

# Oando PLC

## Steadfast Commitment

“ We remain resolute in our commitment to developing the higher margin mid-upstream operations, which have performed creditably as opposed to our downstream where we have had to reduce our imports by over 30% as a result of delays in the payment of our FGN guaranteed subsidy payments due, thus directly affecting our revenue and net profit. We, however, continue to explore efficiency plays to increase our margins and add value to the sector, with the near completion of our subsea marina jetty, which will contribute to our net profit as a result of tolling fees and substantial cost savings on imports.

In the Midstream, our Gas & Power business' Compressed Natural Gas facility nears completion and will act as a precursor for gas customers pending the construction of the GL4 pipeline expansion in Lagos increasing the pipelines capacity by 30mmscf/day. Final Approvals have been received for the GL4 extension, which will increase our revenues and earnings by 15%.

In the Upstream, OER is progressing with successful drilling campaigns, 2 wells were drilled on the Abo Field to maintain production levels, the Ebendo Field's EB-6 well adds 3,621bopd (1,548bopd net to OER) to the fields gross production capacity of circa 7,000bopd, whilst 2 wells were drilled on the Qua Iboe Field, QI-3ST1 with a tested gross production of 2,028bopd (1,600bopd net to OER) and QI-4 awaiting production testing. OES awaits the delivery of the Respect rig, which is expected in country in Q4, 2013, whilst the Integrity achieved 4 years without Lost Time to Injury (LTI), signifying our commitment to world class operating standards, with the proactive use of our EHSSQ and operational processes.

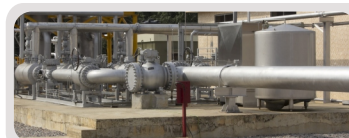
Our capital restructuring exercise is well underway, as we have concluded the N54.5 Billion Rights Issue exercise; secured shareholder approval for a Special Placing to raise N30.7 Billion and restructured of N32.0 Billion of debt facilities in OES. OER has also filed a preliminary base shelf prospectus on the TSX to raise up to N80.0 Billion, if necessary for the closure of the acquisition of ConocoPhillips Nigerian Assets, in Q4, 2013.

As we drive to closure of our key diversification initiatives that will transform the company into Sub-Saharan Africa leading private sector Indigenous Mid-Upstream player, we note that this can only be achieved through the execution of a bold and unprecedented strategy which will undoubtedly transform the energy landscape in which we exist, promote indigenous participation in our Nation and create significant value for our shareholders “

Wale Tinubu  
Group Chief Executive

By order of the Board

Ayotola Jagun  
Company Secretary



## Half year result 2013 (Unaudited)

### Consolidated Income Statement

	Jun-13 N'000	Jun-12 N'000
Revenue	280,327,586	350,609,291
<b>Gross profit</b>	<b>30,233,931</b>	<b>31,014,173</b>
Other operating income	1,467,656	2,897,674
Administrative expenses	(22,012,523)	(19,542,152)
<b>Operating profit</b>	<b>9,689,064</b>	<b>14,369,695</b>
Finance costs - net	(3,533,478)	(3,954,388)
<b>Profit before income tax</b>	<b>6,155,586</b>	<b>10,415,307</b>
Income tax expense	(1,884,021)	(3,809,115)
<b>Profit for the year</b>	<b>4,271,565</b>	<b>6,606,192</b>
<b>Profit attributable to:</b>		
Owners of the parent	4,019,884	6,533,330
Non-controlling interest	251,681	72,862
	<b>4,271,565</b>	<b>6,606,192</b>

### Consolidated Statement of Financial Position

	Jun-13 N'000	Dec-12 N'000
Property Plant & Equip.	143,680,918	130,324,713
Intangible assets	138,754,878	138,853,809
Other assets	287,774,726	245,885,266
	<b>570,210,522</b>	<b>515,063,788</b>
Financed by		
Share capital & reserves	161,652,939	105,354,528
Long term borrowings	88,678,455	75,221,070
Other liabilities	319,879,128	334,488,190
	<b>570,210,522</b>	<b>515,063,788</b>

### Consolidated Statement of Cash Flows

	Jun-13 N'000	Dec-12 N'000
Cash flows from operating activities	31,853,507	42,327,679
Cash flows from investing activities	(18,990,146)	(111,412,714)
Cash flows from financing activities	7,208,647	40,612,696
<b>Net change in cash and cash equivalents</b>	<b>20,072,004</b>	<b>(28,472,339)</b>
Cash and cash equivalents at the beginning of the year	(35,129,478)	(6,657,138)
<b>Cash and cash equivalents at end of the year</b>	<b>(15,057,470)</b>	<b>(35,129,477)</b>