

THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ CAREFULLY. IF YOU ARE IN ANY DOUBT ABOUT ITS CONTENT OR THE ACTION TO TAKE, KINDLY CONSULT YOUR STOCKBROKER, CENTRAL SECURITIES DEPOSITORY PARTICIPANT, ACCOUNTANT, BANKER, SOLICITOR OR ANY OTHER PROFESSIONAL ADVISER FOR GUIDANCE IMMEDIATELY.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY THE PROSPECTIVE INVESTORS, SEE "RISK FACTORS" ON PAGE 20



RC 6474

RIGHTS ISSUE
Of
2,217,265,184
Ordinary shares of 50 Kobo each
at
₦22.00 per share

On the basis of one (1) new ordinary share for every four (4) ordinary shares of 50 Kobo each held as at the close of business on 25 July, 2014 for those shareholders whose names appear on the Register of Members and transfer books of the Company which are maintained in Nigeria and shareholders whose names appear on the Register of Members and transfer books of the Company which are maintained in South Africa as at the close of business on the Friday prior to the Issue opening date in South Africa

THE RIGHTS BEING OFFERED IN THIS DOCUMENT ARE TRADEABLE ON THE FLOOR OF THE NIGERIAN STOCK EXCHANGE AND ON JSE LIMITED TRADING PLATFORM FOR THE DURATION OF THE ISSUE

Payable in full on Acceptance

Acceptance List Opens:	Wednesday, 03 December, 2014
Acceptance List Closes:	Wednesday, 14 January, 2015

LEAD ISSUING HOUSE



JOINT ISSUING HOUSES



THIS RIGHTS CIRCULAR AND THE SECURITIES WHICH IT OFFERS HAVE BEEN CLEARED AND REGISTERED BY THE SECURITIES & EXCHANGE COMMISSION. IT IS A CIVIL WRONG AND A CRIMINAL OFFENCE UNDER THE INVESTMENTS AND SECURITIES ACT NO 29 OF 2007 TO ISSUE A RIGHTS CIRCULAR WHICH CONTAINS FALSE OR MISLEADING INFORMATION. CLEARANCE AND REGISTRATION OF THIS RIGHTS CIRCULAR AND THE SECURITIES WHICH IT OFFERS DO NOT RELIEVE THE PARTIES FROM ANY LIABILITY ARISING UNDER THE ACT FOR FALSE AND MISLEADING STATEMENTS CONTAINED THEREIN OR FOR ANY OMISSION OF A MATERIAL FACT.

THIS RIGHTS CIRCULAR IS DATED 13 NOVEMBER, 2014

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DEFINITIONS

Abbreviation	Name/Explanation
"Company" or "Oando"	Oando PLC
"COP Acquisition"	The acquisition by OER (through its affiliates) of part of ConocoPhillips' Nigerian business
"CSCS"	Central Securities Clearing System Limited
"CSDP"	Central Securities Depository Participant
"Directors"	The members of the Board of Directors of Oando who as at the date of this document are those persons whose names are set out on page 10 of this Rights Circular
"EBITDA"	Earnings Before Interest, Taxes, Depreciation and Amortization
"Exchanges"	NSE and JSE
"FGN"	Federal Government of Nigeria
"Gross Earnings"	Total earnings received for the financial reporting period/year
"IFRS"	International Financial Reporting Standards
"Joint Issuing Houses"	FBN Capital Limited, FCMB Capital Markets Limited, Marina Securities Limited, Stanbic IBTC Capital Limited and Zenith Capital Limited
"JSE"	The JSE Limited (Registration Number 2005/022939/06), a public company duly incorporated under the laws of South Africa and licensed as an exchange under the South African Financial Markets Act, No. 19 of 2012
"JSE Shareholders"	Shareholders whose names appear on the JSE sub-Register of Members and transfer books of the Company which are maintained in South Africa and qualify to participate in the Rights Issue
"Lead Issuing House" or "Vetiva"	Vetiva Capital Management Limited
"NGAAP"	Nigerian Generally Accepted Accounting Principles
"NSE"	The Nigerian Stock Exchange
"Nigerian Shareholders"	Shareholders whose names appear on the Register of Members and transfer books of the Company which are maintained in Nigeria
"OER"	Oando Energy Resources Inc.
"OML"	Oil Mining License
"OPL"	Oil Prospecting License
"OODP"	Ocean and Oil Development Partners Limited; a major shareholder in Oando
"PAT"	Profit After Tax
"PBT"	Profit Before Tax
"Receiving Agents"	Any of the institutions listed on page 56 of this Rights Circular to whom shareholders listed on the Nigerian share register may return their duly completed Acceptance/ Renunciation Forms together with payment
"Registrars"	First Registrars Nigeria Limited and Computershare Investors Services (Proprietary) Limited
"Rights Circular"	This document which is issued in accordance with the Rules and Regulations of the Commission
"Rights Issue" or "Issue"	Issue by way of rights to existing shareholders of 2,217,265,184 ordinary shares of 50 kobo each at ₦22.00 per share on the basis of one (1) new ordinary share for every four (4) ordinary shares of 50 Kobo each held
"SEC" or "Commission"	Securities & Exchange Commission; the Nigerian Capital Markets Apex Regulator
"SENS"	Securities Exchange News Service
"Shareholders"	Means the shareholders of the Company who qualify to participate in the Rights Issue
"TSX"	The Toronto Stock Exchange
"Working Day"	Any day other than a Saturday, Sunday or official public holiday declared by the FGN

Name	Address
Oando PLC (Head Office)	2, Ajoye Adeogun Street, Victoria Island, Lagos
Akute Power Limited	7 th Floor, 2 Ajoye Adeogun Street, Victoria Island, Lagos
Apapa SPM Limited	2 Ajoye Adeogun Street, Victoria Island, Lagos
Gaslink Nigeria Limited	7 th Floor, 2 Ajoye Adeogun Street, Victoria Island, Lagos
Oando Energy Resources Inc.	3400, 350-7th Avenue S.W., Calgary, Alberta, Canada. T2P 3N9
Oando Energy Services Limited	7 th Floor, 2 Ajoye Adeogun Street, Victoria Island, Lagos
OES Respect Limited	Trott & Duncan Building 17A, Brunswick Street, Hamilton, HM10 Bermuda
OES Integrity Limited	Harneys Corporate Services Limited, Craigmuir Chambers P.O. Box 71, Road Town, Tortola, British Virgin Islands
Oando Gas & Power Limited	7 th Floor, 2 Ajoye Adeogun Street, Victoria Island, Lagos
Oando Ghana Limited	B35, Augustino Neto Road, Airport Residential Area, Accra, Ghana
Oando Lekki Refinery Company Limited	8 th Floor, 2 Ajoye Adeogun Street, Victoria Island, Lagos
Oando Marketing PLC	8 Kayode Street, Marine Beach, Apapa, Lagos
Oando Supply and Trading Limited	8 Kayode Street, Marine Beach, Apapa, Lagos

TIMETABLE APPLICABLE TO NIGERIAN SHAREHOLDERS

Date	Activity	Responsibility
03 December, 2014	Acceptance List opens	Issuing Houses/Registrars
14 January, 2015	Acceptance List closes	Issuing Houses/Registrars
28 January, 2015	Receiving Agents forward returns	Issuing Houses/Receiving Agents
23 February, 2015	Forward allotment proposal and draft newspaper announcement to the SEC	Issuing Houses
13 March, 2015	Receive SEC's clearance of the allotment	Issuing Houses
16 March, 2015	Disburse net Issue proceeds to Issuer	Receiving Banks
20 March, 2015	Allotment announcement	Issuing Houses
20 March, 2015	Return excess/surplus monies	Issuing Houses/Registrars
03 April, 2015	Dispatch share certificates/commence arrangements to credit CSCS accounts	Registrars
06 April, 2015	Forward Declaration of Compliance to the Nigerian Stock Exchange	Stockbrokers
10 April, 2015	Listing of Issue shares on the NSE and JSE (CSDP Broker accounts in respect of dematerialized shareholders credited) and trading commences	Stockbrokers
13 April, 2015	Submit Rights Issue summary report to the SEC	Issuing Houses

SUMMARY OF THE ISSUE

This summary draws attention to information contained elsewhere in this Rights Circular; it does not contain all of the information you should consider in making your investment decision. You should therefore read this summary together with the more detailed information, including the financial statements elsewhere in this Rights Circular.

1. **ISSUER:** Oando PLC
2. **LEAD ISSUING HOUSE:** Vetiva Capital Management Limited
3. **JOINT ISSUING HOUSES:** FBN Capital Limited
FCMB Capital Markets Limited
Marina Securities Limited
Stanbic IBTC Capital Limited
Zenith Capital Limited
4. **SHARE CAPITAL**
(AS AT THE DATE OF THIS RIGHTS CIRCULAR):
 Authorised: ₦7,500,000,000 comprising 15,000,000,000 Ordinary shares of 50 kobo each
 Issued and fully paid: ₦4,434,530,369 comprising 8,869,060,738 Ordinary shares of 50 kobo each
 Now being issued: 2,217,265,184 Ordinary shares of 50 kobo each
5. **PURPOSE:** Oando will use the net Issue proceeds to deleverage its balance sheet via repayment of existing financial debt obligations, and replenish working capital lines utilized in the financing of the COP Acquisition.
6. **USE OF PROCEEDS:** The net proceeds of the Rights Issue, estimated at ₦47,270,967,721.12 after deducting the total cost of the Rights Issue, estimated at ₦1,508,866,326.88 (representing 3.09% of the Issue), will be applied as follows:

UTILIZATION*	AMOUNT (₦'000)	%	PERIOD
Deleveraging of Balance Sheet	42,584,276,540	90	Immediate
Working capital	4,686,691,181	10	6 Months
Total	47,270,967,721	100	

*please see details on page 20

7. **IMPORTANT NOTE TO THE USE OF PROCEEDS:** Oando received US\$300 Million (c. ₦48.9 Billion) from OODP via convertible loans, which was applied towards the acquisition of COP's Nigerian businesses. A portion of the amounts being owed by Oando to OODP under the convertible loan agreements, equivalent to the subscription amount for shares due to OODP under the Rights Issue, would be applied as OODP's subscription for the Rights Issue
8. **METHOD OF OFFER:** Offer by way of Rights Issue to existing shareholders
9. **PROVISIONAL ALLOTMENT:** One (1) new ordinary share for every four (4) ordinary shares of 50 Kobo each held as at the close of business on Friday, 25 July, 2014 for those shareholders whose names appear on the Register of Members and transfer books of the Company which are maintained in Nigeria and shareholders whose names appear on the Register of Members and transfer books of the Company which are maintained in South Africa as at the close of business on the Friday prior to the Issue opening date
10. **ISSUE PRICE:** ₦22.00 per share
11. **MARKET CAPITALIZATION AT ISSUE PRICE (PRE ISSUE):** ₦195,119,336,236.00
12. **MARKET CAPITALIZATION AT ISSUE PRICE (POST ISSUE):** ₦243,899,170,284.00
13. **PAYMENT:** In full on acceptance
14. **OPENING DATE:** Wednesday, 03 December, 2014
15. **CLOSING DATE:** Wednesday, 14 January, 2015

16. FINANCIAL SUMMARY:

(Extracted from the Group's five (5) year annual financial statements)

	₦' Million					
	← -----	IFRS	----->	← -----	NGAAP	----->
	June 2014 ¹	2013	2012	2011	2010	2009
Turnover	194,557	449,873	650,566	586,619	378,925	336,860
Profit before taxation	12,532	713	14,177	14,928	24,319	13,512
Profit after taxation	8,980	1,396	10,786	3,447	14,375	10,097
Minority interest	(1,952)	(18)	362	(220)	(4)	(146)
Dividend	-	5,117	-	5,431	2,114	2,664
Share capital	4,434	3,411	1,137	1,137	905	453
Net assets	204,583	162,368	105,355	92,428	93,050	52,812
Total assets	658,086	591,897	515,064	400,865	324,023	315,748
Basic earnings per share (kobo)	123	23	407	162	829	1,132

17. SHAREHOLDING STRUCTURE:

As at the date of this Rights Circular, the 8,869,060,738 ordinary shares of 50 Kobo each in the issued ordinary share capital of the Company were beneficially held as follows:

SHAREHOLDER	SHARES HELD	%
Ocean and Oil Development Partners	5,004,643,096	56
Other shareholders – Individuals and Institutions	3,864,417,642	44
Total	8,869,060,738	100

18. STATUS:

The ordinary shares being issued shall rank pari passu in all respects with the existing issued ordinary shares of the Company and shall qualify for any dividend (or any other distribution) declared for the financial year ending 31 December, 2013, in so far as the qualification date for the dividend (or any other distribution) declared is after the allotment of the ordinary shares now being issued.

19. QUOTATION:

The 8,869,060,738 ordinary shares of 50 kobo each in the Company's issued share capital are quoted on the daily official list of the NSE and the JSE. An application has been made to the Council of the NSE and will be made to the JSE in due course for the admission to their respective Daily Official List of the 2,217,265,184 ordinary shares now being issued by way of the Rights Issue.

20. E-ALLOTMENT/SHARE CERTIFICATES:

The CSCS accounts of Nigerian Shareholders will be credited not later than 15 working days from the date of allotment. Nigerian Shareholders are thereby advised to state the name of their respective stockbrokers and their Clearing House Numbers in the relevant spaces on the Acceptance Form. Share Certificates of Nigerian Shareholders that do not provide their CSCS account details will be dispatched by registered post not later than 15 working days from the date of allotment.

Allotment of shares to JSE Shareholders will be distributed through Computershare Investor Services (Proprietary) Limited in accordance with the relevant laws and practice of the Republic of South Africa.

21. CLAIMS AND LITIGATION:

There are a total of nine (9) cases against the Company with a total monetary amount of ₦983,460,141.55 (Nine Hundred and Eighty Three Million, Four Hundred and Sixty Thousand, One Hundred and Forty One Naira and Fifty Five Kobo only).

Three (3) of the cases are pending at the Court of Appeal. Of the three cases, two (2) were instituted against the Company as Respondent, while the Company instituted one (1) case as Appellant. The monetary claim in all three cases is approximately US\$175,000.00 (One Hundred and Seventy Five Thousand Dollars).

¹ Unaudited Management accounts

only) and ₦16,250,000.00 (Sixteen Million, Two Hundred and Fifty Thousand Naira only).

One case has been instituted against the Company at the National Industrial Court and another case has been instituted against the Company at arbitration. There is no monetary claim in the case at the National Industrial Court. The monetary claim in the case at arbitration is ₦8,662,203.20 special damages (with 20% interest from July 2011 until an award is made and thereafter, 10% interest until payment) and ₦2 million as general damages.

In addition to the foregoing cases, the Company has instituted one (1) case against the Federal Board of Inland Revenue (FBIR) and one (1) case against the Federal Inland Revenue Service (FIRS) at the Tax Appeal Tribunal (TAT). The Company has also filed one (1) appeal against the FIRS at the Federal High Court and one (1) appeal against the FBIR at the Court of Appeal in connection with cases in which judgment had previously been delivered against it at the TAT and the Federal High Court, respectively. The total monetary claim in dispute in all the cases is approximately ₦954,760,141.55 (Nine Hundred and Fifty Four Million, Seven Hundred and Sixty Thousand, One Hundred and Forty One Naira and Fifty Five Kobo).

The Company's actual liability in the cases instituted against it will be as eventually determined by the courts upon conclusion of the matters. It is our opinion that the liability that may be incurred by the Company from the cases instituted against it should not have any material adverse effect on the Issue.

The Company's directors are also of the opinion that the cases mentioned above are not likely to have any material adverse effect on the Company and/ or the Issue, and are not aware of any other material pending and or threatened claims or litigation involving the Company.

22. **INDEBTEDNESS:**

As at the date of this Rights Circular, the Company had no outstanding debentures, mortgages, loans, charges or similar indebtedness or material contingent liabilities or other similar indebtedness, other than in the ordinary course of business.

RIGHTS ISSUE

Copies of this Rights Circular and the documents specified herein have been delivered to the Securities & Exchange Commission for Clearance and Registration.

This Rights Circular is being issued in compliance with the provisions of the Investments and Securities Act No. 29 2007, the Rules and Regulations of the Commission and the Listings Requirements of the NSE and the JSE and contains particulars in compliance with the requirements of the Commission and the Exchanges, for the purpose of giving information to shareholders and the public with regard to the Rights Issue of 2,217,265,184 ordinary shares of 50 kobo each in Oando PLC by Vetiva Capital Management Limited, FBN Capital Limited, FCMB Capital Markets Limited, Marina Securities Limited, Stanbic IBTC Capital Limited and Zenith Capital Limited. An application has been, made to the Council of the NSE, and will be made in due course to the JSE, for the admission to their Daily Official Lists of the 2,217,265,184 ordinary shares of 50 Kobo each being offered via the Rights Issue.

The Directors of Oando PLC individually and collectively accept full responsibility for the accuracy of the information contained in this Rights Circular. The Directors have taken reasonable care to ensure that the facts contained herein are true and accurate in all respects and confirm, having made all reasonable enquiries that to the best of their knowledge and belief there are no material facts, the omission of which make any statement herein misleading or untrue.



JOINT ISSUING HOUSES



On behalf of



are authorised to receive acceptances for the

Rights Issue of 2,217,265,184 Ordinary shares of 50 kobo each at ₦22.00 per share

On the basis of one (1) new ordinary share for every four (4) ordinary shares of 50 Kobo each held as at the close of business on 25 July 2014 for those shareholders whose names appear on the Register of Members and transfer books of the Company which are maintained in Nigeria and shareholders whose names appear on the Register of Members and transfer books of the Company which are maintained in South Africa as at the close of business on the Friday prior to the Issue opening date in South Africa

The Acceptance List for the new shares now being issued will open on Wednesday, 03 December, 2014 and close on Wednesday, 14 January, 2015.

SHARE CAPITAL AND RESERVE OF THE GROUP AS AT 30 DECEMBER, 2013

(Extracted from the December 2013 Audited Financial Statements)

		₦'000
Authorized Share Capital	10,000,000,000 Ordinary shares of 50 kobo each	5,000,000.00
Issued and Fully paid	6,822,354,414 Ordinary shares of 50 kobo each	3,411,177.00
Equity	Called-up Share Capital	3,411,177.00
	Share Premium	98,425,361.00
	Other Reserves	23,217,694.00
	Retained Earnings	33,937,579.00
	Minority Interest	3,376,266.00
	TOTAL EQUITY	162,368,077.00

CHAIRMAN	HRM OBA MICHAEL ADEDOTUN GBADEBO, CFR 2, Ajose Adeogun Street Victoria Island Lagos State
GROUP CHIEF EXECUTIVE	MR. JUBRIL ADEWALE TINUBU 2, Ajose Adeogun Street Victoria Island Lagos State
DEPUTY GROUP CHIEF EXECUTIVE	MR. OMAMOFE BOYO 2, Ajose Adeogun Street Victoria Island Lagos State
EXECUTIVE DIRECTOR/ CHIEF FINANCIAL OFFICER	MR. OLUFEMI ADEYEMO 2, Ajose Adeogun Street Victoria Island Lagos State
EXECUTIVE DIRECTOR	MR. MOBOLAJI OSUNSANYA 2, Ajose Adeogun Street Victoria Island Lagos State
DIRECTOR	MR. OGHOGHO AKPATA 2, Ajose Adeogun Street Victoria Island Lagos State
DIRECTOR	MS. NANA APPIAH-KORANG 2, Ajose Adeogun Street Victoria Island Lagos State
DIRECTOR	CHIEF SENA ANTHONY 2, Ajose Adeogun Street Victoria Island Lagos State
DIRECTOR	AMMUNA LAWAN ALLI, OON 2, Ajose Adeogun Street Victoria Island Lagos State
DIRECTOR	ENGR. YUSUF N'JIE 2, Ajose Adeogun Street Victoria Island Lagos State
DIRECTOR	MR. FRANCESCO CUZZOCREA 2, Ajose Adeogun Street Victoria Island Lagos State
CHIEF COMPLIANCE OFFICER & COMPANY SECRETARY	AYOTOLA O. JAGUN (Ms.) 2, Ajose Adeogun Street Victoria Island Lagos State www.oandopl.com

NIGERIAN PARTIES TO THE ISSUE

LEAD ISSUING HOUSE

VETIVA CAPITAL MANAGEMENT LIMITED

Plot 266B, Kofo Abayomi Street
Victoria Island
Lagos State

JOINT ISSUING HOUSES

FBN CAPITAL LIMITED

16 Keffi Street, Off Awolowo Road
South-West Ikoyi
Lagos State

FCMB CAPITAL MARKETS LIMITED

6th Floor, First City Plaza
44, Marina
Lagos State

MARINA SECURITIES LIMITED

Marina House
10, Amodu Ojikutu Street
Victoria Island, Lagos State

STANBIC IBTC CAPITAL LIMITED

I.B.T.C. Place, Walter Carrington Crescent
Victoria Island
Lagos State

ZENITH CAPITAL LIMITED

4th Floor, Zenith Heights
87, Ajose Adeogun Street
Victoria Island, Lagos State

STOCKBROKERS TO THE ISSUE

VETIVA SECURITIES LIMITED

Plot 266B, Kofo Abayomi Street
Victoria Island
Lagos State

APT SECURITIES AND FUNDS LIMITED

3rd & 5th Floors, Church House
29, Marina
Lagos State

CARDINALSTONE SECURITIES LIMITED

5, Okotie Eboh Street
Ikoyi, Lagos State

CSL STOCKBROKERS LIMITED

4th Floor, First City Plaza
44, Marina
Lagos State

PARTNERSHIP SECURITIES LIMITED

37, Ademola Street
Off Awolowo Road
South-West Ikoyi, Lagos State

ZENITH SECURITIES LIMITED

4th Floor, Zenith Heights
87, Ajose Adeogun Street
Victoria Island, Lagos State

AUDITORS

ERNST & YOUNG

10th Floor, UBA House
57, Marina
Lagos State

SOLICITORS TO THE ISSUE

TEMPLARS (Barristers & Solicitors)
4th Floor, The Octagon
13A, A. J. Marinho Drive
Victoria Island, Lagos State

SOLICITORS TO THE COMPANY

BANWO & IGHODALO
98, Awolowo Road
South West Ikoyi
Lagos State

REGISTRARS IN NIGERIA TO THE ISSUE

FIRST REGISTRARS NIGERIA LIMITED
Plot 2, Abebe Village Road
Iganmu, Surulere
Lagos State

RECEIVING BANKS

ACCESS BANK PLC
Plot 999c, Danmole Street
Off Adeola Odeku/Idejo Street
Victoria Island, Lagos State

FIRST BANK OF NIGERIA LIMITED
Samuel Asabia House
35, Marina
Lagos State

FIRST CITY MONUMENT BANK LIMITED
Primrose Tower
17A, Tinubu Street
Lagos State

UNITED BANK FOR AFRICA PLC
UBA House
57, Marina
Lagos Island, Lagos State

ZENITH BANK PLC
84, Ajose Adeogun Street
Victoria Island
Lagos State

SOUTH AFRICAN PARTIES TO THE ISSUE

**REGISTRARS IN SOUTH AFRICA TO THE
ISSUE**

COMPUTERSHARE INVESTOR SERVICES (PROPRIETARY) LIMITED
70, Marshall Street
Johannesburg, 2001
Marshall Town, 2107
South Africa

**SPONSOR TO OANDO PLC IN SOUTH
AFRICA**

MACQUARIE FIRST SOUTH CAPITAL (PTY) LIMITED
The Place
1, Sandton Drive
South Wing, Sandown, 2146
Johannesburg, South Africa

**LEGAL COUNSEL TO OANDO PLC IN
SOUTH AFRICA**

WEBBER WENTZEL
10, Fricker Road
Illovo Boulevard, Johannesburg
South Africa, 2196

RECEIVING BANK IN SOUTH AFRICA

STANDARD BANK OF SOUTH AFRICA
3, Simmonds Street
2000 Johannesburg
South Africa

The following is the text of a letter received by Vetiva Capital Management Limited, FBN Capital Limited, FCMB Capital Markets Limited, Marina Securities Limited, Stanbic IBTC Capital Limited and Zenith Capital Limited from HRM Oba Michael Adedotun Gbadebo, CFR, Chairman, Board of Directors of Oando PLC:



2, Ajose Adeogun Street
Victoria Island
Lagos

www.oandopl.com

Thursday, 13 November, 2014

To: All Shareholders,

Dear Sirs,

OANDO PLC ("OANDO" OR "THE COMPANY"): RIGHTS ISSUE OF 2,217,265,184 ORDINARY SHARES OF 50 KOBO EACH AT ₦22.00 PER SHARE ("THE ISSUE")

INTRODUCTION

You would recall that at our Company's Extra-ordinary General Meeting which held on Tuesday, 18 February, 2014, you had authorized the Company amongst other things to raise additional capital of up to ₦50 billion through an offer by way of a Rights Issue in the ratio and terms, conditions and dates to be determined by the Directors, subject to obtaining regulatory approvals.

On behalf of the Board of Directors, I am pleased to inform you that at its meeting on 18 February, 2014, in line with the aforementioned Shareholder resolution, the Board of Directors of Oando has resolved to issue by way of Rights, 2,217,265,184 ordinary shares of 50 kobo each to the Shareholders whose names appears on the Company's Register of Members as at 25 July, 2014 on the basis of one (1) new ordinary share for every four (4) ordinary shares held.

All necessary arrangements regarding the Rights Issue have been made. The requisite approvals have been received from the Securities & Exchange Commission, The Nigerian Stock Exchange and JSE Limited for the registration and the subsequent listing of the shares now being issued. It is important to note that the shares now being issued will rank *pari passu* in all respects with the existing issued ordinary shares of the Company and shall qualify for any dividend (or any other distribution) declared for the financial year ending 31 December, 2013, in so far as the qualification date for the dividend (or any other distribution) declared is after the allotment of the ordinary shares now being issued.

Oando commenced operations in 1956 as a petroleum marketing company in Nigeria under the name ESSO West Africa Incorporated, then a subsidiary of Exxon Corporation of the USA. On 25 August, 1969, the Company was incorporated under Nigeria law as Esso Standard Nigeria Limited. In 1976, the Federal Government of Nigeria bought Exxon Corporation's interest, thereby fully indigenizing the Company, and it was subsequently re-branded Unipetrol Nigeria Limited ("Unipetrol"). The Company formally changed its name from Unipetrol Nigeria Plc to Oando Plc in December 2003. The Company became a public limited liability company in 1991, when the Federal Government of Nigeria divested 60% of its shareholding to the general public, and the Company's shares were listed on the NSE in February 1992.

Oando was registered as an external company in South Africa on 1 November, 2005 and on 25 November, 2005 became the first African company to accomplish a cross-border inward listing on the JSE. In 2007, the Company undertook a corporate restructuring in which it carved out its downstream petroleum marketing business into Oando Marketing Limited, a new wholly-owned subsidiary. The Company also acquired Ocean and Oil Investment's ("OOI") entire holding in jointly-owned subsidiaries via a Scheme of Arrangement, making these companies wholly-owned subsidiaries of Oando.

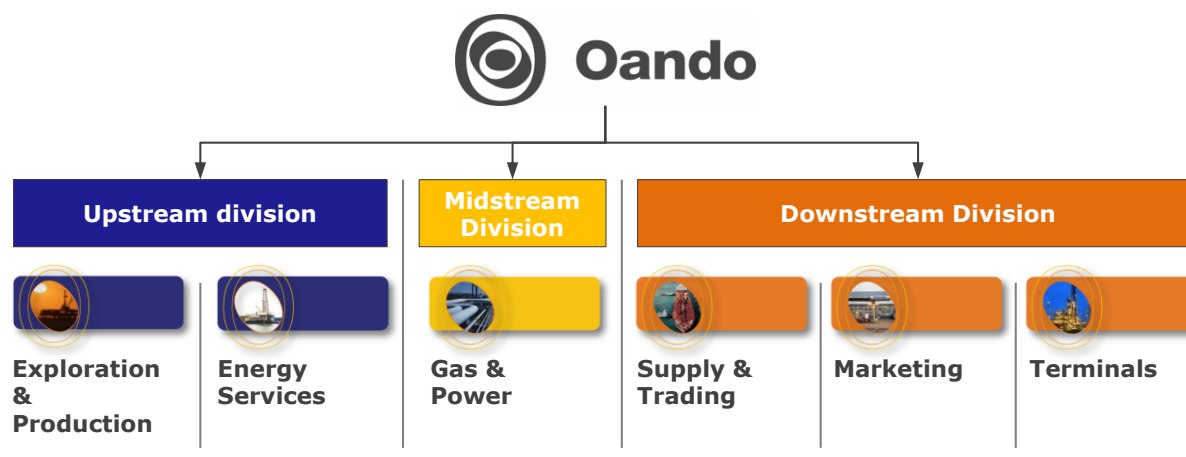
In July, 2012, Oando completed a Reverse Takeover ("RTO") involving the former Exile Resources Inc. which became Oando Energy Resources Inc. ("OER"). The RTO was preceded by the restructuring of Oando's shareholding in certain entities in the upstream exploration and production division of Oando and transferring same to Exile Resources Inc.

OANDO TODAY

Oando today is an integrated energy solutions company with operations geographically spanning several jurisdictions of Europe, North America and West Africa and primarily in Nigeria. The Company attained the status of an integrated energy solutions provider, by adding gas and power distribution, international supply, trading and energy services to its petroleum marketing business and is currently incubating exploration, production and power initiatives. It is envisioned that Oando will become a leader in the African energy sector, delivering world-class services across the African continent.

GROUP STRUCTURE

Oando's business is organised into six divisions. These divisions are: Exploration & Production and Energy Services (in the upstream sector), Gas & Power (in the midstream sector) and Marketing, Supply & Trading and Terminals & Logistics (in the downstream sector).

**OVERVIEW OF SUBSIDIARY COMPANIES**

Oando's business is currently located in several global jurisdictions.

1. EXPLORATION AND PRODUCTION DIVISION ("E&P Division")

Oando, directly and indirectly through its 93.8% investment in Oando Energy Resources Inc., a TSX public listed company, currently holds varying interests in 16 licences for the exploration, development and production of oil and gas blocks located onshore on land or swamp, and offshore in shallow or deep waters, six of which are currently in production. Oando's exploration and production strategy is focused on exploring and developing oil and gas resources in Nigeria. The E&P Division recorded a total production of 1.46 mmbbls of crude oil in 2013, which was attributable to the Company's working interest in the two fields which were producing at the time: OML125 (Abo) produced 1.21mmbbls and OML56 (Ebendo) produced 0.24mmbbls. The portfolio contains prolific 2P reserves of 230.6mmboe and 2C best estimate contingent resources of 547.3mmboe spanning producing, near term and exploration assets within the Niger Delta, Nigeria/Sao-Tome JDZ and DRSTP EEZ.

The E&P Division's mission is to deliver sustainable value to stakeholders by continually growing reserves through the exploration, development and acquisition of oil and gas resources. The E&P Division's growth has continued unabated throughout the global financial crisis due to the successful management and production of oil and gas reserves.

Positioned as an owner, operator and investor of an oil and gas asset portfolio, the E&P Division will continue to pursue further investments in selected African oil and gas producing basins that meet its strategic and financial criteria and position it for growth.

The following are the entities through which Oando directly and indirectly operates its exploration and production strategy:

Oando Energy Resources Incorporated ("OER")

Following the Reverse Takeover of Exile Resources, Oando holds 93.8% in OER, a TSX public listed company. OER has a portfolio of oil and gas assets in Nigeria and EEZ. OER holds interests in 16 licences for exploration, development and production of oil and gas concessions. The portfolio of assets is at various stages of upstream operations –

exploration, development and production. Six assets within its portfolio, OMLs 60-63, OML 125 and Ebendo marginal field, contribute to a net production capacity currently standing at approximately 45,416boe/d.

2. ENERGY SERVICES DIVISION ("Energy Division")

The following are companies operating within Oando's Energy Division:

Oando Energy Services Limited ("OES")

OES was incorporated on 18 January, 2005 as an indigenous energy services company, and is principally engaged in the following product service lines:

- Drilling and completion fluids;
- Drill bits and drilling systems; and
- Drilling rigs services.

OES has invested over US\$500 million in the acquisition and upgrade of its four rigs and continues to invest heavily in asset maintenance and integrity programmes with the aim of optimizing operational performance. In addition, the company recognizes the importance of ensuring its people are adequately trained, and as such uses various learning and talent development systems to identify and meet the training needs for all individuals within the organisation.

OES is poised to expand its range of services to meet the needs of its clients by introducing new service lines that complement its existing portfolio. To support this rapid growth, the company is developing its operational base within the Onne Tax Free Zone. This base which will serve as the central point for coordinating the company's logistical and procurement activities, is strategically located close to many of OES's clients who utilize the Onne facility to support their operations.

3. GAS & POWER DIVISION ("Gas Division")

Oando Gas & Power Limited ("OGP") is the division responsible for the development, operation and management of Oando PLC's participation in the gas and power space.

As the largest private sector natural gas distributor and developer of Nigeria's foremost natural gas distribution network, OGP distributes and sells natural gas to industrial and commercial off-takers in Nigeria; in addition to developing and operating power plants. OGP has developed over 230km natural gas pipeline network (c.100km in Lagos State and 128km traversing Akwa Ibom & Cross River States). With natural gas pipeline capacity of c.101 million standard cubic feet per day ("mmscf/d"), OGP currently delivers gas and power solutions to over 150 customers in Nigeria.

OGP has consistently outperformed its competitors in the Nigerian gas market and is uniquely positioned to grow its captive and other Independent Power Projects ("IPP") off the back of its existing gas infrastructure.

Recently, the OGP-led consortium (Oando, AGIP, and NNPC) secured a concession for the development of a gas processing facility for the Central Franchise Area in Nigeria. When completed, the gas processing facility will support the Nigerian Gas Master Plan ("NGMP") in achieving its aspirations for gas availability in the domestic market. This development will have an initial capacity to process up to 600 mmscf/d.

The following are companies operating within Oando's Gas and Power Division:

▪ Oando Gas & Power Limited ("OGPL")

OGPL was incorporated on 7 August, 2001 for the conceptualization, implementation and management of opportunities in the natural gas and power sectors.

▪ Gaslink Nigeria Limited ("Gaslink")

Gaslink was incorporated on 1 December, 1988 and is the first company in Nigeria to provide retail distribution of natural gas by pipeline to customers. It is the flagship company and main operating arm of OGP. It presently has the combined capacity to deliver 101 mmscf/d. It currently operates a 20-year Gas Sale & Purchase Agreement ("GSPA") with the Nigerian Gas Company ("NGC"). This agreement grants Oando exclusive rights to distribute natural gas to industrial energy consumers in the Greater Lagos area. Gaslink has successfully constructed over 100km of pipeline network (developed in phases) from the NGC city gate to cover Ikeja and the Greater Lagos area and currently has a customer base of over 140 industrial customers in Lagos.

Gaslink recently embarked on a further expansion of its Greater Lagos pipeline network (Phase IV Expansion Project) which would enable more customers have access to natural gas from our distribution network.

- **Akute Power Limited ("APL")**

APL was incorporated on 17 January, 2008 to develop and operate an Independent Power Plant to supply electric power to the Lagos Water Corporation ("LWC"). The project involved the development of a 12.15MW IPP and the construction of a 13km gas pipeline. The commercial structure provides that APL supplies power under a 10-year Power Purchase Agreement ("PPA") with 2 successive five (5) year extensions under a Build-Own-Operate-Transfer ("BOOT") structure. Akute Power Limited commenced operations in February, 2010. APL is currently in discussions with LWC to increase the capacity of the power plant by an additional 12MW to cater for the expansion of the major production facilities.

- **Central Horizon Gas Company ("CHGC")**

CHGC was incorporated as an SPV to acquire, rehabilitate and expand the existing 5km natural gas distribution pipeline owned by the Rivers State Government. CHGC officially commenced operations in August 2011 for an initial period of 30 years. CHGC's total operating capacity is currently c.1.5mmscf/d and its existing network covers the Trans Amadi Industrial area of Port Harcourt, Rivers State, delivering gas to about 8 industrial customers. Under the concession agreement, CHGC will rehabilitate, operate, manage, and expand natural gas infrastructure in areas covering Greater Port Harcourt City, Trans-Amadi and Reclamation Road.

- **Alausa Power Limited ("ALPL")**

ALPL developed and currently operates a 10.4MW Independent Power Plant (IPP) that supplies the total power requirement of the Lagos State Government's Alausa Secretariat Complex. The project was conceived as a Public Private Partnership between the State Government and Oando, with Oando developing a power plant, initially sized at 10.4MW, to provide power to the Lagos State Government under a 10 year Power Purchase Agreement ("PPA"). The power plant, commissioned in October 2013, includes 6.4MW of gas engine capacity as the primary source of power and 4MW of diesel engine capacity to serve as backup in the unlikely event of gas supply interruptions. ALPL is presently reviewing the power consumption requirements of the secretariat complex towards expanding the power plant capacity.

- **Gas Network Services Limited ("GNSL")**

GNSL is the operator of a Compressed Natural Gas ("CNG") facility and is situated at Ilasamaja on Oshodi-Apapa Express way in Lagos State. It was developed to ensure the availability of natural gas to customers, who for reasons of economies of connection, are unable to access gas pipeline supply in the Lagos area and environs. The compression facility has a capacity of 150,000 standard cubic meters per day ("SCMD"). CNG is compressed into mobile tube trailers for onward delivery to customer locations. GNSL's facility also has dispensing points for filling Natural Gas Vehicles ("NGV") utilizing CNG as a primary or alternate fuel. GNSL commenced operations in August 2013.

4. SUPPLY & TRADING DIVISION ("Supply Division")

The Supply Division is the leading indigenous physical trader of petroleum products in the sub-Saharan region, supplying and trading crude oil and refined petroleum products. The Supply Division trades large volume cargoes to the major oil marketers in Nigeria as well as to independent marketers. Supply Division currently procures and trades a broad range of refined petroleum products including Jet A1, LPG, Gasoline, DPK, Diesel and Low/High Pour Fuel Oil. Supply Division is also involved in the exportation of crude oil. The Supply Division trades regulated products (i.e. PMS) under the Petroleum Subsidy Fund while deregulated products are traded under supply contracts and on a spot basis. The Supply Division also has established trade relationships with refiners, marketing and trading companies in the United States of America, Europe and the far East.

The following are companies operating within Oando's Supply and Trading Division:

- **Oando Supply & Trading Limited ("OS&T")**

OS&T was incorporated on 14 April, 2004 as one half of the products trading arm of the Oando Group. OS&T trades Jet A1, LPG, Gasoline, DPK, Diesel, Low/High Pour Fuel Oil, Naphtha, Base Oil and Bitumen into Nigeria.

- **Oando Trading Limited (Bermuda) ("Oando Trading")**

Oando Trading was incorporated on 15 July, 2004 as the other half of the products trading arm of the Oando Group. Oando Trading is involved in the trading of crude oil and refined petroleum products in international markets. Oando Trading is a recognized leader in oil trading, and maintains a presence in the world's products freight market via vessels, which are chartered on spot and time charter basis, for delivery of petroleum products to various customers

worldwide. Oando Trading has positioned itself as the supplier of choice for products supplies in the West African sub region.

5. MARKETING DIVISION

Oando Marketing PLC (*"Oando Marketing"*)

Oando's downstream petroleum marketing business operated as a division of Oando until late 2007 when it was carved out as a stand-alone entity via a Scheme of Arrangement and became Oando Marketing Limited, a new wholly owned subsidiary. The company was thereafter converted to a public company in August, 2010 and is currently called Oando Marketing.

Oando Marketing has continued to be the leading petroleum products marketing company in Nigeria, with one in every five litres of petroleum products being sold or distributed by Oando Marketing via its network of retail outlets and strategically located terminals spread across Nigeria. Oando Marketing also has subsidiaries in Ghana and Togo, operating over 50 service stations in both countries. Oando Marketing trades a wide range of petroleum products including Premium Motor Spirit ("PMS"), Automotive Gas Oil ("AGO"), Dual-Purpose Kerosene ("DPK"), Aviation Turbine Kerosene ("ATK"), Low Pour Fuel Oil ("LPFO"), Lubricating Oils, Greases, Bitumen and Liquefied Petroleum Gas ("LPG", commonly known as cooking gas). Oando Marketing also has bespoke value adding solutions to meet the needs of its numerous customers including:

- **Oando Value Added Peddling ("VAP"):** A unique service which guarantees effective supply of Diesel and Lubricants to companies with multiple operational sites across Nigeria.
- **Oando e-VAP:** An electronic enabled variant of VAP where customers can make orders online for products to be delivered to their homes and offices.
- **Oando Vendor Managed Inventory:** A special customer service initiative that ensures regular supply of fuel and lubricants from the premises of the customers.
- **Oando Pay-As-U-Gas:** An innovative solution that involves on-the-spot dispensing of LPG using a pump meter into customers' cylinder.

The following are companies in addition to Oando Marketing, operating within the Marketing Division:

- **Oando Ghana Limited** (*"Oando Ghana"*)

Oando Ghana was incorporated on 21 November, 1991. Its scope of business covers the marketing of petroleum products, export of petroleum products, and export of lubricants to other African countries. Oando Ghana currently operates 35 retail outlets in Ghana.

- **Oando Togo Limited** (*"Oando Togo"*)

Oando Togo was incorporated on 21 September, 1993, having been granted a license to market all grades of petroleum products and derivatives in March, 1993. Oando Togo markets petroleum products through its 20 retail service outlets across Togo. It also engages in bulk product trade with clients in Mali, Burkina Faso and Niger Republic.

- **Oando Benin Limited** (*"Oando Benin"*)

Oando Benin was incorporated on 9 October, 1996 to further maximize Oando's business opportunities along the West African coast.

6. TERMINALS AND LOGISTICS DIVISION (*"Terminal Division"*)

Oando's entry into the terminals business completes its presence in all segments of the energy value chain. The Terminal Division has refocused on the terminal and logistics segment of the value chain, where there is greater probability of success in the near and midterm driven by our advantaged skills in project development and financing and reduced exposure to fluctuating government policy. The Terminal Division has incorporated vehicles for these purposes and for affiliation and partnering with proposed refinery development projects across the country at an appropriate time.

Apapa SPM Limited (*"Apapa SPM"*)

Apapa SPM was incorporated on 14 September, 2007 as an SPV for the development of pipeline and single point mooring systems in response to government calls to the private sector to solve chronic product reception bottlenecks that stood in the way of price liberalization. The initial project currently near completion will consist of an island jetty capable of berthing large vessels, a subsea pipeline from the jetty to an existing onshore receiving manifold and new,

larger diameter onshore pipelines to connect to existing storage facilities. A receiving station onshore will supply power and other support infrastructure to the jetty.

The system's maximum theoretical annual throughput capacity is about 3 million metric tonnes. The jetty will allow the major marketers and large independents along the pipeline route to increase inventory turns at their existing storage facilities. The project is currently near completion.

CORPORATE STRATEGY

Oando's corporate strategy is to create long term shareholder value through the profitable operation and expansion of its high margin value streams. This is made up of a commitment to de-lever and maintain an optimal capital structure, favouring long term, bullet repayment, and structured debt. The aim is to deliver solid dividend cash flows in the mid-term in tandem with consistent value appreciation from selected profitable growth initiatives. In order to achieve this aim, Oando primarily seeks to pursue growth opportunities that exist in the Upstream and Midstream businesses. Oando will focus on operational excellence and best in class health, safety, environment and corporate social responsibility standards, whilst driving the following initiatives:

- **Growth through Acquisitions and Portfolio Development**

The Company intends to pursue expansion of its upstream oil and gas portfolio through organic and inorganic growth. The inorganic growth will be driven by the acquisition of producing and near term production assets at competitive prices, mainly from the IOC's during their divestment process of assets, in the prolific Niger Delta region and the Gulf Guinea. The Company will also focus on the development of its current asset portfolio to increase its organic production, through an aggressive development programme and the short term monetisation of its exploration assets through keen farm-in agreements and sales.

- **Increasing Energy Services Potential**

The Company will continue to take competitive advantage of the Nigerian Local Content Policy which requires oilfield services contracts to be offered first to competent indigenous companies for land and swamp opportunities. Oando is positioned as the leading preferred domestic oilfield services partner and provider of high value oilfield services. The Company intends to close 2015 with all four swamp barges under contract and therefrom, to also expand its rig portfolio to include not only swamp rigs but also rigs for offshore and onshore drilling, as a step towards achieving this objective. This rig expansion will be driven through partnerships with asset owning contractors seeking to benefit from Oando's market knowledge, operator relationships and best in class large scale fleet and supply chain management.

- **Expansion of the Gas and Power Business**

Following its recent sale of the EHGC 128km pipeline that ran from Akwa Ibom to Calabar (120 mmscfd capacity), the Company sees continuing value in extending its exclusive rights to market natural gas to industrial customers. This is underway in the Greater Lagos area beyond the current franchise date of 2019 and the Company has also commenced construction of a project-financed 4th segment in the franchise which will add another 30% to the capacity of the pipeline. Similarly, the Company has commenced construction of its 3rd pipeline franchise, the Central Horizon Gas pipeline in Port Harcourt, as it continues to create first mover, sole franchisee advantage in future industrial concentrations. The Company, now versed in captive power generation through the Akute (12.15MW) and Alausa (10.4MW) IPPs serving Lagos State (the Water Corporation & the Secretariat Complex), will continue down the captive power solution development, a sub-sector with solid policy frameworks in place and proven profitability. The Company intends to optimise its current gas and power footprint through growing market share and product innovation with the recently completed Compressed Natural Gas facility, the ongoing feasibility study for a 400km gas master plan pipeline execution, participation in NIPP acquisition open access gas processing facilities and pioneering of mini LNG powered power plants.

- **Continued improvement of operational efficiency of the Marketing Business**

Oando remains committed to maintaining its market leadership in marketing and supply & trading of petroleum products. The Company is focusing on improving the margins of the marketing business through technology led cost management and operational efficiency in a rationalised and higher average throughput retail footprint. The Company will also pursue supply and trading and storage initiatives across Africa that will see improved earnings in the coming years. In line with the strategic decision to pursue growth primarily in the upstream and midstream sectors, the Company remains open to the sales of parts of its downstream business at valuations that reflect its considerable cost leadership and full value chain (supply & trading, product reception & terminalling and retailing) advantages.

PURPOSE OF THE ISSUE AND USE OF PROCEEDS

The Rights Issue represents an important step for Oando as the Company will use the net Issue proceeds to de-lever its balance sheet via repayment of existing financial debt obligations, as well as replenish working capital lines utilized in the financing of the COP Acquisition.

The Rights Issue is a key step in the overall plan of Management to raise at least US\$500 Million in new capital through equity injections and/or asset sales that will enable the Company boost its long term capital base.

The net Issue proceeds, estimated at ₦47,270,967,721.12, after deducting the total cost of the Issue, estimated at ₦1,508,866,326.88 (representing 3.09% of the Issue), will be applied as follows:

UTILIZATION	DESCRIPTION		AMOUNT (₦)	%	PERIOD
Deleveraging of Balance Sheet	To repay debt outstanding to various institutions utilised for business growth and development	First Bank of Nigeria Plc	452,352,741	0.96	Immediate
		First City Monument Bank Plc	8,880,018,236	18.79	Immediate
		Guaranty Trust Bank Plc	652,039,987	1.38	Immediate
		Ocean and Oil Development Partners Limited	27,525,537,028	58.23	Immediate
		Stanbic IBTC Plc	169,328,549	0.36	Immediate
		Zenith Bank Plc	4,905,000,000	10.38	Immediate
			42,584,276,540	90.09	
Working Capital	To augment working capital requirements		4,686,691,181	9.91	6 Months
			47,270,967,721	100.00	

IMPORTANT NOTE TO THE USE OF PROCEEDS

Oando received US\$300 Million (c. ₦48.9 Billion) from OODP as convertible loans, which was applied towards the acquisition of COP's Nigerian businesses. A portion of the amounts being owed by Oando to OODP under the convertible loan agreements, equivalent to the subscription amount for shares due to OODP under the Rights Issue, would be applied as OODP's subscription for the Rights Issue.

STATEMENT OF WORKING CAPITAL

The Company plans to utilize part of the Rights Issue proceeds to augment its working capital. The Directors are of the opinion that post Rights Issue, the working capital position of the Company will be improved.

RISK AND MITIGATING FACTORS**Business/Company specific risks**

These are risks that are unique to Oando which may hamper the Company's achievement of its business objectives. These risks include operational failure, accounting and internal control processes, lack of adequate supervision, poor management, inadequate human resources, inadequate cash flow, poor customer service etc.

- ❖ **Mitigating Factors:** Oando periodically reviews its strategies, policies and procedures to determine their suitability for the operating environment. Changes are made if management deems it necessary. Furthermore, the Company's management and senior staff are trained professionals in relevant sectors with the necessary knowledge to implement best recommended practices.

Industry/sector risks

The Nigerian energy industry is highly competitive. Energy solutions firms are diversifying into the provision of other energy services in order to diversify their income streams. There is a risk that the Company may not be able to compete effectively in the new operating terrain.

- ❖ **Mitigating Factors:** Oando is a recognized brand within the industry. It has also drawn up plans towards preserving and increasing its market share. These strategies would ensure that the Company continues to remain relevant in the industry as well as to consolidate its position.

Environmental risks

These are losses that arise due to natural occurrences in the environment. Such events include earthquakes. Our operations are subject to environmental risks such as oil spills, produced water spills, gas leaks and discharge of substances and gases that could cause pollution and environmental damage.

- ❖ **Mitigating Factors:** Oando has a rigorous recruitment and training system that ensures only competent personnel are appointed to positions that are regarded as EHS (Environment, Health and Safety) critical. In addition to this, the Company ensures that during projects and operations planning, the requisite environmental risk assessments are done to identify relevant risks and ensure that equipment, processes and/or systems are

put in place to reduce the likelihood of an environmental incident and/or the impact of such an incident. The Company only engages in activities where it can demonstrate that the associated risks have been reduced to an acceptable level, using the company-approved risk assessment matrix (RAM).

The Company has robust engineering and maintenance systems that ensure the integrity of its assets, e.g. there is a cathodic protection system in place to ensure the integrity of pipelines against corrosion, resulting in extremely low likelihood of gas leaks.

The Company also has environmental management systems in place, which include emergency preparedness, response and business contingency plans that highlight potential environmental incidents and specific procedures, processes or actions that need to be in place to prevent or adequately manage such incidents. These procedures are risk appropriate and are maintained, reviewed and updated as necessary to ensure their accuracy and suitability. Responder training and drills are held to assess and continually improve the response plans.

The Company's businesses are certified to ISO 9001 standards which helps ensure that the quality of processes are of world class standards. Oando is currently in the process of certifying its businesses to ISO 14001 standards which will give further credence to the robustness of its environmental management systems.

Financing risk

The banking sector has been influenced by various reforms which has made banks more cautious, and has resulted in reduced credit availability. The tightening stance of the Central Bank of Nigeria which has resulted in the prevailing high interest rate environment presents challenges for businesses seeking relatively short term funds. Further, the sustainability of the Sovereign Debt Note (a guarantee issued by the Federal Government of Nigeria for subsidy reimbursements), cannot be guaranteed; therefore, Oando could be faced with more stringent financing terms.

- ❖ **Mitigating Factor:** *Oando is reputed as one of the top and more credible operators in the downstream segment of the oil & gas industry, hence its ability to borrow at competitive rates.*

Government policy risk

The oil & gas Industry has been undergoing reform in recent years. Other reforms may be promulgated with unforeseen consequences. Changes in government policy or enactment of new legislations often affect businesses positively or negatively due to restrictions or new requirements.

- ❖ **Mitigating Factor:** *Oando is willing to comply with all relevant government regulations. The Company maintains a proactive stance regarding government regulations. In addition, the Oil and Gas sector remains one of the most important sectors of the economy and a key source of Federal Government revenue, therefore it is unlikely that Government will enact a policy that will adversely affect the industry.*

Currency/exchange rate risks

By virtue of its business, Oando is exposed to currency risk which could lead to losses for the Company.

- ❖ **Mitigating Factor:** *As part of its business, Oando earns revenue in both local and foreign currency; thus, providing a hedge against adverse movement in currency.*

GENERAL RISK DISCLOSURE

Shareholders should consult their advisers if in any doubt as to the nature of this investment and its suitability in the light of their particular circumstances. The value of any securities traded (whether listed or not) are subject to investment risks, can and do fluctuate, and any individual security may experience upward or downward movements. There is an inherent risk that losses may be incurred rather than a profit made as a result of buying and selling securities. Past performance is not a guide to future performance. Certain types of investments may not be suitable for all investors. However, Oando takes all these risks seriously and has put in place strategic and operational plans that will aid in adequately responding to the outlook of the market environment in a timely manner in order to mitigate these risks as much as possible.

CORPORATE GOVERNANCE

Compliance with Code of Corporate Governance

Oando is dedicated to the protection and promotion of shareholders' interest, hence the Company updates and reviews its structures and processes regularly in order to implement the best business practice at all times and consequently ensure a value based performance.

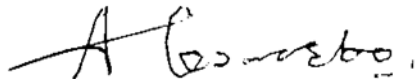
The Company recognizes the importance of adopting best practice principles, its valuable contribution to long-term business prosperity and accountability to its shareholders. The Company is managed in a way that maximizes long-term shareholder value and takes into account the interests of all its stakeholders.

Oando believes that full disclosure and transparency in its business operations are in line with good corporate governance and best practice; and is implementing principles set out in the Code of Corporate Governance issued by the Securities & Exchange Commission, Nigeria; Code of Corporate Practice and Conduct contained in the 2002 King Report; and the Combined Code on Corporate Governance (2006) issued by the Financial Reporting Council, United Kingdom.

CONCLUSION

As we look ahead, the Board and Management of Oando has full confidence that this strategic step towards optimising the Company's balance sheet and improving its leverage position will result in stronger earnings and cash flows and ultimately increase shareholder returns. I encourage all existing shareholders to participate fully in this Issue as Oando transcends into another chapter of its unprecedented evolution. It is our privilege to continue to build shareholder value for you over the long term.

Yours faithfully,



HRM Oba Michael Adedotun Gbadebo, CFR
Chairman



29 September, 2014

THE DIRECTORS

Vetiva Capital Management Limited
Plot 266B, Kofo Abayomi Street
Victoria Island
Lagos State

THE DIRECTORS

FCMB Capital Markets Limited
6th Floor, First City Plaza
44, Marina
Lagos State

THE DIRECTORS

Stanbic IBTC Capital Limited
I.B.T.C. Place, Walter Carrington Crescent
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THE DIRECTORS

FBN Capital Limited
16, Keffi Street
Off Awolowo Road
South-West Ikoyi, Lagos State

THE DIRECTORS

Marina Securities Limited
Marina House
10, Amodu Ojikutu Street
Victoria Island, Lagos State

THE DIRECTORS

Zenith Capital Limited
4th Floor, Zenith Heights
87, Ajoose Adeogun Street
Victoria Island, Lagos State

Dear Sirs,

CONFIRMATION OF GOING CONCERN STATUS OF OANDO PLC ("THE COMPANY")

Oando PLC is offering to its existing shareholders 2,217,265,184 ordinary shares of 50 kobo each at ₦22.00 per share on the basis of one (1) new ordinary share for every four (4) ordinary shares held to undertake specific initiatives.

Based on our review of the results of the Company for the year ended 31 December, 2013, in our role as Auditors to the Company, we confirm that nothing has come to our attention that causes us to believe that the Company will not continue as a going concern within twelve (12) months from the reporting date.

Yours faithfully,

Pedro Omontuemen
PricewaterhouseCoopers
(Chartered Accountants)

PricewaterhouseCoopers Chartered Accountants
252E Muri Okunola Street, Victoria Island, P.O. Box 2419, Lagos, Nigeria
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Partners: UN Akpata, O Alakume, O Asapokhai, C Azobu, I Ezeuko, KU Igbokeke, P Obianwa, T Ogunlipo, P Omontuemen, T Oputa, T Oyedele, AB Rahji, GI Ukpoh

The following documents which have previously been published, and have been filed with the SEC, shall be incorporated in, and form part of, this Rights Circular:

- a. The audited financial statements of Oando for the year ended, 31 December, 2013;
- b. The audited financial statements of Oando for the year ended, 31 December, 2012;
- c. The audited financial statements of Oando for the year ended, 31 December, 2011;
- d. The audited financial statements of Oando for the year ended, 31 December, 2010; and
- e. The audited financial statements of Oando for the year ended, 31 December, 2009.

Copies of the documents incorporated by reference will be available for inspection during normal business hours on any weekday (except public holidays), from Wednesday, 03 December, 2014 to Wednesday, 14 January, 2015, at the registered office of Oando PLC located at 2, Ajose Adeogun Street, Victoria Island, Lagos State, for viewing on the website of the Company at www.oandopl.com and at the offices of any of the Issuing Houses listed on page 11 of this Rights Circular.

STATEMENT OF FINANCIAL POSITION (IFRS): 2012 - 2013

The following is a summary of the Group's Statement of Financial Position as at December 31, 2012 and 2013.

<i>In thousands of Naira</i>	Group 2013	Group 2012
Assets		
Non-current assets		
Property, plant and equipment	172,209,842	130,324,713
Intangible assets	82,232,746	138,853,809
Investments accounted for using the equity method	2,880,478	-
Deferred income tax assets	11,463,002	13,424,518
Available-for-sale financial assets	14,500	1,000
Derivative financial assets	1,220,796	986,278
Finance lease receivables	6,927,207	3,206,008
Deposit for acquisition of a business	69,840,000	67,542,450
Non-current receivables and prepayments	15,412,684	10,618,594
Restricted cash	3,798,258	4,053,050
	365,999,513	369,010,420
Current assets		
Inventories	19,446,202	18,110,541
Finance lease receivables	782,480	450,377
Derivative financial assets	389,900	-
Trade and other receivables	143,738,804	113,935,243
Available-for-sale financial assets	169,430	148,701
Cash and cash equivalents (excluding bank overdrafts)	23,887,497	13,408,506
	188,414,313	146,053,368
Assets of disposal group classified as held for sale	37,483,113	-
Total assets	591,896,939	515,063,788
Equity and Liabilities		
Equity attributable to owners of the parent		
Share capital	3,411,177	1,137,058
Share premium	98,425,361	49,521,186
Retained earnings	33,937,579	37,142,281
Other reserves	23,217,694	14,412,064
	158,991,811	102,212,589
Non controlling interest	3,376,266	3,141,939
Total	162,368,077	105,354,528
Liabilities		
Non-current liabilities		
Borrowings	71,872,418	75,221,070
Deferred income tax liabilities	20,372,939	17,207,614
Provision for other liabilities & charges	5,091,069	3,562,670
Derivative financial liabilities	-	3,486,456
Retirement benefit obligation	2,468,035	2,802,983
Government Grant	206,643	293,941
	100,011,104	102,574,734
Current liabilities		
Trade and other payables	124,059,301	86,046,357
Derivative financial liabilities	1,527,400	-
Current income tax liabilities	5,643,719	6,417,980
Dividend payable	644,691	651,058
Provision for other liabilities & charges	-	353,416
Borrowings	183,412,635	213,665,715
	315,287,746	307,134,526
Liabilities of disposal group classified as held for sale	14,230,012	-
Total liabilities	429,528,862	409,709,260
Total equity and liabilities	591,896,939	515,063,788

STATEMENT OF COMPREHENSIVE INCOME (IFRS): 2012 - 2013

The following is a summary of the Group's Statement of Comprehensive Income for the years ended, 31 December, 2012 and 2013.

<i>In thousands of Naira</i>	Group 2013	Group 2012
Continuing operations		
Revenue	449,873,466	650,565,603
Cost of sales	(390,584,435)	(580,664,507)
Gross profit	59,289,031	69,901,096
Other operating income	5,135,379	1,637,352
Selling and marketing costs	(6,478,374)	(7,555,800)
Administrative expenses	(41,396,496)	(39,557,419)
Operating profit	16,549,540	24,425,229
Finance costs	(21,637,777)	(13,769,320)
Finance income	5,804,480	3,521,533
Finance costs - net	(15,833,297)	(10,247,787)
Share of (loss) of investments accounted for using the equity method	(3,036)	-
Profit before income tax	713,207	14,177,442
Income tax expense	(5,389,472)	(8,666,859)
(Loss)/profit for the year from continuing operations	(4,676,265)	5,510,583
Discontinued operations		
Profit for the year from discontinued operations	6,073,191	5,275,734
Profit for the year	1,396,926	10,786,317
Profit attributable to:		
Owners of the parent	1,414,462	10,424,491
Non-controlling interest	(17,536)	361,826
	1,396,926	10,786,317
Earnings per share from continuing and discontinued operations attributable to owners of the parent during the year: (expressed in kobo per share)		
Basic earnings per share		
From continuing operations	(75)	201
From discontinued operations	98	206
From profit for the year	23	407
Diluted earnings per share		
From continuing operations	(75)	201
From discontinued operations	-	-
From profit for the year	(75)	201

STATEMENT OF CASH FLOWS (IFRS): 2012 – 2013

The following is a summary of the Group's Statement of Cash flows for the years ended, 31 December, 2012 and 2013.

<i>In thousands of Naira</i>	Group 2013	Group 2012
<i>Cash flows from operating activities</i>		
Cash generated from operations	62,077,587	52,709,406
Interest paid	(23,946,790)	(22,652,743)
Income tax paid	(5,242,530)	(10,390,255)
Net cash from/(used in) operating activities	32,888,267	19,666,408
<i>Cash flows from investing activities</i>		
Purchases of property plant and equipment	(43,902,237)	(20,940,942)
Acquisition of subsidiary, net of cash	-	790,209
Disposal of subsidiary, net of cash	1,392,902	-
Deposit for acquisition of a business	(2,328,000)	(67,542,450)
Investment in associate	-	-
Available for sale investment	-	(836)
Acquisition of software	(325,720)	(782,514)
Purchase of intangible exploration assets	(1,485,410)	(6,170,373)
Payments relating to pipeline construction	(346,363)	(16,474,065)
Acquired minority interest	-	-
Proceeds from sale of property plant and equipment	1,066,367	2,309,209
Interest received	4,124,929	3,521,533
Net cash (used in)/from investing activities	(41,803,532)	(105,290,229)
<i>Cash flows from financing activities</i>		
Proceeds from long term borrowings	63,415,306	18,903,590
Repayment of long term borrowings	(62,875,830)	(18,236,376)
Proceed from import finance facilities	-	-
Proceeds from issue of shares	54,578,836	-
Share issue expenses	(3,400,542)	-
Repayment of finance lease	-	-
Proceeds from issue of other term loans	-	-
Proceeds from other short term borrowings	168,723,607	362,923,573
Repayment of other short term borrowings	(181,809,004)	(304,737,782)
Increase/(decrease) in bank overdrafts	-	-
Dividend paid	(5,116,766)	-
Restricted cash	254,792	(1,710,050)
Net cash from/(used in) financing activities	33,770,400	57,142,955
Net change in cash and cash equivalents	24,855,135	(28,480,866)
Cash and cash equivalents and bank overdrafts at the beginning of the year	(35,129,477)	(6,657,138)
Exchange gains/(losses) on cash and cash equivalents	(56,787)	8,527
Cash and cash equivalents at end of the year	(10,331,129)	(35,129,477)
<i>Cash at year end is analysed as follows:</i>		
Cash and bank balance as above	23,887,497	13,408,507
Bank overdrafts (Note 27)	(34,218,626)	(48,537,984)
	(10,331,129)	(35,129,477)

BALANCE SHEET (NGAAP): 2009 - 2011

The following is a summary of the Group's Balance Sheet as at December 31, 2009, 2010 and 2011.

<i>In thousands of Naira</i>	Group 2011	Group 2010	Group 2009
Non-current assets			
Property, plant and equipment	175,455,217	156,285,722	131,713,072
Intangible assets	23,667,715	23,806,605	23,969,748
Long-term Investments	1,000	1,000	1,000
Deferred tax asset	5,553,035	3,695,549	2,161,298
Long term receivables	34,426,127	25,492,756	18,783,390
	<u>239,103,094</u>	<u>209,281,632</u>	<u>176,628,508</u>
Current assets			
Inventories	32,458,405	22,386,418	9,693,311
Debtors and prepayments	106,219,743	80,167,578	96,743,166
Short-term investments	193,031	-	-
Deferred tax asset	1,856,959	-	6,922,654
Bank and cash balances	21,033,529	12,187,072	25,760,410
	<u>161,761,667</u>	<u>114,741,068</u>	<u>139,119,541</u>
Current liabilities			
Creditors and accruals	74,017,829	60,467,691	81,398,265
Dividend payable	651,358	651,358	50,123
Deferred tax liability	3,970,742	208,829	923,737
Current income tax liabilities	6,904,218	5,521,737	3,313,947
Convertible debt	2,500,000	-	-
Borrowings	119,993,236	71,020,640	140,473,551
	<u>208,037,383</u>	<u>137,870,255</u>	<u>226,159,623</u>
Net current (liabilities)/assets	<u>(46,275,716)</u>	<u>(23,129,187)</u>	<u>(87,040,082)</u>
Non-current liabilities			
Borrowings	85,591,771	76,348,834	21,247,128
Other non-current liabilities	1,088,241	1,188,784	1,168,808
Deferred tax liability	9,610,331	12,417,400	11,928,511
Provision for gratuity	-	-	-
Provision for other liabilities & charges	4,109,253	3,147,893	2,432,237
	<u>100,399,597</u>	<u>93,102,911</u>	<u>36,776,684</u>
Net Assets	<u>92,427,781</u>	<u>93,049,534</u>	<u>52,811,742</u>
Capital and reserves attributable to equity holders			
Share capital	1,137,058	905,084	452,542
Share premium account	49,521,186	49,042,111	29,735,182
Revaluation reserve	18,054,794	18,054,794	7,215,257
Retained earnings	22,548,472	23,945,029	14,401,178
	<u>91,261,510</u>	<u>91,947,018</u>	<u>51,804,159</u>
Minority interest	1,166,271	1,102,516	1,007,583
Total Equity	<u>92,427,781</u>	<u>93,049,534</u>	<u>52,811,742</u>

PROFIT AND LOSS ACCOUNTS (NGAAP): 2009 - 2011

The following is a summary of the Group's Profit and Loss Accounts for the years ended December 31, 2009, 2010 and 2011.

<i>In thousands of Naira</i>	Group 2011	Group 2010	Group 2009
Turnover	586,619,034	378,925,430	336,859,678
Cost of sales	(518,178,147)	(324,797,391)	(301,282,506)
Gross profit	68,440,887	54,128,039	35,577,172
Selling and marketing costs	(7,901,252)	(7,220,296)	(7,435,802)
Administrative expenses	(42,150,326)	(22,484,703)	(18,087,443)
Interest received	2,533,121	1,468,674	3,570,953
Other operating income	12,456,510	4,174,589	11,713,165
Operating profit	33,378,940	30,066,303	25,338,045
Interest and similar charges	(8,825,689)	(5,747,458)	(11,825,890)
	24,553,251	24,318,845	13,512,155
Exceptional items	(9,624,853)	-	-
Profit before taxation	14,928,398	24,318,845	13,512,155
Taxation	(11,481,755)	(9,943,879)	(3,415,176)
Profit after taxation	3,446,643	14,374,966	10,096,979
Attributable to:			
Equity holders of the company	3,666,730	14,379,066	10,243,168
Pre acquisition profit	-	-	-
Minority interests	(220,087)	(4,100)	(146,189)
	3,446,643	14,374,966	10,096,979

Earnings per share for profit attributable to equity holders of the Company during the year:

Basic earnings per share (kobo)	162	829	1,132
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CASHFLOW STATEMENT (NGAAP): 2009 – 2011

The following is a summary of the Group's Cash flow Statement for the years ended December 31, 2009, 2010 and 2011.

<i>In thousands of Naira</i>	Group 2011	Group 2010	Group 2009
Cash flows from operating activities			
Net cash flow from operating activities before changes in working capital	33,255,642	37,940,393	28,093,325
Net decrease/(increase) in working capital	(22,445,170)	(19,303,810)	35,698,352
Decrease/(Increase) in long term prepayments	-	-	-
Increase/(Decrease) in customers' security deposits	-	-	-
Decrease in pre-operational expenses	-	-	-
Income tax paid	(12,882,172)	(7,806,099)	(5,628,467)
Staff gratuity paid	-	-	-
Net cash (used in)/from operating activities	(2,071,700)	10,830,483	58,163,210
Cash flows from investing activities			
Purchase of property plant and equipment	(27,161,298)	(18,745,614)	(38,157,748)
Purchase of software	-	-	-
Investment in subsidiaries	-	-	-
Acquisition of subsidiary	-	-	(6,960,390)
Short-term investments	(193,031)	-	-
Payments relating to pipeline construction	(9,910,080)	(8,615,464)	(6,744,918)
Pipeline construction costs recovery	1,866,525	3,753,789	2,796,583
Payment to acquire exploration rights in marginal fields	-	-	-
Investment in exploration activities	-	-	-
Proceeds from sale of property plant and equipment	105,655	318,655	450,955
Signature bonus refunded	-	-	23,735,950
Interest received	2,533,121	1,468,674	3,570,953
Cash (used in)/from by investing activities	(32,759,108)	(21,819,960)	(21,308,615)
Cash flows from financing activities			
Proceeds from long term loans	36,691,445	74,748,659	20,729,492
Repayment of long term loans	(19,434,052)	(15,715,642)	(38,322,707)
Proceed from import finance facilities	10,533,274	9,142,843	19,318,100
Repayment of import finance facilities	-	-	-
Share issue expenses	-	(1,660,865)	-
Proceed from finance lease	-	-	-
Repayment of finance lease	(52,938)	(111,429)	(2,620)
Proceeds from other short term loans	62,071,494	16,486,606	-
Repayment of other short term loans	(33,718,041)	(93,947,807)	(50,716,463)
Increase/(decrease) in bank overdrafts	1,740,220	(4,878,560)	3,865,712
Dividend paid	(5,430,508)	(2,114,019)	(2,664,265)
Issue of shares	-	21,118,641	18,412
Interest paid	(8,723,631)	(5,652,290)	(11,746,003)
Net cash from/(used in) financing activities	43,677,263	(2,583,863)	(59,520,342)
Net change in cash and cash equivalents	8,846,457	(13,573,339)	(22,665,746)
Cash and cash equivalent at the beginning of the year	12,187,072	25,760,411	48,981,689
Exchange difference	-	-	(555,531)
Cash and cash equivalents at end of the year	21,033,529	12,187,072	25,760,411
Cash at year end is analysed as follows:			
Cash at bank and in hand	18,158,733	9,209,746	7,103,932
Fixed deposits	2,874,796	2,977,326	18,656,479
	21,033,529	12,187,072	25,760,411

STATEMENT OF COMPREHENSIVE INCOME

The following is the 6 months summary of the Group's Unaudited Statement of Comprehensive Income for the period ending 30 June, 2014.

<i>In thousands of Naira</i>	Group
Turnover	194,557,883
Cost of sales	(144,052,215)
Gross profit	50,505,668
Selling and marketing costs	(2,733,451)
Administrative expenses	(25,203,420)
Other operating income	1,124,885
Operating profit	23,693,682
Finance income	2,710,161
Finance costs	(13,922,563)
Net finance (costs)/income	(11,212,402)
Share of loss of investments accounted for using the equity method	51,690
Profit before taxation	12,532,970
Taxation	(3,552,951)
Profit after taxation	8,980,019
Attributable to:	
Equity holders of the company	10,932,315
Non-Controlling interests	(1,952,296)
	8,980,019

STATEMENT OF FINANCIAL POSITION

The following is the summary of the Group's Unaudited Statement of Financial Position as at 30, June, 2014.

In thousands of Naira

	Group
Non-current assets	
Property, plant and equipment	178,564,138
Intangible assets	82,509,913
Investments accounted for using the equity method	2,932,168
Deferred income tax assets	7,762,113
Available-for-sale financial assets	14,500
Investment in subsidiaries	-
Derivative financial assets	1,630,018
Finance lease receivables	6,544,428
Deposit for acquisition of a business	85,376,500
Non-current receivables and prepayments	18,690,273
Restricted cash	5,785,542
	389,809,593
Current assets	
Inventories	24,869,370
Finance lease receivables	782,480
Trade and other receivables	190,378,611
Derivative financial assets	1,220,796
Available-for-sale financial assets	169,430
Cash and cash equivalents (excluding bank overdrafts)	50,855,376
	268,276,063
Assets of disposal group classified as held for sale	-
Current liabilities	
Trade and other payables	175,474,164
Derivative financial liabilities	1,132,033
Current income tax liabilities	7,431,682
Dividend payable	1,644,692
Provision for other liabilities & charges	-
Borrowings	175,433,514
	361,116,085
Liabilities of disposal group classified as held for sale	-
Net current (liabilities)/assets	(92,840,022)
Non-current liabilities	
Borrowings	63,243,747
Deferred income tax liabilities	18,178,956
Provision for other liabilities & charges	5,083,651
Derivative financial liabilities	2,963,321
Other long term payable	-
Retirement benefit obligation	2,753,229
Government Grant	162,995
	92,385,899
Net Assets	204,583,672
Capital and Reserves attributable to equity holders	
Share capital	4,434,530
Share premium account	130,210,711
Retained earnings	40,382,413
Other reserves	19,737,411
	194,765,065
Non-Controlling interest	9,818,607
Total Equity	204,583,672

STATEMENT OF CASHFLOW

The following is a summary of the Group's Unaudited Statement of Cashflow Statement as at 30, June, 2014.

In thousands of Naira

	Group
Cash flows from operating activities	39,022,399
Interest paid	(13,163,060)
Income tax paid	(815,091)
Net cash from/(used in) operating activities	25,044,248
Cash flows from investing activities	
Purchases of property plant and equipment	(13,261,027)
Acquisition of subsidiary, net of cash	-
Disposal of subsidiary, net of cash	4,575,031
Deposit for acquisition of a business	(15,536,500)
Acquisition of software	(12,613)
Purchase of intangible exploration assets	(423,304)
Payments relating to pipeline construction	-
Proceeds from sale of property plant and equipment	-
Interest received	2,710,161
Cash used in by investing activities	(21,948,252)
Cash flows from financing activities	
Net proceeds from long term borrowings	-
Net repayment of long term borrowings	(6,331,662)
Proceeds from issue of shares	32,808,703
Share issue expenses	-
Repayment of finance lease	7,762,000
Net proceeds from other short term borrowings	-
Net repayment of other short term borrowings	(6,082,865)
Dividend paid	-
Restricted cash	(1,987,284)
Net cash from/(used in) financing activities	26,168,892
Net change in cash and cash equivalents	29,264,888
Cash and cash equivalents and bank overdrafts at the beginning of the year	(10,331,129)
Exchange gains/(losses) on cash and cash equivalents	-
Cash and cash equivalents at end of the year	18,933,759
Cash at year end is analysed as follows:	
Cash and bank balance as above	50,855,376
Bank overdrafts (Note 25)	(31,921,617)
	18,933,759

INCORPORATION AND SHARE CAPITAL HISTORY

Oando commenced operations in 1956 as a petroleum marketing company in Nigeria under the name ESSO West Africa Incorporated, a then subsidiary of Exxon Corporation of the USA. On 25 August 1969, the company was incorporated under Nigerian law as Esso Standard Nigeria Limited. In 1976, the Federal Government bought Exxon's interest in the Company and was consequently branded Unipetrol Nigeria Limited. The Company became a public limited company in 1991 and was listed on the NSE in February 1992. In August 2002, Unipetrol acquired a 60% stake in Agip, and both companies subsequently merged to form an enlarged Unipetrol which was re-branded Oando PLC. Oando was subsequently listed on the JSE on 25 November 2005.

On July 24, 2012, the Company acquired a 94.6% stake in Exile Resources Inc., a Canadian public company whose shares are listed on the Toronto Stock Exchange (the "TSX"), through a RTO which saw the transfer of the upstream exploration and production division of the Company to Exile, now renamed Oando Energy Resources Inc. The Company became the first Nigerian company to have three trans-border listings – the NSE, JSE and TSX.

Oando had an initial authorized share capital of ₦4 Million comprising 4 Million ordinary shares of ₦1.00 each, which were all issued and fully paid. As at the date of this Rights Circular, the authorized share capital of the Company is ₦7.5 billion comprising 15 Billion ordinary shares of 50 Kobo each, of which ₦4,434,530,369.00 comprising 8,869,060,738 ordinary shares of 50 kobo each have been issued and fully paid up. The changes to the Company's authorized and issued share capital since incorporation are summarized below:

Year	Authorised (₦)		Issued & Fully Paid-up (₦)		Consideration
Date	Increase	Cumulative	Increase	Cumulative	Cash/Bonus
1969	0	4,000,000	0	4,000,000	Cash
1978	3,000,000	7,000,000	2,100,000	6,100,000	Cash
1987	43,000,000	50,000,000	33,900,000	40,000,000	Cash
1991	10,000,000	60,000,000	0	40,000,000	-
1993	40,000,000	100,000,000	10,000,000	50,000,000	Bonus
1995	0	100,000,000	12,500,000	62,500,000	Cash
1998	0	100,000,000	15,625,000	78,125,000	Bonus
2001	50,000,000	150,000,000	0	78,125,000	-
2002	150,000,000	300,000,000	70,129,233	148,254,233	Bonus, Loan stock conversion and Agip share exchange
2003	0	300,000,000	14,825,423	163,079,656	Bonus
2004	0	300,000,000	40,769,914	203,849,570	Bonus
2005	0	300,000,000	82,300,879	286,150,449	Cash
2005	100,000,000	400,000,000	0	286,150,449	-
2007	100,000,000	500,000,000	90,884,813	377,035,262	Share exchange under Scheme of Arrangement
2008	0	500,000,000	75,407,052	452,442,314	Bonus
2009	0	500,000,000	100,000	452,542,314	Staff Share Scheme
2009	500,000,000	1,000,000,000	0	452,542,314	-
2010	2,000,000,000	3,000,000,000	150,847,438	603,389,752	Rights Issue
2010	0	3,000,000,000	301,694,876	905,084,628	Bonus Issue (1:2)
2011	0	3,000,000,000	226,271,157	1,131,355,785	Bonus Issue (1:4)
2011	0	3,000,000,000	5,703,284	1,137,059,069	Staff Share Scheme
2012	2,000,000,000	5,000,000,000	0	1,137,059,069	-
2013	0	5,000,000,000	2,274,118,138	3,411,177,207	Rights Issue
2014	0	5,000,000,000	1,023,353,162	4,434,530,369	Special Placing
2014	2,500,000,000	7,500,000,000	0	4,434,530,369	-

SHAREHOLDING STRUCTURE

As at 30 June, 2014, the 8,869,060,738 ordinary shares of 50 kobo each in the issued ordinary share capital of the Company were beneficially held as follows:

Shareholder	No. Of Ordinary shares Held	%
Ocean and Oil Development Partners	5,004,643,096	56
Other shareholders - Individuals and Institutions	3,864,417,642	44
Total	8,869,060,738	100

No shareholder other than Ocean and Oil Development Partners Limited holds more than 5% of the issued share capital of the Company as at 30 June, 2014.

DIRECTORS' BENEFICIAL INTERESTS

The interests of the Directors of Oando in the issued share capital of the Company as recorded in the Register of Members as at 30 June, 2014 and as notified by them for the purpose of Section 275 (1) of the Companies & Allied Matters Act Cap C20 LFN 2004 are as follows:

Directors	Direct Shareholding	Indirect Shareholding	Total Shareholding	Percentage Holding (%)
HRM Oba A. Gbadebo, CFR	262,500	Nil	262,500	0.002960
Mr. Jubril Adewale Tinubu	Nil	3,670,995	3,670,995	0.041391
Mr. Omamofe Boyo	Nil	2,354,713	2,354,713	0.026550
Mr. Mobolaji Osunsanya	202,491	1,890,398	2,092,889	0.023598
Mr. Olufemi Adeyemo	75,000	1,723,898	1,798,898	0.020283
Chief Sena Anthony	299,133	Nil	299,133	0.003373
Mr. Oghogho Akpata	Nil	Nil	Nil	-
Ammuna Lawan Ali	Nil	Nil	Nil	-
Engr. Yusuf K. J. N'ije	Nil	Nil	Nil	-
Ms. Nana Afoah Appiah-Korang	Nil	39,434,046	39,434,046	0.444625
Mr. Francesco Cuzzocrea	Nil	Nil	Nil	-
Ms. Ayotola O. Jagun (Company Secretary)	Nil	100,560	100,560	0.001134

STATUS OF UNCLAIMED DIVIDEND

As at 30 June, 2014, the value of the total amount for unclaimed dividends of Oando was ₦1,140,765,615.60 (One Billion, One Hundred and Forty Million, Seven Hundred and Sixty Five Thousand, Six Hundred and Fifteen Naira, Sixty Kobo only). This total amount is domiciled with First Bank of Nigeria PLC (Marina Branch).

In addressing the issue of unclaimed/unpaid dividend, the Company publishes a schedule of unclaimed dividends in its Annual Report, circulated to all shareholders of the Company. In addition, requests for revalidation of old dividend warrants and/or non-receipt of dividends complaint are continuously forwarded to the Registrar for revalidation or re-issue as the case may be to enable shareholders receive value on their investment.

The Company is actively promoting the e-dividend campaigns to facilitate immediate credit of the holder's bank account once dividend is declared by the company thus ensuring subsequent dividends do not become unclaimed. This is achieved by including "e-dividend mandate forms" in the annual reports distributed to shareholders to ensure mandates are updated.

INDEBTEDNESS

As at 31 December, 2013, the Company had the following current and non-current borrowings in the ordinary course of business.

Non-current	₦'000
Bank loans	71,872,418
Other third party debt	-
Total	71,872,418

Current	₦'000
Bank overdraft	34,218,626
Bank loans	146,681,886
Other third party debt	2,512,123
Total	183,412,635

CORPORATE GOVERNANCE**Compliance with Code of Corporate Governance**

Oando is dedicated to the protection and promotion of shareholders' interests. The Company recognises the importance of the adoption of superior management principles, its valuable contribution to long term business prosperity and accountability to its shareholders.

The Company complies with the requirements of the corporate governance standards in Nigeria and South Africa. According to the Securities and Exchange Commission's Code of Corporate Governance for Public Companies in Nigeria (the "Code"), the composition of the Board of Directors should ensure diversity of experience without compromising compatibility, integrity, availability and independence, and it should consist of a mix of not more than 15 Executive and Non-Executive Directors headed by a Chairman. In addition, the positions of the Chairman and the Chief Executive Officer should be held by different persons, in order to avoid undue concentration of power. The Company complies with all these principles.

The Company has adopted a Code of Business Conduct & Ethics which defines the Company's mission within a corporate governance framework. The Code was approved by the Board in December 2007 and is applicable to all employees (including contract staff and third party personnel seconded to the Company), managers as well as directors and business partners of the Company. It also requires all Directors and employees to be trained and annually certified on the salient provisions of the Company's Code of Business Conduct & Ethics.

Board of Directors - Governance Structure

The Board of Directors of the Company is responsible for setting the strategic direction of the Company and for overseeing and monitoring its business affairs. The Board ensures that the Company is fully aware of its responsibility to all relevant stakeholders in the conduct of its operations. The Board is responsible for the development and implementation of sustainable policies, which reflect the Company's recognition of its responsibility to all stakeholders who are affected by the Company in the performance of its operations which include customers, employees, shareholders, communities and the environment.

Oando's Board of Directors recognises the importance of best corporate governance principles, its valuable contribution to long term business prosperity and accountability to its shareholders.

The Board's Authority

The Board of Directors' scope of authority is set forth in the Company's Delegation of Authority in conformity with relevant legislation and best practice recommendations.

There is a formal schedule of matters reserved for the decision of the Board, which is reviewed regularly. This includes (inter alia):

- Strategy and objectives;

- Business plans and budgets;
- Changes in capital and corporate structure;
- Accounting policies and financial reporting;
- Internal controls;
- Major contracts;
- Capital projects;
- Acquisitions and disposals;
- Communications with shareholders; and
- Board membership.

Board's Composition and Independence

Oando's Board of directors currently comprises of 11 directors with a broad range of expertise that covers the oil sector, the Company's main business and the geographical areas. Each individual Director has experience, knowledge, qualifications, expertise and integrity necessary to effectively discharge the duties of the Board of Directors.

The Company believes that experienced Directors with diverse industry background are essential for the provision of a successful strategic direction for the Company. The composition, competencies and mix of skills are adequate for its oversight duties and the development of the corporate vision and strategy.

In line with corporate governance best practice, the Board has four independent non-executive directors and two non-independent non-executive directors on its Board to maintain balance of interest and ensure transparency and impartiality. The Board of Directors through its Governance & Nominations Committee establishes which members are independent and it also recommends the appropriate size of the board. The size of the Board is predetermined by Article 78 of the Company's Articles of Association.

Board Committees

Under the Company's Articles, the Directors may appoint Committees consisting of members of the Board and such other persons as they think fit and may delegate (any of their powers) to such Committees. The Committees are required to use their delegated powers to conform to the regulations laid down by the Board. Committee members are expected to attend each Committee meeting, unless exceptional circumstances prevent them from doing so. All the Committees have terms of reference which guides them in the execution of their duties. Each Committee reports to the Board of Directors. Each Committee provides draft recommendations to the Board on matters that fall within the Board's ambit. The following Committees are currently operating at the Board level:

- Audit Committee (a Statutory Committee with shareholder members);
- Strategic Planning and Finance Committee;
- Governance and Nominations Committee; and
- Risk, Environmental, Health, Safety, Security and Quality Committee.

Re-election of Directors

A maximum of one third of the Directors, who are the longest in office since their last appointment are required to retire by rotation and are eligible for re-election.

Board Duties and Responsibilities

Directors act in good faith, with due care and in the best interests of the Company and all its shareholders – and not in the interests of any particular shareholder – on the basis of relevant information. Each Director is expected to attend all Board of Directors meetings and applicable Committee meetings.

The Company does not prohibit its Directors from serving on other Boards as Directors. Directors are however, expected to ensure that other commitments do not interfere with the discharge of their duties. Directors shall not divulge or use confidential or insider information about the Company.

The Board in discharging its duties adopts the best practice principles, some of which are highlighted thus:

- The Company believes that the Chairman of the Board should be a Non-Executive Director.
- To maintain balance of interest and ensure transparency and impartiality, a number of the Directors are independent. The independent Directors are those who have no material relationship with the Company beyond their Directorship.

Directors abstain from action that may lead to conflict of interest and are to ensure they shall comply with the Company's Policy on Related Party Transactions.

SUBSIDIARIES AND ASSOCIATE COMPANIES

As at the date of this Rights Circular, the Company had the following subsidiaries and associates:

SUBSIDIARIES	COUNTRY OF INCORPORATION	SHAREHOLDING (%)
Ajah Distribution Company Limited	Nigeria	100.00
Akute Power Limited	Nigeria	100.00
Alausa Power Limited	Nigeria	100.00
Apapa SPM Limited	Nigeria	100.00
Churchill Finance C300-0462 Limited	Bermuda	100.00
Central Horizon Gas Co. Ltd	Nigeria	51.00
Gasgrid Nigeria Limited	Nigeria	100.00
Gaslink Nigeria Limited	Nigeria	97.24
Lekki Gardens Power Limited	Nigeria	100.00
OES Integrity	British Virgin Island	100.00
OES Passion	Bermuda	100.00
OES Professionalism Limited	Nigeria	100.00
OES Respect Limited	British Virgin Island	100.00
OES Teamwork Limited	British Virgin Island	100.00
Oando Akepo Limited	Nigeria	60.00
Oando Benin	Benin	92.90
Oando Energy Resources Inc.	Canada	94.60
Oando Energy Services Limited	Nigeria	100.00
Oando Exploration & Production Limited	Nigeria	100.00
Oando Gas & Power Limited	Nigeria	100.00
Oando Lekki Refinery Limited	Nigeria	100.00
Oando Logistics and Services Limited	United Kingdom	100.00
Oando Marketing Plc	Nigeria	100.00
Oando Petroleum Development Co. Ltd	Nigeria	100.00
Oando Properties Limited	Nigeria	100.00
Oando Qua Ibo Limited	Nigeria	100.00
Oando Resources Limited	Nigeria	100.00
Oando Reservoir and Productions Limited	Nigeria	100.00
Oando Supply and Trading Limited	Nigeria	100.00
Oando Terminals and Logistics	Nigeria	100.00
Oando Trading Limited	Bermuda	100.00
Oando Wings Development Limited	Nigeria	25.80
Oando Ghana Limited	Ghana	82.90
Oando Togo S.A	Togo	75.00

INDIRECT SHAREHOLDING

COMPANY	COUNTRY OF INCORPORATION	SHAREHOLDING (%)
Aqua Exploration Limited	Bahamas	81.50
Clean Cooking Fuel Investments Limited	Nigeria	100.00
Equator Exploration Limited (Congo)	Congo	81.50
Equator Exploration Nigeria JDZ Block 2 Limited	Nigeria	81.50
Equator Exploration Nigeria 321 Limited	Nigeria	100.00
Equator Exploration Nigeria 323 Limited	Nigeria	81.50
Equator Exploration Nigeria OML 122 Limited	Nigeria	81.50
Equator Exploration Ltd	British Virgin Island	81.50
Equator Exploration OML (122) Limited	British Virgin Island	81.50
Gaslink Benin Ltd	Benin	100.00
Gaslink Ghana Ltd	Ghana	100.00
Oando Liberia	Liberia	100.00
Oando Servco Nigeria Ltd	Nigeria	100.00
Oando Sierra Leone Limited	Sierra Leone	80.00
Oando OML 125 & 134 (BVI) Limited	British Virgin Island	100.00
Oando Netherlands Holdings 1 Cooperatief U.A	Netherlands	92.90
Gas Network Services Limited	Nigeria	100.00
Oando Netherlands Holdings 2 B.V	Netherlands	92.90
Oando Netherlands Holdings 3 B.V	Netherlands	92.90
Oando Servco Netherlands B.V	Netherlands	92.90

CLAIMS AND LITIGATIONS

There are a total of nine (9) cases against the Company with a total monetary amount of ₦983,460,141.55 (Nine Hundred and Eighty Three Million, Four Hundred and Sixty Thousand, One Hundred and Forty One Naira and Fifty Five Kobo only).

Three (3) of the cases are pending at the Court of Appeal. Of the three cases, two (2) were instituted against the Company as Respondent, while the Company instituted one (1) case as Appellant. The monetary claim in all three cases is approximately US\$175,000.00 (One Hundred and Seventy Five Thousand Dollars only) and ₦16,250,000.00 (Sixteen Million, Two Hundred and Fifty Thousand Naira only).

One case has been instituted against the Company at the National Industrial Court and another case has been instituted against the Company at arbitration. There is no monetary claim in the case at the National Industrial Court. The monetary claim in the case at arbitration is ₦8,662,203.20 special damages (with 20% interest from July 2011 until an award is made and thereafter, 10% interest until payment) and ₦2 million as general damages.

In addition to the foregoing cases, the Company has instituted one (1) case against the Federal Board of Inland Revenue (FBIR) and one (1) case against the Federal Inland Revenue Service (FIRS) at the Tax Appeal Tribunal (TAT). The Company has also filed one (1) appeal against the FIRS at the Federal High Court and one (1) appeal against the FBIR at the Court of Appeal in connection with cases in which judgment had previously been delivered against it at the TAT and the Federal High Court, respectively. The total monetary claim in dispute in all the cases is approximately ₦954,760,141.55 (Nine Hundred and Fifty Four Million, Seven Hundred and Sixty Thousand, One Hundred and Forty One Naira and Fifty Five Kobo only).

The Company's actual liability in the cases instituted against it will be as eventually determined by the courts upon conclusion of the matters. It is our opinion that the liability that may be incurred by the Company from the cases instituted against it should not have any material adverse effect on the Issue.

The Company's directors are also of the opinion that the cases mentioned above are not likely to have any material adverse effect on the Company and/ or the Issue, and are not aware of any other material pending and or threatened claims or litigation involving the Company.

COSTS AND EXPENSES

The costs and expenses of this Issue including fees payable to the SEC, the NSE, the JSE and professional parties, filing fees, legal fees, and other expenses, brokerage commission and the costs of printing and advertising the Issue are estimated at ₦1,508,866,326.88 representing approximately 3.09% of the total amount to be raised.

RELATIONSHIP BETWEEN THE ISSUER AND THE ISSUING HOUSES/OTHER ADVISERS

As at the date of this Rights Circular, Mr. Oghogho Akpata, a Director of Oando, is also a Partner at the law firm of Templars, who are acting as Solicitors to the Company. The Issuing Houses/other Advisers may also hold the ordinary shares of Oando in their proprietary position or for investment purposes.

Save as disclosed, there is no other relationship between Oando PLC and its Advisers except in the ordinary course of business.

MATERIAL CONTRACTS

The following agreements have been entered into and are considered material to this Rights Issue:

1. A Vending Agreement dated 13 November, 2014 by which Vetiva Capital Management Limited, FBN Capital Limited, FCMB Capital Markets Limited, Marina Securities Limited, Stanbic IBTC Capital Limited and Zenith Capital Limited have agreed to offer by way of rights 2,217,265,184 ordinary shares of 50 kobo each at ₦22.00 per share in the ratio of one (1) new ordinary share for every four (4) ordinary shares of 50 Kobo each held as at the close of business on Friday, 25 July, 2014 for those shareholders in Nigeria whose names appear on the Register of Members and transfer books of the Company and shareholders in South Africa whose names appear on the Register of Members and transfer books as at the close of business on the Friday prior to the Rights Issue opening date;
2. Facility Agreement ("Facility Agreement") dated 23 June, 2011, between Oando plc, certain subsidiaries of Oando and the Lenders, for the refinancing of an existing ₦60 billion (Sixty Billion Naira) medium term loan facility made available to Oando on 06 April, 2010;
3. Security Deed, dated 9 October, 2009, as amended by the Supplemental Security Trust Deeds, dated 28 April, 2010 and 26 June, 2011, respectively, between Oando and First Trustees Nigeria Limited, pursuant to which Oando charged its assets as security for the facility granted to it under the Facility Agreement;
4. Share Charge, dated 26 June, 2011, between Oando and First Trustees Nigeria Limited, pursuant to which Oando charged its shares in certain subsidiaries (namely; Oando Marketing Plc, Oando Supply & Trading Limited, Oando Energy Services Limited, Oando Exploration & Production Limited and Oando Gas & Power Limited) as security for the facility granted to Oando under the Facility Agreement;
5. Accounts Charge Deed, dated 26 June 2011, between Oando and First Trustees Limited, entered into further to the Facility Agreement;
6. Facility Agreement between Oando Energy Resources Inc. (OER) and the Company, dated 30 May 2013 (as amended by Amendment Agreements dated 30 September 2013, 28 November 2013, and 16 December 2013) (the "First OER Facility Agreement"), pursuant to which the Company granted to OER (i) a US\$362 million facility for the purpose of refinancing a US\$345 million facility granted to OER by the Company in accordance with a December 2012 facility agreement, (ii) a US\$24 million facility for OER's general corporate purposes, and (iii) a US\$19 million facility for the funding of certain payments to ConocoPhillips Company in relation to acquisition of assets;
7. Facility Agreement dated 24 December 2013 between the Company and OER, pursuant to which the Company granted a US\$200 million facility to OER (the "Second OER Facility Agreement");
8. Facility Agreement (the "Consolidated Facility Agreement") dated 10 February 2014 between the Company and OER, consolidating the existing facilities granted pursuant to the First OER Facility Agreement into a single facility of US\$400,663,500 and increasing the Second OER Facility to US\$800 million resulting in a total facility amount of US\$1.2 billion;
9. Deed of Repayment between OER and the Company, dated 30 May 2013, pursuant to which the parties agreed that OER may repay amounts outstanding under the Facility Agreement dated 30 May 2013 by issuing shares in OER to the Company;
10. Convertible Note purchase Agreement dated 23 December 2013, between Ocean and Oil Development Partners Limited (OODP) and the Company, pursuant to which the Company agreed to issue Notes in an aggregate principal amount of ₦1,980,000,000 in settlement of amounts owed to OODP;

11. Deed of Repayment dated 26 February 2014, between the Company and OER, pursuant to which the parties agreed that OER may repay amounts outstanding under the Consolidated Facility Agreement by issuing shares in OER to the Company;
12. Share Purchase and Sale Agreement dated 24 December 2013, between the Company and Ayotola Jagun, and Seven Energy International Limited for the sale of 100% shares in East Horizon Gas Company Limited;
13. Convertible Note Purchase Agreement dated 16 January 2014, between OODP (the Noteholder) and the Company, pursuant to which the Company agreed to issue Notes in a principal amount of US\$100 million in settlement of amounts owed to the OODP by the Company;
14. Convertible Note Purchase Agreement dated 13 February 2014, between OODP and the Company, pursuant to which the Company agreed to issue Notes in an aggregate principal amount of US\$150 million to the Noteholder in settlement of amounts owed to OODP;
15. Convertible Note Purchase Agreement dated 23 July 2014, between OODP and the Company, pursuant to which the Company agreed to issue Notes in an aggregate principal amount of US\$50 million to the Noteholder in settlement of amounts owed to OODP; and
16. Convertible Note Purchase Agreement dated 4 July 2014, between QPR Limited and the Company, pursuant to which the Company agreed to issue Notes in an aggregate principal amount of ₦16.4 billion to QPR Limited in settlement of amounts owed to QPR Limited.

Other than as stated above, the Company has not entered into any material contract except in the ordinary course of business.

DECLARATIONS

Except as otherwise disclosed in this Rights Circular:

1. No share of Oando is under option or agreed conditionally or unconditionally to be put under option other than it may have been agreed under the Oando Staff Equity Participation Scheme, exercisable pursuant to the ECP convertible notes, the OODP convertible notes or pursuant to the Ocean and Oil Holdings Limited share option.
2. No commissions, discounts, brokerages or other special terms have been granted by Oando to any person in connection with the offer or sale of any share of the Company;
3. Save as disclosed herein, the Directors of Oando have not been informed of any holding representing 5% or more of the issued share capital of the Company;
4. There are no founders', management or deferred shares or any options outstanding in Oando other than it may have been agreed under the Oando Staff Equity Participation Scheme, options exercisable pursuant to the Ocean & Oil Investments Limited convertible notes or pursuant to the Ocean and Oil Holdings Limited share option;
5. There are no material service agreements between Oando or any of its Directors and employees other than in the ordinary course of business;
6. There are no long term service agreements between Oando and any of its Directors and employees except Pension Agreements;
7. No Director of the Company has had any interest, direct or indirect, in any property purchased or proposed to be purchased by the Company in the five years prior to the date of this Rights Issue; and
8. No Director or key management staff of the Company is or has been involved in any of the following:
 - a) A petition under any bankruptcy or insolvency laws filed (and not struck out) against him/her or any partnership in which he/she is or was a partner or any company of which he/she is or was a Director or key personnel;
 - b) A conviction in a criminal proceeding or is named subject of pending criminal proceedings relating to fraud or dishonesty; and
 - c) The subject of any order, judgement or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty, restraining him/her from acting as an investment adviser, dealer in securities, Director or employee of a financial institution and engaging in any type of business or activity.

RELATED PARTY TRANSACTIONS

During the last financial year ended 31 December, 2013, transactions were conducted between Oando and other affiliate companies. Such transactions include:

- a) Shareholder Agreements dated July 24, 2012 between the Company and Oando Netherlands Holding 2 BV (Holdco 2) in respect of Oando Akepo Limited (Oando Akepo); the Company and Oando Netherlands Holding 3 BV (Holdco 3) in respect of Oando Petroleum Development Company Limited ("OPDC2") (which owns 95% of the shares of OPDC); the Company and Oando OML 125 & 134 BVI in respect of Oando OML 125&134, as well as shareholder agreements dated April 30, 2013 between the company and Oando Netherlands Holding 4 BV (Holdco 4) and Oando Netherlands Holding 5 BV (Holdco 5) in respect of Oando Qua Ibo Limited (OQIL) and Oando reservoir and Production Services Limited (ORPSL), respectively. The Company owns Class A shares and each of Holdco 2, Holdco 3, Oando OML 125&134 BVI, Holdco 4 and Holdco 5 (together the "Holdco Associates") owns Class B shares, in each of Oando Akepo, OPDC2, Oando OML 125&134, OQIL and ORPSL (the "Operating Associates"), respectively. Ownership of the Class A shares by the Company provides it with 60% voting rights but no rights to receive dividends or distributions from the applicable Operating Associate, except on liquidation or winding up. Ownership of the Class B shares entitles the Holdco Associates to 40% voting rights and 100% dividends and distributions, except on liquidation or winding up. Pursuant to each of these agreements, the Company, on the one hand, and the respective Holdco Associates, on the other hand, agreed to exercise their respective ownership rights in accordance with the manner set forth in the shareholder agreements. Pursuant to the shareholder agreements, each of the Company and the respective Holdco Associate is entitled to appoint two directors to the board of Oando Akepo, OPDC2, Oando OML 125&134, OQIL and ORPSL respectively, with the Holdco Associate being entitled to appoint the Chairman, who has a casting vote. In addition, the applicable Holdco Associate has the power to compel the company to sell its Class A shares for nominal consideration. No amounts have been paid or are due to be paid by either party to the other under the Shareholder Agreements.

- b) *Right of First Offer Agreement ("ROFO Agreement") dated September 27, 2011, as amended, between the Company and OER:*

Pursuant to the ROFO Agreement, OER has the right to make an offer to the Company in respect of certain assets owned by the Company in accordance with the terms of the ROFO Agreement. No amounts have been paid or are due to be paid under the ROFO Agreement as of 27 September 2013, the previously agreed termination date (2012: nil). However, on September 27, 2013, the ROFO Agreement was amended. The amendment terminates the initial ROFO agreement on the first date on which the Company no longer holds, directly or indirectly, at least 20% of the issued and outstanding common shares of OER. OER owed ₦1.4 billion (US\$9.3 million) to the Company under the amended ROFO Agreement for the acquisition of OQIL and ORPSL (2012: nil). The payables and receivables have been eliminated on consolidation.

- c) *Referral and Non-Competition Agreement dated July 24, 2012 between the Company and OER:*

Pursuant to this agreement, the Company is prohibited from competing with OER except in respect of the assets referred to in the ROFO Agreement until the later of July 25, 2014 and such time as the Company owns less than 20% of the shares of OER. The Company is also required to refer all upstream oil and gas opportunities to OER pursuant to this agreement. In addition, in the event that the Company acquired any upstream assets between September 27, 2011 and July 24, 2012, the Company is required to offer to sell these assets to OER at a purchase price consisting of the amount paid by the Company for the assets, together with all expenses incurred by the company to the date of the acquisition by OER, plus an administrative fee of 1.75%. OER owed ₦1.2 billion (US\$7.6 million) to the Company under this agreement in respect of the COP acquisition (2012: ₦1.2 billion (US\$7.6 million)). The receivables and payables in the books of Oando and OER respectively have been eliminated on consolidation.

In line with the Referral and Non-Competition Agreement, OER acquired the Class B Shares of Oando Qua Ibo Limited ("Qua Ibo") and Oando Reservoir and Production Services Limited ("ORPSL") from the Company at the purchase price described in note 22 as part of a common control transaction on April 30, 2013. Following the acquisition, the Group retains the 40% interest in the Qua Ibo Marginal Field within OML 13 located onshore Nigeria through OER.

The farm in agreement was subject to the receipt of consent of the parties to the farm in agreement dated April 27, 2004, as well as the consent of the Government of the Federal Republic of Nigeria. Approval from the Nigerian Department of Petroleum Resources was obtained in October 2012. The Group has sought approval from the Minister of Petroleum Resources. In the event that the consent of the Nigerian Minister of Petroleum Resources is not obtained, the Group shall be entitled to certain economic interests in the Qua Ibo Marginal Field. ORPSL was assigned the role of technical partner for the Qua Ibo Marginal Field.

OER elected to apply predecessor accounting to the Qua Ibo and ORPSL Acquisition. As such, all assets and liabilities of Qua Ibo and ORPSL are incorporated at their predecessor carrying values and no fair value adjustments are required. No goodwill has arisen from the transaction.

- d) *Cooperation and Services Agreement dated July 24, 2012 between the Company and OER:*

Pursuant to this agreement, the Company agreed, until the later of July 24, 2017 and such time as the company owns less than 20% of the shares of OER, to provide certain services to OER, including in respect of legal services in Nigeria, corporate secretariat and compliance services in Nigeria, corporate finance, procurement, corporate communications, internal audit and control, information technology, human capital management, environment, health, safety, security and quality and administrative services. These services are to be provided to OER on the basis of the cost to the Company plus a margin of 10%. OER owed the Company ₦1 billion (US\$6.8 million) under this agreement in respect of the COP acquisition (2012: nil). The receivables and payables in the books of Oando and OER respectively have been eliminated on consolidation.

- e) *Transitional Services Agreement dated July 24, 2012 between Oando Servco (a subsidiary of OER) and OEPL (a subsidiary of Oando):*

Pursuant to this agreement, OEPL and Oando Servco ("Servco") agreed that Servco would provide services to OEPL until January 24, 2014 for no more than 10% of the employees' normal working hours per month. OEPL is required to pay Servco's costs of providing such services. OER through Servco was owed N1.1 billion (US\$7.3 million) by OEPL under this agreement. The receivables and payables in the books of OER and OEPL respectively have been eliminated on consolidation.

- f) Pursuant to the completion of the Oando reorganization in July 2012, the cumulative amount advanced by Oando Plc to Equator Exploration Limited ("EEL") of ₦1.1 billion (US\$7.2 million) as of 21 December 2012 was classified as loan payable in EEL's books and loan receivable in Oando Plc's books. The carrying amount of the loan using effective interest method was ₦1.3 billion at 31 December 2012. The amount increased to ₦1.5 billion (US\$9.9 million) at the end of 2013 due to accrued interest for the year. The receivables and payables in the books of the company and OER respectively have been eliminated on consolidation.
- g) On December 20, 2012, the Company extended a ₦53.6 billion (US\$345 million) loan to OER to assist in financing the deposit required for the ConocoPhillips Nigeria companies' ("COP") acquisition. This agreement was subsequently modified by a new loan arrangement entered into on May 30, 2013 and amended on December 16, 2013. The new loan arrangement provides for three facilities - Facility A, Facility B1 and Facility B2 (and collectively, the "Oando Loan"). The details of each facility are as follows:
- i. Facility A is a US\$362 million loan. The purpose of Facility A was to refinance the US\$345 million loan (together with accrued interest of approximately US\$17 million) extended by the Company as part of the US\$435 million paid as the deposit for the COP acquisition. The amendment provides annual interest rate of 5% and calculation of interest on a quarterly basis. Facility A was originally required to be repaid in full (plus interest) by September 30, 2013. However, this was extended first to December 31, 2013 and then subsequently to February 28, 2014. Facility B1 is a US\$24 million loan and its purpose is to finance working capital requirements of OER. The annual interest rate is 5% and interest is payable on a quarterly basis. OER is entitled to elect to repay the loan by the issuance of its shares, subject to certain conditions. Facility B1 was due to be repaid by December 31, 2013, but this was subsequently extended to February 28, 2014. Facility B2 is a US\$15 million loan and its purpose is required to be paid as part of the deposit for the COP acquisition. The annual interest rate is 5% and interest is calculated on a quarterly basis. OER is entitled to elect to repay the facility by the issuance of its shares, subject to certain conditions. Facility B2 agreement was signed on December 16, 2013 and it was due to be repaid by December 31, 2013, but subsequently extended to February 28, 2014. At December 31, 2013, total loan amount receivable from OER was ₦62.2 billion (US\$401 million). The receivables and payables in the books of the Company and OER respectively have been eliminated on consolidation.
 - ii. The election to repay the Oando Loan by the issuance of common shares of OER could originally be exercised no later than five business days prior to September 30, 2013 for Facility A and December 31, 2013 for Facility B1. The exercise date was first extended to December 31, 2013 for Facility A and then subsequently extended to February 28, 2014 for all three facilities. The agreements for the three facilities provided that in the event that the election by OER to repay the facilities through the issuance of common shares of OER would result in the Company having an ownership interest in OER that is higher than the current ownership interest of 94.6% (on a non-diluted basis), the number of common shares of OER to be issued will be reduced so as to ensure that the Company's stake in OER does not exceed such current ownership interest and the balance, if any, of amounts owing under the facilities will be payable in cash. The conversion feature represented an embedded derivative that was required to be split out from the host contract and measured at fair value through profit and loss.
- h) On December 24, 2013, OER signed a new US\$200 million facility agreement with the Company. The facility was obtained to fund further payments due to ConocoPhillips in relation to the COP acquisition. Interest on the facility is charged at 5% and the amount was to be available for draw down from December 24, 2013 to February 27, 2014. There was no facility amount drawdown at December 31, 2013.

- i) On December 5, 2012, OODP granted a loan of ₦15.5 billion (US\$100m) to the Company. OODP further granted a loan of ₦17.1bn (US\$110m) to Oando Plc. on December 14, 2012. Both loans were granted at LIBOR + 9.5%. In 2013, OODP signed an agreement with Ansbury Investments Inc. to assign the ₦7.7 billion (US\$50 million) owed to Ansbury Investments Inc. by Company at December 31, 2012, to OODP. Consequently, the total amount owed to OODP became approximately ₦40.3 billion (US\$260 million) in 2013. ₦35.8 billion out of the ₦40.3 billion was repaid by the Company to OODP during the year, leaving a balance of ₦4.5 billion. OODP later participated in the Rights Offer that was concluded during the year. The balance of ₦4.5 billion and accrued interest of ₦1.1 billion were outstanding to the credit of OODP at the reporting date.

On June 18, 2013, the Company and OODP signed a Share Subscription Agreement (SSA) under a special/private placement of 2,046,706,324 ordinary shares (the subscription shares) at ₦15 per share. Under the agreement, OODP paid naira equivalent of US\$70 million (per the SSA) as part payment for shares in advance of the special/private placement. The Company and OODP agreed an interest rate of eight percent (8%) per annum on the part payment.

On December 16, 2013, the Company and OODP signed a Deed of Amendment to the Share Subscription Agreement (the "Deed of Amendment"). Under this Agreement, the Company and OODP agreed that the subscription price payable by OODP for the subscription shares is increased to ₦16.03 per share for such number that may be allotted to OODP under the terms of the Private Placement, up to a maximum total value of US\$220 million.

On December 18, 2013, OODP further granted the company a loan of ₦48 million.

In December 2013, the Company signed a Convertible Notes Purchase Agreement (the "CNPA") for ₦1.98 billion effective December 23, 2013. The interest rate basis for the CNPA, whose closing deadline date was January 31, 2014, was Monetary Policy Rate (MPR) plus one percent (1%) per annum (calculated on the basis of a 360 day-year and the actual number of days elapsed). A promissory was issued under the CNPA. Both parties agreed the conversion price as: (a) the special placement price of ₦16.03 per share of Common Stock or (b) the volume-weighted average price of an ordinary share of the Company on the Nigerian Stock Exchange for the five trading days immediately preceding, but not including, the relevant conversion date. The Company received the ₦1.98 billion on January 8, 2014.

Interest accrued on all unpaid loans at the reporting date amounted to ₦0.9 billion. In addition, the total amount owed to OODP at December 31, 2013 was ₦17.6 billion.

- j) Apapa SPM Limited (Apapa SPM), a subsidiary of the company, and Ocean and Oil Services Limited (OOSL) (in liquidation) entered into negotiations on the acquisition of an undeveloped square plot of land approximately 5,947.76 square metres along Alapata Street in Apapa, Lagos (the "Alapata land"). The Alapata land, which was owned by OOSL, was required for pipeline construction for the business of Apapa SPM. Both parties agreed a consideration of ₦535 million for the acquisition. The consideration, which was approved by the board of Oando, has been paid.
- k) During the year, and prior to the acquisition above of the Alapata land, Apapa SPM and OOHIL initiated discussions on the payment of rent for use of the Alapata land by Apapa SPM for the period January 1, 2009 – December 31, 2013. As of 31 December 2013, both parties were of the opinion that the rent was worth ₦67 million, subject to approval by the board of Oando. Upon this basis, the ₦67 million have been accrued in these consolidated financial statements.
- l) The company transferred its interest in the 7,730.39 square metres of land located along the Ozumba Mbadiwe Street, Victoria Island to Oando Wings Development Limited (OWDL) during the year. OWDL was a subsidiary of Oando up to December 20, 2013 after which, the Group's interest in OWDL reduced to Associate. The disposal of the land and loss of control have been accounted for as a disposal in the books of the Company. See note 12 to these consolidated financial statements.
- m) The Company entered into an agreement with OES to convert a portion of the intercompany payable by OES to a convertible loan. The agreement led to the issue of Convertible Notes of US\$100,000,000 (₦15,576,000,000) at 5% coupon. The notes are convertible into Oando Energy Services Limited's ordinary shares at any time between 31 July 2013 and 31 July 2023 at the holder's options, at a rate of ₦1,785 per ordinary share. The accounting implications of the transaction in the books of the issuer and holder of the Notes have been eliminated in these consolidated financial statements.

Other related party transactions include:

- i. Broll Properties Services Limited received ₦90.8 million (2012: ₦35.8 million) for facilities management. The GCE has control over one of the joint interest owners of the company.
- ii. Noxie Limited received ₦419.9 million (2012: ₦234.1 million) for supply of office equipment. A close family member of the GCE has control over the company.

- iii. Olajide Oyewole & Co. received ~~₦98.6~~ million (2012: ~~₦55.9~~ million) for professional services rendered. A close family member of the GCE has significant influence over the firm.
- iv. Lagoon Waters Limited, one of the dealers for the sale of petroleum products, purchased petroleum products and liquefied petroleum gas worth ~~₦1.8~~ billion (2012: ~~₦913.9~~ million) from the Group. Lagoon Waters Limited is controlled by a close family member of the GCE.
- v. Temple Productions Limited received ~~₦31.9~~ million (2012: ~~₦29.9~~ million) for advertisement services. The company is controlled by a close family member of an Executive Director of Oando Plc.
- vi. Transport Services Limited ("TSL") provides haulage services to a downstream company of the Group. During the year under review, TSL leased vehicles and provided haulage services worth ~~₦2.5~~ billion (2012: ~~₦1.8~~ billion) to the Group. TSL is ultimately controlled by a close family member of the Deputy Group Chief Executive (DGCE).
- vii. TSL Logistics Limited supplied products and throughput services worth ~~₦45.3~~ billion (2012: ~~₦11.6~~ billion) to the Group. The company is ultimately controlled by a close family member of the GCE.
- viii. Avante Property Asset Management Services Limited received ~~₦42.8~~ million (2012: ~~₦83~~ million) for professional services rendered to the Group. The company is ultimately controlled by the GCE and DGCE.
- ix. K.O Tinubu & Co. provided legal services amounting to ~~₦4.0~~ million (2012: ~~₦2.2~~ million). K.O Tinubu is controlled by a close family member of the GCE.
- x. Offshore Personnel Services supplied services worth ~~₦1.7~~ billion (2012: ~~₦1.4~~ billion) to the Group. The company's ultimate parent is Ocean and Oil Holdings Limited. The GCE and DGCE have significant influence over the ultimate parent.
- xi. Avaizon Consulting Limited provided training services worth ~~₦19.9~~ million (2012: ~~₦0.53~~ million) to the Group in 2012. The GCE and DGCE have significant influence over the company.
- xii. Templars and Associates provided legal services worth ~~₦10~~ million to the company (2012: ~~₦21~~ million). A non-executive director of the company owns 49% of Templars and Associates in addition to being a partner in the firm.
- xiii. SCIB Nigeria and Co. Ltd. ("SCIB") provided insurance brokerage services worth ~~₦1.2~~ billion (2012: ~~₦1.0~~ billion) to the Group in 2012. A beneficial owner of SCIB is related to the GCE.
- xiv. MGM Logistic Solutions Service Ltd provided rig towing service to Oando Energy Services Limited for an amount of ~~₦71.3~~ million (2012: nil). The company is ultimately owned 81% by the Volpi family. A joint owner of OODP (a related company) is a member of the Volpi family.
- xv. Intels West Africa Ltd provided cargo handling operations worth ~~₦137.2~~ million (2012: ~~₦83.4~~ million) to OES. Intels West Africa Ltd is owned 70% by a joint owner of OODP (a related company).
- xvi. West Africa Catering Nigeria Limited provided catering services worth ~~₦688~~ million (2012: ~~₦621.8~~ million) to OES. West Africa Catering Nigeria Limited is ultimately owned 49.8% by a joint owner of OODP (a related company).
- xvii. Rosabon Financial Services Limited provided financial services worth ~~₦25~~ million (2012: ~~₦9.0~~ million) to the company during the year under review. Rosabon Financial Services Limited is owned by a director of Gaslink Nigeria Limited.
- xviii. Triton Aviation Limited provided management services worth ~~₦921.8~~ million (2012: ~~₦831.0~~ million) to Churchill C-300 Finance Limited, an indirect subsidiary of the company. Triton Aviation Limited is owned by the GCE.
- xix. Checklist Nig. Ltd provided event planning services worth ~~₦19~~ million (2012: ~~₦65.9~~ million) to Oando Marketing during the year. The managing director of Checklist Nig. Ltd is related to the CEO of Oando Marketing, a key management personnel of the Group.
- xx. Templegate Consultants Ltd. provided architectural services worth ~~₦8.5~~ million (2012: nil) to Oando Marketing Plc., a subsidiary of Oando Plc. during the year. The Managing Partner of Templegate Consultants Ltd is related to the CEO of Oando Marketing Plc., a key management personnel of the Group.
- xxi. In 2013, the Company and Emerging Capital Partners (ECP) amended an existing agreement in relation to the ~~₦2.5~~ billion debt originally owed to Ocean and Oil Holdings Limited (OOHL). The rights and benefits attached to the debt was ultimately assigned to ECP via a Deed of Assignment dated February 24, 2012. Under the 2013 amendment, the Company and ECP agreed to reduce the interest

rate on the debt to 14% from 19.75% and extend the repayment date to February 2014. Interest accrued on the debt for the year ended December 31, 2013 was ₦451.9 million (2012: ₦502 million). In addition, the Company paid all accrued interest for 2011 – November 2013 of ₦1.1 billion during the year.

- xxii. Brick House Construction Company Ltd provided building construction services worth ₦168.1 million (2012: ₦164 million) to Oando Marketing, a subsidiary of the Company. A key management personnel of OMP is a shareholder and director of Brick House Construction Company Ltd.
- xxiii. Ibushe Limited provided consultancy services to Oando Marketing and OES amounting to ₦353.2 million (2012: ₦88.1 million) during the year. A key management personnel of the Company owns shares in Ibushe Limited.

Key management personnel

Key management includes directors (executive and non-executive) and members of the Group Leadership Council. The compensation paid or payable to key management for employee services is shown below:

	2013 N'000	2012 N'000
Salaries and other short-term employee benefits	1,345,203	1,024,262
Share options and management stock options	75,700	421,587
Gratuity benefits	3,045	34,597
	<u>1,423,948</u>	<u>1,480,446</u>

Year-end balances arising from transactions with related parties

The following receivables or payables at December 31, 2013 arose from transactions with related parties:

	Company 2013 N'000	Company 2012 N'000
Receivables from related parties:		
Apapa SPM Limited	5,561,639	2,559,934
Churchill Finance Ltd	85	-
East Horizon Gas Company Ltd	3,179	-
Equator Exploration Limited	-	8,466,312
Gaslink Nigeria Limited	1,505,284	1,753,051
Oando Akute Power Limited	4,550	-
Oando Energy Resources Inc.	-	53,568,150
Oando Energy Services Limited	2,040,203	51,023,528
Oando Exploration and Production Limited	8,928,512	8,171,111
Oando Foundation	152,212	-
Oando Gas and Power Limited	1,730	5,001,730
Oando Lekki Refinery Limited	375,741	375,741
Oando Properties Limited	59,063	59,063
Oando Terminal & Logistics Ltd	222,120	-
Transport Services Limited	-	1,021,318
Oando Port Harcourt Refinery	430	-
Payables to related parties:		
Ajah Distribution Company	2,500	-
Alausa Power Ltd	2,500	-
Avante Property Asset Management Services Limited	-	1,583
Broll Properties Services Limited	-	8,396
Central Horizon Gas Company Ltd	5,100	-
Gasgrid Nigeria Limited	2,500	-
Lagoon Waters Limited	-	68
Lekki Gardens Power Ltd	2,500	-
Oando Energy Resources Inc.	15,000	-
Oando Gas and Power Limited	-	1,998,270
Oando Liberia	7,760	-
Oando Marketing Plc	54,328,129	35,126,610
Oando Supply and Trading Limited	1,291,787	349,199
Oando Trading Bermuda	7,225,266	-
Oando Trading Limited	-	7,679,369
Olajide Oyewole & Co	-	9,637
Transport Services Limited	-	391,162
TSL Logistics Limited	-	4,170,265

OFF BALANCE SHEET ITEMS

As at 05 June 2014, the following contingent liabilities were considered in the Company's normal course of business:

1. Pending Litigation

There are a number of legal suits outstanding against the Company for stated amounts of US\$175,000 (One Hundred and Seventy Five Thousand Dollars) and ₦954,760,141.55 (Nine Hundred and Fifty Four Million, Seven Hundred and Sixty Thousand, One Hundred and Forty One Naira, Fifty Five Kobo only). On the advice of counsel, the Board of Directors are of the opinion that no material losses are expected to arise. Therefore, no provision has been made in the financial statements.

As at 31 December 2013, the following contingent liability was considered in the Company's normal course of business:

2. Guarantees to third parties

Guarantees, performance bonds, and advance payment guarantees issued in favour of Oando Plc by commercial banks amounted to ₦84.2 billion (2012: ₦62.33 billion). Oando Plc also guaranteed various loans in respect of the following subsidiaries: Gaslink Nigeria Limited (₦3 billion); Oando Energy Services Limited (₦8.77 billion); Oando OML 125 and 134 Limited (₦9.3 billion); Oando Trading Limited (₦11.6 billion); Ebony Oil and Gas Limited (₦17.8 billion); Oando Supply and Trading Limited (₦10.86 billion); Apapa SPM Limited (₦12 billion); Oando Marketing Plc (₦3.0 billion); and Oando Energy Resources Inc. (₦7.76 billion).

RESEARCH AND DEVELOPMENT

Whilst Oando continues to adopt best practices in its operational processes, the Company did not make any research and development capital expenditure over the last three (3) years.

MERGERS AND ACQUISITIONS

As part of the Company's broad growth strategy, Oando continues to explore merger and acquisition opportunities. As at the date of this Rights Circular, Oando, through its subsidiary, OER concluded its acquisition of part of ConocoPhillips' Nigeria businesses on 30 July 2014. The COP Acquisition is in line with the Company's growth strategy of value creation by acquiring near-term assets in order to significantly boost production and reserves base.

CONSENTS

The following have given and not withdrawn their written consents to the issue of this Rights Circular with their names and reports (where applicable) included in the form and context in which they appear:

ROLE	NAME
Directors of the Company	HRM Michael Adedotun Gbadebo (CFR) (<i>Chairman</i>)
	Mr. Jubril Adewale Tinubu (<i>Group Chief Executive</i>)
	Mr. Omamofe Boyo (<i>Deputy Group Chief Executive</i>)
	Mr. Mobolaji Osunsanya (<i>Group Executive Director</i>)
	Mr. Olufemi Adeyemo (<i>Group Executive Director/Chief Financial Officer</i>)
	Mr. Oghogho Akpata (<i>Non-executive Director</i>)
	Ms. Nana Appiah-Korang (<i>Non-executive Director</i>)
	Mr. Francesco Cuzzocrea (<i>Non-Executive Director</i>)
	Chief Sena Anthony (<i>Independent Non-executive Director</i>)
	Ammuna Lawan Ali (OON) (<i>Independent Non-executive Director</i>)
	Engr. Yusuf N'jie (<i>Independent Non-executive Director</i>)
Chief Compliance Officer & Company Secretary	Ayotola O. Jagun (Ms.)
Lead Issuing House	Vetiva Capital Management Limited
Joint Issuing Houses	FBN Capital Limited
	FCMB Capital Markets Limited
	Marina Securities Limited
	Stanbic IBTC Capital Limited
	Zenith Capital Limited

Stockbrokers	Vetiva Securities Limited APT Securities and Funds Limited CardinalStone Securities Limited CSL Stockbrokers Limited Partnership Securities Limited Zenith Securities Limited
Solicitors to the Issue	Banwo & Ighodalo
Solicitors to the Company	Templars
Auditors	Ernst & Young
Registrars	First Registrars Nigeria Limited
Receiving Banks	Access Bank PLC First Bank of Nigeria Limited First City Monument Bank Limited United Bank for Africa PLC Zenith Bank PLC

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the offices of Vetiva Capital Management Limited, FBN Capital Limited, FCMB Capital Markets Limited, Marina Securities Limited, Stanbic IBTC Capital Limited and Zenith Capital Limited during normal business hours on any weekday (except public holidays), from Wednesday, 03 December, 2014 until Wednesday, 14 January, 2015.

- a) Certificate of Incorporation of the Company;
- b) Memorandum and Articles of Association of the Company;
- c) The Company's most recent Form CAC 7 (particulars of Directors and any changes therein);
- d) The Company's most recent Form CAC 2 (Statement of Share Capital and Returns of Allotment of Shares);
- e) Rights Circular issued in respect of the Rights Issue;
- f) Shareholders' Resolution authorizing the capital raising, which was passed at the meeting of 18 February, 2014;
- g) Resolution of the Board of Directors recommending the Issue, which was passed at the meeting of 11 July, 2014;
- h) Audited financial statements of the Company for each of the five years ending 31 December, 2013 and unaudited consolidated interim financial statements for the period ended 30 June, 2014;
- i) List of Claims and Litigations referred to on page 39;
- j) Material Contracts referred to on page 40;
- k) The written consents referred to on page 47;
- l) A letter dated Friday, 07 November, 2014 from the SEC approving the Rights Issue;
- m) A letter dated Thursday, 06 November, 2014 from The NSE approving the Rights Issue; and
- n) A letter from JSE approving the Rights Issue.



Oando
RC 6474

Oando PLC RC 6474
10th Floor
2, Ajoye Adeogun
Victoria Island
Lagos State

Thursday, 13 November, 2014

Dear Sir/Madam,

OANDO PLC ("THE COMPANY"): RIGHTS ISSUE OF 2,217,265,184 ORDINARY SHARES OF 50 Kobo EACH AT ₦22.00 PER SHARE ("THE ISSUE")

1. Provisional Allotment

The letter dated Thursday, 13 November, 2014 from the Chairman of your Company, which is on pages 14 – 22 of this Rights Circular, contains particulars of the Rights Issue now being made. The Directors of your Company have provisionally allotted to you the number of new ordinary shares set out on the first page of the Acceptance/Renunciation Form, representing one (1) new ordinary share for every four (4) ordinary shares of 50 Kobo each held as at the close of business on 25 July, 2014 for those shareholders whose names appear on the Register of Members and transfer books of the Company which are maintained in Nigeria and shareholders whose names appear on the Register of Members and transfer books of the Company which are maintained in South Africa as at the close of business on the last business day prior to the Issue opening date.

You may accept all or some of the shares allotted to you or renounce your Rights to all or some of them. Shareholders who elect to accept the provisional allotment in full should complete box **A** of the Acceptance/Renunciation Form, while those who elect to renounce their Rights partially or in full should complete box **C** of the form. You may also apply for additional shares over and above your provisional allotment as described in 2(B) below.

Shareholders of Oando on the JSE register must **NOT** complete the Acceptance/Renunciation form attached to this circular as they do not hold share certificates. Instead they must advise their CSDP or broker as to which election they wish to make. This should be done in terms of the agreement entered into between them and their CSDP or broker. If their respective CSDP or broker does not obtain instructions from them, they will be obliged to act in terms of the mandate furnished to them.

2. Acceptance and Payment

The receipt of any payment with your Acceptance/Renunciation Form will constitute an acceptance of all or part of this Allotment on the terms of this letter, subject to the Memorandum and Articles of Association of the Company and to the clearance of the Securities & Exchange Commission. If payment is not received by Wednesday, 14 January, 2015, the provisional allotment will be deemed to have been declined and will be cancelled. **Any payment value exceeding ₦10 million should be made through an electronic payment. Kindly consult further with your Bankers/Receiving Agents in this regard.**

You may participate in the Issue through any of the following methods:

a. Full Acceptance

If you wish to accept this provisional allotment in full, please complete box A of the enclosed Acceptance/Renunciation Form. The completed Acceptance/Renunciation Form together with a cheque or bank draft or evidence of electronic payment for the full amount payable must be submitted to any of the Receiving Agents listed in this document not later than Wednesday, 14 January, 2015. The cheque or draft must be made payable to the Receiving Agent, drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "**Oando PLC Rights Issue**" with your name, address and day time telephone number (if any) written on the back of the cheque or draft. All cheques and drafts will be presented upon receipt and all Acceptance/Renunciation Forms in respect of which cheques are returned unpaid will be rejected and returned through the post. E-payment may be made through the Receiving Banks to the Rights Issue. E-payments should also contain full names of the paying shareholder.

b. Applying for Additional shares

This may be done by any of the following processes:

- i. **Purchasing Rights on floor of the Exchanges.** Rights can only be purchased through any of the stockbrokers listed on pages 11 and 56 of this document. The stockbroker will guide you regarding payment. Shareholders/investors who purchase Rights on the Floor of the NSE are guaranteed the number of shares purchased i.e. they will not be subject to the allotment process in respect of the number of shares so purchased (please refer to item 3 below).
- ii. **Completing item (2) of box B of the Acceptance/Renunciation Form.** Payment should be made in accordance with (A) above. Shareholders who apply for additional number of shares using the Acceptance/ Renunciation Form will be subject to the allotment process and may therefore be allotted less than the number of additional shares applied for (please see item 4 below).

c. Partial Acceptance

To accept your provisional allotment partially, please complete box **C** and submit your Acceptance/Renunciation Form to any of the Receiving Agents listed on Page 56 of this document together with a cheque or bank draft or evidence of electronic payment made payable to the Receiving Agent for the full amount payable in respect of the number of shares you have decided to accept.

If you wish to renounce your provisional allotment partially or in full, please complete box **C**. If you however wish to trade all or some of your renounced Rights on the Floor of the Exchanges, please complete item (iii) of box **C** and submit your Acceptance/Renunciation form to a stockbroker (NOT A BANK) of your choice together with payment for any provisional allotment you are accepting partially. The stockbroker will guide you on the procedure for trading your Rights.

3. Trading in Rights on the NSE

The approval of the NSE has been obtained for trading in the Rights of the Company. The Rights will be tradable between Wednesday, 03 December, 2014 and Wednesday, 14 January, 2015 at the price at which the Rights are quoted on the NSE. If you wish to renounce your Rights partially or in full, you may trade such renounced Rights on the Floor of the NSE between these dates. Please complete item (iii) of box **C** of the Acceptance/Renunciation Form and contact your stock broker for assistance. If you wish to purchase renounced Rights, please contact your stockbroker who will guide you regarding payment and the procedure for purchasing Oando Rights.

4. Allotment of Additional Shares

Ordinary shares which are not taken up by Wednesday, 14 January, 2015, will be allotted on a basis to be determined by the Directors of Oando (subject to clearance by SEC), to existing shareholders who have applied and paid for additional shares by completing item (2) of box **B**. Ordinary shares not taken up by shareholders after allotment will revert to the unissued authorised share capital of the Company.

5. Surplus Subscription Monies

If any subscription for additional shares is not accepted or is accepted for fewer shares than the number applied for, a cheque for the value of the additional shares not accepted will be returned by registered post within 5 (five) working days after the date of allotment. E-payment process would be adopted for amounts exceeding ₦10million.

6. Rounding Principle

The numbers of Rights Issue shares to which shareholders will be entitled are stated in the table of entitlements set out in Annexure 1. The allocation of Rights Issue shares will be such that shareholders will not be allocated a fraction of a Rights Issue share and as such any shareholding giving rise to a fraction of less than one of a Rights Issue share will be rounded down to the nearest whole number. This is applicable to investors on both the Nigerian and South African share register.

7. E-Allotment/Share Certificate

At the completion of the Issue, the ordinary shares will be registered and transferable in units of 50 Kobo each. The CSCS accounts of Nigerian shareholders will be credited not later than 15 working days from the date the

basis of allotment is cleared by the SEC. Nigerian Shareholders are thereby advised to state the name of their respective stockbrokers and their Clearing House Numbers in the relevant spaces on the Acceptance Form. Share Certificates of Nigerian Shareholders that do not provide their CSCS account details will be dispatched by registered post not later than 15 working days from the date of allotment.

8. Refund process

The proceeds received from the JSE shareholders will remain in a designated escrow account. Should any unforeseen event result in the Rights Issue not proceeding, the proceeds will be returned to the JSE shareholders.

Yours faithfully,



MS. AYOTOLA O. JAGUN
Company Secretary

If you are in any doubt as to what action to take, you should consult your CSDP, broker, banker, accountant, attorney or other professional advisor immediately.

If you have disposed of all your shares in Oando PLC, please forward this circular to the purchaser of such shares or to the CSDP, broker, banker or other agent through whom the disposal was effected.

Shareholders on the JSE register:

- a. Will **not** receive an acceptance/renunciation form, but will have their accounts updated with their Rights Issue entitlement by their CSDP or broker;
- b. Should timeously instruct their CSDP or broker as to whether they wish to subscribe for all or part of their Rights Issue entitlement, or sell all or part of their Rights Issue entitlement or renounce all or part of their Rights Issue entitlement, or subscribe for additional Rights Issue shares, in the manner and time stipulated in the custody agreement;
- c. Who do not issue instructions to their CSDP or broker, will result in the CSDP or broker acting in accordance with the custody agreement; and
- d. Should note that Oando assumes no responsibility and will not be held liable for any failure on the part of their CSDP or broker to notify them of the Rights Issue and to receive instruction in regard thereto.

Entitlement

The rights that are represented by letters of allocation are valuable and may be traded on the JSE. Investors are not permitted to trade shares until notified by their CSDP/broker or an announcement has been made.

Renunciation or Sale of Rights Issue entitlement

Shareholders on the JSE register must contact their CSDP or broker with regard to the procedure to be followed in respect of the sale or renunciation of their Rights Issue entitlement.

Upon renunciation of the Rights Issue entitlement, the right to apply for excess securities is transferred.

Excess Applications

You are invited to apply for additional Rights Issue shares over and above your entitlement. Should there be excess Rights Issue shares available for allocation, these will be allocated to applicants on a basis to be determined by the Directors of Oando, subject to clearance by the SEC.

Shareholders on the JSE register wishing to apply for excess Rights Issue shares should instruct their CSDP or broker as to the number of excess Rights Issue shares for which they wish to apply, in terms of the agreement entered into between such dematerialized shareholder and his/her CSDP or broker.

Procedure for acceptance of the Rights Issue

Shareholders on the JSE register must contact their CSDP or broker with regard to the procedure to be followed in respect of the acceptance of their Rights Issue entitlement.

The following should be noted:

- a. Acceptances are irrevocable and may not be withdrawn;
- b. Shareholders on the JSE register must contact their CSDP or broker with regard to the procedure to be followed for acceptance of their Rights Issue entitlement and must act in accordance with the instructions received from their CSDP or broker;
- c. Dematerialized Shareholders on the JSE register must timeously instruct their CSDP or broker as to the action they must take to enable the CSDP or broker to act on their behalf in terms of the agreement entered into between such dematerialized shareholders and the CSDP or broker; and
- d. CSDP's can only settle their clients' accounts once the issued shares are received.

JSE listings

The JSE has granted listings for the letters of allocation and Rights Issue shares as follows:

2,217,265,184 letters of allocation

Commencement of listing:	Friday, 12 December, 2014
Last day to trade for letters of allocation:	Friday, 02 January, 2015
JSE code:	OAON
ISIN:	NGRGT0000071

2,217,265,184 Rights Issue shares

Commencement of listing	Friday, 10 April, 2015
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Refund process

The proceeds received from JSE shareholders will remain in a designated escrow account. Should any unforeseen event result in the Rights Issue not proceeding, the proceeds will be returned to the JSE shareholders.

Payment for the Rights Issue shares

Payment for the Rights Issue shares by the shareholders on the JSE Register is to be made in ZAR at the ruling ZAR/Naira exchange rate as at Monday, 01 December, 2014.

The following is a summary of the South African Exchange Control Regulations which are relevant to Oando shareholders on the JSE register. If in doubt, Oando shareholders should consult their professional advisers without delay.

Emigrants from the Common Monetary Area

Cash arising from the proceeds of the Rights Issue is not freely transferable from South Africa and must be dealt with in terms of the Exchange Control Regulations.

A cheque or banker's draft for the amount due should be posted or electronically transferred in a designated account held by Oando through the authorised dealer in South Africa being Standard Bank, it being incumbent upon the shareholder to instruct Standard Bank, the nominated authorised dealer as to the amount concerned.

All CSDPs and brokers with whom shares have been dematerialized should note that they are required to comply with the South African Exchange Control Regulations set out above.

All other non-residents of the Common Monetary Area

Cash arising from the proceeds of the Rights Issue will, at the election of the non-resident shareholder concerned, be dealt with as follows:

- a cheque for the amount due will be posted or electronically transferred in a designated account held by Oando through the authorised dealer in South Africa being Standard Bank, it being incumbent upon the shareholder to instruct Standard Bank, the nominated authorised dealer as to the amount concerned; or
- a banker's draft for the amount due in the currency of the shareholder's choice will be purchased by Oando on the instruction and at the expense of the shareholder at the rate of exchange ruling at the close of business on Monday, 01 December, 2014 or the receipt of the instruction, whichever is the later.

All CSDPs and brokers with whom shares have been dematerialized should note that they are required to comply with the South African Exchange Control Regulations set out above.

Failure to provide Information

If the information above is not provided, the share statements and any cash will be held in trust for the shareholders concerned pending receipt of the necessary information or instruction.

No interest will be paid on any cash so held in trust.

ACTIVITY	DATE
The ZAR/Naira exchange rate determined by the close of business and announced on	01-Dec-2014
Declaration and Finalisation data announcement released on SENS	02-Dec-2014
Finalisation data announcement published in South African press on	03-Dec-2014
Last day to trade in Oando shares in order to settle trades by the record date and to qualify to participate in the rights issue on the JSE (<i>cum</i> rights)	11-Dec-2014
Listing and trading of letters of allocation on the JSE while Oando shares trade ex-rights commences at 09h00 on	12-Dec-2014
Rights Issue circular posted to certificated South African shareholders on	15-Dec-2014
Record date for the Rights Issue for purposes of determining shareholders entitled to participate in the Rights Issue at the close of business on	19-Dec-2014
Dematerialized shareholders will have their accounts at their CSDP or broker automatically credited with the letters of allocation	22-Dec-2014
Rights Issue opens in South Africa at 09h00 on	22-Dec-2014
Rights Issue circular posted to dematerialized South African shareholders (where applicable) on	23-Dec-2014
Last day to trade in letters of allocation in order to settle trades by the close of the Rights Issue and participate in the Rights Issue at the close of business	02-Jan-2015
Record date for the letters of allocation	09-Jan-2015
Rights Issue closes at 12h00 in South Africa	09-Jan-2015
Payment in respect of the Rights Issue and the Excess Rights Issue shares to be made by all entitled shareholders and held in escrow on	09-Jan-2015
Nigerian SEC approval to be received for the allotment of the Rights Issue and the Excess Rights Issue shares on or about	13-Mar-2015
Results of the Rights Issue released on SENS on or about	16-Mar-2015
Results of the Rights Issue published in the South African press on the business day following the release of the results on SENS on or about	17-Mar-2015
CSDP/Broker accounts in respect of the dematerialized shareholders credited with the Rights Issue shares and the Excess Rights Issue shares on or about	10-Apr-2015
Listing of the Rights Issue and Excess Rights Issue shares and trading of the Rights Issue and Excess Rights Issue shares on the JSE commencing at 09h00 on or about	10-Apr-2015

NOTES

It is expected that the excess Rights Issue shares will be allotted on Friday, 13 March, 2015. Shareholders who have applied for excess Rights Issue shares should similarly make payment in respect of the excess Rights Issue shares by 12h00 on Friday, 09 January, 2015. The listing of the excess Rights Issue shares will take place on or about Friday, 10 April, 2015.

- i) Share certificates in respect of the ordinary shares being issued under the Rights Issue may not be dematerialized or rematerialized from Friday, 12 December, 2014 until Friday, 19 December, 2014, both days inclusive.
- ii) No transfers between the Nigerian and South African share registers may be implemented between Wednesday, 03 December, 2014 and close of business on Friday, 19 December, 2014.
- iii) Unless otherwise indicated, all times are South African times. Any material variation of the above dates and times will be approved by the JSE, released on SENS and published in the South African press.
- iv) Dematerialized shareholders are required to inform their CSDP or brokers of their instructions in terms of the Rights Issue in the manner and time stipulated in the agreement governing the relationship between the shareholder and their CSDP or broker.
- v) Rights Issue and excess Rights Issue shares may not be traded until the date of allotment, anticipated to be on Friday, 10 April, 2015.

RECEIVING AGENTS

A copy of the Rights Circular, incorporating the Acceptance/Renunciation form, has been forwarded to each of the shareholders whose names appeared in the Company's Register of Members as at close of business on 25 July, 2014. The completed Acceptance Forms may be returned to any of the following Receiving Agents to whom brokerage will be paid at the rate of ₦0.75 per ₦100 worth of shares allotted in respect of Acceptance Forms bearing their official stamp.

The Issuing Houses cannot accept responsibility for the conduct of any of the institutions listed below. Investors are therefore advised to conduct their own enquiries before choosing an agent to act on their behalf. Evidence of lodgement of funds at any of the Receiving Agents listed below, in the absence of corresponding evidence of receipt by the Issuing House, cannot give rise to a liability on the part of the Issuing House under any circumstances.








BANKS



Access Bank Plc Citibank Nigeria Limited Diamond Bank Plc EcoBank Nigeria Plc Enterprise Bank Limited Fidelity Bank Plc First Bank of Nigeria Limited First City Monument Bank Limited Guaranty Trust Bank Plc Heritage Banking Company Limited	Keystone Bank Limited Mainstreet Bank Limited Skye Bank Plc Stanbic IBTC Bank Limited Standard Chartered Bank Plc Sterling Bank Plc Union Bank of Nigeria Plc United Bank for Africa Plc Unity Bank Plc Wema Bank Plc Zenith Bank Plc
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STOCKBROKERS AND OTHERS

Adamawa Securities Ltd Adonai Stockbrokers Ltd AIL Securities Ltd Allbond Investments Ltd Alltrade Securities Ltd Alliance Capital Management Ltd AMYN Investments Ltd Anchoria Investment & Securities Ltd APT Securities & Fund Ltd Bacad Finance & Investment Co Ltd Bestworth Assets & Trust Ltd BFCL Assets & Investment Ltd BGL Securities Ltd BGL Limited BIC Securities Ltd BSD Securities Ltd Capital Assets Ltd Capital Trust Brokers Ltd Capital Express Securities Ltd Century Securities Ltd Calyx Securities Ltd CardinalStone Partners Limited CardinalStone Securities Limited Cash Craft Asset Management Ltd. Capital Bancorp Ltd Cashville Investments & Securities Ltd. Centre-Point Investment Ltd Chapel Hill Advisory Services City Investment Management Ltd City-Code Trust & Investments Ltd Consolidated Investment Ltd Cooper Flemming Stockbrokers Ltd Core Trust & Investment Ltd Crane Securities Ltd Crossworld Securities Ltd Clearview Investment Co Ltd Counters Trust Securities Ltd CSL Stockbrokers Ltd Dakal Securities Ltd DBL Securities Ltd De-canon Investments Ltd De-Lords Securities Ltd Denham Management Ltd Dependable Securities Ltd Dominion Trust Ltd Dynamic Portfolios Ltd Empire Securities Ltd Euro Comm Securities Ltd Express Portfolio Services Ltd Falcon Securities Ltd F & C Securities Ltd Fidelity Union Securities Ltd Fidelity Finance Ltd Financial Derivatives Ltd Financial Equities Ltd Financial Trust Co Ltd Finmal Finance Company Ltd	First Equity Securities Ltd First Stockbrokers Ltd Folu Securities Ltd Foresight Securities & Investment Ltd Forte Asset Management Ltd Forthright Securities & Investments Ltd Fountain Securities Ltd Future View Securities Ltd Genesis Securities Ltd. Gidauniya Investment & Securities Ltd Global Capital Market Ltd Golden Securities Ltd Great Africa Trust Ltd Greenwich Trust Ltd GTI Capital Ltd Heritage Investment & Securities Ltd Horizon Stockbrokers Ltd IBN Securities Ltd ICON Stockbroker Ltd IMB Morgan Plc Indemnity Finance Ltd Independent Securities Ltd Integrated Trust & Investments Ltd Intercontinental Securities Ltd International Capital Securities Ltd International Standard Securities Ltd Intercontinental Capital Markets Ltd Interstate Securities Ltd Investors & Trust Co Ltd Jamkol Investments Ltd Jenkins Investment Ltd Kinley Securities Ltd Kundila Finance Services Ltd Lakeworth Investments & Securities Ltd LB Securities Ltd Lead Securities & Investment Ltd Lighthouse Asset Management Ltd Lion Stockbrokers Ltd Lynac Securities Ltd Magnartis Fin & Inv Ltd Mainland Trust Ltd Maninvest Securities Ltd Marina Securities Ltd MBC Securities Ltd Mega Equities Ltd Mercov Securities Ltd M & F Investment Ltd Molten Trust Ltd Mutual Alliance Investment & Securities Ltd Midas Stockbrokers Ltd Midlands Investment & Trust Co. Ltd Mission Securities Ltd Morgan Trust & Asset Management Ltd Mountain Investment & Securities Ltd Newdevco Finance Securities Ltd Niche Securities Ltd Nigerian Stockbrokers Ltd	Networth Securities & Finance Ltd Nova Finance & Securities Ltd Options Securities Ltd OMF Securities & Finance Ltd Partnership Investment Co. Ltd Penninsula Assets Management and Investment Company Limited Pine Fields Investment Services Ltd PIPC Securities Ltd Peak Securities Ltd Perfection Securities & Investment Ltd PIPC Securities Ltd Platinum Capital Ltd Premium Securities Ltd Professional Stockbroker Ltd Profund Securities Ltd Prominent Securities Ltd PSL Limited P.S.I. Securities Ltd Rainbow Securities & Investment Co. Ltd Riverside Trust Limited Reward Investments & Services Ltd Royal Crest Finance Ltd Sanbros Trust & Securities Ltd Securities Solutions Ltd Securities Swaps Ltd Shallom Investment & Securities Ltd Sigma Securities Ltd Silver Financial Services Ltd Solid-Rock Securities & Investment Ltd Stanbic IBTC Stockbrokers Limited Sterling Capital Markets Limited Summa Guaranty & Trust Co. Ltd Summit Finance Company Ltd Support Services Ltd Tiddo Universal Securities & Finance Ltd Tomil Trusts Ltd Topmost Finance & Investment s Ltd TRW Stockbrokers Ltd Transglobe Investment & Finance Co Ltd Trade Link Finance & Securities Ltd Tropics Securities Ltd Trust and Financial Services Ltd Trusthouse Investment Ltd Trust Yields Securities Ltd UBA Securities Ltd UNEX Securities & Investment Ltd Union Stockbrokers Ltd Valmon Securities Ltd Valueline Securities & Investment Ltd Vetiva Capital Management Ltd Vetiva Securities Ltd Vision Trust & Investments Ltd WSTC Financial Services Ltd Yobe Investment Co. Ltd Zenith Securities Ltd Zuma Securities Ltd
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ACCEPTANCE/RENUNCIATION FORM

Acceptance List Opens Wednesday, 03 December, 2014	 Oando Plc <small>RC: 6474</small> Rights Issue of 2,217,265,184 Ordinary Shares of 50 Kobo each at ₦22.00 per share on the basis of one (1) new ordinary share of 50 Kobo each for every four (4) ordinary shares of 50 Kobo each held Payable in Full on Acceptance	Acceptance List Closes Wednesday, 14 January, 2015												
Lead Issuing House  VETIVA <small>CAPITAL MANAGEMENT LIMITED RC: 458493</small>	Joint Issuing Houses <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <small>RC: 446599</small> </div> <div style="text-align: center;">  <small>RC: 446561</small> </div> </div> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <small>RC: 1031358 Capital</small> </div> <div style="text-align: center;">  <small>Marina Securities Limited RC: 40480</small> </div> <div style="text-align: center;">  <small>Investment Banking RC: 630491</small> </div> </div>													
Bank details (for E-Dividend): Bank Name..... Branch..... Account Number <table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"></table> Email Address <table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"></table>														
INSTRUCTIONS FOR COMPLETING THE ACCEPTANCE/RENUNCIATION FORM 1. Acceptance and/or renunciation must be done on the prescribed form. Photostat or scanned copies of the Acceptance/Renunciation Form will be rejected. 2. Allottees should complete only ONE of the boxes marked B or C on the reverse of this form. 3. Shareholders accepting the provisional allotment in full should complete box B and submit their Acceptance/Renunciation Forms to any of the Receiving Agents listed on page 56 of the Rights Circular together with a cheque or bank draft payable to the Receiving agent for the full amount payable on acceptance or evidence of e-payment where the amount payable exceeds ₦10 million. The cheque or draft must be drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "OANDO PLC RIGHTS" with the name, address and daytime telephone number (if any) of the shareholder written on the back. If payment is not received by Wednesday, 14 January, 2015, the provisional allotment will be deemed to have been declined and will be cancelled. 4. Shareholders accepting their provisional allotment partially should complete box C and submit their Acceptance/Renunciation Form to any of the Receiving Agents listed on page 56 of the Rights Circular together with a cheque or bank draft made payable to the Receiving Agent for the amount payable for the partial acceptance. Where the amount payable exceeds ₦10 million, payment should be made through the e-payment mode. 5. Shareholders renouncing the provisional allotment partially or in full, should complete box C accordingly. Shareholders renouncing the provisional allotment, partially and in full, and who also wish to trade their renounced rights on the floor of The Nigerian Stock Exchange should also complete box A in addition to box C. The shareholders should obtain a Transfer form from their stockbrokers, complete it in accordance with the stockbroker's instructions and return it to the stockbroker, together with the completed Acceptance/Renunciation Form and a cheque or bank draft made payable to the stockbroker for any partial acceptance (or evidence of e-payment if applicable). If payment is not received by Wednesday, 14 January, 2015 the provisional allotment will be deemed to have been declined and will be cancelled. 6. Shareholders who wish to acquire additional shares over and above their provisional allotment may purchase renounce rights by completing item (ii) of box A and/or apply for additional shares by completing box B. 7. All cheques and bank drafts will be presented upon receipt and all acceptances in respect of which bank drafts are returned unpaid will be rejected and cancelled. Shareholders are advised to obtain an acknowledgement of the amount paid from the Receiving Agent through which the Acceptance/Renunciation Form is submitted. 8. Joint Allottees must all sign the appropriate box in the Acceptance/Renunciation Form. 9. Acceptance/Renunciation Forms of the Corporate Allottees must bear the corporate seal, RC Number and be completed under the hand of duly authorized officials who should state their designations. For further information on the Company's recapitalisation efforts, including access to the Right Circular, shareholders are encouraged to visit the website: http://www.oandopl.com														
FOR REGISTRAR'S USE ONLY <table style="width: 100%;"> <tr> <td style="width: 50%;">Control No:</td> <td style="width: 50%;">Account No:</td> </tr> <tr> <td><table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"></table></td> <td><table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"></table></td> </tr> <tr> <td>Number of shares Accepted</td> <td>Additional Shares applied for</td> </tr> <tr> <td><table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"></table></td> <td><table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"></table></td> </tr> <tr> <td>Value of shares applied for / Amount Paid</td> <td></td> </tr> <tr> <td><table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"></table></td> <td><table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"></table></td> </tr> </table>			Control No:	Account No:	<table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"></table>	<table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"></table>	Number of shares Accepted	Additional Shares applied for	<table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"></table>	<table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"></table>	Value of shares applied for / Amount Paid		<table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"></table>	<table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"></table>
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Acceptance List Opens Wednesday, 03 December, 2014	 Oando PLC RC 6474	Acceptance List Closes Wednesday, 14 January, 2015																				
<h2>Acceptance/Renunciation Form</h2>																						
(A) TRADING IN RIGHTS																						
i. Shareholders who renounce their Rights partially or in full may trade their Rights on the floor of The Exchange. The renounced Rights will be traded actively on the floor of The Exchange.																						
ii. Shareholders who wish to acquire additional shares over and above their provisional allotment may purchase renounced Rights (see A. iv. below) and/or apply for additional shares by completing item (ii) of box B below.																						
iii. Shareholders who purchase Rights on the floor of The Exchange are guaranteed the number of shares purchased. They will not be subject to the allotment process in respect of shares so purchased. Those that apply for additional shares by completing item (ii) of box B will be subject to the allotment process i.e. they may be allotted a smaller number of additional shares than what they applied for.																						
iv. If you wish to purchase renounced Rights, please contact your stockbroker who will guide you regarding payment and the procedure for purchasing OANDO PLC Rights.																						
DETAILS OF SHAREHOLDER'S PROVISIONAL ALLOTMENT																						
PLEASE COMPLETE SECTION B OR C AS APPLICABLE																						
(B) FORM OF FULL ACCEPTANCE AND REQUEST FOR ADDITIONAL SHARES																						
i. I/We accept this allotment in full as shown above.																						
ii. I/We also apply for the following additional shares. <div style="margin-top: 10px;">This section should be completed if you wish to apply for additional shares ></div> <table border="1" style="width: 100%; margin-top: 10px;"><tr><td style="width: 60%;">No. of Additional Shares Applied for</td><td style="width: 40%;">Additional Amount payable at ₦22.00 per share</td></tr><tr><td> </td><td>N</td></tr></table>			No. of Additional Shares Applied for	Additional Amount payable at ₦22.00 per share		N																
No. of Additional Shares Applied for	Additional Amount payable at ₦22.00 per share																					
	N																					
iii. I/We agree to accept the same or smaller number of additional shares in respect of which allotment may be made to me/us in accordance with the Provisional Allotment Letter contained in the Rights Circular.																						
iv. I/We enclose my/our bank draft for N..... or evidence of payment of N..... (for amounts exceeding ₦10 Million) being the amount payable as shown above, plus any additional amount payable as shown in item (ii) above.																						
(C) FORM OF RENUNCIATION OR PARTIAL ACCEPTANCE																						
<table border="1" style="width: 100%; border-collapse: collapse;"><thead><tr><th style="width: 33%; text-align: center;">1 No. of Shares Accepted</th><th style="width: 33%; text-align: center;">2 Amount payable at ₦22.00 per share</th><th style="width: 33%; text-align: center;">3 No. of Shares Renounced</th></tr></thead><tbody><tr><td colspan="3" style="height: 40px; text-align: center; vertical-align: bottom;">N</td></tr></tbody></table>			1 No. of Shares Accepted	2 Amount payable at ₦22.00 per share	3 No. of Shares Renounced	N																
1 No. of Shares Accepted	2 Amount payable at ₦22.00 per share	3 No. of Shares Renounced																				
N																						
i. I/We accept the number of shares as shown in Column (1) above and enclose my/our bank draft for N..... or evidence of payment of N..... (for amounts exceeding ₦10 Million) shown in column (2) above.																						
ii. I/We hereby renounce my/our right to Ordinary Shares shown in Column (3) above being the balance of the Ordinary Shares of 50 Kobo each provisionally allotted to me/us.																						
iii. I/We confirm that I/We wish to trade my/our rights to Ordinary Shares (being my/our renounced shares as shown in Column (3) above) on the floors of The Exchange. I/We shall obtain a Transfer Form from my/our stockbroker, complete it in accordance with his instructions and return it to the stockbroker with the form.																						
(for either B or C)																						
Signature..... 2nd Signature (for joint/Corporate Allottees)																						
Date..... Next of Kin.....																						
Clearing House Number (CHN): <table border="1" style="width: 100%; height: 30px;"><tr><td>C</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>			C																			
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Name of your Stockbroker: <table border="1" style="width: 100%; height: 30px;"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>																						
CSGS NO (if you want shares allotted credited to your CSGS A/C) <table border="1" style="width: 100%; height: 30px;"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>																						
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Stamp of Receiving Agent SEAL OF CORPORATE ALLOTTEE																						
 First Registrars																						

The following table sets out the number of Oando shares to which an Oando shareholder is entitled in terms of the Rights Issue.

Shares held	Entitlement	Shares held	Entitlement
1	0	51	12
2	0	52	13
3	0	53	13
4	1	54	13
5	1	55	13
6	1	56	14
7	1	57	14
8	2	58	14
9	2	59	14
10	2	60	15
11	2	61	15
12	3	62	15
13	3	63	15
14	3	64	16
15	3	65	16
16	4	66	16
17	4	67	16
18	4	68	17
19	4	69	17
20	5	70	17
21	5	71	17
22	5	72	18
23	5	73	18
24	6	74	18
25	6	75	18
26	6	76	19
27	6	77	19
28	7	78	19
29	7	79	19
30	7	80	20
31	7	81	20
32	8	82	20
33	8	83	20
34	8	84	21
35	8	85	21
36	9	86	21
37	9	87	21
38	9	88	22
39	9	89	22
40	10	90	22
41	10	91	22
42	10	92	23
43	10	93	23
44	11	94	23
45	11	95	23
46	11	96	24
47	11	97	24
48	12	98	24
49	12	99	24
50	12	100	25

TABLE OF ENTITLEMENTS TO THE RIGHTS ISSUE SHARES

Shares held	Entitlement	Shares held	Entitlement
200	50	2,900	725
300	75	3,000	750
400	100	3,100	775
500	125	3,200	800
600	150	3,300	825
700	175	3,400	850
800	200	3,500	875
900	225	3,600	900
1,000	250	3,700	925
1,100	275	3,800	950
1,200	300	3,900	975
1,300	325	4,000	1,000
1,400	350	4,100	1,025
1,500	375	4,200	1,050
1,600	400	4,300	1,075
1,700	425	4,400	1,100
1,800	450	4,500	1,125
1,900	475	4,600	1,150
2,000	500	4,700	1,175
2,100	525	4,800	1,200
2,200	550	4,900	1,225
2,300	575	5,000	1,250
2,400	600	10,000	2,500
2,500	625	100,000	25,000
2,600	650	1,000,000	250,000
2,700	675	10,000,000	2,500,000
2,800	700		