



Oando

..the energy to inspire

2014 IN REVIEW

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HIGHLIGHTS

2014 Production*

~51,000 boepd

2P Reserves

230.6 MMboe

2C Resources

547.3 MMboe

2014 has been a truly transforming year for the entire group, with the greatest highlight being the successful \$1.5 billion acquisition of the ConocoPhillips Nigerian Upstream Oil and Gas Assets. This has transformed the company into Nigeria's premier E&P player, with 2014 production of ~51,000boepd, 2P Reserves of 230.6MMboe, and 2C Resources of 536.8MMboe.

Upstream

- Successfully drilled Abo-12 well with lower completion performed and flow tested.
- Abo-8 well completed as an oil producer on the Anom01 and Anom02 reservoirs
- Ebendo-6 well drilled, completed and tested; growing production capacity to 7,140, in which OER has a share of 3,213 bbl/d
- Ebendo-7 successfully drilled and tested
- Closed acquisition of Medal Oil, which owns 5% in OML 131, now giving OER 100% ownership of the block
- Umugini alternative evacuation pipeline, successfully completed
- Qua-Iboe field in final stages of completion as at December 2014

Midstream

- Oando Gas & Power signs construction contract with Oilserv to expand natural gas distribution network
- Oando Gas & Power completes sale of East Horizon Gas Company to Seven Energy Limited
- Oando Gas and Power signs Memorandum of Understanding with General Electric on power generation and pipeline projects

Downstream

- Oando Terminal and Logistics completed the Apapa SPM jetty
- Oando Marketing launches Retail Monitoring system in all company owned retail outlets
- Launched new television commercial for Oando lubricants to improve brand awareness
- Tema station in Accra updated to a dual forecourt facility, increasing daily sales volumes from 9,000 to 13,000 litres



* Average production as at September 30, 2014, taking into consideration the 9 months production from OML 125 and OML 56 and 61 days



Successfully closes acquisition of
ConocoPhillips Nigerian assets for

USD\$ **1.49** bn
July 2014

Oando Energy Resources Successfully Closes The Acquisition Of ConocoPhillips Nigerian Assets

In July 2014, Oando Energy Resources (OER) completed the acquisition of the Nigerian Upstream Oil and Gas Business of ConocoPhillips for a total cash consideration of US\$1.5 billion. The transaction positioned us as one of the leading Indigenous E&P player with 230.6 mmboe in 2P Reserves, 547.3 mmboe in 2C Resources and a 2014 average production of ~51 kboepd. The transaction was funded through a US\$350 corporate facility from a syndicate of local lenders, a US\$450 million senior secured facility agreement arranged by a group of international banks, a US\$50 million private placement offering of OER and a drawdown of US\$769 on a US\$1.2 billion facility agreement with Oando PLC

Oando Energy Resources Announces
Completion of the Umugini Pipeline

45,000 bbls/d
December 2014

Oando Energy Resources Announces the Completion of the Umugini Pipeline

In December 2014, OER announced the completion of the 45,000bbls/d, 51km Umugini pipeline. The pipeline will provide an alternative evacuation route for crude oil produced from the Ebendo Field through the Trans Forcados export pipeline. Oil capacity within OML 56 has grown to 7,140boepd (3,052 boepd net to OER), however export had been constrained to 3,093 boepd (1,322 boepd net to OER). The newly constructed pipeline will allow the company maximize the production and transportation of crude on OML 56

Oando Energy Resources Announces near completion of Qua-Iboe

In December 2014 Oando Energy Resources announced the final stages of completion of all civil and pipeline works associated with the Qua Iboe field.



4 years

Zero LTI Teamwork

Oando Energy Services Achieves 4 Years Of Zero LTI On Teamwork

In January 2014, Oando Energy Services achieved four years of continuous operations with a Zero Lost Time Incident (LTI) on one of its four rigs, “OES Teamwork”. LTI measures injury sustained on the job that can directly obstruct a worker from performing or continuing with a task or resulting in downtime in operations. It is an oil and gas industry benchmark that evaluates adherence to safety and environmental requirements in the course of operations.





Greater Lagos (Phase 4) Extension Project

8 km

Jan, 2014

Oando Signs Construction Contract With Oilserv on the Greater Lagos Phase 4 extension project

In January 2014, Gaslink Nigerian Limited a subsidiary of Oando PLC entered into construction contract with Oilserv limited to extend the company's natural gas distribution network from Ijora to the Marina business district in Lagos state. The extension contract would allow Gaslink to take advantage of Oilserv's expertise and experience to increase Oando's gas distribution capacity. The project is expected to have a positive environmental impact as natural gas, which is more environmentally friendly, will displace diesel and low pour fuel oil (LPFO) as the primary fuel source in industries and power generation plants in areas the pipeline covers. The pipeline extension is approximately 8km in length, 12 inches in diameter, and is expected to take approximately 18 months to complete.

Sale of East Horizon Gas Company to Seven Energy

for USD\$ 250 mn

April, 2014

Oando Completes Sale Of East Horizon Gas Company To Seven Energy

In April 2014, Oando PLC completed the sale of East Horizon Gas Company Limited to Seven Energy Limited for a gross consideration of up to \$250 million. EHGC is a special purpose vehicle operating a 128km, 120mmscfd, 18-inch natural gas transmission and distribution pipeline across Akwalbom and Cross River States. EHGC has a gas sales agreement to supply up to 25 mmcsfd, increasing to 50 mmcsfd in 2016. The sale allows the company to boost its overall Group liquidity in order to pursue our upstream transformational growth initiatives.

Oando Gas and Power Signs Memorandum of Understanding with General Electric on Power Generation and Pipeline Projects

On December 4th, 2014, Oando PLC signed a Memorandum of Understanding with General Electric Nigeria to engage in various initiatives to develop power generation projects, Compressed Natural Gas (CNG), and small scale Liquefied Natural Gas (LNG) virtual pipeline capabilities for gas-to-power projects on a non-exclusive basis. Both companies plan on developing the following projects in 2015; a 100MW embedded power generation project in Lagos using five GE Tm2500 units (FastPower), one 10mmcsf/d small scale LNG facility to serve identified markets, and two CNG facilities to serve local markets



Oando Marketing launches Retail Online Monitoring System (ROMS)

In May 2014, the company launched the Retail Online Monitoring System which is an integrated electronic mode of monitoring activities especially inventory levels at retail Service Stations. This system is expected to increase efficiency in managing inventory within the fuel retailing network of the company thereby reducing the inventory losses and pilferage which currently occur at the stations.



Oando Marketing rolls out new television commercial for lubricants

In June 2014, a new television commercial for Oando Lubricants products rolled out. This commercial is expected to significantly increase and promote Oando Lubricants awareness among the general public, ultimately boosting lubricant sales and increasing revenue generation.

Oando continues to expand into West Africa

As part of her drive to increase market presence across Africa, Oando Marketing completed the upgrade of the Tema Service Station in Accra to a dual forecourt facility in April of this year. This upgrade has boosted daily sales volumes by as much 4,000 liters daily. In addition, product exportation from Ghana to Mali has also commenced.

Oando Terminals and Logistics completes the Apapa SPM jetty

In Q3 2014, Oando Terminals and Logistics completed our single point mooring jetty in the Apapa port, a first of its kind in Africa. This will contribute to cost savings as a result of a deeper berth to accommodate larger vessels and increase throughput capacity. The jetty is due to eliminate 3rd party throughput spends, and generate income for the company via throughput storage fees.



Oando Group - Corporate Social Responsibility



Oando Foundation Unveils New Information Communication Technology (ICT) Center

March 2014, Oando Foundation launched a new ICT Centre at Archbishop Taylor Primary School in Victoria Island, Lagos, Nigeria. To further boost the impact of the ICT center, the foundation has partnered with the U.S. State Department's Global Partnership Initiative, LIONS@FRICA, CoderDojo and the Hello World Foundation to launch a new initiative called AfriCoderDojo to teach 21st century computer coding skills to students between 7-17 years old.

Oando Foundation Appointed to Judging Academy for \$1 Million Global Teacher Prize

In June 2014, the foundation was appointed to the judging academy of the Varkeys GEMS Foundation Global Teacher Prize. The Academy will award \$1 million in November 2014 to one exceptional teacher, selected from a pool of global candidates, who has made an outstanding contribution to the profession.



Oando Foundation launches Early Child Care Centre in Calabar

Oando Foundation was established to radically improve the quality of teaching and learning in Nigerian primary schools and communities. In June 2014, the foundation launched its first Early Child Care Centre in its adopted School, St Patricks Primary School in Odukpani, Cross River State. The foundation plans to expand to over 20 schools over the next year



Contact

Tokunboh Akindele

Head, Investor Relations

+234 (1) 2702496

aakindele@oandopl.com



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..the energy to inspire

www.oandopl.com