



**PRESS RELEASE**

**Regulated Information**

**Full Year 2023 Trading Update**

Lagos, Nigeria – 06 February 2024 - Aradel Holdings Plc, ("Aradel", "Aradel Holdings", "the Company", or "the Group"), Nigeria's leading integrated indigenous energy Company, is providing shareholders with an update on the trading of the Company for the year ended 31 December 2023.

**The Chief Executive Officer of Aradel Holdings Plc, Mr Adegbite Falade, comments:**

*"2023 was a watershed year for Aradel Holdings Plc. As part of the transformation and in recognition of its rich history, the Company changed its name from Niger Delta Exploration and Production Plc to Aradel Holdings Plc. We also witnessed the outcome of the strategic and operational initiatives that we undertook in the previous years, building on the solid foundations already laid. These include but are not limited to, a substantial increase in oil and gas production, minimal production losses, and crystallisation of opportunities for additional asset acquisitions. We significantly improved on our prior period revenue and operating cashflows, as well as commenced plans to expand our Alternative Crude Evacuation (ACE) to accommodate improved production from our fields, and possibly from third parties as well. This is consistent with our expectation, at the start of the year, that 2023 would result in material returns on capital and strengthen production and cashflow generation.*

*In 2024, we expect to sustain this level of operational and financial performance across our various business segments."*

**Highlights**

	2023	2022
Average Daily Production:		
Crude Oil (bbls/day)	9,739	3,945
Gas (mmscf/day)	26,550	17,825
Refined Products (klitres/day)	734	418
Crude Export (mmbbls)	2.1	0.4
Gas Deliveries (bcf)	9.7	6.5
Refined Products Sales (mmlitres)	210.1	90.5
Revenue (US\$ million)	342	156
Operating Profit (US\$ million)	136	69
EBITDA (US\$ million)	182	97
Operating Cash Flows (US\$ million)	208	74

## Strategic Update

- The Company changed its name to Aradel Holdings Plc in April 2023, after obtaining shareholders' approval during an Extra-ordinary General Meeting, on 25 April 2023. The Company formally unveiled the new name and logo on 4 August 2023.
- We executed the Ogbele and Omerelu concession agreements under the Petroleum Industry Act, formally converting the Ogbele and Omerelu fields to a PML and a PPL in 2023.
- We concluded the planning for the 2024 & 2025 Exploration and Appraisal Drilling Campaign, which will result in further development of the Ogbele Field as well as the development of the Omerelu Field. We expect the Omerelu field to come on-stream in Q1 2025.
- We stabilised the ACE to ensure that Ogbele continues to find options for safe and reliable evacuation for its increasing production, creating redundancies to the Trans Niger Pipeline. We are currently working on a capacity scale-up, to be optimised by H1 2024.
- On the 15<sup>th</sup> January 2024, the Company announced the acquisition of an equity interest in SPDC in partnership with ND Western Limited, the Petrolin Group, FIRST Exploration and Petroleum Development Company Limited, and the Waltersmith Group. The consortium incorporated a Special Purpose Vehicle - Renaissance Africa Energy Company Limited for the purpose of the acquisition. This acquisition is premised on the signing of the landmark transaction between Renaissance Africa Energy Company Limited ("Renaissance"), and Shell International PLC to acquire its 100% shareholding in the Shell Petroleum Development Company Limited (SPDC).

This press release can be found [here](#).

Completion is subject to meeting conditions precedents and approval of the Federal Republic of Nigeria.

## Operational Update

- Aradel Holdings Plc closed the year without any significant safety-related issues in 2023. However, the total man-hours zero lost time to incident (LTI) was reset due to an incident at the Ogbele Facility which resulted in an injury to a third-party contractor.
- Crude Oil Business
  - Total production for the year of 3.55mmbbls, vs 1.44mmbbls in 2022, a 147% increase. This is equivalent to an average daily production of 9739kbbbl/day (2022: 3945kbbbls/day).
  - The Company exported 2.12mmbbls of crude oil in 2023 as against the total volumes exported in 2022 of 395.00kbbbls.
  - Crude oil losses reduced to 3.6% in 2023 from 33% in 2022.
- Gas Business
  - Gas delivery volumes of 9.69bcf in 2023; 48.8% higher than 2022 (6.51bcf).

## Refinery Business

- Refined delivery volumes rose 75.3% to 267.77mmlitres in 2023, relative to 152.75mmlitres in 2022.
- Capacity utilisation improved to 42.0% from 24.0% in 2022, underscoring further upside potential as well as additional opportunities that exist to further optimise the refinery business.

## Financial Updates

- The Company achieved remarkable operating results, leading to an exceptional financial performance for the year. This was driven by heightened crude and gas production, favourable oil prices, successful revenue optimisation efforts in the medium term, and skilful adaptation to the constantly evolving local operating environment.
- Group Revenue increased by 119.1% to US\$342 million in 2023 (2022: US\$156 million). Revenue from crude oil exports contributed US\$170 million, while refined product sales and the gas business contributed US\$157 million and US\$15 million, respectively. Full year 2023 EBITDA was US\$182 million (2022: US\$97 million).
- Operating profit was US\$136 million, made up of US\$109 million from the upstream business, US\$9 million from the refinery business, US\$15 million from the gas business and US\$3 million from the investment properties business.
- Cash flows from operations of US\$208 million were significantly higher than the corresponding period in 2022 (US\$74 million), buoyed by receipts of US\$30 million from December 2022 crude oil sales, steady improvement in crude oil and refinery product sales (and cash receipts), and the full repayment of the US\$33 million due from ND Western our Affiliate Company. Total capital expenditure increased by 131% to US\$52 million in 2023 due to the ongoing 4-well drilling campaign (2022: US\$22 million).
- Due to the CBN floating of the naira, the Company recognised an Exchange loss of US\$35 million (2022: US\$3 million), largely due to the NGN-denominated earnings from the refinery business.
- In June 2023, the Company drew down US\$10 million from its established US\$120 million Field Development Facility (FDF) obtained in March 2022, to fund the ongoing Ogbele Field Development campaign.
- The Company secured a ₦10 billion Bond Issue in December 2022, part of a ₦20 billion Bond series. The proceeds from this issuance will be employed to finance essential NGN-denominated projects. Notably, the Bond Issue witnessed a 3.18% oversubscription, and proceeds were received by the Company in January 2023.

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