

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: NGOANDO00002

("Oando" or "the Company" or "the Group")

Re: Oando Plc - Final Accounts For the Year Ended 31 December, 2010

The Directors are pleased to announce the audited financial statements of Oando PLC for the year ended 31 December, 2010. The Group retained the existing structure of six divisions in line with the nature of its businesses. The divisions consist of the following: Oando Marketing, Oando Supply and Trading, Oando Energy Services, Oando Gas and Power, Oando Exploration and Production and Oando Refinery and Terminals.

In spite of the enormous challenges posed by the operating environment during the year under review, the Group achieved higher profitability when compared to the previous year. The results further reaffirm the competitive edge provided by the diversity in our business model as an integrated energy solutions provider.

Find below the highlight of our results for the year ended 31 December, 2010:

Profit and Loss Information

	2010	2009	% Variance Inc/(Dec)
	N'000	N'000	%
Turnover	378,930,011	336,859,678	12
Gross profit	55,995,893	35,577,172	57
Administrative expenses	24,647,036	18,087,443	36
Interest received	1,465,395	3,570,953	(59)
Other operating income	4,099,296	11,713,165	(65)
Interest payable	5,810,785	11,825,890	(51)
Profit before taxation	23,882,467	13,512,155	77

Taxation	9,507,501	3,415,176	178
Profit after taxation	14,374,966	10,096,979	42
Attributable to equity holders	14,270,518	10,243,168	39
Minority Interests	104,448	(146,189)	171
Basic earnings per 50K share (Kobo)*	931	1132	(18)
Adjusted earnings per 50K share (Kobo)*	931	558	67
	No. of shares	No. of shares	
No of 50k shares issued and fully paid	1,810,169,256	905,084,628	100

Balance Sheet Information

	2010	2009	% Variance Inc/(Dec)
	N' 000	N' 000	%
Fixed assets	152,674,743	131,713,072	16
Long-term receivable	25,469,009	18,783,390	36
Inventories	22,450,466	9,693,311	132
Trade debtors and other debtors	79,763,185	96,743,166	(18)
Cash & bank balances	11,696,698	25,760,410	(55)
Trade creditors and accruals	60,361,323	81,511,059	(26)
Short-term borrowings	70,838,420	140,473,551	(50)
Working capital	(22,768,859)	(87,152,875)	(74)
Long-term borrowings	76,348,834	21,247,128	259
Share capital and reserves	95,004,784	53,319,124	78

Performance synopsis

Oando PLC's performance during the year ended 31 December, 2010 is mainly attributable to the following:

Turnover (↑ 12%)

- Commissioning of the 12.15MW Akute Power Plant in March 2010. C
- Additional customer connects for our gas and power business. A
- Twelve months of operation from our first rig (Integrity) in 2010 compared to five months of operations of the rig in 2009. Our second rig (Teamwork) also contributed to turnover after deployment in April 2010. T
- Full year production of the Upstream assets (OMLs 56 and 125), and crude oil price gains. F
- 10% volume increase in the downstream division. A

Gross profit (↑ 57%)

- Significant reduction in payment cycles for products imported on behalf of Government post the implementation of the Sovereign Debt Note. S
- Contribution from the higher margin businesses (Midstream and Upstream). C

Administrative expenses (↑ 36%)

- Additional operating expenses attributable to the Akute Power Plant. A
- Operational expenses arising from twelve months operation of two rigs when compared to five months operation of one rig in 2009. O

Interest received (↓ 59%)

- Lower interest rates and lower deposit placements during the year.. L

Other operating income (↓ 65%)

- Transaction such as the major business acquisition that occurred in 2009 did not happen in 2010. T

Interest payable (↓ 51%)

- reduced debt position due to the success of the Rights Issue exercise, which raised N21 billion in Q1, 2010. R
- Lower interest rates experienced throughout 2010. L
- The restructuring of N60 Billion in short-term loans into a Medium Term Notes facility. T

Fixed Assets and Long Term Receivables (↑ 16% & ↑ 36% respectively)

- Additional capital expenditure on OML 90, OML 56, East Horizon Gas Company's 128Km natural gas pipeline and the refurbishment of the third rig in preparation for operational deployment in 2011. A
- Evaluation surplus arising from the triennial revaluation of property, plant and equipment. R

Inventories (↑ 132%)

- Receipt of higher inventory of petroleum products by the supply and trading subsidiary towards the end of the Q4, 2010. Comparative period in 2009 witnessed suspension of imports due to accumulated PSF debts and uncertainties about deregulation. R

Trade debtors and other debtors (↓ 18%)

- Receipt of outstanding Petroleum Support Fund debts and subsidies from the Federal Government of Nigeria. R

Cash and bank (↓ 55%)

- Reduction in borrowings and utilization of own cash and bank balances to fund investments. R

Trade creditors and accruals (↓ 26%)

- Improvement in payment to creditors, which was facilitated by receipts from debtors and cash generated from operations. I

Short-term borrowings (↓ 50%)

- successful restructuring of short-term debts to long-term borrowings.

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Capital and Reserves (↑ 78%)

- additional capital through rights issue and share premium.
- impact of current year's profit and dividend paid to shareholders during the year.

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Shareholding

The rights issue of one for three and subsequent bonus of one for two led to 100% increase in issued shares.

We remain one of the few companies listed with shareholders base in excess of 260,000. We are committed to delivering superior values shareholders' expectation through yearly sterling performance and good corporate actions. As of 31 December 2010, the range of shareholdings of the company is as shown below:

Range	No. of Holders	Holder's %	Units	Units%
1 - 1000	186,489	71.61	66,766,954	3.69
1,001 - 5,000	57,296	22.00	119,401,419	6.60
5,001 - 10,000	8,320	3.19	58,576,918	3.23
10,001 - 50,000	6,773	2.60	138,569,700	7.65
50,001 - 100,000	752	0.29	53,697,940	2.97
100,001 - 500,000	589	0.23	115,070,925	6.36
500,001 - 1,000,000	94	0.04	67,999,665	3.76
1,000,001 - 5,000,000	91	0.03	177,270,083	9.79
5,000,001 - 10,000,000	13	0.00	91,518,796	5.06
10,000,001 - 50,000,000	17	0.01	324,790,250	17.94
50,000,001 - 99,999,999	4	0.00	596,506,606	32.95
	260,438	100.00	1,810,169,256	100.00

Dividend

The Board is recommending the sum of N3.00 per share to be paid as dividend with a bonus issue of one share for every four held to those shareholders whose names appear in the Company's Register of Members kept in Nigeria as at the close of business on 29 April 2011, for shareholders' approval at the next Annual General Meeting.

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April 1, 2011

Sponsor: Macquarie First South Advisers (Proprietary) Limited