

Prioritising Sustainability



Our vision is to be Nigeria's leading integrated gas supplier, powering the industrialisation of the country through our wholly-owned infrastructure, and being recognised for the reliability and quality of our supply whilst generating value for our investors.



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www.sevenenergy.com

We are prioritising sustainability



A proven sustainable
development track record

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Cover image:
Seven Energy Green
Team Initiative kick
off, June 2015



Introduction

Seven Energy is proud to be identified as a leader in sustainable development in the Nigerian oil and gas industry. Our company wide ethos ensures we are able to develop and add value to not just our customers but our team, our host communities and our contractors. On the basis of our proven sustainable development track record in the industry, our influence is increasingly ensuring that, alongside our partners, it can be demonstrated that with a more responsible corporate culture all stakeholders can look forward to development that is of benefit to all.

We recognise the important role that all of our stakeholders play in our success and place responsibility and transparency at the heart of our business. Seven Energy operates in a unique environment and our goal is to lead amongst our peers in all areas of sustainability as a holistic strategy for our business. We aim to be the industry leader in our sector for the quality of our disclosures on our sustainability performance and programs. We continue to align our annual Sustainability Report with the Global Reporting Initiative's G4 Reporting Standard. Our reporting also references the International Finance Corporation (IFC) Performance Standards.

This year, we are also proud to announce our membership to the Initiative of the Voluntary Principles on Security and Human Rights Association. As the first indigenous oil and gas company in Nigeria to achieve this feat, we continue to strive to demonstrate through our policies and practices, the determination to "maintain the safety and security of [our] operations within an operating framework that ensures respect for human rights and fundamental freedoms".

In this report, we provide an overview of our activities for the period of January 2015 to December 2015, in line with our existing business reporting and referencing our previous sustainability reporting approach. This year our report structure reflects our increasing ability to monitor and provide information in conformance with the Global Reporting Initiative (GRI) Principles.

For more information about Seven Energy's activities, please visit our website www.sevenenergy.com. We welcome feedback on this report or any of our activities that you may direct to:

Dr Glenn Bestall
Vice President, QHSSE/CSR
csr@sevenenergy.com

95%

of our Nigerian-based employees are of Nigerian nationality (2015)

85%

Salary and other benefits spent on Nigerian Nationals (2015)

100%

Employees receiving regular performance and career development reviews (2015)

Our goal remains;
to be the leader
amongst our peers
in all areas of
sustainability

Seven Energy's pioneering Green Team Initiative serves as an example of what is possible through the corporate-community partnership.

Improving the lives of Nigerians

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Our local host communities are, in actual fact, our partners in business and we believe that our dealings with them must be founded on demonstrating respect for the rights of all people and public safety.

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Phillip Ihenacho
Chief Executive Officer



Improving the lives of Nigerians

At the heart of Seven Energy's strategy is a drive to deliver improved standards of living to Nigerians by powering the industrialisation of Nigeria with its vast underutilised gas resources and thus stimulating local and economic growth. From this ambitious vision emanates an approach to sustainable business development that is founded on a commitment to conduct operations in a responsible way in respect of both our external environment and the safety of all stakeholders. Our local host communities are, in actual fact, our partners in business and we believe that our dealings with them must be founded on demonstrating respect for the rights of all people and public safety.

Our goal remains; to be the leader amongst our peers in all areas of sustainability as we continue to implement best practice standards in our daily activities such as those recommended by the International Finance Corporation ("IFC"), the Global Reporting Initiative and the Voluntary Principles on Security and Human Rights.

In 2015, the QHSSE/CSR team have been busy addressing the key focus areas of sustainability in our business including quality management, stakeholder relations, local content, people, health and safety, asset protection, compliance and the environment. I would like to share some highlights with you here that embody our commitment to sustainability

Highlights

Seven Energy's pioneering Green Team Initiative serves as an example of what is possible through the corporate-community partnership. Launched in June 2015, the aim was and is to ensure that our gas pipelines and associated rights of way ("RoW") are kept safe, accessible, clear and clean. We have deployed this initiative within 17 Local Government Areas on the Uquo-Ikot Abasi and East Horizon Gas pipelines' RoW. I am proud to report that over 200 youths have been engaged through this project since its inception and it has provided nothing but benefits to all parties involved. This initiative will be further rolled out to the remaining Seven Energy pipeline RoW during 2016 (totalling ca. 260 km) i.e. once these pipelines become operational.

To ensure the safety of the environment and the people impacted by our operations, we carried out Hydrocarbons and Safety Awareness programmes across all our RoW and facilities' footprint communities. This programme demonstrated a proactive approach to Health & Safety that used multi-media options to reach out to and communicate with the communities including town hall meetings, local/state radio programmes, Village Heads and Town Criers and Government Regulators.

Outlook

Our QHSSE/CSR performance is one I am hugely proud of and these highlights are just a snapshot. I encourage you to read the Report in full and would like to sincerely thank the Seven Energy CSR team, Dr Glenn Bestall and most importantly our people and our communities for their continued support in our endeavours. We continue to strive for excellence in this area and continue to prioritise sustainability in our business to support our vision.

Phillip Ihenacho
Chief Executive Officer

A proven sustainable development track record

We continue to incorporate industry best practice in our daily activities, with our objective being to meet or exceed national and international standards.



Green Team Initiative

This is an innovative stakeholder engagement initiative from Seven Energy, to give ownership of maintenance of our pipeline project by including local community members in the maintenance of our right of Way (RoW).

In a bid to ensure that our gas pipeline and associated Right of Way ("RoW") are safe, accessible and kept clear, clean, and fully operational, the Green Team Initiative was launched in June 2015 and is currently running smoothly across over 100 communities on the Uquo - Ikot Abasi and ~ pipelines RoW. Over 200 youths across 17 LGAs have been engaged on a 'call off' basis via work orders, ensuring that Seven Energy's RoWs are periodically and regularly kept safe and clear whilst ensuring that there is regular interface with Seven Energy's communities.

Hydrocarbon and Safety Awareness Campaign Programme

Our hydrocarbon sensitization and safety awareness programme across our footprint communities.

This programme has been launched in 2015 to ensure sensitization and safety awareness programmes were carried out across all our footprint communities cutting across the Uquo - Ikot Abasi and EHGC gas pipelines in both Akwa Ibom and Cross River States. Town hall meetings and announcements by Village Heads and Town Criers (carrying along our regulators) were adopted more regularly to remind and reiterate our safety messages to the communities and general public.

Automated Journey Management System

An Automated Travel System has been set up within the organisation and marks a major milestone in our drive to ensure transparency within every aspect of our operations and reporting. The system controls expenses for travel, procurement and entertainment and ensures that vendor due diligence is done and items can be queried within a short time. The system can also be checked easily by our regulators.

The new Automated Travel System has been set up as part of our drive to ensure transparency within every aspect of our operations and reporting. The system controls expenses for travel, procurement and entertainment and requires pre-approval by the individual staff member's supervisor before an expense can be signed off on. It ensures that vendor due diligence is done, with checks against Organisation for Economic Co-operation and Development (OECD) and Economic and Financial Crimes Commission (EFCC) sanctions lists, where relevant. The system can also be checked easily by our regulators, in particular the Department of Petroleum Resources (DPR).

Memorandum of Understanding ("MoU")

Implementation of two MoU with the company's Oron to Creek Town gas pipeline ("OCTGP") impacted communities.

The MoU's have provided the basis for the delivery of corporate social responsibility by Seven Energy within the OCTGP footprint communities and our freedom to operate ("FTO") within the OCTGP host communities. The successful ongoing implementation of the OCTGP project and an increase in proactive stakeholder engagements are the results of this process.

250

Number of employees trained on human rights (including contractors)

42

Number of SME's created by projects/operations



QHSSE/CSR 'Ambassador' Initiative

QHSSE/ CSR Department initiated programme to train staff across all departments in the organization on HSE. The Ambassador trainees, once returned to their assigned roles within the company post training, assumed in addition to their primary responsibilities the role of QHSSE/CSR Ambassadors within their various departments and sections. This is in line with senior management's resolve to embed QHSSE/CSR as line management's responsibility and to take ownership of its QHSSE/CSR performance.

In support of management in providing a professional and competent work force across the business, the Quality, Health, Safety, Security, Environment and Corporate Social Responsibility ("QHSSE/CSR") Department initiated the 'Ambassador' programme to train staff across all departments in the organisation on HSE. The Ambassador trainees, once returned to their assigned roles within the Company post training, assumed in addition to their primary responsibilities the role of QHSSE/CSR Ambassadors within their various departments and sections. This QHSSE/CSR training and awareness programme was developed in line with senior management's resolve to embed QHSSE/CSR as line management's responsibility and to take ownership of its QHSSE/CSR performance.

Sustainable Community Development Programs/Projects

We have implemented a commendable number of sustainable community development programmes / projects across Seven Energy footprint communities during the reporting year.

The programmes / projects implemented across Seven Energy footprint communities range from renovation of schools and staff quarters, equipping an orphanage and community health centres and building town halls to rural electrification and bridge building.

Supervisory and Leadership Skills Training

Management staff undertook this in an effort to create consistency in how staff are managed and developed and deepen the understanding and use of Seven Energy's management toolkits.

Organized for staff with people management responsibilities in the organisation, the objective was to create consistency in how staff are managed and developed. We also wanted to provide more clarity on the expectations of a supervisor in the organisation and deepen the understanding and use of Seven Energy's management toolkits.

Membership of Voluntary Principles

Membership of Voluntary Principles (VP's): The lengthy and detailed application process (including the submission of a comprehensive VP's 'Action Plan' to the headquarters of the VPoSHR in Washington DC, follow-up audits and interviews) led to Seven Energy becoming the first Nigerian indigenous company to be awarded membership of the VP's in December 2015.

While we have been working towards this for a number of years, our official application in June 2015 was successful and we become members of the VP's initiative. This was a lengthy and detailed process that involved the submission of a comprehensive VP's 'Action Plan' to the headquarters of the VPoSHR in Washington DC, follow-up audits and interviews. In December 2015, Seven Energy became the first Nigerian indigenous company to be awarded membership of the VP's.

Community Based Radio Programmes

Community Based Radio Programmes: Seven Energy's radio awareness programme primarily, implemented in order to improve brand equity and entrench Seven Energy in the hearts of our host communities. Radio broadcasts ensured that a large, specific audience was made to strongly associate the Seven Energy brand with a robust safety culture, as well as genuine concern for the welfare of the host communities.

In 2015, Seven Energy embarked on a radio awareness programme primarily in order to improve brand equity, position ourselves as a key driver of public awareness on safety and environmental protection practices, entrench Seven Energy in the hearts of our host communities, and to support the substantial efforts of the QHSSE/CSR department in building positive relationships locally. Using the least expensive of all media enabled us to reach a large, specific audience and also strongly associate the Seven Energy brand with a robust safety culture, as well as genuine concern for the welfare of the host communities.

At Seven Energy we strive to exceed the expectations of our employees, customers, shareholders and the local communities in which we operate. Our strong performance is vital, because it enables us to make the investments necessary to produce the energy that society requires, while rewarding and maintaining the support of our shareholders. Overall, our drive to supply energy ensures we support economic development and help to improve quality of life for millions of people. Our activities also contribute to the provision of jobs, investment, infrastructure and generate revenues for government and local communities.

Our vision is to be Nigeria's leading integrated gas supplier, powering the industrialisation of the country through our wholly-owned infrastructure, and being recognised for the reliability and quality of our supply whilst generating value for our investors.

At a glance

Seven Energy is the leading integrated gas company in South East Nigeria, with upstream oil and gas interests in the region. We have a deep understanding of the domestic Nigerian gas market, supplying gas to the power generation and manufacturing industries, principally through our own integrated processing and pipeline infrastructure.

Gas to Light up Nigeria

Since our inception, we have built a reputation as the leading integrated gas company in South East Nigeria through our 'Gas to Power Nigeria' initiative. Currently, the Company has invested over \$1 billion in gas infrastructure and is delivering gas to three power stations, a cement plant and a fertilizer factory. All these efforts have led to the provision of jobs for the local community in which we operate, increased electricity contribution to homes and factories, which will invariably lead to an enhancement in the quality of life and increased Gross Domestic Production for Nigeria.





Our Core Values are principles that guide our internal conduct as well as our relationships with the world outside Seven Energy. Our core values embody the warm welcome that Nigerians are known for giving visitors and friends: “You are welcome”

Our core values

We respect all people

At Seven Energy, we treat each other with respect, politeness and courtesy. Our projects and operations are undertaken with respect for all people and to bring benefits and value to Nigeria, our local host communities and to our shareholders.

Environment & Safety

Protection of the environment and ensuring the safety of our contractors and the local host communities where we operate are of utmost importance to us at all times.

Leadership

We are a company of leaders and this ethos should be felt by all of our staff. As leaders, we lead by example, being accountable and taking responsibility for our behaviour, products, services and achievements. We must work to uphold our reputation at all times.

Creativity

Creativity and innovation are highly prized at Seven Energy and we view these elements as key to remaining at the forefront of Nigeria's development of its vast gas resources for the benefit of all. We endeavour to work creatively to find solutions to any problem and encourage all of our staff to be bold in bringing forward new ideas to management and their teams

Openness

Transparency and strict compliance with our policies and procedures, which are founded on internationally-recognised principles of excellence, is a condition of employment with Seven Energy. We are open and honest with all our business dealings.

Motivation

We are highly motivated to succeed. Our motivation drives us to go the extra mile with our work and on our projects, to achieve win-win scenarios for us all.

Excellence

In our operations, we continuously strive to achieve excellence and this is the standard for which we are rewarded. This comes through consistent delivery of quality and reliability and what serves to make Seven Energy what it is, Nigeria's dominant integrated gas developer and supplier with a reputation for reliability and high international standards.

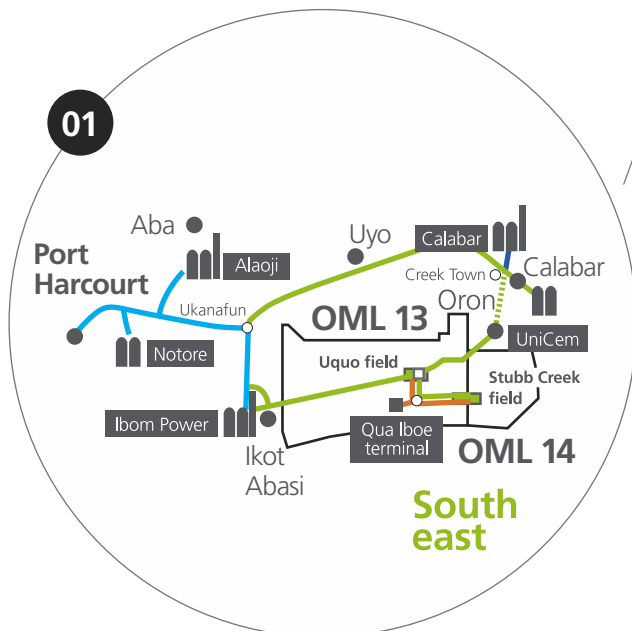
At a glance

Seven Energy is the leading integrated gas company in south east Nigeria, with upstream oil and gas interests in the region. We have a deep understanding of the domestic Nigerian gas market, supplying gas to the power generation and manufacturing industries, principally through our own integrated processing and pipeline infrastructure.

Oil vs gas: net 2P + 2C

Gas	69%
Oil	31%



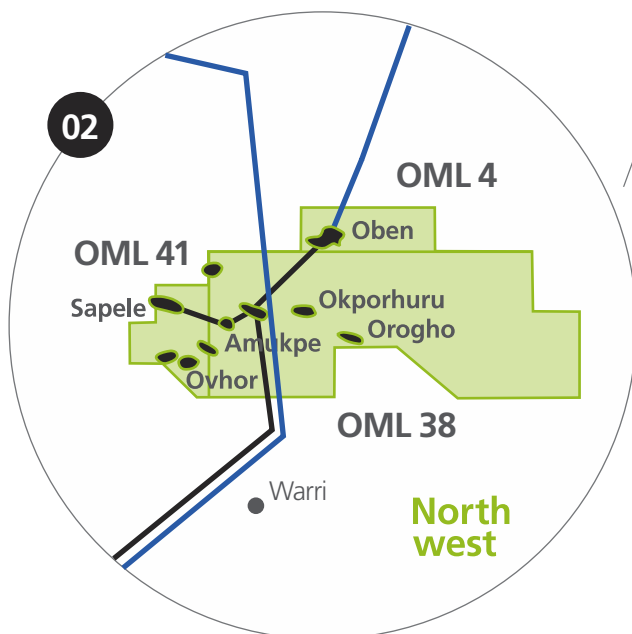


South east Niger Delta

The south east Niger Delta is Seven Energy's flagship gas infrastructure business. Through its wholly-owned midstream business, Accugas, the Group owns gas processing capacity at the Uquo gas processing facility, processing gas from the Uquo and Stubb Creek fields. It also runs a pipeline distribution network, delivering to a diversified customer base.

- / 200 MMcfpd gas processing capacity
- / 227 km gas distribution network
- / Delivering to five gas customers during 2015
- / 156 MMboe net¹ 2P + 2C (Uquo and Stubb Creek)

Read more in:
Operational review page 34

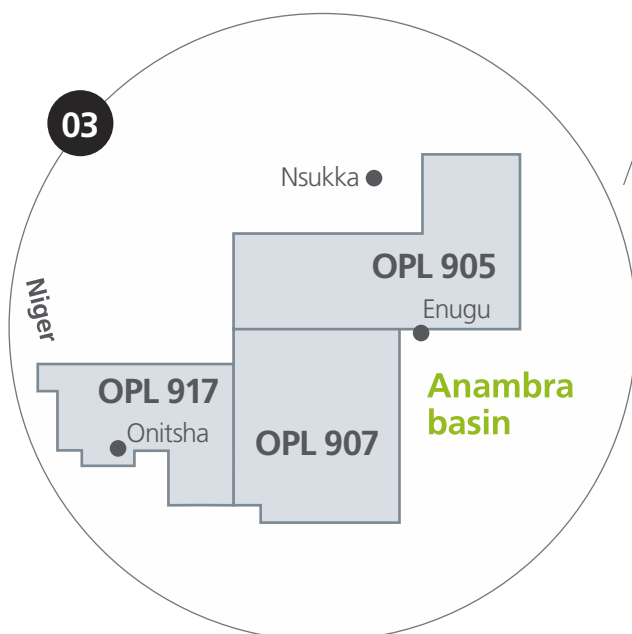


North west Niger Delta

Seven Energy entered into a Strategic Alliance Agreement in 2010 with the Nigerian Petroleum Development Company, whereby we agreed to pay all of NPDC's costs in connection with the development of OMLs 4, 38 & 41 and to provide technical services in exchange for a share of NPDC's production from its 55% licence interest. Since entering into the agreement, annual average gross production at the OMLs has increased from 25,700 bopd in 2010 to 57,000 bopd in 2015 – an increase of over 120%.

- / 231 MMboe net¹ 2P + 2C (OMLs 4, 38 & 41)
- / 57,000 bopd average gross production during 2015
- / 5.1 MMbbl of oil lifted in 2015 (2014: 3.7 MMbbl)

Read more in:
Operational review page 38



Anambra basin

In 2015, Seven Energy increased its footprint in south east Nigeria, acquiring an additional 50% licence interest in OPL 905. The Group now holds a combined 90% licence interest in OPL 905, a 22.5% share of a 41% licence interest in OPL 907 and 42% licence interest OPL 917, all located in the Anambra basin. The Anambra basin is a relatively underdeveloped region, rich in gas resources, which we will look to harness to provide gas for local industry in the medium to long term.

- / 65 MMboe net² 2C (OPLs 905, 907 & 917)
- / Existing gas discoveries
- / Appraisal programme ongoing

Read more in:
Operational review page 40

1 Net entitlement from indirect interest
2 Net Seven Energy interest





Achieving best practices and standards in our operations

Our approach and achievements in the area of managing sustainably are included in this section. Under each heading, we describe our efforts to not just comply with national laws and customs, but also strive to achieve best practices and standards of operation on the basis of international guidelines.

A portrait of a middle-aged Black man with a serious expression. He is wearing a red traditional cap with a white crown emblem and a light blue patterned shirt. The background is a plain, light-colored wall. To the right, a portion of a dark wooden structure with gold-colored carvings is visible.

Sustaining cordial and mutually beneficial relationships with our stakeholders

Progress in partnership with our host communities has always been our focus at Seven Energy.

Stakeholder Relations



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When a Company comes and carries out its functions properly and delivers, we are happy with them, we know that that is good for Nigeria today, Seven Energy did that and their progress means a lot to us.

//

HRH Obong Eno Akpan
Onna LGA

Freedom in our community

Seven Energy's on-going stakeholder engagement processes continued this year with stakeholder identification and mapping exercises carried out across all Seven Energy's footprint communities in both Akwa Ibom and Cross River States in accordance with our guidelines. As a direct result of this, our cordial and mutually beneficial relationship was sustained with all our stakeholders.

This is a considerable task considering that our footprint communities in both these States numbered 238 and regular engagement/interface meetings were held with the identified stakeholders to update, discuss and manage concerns.

We have however been able to achieve the desired goal as our freedom to operate was sustained for the entire year, with no stoppages recorded for any of our projects once each project was fully commenced.

The voice of change

Progress in partnership with our host communities has always been our focus at Seven Energy. Along with our business partners, the communities' ability to embrace a culture of safety has been addressed in one way with a radio campaign across six networks.

In 2015, Seven Energy embarked on a radio awareness programme primarily in order to improve brand equity, entrench Seven Energy in the hearts of our host communities, position ourselves as a key driver of public awareness on safety and environmental protection practices as well as to support the substantial efforts of the QHSSE/CSR department in building positive relationships locally.

Using the least expensive of all media enabled us to reach a large, specific audience and also strongly associate the Seven Energy brand with a robust safety culture. It also enables us to act to provide information as part of our genuine concern for the welfare of the community.

Radio broadcasts are uniquely positioned to reach our core communities, reaching a large but specific audience. Broadcasts can be adapted for each specific region of the country, allowing us to adjust to local market conditions and current news or events at a comparatively low cost, with the potential for repeated broadcasts.

The programmes were lively, anchored by the veteran broadcaster Mrs. Margaret Eshiet, producer of popular radio shows with over 30 years' experience. Seven Energy staff were on hand to introduce our company, the topic of discussion, selected to be within their own specific area of expertise. It was an opportunity to air our signature "Gas to light up Nigeria" jingles during the programme, reinforcing our pledge to be a key part of the drive to bring Nigeria into the 'lit age'.

//

The fact that we dreamed 'The Green Team' and it's now a functional project is our delight.

//

Nkoyo Etuk
Seven Energy
CSR Senior Manager

Safety culture – a way of life

The radio programmes led by the Seven Energy team, providing awareness for the community from seasoned professionals whose day to day working life involve dealing with, leading and guiding others to imbibe the corporate safety culture. Topics covered include:

- Natural Gas Pipeline Safety
- Road Safety
- Home Safety
- Environmental Safety
- Fire Safety
- Petrol and Kerosene safety
- Electrical safety
- Tyre safety
- Pedestrian safety
- Construction Site safety
- Cell Phone safety
- Hygiene safety

The success of the programme can be seen through the lens of the feedback from our completion winners, who '... thank Seven Energy for educating the public on Safety because they will save a lot of lives" and think that the "programme has been very informative and enhances safety consciousness". A job well done.

The Green Team initiative

The issue of how to engage communities, gain their trust and bring them round take ownership of development project alongside their own development has been a longstanding challenge to the extractive industries.

At Seven Energy, this year brought into being an innovative approach to combining these genuine needs of the community with the added bonus of providing a valuable service to the organisation. In a bid to ensure that our gas pipeline and associated Right of Way ("RoW") are safe, accessible and kept clear and clean, the Green Team Initiative was launched in June 2015. The Green Team are a group of individuals employed by Seven Energy to maintain the RoW in every aspect – keeping it clear and also providing vital feedback on any potential faults or threats to its integrity.



An encroachment register has been set up as a tracking system for the RoW to prevent damage to the pipeline, including damage from dredging, digging and erosion, bush burning on or near it or road clearing and the Green Team contribute to this alongside our staff and other stakeholders.

The green team are fully integrated into the contracting system to ensure their accountability. The project is currently running smoothly across over 100 communities on the Uquo - Ikot Abasi and EHGC pipelines RoW. Through this initiative, over 200 youths across Akwa Ibom and Cross River States have been engaged on a 'call off' basis. Therefore, the Green Team initiative ensures Seven Energy's RoWs are periodically and regularly kept safe, clear of all obstructions and wild vegetation and also allows for regular interface meetings and engagements with Seven Energy's communities. Our communities are our partners and are, therefore, seen as stakeholders in the business.

Further benefits of the Green Team initiative is that we are able to quickly identify and manage encroachments and any negative activities, including erosion, on the RoW. The communities themselves provide information and intelligence relating to encroachments and erosion points for the RoW. The Green Team approach has resulted in a considerable reduction in projected cost when compared to the use of a single source contractor to maintain the RoW – which is truly admirable because all the money we do spend goes directly back into the community through the earnings of the team.

We must note that while the Green Team approach has been tried, it has never been effectively implemented to a suitable or effective standard within our local environment. It is to our pride that the Green Team have totally taken ownership of their own safety and RoW maintenance. The community are effectively Seven Energy's eyes, ears and partners in ensuring that our vision of developing and providing gas to light up Nigeria is sustainable.



Back to Basics - traditional leaders and town criers

Working hand in hand with our communities' means we have a deep understanding of the most effective ways of reaching them with vital information. We are committed to the safety of both the environment and people. To ensure this was achieved and sustained in 2015, sensitisation and safety awareness programmes were carried out across all our footprint communities cutting across the Uquo - Ikot Abasi and EHGC gas pipelines in both Akwa Ibom and Cross River States.

We took the information directly to the consumer - our sensitisation programmes utilised a number of mediums to impart what was to us an essential part of our success. First of all we used town hall meetings to educate and sensitise the public on dangers inherent in vandalism, encroachment, dredging activities and bush burning close to the pipeline RoW. We also engaged the Village Heads and Town Criers more regularly to remind and reiterate our safety messages to the communities and general public. Last of all, we proactively engaged with and involved government regulators from the

States and Federal Ministries in ensuring we keep our people and environment safe.

While in isolation each of these methods may have limited results, we have been pleased to note that the cascade of information from multiple sources means that the potential life-saving information has been disseminated to a comprehensive section of our communities.

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First of all we have to thank the Company for employing for the first time, a female MIC. I'm very grateful and the women of the community are grateful because it has never happened before.

//

Obongawan Josephine Ekong

283

communities engaged in both Akwa Ibom and Cross River States

42

Number of SME's created by projects/operations



78%

Value of total contracts initiated for indigenous contractors

Agreeing together

The development of Memoranda of Understanding ("MoUs") is a key task to complete before a new phase of development and one that was not ignored for the company's Oron to Creek Town gas pipeline ("OCTGP") impacted communities.

Throughout 2015 these MoUs have:

- Provided the basis for the delivery of corporate social responsibility by Seven Energy within the OCTGP footprint communities;
- Sustained the Company's social license and freedom to operate ("FTO") within the OCTGP host communities;
- Ensured the successful implementation of the OCTGP project which, has now reached an advanced stage of construction;
- Provided forums for proactive stakeholder engagements; and
- Clearly stated the local content benefits in terms of jobs and contracts awarded to the host communities. The MoUs have spelled out the sustainable community development programs/projects ("SCDP") to be undertaken by Seven Energy and its contractors for the benefit of the communities as well as other benefits derived from the project.

The MoUs are managed by the MoU Implementation Committee ("MIC"), who oversee the fine details and ensure that the MoUs are adhered to on both the community and company sides. We are also very pleased to welcome the first female member of the MIC, who is already working to provide the necessary balance to its deliberations.

Developing Sustainably: Sustainable Community Development Programs/Projects

Several sustainable programmes/projects have been implemented across Seven Energy footprint communities during 2015 ranging from:

- Renovation of schools and staff quarters;
- Equipping and furnishing of community health centres;
- Building and revamping of town halls;
- Provision of portable drinking water sources;
- Rural electrification project;
- Construction of culverts and link bridges;
- Repair and grading of community roads etc;
- Equipping of science laboratories in secondary schools;
- Provision of furniture in local schools;
- Skill development programmes;
- Revamping of an orphanage/motherless baby home.
- Sponsoring of winners of the Inoyo Toro Foundation.

Education: The master key

At Seven Energy, we believe that education is a hugely influential factor in the attainment of a better quality of life. Never a Company to speak without action, we have had a multi-layered approach to ensuring our local communities get another step up on the ladder to a better life through this means, and have provided facility upgrades in schools and educational equipment as described above. Perhaps even more importantly, it gives encouragement and support to the teachers who play such a vital role in the educational process.

The Inoyo Toro Foundation

The Inoyo Toro Foundation is one of the first educational foundations in Nigeria involved in the recognition of teachers. It provides the Annual Award for Excellence for teachers in different categories in public schools, as one of the ways to support educational development in Akwa Ibom State in particular and Nigeria at large.

The Foundation was founded in January, 2008 in response to the need for private sector involvement in eradicating poverty through education and by supplementing the efforts of Akwa Ibom state government to enhance the quality of education. We have continued to support them through the 2015 reporting year with sponsorship for prize winners to obtain further career-related training. A number of the Seven Energy team also act as advisors to teaching staff, helping to strengthen the bonds between our Company and its stakeholder communities.

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When Seven Energy came, they took over the abandoned projects by the government. They embarked on the electrification project and completed the project successfully. The first contractors were within the community. This is something very impactful. They gave to the project to the local contractor and in earnest the project was successfully executed and light was on within two months.

//

Hon. Albertson Atanang,
Udung Uko LGA



CASE STUDY

**PROACTIVE COMMUNITY DEVELOPMENT – ONE FACILITY AT A TIME**

At Seven Energy, we pride ourselves on being proactive in our actions to improve our stakeholder community. The contributions made at the Health Centre, Ikot Ekpo in Calabar Municipal Council is a bold example of this – it started with a visit to the traditional leader in the town by one of our CSR team, who spotted the centre along the way. The centre is very community focused, providing general healthcare such as immunizations, treatment of minor ailments and maternity services to an area currently without a nearby by general hospital.

Having heard about the fact that it had been set up by the World Bank a number of years ago to help meet the healthcare needs of the community, further enquiries with the Matron revealed a list of their needs at the time. In response, Seven has provided them with 50 chairs to accommodate the large number of visitors to the centre, 40 tables, 10 hospital beds, 10 blood pressure monitoring kits, 5 privacy screens, 3 injection trolleys and 300 sterile syringe sets.

In the words of the Matron, Mrs Akon Archibong, the unsolicited assistance from Seven Energy is an almost unbelievable aid to their services, and they '... could not believe it would happen until the day it did' and consider us to be '...fantastic'!



CASE STUDY



CONTINUED SUPPORT – JAMES 1:27 HOME

Seven Energy has a long standing relationship with the James 1:27 Orphanage in Ikpa Town, Esit Eket, one of the local government areas of Akwa Ibom State, dating back from a chance meeting during a cycle ride in 2012. The home currently houses 51 children ranging from 1-16 years of age. Our commitment continues, and we are proud to unveil a fully refurbished set of skill acquisition rooms which have been named in honour of members of our team.

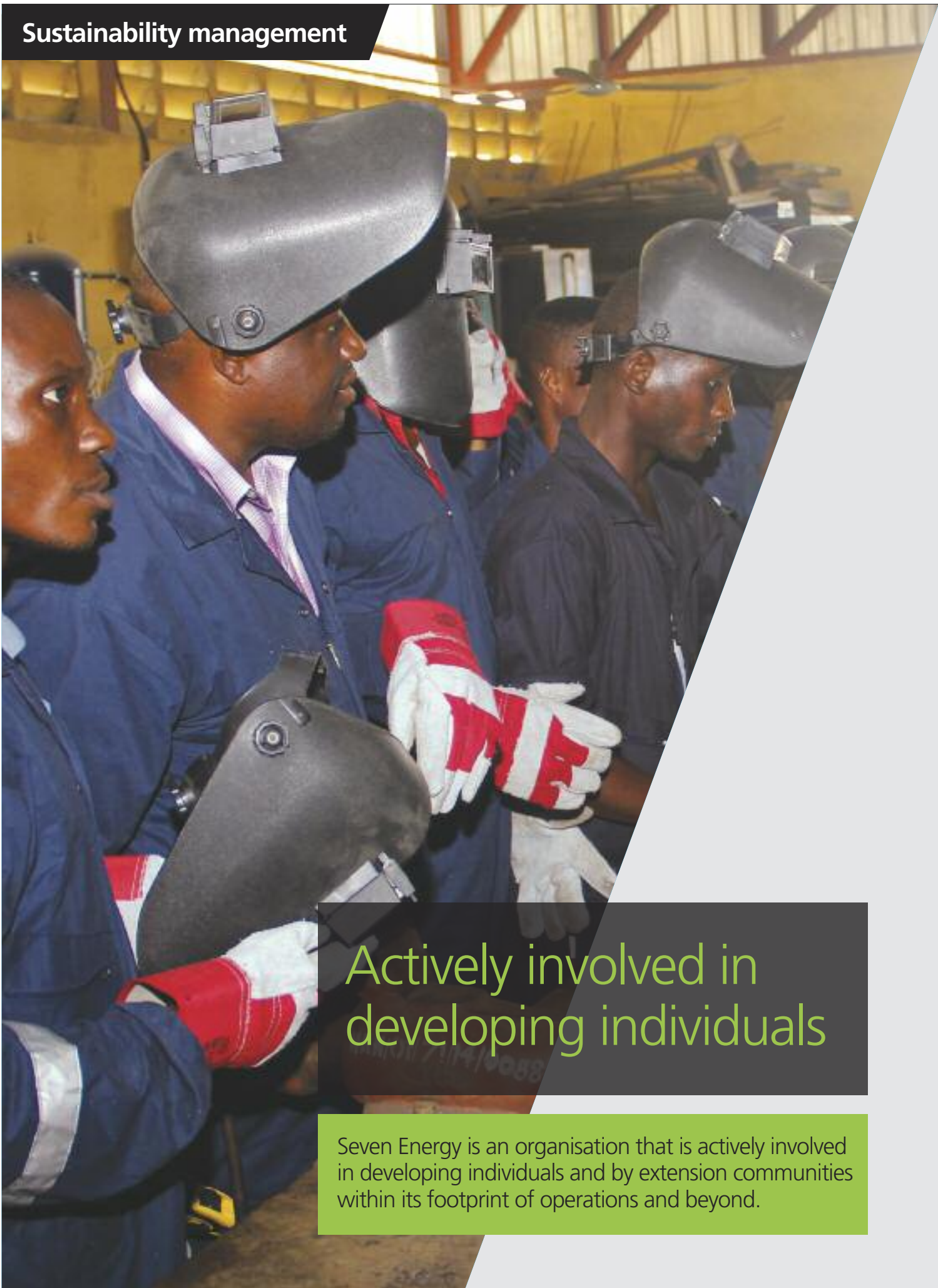
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The way Seven Energy conduct their business is second to none in the industry in respect to the host communities...One of the hallmarks for Seven Energy is that they have full respect for local communities and local authorities.

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Hon. Albertson Atanang,
Udung Uko LGA

65%
Value of imported goods
sourced by local Company



Actively involved in developing individuals

Seven Energy is an organisation that is actively involved in developing individuals and by extension communities within its footprint of operations and beyond.

Local Content

Seven Energy is an organisation that is actively involved in developing individuals and by extension communities within its footprint of operations and beyond.

Contracts and Procurement

With Seven Energy sustained approach to long term value, the company maintained its conscious efforts towards the retention of benefits in our areas of operation at the federal, state, local government and community levels through our development activities in gas infrastructure across the south east of Nigeria.

While internal grassroots vendor development started in 2013 with the intention to expose the local organisations to global practices, during 2015 we implemented processes to measure our local content efforts in relation to capital projects, procurement, and contract execution strategies in the following areas:

- Workforce development;
- Suppliers/vendors development;
- Training and skills development; and
- Community development.

In workforce development, we developed local capabilities through on the job training, skills and expertise development. As at the end of 2015, Nigerians represent 95% of the total Nigerian-based workforce.

During 2015, our vendor management and development strategy continued to yield good results through the dedicated principle of first consideration for Nigerian goods and services in all our procurement and contracts undertakings.

At the community level, over 42 vendors have provided us with services in the areas of operations vehicle lease, manpower supplies, waste management and civil construction. During 2015, over \$17m has been spent on these services. This investment has strategically grown local businesses into measurable small and medium scale enterprise, creating job opportunities at the community and local government levels.

//

Seven Energy has brought development to the oil and gas industry in Nigeria. They have also brought human development to the grass roots and the records are there to speak for themselves. They have brought employment and reduced restiveness. Seven Energy has come to stay, and we hope the government recognises this. They remain the Company to beat in the community.

//

High Chief Peter Esievo,
MD Evomec (Contractor)

74%

Nigerian staff trained in-country



\$145m

Worth of contracts provided by Nigerian companies

92%

Nigerian vendor ratio

It is notable that procurement of pipeline construction materials, safety wares, operations and maintenance materials and services such as environmental, security, vehicle supplies, financial, legal, insurance, telecommunication, travels and other related services which amounted to \$145m during 2015, were provided by Nigerian companies. Seven Energy's vendor ratio during this period demonstrates a 92% Nigerian and 8% non-Nigerian ratio.

On the Seven Energy OCTGP project, the principal contractor Evomec Global Services Limited ("Evomec"), a 100% wholly owned Nigerian company, has employed 219 indigenes of Cross River State and 206 Akwa Ibom State indigenes during 2015 in various specialised skills that include welders, riggers, fitters, caterers, and security personnel. Evomec have also employed 87 project personnel as their staff on the project.

This initiative has provided a total employment number for the project of 512 Nigerians which has had a commendable impact on the employment market in South Eastern Nigeria.

Training and skills development

Seven Energy is known in the Nigerian Content Development Monitoring Board ("NCDMB") as the only company among the independent and marginal field operators in Nigeria to align with the Human Capacity Development ("HCD") Guideline of the NCDMB through its projects related skills development program. This is no small feat among the vast array of competitors that we have. We are an active and involved part of the NCDMB committee and play a valuable role in developing practical processes to implement to local content laws.

Following an aptitude test for selection, under phase 1 of the specialized skills development program, 18 selected youths from the Seven Energy OCTGP Project impacted communities in Odukpani local government area of Cross River State were trained in excavator operations by a certified trainer for a period of two months. Phase two is ongoing at the Maritime Academy Oron, where 20 youths have been selected to undergo an intensive three month course in welding and fabrication skills.

Following on from the initial training, three of the excavator trainees were employed on the right of way (ROW).

What have we learned along the way?

- Taking local content development seriously has been a major game changer - results have continued to calm frayed nerves in various communities and our areas of operations as a whole;
- Collaboration produces greater results – our vendors are continuously encouraged to partner with one another through its vendor's development program;
- A robust data management system is required to capture and track implementation indices – we have made tremendous improvement in this area during 2015 by designing fit-for-purpose templates to collate, track and monitor Nigerian content development;
- In-country manufacturing capabilities are key to real local content growth. The manufacturing sector must be stimulated by the government of the day to enable standard materials to be sourced internally; and
- Training, skills development and employment connect Seven Energy to the community.

CASE STUDY



BUILDING A WORKING CULTURE OF SUSTAINABILITY

Seven Energy has always prided itself on not just doing the right thing but being an influencer in the industry. Our ethos is not just for us – it's imbibed by our partners as we all grow together, as has been the case with Evomec, one of our largest contractors.

Our journey with them started in 2009, with the initial contract to upgrade the 69 km Uquo pipeline from Ikot Abasi to Esit Eket - a 69 km pipeline. The second project done with Seven Energy was to design and execute the building of the existing CPF facility. It has been a pleasure to watch them operate according to Seven Energy's guidelines, going beyond the call of mere duty to truly invest in our project communities.

The projects executed together have been done successfully because of the mutually agreed management procedures – there were no stoppages in the projects executed because of the excellent community relations from both organisations. The Seven Energy guidelines have been adhered to during the project execution to the satisfaction of all. As outlined by our guidelines, before a project starts, the appropriate consultations and awareness amongst the local communities is undertaken, as well as land acquisition. Evomec have worked in conjunction with Seven Energy in community development programmes and in relation to existing

projects are currently training 30 youths at the Oron Maritime Academy.

In the words of Managing Director of the organisation, "the way [Seven Energy] conduct their business is second to none in the industry in respect to the host communities. There's this belief that if you don't conquer the community and you go there with a battalion of soldiers, there's little or nothing you can achieve because your workers live with them inside the community... One of the hallmarks of [Seven Energy] is that they have full respect for local communities and local authorities and that is why you see that throughout projects - there are no major strikes... With respect to Seven Energy, we are always ready to work with them and a lot of the equipment we have today were bought whilst working with Seven Energy."

During this time, we at Seven Energy have experienced growth in our own operations and have also been pleased to watch this contractor grow in capacity and demonstrated skills.

Developing our organisational capabilities to foster and retain the best talent

In line with our core values of respect and openness, we put in place several mechanisms to make it easy for staff to report issues or grievances that they may have.

People



41

Average hours of training per employee

Our desire at Seven Energy is to continue to develop our organisational capabilities to foster and retain the best talent. Furthermore, we ensure a safe and healthy work environment and we communicate policies that treat our employees with dignity and equality.

During 2015, our key priorities were to continue with our employee engagement programs, develop a career management framework and ensure a motivated workforce despite the challenging times ahead for the industry. These objectives were achieved.

There were improvements in our employee engagement programs, recognition programs and our performance appraisal process. The company organised technical and soft skills training for its staff and supervisors, based on identified learning gaps. The career management

framework was developed to provide vertical and horizontal progression opportunities for employees and also allow employees remain challenged through a full career with Seven Energy.

In line with our core values of respect and openness, we put in place several mechanisms to make it easy for staff to report issues or grievances that they may have. These include score cards, employee forums and an anonymous suggestion box.

Our People

Seven Energy is a private company, headquartered in Lagos and London. In Nigeria, the Company operates through its wholly-owned and principal subsidiaries, Seven Exploration & Production and Accugas. Our people encompass a wide group with varying needs and requirements, from staff and contractors through to local host communities.

In 2015, Seven Energy employed an average of 198 full time staff, of which 162 were based in Nigeria, with the remaining 36 based in the UK. This amounts to a total of 82% of permanent staff based in Nigeria. As at December 2015, 95% of our in-country employees were of Nigerian nationality, a slight increase on the value of 94% reported in 2014. Women accounted for 31% of our workforce.

On our various infrastructure projects, we employed numerous contractors. The number of contractors that Seven Energy utilises is project dependent and varies according to the number, type and activity level of the projects undertaken. As of 31 December 2015, the number of contractors Seven Energy utilised was approximately 104.



People Investment and Initiatives

It is through our investment and various initiatives that we have achieved our strategic priorities. Our established employee forums continued to serve as a valuable communication and feedback channel for all staff and contractors.

Our Learning and Development Committee continued to plan training events and programmes that were targeted, based on organisational requirements and valued by the employees. Approximately 75% of our staff across office and field locations participated in a training/development program in 2015 including technical trainings, lunch and learn sessions, departmental learning sessions and one-on-one coaching.

Developing our leaders - Supervisory Training

Seven Energy remains committed to developing its people and as a result organises several development programs for staff throughout the year. One of such programs was the Supervisory and Leadership Skills training which was organized for staff with people management responsibilities in the organisation. The objective was to create consistency in how staff are managed and developed, provide more clarity on the expectations of a supervisor in the organisation and deepen the understanding and use of Seven Energy's management toolkits.

The training which was facilitated by Profiliant Development Resources Limited was held in August and September in Lagos and had 42 staff in attendance. According to one of the participants, Nkem Okoro, VP Wells and Services, who said 'I have attended so many leadership courses in my over 25 years career, majority of which I spent in Shell and I must confess that

this has been the best leadership training I have attended. I recommend the course to every staff with supervisory and leadership responsibility in Nigeria and London office".

363 Program Initiative

Seven Energy remains committed to the success of its employees through professional development. To this end, three months after the successful completion of the supervisors training and in continuation of efforts to deliver excellence in leadership across the organisation, the organisation launched a leadership development initiative called Everything DiSC 363® for Leaders.

The 363 initiative was launched to give supervisors a better understanding of how their colleagues see their leadership behaviours—both strengths and challenges—and to enable them get a direction on how to become more effective leaders. As part of the process, individuals who participated in the Supervisors Training were asked to do a self-evaluation of their leadership style and were asked to identify individuals who can provide them with an objective feedback of their leadership style both within and outside the organisation. Each of the identified group of individuals were asked to complete a 363 Feedback on each respective supervisor.

On completion of the feedback, each supervisor was provided with a comprehensive report that showed a comparison of how they rated their leadership style to how others rated their leadership style. The report further highlighted each supervisor's areas of strength and leadership practices others would like to see each supervisor do more of. A coaching report was also provided to each supervisor to help them work on their

37:11

37 men to 11 women
management gender
composition

Seven Energy recognises the importance of coaching and mentoring in ensuring employees are able to perform optimally in their roles. Consequently, the organisation continues to strengthen the capacity of supervisors to ensure they are able to carry out this role effectively.

areas of development and become better supervisors. Preliminary findings shows significant improvement in coaching capabilities amongst supervisors, with majority of staff stating that they feel their supervisors are genuinely interested in their careers.

Coaching and Mentoring

Seven Energy recognises the importance of coaching and mentoring in ensuring employees are able to perform optimally in their roles. Consequently, the organisation continues to strengthen the capacity of supervisors to ensure they are able to carry out this role effectively.

In addition to the Supervisors training and 363 initiatives implemented in 2015, management toolkits have also been developed and disseminated to help supervisors continuously coach their staff towards improved performance.

Employee Engagement Committee

Nigeria's oil and gas industry has been long dominated by International Oil Companies. However, we are proud of the fact that a company such as ours is strides ahead of other Independents in our engagement programmes and in the quality of our talent.

In 2013, we commenced an active employee engagement drive. So far, we have introduced several initiatives including flexi work, recognition programs, networking events and employee and supervisor forums. In February 2015, we established an Employee Engagement Committee (EEC) made up of 11 staff across our Lagos office and field locations. The maiden EEC led implementation of a duly registered and functional staff cooperative in June 2015, and continues to work on various workplace improvement initiatives.

Diversity – our differences make us stronger when we work together

At Seven Energy we are adept at noting trends in diversity within teams and actively endeavor to hire the most competent people, while encouraging the inclusion of specific groups to enhance each teams' strengths. We actively encourage a culture of inclusivity and this year brought a continuation of our 'Pot-Luck' engagement exercise to acknowledge and celebrate the diversity in our teams.

During the third and fourth quarters of 2015, there were a few events leading up to the final day, which showcased the various cultures represented with a cooking competition and a presentation about diversity. Our team, as always were fully committed to the day's activities and turned up in traditional dress and cooked some amazing dishes. This led to some valuable lessons on how our differences can make us stronger, as well as promoting teamwork and group bonding.

0

Staff grievances reported



Adequate controls are embedded in our business processes and systems to ensure transparency

We have adopted rigorous policies and procedures relating to contracts and procurement that include due diligence procedures when entering into new agreements with either new or existing agents.

Compliance

61

Number of management staff trained in anti-corruption practices

147

Number of non-management staff trained in anti-corruption practice



An Automated Travel System has been set up within the organisation and marks a major milestone in our drive to ensure transparency within every aspect of our operations and reporting. The system controls expenses for travel, procurement and entertainment and requires a pre-approval by the individual staff member's supervisor before and expense can be signed off on. The data base is up and running ensures that any item can be queried within a short time.

The automated system for procurement ensures that vendor due diligence is done, with checks against OECD and EFCC sanctions lists, where relevant. The system can also be checked easily by our regulators (in particular the Department of

Petroleum Resources, DPR). Our staff continue to comply with the company's anti-corruption policy, which requires an annual certification by employees and representatives confirming their understanding of the anti-bribery requirements of the UKBA and FCPA. They also make a statement as to whether they have received or given any bribes in the course of their duties or if they are aware of any corrupt practices.

Procurement responsibility

The newly automated procurement process as stated ensures that each vendor will not show up as registered or be able to bid for work until approved in each relevant department – which is mainly Procurement and Health Safety and Environment (HSE).

It is to our benefit that there is a dedicated HSE team member in the procurement department who ensures that the HSE aspects are duly reviewed and approved according to local regulations and international guidelines. It also ensures that contractors waste management plans are evaluated and confirmed. We can also thoroughly evaluate Material Safety Data Sheets (MSDSs) and check that the diesel powered vehicles that we stipulate provided by all contractors. This ensures a robust and holistic procurement process, helping us to ensure that our contractors and suppliers, as far as we can assess, are held to the same standards that we ourselves adhere to.

Aligning with international and national standards of regulations

At Seven Energy, we promote the importance of a properly established and managed quality assurance and quality control systems with the associated standard operating procedures.

Quality Management

Quality – a part of everything we do

Our Quality Management System ("QMS"), which has been developed and implemented over the last 2 years, is based upon the requirements of ISO 9001:2008 and has established the fundamentals for all our management systems. The adoption of the Plan-Do-Check-Act ("PDCA") principle within the QMS has helped to achieve alignment with almost all international and national standards and regulations and with the various facets of our management systems, including asset integrity.

The QMS has also proved to be an important tool for managing asset integrity within our operations through the system's effective implementation. The benefits of the QMS over this operational period have been:

- Ensuring the commitment of top management to establish appropriate objectives that aid asset integrity management;
- Ensuring the review of project and operational design, specifications, drawings and specified standards to assure compliance with the applicable regulatory requirements;
- To assure the quality of all equipment, materials, structures, components and systems utilized in the construction, manufacturing and operation of all our facilities;
- The verification of materials, parts and final products through independent checks, audits, inspections and witnessing;
- Ensuring transparency through organization and implementation of related documentation and record retention systems;
- Understand and evaluate all risks,
- Management of processes within Seven Energy and its contractors to effectively minimise or eliminate perceived asset integrity risk;

- Implementation of objective process measurements and reviews that have periodically helped to analyse asset management related activities;
- Ensuring that our management systems have been well maintained. Effective audits of the system have provided important input for achieving continual improvements in the ability of the Seven Energy Management Systems to achieve its objectives;

The QMS has ensured compliance with all contractual specifications, mandatory regulations and quality standards.

Implementation of the QMS has also enabled our organisation to achieve the goals and objectives set out in its policies and strategies. It has provided consistency and satisfaction in terms of methods, materials, equipment, etc, and has interacted with all activities of the organisation, commencing with the identification of customer requirements and concluding with their satisfaction, at every interface.

The QMS and supporting procedures have been utilised on our OCTGP project to good effect, enabling Quality Control ("QC") members of the various Project Management Teams ("PMT") and operational units to ensure control of the contractors and sub-contractors utilised and also compliance with specifications and procedures and other requirements of the international, national standards and regulations the company is committed to adhering to.

Further reinforcement of the QMS will continue in 2016 and the progress and 'health' of the QMS will be monitored throughout the year via a programme of departmental internal audits.





Maintaining a safe and secure working environment

The protection of our assets, including personnel, facilities, pipeline infrastructure and property remains one of the company's top priorities.

Asset protection and transportation

The protection of our assets, including personnel, facilities, pipeline infrastructure and property remains one of the company's top priorities. The key to the safe facilitation of our business and associated activities in Nigeria is largely dependent on maintaining a safe and secure working environment for our employees, contractors, subcontractors, partners and all local stakeholders, including indigenous community groups.

In 2015 we embarked on the biggest security challenge to date by mobilizing substantial project resources to construct a 32 kilometre gas pipeline between Oron and Creek Town near Calabar. This meant that we had to negotiate and secure multiple jungle and swamp locations, as well as several significant river crossings and deal with the added security challenges presented by conducting maritime security operations in shipping lanes. Even though the environment was challenging and not without incident over the project construction phase, we successfully concluded 2015 having recorded no serious injuries to any of our project personnel.

During 2015, we continued to patrol our expanding pipeline network (which, will increase from a current figure of ca. 230 km to ca. 260 km during 2016) and in doing so, continued to interact and engage with our host communities to develop our intelligence network. Numerous encroachment cases were identified by the pipeline patrol team in collaboration with our CSR team and our communities and those issues were escalated to a resolution point.

Seven Energy has also successfully secured all company personnel whilst conducting road journeys, utilizing an average of 108 vehicles per day and covering thousands of miles each day. All facilities, offices and equipment were secured again, recording no serious security incidents throughout 2015.

The Voluntary Principles on Security and Human Rights

Since 2011, Seven Energy have been active champions of a human rights based initiative so named, the Voluntary Principles on Security and Human Rights ("VPoSHR" or "VP's"). The VP's initiative is a multi-stakeholder initiative involving governments, companies, and non-governmental organizations that promote the implementation of a set of principles that guide oil, gas and mining companies on providing security for their operations in a manner that respects human rights. This follows on from it being identified that the extractive industries were a notable area in which human rights infringements occurred.

Specifically, the VP's guide companies in conducting a comprehensive human rights risk assessment within their engagement activities with both public and private security providers to ensure human rights are respected during the protection of the company's facilities, assets and premises. The initiative focuses on the fair treatment of indigenous communities and promotes harmony between extractive industries and host community groups. In June 2015 we made an official application to become members of the VP's initiative. This was a lengthy and detailed process that involved the submission of a comprehensive VP's 'Action Plan' to the headquarters of the VPoSHR in Washington DC, follow-up audits and interviews. In December 2015, Seven Energy became the first Nigerian indigenous company to be awarded membership of the VP's.

Acceptance does not of course mean that we are resting on our laurels - monthly security forums are held, encompassing all heads of government at the state level, heads of forces (army, navy and police) or their chosen representatives. These meetings are key tools for the sharing of intelligence among the community and the security forces.

There are also Asset protection representatives at the regular community town hall meetings committee for Seven Energy. Seven Energy is also in the Plenary Committee for companies. This entails presence at meetings every few weeks in order to try and improve the process. It's a world-wide exchange of information and we are energetic in our approach to making sure that lasting improvements are made across the industry.

In 2015, Seven Energy became the first Nigerian indigenous company to be awarded membership of the Voluntary Principles on Security and Human Rights.

100%

Supplier contracts containing clauses relating to human rights

Minimising the impact of our operations on the environment

Seven Energy recognises the significant environmental considerations attached to its operations, and in particular its drilling operations. Minimising the impact from its business and operations is therefore of primary importance to the Group.

Health Safety Environment and regulatory affairs

With respect to HSE Systems and Regulatory Affairs, sustainability has been achieved throughout 2015 by ensuring that our previously developed and deployed Health, Safety and Environmental Management System ("HSE MS") has been embedded in all aspect of our business. Our shared values of no harm to people, protecting the environment where we operate, and our commitment to ensuring that our business activities do not adversely impact on the health of our people and those of our operating environment has been and is the prime goal of Seven Energy.

Leading from the top

Taking the lead in sustainable development has been Seven Energy's approach from inception. Putting this into practice, senior management are fully committed to our corporate culture and have further demonstrated this through planned facility/project inspections or Management Facility Inspection programme ("MFI"). This has further strengthened the leadership and commitments to managing health, safety and environmental risk precursors across all company activities whilst also ensuring that the company's facilities are in a good state of health and fully operable. This programme has further served to deepen HSE as a critical factor to our overall health as an organisation, especially in the hearts and minds of our field personnel and contractors/vendors.

Impact management – a transparent process

Environmental impact assessments are a lengthy and detailed process that cannot be considered complete without stakeholder involvement and understanding. The EIA's for Eastern Pipeline Project, OML 905, 907 and 917 were conducted throughout 2015 in line with the statutory requirements of Federal, State and Local government and regulatory agencies.

Through a lengthy series of engagements/interface meetings with

local communities, the company has secured stakeholder buy-in via the public forums associated with the company's EIAs. The EIA's of course included an assessment of not just economic viability of the project but also potential environmental effects and the ongoing potential to induce both positive and negative changes to the well-being of the communities.

Flying the flag - Ambassadors

In support of management in providing a professional and competent work force across the business, the QHSSE-CSR department initiated the QHSSE/CSR 'Ambassador' programme to train staff across all departments in the organization on health, safety and the environment. The Ambassador trainees have since assumed, in addition to their primary responsibilities, the role of QHSSE/CSR Champions/Ambassadors within their various departments and sections. This programme was developed in line with senior management's resolve to embed QHSSE/CSR as line management's responsibility and to take ownership of its QHSSE/CSR performance.

As part of the process of avoiding, mitigating and managing risks and impacts within projects and operations i.e. from development/planning to the execution phase, the IFC Performance Standards were adopted as best practice. The Performance Standards,

0.17%

Average amount of hydrocarbon gas flared in MMcfpd

1494

Direct GHG emissions - CO₂e/year (tCO₂)

362

'Perfect Days'

as embedded within the various company management systems, were applied during 2015 in managing the Seven Energy EPL. The implementation of the Performance Standards has led to avoidance and/or minimization of environmental issues, physical re-settlement, cost escalations, project disruptions whilst maximizing the involvement of both internal and external stakeholders at all project phases resulting in a major improvement relating to the company's social, environmental and statutory license to operate.

Seven Energy's integrated approach to its operating environment during 2015 has enabled a clear identification of the environmental and social impacts, risks, and opportunities associated with both its projects and operational activities through informed consultation with and participation of all stakeholders in order to create awareness on project and operational issues. This integrated approach has been supported by senior management, and has involved engagement between Seven Energy and local communities directly affected by the project (the footprint communities) and, where appropriate, other stakeholders such as the regulatory agencies et al. This approach has proved successful in the execution of all Seven Energy's (five) project EIAs and land acquisition processes during 2015. This approach will be further refined and utilised during 2016 and onwards into the future to ensure an environment of continuous improvement is maintained.

2015 saw a focused effort, commitment and enthusiasm spent in streamlining Seven Energy's sustainability (including HSE) performance data, information and metrics to the company's investors, stakeholders and the public. A Seven

Energy "Reporting Model" was developed in line with the requirements of the Global Reporting Initiative ("GRI – 4G"). The reporting model was subsequently deployed company-wide during 2015 and has formed/will form the basis of reporting sustainability performance in 2015 and beyond.

As a compliant and transparent organisation, the management of its statutory licence to operate is considered key to the company's business development. A high priority of Seven Energy's Regulatory Affairs unit, within the QHSSE/CSR Group, has been to constantly review and update the company's permit and consent plan/register during 2015 to ensure that all facilities and projects are compliant with the relevant national and international statute. This objective was successfully achieved.

Community based radio programmes

Progress in partnership with our host communities has always been our focus at Seven Energy. Along with our business partners, the communities' ability to embrace a culture of safety has been addressed in one way with a radio campaign across 6 networks. The campaign aimed to improve brand equity and entrench Seven Energy in the hearts of our host communities, build and reinforce mutually profitable relationships, enable them make constructive contact with the Seven Energy brand, position Seven Energy as a key driver of public awareness on safety and environmental protection practices and lastly but certainly not the least, support the substantial efforts of the QHSSEC department in building positive relationships locally.

Radio broadcasts are uniquely positioned to reach our core communities, reaching a large but

specific audience. D Broadcasts can be adapted for each specific region of the country, allowing us to adjust to local market conditions and current news or events at a comparatively low cost, with the potential for repeated broadcasts.

The programmes were lively, being anchored by the veteran broadcaster Mrs. Margaret Eshiet, producer of popular radio shows with over 30 years' experience. Seven energy staff were on hand to introduce our company, the topic of discussion, selected to be within their own specific area of expertise. It was an opportunity air our signature "Gas to as to light up Nigeria" jingles during the programme, reinforcing our pledge to be a key part of the drive to bring Nigeria into the 'lit age'.

Safety is a way of life

The radio programmes included discussions led by the Seven team, providing awareness for the community from seasoned professionals whose day to day working life involve dealing with, leading and guiding others to imbibe the corporate safety culture.

Topics covered include:

- Natural Gas Pipeline Safety
- Road Safety
- Home Safety
- Environmental Safety
- Fire Safety
- Petrol and Kerosene safety
- Electrical safety
- Tyre safety
- Pedestrian safety
- Construction Site safety
- Cell Phone safety
- Hygiene safety

The success of the programme can be seen through the lens of the feedback from our completion winners, who '...

thank Seven Energy for educating the public on Safety because they will save a lot of lives” and think that the “programme has been very informative and enhances safety consciousness”. A job well done.

A Perfect Day – a change in approach and mind-set

Seven Energy has changed its approach to observing health and safety related end-points with a move towards achieving ‘A Perfect Day’, one which is free from incidents, as opposed to accumulating hours since the last incident occurred. This allows us to focus on making each day as incident free as possible. We set ourselves a challenging target of 350 perfect days in 2015 and, to our pleasure, we achieved 362 ‘Perfect Days’- all with thanks to everyone who made safety an integral part of their day.

Not satisfied with just an internal attitude change, we ensured that more than 200 of the Green Team from across 20 Local Governments were trained by the HSE team during mandatory inductions. This ensures that both we and our representatives are able to work in a manner that keeps everyone as safe and incident free as possible.

Our environment

In line with our drive to be a truly sustainable business, we go to great lengths to ensure that our environmental impacts are kept well within stipulated guidelines. Our project developments and implantation have continued throughout 2015 with minimal changes from the baseline recorded during our impact assessments, with all emissions below the regulatory limits.

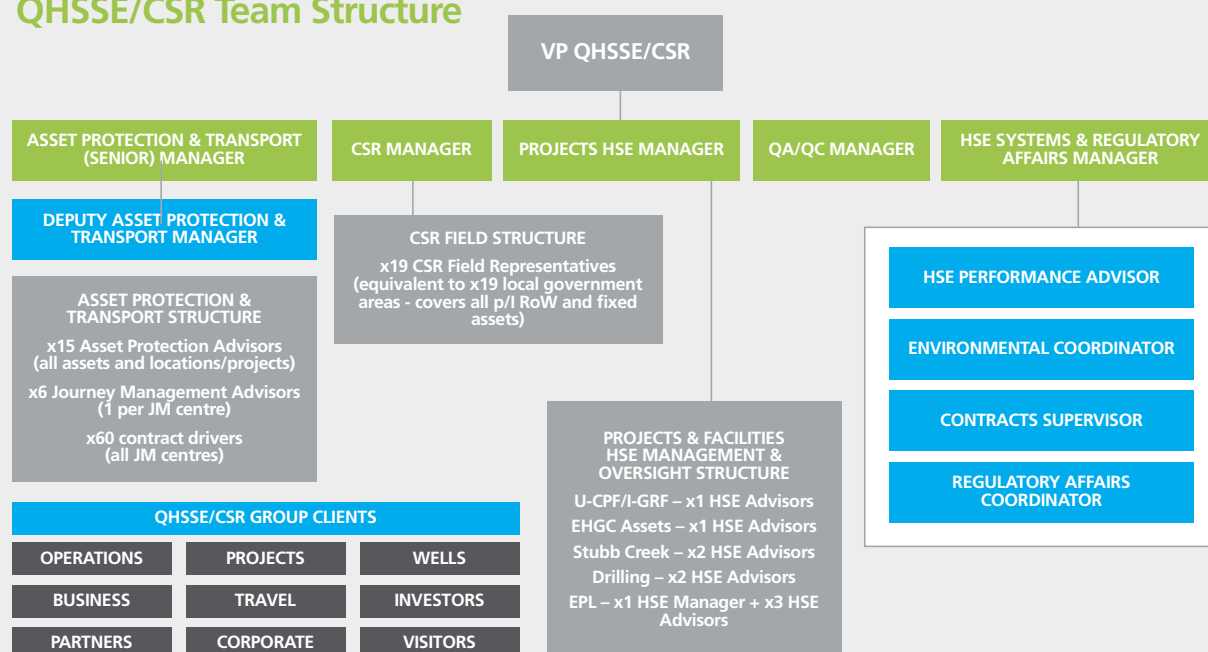
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Number of oil spills during the year

12

Spill response drills conducted during the year

Seven Energy QHSSE/CSR Team Structure



Seven Energy Integrated Reporting Model – HSE Element 2015 Data Sheet

Note: The HSE performance related reporting elements/criteria have been slightly changed (and formatted) to align the company with the requirements of the Seven Energy integrated reporting model and also the requirements of various industry reporting benchmarks including IFC, OGP, IPIECA, GRI (G4) et al.

Seven Energy HSE Perfect Days	2015 Target	2015 Achieved*
1 + 2 + 3 + 4 + 5 + 6 (See Category A)	350	360

Category A. Recorded and Reported – Lagging Indicators

Seven Energy HSE Principal KPIs	2015 Target	2015 Achieved	Comments
1. Fatality Accident Rate (FAR) ^(a)	0	0.07	1 third party RTA related fatality – 19/12/2015
2. Total Recordable Incident Rate (TRIR) ^(b)	< 0.8	0.14	2 MTCs recorded
3. Lost Time Injury Rate (LTIR) ^(c)	< 0.13	0	No LTI recorded in 2015
4. Oil Spills > 1 bbl < 10 bbl	< 3	0	None recorded
5. Oil Spills > 10 bbl	0	0	None recorded
6. Road Traffic Accident Injury Rate ^(d) (RTAIR)	< 3.0	0.96	2 RTAIs recorded
7. Total hours worked since an LTI	-	14, 514, 279	Includes 2015 hours
- 2015 – total hours worked/recorded	-	2, 815, 578	2015 total

Category B. Recorded and Reported (INTERNALLY ONLY) – Leading Indicators

Seven Energy HSE Leading KPIs	2015 Target	2015 Achieved	Comments
Safety Observation Report Cards (SORS)	480	2,652	
QHSSE/CSR Training Events	7	38	
QHSSE/CSR Inductions	100%	1,456	All staff/visitors captured
Fire Drills (Office)	2	4	
ER Drills (Facility)	40	20	
QHSSE/CSR Inspections/Audits	12	206	Inc. general inspections
QHSSE/CSR Forums	11	11	

Category C. Other Recorded HSE KPI's (Leading & Lagging)

Seven Energy HSE KPIs of Interest	2015 Target	2015 Achieved	Comments
Road Traffic Accident Damage (RTAD) - Damage > US\$1,000	< 24	3	
Road Traffic Accidents (RTAI) - Reportable Injury	< 6	2	
Total km recorded by Seven Energy vehicles (inc. contractor/vendor)	-	2,085,418	All vehicles
First Aid Cases (FAC)	-	11	

Calculations:

- (a) Fatality Accident Rate (FAR) = $(1 \times 200,000) \div 2,815,578$ – where F = Fatalities recorded.
- (b) Total Recordable Incident Rate (TRIR) = $(2 \times 200,000) \div 2,815,578$ – where I = 1. Occupational death, 2. Non-fatal occupational illness, 3. Non-fatal occupational injury (loss of consciousness, restriction of work or motion, transfer to another job, medical treatment case – NOT FAC).
- (c) Lost Time Injury Rate (LTIR) = $(0 \times 200,000) \div 2,815,578$ – where LT I = Injuries that result in more than 24 hrs away from the work place).
- (d) Road Traffic Accident Injury Rate (RTAIR) = $(2 \times 1,000,000) \div 2,085,418$ – where RTAI = Road Traffic Accident Injuries (injury criteria as for (b) above).



GRI - G4 index tool guide for Seven Energy sustainability narratives (2015)

GRI-G4 INDEX SECTION		REPORTING LEVEL	SUSTAINABILITY REPORT SECTION
STRATEGY AND ANALYSIS			
G4-1	Full	Chief Executive's statement	02
ORGANIZATIONAL PROFILE			
G4-3	Full	Introduction	01
G4-4	Full	Group Overview	06
G4-5	Full	Group Overview	06
G4-6	Full	Group Overview	06
G4-7	Full	Group Overview	06
G4-8	Full	Group Overview	06
G4-9	Partial	Group Overview	06
		People	24
		Refer to Seven Energy Annual Financial Report, 2015	-
G4-10	Full	People	24
		Refer to Seven Energy Annual Financial Report, 2015	-
G4-11	Partial	People	24
G4-12	Partial	Group Overview	06
G4-13	Full	Group Overview	06
		Refer to Seven Energy Annual Financial Report, 2015	-
G4-15	Partial	Introduction	01
		Asset and Protection and Transportation	32
G4-16	Partial	Introduction	01
		Local Content	20
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-17	Full	Refer to Seven Energy Annual Financial Report, 2015	-
G4-18	Partial	Introduction	01
G4-19	Partial	Sustainability Management	10
G4-20	Partial	Sustainability Management	10
G4-23	Full	Introduction	01
STAKEHOLDER ENGAGEMENT			
G4-24 - 27	Partial	Stakeholder Relations	12
		Local Content	20
		People	24
		Asset and Protection and Transportation	32
REPORT PROFILE			
G4-28 - 31	Full	Introduction	01
G4-32	Partial	In accordance - core	-

The Global Initiative has pioneered and developed a comprehensive Sustainability Reporting Framework that is widely used around the world - known as the GRI - G4 Index. For more information visit www.globalreporting.org.

GRI-G4 INDEX SECTION	REPORTING LEVEL	SUSTAINABILITY REPORT SECTION
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GOVERNANCE			
G4-34	Full	Introduction	01
		Chief Executive's statement	02
		Organisation Chart - Refer to Seven Energy Annual Financial Report, 2015	-

ETHICS AND INTEGRITY			
G4-56	Full	Core Values	07
		Compliance	28

CATEGORY: ECONOMIC

ASPECT: ECONOMIC PERFORMANCE			
G4-DMA	Partial	Chief Executive's statement	02
		Refer to Seven Energy Annual Financial Report, 2015	-
G4-EC1	Partial	Group Overview	06
		Local Content	20
		Refer to Seven Energy Annual Financial Report, 2015	-
G4-EC3	Full	Refer to Seven Energy Annual Financial Report, 2015	-

ASPECT: PROCURMENT PRACTICES			
G4-DMA	Partial	Group Overview	06
G4-EC9	Partial	Local Content	20

CATEGORY: ENVIRONMENTAL

ASPECT: EMISSIONS			
G4-DMA	Partial	Health, Safety, Environment and Regulatory Affairs	34
G4-EN15	Partial	Health, Safety, Environment and Regulatory Affairs	34
G4-EN21	Partial	Health, Safety, Environment and Regulatory Affairs	34

ASPECT: EFFLUENTS AND WASTE			
G4-EN24	Partial	Health, Safety, Environment and Regulatory Affairs	34

ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT			
G4-DMA	Full	Compliance	28
G4-EN32	Full	Compliance	28

ASPECT: ENVIRONMENTAL GRIEVANCE MECHANISMS			
G4-DMA	Partial	Health, Safety, Environment and Regulatory Affairs	34
G4-EN34	Partial	Health, Safety, Environment and Regulatory Affairs	34

GRI-G4 INDEX SECTION	REPORTING LEVEL	SUSTAINABILITY REPORT SECTION
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CATEGORY: SOCIAL

SUB-CATEGORY: LABOUR PRACTICES AND DECENT WORK

ASPECT: EMPLOYMENT

G4-DMA	Partial	People	24
G4-LA1	Partial	People	24
G4-LA2	Partial	People	24
G4-LA3	Partial	People	24

ASPECT: LABOR/MANAGEMENT RELATIONS

G4-DMA	Partial	People	24
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ASPECT: OCCUPATIONAL HEALTH AND SAFETY

G4-DMA	Partial	Health Safety Environment and regulatory affairs	34
G4-LA5	Partial	Health Safety Environment and regulatory affairs	34
G4-LA6	Partial	Health Safety Environment and regulatory affairs	34

ASPECT: TRAINING AND EDUCATION

G4-DMA	Partial	People	24
G4-LA9	Partial	People	24
G4-LA10	Partial	People	24
G4-LA11	Partial	People	24

ASPECT: DIVERSITY AND EQUAL OPPORTUNITY

G4-DMA	Partial	People	24
G4-LA12	Partial	People	24

ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN

G4-DMA	Partial	People	24
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ASPECT: LABOR PRACTICES GRIEVANCE MECHANISMS

G4-DMA	Full	People	24
G4-LA16	Full	People	24

SUB-CATEGORY: HUMAN RIGHTS

ASPECT: INVESTMENT

G4-DMA	Partial	Asset protection and transportation	32
G4-HR1	Partial	Asset protection and transportation	32
G4-HR2	Partial	Asset protection and transportation	32

ASPECT: NON-DISCRIMINATION

G4-DMA	Partial	Asset protection and transportation	32
G4-HR3	Partial	Asset protection and transportation	32

GRI-G4 INDEX SECTION	REPORTING LEVEL	SUSTAINABILITY REPORT SECTION
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ASPECT: SECURITY PRACTICES

G4-DMA	Full	Asset protection and transportation	32
G4-HR7	Full	Asset protection and transportation	32

ASPECT: INDIGENOUS RIGHTS

G4-DMA	Partial	Asset protection and transportation	32
G4-HR8	Partial	Asset protection and transportation	32

ASPECT: ASSESSMENT

G4-DMA	Partial	Asset protection and transportation	32
G4-HR9	Partial	Asset protection and transportation	32

ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT

G4-DMA	Partial	Asset protection and transportation	32
G4-HR10	Full	Asset protection and transportation	32

ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS

G4-DMA	Partial	Stakeholder Relations	12
G4-HR12	Full	Asset protection and transportation	32

SUB-CATEGORY: SOCIETY

ASPECT: LOCAL COMMUNITIES

G4-DMA	Partial	Stakeholder Relations	12
G4-SO1	Partial	Stakeholder Relations	12
G4-SO2	Partial	Stakeholder Relations	12

ASPECT: ANTI-CORRUPTION

G4-DMA	Partial	Stakeholder Relations / Compliance	12 / 28
G4-SO3	Partial	Stakeholder Relations / Compliance	12 / 28
G4-SO4	Partial	Stakeholder Relations / Compliance	12 / 28
G4-SO5	Partial	Stakeholder Relations / Compliance	12 / 28

ASPECT: GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY

G4-DMA	Partial	Stakeholder Relations	12
G4-SO11	Partial	Stakeholder Relations	12

SUB-CATEGORY: PRODUCT RESPONSIBILITY

ASPECT: CUSTOMER HEALTH AND SAFETY

G4-DMA	Partial	Health and Safety Environment and Regulatory Affairs	34
G4-PR1	Partial	Health and Safety Environment and Regulatory Affairs	34

Glossary of terms

AP	Asset Protection
CSR	Corporate Social Responsibility
DPR	Department of Petroleum Resources
EFCC	Economic and Financial Crimes Commission
EMS	Environmental Management System
EPL	Eastern Pipeline Project
FCPA	Foreign Corrupt Practices Act
FTO	Freedom to Operate
GRI	Global Reporting Initiative
HSE	Health, safety and environment
IFC	International Finance Corporation IFC
ISO	International Organisation for Standardisation
LTI	Lost Time Incident
LCA	Local Content Act
LGA	Local Government Area
m	million
MFI	Management Facility Inspection
MoU	Memorandum of Understanding
NPDC	Nigeria Petroleum Development Company
NCDMB	Nigerian Content Development and Monitoring Board
OCTGP	Oron to Creek Town gas pipeline
OECD	Organisation for Economic Co-operation and Development
OHSAS	Occupational Health & Safety Management Systems
QHSSE/CSR	Quality, Health, Safety, Security, Environment and CSR
RoW	Right of Way
SCDP	Stakeholder Community Development Project
TRIR	Total Recordable Incidence Rate
UKBA	UK Bribery Act



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