

# PROPOSED SETTLEMENT OF LITIGATION - PART 1

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LAGOS, NIGERIA, December 8, 2022 /EINPresswire.com/ -- Lekoil Nigeria Limited ("the Company")

Lekoil Nigeria Limited, the oil and gas exploration and production company with a focus on Nigeria and West Africa, announces that it has reached agreement with Lekoil Limited ("Lekoil Cayman"), a Cayman Islands litigation asset company with an investment in oil & gas assets in Nigeria, to terminate all legal proceedings and settle all claims made by or between the relevant participants.

## Summary

Certain disputes have arisen between, among others, the Company, Lekoil Cayman and Mr Akinyanmi concerning the management of the Company, Lekoil Cayman and related entities and the related proprietary interests, liabilities and contractual and non-contractual rights and obligations of the Company, Lekoil Cayman and Mr Akinyanmi (as relevant). In order to resolve these differences, and with no admission of liability, the Company, Lekoil Cayman and Mr Akinyanmi, among others, have entered into a settlement deed on 7 December 2022 (the "Deed") to agree to, among other things, the release and discharge of all relevant claims, the withdrawal of legal proceedings, surrenders of certain shares and other transactions, a new framework for their future relationship and fully and finally to resolve their differences, dispose of ongoing litigation and agree certain ancillary matters (the "LNL Arrangements").

The LNL Arrangements include:

- Lekoil Cayman agreeing to surrender all of its shares in the Company and transfer those of its subsidiaries involved in the operations of the Lekoil Nigeria group to the Company;
- The Company agreeing to surrender all of its ordinary shares in Lekoil Cayman;
- Lekoil Cayman waiving all rights to repayment in respect of any and all existing indebtedness due from the Company, its subsidiaries or from Mr Akinyanmi under various loans;
- Lekoil Cayman granting a new loan of approximately US\$51.9 million to Lekoil Oil and Gas Investments Limited ("LOGI") (the "LOGI Loan") in consideration for the transfer of certain loans granted to the Company and its related entities to LOGI, the release of security related to such loans and the waiver of any repayment of amounts due under such loans;
- the stay and subsequent discontinuance and/or withdrawal of all claims and legal proceedings between the Company, Lekoil Cayman and Mr Akinyanmi (and others); and
- Lekoil Cayman changing its name to Fenikso Ltd and to cease using the "Lekoil" name or brand

in connection with its continuing business.

## Background

Lekoil Cayman holds a 40% legal interest and a 90% economic interest in the Company. Via its subsidiaries, the Company has, among other interests, a 40% participating interest in the Otakikpo producing oil field and a 17.14% participating interest in exploration licence OPL 310. Following various equity capital raises since 2013, Lekoil Cayman has provided a number of inter-company loans to fund the Company's operations.

The Company has been in dispute since early 2020 with Lekoil Cayman in connection with a number of matters including the rights of Lekoil Cayman under the shareholders agreement in respect of the Company, the various inter-company loans granted by Lekoil Cayman to the Company and its related entities.

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