Oando Investor Presentation

July 2012

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Oando

The energy to inspire...

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This presentation includes certain forward looking statements with respect to certain development projects, potential collaborative partnerships, results of operations and certain plans and objectives of the Company including, in particular and without limitation, the statements regarding potential sales revenues from projects, both current and under development, possible launch dates for new projects, and any revenue and profit guidance. By their very nature forward looking statements involve risk and uncertainty that could cause actual results and developments to differ materially from those expressed or implied. The significant risks related to the Company's business which could cause the Company's actual results and developments to differ materially from those forward looking statements are discussed in the Company's annual report and other filings. All forward looking statements in this presentation are based on information known to the Company on the date hereof. The Company will not publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

Agenda

I	Group Overview
II	Attractive Market Conditions in Nigeria
III	Investment Highlights
IV	Overview of Business Units Oando Marketing (OML) Oando Supply & Trading (OST) Oando Terminals Oando Gas and Power (OGP) Oando Energy Services (OES) Oando Energy Services (OER) & Oando Exploration and Production (OEPL)
V	Corporate Governance and Management
VI	Corporate Social Responsibility

I. Group Overview

Oando at a Glance

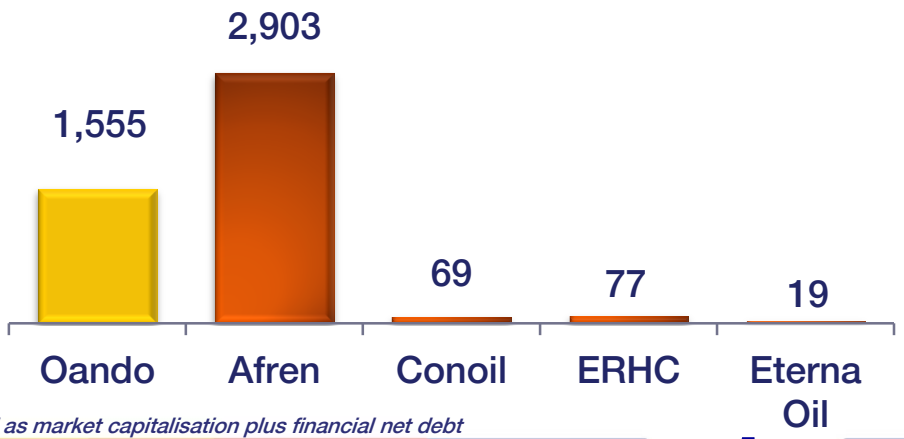
Overview

- 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, Oando Energy Resources and Oando Energy Services
  - Midstream through Oando Gas & Power
  - Downstream through Oando Marketing, Oando Supply & Trading and Oando Terminals

Selected Financial Data

USD millions	H1 2012	2011	2010	2009
Revenues	2,256	3,775	2,548	2,283
Revenue Growth	31%	48%	11.6%	(15.0%)
EBITDA	121	176	185	190
EBITDA Margin	5.4%	4.7%	7.3%	8.3%
Net Income	43	22	76	75
Net Income Margin	1.9%	0.6%	3.0%	3.3%

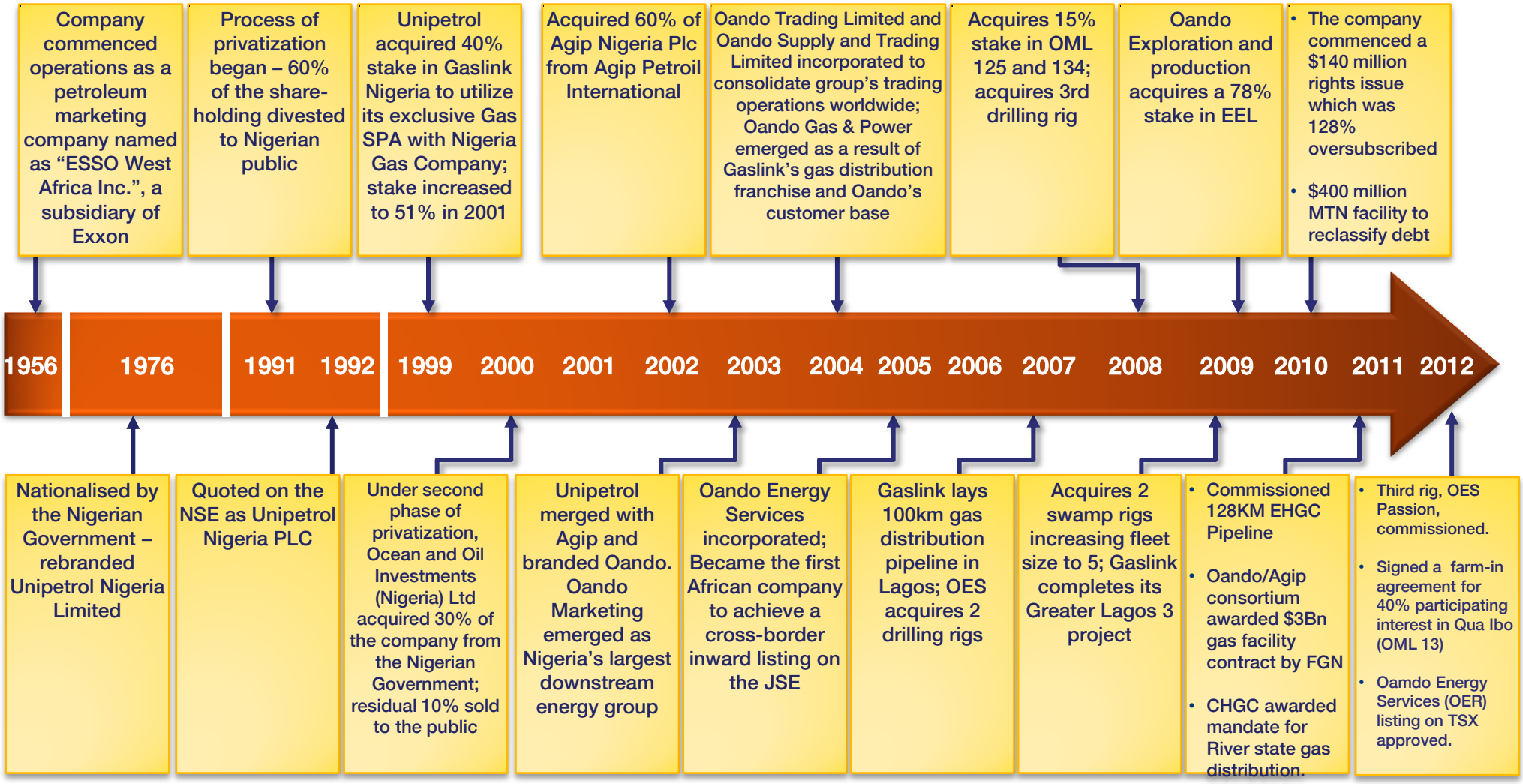
Sub-Saharan African Listed Energy Peers by EV ($m)



Source: Bloomberg as at 23-July-2012. EV defined as market capitalisation plus financial net debt

Transformation of Oando

Strong Track Record of Delivering on Growth Strategy



Company overview

Oando is the leading indigenous oil and gas player in Nigeria

Oando

	Upstream Division		Midstream Division	Downstream Division	
	Exploration & Production	Energy Services	Gas & Power	Supply & Trading	Marketing
Market Position	A leading indigenous player	#1	#1	#1	#1

Description	• Rapidly expanding business line
	• Primary assets are located in Nigeria
		• Largest swamp drilling fleet in Nigeria	• First private sector company to enter gas distribution in Nigeria
			• Consists of:
			  • GNL
			  • APL
			  • EHGC
			  • CHGC
				• Largest indigenous supply and trading player in the sub-Saharan region.
				• 12% market share in PMS importation.
					• Nigeria's leading retailer of refined petroleum products with 13% market share.
					• Large distribution footprint with access to over 1,500 trucks and 150m litres storage capacity.

Key Assets	• Producing assets: OML 125 & OML 56. • Development & appraisal: OML 134, OML 90, OML 13 & OPL 236. • Exploration: OPL 278, OPL 282, OPL 321, OPL 323, OML122, JDZ, Block 26 & Rubai Licences	• 4 swamp rigs: 3 Working Assets and 1 under refurbishment. • Drill bits and engineering services • Total fluids management.	• 100 km gas distribution pipeline in Lagos. • 128 km gas pipeline in the East of Nigeria spanning Akwa Ibom and Cross River states. • Akute captive Power Plant • Riv Gas. • Central Processing Facility	• Trading desks and operations in Nigeria and Bermuda. • Trading consultants in the UK and Singapore.	• 500+ retail outlets in Nigeria, Ghana and Togo • 8 terminals (159.5ML) • 3 Aviation fuel depots • 2 lube blending plants (55m litres / annum) • 7 LPG filling plants

Operating Environment

Petroleum Industry Bill (PIB)

- Passage of the PIB now appears to be top priority for the government and there is hope that it will be passed this year.
- A draft of the Bill was recently sent from the President of the FGN to the National Assembly for review and debate.

Deregulation

- The start of the year witnessed the partial removal of petrol subsidy, which will reduce the burden on the PSF.
- FGN still contemplating deregulation this year
- FGN currently verifying subsidy payments to all Oil marketers for the period of H1, 2012.

Power Sector Roadmap

- Privatization of the Power Holding Company of Nigeria's generation & distribution assets.
- Increase in Multi Year Tariff Order (MYTO)

Gas Infrastructure

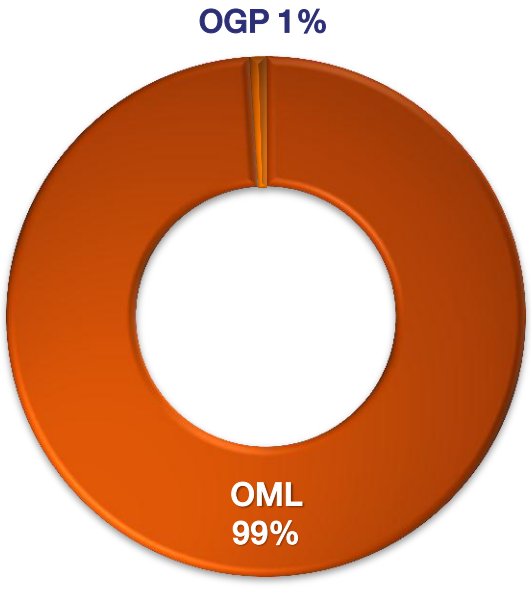
- Declaration of a gas emergency for the fast track implementation/construction of gas infrastructure to the stranded Independent Power Plants for an immediate increase in daily power generation.

Strong Track Record of Delivering on Growth Strategy

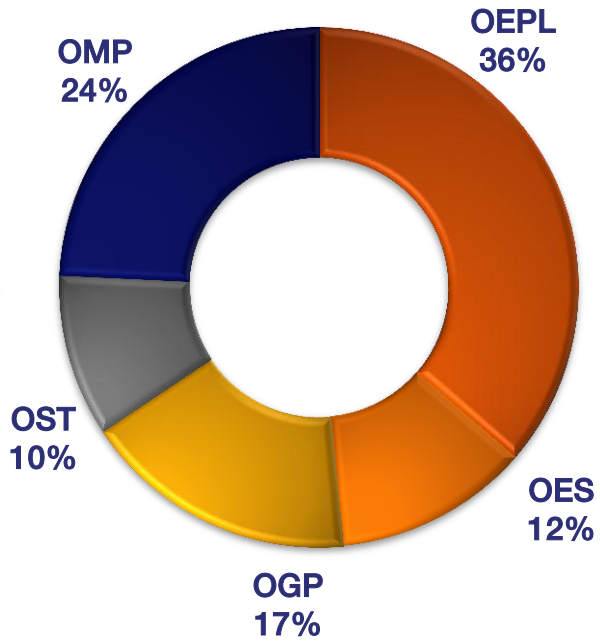
Expanding Upstream Focus

Oando

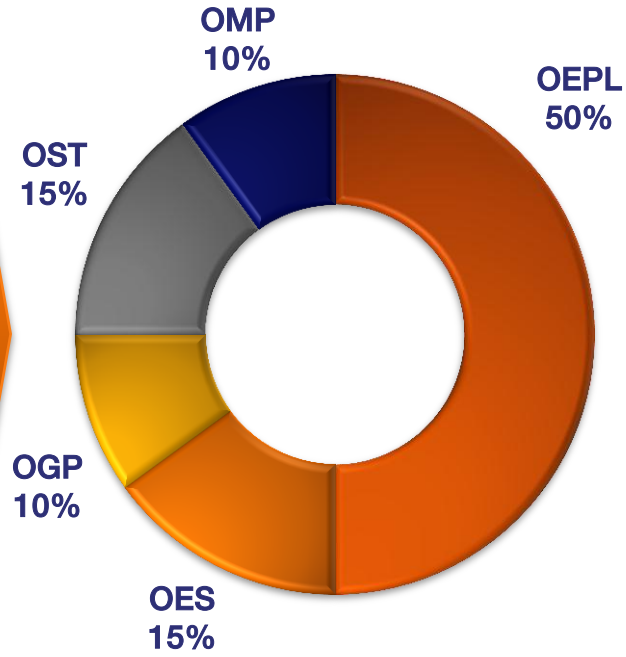
2004 EBITDA



2011 EBITDA



2013 Target EBITDA



- ~ 70% EBITDA contribution from Upstream targeted

– >50% EBITDA contribution from OEPL targeted

– >15% EBITDA contribution from OES targeted

Strategic Overview

Transformation from a downstream giant to a full value chain indigenous champion across West Africa

Oando

	Upstream Division		Midstream Division	Downstream Division		
	Exploration & Production	Energy Services	Gas & Power	Supply & Trading	Marketing	Terminals

Current	• Enhance Production from assets (5kbopd to 10kbopd
	• Accelerate near term acquisition opportunities
	(50mmbbls)
		• Fully refurbish and deploy 4th rig into operation.	• Complete construction:
			  • GL4
			  • CNG
			  • CHGC
			• Sell 90% of current franchise capacity
				• Intensify white product supply by leveraging efficiencies
				• Intensify new product offerings
					• Increase distribution efficiency and expansion into high margin volumes, Lubes & LPG distribution	• Development of the Marina Jetty and subsea pipelines in the Lagos Port

Mid Term	• Harness preferential resource access to dormant acreage due to indigenous status
	• Production 20-50kbopd
	• Reserves 2P: 100 – 150 mmbbls
		• Leverage local content policy opportunities
		• Expand product offering (MWD, etc)
			• Commence construction of:
			  • EIIJ pipeline franchise
			  • OBOB
				• Substantially increase crude oil market share
				• Increase white products market dominance by leveraging new import infrastructure.
					• Divestment of up to 49% and listing on the NSE	• Development of a 210,000MT terminal facility in Lekki Free Trade Zone

Long Term	• Production 50-100kbopd • Reserves 2P: 300mmbbls Through a mixture of organic growth and acquisitions	• Consolidation of position as market leader and expansion into other countries	• Commence construction of 1st CPF and 2 more gas pipeline franchise areas in Nigeria	• Increase geographical presence	• Expansion of business across the sub-Saharan region	• Expand white product storage facilities in Nigeria

II. Attractive Market Conditions in Nigeria

The Energy Sector is an Attractive Sector with Strong Growth Fundamentals

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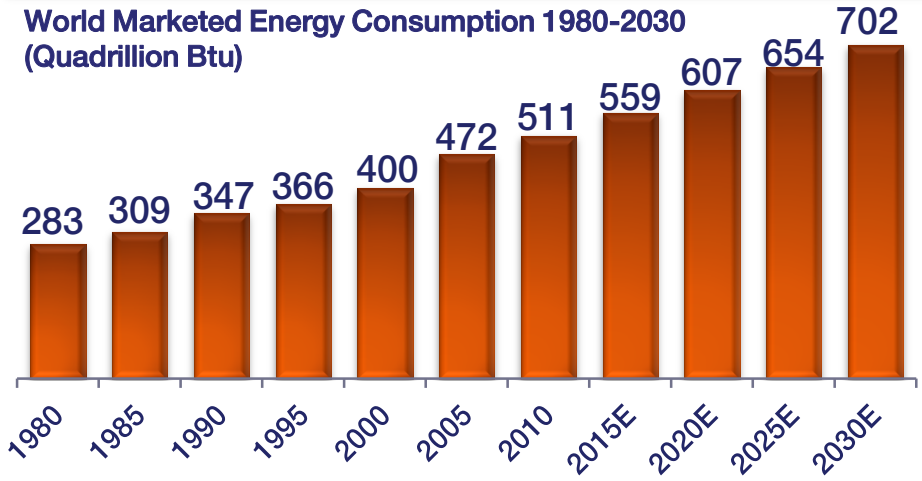
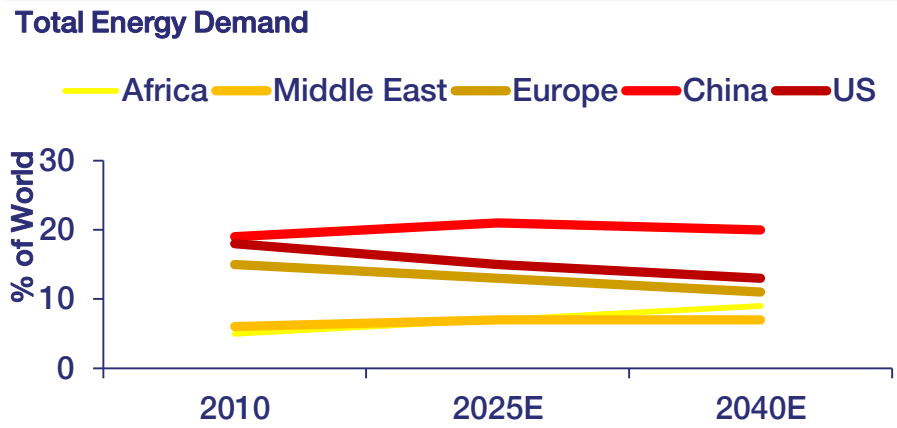
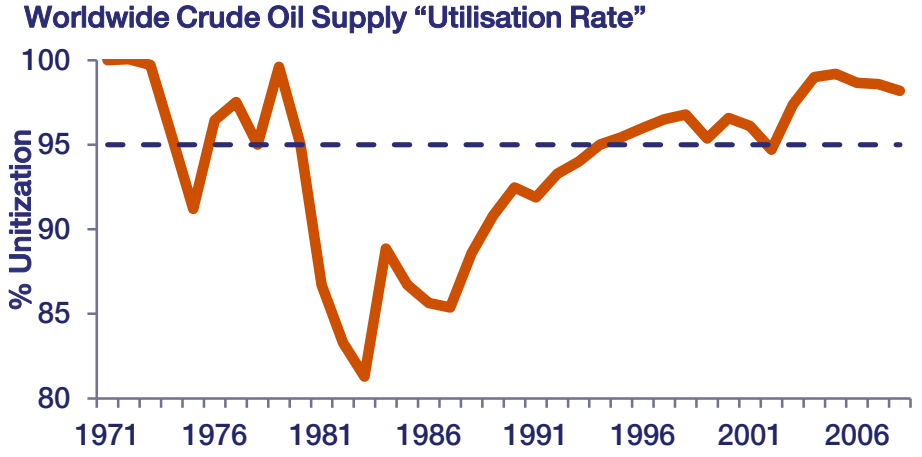
Global Energy Has a Strong Growth Outlook



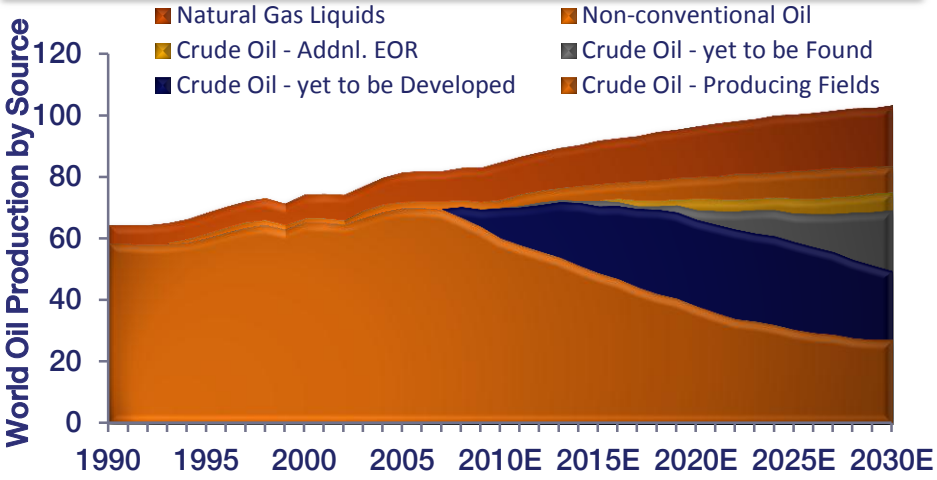
Driven by Strong Emerging Market Growth



Despite the Downturn, Utilisation Rates Remained High



New Reserves Are Critical to Meet Demand



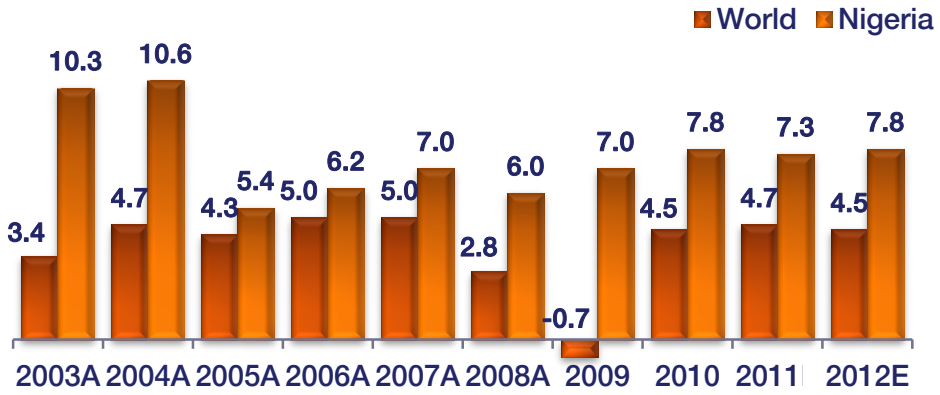
Source: International Energy Outlook; Energy Information Administration 2009 Outlook, broker research as of 2009 and International Energy Agency

Nigeria is one of the Strongest Growth Markets in Africa

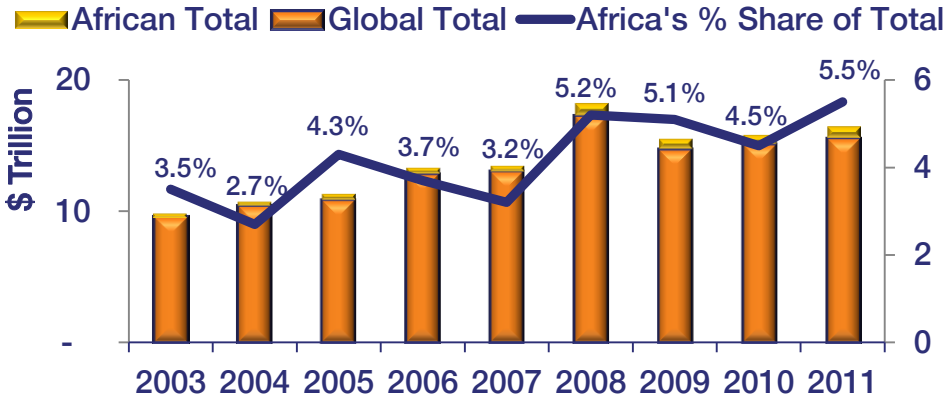
Oando

2nd Largest African Economy with Resilient Growth

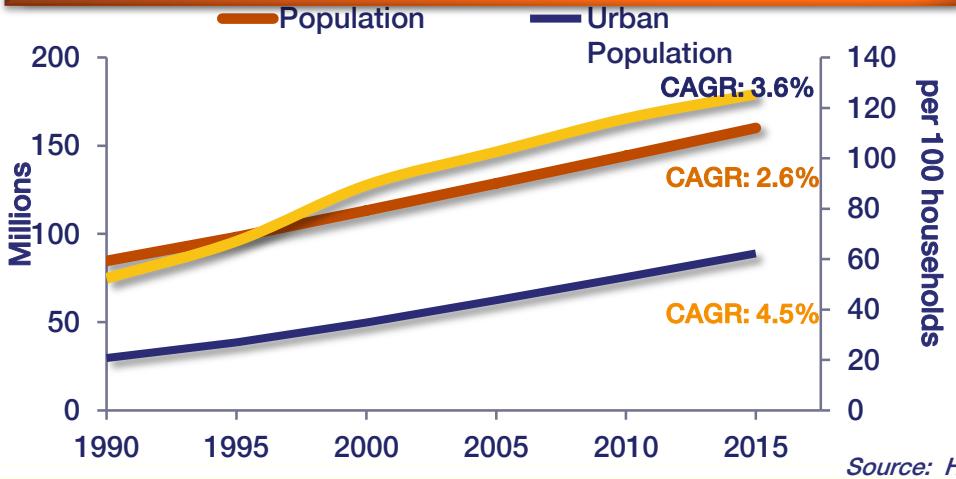
Real GDP (yoy change %)



Growing Foreign Investment Driving Development and Confirming Confidence in Economic Management of Africa



Most Populous Country in Africa with Increasing Urbanisation and Modernisation



Critical Infrastructure Shortcomings to Overcome

- Deficits in refinery supply of key petrochemical products
- Energy sector infrastructure shortcomings
  - Nigeria produces 3,600MW of power for a population of >150m, compared with South Africa (which also faces a severe power shortage) which produces 39,000MW for a population of 60m
  - 54% manufacturers cite unreliable power as the biggest production constraint and 57% of Nigerians have no access to electricity at all

Source: Haver Analytics, IMF, World Bank, broker research

Nigeria Alone is Expected to have Strong Oil and Gas Demand Growth Coupled with the Need for Infrastructure Improvements

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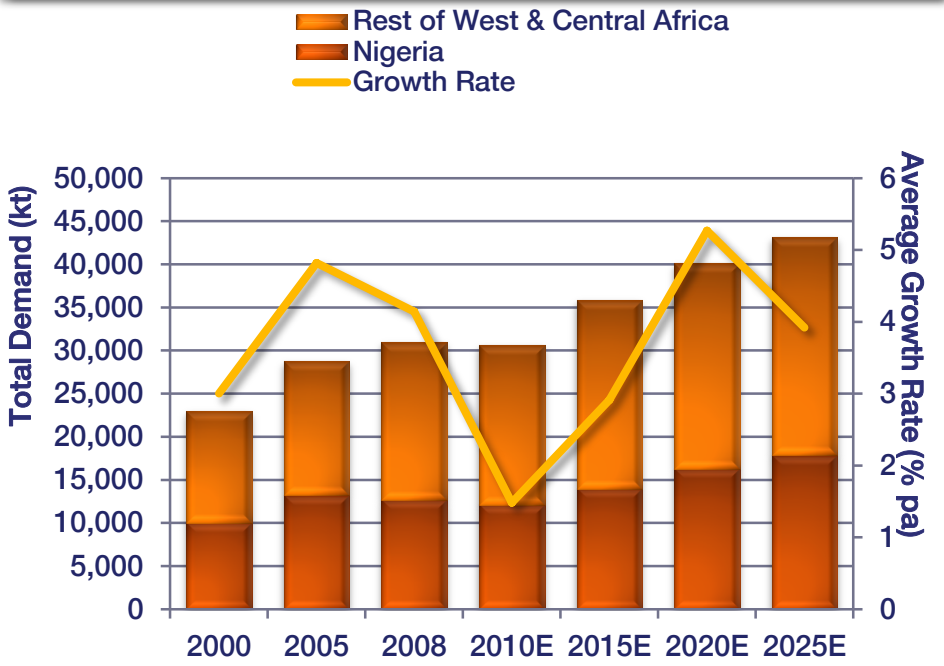
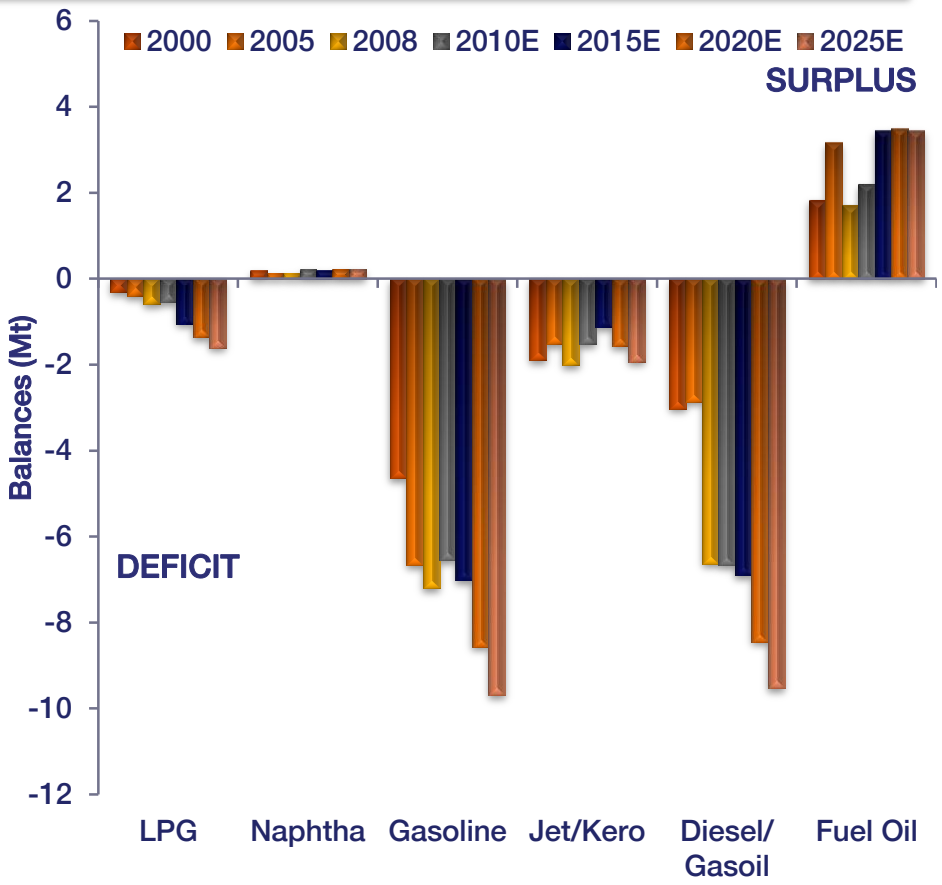
West & Central Africa Oil Products Demand Outlook



- Demand in West and Central Africa is forecast to grow from 31mt in 2008 to 43mt by 2025
- Nigeria is the largest demand centre in the region, accounting for ~42% 2008 demand
- Transport fuels account for over 70% of oil demand in the region and will be the main driver of demand growth

West & Central Africa Refinery Supply versus Demand



Includes planned refinery investment up to 2015

Source: Wood Mackenzie, Aug-2009

As One of the World's Most Important Oil and Gas Provinces, Nigeria has Substantial Untapped Potential

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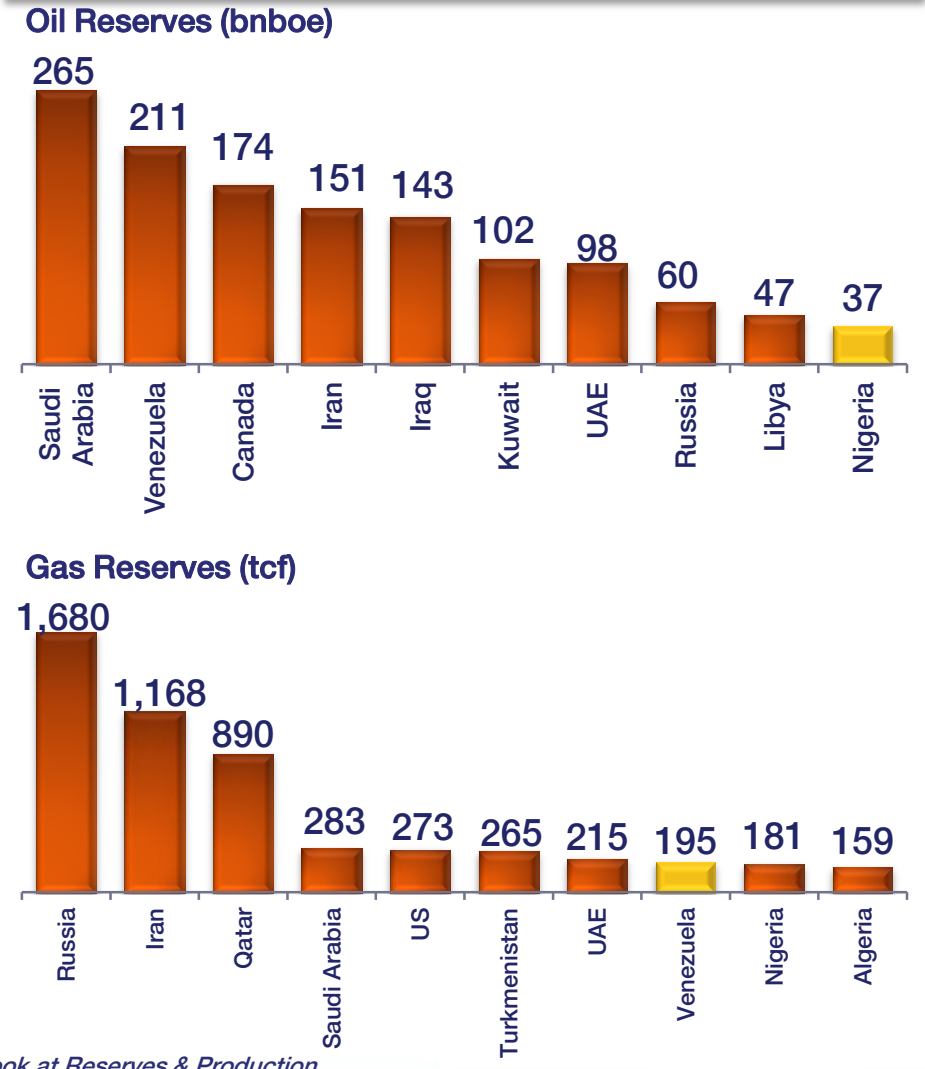
Overview of Nigerian Oil & Gas

- West Africa is one of the most important hydrocarbon provinces in the world and Nigeria has the largest proved reserve base of any West African nation
- Nigeria, a member of OPEC since 1971, has the 10th largest (2nd in Africa) proved reserves of oil at 37.2bnboe and 9th largest (largest in Africa) proved gas reserves of 180.5Tcf and is an important supplier of LNG to European buyers.
- While exploration in Nigeria began at the turn of the 20th century, periods of interruption through the World Wars and lack of licensing awards issued in the 1970s and 1980s has led to production in Nigeria being slow to develop, with production hovering below 2.5mbopd
- It is estimated that there are as many fields with only partial reserves disclosure as with proved reserves, indicating strong potential for future upside
- Major oil industry participants are increasingly focused on deepwater and ultradeepwater oil prospects off Nigeria's coast however ~60% of the swamp regions in the Niger Delta remain unexplored

Nigerian Proved Oil and Gas Reserves



Source: Oil & Gas Journal Dec 2011; Worldwide Look at Reserves & Production

The Nigerian Government has Adopted Policies to Promote Participation of Indigenous Nigerian Companies, like Oando

The Petroleum Industry Bill is a wide-ranging set of legislation that seeks to reform the oil and gas sector and the regulatory bodies in Nigeria to turn the NNPC into an autonomous, self-funding commercial company (owned by the Nigerian Government). If enacted in its current form it will consolidate existing policies, including those set out below:

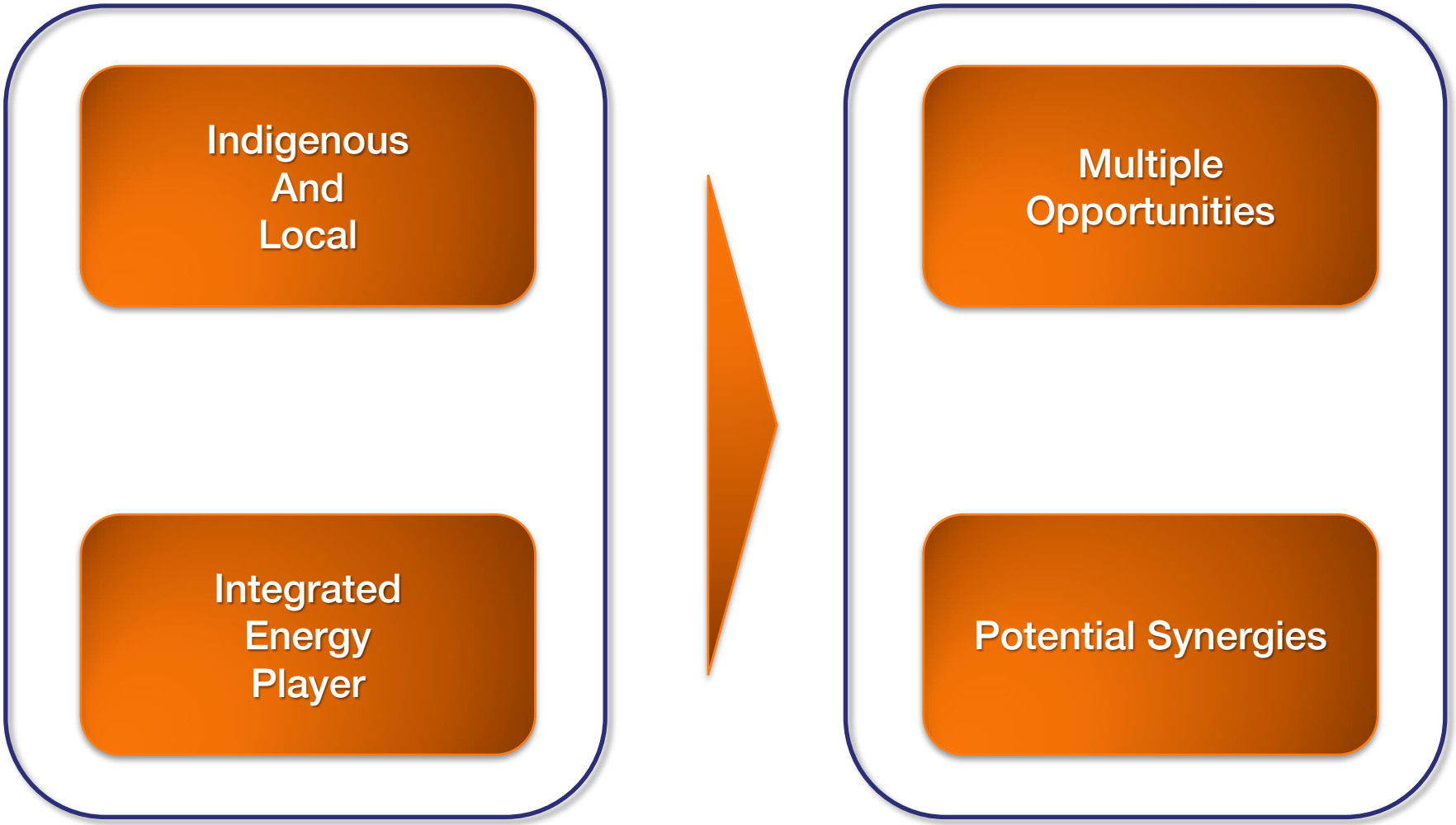
	Description	Impact on Oando
Nigerian Content Policy	• An initiative of the Nigerian Government to develop local capacity and participation in the Nigerian oil & gas industry • The target is to achieve 70% local content • Already effective in drilling rigs services - all swamp and land rig contracts are to be reserved for Nigerian companies that can demonstrate ability to execute	• In May-2009, entered into a $150m two year drilling contract with Agip for its oilfields in the Niger Delta • Poised to benefit further from increased activity in the region given ownership of largest swamp rig fleet
NNPC Marginal Field Bid Rounds	• Marginal fields classified by Nigerian government as an undeveloped field with reserves of <10mmbl discovered >10 years ago • 1996 Legislation resulted in 24 of a total 113 marginal fields being offered only to Nigerian indigenous companies. Awardees entered into farm-out agreements with the NNPC and JV partners (IOCs) • Government is also seeking to ensure pre-emption rights are not exercised by foreign players if a Nigerian company wishes to acquire the stake	• Has directly acquired an interest in two marginal fields (Obodeti/Oboduguwa, OML 56 and Qua Ibo, OML 13) and farmed into another (Akepo, OML 90) • Government plans to organise a follow-up marginal field bid round of c.89 marginal fields and any additional fields released by JV operators • As IOCs increase focus on deep offshore oil blocks, will be willing to farm out onshore swamp/land assets to competent indigenous companies with the ability to execute
Downstream Price Deregulation	• Currently, refined petroleum products are imported into Nigeria under a subsidy regime through the Petroleum Subsidy Fund • Partial deregulation occurred in January 2012, with full deregulation still expected at some point during the course of the year.	• Hoped deregulation will encourage natural supply-demand elasticities in the downstream petroleum market

Source: NNPC, BMI, Wood Mackenzie, OPEC commentary

III. Investment Highlights

Investment Highlights

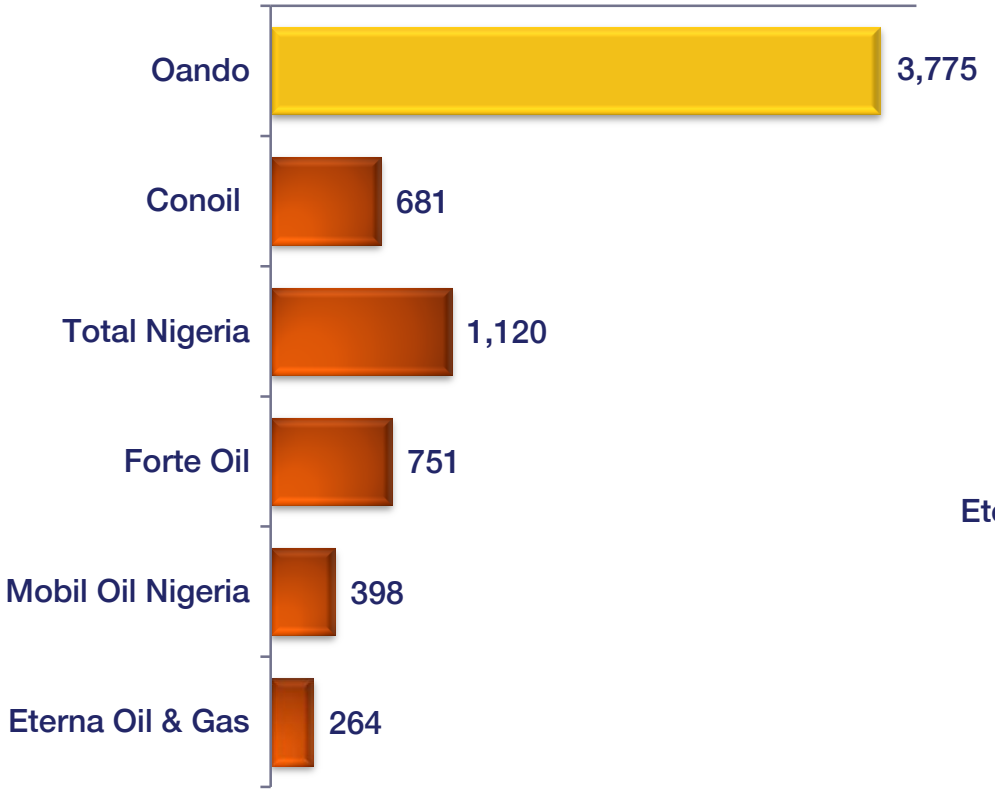
Oando



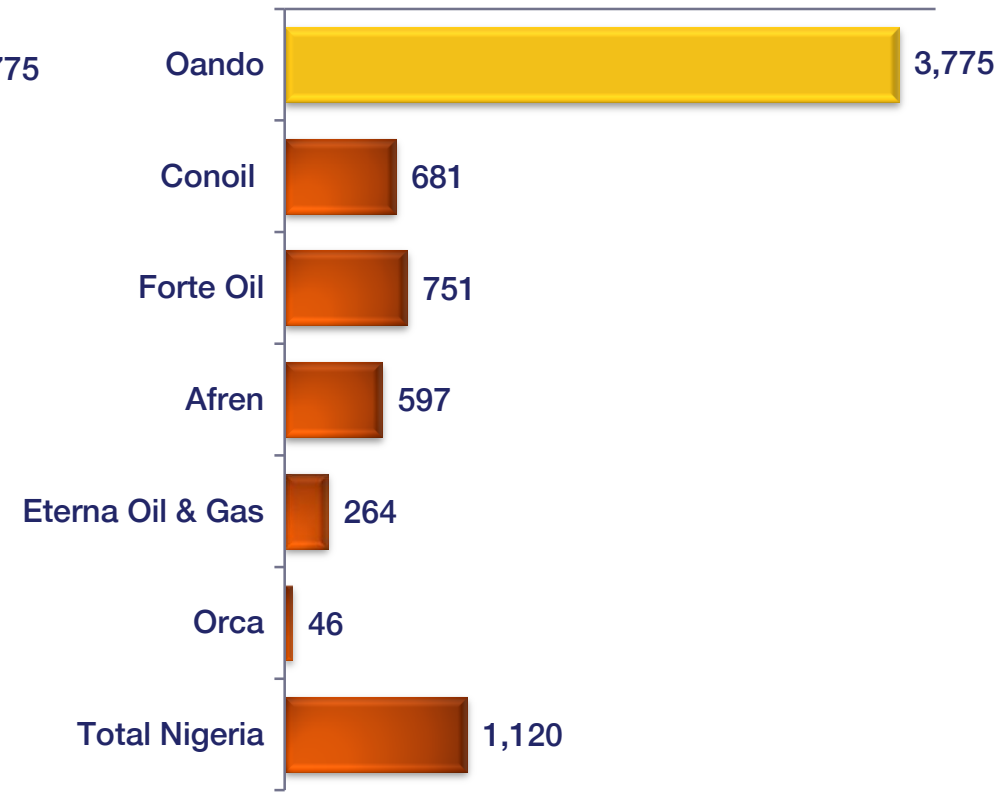
Sub-Saharan Africa's Largest Indigenous Energy Company Operating Across the Energy Value Chain

Oando's position as Nigeria's leading indigenous, integrated energy company gives it the scale and capability to pursue new projects and acquisition opportunities

Largest Publicly Quoted Energy Companies in Nigeria (FY 2011 Revenues $m)



Africa's Largest Indigenous Energy Company (FY 2011 Revenues $m)



Source: Company fillings and Bloomberg
Note: FY or Full Year

Established Market Leading Businesses Diversified Across the Full Value Chain

Oando's leading market positions and large number of retail outlets across Nigeria give it strong brand recognition and credibility in tendering for new opportunities

1956	Marketing Business	#1	• Nigeria's leading retailer of petroleum products with 529 retail outlets across Nigeria and 13% market share
1994	Supply and Trading	#1	• Largest indigenous supply and trading business in Sub-Saharan Africa with 12% market share in the import to Nigeria of premium motor spirit
1999	Gas and Power	#1	• Largest private sector gas distributor in Nigeria
2003	Exploration & Production	?	• A leading, indigenous local participant
2005	Energy Services	#1	• Operates the largest swamp rig fleet in Nigeria

Source: NNPC Statistical Report 2008, PPPRA

Well Positioned to Capitalise on Growth in the Nigerian Energy Sector

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Oando has an unparalleled competitive position

	Oando	Majors, IOCs, NOCs	Local Companies (Moni Pulo, Niger Delta Oil Company, Amni International, Platform Petroleum)	AFREN / CAMAC
Domestic Participant with Local Brand	✓✓	✗	✓✓	✓
Capital Markets Presence (Listed)	✓✓	✓✓	✗	✓✓
Producing Assets	✓✓	✓✓	✓✓	✓✓
Downstream/ Upstream Integration	✓✓	✓✓	✗	✗

Source: NNPC, BMI, Wood Mackenzie, OPEC commentary

Integrated Business Model which is Advantageous in a Market such as Nigeria

Oando

Enables supply for retail outlets and Aviation refuelling especially in times of scarcity

Oando Marketing

Oando Supply & Trading

Oando Energy Services

Oando Exploration & Production

Oando Gas & Power

Market Knowledge On Supply Demand Balance

Sharing of Expertise

Potential Future Source of Gas

Commitment to Best in Class Standards for Management, Health & Safety and the Environment

	Operational Efficiency	EHSSQ	Community Relations
Objective:	Continued efficiency and control improvement across all operations	Accident prevention and environmental compliance	Support and empowerment of host communities
Execution:	• 2008 implemented Oracle Enterprise Resource Planning system company-wide • Increased visibility and control of financial systems from all operations • More streamlined sales and order management process • Effective HR management through employee data and training	• Comprehensive environmental, health, safety, security and quality ("EHSSQ") policies • Regular independent security and risk assessments of facilities are conducted	• Funding and scholarships for schools in local communities • Recruitment of skilled, semi-skilled and unskilled labour from host communities • Social development projects to improve the quality of living in host communities • Sponsorship of various charities

Strong Board and Management Team with Extensive Nigerian and Industry Experience

Oando

Strong, Experienced Management Team...	....with a Successful Track Record
Ability to....	**Oando has....**
Identify and execute highly profitable growth opportunities	• In just six years, Oando has established a meaningful upstream business through Oando Exploration and Production and Oando Energy Services • Expansion and growth of these businesses expected to drive topline growth and higher margins
Consistently operate a large, core business at the same time as pursue new opportunities	• Since 2007, revenue of the business has gradually increased ◦ Revenue has increased by over 150% between 2007 and 2011.
Inspire confidence in customers and investors alike	• Oando has secured contracts and MOUs with Agip attesting to its strength as a local player in a position to enhance the success of foreign investment in Nigeria • Successful domestic rights offering
Leverage core strengths	• Capitalising on its strength as a credible, Nigerian domestic participant, the board and management team are driving benefits for the stakeholders of Oando ◦ Leveraging gas supply lines to opportunistically provide energy solutions for certain customers (constructed a 12.15MW captive power plant to supply Lagos State Water Corporation)

IV. Overview of Business Units

IV. Overview of Business Units

Oando Marketing (OMP)

Oando Marketing at a Glance

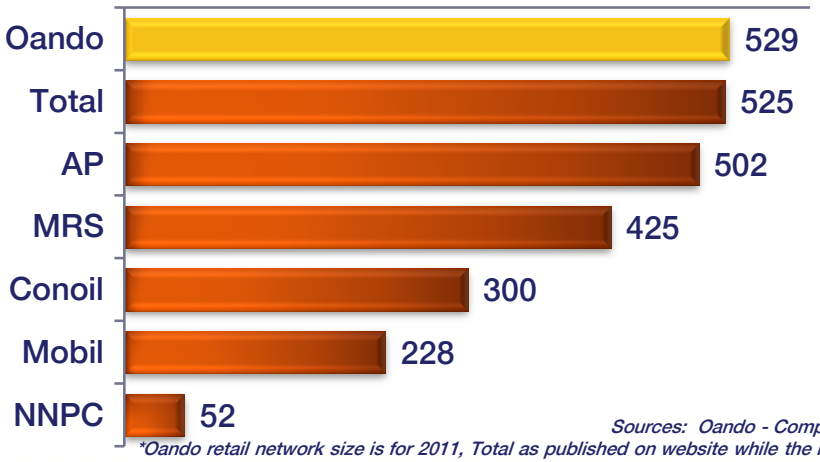
Overview

- Oando Marketing is a fully owned subsidiary of Oando Plc
- Oando Marketing has over 500 retail outlets in Nigeria.
- The Company owns and operates 8 terminals with access to jetties along the coast of Nigeria and has distribution relationships with major transporters in the country.
- The Company remains one of the market leaders in the distribution of white products (PMS, AGO, HHK).
- Oando Marketing has 2 operational subsidiaries in Ghana and Togo with over 35 service stations.

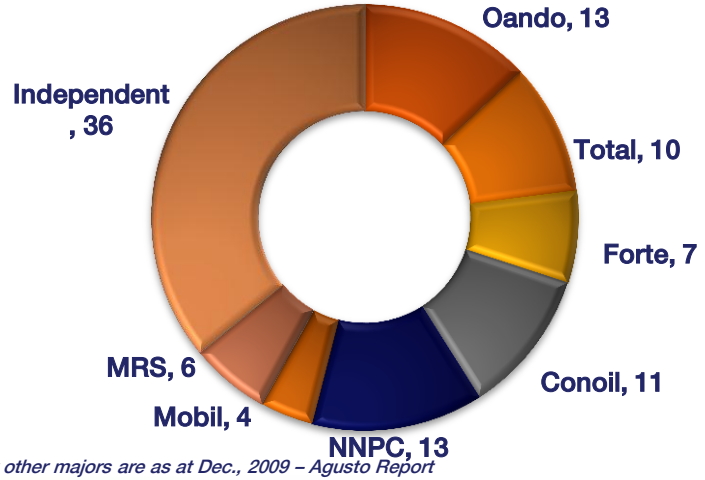
Selected Financial Data

USD millions	H1 2012	2011	2010	2009
Revenues	792	1,279	1,150	1,109
Revenue Growth	23%	11%	4%	16%
EBITDA	21	52	44	44
EBITDA Margin	2.6%	4.1%	3.8%	4.0%
Net Income	8	24	26	24
Net Income Margin	1.0%	1.9%	2.3%	2.2%

* Retail Network Size (No. Of Outlets)



** Market Share (% 2011)



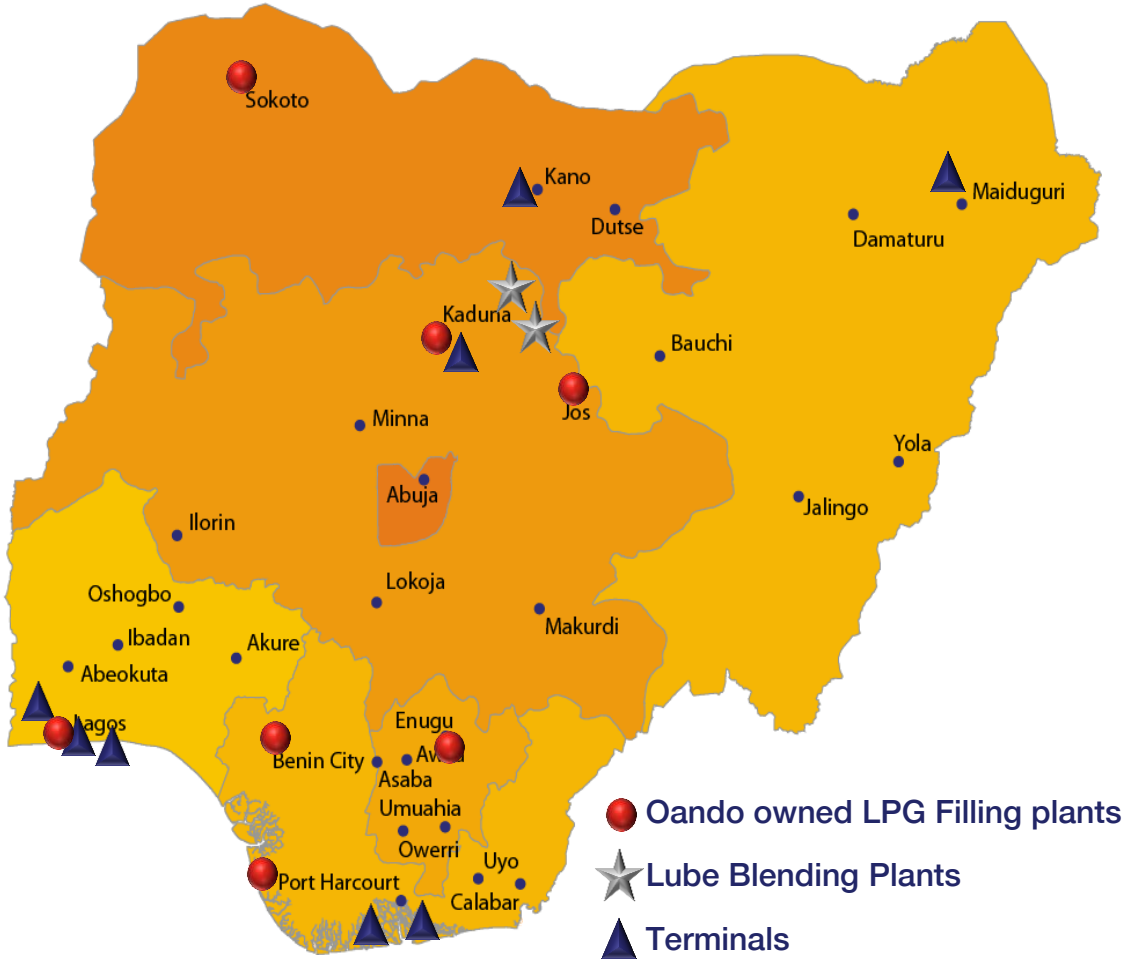
Sources: Oando - Company Information

**Oando retail network size is for 2011, Total as published on website while the retail network size for other majors are as at Dec., 2009 – Agusto Report*

*** Market share figures for 2011 are based on estimates using IVPR and market trend. Volumes have grown by 10% since 2009 and by 5% since 2010*

Key Assets: Unparalleled Distribution Capabilities

Oando



- **8 Terminals** – over 150M Litres capacity
- **3 Aviation Depots** – 3,000MT Combined Capacity
- **Access to 13** government depots across the country (shared with other Majors)
- **2 Lubes Blending Plants** – 55m Litres active capacity

- **LPG Infrastructure – 10 Filing Plants (7 Oando owned & 3 Franchised) and 11 In-station units** – 996 MT combined capacity

- **Over 1,500 trucks through partnerships** with several transporters

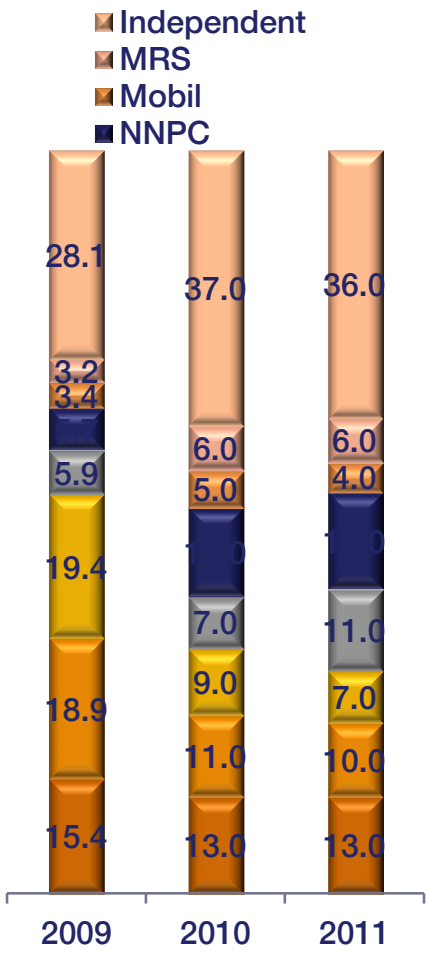
- **Total 529 Retail Outlets across Nigeria**

- **Over 500 Industrial Customers** (i.e. Direct Sales, Vendor-Managed Inventory, Value Added Peddling, In-Support)

Source: Oando

Competitive Positioning

Market Share Evolution (%)



Competitor Trends and Strategies

TOTAL

- Service delivery and lubricants market share leader
- Good spread of retail outlets across the country.

FORTE OIL PLC — Leadership through quality

- High risk appetite hurt them in the past
- New management trying to re-focus using technology in driving efficiency

Mobil

- Risk averse strategy and reliance on NNPC
- Reliance on other incomes (NFR & Rental)

Conoil

- Market leader in ATK
- Also strong in AGO and gradually expanding overall TWP market share.

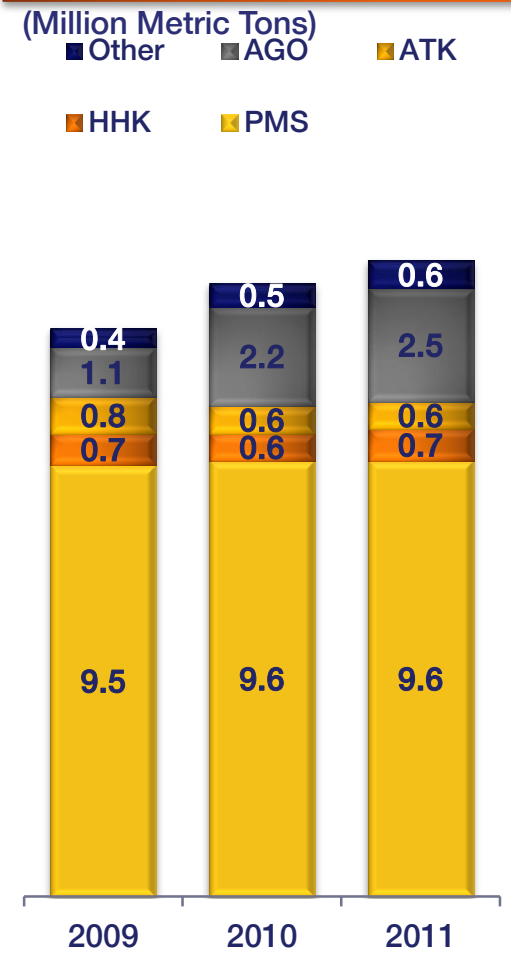
Oando

- TWP market share leadership
- NFR offerings, strong LPG focus

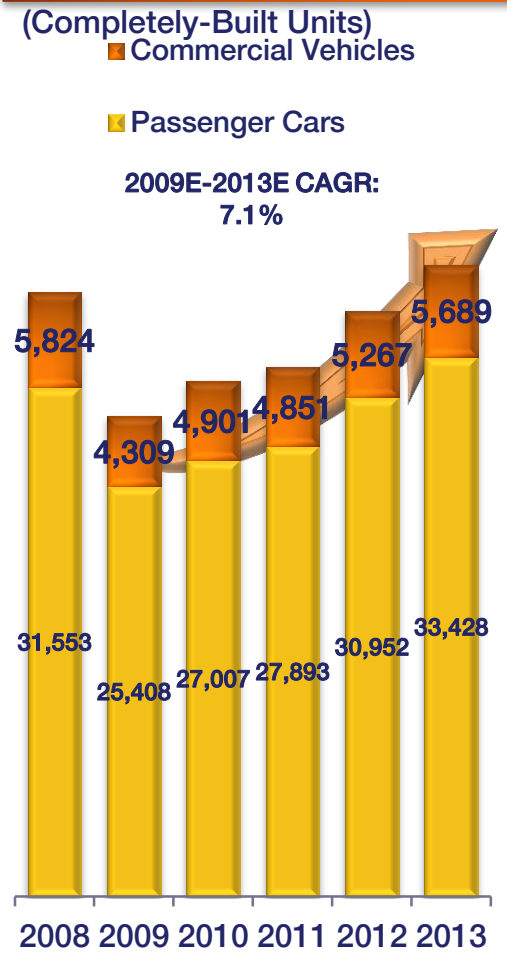
Source: Company Information, NNPC Statistical Report 2009
2010 and 2011 are based on estimates using IVPR and market trend

Industry Overview
Historical Product Sales and Projected Growth Drivers

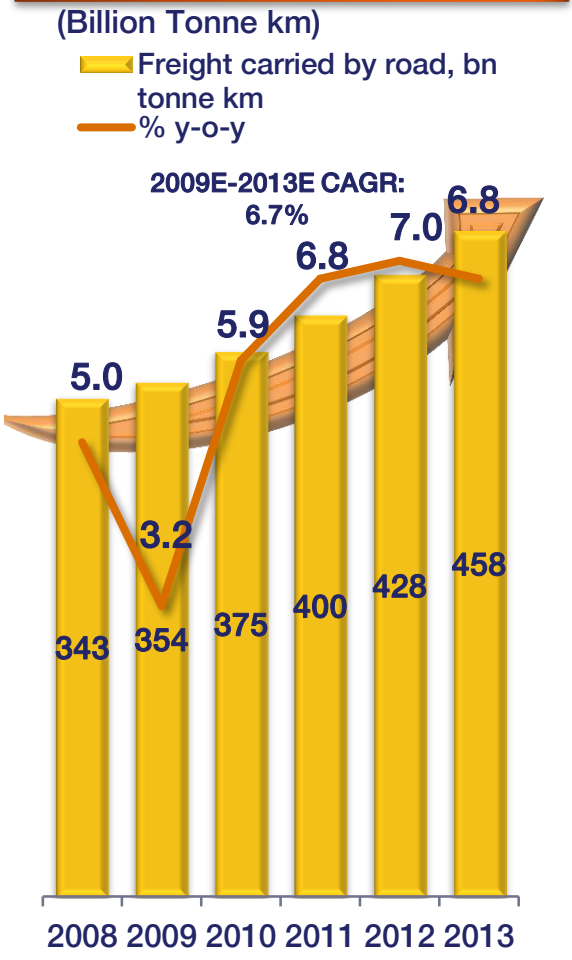
Market Sales by Product



Car Sales



Freight Carried by Road



Source: NNPC Statistical Report 2009, Business Monitor International
2010 and 2011 market share figures are based on estimates using IVPR and market trend

Strategic Focus is to Strengthen Specialties Product Contribution while Improving on Operational Efficiency

Oando

Operating Philosophy

- World class team
- Strong emphasis on technology, process, benchmarked against international companies
- Strong emphasis on team training & development
- ISO 9001 certified company

Current Strategy

Assets Optimization; Stations & Terminals

Operational Efficiency

Service Delivery; E-Payment Solutions

Medium-term Strategy

Specialty products; LPG & Lubricants

Assets Optimization

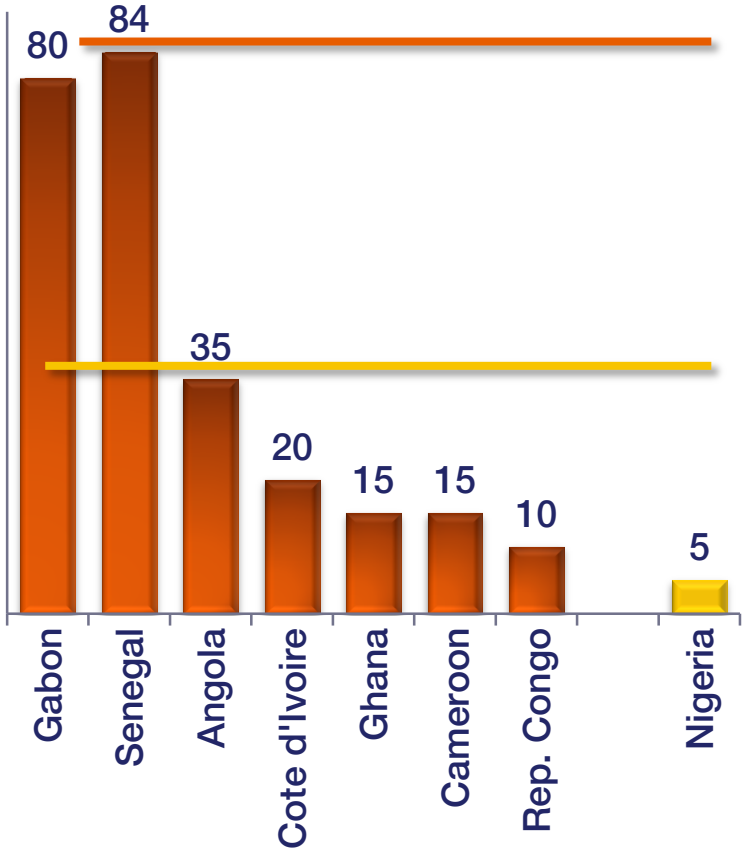
Market Share Leadership

Industry Overview: The LPG Opportunity

Oando

Securing Constant Supply of LPG at Competitive Prices = Market Opportunity

LPG Consumption
(Kg per Household of LPG)



Opportunity for Oando

		Conservative	Potential
Consumption (Kg per Household)	(a)	20	70
Total Households (MM)	(b)	22	22
Consumption (MM kg)	(c)=(a)*(b)	440	1,540
Price (US$/Kg)	(d)	1.27	1.27
Market (US$ MM/year)	**(e)=(c)*(d)**	**558**	**1,956**

Sources: (a) NNPC – conservative consumption in line with Cote d'Ivoire and potential consumption in line with Senegal, Gabon; (b) World Bank (2008); (d) Oando average sales price in 2011

Industry Overview
Potential Margin Upside from PMS Deregulation

Oando

Industry Structure and Oando's Competitive Advantages Point to Potential Margin Upside

Illustrative Drivers of Long Term Marketing Margins

Higher Margins

Lower Margins

Industry Concentration	Market Growth	New Formats/ Channels	Supply/ Demand Forces
Oligopoly (market controlled by top 3 players)	High growth (>5% of total demand) ☑	Traditional Players (fuel focus; little non fuel retailing) ☑	Large supply deficit (>5% of total demand) ☑
Partial Oligopoly (market largely controlled by top 5 players) ☑	Low growth (2-4% of total demand)	C-Stores (sophisticated non fuel retailing common in most sites	Balance
Fragmented (many players with no real dominance)	Low growth (<1% of total demand)	New Formats (hypermarkets and other non traditional formats have substantial share)	Large supply surplus (>5% of total demand)

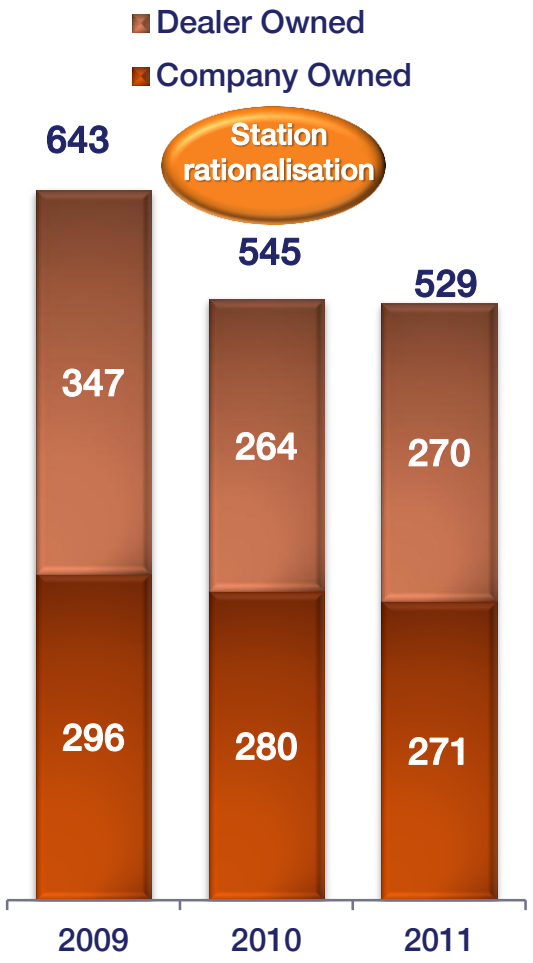
Oando's Competitive Advantages under Deregulation Scenario:

- Integrated business model with wholesale / trading
- Strong market position in the Northern region of Nigeria
  - Strong Presence; retail footprint
  - Robust distribution platform; key to cost containment
  - Strong electronic operating platform; key to growth and stability
- Ability to better leverage its storage strength to drive down unit cost
- Strong brand; key to footprint growth by affiliation

Source: Oando

Summary Operating Data - Scale and Volumes

Number of Stations



Volume Summary

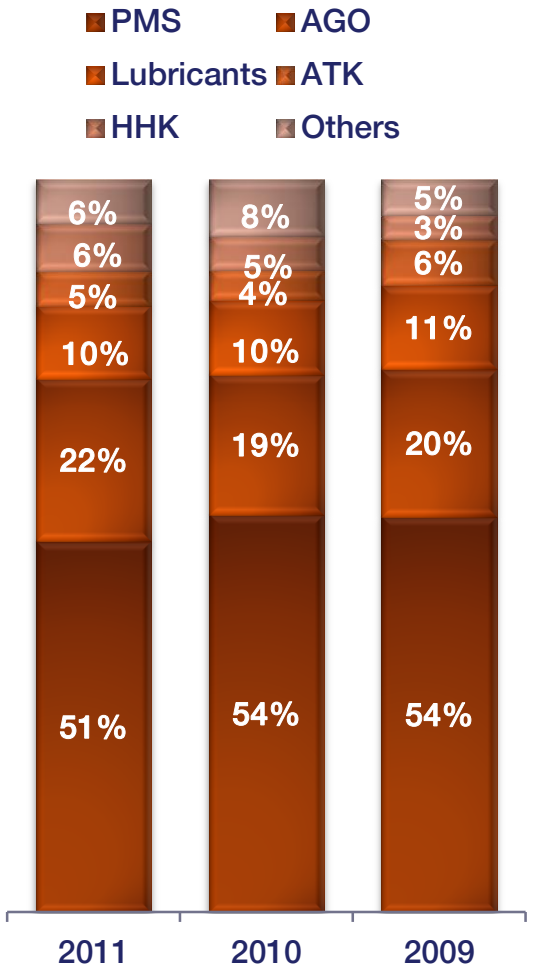
('000 litres, except otherwise indicated)	2011	2010	2009
Nigerian Retail			
PMS	1,561,270	1,579,886	1,468,586
AGO	89,804	101,510	79,709
HHK	85,399	58,968	53,075
Lubricants	11,419	9,990	12,332
LPG (MT)	6,275	9,395	2,704
Nigerian Wholesale			
PMS	99,870	67,056	63,546
AGO	234,312	186,698	207,956
HHK	2,364	6,239	5,502
ATK	113,550	95,776	88,032
LPFO	36,915	34,488	16,945
Lubricants	7,895	7,152	8,382
Bitumen (MT)	19,439	18,047	19,436
LPG (MT)	6,127	4,106	1,734
Other W. African markets			
PMS	18,244	30,743	15,180
AGO	38,684	46,354	25,626
HHK	8,488	8,475	9,157
Lubricants	468	755	461
LPFO	5,377	737	149
LPG (MT)	1,497	2,402	1,510

Source: Oando

PMS = Premium Motor Spirit (Gasoline); AGO = Automotive Gas Oil (Diesel); HHK = Household Kerosene; ATK = Aviation Turbine Kerosene

Summary Operating Data – Productivity and Margins

Gross Margin Contribution by Product



Margin Summary [1]

($'m)	2011	2010	2009
Nigerian Retail			
PMS	49	37	41
AGO	4	3	5
HHK	6	2	2
Lubricants	7	4	5
LPG (MT)	1	1	1
Nigerian Wholesale			
PMS	2	1	1
AGO	17	9	10
HHK	0.3	1	0.4
ATK	5	3	5
LPFO	2	3	1
Lubricants	3	3	4
Bitumen (MT)	2	1	1
LPG (MT)	0.6	0.4	0.4
Other W. African markets			
PMS	0.8	1.1	1.3
AGO	1.7	1.8	1.1
HHK	0.3	0.3	0.3
Lubricants	0.1	0.3	0.2
LPFO	0.3	0.01	0.01
LPG (MT)	0.1	0.1	0.4

[1] Calculated as sell price minus buy price (average cost of goods sold per unit)

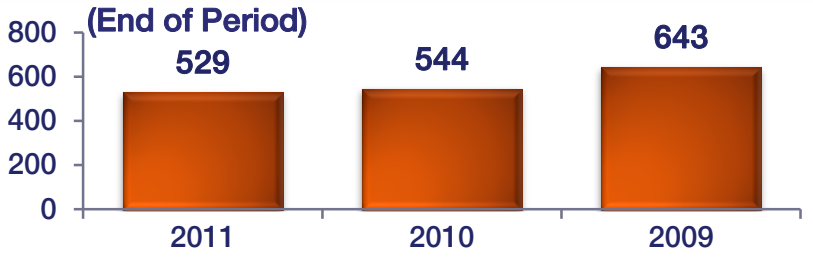
Source: Oando

Division Outlook

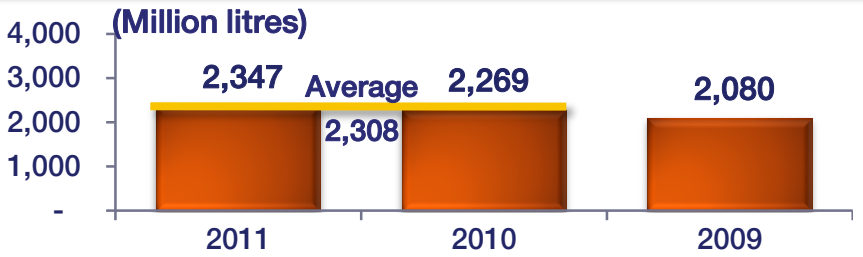
Objectives

- Volumes to resume growth from normalised levels
  - 2009 & 2010 volumes were affected by product scarcity issues caused by delays in subsidy payments to importers
  - 2011 volumes represents a slight increase over 2009 as a result of the introduction of the Sovereign Debt Note (SDN). Q1'10 product scarcity hampered overall volumes growth in 2010.
  - Long term growth expected to be in line with economic activity in Nigeria.
- Profitability, as measured by EBITDA/unit, to remain on its current trend
  - Per unit metrics more representative than percentage margins, giving volatility in product prices.

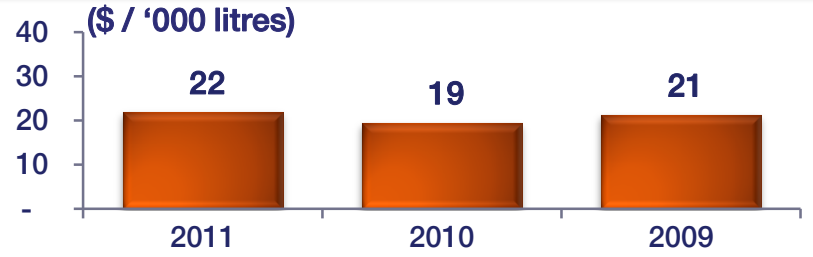
Retail Stations



Total Volumes



EBITDA / Unit



Source: Oando

Assessment of the Division

Strengths

1. Stable and growing market share
   - Brand awareness, high turnover and cost competitiveness
2. Value Chain Optimization
   - Trading and logistic synergies; 159.5m Litres combined storage / throughput facilities
3. Solid Cash Flow Generation
   - Stable margins and discretionary capex
4. Strong Industry Fundamentals
   - Demand growth from urbanization and domestic income dynamics
   - Deregulation expected in the short to medium term
5. Key Player in decisions taken by Major Oil Marketers Association of Nigeria (MOMAN)

Opportunities

1. Adding New Franchised Stations
   - Consolidating a fragmented market
2. LPG Project Roll-out
   - Market potential virtually unexplored
   - Synergies with existing operations
3. Improving Specialties Volumes
   - Focus on higher margin products
4. Margin Improvement
   - Operational efficiency: vendor payment system, fleet tracking
5. NFR Growth
   - Real Estate Development

IV. Overview of Business Units

Oando Supply & Trading (OST)

Oando Supply & Trading at a Glance

Overview

- Oando Supply and Trading is the largest indigenous importer of petroleum products in the sub-Saharan region, supplying and trading crude oil and refined petroleum products
- Trading of regulated products (PMS) under the Petroleum Subsidy Fund (PSF) regime
- Deregulated products under supply contracts (especially AGO) and on a spot basis
- Division consists of Oando Supply and Trading and Oando Trading Limited, with international trading desks
- Supplies petroleum products into shorts in Nigeria and WAF
- Sales to Oando Marketing on arms' length basis

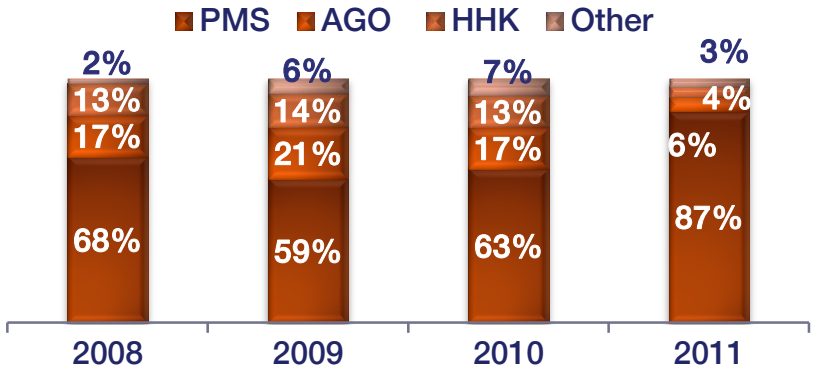
Track Record:

- Liquidity provider for Group in the short term
- Lower margin, high turnover business
- Track record of delivery on its supply contracts
- OST imported up to 8 billion litres of white products into Nigeria between 2008 and 2011
  - Representing 8% of national consumption

Selected Financial Data

USD millions	H1 2012	2011	2010	2009
Revenues	1,616	4,051	1,058	980
Revenue Growth	59%	283%	8%	4%
EBITDA	14	23	35	38
EBITDA Margin	0.9%	1.0%	3.3%	3.9%
Net Income	13	18	27	23
Net Income Margin	0.8%	0.7%	2.6%	2.3%

Gross Margin Contribution (%)



Source: Oando; PPPRA; NNPC Statistical Report 20008

Business Model Overview

Oando

Typical Transaction Timeline

T	T +x	T + x + 5	D	D + 5	D + 30	D + 45	D + 90
Trade Decision	Start of Pricing Window	End of Pricing Window	Product Delivery	Payment to Supplier	Sale to Marketer	Collection of Trade Receivables	Collection of Subsidies

Full hedge policy

COMMODITY PRICING

Financing fully secured at time of trade decision

FINANCING

- Letters of Credit (USD denominated)
- Inventory-Backed Financing (USD or NGN denominated)
- Receivables-Backed Financing (NGN denominated)

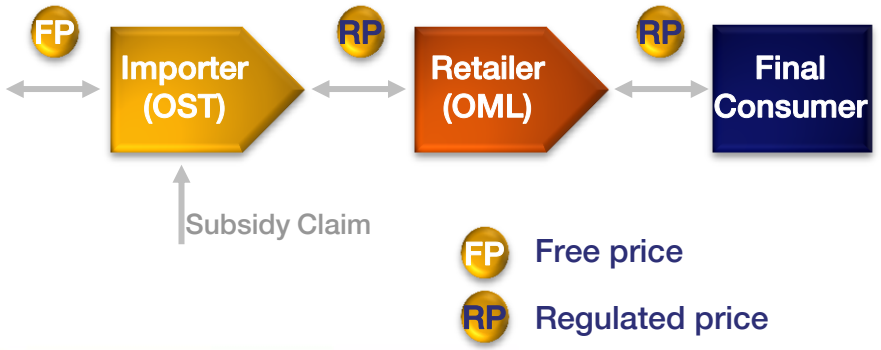
Regulated Pricing

- PMS

Free Pricing

- AGO
- ATK
- LPFO
- Lubricants / specialities

Subsidies in the Distribution Chain



Explanation of Subsidy Programme

Oando

Beneficiaries of the Subsidy on PMS

ANY MEMBER OF THE PUBLIC WHO BOUGHT PETROL OR USED PETROL BOUGHT AT N65 PER LITRE (NOW N97 PER LITRE) BENEFITED FROM THE PSF AND WAS A BENEFICIARY OF SUBSIDY. Oando participated in the Subsidy Fund as claimants who were entitled to reimbursement of costs incurred in the importation and delivery of petrol into Nigeria. Claiming subsidy under the PSF for reimbursement is neither an unwholesome act nor is it illegal.

The difference between the higher cost of imported PMS as ascertained by PPPRA and the ex-depot price is the subsidy that is repaid to importers after being subjected to an audit by Government appointed auditors. For example, the total cost of PMS imported product is as detailed below as at 6 Dec 2011 and 2 July 2012 respectively:

Description	PMS -N/Litre	
Total Cost of Imported PMS (A)	N141.38	N130.79
Regulated Pump Price (B)	N55.90	N87.66
Pump Price	N65.00	N97.00
Subsidy Claim (A-B)	N85.48	N43.13

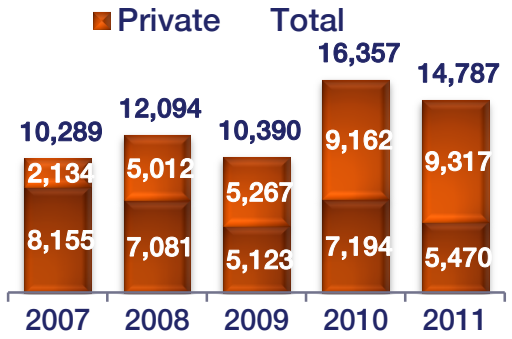
This Claim is neither profit, nor is it a benefit of PSF. It is a recovery of verified cost already incurred in the supply of PMS to consumers.

Division Overview: Market Share and Market Growth

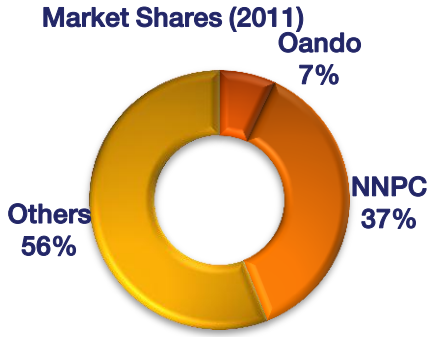
Oando

PMS

Market Size (Bn litres)

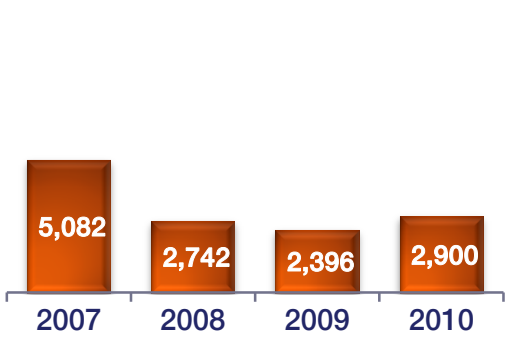


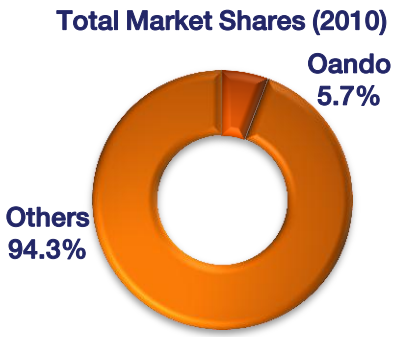
Market Size (Bn litres)

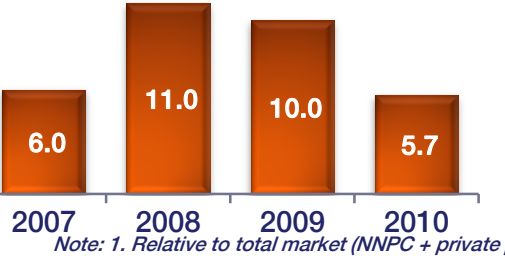


Market Size (Bn litres)

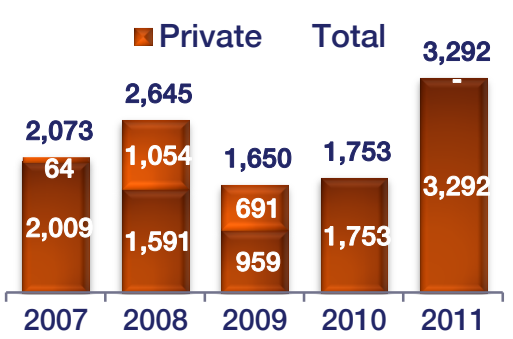
AGO

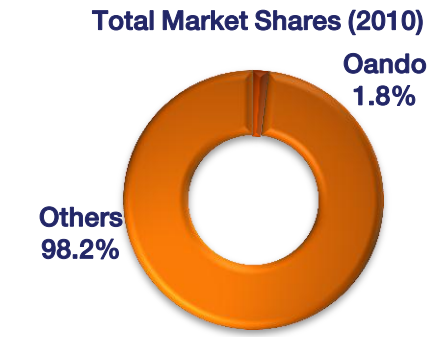


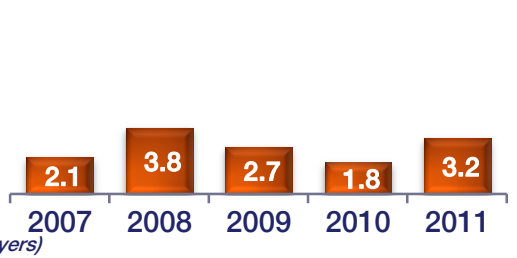




HHK







Note: 1. Relative to total market (NNPC + private players)

Source: NNPC , PPMC Statistical Report ; PPPRA Statistical Report ; PPPRA website

2011 data is up to Sept 2011 per PPPRA Administration of the PSF Published October, 2011. It therefore relates to imported PMS and HHK only. Comprehensive Data for 2011 national consumption not available as at June 2012. No 2011 verifiable data available for AGO

Competitive Positioning

Oando

Major Competitors

Independent Indigenous

acorn your new energy

Heyden

MRS GROUP

Sahara Group

Global Trading Firms

MERCURIA

Vitol

TRAFIGURA

GLENCORE INTERNATIONAL AG

Arcadia

Domestic Majors

TOTAL

Mobil

AP AFRICAN PETROLEUM PLC

Competitor Trends and Strategies

- Independent Indigenous and Domestic Majors competitors have recently begun to model Oando's strategy by forming supply agreements with offshore trading companies
    - Our closest competitor would be MRS, who recently acquired Chevron's downstream marketing assets
- Domestic Majors generally partner with Oando, given Company's track record in regularly supplying a significant amount of their requirements
- Global Trading Firms generally take the position of floating cargo into the region and selling piece-meal to local independents
    - Global Trading Firms generally have no infrastructure or logistics in the country and are adverse to taking local currency risk

Strategy of the Division

Short Term

Increase refined product supply into the country, taking advantage of NNPC/PPMC shorts and gaps created by embattled competitors

Intensify new product offerings

Medium Term

Substantially increase crude oil market share

Increase white products market dominance by leveraging new import infrastructure.

Long Term

Increase geographical presence

KEY SUCCESS DRIVERS

- Accessible Storage
- Price Advantage
- Access to Financing
- Operational Efficiency
- Knowledge of Local Markets

Industry Overview - Regulatory Landscape - How the Subsidy Works

Oando

Components of the Pricing Template

Importer (OST)	1. Product Cost	NWE monthly moving average as quoted on Platts Oil gram
	2. Freight	Average clean tanker freight rate (World Scale 100) as quoted on Platts (from NWE to West Africa), plus trader's margin of $10/MT
	3. Lightering Expenses	Cost incurred on the transhipment of imported petroleum products from the mother vessel into daughter vessel and to allow for the onward movement of the vessel into the jetty. Includes: • Receipt losses of 0.3% • Mother vessels expenses (10 days demurrage at $28,000/day) • Shuttle vessel's chartering to Lagos (N2.00/litre) and Port Hartcourt (N2.50/litre)
	4. Nigeria Port Authority Charge	Harbour handling charge charged by the NPA for use of port facilities (currently at $5.25/MT)
	5. Financing	• Stock finance (cost of funds) for the imported product (30 days at LIBOR + 5%) • Interest charge on the subsidy receivables (60 days at 22% NIBOR rate)
	6. Jetty Depot thru Put	Tariff paid for use of facilities at the jetty by the marketers to move products to the storage depots (currently N0.80/litre)
	7. Storage Charge	Storage Margin is for depot operations covering storage charges and other services rendered by the depot owners. The charge is currently N3.00/litre.
Retailer (OML)	8. Landing Cost	Cost of imported products delivered into the jetty depots (1+2+3+4+5+6+7)
	9. Distribution Margins	N15.49 per liter, including: • Retailers' margin (N4.60 per litre) • Transporters' margins (N2.99 per litre) • Dealers' margin (N1.75 per litre) • Bridging Fund (plus Marine Transport Average) (N6.00 per litre) • Administrative charge (N0.15 per litre)
	10. Taxes	These include highway maintenance, government, import and fuel taxes (currently 0)
	11. Retail Prices	Expected pump price of petroleum product at retail outlet (8+9+10)

Advantages Relative to Formula:

- Product Cost: arbitrage opportunities + direct relationship with refiners
- Lightering expenses: scale
- Storage Charge: scale and efficiency of turnover (dilutes cost of fixed rents)

Component	Currency $N	PMS	HHK
C + F (NGN PORT)		0.65 98.33	0.64 97.54
Other Charges (N)		6.11	6.62
Landing Costs (N)		104.44	104.16
Margins (N)		15.49	13.20
Expected Price (N)		119.93	117.36
Retail Price		97.00	50.00
PPMC Ex-Depot Price		87.66	40.90

Source: Petroleum Products Pricing Regulatory Agency (PPPRA)

Summary Operating Data - Volumes and Margins

Volumes by Product and Destination- Nigeria

('000 litres, unless otherwise indicated)

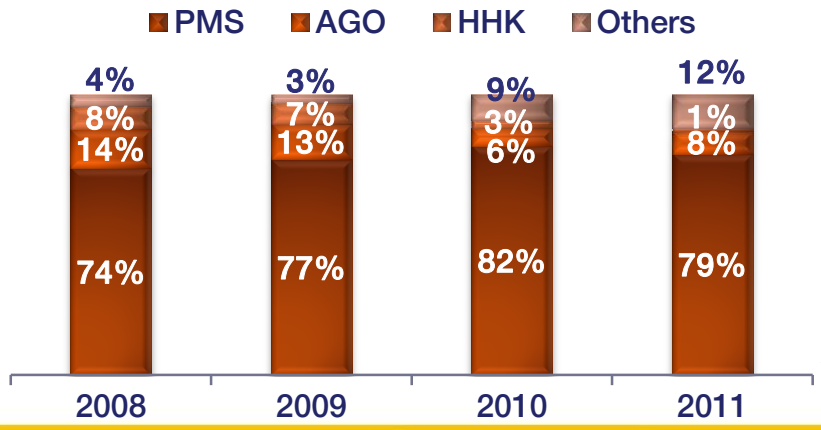
Into Nigeria	2008	2009	2010	2011
PMS	1,614,581	1,449,327	1,356,629	1,703,302
AGO	301,593	239,572	104,003	165,616
HHK	183,793	138,808	49,792	30,700
ATK	52,918	37,203	123,698	187,309
LPFO	7,596	7099	12,084	10,609
Bitumen	3,933	0	0	3,164
Additives	0	0	0	0
Baseoil	10,413	18,720	10,746	56,003

Margins by Product and Destination(1)

(US$/'000 litres)

Into Nigeria	2008	2009	2010	2011
PMS(2)	71	46	55	89
AGO	92	86	110	36
HHK(2)	121	116	104	153
ATK	6	4	35	44
LPFO	89	8	138	363
Bitumen	132	N/A	N/A	162
Additives	N/A	N/A	N/A	N/A
Baseoil	147	363	254	89

Volume Contribution (%)



Source: Oando

Notes: (1) Gross margin calculated as selling price minus the CIF purchase price, not including port charges, storage, operations, import duties and finance charges. (2) Includes accrued subsidies

Summary Operating Data - Volumes and Margins

Oando

Volumes by Product and Destination- International

('000 litres, unless otherwise indicated)

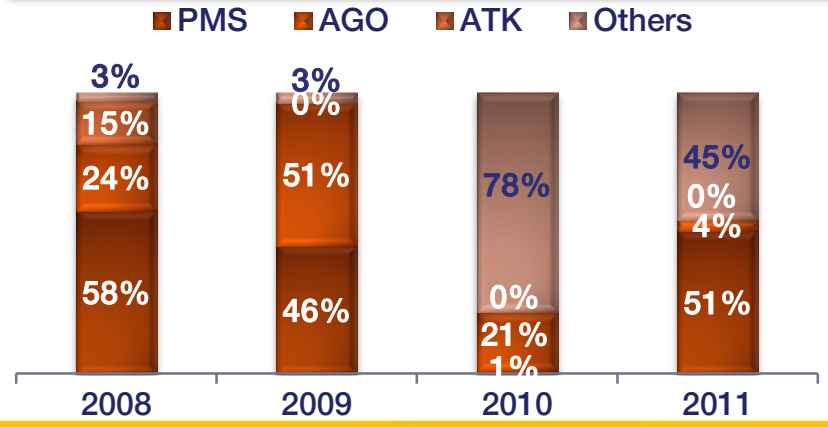
International	2008	2009	2010	2011
PMS	62,617	77,776	2,548	181,928
AGO	25,481	87,285	59,028	15,132
ATK	16,682	0	0	0
Crude oil (bbls)	2,898	5,700	4,757	9,653
LPFO	0	0	46,288	97,001
LPG	0	0	138,769	55,436
Naphta (MT)	0	0	30,000	73,976
Baseoil	0	0	0	6,057
Pentane (MT)	0	0	0	30,001

Margins by Product and Destination(1)

(US$/'000 litres)

International	2008	2009	2010	2011
PMS	6	10	3	7
AGO	69	34	26	8
ATK	13	N/A	N/A	N/A
Crude oil (bbls)	0.2	0.3	0.3	0.06
LPFO	0	0	2	7
LPG	0	0	27	16
Naphta (MT)	0	0	23	0
Baseoil	N/A	N/A	N/A	63
Pentane (MT)	N/A	N/A	N/A	4

Volume Contribution (%)



Source: Oando

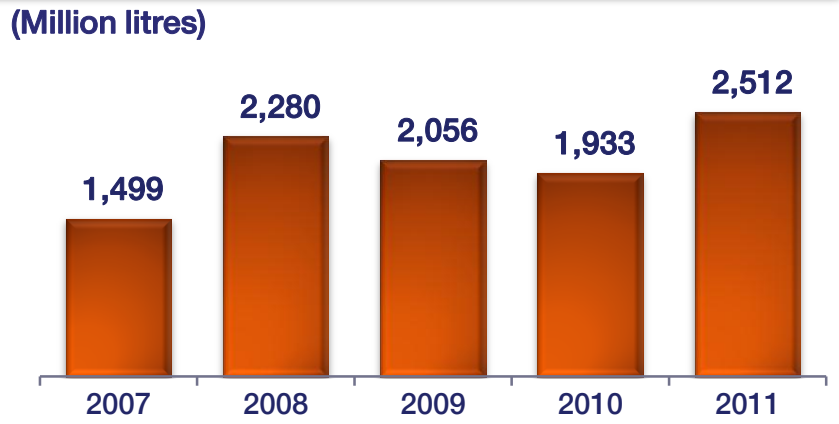
Notes: (1) Gross margin calculated as selling price minus the CIF purchase price, not including port charges, storage, operations, import duties and finance charges. (2) Includes accrued subsidies

Division Outlook

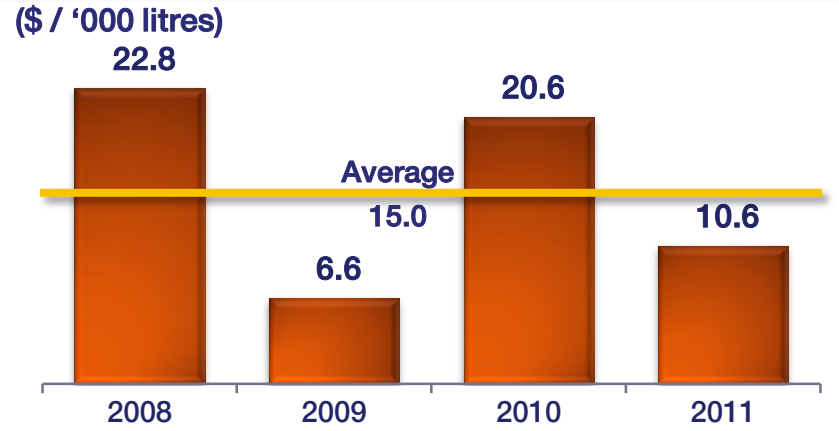
Objectives

- Volumes to resume historical growth rates from normalised levels
  - 2009 and 2010 numbers affected by shut down in Q4 caused by delays in subsidy payments and reduced government allocation Q1 2010
  - Acquisition of storage expected to sustain volume growth rates in 2012-2015
- Profitability, as measured by EBITDA/unit, to float around historical levels
  - PPPRA formula implies a gross margin of $10/mt [1]
  - Per unit metrics more representative than percentage margins, given volatility in product prices
- Crude to remain a small contributor to the division EBITDA ($1.3MM in 2010, $550k in 2011)

Non Crude Volumes



Non Crude EBITDA / Unit



Source: Oando
Notes: (1) Trader's margin of $10/MT

Assessment of the Division

Strengths

1. Strong management team with over 40 years combined trading experience
2. In-house chartering & shipping expertise
3. Integration with domestic marketing company
4. Scale and knowledge of local and regional market dynamics required for winning
5. Integrated inventory management
6. Access to financing - trading lines in excess of $1bn

Opportunities

1. Nigeria is the largest consumer of refined petroleum products in Africa
2. Securitized subsidy payments under a regulated market structure
3. Working capital efficiencies due to correction of delayed subsidy payments
4. In a potential deregulated market, NNPC market share can be taken over by strong private players
   - NNPC's market share of PMS supply is currently 55%
   - Opportunity for substantial supply volume increases in all white products
5. Refining capacity in the West African region is limited, creating ample opportunity for increasing supply into countries in this region
   - This will follow through on our existing footprints in Benin, Togo, Ghana, Cote D'Ivoire, Burkina Faso and Mali

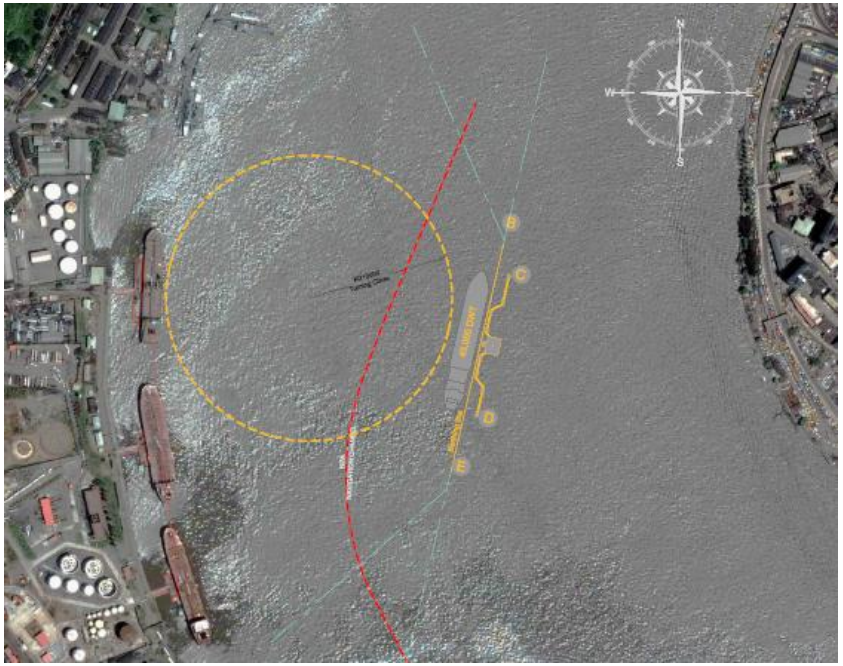
IV. Overview of Business Units

Oando Terminals

Future Strategy - Main Capital Projects

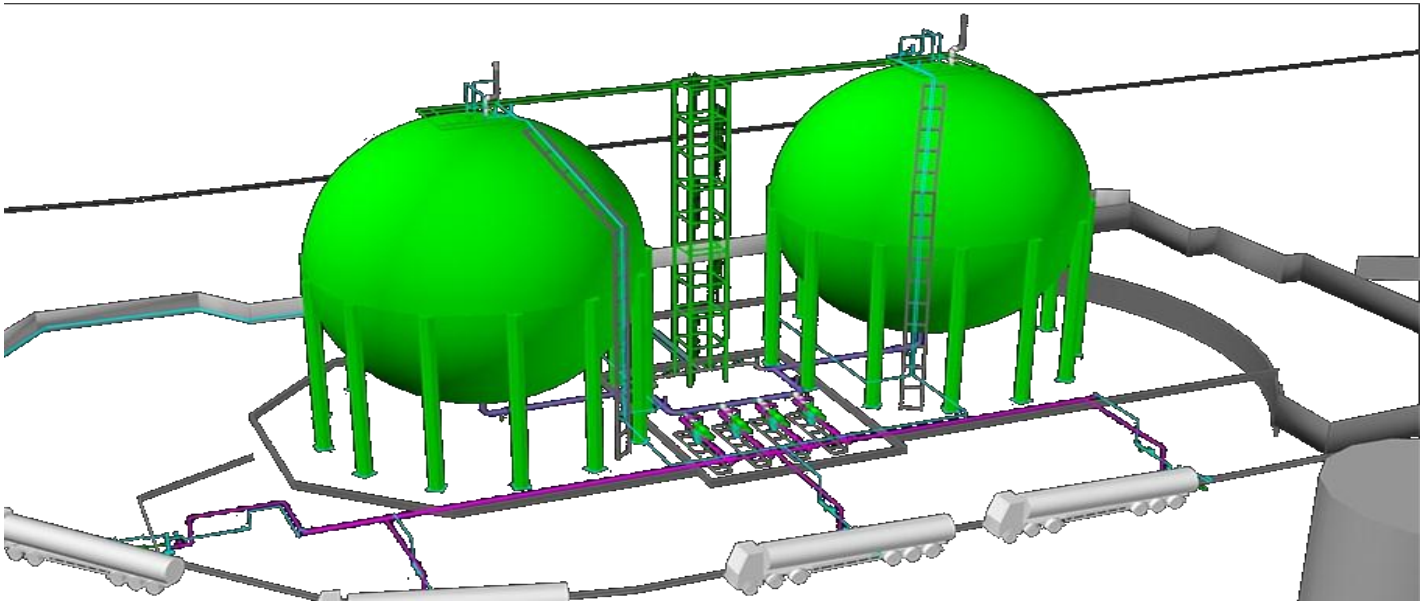
Project	Description	Rationale
Apapa LPG Storage	New LPG storage facility with 7,600 MT capacity in the Apapa Terminal	• Potential for growth in Nigerian LPG market • Ability to secure constant supply at competitive prices key to growing LPG usage in Nigeria • Highly complementary infrastructure to existing OML supply chain
Marina Jetty & Subsea Pipeline	New marina jetty and 1-Km subsea pipeline / at the Lagos Apapa port (Phase II: SPM system & 15km subsea pipeline from Atlantic)	Savings on shipping costs and demurrage: • Being able to berth larger vessels (30-45,000 tonne cargo capacity) • Avoiding constant delays caused by infrastructure constraints in the Lagos area • Increase utilisation of existing storage
Greater Lagos (GL) IV Pipeline System	Project involves the extension of the existing GL natural gas pipeline network from Mile-2 to Okokomaiko and from Ijora through Lagos Island to Victoria Island.	The pipeline extension to Lagos Island and Victoria Island shall supply Natural Gas to : • PHCN Power Plant at Ijora • Proposed IPP to be built by Oando in Lagos Island (Marina area) • Independent Power Plant (IPP) built by NEGRIS for the Lagos State Government • Proposed Independent Power Plant (IPP) by the Lagos State Government in Okokomaiko .

Future Strategy - Main Capital Projects



ASPM Project

Future Strategy - Main Capital Projects



Apapa LPG Project

IV. Overview of Business Units

Oando Gas & Power (OGP)

Oando Gas & Power at a Glance

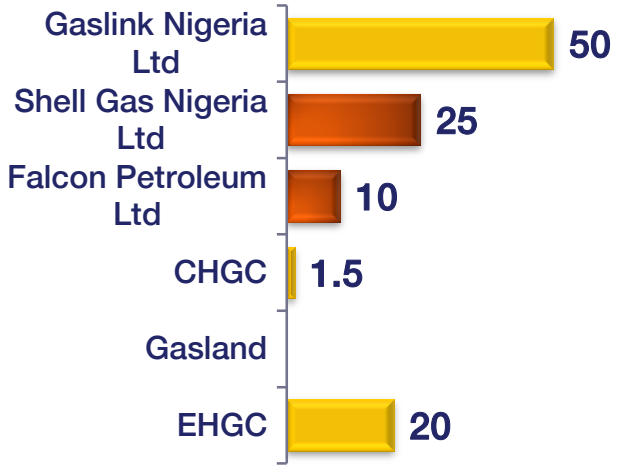
Overview

- Oando Gas & Power (OGP) is the largest private sector gas distributor in Nigeria
- Pioneered gas distribution business in the Greater Lagos Area
- Uniquely placed to grow captive independent power generation (IPPs) on the back of existing infrastructure
- Has consistently demonstrated competitive leadership in the Nigerian gas markets
- Well positioned to benefit from its first mover advantage and to increase its customer footprint in the medium term

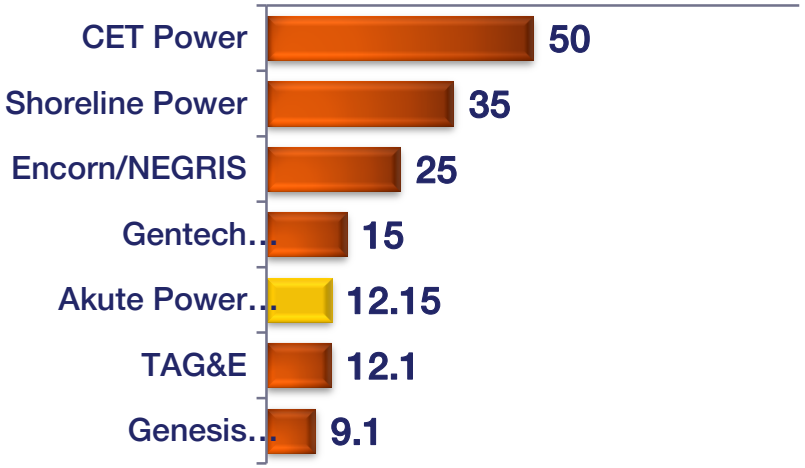
Selected Financial Data

USD millions	H1 2012	2011	2010	2009
Revenues	60	130	113	71
Revenue Growth	21%	15%	59%	29%
EBITDA	20	38	26	5
EBITDA Margin	32.7%	29.2%	23.0%	7.0%
Net Income	9	22	19	4
Net Income Margin	14.7%	16.9%	16.8%	5.6%

Gas Sales (mmscf/d)



Captive Power Generation (MW)



Sources: Oando

Operating Assets

Gaslink Nigeria Limited

- Main operating arm of Oando Gas & Power Limited
- Operates a 20 year franchise to distribute natural gas in the Greater Lagos area
- 100 km gas distribution network with a 65 mmscf/d capacity developed in phases
- Network covers all the industrial areas of Lagos delivering gas to approximately 120 industrial customers

East Horizon Gas Company

- 128 km natural gas pipeline in Eastern Nigeria spanning Akwa Ibom and Cross River States
- The pipeline (~cost $198MM[1]) will initially supply circa 20mmscf/d to UNICEM, increasing up to 40mmscf/d in the medium term under the long tern contract
- Projected capacity of c.100 mmscf/d

Akute Power

- Special purpose company that built, own and operates a 12.15 MW Independent Power Plant to serve the major water works of the Lagos Water Corporation
- Developed power plant and associated gas infrastructure at $25.5 MM
- Started operations in February 2010

Central Horizon Gas Company

- CHGC was formed as a Special Purpose Vehicle to takeover, rehabilitate and expand the existing River State Government gas pipeline
- 5 km natural gas distribution pipeline in Trans Amadi area of Port Harcourt
- Operates for initial duration of 30-year, commencing from July 2011
- Operating capacity of c. 1.5mmscf/d
- Existing network covers only Trans Amadi industrial area delivering gas to about 8 industrial customers

Source: Oando

[1] subject to final capex verification

Business Model and Contractual Structure

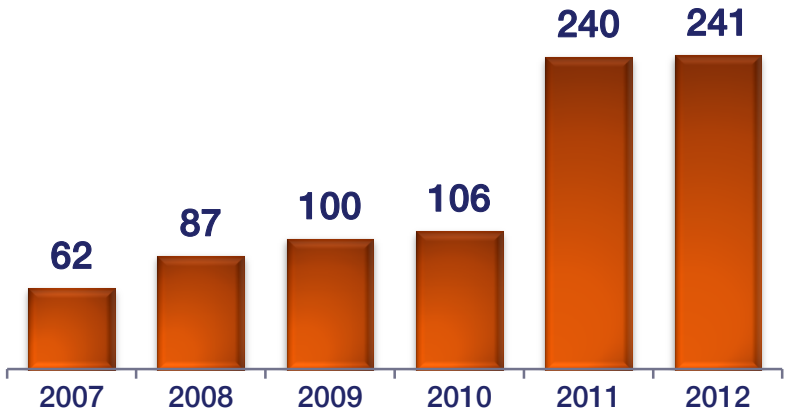
	Gaslink Nigeria Limited	East Horizon Gas Company	Akute Power Plant	Central Horizon Gas Company
Location:	Lagos State	Akwa Ibom & Cross River State	Lagos	Port Harcout
Pipeline / Plant:	100 Km	128 Km	12.15 MW	5 Km
Client:	Over 120 industrial customers	United Cement Company	Lagos Water Corporation	Over 8 industrial customers
Gas Supply:	Nigerian Gas Company	Nigerian Gas Company	Gaslink	Shell
Contract Structure:	20-year exclusive franchise	20-year exclusive franchise	10-year PPA	30-year exclusive franchise
Contract Economics:	Gas price (‘mscf) is as published by the Nigerian Gas Company(Gaslink retains $1.32 as Operations & Maintenance tariff and $0.79 as Capital Recovery tariff(2) Customers subject to 90% take or pay	Gas price (‘mscf) is as published by the Nigerian Gas Company(1) EHGC retains $0.9 as Operations & Maintenance tariff and $2.36 as Capital Recovery tariff(2) UNICEM subject to 80% take or pay	Capacity charge is to assume 17% ROA in US$ (initially at N10.15/Kwh, decreasing to N3.98/Kwh at year 10) Pass-through of fuel and O&M cost – currently at N3.59/Kwh and N1.65/Kwh, respectively	Gas price (‘mscf) is tentatively N931.3 Shell takes 65% for gas supply and existing infrastructure development while CHGC retains 35% for Operations & Maintenance
Capital Expenditure Incurred / Total:	$100 MM / $100 MM	$198 MM / $ 198MM	$26 MM / $26 MM	To be determined post-feasibility
Asset Ownership:	Nigerian Gas Company owns the pipeline	Nigerian Gas Company owns the pipeline	Akute Power Limited owns the power plant	CHGC
Start of Operations:	2000 (Fully completed in 2009)	2012 (Fully completed in 2011)	2010 (Fully completed in 2010)	2011
Contract Expiry:	2019	2031	2020	2041
Renewal Mechanism:	Right of first refusal subject to further agreement	Subject to further agreement	+10 years, mutually agreeable	Subject to further agreement

Notes: (1) $5.66/mscf from 2010-2012; $6.44/mscf in 2013; $7.21/mscf in 2014; $7.5/mscf in 2015 (2) Transitory prices (3)As at 31 Dec. 2010

Summary Operating Data – OG&P

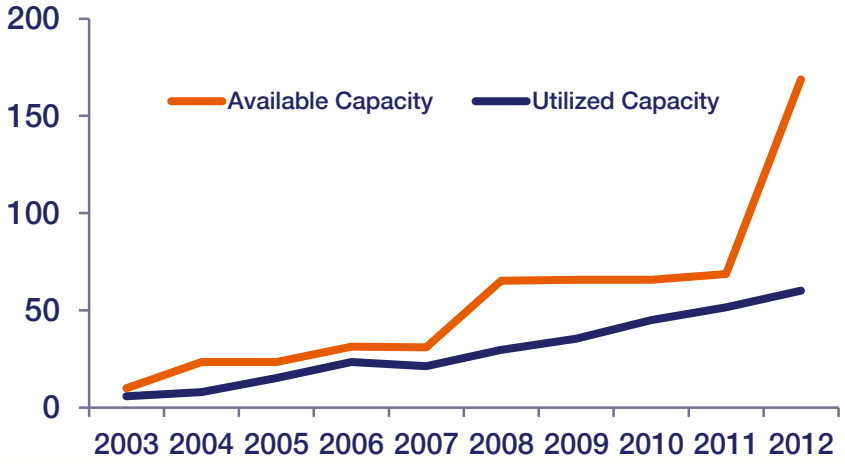
Value proposition of gas is clear and OGP has progressively recruited quality clients to take the gas advantage

Gas Transmission Lines / Distribution Network (Km)



Number of Customers

Gas Capacity Sales Volumes / Capacity Utilization (mmscfd)



Counter-Party Quality

Sources: Oando, PPMC

Strategy

Oando

Short Term

- Complete ongoing projects
- Enhance operations and optimize existing gas distribution assets
- Deployment of Compressed Natural Gas as additional offering to serve stranded customers and vehicular fueling
- Recruit more independent power generation to captive counterparties
- Leverage partnerships and alliances to emerge as successful and key player in the ongoing power sector restructuring

Medium Term

- Progressively expand gas transmission and distribution network to other parts of Nigeria
- Develop gas transmission and distribution business in West African markets (Ghana, Togo and Benin)
- Expand horizon in Independent Power Generation to other locations where we have gas infrastructure and E&P assets
- Participate in infrastructure development that assure reliable supply of natural gas on the back of the Gas Master Plan
- Extend power sector play offerings to include district-wide generation and distribution

Long Term

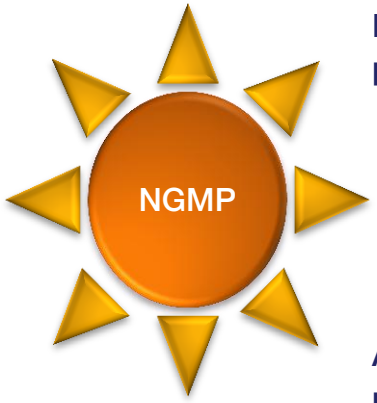
- Diversify gas supply sources
- Establish national presence for gas supplies to end users
- Position as dominant Gas & Power company in West Africa

The Nigerian Gas Master Plan (NGMP)

Oando

OGP is participating in the development of strategic CPF and pipeline systems

As an Indigenous Player within the Industry, OGP Is Well Positioned to Benefit from the NGMP



Develop an integral industry development plan

Ensure supply continuity to meet current and future contracts

Make gas available in all parts of the country

Promote gas use investment to replace imported products (or replace them for export)

Make gas available at commercial and affordable prices to local markets, yet reflecting eventually the full market value

Allow for widespread distribution of gas to more remote areas, regional and international markets

Eliminate gas flaring

Allow refurbishment and more rapid development of the crippled power sector

Government Planned Infrastructure in the Gas Master Plan

- Gas Processing Facilities (Western, Eastern & Central Clusters)
- Gas transmission pipeline systems (OB3, CAP & AKK)
- Export terminals / facilities
- Independent gas gathering / distribution pipeline networks

Oando's Participation

- Central Cluster CPF – Oando/NAOC/NNPC consortium awarded project
- ELPS-Ibadan-Ilorin-Jebba (EIIJ) gas pipeline network
- Eastern Cluster CPF
- OB3 Pipeline Network
- CAP Pipeline System

Evolving National Infrastructure Development

Oando

Existing limited & unconnected infrastructure: to be addressed by the Nigerian Gas Master Plan (NGMP)

Existing Transmission Infrastructure

1,100kms

Potential Future Nigerian Gas Infrastructure System

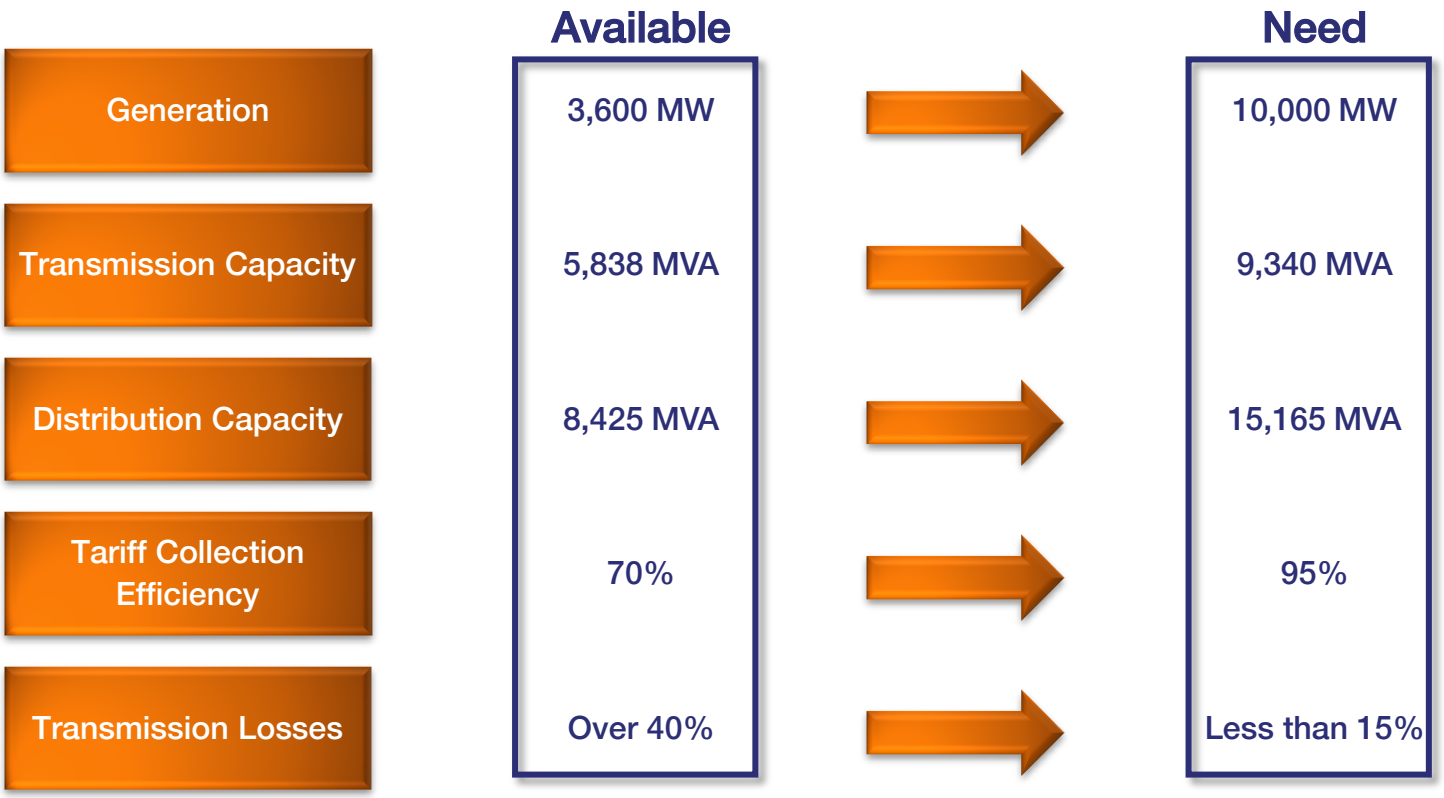
10,000kms

Source: NGMP

Government Aspiration to Reform the Power Sector

Oando

Existing Power Infrastructure is by far less and sub-optimal to identified National need

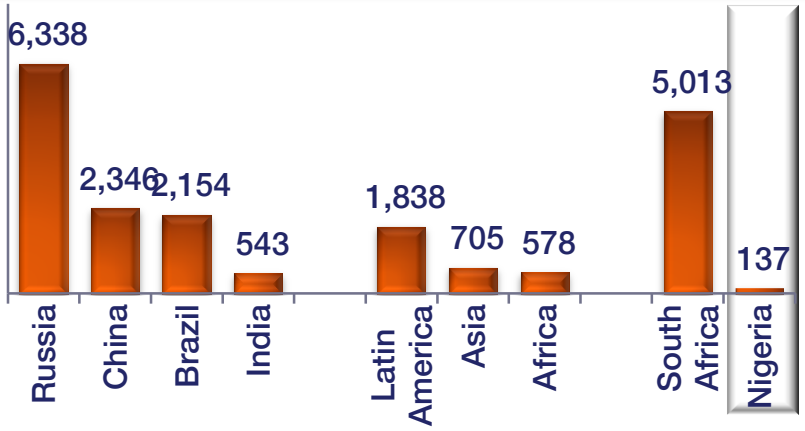


Source: NEEDS document

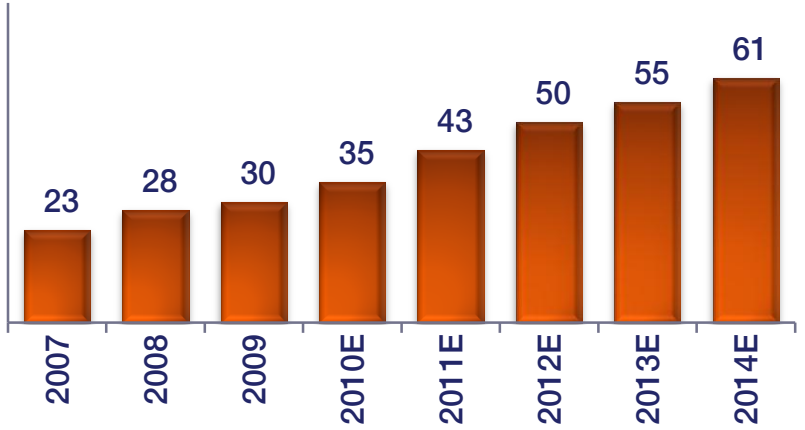
Electricity Demand and Supply in Nigeria

Government intervention in increasing power supply will improve the economic indices

Electricity Consumption for Selected Regions—2007 (KWh/Capita)



Nigerian Electricity Generation (TWh)



Government Initiatives to Reduce Supply Gap

- Nigeria intends to ramp up domestic power production
  - Since 2007, PHCN embarked on a robust new build programme under the National Integrated Power Plan (NIPP), aimed at adding at least 10,000 MW to the national grid.
  - An estimated $15 Bn in private sector investment would be needed to meet all Gas & Power development goals
- Gas will remain the dominant source of electricity, however efforts are underway to explore the country's other energy sources
  - Target is to produce at least 3,000 MW from renewable sources including solar, wind and biogas by 2020
  - Potential for coal-fired power stations is being explored in the Kogi, Enugu and Benue areas

Source: IEA Key World Energy Statistics 2009; Business Monitor International – Nigeria Oil and Gas Report Q1 2010

Division Outlook

Objectives

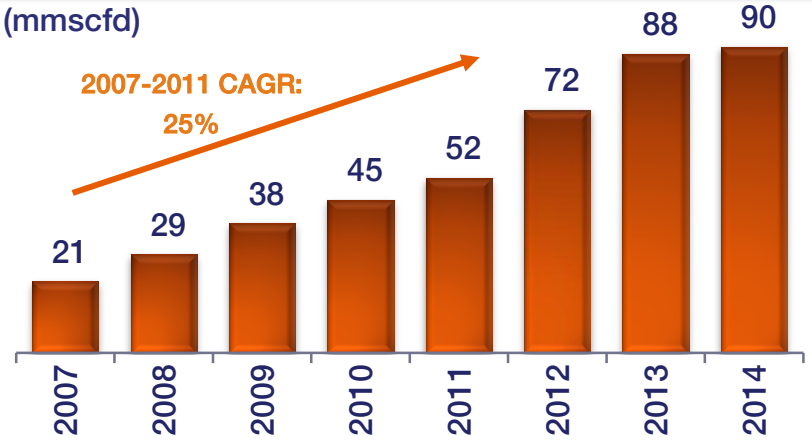
- Gaslink: volume trends expected to remain in line with historicals
  - Room for growth from 77% of capacity utilisation in 2011
- EHGC: Commenced operations Jan 2012
  - Initial offtake of 20mmscfd by an anchor customer (growing to 40mmscfd)
  - Addition of new clients expected to increase capacity utilisation over time
- IPPs
  - Business development efforts to add a portfolio of 100MW in the medium term are at various stages of maturation.
  - Participant in the ongoing privatisation of generation and distribution assets of PHCN
- EBITDA margins as implied by contracts
- Capital recovery – outstanding long-term receivables of ~$230MM as of December 2011

Gas Prices

($/'000 scf, Average of Period)

Gaslink – Total Volumes

(mmscfd)



Source: Oando

Assessment of the Division

Strengths

1. Operates the longest domestic gas distribution network in Nigeria
2. High rates of return assured by contract
3. Exclusive franchises, no competition within clients / areas
4. Replicable business model with large untapped market
5. Installed asset base with growth potential at low additional capital expenditure (Gas)
6. Asset light model, benefiting from capital recovery mechanism (Gas)
7. Proven execution capacity
8. Availability of project financing (non recourse post project completion)

Opportunities

1. Continue to increase gas pipeline footprint
2. Development of dedicated niche power projects
3. Leverage gas infrastructure and the group's E&P assets to develop opportunities in the Nigerian Electricity Supply Industry
4. Government initiative for increasing use of Gas in Nigeria
5. Secured award for development of Central CPF in partnership with NAOC and NNPC

IV. Overview of Business Units

Oando Energy Services (OES)

Oando Energy Services at a Glance

Oando Energy Services

- Commenced business in its current form in 2005
- OES's oilfield services solution includes
  - Drilling and completion fluids
  - Drill bit and drilling systems
  - Drilling Rigs
- Largest swamp rig fleet in Nigeria
- Positioned to take advantage of
  - Attractive energy service fundamentals
  - Upsurge in activity
  - Local content requirements

Key Financials

USD millions	H1 2012	2011	2010	2009
Revenues	59	93	96	48
Revenue Growth	26%	(3%)	100%	37%
EBITDA	28	27	33	10
EBITDA Margin	47.3%	29.0%	34.4%	20.8%
Net Income	1	3	6	(5)
Net Income Margin	1.6%	3.2%	6.3%	(10.4%)

Evolution of Oando Energy Services Business Lines

Date of Establishment	Drilling Rigs 2007	Drilling & Completion Fluids 2005	Bits and Systems 2005

Business Description	• Acquired five swamp rigs since 2007
	  • 2 rigs on contract with AGIP
	  • 1 rig on contract with SHELL
	  • 1 rig for CHEVRON tender
	  • 1 retired rig (OES Professionalism)
	• Well positioned in a niche, $300M industry with high barriers to entry
	  • Customisation of rigs for the Niger Delta makes them less substitutable
		• Mud Engineering and Production Chemicals for major IOCs
		• 8% market share in a $250M per annum market
		• Leased 26,500bbls mud plant expected to come online in H2, 2012
		• Alliance with Baker Hughes
			• Specialises in providing customised drill bit solutions to upstream IOCs operating in Nigeria
			• 27% market share in a $15M per annum market
			• Alliance with Halliburton Drill Bits
			• Next phase Drilling Systems

Key Customer Contracts	Agip, Shell	Shell, Agip, Chevron, Shell, Agip, Esso ExxonMobil, Total	

(a) Decline in 2008 revenues attributable to a decline in drilling activity in Nigeria due to concerns regarding the safety and stability in the Niger Delta and the ongoing financial crisis. Further, due to a realignment of strategy, the Group exited from its oil well cementing business. Note: Market share and size data based on management estimates

The Nigerian Opportunity

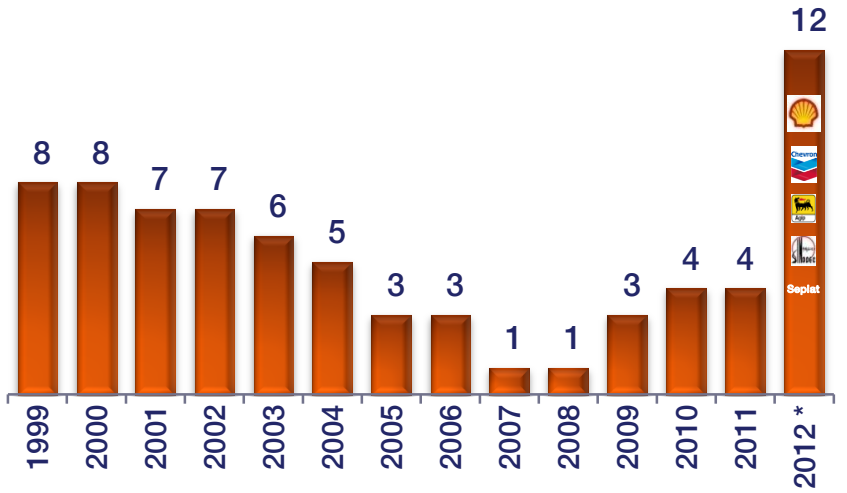
Oando

Demand Dynamics

Field Operator	Estimated Demand	Status
Shell	6	2 awarded to Lonestar, 1 awarded to Oando and 3 required (tender notification received)
Chevron	*1	At technical tender stage
SINOPEC	1	1 at Prequalification stage
Agip	2	Awarded to Oando
Seplat	1	LOI issued to Lonestar 205
Conoil	1	1 awarded to Depthwize

* Chevron anticipates to utilize one to two (1 - 2) Drilling Units during the Primary Contract Duration (2013-2015)

Historical Number of Swamp rigs



* Estimated swamp rig demand in 2012

Supply Dynamics

- At present only eight swamp rigs in West Africa
  - 6 on contract
  - 5 Operational: OES Teamwork, OES Integrity, OES Passion, Lonestar 203 and Lonestar 204
  - 2 undergoing refurbishment : OES Respect and Lonestar 205
  - 1 cold stacked & being decommissioned: OES Professionalism
- Globally there are approx. 80 swamp rigs but customised nature of rigs makes transfers difficult and capital intensive
- Supply/demand inequality expected to persist
- Local content Act reduces competition from international players. Oando has the largest swamp rig fleet in Nigeria.
- Currently, Lonestar and Depthwize are the only other indigenous player with rigs in the Niger Delta

Status of Swamp Rigs

Rig	Manager	Status
Lonestar 203	Lonestar	Operational with SPDC
Lonestar 204	Lonestar	Operational with SPDC
Lonestar 205	Lonestar	Undergoing Refurbishment for SEPLAT
OES Teamwork	OES	Operational with Agip
OES Integrity	OES	Operational with Agip
OES Passion	OES	Operational with SPDC
OES Respect	OES	Undergoing Refurbishment
OES Professionalism	OES	Being decomissioned
Majestic	Mega Drill	Operational with Conoil

Source: OES Estimates

Regulatory Framework

Background

- The Nigerian Content Act was conceived in 2005 via collaboration between NNPC and the Oil & Gas Companies and was passed into Law in 2010
- The Act is designed to encourage participation of credible Nigerian companies in the Oil and Gas sector
- The Act gives the Nigerian Content target (in %) for all services rendered to the Oil and Gas industry
- One of the aims of the Act is to give exclusive consideration to Nigerian indigenous service companies which demonstrate ownership of equipment, Nigerian personnel and capacity to execute work on land and swamp operating areas
- Nigerian Content Development Monitoring Board (NCDMB) ensures that bids submitted include binding agreement with Nigerian local sub contractors
- All Swamp & Land drilling rig contracts are to be reserved for Nigerian companies that can demonstrate that they have the required capacity to operate rigs successfully

Implications for Oando Energy Services

- Oando is the only Nigerian Energy Services provider of scale making it a key beneficiary of the Act
- Enables OES to be a truly integrated energy solution provider
- Affords OES the opportunity to grow its rigs business whilst focusing on the swamp. Knowledge gained in the swamp will be cascaded to other areas such as land and offshore

Regulatory Framework

Overview

- Tender process for drilling rigs is administered by National Petroleum Investment Management Services (NAPIMS)
- Priority is being given to local companies through the Government's Local Content Act
- The ideal tendering process can take up to 15 months before award of contract

Indicative Timetable

	Prequalification Stage	Technical Stage	Commercial Tender Stage
Indicative Timeline	**2– 4 months**	**6 months**	**3-5 months**
Tender Process Overview	• This stage has been phased out from the tendering process • Qualified Contractors have been shortlisted and Prequalified on the NIPEX* database • Notification of upcoming Technical bid is advertised and only prequalified contractors are eligible to tender in the next stage	• Evaluation of the technical competence of the shortlisted bidders • Conduct site-visits, if necessary • Secure approval from NAPIMS, NCDMB and internal steering committees for the shortlisted commercial bidders	• Issue commercial tender to shortlisted bidders • Bids received are evaluated and signed off by a joint meeting of the issuer's steering committee, NAPIMS, NCDMB as well as NNPC

** NIPEX means Nigerian Petroleum Exchange- a division of NAPIMS. It is an electronic transaction centre / portal developed to facilitate and monitor supply chain transactions and tendering processes in the Oil and Gas Industry*

Swamp Rig Fleet Summary

Rig Name	Teamwork	Integrity	Respect	Passion
Rig Type	Swamp / Barge	Swamp / Barge	Swamp / Barge	Swamp / Barge
Date of Purchase	2007	2008	2007	2009
Age	28	25	29	11
Location	Pirigbene, Bayelsa state	Nimbe, Bayelsa state	Orange, Texas	Santa Barbara , Bayelsa State
Application	Normal Drilling	High Pressure, High Temperature Wells	Normal Drilling	Cantilever Rig – Normal Drilling
Operating Pressure Rating	10,000 psi	15,000 psi	10,000 psi	10,000 psi
Horse Power	2,000	3,000	3,000	3,000
Drilling Depth	25,000 ft	30,000 ft	25,000 ft	30,000 ft
Status	• Under contract to Agip • (2 years + 1 year extension)	• Under contract to Agip • (2 years + 1 year extension)	• Undergoing refurbishment	• Under contract to SPDC • (2 years + 1 year extension)
Day Rate	$97,902	$104,900	Similar rates expected	$104.900
Expected Timing	Contracted	Contracted	2013[(a)]	Contracted

Note: (a) Subject to competitive tender processes

Summary of Rig Contract Terms

Oando

Summary of Key Contract Terms			
	Teamwork	Integrity	Passion
Operating Rate with Drill Pipe (US$)	97,902	104,900	104,900
FORCE MAJEURE Rate with Crew (US$)	78,322	83,920	83,920
Standby Rate (US$)	94,905	99,655	99,655
Operating Expenses (% of Day Rate)	66%	64%	60%*
Term of Contract	• 2 years with optional 1 year extension • Agip's drilling programme for the rig extends to 2013 (or 2014 if the 1 year extension option is utiliised)	• 2 years with optional 1 year extension • Agip exercised its right to extend the contract by an additional year at the end of the 2-yr firm period	• 2 years with optional 1 year extension • SPDC's drilling programme for the rig extends to May 2014 (or 2015 if the 1 year extension option is utilised)
Early Termination Provision (US$)	• Max 5,000,000 (varies according to portion of contract that remains to be completed)	• Not applicable during the 1-yr extension period	• Max 18,882,000 (varies according to portion of contract that remains to be completed)

*Note: * OPEX as % of Day Rate is indicative as rig is yet to complete a full month of operation*

Assessment of Division

Key Strengths

1. Favourable industry trends
   - Existing players enjoy a **position of strength** as customization of swamp rigs in Nigeria makes barriers to entry high
   - Tender process is involved and requires significant resources from the potential client. Hence, companies tend to roll / extend contracts with the existing rig operator increasing **certainty and stability of revenues**
2. **Revenue and Cash Flow visibility** for contracted rigs
3. **Experienced management team** with extensive experience with global drilling majors
4. Partnership with international partners, such as Baker Hughes and Halliburton, provides **appropriate technical expertise**

Key Opportunities

1. Being a leading indigenous player with existing operational rigs, Oando is well-positioned to benefit from the **Nigerian Oil and Gas Industry Content Development (NOGICD) Act** which was passed into Law in 2010.
2. One of its rigs, Passion, is the only rig in Nigeria with a **cantilevered drilling structure.** It could allow IOCs to carry out cluster drilling and would be expected to command a premium day rate
3. Stands to leverage on experience gained in swamp drilling, to expand into the shallow and deep water drilling market
4. Currently exploring further joint venture opportunities with a leading multinational drilling contractor and also looking at forming strong alliances in order to realise further synergies across all product lines

Note: The bill clearly states that exclusive consideration will be given to Nigerian indigenous service companies which demonstrate ownership of equipment. Nigerian personnel and capacity to execute such work to bid on land and swamp operating areas of the Nigerian oil & gas industry

IV. Overview of Business Units

Oando Energy Services (OER)

&

Oando Exploration and Production Limited (OEPL)

OER & OEPL at a Glance

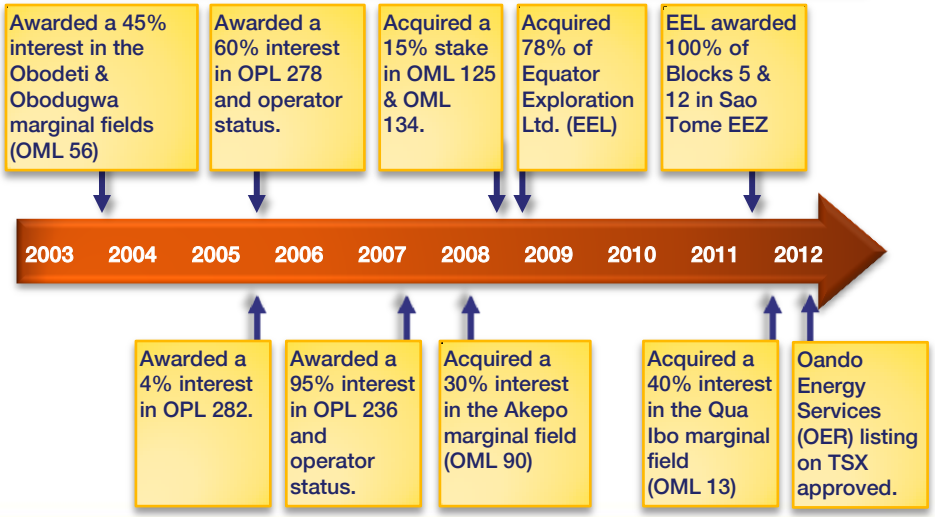
Oando's E&P Position

- The combined Group of OER & OEPL is the exploration and production subsidiary of Oando Plc, which has built a portfolio of oil and gas assets in Nigeria and the JDZ
- The Group holds interests in 13 licences for exploration, development and production of oil and gas concessions
- **Production Overview:**
  - 2011: W.I. production of 1.8mmbbl / 4,992bopd
  - H1 2012: W.I. production of 787mbbl / 4,251bopd
- **Key Objectives:**
  - Short-Term: Production of 5,400boepd net by 2012 year end
  - Long-Term: 2P Reserves of 300mmboe and 100,000boepd by 2015

Key Financials (OEPL)

USD millions	H1 2012	2011	2010	2009
Revenues	75	172	131	82
Revenue Growth	(23%)	31%	60%	(23%)
EBITDA	46	79	89	58
EBITDA Margin	61.5%	45.8%	68.0%	70.7%
Net Income	2	(6)	34	31
Net Income Margin	3.1%	(3.5%)	26.0%	37.8%

Key Milestones



Key Operating Data

Total 2P Reserves (mmboe)	14.1
Total 2C Resources (mmboe)	210.5
2011 Total WI Production	
2011 Production – Oil	1.8 mmbbl
2011 Production – Gas	-
2P Reserves / Production Ratio	8.2
(2P Reserves + 2C Resources) / Production Ratio	125.2
Net PPE	$514m

Sources: OEPL, RPS Energy

Oando Energy Resources (OER) Portfolio: Built to deliver

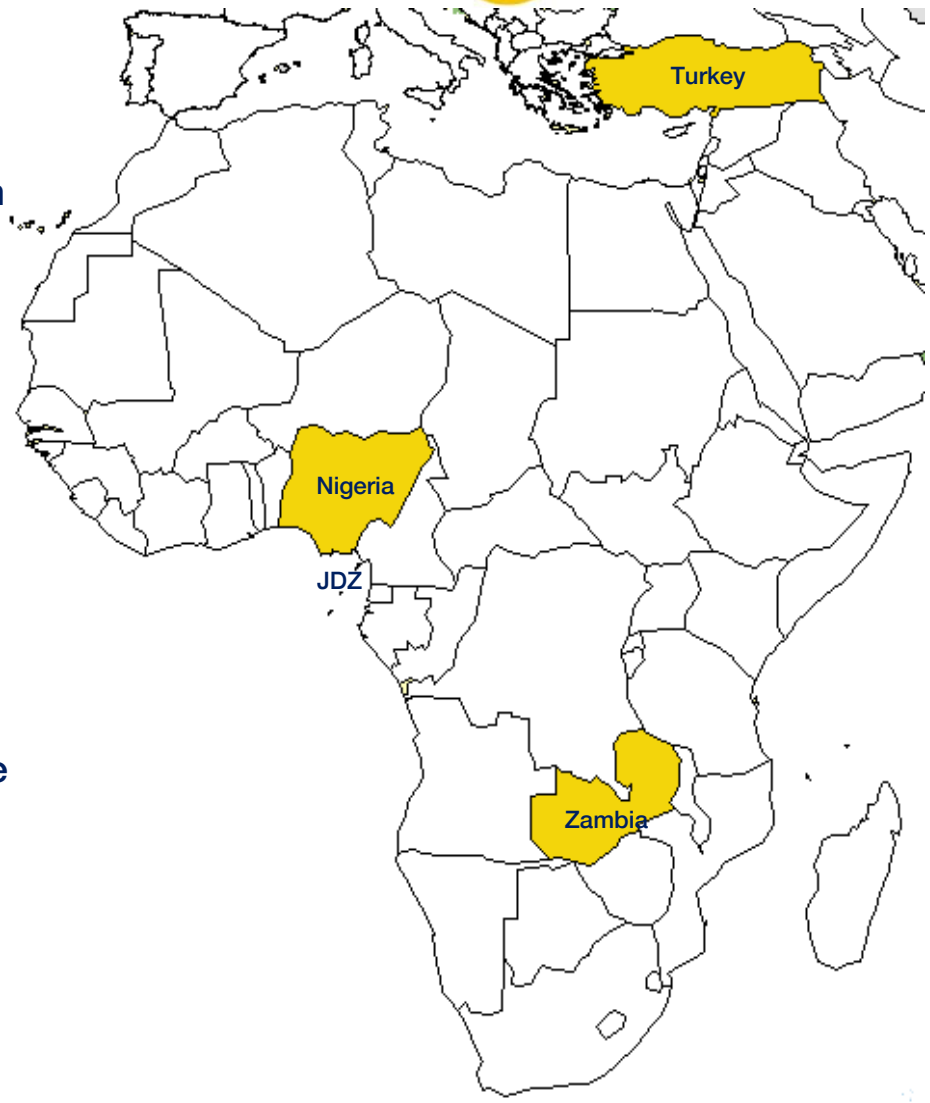
- The acquisition of prospective oil and gas properties primarily focused on Nigeria and the Joint Development Zone of Nigeria-São Tomé and Príncipe

- OER's current portfolio consists of interests in 10 upstream acreages :
  - 7 (Nigeria)
  - 1 (Zambia)
  - 1(JDZ)
  - 1(Turkey)

- The portfolio of assets are at varying stages of upstream operations – Exploration, development and production.

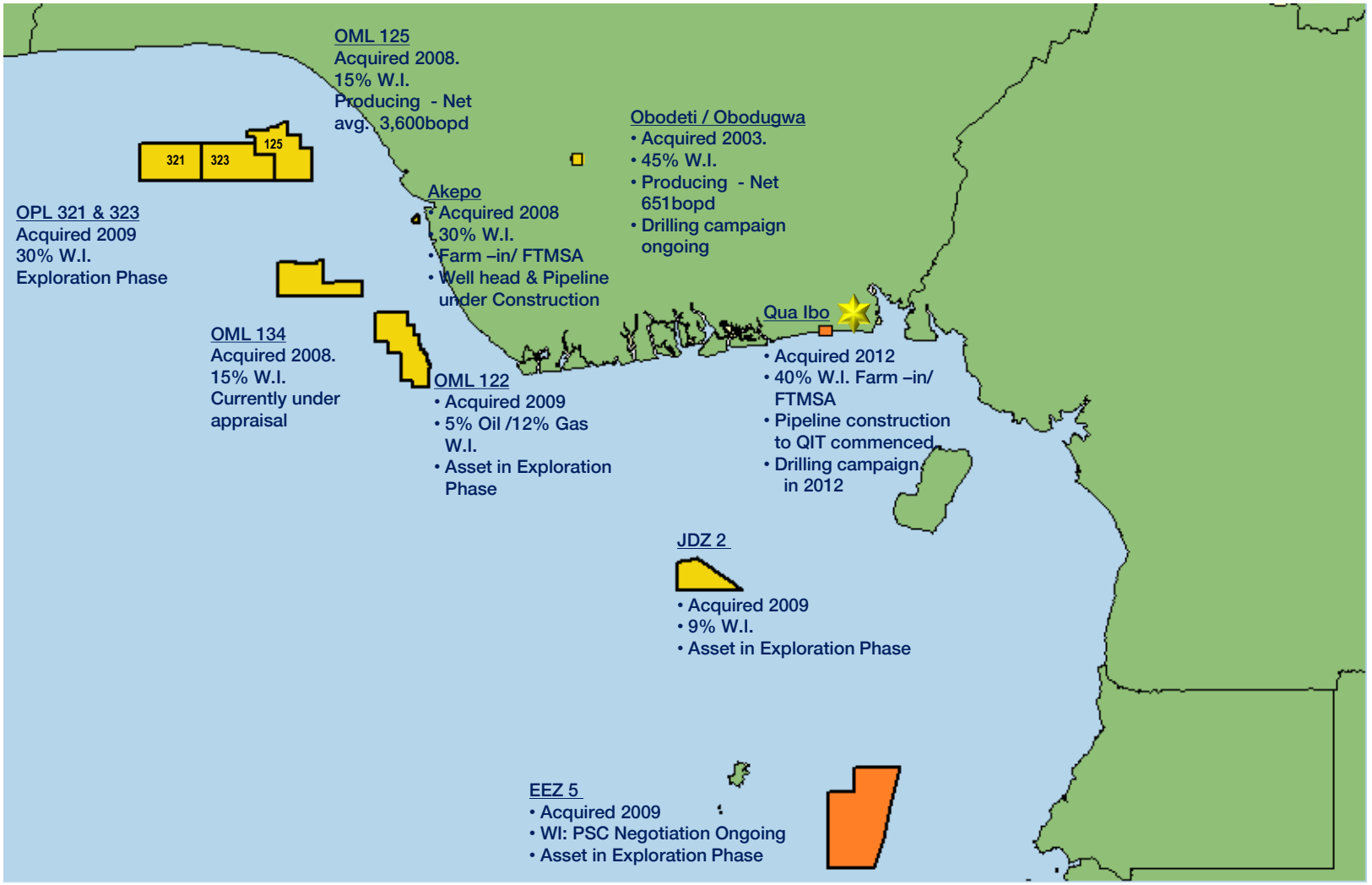
- Net production average YTD is currently at 4.2Kbopd made up from production from 2 of its assets: OML 125 and the Obodugwa field (OML 56)

- The company's strategic focus is the acquisition of near term assets and to continue to prove up its existing portfolio.



The OER Portfolio – Gulf of Guinea

Oando



The acquisition of this asset occurred during the RTO. OER has a ROFO on the asset.

The OER Portfolio – Zambia

The OER Portfolio – Turkey

The OEPL Portfolio

The OER Portfolio – Gulf of Guinea

Oando

Block	Type	Working Interest	Area (km^2)	Water Depth (m)	Operator	Net WI Reserves (mboe)[a] 1P	2P	3P	Net WI Resources (mboe) [a] 1C	2C	3C	Status
OML 125 (Abo)	Oil	15%	1,220	550 – 700	ENI (Agip)	2.35	3.20	5.58	2.23	4.31	6.49	Producing
OML 134	Oil	15%	1,187	550 – 700	ENI (Agip)	-	-	-	5.60	9.58	14.01	Appraisal
Obodeti / Obodugwa (OML 56)	Oil	45%	69	Onshore	Energia	3.78	5.68	7.57	0.24	0.53	0.85	Producing
Akepo (OML 90)[c]	Oil	30%	26	<20	Sogenal[d]	0.50	0.75	0.90	-	-	-	Development
Qua Ibo (OML 13)	Oil	40%	26	<20	Network E&P	-	4.53	9.19	88.80	191.60	312.00	Development
OML 122	Oil / Gas	5% Oil[a] 12% Gas	1,599	110-150	Peak	-	-	-	0.14	0.22	0.30	Appraisal
OPL 323	Oil	30%	1,034	890-2,080	KNOC	-	-	-	-	-	-	Exploration
OPL 321	Oil	30%	1,113	1,900-2,600	KNOC	-	-		-	-	-	Exploration
JDZ Block 2	Oil	9%	692	1,500-1,900	Sinopec	-	-	-	-	-	-	Appraisal / Exploration
EEZ Blocks 5	TBD	100%	2800	2,060-2,609	Equator	-	-	-	-	-	-	PSC Negotiations
Total						**6.63**	**14.16**	**23.24**	**97.01**	**206.24**	**333.65**	

Source: OEPL, RPS Energy

(a) Gross of royalties

(b) Operator estimates as of Aug-2009 adjusted for subsequent production

(c) Assuming 77% of Akepo field for OML 90

(d) Oando is the technical partner on this field

(e) Gas resources have been converted to oil equivalent resources at a ratio of 6 back : 1 mob

The OEPL Portfolio

Block	Type	Working Interest	Area (km^2)	Water Depth (m)	Operator	Net WI Reserves (mboe)[a] 1P	2P	3P	Net WI Resources (mboe) [a] 1C	2C	3C	Status
OPL 236[a]	Gas	95%	1,652	Onshore	Oando	-	-	-	4.87	4.30	10.40	Development / Appraisal
OPL 278	Oil	60%	92	<20	Oando	-	-	-	-	-	-	Exploration
OPL 282	Oil	4%	695	Onshore	NAOC	-	-	-	-	-	-	Exploration
Total									**4.87**	**4.30**	**10.40**	

Source: OEPL, RPS Energy

(a) Gas resources have been converted to oil equivalent resources at a ratio of 6 back : 1 mob

Fiscal and Hedge Overview

Overview of Fiscal Terms

	OML 125	OML 134	OPL 236[a]	OPL 282	OPL 278	Obodeti / Obodugwa (OML 56)	Akepo Field (OML 90)	Qua Ibo Field (OML 13)
Type of Contract	PSC	PSC	PSC	PSC	PSC	Marginal Field	Marginal Field	Marginal Field
Royalty Oil[b]	8%	8%	20%	18.5%-20% based on water depth	18.5%	2.5%-18.5% based on production	2.5%-18.5% based on production	2.5%-18.5% based on production
Overriding Royalty	NA	NA	NA	NA	NA	2.5%-7.5% based on production[c]	2.5%-7.5% based on production[c]	2.5%-7.5% based on production[c]
Cost Oil Allocation Ceiling	NA	NA	70% of oil produced in the year	70% of oil produced in the year	70% of oil produced in the year	NA	NA	NA
Tax Oil	50%	50%	65.7% for the first 5 years, and 85% for subsequent years	65.7% for the first 5 years, and 85% for subsequent years	65.7% for the first 5 years, and 85% for subsequent years	55%	55%	55%
Profit Oil/Cash Flow Allocation	Varies from 80%-40% based on cumulative production	Varies from 80%-40% based on cumulative production	Varies from 70%-25% based on a formula set out in the PSC	Varies from 70%-25% based on a formula set out in the PSC	Varies from 70%-25% based on a formula set out in the PSC	100%	100%	100%
VAT	5%	5%	5%	5%	5%	5%	5%	5%
NDDC[c]	3%	3%	3%	3%	3%	3%	3%	3%
Education Tax	2%	2%	2%	2%	2%	2%	2%	2%
ITA / ITC	50% (ITC)	50% (ITC)	5% (ITA)	5%-10% (ITA)	10% (ITA)	5% (ITA)	10% (ITA)	10% (ITA)

Overview of Hedging

Hedge Revenue	Unit	2009	2010	2011	2012	2013
Volumes Hedged	MMstb	0.36	0.375	0.38	0.23	0.133
Floor Price	MOD US$/stb	85.00	85.00	80.00	75.00	75.00
Hedge Cost/stbl	MOD US$/stb	8.10	8.10	8.10	8.10	8.10

(a) Currently, the economic terms with respect to gas production from OPL 236 are unclear under the PSC. The terms of a gas development agreement are required by the PSC to be negotiated separately between the Group and the Government

(b) The rate of overriding royalty payable for oil production in excess of 15,000 bbls/d is to be negotiated and agreed by the parties.

c) Pursuant to the NDDC Act, 3% of the total annual budget of oil producing companies operating onshore and offshore in the Niger Delta area must be paid to a fund maintained by the NDDC

d) Education Tax rate is 2% based on Assessable Profit

Fiscal Overview

Oando

Overview of Fiscal Terms				
	OML 122[a]	OPL 322	OPL 321	JDZ 2[e]
Type of Contract	Tax Royalty/ CITA	PSC	PSC	JDZ PSC
Royalty Oil[b]	10%	8%	8%	0%-5% based on production
Overriding Royalty	NA	NA	NA	NA
Cost Oil Allocation Ceiling	NA	NA	NA	80% of oil produced in the year
Tax Oil	60%	50%	50%	50%
Profit Oil/Cash Flow Allocation	100%	Varies from 70%-25% based on a formula set out in the PSC	Varies from 70%-25% based on a formula set out in the PSC	Varies from 80%-25% based on a formula set out in the JDZ PSC
VAT	5%	5%	5%	5%
NDDC[c]	3%	3%	3%	3%
Education Tax[d]	2%	2%	2%	2%
ITA / ITC	15% (ITA)	50% (ITA)	50% (ITA)	50% (ITA)

Key Note

a) Currently, the economic terms of with respect to gas production from OML 122 are unclear under the AGFA & NAGFRA as such the CITA has been assumed. Further clarification is required under for NAG (Associated Gas) under Natural Gas Framework (NAGFRA)

b) Ongoing Negotiation with the government of Sao Tome Principe for the PSC on EEZ BLK 5 & 12

c) Pursuant to the NDDC Act, 3% of the total annual budget of oil producing companies operating onshore and offshore in the Niger Delta area must be paid to a fund maintained by the NDDC

d) Education Tax rate is 2% based on Assessable Profit

e) The JDZ Model PSC was approved by the JDZ Joint Ministerial Council on April 4, 2003, pursuant to the Treaty provisions.

Short-Term Strategy

Oando

Target Production of 5,400 boepd net by 2012 year-end

Mature and Monetise Existing Assets

- Commence production in Akepo (OML 90)
- Bring on-stream 2 additional wells in Obodugwa and 1 in Akepo
- Develop and commence production in Qua Ibo (OML 13)
- Continue to effectively manage community relations

Increase Capacity and Technical Expertise

- Targeting increase in staff strength by 45%
- More comprehensive and on-field training for new members
- Deploy additional sub-surface evaluation tools

Foster World - Class Standards

- Maintain ISO 9001 certification and commensurate quality standards
- Leverage on existing IOC partnerships to seek additional opportunities and to benefit from their technical know-how and international standard practices

Medium to Long-Term Strategy

Oando

Target production of 100 mboepd and 300mmboe 2P Reserves by 2015 through acquisitions and organic growth

Identify and Secure Farm-in and Acquisition Opportunities

- Target marginal fields with 2P reserves between 10mmboe – 20mmboe and regular concessions with 2P reserves between 40mmboe – 50mmboe
- Complete opportunistic acquisitions during asset sales and buy expired IOC concessions
- Focus on Nigeria but evaluate other opportunities in Gulf of Guinea

Participation in Future Bid Rounds

- Participate in future bid rounds for both marginal fields and regular concessions in Nigeria and other countries in the Gulf of Guinea
  - In Nigeria, the upcoming marginal fields' bid rounds are expected to include 89 fields along with any additional fields released by JV operators
  - Given the preferential treatment of indigenous companies, Oando is well placed to acquire the prime assets

Partnerships with IOCs

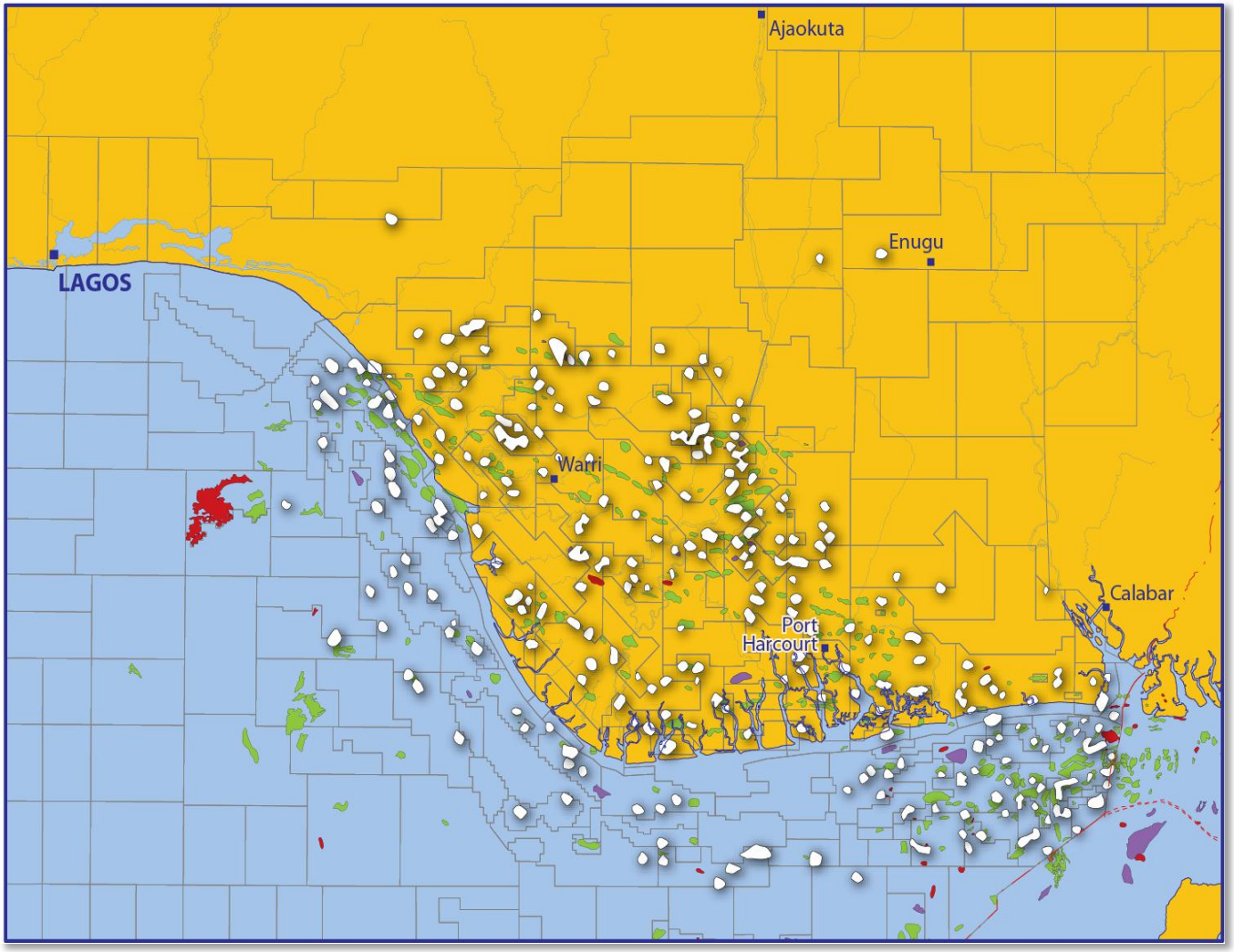
- Secure non-exclusive partnership with 1 – 2 international partners for a more comprehensive cooperation
- Focus on operatorship in land, swamp and shallow water terrain

Sources: Wood MacKenzie

Significant Amount of "Low Hanging Fruit"
Multitude of Acquisition Opportunities to Realize Medium to Long Term Strategy

Oando

347 Fields with 2P Reserves < 20mmboe & 230 Fields with 2P Reserves < 10mmboe

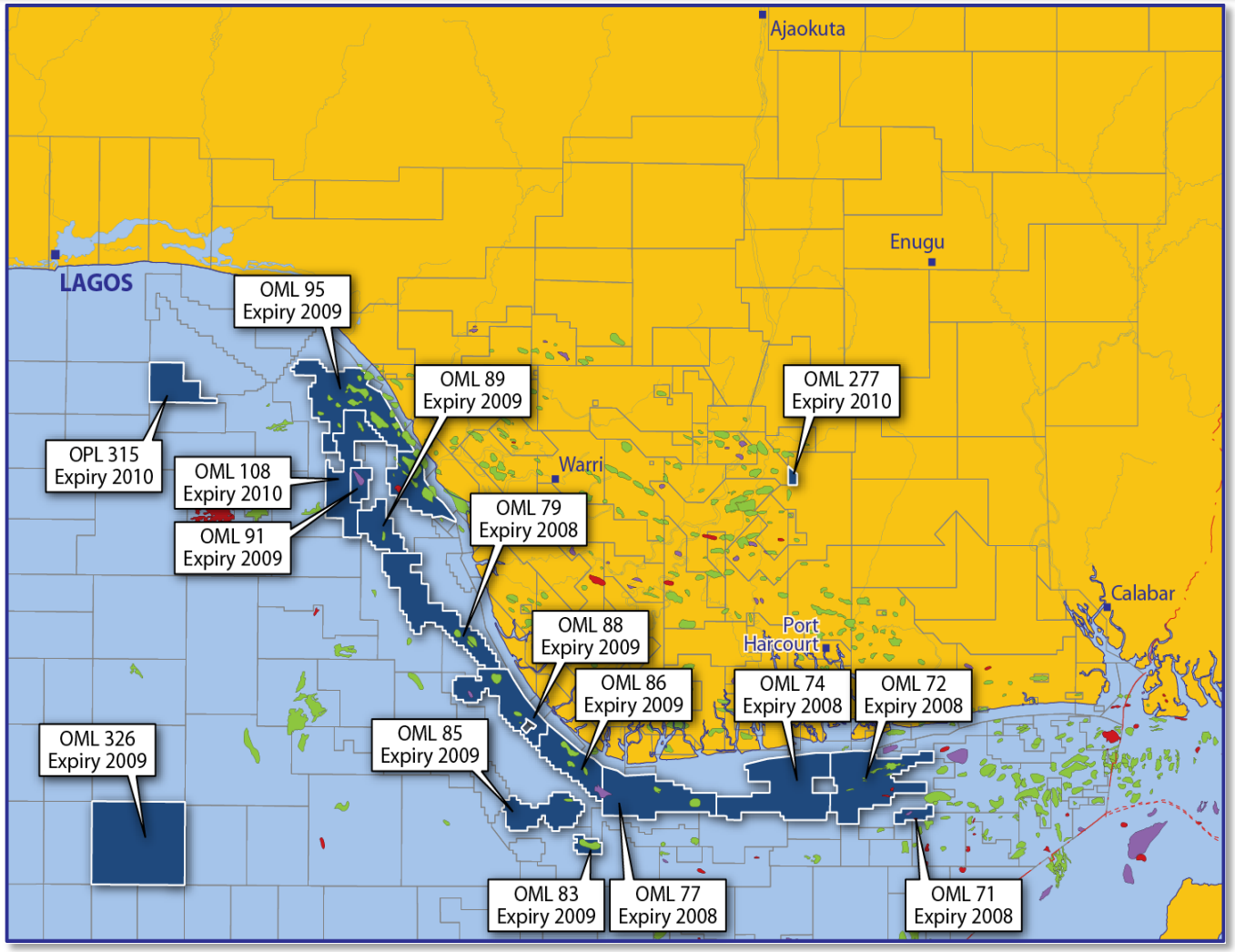


Sources: Wood MacKenzie

Many Blocks Due for Renegotiation

Oando

Renegotiation pending for most of the 14 expired blocks as of 2009



Sources: Wood MacKenzie

Nigerian Regulatory Framework
Numerous Changes from Which Oando Could Benefit

Oando

With the Proposed Regulatory Changes …

- Petroleum Industry Bill (PIB). The Nigerian Government has tabled the PIB with the following objectives:
  - Reform the Oil & Gas sector and regulatory bodies
  - Turn NNPC into an autonomous, self-funding commercial oil company
  - Incorporate the main JV operations into limited liability companies to
    - Solve funding issues
    - Facilitate partnerships between Nigerian companies and foreign players
  - Consolidate the various tax laws into one Act
- Local Nigerian Content
  - Encourages IOCs to partner with local players in exchange for benefits and concessions
  - Provides local companies with tax incentives

…If enacted, Oando Stands to Benefit

- As the leading Nigerian integrated player, Oando has potential to benefit as IOCs seek out local partners under the new regime
- Oando's experience and existing presence in the Niger Delta means it may be viewed as a partner of choice
- Opening of Nigeria to further international credit markets will impact Oando and peers

Assessment of Division

Key Strengths

1. Strong and trusted brand name due to a **successful track record in Midstream and Downstream**
2. Existing relationships with **international consultants and advisers**
3. **Strong management team** with **extensive upstream experience from IOCs** and track record for project delivery
4. **Leading domestic player,** optimally positioned to benefit from current reforms in the industry
5. **Proven track record in executing acquisitions,** steadily acquired asset base since 2003 inception
6. Demonstrated **ability to manage community relations** to ensure uninterrupted field operations
7. **Vertical integration** across the value chain allows OEPL to leverage off other business units
8. A **promising asset base** with leading IOCs lending their expertise and partnership

Key Opportunities

1. Targeting production of 100,000 boepd by 2015. Numerous measures to assist this objective
   - Oando well positioned to be partner of choice for NOCs and IOCs for the large tracts of territory both in and outside the Niger Delta
   - Potential for expansion into the regional territories with IOCs
   - Well positioned to benefit from future acquisition opportunities
     - Auction of marginal fields
     - Regular concessions
     - Asset sales
     - Expired IOC concessions
   - Potential for comparatively successful operation in Niger Delta due to existing community relationships

IV. Overview of Business Units

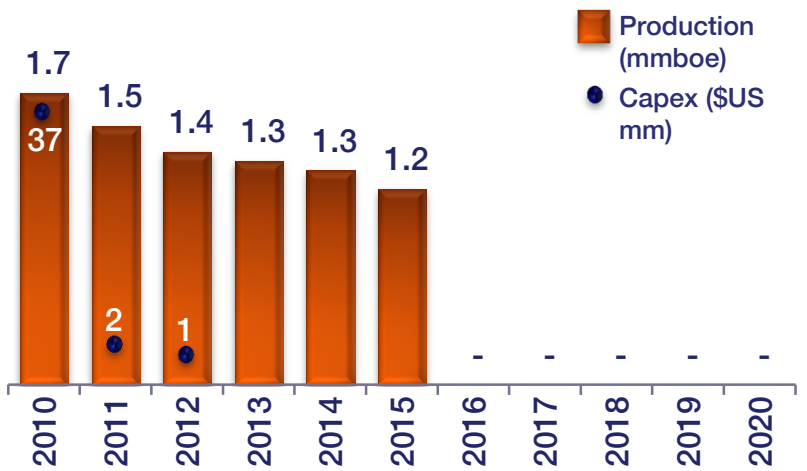
OER & OEPL - Appendix

Detailed Asset Overview
OML 125 / OML 134

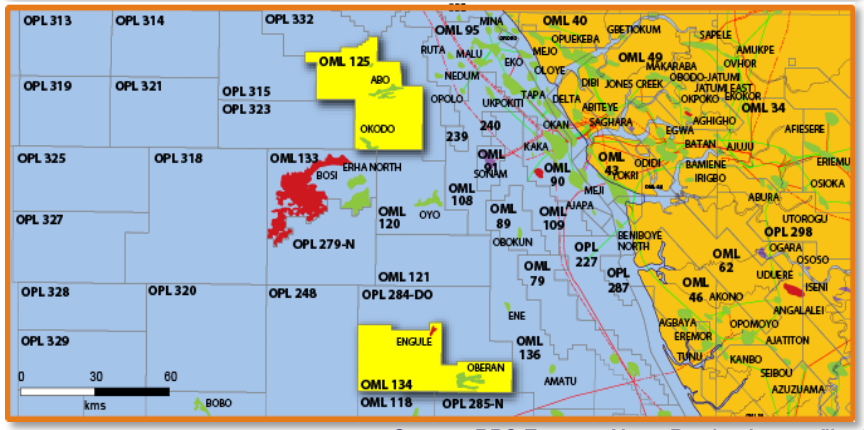
Description

- **Description:** OEPL bought a 15% stake in OML 125 and OML 134 in 2008 both of which are operated by Agip in deep water Niger Delta
- **Background:**
  - OML 125 contains the Abo and Abo Extension fields. Abo has been producing since 2003 through a leased FPSO
  - In 2009, commenced Abo crude lifting from OML 125 and executed pooling agreement with Agip
  - OML 134, formerly OPL 211, is comprised of Oberan 1 and 2 – both untested wells even though Agip has found pay zones in Oberan 2
- **Future Plans:**
  - Abo-9 work-over and Abo-4 sidetrack drilling scheduled to begin in July 2012.

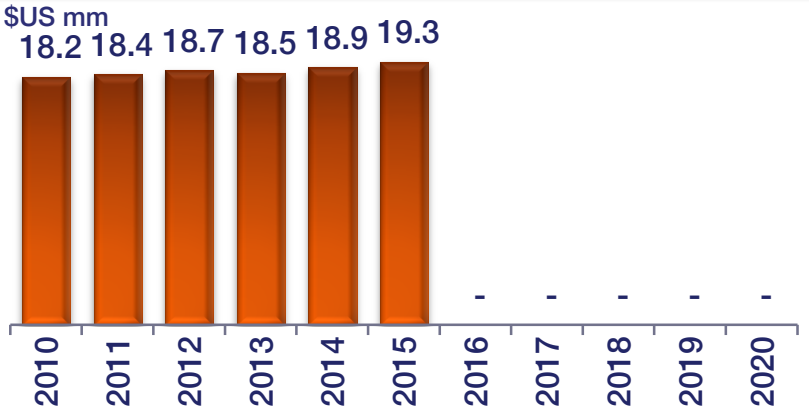
Production Profile(a)



Map



Operating Expenses



Source: RPS Energy : Note: Production profile, Capex and Operating Expenses display a P50 case
(a) Capex includes the amount spent for a new 3D seismic survey to be conducted in OML 134 in 2010

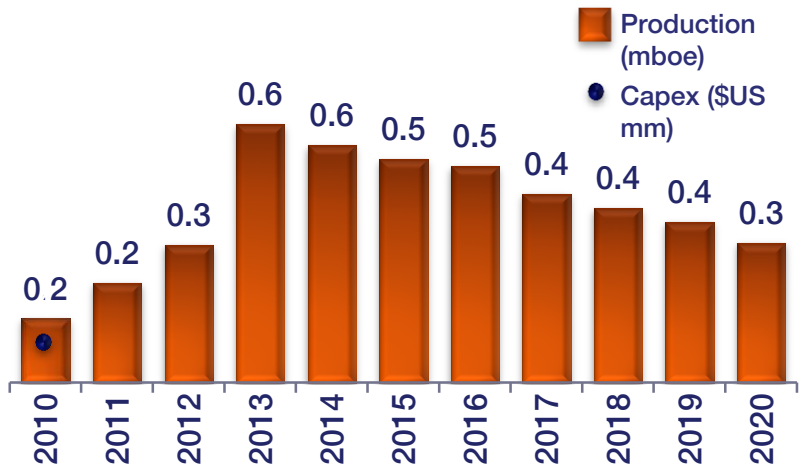
Detailed Asset Overview
Obodeti / Obodugwa (OML 56)

Oando

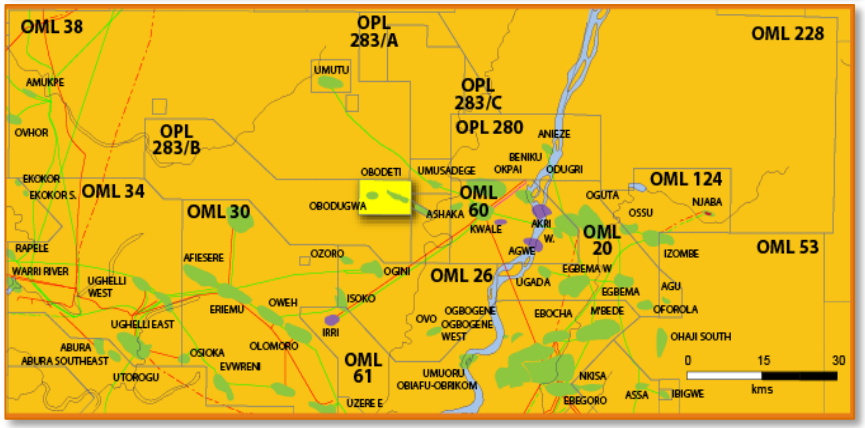
Description

- **Description:** The Obodeti and Obodugwa fields, located in the southern part of the former OML 56 in the north central section of the Niger Delta, were farmed out in 2003 as marginal fields and are currently owned by Energia (operator with 55% stake) and OEPL (45%)
- **Background:**
  - Four wells have been drilled in the area
  - A Unitisation Agreement with Pillar Oil gives OEPL a 13.5% claim on the production from Obodugwa-3 (situated in an adjoining concession)
  - The field started producing oil in 2009
  - Evacuation pipeline via Umusadege completed in 2010
- **Future Plans:**
  - Drill and bring on stream 2 additional production wells
  - Construct additional evacuation routes via Umugini

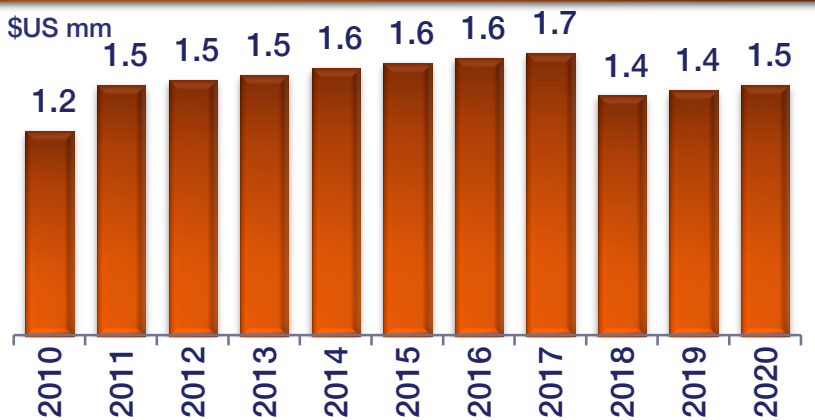
Production Profile(a)



Map



Operating Expenses



Source: RPS Energy

Note: Production profile, Capex and Operating Expenses display a P50 case

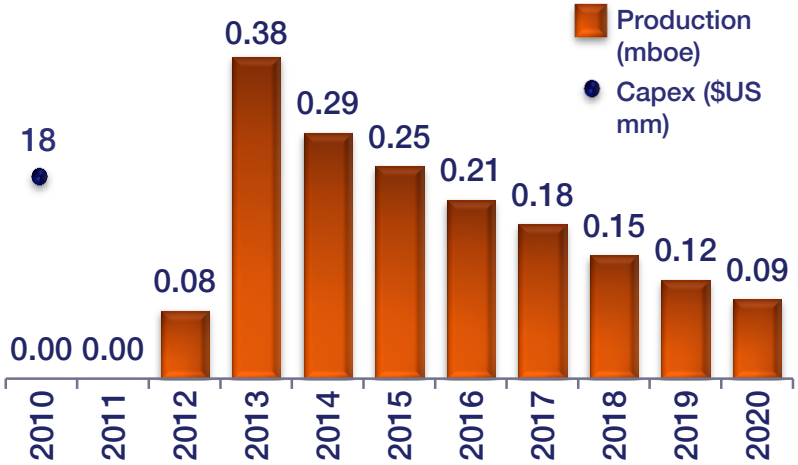
Detailed Asset Overview
Akepo (OML 90)

Oando

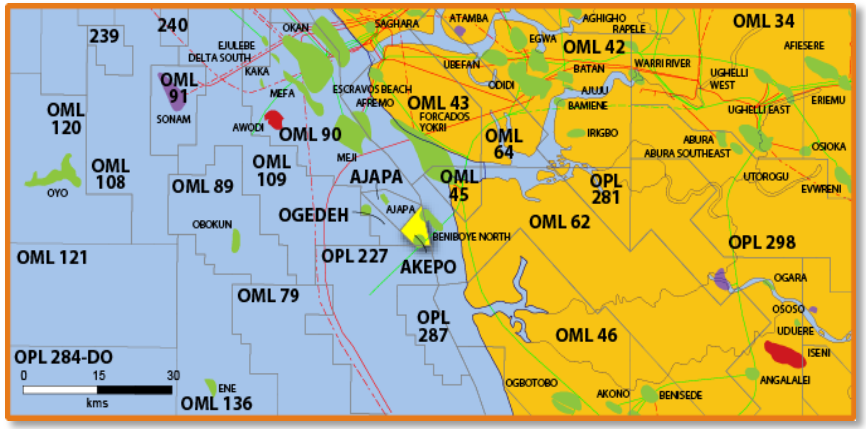
Description

- **Description:** Located in the shallow water base in the Niger Delta, the Group purchased a 30% stake in OML 90 in December 2008. Sogenal is the operator while OER is the technical operator
- **Background:**
  - Has one well, Akepo-1, which had been plugged and suspended but has been recently re-entered and completed in 2 sands
  - The well was tested and completed in Dec-2009
- **Future Plans:**
  - Construct pipeline to Agip production facility and start production
  - Drill Akepo 2 and hook up to increase production

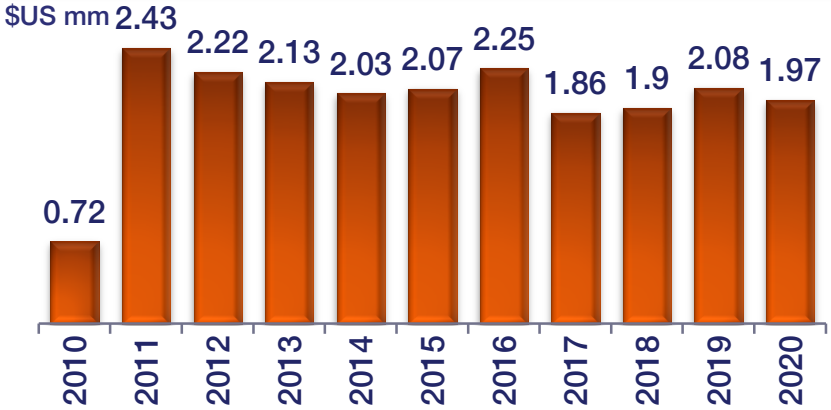
Production Profile(a)



Map



Operating Expenses (a),(b)



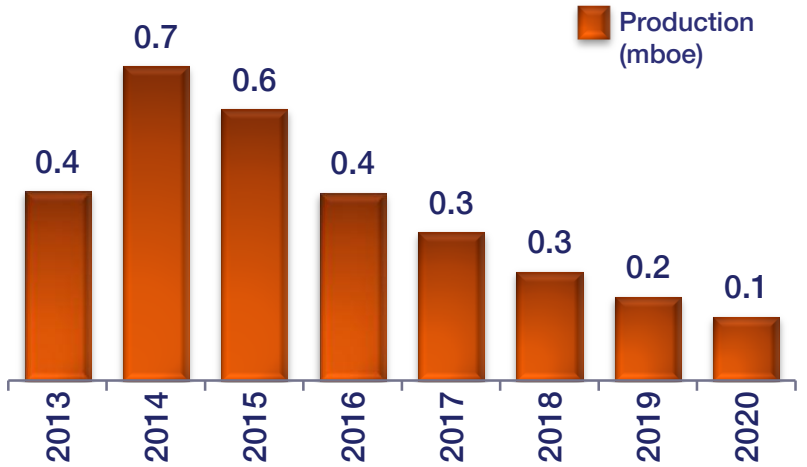
Source: RPS Energy *Note: Production profile, Capex and Operating Expenses display a P50 case*
(a) Assumes 77% entitlement to Akepo
(b) Includes abandonment provisions

Detailed Asset Overview
Qua Ibo (OML 13)

Description

- **Description:** OEPL acquired a 40% stake in the Qua Ibo marginal field within OML 13. Network E&P Ltd is the designated operator of the block.
- **Background:**
  - Located onshore in eastern Niger Delta
  - 3 wells have been drilled.
- **Future Plans:**
  - Developmental drilling into D5 and C-reservoirs
  - Construct ~3km evacuation pipeline to G.G.F.

Production Profile(a)



Map

Operating Expenses

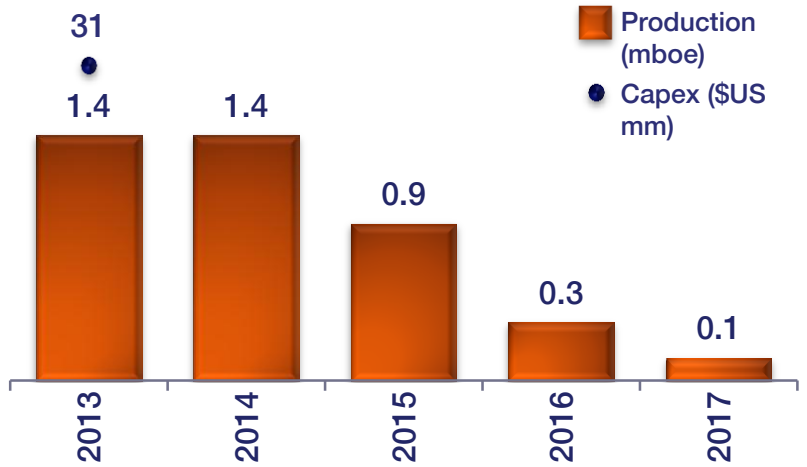
Source: RPS Energy Note: Production profile, Capex and Operating Expenses display a P50 case
(a) Gas production (back) converted to oil equivalent (mob) at a ratio of 6 back = 1 mob

Detailed Asset Overview
OML 236

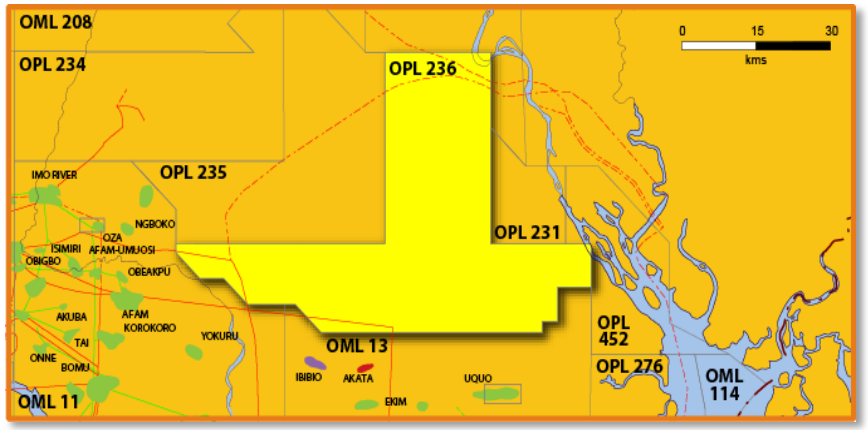
Description

- **Description:** OEPL acquired a 95% stake in OPL 236 in 2007; OEPL is the operator on the block
- **Background:**
  - OPL 236, situated in Eastern Niger Delta, contains the Ukana South Field, a gas discovery which is currently at the appraisal phase and is yet to be tested
  - 6 wells have been drilled in OPL 236 with no production
- **Future Plans:**
  - A small gas processing plant can be used to develop the field with gas export to the local domestic market
  - 2 development wells likely required for production

Production Profile(a)



Map



Operating Expenses

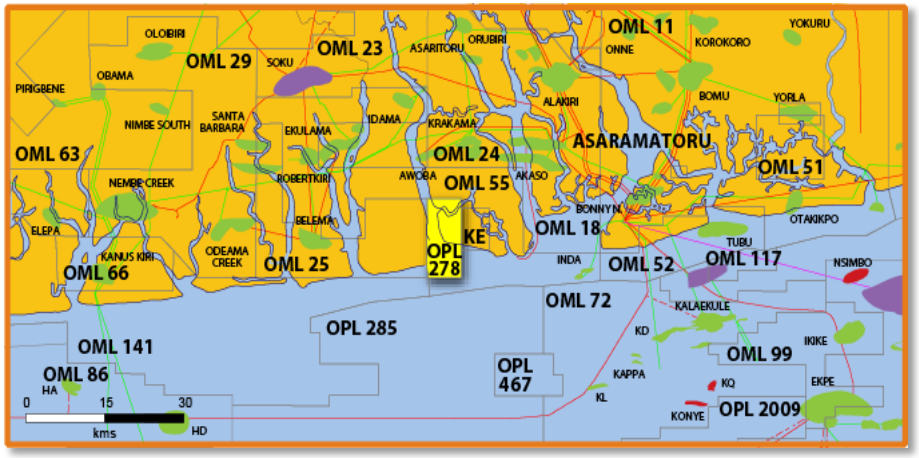
Source: RPS Energy Note: Production profile, Capex and Operating Expenses display a P50 case
(a) Gas production (back) converted to oil equivalent (mob) at a ratio of 6 back = 1 mob

Detailed Asset Overview
OML 278 / OPL 282

Oando

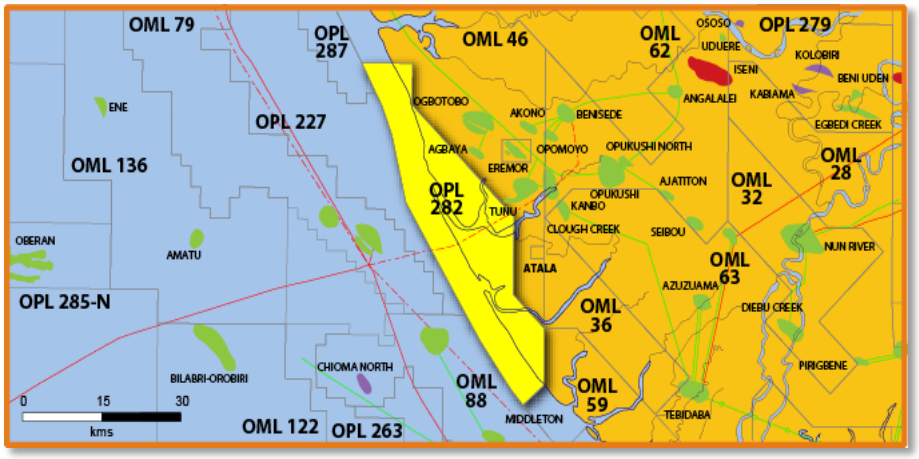
OPL 278

- **Description:** OEPL bought a 60% stake in OPL 278, located offshore of Rivers State in a transition zone, in 2006; OEPL operates the block
- **Background:**
  - Three prospects have been identified – Ke, Prospect A and Prospect B; all of them are in the exploration stage and are currently being matured
  - No wells have been drilled so far and there are no production facilities
- **Future Plans:**
  - Acquire 3D seismic report in 2011 (125 sq. km)
  - Drill an exploration well in 2012
  - Appraise and develop field



OPL 282

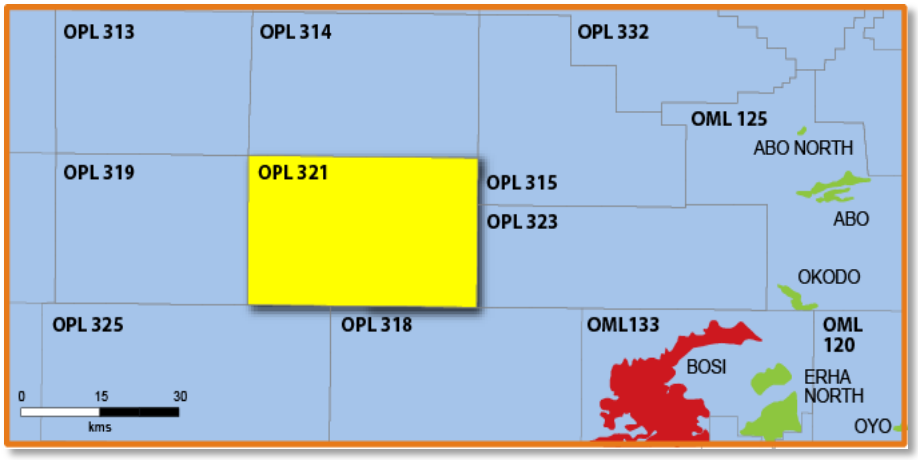
- **Description:** OEPL has a 40% stake in Alliance Oil Producing Nigeria Limited (AOPN) which holds 10% equity in the OPL 282 block located in Bayelsa State in a transition zone (onshore to shallow marine)
- **Background:**
  - This block is currently in the exploration and appraisal phase
  - There has been no oil production but has one well drilled
- **Future Plans:**
  - Acquire 3D seismic in 2011 (250 sq. km)
  - Drill an exploration well in 2012
  - Appraise and develop field

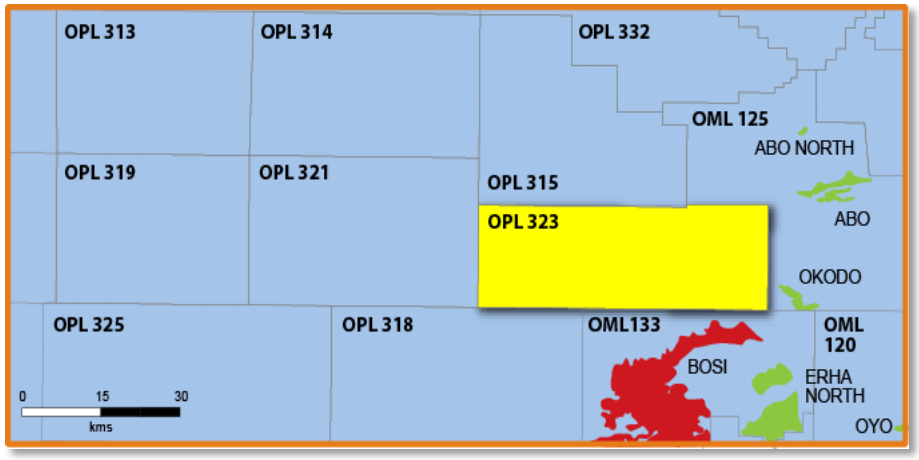


Detailed Asset Overview
OML 321 / OPL 323

OPL 321 & OPL 322

- **Description:** Equator Exploration Limited ("Equator"), following its bid in the 2005 licensing round in Nigeria, was awarded a 30% working interest in both of OPL 323 and OPL 321 located in deep water offshore Nigeria.
- **Background:**
  - The Korea National Oil Company ("KNOC") was awarded a 60% interest in each of the blocks and KNOC and Equator jointly agreed to carry the LCV in each of the blocks for 10%.
  - The LCV on 323 is NJ Exploration Limited and the LCV on 321 is Tulip Energy Resources Limited.
  - PSC's were signed for each block in March 2006 with NNPC. Each block has a risked reserve potential of 1 billion barrels.
- **Future Plans:**
  - Drill & Test 6 Appraisal Wells by 2013
  - 3 Appraisal Well in OPL 321
  - 3 Appraisal Wells in OPL 323

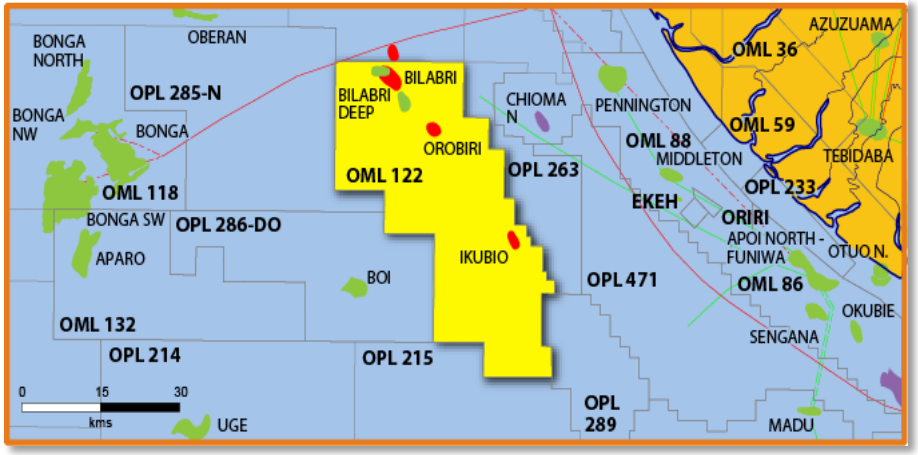




Detailed Asset Overview
OML 122 / JDZ

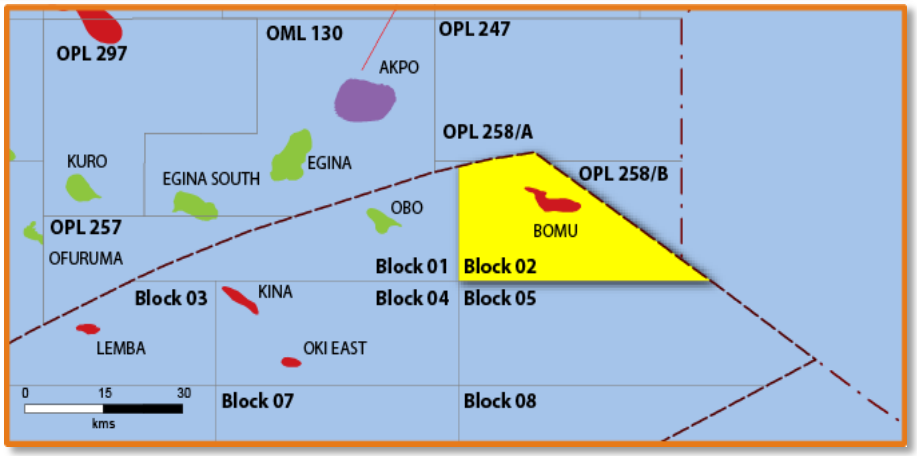
OML 122

- **Description:** In April 2005, Equator signed a Finance and Service Agreement with Peak Petroleum Industries Nigeria Limited ('Peak'), the lease holder and operator of OML 122. In return for providing funds and supplying technical services for an appraisal well on each of two discoveries and for a selected exploration well, Equator became entitled to a share of any oil and gas production. (5% Oil & 12% Gas)
- **Future Plans:**
  - Drill an exploration well in 2013



JDZ Block 2

- **Description:** Following its bid in 2005 , Equator acquired an economic interest of 9% in JDZ Block 2
- **Background:**
  - A 15% stake in the block was jointly awarded in the Joint Development Zone between Nigeria and Sao Tome & Principe to equator and its bidding partners, ONGC Videsh Limited.
- **Future Plans :**
  - Drill an exploration well in 2012



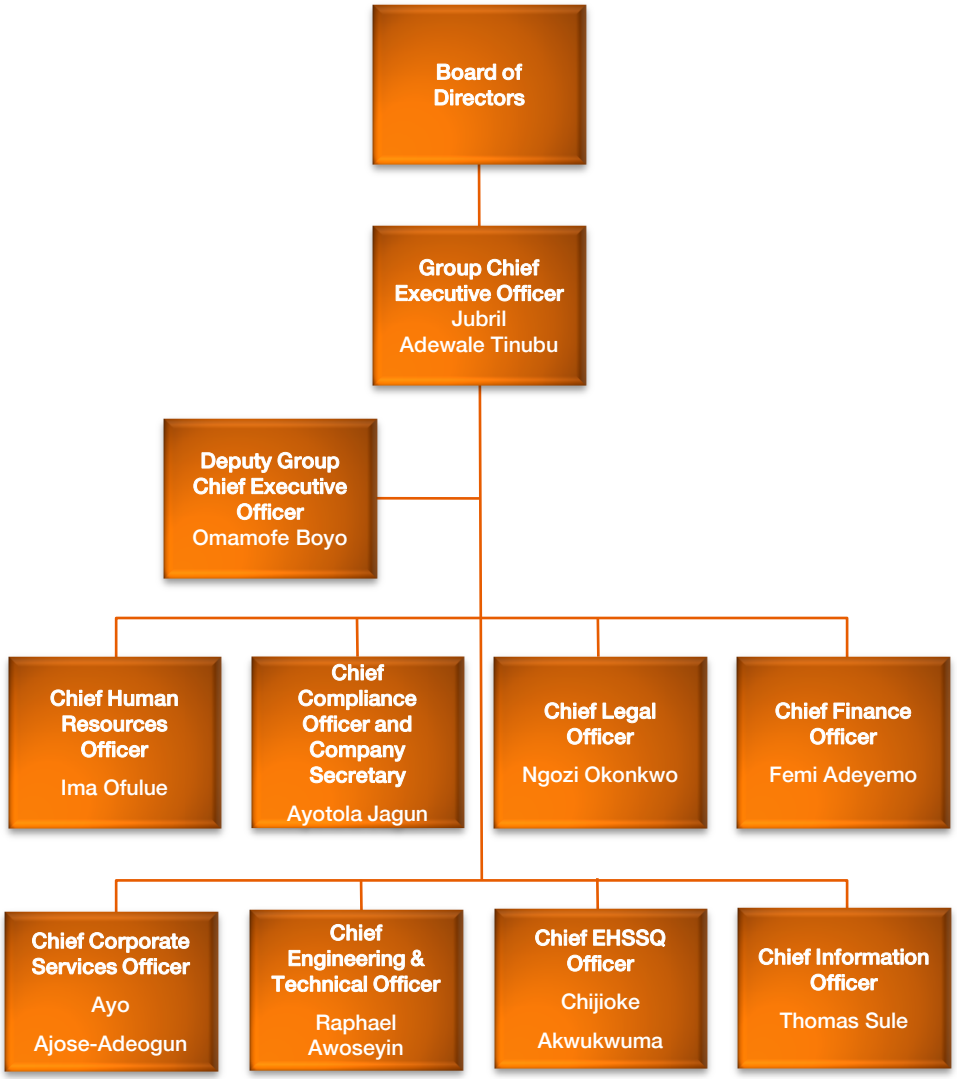
V. Corporate Governance and Management

Overview of the Oando Board

	Position	Term	Risk Environmental Health & Safety, Security, Quality Committee	Audit Committee	Strategic Planning & Finance Committee	Governance and Nominations Committee
HRM Michael Adedotun Gbadebo	Chairman of the Board, Non Executive Director	Newly appointed Chairman of the Board. Due for retirement / Eligible for re-election in 2013/4				
Mr Jubril Adewale Tinubu	Executive Director	See Note 1 (1)				
Mr. Omamofe Boyo	Executive Director	Re-elected in 2012				
Mr Mobolaji Osunsanya	Executive Director	Re-elected in 2012				
Mr Femi Adeyemo	Executive Director	Due for retirement / Eligible for re-election in 2013/4				
Chief Sena Anthony	Non-Executive Director	Due for retirement / Eligible for re-election in 2013/4		✓	✓	✓
Mr. Oghogho Akpata	Non-Executive Director	Re-elected in 2012	✓	✓		✓
Ms. Nana Afoah Appiah-Korang	Non-Executive Director	Re-elected in 2012	✓		✓	
Engr. Yusuf K.J N'jie	Non-Executive Director	Eligible for re-election in 2013	✓		✓	
Ammuna Lawan Ali, OON	Non-Executive Director	Eligible for re-election in 2013		✓	✓	✓

Notes 1: Article 92 of the Company's Articles of Association provides that the Directors subject to retirement by rotation are all the Directors excluding the Managing Director

Overview of Oando Senior Management



Wale Tinubu	• Over 20 years oil and gas experience with Oando, Ocean and Oil and in petroleum and corporate law
Mofe Boyo	• Over 20 years oil and gas experience with Oando, Ocean and Oil and FRA Williams & Co
Femi Adeyemo	• Over 23 years experience in banking, auditing, Strategy Consulting and now Oando
Ayotola Jagun	• Over 18 years experience with Rotimi Williams & Co, Akzo Nobel, Sara Lee, UK Holdings , Price Waterhouse Coopers, and Citigroup Fund Services (Bermuda) Ltd, amongst others.
Raphael Awoseyin	• PHD in Mechanical Engineering and has over 30 years oil and gas experience with Shell
Ima Ofulue	• Over 14 years experience gained in Human Resource Management at Northwestern Mutual Financial Network, Halliburton and FMC Technologies.
Ngozi Okonkwo	• Past professional experience includes working at KPMG as Manager in the Tax, Regulatory & People Service Division and the Head of the Indirect Tax Practice.
Ayo Ajose-Adeogun	• Over 20 years experience in engineering design and commissioning, business strategy development and IT management. He also served as a member of the Corporate Development Team at Ocean and Oil Holdings
Thomas Sule	• Over 17 years experience in leading practices and systems engineering at Activplant, BP Energy, and Helios Towers Nigeria.
Chijioke Akwukwuma	• Over 15 years experience in engineering, projects, operations, QHSE, strategic planning and business development in ten countries across Europe, Africa and Asia

Heads of business Units

Downstream

Ayo Ajose-Adeogun
Refinery & Terminals CEO

- Over 20 years experience in engineering design and commissioning , business strategy and development, and IT management

Dimeji Edwards
S&T CEO

- M. Eng Petroleum Engineering
- 20 years oil and gas experience with Oando and Schlumberger

Abayomi Aderemi Awobokun
OML CEO

- M.Sc in International Business (UK)
- Prior experience at Halifax Bank of Scotland and as Oando's Group Project Manager, Executive Assistant to CEO, and Head of Investor Relations

Midstream

Bolaji Osunsanya
OGP CEO

- MS Lagos
- Experience with Arthur Andersen, Access Bank and Guaranty Trust Bank

Upstream

Durotoye Olapade
OEPL CEO

- Various Senior Management roles
- 20 years oil and gas experience with Oando and Schlumberger

Bandele Badejo
OES CEO

- 26 years Oil service experience with Schlumberger and Transocean
- Joined Oando in September 2011

Oando's Core Values - TRIPP

Teamwork	• All employees are required to work together as a team; assist fellow employees and stakeholders to meet their obligations
Respect	• Company and client information is used solely for the benefit of the company and its clients, and not for personal benefit. All employees are required to execute a confidentiality agreement on or before their first day of employment
Integrity	• Avoid any conflict of interest scenario • Suppliers and vendors are selected on the basis of ability to perform and not based on political affiliations or relationship with company staff
Passion	• Zeal to meet the highest standards of service and productivity
Professionalism	• Retention of business records and book-keeping • Professional relationship with stakeholders • Equal employment opportunities

Overview of EHSSQ Policies and Track Record

The company has direct responsibility for environmental, health and safety quality ("EHSQ") in its properties

Oando

Policies	Comments
Leadership, Commitment and Training	•Company requires its managers and supervisors, as well as all employees, to demonstrate a commitment to the EHSQ policies of the Company •The commitment includes ensuring new employees and contractors receive appropriate induction to the EHSQ policies
Risk Management	•Company manages risk by ensuring that all new projects or modifications to existing facilities undergo hazard and operability studies (HAZOP), hazard identification (HAZID) and risk control measures •Also routinely assesses the risks of its activities, products and services and develops action plans to eliminate or substitute impact on personnel, the environment and facilities
Health and Safety Operations	•Works to promote injury and incident-free operation throughout the organisation •Company conducts periodic in-house inspections and sponsors third-party environment, health, safety and quality audits to evaluate the Company's performance and compliance with applicable regulations, guidelines and best practices
Environmental Protection	•Company conducts studies to assess the impact of planned projects or activities on the environment, personnel, assets and stakeholders •Such environmental evaluation studies are conducted periodically to evaluate the impact of the Company's activities, products and services and opportunities for improvement
Incident Response Plan	•Plan provides framework on which a single or multiple emergency situation can be simultaneously managed, while maintaining a disciplined command and control of events •Regular drill exercises are conducted at all locations to assess the awareness and preparedness of responders and to test the adequacy and state of readiness of emergency response equipment.

VI. Corporate Social Responsibility

Oando's CSR

Background

- Oando's CSR has continually supported the implementation of projects most relevant to our stakeholders and communities in the areas of operation of our businesses; as an integral part of our business process/culture.
- The long term thrust of Oando's CSR is sustainable development. Projects are spearheaded to achieve access to universal basic education and economic empowerment.
- We develop strategic partnerships with relevant government ministries, departments and agencies; international and national civil society organizations, external support agencies and other corporations.

Focus Areas

- Oando CSR focuses on capacity building with Education as the key focus area. The Adopt-A-School initiative is Oando Foundation's signature project.
- We also implement carefully selected community development strategies that positively influence the lives of Nigerian communities nationwide.

Education

Goals and Objectives

- Improve the overall quality of basic education
- Enhance educational infrastructure and improve the learning environment in public primary schools
- Provide teacher training; ICT training; creative rooms and teaching aids for effective learning in public primary schools
- Create a pool of Oando Scholars through scholarship support for academically gifted students with limited financial resources

Current Initiatives

- Twenty Eight (28) schools have been adopted in Lagos, Cross River, Akwa Ibom, Bauchi, Katsina, Ogun & Delta State
- 17 of these schools are being renovated, with some benefitting from the construction of sanitation and water facilities and fences

Community Development Projects

Goals and Objectives

- Promote sustainable economic empowerment and poverty alleviation with empowerment programmes for focus groups (Youth & Widows)
- Supporting charitable and laudable causes
- Adhoc proposals such as disaster relief

Current Initiatives

- 152 Scholarships are disbursed annually:
  - Gaslink Back-to-School Scholarships
  - Xplicit Dance Group
  - Rivers and Bayelsa State Community Scholarships
- Several donations are to laudable causes and charitable concerns:
  - Donations to homes and orphanages
  - Renovation of Rido Village Primary School, Kaduna devastated by a flood in 2010

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