



Oando PLC



Actualising our vision

The legacy assets have also made tremendous progress during the course of the year so far. In the Ebendo marginal field, substantial progress has been made in the construction of a 45,000bbls/d, 51km evacuation pipeline which will provide an alternative route for crude transport from the Ebendo Field, through the Trans Forcados export pipeline. We successfully completed the fiber optic cable laying and pipeline construction milestones associated with the pipeline and delivery of the project remains on track for December 2014. In the Abo field, production grew by 17% compared to prior year largely due to improved well optimisation. We also made significant capital expenditures in Abo 8 and Abo 12 drilling activities, as well as Abo 3 flow line remedial works. Oil production from the Qua Ibo field's D5 reservoir is expected to commence in the fourth quarter of 2014 after the commissioning of a crude processing facility which is currently under construction and should be finalized in the third quarter of 2014.

Oando Energy Services achieved four years of continuous operations without a Lost Time Incident (LTI) on its "OES Teamwork" rig, showing the company's devotion to ensuring safety in the services sector of the upstream business.

In the midstream, we are extending our natural gas distribution network by 8km from Ijora to the Marina business district in Lagos state, ideally positioning us to benefit from the growing demand for gas and power infrastructure in the country. The pipeline extension guarantees us growth of capacity within Lagos from 85mmscf/day to 115mmscf/day.

Downstream operational challenges remain. However, we tackled it head on with another unprecedented milestone following the completion of our Apapa Single Point Mooring (ASPM) Jetty. The Apapa ASPM is the first of its kind in Africa and will impact our industry with improved efficiency through substantial cost savings on imports. Lagos currently receives over 80% of white products into Nigeria, and at the moment has only 2 terminals. The ASPM jetty was conceived to bypass the infrastructure bottlenecks experienced in the Apapa axis, thus eliminating the lightering and demurrage charges currently being incurred by marketers. The jetty is expected to be commissioned in the fourth quarter of 2014.

Wale Tinubu
Group Chief Executive

H1 2014 (Unaudited)

Consolidated Income Statement

	Jun-14 N'000	Jun-13 N'000
Revenue	194,557,883	280,327,586
Gross profit	50,505,668	30,233,931
Other operating income	1,124,885	1,467,656
Administrative expenses	(27,936,871)	(22,012,523)
Operating profit	23,693,682	9,689,064
Finance costs - net	(11,212,402)	(3,533,478)
Profit before income tax	12,532,970	6,155,586
Income tax expense	(3,552,951)	(1,884,021)
Profit after tax	8,980,019	4,271,565
Profit attributable to:		
Owners of the parent	10,932,315	4,019,884
Non-controlling interest	(1,952,296)	251,681
	8,980,019	4,271,565

Consolidated Statement of Financial Position

	Jun-14 N'000	Dec-13 N'000
Property, plant & equipment	178,564,138	172,209,842
Intangible assets	82,509,913	82,232,746
Other non-current assets	128,735,542	111,556,925
Current assets	268,276,063	188,414,313
	658,085,656	591,896,939
Financed by:		
Share capital & reserves	204,583,672	162,368,076
Borrowings	238,677,261	255,285,053
Other non-current liabilities	29,142,152	28,138,686
Other current liabilities	185,682,571	131,875,111
	658,085,656	591,896,939

Consolidated Statement of Cash Flows

	Jun-14 N'000	Dec-13 N'000
Cash flows from operating activities	25,044,248	32,888,267
Cash flows from investing activities	(21,948,252)	(41,803,532)
Cash flows from financing activities	26,168,892	33,770,400
Exchange (loss)/gain on cash and cash equivalents	-----	(56,787)
Net change in cash and cash equivalents	29,264,888	24,798,348
Cash and cash equivalents at the beginning of the year	(10,331,129)	(35,129,477)
Cash and cash equivalents at end of the period	(18,933,759)	(10,331,129)

By order of the Board

Ayotola Jagun
Company Secretary