

Oando PLC

FYE 2012 & Q1 2013

Performance Review

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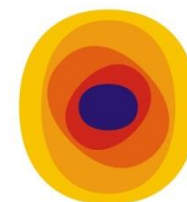
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Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

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Asset Overview













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Asset Overview



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Upstream Division	 Exploration & Production	<ul style="list-style-type: none"> • OER listed on the TSX • 94.6% ownership of OER 	Assets <ul style="list-style-type: none"> • Producing assets: OML 125 & OML 56. • Development & appraisal: OML 134, OML 90, OML 13 & OPL 236. • Exploration: OPL 278, OPL 282, OPL 321, OPL 323, OML122, JDZ, Block 26 & Rubai Licenses 	
	 Energy Services	#1 <ul style="list-style-type: none"> • Largest swamp drilling fleet in Nigeria servicing IOCs 	<ul style="list-style-type: none"> • 4 swamp rigs: <ul style="list-style-type: none"> • 3 in contract • 1 in refurbishment • Drill bits and engineering services • Total fluids management. 	
Midstream Division	 Gas & Power	#1 <ul style="list-style-type: none"> • First private sector company to enter gas distribution in Nigeria • 3 gas pipeline franchises • 1 IPP 	<ul style="list-style-type: none"> • Gas Pipeline franchise: <ul style="list-style-type: none"> GNL: 100km Lagos EHGC: 128km East CHGC: 5km East • Akute & Alausa captive Power Plants • Compressed Natural Gas Facility • Central Processing Facility 	
Downstream Division	 Supply & Trading	#1 <ul style="list-style-type: none"> • Largest indigenous supply and trading player in the sub-Saharan region. • 15% market share in PMS importation. 	<ul style="list-style-type: none"> • Trading desks and operations in Nigeria and Bermuda. • Trading consultants in the UK and Singapore. 	
	 Marketing	#1 <ul style="list-style-type: none"> • 28% market share in Nigeria • Large distribution footprint with access to over 1,500 trucks and 150m litres storage capacity. 	<ul style="list-style-type: none"> • 500+ retail outlets in Nigeria, Ghana and Togo • 8 terminals (159.5ML) • 3 Aviation fuel depots • 2 lube blending plants (55m litres / annum) • 7 LPG filling plants 	



Operational Highlights



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Operational Update



Operational Update

- OER paid \$435MM deposit to COP towards business acquisition.
- Average Production of 4.5kbopd from 2 assets
- Production on Ebendo Field fully restored following repair of evacuation pipeline.
- EB-5 well completed and tested. Expected to contribute 1,069bopd net to OER.
- EB-6 spudded and drilled to a TVD of 6,231ft
- Qua-Ibo well 3 being re-completed

- Teamwork achieved 3 years of operations without Loss Time Injury (LTI).
- Average Operating efficiency of 3 rigs is 93%
- Fourth rig (Respect) expected to be delivered into contract with IOC this year.

- Gas Network Services Ltd (CNG): Mobilization of Installation team to site is ongoing. Work progressed on other civil structures on site.
- GL4: EIA Panel Review successfully conducted. Provisional approval expected from Federal Ministry of Environment.
- Akute: Received a notification from Nigerian Investment Promotion Commission granting APL an extension of its Pioneer status award for the next two years.

- Largest importer of PMS in 2012.
- Increased crude trades from African countries.
- Focusing on other markets and products to build business.

- OMP is overall market leader YTD, with an aggregate market share of 28%
- OMP's performance is driven by dominance in PMS, HHK, LPG & LPFO
- Repositioning and upgrade of storage and distribution facilities
- LPG strategy still ongoing with delivery of 500k cylinders. 100k cylinders sold.
- Commenced construction of midstream jetty, capacity to increase import volumes.
- Launched 13 Trippmart stores and plans to launch another 12 by Dec 2013.
- Launched 25 Autocare centres and plans to launch another 15 by the end of 2013.



FYE 2012 Performance Review



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Profit & Loss Highlights

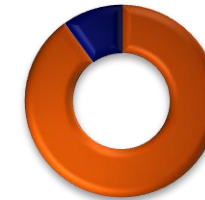


N' Million	FYE 2012	FYE 2011	Variance
Turnover	673,182	571,306	18%
Gross Margin	81,622	65,827	24%
Non-interest Expenses	(49,594)	(60,007)	(17%)
Other Operating Income	2,098	13,516	(84%)
EBITDA	41,394	21,785	90%
Interest Expenses	(16,572)	(5,450)	204%
Depreciation and Amortization	(7,268)	(2,450)	197%
Profit before Tax (PBT)	17,554	13,885	26%
Profit after Tax (PAT)/Net Profit	10,786	2,632	310%
Net Profit Margin	1.6%	0.5%	-



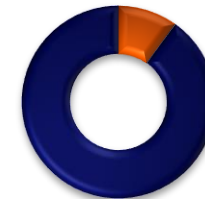
18%

Turnover of ₦673.2 Billion



90%

EBITDA of ₦41.4 Billion



310%

Profit after Tax of ₦10.8 Billion

Group Balance Sheet Highlights



N' Million	FYE 2012	FYE 2011	Variance
Fixed Assets	130,325	109,479	19%
Non-current receivables	10,619	1,474	620%
Stock	18,111	32,458	(44%)
Trade and other Debtors	113,935	105,196	8%
Bank and cash balances	13,409	18,691	(28%)
Trade and other Creditors	86,046	75,209	14%
Short Term Borrowings	213,666	119,993	78%
Long Term Borrowings	75,221	86,012	(13%)
Equity & Reserves	105,355	92,765	14%



Fixed Assets of N130.3 Bn



Trade Debtors of N113.9 Bn

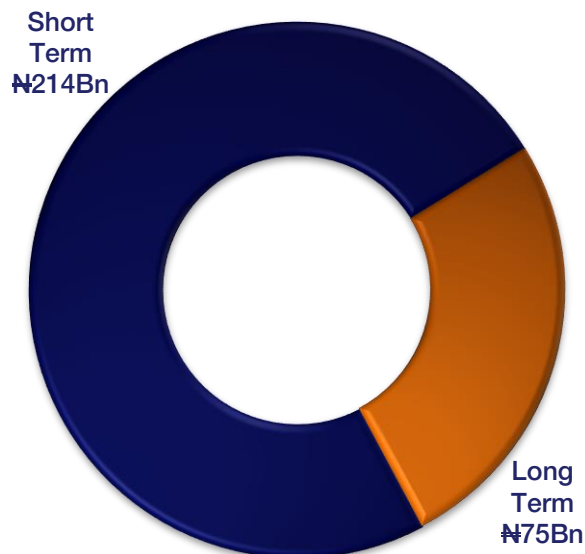


LT Borrowing of N75.2 Bn

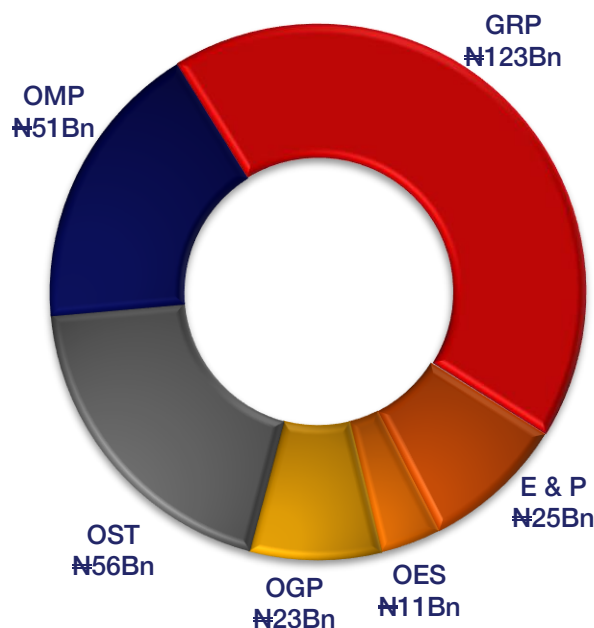
Group Debt Breakdown



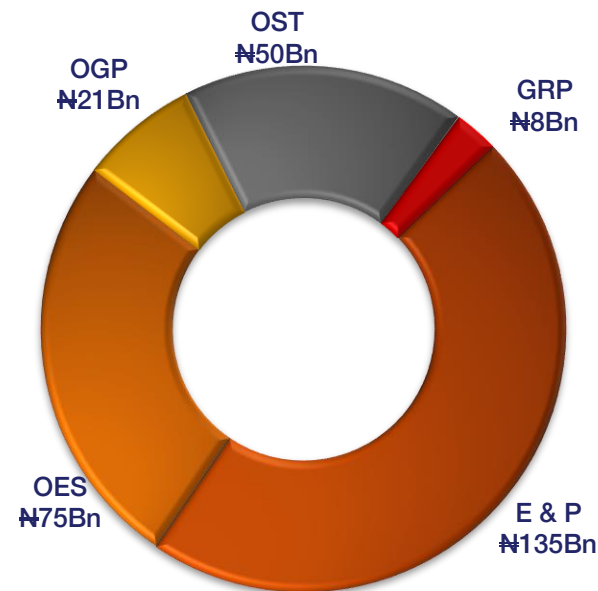
Total Debt ₦289Billion



Sources



Uses



Exploration & Production



Energy Services



Gas & Power



Supply & Trading



Marketing

Use of Funds

Asset Acquisition
Signature Bonuses
Farm-in Fees
Asset Development

Rig Acquisition
Rig refurbishment
Drill Bits

EHGC Pipeline
CNG project
Gaslink customer connects

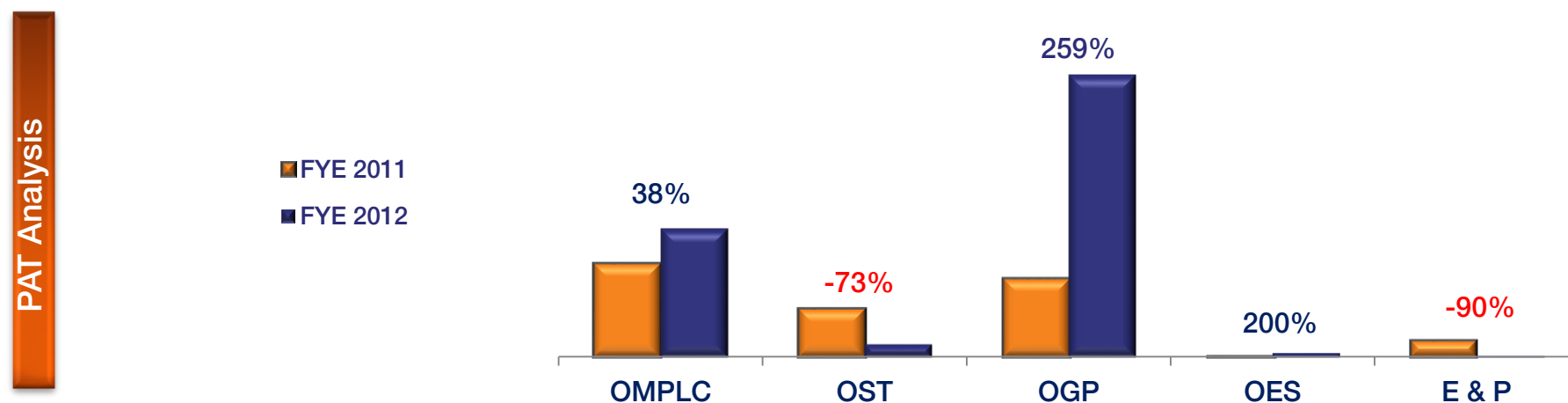
Import Finance facilities and CPs for white product importation

As at 31 December, 2012

Divisional Performance Analysis



N' Million	Marketing	Supply & Trading	Gas & Power	Energy Services	Exploration & Production
Turnover	245,555	590,183	53,304	20,450	20,888
Gross Margin	24,861	8,903	20,118	10,937	16,627
EBITDA	10,002	1,963	15,072	4,301	13,309
Profit before Tax (PBT)	6,947	1,593	10,863	(590)	5,707
Profit after Tax (PAT)	5,406	559	11,847	198	70
Net Profit Margin	2.2%	0.1%	22.2%	1.0%	0.3%



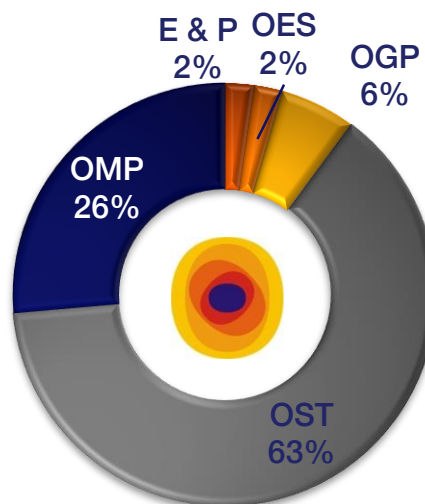
Total Group figures do not equal sum of individual entities due to intercompany adjustments (sales, interest, etc) and corporate center activities.

Divisional Performance Analysis

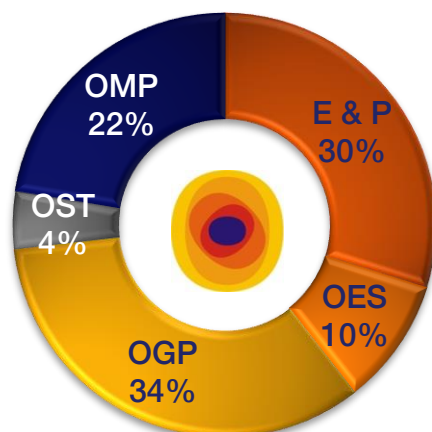


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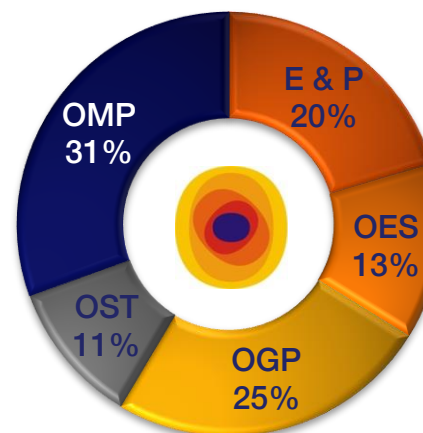
Turnover – ₦673.2 Billion



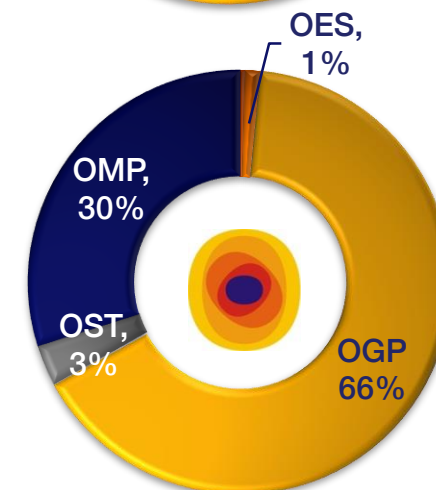
EBITDA – ₦41.4 Billion



Gross Margin – ₦81.6 Billion



PAT – ₦10.8 Billion



Total Group figures do not equal sum of individual entities due to intercompany adjustments (sales, interest, etc) and corporate center activities.

Sector Performance - Upstream



Exploration & Production

N' Million	FYE 2012	FYE 2011	Variance
Turnover	20,888	26,127	(20%)
Gross Margin	16,627	19,447	(15%)
EBITDA	13,309	11,932	12%
EBITDA Margin	63.7%	44.4%	-
Profit before tax (PBT)	5,707	8,366	(32%)
Profit after tax (PAT)	70	723	(90%)
Net Profit Margin	0.3%	2.8%	-



Energy Services

N' Million	FYE 2012	FYE 2011	Variance
Turnover	20,450	14,383	42%
Gross Margin	10,937	9,246	18%
EBITDA	4,301	4,435	(3%)
EBITDA Margin	21.0%	30.8%	-
Profit before tax (PBT)	(590)	(398)	(48%)
Profit after tax (PAT)	198	66	200%
Net Profit Margin	1.0%	0.5%	-

Sector Performance - Midstream



Gas & Power

N' Million	FYE 2012	FYE 2011	Variance
Turnover	53,304	18,455	189%
Gross Margin	20,118	8,464	138%
EBITDA	15,072	3,452	337%
EBITDA Margin	28.3%	18.7%	-
Profit before tax (PBT)	10,863	4,797	126%
Profit after tax (PAT)	11,847	3,298	259%
Net Profit Margin	22.2%	17.9%	-

Sector Performance - Downstream



Supply & Trading

N' Million	FYE 2012	FYE 2011	Variance
Turnover	590,183	620,253	(5%)
Gross Margin	8,903	8,054	11%
EBITDA	1,963	2,803	(30%)
EBITDA Margin	0.3%	0.5%	-
Profit before tax (PBT)	1,593	2,498	(26%)
Profit after tax (PAT)	559	2,050	(73%)
Net Profit Margin	0.1%	0.3%	-



Marketing

N' Million	FYE 2012	FYE 2011	Variance
Turnover	245,555	199,505	23%
Gross Margin	24,861	23,504	6%
EBITDA	10,002	8,182	22%
EBITDA Margin	4.1%	4.1%	-
Profit before tax (PBT)	6,947	5,937	17%
Profit after tax (PAT)	5,406	3,925	38%
Net Profit Margin	2.2%	2.0%	-



Q1 2013 Performance Review



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Profit & Loss Highlights



₦' Million	Q1 2013	Q1 2012	Variance
Turnover	121,061	158,605	(24%)
Gross Margin	13,048	15,061	(13%)
Non-interest Expenses	(8,400)	(9,746)	(14%)
Other Operating Income	1,193	1,305	(9%)
EBITDA	10,328	8,771	18%
Interest Expenses	(1,552)	(1,633)	(5%)
Depreciation and Amortization	(4,486)	(2,151)	109%
Profit before Tax (PBT)	4,290	4,987	(14%)
Profit after Tax (PAT)/Net Profit	2,448	3,026	(19%)
Net Profit Margin	2.0%	1.9%	-



Turnover of ₦121.1 Billion



EBITDA of ₦10.3 Billion



Profit after Tax of ₦2.4 Billion

Group Balance Sheet Highlights



N' Million	Q1 2013	Q1 2012	Variance
Fixed Assets	119,045	108,760	9%
Non-current receivables	19,166	34,534	(45%)
Stock	23,445	61,867	(62%)
Trade and other Debtors	255,028	102,564	149%
Bank and cash balances	17,205	24,634	(30%)
Trade and other Creditors	155,479	126,619	23%
Short Term Borrowings	255,529	104,669	144%
Long Term Borrowings	42,475	92,872	(54%)
Equity & Reserves	108,557	94,788	15%



Fixed Assets of N119.0 Bn



Trade Debtors of N255.0 Bn

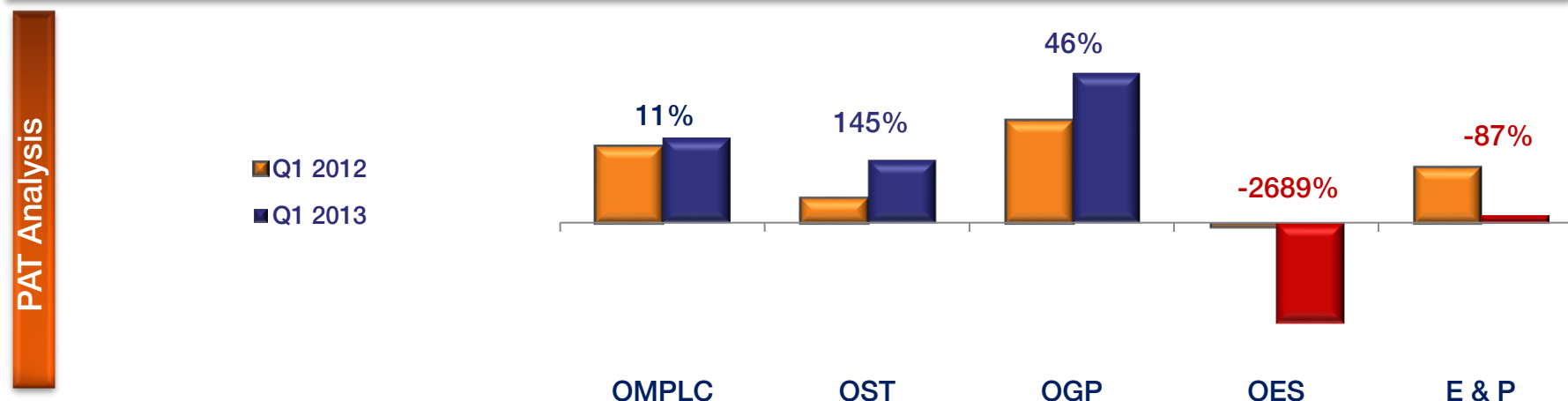


LT Borrowing of N42.5 Bn

Divisional Performance Analysis



N' Million	Marketing	Supply & Trading	Gas & Power	Energy Services	Exploration & Production
Turnover	58,477	83,069	6,502	5,159	5,205
Gross Margin	3,759	1,338	1,497	3,419	3,871
EBITDA	1,995	590	1,290	2,832	4,323
Profit before Tax (PBT)	941	557	1,530	(1,107)	1,407
Profit after Tax (PAT)	640	473	1,120	(753)	56
Net Profit Margin	1.1%	0.6%	17.2%	(14.6%)	1.0%



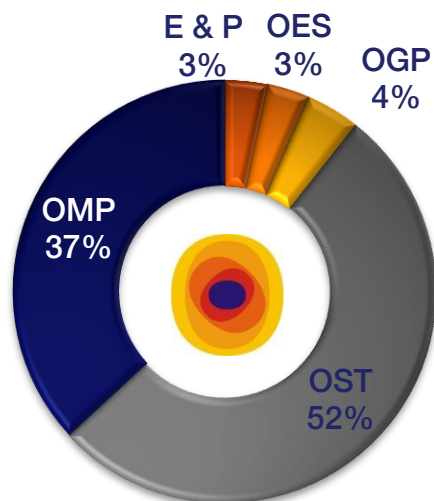
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Divisional Performance Analysis

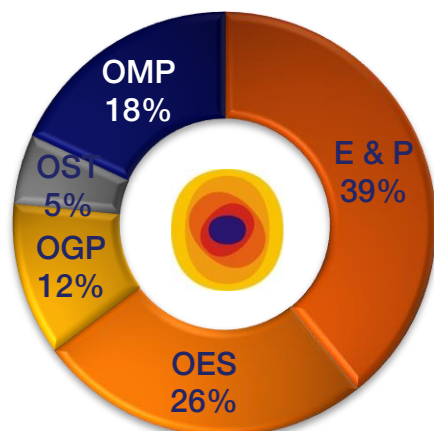


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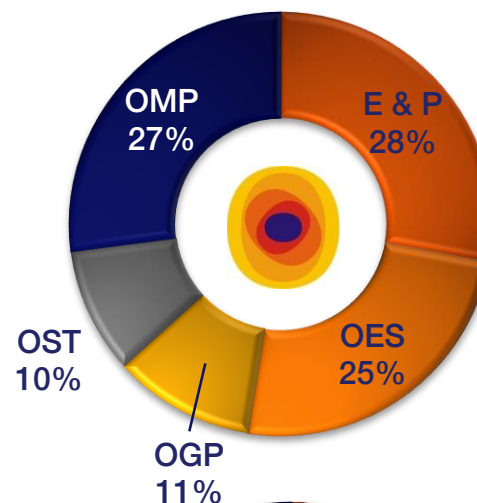
Turnover – N121.1 Billion



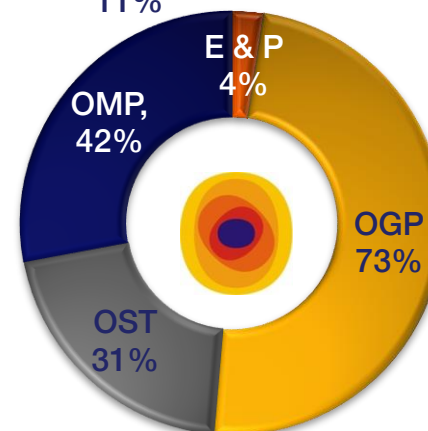
EBITDA – N10.3 Billion



Gross Margin – N13.0 Billion



PAT – N2.4 Billion



Total Group figures do not equal sum of individual entities due to intercompany adjustments (sales, interest, etc) and corporate center activities.

Sector Performance - Upstream



Exploration & Production

N' Million	Q1 2013	Q1 2012	Variance
Turnover	5,205	6,033	(14%)
Gross Margin	3,871	4,868	(20%)
EBITDA	4,323	3,841	13%
EBITDA Margin	83.1%	63.7%	-
Profit before tax (PBT)	1,407	1,728	(19%)
Profit after tax (PAT)	56	420	(87%)
Net Profit Margin	1.0%	6.9%	-



Energy Services

N' Million	Q1 2013	Q1 2012	Variance
Turnover	5,159	4,125	25%
Gross Margin	3,419	3,244	5%
EBITDA	2,832	1,823	55%
EBITDA Margin	54.9%	44.2%	-
Profit before tax (PBT)	(1,107)	(39)	(2,738%)
Profit after tax (PAT)	(753)	(27)	(2,689%)
Net Profit Margin	(14.6%)	(0.7%)	-

Sector Performance - Midstream



Gas & Power

N' Million	Q1 2013	Q1 2012	Variance
Turnover	6,502	4,524	44%
Gross Margin	1,497	1,221	23%
EBITDA	1,290	968	33%
EBITDA Margin	19.8%	21.4%	-
Profit before tax (PBT)	1,530	1,046	46%
Profit after tax (PAT)	1,120	768	46%
Net Profit Margin	17.2%	16.9%	-

Sector Performance - Downstream



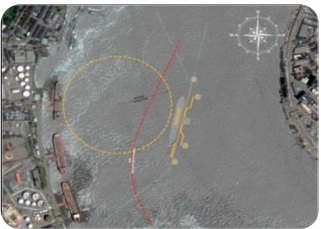
Supply & Trading

N' Million	Q1 2013	Q1 2012	Variance
Turnover	83,069	106,312	(22%)
Gross Margin	1,338	1,296	3%
EBITDA	590	307	92%
EBITDA Margin	0.7%	0.3%	-
Profit before tax (PBT)	557	244	128%
Profit after tax (PAT)	473	193	145%
Net Profit Margin	0.6%	0.2%	-



Marketing

N' Million	Q1 2013	Q1 2012	Variance
Turnover	58,477	53,817	9%
Gross Margin	3,759	4,549	(17%)
EBITDA	1,995	1,442	38%
EBITDA Margin	3.4%	2.7%	-
Profit before tax (PBT)	941	842	12%
Profit after tax (PAT)	640	576	11%
Net Profit Margin	1.1%	1.1%	-



Strategic Overview



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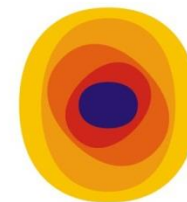
Strategic Overview



		Current: 2013	Mid Term: 2014-2015	Long Term: 2015
Upstream	Exploration & Production	<ul style="list-style-type: none"> Organic Growth Production, 5-10kboed Reserves 2P: 12.6-16mmbbls Inorganic Growth Acquisition production 45kboed Reserves 2P: 222mmboe; 2C: 236mmboe 	<ul style="list-style-type: none"> Combined Production of 55-75kboed Reserves 2P: 300mmboe 	<ul style="list-style-type: none"> Growth Production 75-100kboed Maintain production of 100kboed Grow Reserves from 300mmboe - 500mmboe
	Energy Services	<ul style="list-style-type: none"> Fully refurbish and deploy 4th rig into operation 	<ul style="list-style-type: none"> Enter into land rig space, deploy 2 land drilling rigs Expand product offering (MWD, etc) Divestment of up to 49% or potential listing 	<ul style="list-style-type: none"> Deploy 2 additional land drilling rigs Divestment of an additional 25%
Midstream	Gas & Power	<ul style="list-style-type: none"> Complete construction: <ul style="list-style-type: none"> CNG CHGC Alausa IPP Commence construction of GL4 Sell 90% of current franchise capacity 	<ul style="list-style-type: none"> Complete planning and approvals for EIJ pipeline franchise 	<ul style="list-style-type: none"> Commence construction of 1st CPF and 2 more gas pipeline franchise areas in Nigeria
Downstream	Marketing	<ul style="list-style-type: none"> Increase distribution efficiency and expansion into high margin volumes, Lubes & LPG distribution 	<ul style="list-style-type: none"> Divestment of up to 49% or potential listing on the NSE 	<ul style="list-style-type: none"> Expansion of business across the sub-Saharan region Divestment of additional 25%
	Supply & Trading	<ul style="list-style-type: none"> Expand Sub-Saharan geographical product distribution coverage 	<ul style="list-style-type: none"> Substantially increase crude oil market share Increase white products market dominance by leveraging new import infrastructure 	<ul style="list-style-type: none"> Increase geographical presence
	Terminals	<ul style="list-style-type: none"> Development of the Marina Jetty and subsea pipelines in the Lagos Port 	<ul style="list-style-type: none"> Commence FEED on Badagry Terminal facility 	<ul style="list-style-type: none"> Development of a 210,000MT import terminal facility in Badagry Expand white product storage facilities in Nigeria

Q & A

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