Oando commenced operations in 1956 as a petroleum marketing company in Nigeria under the name ESSO West Africa Incorporated. It was then a subsidiary of Exxon Corporation of the USA. On 25 August 1969, the Company was incorporated under Nigerian Law as Esso Standard Nigeria Limited. In 1976, the Nigerian Government bought Exxon’s interest in the Company and it was re-branded Unipetrol Nigeria Limited (“Unipetrol”). The Company became a public limited company in 1991, when the Federal Government of Nigeria divested 60% of its shareholding to the general public. Its shares were listed on the Nigerian Stock Exchange in February 1992. Ocean & Oil Investments Limited (OOIL) acquired a 30% stake in Unipetrol from the Federal Government of Nigeria in 2000 and thus became the core investor. The investment in Unipetrol by OOIL was with the support of its Technical Partners, Compania Espanola De Petroleos (“CEPSA”), which is a

Results at a Glance

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>209,078,938</td>
<td>182,763,434</td>
</tr>
<tr>
<td>Profit on ordinary activities before taxation</td>
<td>3,794,091</td>
<td>2,621,139</td>
</tr>
<tr>
<td>Profit after tax, exceptional items and minority interest</td>
<td>2,725,481</td>
<td>1,515,344</td>
</tr>
<tr>
<td>Proposed Dividend</td>
<td>2,289,200</td>
<td>1,430,750</td>
</tr>
<tr>
<td>Retained profit attributable to shareholders transferred to general reserve</td>
<td>436,281</td>
<td>84,594</td>
</tr>
<tr>
<td>Earnings per 50k share</td>
<td>4.76</td>
<td>2.65</td>
</tr>
<tr>
<td>Dividend per 50k share</td>
<td>4.00</td>
<td>2.50</td>
</tr>
<tr>
<td>Net assets per 50k share</td>
<td>42.63</td>
<td>39.71</td>
</tr>
<tr>
<td>Dividend cover x</td>
<td>1.19</td>
<td>1.06</td>
</tr>
</tbody>
</table>
leading oil company in Europe. CEPSA is a fully integrated petroleum company involved in exploration & production, petrochemicals, natural gas, trading, refining, distribution & marketing.

In August 2002, Unipetrol acquired a 60% stake in Agip Nigeria Plc ("Agip") by winning an international bid conducted by Agip Petroli International B.V. The US$86m acquisition was the largest ever of a quoted Nigerian company. Unipetrol’s management team subsequently led the merger and integration of Agip with Unipetrol and the combined entity was re-branded Oando Plc in December 2003. In 2004, Oando consolidated its affiliate and subsidiary companies into an integrated energy group. Oando’s exemplary performance in adherence to post listing requirements and other indices of corporate governance was commended by the Nigerian Stock Exchange with the highly coveted Award of the “Quoted Company of the Year” for the 2003 and 2004 financial years. The Company was also adjudged the best in the Downstream Petroleum Sector in 2001, 2003 and 2004.

Oando was registered as an external company in South Africa on Tuesday, 1 November 2005, and on 25 November 2005 listed its shares on the JSE Limited as a secondary listing.

On November 2, 2006 in the Company also received the endorsement of International Organization for Standardization (ISO) for its world class products and service delivery with the award of the prestigious NIS ISO 9001:2000 certification.

Nature of Business of the Group & Future Prospects

Group structure
Oando has consolidated its subsidiary companies into an integrated energy group as outlined in the diagram below:

Oando Plc ("Oando") is a true Nigerian Corporation, created by the merger of Unipetrol and Agip Nigeria’s downstream assets, but which has since evolved from a purely downstream marketing company to become an integrated energy conglomerate with operations across West Africa and business interests globally.

The Group’s activities now span petroleum products marketing, supply and trading of crude oil and refined petroleum products, refining, natural gas distribution, independent power solutions, exploration and production of crude oil and providing support services to upstream exploration companies. Turnover for the Group rose from N183 Billion (approx. $1.35 Billion) in 2005 to N209 Billion (approx. $1.63 billion) in the year 2006.

The company has a primary listing on the Nigerian Stock Exchange (NSE) with a market capitalisation of over $350 Million as at February 2007. In November 2005, the company also concluded its secondary listing on the Johannesburg Stock Exchange (JSE) in South Africa - Africa’s first inward dual listing on the exchange.

Nature of Businesses

a. Petroleum Products Marketing:
Oando’s flagship Marketing division is the leading oil-marketing retailer with over 500 retail outlets in Nigeria and operations in Ghana, Togo, Liberia and Republic of Benin. The company markets a wide range of products including Premium Motor Spirit (PMS), Automotive Gas Oil (AGO, also known as Diesel), Dual Purpose Kerosene (DPK), Aviation Turbine Kerosene (ATK), Low Pour Fuel Oil (LPFO), Lubricating Oils and Greases, Insecticides, Bitumen, Chemicals and Liquefied Petroleum Gas (LPG, also known as Cooking gas).

Strategic assets owned include:
1. 485 Retail Outlets (petrol stations) throughout Nigeria
2. 6 Petroleum Depots with 204 million litres combined capacity
3. 9 LPG filling plants with a total capacity of 1,170 MT
4. 2 Bitumen Plants with a combined capacity of 12,000MT
b. Supply and Trading:
Oando Supply and Trading Limited and Oando Trading Limited (Bermuda) represent the products trading arm of the Oando group. Our business activity covers trading of refined and unrefined petroleum products to Refiners, Marketing and Trading Companies worldwide.

Supply and Trading is responsible for deliveries into Nigeria, whilst Trading is responsible for supply into other markets. Products traded include gasoline, gas oils, kerosene, aviation fuel, distillates, naphtha, fuel oils, bitumen, base oils, bitumen, liquefied petroleum gas.

The business also maintains a presence in the world’s products freight market in terms of vessels chartered on spot and time charter basis for delivery of oil and oil products to various customers worldwide. The business represents a diversification of earnings stream for the Group and an opportunity to participate in the high volume but low margin trading business.

c. Gas Distribution and Power:
Oando’s Gas & Power business is directed by Oando Gas & Power. The Natural Gas distribution is anchored by Gaslink, which owns a 20 year concession to distribute gas in the Greater Lagos Area. The company has a 63km gas pipeline network passing through the major industrial enclaves in the state and presently serves over 60 Industrial Consumers.
Oando’s Power initiative aims to boost electricity generation in Nigeria by building independent power plants along the Gaslink distribution network. In addition, the company is applying to acquire and upgrade some of the distribution companies slated for privatization by the Federal Government.

d. Refinery:
Oando is committed to increasing the country’s total refining capacity through the establishment of an Oando Refinery. To this end, the company is seeking to acquire a controlling stake in the largest refinery in the country, the Port Harcourt refinery, as well as establish a Greenfield refinery on its 250 hectare secured site in the Lekki FTZ, Lagos State.

e. Support Services to Upstream E&P Companies:
In order to benefit from the current promotion by the Federal Government of increased local content within the upstream sector, Oando Energy Services in partnership with Halliburton has commenced supply of drilling products, completion fluids, base oil, drill bits and other input materials for oil field operations.
f. **Exploration and Production of Crude Oil:**
Oando’s upstream activities are carried out through its subsidiaries, Oando Petroleum and Development Company and Oando Exploration and Production Ltd. The company holds a portfolio of oil and gas producing properties in Nigeria which include:
- 45% non-operating stake in OML-56 (Obodeti/Obodugwa)
- 60% stake and Operator of OPL-278
- 4% non-operating interest in OPL-282

**Future Prospects**
The directors of Oando are of the opinion that Oando is well positioned to capitalize on present and future prospects within its business environs to create increasing value to its shareholders. The company aims to achieve this by:
- extracting greater value from its downstream marketing operations;
- increasing its gas distribution network and ventured into new franchises;
- expanding its supply and trading capacity;
- aggressively growing the energy services business; and
- Consolidating its expansion programme to focus on only related energy businesses that are a natural fit to the existing operations and core competencies.

a. **Extracting Greater Value from Marketing Operations:**
As the nation envisages future deregulation in the downstream petroleum-marketing sector, recent restructuring of its marketing operations has placed Oando in good stead to extract further value by:
- maintaining a curb on overhead expenses whilst growing revenues from higher margin products;
- eliminating supply chain inefficiencies;
- increasing throughput at its service stations; and,
- increasing revenue from non-fuel businesses.

b. **Increasing Gas Distribution and Extending New Franchises:**
Industrial customers are becoming increasingly dependent on gas for their energy needs as a result of:
- Increases in price of alternative fuels;
- Cleaner nature of gas compared to its alternatives; and
- Increase in guaranteed gas supplies locally.

Gaslink Nigeria has already commenced a 36km expansion to the network which is expected to be completed in 2007. Oando also plans to acquire additional concessions from NGC to build gas pipelines into Calabar, Onne and Lagos Ibadan Expressway (Abeokuta), as well as develop further Gas distribution franchises in other West African countries.

c. **Expanding the Trading Capacity:**
Oando’s trading business is positioning itself as the supplier of choice for energy industry products to compete in both the regional and international markets. Future growth will be built on a three-pronged strategy i.e.
- Unlocking and creating captive sources of sustainable supply of competitively priced refined products
- Implementing adequate and effective risk management coupled with aggressive expansion of customer base in the local market
- Expanding the regional and international markets currently served

d. **Growing the Energy Services Business:**
Oando Energy Services aims to take advantage of the Nigerian Government’s local content policy mandating that a certain percentage of work outsourced by the upstream oil companies are contracted to indigenous companies.

The company recently completed the development of an operational support base to support the E&P Industry’s Cementing and Drilling Fluids Services in Onne, with further plans to expand the base, as well as acquire lift boats, land rigs, work over rigs and swamp rigs to establish a sizeable Nigerian Drilling Contractor Company.

e. **Expanding Into Related Energy Businesses:**
- **Exploration and Production**
  Discussions are ongoing with potential technical partners for the development of Oando’s oil field assets. The aim is that crude oil production from these fields will
provide guaranteed feedstock for Oando’s proposed refineries as well as Oando’s trading subsidiaries which trade crude in the international markets.

Oando is also presently evaluating other farm-in opportunities, including three continental shelf blocks (expected to be offered at the next bidding round scheduled for first quarter of 2007). Already, the Company is in good standing to be awarded additional oil blocks following recent announcements by the Federal Government to grant oil block concessions to refinery operators/owners.

- Refining
  Establishing a presence in the refining sector is in line with Oando’s strategic plan to gain control over the product supply chains for its petroleum marketing and trading businesses.

Oando is pursuing this strategy on two fronts:

1. Acquiring a controlling stake in the NPHRC - Oando is one of preferred bidders for a controlling stake in the NPHRC, which is being sold as part of the Nigerian Government’s privatisation program. Discussions are ongoing with potential technical partners to carry out turnaround maintenance and to potentially run the refinery if Oando’s bid is successful. Acquiring a stake in the NPHRC presents Oando with a relatively quick route to establish a presence in the refining sector.

2. Developing a Greenfield refinery at Lekki - this is a medium term project which is planned to increase Oando’s dominance in the downstream oil and gas sector in Nigeria as well as allow the Company supply refined products to international markets.

**FINANCING ABILITY**

Oando has demonstrated a remarkable aptitude through the years to execute on its laudable plans through a mixture of foreign and domestic debt and equity by exhibiting a robust funding raising ability made possible by its well articulated vision, consistent track record of high performance and excellent relationships with global financial institutions.

Oando’s financing capability is further highlighted by its on-going successes in the capital markets of the world. The company has its primary listing on the Nigerian Stock Exchange (NSE) from which it enjoys immense goodwill evidenced by its N16.1bn equity raising in 2004 - the largest amount raised by a non-financial institution on the NSE at the time. Oando’s listing on the JSE also provides the company with further access to international capital markets and opportunities for more strategic partnerships.

**GOODWILL**

Goodwill arising from the acquisition of Agip Nigeria Plc in 2002 amounted to N10,609,108.00. While it is noted that Section B21(2) of Schedule 2 of the Company and Allied Matters Act 1990 (CAMA) requires that goodwill arising from the combination of business should be amortized over a period of five years or less, the Directors have placed reliance on Section 335 (2) & (8) of CAMA. Accordingly, goodwill arising from the purchase of Agip has been amortized over 20 years as the Directors are of the opinion that goodwill arising from this transaction will yield economic benefits for at least 20 years. Doing otherwise will be misleading and will unduly distort the financials. If goodwill however, had been amortized over 5 years, the impact on the net assets of the company would be a reduction of N8.49b.

Commencing from the year ended December 2006, in line with accepted best practice (IFRS) and the exposure draft on Business combination released by the Nigerian Accounting Standards Board (NASB), the Directors have opted for ‘impairment testing’ of assets arising from the consolidation - as a way of valuing and recognizing goodwill balances. Accordingly, no charge was taken on goodwill for the year. If amortization of goodwill had been done as in previous years (over 20 years), the effect of goodwill on current year profit would have been a reduction of N530.45m

**DIVIDEND**

The directors are pleased to recommend the payment of dividend of N 4.00 or 400 kobo per ordinary share of fifty kobo. The recommended dividend is subject to the deduction of appropriate withholding taxes. The dividend will be posted on the 29th day of June, 2007 to those shareholders, whose names appear on the Nigerian Register of Members at the close of business on 27th of April, 2007. Shareholders on the
South African Register, who held shares at the close of business on the 26th of April, 2007 will be paid on 29th day of June, 2007.

Any dividend payable on or in respect of an Oando share which is unclaimed may be invested or otherwise made use of by Oando, at the discretion of the directors, until claimed. Any dividends which remain unclaimed for a period of 12 years from the date when such dividends became due for payment shall, if the directors so resolve, be forfeited to the Company. No unpaid dividend shall bear interest as against the Company.

Oando has maintained an informal dividend policy over the last five years as a result of extensive growth in its businesses. As the Company transits from its aggressive growth phase to a consolidation phase, the directors will move to adopt a more formal dividend policy which will balance steady dividend payments with adequate equity retention for future growth. In the interim, the Company has not entered into any arrangements for which future dividends have been or will be waived.

**DIRECTORS**

In accordance with section 259 (1) and (2) the Companies & Allied Matters Act, 1990 (CAMA) and articles 91 and 93 of the articles, the following Directors, who are the longest in office, are retiring by rotation and will present themselves for re-election at this meeting:

1. Prince Felix N. Atako JP;
2. Alhaji Hamid Mahmud;
3. Mr Oboden Ibru; and
4. Mr Osaze Osifo

– ever been convicted of an offence resulting from dishonesty, fraud or embezzlement;
– ever been declared bankrupt or sequestrated in any jurisdiction;
– at any time been a party to a scheme of arrangement or made any other form of compromise with their creditors;
– ever been found guilty in disciplinary proceedings by an employer or regulatory body, due to dishonest activities;
– ever been involved in any receiverships, compulsory liquidations or creditors voluntary liquidations;
– ever been barred from entry into a profession or occupation; or
– ever been convicted in any jurisdiction of any criminal offence or an offence under any Nigerian or South African legislation.

**Directors' shareholdings**

The holdings of ordinary shares by the directors of Oando at 31 December 2006, being the end of Oando’s immediately preceding financial year, are set out in the table below:

<table>
<thead>
<tr>
<th>Director</th>
<th>Direct Beneficial</th>
<th>Non-beneficial</th>
<th>Indirect Beneficial</th>
<th>Non-beneficial</th>
<th>Total</th>
<th>% of issued share capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>M Magoro§</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>J A Tinubu§</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>O Boyo§</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>A Akinrele</td>
<td>32,170</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>32,170</td>
<td>0.01</td>
</tr>
<tr>
<td>F N Atako</td>
<td>46,001</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>46,001</td>
<td>0.01</td>
</tr>
<tr>
<td>HRM Oba MA Gbadebo</td>
<td>1,025</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,025</td>
<td>0.00</td>
</tr>
<tr>
<td>V O. Ibru</td>
<td>126,141</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>126,141</td>
<td>0.02</td>
</tr>
<tr>
<td>H Mahmud</td>
<td>6,956</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6,956</td>
<td>0.00</td>
</tr>
<tr>
<td>O P Okoloko§</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>I Osakwe</td>
<td>61,931</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>61,931</td>
<td>0.01</td>
</tr>
<tr>
<td>O Osifo§</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

§ Maj. Gen Magoro (Rtd), OFR, Mr. J. A. Tinubu, Mr. O. Boyo, Mr. OP Okoloko and Mr. O. Osifo are directors representing Ocean and Oil Investments Limited.
Changes in the holdings of Oando ordinary shares by the directors which occurred in 2006 are set out in the table below:

Directors’ declarations
None of the directors have:

<table>
<thead>
<tr>
<th>Director</th>
<th>Nature of transaction</th>
<th>Date of transaction</th>
<th>Number of common shares</th>
<th>Nature of holding</th>
<th>Transaction price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Osaze Osifo</td>
<td>Sale</td>
<td>30/01/06</td>
<td>1,245</td>
<td>Direct beneficial</td>
<td>N91.70</td>
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<tr>
<td>”</td>
<td>”</td>
<td>31/01/06</td>
<td>48</td>
<td>”</td>
<td>N92.00</td>
</tr>
<tr>
<td>”</td>
<td>”</td>
<td>11/10/06</td>
<td>502</td>
<td>”</td>
<td>N71.00</td>
</tr>
</tbody>
</table>

Interests of Oando’s directors in terms of the equity incentive scheme
The executive directors stand to benefit from the employee equity incentive scheme. See paragraph titled Staff equity participation scheme below for details of the scheme.

Directors’ interests in transactions
None of the directors had a direct material interest in any transactions that were effected by Oando during:

– the current or immediately preceding financial year; or
– any preceding financial year and remain in any respect outstanding or unperformed.

However, some of the directors hold directorships in other companies or are partners in firms with which Oando had material transactions during the current financial year, as summarised below:

1. Avante Capital Partners Limited (“Avante Capital”)
Avante Capital is an investment advisory firm based in Lagos, Nigeria. Oando’s directors who are also directors of Avante Capital Partners are Mr. Wale Tinubu, Mr. Jite Okoloko, Mr. Omamofe Boyo and Mr. Osaze Osifo.

2. F. O. Akinrele & Co.
F. O. Akinrele & Co. are a law firm based in Lagos, Nigeria, whose services are employed by the company. Mr. Ademola Akinrele SAN is a partner at F. O. Akinrele & Co and a director of Oando.

3. Oceanic Bank International Plc (“Oceanic Bank”)
Oceanic Bank is one of Nigeria’s leading financial institutions, whose financial services are employed by the company. Mr. Oboden Ibru is a director of Ocean Bank Plc as well as of Oando.

4. Ocean and Oil Holdings (Nigeria) Limited (“OOH”)
OOH is a diversified principal investment holding company with an indirect controlling stake in Oando held through Ocean and Oil Investments Limited. Oando’s directors who are also directors of OOH are Mr. Wale Tinubu, Mr. Jite Okoloko, Mr. Omamofe Boyo and Mr. Osaze Osifo.
Corporate Governance
Oando is committed to the implementation of best business governance principles, and regularly updates and reviews its structures and processes in order to ensure best business practice at all times. The Group’s internal processes are as being improved upon continuously to ensure financial transparency and accountability. The Company recognises the valuable contribution that it makes to long-term business prosperity and accountability to its stakeholders. The Company is managed in a way that maximises long-term shareholder value and takes into account the interests of all of its stakeholders. Oando believes that full disclosure and transparency in its operations are in the interest of good governance. As indicated in the statement of responsibilities of directors and notes to the accounts, the business adopts standard accounting practices and ensures sound internal controls to facilitate the reliability of the financial statements.

Oando complies with the requirements for corporate governance of the Nigerian Stock Exchange and JSE Limited. Application of the principles and compliance with the provisions of the Code of Best Practices on Corporate Governance (the Atedo Peterside Code) and the Code of Corporate Practice and Conduct contained in the 2002 King Report.

Board of directors
The board is responsible for setting the Company’s strategic direction, for leading and controlling the company and for monitoring activities of executive management. The board presents a balanced and understandable assessment of the company’s progress and prospects.

The board consists of the Chairman, 8 non-executive directors (of which 3 are independent in terms of the Listings Requirements of the JSE) and 2 executive directors. The non-executive directors are independent of management and free from any constraints, which could materially interfere with the exercise of their independent judgement. They have experience and knowledge of the industry, markets, financial and/or other business information to make a valuable contribution to the company’s progress. The chief executive officer is a separate individual from the chairman and he implements the management strategies and policies adopted by the board. The board meets at least five times a year.
Board Committees
The board has established five formal committees as outlined below:

Strategic Planning & Finance Committee
Mr. I. Osakwe (Chairman)
Prince F. Atako JP
Mr. O. Ibru
Mr. O. Osifo
Mr. O. Okoloko (appointed December 13, 2006)

Strategic Planning & Finance Committee assists the board of directors in performing its guidance and oversight functions effectively and efficiently, by specifically defining the Company’s strategic objectives, determining its financial and operational priorities, making recommendations regarding the Company’s dividend policy, and evaluating the long-term productivity of the Company’s operations. The committee met on six occasions in 2006.

Corporate Governance Committee members:
Mr. A. Akinrele SAN (Chairman)
Alhaji H. Mahmud
Mr. O. Ibru
Mr. O. Okoloko
Mr. O. Osifo

The corporate governance committee assists the Board of Directors in performing its guidance and oversight functions effectively and efficiently, and is specifically charged with the development of, compliance with, and periodic review of the Company’s corporate governance policies and practices. The Committee further monitors and reviews policies concerning shareholder rights, conflict resolution, ethics, disclosure and transparency, evaluation, and the Company’s internal documents (organisation and process). The committee is chaired by a non-executive director and comprises of two non-executive directors, one of whom is an independent director. The Committee held three meetings in the financial year ended 31 December 2006.

Attendance at meetings during the year ended 31st December 2006

<table>
<thead>
<tr>
<th>Director</th>
<th>10 Apr '06</th>
<th>09 May '06</th>
<th>29 May '06</th>
<th>08 Aug '06</th>
<th>06 Nov '06</th>
<th>13 Dec '06</th>
</tr>
</thead>
<tbody>
<tr>
<td>M. Magoro</td>
<td>x</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>J. A. Tinubu</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>O. Boyo</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>x</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>A. Akinrele</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>F. Atako</td>
<td>√</td>
<td>√</td>
<td>x</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>A. A. Gbadebo</td>
<td>√</td>
<td>√</td>
<td>x</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>H. Mahmud</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>v</td>
<td>x</td>
</tr>
<tr>
<td>O. Ibru</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>v</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>O. Okoloko</td>
<td>√</td>
<td>√</td>
<td>x</td>
<td>√</td>
<td>√</td>
<td>x</td>
</tr>
<tr>
<td>O. Osifo</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>x</td>
<td>√</td>
<td>x</td>
</tr>
</tbody>
</table>

Attendance at meetings during the year ended 31st December 2006

<table>
<thead>
<tr>
<th>Director</th>
<th>10 Apr '06</th>
<th>09 May '06</th>
<th>29 May '06</th>
<th>08 Aug '06</th>
<th>06 Nov '06</th>
<th>13 Dec '06</th>
</tr>
</thead>
<tbody>
<tr>
<td>M. Magoro</td>
<td>x</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>J. A. Tinubu</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>O. Boyo</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>x</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>A. Akinrele</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>F. Atako</td>
<td>√</td>
<td>√</td>
<td>x</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>A. A. Gbadebo</td>
<td>√</td>
<td>√</td>
<td>x</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>H. Mahmud</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>O. Ibru</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>v</td>
<td>v</td>
</tr>
<tr>
<td>O. Okoloko</td>
<td>√</td>
<td>√</td>
<td>x</td>
<td>√</td>
<td>√</td>
<td>x</td>
</tr>
<tr>
<td>O. Osifo</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>x</td>
<td>√</td>
<td>x</td>
</tr>
</tbody>
</table>
Remuneration committee members:
Mr. I. Osakwe (Chairman)
Mr. A. Akinrele SAN
Mr. O. Ibru

The remuneration committee is chaired by an independent director and comprises of the Chairman and two non-executive directors. It assists the Board of Directors in performing its guidance and oversight functions effectively and efficiently, the committee is specifically charged with ensuring the Company’s remuneration policies and practices support the successful recruitment, development, and retention of directors and executives and thus help the company realise its business objectives and sustainable economic development. The committee is chaired by an independent director and comprises of two independent directors and one non-executive director. The Committee held one meeting in year ended 31st December, 2006.

Attendance at meetings during the year ended 31st December 2006

<table>
<thead>
<tr>
<th>Director</th>
<th>2 Feb '06</th>
<th>23 Feb '06</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Osakwe</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>A. Akinrele</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>O. Ibru</td>
<td>√</td>
<td>√</td>
</tr>
</tbody>
</table>

Nominations committee members:
Alhaji H. Mahmud (Chairman)
Mr. A. Akinrele SAN
Prince F. Atako JP

The nominations committee assists the Board of Directors in performing its guidance and oversight functions effectively and efficiently, and is specifically charged with identifying qualified directors and senior executives. It is to ensure the company’s policies support the successful recruitment, development, and retention of directors and executives and thus help the company realise its business objectives and sustainable economic development. The committee is chaired by an independent director and comprises of two independent directors and one non-executive director. The Committee held one meeting in year ended 31st December, 2006.

Attendance at meetings during the year ended 31st December 2006

<table>
<thead>
<tr>
<th>Director</th>
<th>24 May '06</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Akinrele</td>
<td>√</td>
</tr>
<tr>
<td>F. Atako</td>
<td>√</td>
</tr>
<tr>
<td>H. Mahmud</td>
<td>x</td>
</tr>
</tbody>
</table>

Statutory Committee:
Audit Committee members:
Prince Felix Atako JP (Chairman)
Prince Atako JP obtained a Bachelor’s Degree in Public Accountancy and an MBA in Finance & Investments from The Baruch College of the City University of New York, New York, USA. Prince Atako is a seasoned financial analyst, who served in various capacities both in the private and public sectors. He is a member of the Nigerian Stock Exchange and sits on the board of many companies.

Alhaji Awa Okpan JP
Holds a B.SC (Hons) degree in Marketing from the University of Port Harcourt Nigeria and an MBA in Management from Imo State University. He is a Chartered member of the Nigerian Institute of Management (NIM), National Institute of Marketing of Nigeria, Operational Research Society, United Kingdom and the Institute of Sales and Marketing, United Kingdom. He is also the Chairman of Nigerian Institute of Management (Chartered) Abia State.

Otunba O. Olowu
An experienced Chartered Accountant, a fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and the Institute of Chartered Secretaries and Administrators, England. He is a member and chairman of audit committees of many companies. He is chairman of the SIFAX Group. Otunba Olowu serves on the board of several companies.

Mr. I. Osakwe
Mr Osakwe is a Chartered Accountant as well as a Financial and Management Consultant. He holds a
Bachelor’s and a Masters Degree in Chemistry from the University of Oxford, England and is an associate Member of the Institute of Chartered Accountants for England and Wales. Ike Osakwe has worked in various audit and consultancy firms and has carried out extensive management systems, operational and accounting review assignments within Nigeria and internationally. He currently serves as chairman of Thomas Wyatt Nigeria Plc and sits on the board of Leadway Pensure PFA. He has previously served on the boards of Fedex (Red Star Express) Limited, and also as the Chairman of UBA Trustees Limited.

Mr. O. Osifo

Holds a Bachelor of Science Degree in Mechanical Engineering from the University of Lagos, a Master of Science Degree in Management Science & Operational Research from the University of Warwick and a Master of Science Degree in Finance from the London Business School. Mr. Osifo is the Managing Director of Travant Capital Partners, a financial advisory firm. Prior to this he was the Managing Director of Ocean and Oil Holdings (Nigeria) Limited from 2001-2007. He worked at HSBC in London for eleven years in the Treasury and Capital Markets Division and subsequently in their Investment Banking Division. Mr Osifo currently serves on the boards of a number of companies including, Broll Nigeria Limited, Avante Capital Partners Limited, Avante Property Asset Management Limited, Denham Management Company Limited and other companies in the Oando group.

The audit committee of the Company is chaired by an independent director of the company and, in addition, comprises of another independent director and one non-executive director together with the three shareholder members as required by the Companies and Allied Matters Act, 1990. The Audit Committee members meet at least three times a year and the meetings are attended by appropriate company executives, including the group chief financial officer and the internal control & audit manager. The committee’s duties include keeping under review the scope and results of the external audit, as well as the independence and objectivity of the auditors. The committee also keeps under review internal financial controls, compliance with laws and regulations and the safeguarding of assets. It also reviews the adequacy of the plan of the internal audit and reviews its audit reports.

The committee held five meetings in financial year ended December 31, 2006.

The Companies and Allied Matters Act, 1990’s requires that every public company have an audit committee and stipulates that a number of shareholder members equal to the director members of this committee must be members of the audit committee.

Systems of Internal Control:

Oando has well-established internal control systems for identifying, managing and monitoring risks. These are designed to provide reasonable assurance that the risks facing the business are being controlled.

The internal control & audit department of the Company plays a key role in providing an objective view and continuing assessment of the effectiveness of the internal control systems in the business. The systems of internal controls are implemented and monitored by appropriately trained personnel and their duties and reporting lines are clearly defined.

Code of Business Ethics

Management has communicated the principles in the Company’s Code of Conduct to its employees in the discharge of their duties. This code sets the professionalism and integrity required for business operations, which covers compliance with the law, conflicts of interest, environmental issues, reliability of financial reporting, bribery and strict adherence to the principles so as to eliminate the potential for illegal practices.

Acquisition of Its Own Shares

The Company did not acquire its shares in 2006.

Substantial Shareholding

Ocean and Oil Investments Limited is the highest single shareholder in the company, holding 139,927,249 units, representing 24.45 % of shares. No other shareholder holds 5% of the issued share capital of the company.
Attendance at meetings during the year ended 31 December 2006

<table>
<thead>
<tr>
<th>Member</th>
<th>07 April '06</th>
<th>04 May '06</th>
<th>23rd May '06</th>
<th>28 July '06</th>
<th>30 Oct '06</th>
</tr>
</thead>
<tbody>
<tr>
<td>F. Atako</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>Bagudu</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>x</td>
</tr>
<tr>
<td>A. Okpan</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>O. Olowu</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>x</td>
</tr>
<tr>
<td>I. Osakwe</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>O. Osifo</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
</tbody>
</table>

Property, Plant and Equipment
Changes in the value of property, plant and equipment were due to additions, and disposals as shown in note 4 of the notes to the financial statements herein. In the opinion of the directors, the market value of the Company’s property is not lower than the value shown in the financial statements.

Employment and Employees
Staff Strength
In order to support the Group’s rapid expansion and to deliver against aspirations for enhanced liquidity, profitability and growth, in the year under review the Company’s average staff strength was five hundred and twenty-nine (Management: 97, Senior: 353 and Junior: 79). This signifies a 5.4% reduction in the workforce, due to the operational restructuring for greater efficiency undertaken by the Group in support of Oando Marketing branch structure. The Group continues to show strong commitment towards the support of various Industrial Training efforts as well as the mandatory National Youth Service Scheme. Industrial Trainees and NYSC attachés numbered eighteen (18) and twenty-seven (27) respectively, signifying a 100% increase from the previous period last year.

Equal Opportunity Employer
Oando Plc pursues an equal employment opportunity policy. The Company does not condone discrimination on the basis of race/ethnic background, colour, gender, national origin, sexual orientations, religion, age, familial status or disability. Oando Plc has pledged to take affirmative action to ensure that applicants are employed and employees are treated during employment without regard to their race, colour, gender, national origin, sexual orientations, religion, age, familial status or disability. Existing and potential employees are given fair consideration based on respective aptitudes, abilities and potential. This commitment ensures that the Company conducts all its employment practices in a non-discriminatory manner.

In the event that any existing staff of the Company becomes disabled, effort is made to ensure their employment with the Company continues and that they are given the appropriate training and support.

Industrial/Employee Relations
Oando Plc is committed to workplace relations based on consultation and cooperation. The Company places considerable value on the involvement of employees and promotes workplace relations based on consultation and cooperation between Management, employees and the house Unions, where existent. The Company keeps employees informed about matters affecting the business, and themselves as individual staff. This is achieved through Management’s open door policy and periodic communication to various employee groups via various channels that include Oando News, the Company’s internal news magazine, e-mail Messages, Internal Memos, Management and Departmental Briefings, Town Hall Meetings and Country-wide tours.

The relationship between Management and the in-House Unions, where these exist, remains very cordial and continues to improve, with a strong focus on services. The Company continues to ensure that it attracts, motivate and retain high performing staff with the required competencies (knowledge, skills and personal attributes) for achieving sustainable business successes well into the future. Oando Plc will continue to invest in the development of its people.
partnering for lasting business success. Regular
dialogue takes place at informal and formal levels.
The targeted level of industrial harmony was achieved
in the year under review and the Company recorded
no strike action.

Reward Management – Employee Incentive
Schemes
To retain our premier position and meet our objective
of being the leading integrated energy solutions
provider, the implemented group-wide employee
reward and retention Schemes made up of Cash
Bonus and Equity Incentives remain unchanged. The
Schemes focus on short-, medium and long-term
business performance, are structured to be wholly at-
risk and earnable only subject to the full attainment of
targeted annual business objectives for Liquidity,
Profitability and Growth.

The Oando Group Employee Equity Incentives
Scheme approved at the 2005 AGM supports the
Company’s Compensation Strategy and Pay
Philosophy that focuses on ensuring a close
alignment between Shareholder interests and that of
employees, and also on rewarding differently for
different levels of performance demonstrated by each
staff. The three elements within Oando’s Incentives
Portfolio are:

- Annual Cash Bonuses
- Management Stock Awards
- Employee Stock Options

Staff equity participation scheme
The year ended 31st December 2006 was year 2 of
cycle 1 of the Oando Employee Equity Incentives
Scheme, approved by Shareholders in June, 2005.
Management will in July 2007 appoint the Trustee for
the Scheme, who will hold the pool of shares made
up of 5% of Company’s equity on trust for the benefit
of the employees until distributed in accordance with
the Rules of the Scheme as approved by the Board.

CORPORATE AREA

1. NIS ISO 9001:2000 Certification Award
Oando Plc, on Thursday, November 2, 2006 in
Lagos received the endorsement of International
Organization for Standardization (ISO) for its
world class products and service delivery with
the award of the prestigious NIS ISO 9001:2000
certification. With this certification, Oando
becomes the only Petroleum Marketing
Company in Nigeria to have its processes,
products and services comprehensively audited
and endorsed by ISO as meeting international
standards.

This development is another initiative of Oando
in ensuring the delivery of predictable and
reliable quality service to the delight of its
customers by deploying industry best practices
and processes throughout its operations. It
further underscores the significance we place on
service excellence as a corporate core value.

NIS ISO 9001:2000 is a quality management
system standard that demonstrates through
compliance, that a company is quality conscious
and is able to meet the quality needs of its
customers. The underlining features are
management responsibility, resource
management, product realization, monitoring,
analysis and continuous improvement.

The award of the NIS ISO 9001:2000
certification to Oando came after a rigorous and
extensive audit of the company’s facilities;
depots, terminals, tank farms and offices by
auditors from the Standards Organization of
Nigeria (SON). The audit which commenced
with the inspection of Oando facilities in Port
Harcourt through the Kaduna lube plant, LPG
plant, all the terminals and Aviation depots
ended with the Head Office.

Apart from providing a robust platform for
excellent customer service, the value of ISO
certification reinforces:
- Increased Efficiency
- Reduction in Waste and down- time
- Sound Management practice and processes

2. Enterprise Resource Planning System (ERP)
Oando Plc in its usual quest to continue to be a
trail- blazer in customer satisfaction and building
shareholder value identified the need to improve
its business efficiency through the automation of
several critical business processes like inventory
management and costing, order management
and distribution. The company also needed a robust platform that would allow all business units within the group leverage on each other, analyse data seamlessly and provide business system and data management around the clock to support key business units from Upstream to the Marketing arm. It therefore signed a contract with Oracle e-business suite to implement the Enterprise Resource Planning (ERP) system for the company.

Enterprise Resource Planning systems (ERPs) are management Information Systems (MISs) that integrate and automate many of the business practices associated with the operations or production and distribution aspects of a company engaged in manufacturing products or services.

Our ERP system will integrate all the functions of the organization into a single system to serve the needs of all its departments, business units and subsidiary companies. Once implemented, the ERP system will bring tremendous advantages to Oando, its business partners and customers. As all systems are joined together, every department and company within Oando can easily share information. The workflow that takes place between departments can become much more automated, and ultimately, customers are better served because the individual using the customer-facing applications will have access to every bit of information regarding each relevant process.

3. Environment, Health, Safety & Quality (EHSQ)
   The installation of a quality management system according to ISO standard was prosecuted to conclusion during the year. The year opened with conclusion of a nationwide training of internal auditors in the Kaduna and Port Centres. The trained Internal auditors (49 of them) were deployed for the first (February 2006) and second (April/May 2006) internal audits.

   With a satisfactory report on the internal audits, Oando’s ISO consultants were invited to carry out an independent audit of the fledging quality system. Again, the report of the exercise conducted on Oando’s Apapa Terminal, Ikeja Aviation Terminal, then Port Harcourt Division, Port Harcourt Terminal, Onne Terminal, Abuja Aviation Terminal, the Kaduna Lube Blending Plant and the Head Office showed conclusively that the quality system was ready for an external assessment.

   Thus for 2 weeks of June 2006, a team of auditors from Standards Organization of Nigeria conducted a mandatory pre-assessment audit on Oando’s Quality system at the Terminals and the Head Office showed conclusively that the quality system was ready for an external assessment.

   The final assessment audit by SON was conducted eventually in the first week of the third quarter month of September. With a follow up audit after the closure of non-conformities recorded during the final audit, Oando’s company quality management system was declared fit to be certified to ISO 9001:2000 Standards. Thus with fanfare, Oando received the ISO certificate on November 2, 2006.

<table>
<thead>
<tr>
<th>S/No</th>
<th>Facilities Certified</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Apapa Terminal I &amp; II</td>
<td>Nov. 2006</td>
</tr>
<tr>
<td>2</td>
<td>Ikeja Aviation Terminal</td>
<td>Nov. 2006</td>
</tr>
<tr>
<td>3</td>
<td>Abuja Aviation Terminal</td>
<td>Nov. 2006</td>
</tr>
<tr>
<td>4</td>
<td>Port Harcourt Retail Branch</td>
<td>Nov. 2006</td>
</tr>
<tr>
<td>5</td>
<td>Onne Terminal</td>
<td>Nov. 2006</td>
</tr>
<tr>
<td>6</td>
<td>Kaduna Lube Plant</td>
<td>Nov. 2006</td>
</tr>
<tr>
<td>7</td>
<td>Head Office</td>
<td>Nov. 2006</td>
</tr>
<tr>
<td>8</td>
<td>Port Harcourt Commercial Branch</td>
<td>Nov. 2006</td>
</tr>
<tr>
<td>9</td>
<td>Gaslink</td>
<td>Est. Nov. 2007</td>
</tr>
<tr>
<td></td>
<td>Above Ground Terminal (Gaslink - AGI)</td>
<td></td>
</tr>
</tbody>
</table>

Under a parallel certification programme, Oando’s lubricating oils were adjudged to have met or exceeded the requirements of the Mandatory Compliance Assessment Programme (MANCAP) of the SON and were accordingly awarded the SON product certification. With this product certification, the products involved can now carry the NIS mark of standard on their packages.
With our certification in 2006, Oando became the singular company among its peer to carry out a single largest certification programme under the auspices of ISO covering depots, terminals, plants, offices involving processes, services and products.

OUR SAFETY RECORD
Oando continues to witness significant reduction in the number of lost work hours attributed to accidents and injuries. Specifically there has been a 37 percent reduction in lost man-hours attributed to accidents/incidence between 2003 and 2006.

In its usual manner, Oando continues to play a leading role in EHSQ issues in the industry. The company was actively involved in the organization of the “2006 Biennial International Health, Safety and Environment Conference on Oil and Gas” held in Calabar, Nigeria, and in several other activities of similar agencies in creating and driving the EHSQ awareness in the country. Oando’s pursuit of EHS excellence will remain a top priority for the group. In keeping with its EHS commitment, it has now become mandatory for all Oando employees to attain, at a minimum, a Level 1 EHS Certification.

By Order of the Board

Oredeji K. Delano (Mrs.)
Group Company Secretary & Compliance Office
Oando trading long-time charter vessel
5. **Corporate Social Responsibility**

As a socially responsible corporate citizen, Oando is continually striving to improve the welfare and support the interest of the communities in which it operates. To this end the following donations were made in year 2006:

<table>
<thead>
<tr>
<th>Name of Organisations</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adonai Orphange Home, Kaduna</td>
<td>100,000</td>
</tr>
<tr>
<td>Daughters of Abraham Orphange, Abuja</td>
<td>100,000</td>
</tr>
<tr>
<td>Donation to Lagos Boat Club</td>
<td>500,000</td>
</tr>
<tr>
<td>Donation to Bundu Ama</td>
<td>150,000</td>
</tr>
<tr>
<td>Donation to Eleme Council of Chiefs</td>
<td>100,000</td>
</tr>
<tr>
<td>Donation to Eleme Local Government Area</td>
<td>100,000</td>
</tr>
<tr>
<td>Donation to Lagos Preparatory School</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Donation to Ogu Youth Council</td>
<td>100,000</td>
</tr>
<tr>
<td>Donation to Onne Palace</td>
<td>100,000</td>
</tr>
<tr>
<td>Donation to Onne Youth Council</td>
<td>100,000</td>
</tr>
<tr>
<td>Donation to Onne Youth Security Council</td>
<td>100,000</td>
</tr>
<tr>
<td>Edo Orphange Home, Benin</td>
<td>69,500</td>
</tr>
<tr>
<td>Green Pasture Orphange, Kano</td>
<td>99,500</td>
</tr>
<tr>
<td>Jamaiya Matan Arewa Orphange, Kaduna</td>
<td>100,000</td>
</tr>
<tr>
<td>Karu Orphange Home, Abuja</td>
<td>100,000</td>
</tr>
<tr>
<td>Little Saints Orphange, Lagos</td>
<td>90,00H</td>
</tr>
<tr>
<td>Motherless Babies Home Borokiri, Port Harcourt</td>
<td>98,000</td>
</tr>
<tr>
<td>Nassarawa Orphange Home, Kano</td>
<td>99,500</td>
</tr>
<tr>
<td>Old Peoples Home, Port Harcourt</td>
<td>98,000</td>
</tr>
<tr>
<td>Orasanye Orphange Home, Benin</td>
<td>69,500</td>
</tr>
<tr>
<td>Pacelli School for the Blind, Lagos</td>
<td>90,000</td>
</tr>
<tr>
<td>Purchase of Legal books for donation to Nigerian Universities</td>
<td>500,000</td>
</tr>
<tr>
<td>Scholarships Awards to Bundu Ama Community</td>
<td>100,000</td>
</tr>
<tr>
<td>Sponsorship of the Nigeria Cup at Ikoyi Club</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Sponsorship of Child Golfer (Mohammed Muazu)</td>
<td>816,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,280,500</strong></td>
</tr>
</tbody>
</table>
NOTICE IS HEREBY GIVEN that the thirtieth Annual General Meeting of Oando Plc (the “Company”) will be held at The Cultural Centre, Mary Slessor Avenue, Calabar, Cross River State, Nigeria on Thursday, 28 June 2007 at 10:00 for the purposes of:

1. **Transacting the following ordinary business:**
   1.1 To present the annual financial statements of the Company and of the Group for the year ended 31 December 2006 and Reports of Directors and Auditors thereon;
   1.2 To receive the Report of the Audit Committee;
   1.3 To declare the dividend recommended by the directors of the Company;
   1.4 To elect members of the Audit Committee;
   1.5 To authorise the directors of the Company to fix the remuneration of the Auditors;
   1.6 To re-elect or replace the following directors who in accordance with Articles 91 and 93 of the articles, retire by rotation, but are eligible and offer themselves for re-election:

   - Prince Felix N Atako JP;
   - Alhaji Hamid Mahmud;
   - Mr Oboden Ibru; and
   - Mr Osaze Osifo.

(Please refer to pages 20 to 23 of the annual report of which this notice forms part of for a brief curriculum vitae of each director.)

2. **Transacting the following special business:**

   To consider, and if approved, to pass with or without modification the following ordinary resolution to fix the remuneration of the directors:
“Resolved that the fees payable to the non-executive directors of the Company remain N600,000.00 ($4,680) per annum for the Chairman and N550,000.00 ($4,290) each per annum for all other non-executive directors with effect from 1 January 2007, payable quarterly in arrears”.

Voting and proxies

On a show of hands, every member present in person or by proxy shall have one vote, and on a poll, every member shall have one vote for each share of which he is the holder. A member of the Company entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend, speak and vote instead of that member. A proxy need not be a member of the Company.

Registered holders of certificated Oando Plc shares and holders of dematerialised Oando Plc shares in their own name who are unable to attend the Meeting and who wish to be represented at the Meeting, must complete and return the attached form of proxy in accordance with the instructions contained in the form of proxy so as to be received by the share registrars, First Registrars Nigeria Limited at Plot 2, Abebe Village Road, Iganmu, Lagos, or Computershare Investor Services 2004 (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001, South Africa, PO Box 61051, Marshalltown, 2107, not less than 48 hours before the date of the Meeting.

Holders of Oando Plc shares in South Africa (whether certificated or dematerialised) through a nominee should timeously make the necessary arrangements with that nominee or, if applicable, Central Securities Depository Participant (“CSDP”) or broker to enable them to attend and vote at the Meeting or to enable their votes in respect of their Oando Plc shares to be cast at the Meeting by that nominee or a proxy.

Dividend warrants

If the dividend recommended is approved and declared, the warrants will be posted on 29 June 2007 to those shareholders, whose names appear in the Company’s Nigerian Register of Members at the close of business on 27 April 2007. Shareholders on the South African Register who held shares at the close of business on 26 April 2007 will be paid on 29 June 2007.

Shareholders on the Nigerian Register who would like their accounts credited with their dividend should forward their details as stated below to First Registrars Nigeria Limited at Plot 2, Abebe Village Road, Iganmu, Lagos.

Full Names (Surname First):
Bank Name/Branch:
Account Number:
Signature:

Closure of register of members

The Register of Members and Transfer Books of the Company will be closed between 30 April to 4 May 2007 (both days inclusive) in terms of the provisions of Section 89 of the Companies and Allied Matters Act, 1990 (the “Companies Act”).

Nomination for the audit committee

In accordance with Section 359(5) of the Companies Act, any member may nominate a shareholder as a member of the audit committee, by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Meeting.

By order of the board

Oredeji K Delano (Mrs)

Group Company Secretary & Compliance Officer

Registered office
5, 7—10th floor
2, Ajose Adegun Street
Victoria Island, Lagos
In compliance with section 359 (6) of the Companies and Allied Matters Act 1990, we the members of Oando Plc Audit Committee have, on the documents and information made available to us:

a. Reviewed the scope and planning of the audit requirements
b. Reviewed the external Auditors’ Management Controls Report for the year ended December 31, 2006 as well as the Management response thereto.

And can ascertain that accounting and reporting policies of the company for the year ended December 31, 2006 are in accordance with legal requirements and agreed ethical practices.

Prince Felix N. Atako JP
Chairman, Audit Committee
Gaslink’s Distribution Network in Lagos State, Nigeria.