

Sustainability Report 2017

Our distinguished Stakeholders,

We present herewith our Sustainability Report for the year that ended 31 December 2017.

We continue over the years to demonstrate a sturdy commitment to People (stakeholders), the Planet (environment) and Performance (profitability). As a result, the Company continues to enjoy successes in its operations even in the face of global recession and other debilitating factors within the Oil and Gas Industry.

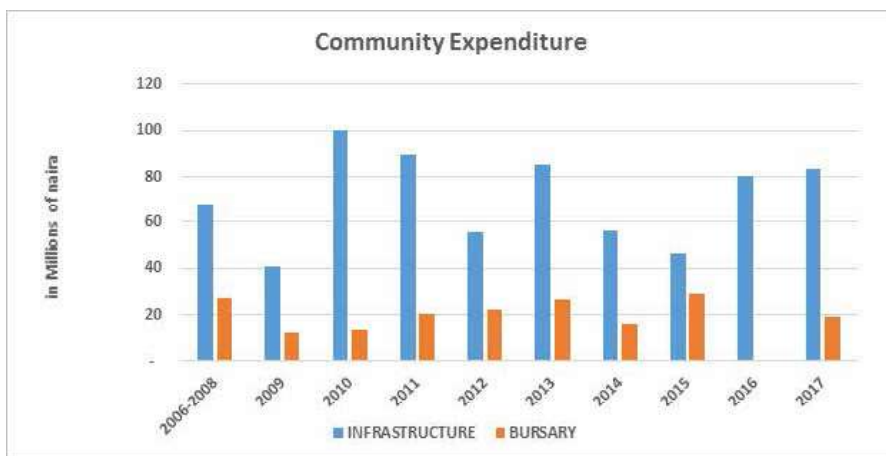
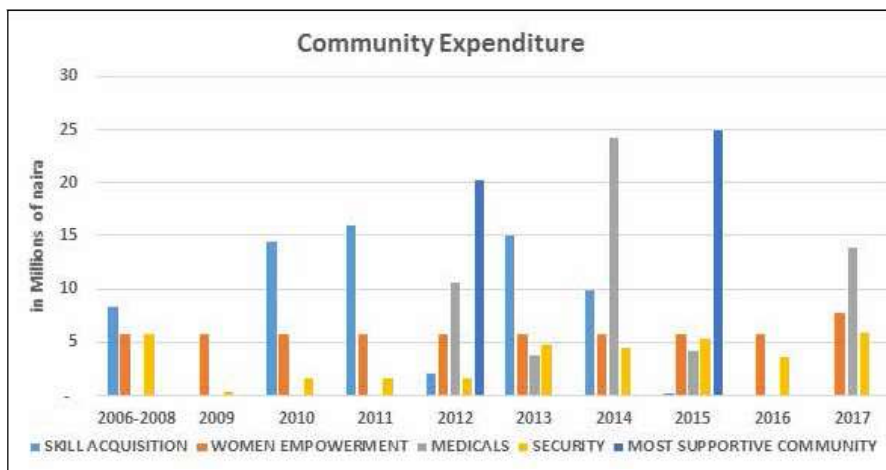
Social Responsibility

Our Host Communities

Community development and engagement are taken as fundamental to NDEP’s approach to sustainability. Therefore, the NDPR Community Development Trust sustained the tempo of activities in the year under review as depicted in the historical chart of spend and categories of themes.

Engaging with Communities

NDEP’s unique philosophy in executing developmental projects is that the communities through their Community Advisory Committees take the lead. They conceive, plan and execute projects by themselves, albeit with the collaboration of NDEP and the funding by the Trust.



Sustainability Report -continued

Clearly, your company has reliably demonstrated its solid and authentic commitment to our host communities as can be seen by our expenditure in infrastructure, education and women empowerment and skills acquisition since the start of operations (reference above chart).

Community-Specific Projects

We are delighted to announce the exciting initiatives that are ongoing and completed in the year under review. These include:

Ogbele

- An annual security surveillance grants to support local security effort - ₦1.8m
- Construction of two water boreholes - ₦2.6m

Obumeze

- Construction of 3.57km road from Ogbele junction to Obumeze Community - ₦426m
- Renovation of Obumeze Civic Center was completed - ₦37m

Rumuekpe

- Continuation of the construction of 2 secondary school blocks - ₦32m.
- Annual Educational Bursary Awards was paid to 801 students of Rumuekpe community origin in tertiary institutions in Nigeria at ₦50k per student - ₦4.1m.

Omaraka

- Support of local security effort - ₦1.8m
- Construction of ten Lock-up Shops - ₦24.9m

Otari

- Construction of Odual Family Hall - ₦58.6m

General Projects

- 120 Women (20 from each community) were empowered to acquire skills in various fields of endeavor through women empowerment programme at ₦100K each - ₦12m

These significant achievements are valued highly by our Host Communities and the feedback motivates us to have greater development footprints.

Health, Safety and Environment (HSE)

HSE is critical to the responsible development and delivery of energy. NDEP Plc develops and operates its facilities with the aim of preventing incidents that may harm its employees, contractors or Host Communities. It also ensures that the environment is treated in a safe and sustainable manner. Your company's performance in the year under review vividly attested to this. Our operations and activities are being managed in compliance with regulations and our management systems which are based on industry practices.



Sustainability Report -continued

HSE achievements for the year under review include:

- Another year recording of zero: work stoppage, Loss Time Injuries (LTI) fatalities
- Successful organization of the sixth edition of a company-wide HSE Week
- Successful completion of an Oil Spill Contingency Plan (OSCP) activation by the Department of Petroleum Resources (DPR)
- Completion of Management quarterly facility inspection
- Completion of routine Gas Plant annual facility audit by the DPR
- Continuation of Site Impact Mitigation Monitoring Exercise (IMME)
- Improvement of Contractor HSE Management System.
- Radioactive Source Permit for Well-10 approved by NNRA
- Radiation Safety Permit for Well-10 approved by DPR
- Effluent Discharge/Environmental Permit for Well-10 approved by DPR
- Provisional EIA for Omerelu OML 53 approved by DPR
- Environmental and Social Management System approach introduced
- ISO 14001 certification process commenced.

Sustainability Report -continued**Environment**

Our Company works to manage and minimize environmental impact from our operations with the aim of sustainability. NDEP Plc environmental standards focus on key areas such as:

- Minimize emissions
- Prevention of spillages and leaks
- Conservation of biodiversity

Our approach is to comply with environmental regulations, to continually improve our performance in line with industry best practices, and to prepare for future risks and opportunities. The sustenance of the World Bank led Global Gas Flare Reduction - 2030 initiative demonstrates our long term commitment to the Climate environment improvement thrust.

Charitable Donations

In the year under review, the following charitable donations and sponsorships were made:

- Sponsorship of the opening ceremony of the 2017 NAPE Exhibition
- Sponsorship of CPI-Industry Public Symposium
- The Making of Champions – Sponsorship of Student Athletes to University until 2020 Olympics
- Sponsorship of Lagos Book and Art Fair
- Donation to Nigerian Content Development Board (Nigeria Oil and Gas Opportunity Fair (NOGOF)
- Sponsorship towards the Festival of Arts, MUSON Center.

Conclusion

Our Company recognizes that Corporate Social Responsibility is a key factor in its sustained performance. Despite the numerous challenges of the Oil and Gas industry, we have remained committed to fulfill our social obligations to our Host Communities and other stakeholders.

Health, Safety and Environment have also received priority attention for which our Company has received awards both locally and internationally. We are delighted to collaborate with international bodies such as IFC – International Finance Corporation who visited our facilities during the year under review. We will not rest on our oars or bask on our past glory but will continue to innovate with a view to remaining sustainably responsible to all stakeholders.

