

**Oando**

# Corporate Profile

August 2017

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This presentation includes certain forward looking statements with respect to certain development projects, potential collaborative partnerships, results of operations and certain plans and objectives of the Company including, in particular and without limitation, the statements regarding potential sales revenues from projects, the both current and under development, possible launch dates for new projects, ability to successfully integrate acquisitions or achieve production targets, and any revenue and profit guidance. By their very nature forward looking statements involve risk and uncertainty that could cause actual results and developments to differ materially from those expressed or implied. The significant risks related to the Company's business which could cause the Company's actual results and developments to differ materially from those forward looking statements are discussed in the Company's annual report and other filings. All forward looking statements in this presentation are based on information known to the Company on the date hereof. The Company will not publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise, other than is required by law.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

All estimates of reserves and resources are classified in line with NI 51-101 regulations and Canadian Oil & Gas Evaluation Handbook standards. All estimates are from an Independent Reverses Evaluator Report having an effective date of 31<sup>st</sup> December 2016.

BOEs [or McfGEs, or other applicable units of equivalency] may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 bbl [or an McfGE conversion ratio of 1 bbl: 6 Mcf] is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

Reserves: Reserves are volumes of hydrocarbons and associated substances estimated to be commercially recoverable from known accumulations from a given date forward by established technology under specified economic conditions and government regulations. Specified economic conditions may be current economic conditions in the case of constant price and un-inflated cost forecasts (as required by many financial

regulatory authorities) or they may be reasonably anticipated economic conditions in the case of escalated price and inflated cost forecasts.

Possible Reserves: Possible reserves are quantities of recoverable hydrocarbons estimated on the basis of engineering and geological data that are less complete and less conclusive than the data used in estimates of probable reserves. Possible reserves are less certain to be recovered than proved or probable reserves which means for purposes of reserves classification there is a 10% probability that more than these reserves will be recovered, i.e. there is a 90% probability that less than these reserves will be recovered. This category includes those reserves that may be recovered by an enhanced recovery scheme that is not in operation and where there is reasonable doubt as to its chance of success.

Proved Reserves: Proved reserves are those reserves that can be estimated with a high degree of certainty on the basis of an analysis of drilling, geological, geophysical and engineering data. A high degree of certainty generally means, for the purposes of reserve classification, that it is likely that the actual remaining quantities recovered will exceed the estimated proved reserves and there is a 90% confidence that at least these reserves will be produced, i.e. there is only a 10% probability that less than these reserves will be recovered. In general reserves are considered proved only if supported by actual production or formation testing. In certain instances proved reserves may be assigned on the basis of log and/or core analysis if analogous reservoirs are known to be economically productive. Proved reserves are also assigned for enhanced recovery processes which have been demonstrated to be economically and technically successful in the reservoir either by pilot testing or by analogy to installed projects in analogous reservoirs.

Probable Reserves: Probable reserves are quantities of recoverable hydrocarbons estimated on the basis of engineering and geological data that are similar to those used for proved reserves but that lack, for various reasons, the certainty required to classify the reserves are proved. Probable reserves are less certain to be recovered than proved reserves; which means, for purposes of reserves classification, that there is 50% probability that more than the Proved plus Probable Additional reserves will actually be recovered. These include reserves that would be recoverable if a more efficient recovery mechanism develops than was assumed in estimating proved reserves; reserves that depend on successful work-over or mechanical changes for recovery; reserves that require infill drilling and reserves from an enhanced recovery process which has yet to be established and pilot tested but appears to have favorable conditions

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# Executive Summary

## PARENT LISTING



Primary Listing  
▶ NSE

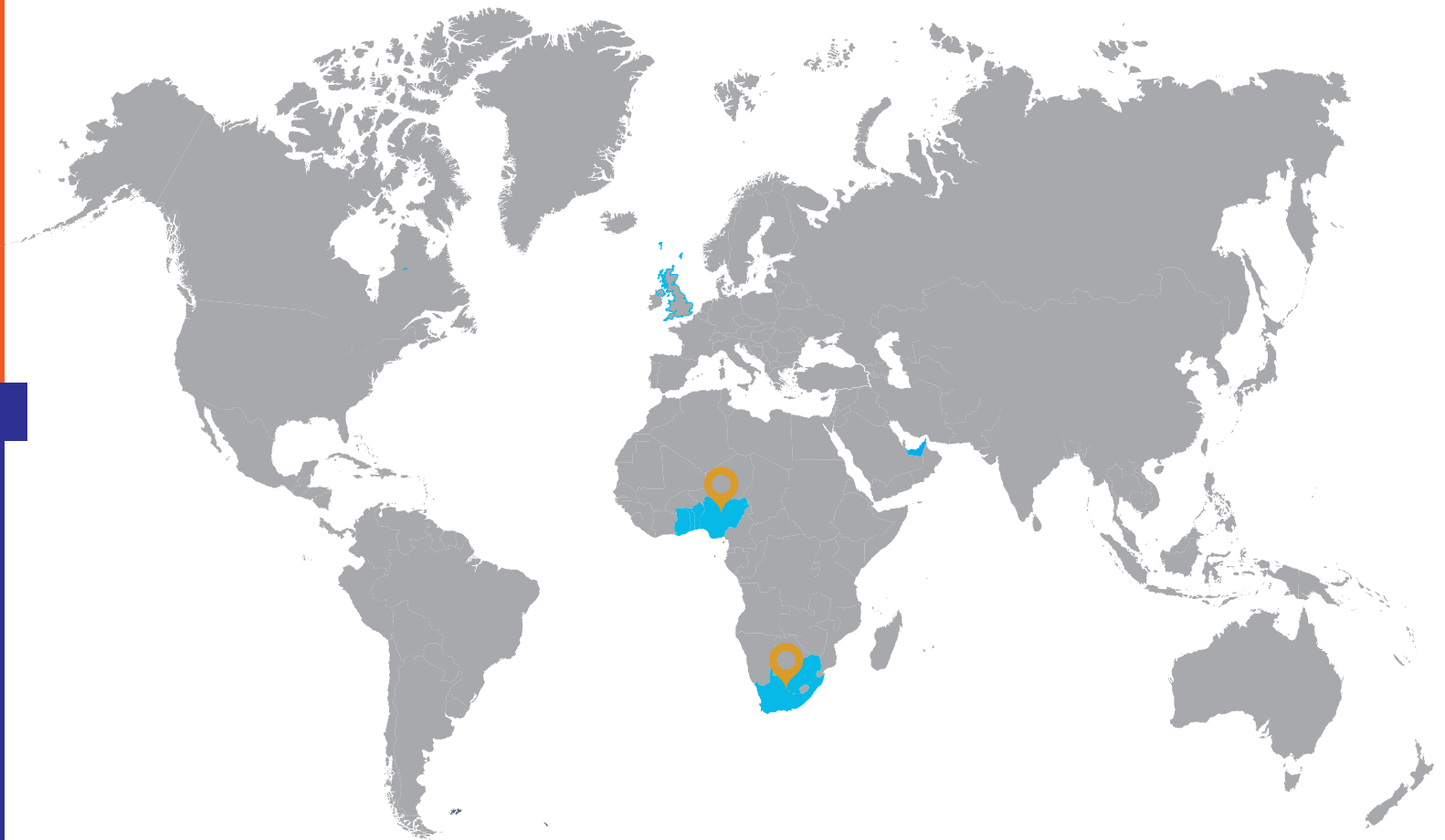


Secondary Listing  
▶ JSE

## FINANCIAL OVERVIEW

~N **520** bn  
Enterprise Value

~N **115.1** bn  
Market Capitalisation



 PUBLIC LISTING

# History of Oando (1956 - 2016)



1956-1994

- The company commenced business in 1956 with operations as a petroleum marketing company in Nigeria under the name "ESSO West Africa Incorporated", a subsidiary of Exxon Corporation of the USA
- The Federal Government of Nigeria (FGN) bought Esso's interest in 1976 and thus became sole owners of the company. The company was then re-branded "Unipetrol Nigeria Limited"
- Unipetrol became a Public Limited Company in 1991 and 60% of the company's shareholding was sold to the Nigerian Public under the first phase of the privatization exercise
- In February 1992, the company was quoted on the Nigerian Stock Exchange (NSE)
- Ocean and Oil Services limited was founded in 1994 to supply and trade petroleum products within Nigeria and worldwide



2000

Unipetrol acquired 40% in the equity of Gaslink Nigeria Limited to utilize its exclusive Gas Sale and Purchase Agreement with Nigeria Gas Company, and later increased the stake to 51% in 2001

Ocean & Oil holdings acquired 30% controlling stake in Unipetrol through the purchase of the FGN's stake in the company

The company later increased its controlling stake to 42% in 2001



2002

The company bid for and acquired 60% in the equity of Agip Nigeria Plc from Agip Petroli International



2003

Unipetrol Nigeria Plc merged with Agip Nigeria Plc and was rebranded "Oando"

Oando Marketing emerged as a Downstream Group with the largest footprint in Nigeria



2004

Oando Trading Limited and Oando Supply & Trading Limited was incorporated

Oando Gas & Power (OGP) emerged as a result of Gaslink's gas distribution franchise and Oando's customer base



2005

Oando became the first African company to achieve a cross-border inward listing on the JSE

Oando Energy Services (OES) was incorporated



2007

Gaslink lays 100km gas distribution pipeline in Lagos

OES acquires 2 drilling rigs



2008

Oando emerged Nigeria's first indigenous oil company with interest in producing deepwater assets by the acquisition of 15% equity in OMLs 125 & 134

OES acquired an additional drilling rig



2009

2 swamp rigs acquired; bringing the total rig count to 5

Gaslink phase 3 gas pipeline completed



2010

OGP launched it's first Independent Power Plant, Akute IPP, a 12.15MW power plant for Lagos Water Corporation

The company successfully completed a \$140 million rights issue which was 128% oversubscribed



2011

Central Horizon Gas Company (CHGC) is awarded mandate for River state gas distribution

Completed construction and commissioned of the 128KM Eastern Horizon Gas Company (EHGC) Pipeline

FGN awards Oando/Agip consortium \$3Bn Central Processing Facility



2012

The company completes the reverse takeover of Exile Resources to subsequently become Oando Energy Resources (OER), listed on the Toronto Stock Exchange (TSX)

40% farm-in to Qua Ibo (OML 13)



2013

Commissioned 10.4 MW Alausa IPP to provide electricity to the Lagos state Government

\$341 million successful Rights Issue, 101% subscribed

\$200 million Private Placement to a consortium of private investors



2014

Oando acquires Conoco Phillips Nigerian business for \$1.5 billion

\$250 million sale of EHGC

OER successfully completes \$50 million private placement



2015

\$250 million successful Rights Issue



2016

Oando enters into a tri-partite agreement with the Vitol Group, the world's largest independent trader of energy commodities and Helios Investment Partner, a premier Africa-focused private investment firm to form OVH (formerly Oando Downstream)

Oando completes strategic \$115.8m gas and power agreement with Helios

Oando completes sale of Akute IPP



2017

Oando completes sale of Alausa IPP



## Profit & Loss Statement

\$' Million	Q1 2017	2016	2015	H1 2017
Revenue	452.77	2,172.22	1,936.47	874
Gross Margin	43.86	185.29	394.03	109
EBITDA	43.23	270.94	238.85	94
Profit/(loss) before tax	1.61	(125.22)	(259.40)	13
Profit/(loss) after tax	5.60	13.33	(252.06)	15

## Balance Sheet Statement

\$' Million	Q1 2017	2016	2015	H1 2017
Fixed Assets	1,086	1,100	1,752	947
Cash & Bank	59	56	223	73.27
Short Term Debt	470	476	1,513	455.04
Long Term Debt	327	336	495	330.49
Net Debt	738	756	1,785	712.25
Total Equity	640	631	256	649.74



## EXPLORATION & PRODUCTION



**~43** kboepd

2016 Average  
Net Production

**625.7**  
mmboe

2P Reserves  
+ 2C Resources

## GAS & POWER



**134** Km

Pipeline Network  
Combined Capacity  
to Deliver 103mmcf/d

## TRADING



**c7** %

of Nigeria's Fuel  
Requirement is  
Supplied by Oando  
Trading

## MARKETING



**> 320**

Retail Outlets  
Operations in Nigeria,  
Ghana, Benin  
and Togo

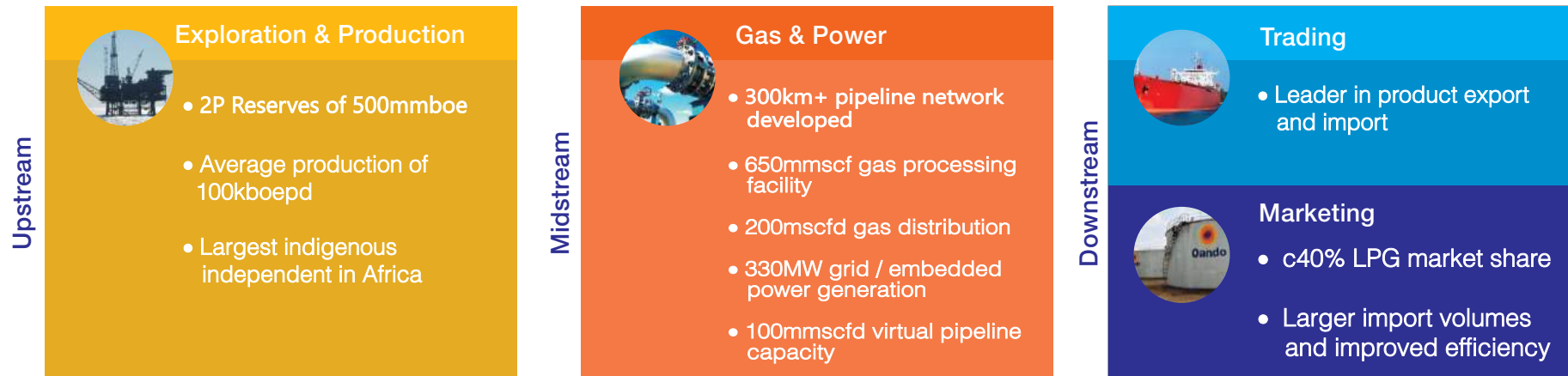




		Description	Operational Assets
UPSTREAM	Exploration & Production	<ul style="list-style-type: none"> <li>Leading independent E&amp;P company in Nigeria</li> </ul>	<ul style="list-style-type: none"> <li>Producing assets: OMLs 60-63, OML 56 &amp; OML 13</li> <li>Development &amp; appraisal: OML 90, OML 122, OML 131, &amp; OML 145</li> <li>Exploration: OPL 321, OPL323, OPL 278, OPL 282, OPL 236, EEZ 5 &amp; EEZ 12</li> </ul>
	Gas & Power	<ul style="list-style-type: none"> <li>First private sector company to enter gas distribution in Nigeria</li> </ul>	<ul style="list-style-type: none"> <li>2 Gas Pipeline franchises:                             <ul style="list-style-type: none"> <li>- GNL: 120km Lagos(100 mmscf/d capacity)</li> <li>- CHGC: 14km East</li> </ul> </li> <li>Compressed Natural Gas: 5mmscf/day capacity</li> </ul>
DOWNSTREAM	Trading	<ul style="list-style-type: none"> <li>Largest indigenous trading company in the Sub-Saharan region</li> <li>7% market share in PMS importation</li> </ul>	<ul style="list-style-type: none"> <li>Trading desks and operations in Nigeria, South Africa &amp; Dubai</li> <li>Trading Consultants in the United Kingdom</li> </ul>
	Marketing	<ul style="list-style-type: none"> <li>Large distribution footprint with access to over 1,500 trucks and 110m litres storage capacity</li> <li>15% market share in Nigeria</li> <li>Apapa Single Port Mooring Jetty: 45,000 MT Dead Weight Tonnage Cargo Capacity</li> </ul>	<ul style="list-style-type: none"> <li>320+ retail outlets in Nigeria, Ghana and Togo</li> <li>7 terminals (110ml)</li> <li>3 Aviation fuel depots</li> <li>3 lube blending plants (130m litres/annum)</li> <li>10 LPG filling plants</li> </ul> <p>Projects in development</p> <ul style="list-style-type: none"> <li>Badagry Terminal: new petroleum terminal of 210,000MT storage capacity</li> </ul>

<b>1 LEADING COMPETITIVE POSITION</b>	<p>Its indigenous status positions the Company at the forefront to benefit from planned and on-going Oil &amp; Gas sector reforms. Oando also owns the largest fuel retail network in Nigeria which is a key driver of volume sales</p>
<b>2 LARGEST INDIGENOUS E &amp; P PLAYER</b>	<p>Oando Energy Resources has evolved to become the largest independent exploration and production company in Nigeria with an average production of 43kboepd (year to date 2016), with 2P Reserves of 469.3MMboe and 2C Resources of 156.4MMboe</p>
<b>3 COMPETENT MANAGEMENT TEAM</b>	<p>Led by a highly skilled and experienced management team as well as a young and dynamic labor force boasting a successful track record and a wealth of relevant Oil &amp; Gas knowledge across the full spectrum of the industry</p>

## 2019 & BEYOND





# Upstream Operations



# Oando Energy Resources - Overview



\$Million	FYE 2016	2015	2014	2013
Revenue	295	455	421	127
Revenue Growth	-35%	8%	231%	(6%)
EBITDA	13	231	199	89
EBITDA Margin	5%	51%	47%	70%
Net Income	0.3	16	(320)	(38)
Net Income Margin	0.1%	4%	(49%)	(30%)
Production (mboe)	15,922	19,899	9,105	1,460



## Assets Portfolio



14

Producing, Development  
& Exploration Assets

## Producing Assets



7

OMLs 60-63,  
Ebendo & Qua Iboe

## 2016 Average Net Production



43,503  
boepd

## 2P Reserves



469.3  
MMboe

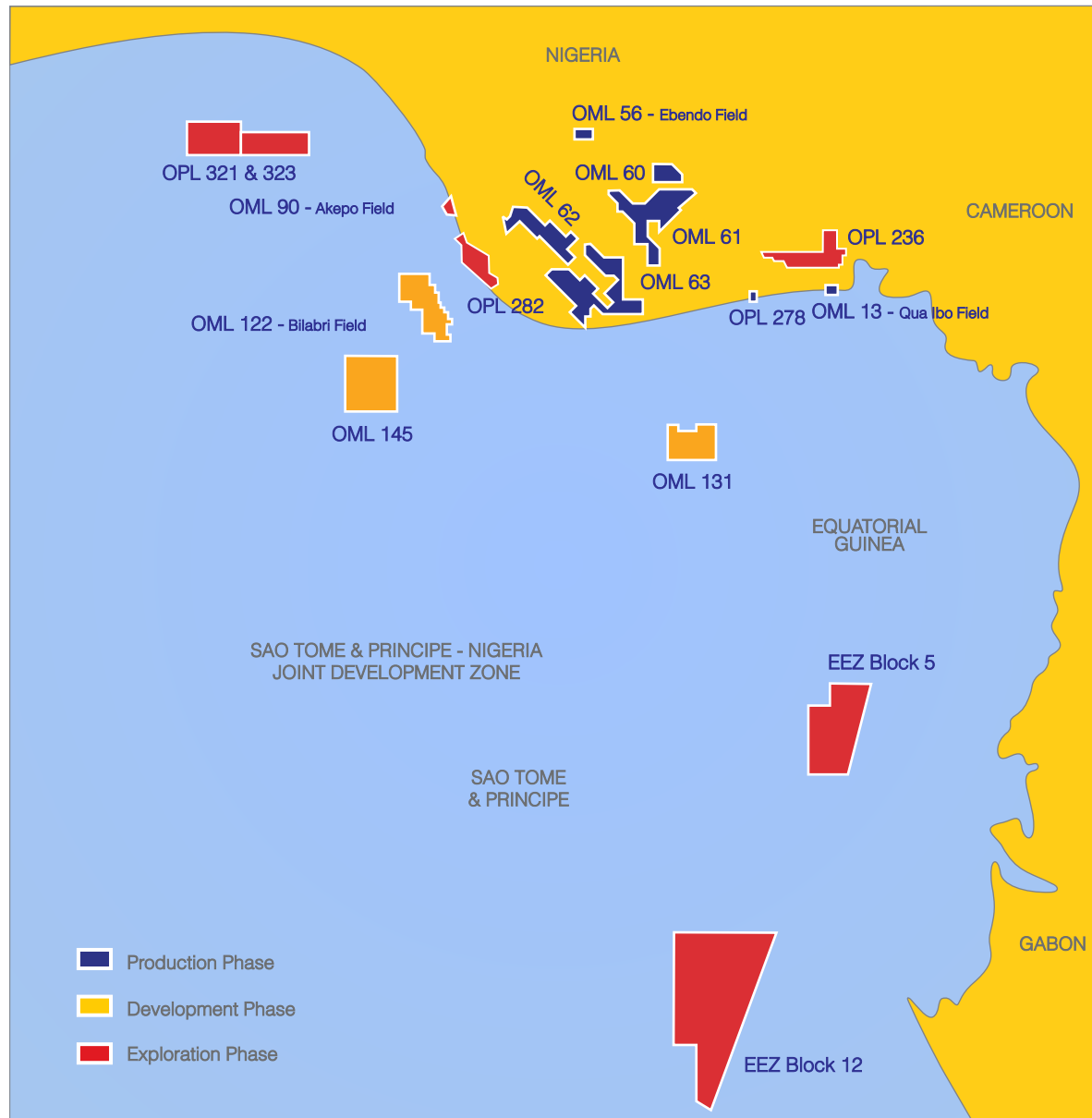
## 2C Resources



156.4  
MMboe



# OER Asset Overview



Asset	W.I.	Operator
OML 60	20%	AGIP
OML 61	20%	AGIP
OML 62	20%	AGIP
OML 63	20%	AGIP
OML 56	42.75%	Energia
OML 13*	40%	Network E & P

Asset	W.I.	Operator
OML 90*	40%	Sogenal
OML 131	100%	OER
OML 122*	5% Oil, 12% Gas	Peak
OML 145	20%	ExxonMobil

Asset	W.I.	Operator
EEZ 5	100%	Kosmos Energy
EEZ 12	N/A	Kosmos Energy
OPL 321 & 323	30%	KNOC
OPL 236	95%	OEPL
OPL 278	60%	OEPL
OPL 282	4%	Alliance Oil

\*OER is Technical Partner



# Producing Asset: OMLs 60 - 63 (NAOC JV)



- The blocks are in the upper Niger Delta and the lower Niger Delta margin, located to the North and Northwest of the Brass River Terminal
- OMLs 60 to 63 cover a combined area of 5,324 km<sup>2</sup>
- One field (Beniboye, OML 62) is located in shallow waters, while the remaining fields are onshore
- Exports are through the Brass Terminal

## Asset Information

Acquired	Effective Date Dec 2012; transaction closed July 2014
Working Interest	20%
Co-Venturers & Ownership	NAOC (Operator)- 20% NNPC- 60%
Contract Type	Concession
Contract Expiry	2027
Fiscal System	Nigerian R-T System
Crude Oil	Brass Blend
Water Depth (m)	0 – 5 (Onshore)

## Asset Development Status

- 28 Producing Fields
- 12 Flow Stations
- 7 Gas Trunk Lines
- 1 Oil Terminal
- 49 Oil Trunk Lines
- 1367 km Trunk Lines
- 2035 km Flow Lines
- 3 Plants (2 Gas, 1 Oil)
- 396 Wells Drilled
- 193 wells in production
- 11 gas injector wells

## Wells



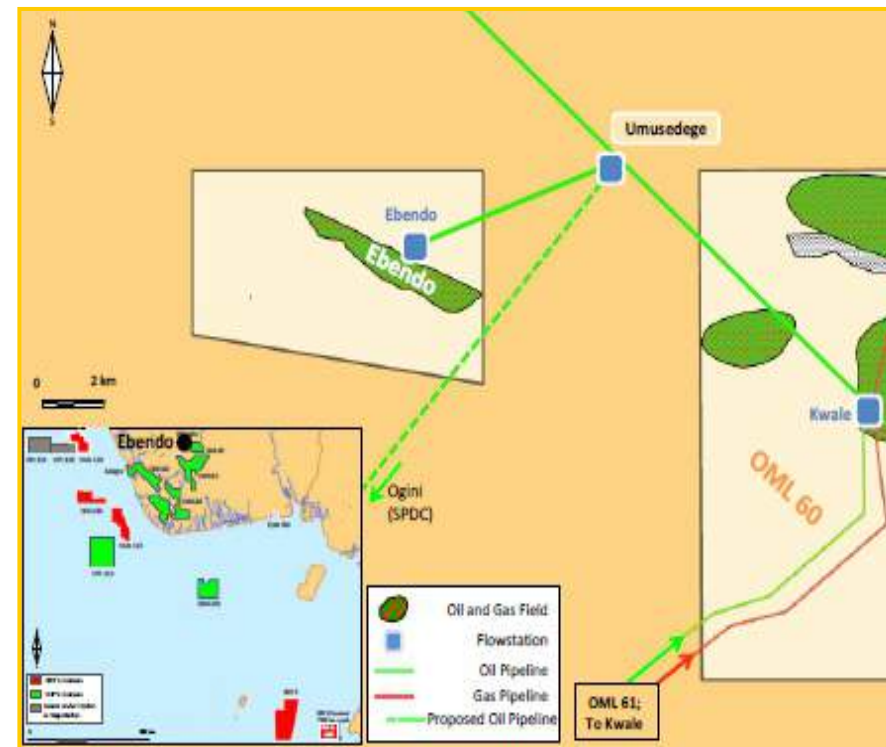
# Producing Asset: Ebendo (OML 56) Marginal Field

## Asset Information

Acquired:	2003
Working Interest:	45%
Operator:	Energia
Fiscal System:	Nigerian R-T System, Marginal Terms & Farm-out Agreement
Current Production:	1,880 bpd (production capacity of 5,000bpd); gross

## Brief Description

- Located onshore in Delta state, within the flood plains slightly west of the Niger Delta. approximately 100 km north-west of Port Harcourt .
- Farmed out of the former OML 56 in 2003 as marginal fields
- Operated by Energia (with 55% stake)
- Field Exports primarily through the SPDC JV Forcados Terminal
- Since the outage at Forcados terminal, evacuation has been hampered at the Ebendo field
- Alternative evacuation is being negotiated, to potentially boost production by up to 3,000 bpd



## Asset Development Status

Fields	<ul style="list-style-type: none"> <li>• Ebendo field (producing)</li> <li>• Obodeti field (undeveloped)</li> </ul>
Gas Utilization	All gas produced from Ebendo is under a GSA/GPA between Energia/Oando & Xenergi.
Production Wells	5 production wells: Ebendo 1, 4 (SS,LS), 5 (SS,LS), 6 (SS,LS), 7 (SS,LS)

# Producing Asset: Qua-Ibo (OML 13) Marginal Field

## Asset Information

Acquired:	2013 (OEPL farmed into the Licence in 2012, with ownership transferred to OER in 2013)
Working Interest:	40%
Operator:	Network E & P Nigeria (NEPN)
Fiscal System:	Nigerian R-T System, Marginal Terms & Farm-out Agreement
Current Production:	1,630 bpd;gross

## Brief Description

- Located onshore at the mouth of the Qua Ibo River in the eastern Niger Delta and covers an area of 14 sq.km
- The License includes the Qua-Ibo field, with various reservoir pools. Other discovered reservoirs within the field remain un-appraised
- Oando is a Funding and Technical Partner on the block and is responsible for the Field development work-program to First Oil.
- The asset includes a leased (to buy-back) flowstation to process field production which flows through a Group Gathering Facility to the Exxon Mobil Operated Qua-Ibo Terminal for export as Qua blend



## Asset Development Status

Production Wells	Qua-Ibo 3ST & 4
Gas Utilization	Fuel Gas: 0% Sales Gas: 0% Shrinkages: 0%

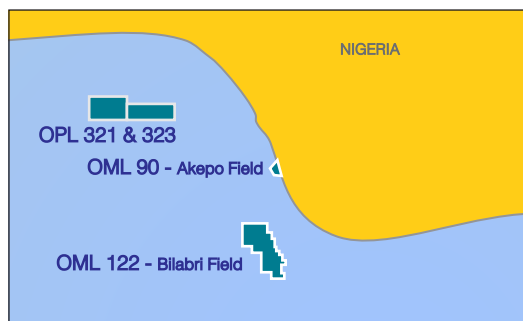
## OML 90

### OML 90 (Akepo) - Overview

Acquired	2008
Working Interest	40%
Operator	Sogenal
Technical Service Agreement	OER

### Fiscal System

Type of Contract	Marginal Field
Royalty Oil	2.5% -18.5% based on production
Overriding Royalty	2.5%-7.5% based on production
Tax Oil	55%
Profit Oil/Cash Flow Allocation	Varies from 80%-40% based on cumulative



## OML 122

### Description:

- OML 122 is located in the Shallow Offshore area of the Niger Delta Basin
- Total area of the OML is 1,599 km<sup>2</sup>, with water depths ranging from 110-150 m.

Unrisked Gross Contingent Resources		Unrisked Prospective Resources	
Oil	Gas	Oil	Gas
0.7 MMbbl	41.7 Bcf	-	-
7.6MMboe		-	

### Background

- Operated by Peak Petroleum (with 60% stake) with EEL as a technical and funding partner to the Operator on the block.
- Working interest: 5% Oil & 12% Gas, with Peak Oil as Operator
- Export through the FPSO via Ship to Ship transfer
- The License contains three discoveries (Bilabri, Orobiri and Owanare)
- 4 Discovery/Appraisal Wells have been drilled
- Contingent Resources – Bilabri



## OML 131

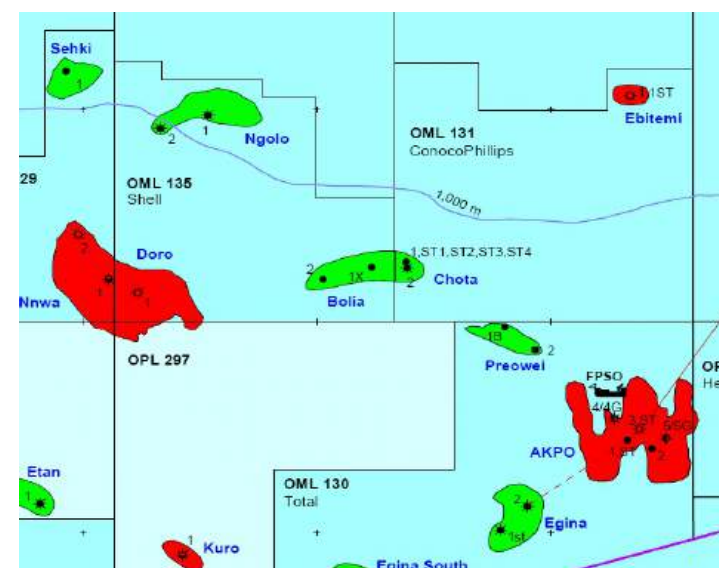
### Description:

- OML 131 is located in the prolific area of Deepwater Niger Basin, 70 km south of the Niger Delta coastline.
- Total area of 1,204 km<sup>2</sup>, with water depths ranging from 500 to 1,200m.
- OML 131 includes 2 oil and gas discoveries (100% drilling success rate) and 8 large untested prospects.

### Background

- OML 131 is the retained portion of an initial Oil Prospecting Licence 220 ("OPL 220"). The PSC for OPL 220 was signed between NNPC and CEPNL as Contractor (at the time Du Pont E&P Nigeria Ltd.)
- OER owns a 100% interest in OML 131 following acquisitions from ConocoPhillips and Medal Oil in 2014
- OML 131 includes 2 oil and gas discoveries (100% drilling success rate) and 8 large untested prospects.
- The Chota field has been proven to extend to the Bolia field (OML 135, Shell operator).
- The unitization of the Bolia/Chota fields, which is currently on-going, commenced in July 2009 with Shell selected as pre-unit operator.

Unrisked Contingent Resources		Unrisked Prospective Resources	
Oil	Gas	Oil	Gas
31.9 MMbbl	238.3Bcf	137.3 MMbbl	74.1Bcf
71.6 MMboe		149.6MMboe	



## OML 145

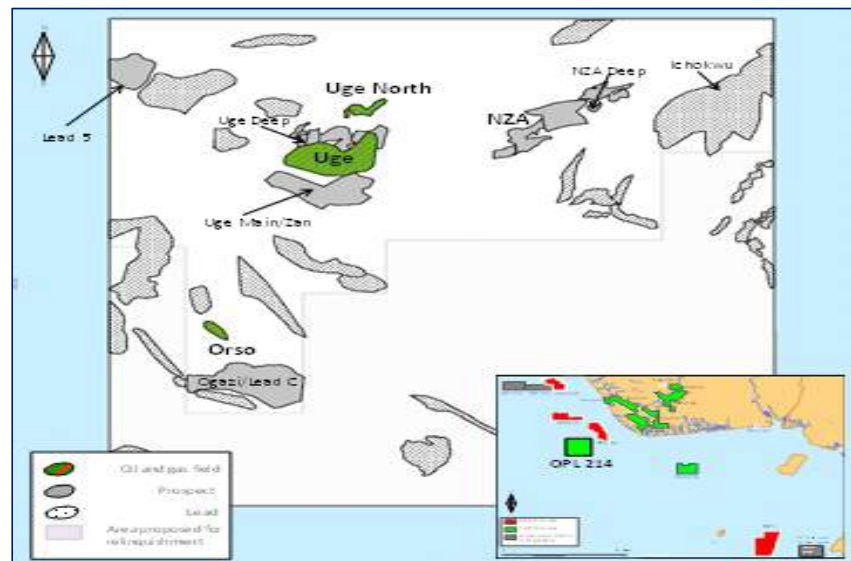
### Description:

- Large deepwater offshore license covering 1,293 km<sup>2</sup> in the prolific central part of the offshore Niger Delta.
- The area is approximately 110 km from the coastline and water depths of 800 to 1,800 m
- Close to large discoveries (Bonga, Nsiko and Agbami).

Unrisked Best Estimate 2C		Unrisked Best Estimate Prospective Resources	
Oil	Gas	Oil	Gas
35.7 MMbbl	41.5 Bcf	34.4 MMbbl	12.6 Bcf
42.6MMboe		36.5MMboe	

### Background

- OML 145 is the retained portion of an initial Oil Prospecting License 214 ("OPL 214").
- OER acquired its 20% interest in the license from ConocoPhillips in 2014 via an acquisition of 100% of the shares of Phillips Deepwater Exploration Nigeria Limited (PDENL) which owns a 20% interest in OML 145.
- The other co-venturers are ExxonMobil (20%, operator), Chevron (20%), Svenska Petroleum (20%), NPDC (15%) and Sasol (5%)





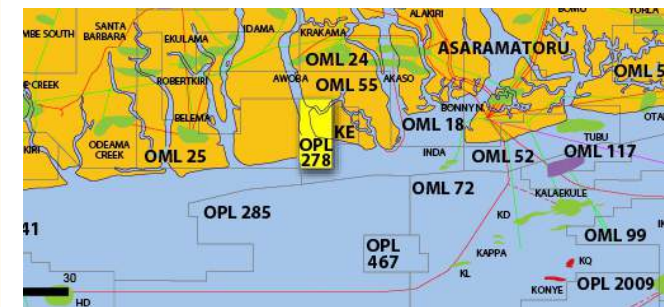
# OPL 282

## Description

OEPL has a 40% stake in Alliance Oil Producing Nigeria Limited (AOPN) which holds 10% equity in the OPL 282 block located in Bayelsa State in a transition zone (onshore to shallow marine)

## Background

- This block is currently in the exploration and appraisal phase
- There has been no oil production but has one well drilled



## Description

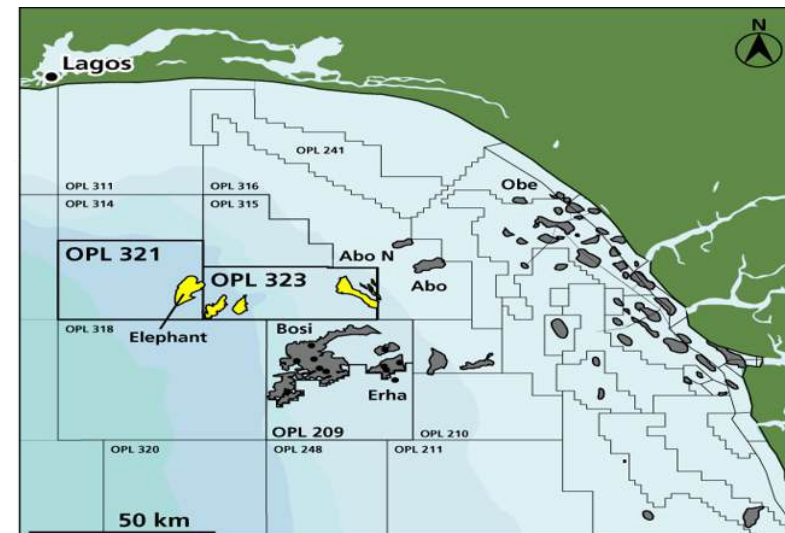
- Located offshore, Nigeria in the Niger Delta.
- The blocks are located adjacent to OML 125, offshore from the Nigerian coast, at a water depth of 950 m to 2,000 m.
- The licenses cover a combined area of 2,147 km<sup>2</sup>

## Background

- Equator Exploration Limited, owned 81.5% by OER, owns a 30% working interest in OPL 323 and OPL 321 located in deep water offshore Nigeria.
- The License includes five sizeable prospects (Gorilla, Lobster, Octopus and Whale (OPL 323) and Elephant (OPL 321)).

## Unrisked Best Estimate Prospective Resources

Oil	Gas
723.4 MMbbls	317.7 Bscf
776.4 MMboe	





## Description

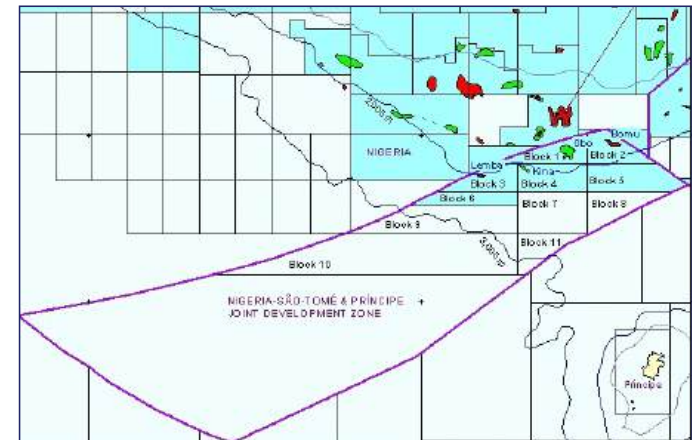
- Block 5 covers an area of 2,844sq km and is located east of the island of Príncipe, adjacent to Equatorial Guinea with water depths ranging from 2000m to 2500m
- Block 12 is the most south-easterly block in the EEZ with an area of 7940 sq km in water depths ranging from 2500 to 3000m. Block 12 is the closest EEZ block to the North Gabon salt basin, lying some 150 km to the west of Port Gentil

## Background

- OER holds interests in Blocks 5 and 12 in the Exclusive Economic Zone of São Tomé and Príncipe (EEZ) through its 81.5% interest in Equator Exploration Limited (EEL)
- In February 2010, Equator was awarded the right to obtain Production Sharing Contracts (PSCs) on both Blocks 5 and 12 in accordance with agreements signed in 2001 and 2003
- In December 2015, EEL entered into Farm Out agreements with Kosmos Energy. The transaction consisted of a transfer of 65% of its participating interests in Blocks 5 and 12 each in return for \$7.4 million to equalize past costs, with a 50% carry up to \$9.0 million on each of the commitment wells for both Phases II and III of the Exploration period for Block 5 plus a carry of the first \$2 million of OER's portion of project costs for Block 12
- Equator retains participating interests of 20% and 22.5% in Blocks 5 and 12 respectively
- In February 2016, EEL secured governmental consent on Block 5 and concluded on the PSC negotiations on Block 12. The closure documents for Block 5 were executed at a signing ceremony with the ANP-STP on the 19th February 2016. Governmental consent for Block 12 was secured in March 2016 and subsequently the transaction documents were executed on the 31st of March 2016
- Operatorship status was relinquished and transferred to Kosmos Energy on both Blocks
- Post the farmout transaction, Kosmos has proceeded to acquisition of 3D Seismic data to cover four blocks within the EEZ including blocks 5 and 12 to gain a full regional understanding of the underlying geology
- The seismic acquisition campaign commenced in January 2017.

## Unrisked Best Estimate Prospective Resources

Oil	Gas
1,163.7 MMbbls	636.4 Bscf
1,269.8 MMboe	



# Midstream Operations





Gas Link

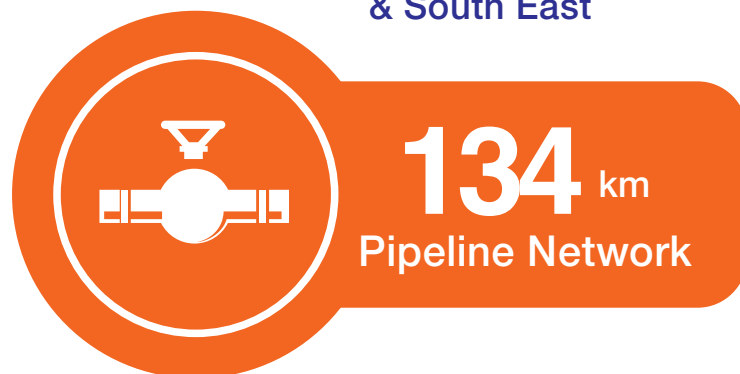


Akute Power

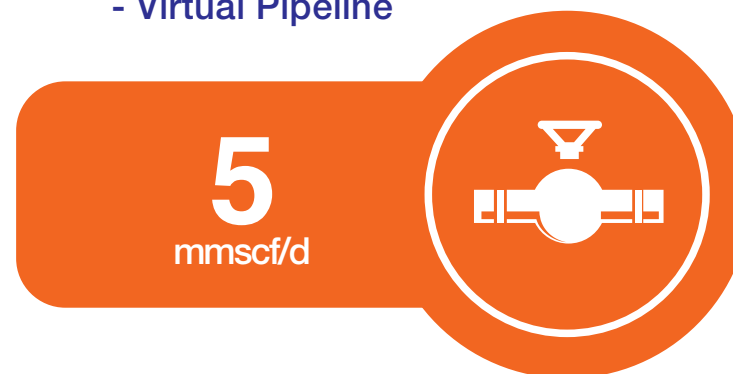


CNG Station Construction

Networks in Lagos  
& South East



Compressed Natural Gas  
- Virtual Pipeline



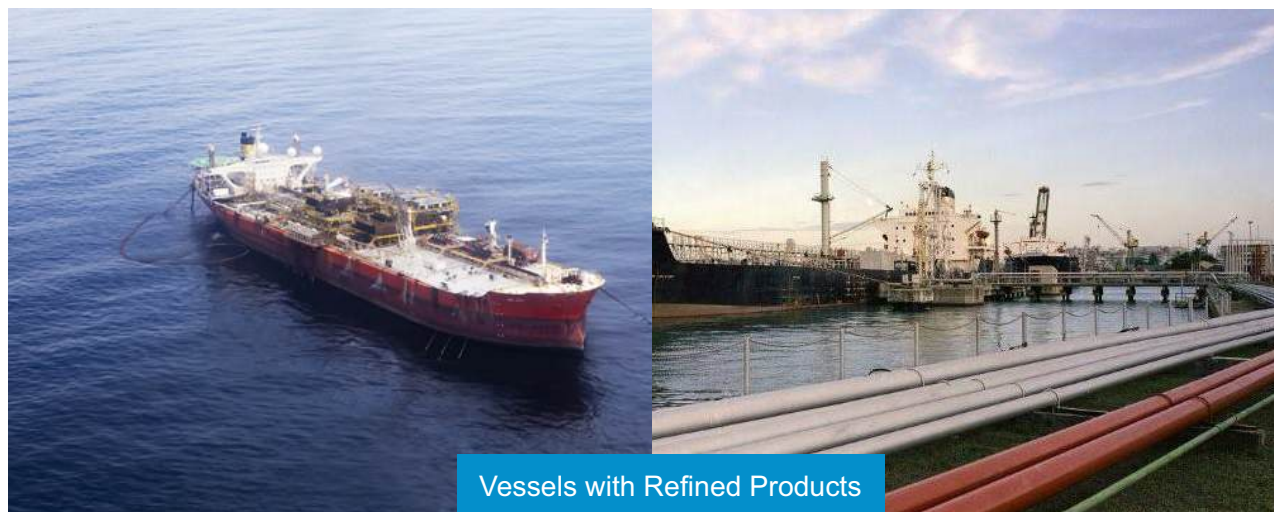
	 <b>Gaslink</b>	 <b>Central Horizon Gas Company</b>	 <b>Gas Network Services</b>
	<b>Gaslink Nigeria Ltd</b>	<b>Central Horizon Gas Company</b>	<b>Gas Network Services</b>
<b>Location</b>	Lagos State	Port Harcourt Rivers State	Lagos State
<b>Pipeline/ Plant</b>	120km	5 km (additional 8.5km currently being developed)	7500 scm / hr plant
<b>Client</b>	>140 industrial customers	Over 10 industrial customers	Industrial customers outside the gas pipeline grid
<b>Operations</b>	2000	2011	2011
<b>Contract Structure</b>	Exclusive franchise for gas distribution in Greater Lagos	30-year exclusive franchise	Retail & B2B
<b>Contract Economics</b>	<p>End User Gas price currently \$7.34/mscf, with annual inflation indexation</p> <p>Gaslink earns Operations &amp; Maintenance tariff and Capital Recovery tariff</p> <p>Customers subject to 90% take or pay gas offtake</p>	<p>End User Gas price currently \$7.34/mscf, with annual inflation indexation</p> <p>35% Operations &amp; Maintenance earnings</p> <p>Shell takes 65% for gas supply and existing infrastructure development</p>	<p>End User Compressed Natural Gas Price comprises of:</p> <ul style="list-style-type: none"> <li>- Input gas Price</li> <li>- Compression Charge</li> <li>- Transportation Charge</li> <li>- Storage Charge</li> </ul>
<b>Capital Expenditure Incurred</b>	\$150 MM	\$10 MM	\$15 MM

# Downstream Operations





\$ Million	FYE 2016	2015
Revenue	1,442	204
Revenue Growth	606%	0%
EBITDA	8	2
EBITDA Margin	1%	1%
Net Income	8	2
Net Income Margin	1%	1%



Vessels with Refined Products

H1 2016 Profit After Tax



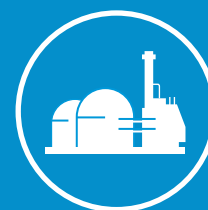
\$ **11.2**<sub>m</sub>

Nigeria's Fuel Requirement  
Supplied



c **7** %

2016 Crude Liftings



> **13** barrels

Refined Products Traded  
In 2016



\$ **1.3** million tonnes



## Retail Outlets



>320

## Market Share in Nigeria (Majors)



25 %

## Terminals



7

110ML Storage Capacity

## Aviation Fuel Depots



3

## Lube Blending Plants



3

130m litres/ annum capacity

## LPG Filling Plants



10





Apapa Jetty

## Badagry Import Facility



**210,000**  
Million Litres

### Growing demand for petroleum products in Nigeria:

- Nigeria's growing dependence on importation of refined products in order to meet domestic demand
- A combination of the growing petroleum demand in Nigeria and the lack of appropriate shoreline gasoline storage
- Increasing residential energy demand will boost demand for petroleum products significantly
- Lack of reliable and predictable logistics solution for operations

## Apapa Jetty & Subsea Pipeline



1km Subsea Pipeline  
(at the Lagos Apapa Port)

15km Subsea Pipeline  
(from the Atlantic)

### Savings on shipping costs and demurrage:

- Nigeria's first privately owned mid-stream jetty
- Designed to increase the vessel capacity and off-loading efficiency of petroleum products through Nigeria's busiest port
- Able to berth larger vessels (30 – 45,000 tonne cargo capacity)
- Avoiding constant delays caused by infrastructure constraints in the Lagos area
- Strategic location connecting 9 storage terminals within Apapa
- Increase utilization of existing storage



# Corporate Social Responsibility



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## Background

- As an integral part of Oando Plc's responsible business culture, corporate social responsibility has been enshrined as one of our key focus areas.
- Oando Plc. has continually supported the implementation of projects most relevant to our stakeholders and communities in the areas where we operate.
- The long term thrust of Oando's CSR is sustainable development.
- In 2012, Oando Foundation was born to spearhead access to universal basic education, capacity building and economic empowerment.
- Develop strategic partnerships with relevant government ministries, departments, agencies and other corporations.
- Oando Foundation's Adopt-A-School (AAS) Initiative is a Public-Private Partnership designed to improve access and quality of education in public primary schools through an integrated and holistic approach.







## Goals & Objectives

- Implement sustainable programmes aimed at increasing access and quality of education in Nigeria.
- Establish partnerships for collaboration between International & Governmental institutions
- Strengthen the effectiveness of key partners vested with the mandate of school development
- Provide support within and outside the education sphere

## Focus

- School Infrastructure development
- Teacher Capacity Development
- Award of scholarship to deserving pupils
- Establishment of ICT Centres
- Establishment of Early Child Care Development Centres
- Capacity strengthening for Local Government Education Authorities and Communities to aid improved data collection, school governance and accountability
- Advocacy

# Our Target (2016 to 2026)

## Renovation

Lives Impacted



**75,000**  
Students in  
adopted schools

## Scholarship Programme

Lives Impacted



**9,720**  
Beneficiaries

## LGEA Training

Lives Impacted



Institutional  
strengthening for

**58** LGEA offices



**48** SUBEB\*  
officials capacity  
developed

## ICT Centres

Lives Impacted



**170,400**  
Direct beneficiaries

## ECCD Centres

Lives Impacted



**11,000**  
Beneficiaries

## SBMC Capacity Strengthening

Lives Impacted



**75,000** people  
in **100** school  
communities





## Goals & Objectives

- Promote sustainable social development and support charitable causes including disaster relief, scholarships to indigent pupils, educational aid to pupils in conflict areas, advocacy.

## Current Initiatives

- Out-of-School Advocacy and Mobilization with 16,000 children currently enrolled in OF adopted schools and receiving support
- Ebola Education Support Fund financing education at levels for 7 beneficiaries who lost parents to the Ebola Epidemic
- Provision of Education Starter kits to over 500 children in North-East Nigeria
- Gaslink Back-to-School Scholarships supporting 100 children in remote communities in Lagos State
- Maiyegun Scholarship supporting 5 indigent students in Ogun State





# Appendix I:

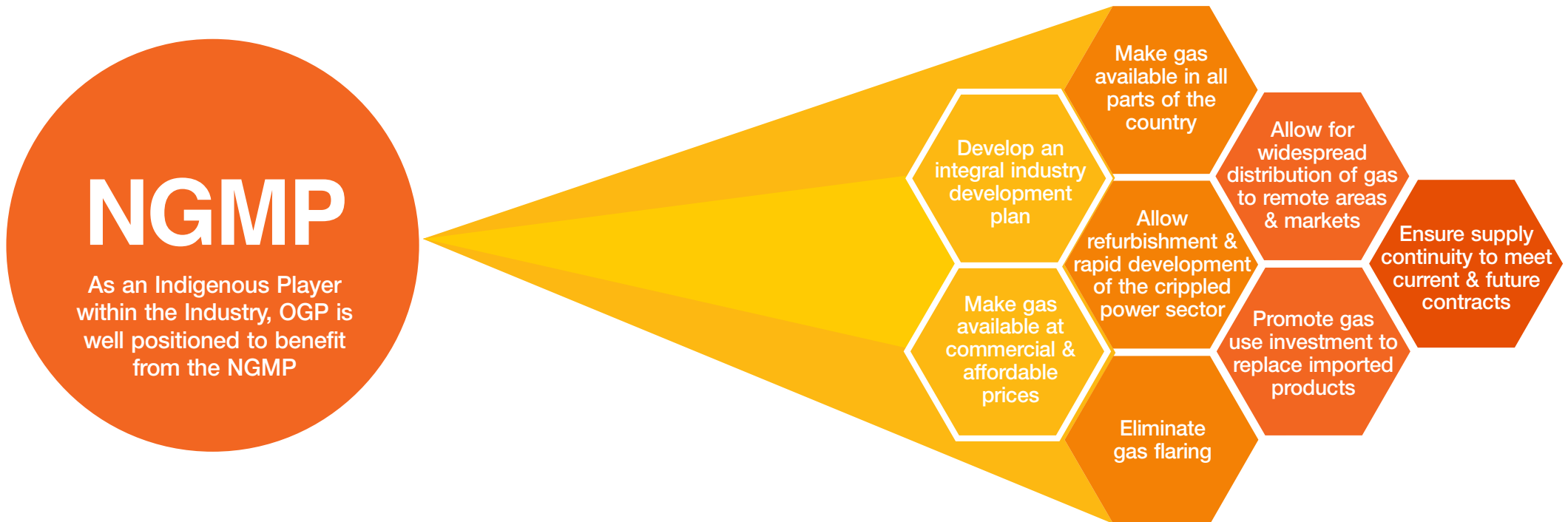
## Midstream Data



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OGP is participating in the development of strategic CPF and pipeline systems



## Government Planned Infrastructure in the Gas Master Plan

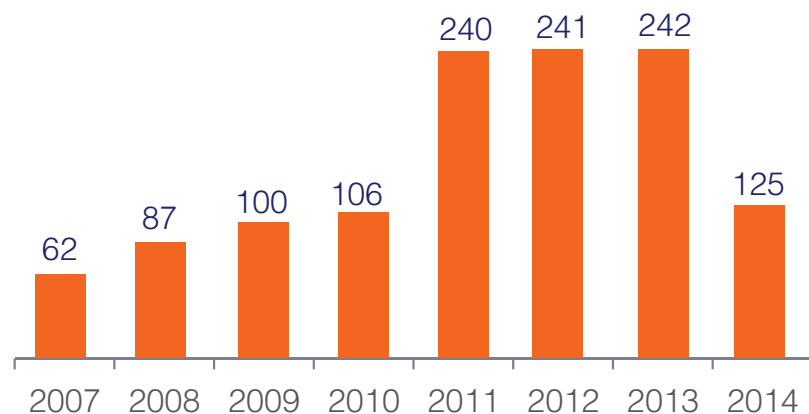
- Gas Processing Facilities (Western, Eastern & Central Clusters)
- Gas transmission pipeline systems (OB3, CAP & AKK)
- Export terminals / facilities
- Independent gas gathering / distribution pipeline networks

## Oando's Participation

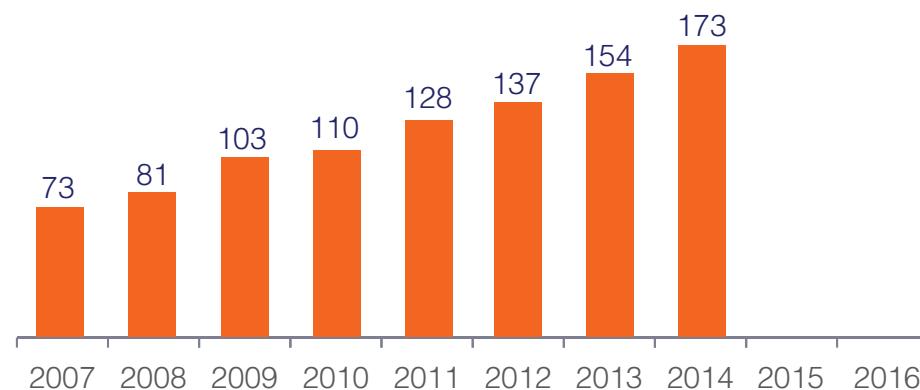
- Central Cluster CPF – Oando/NAOC/NNPC consortium awarded project
- ELPS-Ibadan-Ilorin-Jebba (EIJJ) gas pipeline network

Value proposition of gas is clear and OGP has progressively recruited quality clients to take the gas advantage

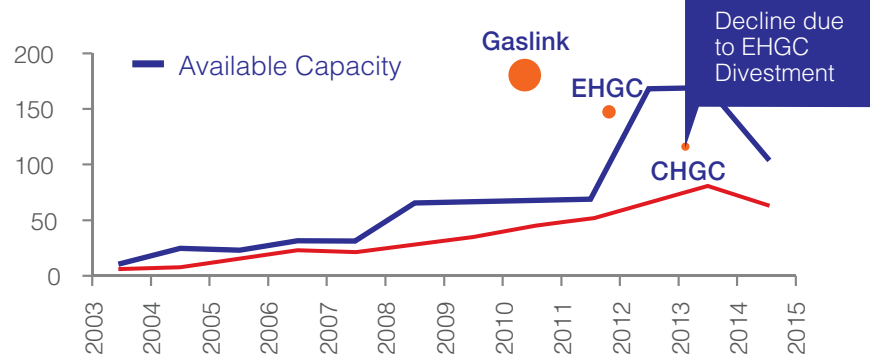
Gas Transmission Lines / Distribution Network (Km)



Number of Customers



Gas Capacity Sales Volumes/Capacity Utilization



Number of Customers



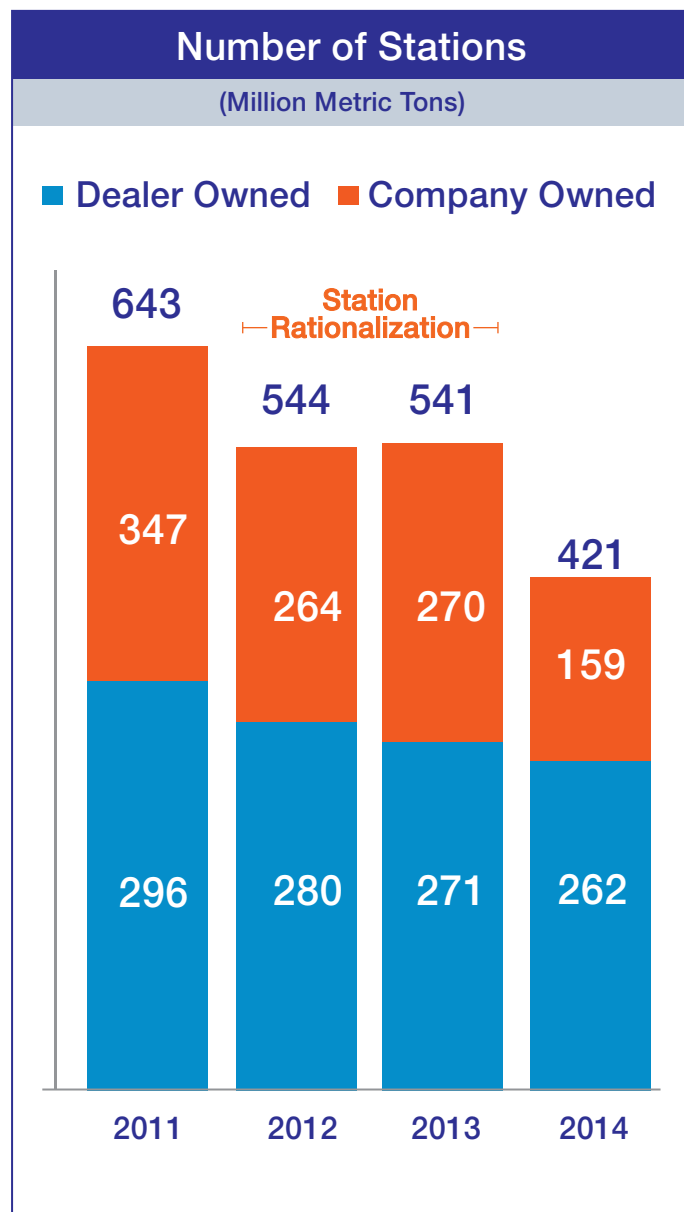


## Appendix II: Downstream Data



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# Summary Operating Data - Scale and Volumes



Volume Summary				
('000 litres, except otherwise indicated)	2014	2013	2012	2011
<b>Nigerian Retail</b>				
PMS	969,513	1,251,908	1,579,886	1,468,586
AGO	54,935	118,880	101,510	79,709
HHK	6,168	85,218	58,968	53,075
Lubricants	6,998	10,446	9,990	12,332
LPG (MT)	3,114	11,814	9,395	2,704
<b>Nigerian Wholesale</b>				
PMS	241,157	51,848	67,056	63,546
AGO	241,182	183,556	186,698	207,956
HHK	105,091	37,116	6,239	5,502
ATK	145,939	124,370	95,776	88,032
LPFO	801	14,004	34,488	16,945
Lubricants	8,536	6,020	7,152	8,382
Bitumen (MT)	1,224	8,759	18,047	19,436
LPG (MT)	35,326	9,53	4,106	1,734
<b>Other West African Markets</b>				
PMS	10,516	4,975	30,743	15,180
AGO	9,439	7,841	46,354	25,626
HHK	16	216	8,475	9,157
Lubricants	52	295	755	461
LPFO			737	149
LPG (MT)			2,402	1,510

1. Product Cost	NWE monthly moving average as quoted on Platts Oil gram
2. Freight	Average clean tanker freight rate (World Scale 100) as quoted on Platts (from NWE to West Africa), plus trader's margin of \$10/MT
3. Lightering Expenses	Cost incurred on the transshipment of imported petroleum products from the mother vessel into daughter vessel and to allow for the onward movement of the vessel into the jetty. Includes: <ul style="list-style-type: none"> <li>• Receipt losses of 0.3%</li> <li>• Mother vessels expenses (10 days demurrage at \$28,000/day)</li> <li>• Shuttle vessel's chartering to Lagos (N2.00/litre) and Port Hartcourt (N2.50/litre)</li> </ul>
4. Nigeria Port Authority Charge	Harbour handling charge charged by the NPA for use of port facilities (currently at \$5.25/MT)
5. Financing	Stock finance (cost of funds) for the imported product (30 days at LIBOR + 5%)  Interest charge on the subsidy receivables (60 days at 22% NIBOR rate)
6. Jetty Depot through-put	Tariff paid for use of facilities at the jetty by the marketers to move products to the storage depots (currently N0.80/litre)
7. Storage Charge	Storage Margin is for depot operations covering storage charges and other services rendered by the depot owners. The charge is currently N3.00/litre.
8. Landing Cost	Cost of imported products delivered into the jetty depots (1+2+3+4+5+6+7)
9. Distribution Margins	N15.49 per liter, including: <ul style="list-style-type: none"> <li>• Retailers' margin (N4.60 per litre)</li> <li>• Transporters' margins (N2.99 per litre)</li> <li>• Dealers' margin (N1.75 per litre)</li> <li>• Bridging Fund (plus Marine Transport Average) (N6.00 per litre)</li> <li>• Administrative charge (N0.15 per litre)</li> </ul>
10. Taxes	These include highway maintenance, government, import and fuel taxes (currently 0)
11. Retail Prices	Expected pump price of petroleum product at retail outlet (8+9+10)



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