



**OANDO ENERGY RESOURCES ANNOUNCES THE OPTIMISATION OF ITS CRUDE OIL HEDGE PROGRAM AND A \$238 MILLION PREPAYMENT OF CERTAIN LOAN FACILITIES**

CALGARY, ALBERTA, March 3, 2015 – Oando Energy Resources Inc. (“OER” or the “Company”) (TSX: OER), a company focused on oil and gas exploration and production in Nigeria, today announced a \$238 Million prepayment of certain loan facilities, which it utilized for the \$1.5 Billion acquisition of the ConocoPhillips Nigerian Oil and Gas Business in July, 2014.

The company successfully realized \$234 Million by resetting its crude oil hedge floor price from an average of \$95.35 per barrel to \$65.00 per barrel on 10,615 bbls/day for the next 18 months and another 1,553 bbls/day for a further 18 months until January 2019.

The proceeds from the hedge unwind/reset (in addition to \$4 Million from cash in hand) were applied to prepay certain loan facilities as detailed below:

1. \$188 Million applied to the \$415 Million in the Reserves Base Lending facility, resulting in a balance of \$227 Million.
2. \$51 Million applied to the \$338 Million in the Corporate Facility, resulting in a balance of \$287 Million.

“The decline in global crude oil prices led to a substantial gain for our company and we have 10,832 bbls/day average production hedged for the balance of 2015 and 8,000 bbls/day for 2016,” said Pade Durotoye, CEO Oando Energy Resources. “Cashing out some value from this hedge will enable us reduce our outstanding loans and leverage by \$238 Million, saving the company \$65 Million in interest payments over the remaining term of the loan facilities, whilst preserving a floor of \$65 per barrel. With 50% of our Oil Production Hedged and 65% of our Production being Gas committed to stable long term priced contracts, we are well positioned with strong cashflow to meet our obligations and aspirations through this current oil price down cycle.”

As at the ConocoPhillips acquisition date of July 30, 2014, OER had a total debt of approximately \$900 Million (inclusive of a \$100 Million structured facility provided by Afrexim). After taking account of previous amortizations and the hedge-related prepayment, the total debt of OER currently stands at \$615 Million.



## About Oando Energy Resources Inc. (OER)

OER currently has a broad suite of producing, development and exploration assets in the Gulf of Guinea (predominantly in Nigeria). OER's sales production was 53,161 boe/d for the month ending January 31, 2015.

## Cautionary Statements

### Oil and Gas Equivalents

Production information is commonly reported in units of barrel of oil equivalent ("boe" or "Mboe" or "MMboe") or in units of natural gas equivalent ("Mcf" or "MMcf" or "Bcfe"). However, boe's or Mcfe's may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf = 1 barrel, or a Mcfe conversion ratio of 1 barrel = 6 Mcf, is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Readers are cautioned that boe may be misleading, particularly if used in isolation.

### Forward Looking Statements:

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. In particular, this news release contains forward-looking statements relating to intended acquisitions.

Although the Company believes that the expectations and assumptions on which such forward-looking statements and information are reasonable, undue reliance should not be placed on the forward-looking statements and information because the Company can give no assurance that such statements and information will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties.

Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to: risks related to international operations, the integration of assets acquired under the COP acquisition, the actual results of current exploration and drilling activities, changes in project parameters as plans continue to be refined and the future price of crude oil. Accordingly, readers



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should not place undue reliance on the forward-looking statements. Readers are cautioned that the foregoing list of factors is not exhaustive.

Additional information on these and other factors that could affect the Company's financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)) under the Company. The forward-looking statements and information contained in this news release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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