

Full Year 2022 Trading Update

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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 Ogebele 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 Ogebele 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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About Niger Delta Exploration & Production

NDEP Plc is an innovative, integrated energy company with interest in multiple oil and gas assets, and its business spanning the upstream, midstream, and downstream value chain of the oil and gas industry. The Group is committed to minimising its carbon footprint and has successfully eliminated routine gas flaring at its Ogebele Facility since 2012, when its 100MMscf/d Gas Processing Plant was commissioned.

Ogebele is NDEP's flagship upstream asset, and it is in Rivers State. Oil production commenced in November 2005 and the field has developed into a fully integrated oil and gas producing asset, comprising a crude oil processing facility with a 20,000bbls/d capacity flow station, a 100MMcf/d capacity gas processing plant and a modular refinery, with an increased expansion to 11,000bbls/d, from 6,000bbls/d. The Plant is to enable the Company to develop and monetise its Gas Resources in the Ogebele Field. In addition, a 12'' x 20km Gas Delivery Pipeline was constructed to deliver gas processed from the Plant to the Bonny NLNG.

In 2012, the Company, along with three other partners acquired the 45% interests of the Shell, Total and Agip in the OML 34 Joint Venture (in the Western Niger Delta) with a total flow station processing capacity of 100mbp/d. OML 34 has three gas processing plants: two in Utorogu Field

(NAG-1 and NAG-2) with 360 and 150MMScf/d capacity respectively, and the third in Ughelli East Field with 90MMScf/d capacity.

The Company also acquired a 100% stake and operatorship of the Omerelu Field in 2014 from the NNPC/Chevron JV located in OML 53 about 42km North-West of Port Harcourt in Rivers State, Nigeria.

Forward looking statements

Certain statements in this document may constitute forward-looking information or forward-looking statements under applicable Nigerian securities law (collectively “forward-looking statements”). Forward-looking statements are statements that relate to future events, including the Company’s future performance, opportunities, or business prospects. Any statements that express or involve discussions with respect to expectations, forecasts, assumptions, objectives, beliefs, projections, plans, guidance, predictions, future events or performance (often, but not always, identified by words such as “believes”, “seeks”, “anticipates”, “expects”, “continues”, “may”, “projects”, “estimates”, “forecasts”, “pending”, “intends”, “plans”, “could”, “might”, “should”, “will”, “would have” or similar words suggesting future outcomes) are not statements of historical fact and may be forward-looking statements.

By their nature, forward-looking statements involve assumptions, inherent risks and uncertainties, many of which are difficult to predict, and are usually beyond the control of management, that could cause actual results to be materially different from those expressed by these forward-looking statements. Undue reliance should not be placed on these forward-looking statements because the Company cannot assure that the forward-looking statements will prove to be correct. As forward-looking information address future conditions and events, they could involve risks and uncertainties including, but are not limited to, risk with respect to general economic conditions, regulations and taxes, civil unrest, corporate restructuring and related costs, capital and operating expenses, pricing and availability of financing and currency exchange rate fluctuations. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.