

Oando PLC YTD September 2013 Performance Review

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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



		Description	Assets	
Upstream Division	Exploration & Production	<ul style="list-style-type: none"> OER listed on the TSX 94.6% ownership of OER 	<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 awaiting commencement of operation 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 2 IPPs 1 CNG Facility 	<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: 150kscm/day 	
	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. 	
Downstream Division	Marketing	#1 <ul style="list-style-type: none"> 27% aggregate market share amongst the majors in Nigeria Large distribution footprint with access to over 1,500 trucks and 150m litres storage capacity. 	<ul style="list-style-type: none"> 300+ 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 Update



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Operational Update



Operational Update

- Drilled and completed the EB-6 well in the Ebendo Field

- With the tie-in of Well 6, the field will be capable of up to 7,140 bopd (3,213 bopd OER share)

- Umugini pipeline under construction

- 2 wells successfully drilled in Qua Iboe with field development underway.

- Zero Loss Time Injury (LTI) on 3 operational rigs this year.

- Average Operating efficiency of 3 rigs is 94.5% YTD.

- Refurbishment of Fourth rig (Respect) completed. At advanced stages of contract negotiation with IOC.

- Identified partner for the construction of mud plant

- Alausa IPP: Commissioned in October and has commenced operations with customer, Lagos State Government.

- GL4: Statutory permits are now in place. Addition of 30mmscf/day of capacity. Awaiting FID.

- Compressed Natural Gas Facility: commissioned and has commenced operations with available capacity of 150,000scm/day.

- Opened trading office in South Africa. First cargo to be shipped in shortly.

- Commenced business development in Libya.

- Recommended trading of spot crude cargoes.

- Grown LPG market share to 13% from 11% with the Launch of Cylinder Exchange Scheme (CES) and sale of 3kg cylinders via Micro-Finance Banks.

- Completed and started production from the Apapa Lubes Plant with an average reduction of 16% in cost of production and dispatch.

- 20 Station upgrades completed; 12 currently in progress, as part of ongoing station rationalization.

- Retail Online Monitoring System (ROMS) being developed to improve retail business efficiency.



YTD September 2013 Performance Review



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Profit & Loss Highlights



₦ Million	YTD Sept 2013	YTD Sept 2012	Variance
Turnover	386,251	487,770	(21%)
Gross Margin	49,181	55,213	(11%)
Non-interest Expenses	(26,273)	(28,073)	(6%)
Other Operating Income	3,516	4,885	(28%)
EBITDA	26,424	32,025	(17%)
Net Finance Costs	(8,613)	(7,631)	13%
Depreciation and Amortization	(8,050)	(6,987)	15%
Profit before Tax (PBT)	9,761	17,408	(44%)
Profit after Tax (PAT)/Net Profit	6,092	9,272	(34%)



Turnover of ₦386.3 Billion



EBITDA of ₦26.4 Billion



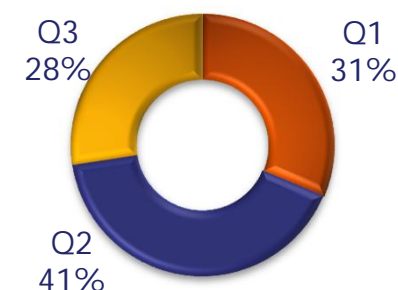
Profit after Tax of ₦6.1 Billion

Quarterly Contribution Breakdown

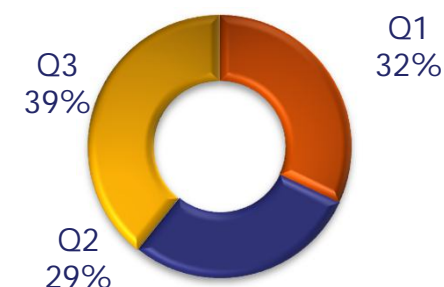


₦ Million	Q3	Q2	Q1
Turnover	105,924	159,267	121,061
Gross Margin	16,596	17,288	15,296
Non-interest Expenses	(8,269)	(9,972)	(8,031)
Other Operating Income	2,048	275	1,193
EBITDA	10,375	7,591	8,458
Net Finance Costs	(4,368)	(2,692)	(1,552)
Depreciation and Amortization	(2,401)	(3,033)	(2,616)
Profit before Tax (PBT)	3,605	1,866	4,290
Profit after Tax (PAT)/Net Profit	1,821	1,823	2,448

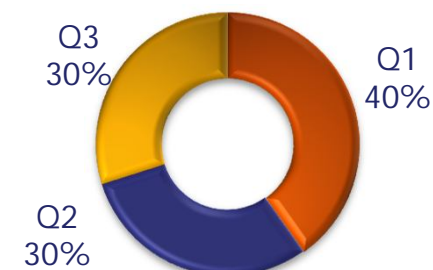
Contribution



Turnover of ₦386.3 Billion



EBITDA of ₦26.4 Billion



Profit after Tax of ₦6.1 Billion

Group Balance Sheet Highlights



₦ Million	YTD Sept 2013	FYE 2012	Variance
Fixed Assets	149,290	130,325	15%
Other Non-current assets	252,270	238,686	6%
Stock	30,077	18,111	66%
Trade and other Debtors	120,844	114,534	6%
Bank and cash balances	12,778	13,409	(5%)
Trade and other Creditors	123,546	93,469	32%
Short Term Borrowings	172,172	213,666	(19%)
Long Term Borrowings	84,603	75,221	12%
Equity & Reserves	155,688	105,355	48%



Fixed Assets of ₦149.3Bn



Trade & Other Debtors of ₦120.8Bn

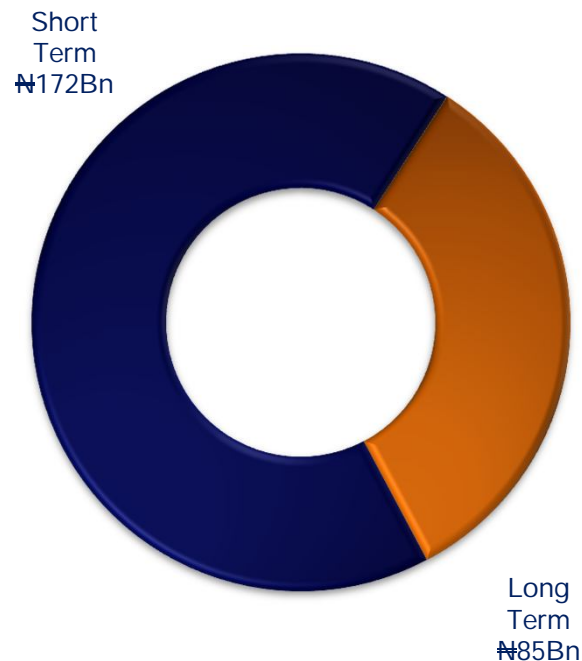


ST Borrowing of ₦172.2Bn

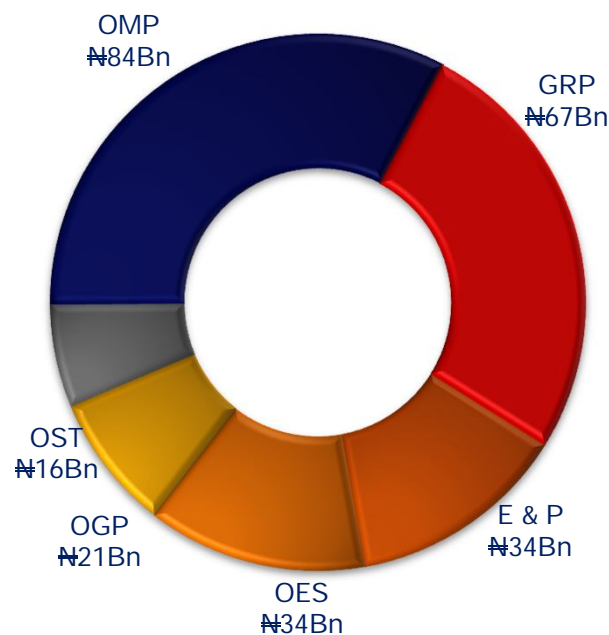
Group Debt Breakdown



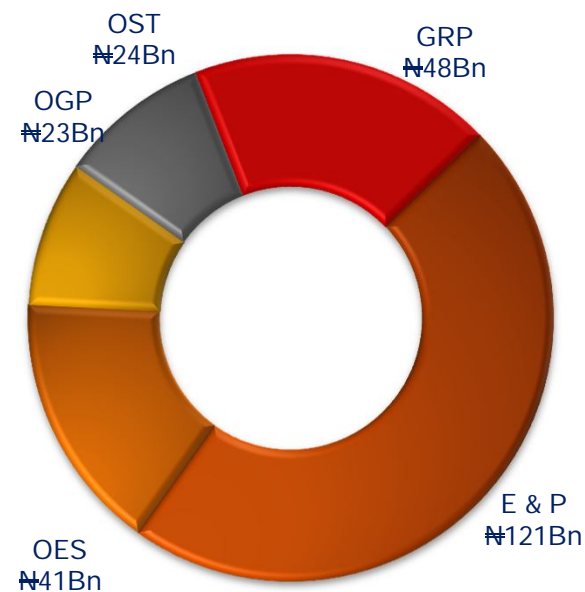
Total Debt ₦257Billion



Sources



Uses



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



Import Finance facilities

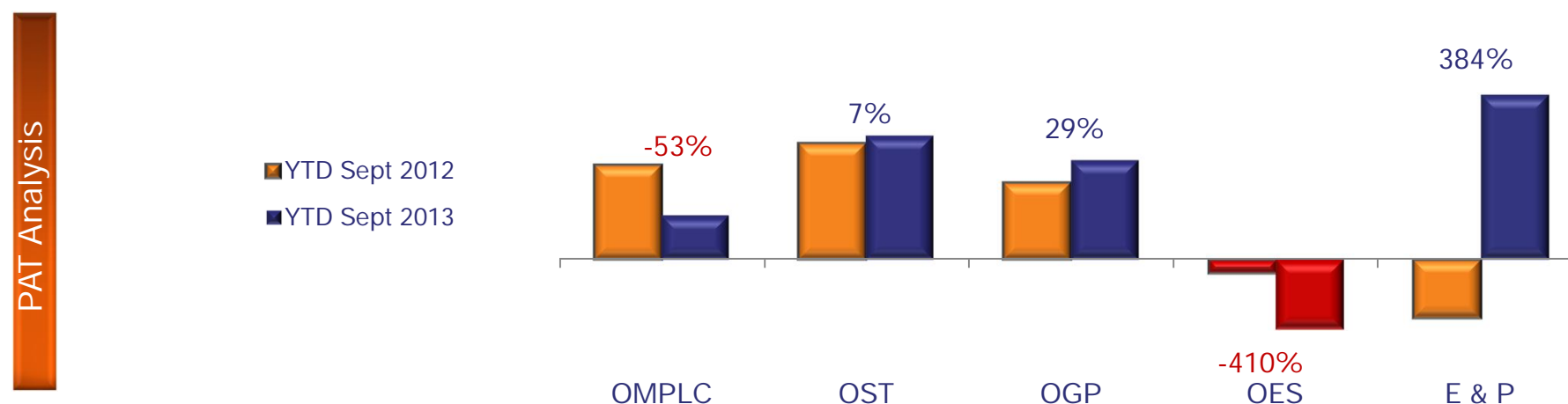
Use of Funds

As at 30 September, 2013

Divisional Performance Analysis



N' Million	Marketing	Supply & Trading	Gas & Power	Energy Services	Exploration & Production
Turnover	171,176	283,110	19,737	15,998	17,081
Gross Margin	14,441	6,067	4,564	10,318	13,983
EBITDA	4,613	3,911	3,367	5,434	11,469
Profit before Tax (PBT)	1,969	4,057	4,136	(3,076)	6,983
Profit after Tax (PAT)	1,346	3,738	3,000	(2,099)	4,969
Net Profit Margin	1%	1%	15%	(13%)	29%

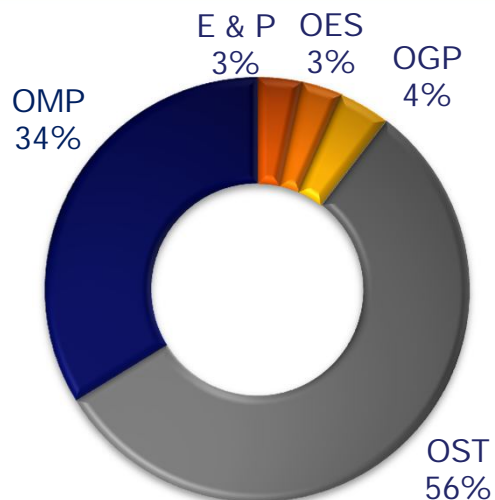


Total Group figures do not equal sum of individual entities due to intercompany adjustments (sales, interest, etc) and corporate center activities.

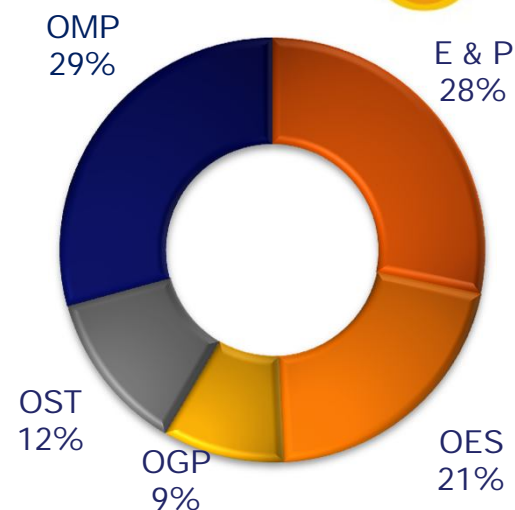
Divisional Performance Analysis



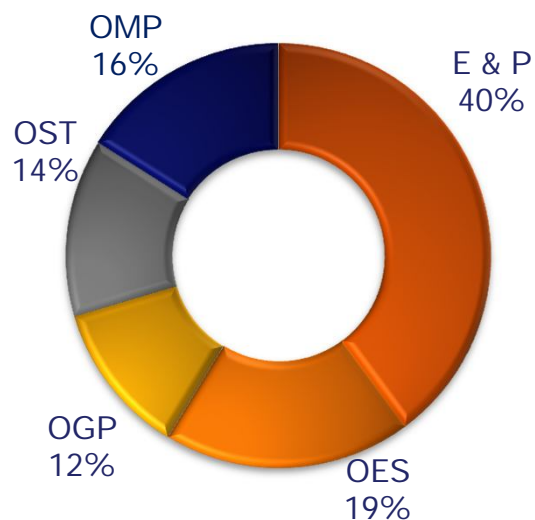
Turnover – ₦386.3 Billion



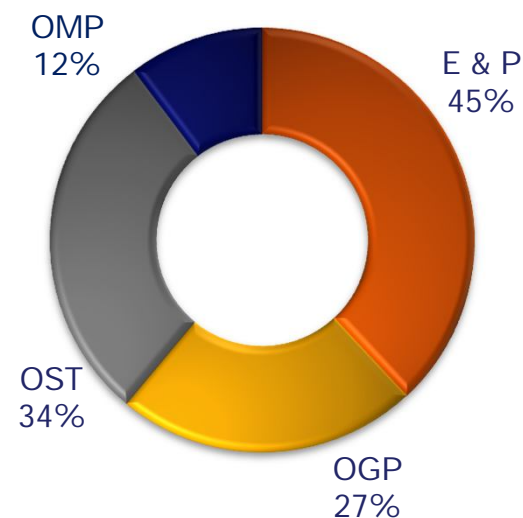
Gross Margin – ₦49.2 Billion



EBITDA – ₦26.4 Billion



PAT – ₦6.1 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

₦' Million	YTD Sept 2013	YTD Sept 2012	Variance
Turnover	17,081	17,996	(5%)
Gross Margin	13,983	14,665	(5%)
EBITDA	11,469	11,370	1%
EBITDA Margin	67%	63%	-
Profit before tax (PBT)	6,983	3,370	107%
Profit after tax (PAT)	4,969	(1,750)	384%
Net Profit Margin	29%	(10%)	-



Energy Services

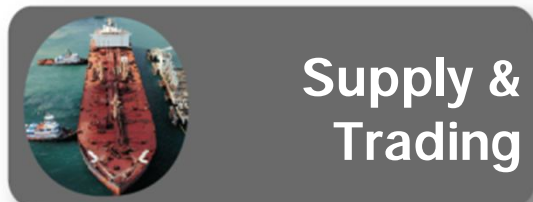
₦' Million	YTD Sept 2013	YTD Sept 2012	Variance
Turnover	15,998	14,252	12%
Gross Margin	12,776	12,032	6%
EBITDA	5,434	6,639	(18%)
EBITDA Margin	34%	47%	-
Profit before tax (PBT)	(3,076)	(605)	(408%)
Profit after tax (PAT)	(2,099)	(412)	(410%)
Net Profit Margin	(13%)	(3%)	-

Sector Performance - Midstream



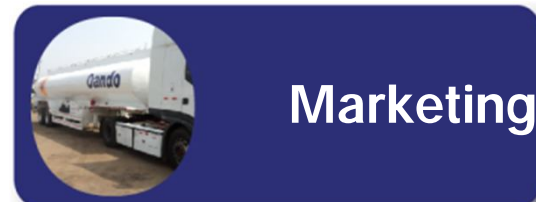
₦ Million	YTD Sept 2013	YTD Sept 2012	Variance
Turnover	19,737	14,193	39%
Gross Margin	4,564	3,691	24%
EBITDA	3,367	2,829	19%
EBITDA Margin	17%	20%	-
Profit before tax (PBT)	4,136	3,139	32%
Profit after tax (PAT)	3,000	2,333	29%
Net Profit Margin	15%	16%	-

Sector Performance - Downstream



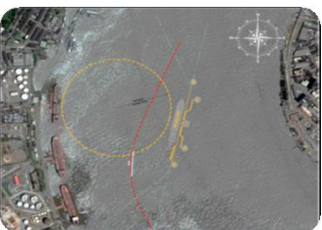
Supply & Trading

₦ Million	YTD Sept 2013	YTD Sept 2012	Variance
Turnover	283,110	343,525	(18%)
Gross Margin	6,067	8,275	(27%)
EBITDA	3,911	4,333	(10%)
EBITDA Margin	1%	1%	-
Profit before tax (PBT)	4,057	4,346	(7%)
Profit after tax (PAT)	3,738	3,506	7%
Net Profit Margin	1%	1%	-



Marketing

₦ Million	YTD Sept 2013	YTD Sept 2012	Variance
Turnover	171,176	183,781	(7%)
Gross Margin	14,441	18,291	(21%)
EBITDA	4,613	7,375	(37%)
EBITDA Margin	3%	4%	-
Profit before tax (PBT)	1,969	4,197	(53%)
Profit after tax (PAT)	1,346	2,860	(53%)
Net Profit Margin	1%	2%	-



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 target: 45kboed Inorganic Growth Acquisition Reserves target: 2P: 220mmboe; 2C: 493mmboe 	<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 Feasibility Study on deep-water participation with major partner Divestment of an additional 25%
Midstream	Gas & Power	<ul style="list-style-type: none"> Complete construction: <ul style="list-style-type: none"> CNG; Alausa IPP Commence construction of GL4 Achieve average volume of 80mmscf/d <ul style="list-style-type: none"> Sell 90% of current Gaslink capacity Achieve FEED of CHGC expansion 	<ul style="list-style-type: none"> Complete feasibility and engineering for EIIJ project Complete evaluation and planning for Modular Gas Processing and Mini LNG projects Implement strategic financing program, portfolio rationalization and M&A deals 	<ul style="list-style-type: none"> Commence construction of 1st CPF and 2 more gas pipeline franchise areas in Nigeria Commence execution on Modular Gas Processing and Mini LNG projects Complete construction of at least 50MW Captive IPPs Execute grid-connected electricity supply projects
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"> 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"> Completion of construction of the Apapa 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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