's securities in Nigeria.

### **Forward Looking Statements**

This Announcement contains statements about Seplat and Eland that are or may be forward-looking statements. All statements other than statements of historical facts included in this Announcement may be forward-looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "estimates", "projects" or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Seplat's or Eland's operations and potential synergies resulting from the Acquisition; and (iii) the effects of government regulation on Seplat's or Eland's business.

*Such forward-looking statements involve risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof. Each of Seplat and Eland disclaims any obligation to update any forward-looking or other statements contained herein, except as required by applicable law.*

### **No Profit Forecasts or Estimates**

*No statement in this Announcement is intended as a profit forecast or estimate for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per share for Eland for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Eland.*

### **Dealing and Opening Position Disclosure Requirements of the Code**

*Under Rule 8.3(a) of the Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified.*

*An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of: (i) the offeree company; and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) of the Code applies must be made by no later than 3:30 p.m. (London time) on the 10th business day following the commencement of the Offer Period and, if appropriate, by no later than 3:30 p.m. (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of: (i) the offeree company; and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8 of the Code. A Dealing Disclosure by a person to whom Rule 8.3(b) of the Code applies must be made by no later than 3:30 p.m. (London time) on the business day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a*

securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3 of the Code.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Code).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

### **Publication on Website and Availability of Hard Copies**

This Announcement and the documents required to be published pursuant to Rule 26.1 of the Code and pursuant to Rule 26 of the AIM Rules for Companies will be available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Eland's website at [www.elandoilandgas.com](http://www.elandoilandgas.com) by no later than 12:00 noon (London time) on the Business Day following this Announcement. This Announcement shall also be published pursuant to Rule 17.20 of the NSE Rules be published on Seplat's website at [www.seplatpetroleum.com](http://www.seplatpetroleum.com) by no later than 12:00 noon (London time) on the Business Day following this Announcement.

Neither the content of any website referred to in this Announcement nor the content of any website accessible from hyperlinks is incorporated into, or forms part of, this Announcement.

You may request a hard copy of this Announcement by contacting Citi on +44 (0)207 986 4000. You may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.

### **Rounding**

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

### **Rule 2.9 Disclosure**

In accordance with Rule 2.9 of the Code, Eland confirms that as at the date of this Announcement, it has in issue and admitted to trading on AIM 215,591,741 ordinary shares of ten pence each (excluding ordinary shares held in treasury). The International Securities Identification Number (ISIN) of the ordinary shares is GB00B8HHWX64.

### **Important Information**

If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your

*stockbroker, bank manager, solicitor, accountant or independent financial advisor duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are a resident in the United Kingdom or, if not, from another appropriately authorised independent financial advisor.*

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**by**

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**to be effected by means of a Scheme of Arrangement**

**under Part 26 of the Companies Act 2006**

**1. Introduction**

The boards of Seplat and Eland are pleased to announce that they have reached agreement on the terms of a recommended cash acquisition pursuant to which Seplat will acquire the entire issued and to be issued share capital of Eland (the “**Acquisition**”). The Acquisition is to be effected by means of a scheme of arrangement under part 26 of the Companies Act.

**2. The Acquisition**

Under the terms of the Acquisition, which will be subject to Conditions and further terms set out in Appendix I to this Announcement and to be set out in the Scheme Document, Eland Shareholders will be entitled to receive:

**for each Eland Share**

**166 pence in cash**

The Acquisition values the entire issued and to be issued ordinary share capital of Eland at approximately £382 million on a fully diluted basis, and represents:

- a premium of approximately 28.5 per cent. to the Closing Price per Eland Share of 129.2 pence on 14 October 2019 (being the latest practicable date prior to this Announcement);
- a premium of approximately 32.6 per cent. to the three-month volume weighted average price per Eland Share as of 14 October 2019 of 125.2 pence; and
- a premium of approximately 32.7 per cent. to the six-month volume weighted average price per Eland Share as of 14 October 2019 of 125.1 pence.

In addition, Eland Shareholders on the register at the close of business on 18 October 2019 will be entitled to receive and retain the interim dividend of 1 pence per Eland Share to be paid on 31 October 2019.

It is currently expected that the Scheme Document will be published as soon as practicable (and, in any event, within 28 days of this Announcement), that the Court Meeting and the General Meeting will be held in November 2019 and that the Scheme will become Effective in late 2019.

### **3. Background to and Reasons for the Acquisition**

Seplat is a leading indigenous E&P with a robust operational platform, experienced management team and a proven track record of operational delivery. The Seplat Board believes that a combination with Eland will create a scaled Nigerian E&P champion with the footprint and technical capabilities to further grow and consolidate in Nigeria, cementing Seplat's position as one of the leading independent players.

In line with Seplat's growth strategy to prioritise opportunities in the onshore and offshore areas of Nigeria that offer near-term production, cash flow and reserve replacement potential, the Seplat Board has followed the development of Eland for some time and believes that it is a strong business and that there is a compelling, complementary fit between Seplat and Eland. The Seplat Board believes this combination will leverage Seplat's core production and development expertise to capture potential upsides and increase growth and profitability. The combined business will have greater scale in production and reserves and should create long-term value for stakeholders.

The combination will enable:

- Seplat's Working Interest liquids production to increase to 38Kbopd, based on Seplat's and Eland's 2019 production guidance with Seplat's gas production of 158MMscfd (26Kboepd), giving a total Working Interest production of 64Kboepd;
- Seplat's 2P Liquids Reserves to increase by 41MMbbls to 268MMbbls and Seplat's 2P Oil Reserves and 2C Oil Resources to increase by approximately 65MMbbls to 330MMbbls, giving total oil and gas reserves of 626MMboe; and
- additional upside potential with un-appraised discoveries.

Seplat has the financial and technical capacity to develop Eland's assets and will deliver long-term benefits for employees, partners, host communities and Nigeria as a whole. As a leading indigenous operator, Seplat understands the critical role it must play to drive a positive socio-economic impact among its communities. Seplat's management team's knowledge of Eland's producing assets and operations will allow the assets to be efficiently integrated into Seplat's existing portfolio.

### **4. Recommendation**

The Eland Directors, who have been so advised by Evercore as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing its advice to the Eland Directors, Evercore has taken into account the commercial assessments of the Eland Directors. Evercore is providing independent financial advice to the Eland Directors for the purposes of Rule 3 of the Code.

Accordingly, the Eland Directors intend to unanimously recommend that Eland Shareholders vote in favour of: (i) the Scheme at the Court Meeting; and (ii) the Resolution

at the General Meeting, in each case as the Eland Directors who are interested in Eland Shares have irrevocably undertaken to do in respect of those Eland Shares in respect of which they are able to control the exercise of voting rights, amounting in aggregate to 609,657 Eland Shares and representing approximately 0.28 per cent. of the issued share capital of Eland.

## **5. Background to and Reasons for the Recommendation**

Eland is an independent oil and gas company focused on production, development and exploration in West Africa, particularly the Niger Delta region of Nigeria. Eland was founded in 2009 and listed on AIM in 2012.

Led by its experienced senior management and operating team, Eland's strategy has been to deliver exceptional shareholder returns through a combination of asset development, production growth and exploration success on its assets.

In 2012, Eland through its joint venture company, Elcrest, completed the acquisition of a 45 per cent. equity stake in OML 40. Development activities on OML 40 continued throughout 2013, and in early 2014, production recommenced from Opuama. In late 2015 and 2016 Eland executed a successful workover campaign, taking production on Opuama from approximately 3,500bopd to in excess of 11,500bopd. In 2017, Eland began a continuous drilling campaign, drilling five wells on Opuama before moving to Gbetiokun.

Production from Gbetiokun (on OML 40) commenced this year, having received regulatory approval for the Gbetiokun development plan from the Nigerian Department of Petroleum Resources earlier in 2019. The first two wells were successfully flow tested with cumulative rates up to 12,000bopd with the third well in the initial six-well programme, Gbetiokun-4, near completion.

The continuous drilling campaign on both Opuama and Gbetiokun has led to OML 40's average net production increasing for five consecutive half year periods with average net production of 9,948bopd seen during the first half of 2019.

Eland acquired a 40 per cent. stake in a second licence, Ubima, in 2014, and appraisal of Ubima was carried out in 2018 via the Ubima-1 re-entry, successfully increasing Ubima's gross 2P Reserves to 9.3MMbbls of oil (as set out in Netherland Sewell & Associates' Competent Persons Report dated 31 December 2018).

Led by its experienced senior management and operating team, the Eland Group took gross production on OML 40 from 3,338bopd average daily production for producing days in 2014 to a peak 2018 production rate of over 31,000bopd, an increase of over 800 per cent. This process has been achieved together with the help of Eland's partners and local host communities and Eland believes they will continue to benefit from ongoing investment in its asset portfolio as part of Seplat.

In 2019, the Eland Board also approved a debut dividend of one pence per Eland Share.

The Eland Board believes that its management team has done an excellent job executing the company's strategy with a strong track record of operational delivery and value creation

in Nigeria from high-quality assets. The Acquisition allows Eland Shareholders to benefit from an accelerated and enhanced realisation of this value through a cash offer at a significant premium to the current market value. In addition, the business will benefit from the opportunity to become part of a more significant player in the Nigerian oil and gas market.

For these reasons, the Eland Board intends to unanimously recommend the offer to Eland Shareholders.

The Eland Board welcomes Seplat's recognition of the importance and value of the skills and experience of existing Eland employees, and Seplat's commitment to safeguard the contractual rights of Eland's management and employees. The Eland Board notes Seplat's intention to continue to operate Eland as a standalone business within the combined company immediately following completion and to initiate an integration process over time, and that the integration process would be subject to comprehensive planning and appropriate engagement with stakeholders and employees.

The Eland Board notes that the functional currency of Company is US\$. As a result, the Sterling value of the business can be affected by movements in the US\$/Sterling exchange rate. As the Acquisition is priced in Sterling, any such exchange rate movements prior to the Effective Date will not affect the value placed on Eland Shares by the Acquisition.

## **6. Irrevocable Undertakings**

Seplat has received irrevocable undertakings from each of the Eland Directors who are interested in Eland Shares to vote in favour of the Scheme at the Court Meeting and the Resolution at the General Meeting, in respect of those shares in respect of which they are able to control the exercise of voting rights, being a total of 609,657 Eland Shares, representing approximately 0.28 per cent. of the share capital of Eland in issue. These irrevocable undertakings remain binding in the event of a competing offer. Further details of these irrevocable undertakings are set out in Appendix III to this Announcement.

In addition to the above-mentioned irrevocable undertakings from the Eland Directors, Seplat has also received irrevocable undertakings from Helios Natural Resources Limited ("**Helios**"), Lombard Odier Asset Management (Europe) Limited ("**LOAME**") and Richard I Griffiths to vote, or procure the voting, to approve the Scheme at the Court Meeting and vote, or procure the voting, in favour of the Resolution at the General Meeting or, if (with the consent of the Panel) Seplat exercises its right to implement the Acquisition by way of a Takeover Offer, to accept, or procure the acceptance of such Takeover Offer in respect of a total of 129,118,048 Eland Shares representing approximately 59.89 per cent. of the existing issued ordinary share capital of Eland.

Therefore, as at the date of this Announcement, Seplat has received irrevocable undertakings to vote, or procure the voting, to approve the Scheme at the Court Meeting and vote, or procure the voting, in favour of the Resolution at the General Meeting or, if (with the consent of the Panel) Seplat exercises its right to implement the Acquisition by way of a Takeover Offer, to accept, or procure the acceptance of such Takeover Offer with respect to a total of 129,727,705 Eland Shares, representing approximately 60.17 per cent.

of the existing issued ordinary share capital of Eland. Further details of the above-mentioned irrevocable undertakings are set out in Appendix III to this Announcement.

## **7. Information on Seplat**

Seplat is a leading independent oil and natural gas producer in the Niger Delta area of Nigeria, and a leading supplier of processed natural gas to the domestic market, fully listed on both the Nigerian Stock Exchange and the London Stock Exchange since April 2014.

As a full cycle upstream oil and gas exploration and production company, Seplat's focus is on maximising hydrocarbon production and recovery from existing production and development assets, realising the upside potential within the portfolio through focused appraisal and exploration activities and farm-in into new opportunities in Nigeria (specifically those which offer production, cash flow and reserve replacement potential with a particular focus on the onshore and shallow water offshore areas).

Seplat's existing portfolio comprises of direct interests in five blocks in the Niger Delta area and a revenue interest in an additional block. Since acquiring its first interests in 2010, Seplat has grown oil production through the drilling of new wells and employing advanced and proven technologies. Alongside the oil business, Seplat also prioritises the commercialisation and development of the substantial natural gas reserves identified at Seplat's existing blocks, which is supplied to the domestic market. For the financial year ended 31 December 2018, Seplat generated revenue of US\$746.1 million, operating profit of US\$309.9 million and profit before tax of US\$263.3 million.

A strong track record of operational delivery, portfolio integration and capital raising has enabled Seplat to balance its organic growth initiatives with complementary acquisitions delivering value for stakeholders.

## **8. Information on Eland**

Eland is an AIM-quoted independent oil and gas company focused on production and development in West Africa, particularly the Niger Delta region of Nigeria.

Through its joint venture company, Elcrest, Eland holds its core asset, a 45 per cent. interest in OML 40 which is in the Northwest Niger Delta approximately 75 kilometres northwest of Warri and which has an area of 498 kilometres. Elcrest completed its acquisition of the 45 per cent. equity stake in OML 40 in September 2012 and has been producing oil from Opuama since 2014. Gbetiokun was discovered in 1987 and further appraised in the early 1990s. Following a field development plan approved in early 2019, Gbetiokun came onstream in July 2019.

In addition, Eland has a 40 per cent. interest in Ubima, onshore Niger Delta, in the northern part of Rivers State and which covers an area of 65 square kilometres. Ubima was discovered in 1963 but was never developed. Eland acquired the licence in August 2014 and after a period of assessment, commenced appraisal operations in July 2018 with a re-entry and flow test of the discovery well, Ubima-1. Further flow testing from an extended

well test is being executed in H2 2019 which will allow the reservoir model to be fine-tuned and the resulting development design to be optimised.

Eland's headquarters are in Aberdeen, with additional offices in London, Lagos, Benin City and Abuja.

OML 40 holds gross 2P Reserves of 82.2MMbbls, gross 2C Resources of 50.7MMbbls and a best estimate of 252.1MMbbls of gross un-risked prospective resources (as set out in Netherland Sewell & Associates' Competent Persons Report dated 31 December 2018).

Ubima holds gross 2P Reserves of 9.3MMbbls of oil and gross 2C Resources estimates of 4.2MMbbls (as set out in Netherland Sewell & Associates' Competent Persons Report dated 31 December 2018).

Net production figures relate to Elcrest, Eland's joint venture company. Production rates, when oil is exported via the Forcados oil terminal in Nigeria, are as measured at the Opuama PD Meter and are subject to reconciliation and will differ from sales volumes.

## **9. Intentions with regard to Eland's Employees, Directors, Management, Pensions and Location of Eland**

### ***Eland employees and management***

Seplat believes that Eland is a strong business and recognises the importance and value of the skills and experience of existing Eland employees and believes they will be a key factor in maximising the success of the combined group following the Scheme becoming Effective.

Following completion of the Acquisition, the existing contractual and statutory employment rights of existing management and employees of Eland will be safeguarded, and existing pension obligations complied with.

Immediately following completion of the Acquisition, Seplat's intention is for Eland to continue to operate as a standalone business, within the combined company. Within 12 months of completion, Seplat intends to carry out a review of the Eland business in order to assess any organisational and structural changes that may benefit the combined company. As part of this review Seplat will make an assessment of the strengths and fit of Eland's management team and employees.

The review will be subject to comprehensive planning and appropriate engagement with stakeholders and employees. Any employees affected by the review, the number of whom is expected to be non-material, will be treated in a manner consistent with Seplat's high standards, culture and practices.

The Acquisition will affect participants in the Eland Share Plans, further details of which are set out in paragraph 10 below.

It is intended that the non-executive Eland Directors will resign as directors of Eland on completion of the Acquisition.

### ***Eland headquarters***

Eland has offices in Aberdeen, London, Lagos, Abuja and close to the field location in Benin. There is significant overlap of office locations between Eland and Seplat. Following the review period mentioned above, Seplat intends to maximise the integration of both companies by re-locating Eland's staff to Seplat's locations where possible.

The exception is Eland's head office based in Aberdeen where Seplat is not present. Seplat's intention is to determine how best to integrate key staff members of Eland into Seplat and whether the retention of the physical Aberdeen office is critical in achieving this.

### ***AIM quotation***

Seplat also intends to seek the cancellation of the trading of Eland's Shares on AIM from or shortly after completion of the Acquisition. As a result, Eland's "plc"-related functions will no longer be required and following completion of the review referred to above, some central corporate and support functions of Eland will see a reduction or change in scope, although it is expected that the impact on overall headcount from this would be limited.

### ***Re-deployment of fixed assets***

Seplat does not intend, as a consequence of the Acquisition, to make any material changes to the deployment of Eland's fixed assets. Eland has no research and development function.

## **10. Eland Share Plans**

The Acquisition will affect participants in the Eland Share Plans.

In summary, Seplat will make appropriate proposals to the holders of options and awards under the Eland Option Plans in accordance with Rule 15 of the Code. Participants in the Eland Share Plans shall be contacted with further details of these arrangements in due course. Any Eland Shares which are allotted and issued or transferred to participants in the Eland Options Plans prior to the Scheme Record Time will be subject to the Scheme. Further details of the terms of such proposals shall be included in the Scheme Document.

Any Eland Shares held in the Eland SIP on behalf of participants at the Scheme Record Time will be subject to the Scheme.

Seplat operates standard "plc"-type equity incentives in which selected employees will be able to participate.

## **11. Financing**

The cash consideration payable under the Acquisition is being wholly funded through a combination of existing cash resources of Seplat and a new loan facility available to Seplat.

In accordance with Rule 2.7(d) of the Code, Citi, as sole financial adviser to Seplat, is satisfied that sufficient resources are available to Seplat to satisfy in full the cash consideration payable to Eland Shareholders under the terms of the Acquisition.

## 12. Deferred Shares

Eland has in issue 155,263,214 fully paid non-voting deferred shares (“**Deferred Shares**”). The Deferred Shares are not listed on any exchange and effectively have no rights, in particular they do not confer on their holders any right to any dividend nor the right to receive notice of, attend, speak or vote at general meetings of Eland. The holders of Deferred Shares are technically entitled, on a distribution of assets on a winding-up or other return of capital, to receive the amount paid up on their Deferred Shares, however, first, £100,000,000 would have to have already been distributed to the holders of the ordinary shares in respect of each ordinary share, rendering this right to receive amounts practically non-existent.

The Deferred Shares will not form part of, and will be unaffected by, the Acquisition and the Scheme. In accordance with Eland’s Articles, Eland shall procure the transfer of the Deferred Shares to Seplat on the Scheme becoming Effective.

## 13. Offer-related Arrangements

### *Confidentiality Agreement*

On 24 April 2015, Seplat and Eland entered into a confidentiality agreement as amended and restated on 2 July 2019 and 12 September 2019 (the “**Confidentiality Agreement**”). Pursuant to the Confidentiality Agreement, Seplat and Eland has each undertaken to keep confidential any information relating to Seplat, Eland, any joint venture opportunities between the two companies and the Acquisition, and not disclose such to third parties. Unless terminated earlier by mutual agreement, the Confidentiality Agreement will terminate on 23 April 2021. Seplat’s and Eland’s confidentiality undertakings under the Confidentiality Agreement will remain in force until three (3) years after the date of termination. The Confidentiality Agreement further includes customary standstill obligations on Seplat from the period commencing on 12 September 2019 and ending on 11 September 2020.

### *Cooperation Agreement*

On 15 October 2019, Seplat and Eland entered into a cooperation agreement (the “**Cooperation Agreement**”), pursuant to which, and conditional on release of this Announcement, Seplat will use reasonable endeavours to: (i) implement the Acquisition; (ii) make the notifications or filings described in the Cooperation Agreement to satisfy the Conditions referred to in paragraph 3 and 4 of Part 1 of Appendix I to this Announcement as promptly as practicable; (iii) provide Eland with advance drafts of all notifications or filings and to take into account any reasonable comments made by Eland; (iv) notify Eland of, and provide copies of, any material communications with a relevant regulatory authority in connection with the satisfaction of the Conditions referred to in paragraphs 3 and 4 of Part 1 of Appendix I to this Announcement; and (v) promptly pay all filing fees, costs, charges and expenses arising in connection with and incidental to the Conditions referred to in paragraphs 3 and 4 of Part 1 of Appendix I to this Announcement.

Eland undertakes to Seplat, subject to Seplat's compliance with its obligations under the Cooperation Agreement, to make all such notifications to satisfy the Conditions referred to in paragraph 3 and 4 of Part 1 of Appendix I to this Announcement.

For the purposes of preparation of the Scheme Document, Seplat agrees to promptly provide relevant information about itself and reasonable assistance with preparation of the Scheme Document.

Eland and Seplat agree that the principal terms of the Acquisition shall be as set out in this Announcement and shall proceed by way of the Scheme. However, Seplat may elect at any time (subject to the consent of the Panel) to implement the Acquisition by way of a Takeover Offer on the same terms as those set out in this Announcement.

Seplat confirms it is unaware at the time of entering into the Cooperation Agreement of the existence of any circumstances which would entitle Seplat to invoke any Conditions, and undertakes to confirm to Eland prior to the Court Hearing either that all Conditions have been satisfied or that it intends to invoke one or more of the Conditions.

Seplat and Eland agree to contact participants of Eland Options Plans at or around the time of posting of the Scheme Document with Seplat's proposals.

The Cooperation Agreement will terminate if: (i) agreed in writing; (ii) the Effective Date has not occurred by the Long Stop Date; (iii) upon the occurrence of the Effective Date; (iv) if the Scheme is not approved by the requisite majority of Eland Shareholders at the Court Meeting or the Resolution is not passed by the requisite majority at the General Meeting and Seplat has not elected, within ten Business Days of the date of the relevant meeting, to implement the Acquisition by means of a Takeover Offer; (v) if the Scheme is not sanctioned at the Court Hearing and Seplat has not elected, within ten Business Days of the date of the relevant hearing, to implement the Acquisition by means of a Takeover Offer; (vi) save where Seplat has effected a switch from the Scheme to a Takeover Offer (a "**Switch**"), if the Eland Board: (A) does not include the Eland Board Recommendation in the Scheme Document; (B) withdraws, adversely qualifies or adversely modifies the Eland Board Recommendation prior to the Court Hearing or General Meeting; or (C) prior to the publication of the Scheme Document, withdraws, adversely qualifies or adversely modifies its intention to give the Eland Board Recommendation in any such statement or announces that it intends not to post the Scheme Document or convene the Court Meeting or the General Meeting; (vii) following a Switch which has been made with Eland's prior written consent, if the Eland Board: (A) does not include the Eland Board Recommendation in the Offer Document, (B) withdraws, adversely qualifies or adversely modifies the Eland Board Recommendation prior to the date on which the Offer is declared unconditional as to acceptances, or (C) prior to the publication of the Offer Document, withdraws, adversely qualifies or adversely modifies its intention to give the Eland Board Recommendation in any such document; (viii) upon notice prior to the Long Stop Date by Seplat to Eland that any Condition is incapable of satisfaction and will not be waived in circumstances where the invocation of the relevant Condition has been permitted by the Panel; (ix) upon notice prior to the Long Stop Date by either party if a competing proposal is recommended by the Eland Board; (x) if a competing proposal completes, becomes effective or is declared or becomes

unconditional in all respects; (xi) on written notice by Eland to Seplat where Seplat effects a Switch without Eland's prior consent; or (xii) if, with the permission of the Panel, the Scheme lapses or is withdrawn prior to the Long Stop Date (other than in connection with a Switch or a different offer on equal or improved terms).

#### **14. Structure of the Acquisition**

It is intended that the Acquisition will be effected by means of a Court-sanctioned scheme of arrangement between Eland and the Eland Shareholders under Part 26 of the Companies Act. The Scheme is an arrangement between Eland and the Scheme Shareholders. Seplat reserves the right to elect to implement the Acquisition by way of a Takeover Offer (subject to Panel consent), as described in further detail in paragraph 20 below.

The purpose of the Scheme is to provide for Seplat to become the holder of the entire issued and to be issued share capital of Eland on the Effective Date.

Under the Scheme, the Eland Shares will be transferred to Seplat in consideration for which the Eland Shareholders will receive cash consideration on the basis set out in paragraph 2 of this Announcement.

To become Effective, the Scheme will require the approval of Eland Shareholders by the passing of a special resolution at the Court Meeting. This special resolution must be approved by a majority in number of the Eland Shareholders present and voting (and entitled to vote) at the Court Meeting, either in person or by proxy, representing not less than 75 per cent. of the Eland Shares held by such Eland Shareholders. To become Effective, the Scheme will also require a special resolution to be passed at the General Meeting, to deal with certain matters ancillary to the Scheme, which will require the approval of Eland Shareholders representing at least 75 per cent. of the votes cast at the General Meeting (either in person or by proxy). The General Meeting will be held immediately after the Court Meeting.

The Scheme will also be subject to the Conditions and further terms set out in Appendix I to this Announcement and to be set out in the Scheme Document.

Following the Meetings, the Scheme must be sanctioned by the Court (without modification, or with modification on terms agreed by Seplat and Eland). The Scheme will only become Effective once a copy of the Scheme Court Order is delivered to the Registrar of Companies. Upon the Scheme becoming Effective, it will be binding on all Eland Shareholders, irrespective of whether or not they attended or voted at the Meetings (and if they attended or voted, whether or not they voted in favour or against the Scheme at the Court Meeting or the Resolution at the General Meeting). Subject to, among other things, the satisfaction or the waiver of the Conditions, the Scheme is expected to become Effective in late 2019.

If the Scheme does not become Effective by the Long Stop Date (or such later date as Seplat and Eland may, with the consent of the Panel, agree), it will lapse and the Acquisition will not proceed (unless the Panel otherwise consents).

Further details of the Scheme, including an indicative timetable for its implementation and the necessary steps to be taken by the Eland Shareholders, will be set out in the Scheme Document, which is expected to be dispatched (together with the notice of the Court Meeting and the General Meeting and the Forms of Proxy) to Eland Shareholders and, for information only, to persons with information rights and to holders of options and awards granted under the Eland Share Plans, as soon as reasonably practicable and, in any event, within 28 days of the date of this Announcement, unless Seplat and Eland otherwise agree, and the Panel consents to, a later date.

## **15. Conditions**

The Acquisition is conditional, amongst other things, upon receiving the required shareholder approvals at the Court Meeting and the General Meeting. Further information on the Conditions and further terms are set out in Appendix I to this Announcement. The full terms and conditions of the Acquisition will be set out in the Scheme Document.

## **16. De-listing and Re-registration**

Prior to the Scheme becoming Effective, Eland will make an application to the London Stock Exchange for the cancellation of the listing of Eland Shares on AIM, in each case to take effect from or shortly after the Effective Date. The last day of dealings in Eland Shares on AIM is expected to be the Business Day immediately prior to the date of the Court Hearing and no transfers will be registered after 6:00 p.m. (London time) on that date.

On the Effective Date, Eland will become a wholly-owned subsidiary of Seplat and the share certificates in respect of Eland Shares will cease to be valid and of value and should be destroyed. In addition, entitlements to Eland Shares held within the CREST system will be cancelled.

It is also proposed that, following the Effective Date and after its shares are delisted, Eland will be re-registered as a private limited company.

## **17. Disclosure of Interests in Eland Shares**

Save in respect of the irrevocable undertakings referred to in paragraph 6 above, as at the close of business on 14 October 2019 (being the last practicable date prior to the date of this Announcement) neither Seplat, nor any of its directors, nor, so far as Seplat is aware, any person acting in concert (within the meaning of the Code or the NSE Rules) with it:

- (a) has any interest in or right to subscribe for any relevant securities of Eland;
- (b) has any short positions in respect of relevant Eland Shares (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery;
- (c) has borrowed or lent any relevant Eland Shares (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code) save for any borrowed shares which have been either on-lent or resold; or

(d) is a party to any dealing arrangement of the kind referred to in Note 11 on the definition of acting in concert in the Code.

## **18. Dividends**

Eland Shareholders on the register at the close of business on 18 October 2019 will be entitled to receive and retain the 1 pence per share dividend declared on 11 September 2019 and payable on 31 October 2019. If any additional dividend is paid or becomes payable in respect of Eland Shares on or after the date of this Announcement and prior to closing of the Acquisition, Seplat has the right to reduce the amount of consideration payable in respect of such Eland Shares by the amount of all or part of such dividend or other distribution.

## **19. Overseas Shareholders**

The availability of the Acquisition and the distribution of this Announcement to persons who are not resident in the United Kingdom may be affected by the laws and regulations of the relevant jurisdictions. Such persons should inform themselves about and observe any applicable requirements. Eland Shareholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

This Announcement does not constitute an offer for sale of any securities or an offer or an invitation to purchase any securities. Eland Shareholders are advised to read carefully the Scheme Document and the Forms of Proxy once these have been dispatched.

## **20. General**

Seplat reserves the right, subject to the prior consent of the Panel, to elect to implement the Acquisition by way of a Takeover Offer for the entire issued and to be issued share capital of Eland not already held by Seplat, as an alternative to the Scheme. In such an event, such Takeover Offer will be implemented on substantially the same terms (subject to appropriate amendments as described in Part 2 of Appendix I to this Announcement), so far as applicable, as those which would apply to the Scheme, or if Seplat so decides, on such other terms being no less favourable, so far as applicable, as those which would apply to the Scheme and subject to the amendment referred to in Part 2 of Appendix I to this Announcement.

If the Acquisition is effected by way of a Takeover Offer and such offer becomes or is declared unconditional in all respects and sufficient acceptances are received, Seplat intends to exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act to acquire compulsorily the remaining Eland Shares in respect of which the Acquisition has not been accepted.

In deciding whether or not to vote or procure votes in favour of the Scheme at the Court Meeting and the Resolution at the General Meeting, Eland Shareholders should rely on the information contained in, and follow the procedures described in, the Scheme Document.

Investors should be aware that Seplat may purchase Eland Shares otherwise than under any takeover offer or scheme of arrangement relating to the Acquisition, such as in open market or privately negotiated purchases.

In recognition of his contribution to the creation of shareholder value since his appointment as Chairman of Eland, particularly in connection with the Acquisition by Seplat, the Eland Board has entered into an agreement with Russell Harvey under which Mr Harvey will receive a cash bonus of £800,000 in the event that an acquisition of Eland completes by 31 March 2020. This agreement with Mr Harvey has been approved in writing by each of Helios, LOAME and Richard I Griffiths.

Citi and Evercore have given and not withdrawn their consent to the publication of this Announcement with the inclusion herein of the references to their respective names in the form and context in which they appear.

## **21. Documents available on website**

Copies of the following documents will be made available on Seplat's website at [www.seplatpetroleum.com](http://www.seplatpetroleum.com), and Eland's website at [www.elandoilandgas.com](http://www.elandoilandgas.com) by no later than 12:00 noon (London time) on the Business Day following the date of this Announcement and will remain available until the end of the Offer Period:

- the irrevocable undertakings referred to in paragraph 6 above;
- the Confidentiality Agreement;
- the Cooperation Agreement;
- documents relating to the financing of the Scheme referred to in paragraph 11 above; and
- a copy of this Announcement.

## **Further Information**

White & Case LLP and Olaniwun Ajayi LP are providing legal advice to Seplat. Mayer Brown International LLP, Stronachs LLP and Streamsowers & Köhn are providing legal advice to Eland.

### **Enquiries:**

#### **Eland**

**+44 (0) 20 7016 3180**

George Maxwell, Chief Executive Officer

Ron Bain, Chief Financial Officer

Finlay Thomson, Investor Relations Manager

#### **Evercore (Sole Financial Adviser to Eland)**

**+44 (0) 20 7653 6000**

David Waring  
Edward Banks  
Gent Kadare

**Peel Hunt (Nominated Adviser and Joint Broker to Eland) +44 (0) 20 7418 8900**

Richard Crichton  
Michael Nicholson  
David McKeown

**Stifel (Joint Broker to Eland) +44 (0) 20 7710 7600**

Callum Stewart  
Nicholas Rhodes  
Ashton Clanfield

**Camarco (PR Adviser to Eland) +44 (0) 20 3757 4980**

Billy Clegg

**Seplat**

Austin Avuru, Chief Executive Officer +234 (0) 1 277 0400  
Roger Brown, Chief Financial Officer +44 (0) 20 3725 6500  
Chioma Nwachuku, GM - External Affairs and Communications +234 (0) 1 277 0400  
Ayesha Aliyu, Investor Relations +234 (0) 1 277 0400

**Citi +44 (0) 20 7986 4000**  
**(Sole Financial Adviser and Joint Corporate Broker to Seplat)**

Luke Spells  
Shreyas Bordia  
Tom Reid (Corporate Broking)

**Investec +44 (0) 20 7597 4000**  
**(Joint Corporate Broker to Seplat)**

Chris Sim  
Tejas Padalkar

Lawrence Killian

**FTI Consulting**

**+44 (0) 20 3727 1000**

Ben Brewerton

Sara Powell

### ***Important Notices***

*Citi, which is authorised by the Prudential Regulation Authority and regulated in the UK by the Financial Conduct Authority and the Prudential Regulation Authority, is acting as sole financial adviser for Seplat and for no one else in connection with the Acquisition and other matters described in this Announcement, and will not be responsible to anyone other than Seplat for providing the protections afforded to clients of Citi nor for providing advice in connection with Acquisition, the contents of this Announcement or any other matters referred to in this Announcement. Neither Citi nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, in delict, under statute or otherwise) to any person who is not a client of Citi in connection with this Announcement, any statement contained herein, the Acquisition or otherwise.*

*Investec Bank plc which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority, is acting as joint corporate broker to Seplat and for no one else in connection with the Acquisition and will not be responsible to anyone other than Seplat for providing the protections afforded to its clients or for providing advice in relation to the Acquisition, the contents of this Announcement or any other matters referred to in this Announcement.*

*Apart from the responsibilities and liabilities, if any, which may be imposed on Investec by the Financial Services and Markets Act 2000 (as amended) or the regulatory regime established thereunder, Investec does not make any representation express or implied in relation to, nor accepts any responsibility whatsoever for, the Acquisition, the contents of this Announcement or any other matters referred to in this Announcement. Investec (and its affiliates) accordingly, to the fullest extent permissible by law, disclaims all and any responsibility or liability (save for any statutory liability) whether arising in tort, delict, contract or otherwise which it might have in respect of the Acquisition, the contents of this Announcement or any other matters referred to in this Announcement.*

*Evercore, which is authorised and regulated by the Financial Conduct Authority in the UK, is acting exclusively as financial adviser to Eland and no one else in connection with the matters described in this Announcement and will not be responsible to anyone other than Eland for providing the protections afforded to clients of Evercore nor for providing advice in connection with the matters referred to herein. Neither Evercore nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, in delict, under statute or otherwise) to any person who is not a client of Evercore in connection with this Announcement, any statement contained herein, any offer or otherwise. Apart from the responsibilities and liabilities, if any, which may be*

*imposed on Evercore by the Financial Services and Markets Act 2000, or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, neither Evercore nor any of its affiliates accepts any responsibility or liability whatsoever for the contents of this Announcement, and no representation, express or implied, is made by it, or purported to be made on its behalf, in relation to the contents of this Announcement, including its accuracy, completeness or verification of any other statement made or purported to be made by it, or on its behalf, in connection with Eland or the matters described in this document. To the fullest extent permitted by applicable law, Evercore and its affiliates accordingly disclaim all and any responsibility or liability whether arising in tort, in delict, contract or otherwise (save as referred to above) which they might otherwise have in respect of this Announcement or any statement contained herein.*

*Peel Hunt, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Eland and no one else in connection with the Acquisition, the other matters referred to in this Announcement and the Scheme Document, and will not be responsible to anyone other than Eland for providing the protections afforded to clients of Peel Hunt or for providing advice in connection with the Acquisition or any matter or arrangement referred to herein.*

*Stifel, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Eland and no one else in connection with the Acquisition, the other matters referred to in this Announcement and the Scheme Document, and will not be responsible to anyone other than Eland for providing the protections afforded to clients of Stifel or for providing advice in connection with the Acquisition or any matter or arrangement referred to herein.*

### **Further Information**

*This Announcement is for information purposes only and does not constitute an offer to sell or an invitation to purchase any securities or the solicitation of an offer to buy any securities, pursuant to the Acquisition or otherwise. The Acquisition will be made solely by means of the Scheme Document or any document by which the Acquisition is made which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition.*

*This Announcement has been prepared for the purpose of complying with English law, Scots law, Nigerian law, the Code and the NSE Rules and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom and Nigeria.*

*This Announcement does not constitute a prospectus or prospectus equivalent document.*

### **Overseas Shareholders**

*The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to the laws of other jurisdictions should inform themselves of, and observe, any applicable requirements. Any failure to comply with the applicable restrictions may constitute a violation of*

*the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.*

*Unless otherwise determined by Seplat or required by the Code and permitted by applicable law and regulation, the Acquisition will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Announcement and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this Announcement and all documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.*

*The availability of the Acquisition to Eland Shareholders who are not resident in the United Kingdom (and, in particular, their ability to vote their Eland Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf) may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements, as any failure to comply with such requirements may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.*

*This Announcement does not constitute a prospectus or prospectus equivalent document.*

### **Additional Information for US Investors**

*The Acquisition is being made to acquire the securities of a Scottish company by means of a scheme of arrangement provided for under the laws of Scotland. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules under the US Exchange Act. Accordingly, the Scheme will be subject to disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement, which are different from the disclosure requirements of the US tender offer rules. The financial information included in this Announcement and the Scheme documentation has been or will have been prepared in accordance with IFRS and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US. If Seplat were to elect to implement the Acquisition by means of a takeover offer, such takeover offer would be made in compliance with applicable US laws and regulations, including Section 14(e) of the US Exchange Act and Regulation 14E thereunder. Such a takeover would be made in the United States by Seplat and no one else.*

*The receipt of cash pursuant to the Acquisition by a US holder as consideration for the transfer of its Eland Shares pursuant to the Scheme will likely be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other, tax laws. Each Eland Shareholder is urged to consult his independent*

professional adviser immediately regarding the tax consequences of the Acquisition applicable to him.

*It may be difficult for US holders to enforce their rights and claims arising out of the US federal securities laws, since Seplat and Eland are located in countries other than the US, and some or all of their officers and directors may be residents of countries other than the US. US holders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.*

*In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Seplat, certain affiliated companies and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Eland outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes Effective, lapses or is otherwise withdrawn. Also, in accordance with Rule 14e-5(b) of the US Exchange Act, Citi will continue to act as an exempt principal trader in Eland Shares on the London Stock Exchange. If such purchases or arrangements to purchase were to be made they would occur either in the open market at prevailing prices or in private transactions at negotiated prices and comply with applicable law, including the US Exchange Act. Any information about such purchases or arrangements to purchase will be disclosed as required in the United Kingdom, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).*

#### **Additional Information for Nigerian Investors**

*This Announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for, or otherwise invest in Seplat's securities in Nigeria.*

#### **Forward Looking Statements**

*This Announcement contains statements about Seplat and Eland that are or may be forward-looking statements. All statements other than statements of historical facts included in this Announcement may be forward-looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "estimates", "projects" or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Seplat's or Eland's operations and potential synergies resulting from the Acquisition; and (iii) the effects of government regulation on Seplat's or Eland's business.*

*Such forward-looking statements involve risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof. Each of Seplat and Eland disclaims any obligation to update any forward-looking or other statements contained herein, except as required by applicable law.*

### **No Profit Forecasts or Estimates**

*No statement in this Announcement is intended as a profit forecast or estimate for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per share for Eland for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Eland.*

### **Dealing and Opening Position Disclosure Requirements of the Code**

*Under Rule 8.3(a) of the Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified.*

*An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of: (i) the offeree company; and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) of the Code applies must be made by no later than 3:30 p.m. (London time) on the 10th business day following the commencement of the Offer Period and, if appropriate, by no later than 3:30 p.m. (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of: (i) the offeree company; and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8 of the Code. A Dealing Disclosure by a person to whom Rule 8.3(b) of the Code applies must be made by no later than 3:30 p.m. (London time) on the business day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3 of the Code.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Code).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure*

Table on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

### **Publication on Website and Availability of Hard Copies**

This Announcement and the documents required to be published pursuant to Rule 26.1 of the Code and pursuant to Rule 26 of the AIM Rules for Companies will be available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Eland's website at [www.elandoilandgas.com](http://www.elandoilandgas.com) by no later than 12:00 noon (London time) on the Business Day following this Announcement. This Announcement shall also be published pursuant to Rule 17.20 of the NSE Rules on Seplat's website at [www.seplatpetroleum.com](http://www.seplatpetroleum.com) by no later than 12:00 noon (London time) on the Business Day following this Announcement.

Neither the content of any website referred to in this Announcement nor the content of any website accessible from hyperlinks is incorporated into, or forms part of, this Announcement.

You may request a hard copy of this Announcement by contacting Citi on +44 (0)207 986 4000. You may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.

### **Rounding**

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

### **Rule 2.9 Disclosure**

In accordance with Rule 2.9 of the Code, Eland confirms that as at the date of this Announcement, it has in issue and admitted to trading on AIM 215,591,741 ordinary shares of 10 pence each (excluding ordinary shares held in treasury). The International Securities Identification Number (ISIN) of the ordinary shares is GB00B8HHWX64.

### **Important Information**

If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial advisor duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are a resident in the United Kingdom or, if not, from another appropriately authorised independent financial advisor.

## APPENDIX I

### Part 1: Conditions to the Scheme and the Acquisition

1. The Acquisition is conditional upon the Scheme becoming unconditional and Effective, subject to the provisions of the Code, on or before Long Stop Date or such later date as Seplat and Eland may, with the consent of the Panel, agree and (if required) the Court may approve.

#### **Scheme approval**

2. The Scheme will be conditional on:
  - (a) (i) approval of the Scheme at the Court Meeting by a majority in number of the Scheme Shareholders on the register of members of Eland at the Voting Record Time, present and voting, whether in person or by proxy, representing 75 per cent. in value of the Scheme Shares held by those Scheme Shareholders (or the relevant class or classes thereof, if applicable); and (ii) such Court Meeting being held on or before the 22<sup>nd</sup> day after the expected date of the Court Meeting to be set out in the Scheme Document in due course or such later date (if any) as Seplat and Eland may agree and the Court may approve, subject to the Code and, if required, the consent of the Panel;
  - (b) (i) the Resolution set out in the notice of the General Meeting being duly passed by the requisite majority (or majorities, if applicable) at the General Meeting; and (ii) the General Meeting being held on or before the 22<sup>nd</sup> day after the expected date of the General Meeting to be set out in the Scheme Document in due course or such later date (if any) as Seplat and Eland may agree and the Court may approve, subject to the Code and, if required, the consent of the Panel; and
  - (c) (i) the sanction of the Scheme by the Court (without modification or with modification on terms acceptable to Seplat and Eland); (ii) the Court Hearing being held on or before the 22<sup>nd</sup> day after the expected date of the Court Hearing to be set out in the Scheme Document in due course or such later date (if any) as Seplat and Eland may agree and the Court may approve; and (iii) the delivery of a copy of the Scheme Court Order to the Registrar of Companies.

In addition, Seplat and Eland have agreed that, subject as stated in Part 2 of this Appendix I and to the requirements of the Panel, the Acquisition will be conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless the following Conditions have been satisfied (where capable of satisfaction) and continue to be satisfied pending the commencement of the Court Hearing or, where relevant, waived prior to the Scheme being sanctioned by the Court:

#### **Regulatory approvals and clearances**

3. a joint notification having been made by Seplat and Eland to the Nigerian Department of Petroleum Resources pursuant to the Nigerian Department of Petroleum Resources Guidelines, notifying the Nigerian Minister of Petroleum Resources of the Acquisition and the acquisition of interests by Seplat in Eland, whose subsidiaries and affiliates hold certain interests in hydrocarbon-related assets;

4. a joint notification having been made by Seplat and Eland to the Nigerian Federal Competition and Consumer Protection Commission pursuant to the Nigerian Federal Competition and Consumer Protection Act, notifying the Nigerian Federal Competition and Consumer Protection Commission of the Acquisition and the indirect transfer of the business of Elcrest to Seplat;
5. excluding the Third Parties referred to in paragraphs 3 and 4 of Part 1 of this Appendix I above, no Third Party having decided or given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and in each case, not having withdrawn the same), or having required any action to be taken or otherwise having done anything, or having enacted or made any statute, regulation, decision, order or change to published practice (and in each case, not having withdrawn the same) and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to (in any case to an extent or in a manner which is material in the context of the Acquisition, the Wider Eland Group, or the Wider Seplat Group, as the case may be):
  - (a) require, prevent or materially delay the divestiture or materially alter the terms envisaged for such divestiture by any member of the Wider Seplat Group or by any member of the Wider Eland Group of all or any material part of their respective businesses, assets, property or any shares or other securities (or the equivalent) in any member of the Wider Eland Group or any member of the Wider Seplat Group or impose any material limitation on the ability of all or any of them to conduct their respective businesses (or any part thereof) or to own, control or manage any of their respective assets or properties (or any part thereof);
  - (b) except pursuant to Chapter 3 of Part 28 of the Companies Act in the event that Seplat elects to implement the Acquisition by way of a Takeover Offer, require any member of the Wider Seplat Group or the Wider Eland Group to acquire or offer to acquire shares, other securities (or the equivalent) or interest in any member of the Wider Eland Group or any asset owned by any Third Party (other than in connection with the implementation of the Acquisition), in a manner which is material in the context of the Wider Seplat Group;
  - (c) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Seplat Group, directly or indirectly, to acquire, hold or exercise effectively all or any rights of ownership in respect of shares or other securities in Eland or on the ability of any member of the Wider Eland Group or any member of the Wider Seplat Group, directly or indirectly, to hold or exercise effectively all or any rights of ownership in respect of shares or any other securities (or the equivalent) in, or to exercise voting or management control over, any other member of the Wider Eland Group or any member of the Wider Seplat Group;
  - (d) result in any member of the Wider Eland Group, or Wider Seplat Group ceasing to be able to carry on business under any names under which it currently carries on business;
  - (e) make the Acquisition, its implementation or the acquisition of any shares or other securities in, or control or management of, Eland by any member of the Wider Seplat Group void, unenforceable and/or illegal under the laws of any relevant jurisdiction, or otherwise, directly or indirectly materially prevent or prohibit, restrict, restrain or delay or otherwise to a material extent interfere with the implementation of, or impose material additional conditions or obligations with respect to, or otherwise materially challenge, impede, interfere or require amendment to the terms of the Acquisition or the acquisition of any

shares or other securities in, or control or management of, Eland by any member of the Wider Seplat Group;

- (f) impose any material limitation on, or result in any material delay in, the ability of any member of the Wider Seplat Group or any member of the Wider Eland Group to conduct, integrate or coordinate all or any part of its business with all or any part of the business of any other member of the Wider Seplat Group and/or the Wider Eland Group; or
- (g) otherwise materially adversely affect all or any of the business, assets, liabilities, profits, financial or trading position or prospects of the Wider Eland Group taken as a whole,

and all applicable waiting and other time periods (including any extensions thereof) during which any Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any relevant jurisdiction in respect of the Acquisition or the acquisition of any Eland Shares having expired, lapsed or been terminated;

#### **Other regulatory approvals**

- 6. each Third Party (other than the Third Parties referred to in paragraphs 3 and 4 of Part 1 of this Appendix I above), which regulates any member of the Wider Eland Group and whose prior approval, consent or non-objection to any change in control, or acquisition of (or increase in) control in respect of that or any other member of the Wider Eland Group is required under applicable law or regulation, or any Third Party, whose prior approval, consent or non-objection of the Acquisition is otherwise required under applicable law or regulation, or whose permissions are required under applicable law or regulation in order to complete the Acquisition, having given its required approval, non-objection or legitimate deemed consent or consent in writing thereto and, as the case may be, having granted such permissions as required and in each case where the absence of the same would materially adversely affect the Wider Eland Group, taken as a whole and all such approvals, consents, non-objections or permissions are in full force and effect and there being no notice of any intention to revoke, suspend, restrict, modify or not to renew any of the same;

#### **Certain matters arising as a result of any arrangement, agreement etc.**

- 7. except as Disclosed, (and other than in relation to actions taken by the Third Parties referred to in paragraphs 3 and 4 of Part 1 of this Appendix I above) there being no provision of any arrangement, agreement, lease, licence, franchise, permit or other instrument to which any member of the Wider Eland Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or subject which, as a consequence of the Acquisition or the proposed acquisition by any member of the Wider Seplat Group of any shares or other securities in Eland or because of a change in the control or management of any member of the Wider Eland Group or otherwise, would or might reasonably be expected to result in (in each case to an extent which is material in the context of the Wider Eland Group taken as a whole or in the context of the Acquisition):
  - (a) any monies borrowed by or any other indebtedness or liabilities, actual or contingent, of, or any grant available to, any member of the Wider Eland Group being or becoming repayable or being capable of being declared repayable immediately or prior to their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur indebtedness being

withdrawn or inhibited or becoming capable of being withdrawn or inhibited;

- (b) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider Eland Group or any such mortgage, charge or security interest (whenever arising or having arisen) becoming enforceable otherwise than in the ordinary course of business;
- (c) any such arrangement, agreement, licence, permit, franchise or instrument, or the rights, liabilities, obligations or interests of any member of the Wider Eland Group thereunder, being, or becoming capable of being, terminated or adversely modified or affected or any adverse action being taken;
- (d) any material asset or interest of any member of the Wider Eland Group being or falling to be disposed of or charged or ceasing to be available to any member of the Wider Eland Group or any material right arising under which any such asset or interest could be required to be disposed of or could cease to be available to any member of the Wider Eland Group otherwise than, in each case, in the ordinary course of business;
- (e) any member of the Wider Eland Group ceasing to be able to carry on business under any name under which it presently does so;
- (f) the creation of any liability (actual or contingent) by any member of the Wider Eland Group other than trade creditors or other liabilities incurred in the ordinary course of business;
- (g) the interests or business of any member of the Wider Eland Group in or with any other person, firm, company or body, or any agreements or arrangements relating to any such interests or business, being terminated or adversely modified or affected; or
- (h) the financial or trading position or the value of the Wider Eland Group taken as a whole being prejudiced or adversely affected,

and no event having occurred which, under any provision of any such arrangement, agreement, licence, permit or other instrument, would, as a consequence of the Scheme or the Acquisition, result in any of the events or circumstances which are referred to in paragraphs (a) to (h) of this Condition 7, in any such case, to an extent which is material in the context of the Wider Eland Group taken as a whole;

#### **Certain events occurring since 31 December 2018**

- 8. except as Disclosed, no member of the Wider Eland Group having, since 31 December 2018:
  - (a) issued or agreed to issue or authorised or announced its intention to authorise or propose the issue, of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares, securities or convertible securities or transferred or sold or agreed to transfer or sell or authorised the transfer or sale of Eland Shares out of treasury (except, where relevant, as between Eland and wholly-owned subsidiaries of Eland or between the wholly-owned subsidiaries of Eland and except for the issue or transfer out of treasury of Eland Shares on the exercise of employee share options or grant or vesting of employee share awards in the ordinary course under the Eland Share Plans,

including, for the avoidance of doubt, the Eland SIP);

- (b) recommended, declared, paid or made, or proposed to, declare, pay or make any bonus, dividend or other distribution (whether payable in cash or otherwise) other than dividends (or other distributions whether payable in cash or otherwise) lawfully paid or made by any wholly-owned subsidiary of Eland to Eland or any of its wholly-owned subsidiaries;
- (c) other than pursuant to the Acquisition and except for transactions between Eland and its wholly-owned subsidiaries or between the wholly-owned subsidiaries of Eland and transactions in the ordinary course of business, implemented, effected, authorised or proposed or announced its intention to implement, effect, authorise or propose any merger, demerger, reconstruction, amalgamation, scheme, commitment or acquisition, disposal, transfer, mortgage, charge or creation of any security interest of or over any asset or shares in any undertaking, or any right, title or interest in any asset which is material in the context of the Wider Eland Group taken as a whole or in the context of the Acquisition;
- (d) except for transactions between Eland and its wholly-owned subsidiaries or between the wholly-owned subsidiaries of Eland and except for transactions in the ordinary course of business, disposed of, or transferred, mortgaged or created any security interest over any material asset or any right, title or interest in any material asset or authorised or announced any intention to do so;
- (e) except for transactions between Eland and its wholly-owned subsidiaries or between the wholly-owned subsidiaries of Eland issued, authorised or announced an intention to authorise or propose, the issue of or made any change in or to the terms of any debentures or become subject to any contingent liability (other than as incurred in the ordinary course of business) or incurred or increased any indebtedness which is material in the context of the Wider Eland Group taken as a whole or in the context of the Acquisition;
- (f) except in the ordinary course of business, entered into or varied or authorised or announced its intention to enter into or vary any contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) which is material in the context of the Wider Eland Group taken as a whole, which is of a long term, unusual or onerous nature or magnitude or which is or which involves or could involve an obligation of an unusual or onerous nature or magnitude;
- (g) entered into or varied the terms of, or made any offer (which remains open for acceptance) to enter into or vary the terms of any contract, service agreement, commitment or arrangement with any director or senior executive of any member of the Wider Eland Group, otherwise than in the ordinary course of business;
- (h) proposed, agreed to provide or modified the terms of the Eland Share Plans, incentive scheme or other benefit relating to the employment or termination of employment of any employee of the Wider Eland Group which is material in the context of the Wider Eland Group taken as a whole, other than in the ordinary course of business;
- (i) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or made any other change to any part of its share capital (except, in each case, where

relevant, by a wholly-owned subsidiary of Eland);

- (j) waived, compromised or settled any claim, other than in the ordinary course of business which is material in the context of the Wider Eland Group as a whole or in the context of the Acquisition;
- (k) terminated or varied the terms of any agreement or arrangement between any member of the Wider Eland Group and any other person in a manner which would or might reasonably be expected to have a material adverse effect on the financial position of the Wider Eland Group taken as a whole;
- (l) save as required in connection with the adoption of the amended articles of association of Eland in connection with the Acquisition, made any material alteration to its memorandum or articles of association;
- (m) except in relation to changes made or agreed as a result of, or arising from changes to legislation, made or agreed or consented to any significant change to the following in a way that is material in the context of the Wider Eland Group taken as a whole or in the context of the Acquisition:
  - (A) the terms of the trust deeds and rules constituting the pension scheme(s) established by any member of the Wider Eland Group for its directors, employees or their dependants;
  - (B) the contributions payable to any such scheme(s) or to the benefits which accrue, or to the pensions which are payable, thereunder;
  - (C) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
  - (D) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued, made, agreed or consented to, to an extent which is in any such case material in the context of the Wider Eland Group taken as a whole;
- (n) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business which is material in the context of the Wider Eland Group taken as a whole or in the context of the Acquisition;
- (o) (other than in respect of a member of the Wider Eland Group which is dormant and was solvent at the relevant time) taken any steps, corporate action or had any legal proceedings instituted or threatened in writing against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of a receiver, administrator, manager, administrative receiver, trustee or similar officer of all or any material part of its assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed, which is in any such case material in the context of the Wider Eland Group taken as a whole or in the context of the Acquisition;
- (p) (except for transactions between Eland and its wholly-owned subsidiaries or between Eland's wholly-owned subsidiaries) made, authorised or announced

any change in its loan capital;

- (q) entered into, implemented or authorised the entry into, any joint venture, asset or profit sharing arrangement, partnership or merger of business or corporate entities, which in any such case is material in the context of the Wider Eland Group as a whole or in the context of the Acquisition; or
- (r) entered into any agreement, arrangement, commitment or contract or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition 8;

**No adverse change, litigation or regulatory enquiry**

9. except as Disclosed and/or other than as a result of the Acquisition, since 31 December 2018 there having been:
- (a) no adverse change and no circumstance having arisen which would reasonably be expected to result in any adverse change in, the business, assets, financial or trading position or profits, operational performance or prospects of any member of the Wider Eland Group which in any such case is material in the context of the Wider Eland Group taken as a whole;
  - (b) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider Eland Group is or may become a party (whether as a claimant, defendant or otherwise) having been threatened in writing, announced or instituted by or against or remaining outstanding against or in respect of, any member of the Wider Eland Group, in each case which would reasonably be expected to have a material adverse effect on the Wider Eland Group taken as a whole;
  - (c) no enquiry, review or investigation by, or complaint or reference to, any Third Party against or in respect of any member of the Wider Eland Group (or any person in respect of which any such member has or may have responsibility or liability) having been threatened in writing, announced, implemented or instituted or remaining outstanding by, against or in respect of any member of the Wider Eland Group, in each case, which would reasonably be expected to have a material adverse effect on the Wider Eland Group taken as a whole;
  - (d) no contingent or other liability having arisen or increased other than in the ordinary course of business which is reasonably likely to affect adversely the business, assets, financial or trading position or profits of any member of the Wider Eland Group to an extent which is material in the context of the Wider Eland Group taken as a whole; and
  - (e) no steps having been taken and no omissions having been made which are reasonably likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Eland Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which would reasonably be expected to have a material adverse effect on the Wider Eland Group taken as a whole;

**No discovery of certain matters**

10. save as Disclosed, Seplat not having discovered that:

- (a) any financial, business or other information concerning the Wider Eland Group announced publicly and delivered by or on behalf of Eland through a Regulatory Information Service prior to the date of this Announcement or disclosed to any member of the Wider Seplat Group by or on behalf of any member of the Wider Eland Group prior to the date of this Announcement is misleading, contains a misrepresentation of any fact, or omits to state a fact necessary to make that information not misleading, in any such case which is material in the context of the Wider Eland Group taken as a whole;
- (b) any member of the Wider Eland Group is subject to any liability, contingent or otherwise, arising other than in the ordinary course of business and which is material in the context of the Wider Eland Group taken as a whole;
- (c) any information which affects the import of any information disclosed at any time by or on behalf of any member of the Wider Eland Group in each case which is material in the context of the Wider Eland Group taken as a whole;
- (d) no circumstance having arisen or event having occurred in relation to any intellectual property owned, used or licensed by the Wider Eland Group including: (i) any member of the Wider Eland Group losing its title to any intellectual property or any intellectual property owned by the Wider Eland Group being revoked, cancelled or declared invalid; (ii) any agreement regarding the use of any intellectual property licensed to or by any member of the Wider Eland Group being terminated or varied; or (iii) any claim being filed suggesting that any member of the Wider Eland Group infringed the intellectual property rights of a third party or any member of the Wider Eland Group being found to have infringed the intellectual property rights of a third party, in each case which is material in the context of the Wider Eland Group taken as a whole;
- (e) any past or present member of the Wider Eland Group has not complied with any applicable legislation or regulations of any jurisdiction with regard to the use, treatment, handling, storage, transport, release, disposal, discharge, spillage, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health, or otherwise relating to environmental matters or the health and safety of any person, or that there has otherwise been any such use, treatment, handling, storage, transport, release, disposal, discharge, spillage, leak or emission (whether or not this constituted a noncompliance by any person with any legislation or regulations and wherever the same may have taken place) which, in any case, would be likely to give rise to any liability (whether actual or contingent) or cost on the part of any member of the Wider Eland Group which in any case is material in the context of the Wider Eland Group taken as a whole or in the context of the Acquisition; and
- (f) there is, or is likely to be, any liability, whether actual or contingent, to make good, repair, reinstate or clean up any property now or previously owned, occupied or made use of by any past or present member of the Wider Eland Group or any other property or any controlled waters under any environmental legislation, regulation, notice, circular, order or other lawful requirement of any relevant authority or third party or otherwise which in any case is material in the context of the Wider Eland Group taken as a whole or in the context of the Acquisition;

#### **Anti-corruption, sanctions and criminal property**

11. Except as Disclosed, Seplat not having discovered that:
- (a) (i) any past or present member, director, officer or employee of the Wider Eland Group is or has at any time during the course of such person's employment with any member of the Wider Eland Group engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other anti-corruption legislation applicable to the Wider Eland Group; or (ii) any person that performs or has performed services for or on behalf of the Wider Eland Group is or has at any time during the course of such person's performance of services for any member of the Wider Eland Group engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, the Nigerian Economic and Financial Crimes Commission (Establishment) Act 2004 or any other applicable anticorruption legislation; or
  - (b) any material asset of any member of the Wider Eland Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition); or
  - (c) any past or present member, director, officer or employee of the Wider Eland Group, or any person that performs or has performed services for or on behalf of any such company is or has, at any time during the course of such person's employment with, or performance of services for or on behalf of, any member of the Wider Eland Group, engaged in any business with, made any investments in, made any funds or assets available to or received any funds or assets from: (i) any government, entity or individual in respect of which United States or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by United States or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or HM Revenue & Customs or the laws of the Republic of Nigeria; or (ii) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the European Union or any of its member states or the Republic of Nigeria; or
  - (d) a member of the Wider Eland Group has engaged in any transaction which would cause Seplat to be in breach of any law or regulation upon its Acquisition of Eland, including the economic sanctions of the United States Office of Foreign Assets Control, or HM Revenue & Customs, or any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the European Union or any of its member states or the Republic of Nigeria.

## Part 2: Certain further terms of the Acquisition

1. The Scheme will not become Effective unless the Conditions have been fulfilled or (if capable of waiver) waived or, where appropriate, have been determined by Seplat to be or remain satisfied by no later than the Long Stop Date (or such later date as Seplat and Eland may, with the consent of the Panel, agree and (if required) the Court may allow).
2. To the extent permitted by law and subject to the requirements of the Panel, Seplat reserves the right to waive, in whole or in part, all or any of Conditions, except Condition 2 (*Scheme approval*) of Part 1 of this Appendix I.
3. Seplat reserves the right to elect to implement the Acquisition by way of a Takeover Offer, subject to the Panel's consent. In such event, such offer will (unless otherwise determined by Seplat and subject to the consent of the Panel) be implemented on the same terms and conditions, so far as applicable, as those which would apply to the Scheme subject to appropriate amendments to reflect the change in method of effecting the Acquisition including (without limitation and subject to the consent of the Panel) an acceptance condition set at 90 per cent. (or such lesser percentage, being more than 50 per cent., as Seplat may decide) of the voting rights then exercisable at a general meeting of Eland, including, for this purpose, any such voting rights attaching to Eland Shares that are unconditionally allotted or issued, and to any Treasury Shares which are unconditionally transferred or sold by Eland, before the Takeover Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise.
4. Seplat reserves the right (with the consent of the Panel and subject to the terms of the Cooperation Agreement) for any other entity controlled by Seplat from time to time to implement the Acquisition.
5. Under Rule 13.5(a) of the Code, Seplat may not invoke a Condition to the Acquisition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the Condition are of material significance to Seplat in the context of the Acquisition. Condition 2 (*Scheme approval*) of Part 1 of this Appendix I and, if applicable, any acceptance condition if the Acquisition is implemented by means of a Takeover Offer, are not subject to this provision of the Code.
6. In the event the Acquisition is implemented, the Eland Shares under offer will be acquired by Seplat with full title guarantee, fully paid and free from all liens, equitable interests, charges, encumbrances, rights of preemption and any other third party rights and interests whatsoever and together with all rights existing at the date of this Announcement or thereafter attaching thereto, including (without limitation) the right to receive and retain, in full, all dividends and other distributions (if any) declared, made or paid or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made on or after the date of this Announcement in respect of the Eland Shares.
7. Subject to the terms of the Scheme, if, on or after the date of this Announcement, any dividend, other than the interim dividend of 1 pence per Eland Share to be paid on 31 October 2019, and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Eland Shares, Seplat reserves the right, to reduce the offer consideration for the Eland Shares by an amount up to the amount of such dividend and/or distribution and/or return of capital in which case: (i) any reference in

this Announcement or in the Scheme Document to the offer consideration for the Eland Shares will be deemed to be a reference to the offer consideration as so reduced; and (ii) the relevant eligible Eland Shareholders will be entitled to receive and retain such dividend and/or distribution and/or return of capital. To the extent that any such dividend and/or distribution and/or other return of capital announced, declared or paid is: (x) transferred pursuant to the Acquisition on a basis which entitles Seplat to receive the dividend or distribution or return of capital and to retain it; or (y) cancelled, the offer consideration will not be subject to change in accordance with this paragraph. Any exercise by Seplat of its rights referred to in this paragraph shall be the subject of an announcement and the consent of the Panel and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Acquisition.

8. The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction. Any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements. Further information in relation to Overseas Shareholders will be contained in the Scheme Document.
9. Unless otherwise determined by Seplat or required by the Code and permitted by applicable law and regulations, the Acquisition is not being, and will not be, made, directly or indirectly, in, into or by the use of the mails of, or by any other means or instrumentality (including, but not limited to, facsimile, email or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any Restricted Jurisdiction.
10. Each of the Conditions shall be regarded as a separate Condition and not be limited by reference to any other Condition.
11. The Scheme will be governed by Scots law and will be subject to the jurisdiction of the Court and to the Conditions and further terms set out in this Appendix I and to be set out in the Scheme Document. The Scheme will be subject to the applicable requirements of the Code, the Panel, AIM and the Financial Conduct Authority.

## APPENDIX II

### SOURCES OF INFORMATION AND BASES OF CALCULATION

- i. The value placed by the Acquisition on the existing issued ordinary share capital of Eland is based on 215,591,741 Eland Shares in issue on 14 October 2019, being the last practicable date prior to publication of this Announcement.
- ii. The value of the Acquisition on a fully diluted basis has been calculated on the basis of a fully diluted issued ordinary share capital of 230,243,525 Eland Shares, which is calculated by reference to 215,591,741 Eland Shares in issue on 14 October 2019 and a further 14,651,784 Eland Shares which may be issued on or after the date of this Announcement on the exercise of options or vesting of awards under the Eland Share Plans (taking into account the exercise by Eland's remuneration committee of applicable discretions).
- iii. Unless otherwise stated, all references to numbers of Eland Shares and the percentage that such Eland Shares represent of the issued share capital of Eland are references to such numbers and percentages as at 14 October 2019 (being the latest practicable date prior to publication of this Announcement).
- iv. Unless otherwise stated, all prices and closing prices for Eland Shares are closing middle market quotations derived from the London Stock Exchange.
- v. Volume weighted average prices have been derived from Bloomberg and have been rounded to the nearest single decimal place.
- vi. Unless otherwise stated, the reserves and the financial information relating to Eland are extracted from the audited final results of the Eland Group for the financial year to 31 December 2018 and the unaudited interim results of the Eland Group for the six months to 30 June 2019, prepared in accordance with IFRS.
- vii. Unless otherwise stated, the reserves and the financial information relating to Seplat are extracted from the audited final results of the Seplat Group for the financial year to 31 December 2018 and the unaudited interim results of the Seplat Group for the six months to 30 June 2019, prepared in accordance with IFRS.
- viii. Certain figures included in this Announcement have been subject to rounding adjustments.
- ix. Certain figures included in this Announcement in relation to Eland's reserves and resources are drawn from Netherland Sewell & Associates' Competent Persons Report dated 31 December 2018.
- x. The increase in Seplat's 2P Liquids Reserves, 2P Oil Reserves and 2C Oil Resources by 41MMbbls and 65MMbbls respectively is based on including Eland's 2P Reserves and

2C Resources on a net basis (i.e. implied ownership of a 45 per cent. net interest in OML 40, on the basis that Elcrest is consolidated by Eland).

**APPENDIX III**  
**Details of Irrevocable Undertakings**

Seplat and Eland have received irrevocable undertakings to accept the Acquisition in respect of a total of 129,727,705 Eland Shares (representing, in aggregate, approximately 60.17 per cent. of Eland Shares in issue on 14 October 2019 (being the last Business Day before the date of this Announcement)).

**Eland Directors' irrevocable undertakings**

<b>Name</b>	<b>Number of Eland Shares</b>	<b>Per cent. of issued ordinary share capital of Eland</b>
George Maxwell	549,269	0.25%
Russell Harvey	42,888	0.02%
Ron Bain	17,500	0.01%
<b>Total</b>	<b>609,657</b>	<b>0.28%</b>

Seplat has received irrevocable undertakings from the Eland Directors who are interested in Eland Shares in respect of which they are able to control the exercise of voting rights in respect of Eland Shares representing approximately 0.28 per cent. of the existing issued share capital of Eland:

- (a) to cast (or procure the casting of) all voting rights attaching to such Eland Shares in favour of the Scheme at the Court Meeting and in favour of the Resolution at the General Meeting; and
- (b) if the Acquisition is structured as a Takeover Offer, to accept or procure the acceptance of such Takeover Offer in respect of all such Eland Shares, provided such Takeover Offer is made on terms at least as favourable as the terms of the Scheme.

Further, Seplat has received an irrevocable undertaking from Gregory Stoupnitzky to use reasonable efforts to obtain control of the voting rights of the 25,000 Eland Shares in which he is interested, and, provided such control is obtained, has undertaken to vote as described in (a) and (b) above.

The irrevocable undertakings from the Eland Directors will only cease to be binding if: (i) Seplat announces with the consent of the Panel, that it does not intend to make an offer or proceed with the Acquisition; (ii) the Scheme Document is not sent to the Eland Shareholders by 5:30 p.m. (London time) on the date which is 28 days after the date of this Announcement, or such later time or date as Seplat and Eland (with the consent of the Panel, if required) agree; (iii) the Scheme lapses or is withdrawn; (iv) the Scheme has not become Effective by 5:30 p.m. (London time) on or before the Long Stop Date or such later time or date as Seplat and Eland (with the approval of the Court and/or the consent of the Panel, if required) agree; or (v) if any other: (A) takeover offer within the meaning of section 974 of the Companies Act made for the entire ordinary share capital of Eland becomes or is declared wholly unconditional; or (B) scheme of arrangement under section 895 of the Companies Act in respect of Eland becomes effective in accordance with its terms.

## **Eland other shareholder irrevocable undertakings**

<b>Name</b>	<b>Number of Eland Shares</b>	<b>Per cent. of issued ordinary share capital of Eland</b>
Helios	62,669,943	29.07%
LOAME	53,686,003	24.90%
Richard I Griffiths	12,762,102	5.92%
<b>Total</b>	<b>129,118,048</b>	<b>59.89%</b>

Seplat has received irrevocable undertakings from Helios, LOAME and Richard I Griffiths in respect of 129,118,048 Eland Shares, in respect of which they are able to exercise discretionary and voting control, representing approximately 59.89 per cent. of the existing issued ordinary share capital of Eland:

- (a) to cast (or procure the casting of) all voting rights attaching to such Eland Shares in favour of the Scheme at the Court Meeting and in favour of the Resolution at the General Meeting; and
- (b) if the Acquisition is structured as a Takeover Offer, to accept or procure the acceptance of such Takeover Offer in respect of all such Eland Shares, provided such Takeover Offer is made on terms at least as favourable as the terms of the Scheme.

### ***Helios***

The irrevocable undertaking from Helios will only cease to be binding if: (i) Seplat announces with the consent of the Panel, that it does not intend to make an offer or proceed with the Acquisition; (ii) the Scheme Document is not sent to the Eland Shareholders by 5:30 p.m. (London time) on the date which is 28 days after the date of this Announcement, or such later time or date as Seplat and Eland (with the consent of the Panel, if required) agree; (iii) the Scheme lapses or is withdrawn; (iv) the Scheme has not become Effective by 5:30 p.m. (London time) on or before the Long Stop Date or such later time or date as Seplat and Eland (with the approval of the Court and/or the consent of the Panel, if required) agree; or (v) if any other: (A) takeover offer within the meaning of section 974 of the Companies Act made for the entire ordinary share capital of Eland becomes or is declared wholly unconditional; or (B) scheme of arrangement under section 895 of the Companies Act in respect of Eland becomes effective in accordance with its terms.

### ***LOAME***

The irrevocable undertaking from LOAME will only cease to be binding if: (i) Seplat announces with the consent of the Panel, that it does not intend to make an offer or proceed with the Acquisition; (ii) the Scheme Document is not sent to the Eland Shareholders by 5:30 p.m. (London time) on the date which is 28 days after the date of this Announcement, or such later time or date as Seplat and Eland (with the consent of the Panel, if required) agree; (iii) the Scheme lapses or is withdrawn; (iv) the Scheme has not become Effective by 5:30 p.m. (London time) on or before the Long Stop Date or such later time or date as Seplat and Eland (with the approval of the Court and/or the consent of the Panel, if required) agree; (v) if any other: (A)

takeover offer within the meaning of section 974 of the Companies Act made for the entire ordinary share capital of Eland becomes or is declared wholly unconditional; or (B) scheme of arrangement under section 895 of the Companies Act in respect of Eland becomes effective in accordance with its terms; or (vi) at 5:30 p.m. (London time) on 30 March 2020.

***Richard I Griffiths***

The irrevocable undertaking from Richard I Griffiths will only cease to be binding if: (i) Seplat announces with the consent of the Panel, that it does not intend to make an offer or proceed with the Acquisition; (ii) the Scheme Document is not sent to the Eland Shareholders by 5:30 p.m. (London time) on the date which is 28 days after the date of this Announcement, or such later time or date as Seplat and Eland (with the consent of the Panel, if required) agree; (iii) the Scheme lapses or is withdrawn; (iv) the Scheme has not become Effective by 5:30 p.m. (London time) on or before the Long Stop Date or such later time or date as Seplat and Eland (with the approval of the Court and/or the consent of the Panel, if required) agree; or (v) if any other: (A) takeover offer within the meaning of section 974 of the Companies Act made for the entire ordinary share capital of Eland becomes or is declared wholly unconditional; or (B) scheme of arrangement under section 895 of the Companies Act in respect of Eland becomes effective in accordance with its terms.

## APPENDIX IV

### DEFINITIONS

<b>“2C Resources”</b>	those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies, and <b>“2C Liquids Resources”</b> and <b>“2C Oil Resources”</b> shall be interpreted accordingly;
<b>“2P Reserves</b>	those quantities of petroleum which, by analysis of geographical and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under current economic conditions, operating methods and government regulations, and <b>“2P Liquids Reserves”</b> and <b>“2P Oil Reserves”</b> shall be interpreted accordingly;
<b>“Acquisition”</b>	the proposed acquisition by Seplat of the entire issued and to be issued share capital of Eland to be implemented by means of the Scheme or, if Seplat so determines in its absolute discretion (subject to the consent of the Panel), by means of the Takeover Offer;
<b>“AIM”</b>	the AIM Market of the London Stock Exchange;
<b>“AIM Oil &amp; Gas Index”</b>	the index of the London Stock Exchange known as “FTSE AIM All-Share – Oil & Gas”;
<b>“AIM Rules for Companies”</b>	the rules, published by the London Stock Exchange, which set out the rules and responsibilities in relation to AIM companies;
<b>“Announcement”</b>	this announcement of the Acquisition made in accordance with Rule 2.7 of the Code;
<b>“Bloomberg”</b>	the information service available on <a href="http://www.bloomberg.com">http://www.bloomberg.com</a> ;

<b>“bopd”</b>	barrels of oil per day;
<b>“Business Day”</b>	a day (other than a Saturday, Sunday or public holiday in England and Wales, Scotland and in Nigeria) when commercial banks in London, Edinburgh and Abuja are open for ordinary banking business;
<b>“Citi”</b>	Citigroup Global Markets Limited;
<b>“Closing Price”</b>	the closing middle-market quotation of an Eland Share as derived from the Daily Official List;
<b>“Code”</b>	the City Code on Takeovers and Mergers issued from time to time by or on behalf of the Panel;
<b>“Companies Act”</b>	the Companies Act 2006;
<b>“Conditions”</b>	the conditions of the Acquisition set out in Appendix I of this Announcement and to be set out in the Scheme Document and <b>“Condition”</b> means any one of them;
<b>“Confidentiality Agreement”</b>	the confidentiality agreement between Seplat and Eland dated 24 April 2015 as amended on 2 July 2019 and 12 September 2019;
<b>“Cooperation Agreement”</b>	the co-operation agreement dated 15 October 2019 entered into between Seplat and Eland;
<b>“Court”</b>	the Court of Session in Edinburgh;
<b>“Court Hearing”</b>	the hearing by the Court to sanction the Scheme;
<b>“Court Meeting”</b>	the meeting of Eland Shareholders to be convened pursuant to an order of the Court under section 896 of the Companies Act to consider and, if thought fit, approve the Scheme (with or without modification), and any adjournment thereof;
<b>“CREST”</b>	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755)) in respect of

which Euroclear UK & Ireland Ltd is the Operator (as defined in such regulations) in accordance with which securities may be held and transferred in uncertificated form;

<b>“Daily Official List”</b>	the Daily Official List of the London Stock Exchange;
<b>“Data Room”</b>	the Project Anchor online virtual data room facility provided by Sterling on behalf of Eland;
<b>“Dealing Disclosure”</b>	has the same meaning as in Rule 8 of the Code;
<b>“Deferred Shares”</b>	deferred shares of 90 pence each in the capital of Eland;
<b>“Disclosed”</b>	the information fairly disclosed by, or on behalf of, Eland: (i) in the audited consolidated annual report and accounts of the Eland Group for the year ended 31 December 2018; (ii) in the half year results of Eland Group dated 11 September 2019; (iii) in writing to Seplat and/or its agents and advisers prior to the date of this Announcement in relation to the Acquisition; (iv) in a public announcement to a Regulatory Information Service made by Eland prior to the date of this Announcement; (v) in the Data Room; or (vi) in this Announcement;
<b>“Disclosure Table”</b>	the disclosure table on the Panel’s website at <a href="http://www.thetakeoverpanel.org.uk">http://www.thetakeoverpanel.org.uk</a> ;
<b>“E&amp;P”</b>	exploration and production;
<b>“Effective”</b>	either:  (a) if the Acquisition is implemented by means of the Scheme, the Scheme has been implemented in accordance with its terms; or  (b) if the Acquisition is implemented by means of the Takeover Offer, the Takeover Offer has been declared or become unconditional in all respects in accordance with the requirements of the Code;
<b>“Effective Date”</b>	the date on which:  (a) if the Acquisition is implemented by means of the Scheme, the Scheme having become effective in

accordance with its terms; or

- (b) if the Acquisition is implemented by means of the Takeover Offer, the Takeover Offer having been declared or become unconditional in all respects in accordance with its terms;

<b>“Eland”</b>	Eland Oil & Gas PLC;
<b>“Eland’s Articles”</b>	Eland’s articles of association currently adopted and filed with the Registrar of Companies;
<b>“Eland Board Recommendation”</b>	<p>the unanimous and unqualified recommendation from the Eland Directors to Eland Shareholders in respect of the Acquisition:</p> <ul style="list-style-type: none"><li>(a) to vote in favour: (i) of the Scheme at the Court Meeting; and (ii) the Resolution at the General Meeting; and</li><li>(b) if Seplat elects to implement the Acquisition by means of a Takeover Offer, to accept the Takeover Offer;</li></ul>
<b>“Eland Directors” or “Eland Board”</b>	the board of directors of Eland and <b>“Eland Director”</b> means any of them;
<b>“Eland Group”</b>	Eland and its subsidiary undertakings and, where the context permits, each of them;
<b>“Eland Option Plans”</b>	the “Eland Oil and Gas PLC Share Option Plan”, the “Eland Oil and Gas PLC Non-Employee Share Option Plan” and the “Eland Oil and Gas PLC Long Term Incentive Plan”, in each case as the same may be validly amended from time to time;
<b>“Eland Share”</b>	the ordinary shares of 10 pence each in the capital of Eland;
<b>“Eland Shareholder”</b>	the holders of Eland shares;
<b>“Eland Share Plans”</b>	the Eland Option Plans and the Eland SIP;

<b>“Eland SIP”</b>	the Eland Oil and Gas PLC Share Incentive Plan;
<b>“Elcrest”</b>	Elcrest Exploration and Production Nigeria Limited;
<b>“Evercore”</b>	Evercore Partners International LLP;
<b>“Forms of Proxy”</b>	the forms of proxy for use at the Court Meeting and the General Meeting respectively, which will accompany the Scheme Document;
<b>“Gbetiokun”</b>	Gbetiokun field;
<b>“Gbetiokun-4”</b>	the Gbetiokun-4 well;
<b>“General Meeting”</b>	the general meeting of the Eland Shareholders to be convened in connection with the Acquisition, and any adjournment thereof;
<b>“Helios”</b>	Helios Natural Resources Limited;
<b>“IFRS”</b>	International Financial Report Standards;
<b>“Investec”</b>	Investec Bank plc;
<b>“Kboepd”</b>	thousand barrels of oil equivalent per day;
<b>“Kbopd”</b>	thousand barrels of oil per day;
<b>“LOAME”</b>	Lombard Odier Asset Management (Europe) Limited;
<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“Long Stop Date”</b>	15 April 2020 (or any such date as may be agreed by Seplat and Eland and the Panel and the Court may allow);
<b>“Meetings”</b>	together, the Court Meeting and the General Meeting;

<b>“MMbbls”</b>	million barrels;
<b>“MMboe”</b>	million barrels of oil equivalent;
<b>“MMscfd”</b>	million standard cubic feet per day;
<b>“Nigerian Department of Petroleum Resources Guidelines”</b>	the Guidelines and Procedures for Obtaining Minister’s Consent to the Assignment of Interests in Oil and Gas Assets 2014, issued pursuant to the Nigerian Petroleum Act;
<b>“Nigerian Federal Competition and Consumer Protection Act”</b>	the Federal Competition and Consumer Protection Commission Act, 2018;
<b>“Nigerian Petroleum Act”</b>	the Petroleum Act 1969, Cap P10, Laws of the Federation of Nigeria, 2004;
<b>“Nigerian Stock Exchange”</b>	The Nigerian Stock Exchange;
<b>“NSE Rules”</b>	the Rulebook of the Nigerian Stock Exchange 2015 (as amended);
<b>“Offer Period”</b>	the offer period (as defined by the Code) relating to Eland, commencing on the date of this Announcement and ending on the day this Acquisition becomes Effective, lapses or is withdrawn (or such other date as the Panel may decide);
<b>“OML 40”</b>	the oil mining licence number 40 onshore Nigeria issued by the government of the Federal Republic of Nigeria;
<b>“Opening Position Disclosure”</b>	has the same meaning as in Rule 8 of the Code;
<b>“Opuama”</b>	Opuama field;
<b>“Overseas Shareholders”</b>	Eland Shareholders whose registered addresses are outside the UK or who are citizens or residents of countries

	other than the UK;
<b>“Panel”</b>	the UK Panel on Takeovers and Mergers;
<b>“PD Meter”</b>	positive displacement liquid meter;
<b>“Peel Hunt”</b>	Peel Hunt LLP;
<b>“Registrar of Companies”</b>	the Registrar of Companies in Scotland;
<b>“Regulatory Information Service”</b>	a service approved by the London Stock Exchange for the distribution to the public of announcements and included within the list maintained on the London Stock Exchange’s website;
<b>“Resolution”</b>	the resolution to be proposed by Eland at the General Meeting in connection with, amongst other things, the approval of the Scheme, the amendment of Eland’s articles of association and such other matters as may be necessary to implement the Scheme;
<b>“Restricted Jurisdiction”</b>	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory, or criminal exposure if information concerning the Acquisition is sent or made available to Eland Shareholders in that jurisdiction;
<b>“Scheme”</b>	the proposed scheme of arrangement under Part 26 of the Companies Act between Eland and the Scheme Shareholders, the terms of which are to be set out in the Scheme Document, with or subject to any modification, addition or condition thereto approved or imposed by the Court and agreed to by Eland and Seplat;
<b>“Scheme Court Order”</b>	the order of the Court sanctioning the Scheme pursuant to section 899 of the Companies Act;
<b>“Scheme Document”</b>	the document addressed to Eland Shareholders containing, inter alia, the Scheme and the notices of the Court Meeting and the General Meeting;

<b>“Scheme Record Time”</b>	the time and date specified in the Scheme Document, expected to be 6:00 p.m. (London time) on the Business Day immediately after the Court Hearing;
<b>“Scheme Shareholders”</b>	holders of Scheme Shares as appearing in the register of members of Eland at the Scheme Record Time, and a “Scheme Shareholder” shall mean any one (1) of those Scheme Shareholders;
<b>“Scheme Shares”</b>	Eland Shares: <ul style="list-style-type: none"> <li>(i) in issue at the date of the Scheme Document;</li> <li>(ii) (if any) issued after the date of the Scheme Document but before the Voting Record Time; and</li> <li>(iii) (if any) issued at or after the Voting Record Time and before the Scheme Record Time on terms that the original or any subsequent holders shall be, or shall have agreed in writing by such time to be, bound by the Scheme;</li> </ul>
<b>“Seplat”</b>	Seplat Petroleum Development Company Plc;
<b>“Seplat Directors” or “Seplat Board”</b>	the board of directors of Seplat and “ <b>Seplat Director</b> ” means any of them;
<b>“Seplat Group”</b>	Seplat and its subsidiary undertakings and, where the context permits, each of them;
<b>“Sterling”</b>	Pound Sterling;
<b>“Stifel”</b>	Stifel Nicolaus Europe Limited;
<b>“Summary”</b>	the summary of this Announcement, set out at the beginning of this Announcement;
<b>“Switch”</b>	as defined in the section 13 ( <i>Offer-related Arrangements</i> );
<b>“Takeover Offer”</b>	if Seplat elects to effect the Acquisition by means of an offer, the offer to be made by or on behalf of Seplat to acquire the entire issued and to be issued ordinary share

capital of Eland including, where the context so requires, any subsequent revision, variation, extension, or renewal thereof;

**“Third Party”**

each of a central bank, government or governmental, supranational, statutory, regulatory, professional or investigative body or authority (including any antitrust or merger control authority), court, arbitrator or arbitrator panel, professional association, environmental body, any regulatory organization or private body exercising any regulatory, taxing, importing, or any other similar body or person whatsoever in any jurisdiction;

**“Treasury Shares”**

shares held as treasury shares as defined in section 724(5) of the Companies Act;

**“Ubima”**

Ubima marginal field;

**“Ubima-1”**

the Ubima-1 well;

**“UK” or “United Kingdom”**

the United Kingdom of Great Britain and Northern Ireland;

**“United States of America”, or  
“US” or “United States”**

the United States of America, its possessions and territories, all areas subject to its jurisdiction or any subdivision thereof, any State of the United States and the District of Columbia;

**“US\$” or “\$”**

United States dollars;

**“US Exchange Act”**

the US Securities Exchange Act of 1934, as amended and the rules and regulations promulgated thereunder;

**“Voting Record Time”**

the time and date specified in the Scheme Document by reference to which entitlement to vote at the Court Meeting will be determined, expected to be 6:00 p.m. (London time) on the day which is two (2) days before the date of the Court Meeting or if the Court Meeting is adjourned, 6:00 p.m. (London time) on the day which is two (2) days before such adjourned meeting;

**“Wider Eland Group”**

the Eland Group and any of its subsidiaries, subsidiary undertakings and associated undertakings and any other body corporate, partnership, joint venture or person in which Eland and such undertakings (aggregating their interests) have a direct or indirect interest of 20 per cent. or more of the voting or equity capital or equivalent;

**“Wider Seplat Group”**

the Seplat Group and any of its subsidiaries, subsidiary undertakings and associated undertakings and any other body corporate, partnership, joint venture or person in which Seplat and such undertakings (aggregating their interests) have a direct or indirect interest of 20 per cent. or more of the voting or equity capital or equivalent; and

**“Working Interest”**

a percentage of ownership in an oil and gas lease granting its owner the right to explore, drill and produce oil and gas from a tract of property.