Oando RC 6474

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Q1 2025 Unaudited Results Release

25 June 2025

Lagos, Nigeria | 25 June 2025- Oando PLC ("Oando" or the "Group"), Nigeria's leading indigenous energy group listed on both the Nigerian Exchange Ltd. and Johannesburg Stock Exchange, today announces its unaudited results for the three months ended 31 March 2025.

Commenting on the results, Wale Tinubu CON, Group Chief Executive, Oando PLC said:

"Q1 2025 marked a strong start to the year for us, with a 72% year-on-year increase in production volumes as a result of the successful integration of the NAOC assets into our portfolio, improved asset reliability and the reactivation of shut-in wells, reflecting early wins from our focus on operational efficiency and disciplined execution.

Beyond Nigeria, we have expanded our regional presence with our entry into Angola's Kwanza Basin marking a major milestone in scaling our upstream footprint across Africa. Similarly, being named preferred bidder for the Guaracara Refinery in Trinidad and Tobago demonstrates the strength of our integrated business model, our growing role in the Afro-Caribbean landscape, and a reflection of our evolution into a more geographically diversified energy company.

Following a transformative 2024, our priority is to maximize the value of our expanded upstream portfolio through targeted infrastructure upgrades, rig-less well interventions and an extensive drilling programme in the second half of the year. These activities are now enabled by the working capital we have secured, giving us financial flexibility to accelerate execution. We are also taking decisive action to restructure our balance sheet towards restoring financial resilience.

With a full-year contribution from the NAOC assets, a more diversified trading operations and an optimized balance sheet, we are confident in our ability to generate stronger cash flows, reduce leverage, and deliver sustainable value to our shareholders."

Three-months 2025 performance highlights

Group highlights

- Revenue grew by 2% year-on-year to ₦933 billion (Q1 2024: ₦915 billion), supported by higher upstream volumes and FX revaluation gains.
- Gross profit increased by 172% to ₦85 billion (Q1 2024: ₦31 billion), reflecting stronger E&P margins.
- Capital expenditure rose to ₦45 billion (Q1 2024: ₦9 billion), driven by asset integration and production optimisation initiatives following the NAOC acquisition.
- Pursuant to shareholder approval, the Board approved the distribution of 1.28 billion ordinary shares, reinforcing value return commitments.

Exploration and Production

- Achieved average daily production of 37,595 boepd (within guidance), up 72% year-on-year, driven by the full consolidation of NAOC assets and well reactivations.
- Crude oil production rose 132% to 11,369 bopd, gas volumes grew 56% to 25,185 boepd, and NGL production increased 30% to 1,040 bpd.
- Recorded zero lost-time injuries (LTIs) and 12.3 million LTI-free hours, underscoring continued HSE excellence.
- Awarded operatorship of Block KON 13 in Angola, marking a strategic entry into the Kwanza Basin and expanding Oando's African upstream footprint.

Trading

- 6 crude oil cargos (5.96 MMbbl) traded in Q1 2025, up from 4 cargos (4.86 MMbbl) in Q1 2024, driven by stronger offtake execution.
- No PMS cargos traded in Q1 2025 (Q1 2024: 4 cargos), reflecting lower market demand post-subsidy removal and increased local refinery supply.
- Increased crude volumes partially offset reduced PMS activity, with new pre-financing structures advancing to support future growth.
- Selected as preferred bidder for the Guaracara Refinery in Trinidad & Tobago, establishing a strategic foothold in the Caribbean downstream market.

Clean Energy

- Achieved 53,941 EV rides in Q1 and 42,779 kg of CO_2 emissions averted through 2 operational e-buses under the electric mobility programme.
- Advanced development of a 1.2GW solar PV module assembly plant, with land secured and financial modelling completed.
- Progressed PET recycling facility with land acquisition finalised and revised contracting strategy in place for a 2,750 tons/month plant.
- Re-evaluated waste-to-energy project with BGE due to capital cost considerations; feasibility review ongoing.
- Completed techno-economic study for a 6MW geothermal pilot, continued engagements with key partners.
- Published Nigeria's National Wind Resource Capacity Report, identifying state-level wind potential across the country.

Mining and Infrastructure

- Advanced partnerships on bitumen and lithium development; sample testing confirmed resource viability.
- Launched early-stage assessments for gold and tin assets, supporting long-term diversification into base metals.
- Focused on de-risking and progressing assets with near-term production potential while securing strategic funding and technical partners.

2025 Outlook

- Target full-year production of 30–40 kboepd maintained, driven by a balanced capital programme of 3 new wells, 9 workovers, and 6 rig-less interventions
- Projected capex of $250–270 million focused on drilling, infrastructure, and ESG projects, with a 20% cost reduction goal
- Trading guidance of 25 – 35 MMbbl crude oil; 750,000 – 1,000,000 MT refined products
- 50 electric buses to be deployed in 2025; progress solar PV module assembly plant toward FID.
- Executing capital restructure and liquidity optimisation to improve financial resilience and returns.

Responsibility for publication

This announcement has been authorised for publication on behalf of Oando PLC by:
Adeola Ogunsemi
Group Chief Financial Officer

About Oando PLC

Oando PLC is Africa's leading indigenous energy solutions provider listed on the Nigerian Exchange (NGX) and the Johannesburg Stock Exchange (JSE). Oando operates across the entire energy value chain, encompassing upstream exploration and production, trading and renewable energy initiatives.

Through its subsidiaries, Oando Energy Resources and Oando Trading, the Company holds interests in onshore and offshore oil and gas assets and maintains a significant presence in the global energy trading market. Oando is committed to driving Africa's energy transition and delivering innovative, sustainable and value-driven solutions that meet the continent's unique energy needs.

For more information visit, oandoplc.com

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Enquiries

Adeola Ogunsemi / Group CFO +234 (1) 2704000

Disclaimer- forward-looking statements

This results release contains forward-looking statements regarding the operations, financial condition, strategy, and prospects of Oando PLC ("the Company"). These statements are based on current expectations and assumptions and are subject to risks and uncertainties that could cause actual results to differ materially. Such risks include, but are not limited to, market conditions, regulatory developments, geopolitical events, operational challenges, and the Company's ability to implement key initiatives, including its capital re-structuring, energy transition and diversification strategy. Readers are cautioned to carefully consider the foregoing factors and other uncertainties, and not to place undue reliance on forward-looking statements. Forward-looking statements apply only as of the date on which they are made, and the Company undertakes no obligation to update or revise any forward-looking statements, except as required by applicable laws and regulations.

Operations Review

E&P Business Performance

Production	Unit	Q12025	Q12024	%Change
Crude Oil	bopd	11,369	4,907	132%
Gas	boepd	25,185	16,141	56%
NGLs	bpd	1,040	800	30%
Total	boepd	37,595	21,848	72%

1. Production comprise Oando's 40% working interest (WI) in OMLs 60,61,62,63, 40% WI in Qua Ibo Marginal Field, and 45% WI in Ebendo Marginal Field.
2. Volumes are subject to reconciliation and may differ from liftings within the period.
3. Gas production volumes reflect the total quantity of gas produced during the period, inclusive of volumes utilised for operations or reinjection.
4. Natural gas volumes have been converted to barrels of oil equivalent (boe) using a standard industry conversion factor of 5.8 million standard cubic feet (Mscf) per boe.

Production for the quarter was within guidance, averaging 37,595 boepd—a 72% increase from Q1 2024. This uplift was primarily driven by a 132% rise in crude oil volumes, underpinned by improved uptime, reactivation of previously shut-in wells, and the full consolidation of the NAOC JV interest. Gas and NGL production also rose by 56% and 30%, respectively, reflecting stable output across core assets and enhanced infrastructure reliability.

OMLs 60–63 (40% WI, Operator)

Production from OMLs 60–63 averaged 35,535 boepd in Q1 2025, up 77% from 20,036 boepd in the prior year. This increase was underpinned by the additional 20% working interest acquired through the NAOC transaction, enhanced security surveillance along delivery pipelines, and the successful revamp of key processing infrastructure.

Crude oil output rose by 132% year-on-year to 11,369 bopd, bolstered by the reinstatement of previously inactive wells and improved plant uptime. Gas production increased by 56%, despite ongoing operational challenges including wet gas production, pipeline vandalism, and flow line disruptions. Recovery efforts remain ongoing, with targeted well workovers, pipeline repairs, and a rig currently on site at Obiaku-44 to restore and stabilise volumes.

To date, the Group's upstream strategy has prioritised low-hanging opportunities such as well reactivations, rig-less interventions, and flowline repairs—delivering quick, capital-efficient production gains. The focus on drilling new wells will commence in the second half of the year, once near-term optimisation efforts have been fully executed.

OML 56 – Ebendo (45% WI)

Average daily production rose by 20% to 1,681 boepd (Q1 2024: 1,396 boepd), following the completion of extended well testing and the transition to full pipeline evacuation via the 4.1 km evacuation line completed in early 2025. The decommissioning of trucking operations has improved evacuation efficiency and reduced operating costs.

OML 13 – Qua Ibo (40% WI)

Production averaged 379 bopd in Q1 2025, down 9% from 416 bopd in Q1 2024, primarily due to natural field decline. Drilling activity is planned for H2 2025, with one new well expected to support production volumes.

Entry into Angola – Block KON 13

In January 2025, Oando Energy Resources was awarded operatorship and a 45% interest in Block KON 13 located in Angola's Kwanza Basin, following a successful bid round. The block holds estimated prospective resources of 770–1,100 million barrels. Oando will operate in partnership with Effimax (30%) and Sonangol (15%), with Production Sharing Contract (PSC) negotiations currently underway.

Pipeline Incidents and Response Measures

In April 2025, Oando experienced three incidents of pipeline sabotage, triggering the Company's emergency response protocol. Containment teams were immediately deployed, and repair works commenced promptly to minimise environmental and operational impact.

Joint Investigation Visits (JIVs) were conducted with regulators, confirming third-party interference as the cause of the breaches. The Company continues to strengthen surveillance systems, deepen stakeholder engagement, and implement long-term infrastructure security measures as part of its broader ESG and risk mitigation framework.

HSE Performance

	Q12025	Q12024
Fatalities (FAT)	0	0
Lost Time Injuries (LTI)	0	0
Medical Treatment Cases (MTC)	0	1
TRIR	0.00	0.20
LTIF	0.00	0.00
Near misses	8	14
Hours worked	4,870,121	4,904,431

Oando achieved strong HSE performance in Q1 2025, recording zero fatalities, zero lost-time injuries, and a TRIR of 0.00 across nearly 4.9 million hours worked. Continued focus on proactive risk identification and mitigation contributed to a safer work environment across operations.

Trading Business Performance

Traded Volumes	Unit	Q12025	Q12024	%Change
Crude Oil	MMbbl	5.96	4.86	23%
Refined Products	kMT	-	125	nm

During the first quarter of 2025, the trading division continued to make steady progress in line with its strategic objectives. The business recorded a total of 6 crude oil cargos traded (5.96 MMbbl), up from 4 cargos in Q1 2024 (4.86 MMbbl), supported by sustained activity under Project Gazelle. No PMS cargos were traded during the quarter (Q1 2024: 4 cargos), reflecting subdued market demand following fuel subsidy removal, increased supply from local refineries, and limited FX driven participation.

Our near-term focus has been on strengthening operational foundations, deepening counterparty relationships, and optimising existing trade flows—delivering steady gains despite market headwinds. Full-scale trading activity, particularly in refined products, is expected to resume in the second half of the year as market conditions stabilise and pipeline opportunities mature.

New offtake-linked financing structures are also progressing, with long-term arrangements expected to support future volume growth and margin expansion. Commercial efforts to deepen regional market share across West Africa remain active, alongside strategic moves into gas trading and exploratory discussions in the metals segment in line with the Group's broader diversification strategy

Strategic entry into Caribbean Downstream Market

In February 2025, Oando Trading Division (OTD) was selected as the preferred bidder for the lease of the Guaracara Refinery in Trinidad & Tobago, marking its entry into the Caribbean downstream market. Engagements with government and regulatory stakeholders are ongoing to finalise the lease structure and operational framework.

Clean Energy business performance

The Group continued to advance its clean energy strategy during the first quarter of 2025, achieving meaningful progress across sustainable transport, solar module manufacturing, PET recycling, and renewable power initiatives.

In the electric mobility space, grid-based charging operations for the Group's bus fleet were fully restored, enabling over 53,000 commuter rides during the quarter. The electric ride-hailing initiative also progressed, with continued engagements with vehicle manufacturers and the Lagos State Government to lay the groundwork for pilot deployment in the second half of the year.

Preparatory work also advanced for the development of a 1.2GW solar module assembly plant, with land secured and a financial model completed in readiness for fundraising. In parallel, the Group progressed its PET recycling initiative, securing a project site and targeting the start of construction for a 2,750 tons/month facility in Q4 2025.

In the renewable power segment, engagements were held with the NNPC Renewable Technology Initiative to review the completed techno-economic study for the Group's geothermal power project. Meanwhile, the proposed waste-to-energy plant is under review due to high equipment costs, with options being explored to enhance the project's commercial viability.

Overall, the clean energy portfolio remains aligned with Nigeria’s national energy transition goals, with a continued emphasis on local execution, scalable impact, and long-term value creation.

Mining and Infrastructure business performance

The mining division made steady progress in Q1 2025, advancing early-stage development across its bitumen, lithium, gold, and tin assets. During the quarter, bitumen samples were dispatched to China for quality testing in support of ongoing partnership and farm-down discussions. In Kebbi State, reconnaissance surveys and laboratory analysis confirmed the presence of lithium mineralisation, reinforcing interest from prospective partners and state-level stakeholders.

Progress was also made on the Group’s gold and tin development efforts, with discussions advancing under a proposed production-sharing framework for gold, and the commencement of field evaluations across eight tin licences in Jos—marking a step toward diversification into base metals.

A total of ₦8.1 million was invested during the quarter in completing the Environmental and Social Impact Assessment for the bitumen project, alongside targeted spending on lithium licensing, laboratory analysis, and project logistics.

Looking ahead, the focus remains on securing technical and funding partners, while prioritising assets with near-term production potential that can deliver early returns and support the Group’s broader strategy of long-term mineral development and value creation.

Financial review

	unit	Q12025	Q12024	%Change
Revenue	₦'billion	933	915	2%
Gross crude proceeds	₦'billion	98	60	63%
Gas proceeds	₦'billion	24	16	50%
NGL proceeds	₦'billion	0.43	0.01	4200%
OTD operations	₦'billion	806	843	(4%)
Gross Profit	₦'billion	85	31	174%
Operating (Loss)/Profit	₦'billion	(120)	117	(203)%
Income tax credit/ (expense)	₦'billion	166	(11)	nm
Profit-After-Tax	₦'billion	113	59	92%
EPS	₦	9	5	80%
Cash (used in)/generated from operations[1]	₦'billion	(177)	379	(147)%
Cash and bank balance[1]	₦'billion	304	330	(8)%
Total Capex[2]	₦'billion	46	9	411%
Crude oil lifting	MMbbl	0.89	0.42	112%
Gas sales[3]	MMscf	8.89	5.35	66%
NGL sales	MMbbl	0.53	0.02	2550%
Average Realized Oil Price	$/bbl	73.56	102.81	(28)%
Average Realized Gas Price	$/Mscf	1.80	2.11	(15)%
Average Realized NGL Price	$/bbl	7.5	5.6	34%

1. Represents the balance at 31 March 2025 and 31 March 2024.
2. Total capex does not include asset acquisition costs.
3. Gas sales represents the portion of produced gas that was sold to third parties. Accordingly, sales gas volumes are lower than total gas production.

Overview

Oando's First Quarter 2025 performance reflects a strong operational start to the year, underpinned by the full consolidation of the NAOC JV assets acquired in 2024. The Group delivered significant growth in production volumes and gross profitability, despite continued macroeconomic volatility and FX-driven pressures. Total production rose 72% year-on-year, supported by improved asset uptime, the reinstatement of shut-in wells, and the assumption of operatorship across OMLs 60–63. While profitability was impacted by mark-to-market losses on financial instruments and acquisition-related balance sheet movements, core fundamentals remain resilient. The Group is focused on translating its expanded upstream capacity into long-term value through disciplined execution, cost control, and cash flow optimisation.

Revenue

Group revenue grew by 2% year-on-year to ₦933 billion (Q1 2024: ₦915 billion), supported by stronger performance in the E&P segment and favourable FX revaluation gains following the further devaluation of the Naira (Q1 2025: ₦1,502.01/$1 vs Q1 2024: ₦1,410.41/$1).

However, softer trading activity during the period weighed on overall topline growth. Key performance drivers included:

- **Crude Oil** lifted volumes rose 112% to 0.89 MMbbl (Q1 2024: 0.42 MMbbl), contributing ₦98 billion in revenue, partially offset by a 28% decline in the average realised price to $73.56/bbl (Q1 2024: $102.81/bbl).
- **Natural Gas** sales volumes increased 66% to 1.5 MMboe (Q1 2024: 0.9 MMboe), generating of ₦24 billion in revenue. The average realised price declined by 15% to $1.80/Mscf (Q1 2024: $2.11/Mscf).
- **Natural Gas Liquids** (NGLs) revenue increased to ₦0.43 billion, supported by both higher prices ($7.5/bbl vs. $5.6/bbl) and significant uplift in volumes (0.53 MMbbl vs. 0.02 MMbbl).
- **Trading revenue** declined to ₦805.8 billion (Q1 2024: ₦843.5 billion), reflecting reduced PMS activity and 5.96 MMbbl of crude traded

Gross Profit

Gross profit rose by 172% to ₦85.4 billion in Q1 2025 (Q1 2024: ₦31.4 billion), driven by improved upstream margins and lower cost of sales. Total cost of sales declined 4% to ₦847.1 billion (Q1 2024: ₦884.0 billion), reflecting FX revaluation despite increased production costs related to the NAOC acquisition.

Administrative Expenses

Administrative expenses decreased by 46% to ₦86.2 billion in Q1 2025 (Q1 2024: 158.9 billion), largely due to a ₦116.2 billion exchange loss arising from the revaluation of foreign currency denominated payables and borrowings.

Depreciation and amortisation rose to ₦22 billion in Q1 2025 (Q1 2024: ₦12 billion), primarily reflecting higher production volumes of 2.7 MMboe (Q1 2024: 1.8 MMboe) and consolidation of the NAOC asset base.

Impairment of assets

The Group recorded a net impairment reversal of ₦182.3 billion on financial assets in Q1 2025, (Q1 2024: ₦3.4 billion impairment charge). This improvement was driven by the resolution and restructuring of previously impaired receivables, following the execution of a settlement arrangement.

Operating Profit/(Loss)

The Group reported an operating loss of ₦120.3 billion in Q1 2025 (Q1 2024 operating profit: ₦117.2 billion). This was largely attributable to other operating loss of ₦301.9 billion (Q1 2024 other operating income: ₦248.1 billion), driven mainly by a ₦311.6 billion fair value loss on modification of financial instruments.

Net Finance Income/(Costs)

Net finance income increased to ₦67.8 billion in Q1 2025 (Q1 2024 net finance cost: ₦46.9 billion), supported by lower accretion expenses, increased lease income from the NAOC asset base and reduced finance costs in the trading segment. These gains were partially offset by FX-related impacts and holding company obligations.

Taxation

The Group recognised a tax credit of ₦165.6 billion in Q1 2025, (Q1 2024 tax expense: ₦11.0 billion in Q1 2024), largely driven by the reversal of CIT provisions from 2019-2022, and deferred tax income, and unutilised capital allowances across various subsidiaries.

Profit After Tax

Profit After Tax stood at ₦113.1 billion in Q1 2025 (Q1 2024: ₦59.3 billion), reflecting stronger underlying performance for the E&P segment and the tax-related effects described above. Earnings Per Share (EPS) increased to ₦9/sh, compared to ₦5/sh in Q1 2024.

Cash Flow

Net cash used in operating activities stood at ₦176.9 billion in Q1 2025, compared to ₦379.3 billion generated in Q1 2024. This shift was driven by a ₦213.5 billion cash outflow from operations, reflecting acquisition-related outlays, partly offset by a ₦46.9 billion working capital inflow from higher trade and other payables.

Net cash used in investing activities totalled ₦38.9 billion (Q1 2024: ₦1.2 billion), reflecting a significant increase in capital expenditure of ₦45.7 billion compared to N9.0 billion in the prior year, reflecting increased investment in asset development and infrastructure upgrades.

Net cash generated from financing activities was ₦327.2 billion (Q1 2024 outflow: ₦157.5 billion). This was primarily driven by ₦347.2 billion in new borrowings to support acquisition-related funding, working capital, and operational scaling. The period also benefited from a ₦33.9 billion inflow from the release of restricted cash, partially offset by debt repayments and lease obligations. The financing inflows helped cushion the impact of higher operating and investing outflows, enabling the Group to maintain a closing cash and equivalents balance of ₦266.6 billion (Q1 2024: ₦329.8 billion), despite the increased capital intensity.

Capital Structure

Total borrowings increased to ₦3.0 trillion (2024: ₦2.8 trillion), primarily reflecting acquisition-related financing and currency revaluation impacts on USD-denominated debt. Net debt stood at ₦2.7 trillion. A strengthened cash position and access to a diversified lender base provided liquidity headroom.

The Group remains committed to optimising its capital structure through deleveraging, refinancing short-term maturities and rebalancing its funding mix. Enhanced treasury practices and FX risk mitigation measures are also being considered to manage exposure and reduce volatility.

Hedging

To manage oil price volatility and support revenue stability, the Group implemented a hedging programme covering 3,000 barrels per day using purchased put options with strike prices of

$55/bbl and $59/bbl. These instruments provide downside protection while preserving upside exposure.

Shareholder distribution

In January 2025, Oando PLC's Board of Directors approved the phased distribution of 1.28 billion ordinary shares to shareholders following the resolution passed at the 45th Annual General Meeting in December 2024. This distribution will occur in two tranches: Tranche 1, comprising 641,856,301 shares, for shareholders on record as of 14 February 2025, and Tranche 2, also comprising 641,856,300 shares, for those on record as of 30 June 2025. The shares will be applied at a ratio of one new share for every twelve existing shares held. The distribution will be effected upon receipt of all relevant regulatory approvals and within 36 months commencing 30 January 2025.