

NDEP, Nigeria's first integrated indigenous energy company, is providing shareholders with an unaudited update on trading of the Company for the year ended 31 December 2022.

The Chief Executive Officer of NDEP, Mr Adegbite Falade, comments:

"The year 2022 has been very tough for the oil and gas industry in Nigeria. Notwithstanding, as a result of our strong, resilient and integrated business model, coupled with a focus on capital discipline and operating excellence, the business recorded notable improvements. We increased revenue and profit before tax year-on-year and achieved significant diversification of the revenue mix, underscored by very strong growth in the refinery business. Our four-well drilling programme commenced in Q4 2022 and is ongoing. We successfully consummated a few dollar-denominated refined product sale arrangements, which will aid our foreign exchange earnings profile beyond the upstream business. Additionally, our Alternative Crude Evacuation project is currently in the pilot phase and we estimate that it will be fully operational in the very near future. Each of these projects has the potential to deliver material returns on capital and further strengthen our production and cashflow generation.

In 2023, we expect growth in our revenue and further revenue diversification across our various business segments."

Strategic Update

- In March 2022, we commissioned front-end studies towards the further development of the Ogbale Field. This culminated in a four-well drilling campaign that began in September 2022, and is expected to be completed in Q4, 2023.
- The Company also commenced the implementation of its Alternative Crude Evacuation (ACE) project. The objective is to ensure that there are value realisation avenues beyond the traditional Trans Niger Pipeline (TNP) and the refinery business. To operationalise the ACE, the maiden voyage for crude oil delivery to the Bonny Terminal, through the mother vessel, was completed in December 2022, and we expect steady state full operations by Q2, 2023.
- Ms. Patricia Simon-Hart was appointed to the NDEP Board as an Independent Non-Executive Director, effective from the 4th of November 2022. Her appointment is in

continuation of the Company's ongoing, forward-looking preparations for the new challenges of growth and transformation as the emerging leading African energy Company.

Operational Update

- NDEP closed the year without any significant safety-related issues, recording a total of **16.14 million** manhours with zero time lost due to incident (LTI).
- Crude Oil Business
 - Total production for the year of **1.44mmbbls** and **6.51bcf** for oil and gas respectively.
 - The Company lifted **370.00kbbls** of crude oil in December 2022, bringing the total volumes exported in 2022 to **395.00kbbls**.
- Gas Business
 - Gas delivery volumes of (**6.51bcf**); 44.0% lower than 2021 (**9.39bcf**). This was due to the associated gas production locked in to preserve Company hydrocarbon reserves due to the curtailment of crude production because of heavy crude oil losses on the TNP.
- Refinery Business
 - This was the focal point for realising value in 2022.
 - Refined delivery volumes rose **105.0%** to **152.84mmlitres** relative to **74.53mmlitres** in 2021. This was driven by debottlenecking the refinery production from upstream oil production and actively pursuing its monetisation strategies.
 - Capacity utilisation improved to **24.0%** from **13.45%** in 2021; underscoring further upside potential as well as additional opportunities that exist to further optimise the refinery business.
 - In June 2022 the Company formally commenced its digital transformation journey through the implementation SAP S/4 Hana, and the integration of other digital tools across its entire operations.

Financial Updates

- To ensure adequate capital for the 2022-2023 drilling campaign, the Company obtained a **US\$120 million** Field Development Facility (FDF) in March 2022. The FDF is to supplement the Company's available cash to fund the Ogbele Field Development campaign that commenced in September 2022.
- The Company successfully closed a **NGN10 billion** bond issue in December 2022, part of a **NGN20 billion** bond series. Relevant regulatory requirements and processes are being met and ongoing, and the proceeds from the issue will be used to fund the Ogbele Field Base upgrade, among other works.
- Our 2023 oil hedges were for **3.5kbbls/day** at **US\$2.20/bbl.** (strike price of **US\$55/bbl.**) which runs until August 2023.

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