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# Additional information

# Report on payments to governments (unaudited)

For the year ended 31 December 2018

## Introduction

The following information is included to comply with the Disclosure and Transparency Rules of the Financial Conduct Authority in the United Kingdom and it is prepared in accordance with Directive 2013/34/EU (the EU Accounting Directive (2013)).

## Reporting entities

This Report includes payments to governments made by Seplat Petroleum Development Company and its subsidiaries (Seplat). All payments to governments arise from operations within Nigeria.

## Activities

Payments made by Seplat to governments arising from activities involving the exploration, prospection, discovery, development and extraction of minerals, gas processing, oil and natural gas deposits or other materials (extractive activities) are disclosed in this Report. It excludes payments related to refining, natural gas liquefaction or gas-to-liquids activities. When payments cover both extractive and processing activities and cannot be split, the payments have been disclosed in full.

## Government

Government includes any national, regional or local authority of a country to which Seplat has made payment related to these regulations, and includes any department, agency or entity that is controlled by such authority.

## Project

Payments are reported at project level except for payments that are not attributable to a specific project, which are reported at entity level. A project is defined as an operational activity which is governed by a single contract, licence, lease, concession or similar legal agreement, and forms the basis for payment to government. However, if multiple agreements are substantially interconnected, this shall be considered as a project. Indicators of integration include, but are not limited to, geographic proximity, the use of shared infrastructure and common operational management.

## Payments

The information is reported under the following payment types.

## Production entitlements

These represent the government's share of production in the reporting period arising from projects operated by Seplat. It comprises crude oil and gas attributable to the Nigerian government by virtue of its participation as an equity holder in projects within its sovereign jurisdiction (Nigeria).

Production entitlements to the government are lifted independently by the relevant government agency.

## Royalties

These are payments for the rights to extract oil and gas resources, typically at a set percentage of revenue less any deductions that may be taken.

## Licence fees, rental fees, entry fees and other considerations for licences and/or concessions

These are fees and other sums paid as consideration for acquiring a licence for gaining access to an area where extractive activities are performed. Administrative government fees that are not specifically related to the extractive sector, or to obtain access to extractive resources, are excluded. Also excluded are payments made in return for services provided by a government.

Other types of payments that are required to be disclosed in accordance with the Regulations are the following:

- Taxes levied on the income, production or profits
- Dividends
- Signature, discovery and production bonuses
- Infrastructure improvements

However, for the year ended 31 December 2018, there were no such reportable payments made by Seplat to government that were above the materiality threshold as determined below.

## Materiality

For each payment type, total payments below £88,611 (€100,000, \$117,919) whether made as a single payment or as a series of related payments, to a government agency are excluded from this Report.

## Reporting currency

Payments in this report have been disclosed in US Dollars. Where actual payments have been recorded in a currency other than US Dollars, they have been translated using the annual average exchange rate.

Government and Expense Report (In USD)	Production Entitlement	Royalties	Fees	Total
<b>Governments</b>				
Nigerian National Petroleum Corporation	738,688,290 <sup>1</sup>	–	–	738,688,290
Department of Petroleum Resources	–	138,022,757	26,652,529	164,675,286
Central Bank of Nigeria <sup>2</sup>	–	–	920,461	920,461
Niger Delta Development Commission	–	–	19,363,515	19,363,515
Nigerian Content Development and Monitoring Board	–	–	2,642,818	2,642,818
<b>Total</b>	<b>738,688,290</b>	<b>138,022,757</b>	<b>49,579,323</b>	<b>926,290,370</b>

1 Payment in kind of 738,688,290 for 10,830,857bbl at market prices.

2 Payment to Central Bank of Nigeria represents Nigerian Export Supervision Scheme (NESS) fee paid on crude oil exported.

Project and Expense Report (In USD)	Production Entitlement	Royalties	Fees	Total
<b>Projects</b>				
OML 4, 38 and 41	703,460,806 <sup>3</sup>	132,625,930	47,772,535	883,859,271
OML 53	35,227,484 <sup>4</sup>	4,734,920	1,806,788	41,769,192
OML 56	–	661,907	–	661,907
<b>Total</b>	<b>738,688,290</b>	<b>138,022,757</b>	<b>49,579,323</b>	<b>926,290,370</b>

3 Payment in kind of 703,460,806 for 10,325,857bbl at market prices.

4 Payment in kind of 35,227,484 for 505,000bbl at market prices.

# Notice of 6th Annual General Meeting of Seplat Petroleum Development Company Plc

(Registered with the Corporate Affairs Commission of Nigeria with RC Number: 824838)

**NOTICE** is hereby given that the 6th Annual General Meeting of Seplat Petroleum Development Company Plc (the “**Company**”) will be held at the Civic Centre, Ozumba Mbadiwe Road, Victoria Island, Lagos, Nigeria at 11:00am on Thursday, 16 May 2019 to transact the following business:

To consider and, if thought fit, to transact the following Ordinary Business, which will be proposed as Ordinary Resolutions:

1. To receive the Annual Accounts, Directors’ Report, Auditors’ Report for the year ended 31 December 2018 and the Audit Committee Report.
2. To declare a final dividend recommended by the Board of Directors of the Company in respect of the financial year ended 31 December 2018.
3. To re-appoint Ernst & Young Nigeria as Auditors of the Company from the conclusion of this meeting until the conclusion of the next general meeting of the Company at which the Company’s Annual Accounts are laid.
4. To authorise the Board of Directors of the Company to determine the Auditors’ remuneration.
5. To re-elect those Directors of the Company who are eligible for retirement by rotation.
6. To elect members of the Audit Committee.

To consider and, if thought fit, to transact the following Special Business, which will be proposed as an Ordinary Resolution:

7. To approve the Remuneration Section of the Directors’ Remuneration Report set out in the Annual Report and Accounts for the year ended 31 December 2018<sup>1</sup>.

Copies of the Annual Report and Accounts for Seplat Petroleum Development Company Plc for the financial year ended 31 December 2018 will be mailed to the shareholders and will be available on our website: [www.seplatpetroleum.com](http://www.seplatpetroleum.com). Printed versions can also be obtained by contacting DataMax Registrars in Nigeria at 2C Gbagada Expressway, by Beko Ransome Kuti Park, Gbagada, Lagos/+ 234 1 7120012; or Computershare in the UK on +44 (0) 370 703 6101.

By order of the Board.



**Dr. Mirian Kene Kachikwu**

FRC/2015/NBA/00000010739

General Counsel/Company Secretary

Dated 6 March 2019

<sup>1</sup> This is set out on pages 103 to 108 of the Annual Report and Accounts for the year ended 31 December 2018. In accordance with UK remuneration reporting rules, this is an advisory vote.

## Notes:

### 1. PROXY:

A member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote in his/her/its place. A proxy need not be a member of the Company. For the appointment to be valid for the purposes of the meeting, a completed and duly stamped proxy form must be deposited at the office of the Registrar, DataMax Registrars Limited, 2C Gbagada Express Way, by Beko Ransome Kuti Park, Gbagada, Lagos or at the head office of the Company, marked for the attention of the “Company Secretary” or by email to [proxy@seplatpetroleum.com](mailto:proxy@seplatpetroleum.com), not less than 48 hours before the time fixed for the meeting. For convenience purposes, a blank proxy form is attached to the 2018 Annual Report and Accounts, both of which are available at the Company’s website: [www.seplatpetroleum.com](http://www.seplatpetroleum.com) and at the Company’s head office: 25a Lugard Avenue, Ikoyi, Lagos.

### 2. CLOSURE OF REGISTER:

The Register of Members and Transfer Books of the Company (Nigeria & UK) will be closed on 21 March 2019 in accordance with the provisions of section 89 of CAMA, to enable the Registrars to prepare for the Annual General Meeting.

### 3. PAYMENT OF DIVIDENDS:

If the Dividend recommended by the Directors is approved by members at the Annual General Meeting, dividend will be paid on or around 23rd May 2019, to shareholders whose names appear in the Company’s Register of Members at the close of business on 20 March 2019.

### 4. E-DIVIDEND MANDATE:

Shareholders are kindly requested to advise DataMax Registrars Limited of their updated records and relevant bank accounts, by completing the e-mandate form. The e-mandate form can be downloaded from DataMax Registrars Limited’s website at <http://www.datamaxregistrars.com>. The duly completed form(s) should be returned to DataMax Registrars Limited, No, 2c Gbagada Expressway, by Beko Ransome Kuti Park, Gbagada Phase 1, Lagos.

### 5. NOMINATION FOR AUDIT COMMITTEE:

In accordance with section 359(4) & (5) of the Companies and Allied Matters Act 2004, the Audit Committee shall consist of an equal number of Directors and representatives of the shareholders of the Company (subject to a maximum number of six (6) members). Any shareholder may nominate a shareholder as a member of the Audit Committee. Such nomination should be in writing and should reach the Company Secretary at least twenty-one (21) days before the Annual General Meeting.

### 6. RE-ELECTION OF DIRECTORS:

The following two Independent Non-Executive Directors who are scheduled for retirement by rotation and are eligible for re-election, have indicated their willingness to continue as Directors on the Board of the Company:

- i. Mrs. Ifueko Marina Omoigui Okauru; and
- ii. Mr. Damian Dinshiya Dodo, SAN.

The profiles of these Directors are available on pages 74 and 75 respectively, of the 2018 Annual Report and Accounts.

### 7. RIGHT OF SECURITIES’ HOLDERS TO ASK QUESTIONS:

In line with Rule 19.12(c) of the Listing Rules of the Nigerian Stock Exchange, Securities’ Holders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting. Questions submitted prior to the Meeting should be addressed to the Company Secretary and must reach the head office of the Company no later than 7 days before the date of the Meeting (being 16 May 2019).

## General information

### Board of directors:

Ambrosie Bryant Chukwueloka Orjiako	Chairman	Nigerian
Ojunekwu Augustine Avuru	Managing Director and Chief Executive Officer	Nigerian
Roger Thompson Brown	Chief Financial Officer (Executive Director)	British
Effiong Okon	Operations Director (Executive Director)	Nigerian
Michel Hochard <sup>1</sup>	Non-Executive Director	French
Macaulay Agbada Ofurhie	Non-Executive Director	Nigerian
Michael Richard Alexander	Senior Independent Non-Executive Director	British
Ifueko M. Omoigui Okauru	Independent Non-Executive Director	Nigerian
Basil Omiyi	Independent Non-Executive Director	Nigerian
Charles Okeahalam	Independent Non-Executive Director	Nigerian
Lord Mark Malloch-Brown	Independent Non-Executive Director	British
Damian Dinshiya Dodo, SAN	Independent Non-Executive Director	Nigerian

<sup>1</sup> Madame Nathalie Delapalme acts as alternate Director to Michel Hochard

### Company Secretary

Mirian Kachikwu

### Registered office and business address of Directors

25a Lugard Avenue  
Ikoyi  
Lagos  
Nigeria

### Registered number

RC No. 824838

### FRC number

FRC/2015/NBA/00000010739

### Auditor

Ernst & Young  
(10th & 13th Floors), UBA House  
57 Marina Lagos, Nigeria

### Registrar

DataMax Registrars Limited  
2C Gbagada Express Way,  
by Beko Ransome Kuti Park,  
Gbagada,  
Lagos  
Nigeria

### Solicitors

Olaniwun Ajayi LP  
Adepetun Caxton-Martins Agbor & Segun ("ACAS-Law")  
Banwo & Ighodalo  
Templars Law  
White & Case LLP  
Whitehall Solicitors  
Bracewell (UK) LLP  
Herbert Smith Freehills LLP  
Chief J.A. Ororho & Co.  
Ogaga Ovwah & Co.  
Consolex LP  
J.E. Okodaso & Company  
V.E. Akpoguma & Co.  
Thompson Okpoko & Partners  
G.C. Arubayi & Co.  
Streamsowers & Kohn

### Bankers

First Bank of Nigeria Limited  
Stanbic IBTC Bank Plc  
United Bank for Africa Plc  
Zenith Bank Plc  
Citibank Nigeria Limited  
Standard Chartered Bank  
HSBC Bank

## Glossary of terms

### **AEPS**

Amukpe Escravos Pipeline System

### **AG**

Associated Gas

### **AGPC**

ANOH Gas Processing Company

### **ALR**

Amended Listing Rules

### **ANOH**

Assa North Ohaji South

### **BTU**

British Thermal Unit

### **CAMA**

Companies and Allied Matters Act

### **CBI**

Convention on Business Integrity

### **CBN**

Central Bank of Nigeria

### **CGRS**

Corporate Governance Rating System

### **DD&A**

Depreciation, Depletion & Amortization

### **DSO**

Domestic Supply Obligation

### **E&A**

Exploration and Appraisal

### **EBIT**

Earnings Before Interest Tax

### **EPF**

Early Production Facility

### **EPS**

Earnings Per Share

### **ERGP**

Economic Recovery & Growth Plan

### **ERM**

Enterprise Risk Management

### **ESIA**

Environmental Social Impact Assessment

### **FID**

Final Investment Decision

### **FTSE**

Financial Times Stock Exchange Index

### **GDP**

Gross Domestic Product

### **GGFR**

Global Gas Flaring Reduction

### **GHDI**

Global Human Development Initiative

### **GMOU**

Global Memorandum of Understanding

### **GMP**

Gas Master Plan

### **GSA**

Gas Supply Agreement

### **GTL**

Gas To Liquids

### **GW**

Giga Watt

### **IEFX**

Investors, Exporters Foreign Exchange window

### **IOC**

International Oil Company

### **IOGP**

International Association of Oil & Gas Producers

### **IPP**

Independent Power Plants

### **ISO**

International Standards Organisation

### **KPI**

Key Performance Indicator

### **KWH**

KiloWatt Hour

### **LNG**

Liquefied Natural Gas

### **LPS**

Loss Per Share

### **LTF**

Liquid Treatment Facility

### **LTIF**

Lost Time Incident Frequency

### **LTIP**

Long Term Incentive Plan

### **MCP**

Multiple Currency Practices

### **MOPU**

Mobile Offshore Production Unit

### **NAPIMS**

National Petroleum Investment Management Service

### **NBS**

National Bureau of Statistics

### **NED**

Non Executive Director

### **NGC**

Nigerian Gas Company

### **NGMC**

Nigerian Gas Marketing Company

### **NGMP**

Nigeria Gas Master Plan

### **NGO**

Non Governmental Organisation

### **NGPTC**

Nigerian Gas Processing and Transportation Company

### **NIIMP**

Nigerian Integrated Infrastructure Master Plan

### **NNPC**

Nigerian National Petroleum Company

### **NOGICD**

Nigeria Oil and Gas Industry Content Development

### **NPC**

National Population Commission

### **NPDC**

Nigerian Petroleum Development Company

### **O&G**

Oil & Gas

### **OB3**

Obiafu-Obrikom-Oben gas pipeline

### **OPEC**

Organisation of Petroleum Exporting Countries

### **PIB**

Petroleum Industry Bill

### **PIFB**

Petroleum Industry Fiscal Bill

### **PIGB**

Petroleum Industry Governance Bill

### **PPP**

Public Private Partnership

### **PSC**

Production Sharing Contracts

### **RCF**

Revolving Credit Facility

### **SDG**

Sustainable Development Goals

### **SEC**

Securities Exchange Commission

### **SID**

Senior Independent Director

### **SPDC**

Shell Petroleum Development Company

### **TRIR**

Total Recordable Incident Rate

### **TSR**

Total Shareholder Return

### **WEF**

World Economic Forum

### **WRPC**

Warri Refinery Petrochemical Company