



Forte Oil Plc to Divest from Its Power and Upstream Businesses.

Valued Investor,

- On Friday, May 3, 2019, Forte Oil Plc (hereafter referred to as "the Company") notified the Nigerian Stock Exchange, Securities and Exchange Commission, Shareholders and the investing community of its proposed sale of shares in Amperion Power Distribution Company Limited (the "Amperion Divestment") to Calvados Global Services Limited.
- In addition to the Company's planned divestment in power business, it has also entered into a Share Sale and Purchase Agreement with Gbonka Oil and Gas Limited in relation to its divestment and sale of its shares in Forte Upstream Services Limited (the "Forte Upstream Divestment").
- The Amperion divestment and the Forte upstream divestment are still subject to the fulfillment of relevant conditions specified in the respective Share Sale and Purchase Agreements as well as obtaining relevant contractual and regulatory approvals.
- Also, the Company noted that it has concluded its divestment from and sale of its shares in AP Oil and Gas Ghana Limited to Cobalt International Services (Ghana) Limited.

Our Opinion

We advise cautious trading on Forte Oil Plc as its complex business combination blurs our view on how its shareholders would benefit from the planned divestments. Indicative of the complex business combination which reflected in Forte Oil's FY 2018 financial results, larger part of the profit (N8.34 billion) from both operations and discontinued operations was allotted to the company's non-controlling interest (N6.44 billion) while owners of business got (N1.89 billion).

We will keep you abreast of any new development.

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