



NEWS RELEASE

# OML 65 Approvals Secured from NNPC + Phase 1 Approved Work Programme

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Phase 1 Approved Work Programme

London, 3 August 2022: Sirius, an African focused oil & gas production and development company, is pleased to announce that its JV partner, COPDC, has received the requisite approvals from the Nigerian National Petroleum Corporation ("NNPC") that enables the company to proceed with the drawdown of financing in order to commence Phase 1 of the Approved Work Programme ("AWP") in respect of OML 65 in Nigeria.

- Sirius is a 30 per cent shareholder in the joint venture company, COPDC Petroleum Development Company Limited ("COPDC"), which has executed agreements with NPDC, a subsidiary of NNPC, regarding the development of the OML 65 licence, onshore Nigeria. Under the terms of the FTSA, COPDC will receive immediate cash flow entitlements related to the assumption of operational responsibility for existing production.
- Phase 1 of the AWP will focus initially on the further development of the Abura field, involving the drilling and completion of up to nine development wells, intended to produce the remaining 2P reserves of 16.2 MMbbl1. COPDC will enjoy material cash flow entitlements related to the incremental production generated by the AWP, involving enhanced cost recoveries and a share of the field post-tax net cash flows.
- The Abura field is currently averaging production of circa 10,000 bopd and Phase 1 of the drilling programme is estimated to boost production from the Abura field by up to an additional 11,000 bopd.
- Sirius has a Master Services Agreement ("MSA") in place with Baker Hughes relating to the development of

OML 65, providing a comprehensive range of drilling and related Integrated Well Services under a mutually agreed pricing structure. The MSA with Baker Hughes will ensure best execution of the AWP in a cost efficient manner, benefitting all stakeholders.

- As announced on the 27th January 2022, Sirius has agreed a facility of up to US\$200m with Trafigura PTE Ltd, a company within the Trafigura Group (“Trafigura”), which will be deployed towards the execution of the AWP. The initial tranche of this facility will be combined with US\$15m of subordinated funding, which has been secured from a range of international institutions, including Odey Asset Management as a cornerstone investor.

Bobo Kuti, CEO of Sirius, said: “We have assembled a world class team of joint venture, financing and operational partners working together with NPDC on the OML 65 project in Nigeria and look forward to commencing the work programme for the first phase of this major development for all stakeholders.

“Phase 1 is designed to deliver a substantial uplift in production from the Abura field. In addition, the financial facilities will also support our plans for Phase 2 of the development programme for the block. This is an important asset for the Company, with immediate cash flows and significant upside potential for all stakeholders under the innovative FTSA structure which was developed for this specific project with the NNPC.

“In line with our strategy, we remain focused on building our portfolio of African focused production and development assets. We would like to thank the many stakeholders in this transaction, particularly our shareholders and transaction advisers, for their patience and support throughout the process. We can now look forward to progressing the Company’s Admission process and working towards the listing of the Company’s shares on the London AIM market this year.”

**About OML 65:** a producing onshore block located within the Greater Ughelli Depobelt, Niger Delta, Nigeria.

- The existing producing field, Abura, has been in production since the 1970s, has been ascribed 16.2 mmbbls remaining 2P reserves.
- OML 65 also contains two further discovered fields with an estimated 34.9 mmbbls<sup>1</sup> additional 2P reserves, Owopole and Osioka. The fields have not been developed to date and will form part of the forward work programme.
- The recoverable volumes attributed to the Abura, Osioka and Owopole fields by Gaffney Cline are based on an assumed average recovery factor of 30%, which is conservative in the context of recovery factors typically achieved on analogous fields in the Niger Delta.
- Gaffney Cline has estimated 3P reserves of over 78mmbbls for Abura, Osioka and Owopole, implying an additional 27mmbbls of recoverable volumes in the high case.
- In addition, there are two targeted deeper prospects at Abura and Osioka containing an additional

227mmbbls1 oil in place, to which Gaffney Cline have attributed P50 prospective resources of 91mmbbls, implying a recovery factor of 40%.

- The existing production facilities and infrastructure servicing the Abura field are capable of handling up to 40,000 bopd.

1 Gaffney Cline & Associates June 2021 CPR

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