RNS Number : 3318G
Savannah Energy Plc
30 September 2024

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Savannah Energy PLC

("Savannah" or "the Company")

2024 Half-Year Results

Savannah Energy PLC, the British independent energy company focused around the delivery of ***Projects that Matter***, is pleased to announce its unaudited half-year results for the six months ended 30 June 2024.

Andrew Knott, CEO of Savannah Energy, said:

"I am pleased to report our results for the first six months of 2024, as well as the wider progress we are making developing our business. Key highlights in H1 included the delivery of US$233m of Total Income[1] and the announcement of our planned acquisition of SINOPEC's upstream assets in Nigeria. Alongside this, we are pleased to report strong progress in the development of our renewable energy business, particularly relating to our planned projects in Niger and Cameroon. Looking forward we expect to make a series of announcements around our entry into further renewable energy projects prior to year-end. We remain unequivocally an "AND" company, seeking to deliver strong performance both for the short AND long term across multiple fronts, and pursuing growth opportunities in both the hydrocarbon AND renewable energy sectors."

Highlights

- Average gross daily production of 24.4 Kboepd, a 3% increase compared to FY2023 (23.6 Kboepd);
- Up to 696 MW of renewable energy projects in motion at period-end, and targeting a portfolio of up to 1 GW+ of renewable energy projects in motion by end 2024 and up to 2 GW+ by end 2026;
- Three contracts with customers agreed and extended in the year-to-date for a total of up to 105 MMscfpd;
- Strong financial performance reported in the period:
    - Total Income[1] increased by 40% to US$233.4 million (H1 2023: US$167.6 million), comprising Total Revenues[2] of US$123.5 million and Other operating income of US$109.9 million;
    - Operating profit of US$152.3 million, 130% higher than H1 2023 (US$66.2 million); and
    - Adjusted EBITDA[3] of US$91.6 million (H1 2023: US$108.2 million). This excludes Other operating income which when included shows a 47% increase year-on-year to US$201.5 million (H1 2023: US$137.1 million).
- Agreements signed to consolidate our interest in Stubb Creek through the acquisition of 100% of Sinopec International Petroleum Exploration and Production Company Nigeria Limited ("SIPEC") for a total consideration of US$61.5 million (the "SIPEC Acquisition"). Completion of the SIPEC Acquisition is anticipated in Q4 2024, with plans in place to more than double oil production to approximately 4.7 Kbopd within 12 months of completion;
- US$45 million compression project in Nigeria remains on-budget and on-track for completion during 2024, enabling us to maintain and grow our gas production levels over the long-term; and

- Naira denominated debt facility signed with a consortium of five Nigerian banks. This is being progressively drawn down, with the resulting funds being converted to US$ to repay the existing Accugas US$ Facility.

2024 Guidance

- Guidance is reiterated at:
  - Total Revenues[2] 'greater than US$245 million';
  - Operating expenses plus administrative expenses[4] 'up to US$75 million'; and
  - Capital expenditure 'up to US$50 million'.

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About Savannah:

Savannah Energy PLC is a British independent energy company focused around the delivery of ***Projects that Matter*** in Africa.

Operational Review

Nigeria

Average gross daily production was 24.4 Kboepd an increase of 3% compared to FY 2023 (23.6 Kboepd).

During 2024 YTD, three gas contracts have been agreed and extended for a total of up to 105 MMscfpd, including:

- An extension of the agreement with First Independent Power Limited ("FIPL") was signed in January 2024 for an additional 12-month period, whereby Accugas is supplying FIPL's FIPL Afam, Eleme and Trans Amadi power stations with up to 65 MMscfpd of gas;
- A new 24-month agreement was signed in July 2024 with Ibom Power Company Limited, owner of the Ibom power station, to supply up to 30 MMscfpd of gas. This follows the expiration of the previous 10-year agreement; and
- An extension of the agreement with Central Horizon Gas Company Limited ("CHGC") was signed in August 2024 for an additional 12-month period, whereby Accugas is supplying CHGC with up to 10 MMscfpd of gas.

Progress continues on the US$45 million compression project at the Uquo Central Processing Facility ("CPF"). In H1 2024, we completed the detailed engineering work, the procurement of all long lead items and the site preparation, piling and civil works. All remaining site installation works, including structural works, electrical and instrumentation, piping and mechanical works, and the compressor package installation itself, are nearing completion and pre-commissioning activities are underway.

The compression project remains on budget and on track to be completed during 2024. The remaining steps to it becoming operational include the finalisation of site installation activities, mechanical works, and pre-commissioning and commissioning activities, together with the receipt of regulatory approval.

Post-period end in August 2024, we successfully completed an annual maintenance programme at the CPF, which involved a 10-day shutdown of the plant. This was also used as an opportunity to tie in the new compression system.

We are currently working on a proposed further development programme for the Uquo field which is expected to see additional wells drilled in 2025 and 2026.

SIPEC Acquisition

In March 2024, we announced the proposed acquisition (via two separate transactions) of 100% of SIPEC for a total consideration of US$61.5 million. SIPEC's principal asset is the 49% non-operated interest in Stubb Creek. A subsidiary of Savannah, Universal Energy Resources Limited, is the 51% owner and operator. We currently expect completion to occur in Q4 2024. The transaction consideration is expected to be funded through a new senior debt facility arranged by Standard Bank of South Africa Limited and the existing cash resources of the Company.

As at year end 2023, SIPEC had an estimated 8.1 MMstb of 2P oil reserves and 227 Bscf of 2C Contingent gas resources. Savannah's Reserve and Resource base is expected to increase by approximately 46 MMboe following completion of the SIPEC Acquisition. SIPEC oil production is estimated at an average of 1.4 Kbopd for 2024. Following completion of the SIPEC Acquisition, we plan to implement a de-bottlenecking programme at the Stubb Creek processing facilities. It is anticipated that within 12 months of completion of the acquisition, this will lead to Stubb Creek gross production increasing by 135% to approximately 4.7 Kbopd. Importantly, the SIPEC Acquisition also secures significant additional feedstock gas available for sale to our Accugas subsidiary, underpinning Savannah's long-term ambition to be the gas supplier of choice in Nigeria.

Niger

Savannah remains committed to the 35 MMstb (Gross 2C Resources) R3 East oil development in South-East Niger. The Niger-Benin oil export pipeline, now fully operational, provides a clear route to international markets for crude oil produced from our R1234 contract area. We continue to progress our planned four well testing programme and are in the process of mobilising the required long lead item equipment into country.

Located in the Tahoua Region of southern Niger, Savannah's Parc Eolien de la Tarka wind farm project is anticipated to be the country's first wind farm and the largest in West Africa, with a total power generation capacity of up to 250 MW. We have signed agreements with two leading international Development Finance Institutions (the International Finance Corporation, the private sector arm of the World Bank, and the US International Development Finance Corporation, the U.S. government's development finance institution) to fund approximately two-thirds of the pre-construction development costs of the project.

The project made significant progress in H1 2024 with all key studies now either complete or at an advanced stage. We submitted our Environmental and Social Impact Assessment ("ESIA") scoping report to the Government of Niger and have been continuing to progress the ongoing ESIA field work additional studies required for the submission of the full ESIA report, expected in 2025. As part of the ESIA studies, Savannah is currently performing a land survey of the wind farm area. We have partnered with the Department of Geography of the Abdou Moumouni University of Niamey, where Savannah has enabled a cartography and software training programme for a cohort of its students, before deploying them under supervision on the Tarka site. This has provided local students with a material and exciting learning experience, while involving them in a transformational energy project for their country.

We hosted a site visit in August 2024 for Niger's Minister of Energy where we provided the Minister, Governor of Tahoua, local officials and community representatives with a presentation on the project and a tour of the wind farm site. During the Minister's visit we detailed our plans for the project and outlined its transformative potential for Niger and its people. The Minister confirmed that the Parc Eolien de la Tarka wind farm project is on the Ministry of Energy's list of priority projects.

Parc Eolien de la Tarka is expected to produce up to 800 GWh of electricity per year, representing approximately 22% of Niger's annual electricity demand, based on the country's projected energy demand in 2026. The construction phase is expected to create over 500 jobs, while the project has the potential to reduce the cost of electricity for Nigeriens and avoid an estimated 450,000 tonnes of CO_2 emissions annually.

We also continue to progress the two photovoltaic solar power plants expected to be located within 20 km of the cities of Maradi and Zinder. In H1 2024, we presented the preliminary commercial and technical proposals to the Government of Niger. A sanctioning decision on these projects is expected in 2025, with first power in 2027.

Cameroon

Substantial progress has been made on the Bini a Warak Hybrid Hydroelectric and Solar Project in Cameroon, following the approval of the optimisation and proposed redesign of the project given by the Minister of Water and Energy. The redesigned project, involving the construction of a hydroelectric dam on the Bini River in the northern Adamawa region of Cameroon, now incorporates photovoltaic solar, raising its installed power generation capacity from up to 75 MW to up to 95 MW. We continue to progress the project towards an anticipated project sanction in 2026, with first power targeted in the 2028 to 2029 window.

South Sudan

As separately announced today, Savannah remains in active discussions regarding a potential transaction in South Sudan. A further update is expected to be made in early November.

Chad Arbitration Update

As previously disclosed in Savannah's 2023 Annual Report, Savannah Chad Inc ("SCI"), has commenced arbitral proceedings against the Government of the Republic of Chad and its instrumentalities in response to the March 2023 nationalisation of SCI's rights in the Doba fields in Chad, and other breaches of SCI's rights. Our other wholly owned subsidiary, Savannah Midstream Investment Limited ("SMIL"), has commenced arbitral proceedings in relation to the nationalisation of its investment in Tchad Oil Transportation Company, the Chadian company which owns and operates the section of the Chad-Cameroon pipeline located in Chad. SMIL has also commenced arbitral and other legal proceedings for breaches of SMIL's rights in relation to Cameroon Oil Transportation Company ("COTCo"), the Cameroon company which owns and operates the section of the Chad-Cameroon pipeline located in Cameroon.

We expect the arbitral proceedings to be concluded in the second half of 2025. SCI and SMIL are claiming in excess of US$840 million for the nationalisation of their rights and assets in Chad, and SMIL has a claim valued at approximately US$380 million for breaches of its rights in relation to COTCo. Whilst the Government of the Republic of Chad has acknowledged SCI's and SMIL's right to compensation, no compensation has been paid or announced by the Government of the Republic of Chad to date.

Savannah remains ready and willing to discuss with the Government of the Republic of Chad an amicable solution to the disputes. However, in the absence of such discussions, the Group intends to vigorously pursue its rights in the arbitrations.

Sustainability

We published our Task Force on Climate-Related Financial Disclosures 2023 disclosure report and our maiden disclosure report in accordance with our chosen 13 United Nations Sustainable Development Goals in June 2024. We continue to progress our 2024 sustainability performance measurement and reporting in line with our sustainability strategy.

Financial Review

The table below provides an overview of our results for H1 2024 with a comparison for H1 2023:

Financial highlights

	Six months ended 30 June 2024	**Six months ended 30 June 2023***
Total Income[1], US$ million	233.4	167.6
Adjusted EBITDA[3], US$ million	91.6	108.2
Adjusted EBITDA[3] including Other operating income, US$ million	201.5	137.1
Revenue, US$ million	114.8	123.7
Operating profit, US$ million	152.3	66.2
Operating margin, % (Operating profit/ Total Income[1])	65.3%	39.5%
Operating expenses plus administrative expenses[4], US$ million	27.5	25.1
Operating expenses plus administrative expenses[4], US$/Mscfe	1.1	1.1

** The prior year comparative has been restated to conform with the presentation of "other operating income" in the 2023 annual report*

Total Income[1] is 40% higher compared to previous period at US$233.4 million (H1 2023: US$167.6 million) - this measures the total amount of invoiced income for the period and captures both Total Revenues[2] plus Other operating income. We believe this is the most representative measure of the underlying income of the Group during the period. The substantial increase is due principally to Other operating income of US$109.9 million (H1 2023: US$28.9 million), which relates to the re-billing of foreign exchange losses incurred by Accugas as it converted historic Naira cash received into US dollars. Total Revenues[2] were slightly lower in the period due to phasing of delivery of gas under certain contracted GSAs and a different mix of customers supplied in the period.

Operating profit was significantly higher than H1 2023 at US$152.3 million (H1 2023: US$66.2 million), driven again by the higher level of re-billing of realised foreign exchange losses.

Adjusted EBITDA[3] was US$91.6 million (H1 2023: US$108.2 million), which excludes Other operating income. When including this Other operating income, Adjusted EBITDA[3] would be US$201.5 million (H1 2023: US$137.1 million). Adjusted EBITDA[3] margin, excluding Other operating income, is slightly lower at 74% (H1 2023: 78%), with this reduction largely due to an increase in Operating expenses plus administrative expenses[4] of 10% compared to 2023. However, in H1 2023 certain costs, amounting to US$6.9 million were recharged to operations in Cameroon which did not re-occur in H1 2024. Excluding this recharge, underlying costs decreased on a comparable basis.

Revenue

Revenue during the period of US$114.8 million (H1 2023: US$123.7 million) was 7% lower than 2023 driven primarily by delivery of gas to a different mix of customers compared to prior year.

As previously highlighted, it is important to note the impact of take-or-pay accounting rules under IFRS 15 on our Income Statement as regards to revenue recognition for our gas sales agreements. The Revenue shown in the Condensed Consolidated Statement of Comprehensive Income includes only the gas, oil and condensate that has been delivered. The Total Revenues[2] of US$123.5 million (H1 2023: US$138.7 million) includes the volume of gas that customers are committed to pay for under the take-or-pay terms of certain gas sales agreements, which includes gas that has been delivered plus gas invoiced but yet to be delivered, plus oil and condensate revenues. The foreign exchange true-up invoices are also not reflected within Revenue or Total Revenues[2].

Savannah continues to benefit from over US$3.4 billion of contracted future gas revenues in Accugas with annual price escalation clauses tied to US consumer price inflation.

Cost of Sales, administrative and other operating expenses

Cost of sales amounted to US$34.7 million (H1 2023: US$35.5 million) which includes US$16.0 million (H1 2023: US$14.9 million) for facility operating and maintenance costs, US$2.6 million (H1 2023: US$2.7 million) royalty expenses and US$16.1 million (H1 2023: US$17.8 million) depletion and depreciation. Administrative and other operating expenses for the period were US$15.9 million (H1 2023: US$14.3 million).

On a unit of production basis, costs are stable at US$1.1/Mscfe (H1 2023: US$1.1/Mscfe). Costs have been well managed during the period and on an underlying basis are lower than in the prior period - during H1 2023 there was approximately US$6.9 million of central costs recharged to Cameroon operations which did not reoccur in H1 2024. The Company has taken steps to reduce central costs which has kept costs stable on a unit of production basis.

Transaction and other related expenses of US$8.9 million (H1 2023: US$2.8 million) primarily relate to legal expenses with respect to the ongoing arbitration processes and the activity associated with the proposed acquisitions in Nigeria and South Sudan.

Finance Costs

The 24% decrease in Finance costs to US$39.3 million (H1 2023: US$51.8 million) is largely a result of release of legacy non-cash related finance costs of US$9.6 million and a US$4.0 million reduction in other finance costs from a lower unwind of the decommissioning provision discount. Interest costs were broadly unchanged at US$42.1 million (H1 2023: US$41.4 million).

Foreign Exchange loss

Foreign exchange losses amounted to US$67.6 million (H1 2023: US$82.9 million). Of this, US$49.9 million (H1 2023: US$54.7 million) are unrealised losses, mainly due to movements in Naira monetary assets and liabilities, specifically Naira cash balances, which occurred as a result of further Naira devaluation from approximately NGN900:US$ at year-end 2023 to NGN1,470:US$ at 30 June 2024.

Realised losses were lower than previous period at US$17.7 million (H1 2023: US$28.2 million). Certain foreign exchange losses are recoverable through the true up mechanism included in the GSA with our principal gas customer. These amounts, when invoiced, are reported under Other operating income - as noted above, in H1 2024 these amounted to US$109.9 million (H1 2023: US$28.9 million).

Cash flow

Operating cashflows before working capital adjustments remained stable at US$166.3 million (H1 2023: US$163.0 million).

Cash balances at 30 June 2024 were US$42.9 million (31 December 2023: US$106.9 million) with the reduction due principally to a US$60.2 million effect of devaluation on Naira denominated cash and cash equivalent balances. In addition, cash generated during the period was utilised towards debt repayments and finance costs amounting to a combined US$106.8 million (H1 2023: US$102.9 million) partially offset by drawings under the Accugas Naira transitional facility of US$39.0 million (H1 2023: Nil).

Capital and exploration expenditure for the period amounted to US$13.9 million (H1 2023: US$4.2 million), the majority of which related to the Uquo compression project.

Debt

Net debt at 30 June 2024 was US$533.1 million an increase of 13% from year-end position (31 December 2023: US$473.7 million). Gross debt was reduced at US$576.0 million (31 December 2023: US$580.7 million) and the increase seen in net debt was primarily a result of the devaluation of Naira denominated cash balances as discussed above. This has resulted in leverage[5] increasing from 2.6x to 3.2x.

It is worth noting the treatment of the debt facility entered into to finance the acquisition of the Chad and Cameroon Assets. Despite the Nationalisation there remains an outstanding balance of US$126.7 million (31 December 2023: US$119.3 million) - of this amount only up to a maximum of US$37.0 million is recourse to the Company with the remainder being fully non-recourse. The only other debt within the Group which is resource to the Company totals approximately US$11.9 million, with all other borrowings on a non-recourse basis.

In H1 2024, a new NGN340 billion 4 year-term facility was signed by Accugas with a consortium of five Nigerian banks. This facility is being progressively drawn down with the resulting funds being converted to US$, which along with cash held is used to repay the existing Accugas US$ Facility. This process, when complete, will align Accugas' debt facility with the currency in which gas revenues are received. Year to date NGN 196 billion has been drawn and we continue to also advance plans for a potential long-dated domestic bond issuance to ultimately replace the transitional facility.

Going Concern

The results have been presented on a going concern basis. Details of the Group's assessment of going concern for the period can be found in note 2.

Footnotes

[1] Total Income is calculated as Total Revenues[2] plus Other operating income.

[2] Total Revenues are defined as the total amount of invoiced sales during the period. This number is seen by management as more accurately reflecting the underlying cash generation capacity of the business as opposed to Revenue recognised in the Condensed Consolidated Statement of Comprehensive Income.

[3] Adjusted EBITDA is calculated as profit or loss before finance costs, investment revenue, foreign exchange gains or losses, expected credit loss and other related adjustments, fair value adjustments, gain on acquisition, share based payments, taxes, transaction and other related expenses, depreciation, depletion and amortisation and adjusted to include deferred revenue and other invoiced amounts. Management believes that the alternative performance measure of Adjusted EBITDA more accurately reflects the cash-generating capacity of the business.

[4] Group operating expenses plus administrative expenses are defined as total cost of sales, administrative and other operating expenses, excluding gas purchases, royalties, depletion, depreciation and amortisation and transaction costs.

[5] Leverage is defined as net debt/Adjusted EBITDA[3]. For the 6-month period ended 30 June 2024, the Leverage calculation is prepared on a rolling 12-month basis.

Condensed consolidated statement of comprehensive income

for the six months ended 30 June 2024

	Note	**Six months ended 30 June 2024 US$'000 Unaudited**	Six months ended 30 June 2023 US$'000 Unaudited
Continuing operations			
Revenue	4a	**114,788**	123,728
Cost of sales	5	**(34,695)**	(35,464)
Gross profit		**80,093**	88,264
Other operating income	4b	**109,930**	28,877
Administrative and other operating expenses		**(15,904)**	(14,284)
Transaction and other related expenses	6	**(8,914)**	(2,833)
Expected credit loss and other related adjustments	12	**(12,944)**	(33,840)
Operating profit	6	**152,261**	66,184
Share of profit from associates		-	3,580
Finance income		**1,815**	1,440
Finance costs	7	**(39,271)**	(51,752)
Fair value through profit or loss		-	6,519
Foreign exchange loss	8	**(67,592)**	(82,893)
Profit/(loss) before tax		**47,213**	(56,922)
Current tax expense	9	**(15,198)**	(9,756)
Deferred tax (expense)/credit	9	**(11,662)**	21,489
Total tax (expense)/credit	9	**(26,860)**	11,733
Profit/(loss) after tax		**20,353**	(45,189)
Discontinued operations			
Profit after tax from discontinued operations	19	-	91,962
Profit after tax and Total comprehensive income from continuing and discontinued operations		**20,353**	46,773
Total comprehensive profit/(loss) attributable to:			
Owners of the Company		**16,268**	54,428
Non-controlling interests		**4,085**	(7,655)
		20,353	46,773

		US cents	US cents
Earnings/(loss) per share for continuing operations			
Basic	10	**1.34**	(3.09)
Diluted	10	**1.28**	(3.09)
Earnings per share including discontinued operations			
Basic	10	**1.34**	4.48
Diluted	10	**1.28**	4.26

Condensed consolidated statement of financial position

as at 30 June 2024

	Note	**30 June 2024 US$'000 Unaudited**	31 December 2023 US$'000 Audited
Assets			
Non-current assets			
Property, plant and equipment	11	**465,958**	476,144
Intangible assets		**176,456**	174,707
Financial investment		**139,459**	139,459
Deferred tax assets		**215,656**	227,318
Right-of-use assets		**2,363**	2,648
Restricted cash		**29**	29
Other non-current receivables		**15,902**	9,879
Total non-current assets		**1,015,823**	1,030,184
Current assets			
Inventory		**7,148**	7,143
Trade and other receivables	12	**442,301**	370,857
Cash at bank	13	**42,881**	106,941
Total current assets		**492,330**	484,941
Total assets		**1,508,153**	1,515,125
Equity and liabilities			
Capital and reserves			
Share capital		**1,836**	1,836
Share premium		**126,824**	126,824
Treasury shares		**(136)**	(136)
Other reserves		**531**	531
Share-based payment reserve		**15,732**	14,717
Retained earnings		**126,994**	110,726
Equity attributable to owners of the Company		**271,781**	254,498
Non-controlling interests		**13,344**	9,259
Total equity		**285,125**	263,757
Non-current liabilities			
Other payables	14	**1,422**	2,030
Borrowings	15	**429,919**	213,469
Lease liabilities		**1,358**	1,998
Provisions		**50,134**	49,256
Contract liabilities	16	**360,765**	346,490
Total non-current liabilities		**843,598**	613,243
Current liabilities			
Trade and other payables	14	**98,613**	108,000
Borrowings	15	**146,124**	367,199
Interest payable	17	**100,926**	136,090
Tax liabilities		**16,795**	6,384
Lease liabilities		**2,295**	2,798
Contract liabilities	16	**14,677**	17,654
Total current liabilities		**379,430**	638,125
Total liabilities		**1,223,028**	1,251,368
Total equity and liabilities		**1,508,153**	1,515,125

Condensed consolidated statement of cash flows

for the six months ended 30 June 2024

	Note	**Six months ended 30 June 2024 US$'000 Unaudited**	Six months ended 30 June 2023 US$'000 Unaudited
Cash flows from operating activities:			
Profit/(loss) before tax from continuing operations		**47,213**	(56,922)
Profit before tax from discontinued operations		-	59,748
Adjustments for:			
Depreciation		**1,474**	1,804
Depletion		**16,126**	17,832

Finance income		**(1,598)**	(1,350)
Finance costs	7	**39,271**	51,752
Share of profit from associates		**-**	(4,155)
Fair value through profit or loss		**-**	(6,519)
Unrealised foreign exchange loss	8	**49,875**	54,689
Share-based payments		**1,015**	(74)
Expected credit loss and other related adjustments	12	**12,944**	33,840
Chad Assets net impairment	19	-	12,350
Operating cash flows before movements in working capital		**166,320**	162,995
Increase in inventory		**(5)**	(1,521)
Increase in trade and other receivables		**(94,597)**	(83,517)
Decrease in trade and other payables		**(1,604)**	(54,209)
Increase in contract liabilities		**8,780**	1,843
Income tax paid		**(4,401)**	(1,975)
Net cash generated from operating activities		**74,493**	23,616
Cash flows from investing activities:			
Interest received		**134**	668
Payments for property, plant and equipment		**(9,729)**	(2,379)
Payments for exploration and evaluation assets		**(4,179)**	(1,824)
Acquisition related receipt		**10,000**	-
Proceeds from disposal		-	44,900
Loans and advances - receipts		**782**	-
Loans and advances - payments		**(7,351)**	(2,512)
Cash transferred from debt service accounts		**57,180**	83,633
Lessor receipts		**223**	147
Net cash generated from investing activities		**47,060**	122,633
Cash flows from financing activities:			
Finance costs		**(59,576)**	(29,099)
Proceeds from issues of equity shares, net of issue costs		**-**	2,013
Borrowing proceeds	17	**39,018**	-
Borrowing repayments	17	**(47,236)**	(73,783)
Lease payments	17	**(467)**	(484)
Net cash used in from financing activities		**(68,261)**	(101,353)
Net increase in cash and cash equivalents		**53,292**	44,896
Effect of exchange rate changes on cash and cash equivalents		**(60,172)**	(66,493)
Cash and cash equivalents at beginning of period		**48,134**	104,147
Cash and cash equivalents at end of period	13	**41,254**	82,550
Amounts held for debt service at end of period	13	**1,627**	53,107
Cash at bank at end of period	13	**42,881**	135,657

Condensed consolidated statement of changes in equity

for the six months ended 30 June 2024

	Share capital US$'000	Share premium US$'000	Treasury shares US$'000	Other reserves US$'000	Share-based payment reserve US$'000	Retained earnings US$'000
Balance at 1 January 2024 (audited)	**1,836**	**126,824**	**(136)**	**531**	**14,717**	**110,726**
Profit after tax and Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**16,268**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**16,268**
Transactions with shareholders:						
Equity-settled share-based payments	**-**	**-**	**-**	**-**	**1,015**	**-**
Balance at 30 June 2024 (unaudited)	**1,836**	**126,824**	**(136)**	**531**	**15,732**	**126,994**

	Share capital US$'000	Share premium US$'000	Treasury shares US$'000	Other reserves US$'000	Share-based payment reserve US$'000	Retained earnings US$'000
Balance at 1 January 2023 (restated and audited)	1,828	124,819	(136)	531	9,974	95,940
Profit/(loss) after tax and Total comprehensive income	-	-	-	-	-	54,428
Total comprehensive income	-	-	-	-	-	54,428
Transactions with shareholders:						
Equity-settled share-based payments	-	-	-	-	(74)	-
Issue of shares, net of costs	7	1,983	-	-	-	-
Balance at 30 June 2023 (unaudited)	1,835	126,802	(136)	531	9,900	150,368

Notes to the condensed consolidated interim financial statements

1. General information

Savannah Energy PLC ("Savannah" or "the Company") was incorporated in England and Wales on 3 July 2014. The condensed consolidated financial statements of Savannah and its subsidiaries (together the "Group") for the six months ended 30 June 2024 were approved and authorised for issuance by the board of directors on
27 September 2024.

The Group's principal activities are the exploration, development and production of natural gas and crude oil and development of other energy related projects in Africa.

The Company is domiciled in England for tax purposes and its shares were listed on the Alternative Investment Market ("AIM") of the London Stock Exchange on 1 August 2014. The Company's registered address is 40 Bank Street, London, E14 5NR.

2. Accounting policies

Basis of Preparation

The condensed consolidated interim financial statements included within this Interim Report have been prepared in a form consistent with that which will be adopted in the Company's annual accounts having regard to the accounting standards applicable to such annual accounts, and in accordance with the London Stock Exchange AIM Rules for Companies. The provisions of IAS 34: Interim Financial Reporting have not been applied.

The condensed consolidated interim financial statements do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Group's 2023 Annual Report and Accounts 2023, for the year ended 31 December 2023 ("the Group's 2023 Annual Report"). The financial information for the six months ended 30 June 2024 does not constitute statutory accounts within the meaning of Section 434(3) of the Companies Act 2006 and is unaudited.

The annual financial statements of Savannah for the year ended 31 December 2023 were prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006. The Independent Auditors' Report on the Group's 2023 Annual Report contained a qualification opinion as described below, and as such contained a statement under 498(2) or 498(3) of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 December 2023 have been filed with the Registrar of UK Companies.

All the Company's subsidiaries' functional currency is US Dollars ("US$"), and the consolidated financial statements are presented in US Dollars and all values are rounded to the nearest thousand (US$'000), except when otherwise stated.

The financial information presented herein has been prepared in accordance with the accounting policies used in preparing the Group's 2023 Annual Report. There are no other new or amended standards or interpretations adopted from 1 January 2024 that have a significant impact on the interim financial information.

As disclosed in the Group's 2023 Annual Report, the Republic of Chad nationalised the Group's interests in its Chad subsidiaries Savannah Chad Inc ("SCI") and Savannah Midstream Investment Limited ("SMIL"), (the "Chad Assets") by way of a law passed on 31 March 2023 (the "Nationalisation"). As a result of the Nationalisation, the Group was unable to fully access all the underlying financial information, nor have access to the relevant Chad-based employees of the affected entities SCI and SMIL in order to prepare the financial information: (i) for audit purposes to be consolidated into the Group's financial statements for the year ended 31 December 2023, which were qualified in this respect; and (ii) for the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2023.

Therefore, as at 31 March 2023 the activities of the Chad Assets were considered as a discontinued operation, in accordance with IFRS 5: Non-current Assets for Sale and Discontinued Operations; and the net statement of financial position associated with the Chad Assets was fully impaired such that no balances remained in the consolidated statement of position at subsequent reporting dates. In the six months ended 30 June 2024, no further transactions were recorded with this discontinued operation and Note 20 sets out the position of any potential contingent liabilities associated with the Chad Assets.

With respect to the Group's valuation of its financial investment in Cameroon Oil Transportation Company (COTCo), no further adjustment has been made as at 30 June 2024 - more details of this financial investment is set out in the Group's 2023 Annual Report.

Going concern

The Group continues to trade strongly throughout 2024 with cash collections from customers amounting to US$148.6 million for the six months ended 30 June 2024 and a total cash balance of US$42.9 million at the reporting date.

The Directors have reviewed the Group's forecasted cash flows for the twelve months from the date of publication of this Interim Report. When reviewing the forecasts the Directors have considered the Group's current trading performance and considered the potential impact from certain sensitivities on the forecasted cash flows including changes in commodity pricing, Naira currency rate movements and timing of cash receipts from customers.

As a result, the Directors have confidence in the Group's forecasts and have a reasonable expectation that the Group will continue in operational existence for the going concern assessment period and have therefore used the going concern basis in preparing these interim condensed financial statements.

3. Segmental reporting

For the purposes of resource allocation and assessment of segment performance, the operations of the Group are divided into four segments: three geographical locations and an Unallocated segment. The current geographical segments are Nigeria, Cameroon and Niger. All these geographical segments' principal activities are exploration, development and extraction of oil and gas. The Unallocated segment's principal activities are the governance and financing of the Group, as well as undertaking business development opportunities. Items not included within Operating profit/(loss) are reviewed at a Group level and therefore there is no segmental analysis for this information.

The following is an analysis of the Group's continuing operations results by reportable segment for the six months ended 30 June 2024:

	Nigeria US$'000 Unaudited	Cameroon US$'000 Unaudited	Niger US$'000 Unaudited	Unallocated US$'000 Unaudited	Total US$'000 Unaudited
Revenue	114,788	-	-	-	114,788
Cost of sales[1]	(34,639)	-	(10)	(46)	(34,695)
Gross profit	**80,149**	**-**	**(10)**	**(46)**	**80,093**
Other operating income	109,930	-	-	-	109,930
Administrative and other operating expenses	(2,532)	-	(508)	(12,864)	(15,904)
Transaction and other related expenses	(1,075)	-	-	(7,839)	(8,914)
Expected credit loss and other related adjustments	(12,944)	-	-	-	(12,944)
Operating profit/(loss)	**173,528**	-	**(518)**	**(20,749)**	**152,261**
Finance income					1,815
Finance costs					(39,271)
Fair value through the profit or loss					-
Foreign exchange loss					(67,592)
Profit before tax					**47,213**
Segment depreciation, depletion and amortisation	**16,128**	-	**114**	**1,358**	**17,600**
Segment non-current assets additions[2]	**6,191**	-	**2,615**	**114**	**8,920**

1. Refer to Note 5 for items included within Cost of Sales.
2. Includes Property, plant and equipment and Exploration and evaluation assets.
3. Refer to the Note 2, Accounting Policies - Basis of Preparation; Note 19, Discontinued operations and Note 20, Contingent Liabilities, which collectively sets out the Company's position with respect to the Chad Assets.

The following is an analysis of the Group's results by reportable segment for the six months ended 30 June 2023:

	Nigeria US$'000 Unaudited	Cameroon US$'000 Unaudited	Niger US$'000 Unaudited	Unallocated US$'000 Unaudited	Total US$'000 Unaudited
Revenue	123,728	-	-	-	123,728
Cost of sales[1]	(35,150)	-	(120)	(174)	(35,464)
Gross profit	88,578	-	(120)	(174)	88,264
Other operating income	28,877	-	-	-	28,877
Administrative and other operating expenses	(3,748)	-	(107)	(10,429)	(14,284)
Transaction and other related expenses	-	-	-	(2,833)	(2,833)
Expected credit loss and other related adjustments	(33,840)	-	-	-	(33,840)
Operating profit/(loss)	79,867	-	(227)	(13,456)	66,184
Share of profit from associates					3,580
Finance income					1,440
Finance costs					(51,752)
Fair value through the profit or loss					6,517
Foreign exchange loss					(82,893)
Loss before tax					(56,922)
Segment depreciation, depletion and amortisation	19,030	-	112	495	19,637
Segment non-current assets additions[2]	2,816	-	3,211	29	6,056

1. Refer to Note 5 for items included within Cost of Sales.

2. Includes Third party investments, Property, plant and equipment, Exploration and evaluation assets and Right-of-use assets.
3. Refer to the Note 2, Accounting Policies - Basis of Preparation; Note 19, Discontinued operations and Note 20, Contingent Liabilities, which collectively sets out the Company's position with respect to the Chad Assets.

4. Revenue

(a) Revenue from contracts with customers

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Six months ended 30 June	**2024** **US$'000** **Unaudited**	2023 US$'000 Unaudited
Gas sales	**101,759**	115,887
Oil and condensates sales	**13,029**	7,841
Revenue from contracts with customers	**114,788**	123,728

Gas sales represent gas deliveries made to the Group's customers under gas sale agreements. The Group sells oil and condensates at prevailing market prices.

(b) Other operating income

Other operating income of US$109.9 million (2023: US$28.9 million) relates to the invoicing of foreign exchange losses incurred on certain customer trade receivables that are settled in a currency other than the invoiced currency and are permitted to be invoiced to the relevant customer. The prior period's comparative has been represented from Foreign exchange losses to conform with the presentation in the financial statements for the year ended 31 December 2023 and to more appropriately reflect the nature of these transactions.

5. Cost of sales

Six months ended 30 June	**2024** **US$'000** **Unaudited**	2023 US$'000 Unaudited
Depletion - oil and gas, and infrastructure assets (Note 11)	**16,126**	17,832
Facility operation and maintenance costs	**15,975**	14,928
Royalties	**2,594**	2,704
	34,695	35,464

6. Operating profit

Operating profit has been arrived at after charging:

Six months ended 30 June	**2024** **US$'000** **Unaudited**	2023 US$'000 Unaudited
Staff costs	**13,130**	14,022
Depreciation - other assets (Note 11)	**276**	261
Depreciation - right-of-use assets	**485**	522
Amortisation of intangibles	**713**	1,021
Transaction and other related expenses[1]	**8,914**	2,833

1. Transaction and other related expenses primarily relate to the Group's legal and other costs in relation to the Chad and Cameroon arbitration processes, and acquisition related expenses relating to the proposed acquisition of assets in South Sudan and Nigeria.

7. Finance costs

Six months ended 30 June	**2024** **US$'000** **Unaudited**	2023 US$'000 Unaudited
Interest on bank borrowings and loan notes	**42,061**	41,350
Amortisation of balances measured at amortised cost[1]	**3,316**	5,667
Unwinding of decommissioning discount	**542**	2,119
Interest expense on lease liabilities	**85**	136
Bank charges and other finance costs	**2,860**	2,480
Reversal of prior period finance costs	**(9,593)**	-
	39,271	51,752

1. Includes amounts due to unwinding of a discount on a long-term payable, contract liabilities (Note 16) and amortisation of debt fees.

8. Foreign exchange loss

Six months ended 30 June	**2024 US$'000 Unaudited**	2023 US$'000 Unaudited
Realised loss	**17,717**	28,204
Unrealised loss	**49,875**	54,689
	67,592	82,893

Realised foreign translation loss mainly relates to the translation of Naira denominated transactions into US Dollars. The comparative for Realised loss has been represented in accordance with Note 4b. Unrealised loss relates to the revaluation of monetary items held in currencies other than in US Dollars.

9. Taxation

The tax expense/(credit) for the Group is:

Six months ended 30 June	**2024 US$'000 Unaudited**	2023 US$'000 Unaudited
Current tax		
Adjustments in respect of prior years	**-**	(42)
Current year	**15,198**	9,798
	15,198	9,756
Deferred tax		
Adjustments in respect of prior years	**1,118**	(989)
Write down and reversal of previous write downs of deferred tax assets	**-**	5,300
Origination and reversal of temporary differences	**10,544**	(25,800)
	11,662	(21,489)
Total tax expense/(credit) for the period	**26,860**	(11,733)

Income tax expense is recognised based on the actual results for the period and principally arises on Nigerian profits.

10. Earnings/(loss) per share

Basic earnings per share amounts are calculated by dividing the profit or loss for the period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the profit or loss for the periods attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period, plus the weighted average number of shares that would be issued on the conversion of dilutive potential ordinary shares into ordinary shares.

As there is a profit attributable to the owners of the Company for the six months ended 30 June 2024, the diluted weighted average number of shares has been calculated. In the comparative period, the basic average number of shares was used to calculate the diluted loss per share given there is a loss attributable to the owners of the Company, meaning the diluted weighted average number of shares reduces the loss per share. Therefore, the basic weighted average number of shares was used to calculate the diluted loss per share.

The weighted average number of shares outstanding excludes treasury shares of 99,858,893 (30 June 2023: 99,858,893).

Six months ended 30 June	**2024 Unaudited US$'000**	2023 Unaudited US$'000

Profit/(loss) from continuing operations	**20,353**	(45,189)
Profit/(loss) attributable to owners of the Company[1]	**16,268**	(37,534)
Profit/(loss) attributable to non-controlling interests	**4,085**	(7,655)

1. The earnings per share calculation only takes into account profit/(loss) attributed to owners of the Company.

	Number of shares	Number of shares
Basic weighted average number of shares	**1,214,693,115**	1,214,693,115
Add: employee share options	**59,887,307**	63,727,684
Diluted weighted average number of shares	**1,274,580,422**	1,278,420,799

	US cents	US cents
Earnings/(loss) per share for continuing operations		
Basic profit/(loss) per share	**1.34**	(3.09)
Diluted profit/(loss) per share	**1.28**	(3.09)

23,853,457 options granted under share option schemes are not included in the calculation of diluted earnings per share because they are anti-dilutive for the six months ended 30 June 2024 (30 June 2023: 23,853,457). These options could potentially dilute basic earnings per share in the future.

To calculate the EPS inclusive of discontinued operations (Note 21), the weighted average number of ordinary shares
for both the basic and diluted EPS is as per the table above. The following table provides the profit/(loss) amount in addition to the above used:

Six months ended 30 June	**2024 Unaudited US$'000**	2023 Unaudited US$'000
Profit for the period including discontinued operations		
Profit attributable to owners of the Company	**16,268**	54,428

	US cents	**US cents**
Earnings per share including discontinued operations		
Basic profit per share	**1.34**	4.48
Diluted profit per share	**1.28**	4.26

11. Property, plant and equipment

	Oil and gas assets US$'000	**Infrastructure assets US$'000**	**Other assets US$'000**	**Total US$'000**
Cost				
Balance at 1 January 2023 (audited)	315,174	422,340	5,012	742,526
Additions	296	9,525	456	10,277
Disposals	-	-	(250)	(250)
Decommissioning remeasurement adjustment	(287)	(1,699)	-	(1,986)
Transferred to discontinued operations	(121,558)	-	-	(121,558)
Balance at 31 December 2023 (audited)	193,625	430,166	5,218	629,009
Additions	13	6,178	114	6,305
Disposals	-	-	(301)	(301)
Balance at 30 June 2024 (unaudited)	**193,638**	**436,344**	**5,031**	**635,013**
Accumulated depreciation				
Balance at 1 January 2023 (audited)	(59,245)	(57,118)	(3,045)	(119,408)
Depletion and depreciation charge	(20,097)	(14,722)	(504)	(35,323)
Disposals	-	-	250	250
Transferred to discontinued operations	1,616	-	-	1,616
Balance at 31 December 2023 (audited)	**(77,726)**	**(71,840)**	**(3,299)**	**(152,865)**
Depletion and depreciation charge	(9,207)	(6,919)	(276)	(16,402)
Disposals	-	-	212	212

Balance at 30 June 2024 (unaudited)	**(86,933)**	**(78,759)**	**(3,363)**	**(169,055)**
Net book value				
1 January 2023 (audited)	255,929	365,222	1,967	623,118
31 December 2023 (audited)	115,899	358,326	1,919	476,144
30 June 2024 (unaudited)	**106,705**	**357,585**	**1,668**	**465,958**

Upstream assets principally comprise the well and field development costs relating to the Uquo and Stubb Creek oil and gas fields in Nigeria. Infrastructure assets principally comprise the Nigerian midstream assets associated with the Group's network of gas transportation pipelines, oil and gas processing facilities and gas receiving facilities. Other assets include vehicles, office equipment and building improvements. Decommissioning remeasurement adjustments reflect updated cost estimates for the period/year.

Each year, management performs a review of each CGU to identify potential impairment triggers. During the six months ended 30 June 2024 and the year ended 31 December 2023, no such triggers were identified.

12. Trade and other receivables

	30 June 2024 US$'000 Unaudited	31 December 2023 US$'000 Audited
Trade receivables	**477,487**	389,911
Receivables from a joint arrangement	**4,109**	5,388
Other financial assets	**5,788**	5,829
	487,384	401,128
Expected credit loss	**(66,431)**	(53,487)
	420,953	347,641
Loans and advances	**1,315**	2,093
VAT receivable	**1,645**	1,100
Prepayments and other receivables	**18,388**	20,023
	442,301	370,857

The following has been recognised in the Condensed statement of comprehensive income relating to expected credit losses for the period:

Six months ended 30 June	**2024 US$'000 Unaudited**	2023 US$'000 Unaudited
Provision for expected credit losses	**12,944**	33,840
Expected credit loss and other related adjustments	**12,944**	33,840

13. Cash at bank

	30 June 2024 US$'000 Unaudited	31 December 2023 US$'000 Audited
Cash and cash equivalents	**41,254**	48,134
Amounts held for debt service	**1,627**	58,807
	42,881	106,941

Cash and cash equivalents includes US$0.4 million (31 December 2023: US$0.3 million) of cash collateral on the Orabank revolving facility. The cash collateral was at a value of XOF216.0 million (31 December 2023: XOF210.0 million).

Amounts held for debt service represents Naira denominated cash balances which are held by the Group for debt service, and this has been separately disclosed from Cash and cash equivalents.

14. Trade and other payables

	30 June 2024 US$'000 Unaudited	31 December 2023 US$'000 Audited
Trade payables	**24,701**	26,461
Accruals	**25,328**	29,273
VAT and WHT payable	**17,271**	16,601
Royalty and levies	**6,821**	6,815
Employee benefits	**20**	35
Financial liability	**19,328**	19,328
Other payables	**5,144**	9,487
Trade and other payables	**98,613**	108,000
Other payables - non-current		
Employee benefits	**1,422**	2,030
	1,422	2,030
	100,035	110,030

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

15. Borrowings

	30 June 2024 US$'000 Unaudited	31 December 2023 US$'000 Audited
Revolving credit facility	**8,888**	11,376
Bank loans	**334,945**	345,849
Senior Secured Notes	**88,033**	86,626
Other loan notes	**144,177**	136,817
	576,043	580,668

	30 June 2024 US$'000 Unaudited	31 December 2023 US$'000 Audited
Current borrowings	**146,124**	367,199
Non-current borrowings	**429,919**	213,469
	576,043	580,668

16. Contract liabilities

Contract liabilities represent the value of gas supply commitment to the Group's customers for gas not taken but invoiced under the terms of the contracts. The amount has been analysed between current and non-current, based on the customers' expected future usage gas delivery profile. This expected usage is updated periodically with the customer.

	30 June 2024	31 December 2023
	US$'000	US$'000
	Unaudited	Audited
Amount due for delivery within 12 months	**14,677**	17,654
Amount due for delivery after 12 months	**360,765**	346,490
	375,442	364,144

	30 June 2024	31 December 2023
	US$'000	US$'000
	Unaudited	Audited
As at 1 January	**364,144**	331,810
Additional contract liabilities	**15,793**	48,378
Contract liabilities utilised	**(7,012)**	(24,871)
Unwinding of discount on contract liabilities	**2,517**	8,827
As at end of period	**375,442**	364,144

The unwinding of the discount on contract liabilities relates to the fair value adjustments made under IFRS 3: Business Combinations following the acquisition of the Nigerian assets and entities in 2019. The fair value adjustment was calculated as the discounted, expected cost of the future deliveries of gas volumes under the terms of customer take-or-pay contracts. This discounted amount unwinds relative to an apportioned amount of the contract liabilities volumes at the date of acquisition that have subsequently been utilised.

17. Cash flow reconciliations

The changes in the Group's liabilities arising from financing activities can be classified as follows:

	Borrowings US$'000	**Interest payable US$'000**	**Lease liabilities US$'000**	**Total US$'000**
At 1 January 2024 (audited)	580,668	136,091	4,796	721,555
Cash flows				
Proceeds	39,018	-	-	39,018
Repayment	(47,236)	(56,644)	(467)	(104,347)
	(8,218)	(56,644)	(467)	(65,329)
Non-cash adjustments				
Payment in kind adjustment/accretion of interest	9,563	21,578	61	31,202
Net debt fees	(760)	-	-	(760)
Re-estimation of lease liability	-	-	(773)	(773)
Foreign translation	(5,210)	(99)	36	(5,273)
Balance at 30 June 2024 (unaudited)	**576,043**	**100,926**	**3,653**	**680,622**

	Borrowings US$'000	Interest payable US$'000	Lease liabilities US$'000	Total US$'000
At 1 January 2023 (audited)	645,789	105,600	5,079	756,468
Cash flows				
Repayment	(73,783)	(28,545)	(484)	(102,812)
	(73,783)	(28,545)	(484)	(102,812)
Non-cash adjustments				
Payment in kind adjustment/accretion of interest	9,723	32,694	136	42,553
Net debt fees	56	-	-	56
Borrowing fair value adjustments	543	-	-	543
Working capital movements	-	-	80	80
Foreign translation	(3,301)	(115)	140	(3,276)
Balance at 30 June 2023 (unaudited)	579,027	109,634	4,951	693,612

18. Capital commitments

At 30 June 2024, capital commitments amounted to US$0.5 million (30 June 2023: US$6.6 million).

19. Discontinued Operations

As outlined in Note 2 Accounting Policies - Basis of Preparation, the Group has classified all of the activities associated with the Chad Assets as a discontinued operation in accordance with IFRS 5. In the six months ended 30 June 2024, no further transactions were recorded within discontinued operations.

Summarised in the table below for the six months ended 30 June 2023 were the trading results from the Chad Assets up to the date of the Nationalisation (31 March 2023), together with a (total pre-tax) impairment loss of US$12.4 million (excluding an associated tax credit reversal which amounted to US$32.2 million).

Six months ended 30 June	**2024 US$'000 Unaudited**	2023 US$'000 Unaudited
Revenue	**-**	76,560
Cost of sales	**-**	(4,452)
Gross profit	**-**	72,108
Administrative and other operating expenses	**-**	(84)
Operating profit	**-**	72,024
Share of profit from associates	**-**	575
Foreign translation loss	**-**	(501)
Net impairment of SCI	**-**	(6,850)
Impairment of associate - Tchad Oil Transportation Company (TOTCo)	**-**	(5,500)
Profit before tax	**-**	59,748
Tax credit	**-**	32,214
Net profit and total comprehensive profit from discontinued operations	**-**	91,962

The net cash flows from the discontinued operations are as follows:

Six months ended 30 June	**2024 US$'000 Unaudited**	2023 US$'000 Unaudited
Net cash generated from operating activities	**-**	33,738
Net cash used in investing activities	**-**	(10,441)
Net cash used in financing activities	**-**	(16,779)
Net cash inflow	**-**	6,518

20. Contingent liabilities

As set out in Note 2, the impact of the Nationalisation of the Chad Assets has resulted in the Group not being able to determine liabilities within its subsidiary, SCI, as to both type and quantum. The consequences of the Nationalisation Law for SCI will be established by an arbitration which SCI commenced during 2024 against the Republic of Chad. Based upon the legal advice received and the Group's inability to sufficiently identify and quantify, through any reasonable means, the liabilities associated with SCI or the Chad Assets, the Directors believe that these should be considered as contingent liabilities in line with the requirements of IAS 37: Provisions, Contingent Liabilities and Contingent Assets.

As reported in the Group's 2023 Annual Report there are conditions remaining to the completion of the sale of the 10% interest in COTCo to Société Nationale Des Hydrocarbures (SNH) and if the sale is completed it could result in a tax liability. Given the uncertainty surrounding the completion, the impact of the above arbitrations and the shareholder dispute, it is not possible to properly assess if any tax liability will arise.

21. Events after the reporting date

There are no events after the reporting date other than those described within this announcement.

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