

Oando Plc

(Incorporated in Nigeria and registered as an external company in South Africa)

Registration number: RC 6474

(External company registration number: 2005/038824/10)

Share Code on the JSE Limited: OAO

Share Code on the Nigerian Stock Exchange: UNTP

ISIN: NG00000UNTP0

("Oando" or "the Company")

ACQUISITION OF INTEREST IN OFFSHORE NIGERIA OML 125 AND OML 134

1. Introduction

Shareholders are referred to the announcement released on SENS on 25 February 2008 as well as the subsequent cautionary announcements released on SENS on 2 April 2008, 14 May 2008 and 25 June 2008 respectively. Shareholders are advised that Oando has paid for a 15.0% interest in the Production Sharing Contracts ("PSCs") in respect of offshore Nigeria Oil Mining Licence ("OML") 125 and OML 134 (the "Transaction"). The Transaction has been agreed with Nigerian AGIP Exploration Limited ("AGIP") subsequent to AGIP's exercise of its preemption rights over Shell Nigeria Exploration and Production Company Limited's ("Shell") entire 49.81% interest in the PSCs and JOA in respect of OML 125 and OML 134. Standard Chartered has acted as Oando's sole financial adviser for this transaction.

2. Terms of the Transaction

Oando has agreed, to acquire and has paid to AGIP, an aggregate cash consideration of US\$188,445,292 (the "consideration"). The consideration payable in terms of the Transaction was settled as follows:

- US\$18,844,529 on July 25, 2008, the date of signature of the sale and purchase agreement (the "agreement") for the Transaction; and
- US\$169,600,763 on January 12, 2008 for the completion of the Transaction.

The initial consideration was adjusted to account for changes between the effective date of the Transaction being 30 June 2007 and the completion date being the date when all the conditions precedent set out in paragraph 3 below had been fulfilled or waived. These adjustments reflect interest on the initial consideration as well as positive and negative adjustments to account for expenses incurred and income received from the acquired business by the seller since the effective date. The initial consideration and any adjustments was funded from internal cash resources. Standard Chartered, Standard Bank Group Limited and BNP Paribas are providing re-financing to Oando for the Transaction.

3. Conditions precedent

The Transaction was subject to warranties and indemnities normal for a transaction of this size and nature and conditions precedent which have been met.

4. Rationale for the Transaction

Oando is Nigeria's largest energy group with strategic investments in a range of energy companies across West Africa. With its investments and diversified business model the Company is fast achieving its goal of being "the leading integrated energy solutions provider". The Transaction represents a rare opportunity to acquire a balanced upstream asset portfolio in our home market in line with our stated principle to acquire proven and actively producing properties that demonstrate the potential for increased

financial return. Oando, through the Transaction, will benefit from partnering with AGIP, a world class operator with significant experience in Nigeria.

The assets being acquired include production from the Abo field combined with near term production growth and high potential exploration acreage to complement Oando's existing upstream position. The Transaction brings approximately 3,000 barrels per day of crude oil production, 24.8 million barrels of 2P and risked contingent reserves and turns Oando into Nigeria's leading indigenous exploration and Production Company.

5. Circular

The Transaction is a Category 2 transaction in terms of the JSE Limited's Listings Requirements. After taking into account the estimated adjustments referred to in paragraph 2 above, between the effective and the closing date, the transaction would still be considered a Category 2 transaction. Accordingly, Oando is not required to issue a circular to shareholders.

6. Financial effects

As the Transaction relates to the acquisition of a 15% interest in certain assets and historical financial accounts for the acquired business are not available, historical financial effects cannot be quantified.

7. Shareholders are advised that even though Oando has paid the required consideration to AGIP, the Transaction is yet to be concluded as Oando is still awaiting a confirmation of the receipt of the said payment from AGIP. Unfortunately, the news of the payment and the Transaction status was leaked to the Nigerian Press, even though Oando is still awaiting AGIP's confirmation and final signoff on the Transaction.

Johannesburg
14 January 2009

Sponsor
Deutsche Securities (SA) (Proprietary) Limited

Financial adviser
Standard Chartered