

Our highly esteemed Stakeholders,

We are pleased to present the Sustainability Report for the year ended 31 December 2018. Sustainable Development can be defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs (Brundtland Report). As in previous years, the Company maintained a strong focus on Sustainable Development as a key component of business decisions. In this regard, the Company is driven by three main pillars of Sustainable Development which are;

- Corporate Social Responsibility
- Health, Safety and Environment (HSE)
- Economic Viability

Corporate Social Responsibility

Our Host Communities

Our Host Communities are integral to our Sustainable Development policy and practice. The key vehicle for our community interventions is the NDPR Host Community Development Trust (HCDDT) framework which continues to attract national acclaim. In 2018, we maintained our drive for positive social impact which included the construction of the 3.54km road for the Obumeze Community at cost of N430M.

The Company's unique philosophy is premised on continuous collaboration with its communities. They are not extraneous to our business but indeed, an integral part of its success story. This partnership, among other benefits, enables the Company to influence the lives of the people in the communities where it has operational footprints. In 2018, the HCDDT, through diverse projects and activities, contributed to the enhancement of the standard of living and capacity building of the people of its host communities. In this respect, the following projects were either concluded or ongoing in our Host Communities namely Otari, Obumeze, Ogbela, Rumuekpe, Omaraka, and Oshuigbokor. Some of these are:

Infrastructure N700m

- Construction of Oduval Family Hall
- Completion and commissioning of the Obumeze Civic Center

- Completion and commissioning of two classroom Blocks and Head Masters Office
- Completion and commissioning of 10 Lock-Up shops for Omaraka Community
- Construction and Rehabilitation of Water Boreholes
- Construction of Obumeze-Odiabidi Road
- Repair of the Ogbela Road

Empowerment and Skills Development N57m

- Payment of skills acquisition grant to 1,693 beneficiaries
- Empowerment grant paid to 100 women
- Payment of bursary to 154 students in tertiary institutions

These notable achievements have endeared our Company to our Host Communities and obtained for itself, the 'freedom to operate' which is invaluable.

Charitable Donations

Under the Corporate Social Responsibility activities, the Company supported multiple initiatives in charitable donations and sponsorships. Some of these are:

- Sponsorship of the 2018 NAPE Exhibition Luncheon
- Sponsorship of Aret Adams Foundation Memorial Lecture
- Sponsorship of 'Making of Champions' – a scholarship for students
- Sponsorship of American Association of Petroleum Geologists Conference
- Donation to the Nigerian Society of Engineers (NSE)

Diversity and Inclusiveness

The Company also respects diversity and inclusiveness as part of its Corporate Social Responsibility. Amongst several initiatives taken during the year, we celebrated the International Womens' Day. The female members of NDEP held a knowledge sharing session under the global theme for 2018 #PressforProgress. Indeed, your Company as an equal opportunity employer, promotes diversity and inclusion in the workplace. NDEP maintains a policy of non-discrimination based on socio-cultural perspectives, gender, ethnicity, and religion.



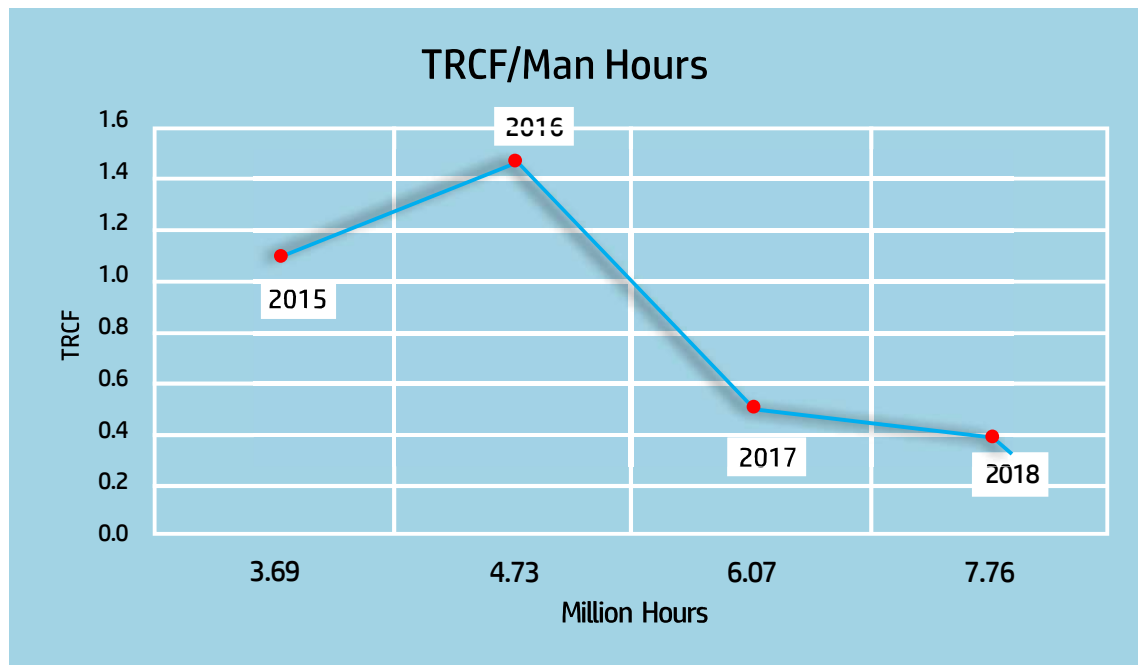
International Women's Day

Health, Safety and Environment (HSE)

HSE considerations play a critical role in every facet of the Company as the HSE policy guides every aspect of our operations. In 2018, we continued to enhance HSE capacity across the organisation by reinforcing the culture and taking proactive steps in this regard. On schedule, we reviewed operations and inspected facilities as part of our assurance process.

We also continued to perform environmental audits and adhered to relevant regulations. Our fire-fighting capacity has been reviewed and enhanced. We sustained focus on flared gas management by keeping the level under 2% (technical flare) of total gas produced. This aligns with our strategy of gas monetisation and environmental protection. NDEP continues to meet its no gas flare targets in line with its commitments under the World Bank Zero Flare Initiative.

It is noteworthy that the Company clocked 8 million-man hours without lost time injury. Indeed, the year was marked by a significant increase in our activity levels, with drilling at Ogbale and the refinery expansion projects, in addition to operations of the facility. We managed operational risks and hazards, and therefore achieved zero fatality. Overall, HSE is strong and improving as demonstrated in our TRCF profile.



Dear stakeholders, we are proud of this achievement, and will always endeavour to improve on this level of performance as we continuously adopt best environmental practices in line with Oil and Gas Industry standards.

Economic Viability

NDEP is also passionate about the responsible operations of its assets, as this drives profitability. Investments are painstakingly analysed and funds are deployed in a disciplined approach that maximises shareholder value. These and other measures have protected the company in tough times and developed its resilience over time.

Our financial highlights (in the CEO's statement) confirm the strong financial position of the Company and its ability to remain so in years to come.

Conclusion

As a corporate citizen, the Company will continue to deepen its culture of Sustainable Development by adopting best practice and adhering to regulations, in a manner that minimizes harm to people and damage to the environment whilst remaining profitable.

Our Company remains committed relentlessly to Sustainable Development for the present and generations unborn.