

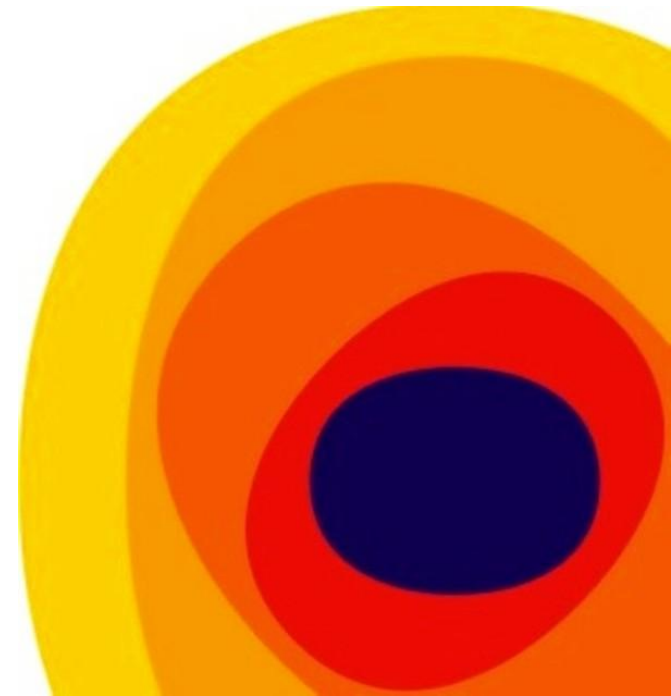


Oando

Oando Plc: H1, June 30 2010 Presentation

Oando Plc
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2 Ajose Adeogun Street
Victoria Island
Lagos, Nigeria

25th August 2010



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- Overview
 - Business Highlights
 - Financial Highlights
 - H1, 30 June, 2010 P & L Analysis
 - H1, 30 June, 2010 Balance Sheet Analysis
 - Business Division Contributions
 - Sector Performance
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Overview

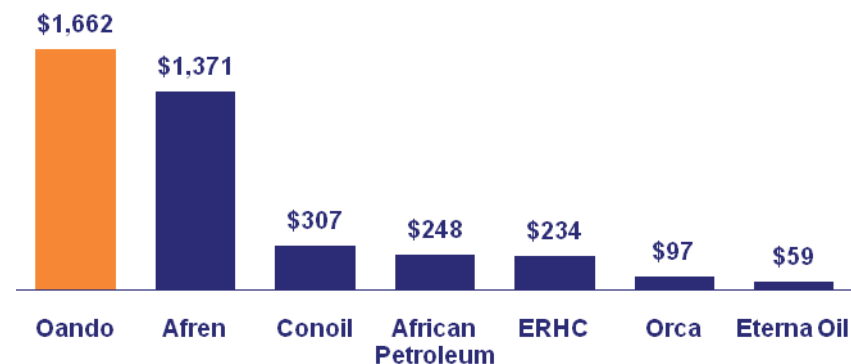
Overview

- Largest publicly quoted energy company in Nigeria and sub-Saharan Africa's largest indigenous energy company, based on revenues
- Headquartered in Lagos, Nigeria
- Primary listing on the Nigerian Stock Exchange with a secondary listing on the Johannesburg Stock Exchange
- Commenced business as a petroleum marketing company in Nigeria in 1956
- Oando has since diversified across the full value chain of the oil and gas spectrum. Integrated across
 - Upstream through Oando Exploration & Production and Oando Energy Services
 - Midstream through Oando Gas & Power
 - Downstream through Oando Marketing, Oando Supply & Trading and Oando Refining & Terminals

Selected Financial Data

USD millions	2009	2008	2007
Revenues	2,283	2,687	1,502
<i>Revenue Growth</i>	(15%)	78.9%	(8.9)%
EBITDA	190	189	76
<i>EBITDA Margin</i>	8.3%	7.0%	5.1%
Net Income	75	75	50
<i>Net Income Margin</i>	3.3%	2.8%	3.3%

Sub-Saharan African Listed Energy Peers by EV (\$m)



Source: Bloomberg as at 18-Aug-2010. EV defined as market capitalisation plus financial net debt

Overview

Oando is the leading indigenous oil and gas player in Nigeria



Business Highlights for H1, June 30, 2010

Operational Highlights

↑ Turnover

↑ Profitability

Downstream Division

- Recovered all outstanding subsidy payments from the Petroleum Support Fund.
- Steady importation of white products supported by the implementation of the Sovereign Debt Note programme by the Federal Government of Nigeria, which guarantees future subsidy re-imbursments.

Midstream Division:

- Commissioned its first Independent Power Plant (IPP) for Lagos State Water Corporation, increasing operational throughput capacity by 300% across Lagos State.
- 110th customer connect on the Gaslink Lagos Pipeline.

Upstream Division:

- Mobilized 2nd swamp drilling rig to commence contract with an International Oil Company.
- Increased production from our Oil and Gas portfolio.

Financial Highlights

↓ Leverage

Restructured Balance Sheet

Rights Issue

- Successfully completed in April 2010.
- Total raised: \$180Million
- Returned Money: \$40Million
- Shares Allotted: 15th April 2010
- Certificates Issued 30th April 2010
- Shares Listed on NSE* and JSE**: 11th May 2010

Medium Term Notes:

- Successfully completed the restructuring of \$400Million of short term debt into a Medium Term Note Programme of 5years.
- 13 Banks participated in the restructuring.
- Execution date for the facility: 6th April 2010.
- Drawdown of the facility: 28th June 2010.

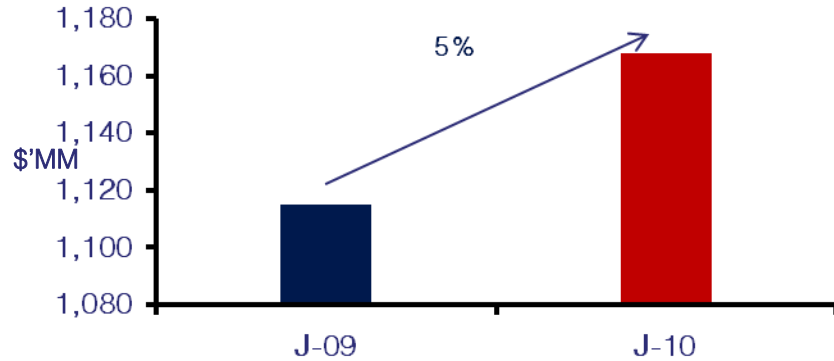


H1, June 30, 2010 Group Financials

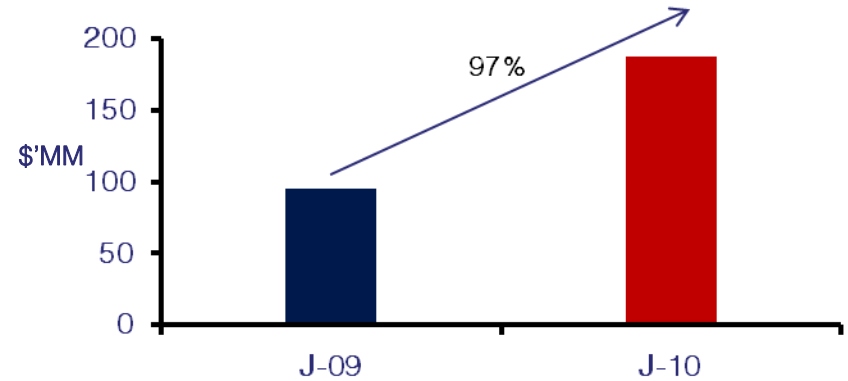
\$'Millions	6 Months Ended 30 th June 2010	6 Months Ended 30 th June 2009	Var (%)
Turnover	1,168	1,115	5%
Gross Margin	187	95	97%
Total non-interest expenses	(90)	(37)	143%
Other income / expenses	30	13	131%
EBITDA	127	71	79%
Net interest expenses	(28)	(13)	115%
Depreciation and Amortisation	(26)	(23)	13%
Profit before Tax (PBT)	73	36	103%
Profit after Tax (PAT)	44	26	69%
EPS ** based on 1,809m shares (¢)	20	10	69%
Gross Margin	16%	9%	88%

H1, June 30, 2010 Group Financials Analysis

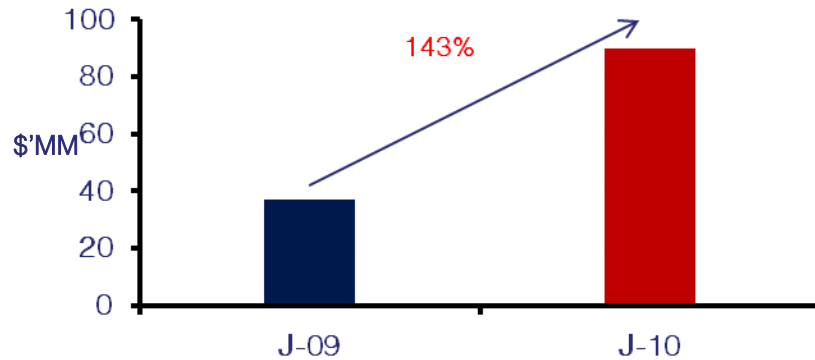
Turnover



Gross Margin



Operating Costs



Commentary

Turnover:

5% increase as compared to same period last year due to contributions from new businesses:

2 swamp rigs deployed, commissioning of Akute Power Plant and production from Obodeti/Obodugwa (OML 56).

Gross Margins:

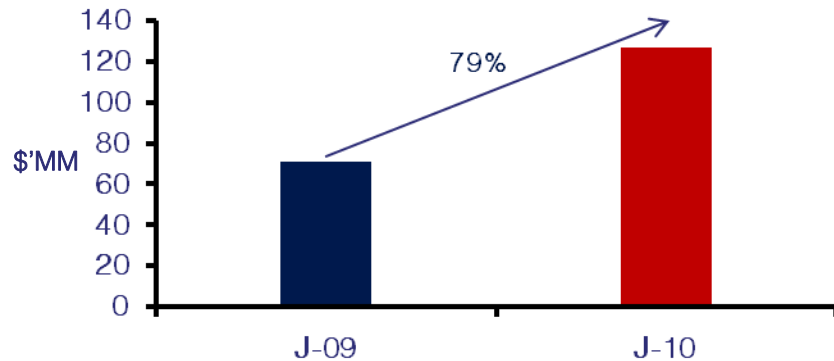
97% increase as compared to same period last year due to additional contributions from higher margin businesses. i.e Midstream and Upstream.

Operating Costs:

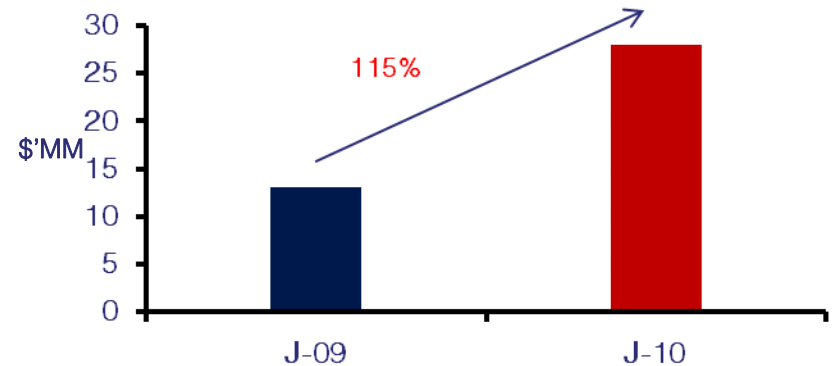
143% increase as compared to same period last year due to the additional costs experienced from the operations of the new businesses.

H1, June 30, 2010 Group Financials Analysis

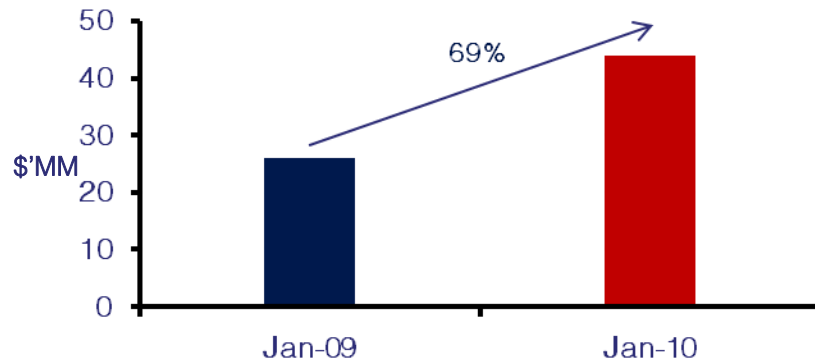
EBITDA



Interest Expense



PAT



Commentary

EBITDA:

79% increase as compared to same period last year due to increased contributions from the higher margin businesses.

Interest Expense:

115% increase as compared to same period last year due to contributions as an offset of the interest obligations from the new businesses:

2 swamp rigs deployed, commissioning of Akute Power Plant and production from Obodeti/Obodugwa (OML 56).

PAT:

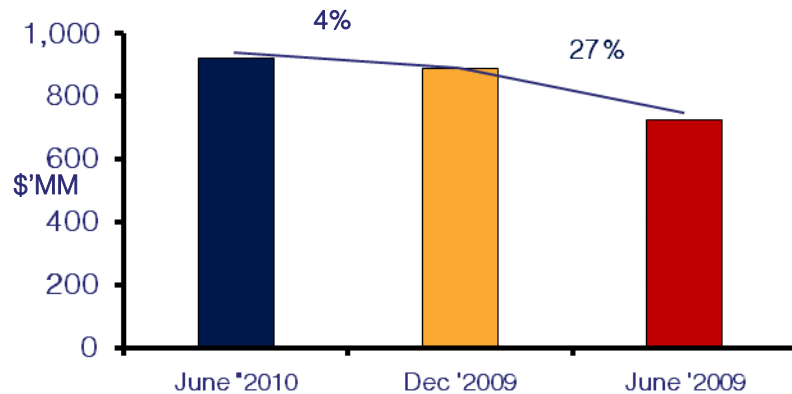
69% increase as compared to same period last year due to recovery of delayed interest claims due from the PPRA (\$10MM) and the upgrade revenue from the rig business.

H1, June 30, 2010 Balance Sheet

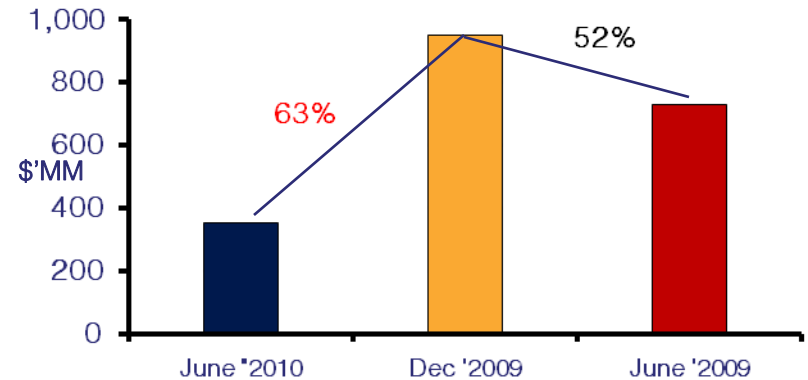
\$'Millions	June 30, 2010	Dec 31, 2009	June 30, 2009
Fixed Asset	922	890	724
Stock Balance	140	65	249
Trade Debtors and other debtors	567	654	487
Short term borrowings	353	949	730
Long term borrowings	568	144	322
Trade Creditors and other creditors	497	551	547
Net Working Capital	(82)	(629)	(281)
Bank and Cash Deposits	93	174	295

H1, June 30, 2010 Balance Sheet Analysis

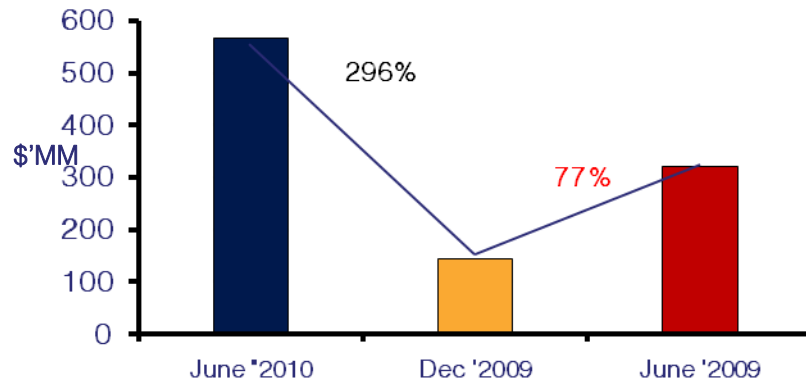
Fixed Assets



Short Term Borrowings



Long Term Borrowings



Commentary

Fixed Assets:

27% increase as compared to same period last year and 4% increase over Dec 2009 opening balance as a result of the additional investments made in the midstream pipeline and power plant assets, the upstream oil field developments and rig upgrades.

Short Term Borrowings:

Decreased over the period due to the successful restructuring of \$400MM of short term debt into the Medium Term Notes programme (5 year).

Long Term Borrowings:

Long term borrowings also increased as a result of the MTN programme.

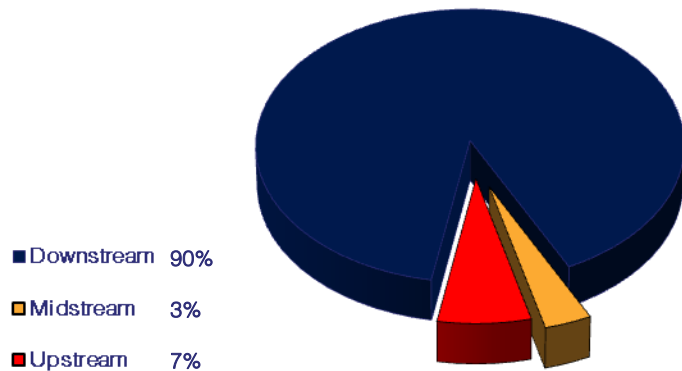
H1 , June 30, 2010, Business Division Contributions

\$'Millions	Marketing	Supply & Trading	Gas & Power	Energy Services	Exploration & Production	Total
Turnover	555	949	57	45	68	1,168
Gross Margin	63	25	12	40	53	187
EBITDA	25	27	11	26	48	127
Profit before tax (PBT)	15	26	8	4	18	73
Profit after tax (PAT)	10	19	6	3	5	44*

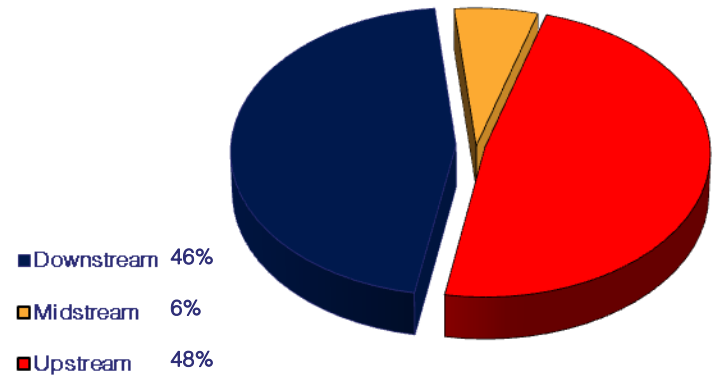
*Consolidation and inter-group adjustments included inter-company sales and interest charges

H1 2010, Sector Performance Analysis

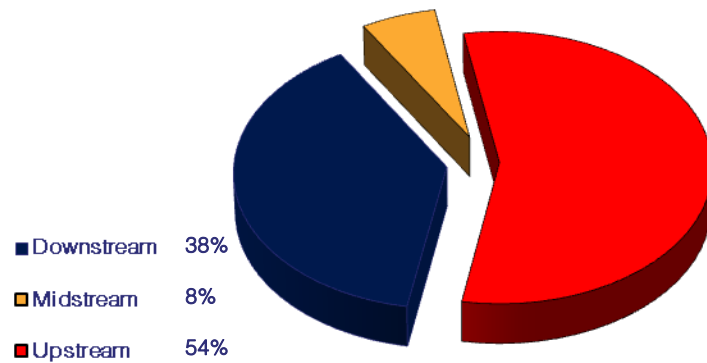
Turnover



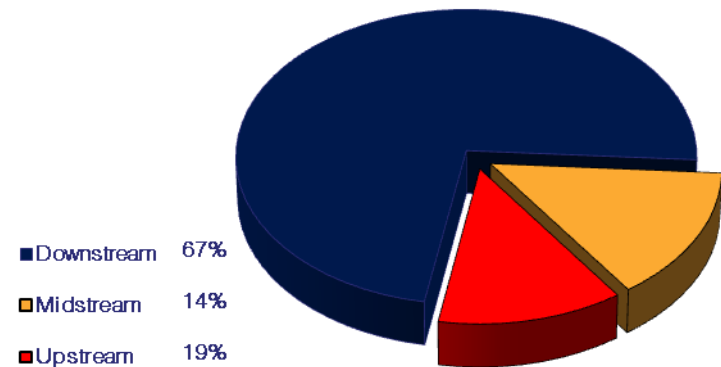
Gross Margin



EBITDA



PAT



Outlook for H2, 2010

Operational Outlook

Upstream Division:

- Acquisition of Oil & Gas Assets from the IOC's divestment programme pre the passing of the Petroleum Industry Bill by the Federal Government of Nigeria, which will promote the participation of indigenous oil companies in the upstream sector.
- Increase in production from our Oil & Gas portfolio.
- Mobilize 3rd swamp drilling rig to commence contract with an International Oil Company (IOC).

Midstream Division:

- Commissioning of the East Horizon Gas Company's 128Km gas pipeline in the South East of Nigeria.
- Increase in customer connects on the Gaslink Lagos Pipeline post completion of Phase IV extension.
- Finalization of contract terms for our 3rd gas pipeline franchise. 200km pipeline to be constructed in western Nigeria.

Downstream Division

- Divestment of up to 49% of the Marketing business and the subsequent listing on the Nigerian Stock Exchange. Proceeds to be invested in the Upstream business for growth.
- Increase in the importation of white products into Nigeria and West Africa.



Q & A