

Oando Plc

# YTD September 2014 Performance Review



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**Oando**  
..the energy to inspire

# Disclaimer

This presentation does not constitute an invitation to underwrite, subscribe for, or otherwise acquire or dispose of any Oando Plc (the “Company”) shares or other securities.

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, both current and under development, possible launch dates for new projects, 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.

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 51-1-1 regulations and Canadian Oil & Gas Evaluation Handbook standards. All estimates are from Petrenel Report dated 31st December 2013.

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.

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**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 as 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





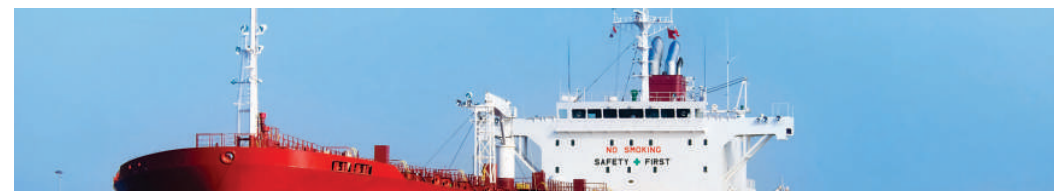
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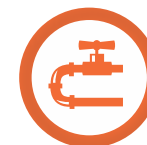
# Asset Overview



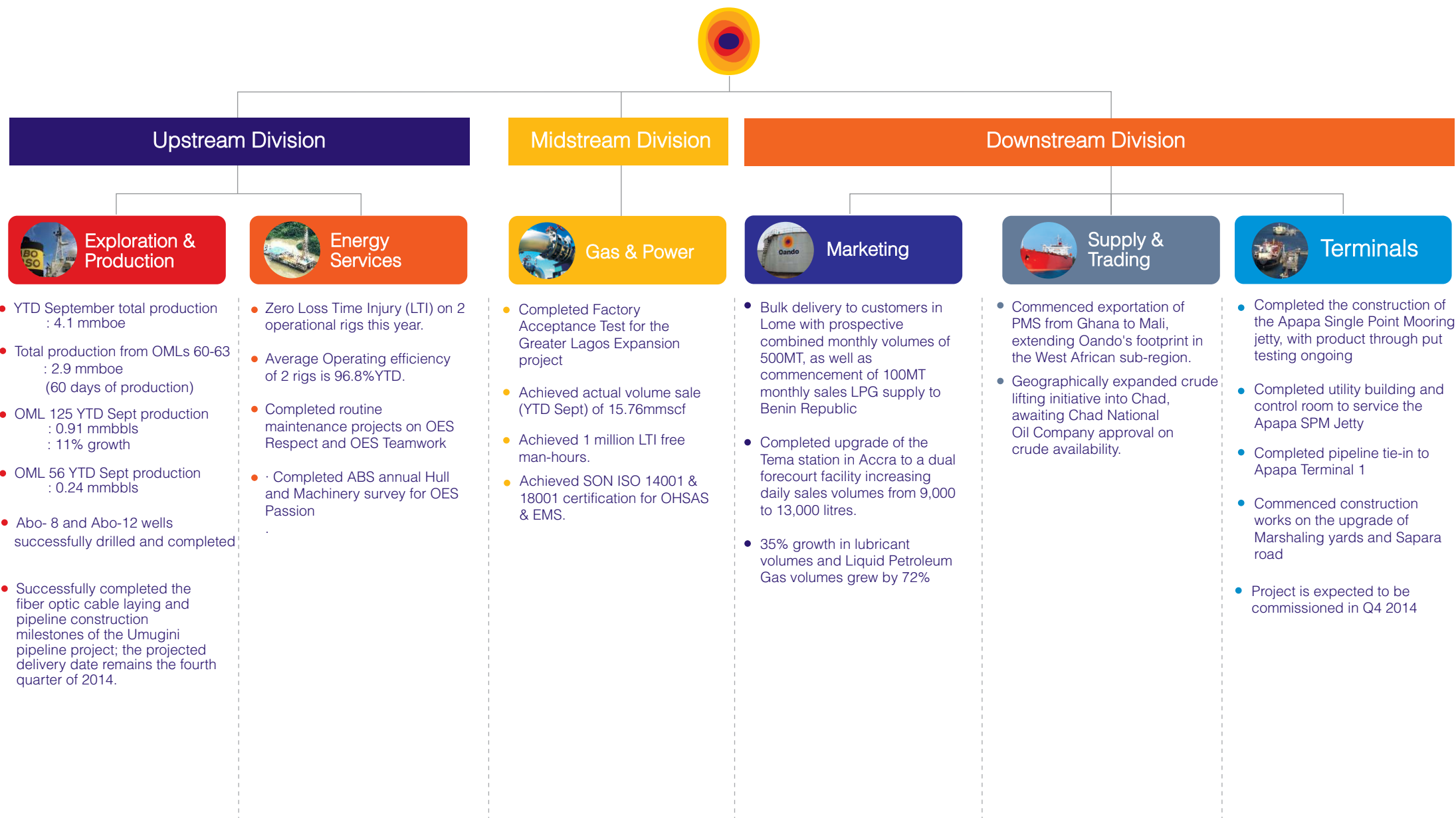
# Asset Overview

	Description	Assets	
Exploration & Production	OER listed on the TSX 93.8% ownership of OER	Producing assets: OMLs 60-63, OML 125 & OML 56. Development & Appraisal: OML 134, OML 90, OML 13 & OPL 236. Exploration: OML 131, OML 145, OPL 278, OPL 282, OPL 321, OPL 323, OML122, JDZ 5 & 12	
Energy Services	Largest swamp drilling fleet in Nigeria servicing IOCs	<div>                     4 swamp rigs:                     <ul style="list-style-type: none"> <li>&gt; 2 in contract</li> <li>&gt; 2 waiting to commence operations</li> </ul> </div> <div>                     &gt; Drill bits and engineering services                      &gt; Total fluids management.                 </div>	
Gas & Power	<ul style="list-style-type: none"> <li>&gt; First private sector company to enter gas distribution in Nigeria</li> <li>&gt; 2 gas pipeline franchises</li> <li>&gt; 2 Independent Power Plants</li> </ul>	<div>                     &gt; Gas Pipeline franchise:                     <ul style="list-style-type: none"> <li>GNL: 100km Lagos</li> <li>CHGC: 5km East</li> </ul> </div> <div>                     &gt; Akute &amp; Alausa captive Power Plants                      &gt; Compressed Natural Gas Facility: 150,000scm/day capacity                      &gt; Central Processing Facility                 </div>	
Marketing	<ul style="list-style-type: none"> <li>&gt; Largest indigenous supply and trading player in the sub-Saharan region.</li> <li>&gt; 15% market share in PMS importation.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Trading desks and operations in Nigeria and Bermuda.</li> <li>&gt; Trading consultants in the UK and Singapore.</li> </ul>	
Supply & Trading	<ul style="list-style-type: none"> <li>&gt; 27% market share in Nigeria</li> <li>&gt; Large distribution footprint with access to over 1,500 trucks and 150m litres storage capacity.</li> </ul>	<div>                     &gt; 400+ retail outlets in Nigeria, Ghana and Togo                      &gt; 8 terminals (159.5ML)                      &gt; 3 Aviation fuel depots                 </div> <div>                     &gt; 2 lube blending plants (55m litres / annum)                      &gt; 7 LPG filling plants                 </div>	

# Operational Update



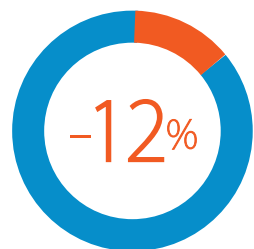
# Operational Update



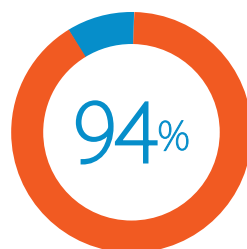
# YTD September 2014 Performance Review



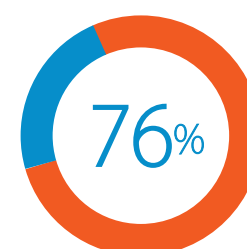
# YTD September 2014 Profit & Loss Highlights Vs. FYE 2013



Turnover of  
₦338.1 Bn



EBITDA of  
₦51.3 Bn



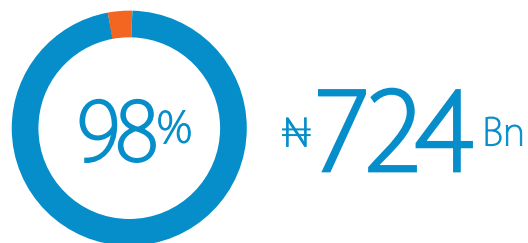
Profit after tax of  
₦10.7 Bn

N'Million	YTD Sept 2014	YTD Sept 2013	Variance
Turnover	338,106	386,251	(12%)
Gross Margin	79,595	46,723	70%
Non-interest Expenses	(37,040)	(23,815)	56%
Other Operating Income	8,792	3,516	150%
EBITDA	51,347	26,424	94%
Net Finance Costs	(26,137)	(8,613)	203%
Depreciation & Amortization	(15,033)	(8,050)	87%
Profit before Tax (PBT)	10,177	9,761	4%
Profit after Tax (PAT)/Net Profit	10,700	6,092	76%

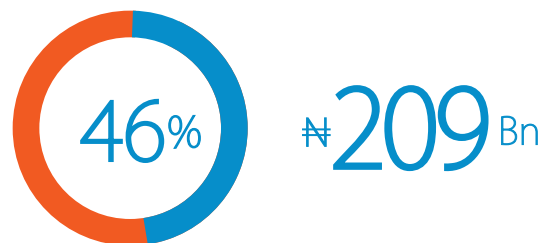


# Group Balance Sheet Highlights

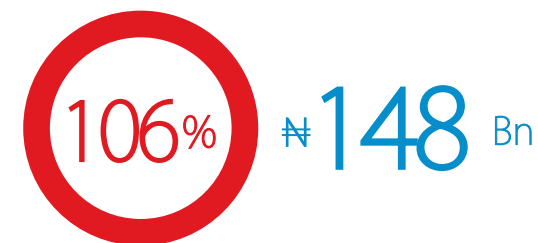
## Non-Current Assets



## Trade & Other Debtors



## LT Borrowing



N'Million	YTD Sept 2014	FYE 2013	Variance
Non-current assets	723,628	366,000	98%
Stock	27,623	19,446	42%
Trade and other Debtors	209,320	143,141	46%
Bank and cash balances	43,859	27,686	58%
Trade and other Creditors	224,390	124,059	81%
Short Term Borrowings	203,398	183,413	11%
Long Term Borrowings	148,318	71,872	106%
Equity & Reserves	215,277	162,368	33%

# Strategic Overview



# Strategic Overview

		Current: 2014 - 2015	Midterm: 2016	Long Term: 2017 & Beyond
Upstream	Exploration & Production	<ul style="list-style-type: none"><li>&gt; Production of ~47kboepd (YTD 2014)</li><li>&gt; Reserves Replacement Ratio Target of 1:1</li><li>&gt; Accelerated development programme on acquired assets OML's 60-63. (Production Optimisation)</li><li>&gt; Improved and sustained production levels from Abo wells (OML125)</li><li>&gt; New drilling campaign to increase production from Ebendo field (OML 56)</li></ul>	<ul style="list-style-type: none"><li>&gt; Production Target: 80kboepd</li><li>&gt; 2P Reserves Target: 300mmboe – 500mmboe</li><li>&gt; Take advantage of indigenous status and participate in governmental bid rounds for assets as well as divestment programmes by International Oil Companies (IOCs)</li><li>&gt; Accelerated development programme on OML's 60-63.</li></ul>	<ul style="list-style-type: none"><li>&gt; Production Target: 100kboepd</li><li>&gt; 2P Reserves Target: &gt;500mmboe</li></ul>
	Energy Services	<ul style="list-style-type: none"><li>&gt; 2 rigs in operations</li><li>&gt; Expand product offering in drilling services &amp; drill bits business</li><li>&gt; Divestment of up to 51% or potential listing</li></ul>	<ul style="list-style-type: none"><li>&gt; Enter into partnerships &amp; jointly deploy land drilling rigs</li><li>&gt; Expand product offering in drilling services &amp; drill bits business</li><li>&gt; Divestment of an additional 25%</li></ul>	<ul style="list-style-type: none"><li>&gt; Enter into partnerships and jointly deploy deep-water drilling rigs</li></ul>
Midstream	Gas & Power	<ul style="list-style-type: none"><li>&gt; Achieve combined volume of 80mmscf/d</li><li>&gt; Construction of GL4</li><li>&gt; Finalize FEED for CHGC expansion</li><li>&gt; Finalize feasibility for Escravos-Ibadan-Ilorin-Jebba (EIIJ) project</li><li>&gt; Secure mandate for 15-30MW captive power development</li></ul>	<ul style="list-style-type: none"><li>&gt; Commence execution of CPF project</li><li>&gt; Increase gas pipeline footprint in Nigeria (Lagos and EIIJ)</li><li>&gt; Complete construction of a 30MW Independent Power Plant</li><li>&gt; Invest in NIPP assets or other grid-connected power utilities</li></ul>	<ul style="list-style-type: none"><li>&gt; Commence execution of Modular Gas Processing and Mini LNG projects</li><li>&gt; Commence execution of grid-connected electricity supply projects</li></ul>
	Marketing	<ul style="list-style-type: none"><li>&gt; Distribute up to 2bn litres of products annually</li><li>&gt; Achieve distribution market share of 15%</li><li>&gt; Divestment of up to 49% or potential listing</li></ul>	<ul style="list-style-type: none"><li>&gt; Grow market share to 18%-20% by strategically repositioning outlets.</li></ul>	<ul style="list-style-type: none"><li>&gt; Divestment of an additional 25%</li></ul>
Downstream	Supply & Trading	<ul style="list-style-type: none"><li>&gt; Expand business activities to Southern Africa &amp; West Africa</li><li>&gt; Substantially increase traded volumes and margins of crude oil</li><li>&gt; Increase white products market dominance by leveraging new import infrastructure</li></ul>	<ul style="list-style-type: none"><li>&gt; Increase African geographical focus</li></ul>	<ul style="list-style-type: none"><li>&gt; 27% market share in Nigeria</li><li>&gt; Large distribution footprint with access to over 1,500 trucks and 150m litres storage capacity.</li></ul>
	Terminals	<ul style="list-style-type: none"><li>&gt; Completion of construction &amp; commencement of operations of the Apapa Jetty and subsea pipelines in the Lagos Port</li><li>&gt; Commencement of FEED for modular 360KT storage in Onne</li></ul>	<ul style="list-style-type: none"><li>&gt; Commencement of FEED on Badagry Terminal facility</li><li>&gt; Commencement of FEED for WAF and/or SADC storage play</li></ul>	<ul style="list-style-type: none"><li>&gt; Development of a 210,000MT import terminal facility in Badagry</li><li>&gt; Expand white product storage facilities in Nigeria</li></ul>

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